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FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

NEWS RELEASE
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F&N SUCCESSFULLY COMPLETES GLASS DIVESTMENT

Fraser & Neave Holdings Bhd (F&NHB) has successfully brought to a close its divestment of the entire equity interest in Malaya Glass Products Sdn Bhd (MGP) with receipt of total settlement of USD257.8 million from Berli Jucker Public Company Limited (“BJC”) and ACI International Pty Ltd., a wholly owned subsidiary of Owens-Illinois Inc. (“O-I”).

The USD257.8 million received from the purchasers on July 16 comprises USD221.7 million for F&N’s total divestment of the glass unit and USD36.1 million being the settlement of intercompany loans.

With an estimated gain of RM 350.3 million or RM0.98 per share, F&NHB has crystallised and successfully extracted value from its past investments from the Glass Group which has plants in Malaysia, Thailand, Vietnam and China.

“The valuation obtained from the entire Glass Group positively reflected the value creation of the business. I wish to record our appreciation and thanks to all the employees of the glass division for their professionalism and efforts in building a strong & viable business entity. I am sure they will appreciate the benefits and synergy of being part of a global entity,” said Mr Tan Ang Meng, F&NHB Chief Executive Officer.

Following the completion of the divestment, F&N now has a cash reserve of over RM1 billion. It has another RM1 billion borrowing capacity. Together, this will provide F&N significant financial strength and resources to pursue any opportunities that may arise in the future.

“The Group is stepping up its efforts in exploring and evaluating opportunities to expand our businesses in the next 12-24 months. We will continue to further develop and enhance business strategies that have served us well in the past and have contributed to our strong financial standing and business performance over the last decade,”

“The Board will consider returning part of the cash surplus to shareholders if there are no attractive investment opportunities available,” said Tan.

F&N shareholders approved the divestment exercise at an Extraordinary General Meeting held in Kuala Lumpur on July 7, 2010 and approval from the Ministry of International Trade & Industry was received on July 9, 2010.

F&N Holdings Bhd is a Malaysian company listed on Bursa Malaysia with F&B businesses in beverages and dairies. The Group employs over 3,000 employees in operations straddling Malaysia, Singapore and Thailand.

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**Issued with the compliments of Fraser & Neave Holdings Bhd
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