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NEWS RELEASE

FRASER & NEAVE HOLDINGS BHD DIVESTS GLASS BUSINESS FOR RM 710.8 MILLION AND REALISES GAINS OF RM 324.7 MILLION.

Fraser & Neave Holdings Bhd (“F&NHB”) today announced the divestment of its entire equity interest in Malaya Glass Products Sdn Bhd (“MGP”) to Berli Jucker Public Company Limited (“BJC”) and ACI International Pty Ltd., a wholly owned subsidiary of Owens-Illinois Inc. (“O-I”) for a total cash consideration of USD 221.7 million or equivalent to about RM 710.8 million (at exchange rate of USD 1.00 : RM 3.206). Together with the settlement of intercompany loans, total cash proceeds will be around USD 259.6 million (or equivalent to RM 832.2 million).

F&NHB will realize an estimated gain of about RM 324.7 million or RM 0.91 per share from the divestment.

The divestment, subject to the approval of the Ministry of International Trade and Industry and shareholders of the Company, is expected to be completed by the fourth quarter of the financial year ending 30 September 2010.

F&NHB chief executive officer Tan Ang Meng said the group’s investment in the glass business over the past decade had proven to be successful and rewarding - in facilitating the extension of its footprint regionally, widening its customer base, enhancing manufacturing capability and capacity - while leveraging the growth in the region. “From being a domestic player, we have built and created a profitable and sustainable regional glass container manufacturing capability.”

“Food and beverage is the Group’s core business contributing 90% of the Group’s PBIT and our strategy to enhance our capability and expand regionally is already yielding promising results as evidenced by our strong financial performance over the past three years. The glass business contributed 8% of the Group’s PBIT for the half year ended 31 March 2010.”



After an exhaustive review by our financial advisors and their subsequent recommendations F&NHB decided the best way to create value was by divesting its interest and exit from this sector.

According to Tan, the valuation received, positively reflected the strong business model, competitive edge, manufacturing and human capital competencies developed to date.

Among others the disposal consideration was also based on a bidding process, the potential business synergies, operational and cost efficiencies upon the alliance of BJC, O-I and the MGP Group, MGP's blue-chip customer base, strong market position, growing export business and experienced management team.

"The divestment will unlock and crystallize the value of our investment in MGP and enable the Group to further pursue its vision of building and fast-tracking F&N's vision and aspiration of being a world class, regional food and beverage enterprise."

"The proceeds from the sale of the glass division enable us to enhance value to our shareholders while providing us with the financial strength and flexibility to vie competitively for any opportunities that may arise in the future."

FNHB will assess and evaluate options for the optimal utilization of the cash proceeds from the divestment aimed at providing maximum value to F&NHB and its shareholders.

Deloitte Corporate Advisory Services Sdn Bhd advised F&NHB in connection with the MGP divestment.

MGP was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 6 April 1995. It is principally involved in the manufacturing and sale of glass containers and related products. MGP and its subsidiaries produce an extensive range of standard and bespoke glass bottles and jars in green, amber and flint colours.

The MGP Group has four factories in the region and is the leading glass container manufacturer in both Malaysia and Vietnam with market shares of 76 per cent and 60 per cent respectively and has a strong and increasing presence in the fast growing markets of Thailand and China.

Berli Jucker was incorporated in Thailand in 1882 as a partnership and transformed into a private limited company in 1965. It was listed on the Stock Exchange of Thailand in 1974 (among the first seven companies to be listed) and was transformed into a public company limited on 2 April 1993. Berli Jucker is a leader in the manufacturing and distribution of consumer products in Asia, with a subsidiary in the glass manufacturing sector, namely Thai Glass Industries Public Company Limited ("TGI"). Berli Jucker reported USD700 million in sales in 2009 and operates across four countries in South East Asia, employing more than 6,000 people. TGI, established in 1951, is one of the

