



Fraser & Neave Holdings Bhd

Analysts' Briefing

8 May 2013



Financial highlights

- Group revenue and operating profit gained 19% & 22% respectively :
 - Recovery of Dairies Thailand to pre-flood levels
 - Strong CNY volume from Soft drinks
 - Intense price competition & distribution restructuring affected Dairies Malaysia sales
- Profit after tax declined 25% - *LY's tax include deferred tax asset on halal hub*

(RM mil)	1H2013	1H2012	Change vs. LY
Revenue	1,756	1,474	+19.1%
PBIT	135	110	+22.1%
PBT	132	111	+18.6%
PAT	112	149	-24.9%

Financial highlights

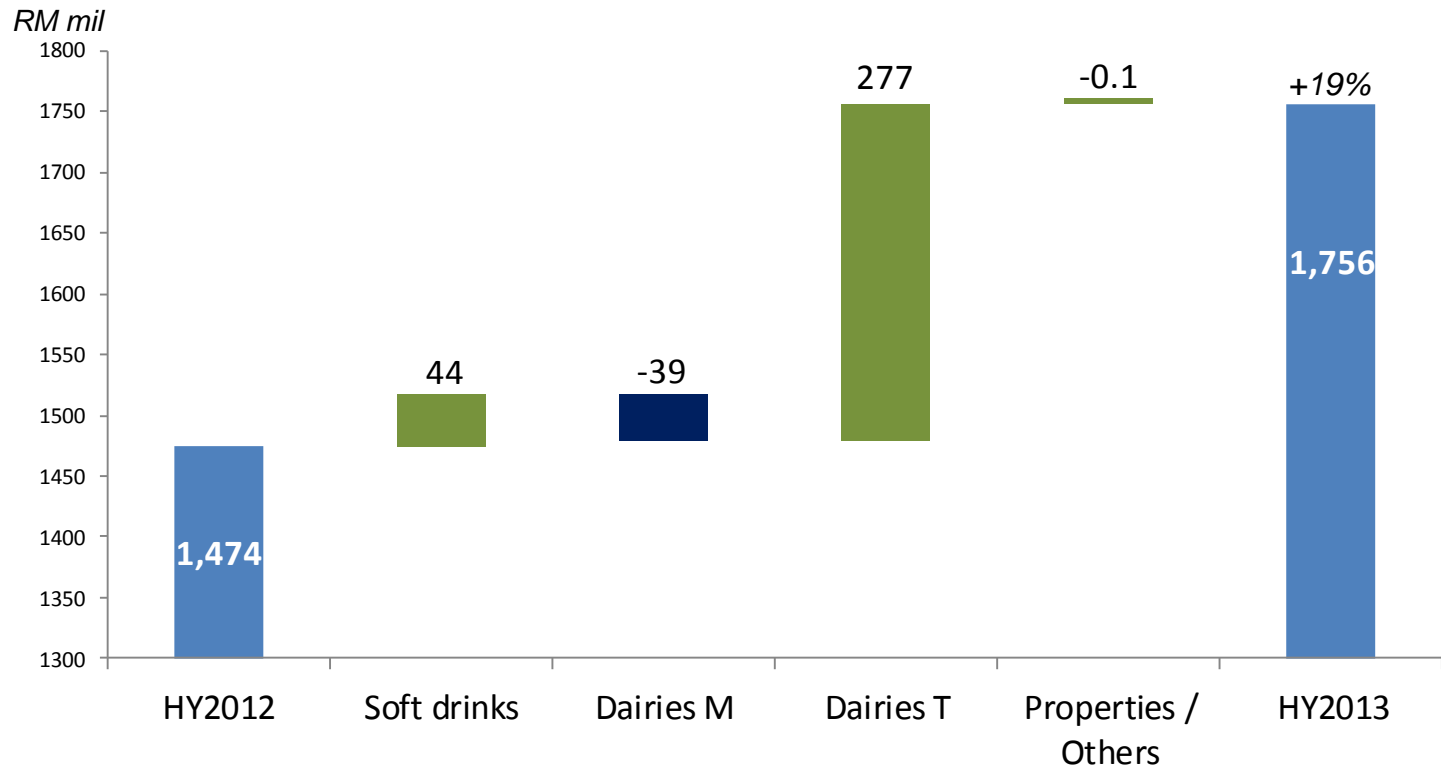


- EPS at 30.8 sen
- Ordinary dividend maintained at last year's level of 20 sen per share

Key ratios		1H 2013	1H 2012	Change
EPS	sen	30.8	41.3	-25.4%
NAV	RM	4.30	4.09	+5.1%
Net DPS - interim	sen	20.0	20.0	-
Share price @ 31 Mar	RM	18.50	18.88	-2.0%
ROE	%	7.2	10.1	-28.7%

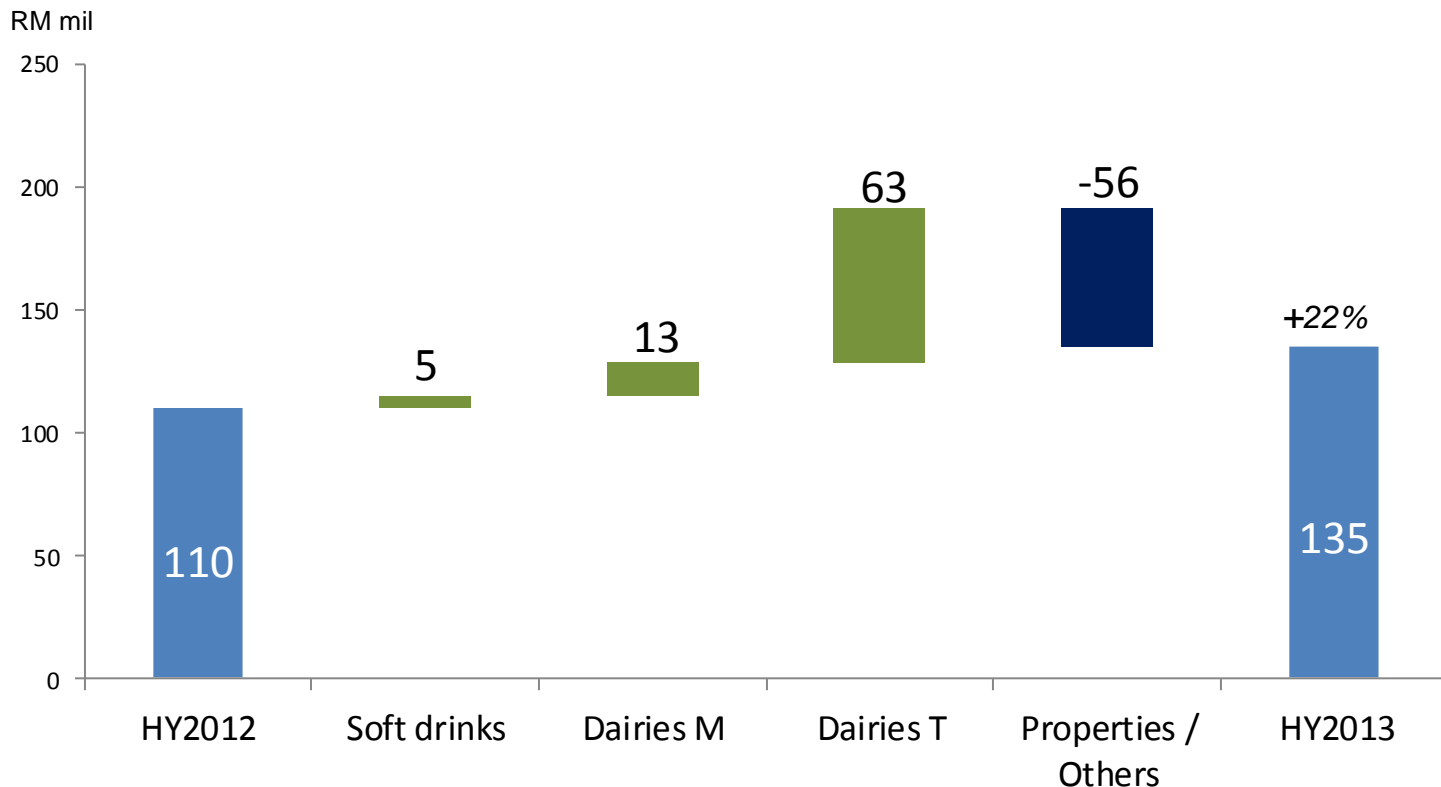
Revenue

- Key drivers of the 19% revenue growth are :
 - Recovery of Dairies Thailand to pre-flood levels
 - Soft Drinks registered strong CNY sales
- Dairies Malaysia's revenue contracted 7% due to competitive pricing pressure and distribution restructuring exercise
- Absence of property revenue – yet to launch S13 project

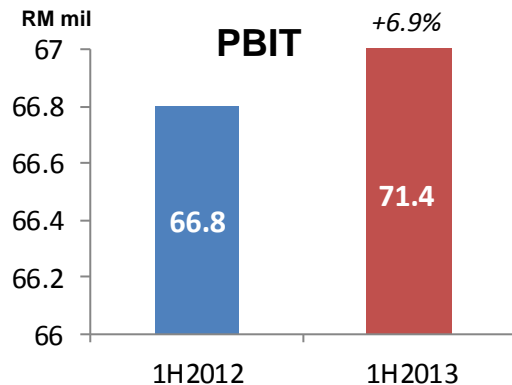
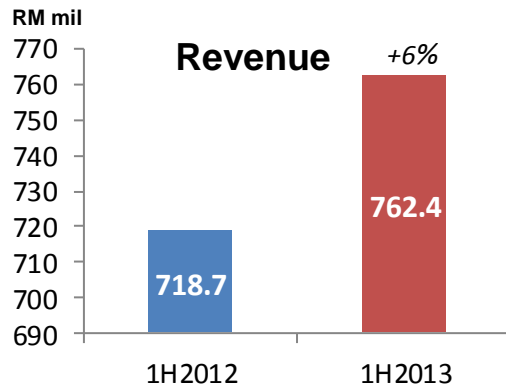
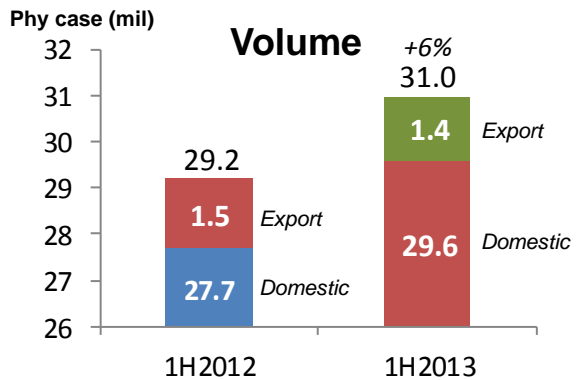


PBIT

- Group PBIT gained 22%, mainly driven by :
 - Strong post flood recovery in Thailand
 - Favourable commodity prices & soft drinks sales mix
- RM 56mil drop in property contribution – last year recognition of gain from divestment of PJ land

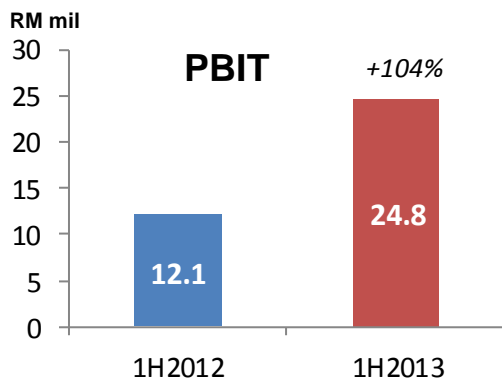
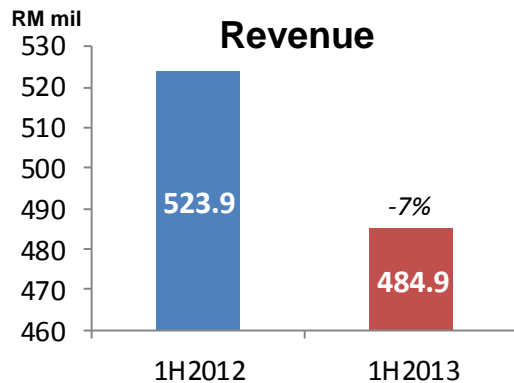
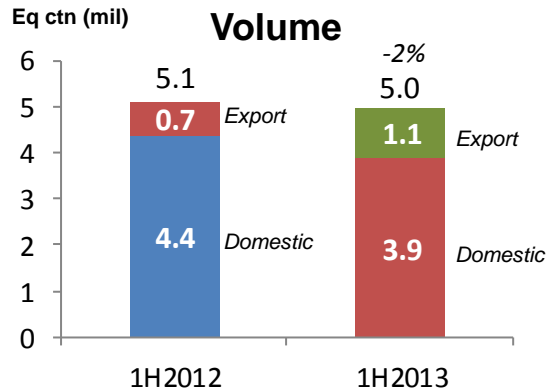


Soft drinks



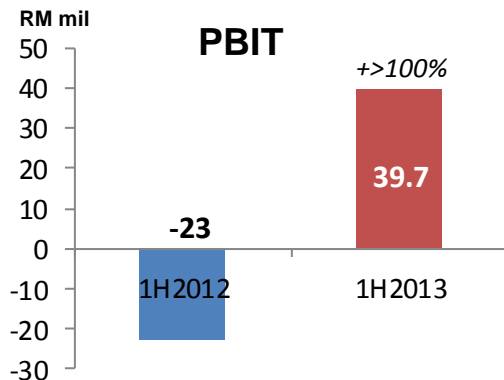
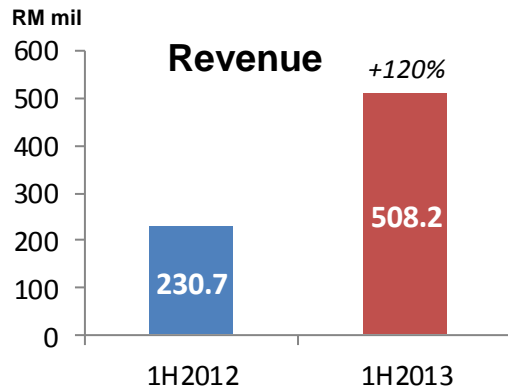
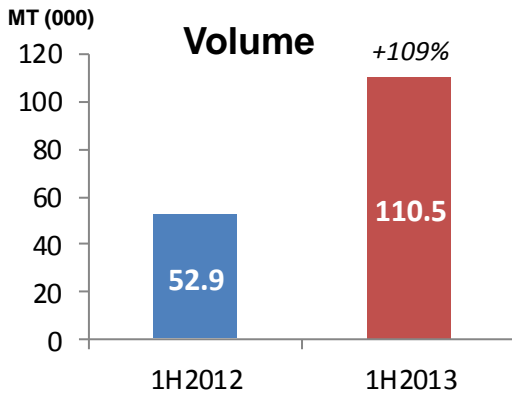
- Volume increased 6%, driven by domestic sales. Seasons, Ice Mountain & Red Bull continue to register double digit gains
- Effective CNY activation boosted 100Plus & F&N fun flavour Q2 volume by 12% & 14% respectively
- Revenue gained 6%, in line with volume growth
- Profit improved 7% on better volume & lower input costs
- MyCola - launched in East Malaysia in Nov 12 showing good growth momentum. Plans in place to launch in Pen Malaysia soon

Dairies Malaysia



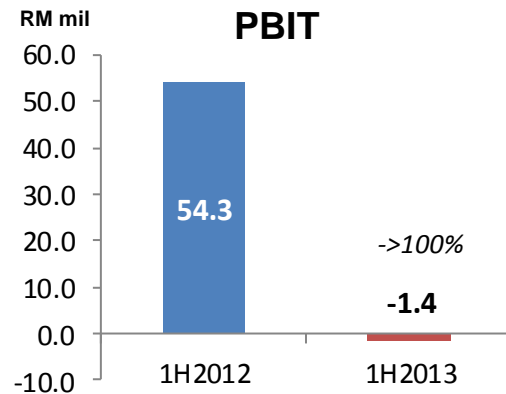
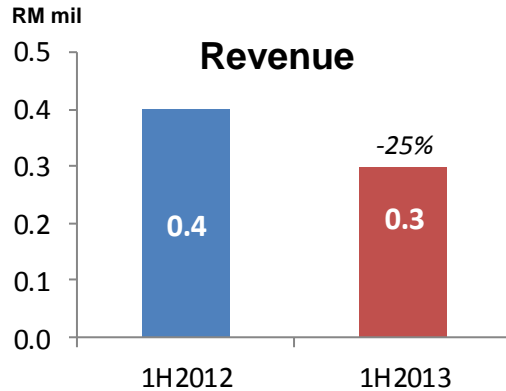
- Volume declined 2% while revenue contracted 7%, mainly from lower domestic sales
- Domestic sales impacted by :
 - Price competition in on-premise channel
 - Distribution restructuring
 - Challenges in Modern Trade channels
- PBIT growth came from favourable commodity prices. LY's profit impacted by RM 11mil accelerated depreciation of PJ building
- F&N Hi-Cal launched in Nov 12 registered positive growth as it is well received by consumers

Dairies Thailand



- Dairies Thailand volume & revenue jumped 109% and 120% respectively ~ full recovery to pre-flood levels
- With capacity restored, domestic, Indochina and export markets registered strong volume gains
- BHT 1.1 bil admitted by insurers & recognised. Todate, BHT 1.062 bil payment received from insurers

Properties / others



- Properties continue to focus on planning activities for PJ Section 13 project
- Section 13 project launch delayed to next financial year due to dissolution of local government in preparation for GE13
- Marketing activities for Phase 1 to start in Q2/Q3 2014
- LY's PBIT included RM55 mil capital gain on disposal of PJ Section 13 land

Business outlook & prospects

- BNM forecast 4.5%- 5.5% economic growth in 2013
- RM strengthening against USD
- Inflation remain low, consumer spending expected to remain robust
- Commodity prices trending up

Soft drinks

- Maintain 100Plus leadership
- Seasons brand re-alignment
- Continue MyCola momentum
- Protect F&N fun flavours

Dairies Malaysia

- Defending SCM share
- Grow EM category,
- Stimulate take home consumption

Dairies Thailand

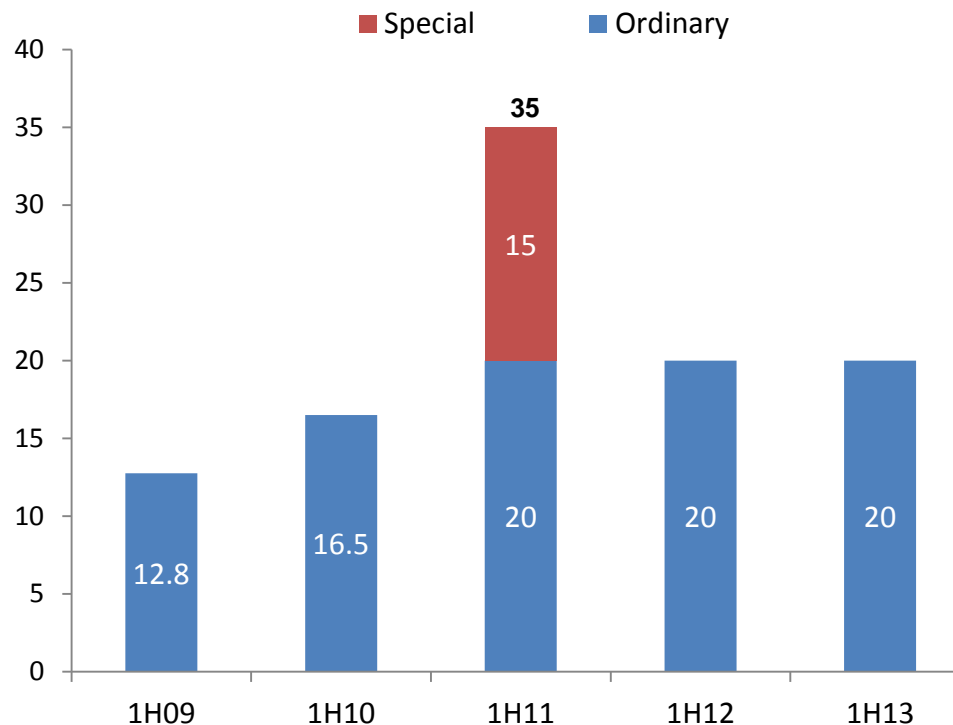
- Strengthening SBC
- Defend EM
- Grow UHT & STM
- Accelerate Indochina penetration

Dividends



- Interim net dividend of 20 sen per share
- Sustainable dividend without special dividend
- Payment date 1 Aug 2013

Interim dividend per share (sen) nett





Q&A