



FRASER & NEAVE HOLDINGS BHD



FY2015/16 Half Year Financial Highlights

4th May 2016



1H2016 Financial Highlights

- Healthy growth in both top line and bottom line despite uncertain environment.
- Group revenue grew 3.9% despite absence of contributions from Red Bull and some Nestle products and amidst softer consumer sentiments.
- Robust revenue growth of 9.1% from Food & Beverages (“F&B”) Thailand along with higher sales from Soft Drinks, amidst softer consumer sentiment
- Both F&B Malaysia and Thailand recorded double digit growth in operating profit
 - Boosted by lower input costs and improved manufacturing efficiencies
 - Effective trade promotion management
 - Effective channel consumer programs execution



Group Financial Highlights

Revenue

RM2,052.5 million

▲ 3.9%

Operating profit

RM274.1 million

▲ 65.4%

Profit before tax

RM279.5 million

▲ 66.5%

Profit after tax

RM242.2 million

▲ 72.5%

Basic EPS

66.2 sen

▲ 72.4%

Interim dividend

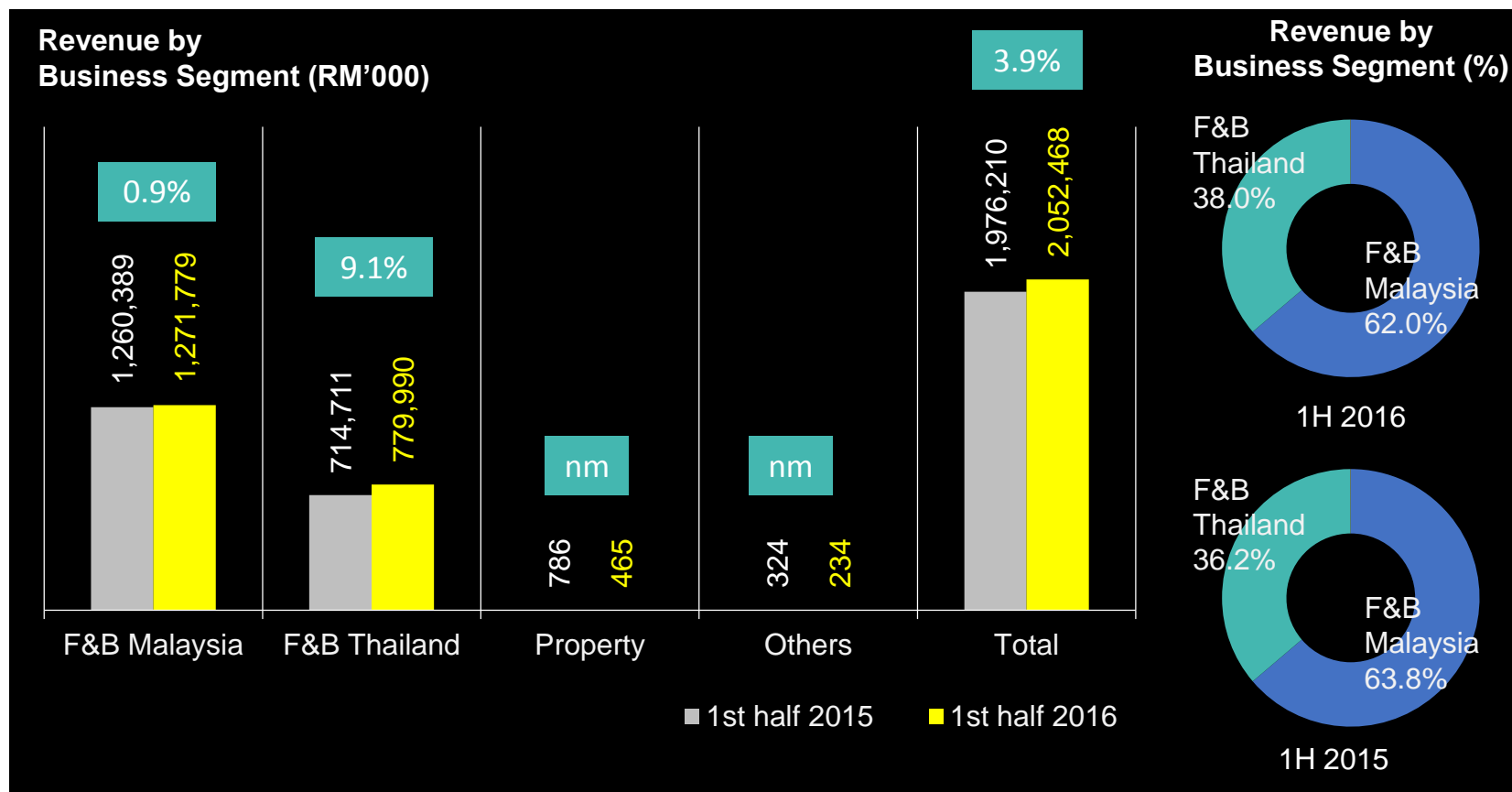
27 sen/per share

▲ 22.7%



Group Revenue grew by 3.9%

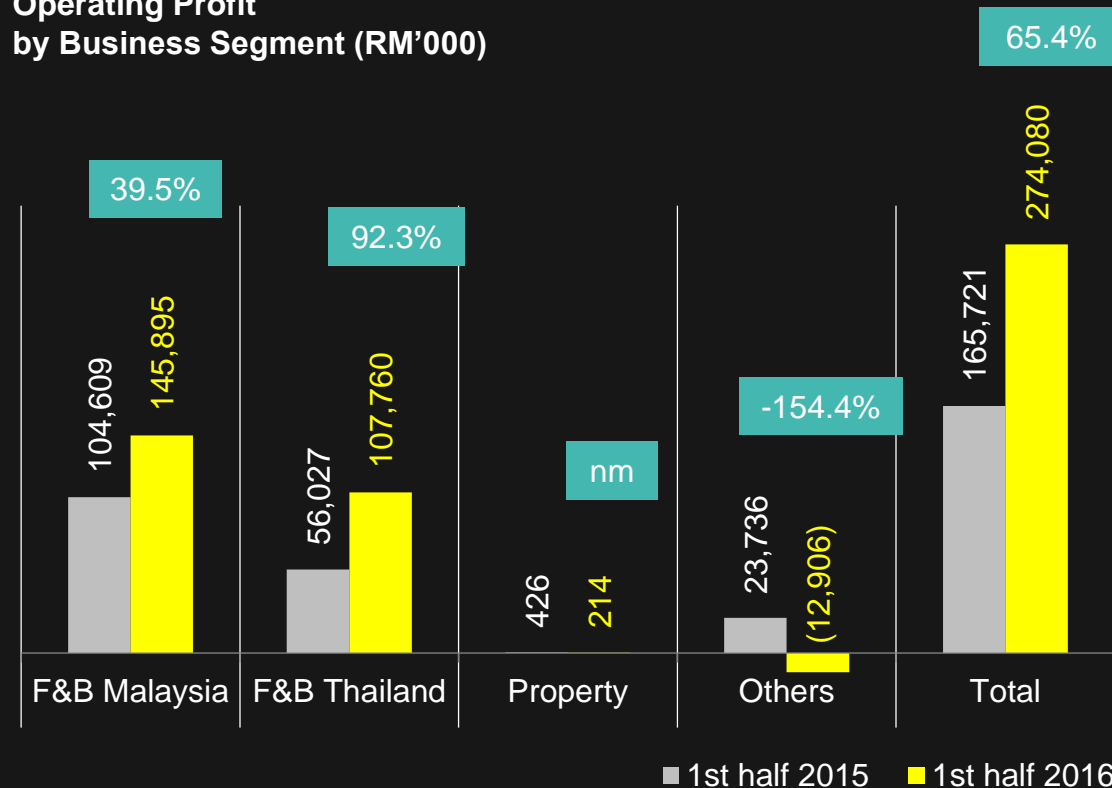
supported by strong revenue growth in F&B Thailand



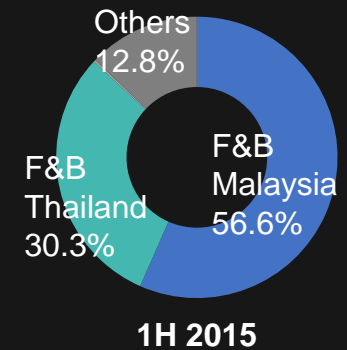
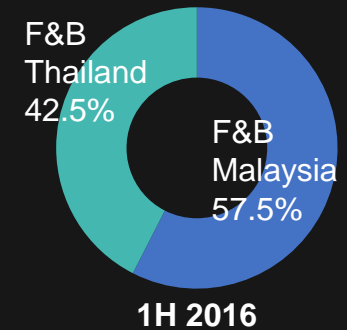
Food and Beverages Malaysia and Thailand

registered robust operating profit growth

Operating Profit
by Business Segment (RM'000)



Operating Profit
by Business Segment (%)





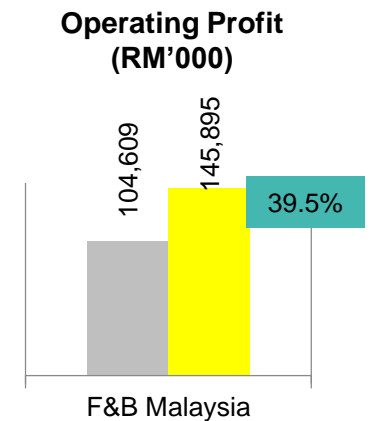
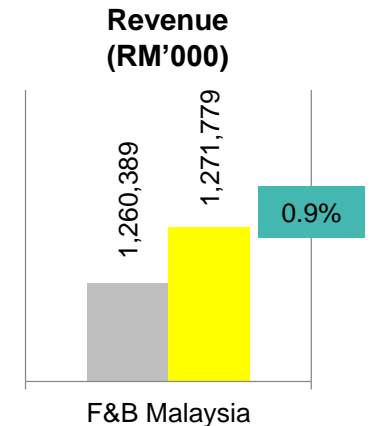
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01

Food & Beverages Malaysia

Food & Beverages Malaysia

- Revenue grew marginally by 0.9% mainly due to the absence of contribution from Red Bull.
- Well executed Chinese New Year festivity-driven consumer and trade marketing programs helped to ease the impact of increased end-consumer related competitive pricing pressures in the trade, particularly during the Chinese New Year festive period.
- Operating profit increased by 39.5% on favourable product mix, favourable milk based global commodity prices for its canned milk products, lower (branding) advertising and promotion, East Coast flood insurance claim recovery, along with the absence of East Coast flood-related costs.



■ 1st half 2015 ■ 1st half 2016





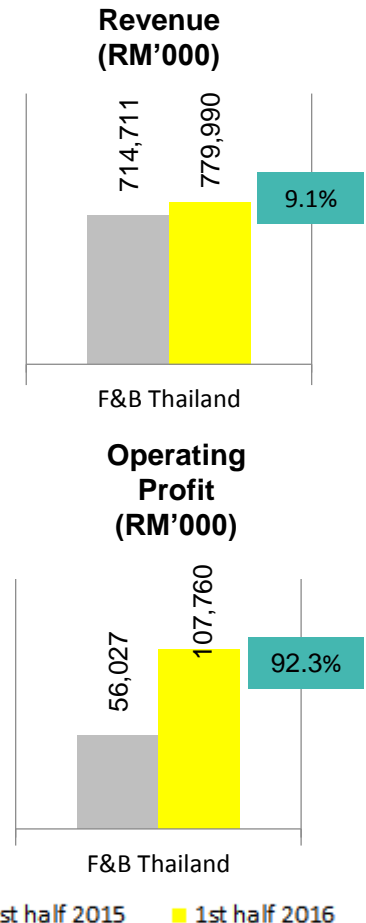
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Food & Beverages Thailand

Food & Beverages Thailand

- Revenue grew by 9.1% with continuing higher (than market) demand for all its products along with favourable contribution from its newly launched UHT milk products.
- Distribution coverage continues to increase, supported by effective branding and consumer trade campaigns.
- Operating profit increased significantly by 92.3%, aided significantly by favourable milk based commodity prices, lower trade discounting, recovery of withholding tax on royalties paid in previous years (equivalent to RM8.5 million) and realised (continuing) manufacturing efficiencies along with favourable Thai Baht foreign currency conversion.





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Dividends



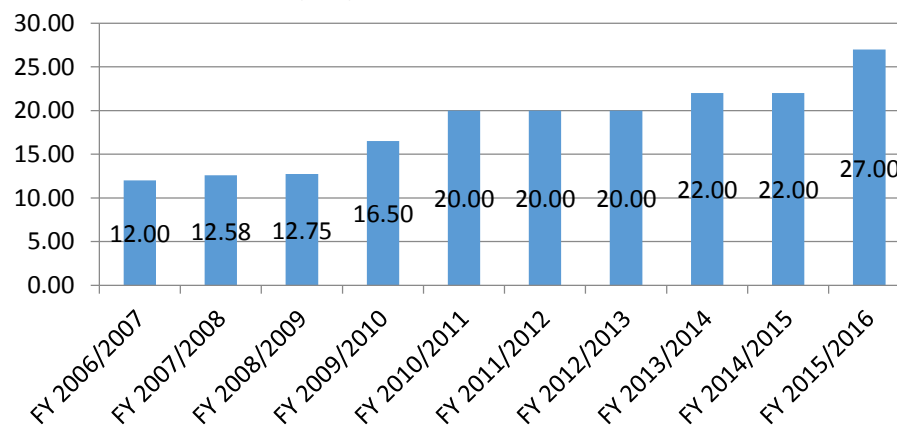
A stronger financial position

- Declared interim dividend of **27 sen** per/share, higher than last year (2015: 22 sen)
- Takes into account Group's capital position, capital expenditure investments and near-term capital needs
- Entitlement date: 23 May 2016
- Payment date: 15 June 2016

	1H 2016	1H 2015
Total equity ¹	1,911,228	1,877,007
Total assets	3,081,943	3,021,006
Net cash/(debt)	51,821	112,209
Net tangible assets ¹ per share	4.86	4.76
Gearing ratio	0.21	0.16

¹ Includes non-controlling interest

Interim dividend/share (sen)





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Business Outlook

Business Outlook

- Softening global economy and local economic uncertainties in both Malaysia and Thailand.
- In Malaysia, the after-effects of the one year old Goods and Services Tax implementation appear to be prolonged. There is an increase in competitors' offerings in differentiated packaging formats and portfolio expansion, thus increasing consumer choices. The Malaysian Ringgit, in particular, although having strengthened in this quarter against the US Dollar, may continue to be volatile. Nevertheless, in the short term, the Group has hedged its foreign currency requirements.
- In Thailand, the effect of El-Nino in its northern territories will inadvertently have an inflationary impact on the economy and would impact domestic demand.





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THANK YOU



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