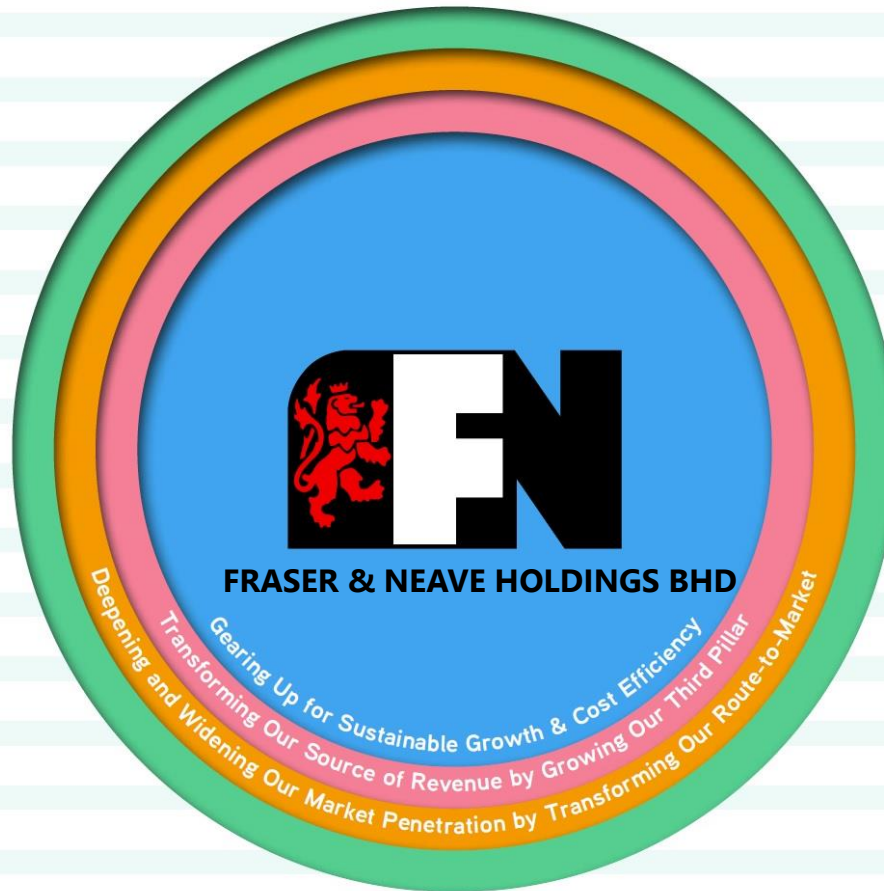


TRANSFORMING



FOR A SUSTAINABLE FUTURE

Full Year FY 2016/2017 Group Financial Highlights

Important notice

Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Fraser & Neave Holdings Bhd (“F&NHB”), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding F&NHB’s present and future business strategies and the environment in which F&NHB will operate in the future. Because these statements and financial information reflect F&NHB’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

F&NHB expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in F&NHB’s expectations with regard there to or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the Bursa Malaysia Securities Berhad Listing Requirements and/or any other regulatory or supervisory body or agency.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While F&NHB has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, F&NHB has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.





FRASER & NEAVE HOLDINGS BHD

**Business Transformation
for Sustainable Growth**

F&NHB Group Today:

Three Growth Pillars Supporting Sustainability

RECAP
From 1st half FY17
results briefing



TODAY

Our current business is built upon **three independent growth pillars:**

- **F&B Malaysia** (Domestic)
- **F&B Thailand** and
- **Exports**

Each pillar has its own long-term strategies and targets.



* Exports is included within F&B Malaysia & F&B Thailand segments.

RECAP
From 1st half FY17
results briefing

Transforming F&B Malaysia

Accelerating its transformation program ahead of the conclusion of the current financial year

Deepening and widening our market penetration by transforming the route-to-market,
intensifying focus on enhancing its efficiencies and reducing cost-to-serve

DAIRIES
MALAYSIA

**Extracting
synergies with
the commercial
realignment**

SOFT DRINKS
MALAYSIA

Simplified processes and a leaner structure that minimises duplications
and increases efficiencies



Transforming F&B Malaysia

Accelerating its transformation program ahead of the conclusion of the current financial year

Deepening and widening our market penetration by transforming the route-to-market, intensifying focus on enhancing its efficiencies and reducing cost-to-serve

COMPLETED

DAIRIES
MALAYSIA

SOFT DRINKS
MALAYSIA

Simplified processes and a leaner structure that minimises duplications and increases efficiencies

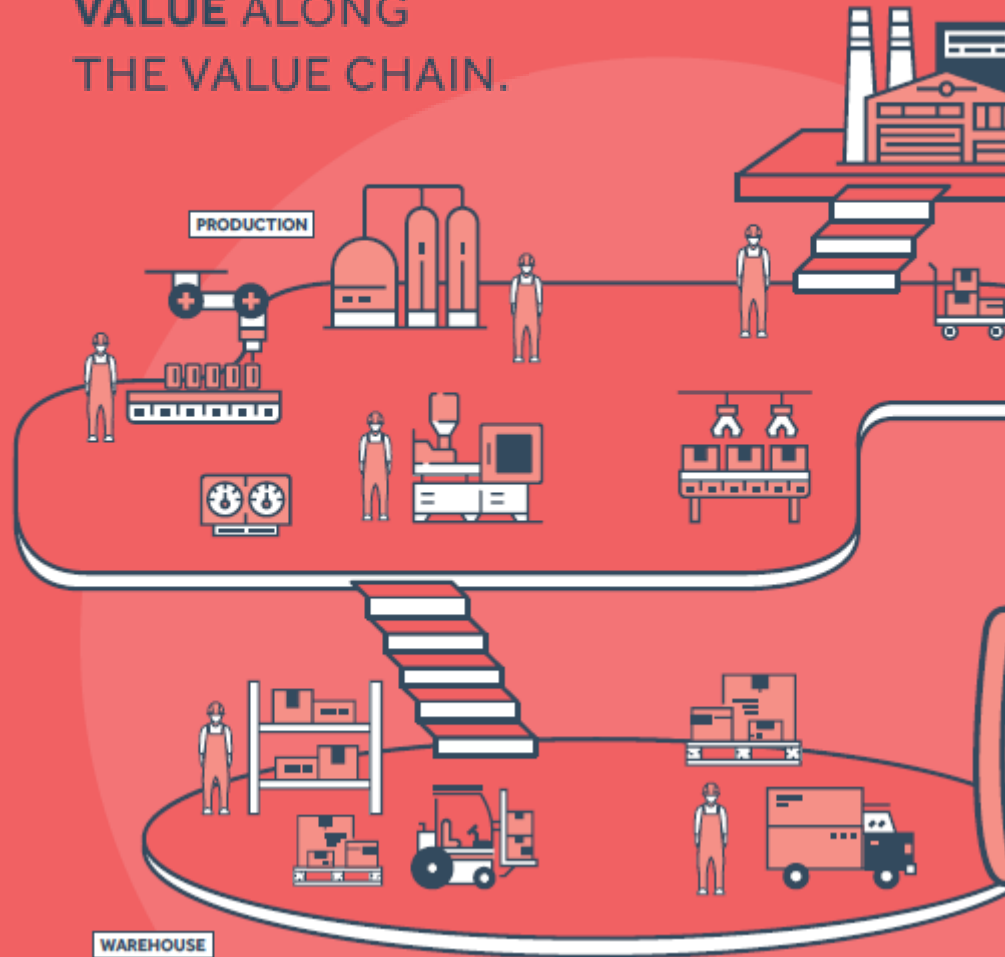


COST OPTIMISATION

FY2017 :
Challenging year
with intense competition
and high input costs

ENHANCING EFFICIENCY

CAPTURING VALUE ALONG THE VALUE CHAIN.



Through the various transformational programs, the **upswing in commodity prices** have been largely digested

F&B Thailand

Building brand and innovation

RECAP
From 1st half FY17
results briefing

- Strong brand presence and visibility (40,000 hawker stalls)
- Continuing brand building activities
- Expanding product applications
- Innovations



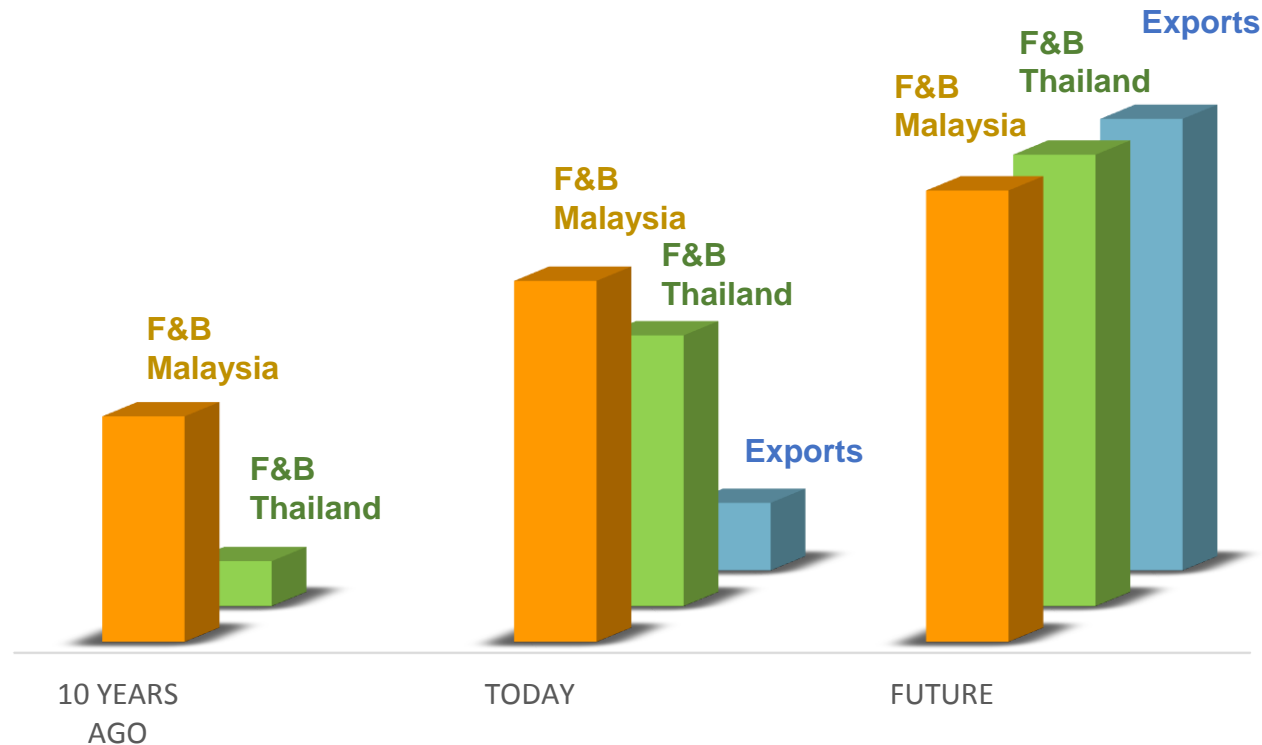
F&B Thailand

Winning through effective marketing and trade activities

- **Innovations** – Successful introduction of TEAPOT Tube (launched in FY 2016) and launch of 2 new BEAR BRAND variants
- Strong **brand presence** and **visibility among hawker stalls** (40,000 hawker stalls)
- BEAR BRAND and CARNATION maintained **market leadership**
- **TEAPOT doubled its market share** in Sweetened Beverage Creamer category



Building Exports as Our Third Pillar

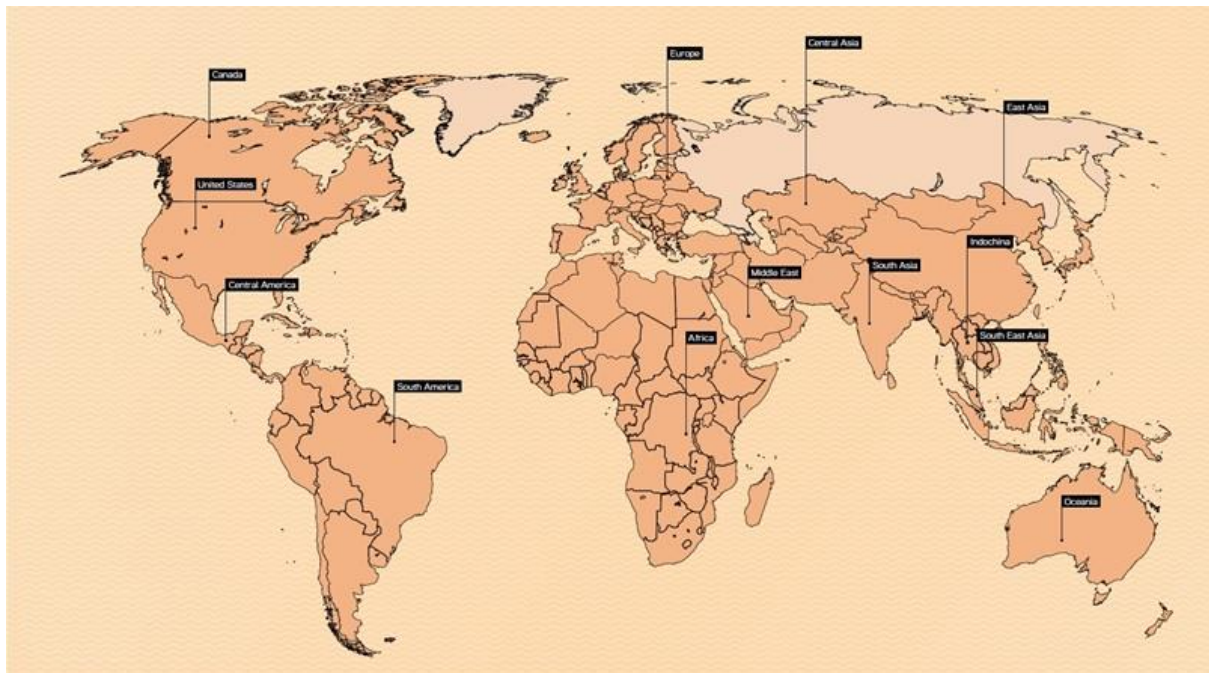


Export Strategies

Differentiation approach

RECAP
From 1st half FY17
results briefing

- Focusing on building long term partnership with customers
- Customisation of product offerings and expansion of branded products vs OEM
- Packaging innovations (industrial pack, single serve pack)
- Leverage on our halal status to tap more fully into Muslim nations



Established Greater Presence in Halal Market

Export performance mitigated impact from lower domestic revenue

↑26%

Growth in export of our dairy products from Malaysian operations in FY 2017

>10%

Contribution of exports (both Malaysian and Thailand operations) to total Group Revenue

>30%

FY 2017 F&N export volume growth to Africa & Middle East (Halal core markets)

Exports from Malaysian Operations

Building **long term**
partnership
with customers



Dessert & Snack
Fair, Korea 2017

Customisation
of product offerings
and **expansion** of
branded products

Leverage on our
halal status



Malaysia International Halal
Showcase (MIHAS), 2017



Anuga, Taste the Future
Trade Fair for Food & Beverages
in Cologne, 2017

Packaging
innovations

Brand Building in Indochina (Laos & Cambodia)





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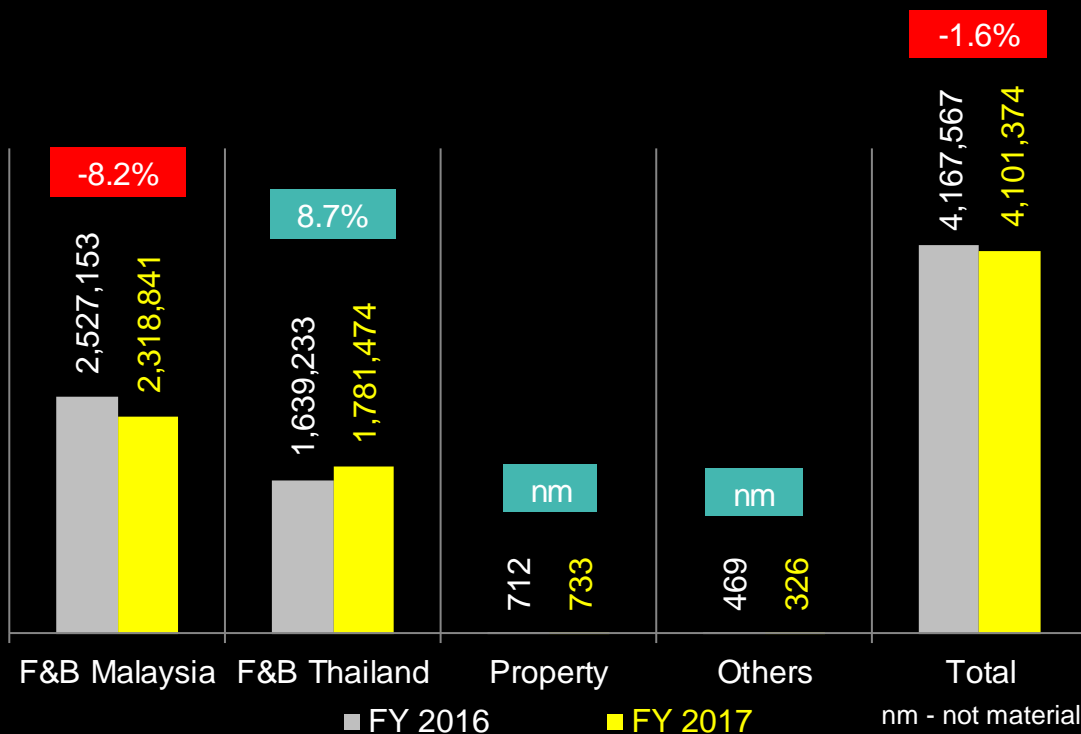
**Full Year FY 2016/2017
Group Financial Performance**

Group Full Year Revenue

maintained at RM4.1 billion

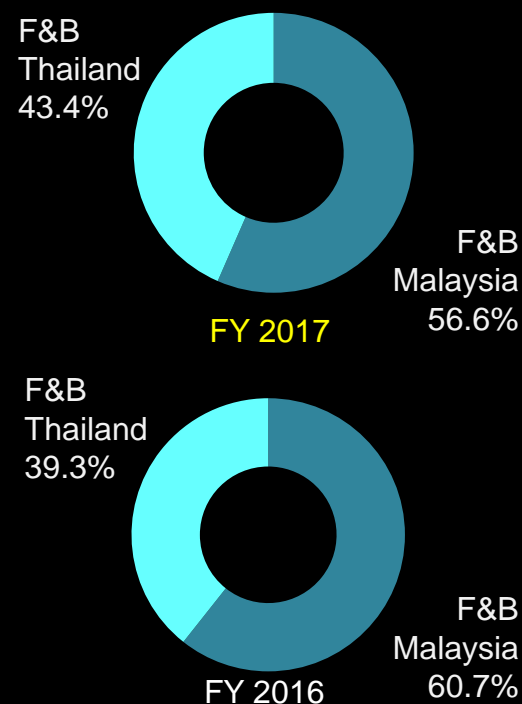
Revenue FY 2017

by Business Segment (RM'000)



Revenue

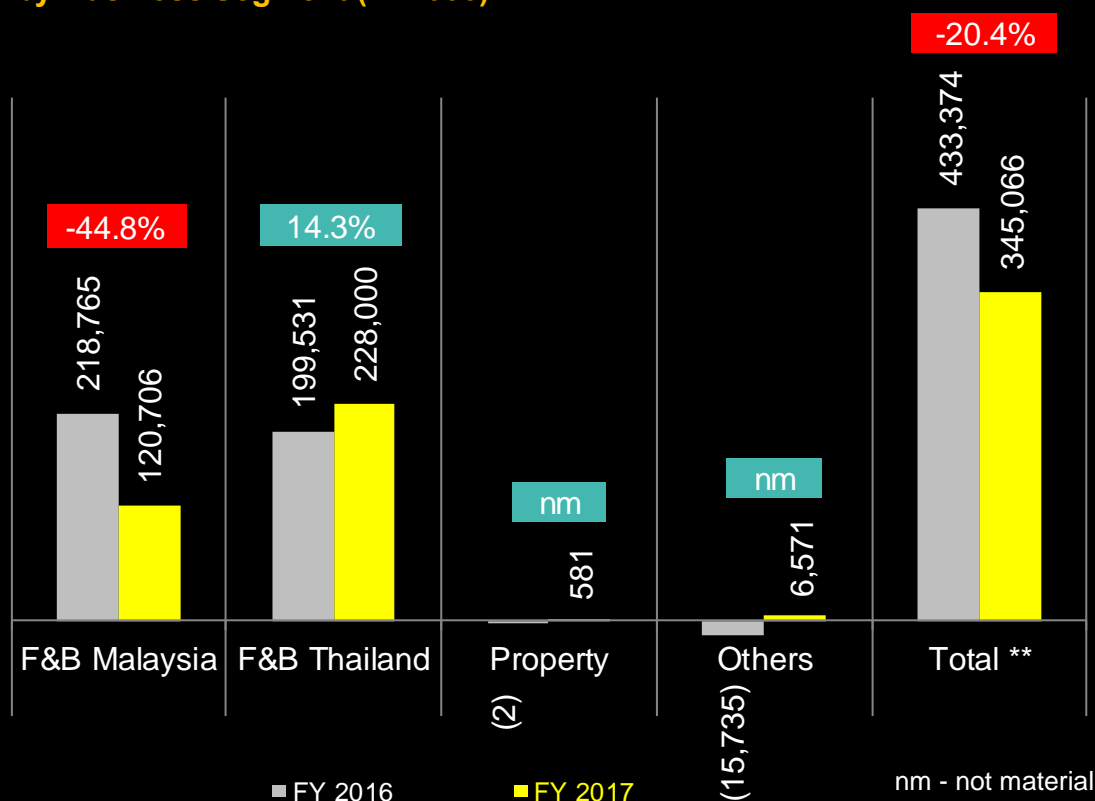
F&B Malaysia : F&B Thailand (%)



Group Full Year Operating Profit

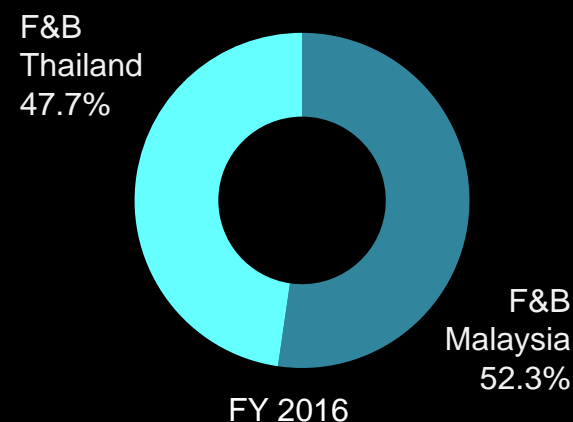
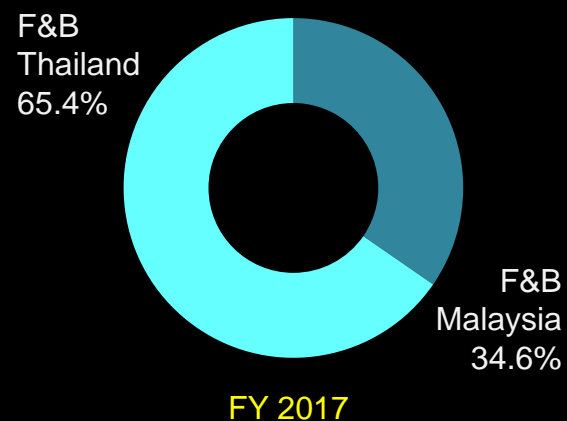
impacted by higher input and restructuring costs

Operating Profit FY 2017 by Business Segment (RM'000)



** Adjustments and eliminations are not shown in the chart.

Operating Profit F&B Malaysia: F&B Thailand (%)



Group Full Year Operating Profit

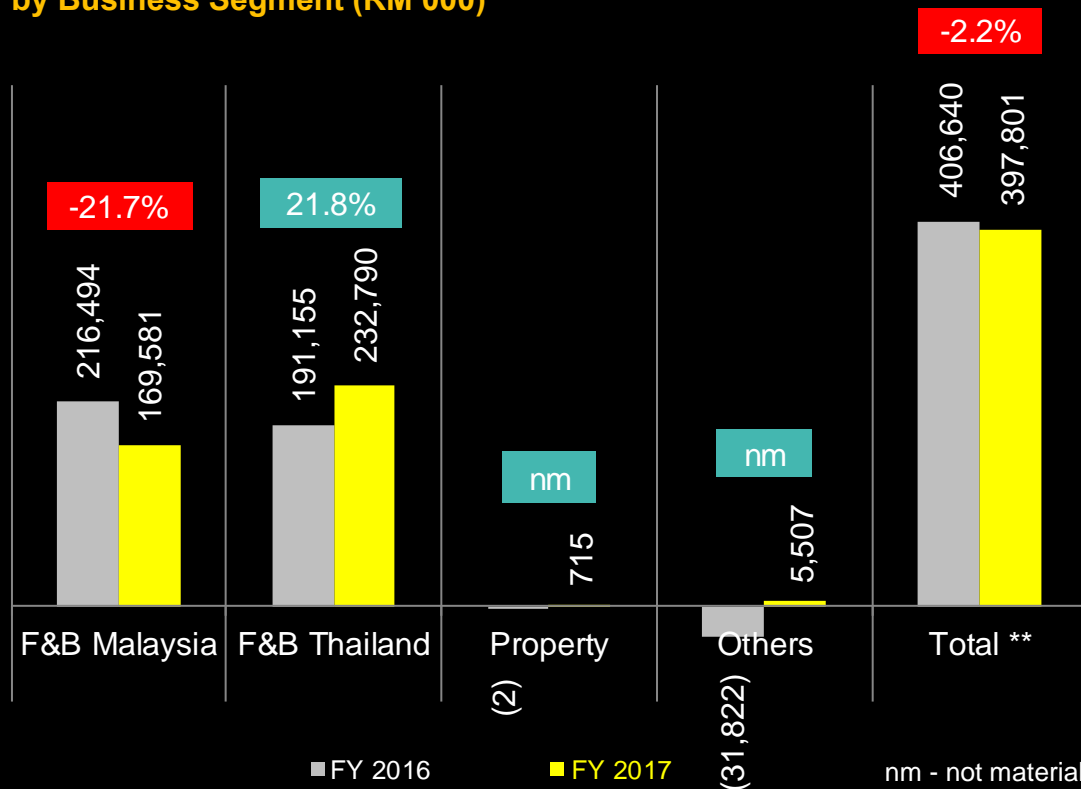
on a comparable basis, excluding one-off items,
is lower by 2.2% (RM8.8m)

Excluding
one-off items

Operating Profit FY 2017

(Excluding one-off items)

by Business Segment (RM'000)



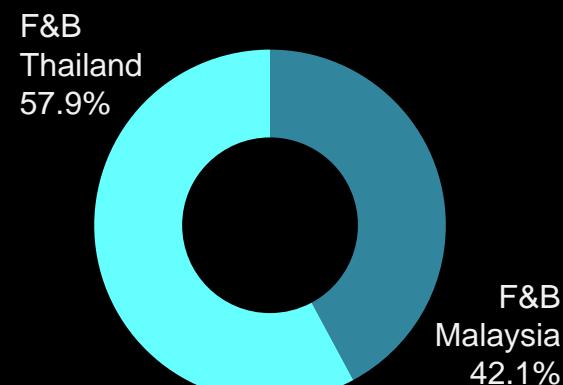
* One-off items amounted to:
FY 2017: RM52.7 million, FY 2016: (RM26.7 million gain)
(For further details, please refer to the quarterly announcement).

** Adjustments and eliminations are not shown in the chart.

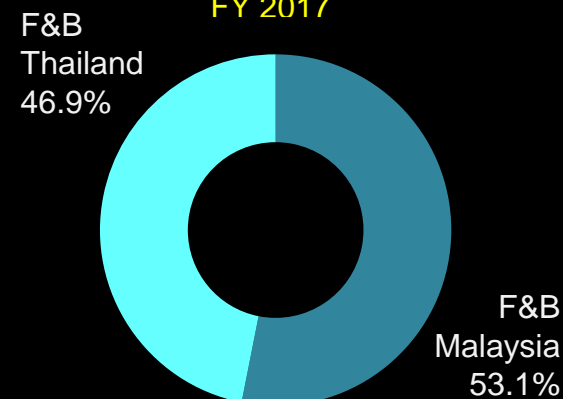
Operating Profit

(Excluding one-off items)

F&B Malaysia: F&B Thailand (%)



FY 2017



FY 2016



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Food & Beverages Malaysia

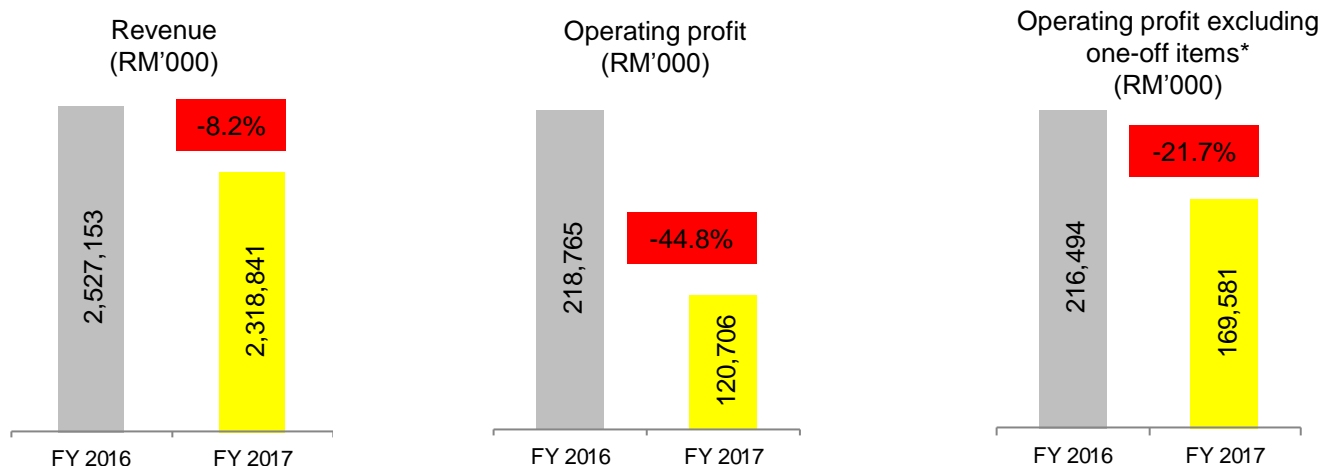
("F&B Malaysia")

F&B Malaysia

Robust export revenue help mitigate impact from lower F&B Malaysia domestic revenue

Export of dairy products
↑ **26%** for FY17

- **Revenue** : declined by 8.2% from RM2,527.2 million to RM2,318.8 million
 - Impacted by continuing weak consumer sentiment and intense pricing pressure.
- **Operating profit** : declined 44.8% from RM218.8 million to RM120.7 million
 - Impacted by restructuring cost
 - Lower revenue and higher input costs especially sugar
 - Offset by lower discounts, advertising and promotions spending, and overheads.
- **Excluding one-off items***, operating profit declined by 21.7% to RM169.6 million.



* One-off items amounted to:
FY 2017: RM48.9 million, FY 2016: (RM2.2 million gain) (For further details, please refer to the quarterly announcement).





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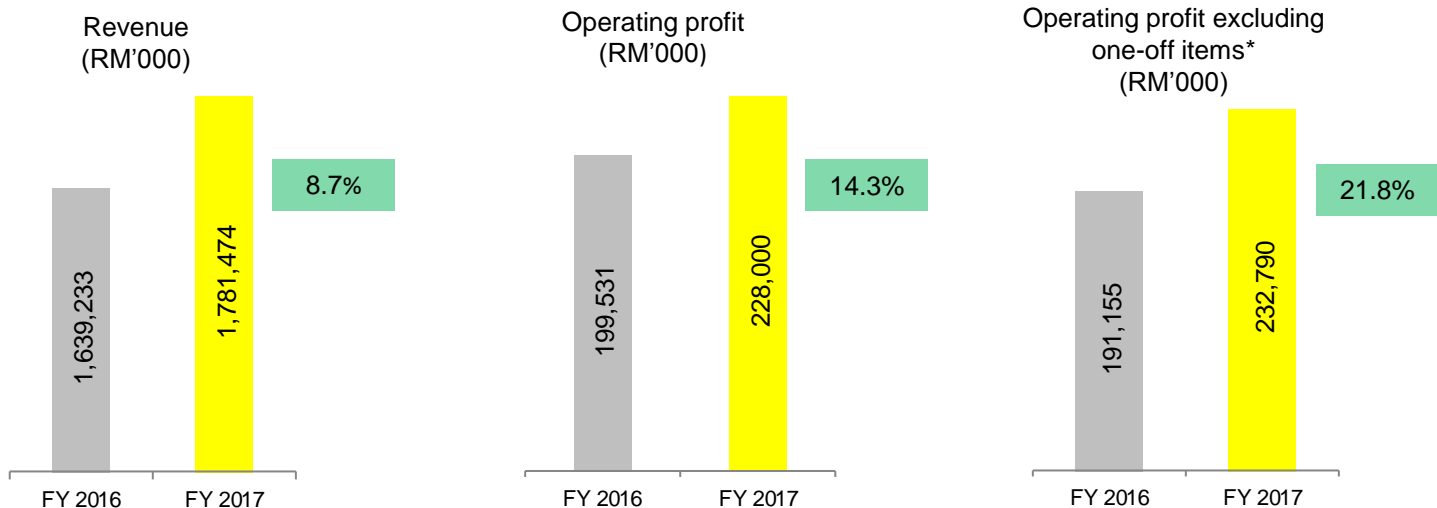
Food & Beverages Thailand

(“F&B Thailand”)

F&B Thailand

Double-digit growth in operating profit

- **Revenue:** 8.7% higher to RM1,781.5 million
 - Double-digit growth in the Indochina market and successful launches of two new BEAR BRAND variants and TEAPOT Tube
 - Aided by favourable Ringgit Malaysia/Thai Baht translation.
- **Operating profit** rose 14.3% to RM228.0 million from RM199.5 million
 - Favourable input and packaging costs, and lower advertising and promotions spending.



* One-off items amounted to:
FY 2017: RM4.8 million, FY 2016: (RM8.4 million gain) (For further details, please refer to the quarterly announcement).





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Dividends

Final Dividend Maintained at **30.5 Sen/Share**

65%
Dividend payout
ratio

	FY 2017	FY 2016
Total equity ¹	2,132,730	1,989,162
Total assets	3,231,498	3,205,873
Net cash/(debt)	45,336	188,957
Net assets per share	5.82	5.43
Gearing ratio	0.18	0.20

¹ Includes non-controlling interest

- Final single tier dividend of **30.5 sen** per share
- Total dividend for the year of **57.5 sen** per share, **matching that in FY2016**.
- Takes into account Group's capital position, working capital requirements and capital expenditure investments.

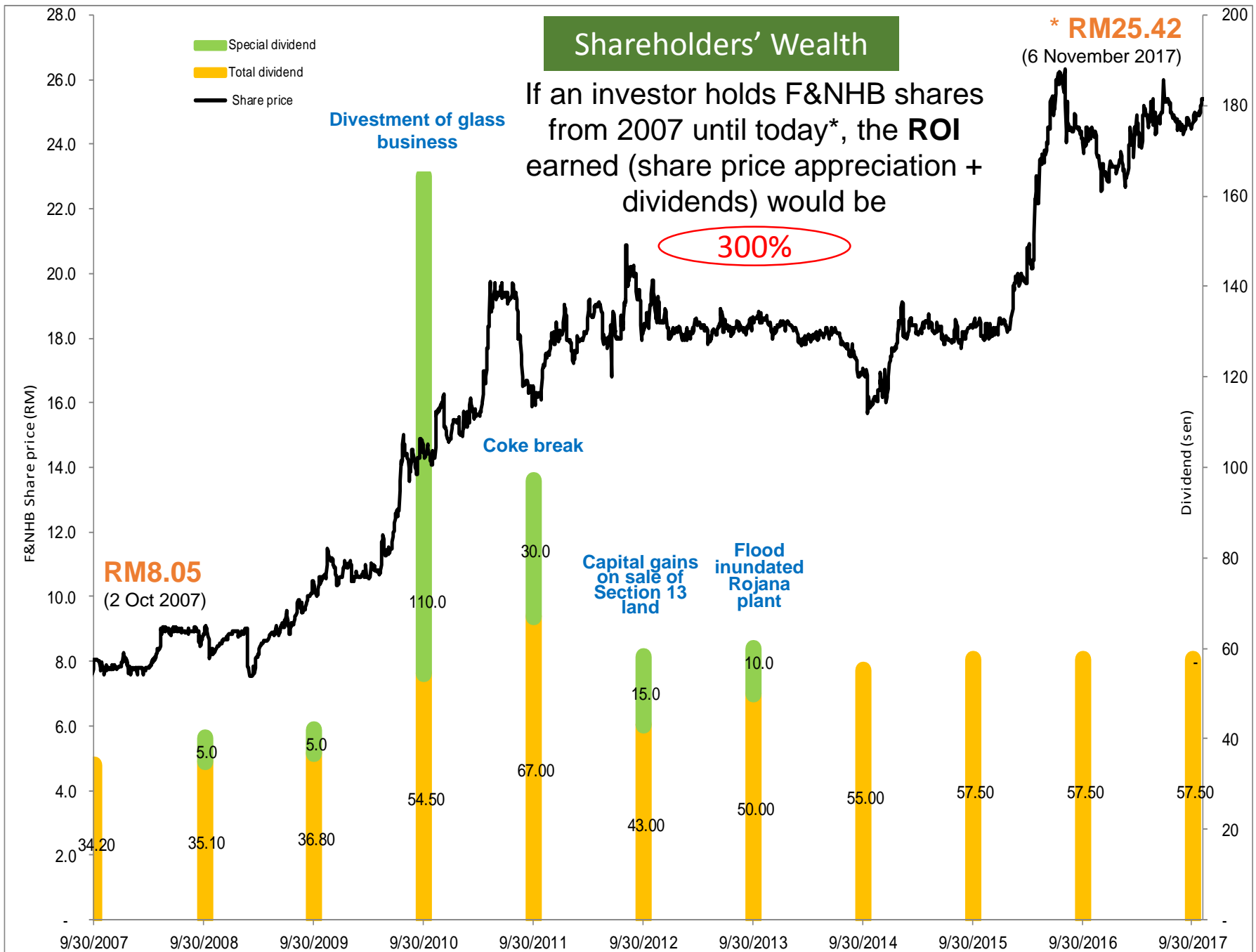


Shareholders' Wealth

If an investor holds F&NHB shares from 2007 until today*, the ROI earned (share price appreciation + dividends) would be

300%

* **RM25.42**
(6 November 2017)





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FY 2017 Highlights



Investing for the Future:

To increase capacity and build our capabilities
> RM500 million invested over a period of 3 years

Evap line, Rojana



COMPLETED

IMPROVE CONTINUOUS IMPROVEMENT CULTURE PARTICULARLY IN MAINTENANCE
We have increased our production line efficiency by 10%, and reduced our energy consumption by 10%.

CAPTURING ECONOMIES OF SCALE FROM THE PROCUREMENT OF KEY RAW MATERIALS AND PACKAGING MATERIALS.

RM100 MILLION WAREHOUSE IN SHAH ALAM TO MEET GROWTH PROJECTIONS OF CORE PRODUCTS
In operating our own warehouse, we will save RM10 million annually leveraging on cost efficiencies.

UHT line, Kuching



COMPLETED

COLD-FILLING PRODUCTION LINE TO SUPPORT product expansion and increase market share on non-ferrous packaging material.

A NEW FILLING AND PACKAGING LINE FOR EVAPORATED MILK at our Rojana plant in Thailand which costs 300 million baht.

Completed in
FY 2017

BY ENHANCING OUR PRODUCTION AND WAREHOUSING CAPACITY IN THE DIFFERENT REGIONS, we stand to optimise our logistics movement thus reduce our carbon footprint.

PET line, Shah Alam



COMPLETED

Cable top filling machine, PakChong



COMPLETED

UPGRADING OF AUTOMATED PLANT IN A NEWER AREA TO INCREASE PRODUCTION CAPACITY

From 1st half FY17
results briefing
RECAP

100 PLUS
Now in 



Official launch
July 2017



Offering
HEALTHIER
beverage



Serving **> 160 million**
Malaysian customers
annually



Available in
261 OUTLETS
nationwide





What's NEW?

New pack size
400ml
in Malaysia



TEAPOT
3 new
variants
in Malaysia

BEAR BRAND
2 new
variants
in Thailand

Offering 'Healthier Choices' to Consumers

Innovation towards healthier beverage choices



Delivering our promise:
pure enjoyment . pure goodness

**F&N will offer
a healthy option in
every product category
that we are in by 2020.**

More to come...



MINUMAN ISOTONIK RASMI



PROUD
OFFICIAL
SILVER
SPONSOR



Refreshing
>500,000
athletes
officials
volunteers
audiences



Providing
rehydrating
replenishing
re-energising
SPORTS
EXPERIENCE

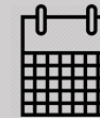




F&N SCHOOL RECYCLING CAMPAIGN

SHAH ALAM

PENANG ISLAND



Since 2007

Since 2012



Extended to
2 new areas
this year



Seberang Prai

Kuching

205



PARTICIPATED BY

43 schools in Shah Alam

105 schools in Penang Island

38 schools in Seberang Prai

17 schools in Kuching

this year @ **2017**

363
tonnes



**COLLECTED
RECYCLABLES**

144,000kg in Shah Alam

≈ **145,000kg** in Penang Island

54,000kg in Seberang Prai

20,000kg in Kuching



OUR AWARDS & RECOGNITION



ENVIRONMENTAL



The Prime Minister's Industrial Award 2017
from the Ministry of Industry Thailand

Thailand Kaizen Award 2017: Diamond Level
from the Technology Promotion Association
(Thailand-Japan)

CSR-DIW Continuous Award 2017
from the Ministry of Industry, Thailand

Green Industry Level 4 (GI4): Green Culture
from the Ministry of Industry, Thailand



MARKETPLACE



FDA Quality Award 2017
from Thai Food & Drug Administration



Top 20 Finalists of
PwC's The Building Trust Awards 2017

Product of the Year Award 2017/2018



Isotonic category



Green tea category

WORKPLACE



Gold Class II Award
from the Malaysian Society
for Occupational Safety and Health



**Thailand Labour Management
Excellence Award 2017**
from the Ministry of Labour, Thailand

**National Safety Award 2017:
Diamond Level**
from the Ministry of Labour, Thailand



GOLD AWARD
in Beverage – Non Alcoholic



**The Putra Marketer
of the Year**



**PUTRA BRAND
AWARDS 2017**



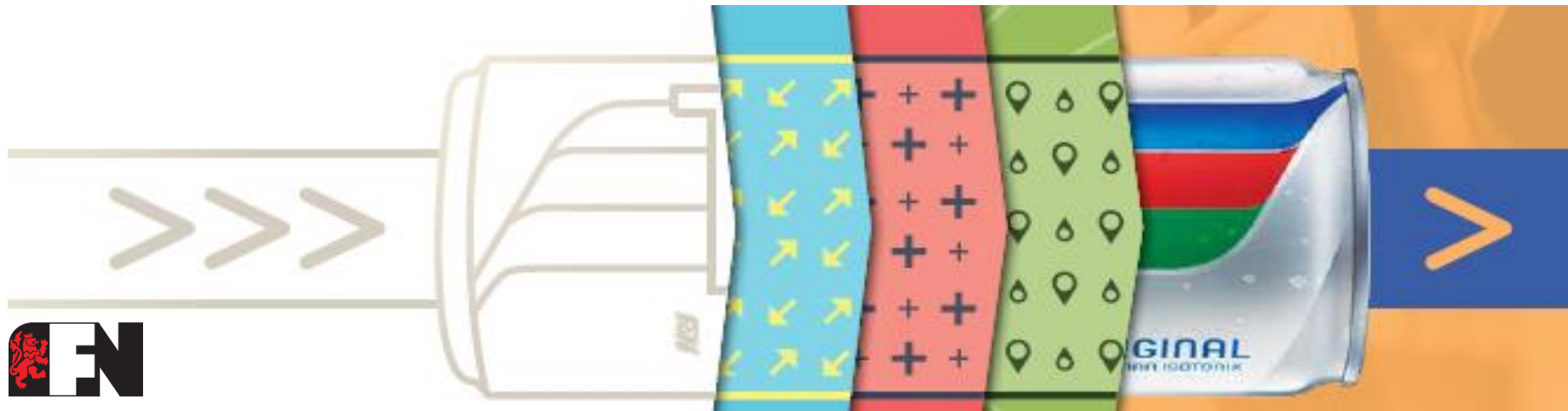
FRASER & NEAVE HOLDINGS BHD

F&N: Going Forward

F&B Malaysia **Going Forward**

Extract Value From Improved Cost Structure & Operational Efficiency

- **Priority**
 - FY 2017 → Transformation program to address cost structure
 - **FY 2018 → Revenue and profitability improvement**
 - **Leaner and ready to extract value of integration**
 - **Sustainable opex savings in excess of RM40 million p.a.**
- FY 2018 will see us launching record number of new products



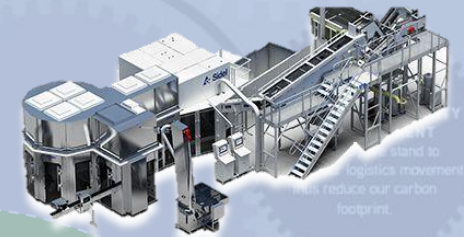
600bpm water line, Shah Alam



Sweetened condensed milk pouch & tube filling line, Rojana



Combi blow, mold & filling machine, Shah Alam



Mineral water plant expansion, Bentong



Cold aseptic PET line & warehouse, Shah Alam



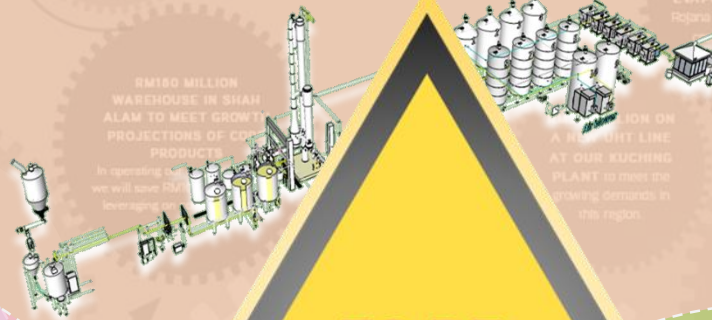
Investing for Growth:



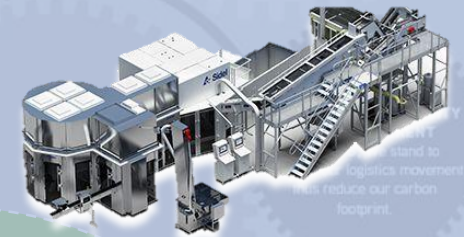
600bpm water line,
Shah Alam



Sweetened condensed milk
pouch & tube filling line,
Rojana



Combi blow, mold & filling machine,
Shah Alam



Mineral water plant
expansion, Bentong



**TO BE
COMPLETED
IN
FY 2018 & FY 2019**

Septic PET line &
ase, Shah Alam



Investing for Growth:

Further investments in capability and capacity
expansion under evaluation



F&B Thailand

Going Forward

- Continued focus on **innovations**
 - TEAPOT Tube – new product extensions
- Brand building** in Indochina





Exports

Going Forward

- Continued focus on **growing exports**
- Further investments in capability and capacity expansion to transform the Exports business into a key revenue pillar for the Group
- Extending our global footprint especially in the **Halal market**





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THANK YOU
