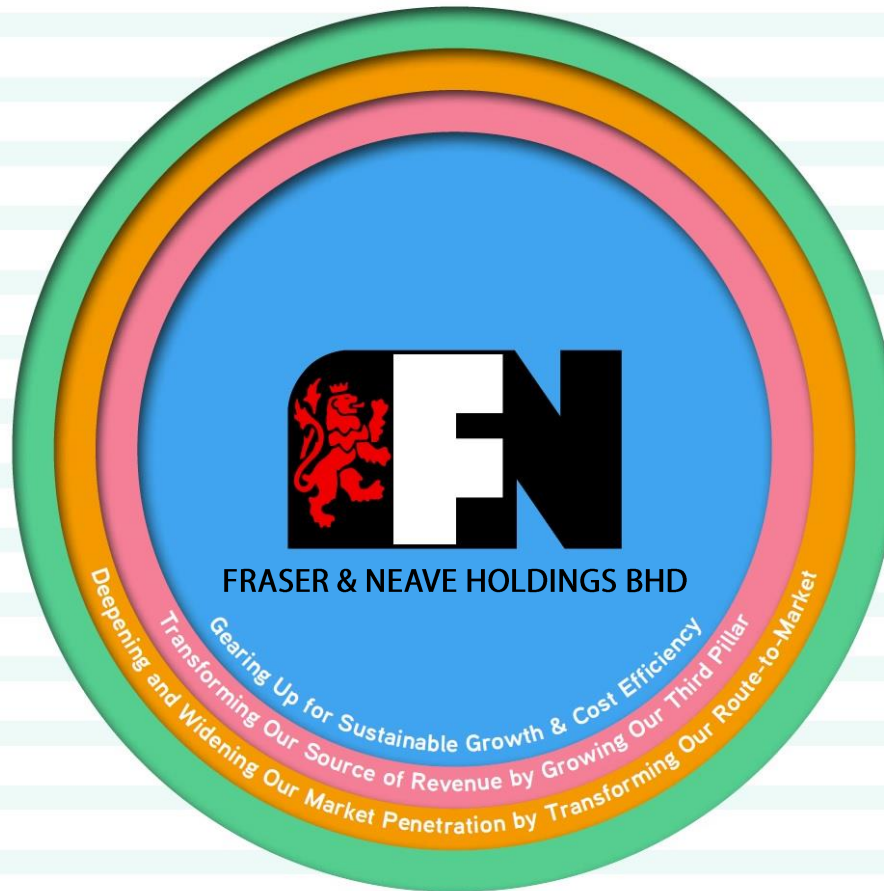


TRANSFORMING



FOR A SUSTAINABLE FUTURE

Half Year FY 2016/2017 Group Financial Highlights
4th May 2017



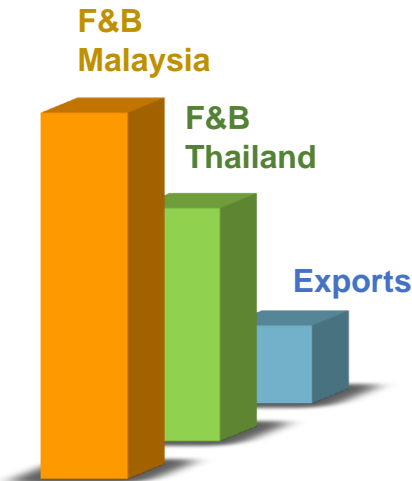
FRASER & NEAVE HOLDINGS BHD

01

Where Are We Now?

F&NHB Group Today: Our Structure

- Our current business is built upon 3 pillars:
 - F&B Malaysia
 - F&B Thailand
 - Exports *
- Each pillar has its own long term strategies and targets.
- Short term financial performance is not the only set of KPIs. Each pillar is also undertaking transformations in their own ways to prepare for the future.



TODAY



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



FRASER & NEAVE HOLDINGS BHD

02

Half Year FY 2016/2017
Group Financial Performance

Half Year FY 2016/2017 Group Financial Highlights

- Strong double digit growth in exports year to date.
- F&B Thailand registers double digit gains in revenue and operating profit.
- F&B Malaysia soft domestic performance is in line with weak macro environment.
- Results show the resilience of the Group, benefitting from diversity in geographical contributions and product categories (carbonated and non-carbonated soft drinks, soya, tea, dairies and condensed milk, etc.).

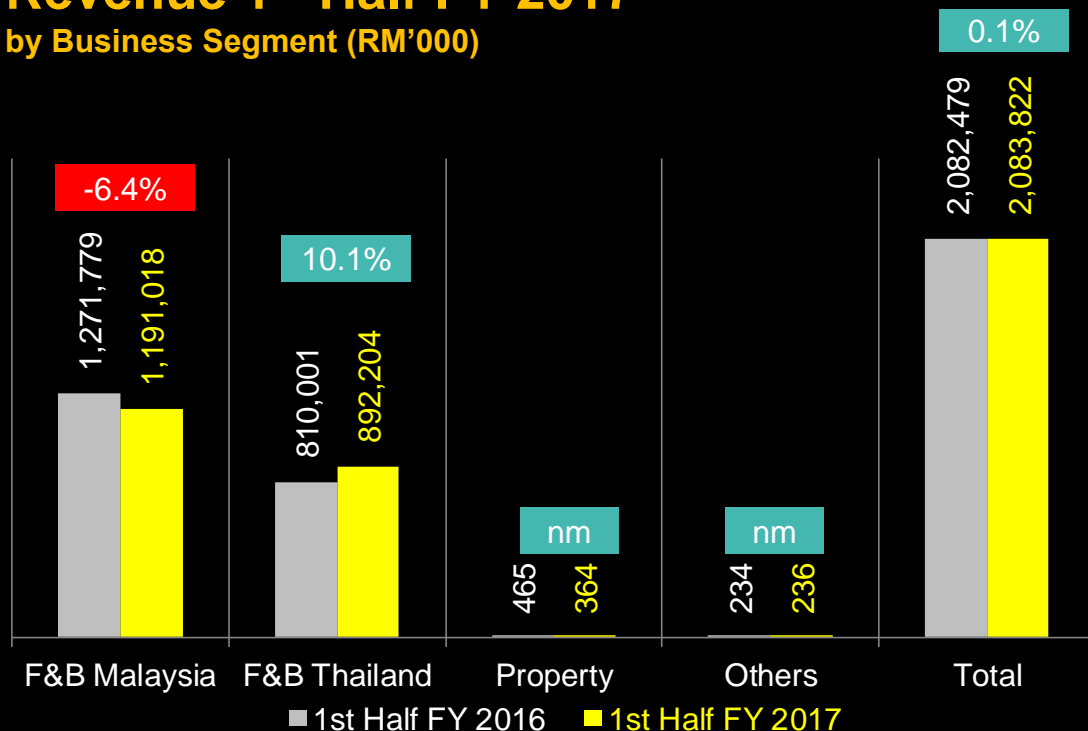


Group Revenue Maintained

F&B Thailand revenue grew a strong 10.1%

Revenue 1st Half FY 2017

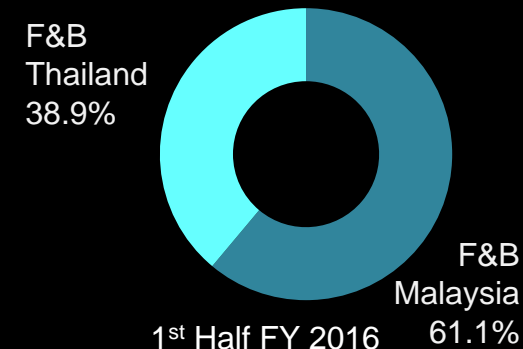
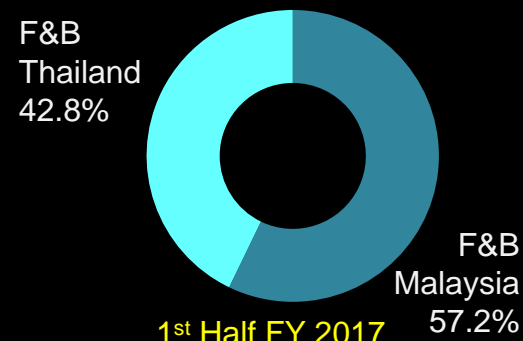
by Business Segment (RM'000)



nm - not material

Revenue

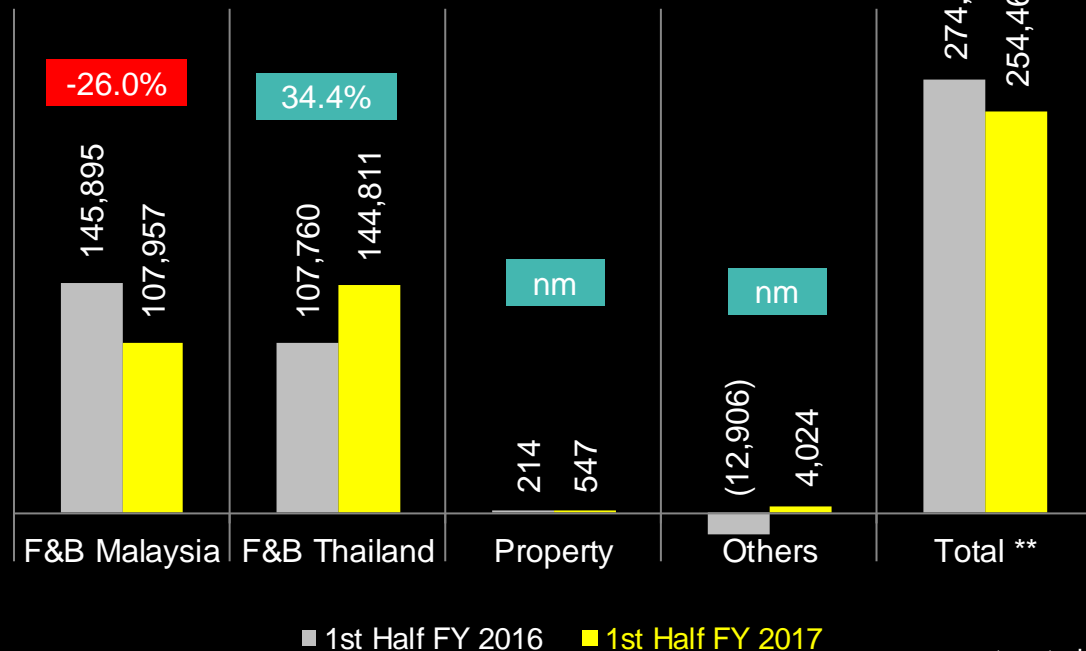
F&B Malaysia : F&B Thailand (%)



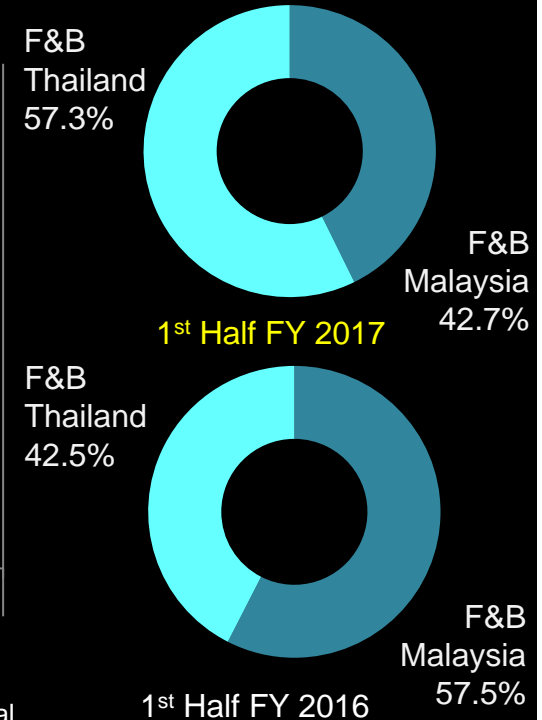
Group Operating Profit was Flat *

Strong double digit growth in operating profit from F&B Thailand

Operating Profit 1st Half FY 2017 by Business Segment (RM'000)



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



* Excluding one-offs, Group operating profit declined by 0.2%.

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



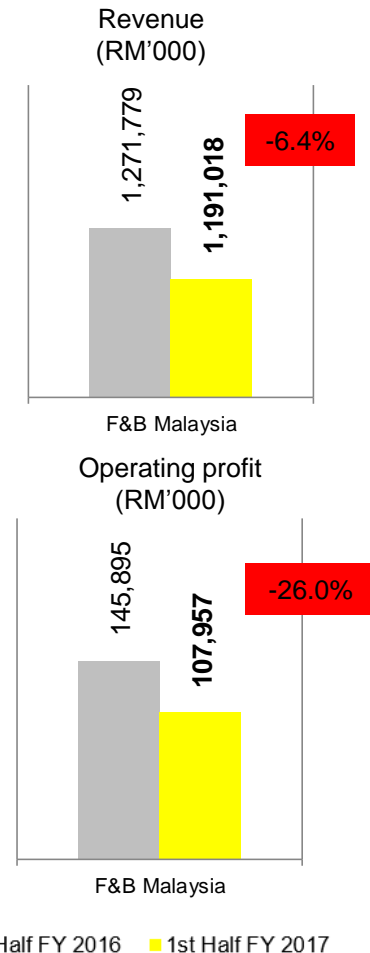
FRASER & NEAVE HOLDINGS BHD

03

**Food & Beverages Malaysia
("F&B Malaysia")**

F&B Malaysia

- Revenue declined by 6.4% mainly due to a lower second quarter performance from subdued Chinese New Year festive sales, amidst an increasingly competitive landscape and weak consumer sentiment.
- Operating profit decreased by 26.0% on the back of lower domestic sales, higher input costs, particularly sugar; and restructuring costs.





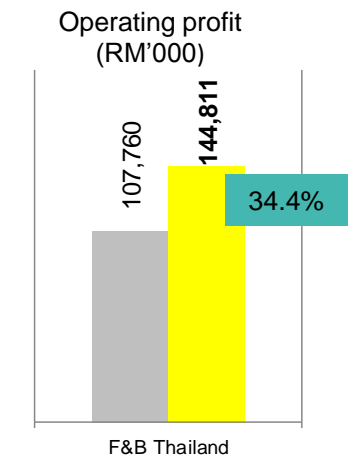
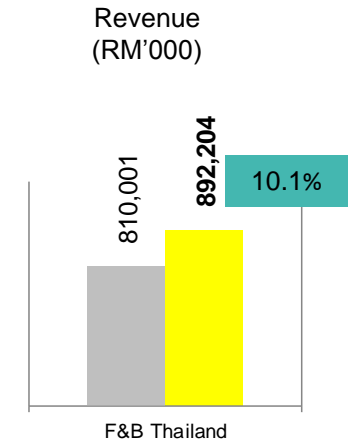
FRASER & NEAVE HOLDINGS BHD

04

**Food & Beverages Thailand
("F&B Thailand")**

F&B Thailand

- Revenue grew by a strong 10.1%, boosted by higher demand for its core products and aided by favourable Ringgit Malaysia/Thai Baht translation.
 - Distribution coverage also grew supported by effective branding and consumer trade campaigns.
- Operating profit increased by 34.4% on the back of higher revenue and aided by favourable input costs.



■ 1st Half FY 2016 ■ 1st Half FY 2017





FRASER & NEAVE HOLDINGS BHD

05



Interim Dividend

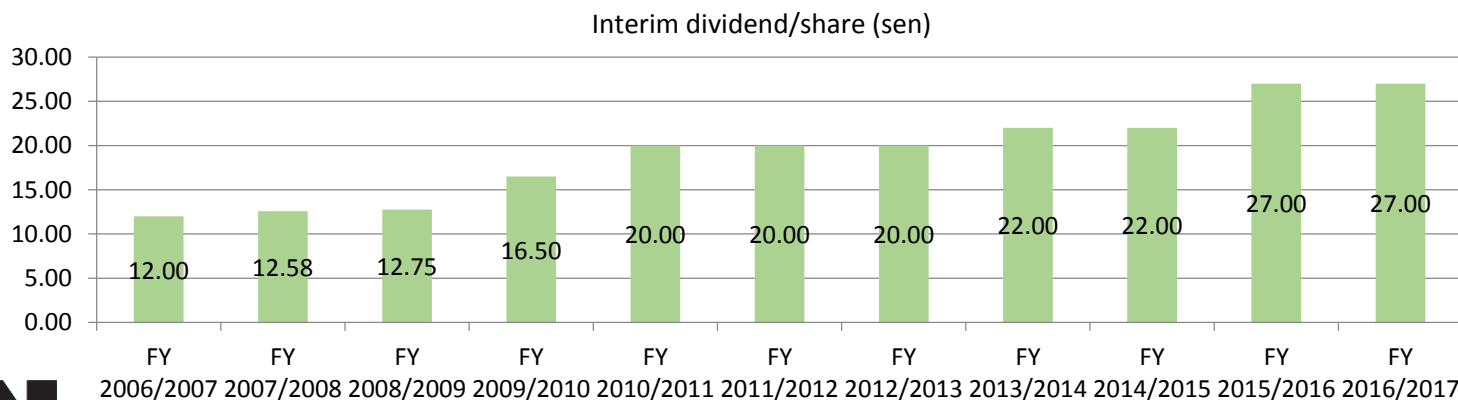


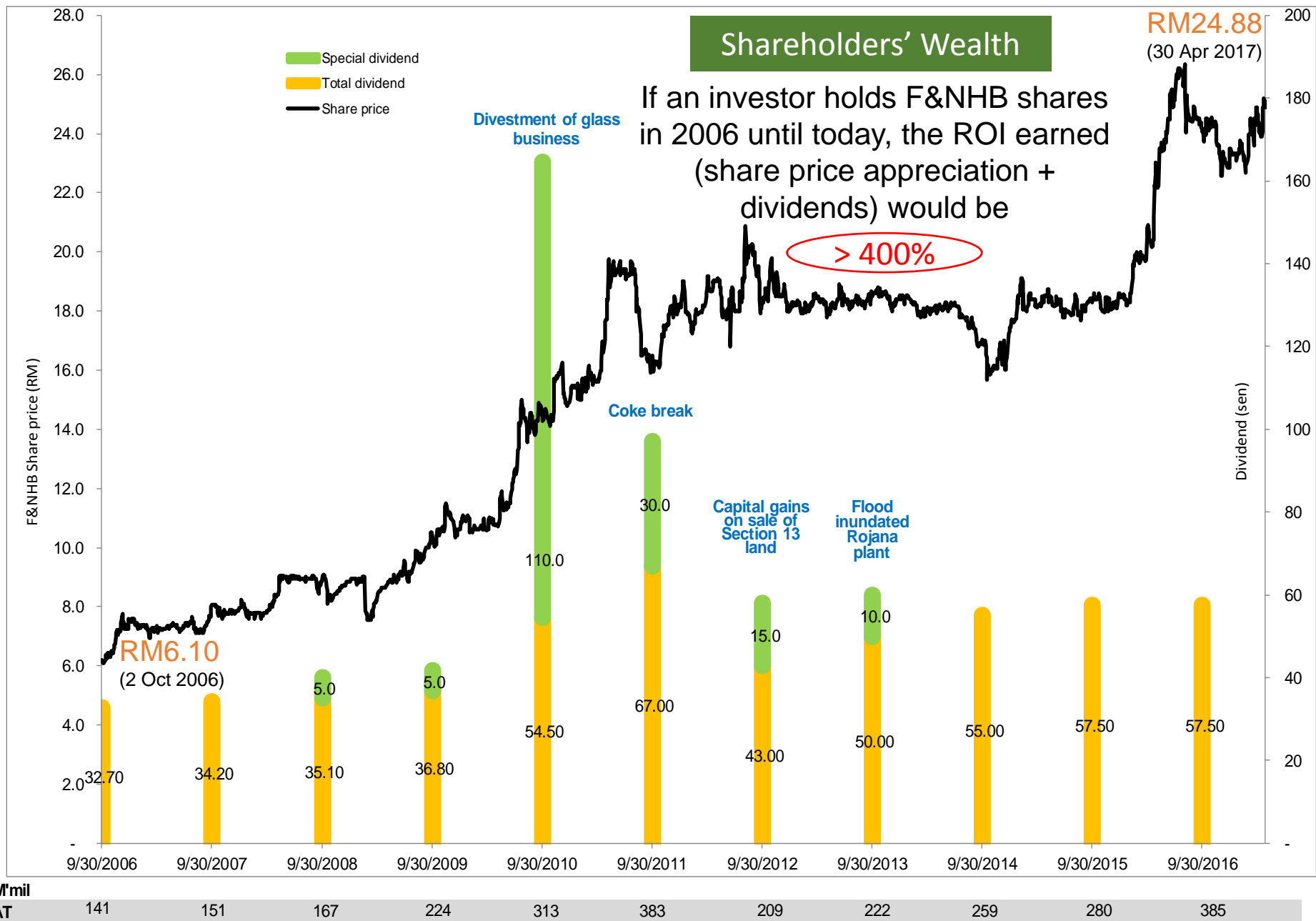
Interim Dividend Maintained At 27 Sen/Share

- Declared interim dividend of **27 sen** per share (2016: 27 sen)
- Takes into account Group's capital position and capital expenditure investments
- Entitlement date: 23 May 2017
- Payment date: 15 June 2017

	1H 2017	1H 2016
Total equity ¹	2,156,027	1,911,228
Total assets	3,371,719	3,081,943
Net cash/(debt)	175,080	51,821
Net assets per share	5.88	5.21
Gearing ratio	0.18	0.21

¹ Includes non-controlling interest





PAT - Profit after tax



FRASER & NEAVE HOLDINGS BHD

06



Business Outlook



Business Outlook

- The business conditions will continue to be challenging with prolonged weak consumer sentiment and intensifying price discounting.
- Meanwhile, input costs in subsequent quarters are expected to increase following the uptrends in packaging, milk powder and sugar prices.
- Despite the challenges, we will continue to remain vigilant and responsive to changes in the external environment and take necessary action to maintain our sustainability in revenue and profitability.
- The transformation that we are making today is to ensure a progressively stronger organisation, able to withstand external headwinds and maintain our competitive edge.





FRASER & NEAVE HOLDINGS BHD

07

Corporate Highlights

Launch of RM31.5 million, first-of-its-kind UHT line in Sarawak



Officiated by
The Right Honourable
Datuk Amar Abang Haji Abdul Rahman Zohari
Chief Minister of Sarawak
on 14 March 2017



FRASER & NEAVE HOLDINGS BHD

08

New Products & Marketing Highlights

What's New?

100PLUS Active



F&N NutriSoy Fresh



Marketing Highlights



100PLUS pledges RM3 million in full support of **Kuala Lumpur 2017** (29TH SEA GAMES and 9th ASEAN Para Games).



100PLUS, together with Sportswriters Association of Malaysia recognises outstanding sportsmen and sports media in the annual SAM-100PLUS Award



FRASER & NEAVE HOLDINGS BHD

09

What Are We Working On?

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



'Healthier Choice' Endorsement from MOH

Innovation towards healthier beverage choices



Our 4 products
are now



More to come...



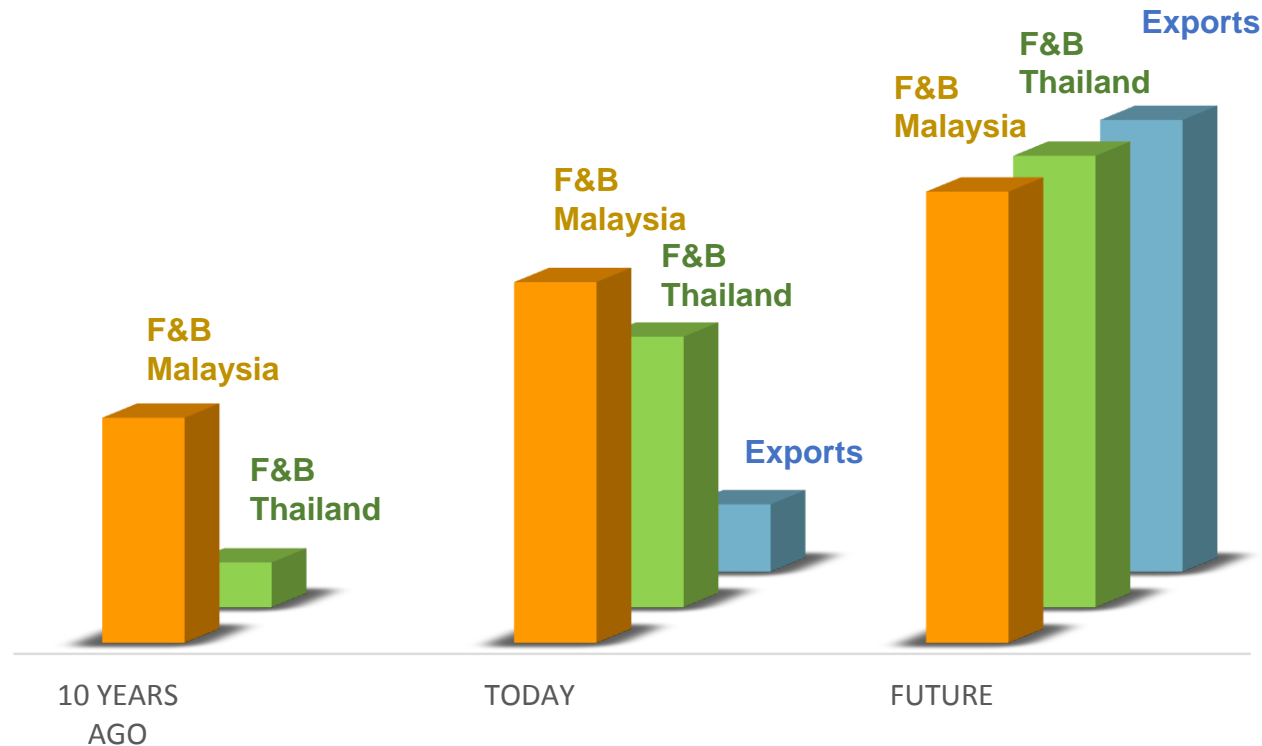
F&B Thailand

Building brand and innovation

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



Building Exports as Our Third Pillar



Establishing a Greater Presence in Export Markets

- Export of our dairies products ↑ 30% year to date
- Exports account for > than 10% of total Group revenue



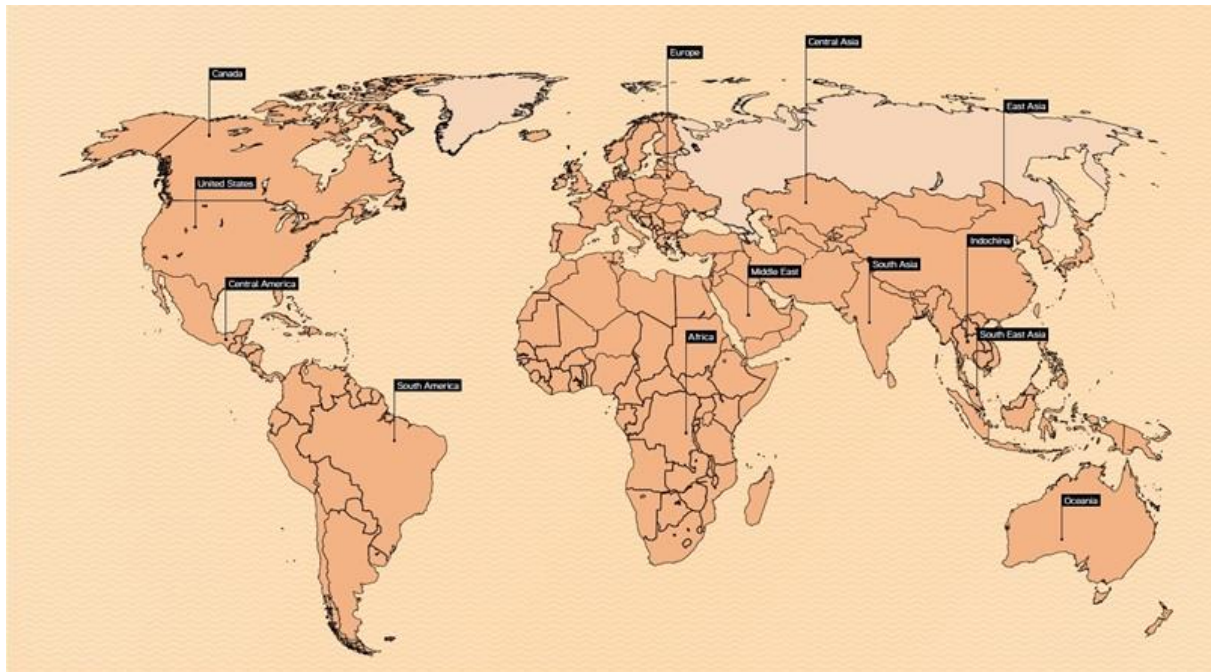
F&N PRODUCTS ARE EXPORTED TO OVER
54 COUNTRIES
WORLDWIDE



* Exports are included within the F&B Malaysia & F&B Thailand segments.

Export Strategies: Differentiation Approach

- 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



> RM300 Million Capex Announced Previously

Evap line, Rojana



CAPTURING ECONOMIES OF SCALE FROM THE PROCUREMENT OF key raw materials and packaging materials.

UHT line, Kuching



COLD-FILLING PRODUCTION LINE: to facilitate product expansion and environmental commitment with 40% reduction on resin packaging material.

A NEW FILLING AND PACKAGING LINE FOR EVAPORATED MILK @ Rojana plant. Investment cost: 300 million Borneo.

Mineral water plant expansion, Bentong



IN THE LOW-CARBON REGIONS, we stand to optimize our logistics movement thus reduce our carbon footprint.

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



PET line, Shah Alam



Cold aseptic PET line & warehouse, Shah Alam

POLYETHYLENE TEREPHTHALATE (PET) LINE AT SHAH ALAM TO SUPPORT THE GROUP'S GROWING DEMAND FOR PET BOTTLES IN THE REGION.

The new PET line will boost the Group's PET output by 40 per cent with an estimated 100 million additional bottles a year.

Additional RM200 Million Capex Identified

More projects are being evaluated, with the single objective of making us cost competitive and product innovative

600bpm water line, Shah Alam



CAPTURING ECONOMIES OF SCALE FROM THE PROCUREMENT OF key raw materials and packaging materials.

COLD-FILLING PRODUCTION LINE: to facilitate product expansion and environment commitment with 40% reduction of resin packaging material.

Gable top filling machine, PakChong



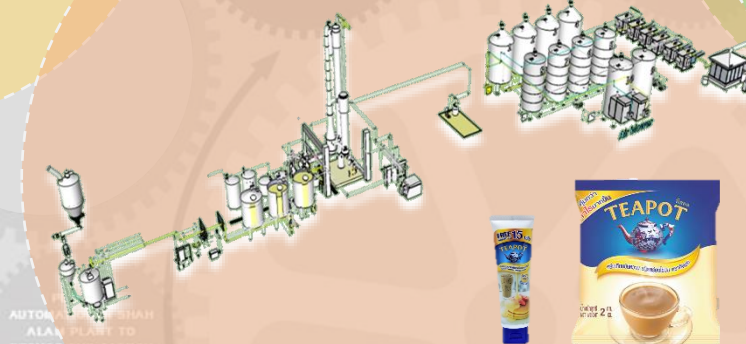
A NEW FILLING AND PACKAGING LINE FOR EVAPORATED MILK

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

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

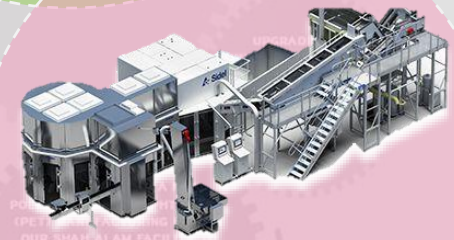
RM180 MILLION WAREHOUSE IN SHAH ALAM TO MEET GROWTH PROJECTIONS OF CORE PRODUCTS
In operating our own warehouse, we will save RM10 million annually leveraging on cost efficiencies.

RM43 MILLION ON A NEW UNIT LINE AT OUR KUCHING PLANT to meet the growing demand in the region.



Sweetened condensed milk pouch & tube filling line, Rojana

AUTOMATED SHAH ALAM PLANT TO REDUCE OUR CARBON FOOTPRINT
Estimated to be completed within 2017.



Combi blow, mold & filling machine, Shah Alam

FOR PET BOTTLES
MEET THE GROWING DEMAND FOR READY-TO-DRINK

The new PET line will boost the PET output by 40 per cent and processed 100 million bottles per year.



FRASER & NEAVE HOLDINGS BHD

10



F&N: Beyond Tomorrow



A Stronger F&N

- F&N has evolved many times throughout the 134 years history.
- Today, F&N is evolving again.
- We are blessed with having business from outside Malaysia growing in strength as well as diversified product categories.
- The next version of F&N will be a more competitive organisation, one that is ready to take on new opportunities and **to become the leading total beverage company in Malaysia and the region.**





FRASER & NEAVE HOLDINGS BHD

THANK YOU



FRASER & NEAVE HOLDINGS BHD



A member of the FRASER AND NEAVE Group