



F&N Point  
No. 3, Jalan Metro Pudu 1  
Fraser Business Park, Off Jalan Yew  
55100 Kuala Lumpur, Malaysia  
Tel : 603-9235 2288 Fax : 603-9222 7878

---

## FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

### NEWS RELEASE

November 7, 2007

#### **F&N GROUP BENEFITS FROM NESTLE ACQUISITION AND REGISTERS RECORD PROFIT AND REVENUE**

Fraser & Neave Holdings Bhd recorded a 47 per cent increase in group revenue to RM2.9 billion and 18 per cent growth in operating profit to RM228 million for the year ended September 30, 2007. Profit after tax grew a slower 8 per cent to RM165.6 million due to a more 'normalised' tax rate of 25% compared to 21% in the previous year.

Announcing the results today, F&N Holdings CEO, Mr Tan Ang Meng said that the Group's overall performance was better than expected with revenue and operating profits breaching the RM2 billion and RM200 million mark respectively for the very first time. "This latest results represent the seventh consecutive year of record profit for the Group."

In recognition of the better performance, the directors are recommending a final dividend of 30 sen gross per share (22.20 sen net of tax). If approved by shareholders, the total dividend for the year would be 34.20 sen net compared to 32.69 sen net paid last year; an improvement of 4.6%.

Commenting on the performance of the core businesses, Tan said that the Group's traditional business grew strongly and revenue was up 10% benefiting from improved consumer sentiments and higher consumption of its core products.

"A number of key input raw materials were at multiyear highs and the significantly higher raw materials and packaging costs put tremendous pressures on margins especially in the dairies and soft drinks businesses. However, higher volume and improved productivity and some price adjustments helped to contain margin erosion".

“The glass division also performed credibly and all plants were profitable and operating at full capacity whilst the property division started to book profits from the Phase 2 of Fraser Business Park development,” Tan added.

The newly acquired business from Nestle, which was consolidated into this year’s results with effect from February 1, 2007, contributed RM735 million to revenue and a maiden operating profit of RM18.5 million. According to Tan, the integration of the newly acquired business was progressing satisfactorily and the Group was able to benefit from some early synergies of the enlarged business. “However much work still needs to be done to fully leverage the benefits from this acquisition,” Tan added.

Commenting on the prospects for the coming financial year, Tan said “We will continue to face high raw materials and packaging costs which could erode profit margin especially in the dairies business. Consumer sentiments in Thailand, which contributes to 20% of group revenue, remains weak.

“However, we will benefit from the sustained consumer sentiments in Malaysia, higher efficiencies and productivity arising from the higher volume and economies of scale of the enlarged F&B business and added capacity of the glass operations.

“Overall, we are cautiously optimistic of the prospects for next year,” Tan added.

F&N Holdings Bhd is a Malaysian company listed on Bursa Malaysia Securities Bhd with core businesses in soft drinks, dairies, glass packaging and property. The Group employs nearly 5,000 employees in operations straddling Malaysia, Thailand, China and Vietnam.

ooOoo

**Issued with the compliments of Fraser & Neave Holdings Bhd  
by Eric Pringle Associates Public Relations Sdn Bhd.  
For further information, please contact Art Thamboo / Elsy Tan  
Tel: +60-3-21617144 / Fax: +60-3-21618209  
E-m: [art\\_thamboo@epapr.com.my](mailto:art_thamboo@epapr.com.my) / [elsy.tan@epapr.com.my](mailto:elsy.tan@epapr.com.my)**