



Fraser & Neave Holdings Bhd

FY07/08 Half Year Results Briefing

May 8, 2008



Presented by : Tan Ang Meng, CEO



- ◇ Group revenue grew strongly, +45% against 1HLY
 - ◇ 12% arising from organic growth
 - ◇ Record CNY soft drinks sales in first half
 - ◇ 33% from acquired business (CY6 months vs. LY 2 months)
- ◇ PBIT +30%
 - ◇ High soft drinks volume, better overhead recovery
 - ◇ 6 months results of acquired business vs. LY 2 months start up loss
 - ◇ Net profit +24%

RM mil	1H2008	1H2007	Change
Revenue	1,807.6	1,250.4	44.6% ▲
PBIT	141.0	108.1	30.4% ▲
PBT	132.2	106.9	23.6% ▲
PAT	100.6	81.3	23.7% ▲
APBE	92.4	74.3	24.5% ▲



Key Ratios

1H2008

1H2007

Change

Per Share

EPS (sen)	25.9	20.8	24.5% ▲
NAV (RM)	3.2	3.1	2.9% ▲
DPS (net) (sen)			
- Special ^	5.0	-	
- Interim *	<u>12.6</u>	<u>12.0</u>	
	17.6	12.0	46.7% ▲

^ Special tax exempt dividend to commemorate 125 years anniversary of the Group

** Current year gross interim dividend is 17 sen. LY interim dividend is tax exempt*



Key Ratios

1H2008

1H2007

Change

PBIT margin

- exclude acquired business

10.4%

10.1%



- include acquired business

7.8%

8.6%



ROE (half year)

8.0%

6.6%



Gearing ~ net (x)

0.31

0.12



Interest cover ~ net (x)

16.0

88.0



Dividend yield (half year)

2.24%

1.69%



Share price (RM/share) ~ 31 Mar

7.85

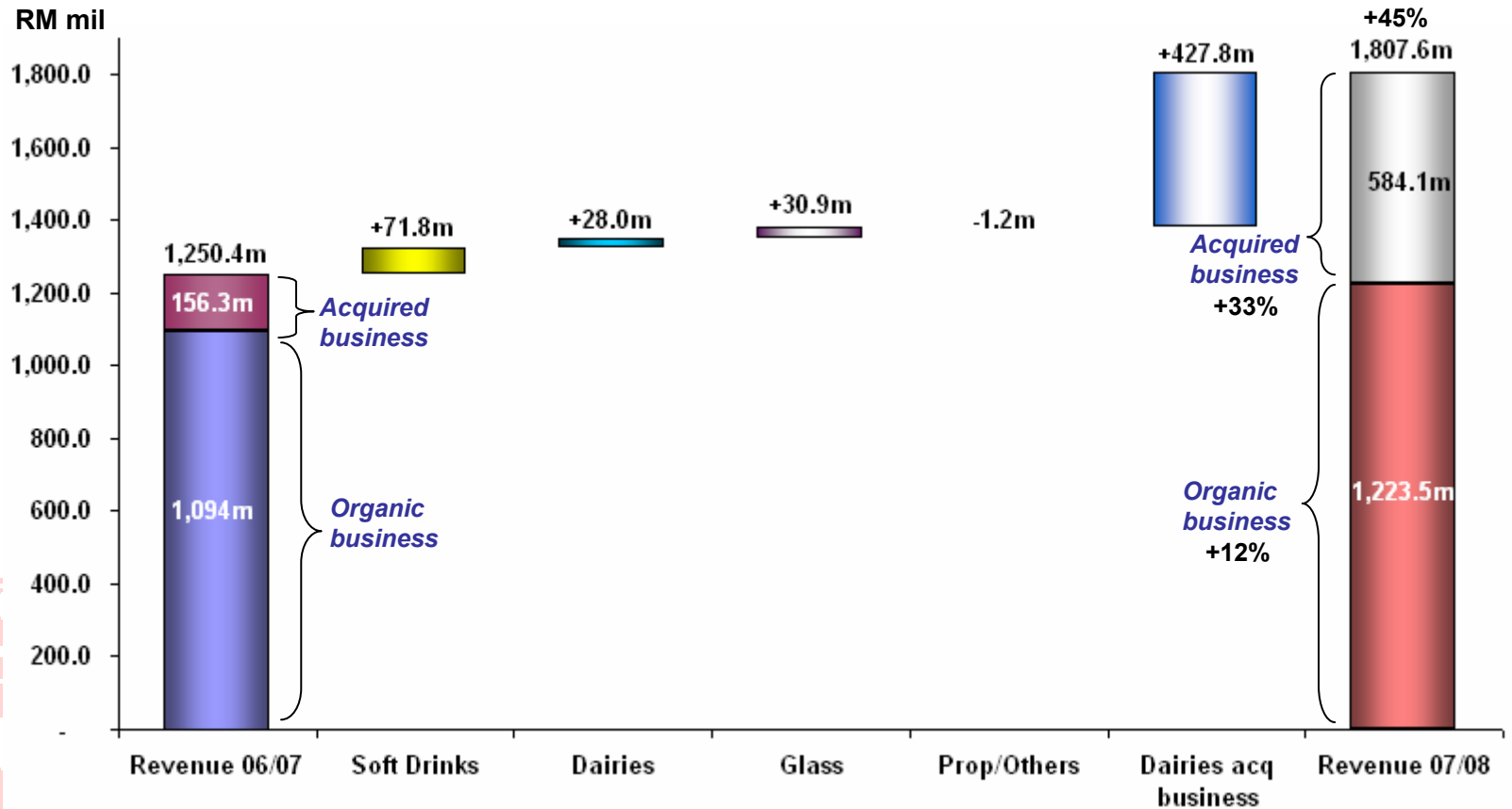
7.10



Group Revenue



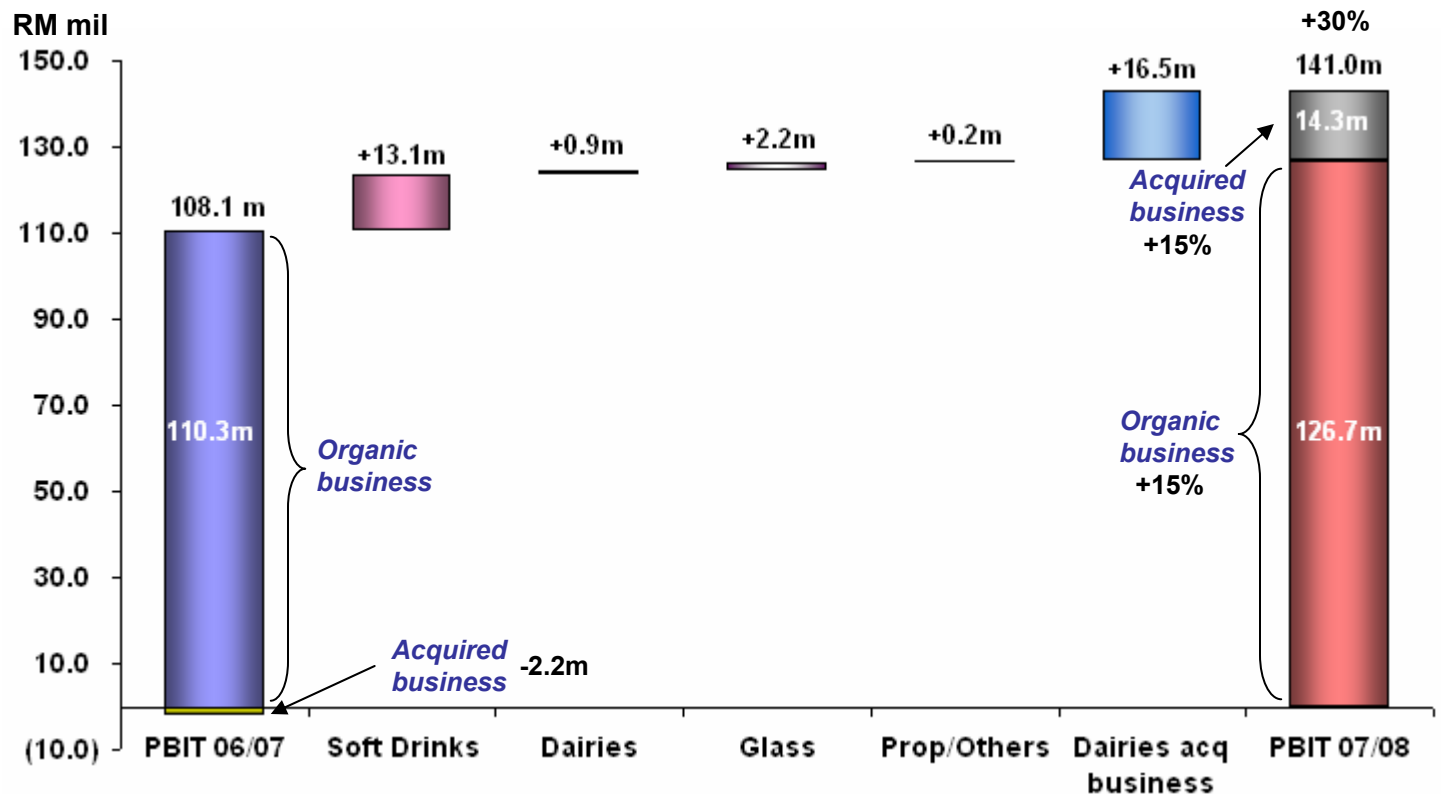
- ◆ Strong double digit growth of 12% from organic business
- ◆ Acquired business contributed RM584m



Operating Profit (PBIT)



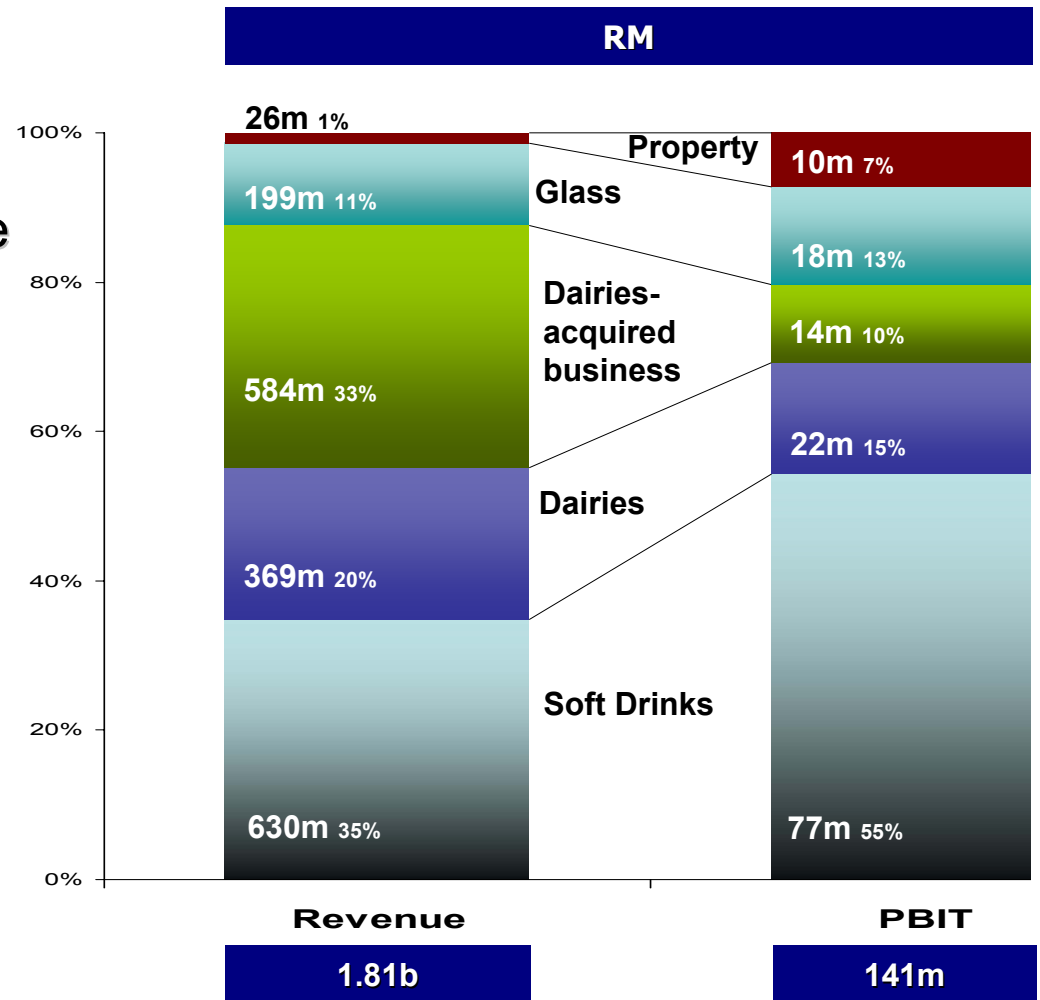
- ◆ Group PBIT improved by 30%
- ◆ All business units registered profit improvement ~ soft drinks star performer
- ◆ Acquired business added RM14.3m



Segment Revenue & PBIT



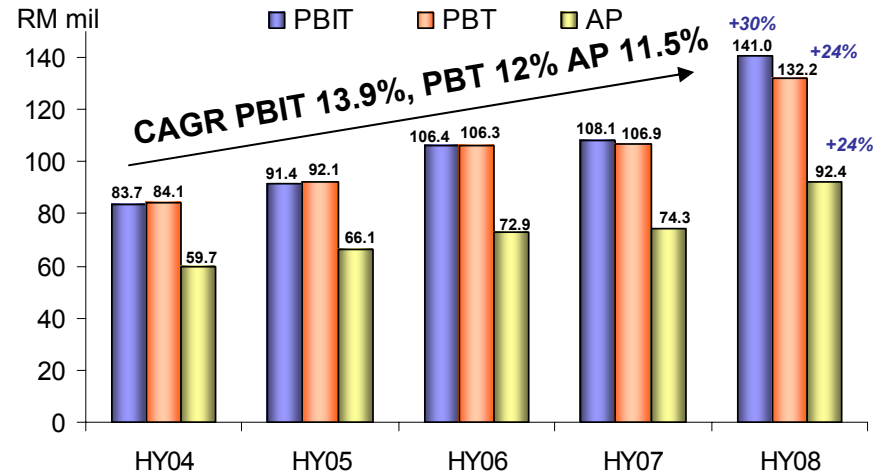
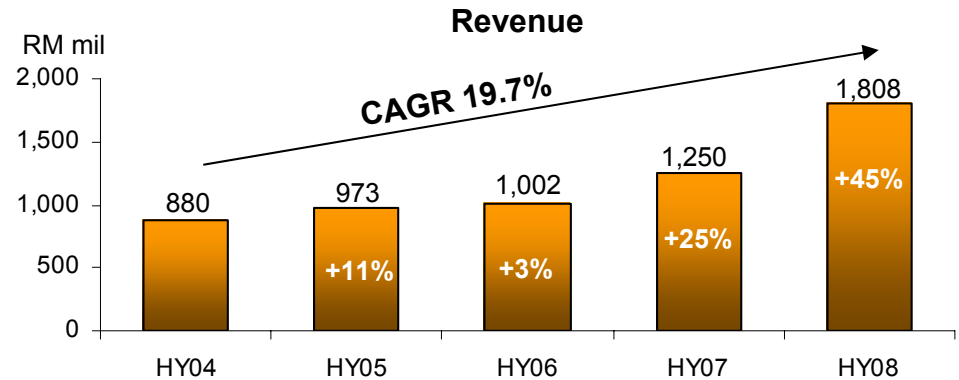
- ◆ Soft drinks maintained as largest profit contributor (55%)
- ◆ Dairies is the largest revenue contributor to group (53%)
- ◆ Dairies margins affected by high raw material prices



Last 5 years growth

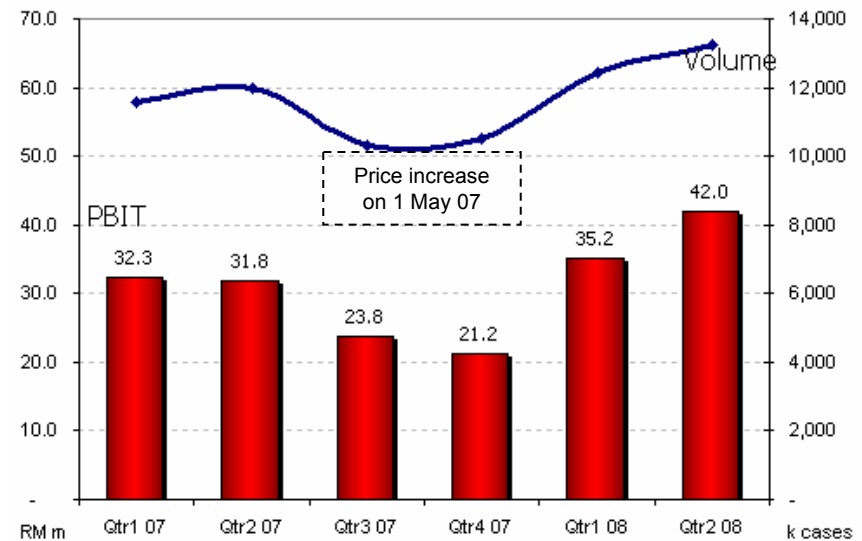


- ◆ Revenue growth rate last 2 yrs double that of past yr contributed by strong organic and acquired business
- ◆ Double digit CAGR profit growth over 5 years
- ◆ Significant improvement in HY08 PBIT




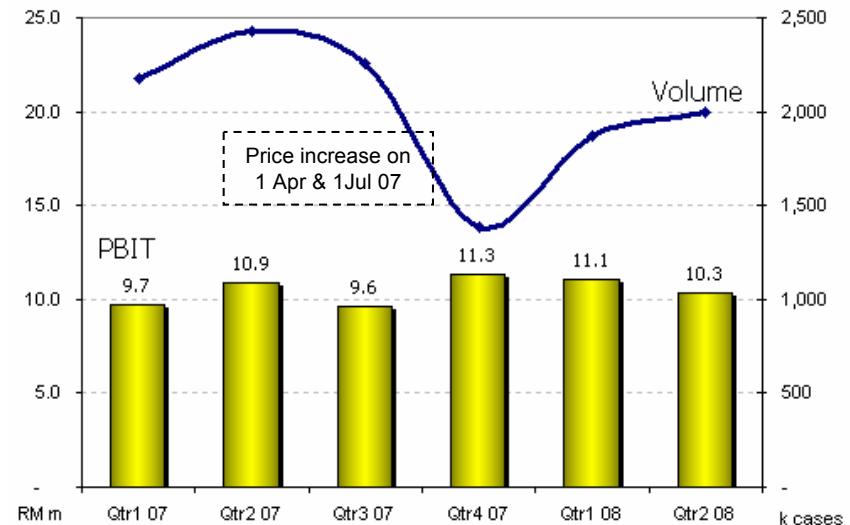


- ◆ Strong festive sales coupled with focused marketing & distribution drive during HRP & CNY contributed to record volume
- ◆ Revenue was +13%, while PBIT gained 21% due to higher volume (+9%) & selling prices
- ◆ Against CNY07, volume grew 19% this year
- ◆ CNY08 star performers vs. CNY07:
 - Coke : +13%
 - 100Plus : +28%
 - Seasons : +31%



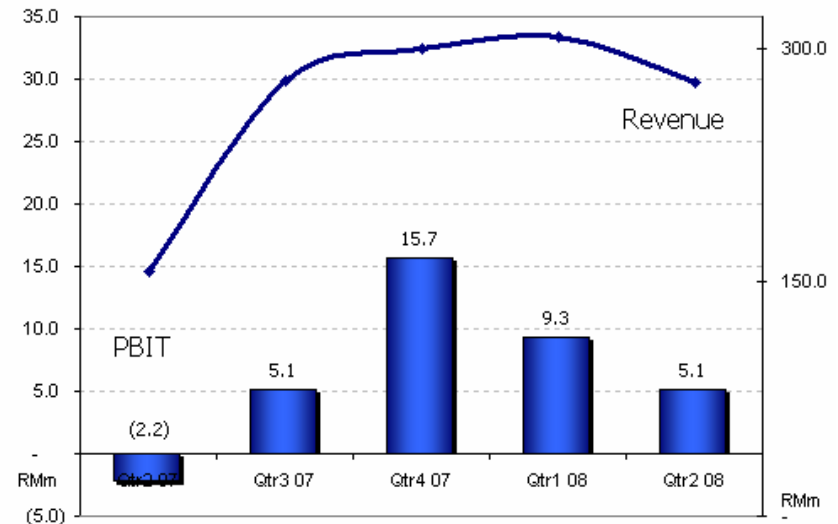


- ◇ Volume declined 16% vs. LY due to :
 - ◇ LY Q2 volume benefited from last bite sales before price increase in Q3 LY
 - ◇ Severe price competition and lower export sales
 - ◇ Overall market declined after price increase
- ◇ Revenue +8% and PBIT +4%
- ◇ Key raw material prices stabilising after easing from LY peaks 
- ◇ Despite market shift to value segment, F&N brands maintained leadership at 43% in SCM segment



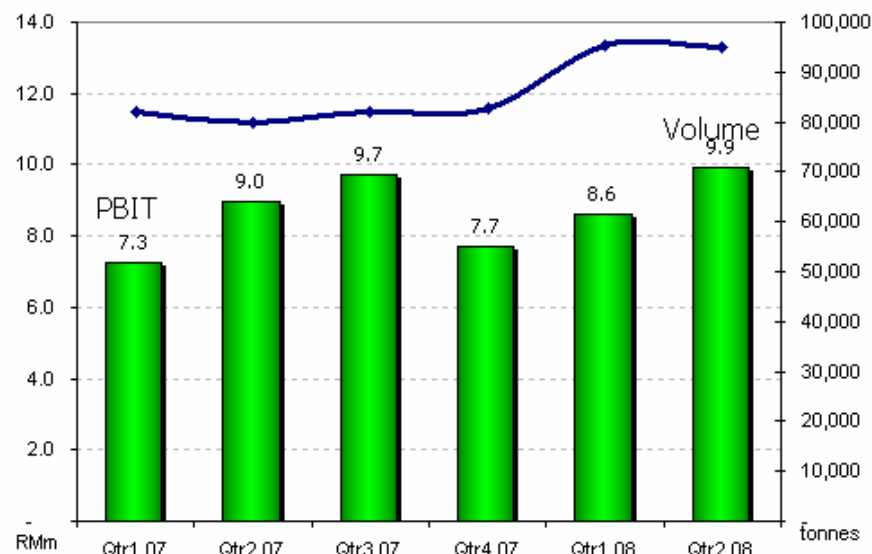


- ◆ Revenue at RM584m and PBIT at RM14m
- ◆ Soft market conditions & delayed government approval on price increase resulted in PBIT decline for Q2. One price increase in Q1
- ◆ Shifted focus to higher margin non price controlled products





- ◇ Revenue & volume at +18%, PBIT +14% respectively
- ◇ Better results attributed to :
 - ◇ Focus on premium segment in China
 - ◇ New operations in Thailand (PBIT +ve)
 - ◇ Full capacity in Vietnam
 - ◇ Improved efficiency in Malaysia





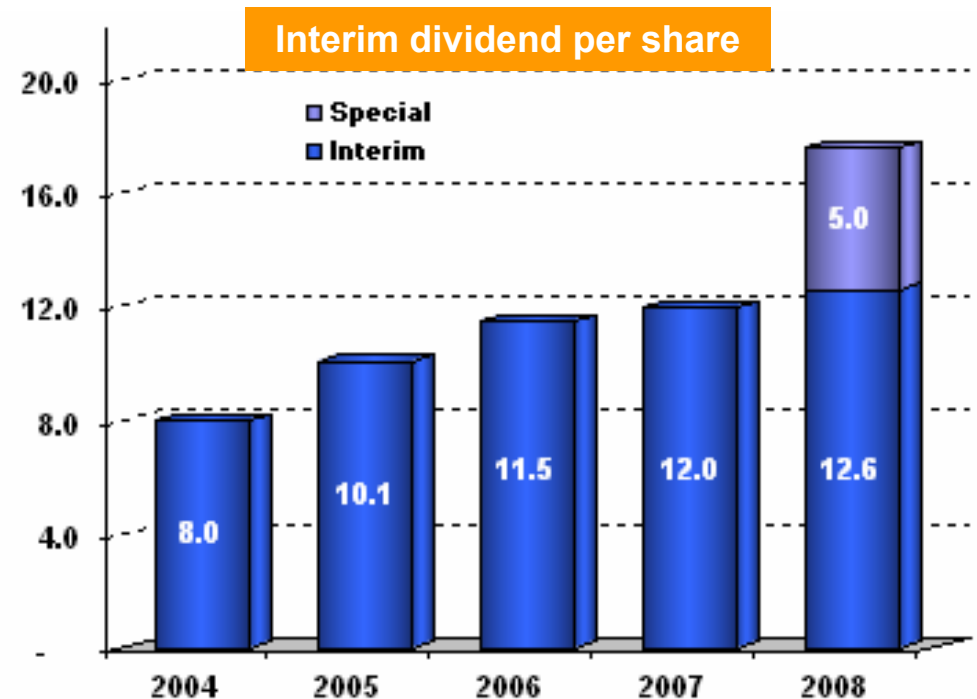
Phase II : Zon.e@Fraser Business Park

- ◇ Half year revenue RM26m, PBIT RM7m (LY rev & PBIT purely from Phase I)
- ◇ Construction work progressing, with slight delay
- ◇ Construction cost hikes no impact on our cost, lump sum tender
- ◇ HELP University College setting up city campus ~ signed 15 yr lease

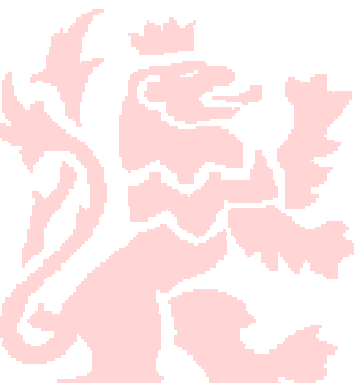
Serviced Apartment project : Ampang Hilir 233

- ◇ Pending favourable climate / conditions to launch project

- ◆ Interim dividend of 12.6 sen (net)
- ◆ Special tax exempt dividend of 5 sen to commemorate F&N's 125 years anniversary



- ◆ Post general elections, government development expenditure and mega project implementation is expected to slow and could dampen economic activities
- ◆ High energy and food prices have reduced consumption trends
- ◆ In Thailand, efforts to strengthen economy still yet to show results



Positives

- ◇ UEFA Euro 2008 & Beijing Olympics promotional activities to boost sales of food and beverage business
- ◇ Milk powder prices coming down from last year's peaks (still high)
- ◇ Thai Malaya Glass to contribute full year results
- ◇ Sichuan Malaya Glass reaping higher margins from premium segment

Negatives

- ◇ Weak consumer sentiments in Malaysia & Thailand
- ◇ Thai Government approval for price increase uncertain
- ◇ Conditions not conducive to launch new property projects

Conclusion

- ◇ Expecting a challenging second half

Thank You





Fraser & Neave Holdings Bhd

FY07/08 Half Year Results Briefing

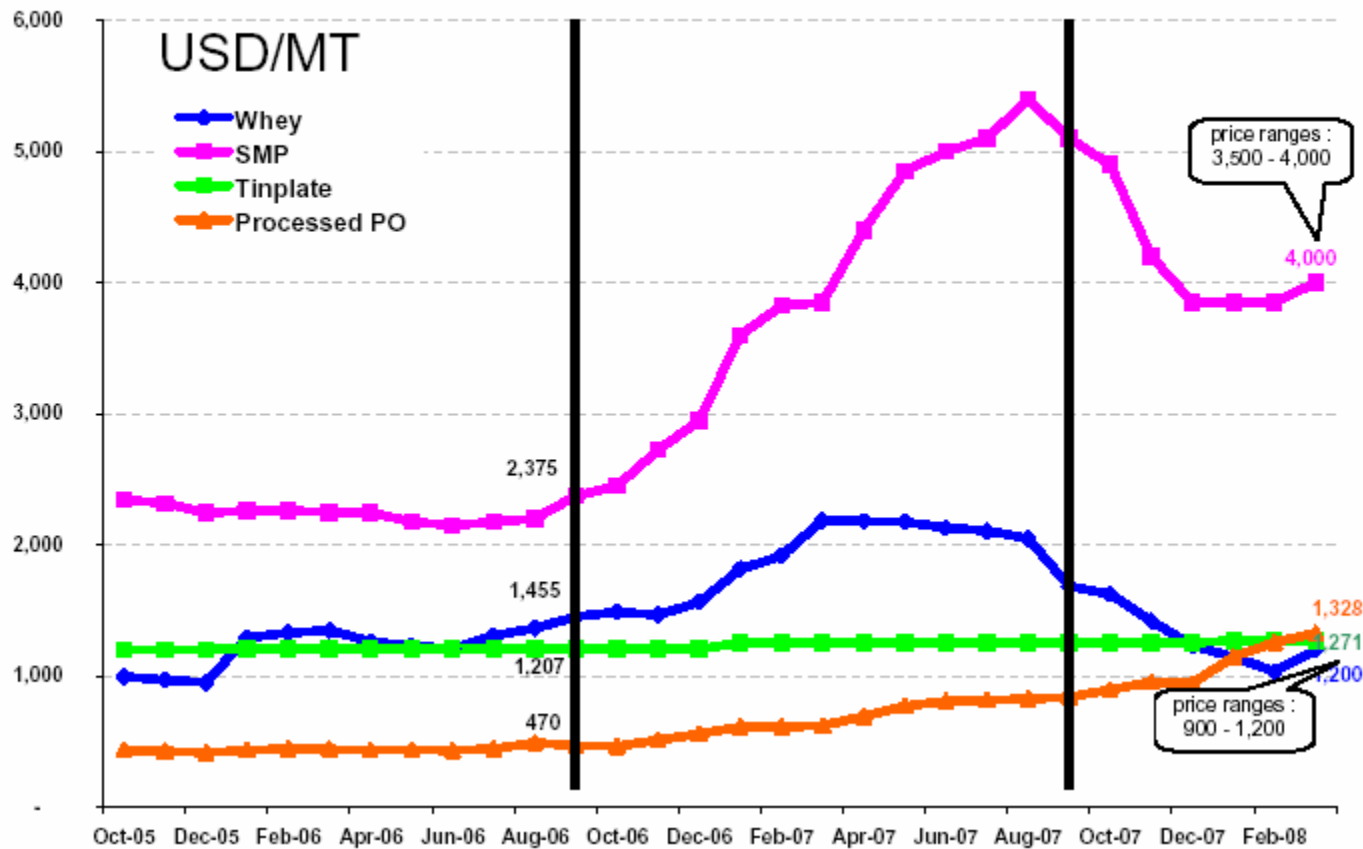
May 8, 2008



Raw Material and Packaging Cost Trend



Major Material Cost Trends



	% chg vs Sep-06	% chg vs Sep-07
SMP	68%	-22%
PPO	182%	58%
Tinplate	5%	1%
Whey	-18%	-29%

Raw Material and Packaging Cost Trend

