

NEWS RELEASE

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F&N GROUP 1stHalf ATTRIBUTABLE PROFIT GREW 25 PER CENT TO RM 92.4 million

Fraser & Neave Holdings Bhd's revenue for the half year ended March 31, 2008 jumped 45 per cent to RM1.8 billion compared to the same period in 2007 on the back of improved sales from all its core businesses and contributions from the acquired Nestle business ("acquired business").

The Group's first half operating profit rose 30 per cent to RM141 million from RM108 million while profit before taxation grew 24 per cent to RM100.6 million from RM81.3 million in the same period. Excluding the acquired business, the Group revenue and operating profit grew at 12 per cent and 15 per cent respectively.

Profit after taxation attributable to the equity holders of the Company grew 25 per cent to RM92.4 million.

F&N Holdings Group CEO, Mr Tan Ang Meng said that robust results were driven by volume and selling price improvements in all business units. Soft drinks division remain the biggest profit contributor registering encouraging double digit revenue and profit growth benefiting from strong festive sales and improved execution.

Revenue and operating profit of the Dairies division grew by 92% and 94% respectively mainly due to the consolidation of the acquired business on 1 Feb 2007. Margins for the dairies business were under pressure due to softer market conditions (after hefty price increase) and delayed price increase approvals in Thailand.

Tan added that the glass operations also registered double digit improvement in both revenue and operating profit and the new greenfield plant in Thailand was operating profitably.

Commenting on the prospects for the second half, Tan said that while prices of raw materials appear to have stabilized, it was still at elevated levels.

“The Group expects a more challenging second half as consumer sentiment appeared to have turned cautious in the face of rising food and energy cost.”

To commemorate the Group’s 125th anniversary, a special tax exempt dividend of 5 sen was declared together with an interim dividend of 17 sen gross (12.58 sen net) per share. The total dividend declared was 17.58 sen compared to 12 sen previously which represents an increase of 47%. Both the interim and special dividends totaling RM63 million will be paid on 8 July 2008.

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Issued with the compliments of F&N Holdings Bhd.
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