



Fraser & Neave Holdings Bhd

FY07/08 Full Year Results Briefing

7 Nov 2008

Presented by : Tan Ang Meng, CEO



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1883 - 2008

Financial highlights

- * 25% increase in revenue
 - ◇ Record soft drinks volume, up 9% from LY
 - ◇ Double digit growth in dairies, full year impact of acquired business
 - ◇ New glass capacity in Thailand & higher overall selling prices
- * 13% growth in PBIT
 - ◇ Soft drinks & dairies margins maintained despite high raw material cost
 - ◇ Margin compression in glass ~ higher input costs, Sichuan earthquake & restructuring costs
 - ◇ Contribution from property declined ~ FBP1 completed last year
- * 8th consecutive year of record revenue & profit

RM mil	FY08	FY07	+/- (%)
Revenue	3,591.2	2,865.1	+25.3
PBIT	256.7	227.8	+12.7
PBT	239.7	220.9	+8.5
PAT	179.7	165.6	+8.5
AP	166.8	152.9	+9.1



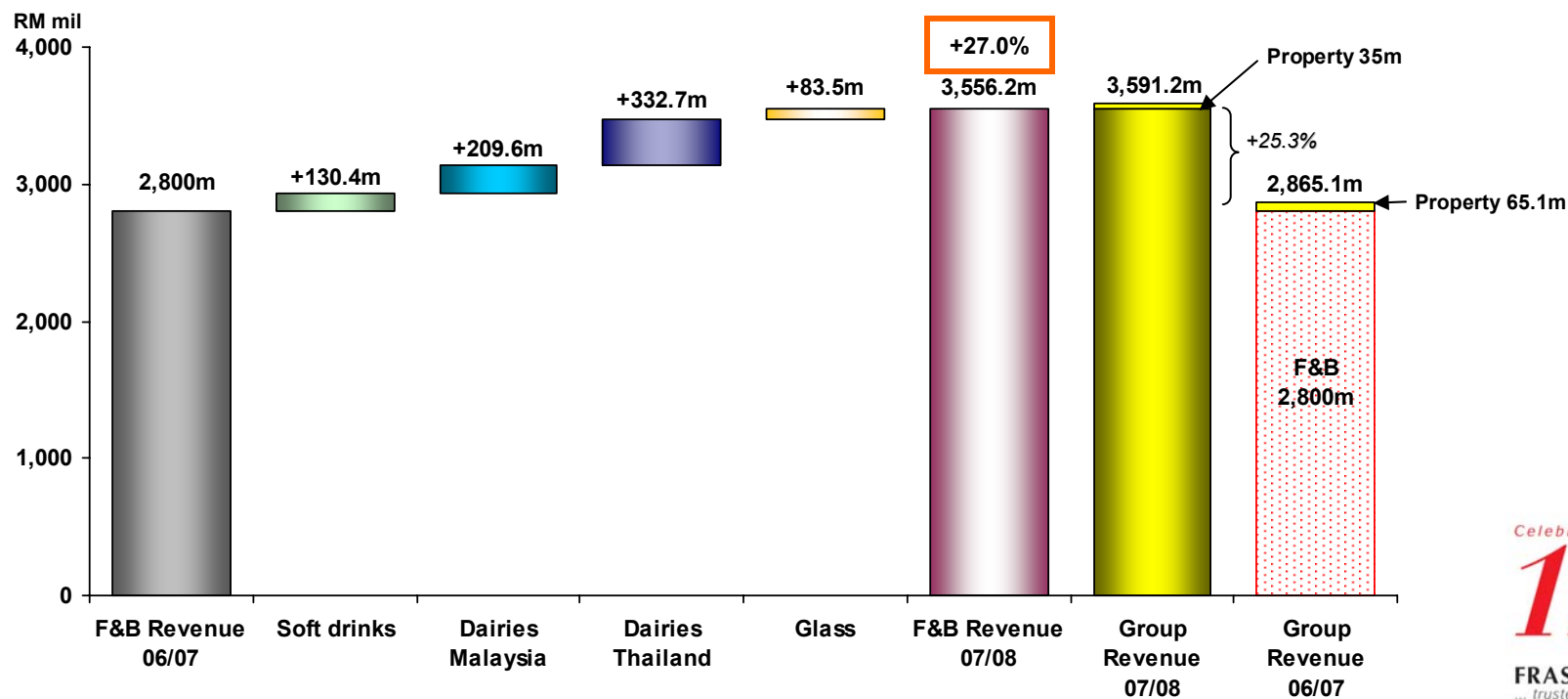
Financial highlights

Key ratios	FY08	FY07	+/- (%)
Per share			
- EPS (sen)	46.8	42.9	+9.1%
- NAV (RM)	3.32	3.25	+2.2%
- DPS (net) (sen)	40.1	34.2	+17.3%
PBIT margin (F&B)	6.9%	7.2%	↓
ROE	14.1%	13.2%	↑
Net Gearing (x)	0.20	0.17	↑
Share price @ 30 Sep (RM/share)	9.05	8.00	↑



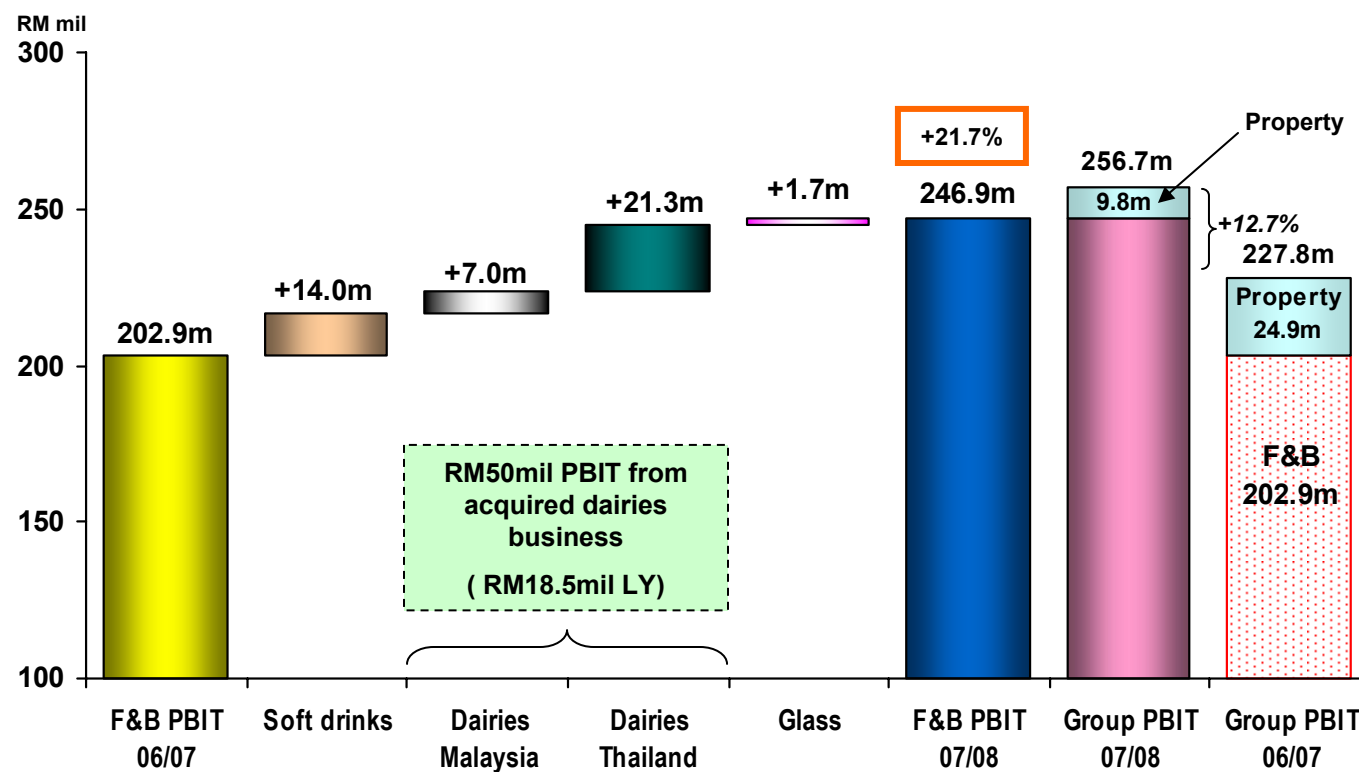
Group revenue

- ★ Robust revenue growth of +25%, exceeding RM3.5bil for the first time
- ★ Food & Beverage Division revenue registered +27% growth
- ★ Strong revenue growth from dairies business ~ full year results of acquired dairies business
- ★ Improvement in all units except property business



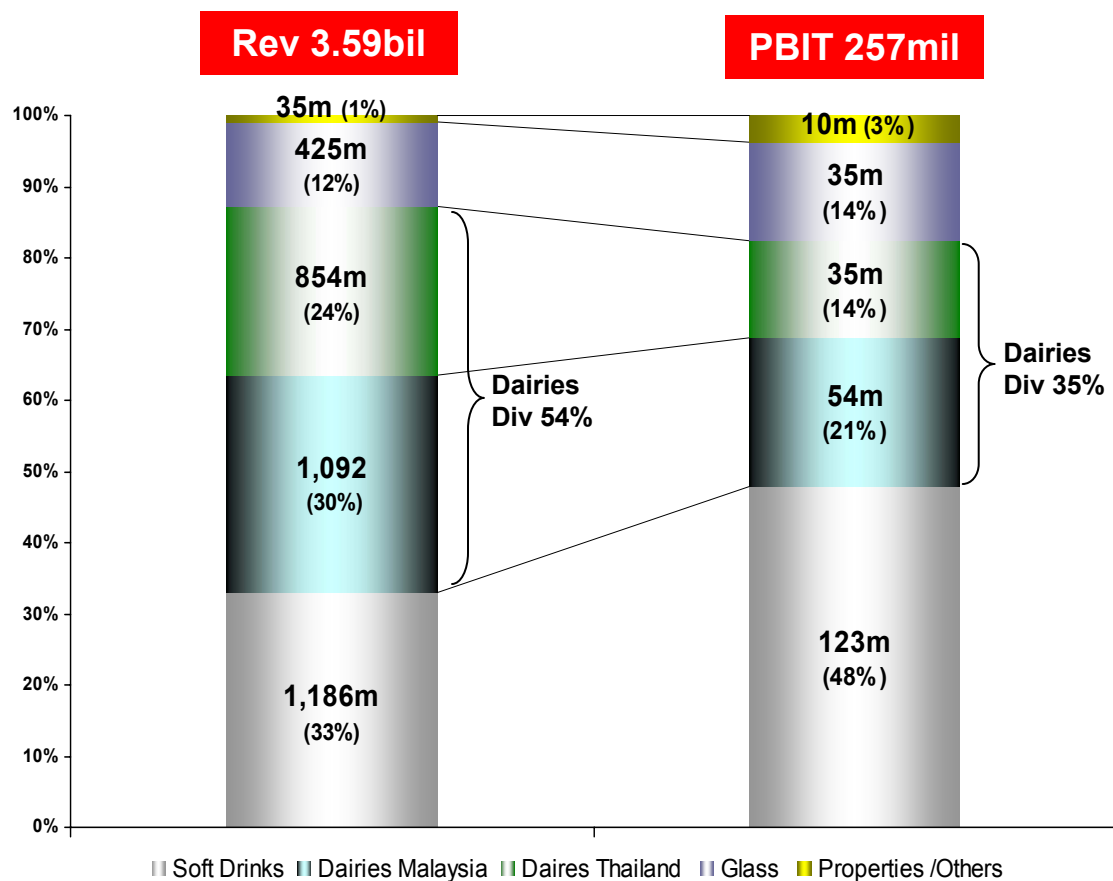
Operating profit (PBIT)

- * F&B PBIT +22% vs. LY
- * Sterling performance from soft drinks & dairies, especially Thailand
- * Property contributed RM9.8mil. LY property profit included RM14mil from FBP1

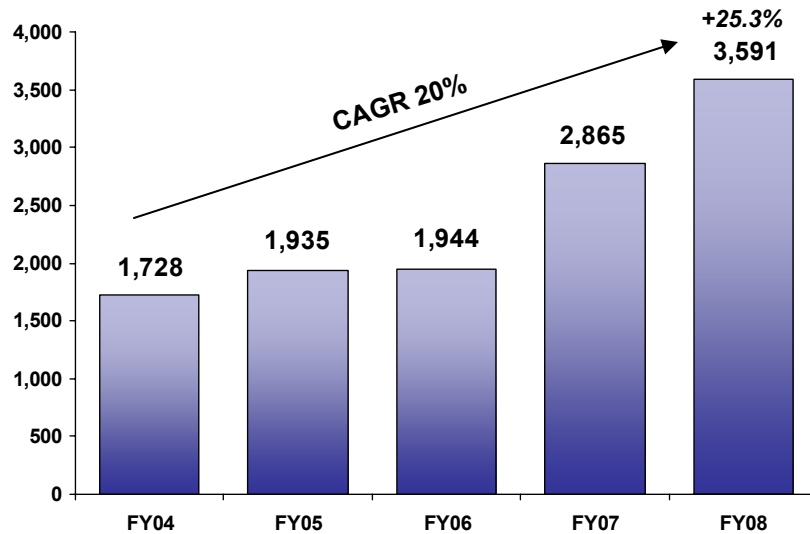


Segment revenue & PBIT

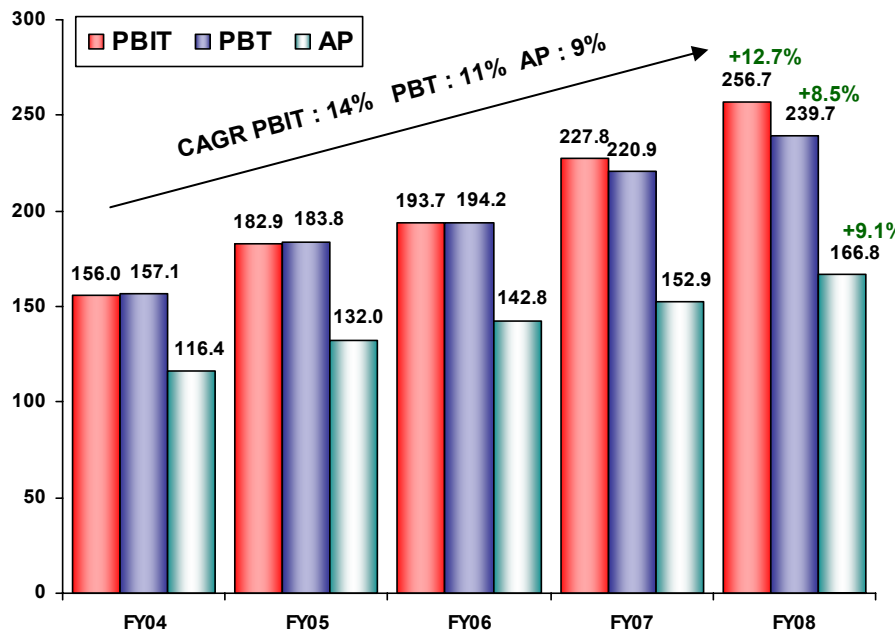
- ★ Dairies is largest revenue segment at 54% & growing (LY 49%)
- ★ Soft drinks remained biggest profit contributor at 48% (no change from LY)



Last 5 years growth



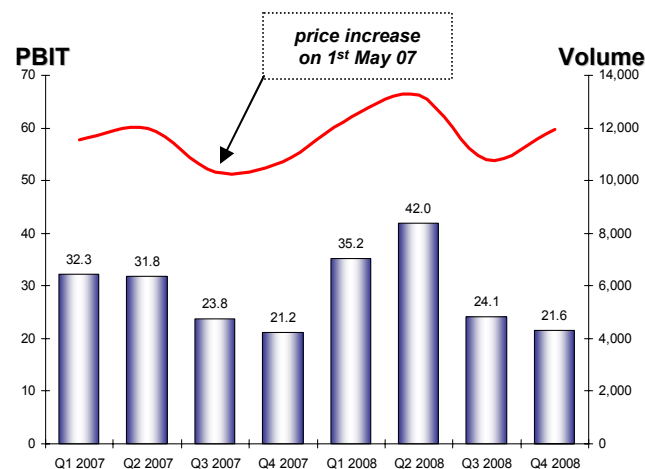
- ★ Revenue almost doubled from 2 years ago
- ★ Double digit growth in revenue, PBIT and PBT over past 5 years
- ★ 8th consecutive year of record revenue & PBIT



Operations Review - Soft drinks

	RM mil	vs. LY
Revenue	1,186	+12%
PBIT	123	+13%

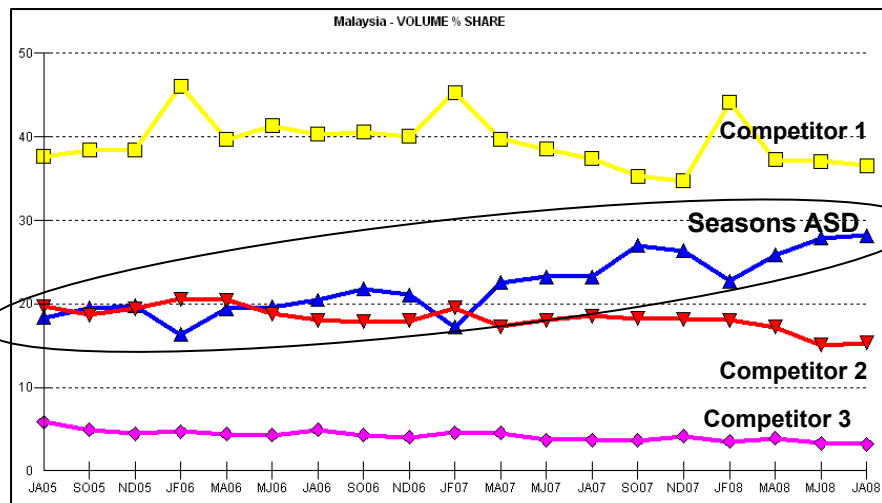
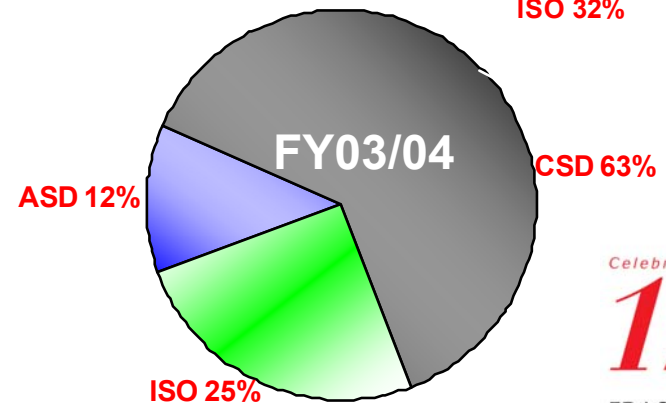
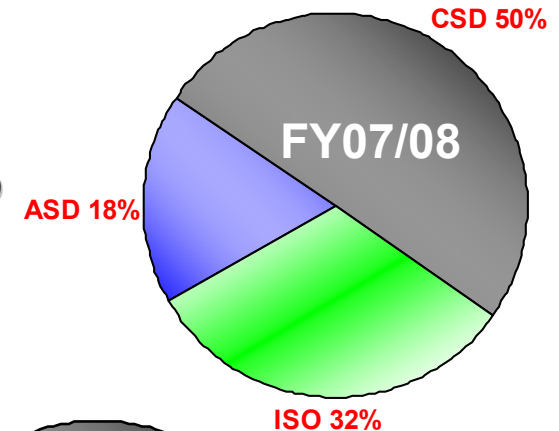
- * Volume +9% & revenue +12% due to pack mix & full year impact of price increase in May 07
- * Record volume attributed to :
 - ◇ Strong festive sales ~ CNY & 2 HRP (HRP was on 14-15 Oct 2007 & 1-2 Oct 2008)
 - ◇ Strong marketing & distribution focus
- * Pre-emptive mitigation plans to counter weak demand due to petrol/ diesel hikes & inflationary pressure in 3rd & 4th quarter
- * Expansion of Kuching plant in progress (In-house PET & warehouse expansion)



Operations Review - Soft drinks

- ★ All categories registered volume growth : CSD, ISO, ASD, water
- ★ Strong market share performance for key brands :
 - ◇ ISO ~ 90% (stable)
 - ◇ CSD ~ 65% (stable)
 - ◇ ASD ~ 26% (gained 5% share over LY)
- ★ Seasons ASD in a solid no. 2 position
- ★ ASD contributed 18% of volume, vs. 12% 4 years ago

Volume share by category



Source : AC Nielsen

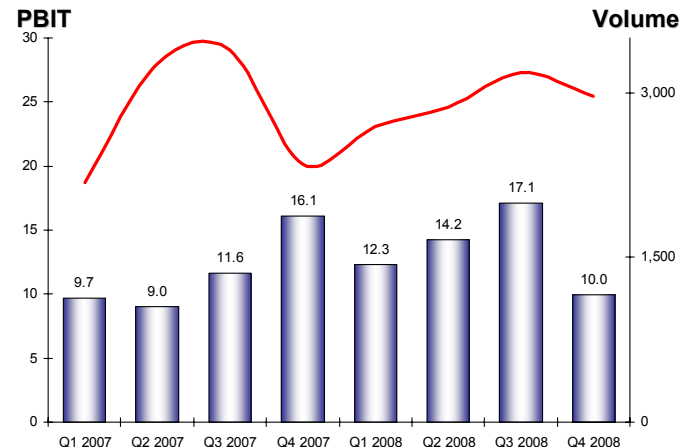
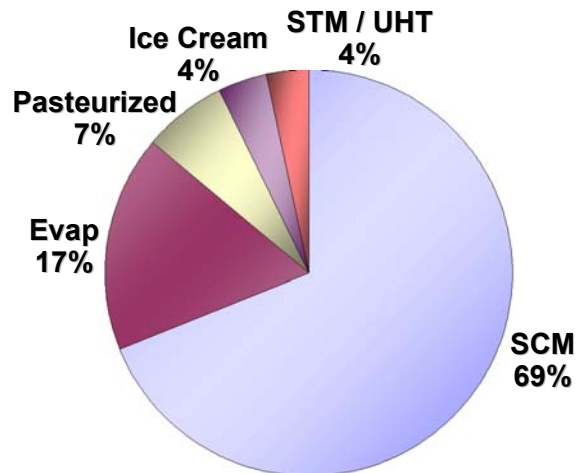


Operations Review - Dairies Malaysia

	RM mil	vs. LY
Revenue	1,092	+24%
PBIT	54	+15%

- * Domestic canned milk market volume flat, export volume -4%
 - ◇ Flat market growth for F&N brands, Tea Pot under volume pressure
 - ◇ Price discounting by competitors
 - ◇ Export volume constrained by capacity shortage
- * Double digit revenue growth driven by higher selling prices & full year contribution from acquired dairies business
- * Pulau Indah project scheduled to commence by 2010

Rev contribution by category

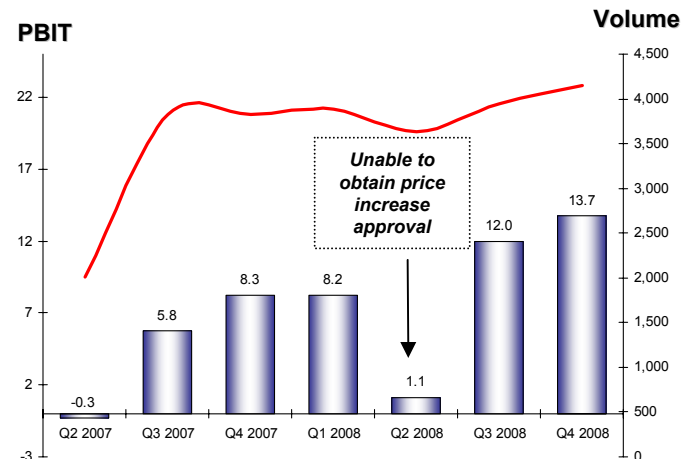
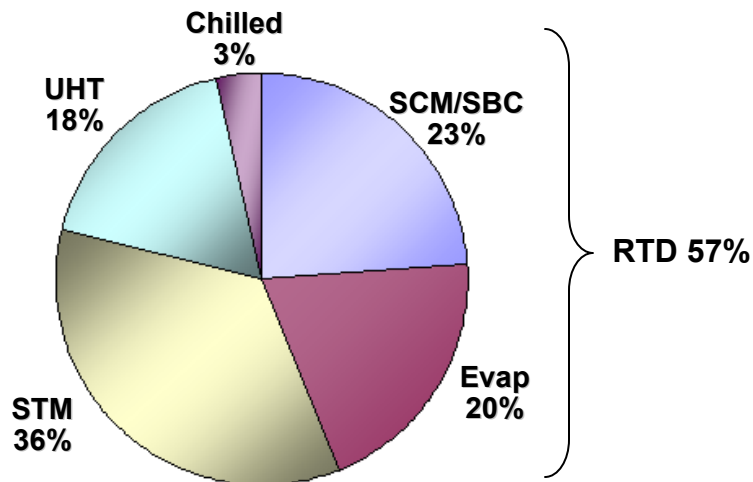


Operations Review - Dairies Thailand

	RM mil	vs. LY
Revenue	854	+64%
PBIT	35	+155%

- ★ Strong revenue & PBIT growth due to volume growth & full year results (LY 8 months)
- ★ Margin improvement (4.1% vs. 2.6% LY) ~ shift focus to non price controlled & premium items
- ★ Successful re-launch of Bear Brand & Bear Brand Gold STM
- ★ Construction of new factory at Rojana started ~ ready end 2009

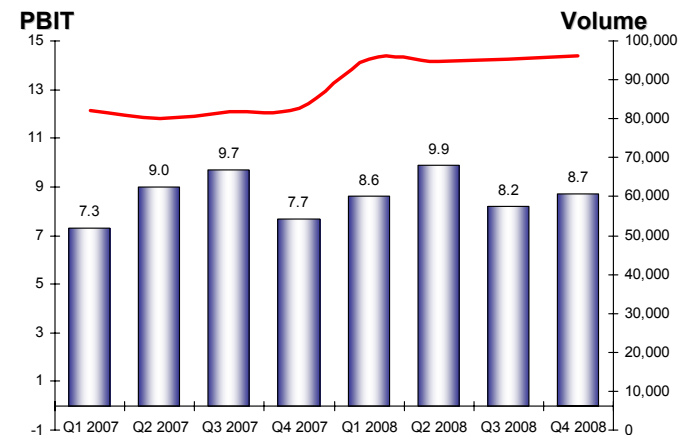
Rev contribution by category



Operations Review - Glass

	RM mil	vs. LY
Revenue	425	+24%
PBIT	35	+5%

- * 17% increase in volume vs. LY
 - ◇ Thai Malaya Glass full year results (*commenced operations 1 Oct 07*)
 - ◇ Sichuan 2nd furnace (*commenced operations 14 Jul 08*)
- * Higher volume & better selling prices led to 24% growth in revenue
- * PBIT only grew 5% due to :
 - ◇ Earthquake in Sichuan
 - ◇ Energy & raw material hikes in Malaysia
- * Rationalisation & restructuring of operations in China & Malaysia
- * M1 furnace completed during the year (*heated up in mid Oct 08*)



Operations Review - Properties

	RM mil	vs. LY
Revenue	35	-46% *
PBIT	8	-61% *

* Not comparable ~ FBP1 (completed LY) contributed RM32mil & RM14mil to revenue & PBIT LY

FBP2 : ZON.e@Fraser Business Park

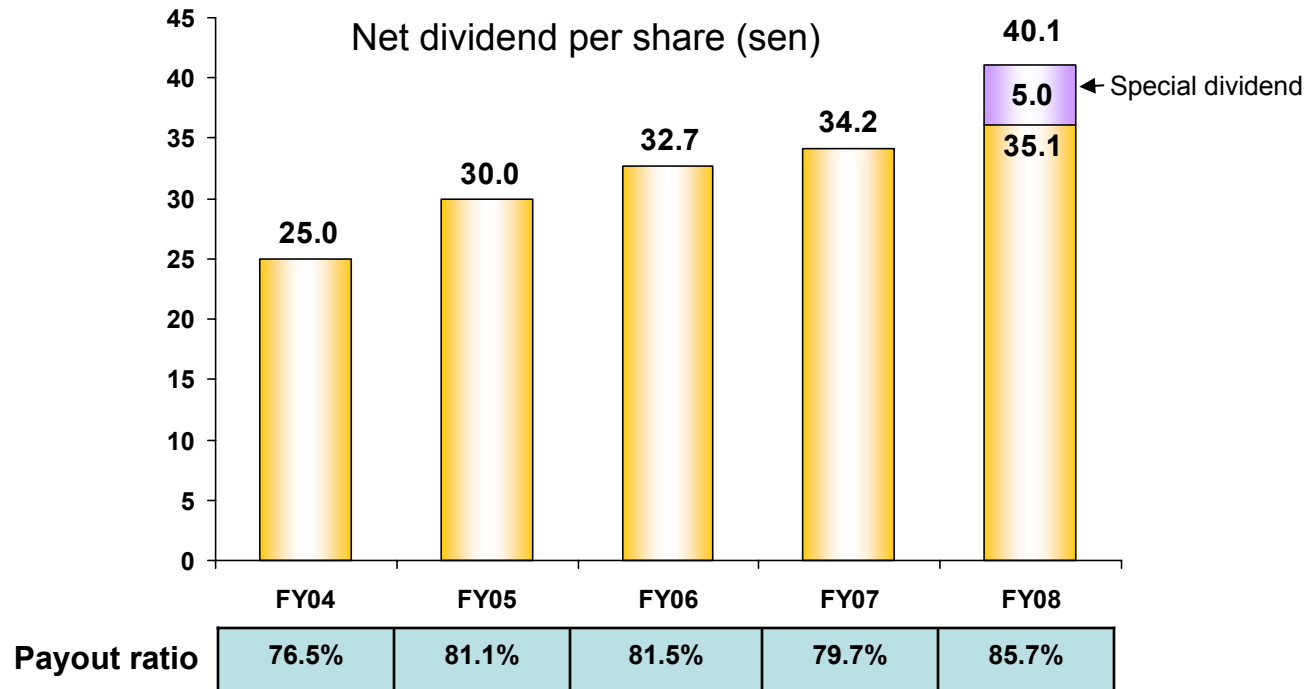
- * Project at 50% completion, ready by end 2009
- * Revenue & PBIT affected by sales cancellation in Q4, when certain purchasers defaulted on progress payments

Ampang land sale

- * Land Office issued acquisition notice to acquire additional 24 sq metres (0.4% of total land area) of the amalgamated land
- * Purchaser subsequently rescinded SPA (*allowed in SPA under such circumstances*)
- * Earnest deposit refunded to purchaser

Dividends

- * Proposed final dividend of 30 sen gross per share (net 22.5 sen)
- * Full year net dividend +17% vs LY
- * Payout ratio higher at 86%
- * Another record payment



Market outlook

Negative factors

- * Slowing economic growth in Malaysia & Thailand
- * Weakening local currencies
- * Volatile commodity & financial markets

Positive factors

- * Commodity prices trending downwards
- * Easing inflationary pressure





End of presentation



Quarter 4 2008 PBIT

- * PBIT from F&B Division +1.4% YOY
- * Group PBIT -19% depressed by property division

