



FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

NEWS RELEASE

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F&N GROUP – FOOD & BEVERAGE (“F&B”) DIVISION REGISTER DOUBLE DIGIT GROWTH

Financial Highlights RM'000	30 Sept 2008	30 Sept 2007	% change
Revenue	3,591,204	2,865,068	25.3%
Operating Profit	256,650	227,771	12.7%
Profit after taxation	179,731	165,577	8.5%
Attributable profit	166,845	152,871	9.1%
Earnings per share - basic (sen)	46.8	42.9	9.1%
Net asset value per share (RM)	3.32	3.25	2.2%

- Revenue grew 25.3% to RM3.59 billion, F&B registered an improvement of 27%
- Operating profit up 12.7% to RM256.7 million, F&B profits surged 21.7%
- Attributable profit rose 9.1% to RM166.8 million
- 8th consecutive year of record revenue and operating profit

F&N Holdings CEO, Mr Tan Ang Meng said today the Group's overall performance was better than expected, despite the challenging cost environment and weaker consumer sentiment in the core markets of Malaysia and Thailand. "Although the cost of major raw and packaging materials were at elevated levels compared to historical averages, the Group achieved revenue and operating profit of over RM3.59 billion and RM256.7 million respectively, marking the 8th consecutive year of record revenue and operating profit. Such commendable results achieved during our 125th anniversary are testament to our proud heritage which has seen the company grow from strength to strength since its humble beginnings in 1883."

In recognition of the good performance, the directors are recommending a final dividend of 30 sen gross (22.5 sen net) per share. If approved by shareholders, the total dividend for the year would be 40.08 sen net compared to 34.20 sen net paid last year, an increase of 17.2 per cent.

Commenting on the performance of the core businesses, Tan said that the Group revenue grew 25.3 per cent while all core business divisions registered double digit growth. “The soft drinks division registered encouraging growth in both volume and revenue in spite of a slowing economy. Meanwhile the dairies division registered double digit growth with the incorporation of the full year results of the acquired dairies business from Nestle as well as volume growth in Thailand. Operating profit for the soft drinks and dairies divisions also grew by double digits due to higher sales volume and revenue. Notably, operating margins were maintained despite rising costs.

“The glass division achieved higher revenue thanks to the new capacity in Thailand and higher selling prices from all other plants. In spite of the higher input and energy cost as well as the negative impact of the Sichuan earthquake, the division managed to register a 5.2 per cent improvement in operating profit,” said Tan.

The property division’s revenue and operating profit declined by 46.2 per cent and 60.7 per cent respectively mainly due to completion of the Phase I of Fraser Business Park and lower contribution from Phase II.

Commenting on the prospects for the coming financial year, Tan said “The expected slowing of the Malaysian and Thailand economy will dampen consumption and intensify competition. While the prices of key raw materials are showing signs of downward trend, the weaker Ringgit exchange rate may offset these potential savings.

“Demand for F&N products, which are daily necessities priced at affordable levels is expected to remain relatively stable. The Group will continue to invest to strengthen its distribution network, expand cooler placements and promote its products in order to mitigate possible negative impact. Overall, we are cautiously optimistic of the prospects for next year and will strive to sustain and build on our current performance,” Tan added.

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

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