



Fraser & Neave Holdings Bhd

FY08/09 Half Year Results Briefing

5 May 2009

Presented by : Tan Ang Meng, CEO

Financial highlights



RM mil	1H09	1H08	+/- (%)
Revenue	1,831.6	1,807.6	+1.3
PBIT b4 UI	168.5	141.0	+19.6
PBIT after UI	158.5	141.0	+12.5
PBT	150.5	132.2	+13.9
PAT	113.9	100.6	+13.3
AP	104.2	92.4	+12.7

Note – UI consists of one-off cost of RM 10mil relating to planned closure of KLG

- + Resilient amidst weakening economy
- + Fundamentals remain intact
- + Strong distribution & marketing activities spurred Soft Drink demand
- + Dairies margin rebounded as input costs decline
- + Glass operation streamlined with planned closure of KL glass furnace (KLG)

Financial highlights

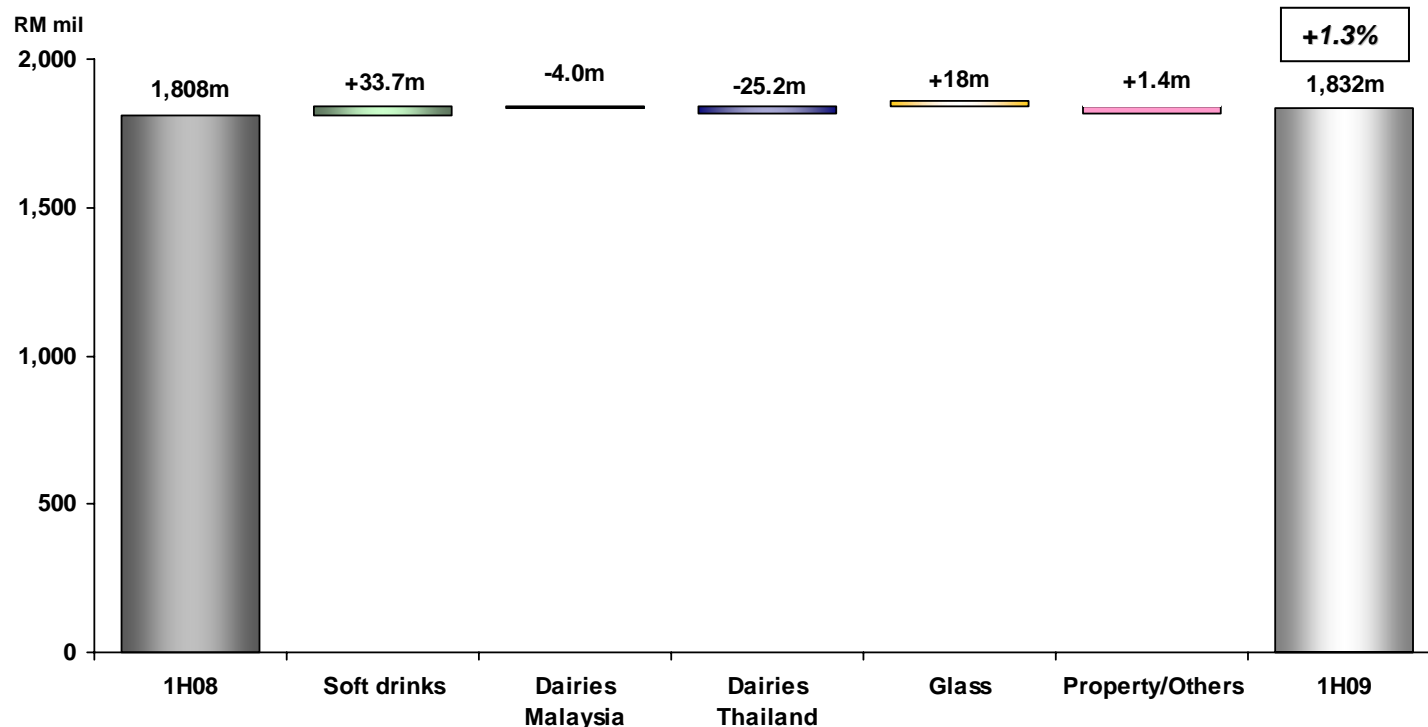


Key ratios	1H09	1H08	+/- (%)
Per share			
- EPS (sen)	29.3	25.9	+12.7
- NAV (RM)	3.41	3.23	+5.6
- DPS (net) (sen) ~ special	-	5.0	
~ interim (gross 17 sen)	12.75	12.58	+1.4%
PBIT margin before UI	9.2%	7.8%	↑
ROE (half year)	8.6%	8.0%	↑
Net Gearing (x)	0.2	0.31	↓
Share price @ 31 Mar (RM/share)	8.25	7.85	↑

Group revenue



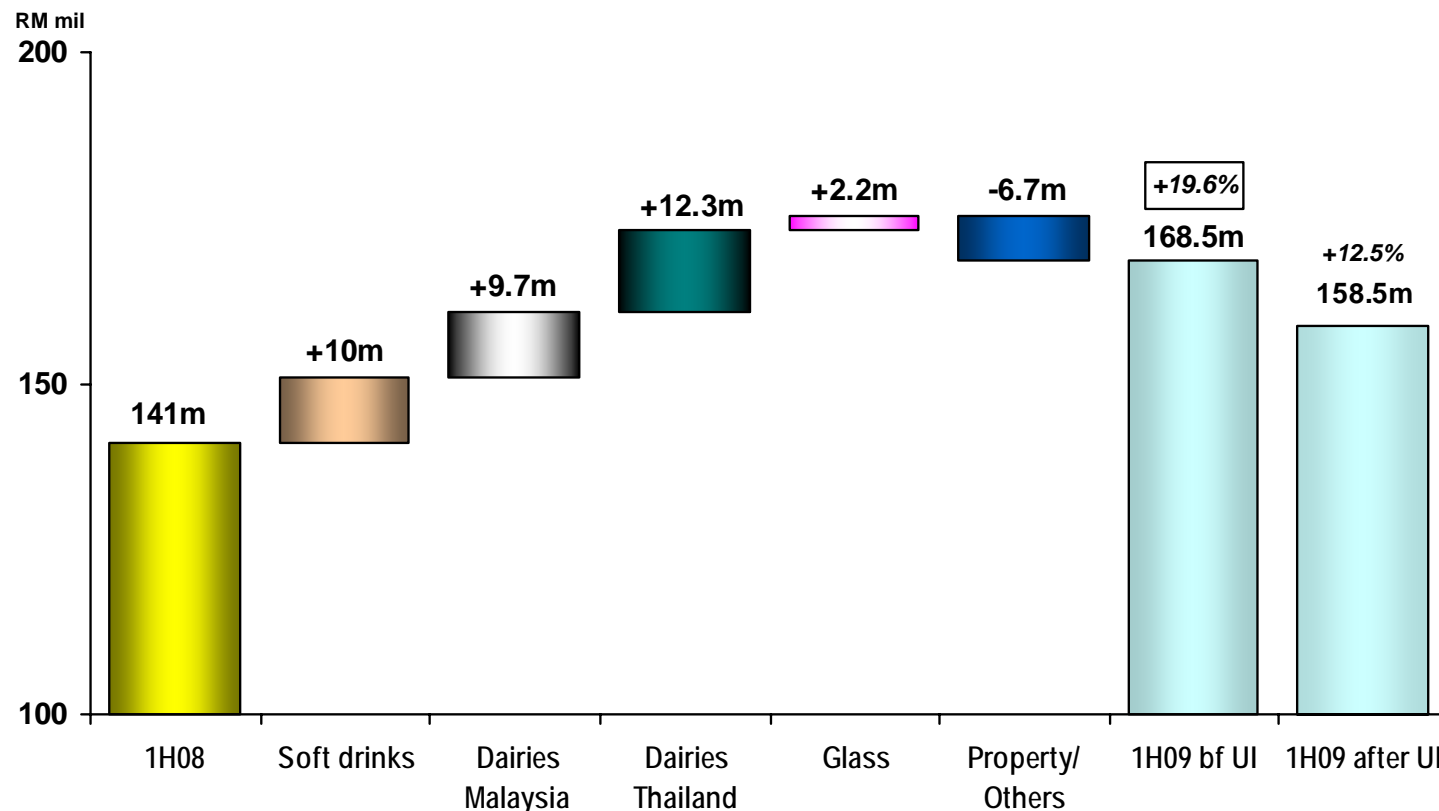
- * Revenue holding despite weak economy
- * Soft Drink volume + 5%, lead by higher Isotonic & ASD volume
- * Both Malaysia & Thailand Dairies affected by slower exports
- * Dairies Thailand domestic volume holding despite political / economic situation
- * Glass revenue up on higher price level



Operating profit (PBIT)



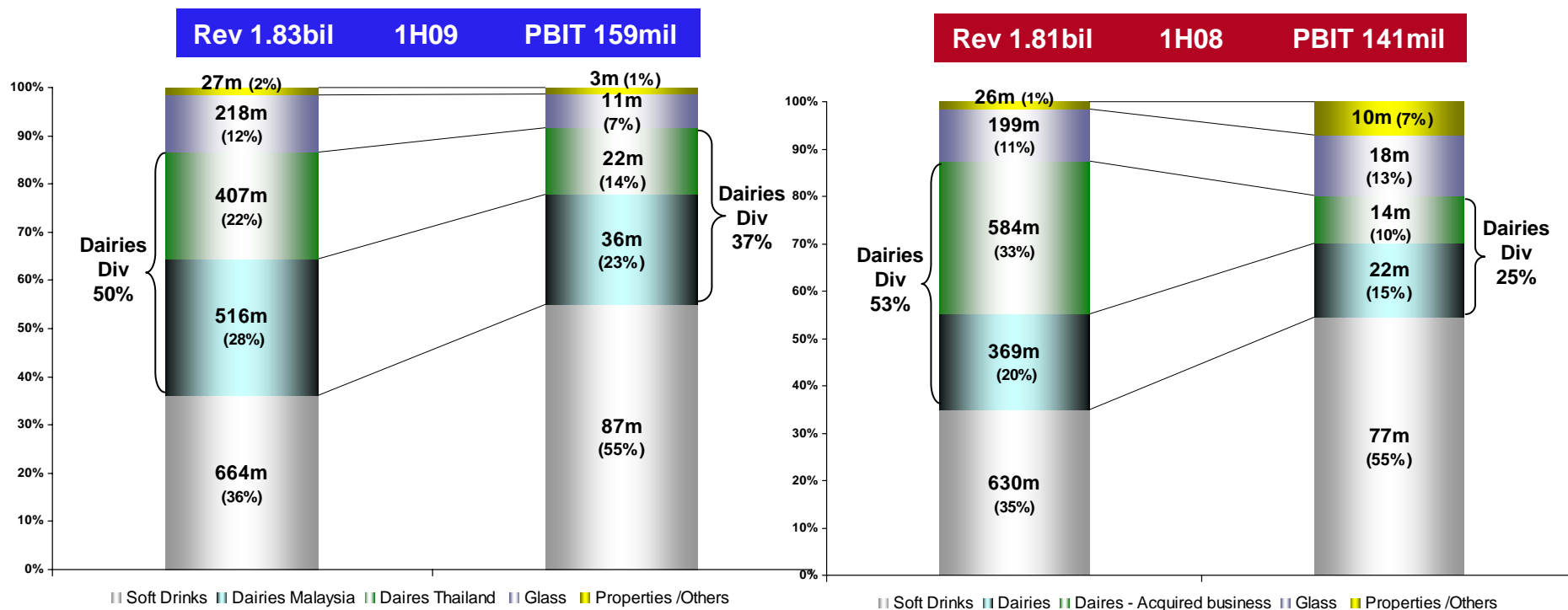
- * Group PBIT before UI improved 19.6% (+12.5% after UI)
- * All core divisions show strong performance
- * Strong rebound in Dairies' profitability, especially Thailand
- * Property profit lower after "bulk sales" cancellation in Q4 FY08



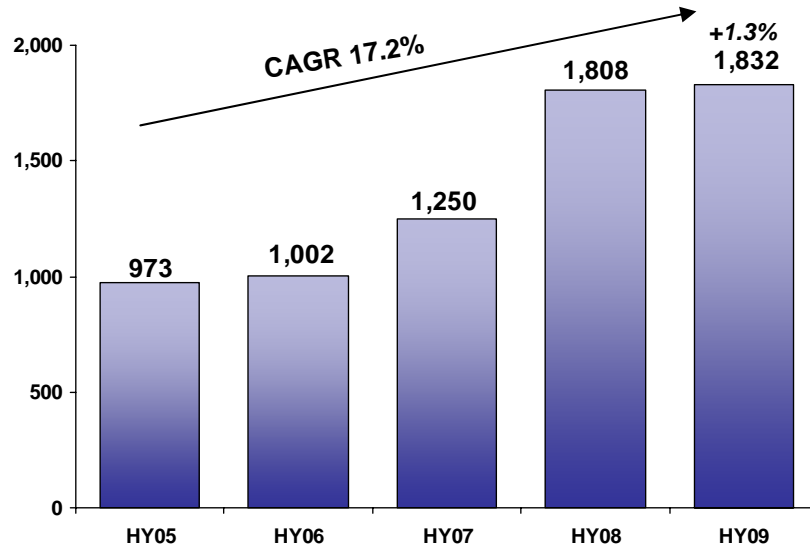
Segment revenue & PBIT



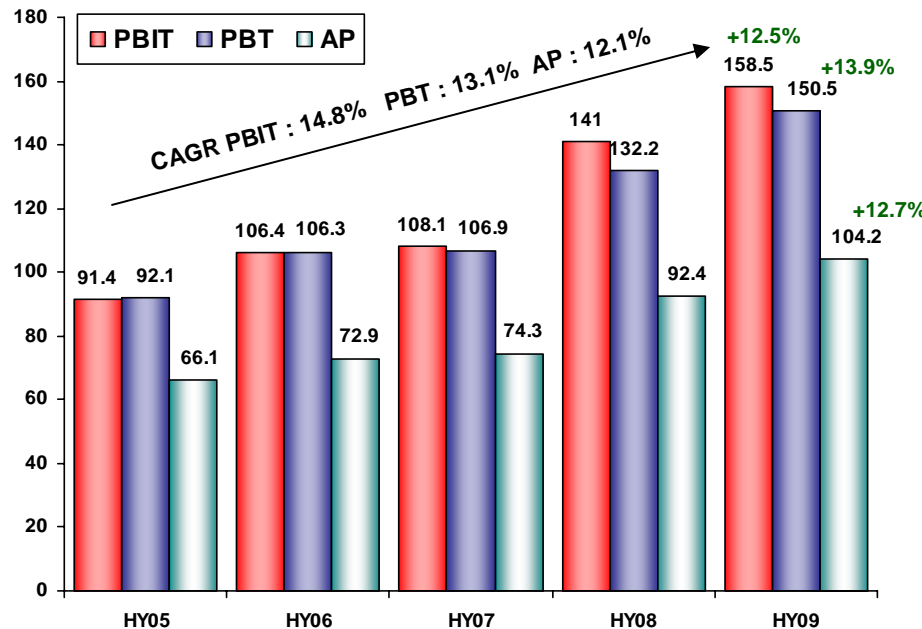
- * Dairies remained largest revenue segment at 50%
- * Dairies' profit contribution up, 37% vs. 25%
- * Soft drinks contributed 55% of group profit



Last 5 years growth



- ★ Revenue remain solid, despite external challenges
- ★ A track record of consistent strong profit growth
- ★ Over 5 years, both revenue & profit experiencing double digit growth

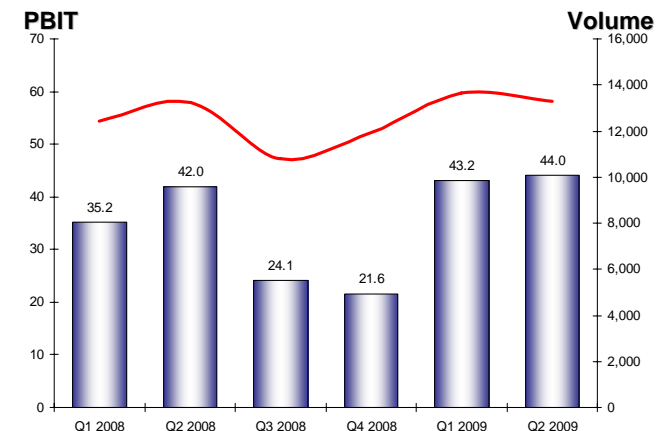


Operations Review - Soft drinks



	RM mil	vs. LY
Revenue	663.1	+5.4%
PBIT	87.2	+12.9%

- * Volume & revenue +5%
 - ◇ Strong festive sales & promotional activities
- * Record CNY volume > 6 mil cases in a single month
 - ◇ Seasons & 100Plus star performers
- * In-house PET plant & new warehouse in Kuching, Sarawak. Commenced operations on 2 Apr 2009

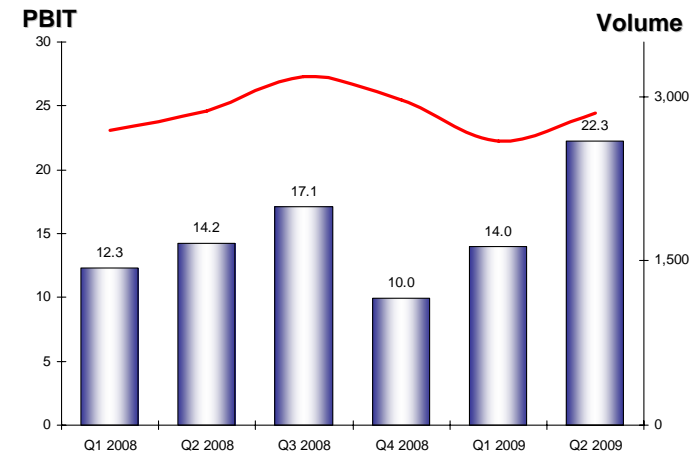


Operations Review - Dairies Malaysia



	RM mil	vs. LY
Revenue	516.3	-0.8%
PBIT	36.3	+36.6%

- * Volume declined 2%, revenue -1% vs. LY
 - ◇ Domestic volume flat
 - ◇ Exports affected by price competition
- * Double digit PBIT growth on declining raw material costs
- * PBIT Margins improved from 5.1% LY to 7%
- * Price control of SCM removed on 1 Apr 09
- * Pulau Indah project delayed

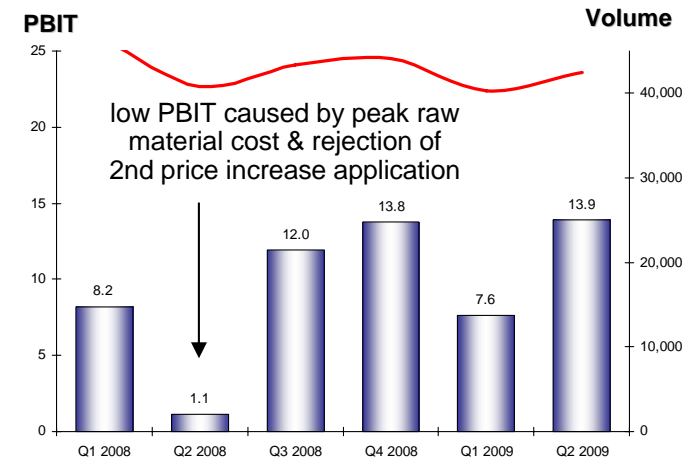


Operations Review - Dairies Thailand



	RM mil	vs. LY
Revenue	407.2	-5.8%
PBIT	21.6	+134%

- * Volume decline 5%, revenue -6% against LY
 - ◇ Domestic volume flat
 - ◇ Exports to Nestle affiliates decreased
- * Q2 volume recovered by re-entry into price controlled [SBC, Evap] segment as input cost decreased
- * PBIT jumped 134% & margin improved (5.3% vs. 2.1% LY) on declining raw material prices
- * Rojana factory near completion ~ 1st Jul 2009 startup



Operations Review - Dairies Thailand



* Rojana Progress Photos - Mar 2009

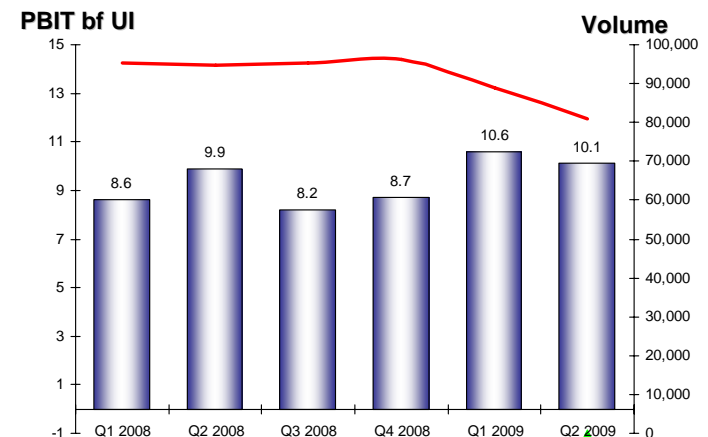


Operations Review - Glass



	RM mil	vs. LY
Revenue	217.5	+9.1%
PBIT b4 UI	20.6	+11.9%

- * 11% decline in volume vs. LY due to lower demand
 - ◇ Thailand – sharp decline in orders from softening beer markets
 - ◇ Malaysia – lower export orders
- * Higher price level & change in sales mix led to 9% growth in revenue
- * PBIT grew 12% on improved margins
- * Planned amalgamation of Msian glass operations
 - ◇ M3 furnace in JB under construction
 - ◇ End of economic useful life of PJ plant
 - ◇ PJ premises to be sold
 - ◇ 1 time restructuring cost RM10m expensed out



Operations Review - Properties



	RM mil	vs. LY
Revenue	27.4	+5.6%
PBIT	2.3	-67.5%

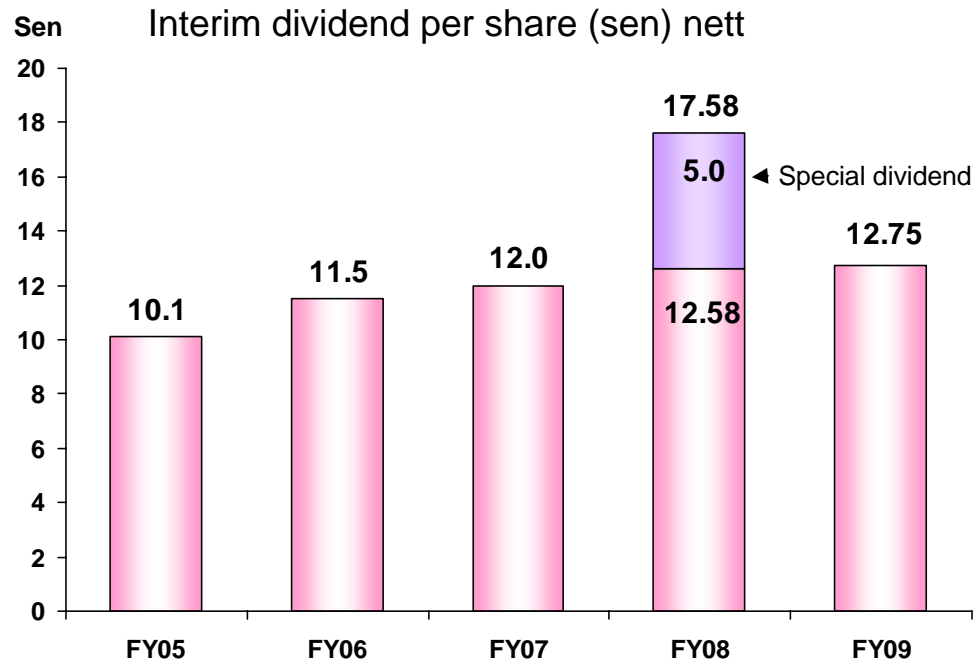
Fraser business Park Phase II

- * Percentage of units sold currently at 43% vs. 58% LY
 - ◇ cancellation of “bulk” sales in Q4 FY08

Dividends



- * Maintaining interim dividend payment
- * Gross amount 17 sen, same as LY
- * Net dividend of 12.75 sen per share or RM45.4m
- * Payment date 6 Aug 09



Negative factors

- * Recessions in key markets
- * Lower spending power/poor consumer sentiment
- * Heightened price competition
- * Weakening local currencies

Positive factors

- * Lower commodity price level
- * Government actions to boost spending
- * Attractive consumer-based promotions to stimulate demand

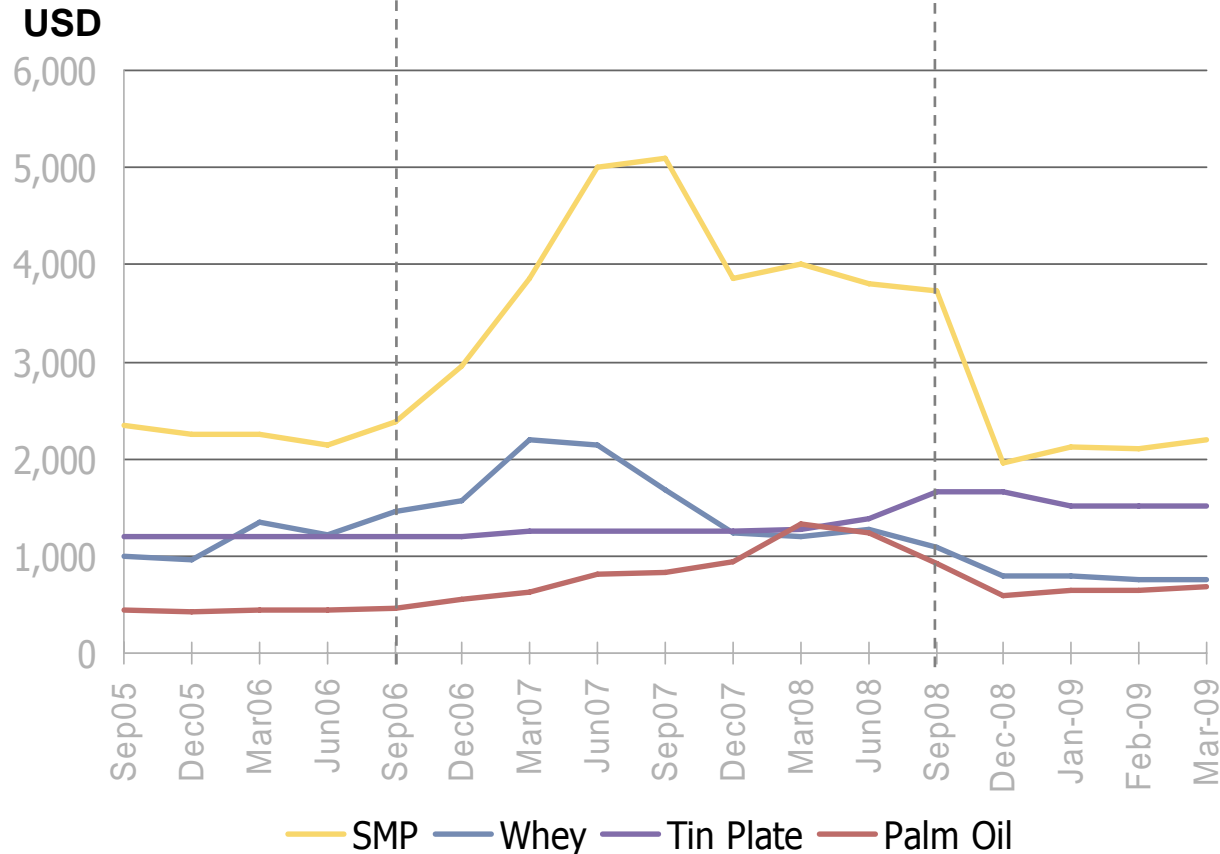
Evolving future development

- * Expiry of Coke TMLA in Jan 2010
- * Transition arrangement to be discussed

Material cost trends



Benefits from lower costs partly eroded by weaker Ringgit and lower selling prices



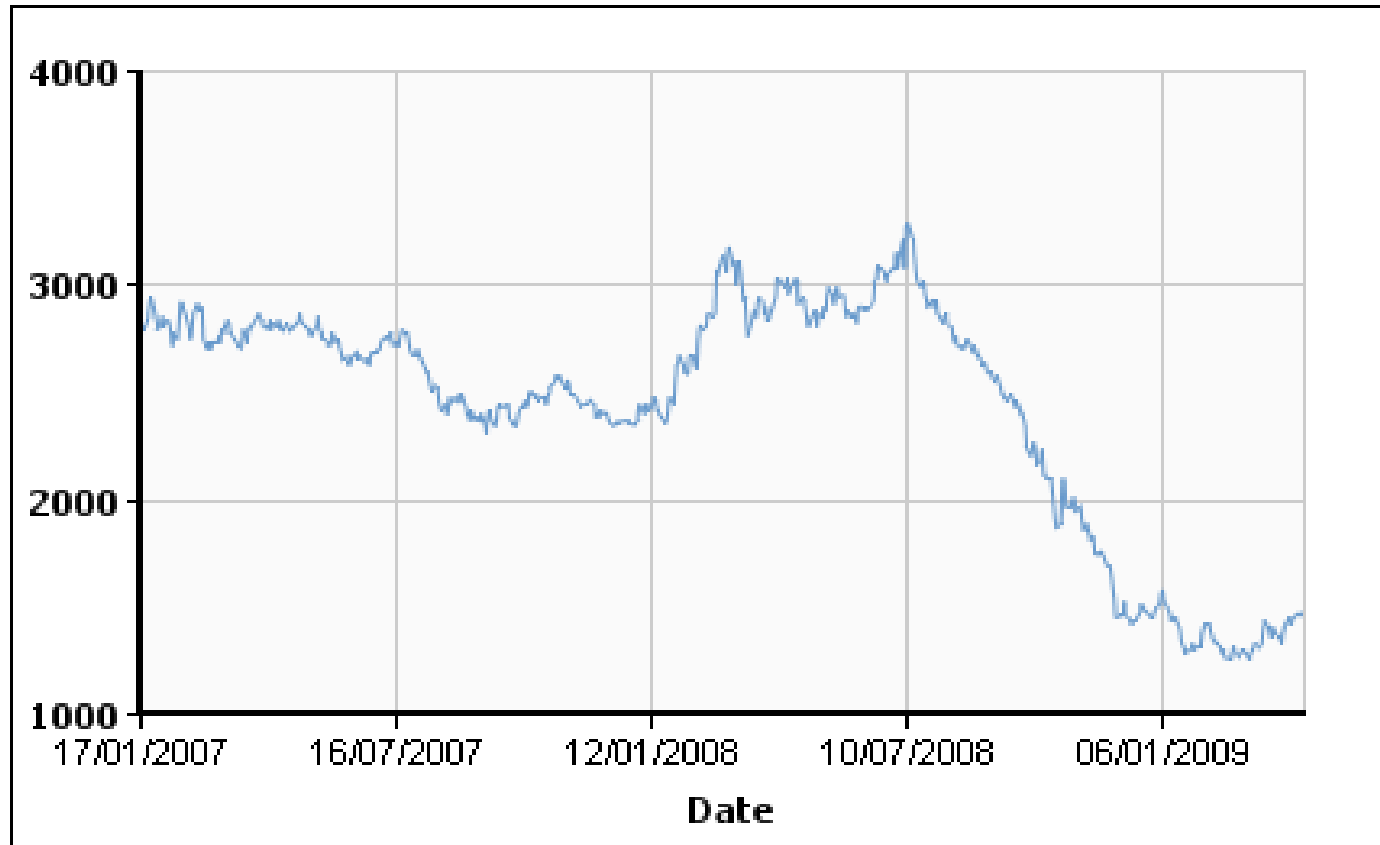
Less volatile....stabilizing?

	% drop vs. peak
SMP at ~ USD2,200	-59%
Whey at USD760	-65%
Tin at USD1,521	-12%
Palm Oil at USD691 (RM2,527)	-48%

Material cost trends

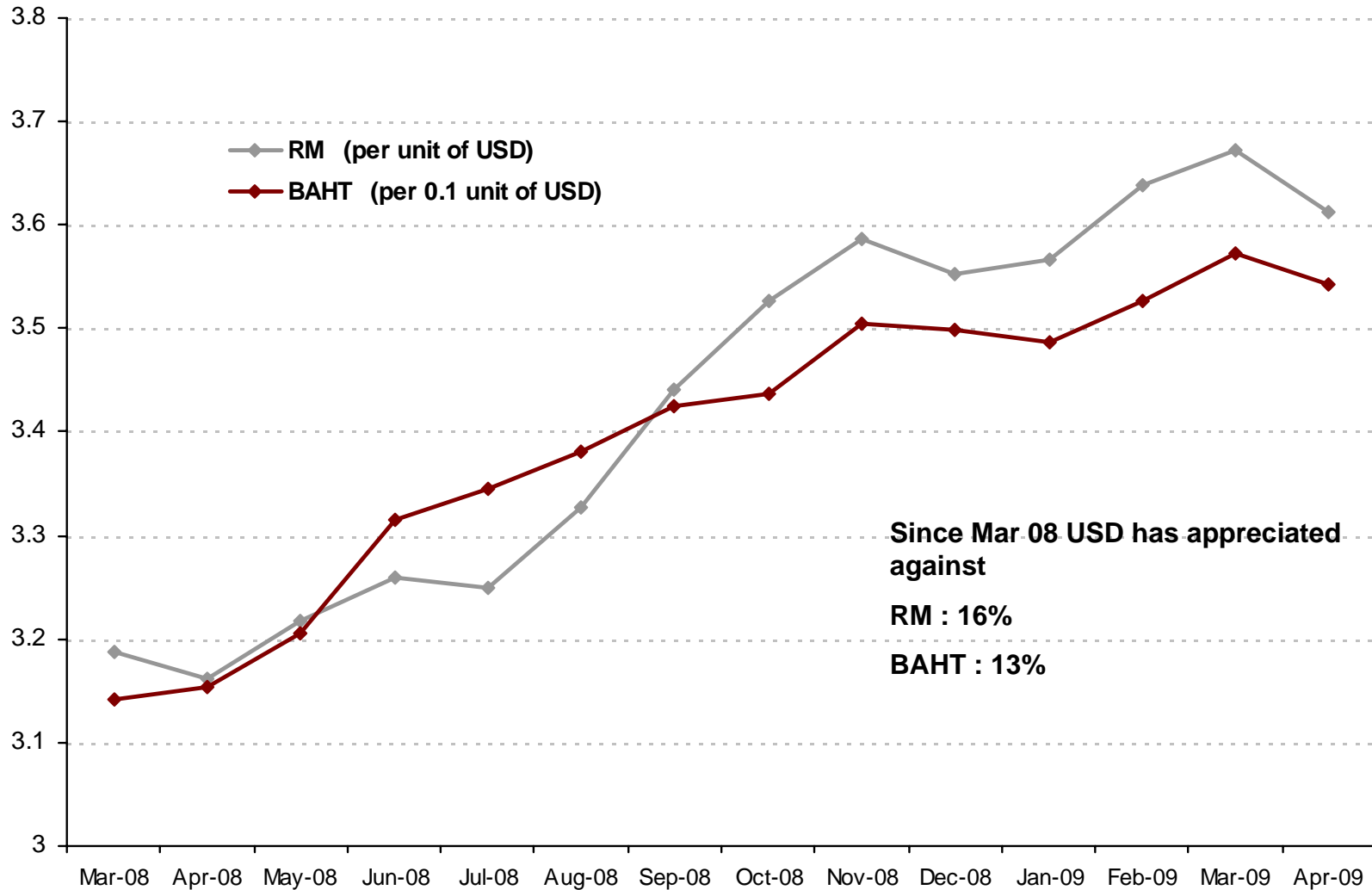


Aluminum (USD/MT)



Aluminum prices have come down 55% from its peak of USD3,122

Foreign exchange – USD vs. RM & BAHT





End of presentation