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FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

NEWS RELEASE

May 5, 2009

F&N GROUP – Improved profitability amidst slow down

| Financial Highlights RM'million | Half Year 2009 | Half Year 2008 | % change |
|------------------------------------|-------------------|-------------------|-------------|
| Revenue | 1,831.6 | 1,807.6 | +1.3 |
| Operating Profit | 158.5 | 141.0 | +12.5 |
| Profit before taxation | 150.5 | 132.2 | +13.9 |
| Profit after taxation | 113.9 | 100.6 | +13.3 |
| Attributable profit | 104.2 | 92.4 | +12.7 |
| Earnings per share - basic (sen) | 29.3 | 25.9 | +12.7 |
| Net asset value per share (RM) | 3.41 | 3.23 | +5.6 |
| Net dividend per share (sen) | 12.75 | 12.58* | +1.4 |

* Exclude the 5 sen special tax exempt dividend to commemorate the Group's 125th anniversary.

- Resilient amidst weakening economy
- Soft drinks demand spurred by strong distribution and marketing activities
- Dairies margin rebounded as input cost decline
- Glass operations consolidated into a single site in Malaysia

Fraser & Neave Holdings Bhd's revenue for the first half year ended March 31, 2009 held steady with a 1.3% growth to RM1.83 billion from RM1.81 billion compared to the same period in 2008. This was a result of the higher soft drinks and glass revenue being partially offset by lower exports of dairies products.

According to F&N Holdings CEO Tan Ang Meng, the Group's first half operating profit before unusual item, rose 19.6% to RM168.5 million from RM141 million as all core business divisions registered double digits growth. After accounting for the one time charge of RM10 million relating to the closure of the glass furnace in Petaling Jaya, operating profit grew by 12.5% to RM158.5 million.

Said Tan, "We had a good first half and all core businesses showed resilience in spite of a slowing economy. Soft drinks division registered volume growth during the Chinese New Year period through effective distribution and impactful marketing activities. Revenue for the first half grew in tandem with volume growth of 5% to reach RM663 million.

"The dairies operation benefited from lower material costs in Q2. Revenue for the first half declined by 3% due to lower exports of dairies products. Domestic sales in both Malaysia and Thailand were stable. The new dairy plant at Rojana, Thailand is in advanced stage of construction and will be operational by middle of 2009."

Tan added that the glass division volume was affected by lower off-take of its F&B customers but revenue was up 9% due to better sales mix and higher selling prices.

Commenting on prospects for the second half, Tan cited the lower commodity prices and government stimulus packages to boost spending as positive factors.

"Consumer spending and sentiments are expected to remain weak for the remaining months of this financial year as economic conditions deteriorate. However sales revenue of the Group is expected to be stable as F&N products are daily necessities and are priced at affordable levels.

"The Group will continue to actively undertake various consumer-focused marketing and sales activities to stimulate demand and consumption of products. Given the performance of the first half, the Group expects a satisfactory performance for the year," added Tan.

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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**Issued with the compliments of Fraser & Neave Holdings Bhd
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