



Fraser & Neave Holdings Bhd

FY08/09 Full Year Results Briefing

10 Nov 2009

Presented by : Tan Ang Meng, CEO

Financial highlights



- Resilient despite recession in core markets of Malaysia & Thailand
- Double digit improvement in profits, PBIT > RM300mil & AP > RM200 mil marks for the 1st time
- Soft drinks core brands continued to yield record volumes
- Dairies margin improvements from lower input costs
- Dairies tax incentives of RM80mil & RM62mil in Thailand & Malaysia obtained
- Glass affected by low sales to breweries & exports

RM mil	FY09	FY08	+/- (%)
Revenue	3,737.1	3,674.2*	+1.7
PBIT (before UI)	336.8	261.1	+29.0
PBIT (after UI)	313.9	256.7	+22.3
PBT	299.8	239.7	+25.1
PAT	242.9	179.7	+35.2
AP	224.4	166.8	+34.5

* Revenue restated to align with Group Accounting Policy of parent - Fraser & Neave, Limited

Unusual items



RM mil	FY09	FY08
Soft drinks VSS	(4.1)	-
Rojana relocation cost	(5.3)	-
KL Glass closure	(13.5)	(1.7)
Sichuan earthquake	-	(2.7)
	(22.9)	(4.4)

Financial highlights

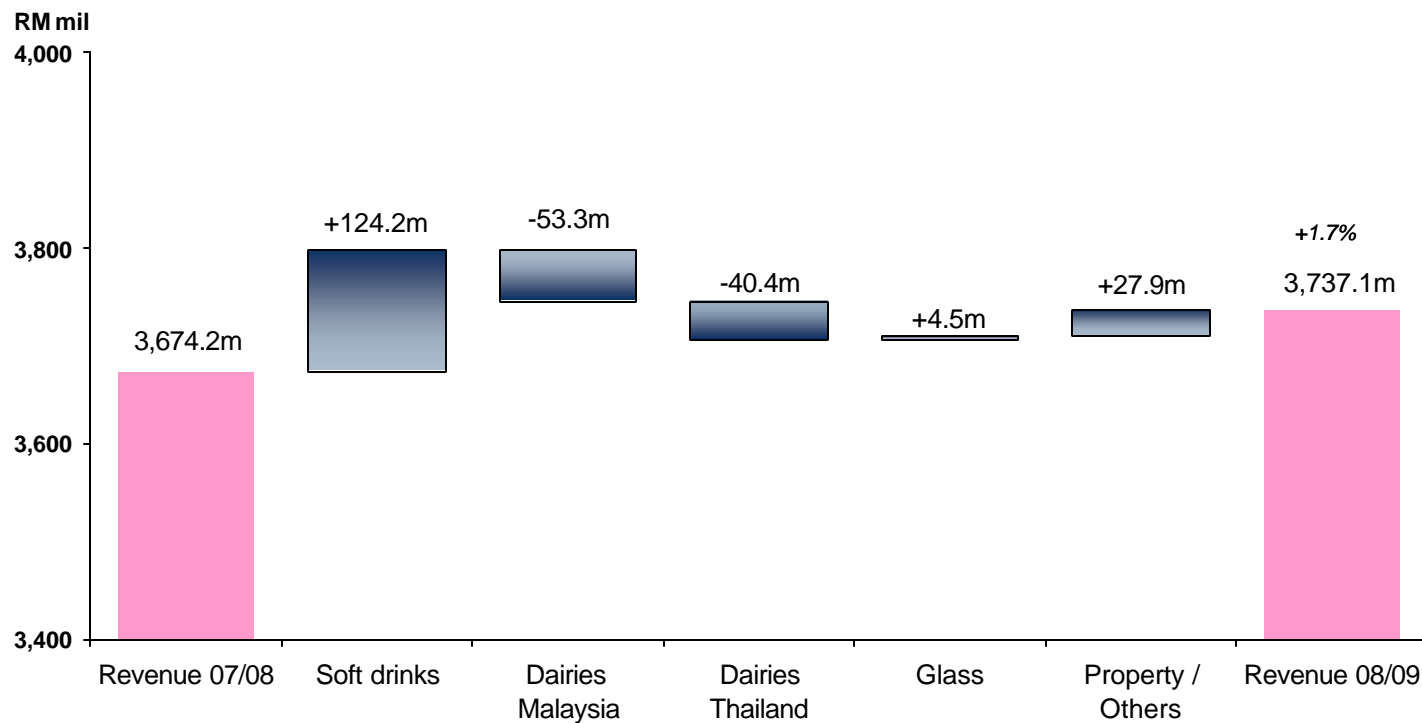


Key ratios	FY09	FY08	+/- (%)
Per share			
- EPS (sen)	63.0	46.8	+34.5%
- NAV (RM)	3.63	3.32	+9.3%
- DPS (net) (sen)	41.75	40.08	+4.17%
PBIT margin (after UI)	8.4%	7.0%	↑
ROE	17.4%	14.1%	↑
Net Gearing (x)	0.27	0.20	↑
Share price @ 30 Sep (RM/share)	10.32	9.05	↑

Group revenue



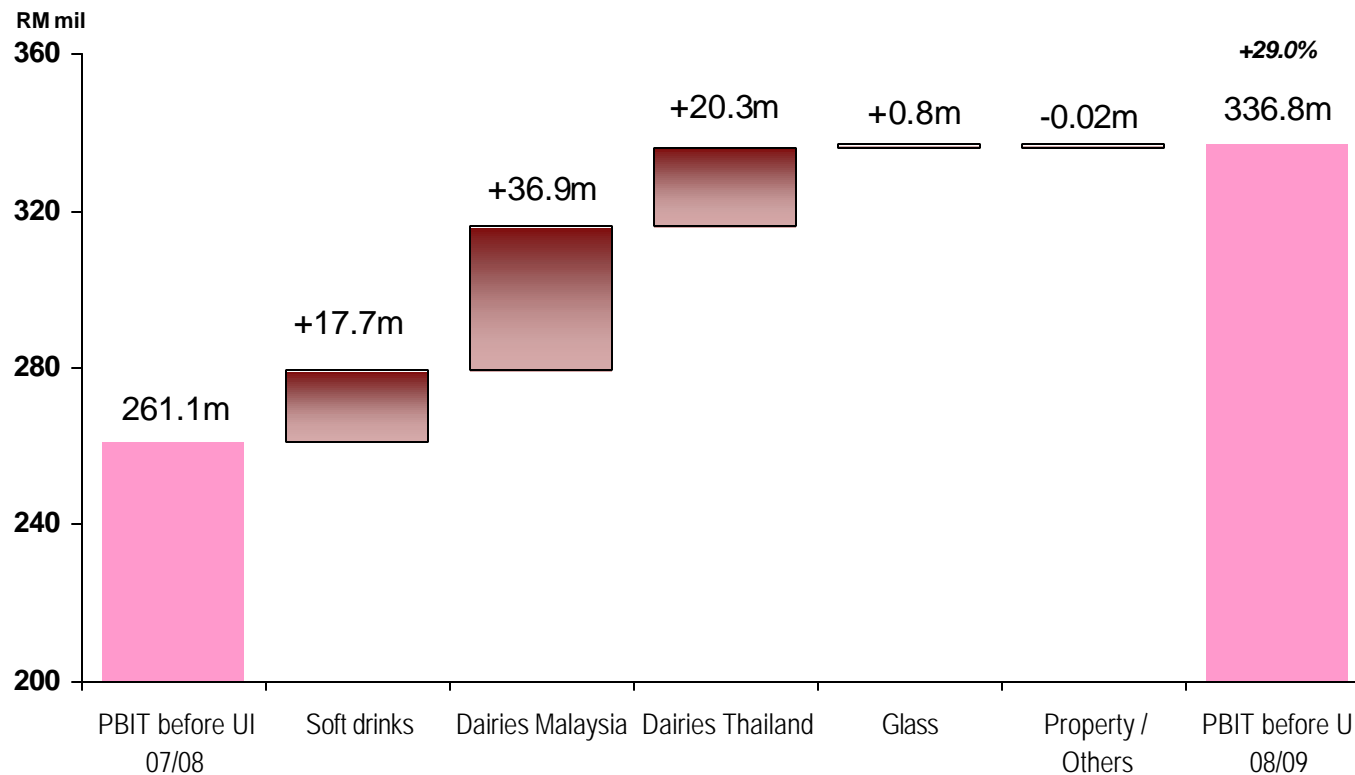
- Marginal growth this year following 28% improvement LY (FY07 to FY08)
- Soft drinks driven by strong volume growth in 100Plus & Seasons
- Lower Dairies revenue due to higher trade discounts & lower exports
- Glass benefitted from better selling prices / sales mix
- Properties revenue +80% due to low recognition LY from sales cancellations



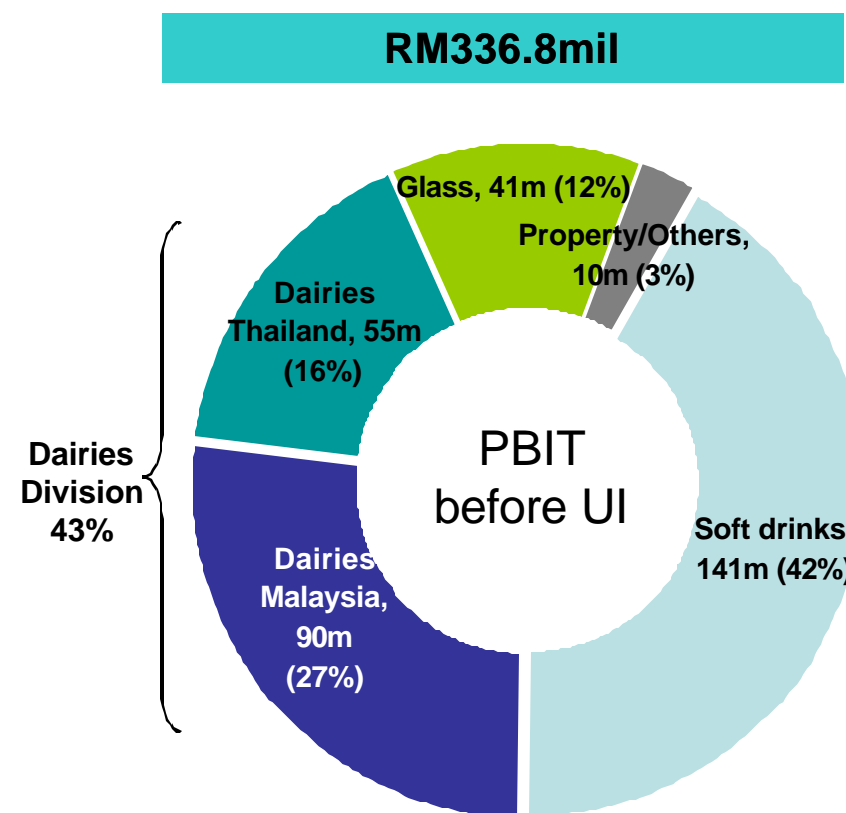
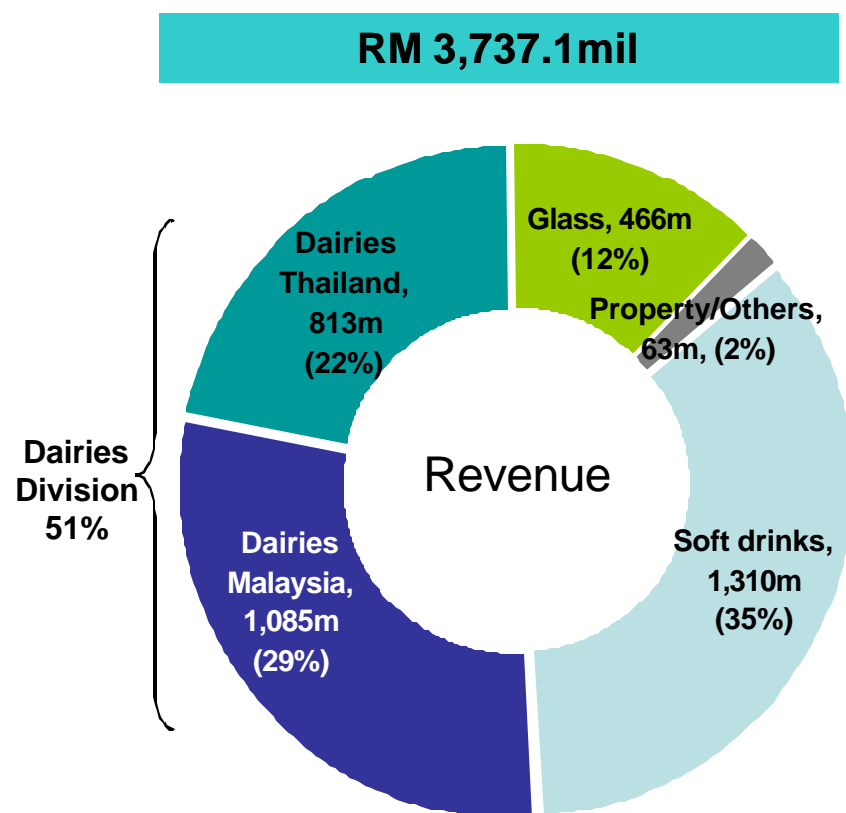
Group PBIT before UI



- Strong performance from F&B business spurred Group PBIT
- Dairies division in particular put up outstanding performance
- 9th year of consecutive record PBIT



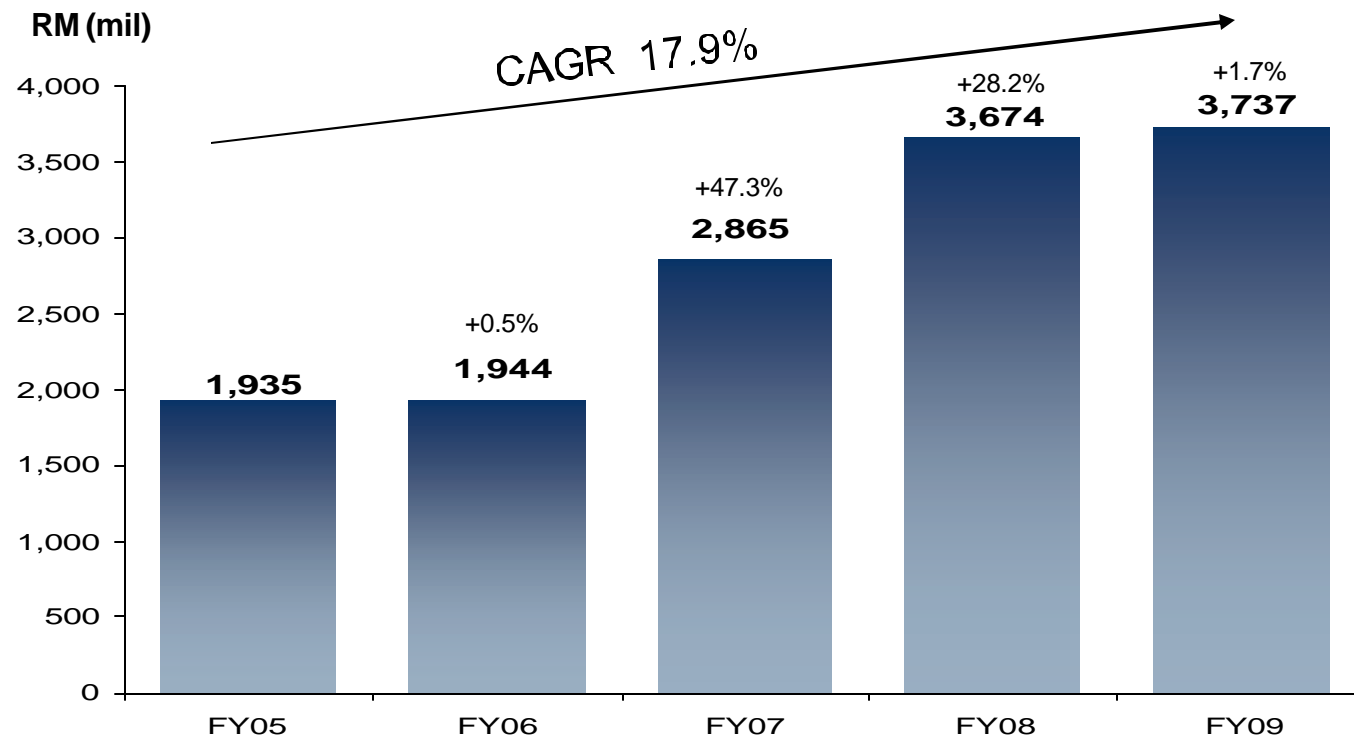
Segment revenue & PBIT



- Dairies is largest revenue segment at 51% (LY 54%)
- Profit contribution from Dairies improved significantly (from 35% LY to 43%) and now equal to soft drinks division



Group revenue - 5 year trend

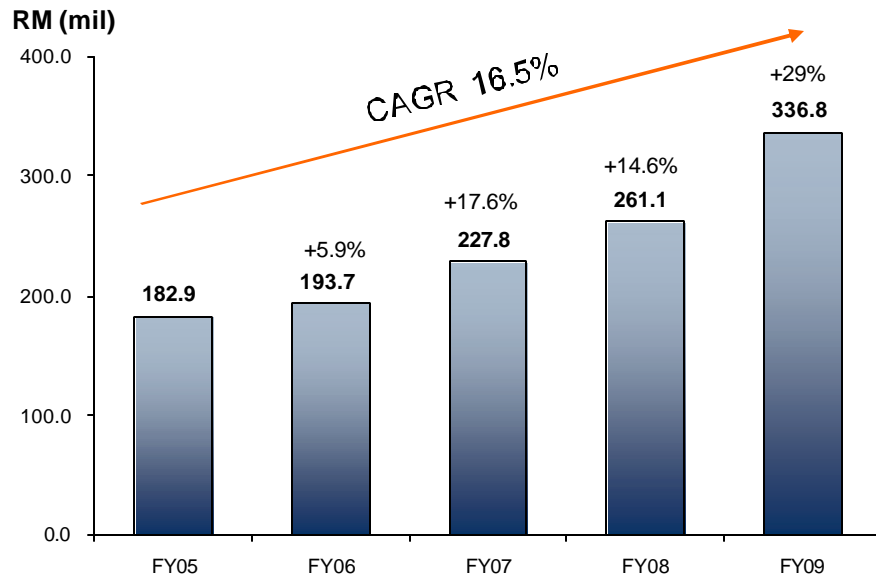


- Nestle canned milk business was acquired in Feb 2007, added > RM1 bil to revenue

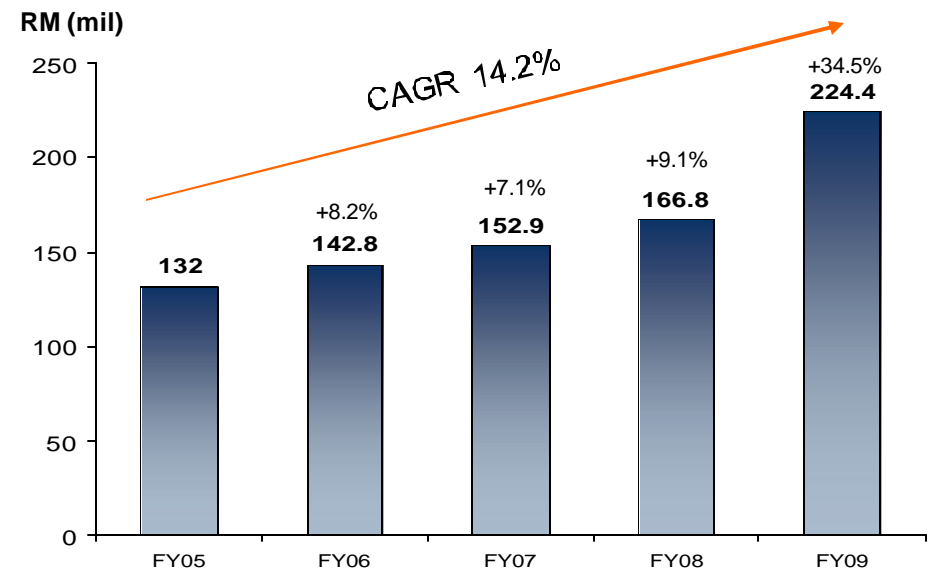
Group profit - 5 year trend



PBIT before UI



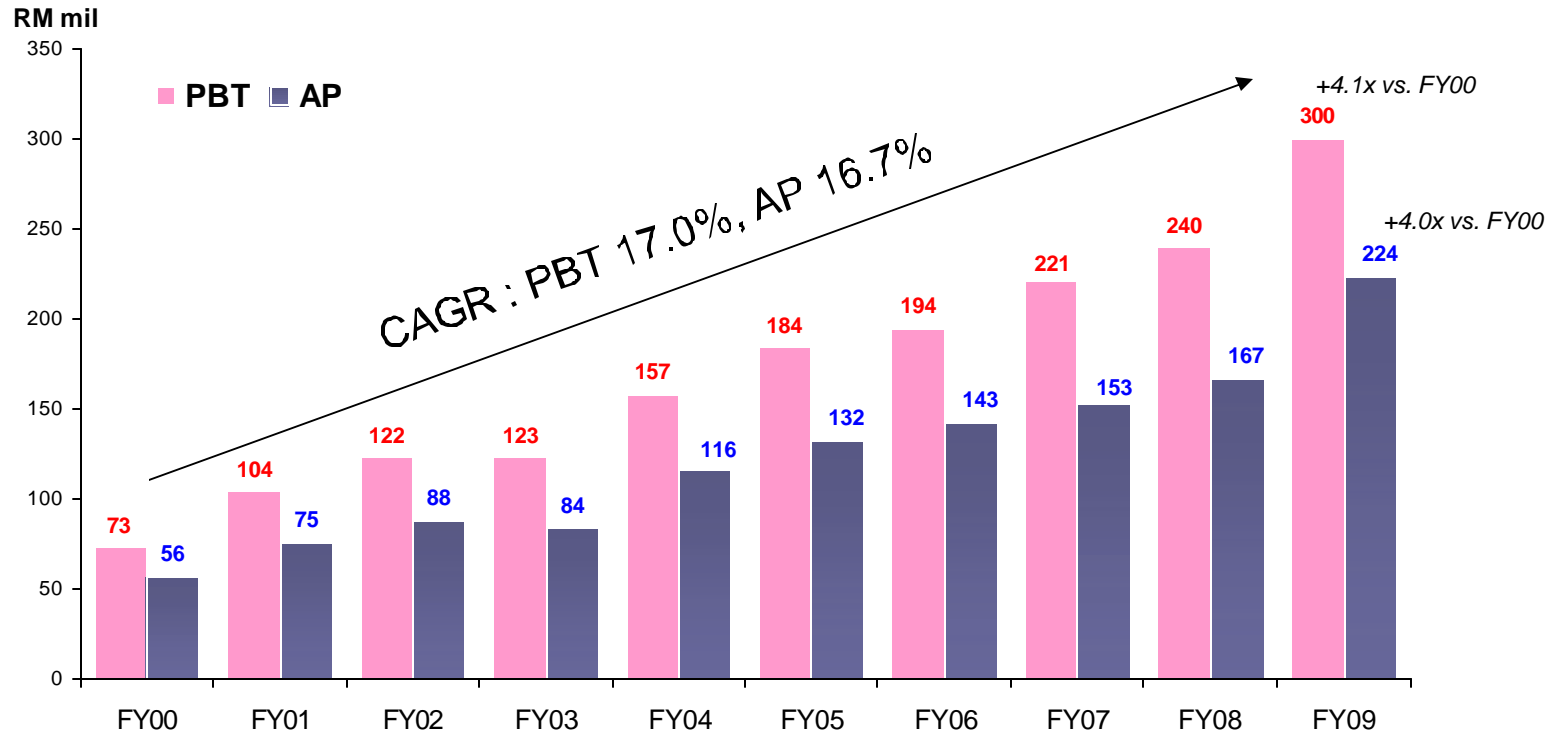
AP after UI



- Double digit CAGR growth in PBIT & AP
- 9 consecutive years of record PBIT
- PBIT grew 29% vs. LY & AP grew by 34.5%
 - benefitting from volume / revenue growth in soft drinks
 - lower input cost especially dairies & defending selling prices



Group profit - 10 year trend



As at September	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	Change vs. FY00
Share price (RM)	3.20	3.40	3.50	3.50	4.20	5.60	6.20	8.05	9.05	10.32	+3.2x
Market Cap (RM bil)	0.83	1.21	1.25	1.25	1.50	1.99	2.21	2.87	3.23	3.68	+4.4x

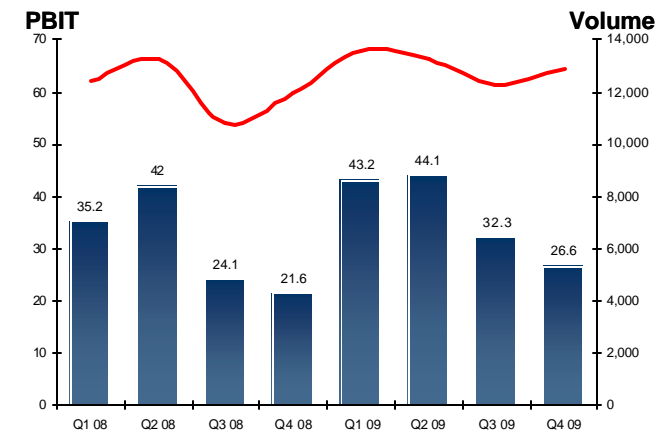
- Over the last 10 years, profits have grown 4 times
- Market capitalisation has increased by 4.4 times

Operations Review - Soft drinks

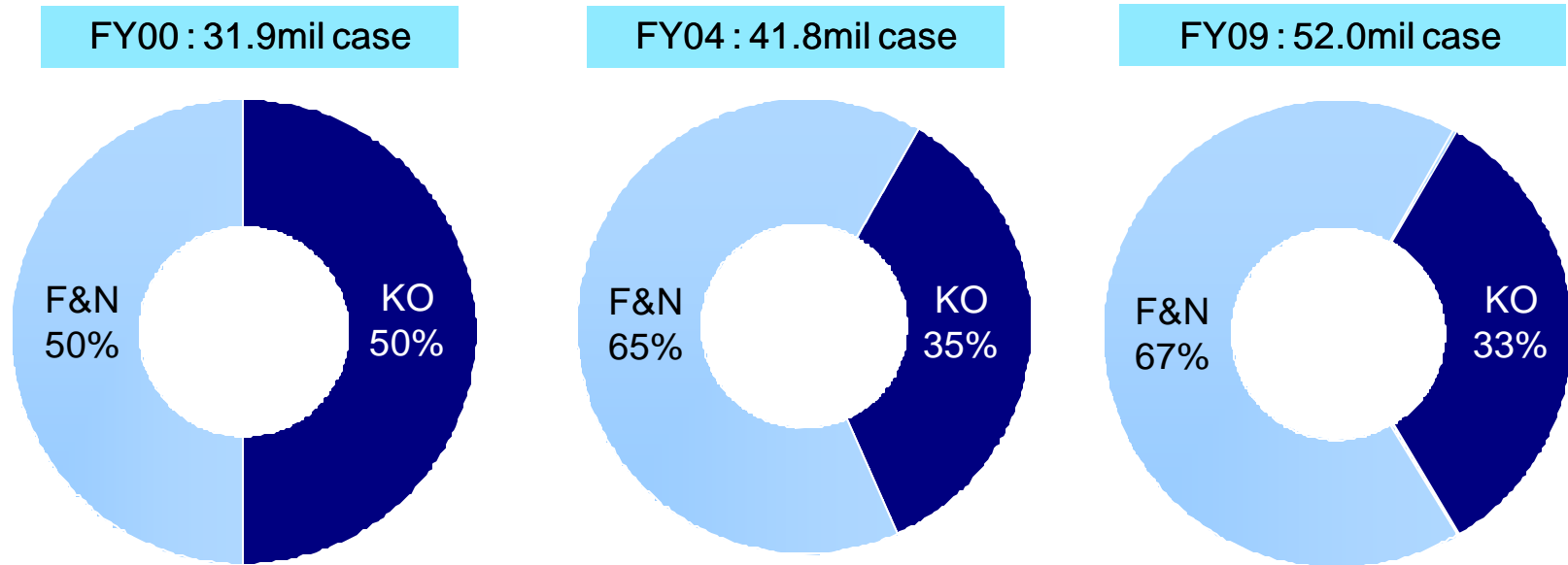


	RM mil	vs. LY
Revenue	1,309	+10.5%
PBIT (before UI)	141	+14.4%

- Overall volume +8% despite of economic recession in Malaysia
- Revenue +10.5%, PBIT +14.4%
- Record volume from Jan 09 CNY sales and continuing aggressive sales & marketing activities
- Seasons ASD volume +11%, holding no 2 spot with 27% share
- 100Plus volume grew 19%, maintain dominance with 90% share in ISO
- Kuching warehouse expansion & in-house PET blowing completed and commissioned in April 09



Operations Review - Soft drinks



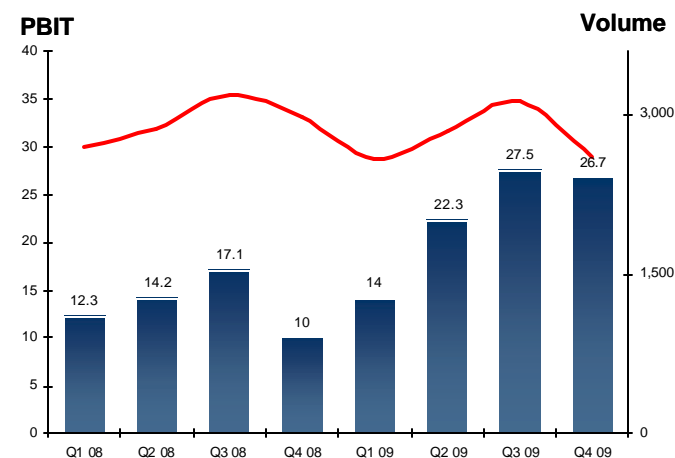
- Over the past 10 years, F&N brands have been growing faster than KO brands
- F&N brands account for 67% of volume currently, up from 50% ten years ago

Operations Review - Dairies Malaysia



	RM mil	vs. LY
Revenue	1,085	- 4.7%
PBIT (before UI)	90	+68.8%

- Volume & revenue -5%
 - Domestic volume down 3%, exports -11%
 - Tactical price discounting by F&N while heavy price discounting by competitors affected dairies volume
 - Melamine scare & full plant capacity also affected exports
- PBIT jumped 69% on improve margins
- PBIT margins improved from 4.7% to 8.3%
- Pulau Indah ground breaking ceremony on 23 Oct 09
 - RM350mil factory to be ready by 2012

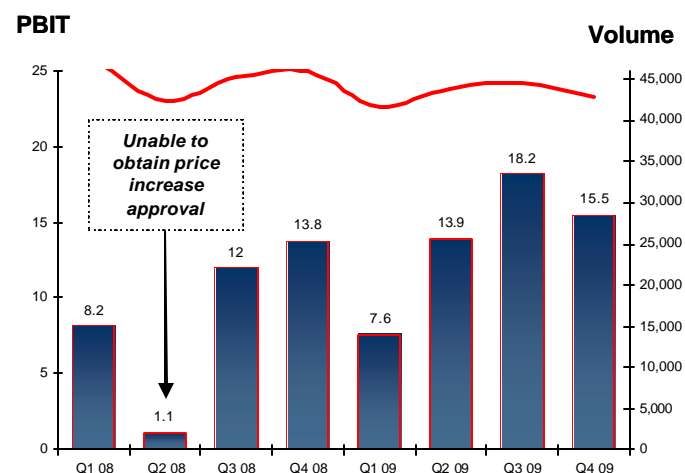


Operations Review - Dairies Thailand



	RM mil	vs. LY
Revenue	813	- 4.7%
PBIT (before UI)	55	+58.4%

- Volume declined 4%, revenue down 5%
- Domestic volume stable, export volume contract 20% ~ lower sales to Nestle affiliates
- PBIT gained 58%, benefitting from cost saving projects & lower input costs. Margins improved to 6.8% (LY4.1%)
- Building F&N brands through product launches during the year :
 - Tea Pot Evap
 - F&N Magnolia Choc Malt & STM
 - F&N Gold Bird's Nest with Milk & Malt
- Rojana factory completed & commenced operations in Sep 09
 - relocation of all plant equipment to complete by Dec 09

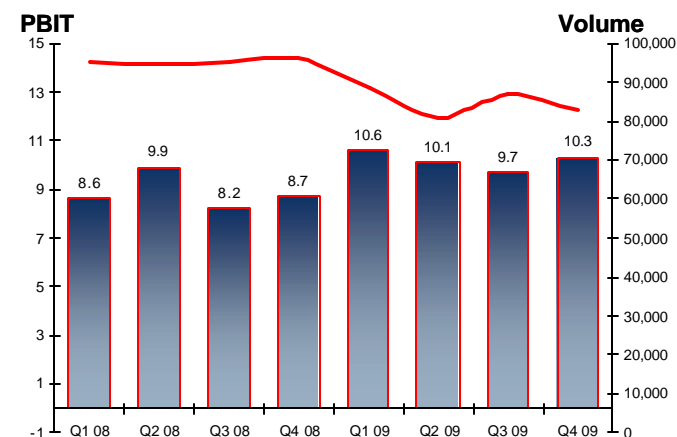


Operations Review - Glass



	RM mil	vs. LY
Revenue	466	+1.0%
PBIT (before UI)	41	+1.9%

- 11% contraction in volume due to lower demand, especially Thailand and closure of KL Glass
- 1% revenue growth arising from better selling prices & sales mix
- 2% PBIT growth on improved margins
- M3 furnace in JB completed and started production in Aug 09
- MVG new plant ground breaking on 25 Oct 09, target to complete by 2011



Operations Review - Properties / Others



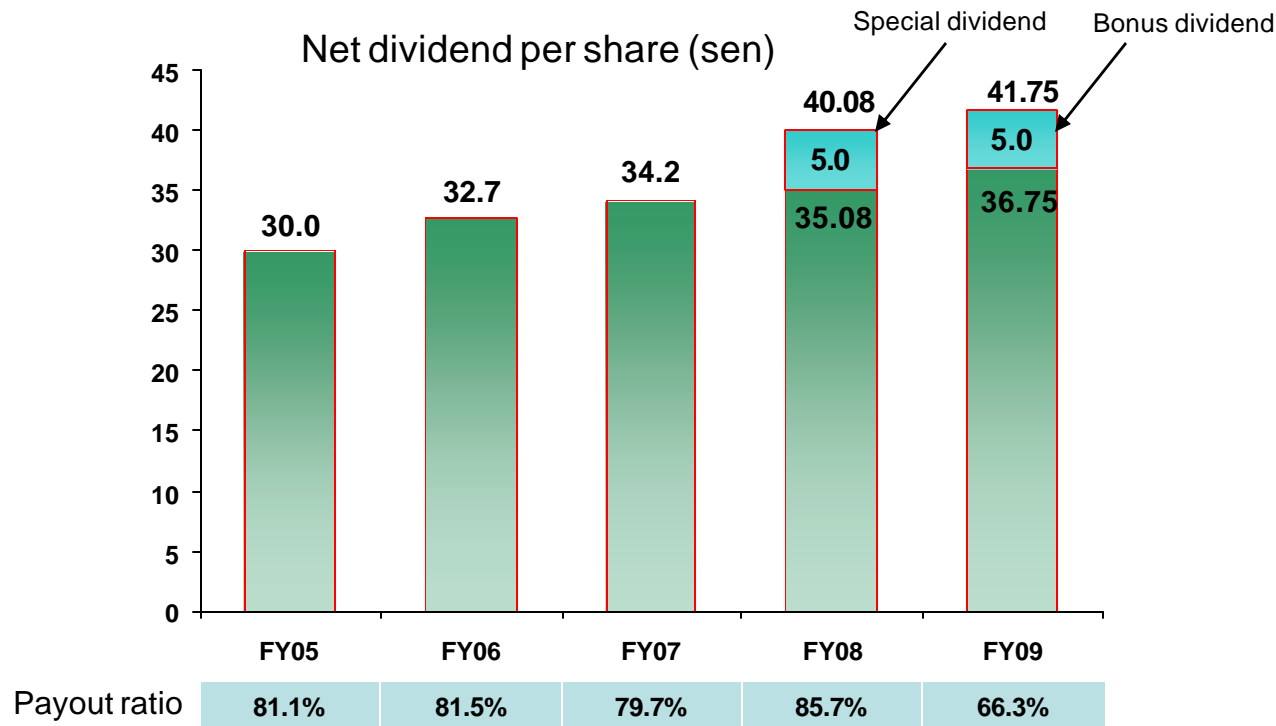
	RM mil	vs. LY
Revenue	63	+79.8%
PBIT (before UI)	10	-0.2%

- 83% of the project completed, on track for Dec 09 completion
- Ongoing negotiation to secure tenant for Techno Centre & retail outlets
- Seeking approval to build link-bridge to Chan Sow Lin LRT station

Dividends



- Proposed final dividend of 4 sen gross + 21 sen tax exempt per share (net 24.00 sen) and bonus tax exempt dividend of 5 sen
- Full year net dividend +4.17% vs. LY
- Another record payment
- Payout ratio < previous years as group reinvests in Dairies new plant in Pulau Indah & Rojana



Business outlook



External environment is characterized by :

- + Improving growth prospects in Malaysia, Thailand & the region
- + Stable to more positive consumer sentiments
- + Weakening greenback
- + Government actions to boost spending
- Volatile commodity & financial markets
- Withdrawal of subsidy for fuel and sugar in Malaysia

Ongoing strategic & operational initiatives :

- New product launches domestically ~ juice, teas
- Greater inroads into Indochina's canned milk market
- Strengthen distribution depth & width ~ cooler placement, secondary towns
- Greater emphasis on F&N brands in preparation for Coke break in Oct 2011
- Operational excellence / cost reduction in new Rojana plant



End of presentation