



FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

NEWS RELEASE

9 February 2010

F&N CHALKS UP BEST-EVER QUARTERLY PERFORMANCE

- Revenue grew 6% to RM992 million
- Operating profits increased 37% to RM106 million
- Net profit improved 53% to RM77.7 million
- Soft Drinks & Dairies business bolstered Group's performance

Financial Highlights RM'000	Q1 31/12/2009	Q1 31/12/2008	% change
Revenue	992,159	940,388	5.5%
Operating Profit	106,677	77,742	37.2%
Profit before taxation	103,057	73,838	39.6%
Profit after taxation	78,673	55,319	42.2%
Net profit	77,737	50,951	52.6%
Earnings per share - basic (sen)	21.8	14.3	

Fraser & Neave Holdings Bhd (F&NHB) achieved its best-ever quarterly results for the 3 months ended 31 December 2009 surpassing RM100 million operating profit for the first time. Riding on its strong growth momentum in the previous year, F&N grew its revenue by six per cent to RM992 million and increased operating profit by 37 per cent to RM106 million.

Mr. Tan Ang Meng, Chief Executive Officer, F&NHB said, "The admirable results were driven by both the soft drinks and dairies divisions which performed well ahead of our internal targets. Despite the absence of a festive season during Quarter 1, the soft drinks division registered record volume while revenue improved 12 per cent, with 100PLUS and Coca-Cola chalking up double-digit growth of 17 per cent and 11 per cent respectively."

"The dairies division also put up a strong performance with revenue increased by eight per cent. Both Malaysia and Thailand domestic sales registered encouraging volume growth. Improved trade channel

management in Malaysia and significant progress in exports to the Indochina market also contributed to the better performance.”

The glass division revenue contracted 11 per cent resulting from lower sales volume in Thailand and China. However Malaysia and Vietnam operations continued to register positive growth.

On the outlook for the coming financial year, Tan said, "Economic recovery in the core markets of Malaysia and Thailand is expected to translate into stronger consumer demand for F&N products. However prices of key raw materials such as milk powder, sugar and aluminium have increased sharply and could negatively impact profit margins.”

“Management is taking steps to grow sales volume, further strengthen the distribution network and improve operating efficiencies. Taking into consideration our strong performance for the first quarter , we are cautiously optimistic of this year’s performance,” said Tan.

Tan added that preparations are in full swing to launch new products and to strengthen distribution in the soft drinks division as management gears up for the expiry of the Coca-Cola transition agreement in Sept 2011. The initiative was kick started with the recent corporate rebranding of the distribution and manufacturing arm to F&N Beverages Marketing Sdn Bhd and F&N Beverages Manufacturing Sdn Bhd, respectively. This will be followed by new product launches within the next several months.

Fraser & Neave 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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