



FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

NEWS RELEASE

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F&N GROUP delivers strong EPS growth of 56% backed by steady revenue growth

Financial Highlights RM'million	Half Year 2010	Half Year 2009	% change
Revenue	1,995.3	1,878.9	+6.2
Operating Profit	216.2	158.5	+36.4
Profit before taxation	209.2	150.5	+39.0
Profit after taxation	164.2	113.9	+44.1
Attributable profit	162.9	104.2	+56.4
Earnings per share - basic (sen)	45.7	29.3	+56.4
Net asset value per share (RM)	3.75	3.41	+10.0
Net dividend per share (sen)	16.50	12.75	+29.4

- Soft drinks registered double-digit volume growth driven by solid market place execution
- Dairies saw improved domestic sales in core markets of Malaysia and Thailand/Indochina

Fraser & Neave Holdings Bhd's revenue for the first half year ended March 31, 2010 recorded a 6.2 % growth to RM2 billion from RM1.9 billion compared to the same period in 2009. This was due to positive contributions from all core business units, in particular the soft drinks division which registered a double-digit growth of 15%.

According to Fraser & Neave Holdings CEO Tan Ang Meng, the Group's first half operating profit jumped 36% to RM216 million from RM159 million thanks to the strong performance of the soft drinks and dairies division. The Group Profit After Taxation (PAT) of RM164 million was a 44% increase above the previous year of RM114 million as F&N Dairies Thailand begins to enjoy tax exemption from its investment in the new dairies factory. The Group attributable profit increased by 56% from RM104 million to RM163 million contributed by the higher PAT and lower minority interest.

Said Tan, “The well coordinated forward planning during the pre festive run-up to Hari Raya and Chinese New Year resulted in soft drinks revenue improving 15% with all main product portfolios registering strong volume growth.

Revenue of the dairies division improved by 3% as better domestic sales in Malaysia and Thailand/Indochina was partially offset by lower exports. Operating profit achieved 53% growth due to higher operational efficiencies and lower input cost.”

“The glass division revenue was flat and operating profit (before unusual items) experienced a 17% contraction due to higher energy cost and the Dong depreciation in Vietnam.”

Commenting on prospects for the second half, Tan expects consumer demand to remain firm in the core markets of Malaysia and Thailand.

“In the first half, we have added a number of new products to our portfolio. From our Dairies division, we had the F&N Extra – SCM with Tongkat Ali & Ginseng, Magnolia Good Morning & Good Night Milk and not forgetting the juice drinks Sunkist Dash. Meanwhile the soft drinks division has secured the sales and distribution rights of Red Bull energy drinks in Malaysia, launched SEASONS fruit and green tea variants and currently in progress of launching FruitTree juice drinks. We are on target to broaden our products portfolio and confident that the new products will be well received by consumers.

“However the prices of key raw materials such as milk powder, sugar and packaging materials have increased sharply in recent months and could negatively impact profit margins. The political situation in Thailand is a concern, if prolonged. We will continue to take steps to grow volume, further strengthen the distribution network and improve operating efficiencies. Given the strong performance for the first half year and the improving economies of both Malaysia and Thailand, the Board is confident that the Group will deliver a satisfactory set of results for this financial 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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