F&N Point
No. 3, Jalan Metro Pudu 1
Fraser Business Park, Off Jalan Yew
55100 Kuala Lumpur, Malaysia
Tel : 603-9235 2288 Fax : 603-9222 7878

FRASER & NEAVE HOLDINGS BHD

(Company No.: 004205-V)

NEWS RELEASE

9 November 2010

Group profit jumps nearly threefold to RM694 million

- Core F&B business sustained steady revenue growth, profit surges 36%
- Divestment of glass container business unlocked exceptional gains of RM382 million
- Core EPS grows by more than 56%
- Distribution of special interim dividend of RM1.10 per share

Financial Highlights (RM million)	**FY2010**	FY2009	% Change
Continuing operations			
Revenue	**3,637.7**	3,271.2	*11.2%*
Operating Profit	**389.3**	286.9	*35.7%*
Profit after taxation	**307.0**	206.5	*48.6%*
Discontinued operations			
Profit after taxation	**5.0**	36.4	*-86.2%*
Gain on divestment	**382.0**	-	
Group profit after taxation	**694.0**	242.9	*185.7%*
Basic earnings per share (sen)			
Group	**195.1**	63.0	*209.7%*
Continuing operations	**86.2**	55.0	*56.7%*
Discontinued operations*	**108.9**	8.0	*nm*
Net asset value per share (RM)	**5.03**	3.63	*38.5%*

**Included gain on divestment of RM382 million*

Continuing operations

- Revenue grew amidst improved economic conditions, regional expansion and launch of new product/franchise during the year.
- Operating profit increased on results of economy of scale and improved distribution in Malaysia and Thailand

Fraser & Neave Holdings Bhd (FNHB) today reported a record profit of RM694 million for the year ended 30th September 2010, a nearly threefold increase over the previous financial year.

Revenue from continuing operations of RM3.64 billion was up 11.2% from the last financial year. Operating profit from continuing operations rose 35.7% to RM389 million while group profit after taxation surged 48.6% to RM307 million.

The divestment of the glass container business unlocked and crystallized the value of the Group's past investment in Malaya Glass Products Sdn Bhd and its subsidiaries. Including the exceptional gains from the glass container business divestment, the Group registered a record profit after taxation of RM694 million.

This latest set of commendable results marks a decade of steady growth and the results of continuing efforts to unlock and enhance shareholder value.

Chief Executive Officer Dato' Ng Jui Sia said: "Our core business in F&B remains robust with an uninterrupted momentum amidst the recovering regional economies and improved domestic sentiments. The increase in operating profit is attributed to the volume expansion achieved by the soft drinks division and the favourable raw material costs enjoyed by the dairies business during the first half of the financial year. Our soft drinks and dairies sales collectively grew by 11%, boosted by stronger volume demand."

On the performance of the core businesses, Dato' Ng commented: "The soft drinks division performed credibly and registered encouraging growth whilst maintaining market share. Revenue was up 21.3% to RM1.59 billion from RM1.31 billion last year due to higher sales volume and favourable product mix and new franchise. Operating profit surged by 42.1% to RM194 million from RM137 million.

"The performance of the dairies division was commendable considering that the Petaling Jaya factory was operating at capacity limit and that the Thai factory was relocated during the year. Revenue for the division grew moderately at 4% to RM1.98 billion while the operating profit rose by 15.8% over last year to RM162.6 million, benefitting from favourable raw material prices in the first half of the year and improve efficiency in Thailand.

"The plant at Rojana, Thailand, has commenced operations and the construction of the Pulau Indah plant is proceeding on schedule with a targeted completion date in the second half of 2011. This RM350 million plant when completed will be the largest canned milk plant in Southeast Asia and together with Rojana Plant will make us a formidable canned milk player."

In recognition of the good performance, the Directors are recommending a final single tier dividend of 38 sen per share. If approved by shareholders, the total net dividend for the year would be 54.50 sen, compared to 41.75 sen paid in the previous financial year, an increase of 31%. In addition, the Board is pleased to announce the payment of a special interim dividend of RM1.10 per share, thanks to the divestment of the glass container business which unlocked shareholders' value. This special interim dividend totaling RM393 million will be paid on 6th January 2011 and effectively distributing the entire gain from the divestment.

On the property division, Dato' Ng said that the Group's Zon.e@Fraser Business Park, Phase 2 of Fraser Business Park which was later approved as 'Kompleks Metro Pudu' by Kuala Lumpur City Hall, was successfully completed during the financial year. The property division will next focus on unlocking and enhancing the value of the Group's land banks, in particular its Section 13 Petaling Jaya site which currently houses the dairies manufacturing plant.

Dato' Ng said: "The prospects for the continuing operations in Malaysia and Thailand are expected to be good, given the improving regional economy as well as sustained efforts and ongoing investments to strengthen distribution and brand equity, broaden the products range and improve operating efficiency barring any further adverse escalation of raw material cost in the new year.

"Productivity and efficiency levels at the new dairies manufacturing facilities in Rojana, Thailand, which commenced commercial production in early 2010 have improved significantly and will be able to support further volume growth. However, prices of key raw materials have reversed and increased in recent months, and will have to be carefully managed to minimize their impact on the profit margins of the Group."

Dato' Ng said that in preparation for the expiry of the Coca-Cola transition agreement in September 2011, the Group has and will continue to launch more new products and variants as well as strengthen the distribution infrastructure of its remaining core products in Malaysia. The Red Bull franchise acquired in April 2010 will contribute its first full year revenue in the new financial year.

Simultaneously, the Group is exploring export opportunities for all its plants in Malaysia and Thailand. In the quarter, FNHB has entered into a conditional subscription agreement with Cocoaland Holdings Berhad ("CHB") for the subscription of 39,600,000 Subscription Shares representing 23.08% of the enlarged equity interest in CHB for a total cash subscription price of RM54,648,000, which is in line with the Group's vision of enhancing its equity in the F&B business.

"Overall, we are cautiously optimistic of the prospects for the current financial year and will strive to sustain and build on current performance despite the expected volatility in currencies and commodities," added Dato' Ng.

F&NHB is a Malaysian company listed on Bursa Malaysia's main market with expertise and prominent standing in the food & beverage and property businesses. The Group has over 3,000 employees in operations straddling Malaysia, Singapore and Thailand.

ooOoo

Issued with the compliments of Fraser & Neave Holdings Bhd
by Eric Pringle Associates Public Relations Sdn Bhd.
For further information, please contact Elsy Tan
Tel: +60-3-21617144 / Fax: +60-3-21618209
E-m: elsy.tan@epapr.com.my