



Fraser & Neave Holdings Bhd

# FY10/11 Half Year Results Briefing

6 May 2011

Presented by : Dato' Ng Jui Sia, CEO

# Group results

# Financial highlights



- Strong double digit growth from core F&B business
- Revenue crossed RM 2 bil mark, PBIT gained 42%
- Strong performance driven by soft drinks, Dairies Thailand & properties
- Dairies Malaysia's PBIT declined by 36% due to higher raw material cost
- RM 10 mil EI gain from disposal of land in PJ from ex-glass business

RM mil	Continuing operations		Change (%)
	1H 2011	1H 2010	
Revenue	2,037	1,755	+16.1
PBIT	283	199	+42.4
Share of results of associated co	1	-	-
PBT (before EI)	288	197	+46.3
PBT (after EI)	298	197	+51.3
PAT	239	154	+54.8
AP	239	154	+54.8

# Financial highlights

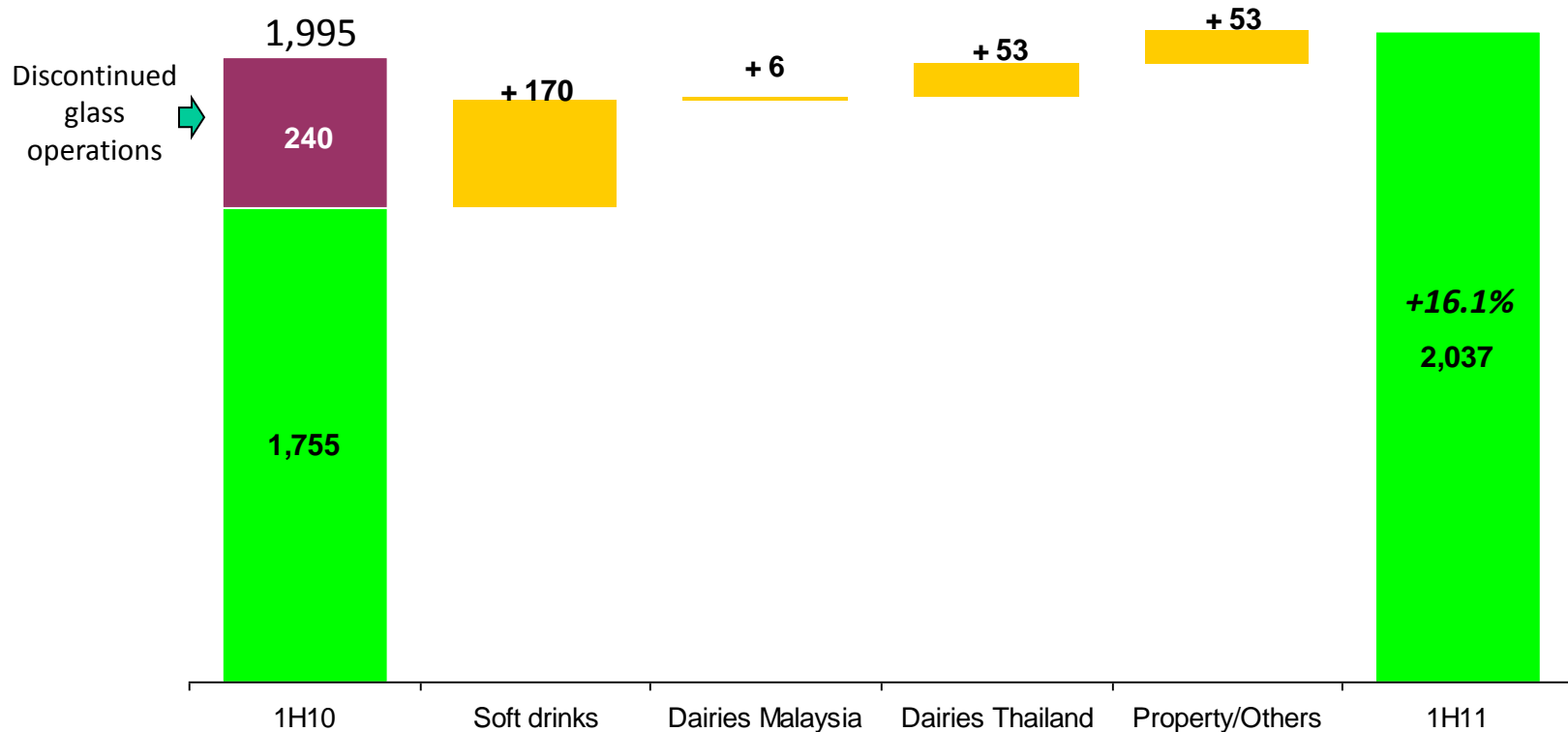


- Improvement in all key ratios vs. LY
- EPS jumped 54% vs.LY - with gains from soft drinks & properties
- Interim dividend 112% higher vs. LY, special dividend of 15 sen
- \* No gearing - net cash position of RM212mil

Key ratios	1H 2011	1H 2010	Change (%)
Per share			
- EPS (sen) ^	66.8	43.3	54.8
- NAV (RM)	4.22	3.75	12.5
- DPS (net) (sen) ~ interim	35.0	16.5	112
~ normal	20.0	16.5	21
~ special	15.0	-	
PBIT margin ^	13.9%	11.3%	+
ROE	15.8%	12.2%	+
Net Gearing (x)	NA*	0.22	-
Share price @ 31 Mar (RM/share)	15.62	10.58	47.6

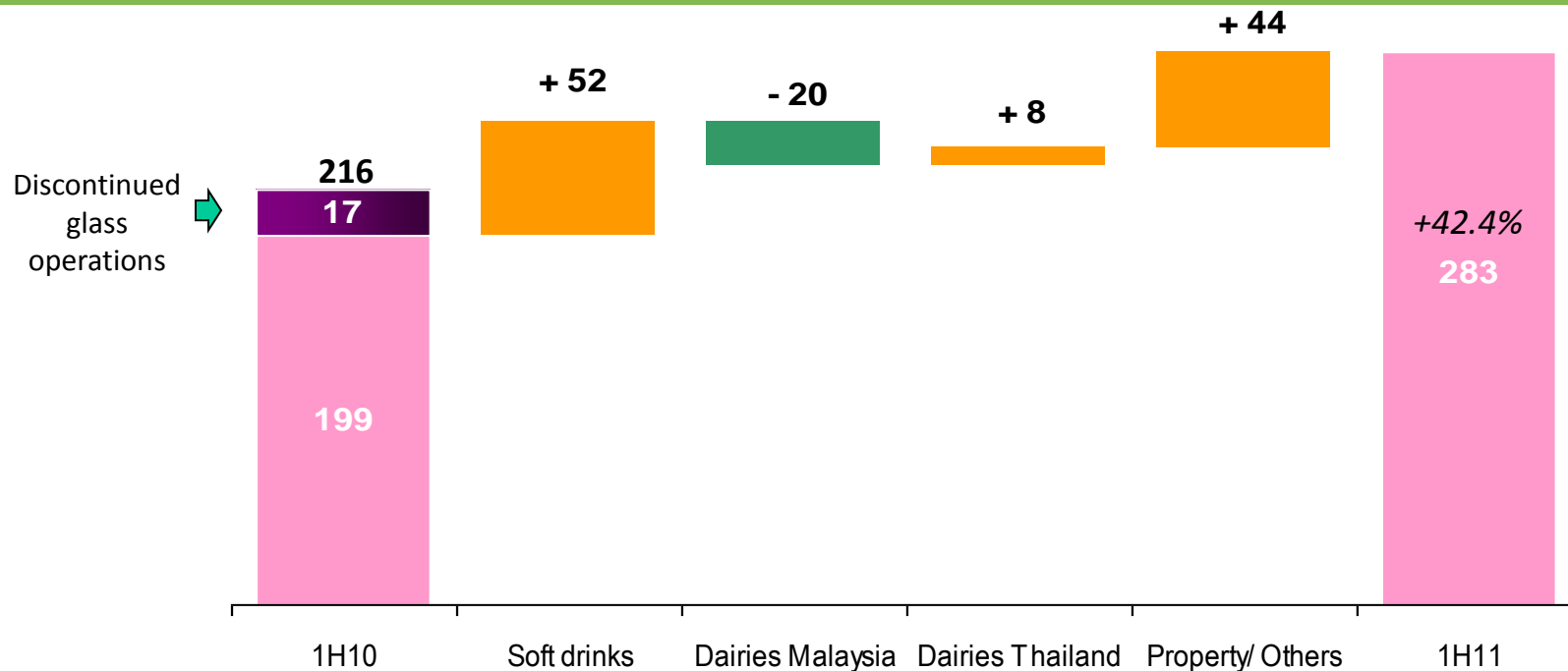
^ - continuing operations

# Group revenue



- Soft drinks key contributor - strong performance from core brands on successful festive initiatives, new tea drinks, juices and Redbull
- Dairies Malaysia +1% growth - volume declined viz market adjustment to higher selling price
- Dairies Thailand +13% - higher domestic & Indochina sales notwithstanding floods in South Thailand
- FBP2 college building sale added RM 53 mil to revenue

# Group PBIT



- Group PBIT jumped 42%. Excluding property, profit up 20%
- Withdrawal of sugar subsidy increased input costs & impacted margins
  - Soft drinks – offset by gains from higher volume, operating cost savings
  - Dairies Malaysia’s margin affected by sugar hikes, as well as other raw materials
- Higher volume/operating efficiencies in Dairies Thailand improved margins
- Brampton disposal & college building sale in FBP2 added 44 mil

# Group PBIT

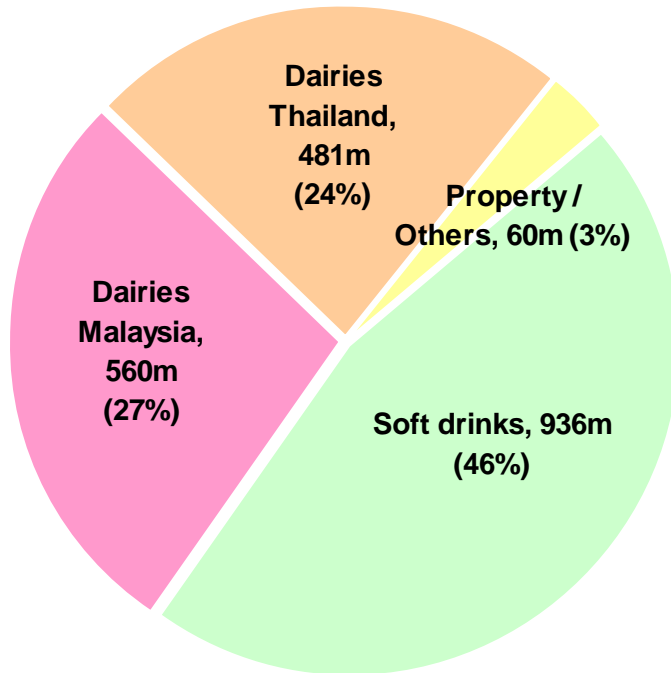


- (a) Recovery price increase in SCM, Evap & soft drinks
- (b) Volume expansion in soft drinks & Dairies Thailand – benefit from economies of scale
- (c) Brampton disposal & college building sales
- (d) Contribution from Red bull, Seasons tea range, Fruit Tree juice
- (e) Raw material cost hikes – sugar, SMP

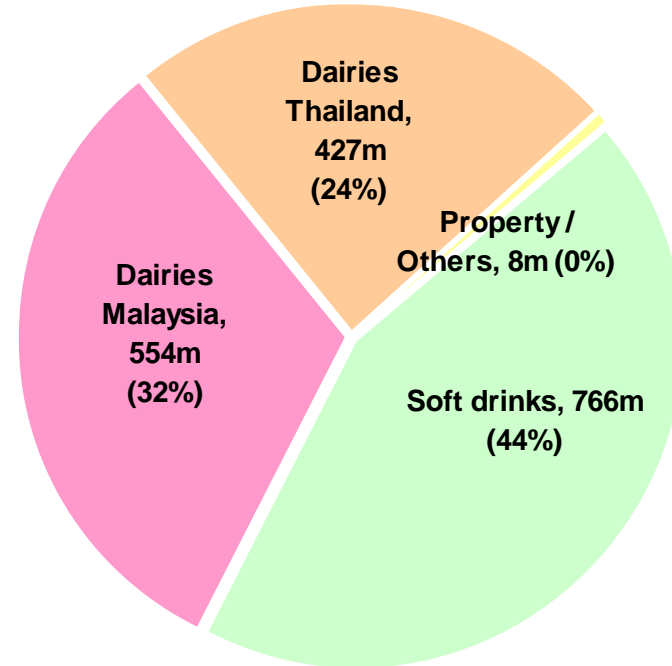
# Segment revenue



1H11 RM 2,037 mil



1H10 RM 1,755 mil



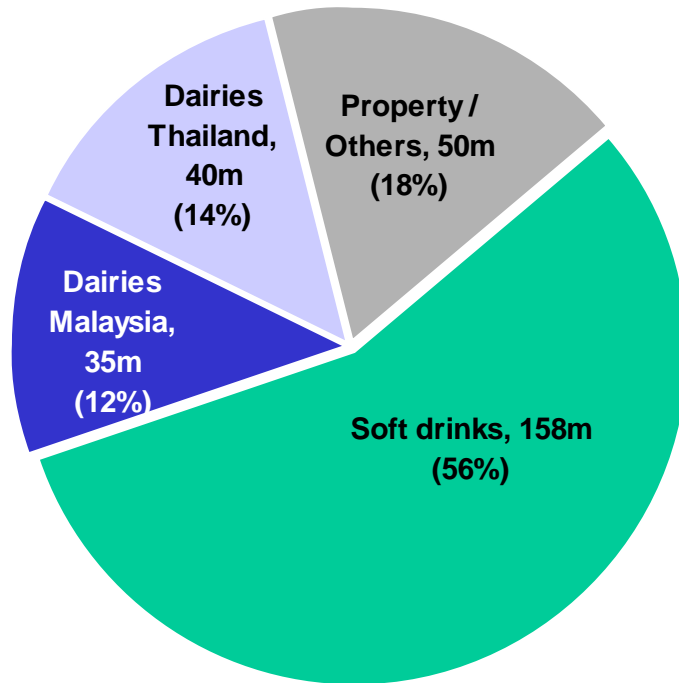
- Stable overall F&B segments :
  - Malaysia at 73%
  - Thailand at 24% (still growing)
- Diversified territory mitigated revenue / PBIT impact



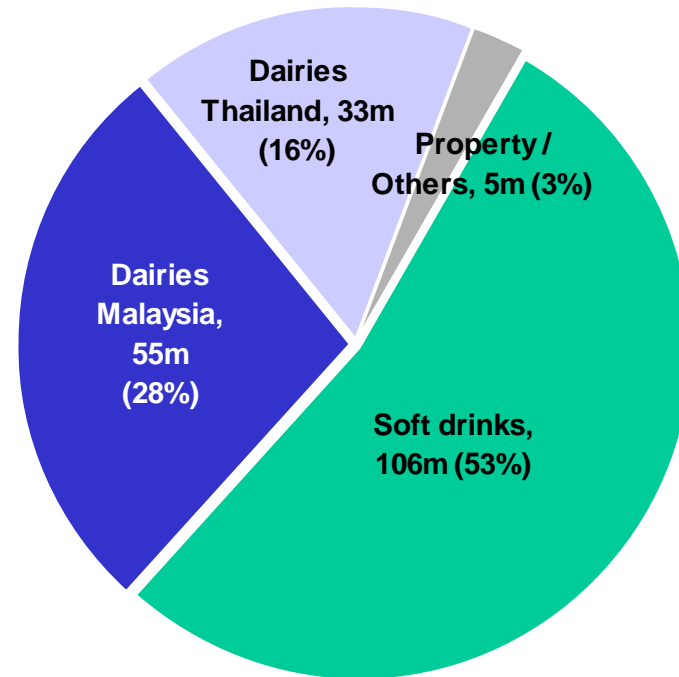
# Segment PBIT



1H11 RM 283 mil



1H10 RM 199 mil

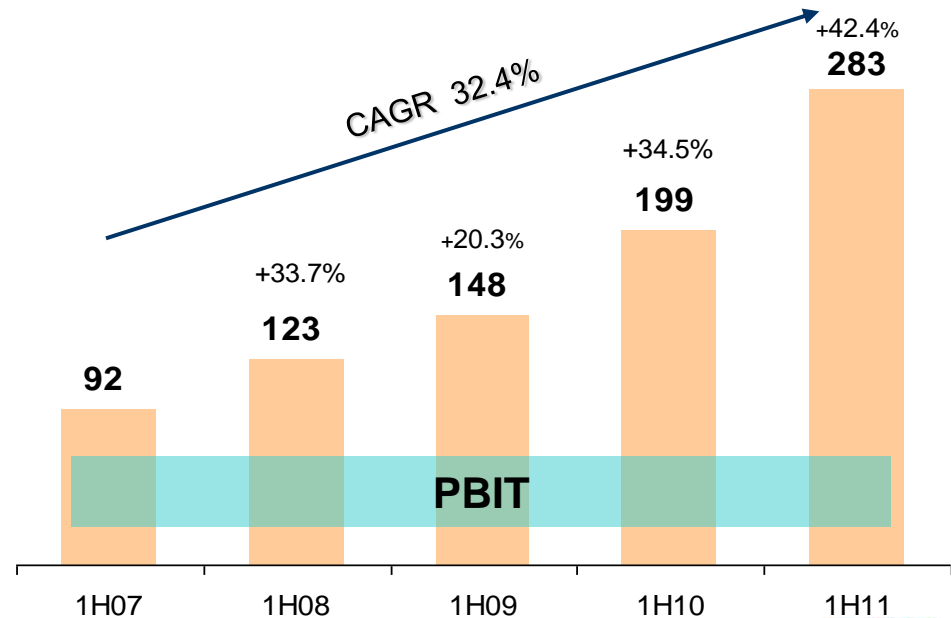
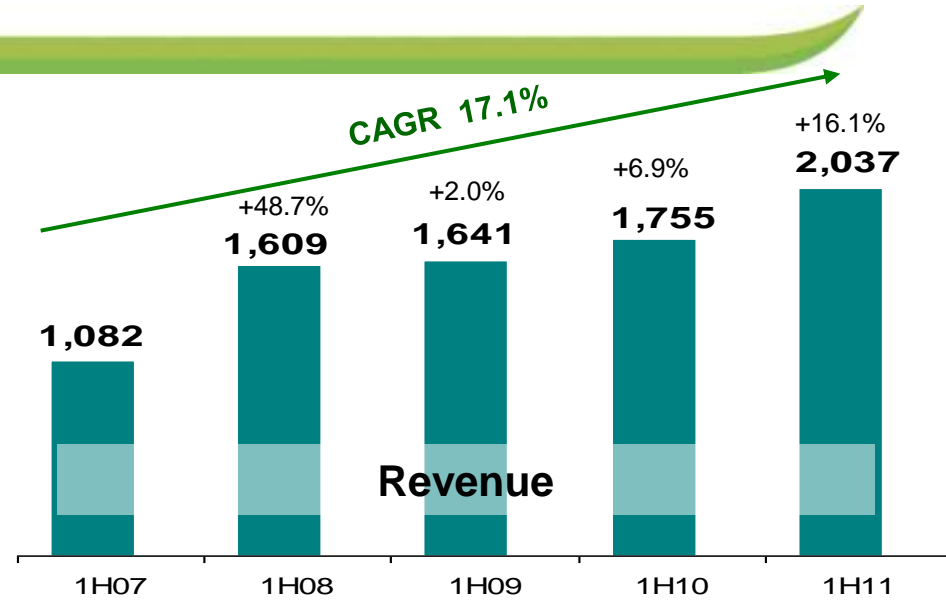


- Soft drinks contributed > half of group profit
- Dairies contribution contracted to 26% vs. 44% LY
- Contribution from property, added to growth

# 5 year trend

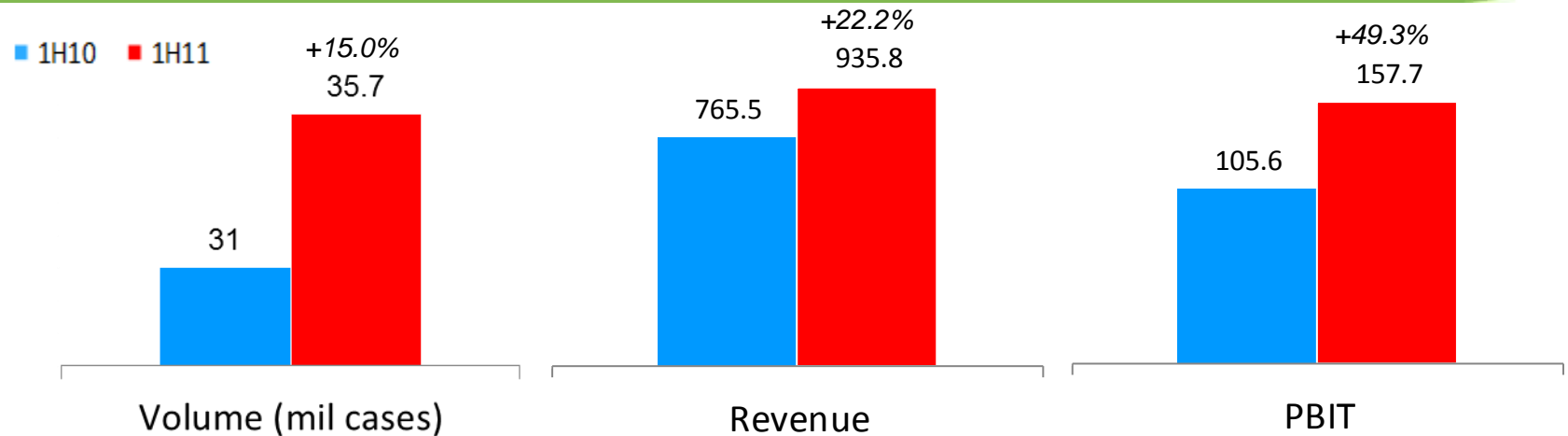


- Record half year results to date
- Revenue exceeds RM 2 bil mark
- Consistent double digit profit growth over 5 years



# Operations review

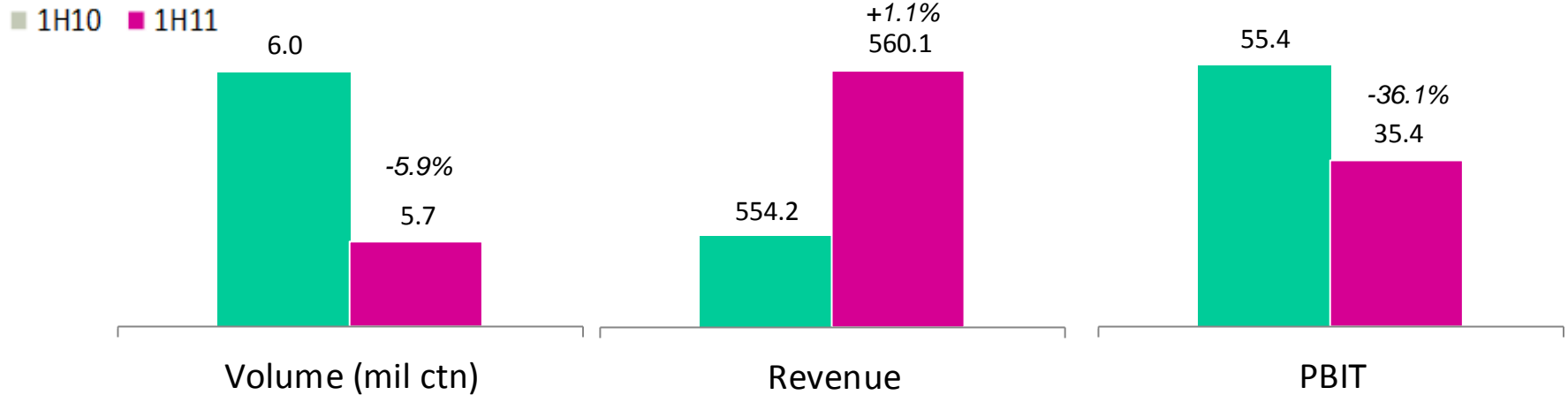
# Soft drinks



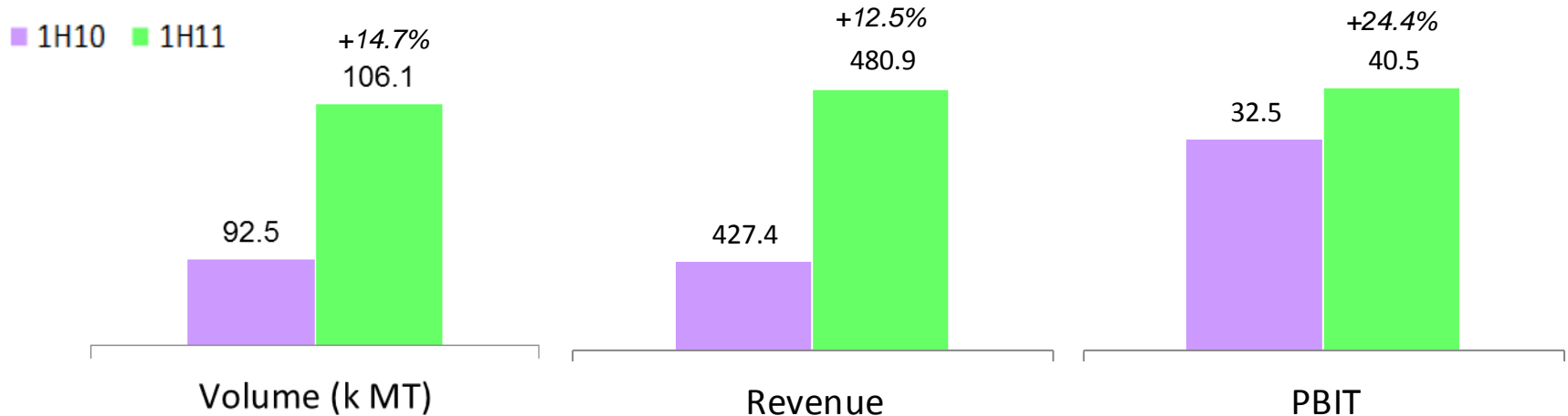
- Volume expanded 15%, > 8.5 mil cases in Jan 11 - another CNY record
- Revenue growth accelerated by :
  - strong demand from core brands – 100Plus, Seasons, KO
  - Incremental sales from new products - Seasons tea / Fruit Tree
  - Red bull distribution (started last Apr)
- PBIT jumped 49% - volume expansion plus improvement in operational efficiencies offset higher sugar costs

# Soft drinks

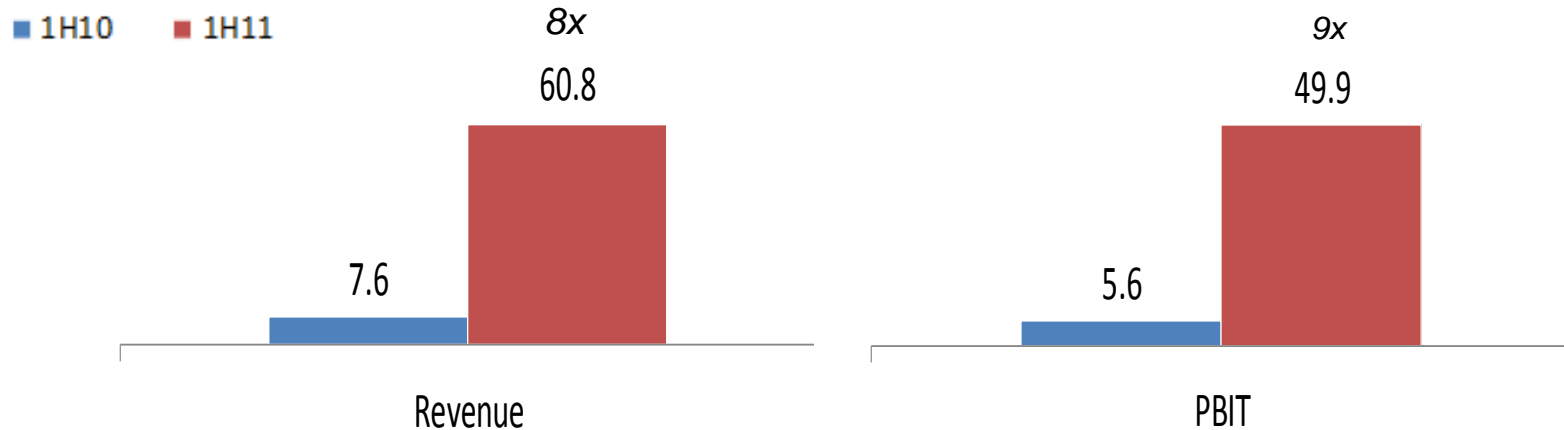




- Government removal of sugar subsidies, overall higher raw material costs dampen results
- Sales volume declined 6%, revenue remained flat
- PBIT contracted 36% - only partial cost recovery



- Strong volume growth in all markets :
  - Domestic +9% - growth from across all categories
  - Indochina +55% - strong market development, Tea Pot push
  - Exports +41% - Philippines OEM
- PBIT improved 24%, benefitting from :
  - volume growth
  - Rojana's operational efficiencies, offsetting higher input cost



- Revenue jumped 8 fold vs. LY due to sale of college building in FBP2
- PBIT contributed by :
  - College building sale - 14mil
  - Brampton disposal - 36mil
- KLG factory land sale - 10 mil (EI)

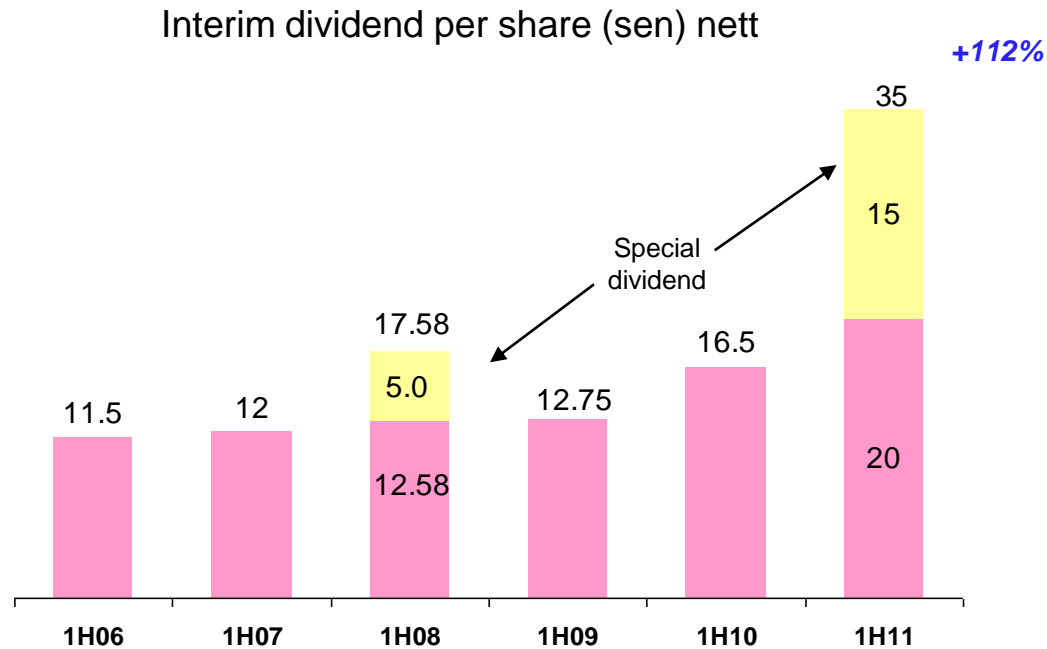


# Dividends

# Dividends



- Interim net dividend of 35 sen per share, 112% higher vs. LY
- +21% if excluding special dividend
- Payment date 3 Aug 2011



# Business outlook

## Positive factors

- Healthy GDP growth in Malaysia, Thailand, Indochina
- Positive consumer sentiment
- Weak USD
- Tourism growth
- National infra development multiplier effect

## Negative factors

- Rising inflationary pressure
- Unstable oil / commodity prices
- Higher competitive landscape
- Impact of perception of subsidy withdrawals



*End of presentation*

