



Fraser & Neave Holdings Bhd

Analysts' Briefing

8 May 2012

Financial highlights

- Group revenue and operating profit declined 28% and 62% respectively :
 - Withdrawal of the Coke business
 - 200 day flood disruption in Thailand
 - Commodity prices remained high
 - Timing of property project launch
- The drop in operating profit was offset by :
 - Capital gain of RM55 mil from property JV
 - RM55 mil deferred tax asset upon partial startup of Pulau Indah plant
- Profit after tax excluding coke business declined 13%

(RM mil)	1H2012	1H2011 <i>(ex-coke business)</i>	1H2011	Change vs. LY <i>(ex-coke business)</i>	Change vs. LY
Revenue	1,474	1,768	2,037	-16.7%	-27.7%
PBIT	110	202	292	-45.6%	-62.3%
PBT	111	207	298	-46.3%	-62.6%
PAT	149	171	239	-13.0%	-37.8%

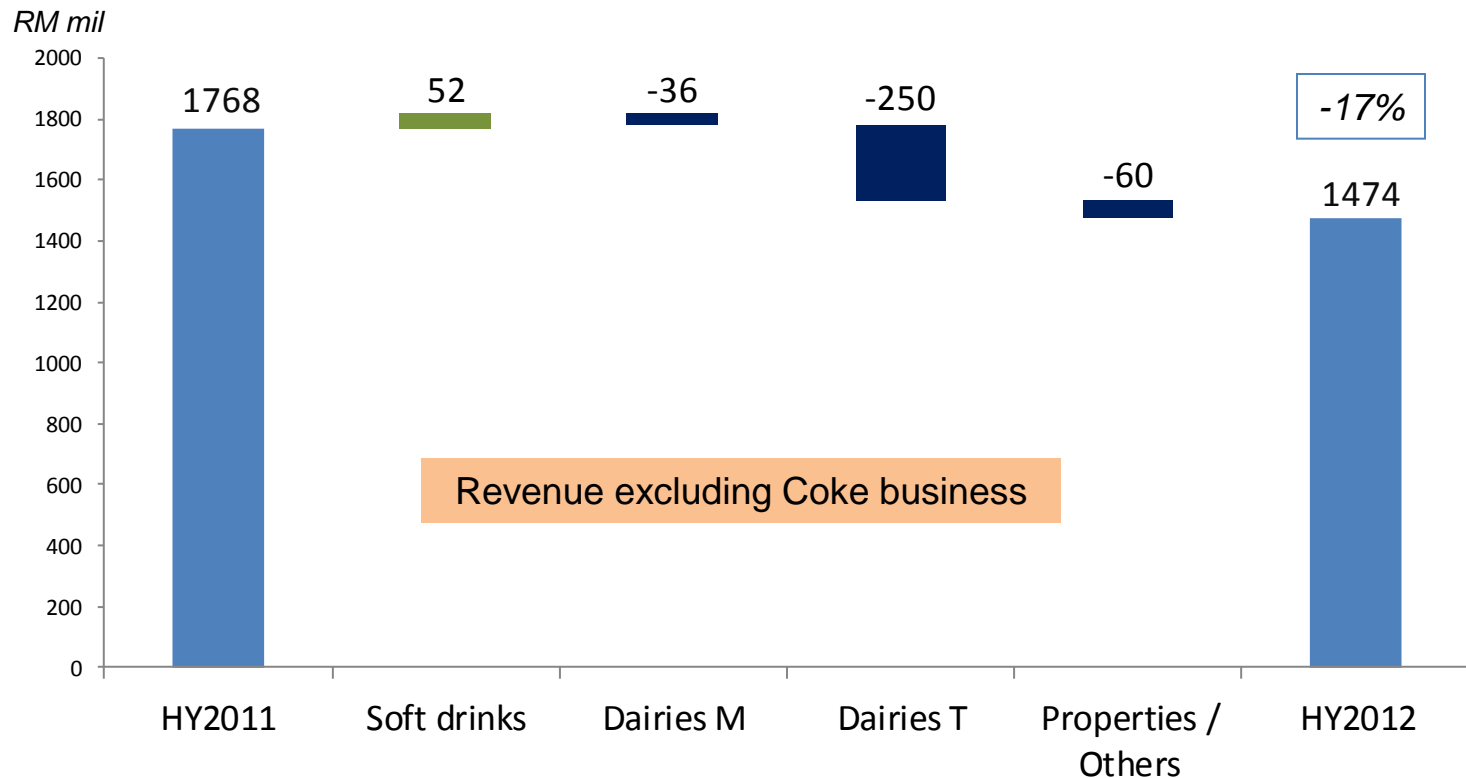
Financial highlights

- EPS at 41.3 sen
- Ordinary dividend maintained at last year's level of 20 sen per share
- Non operating items cushion profit decline

Key ratios		1H 2012	1H 2011	Change
EPS	sen	41.3	66.8	-38.2%
NAV	RM	4.09	4.22	-3.1%
Net DPS - interim	sen	20.0	35.0	-42.9%
- ordinary	sen	20.0	20.0	-
- special	sen	-	15.0	
Share price @ 31 Mar	RM	18.88	15.62	+20.9%
ROE	%	10.1	15.8	-5.7pt

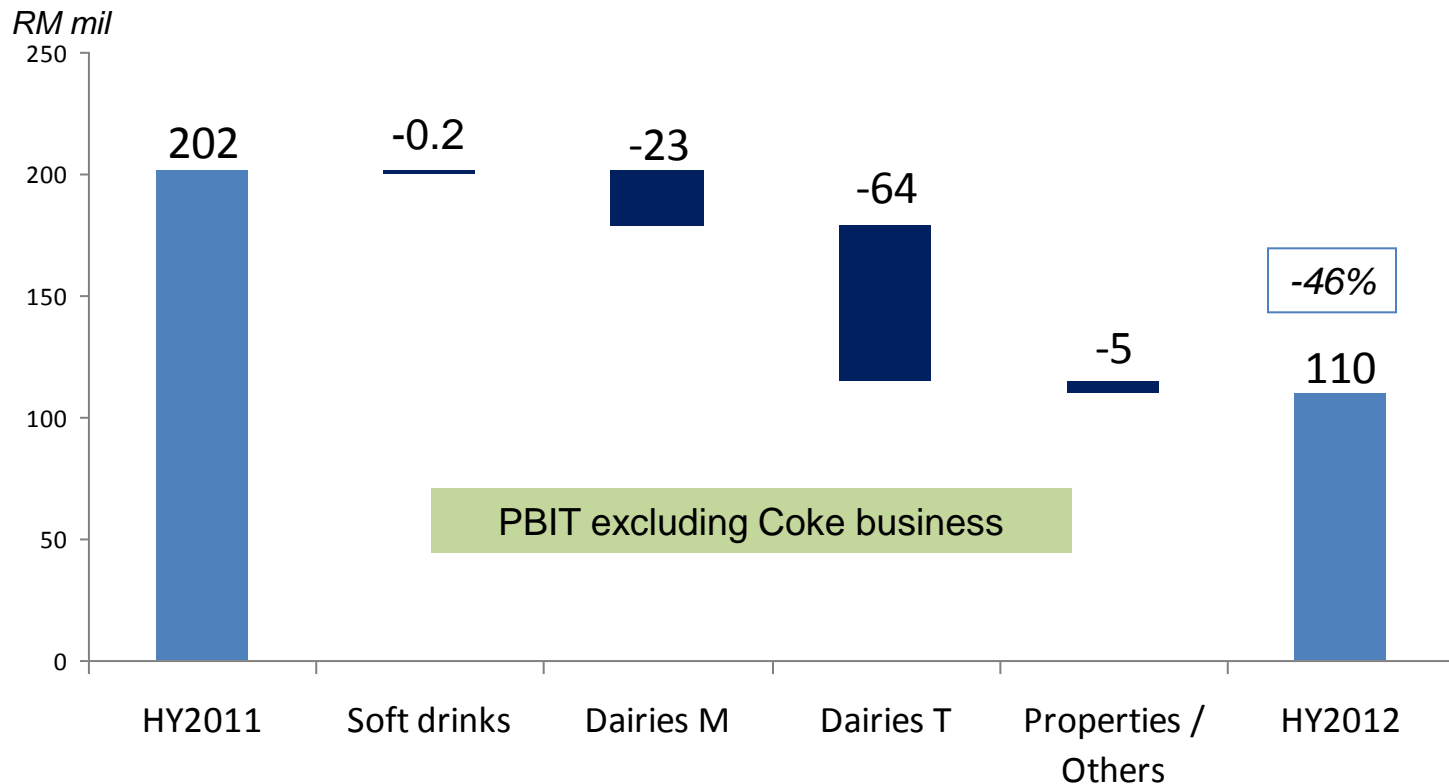
Revenue

- Half year group revenue (*excluding coke business*) contracted 17% :
 - RM250 mil impact from Thai floods
 - PJ land project yet to commence
 - Lower volume in Dairies Mal - higher selling prices vs. LY
- Soft drinks revenue grew 8% on the back of higher volume

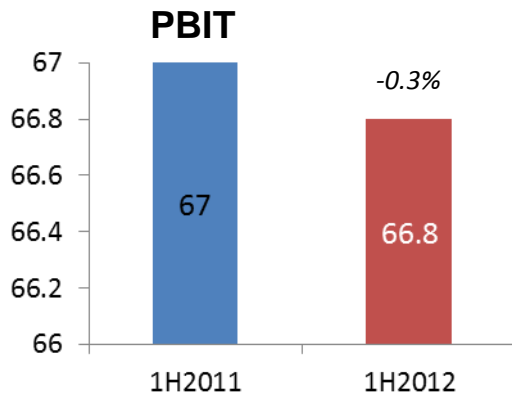
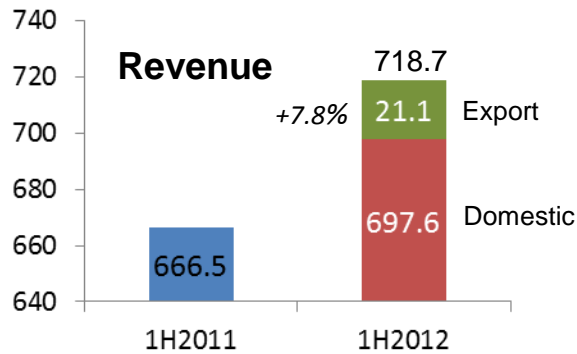
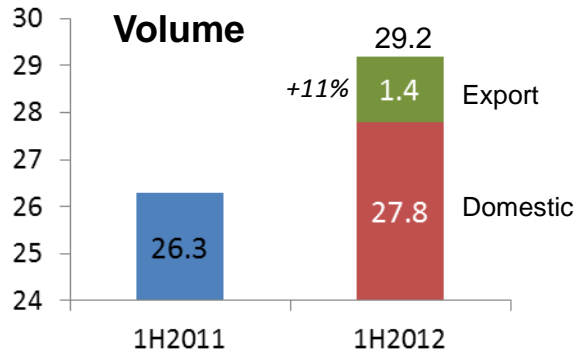


PBIT

- Half year group PBIT (*excluding coke business*) was 46% below LY :
 - RM64 mil profit shortfall in Dairies Thai
 - Accelerated building depreciation pull down Dairies Mal profit
 - RM55 mil gain on divestment of PJ land offset property profit shortfall
- Soft drinks profit was flat vs. LY – change in product mix

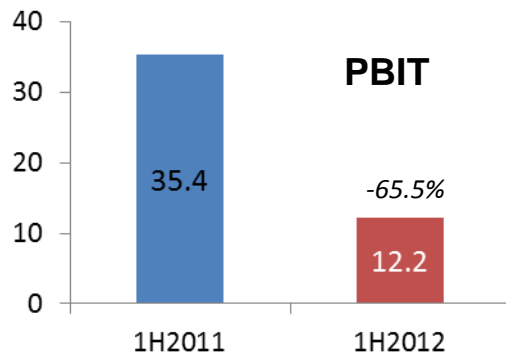
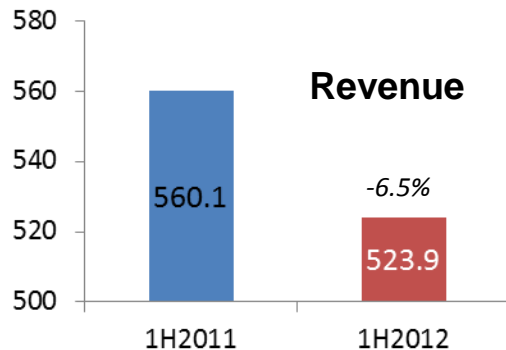
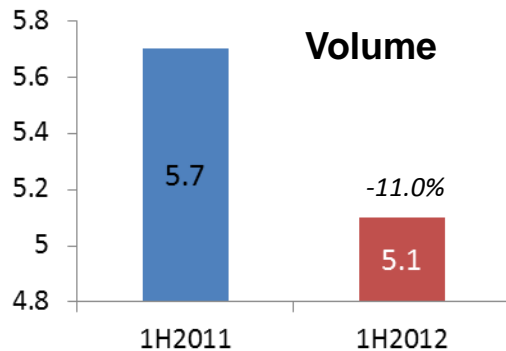


Soft drinks



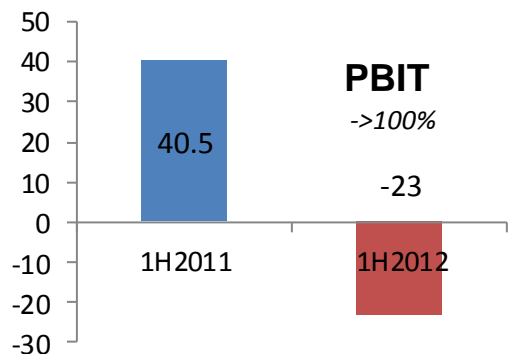
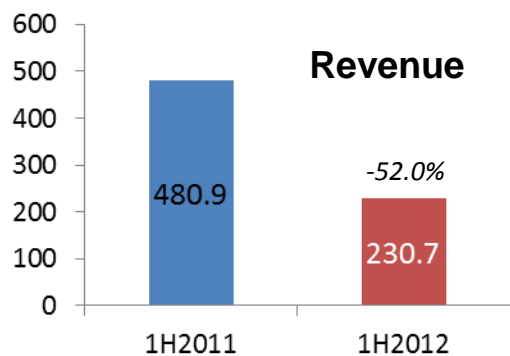
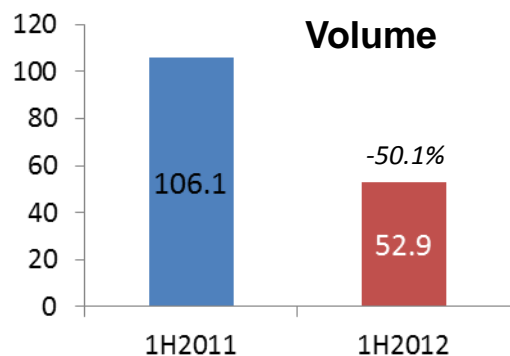
- Excluding coke business, volume still grew 11%
- 100Plus maintained CNY festive momentum with 10% increase in consumption according to AC Nielsen
- Seasons continued to be a hit with 6% growth
- Red Bull recorded an explosive 29% growth
- Revenue gained 8%
- Profit depressed by higher commodity costs vs. 1H LY due to massive sugar increase in Jan 2011

Dairies Malaysia



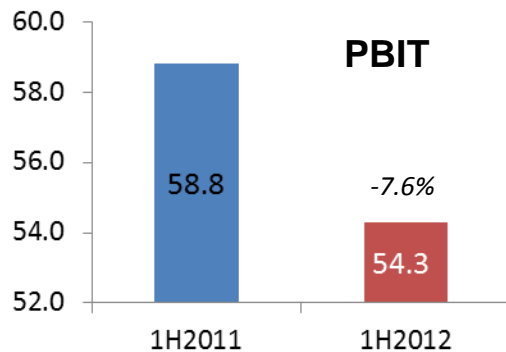
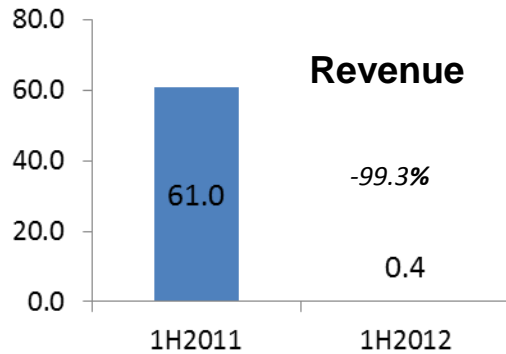
- Volume declined 11% whilst revenue contracted only 7% – recovery from price increase
- Higher key input costs (SMP, whey & sugar), one off relocation cost & accelerated building depreciation dampened profit
- New automated Pulau Indah plant to spearhead cost leadership & higher efficiencies. Following the partial startup, RM55mil deferred tax asset was recognised in relation to the tax incentive

Dairies Thailand



- Sales volume dropped by half as production stoppage disrupted supply to market
- All products sold were outsourced to co packers outside Thailand, leading to lower margins
- Rojana recommenced operation in March 2012 & ramp up to full capacity in April 2012
 - 200 day record recovery
 - Among the first in industrial park to resume operations
- BHT 1 bil admitted by insurers & recognised. BHT 740 mil payment received from insurers todate – significant claim progress
- Erection of flood protection barriers in progress – expected completion by Sep 2012

Properties / others



- Property division on planning mode for PJ Section 13 project launch
- Realization of RM55 mil – 50% capital gain on disposal of PJ Section 13 land to joint venture company
- Site preparation work to commence in PJ after complete relocation of Dairy plant by Sep 2012
- Marketing activities for Phase 1 to start in Q3/Q4 2013

Soft drinks

- Competitive landscape to intensify
- Focus on increasing marketing and merchandising activities

Dairies Malaysia

- Price recovery and stability in canned milk
- Focus on seamless transition to PI

Dairies Thailand

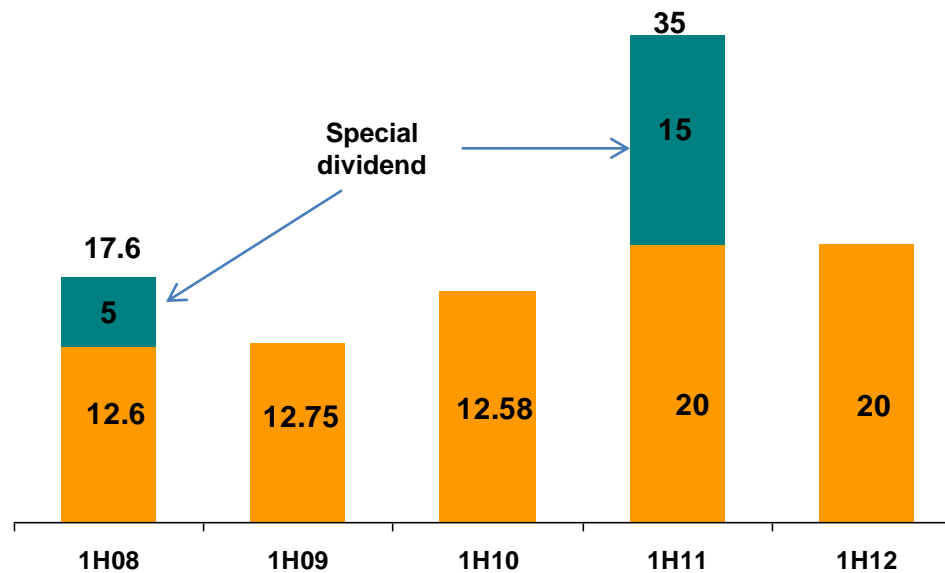
- Recovery ahead of key competitors
- Full steam on market recovery & gain share

Dividends



- Interim net dividend of 20 sen per share
- Sustainable dividend without special dividend
- Payment date 1 Aug 2012

Interim dividend per share (sen) nett





Thank you