



FRASER & NEAVE HOLDINGS BHD

(Company No. 004205-V)
A member of the FRASER AND NEAVE GROUP

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NEWS RELEASE
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F&N REGISTERS DOUBLE DIGIT REVENUE AND PROFIT GROWTH IN FIRST HALF 2012/2013

- ❖ Half year results in line with management expectations
- ❖ Group revenue & operating profit up 19% & 22% respectively against last year
- ❖ Thai operations full recovery, back to pre-flood levels
- ❖ Lower profit after tax – absence of tax incentive compared to last year
- ❖ Interim dividend of 20 sen per share

RM million	Half Year 2013	Half Year 2012	Change (%)
Revenue	1,756	1,474	+19.1
Operating profit	135	110	+22.1
Profit before taxation	132	111	+18.6
Profit after taxation	112	149	-24.9
Basic earnings per share (sen)	30.8	41.3	-25.4

Fraser & Neave Holdings Bhd (F&NHB) revenue for the first half ended 31 March 2013 rose 19 per cent to RM1.75 billion from RM1.47 billion while operating profit soared 22 per cent to RM135 million from RM110 million in the corresponding period last year powered by the recovery of its flood-hit Thai dairy business and higher domestic volume from its soft drinks division.

Contribution from F&N's fully recovered Thai dairy operations which was severely affected by a 200-day cessation due to floods in the last financial year combined with strong performance from the Group's perennially performing soft drinks division also boosted profit before taxation by 18.6 per cent to RM132 million from RM111 million in the previous corresponding period.

F&NHB Chief Executive Officer Dato' Ng Jui Sia hailed the rapid recovery of the Thai dairy operations and described the latest half year results to be in line with the Group's expectations.

"Dairies Thailand resumed full production in the third quarter of last year and we are pleased with the strong growth recorded by our sterilised milk and sweetened beverage creamer segments which attained pre-flood market share.

"The soft drinks division's strong performance was once again evident with a favourable sales mix, and higher domestic volumes generated via our strong Chinese New Year trade and market execution and contribution from the recently launched myCola and the 100Plus Edge non-carbonated variant," he added.

Cumulative first half revenues generated by the Dairies Thailand jumped more than two-fold to RM508.1 million for the second quarter ended 31 March, 2013 from RM230.6 million in the corresponding period while Soft Drinks edged up 6 per cent to RM 762.3 million from RM718.7 million in the same period.

Intense price competition, challenging trading conditions in trade channels and teething issues arising from the restructuring of distribution system saw Dairies Malaysia's revenue decline 7.40 per cent from RM523.9 million to RM484.9 million to in the period under review.

Profit after tax for the first half fell 24.9 per cent from RM149 million to RM112 million in the period under review due to the absence of tax incentives and contribution from the Property Division this year compared to the last financial year,

Application for integrated development of the former Dairies Malaysia site at Section 13, Petaling Jaya is underway and the project is expected to be launched after the current financial year.

Commenting on the prospects for the rest of the current year, Dato' Ng said the beverage landscape would remain competitive with increased soft drinks offerings competing for

consumers share of throat against the backdrop of unusual weather conditions that would impact consumer purchasing patterns and an uptrend of global commodity prices while the dairies business would be continually challenged by deep price discounting.

“Key thrusts for Soft Drinks include maintaining core market leadership and increased distribution of newly launched products.

“Potential synergistic opportunities resulting from the recently concluded TCC Asset corporate takeover of F&N Limited will be explored within the enlarged group while focus on enhancing the customer service experience and strengthening further trading relations will be sharpened and leveraged.

“In the Dairies sector, efforts would be enhanced and focussed on implementing improvement initiatives both in manufacturing and distribution. We will focus on the growth of our core products for both dairies operations and grow our export footprint whilst strategically managing commodity purchases.

“The Group will continue to be vigilant and responsive to changes in the external environment and strive to deliver sustainable growth in revenue and profitability. We expect to realise our full year’s projections,” Dato’ Ng added.

F&N’s Thai flood insurance claims have been finalised following certification by the adjusters and have been submitted to the lead insurer.

The Directors are recommending a single tier dividend of 20 sen per share (2012:20 sen) for the financial year ending 30 September, 2013. The dividend amounting to RM73 million will be paid on 1 August, 2013.

F&NHB is a Malaysian company listed on Bursa Malaysia’s Main Board with expertise and prominent standing in the food and beverage and property business. F&NHB has over 3,000 employees operating in Malaysia, Brunei and Thailand and is a subsidiary of Fraser and Neave, Limited, a company listed on the Singapore Stock Exchange. F&N

took top spot in the Food & Beverage category in 2012's Malaysia's Most Valuable Brands (MMVB) awards.

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