



Fraser & Neave Holdings Bhd

Analysts' Briefing
8th November 2013

FY12/13 – Change in major shareholder



F&N Group is now a member of Thailand's TCC Group pursuant to TCC Assets and Thai Beverage's acquisition of Fraser & Neave Limited in Q1 2013

TCC Group – one of Thailand’s leading conglomerates & an established international player



Thai Beverage	Berli Jucker	Southeast	TCC Land	Plantheon
Beverages	Industrial Trading & Consumer Products	Insurance & Leasing	Property & Real Estate	Agro Industrial
Alcohol Beverages	Industrial Supply Chain	General Insurance	Residential	Sugar Industry
Non-Alcohol Beverages	Consumer Supply Chain	Life Insurance	Hotel & Serviced Apartment	Plantation & Processing
Related Business	Healthcare Supply Chain	Capital and Car Leasing	Retail Shopping Center	Fertilizer
Oishi Chilled & Frozen Foods	Technical Supply Chain		Commercial Office Building	Overseas Business
International Product Portfolio	International Business Group		Master Plan Development	
			Warehouse & Industrial Estate	
			Apartment	
			Convention & Exhibition Center	
			Golf Course & Sport Club	
*Listed in SGX	*Listed in SET			

TCC Group - Synergies & Opportunities



- Synergies and opportunities with TCC Group (particularly Thai Beverage), including leveraging on:
 - Regional distribution networks
 - Product development capabilities
 - Portfolio of leading beverage brands
 - Best Practice Sharing

- **Example (1): Joint Procurement**

Cost savings through joint procurement of Tetra Pak packaging material by F&N Group and Oishi



- **Example (2): Power Brand**

The introduction of Oishi RTD tea into Malaysia; planned seeding into 7-eleven and petrol marts completed



F&N Holdings Berhad – Group Financial Highlights



- Group revenue, PBIT & PBT achieve double digit growth mainly driven by:
 - Soft drink unit securing higher sales revenue & maintaining strong market position in the Malaysian ready-to-drink (RTD) market
 - Dairies Thailand unit achieving strong growth following its effective post-flood recovery efforts
- The lower PAT is due to the recognition of a lower deferred tax asset of RM5mil (FY11/12: RM80mil)

(RM mil)	FY11/12	FY12/13	Change (%)
Revenue	3,172*	3,508	10.6%
PBIT	231	313	35.5%
PBT	230	309	34.3%
PAT	274	261	- 4.7%

* Restated to conform with FY12/13's presentation

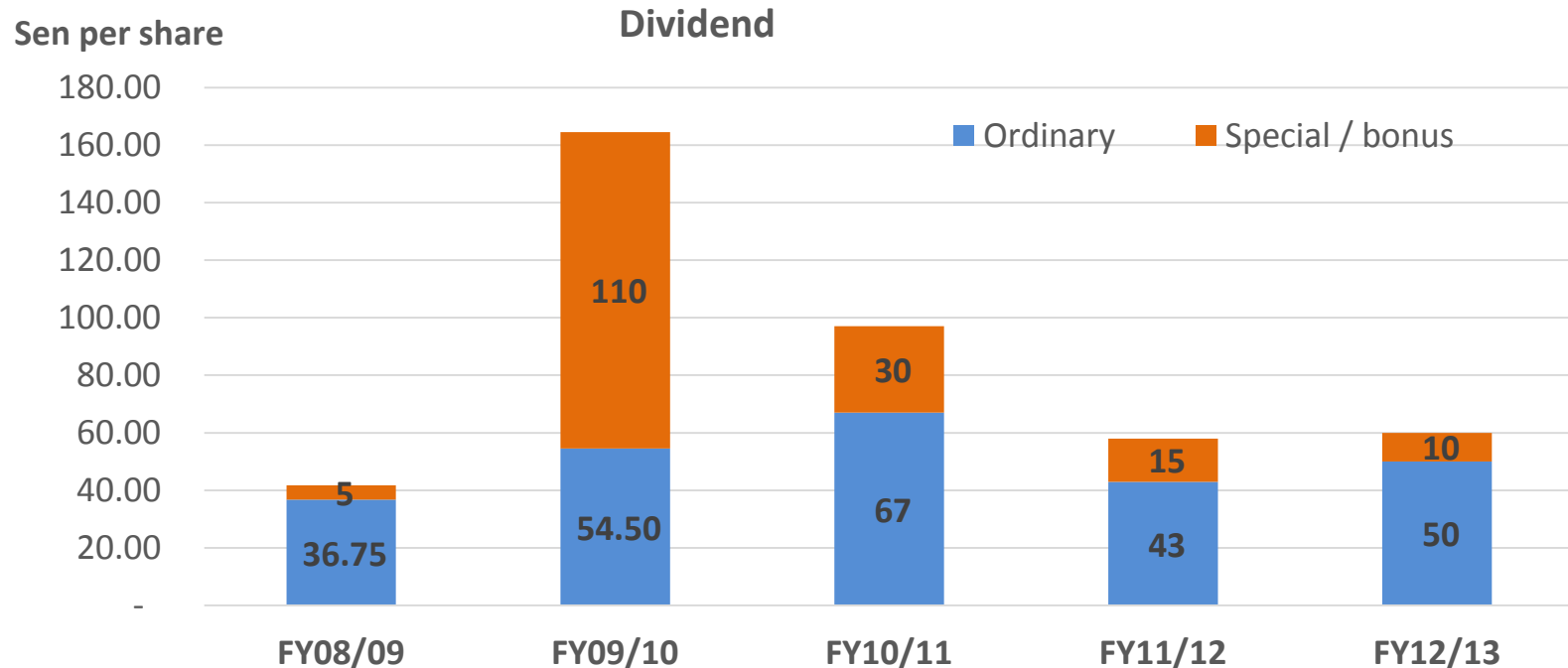
F&N Holdings Berhad – Group Financial Highlights



Key ratios		FY11/12	FY12/13	Change (%)
EPS	sen	75.9	71.7	- 5.5%
NAV	RM	4.28	4.53	5.8%
Net Dividend Per Share	sen	58.0	60.0	3.4%
- ordinary dividend	sen	43.0	50.0	16.3%
- special dividend	sen	15.0	10.0	-33.3%
- payout ratio* (ordinary dividend)	%	74	80	+ 6pp
Share price @ 30 Sep	RM	18.20	18.60	+ 2.2%
PBIT margin	%	7.3	8.9	+1.6 pp
ROE	%	17.6	15.8	-1.8 pp

* On normalised EPS

F&N Holdings Berhad – Dividends



For FY12/13:

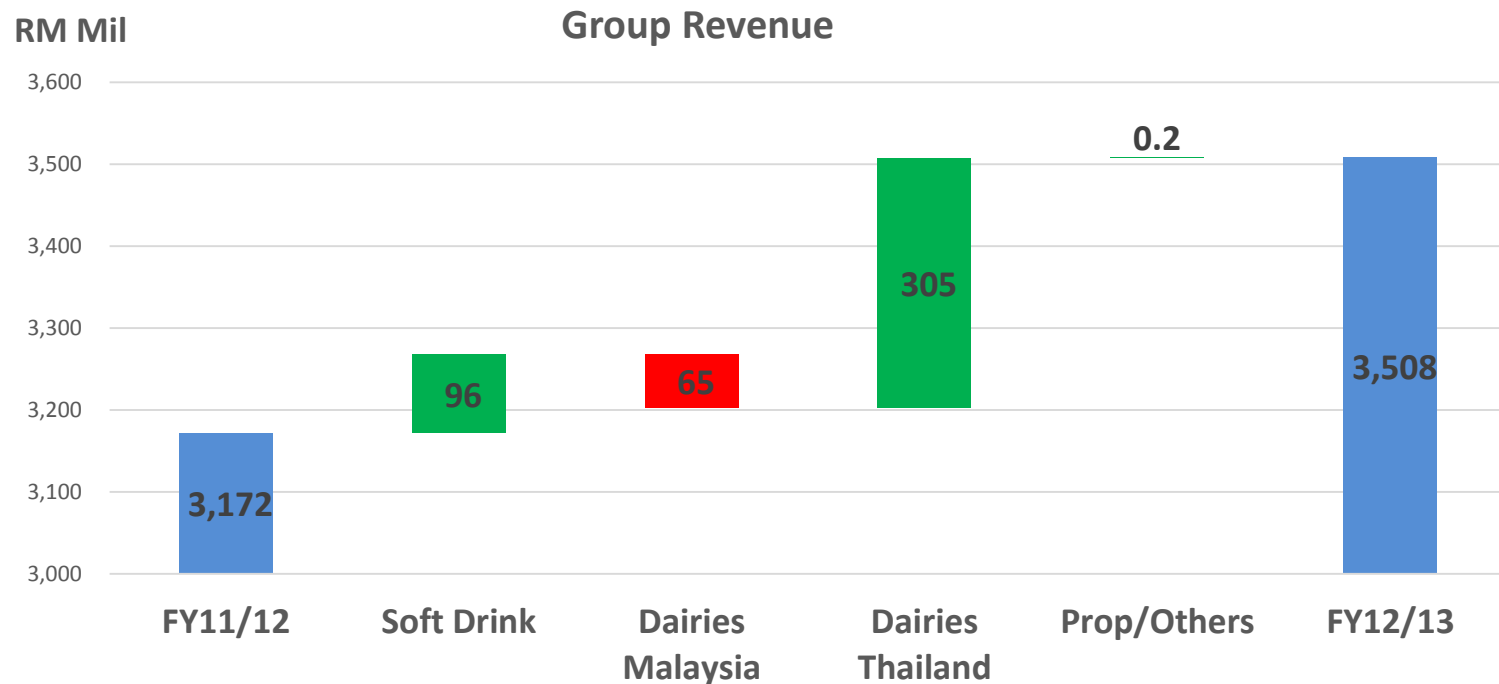
- Ordinary dividend of 50 sen - (20 sen interim and 30 sen final)
- Special dividend of 10 sen
- Higher Payout ratio of ordinary dividend* for FY12/13 (80%) compared to FY11/12 (74%)

* Based on continuing / normalised EPS

F&N Holdings Berhad – Group Revenue



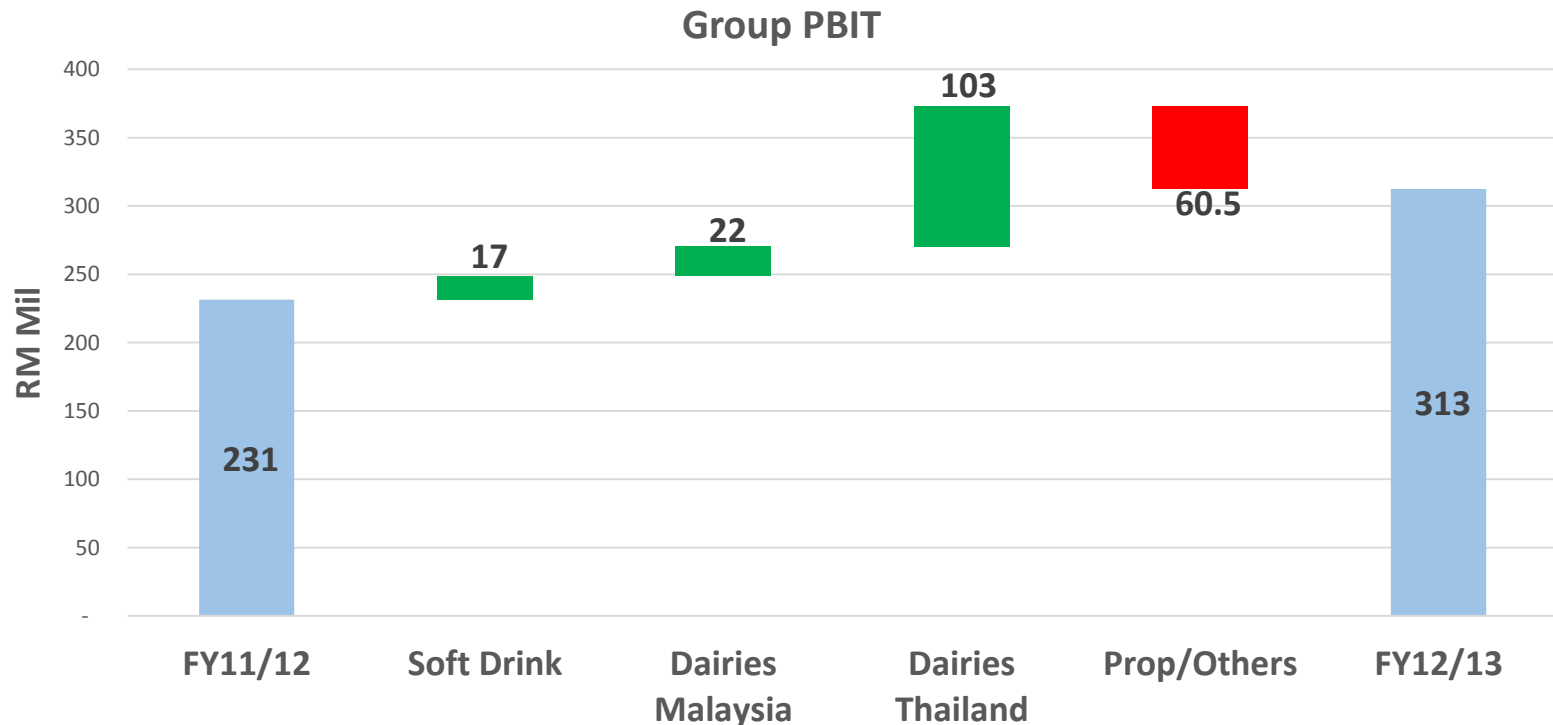
- Dairies Thailand experienced biggest jump as it recovers to pre-flood level
- Soft drink unit sales grew stronger on the back of its RTD market leadership position
- Dairies Malaysia's lower revenue is largely due to intense competition and price pressure



F&N Holdings Berhad – Group PBIT

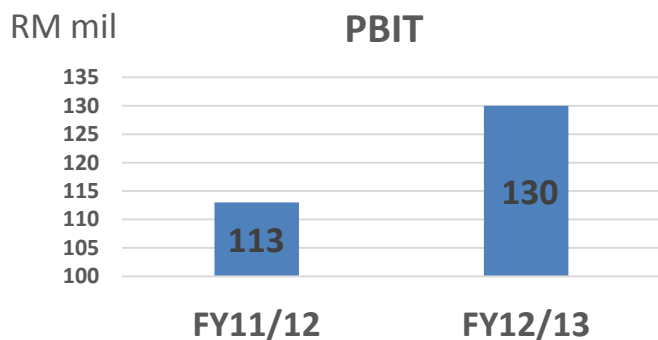
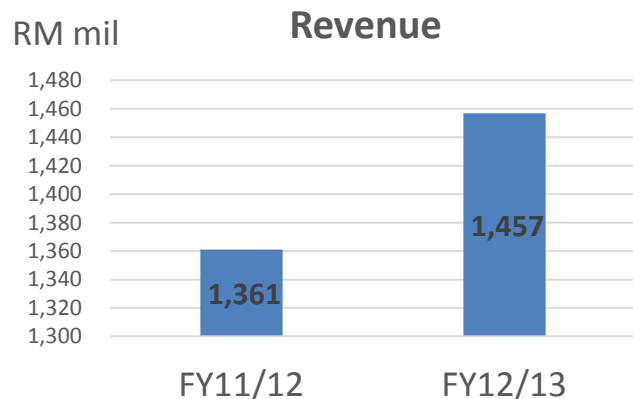
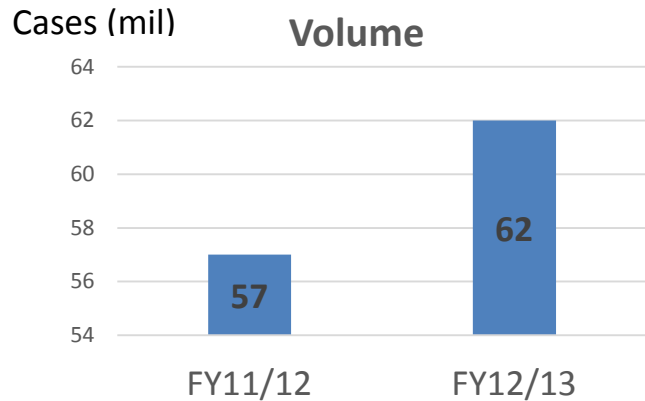


- Dairies Thailand and Soft Drink unit's stronger PBIT performance reflected their stronger revenue growth.
- Dairies Malaysia's profitability was aided by realised Pulau Indah cost reduction targets
- 'Property/Others' showed a drop mainly due to the one-off RM55mil capital gain realized from the loss of control in a former subsidiary in FY11/12



- Soft Drink Unit
- Dairies Malaysia
- Dairies Thailand
- Property/Others

Soft drinks – *Growth momentum continues*



- Volume grew on the back of F&N's strong market position in the Malaysian ready-to-drink market
- Revenue growth is mainly driven by favourable sales and sales channel mix, lower promotional costs and higher domestic volume
- 100Plus sales improved due to increased consumer off-take, aided by contribution from 100Plus Edge. 100 Plus has maintained its market leadership position
- Seasons performed better with the rebranding and reformulation of new soya variants (NutriSoy), increased market campaigning and trade presence. Seasons NutriSoy has maintained its market leadership position
- PBIT performance reflected its stronger revenue growth



New Packaging





New Communication Concept

100PLUS rehydrates to give you an agile mind and body to help you achieve everyday wins



RESTAGE



Soft drinks – F&N Seasons NutriSoy



Rebranding and reformulation of F&N SEASONS Soya Bean to **F&N SEASONS NutriSoy** to reinforce its goodness and health propositions:

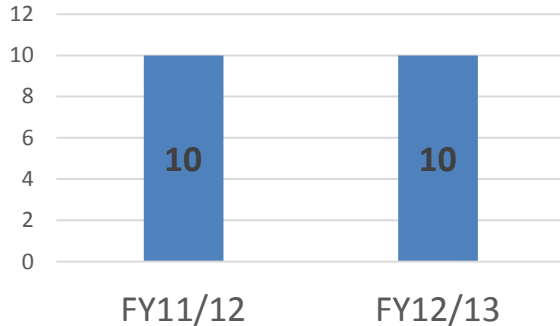
- More soya added
- Higher protein content
- Richer and improved taste
- Low in fat
- Non-GM whole soy beans

Dairies Malaysia – New milestone: Grand opening of state-of-the-art Pulau Indah Plant



cartoons (mil)

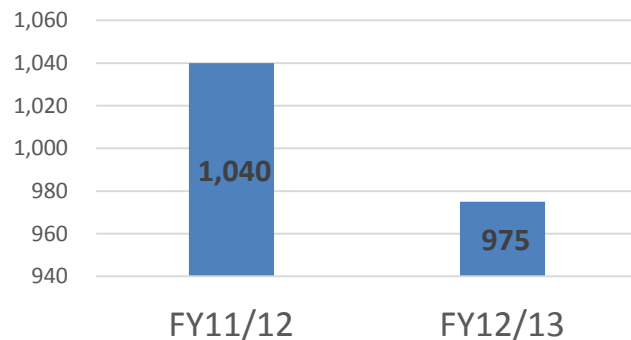
Volume



- Dairies Malaysia maintained its overall volume sales despite intensive market competition
- Revenue decreased on sales of lower margin products

RM mil

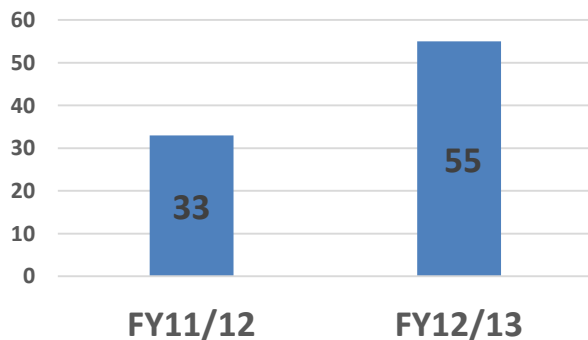
Revenue



- Higher PBIT is mainly attributable to:
 - realized Pulau Indah cost reduction targets along with improved conversion cost;
 - the recognition of accelerated PJ factory building depreciation of RM16.9mil in FY11/12 relating to the factory shift from S13 PJ to Pulau Indah

RM mil

PBIT





- F&N Dairies Pulau Indah Plant was officially launched by the grace of His Royal Highness Sultan of Selangor on 2nd October 2013
- State-of-the-art manufacturing plant and the largest dairy condensary in the region and one of the largest in the world

Dairies Malaysia – Pulau Indah Plant Grand Opening



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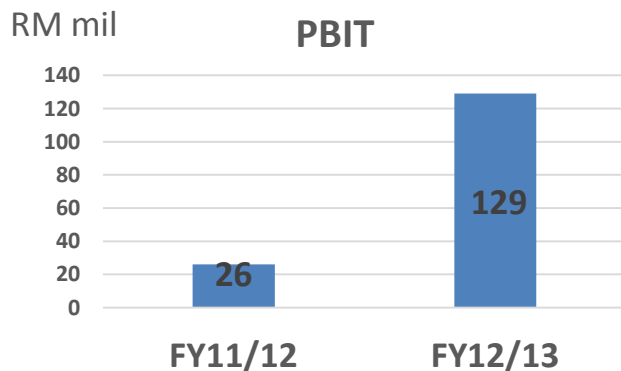
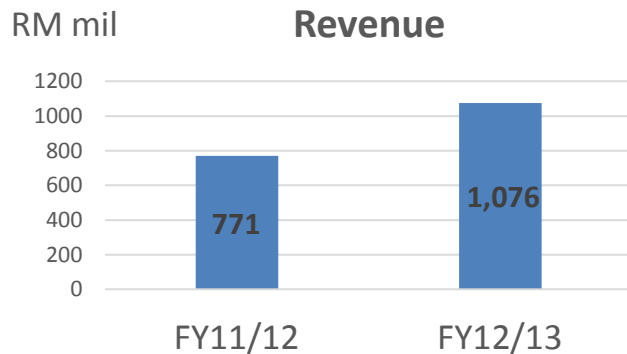
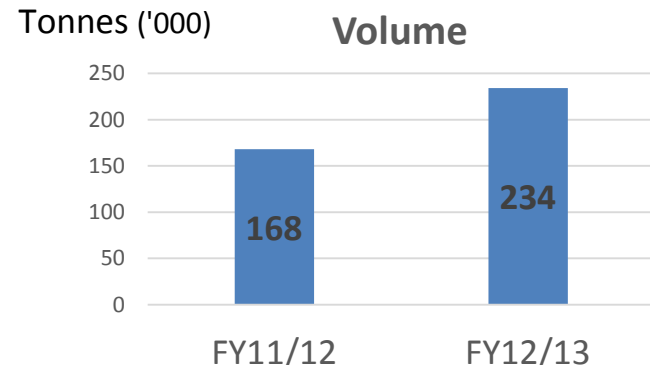
- The Pulau Indah Plant is situated in the Selangor Pulau Indah Halal Hub and adjacent to Westport, the regional deep sea port at Port Klang
- The strategic location of Pulau Indah Plant provides competitive advantage:
 - Close proximity to the Klang Valley & well connected with highway network
 - Adjacent to Port Klang
 - Halal certification enables F&N Dairies products to penetrate Halal export market

Dairies Malaysia - Export Market for F&N Dairies Products



- F&N Dairies products are exported worldwide including the halal markets.
- Halal markets penetrated by F&N Dairies products include those in Africa and Middle East, for example:
 - **Middle East:** Saudi Arabia, Kuwait & Lebanon
 - **Africa:** Togo, Ghana, Gambia & Cameroon

Dairies Thailand – Strong post flood recovery



- Thailand has achieved strong yearly domestic sales revenue and PBIT, testimonial of its post flood recovery.
- All volume, revenue and PBIT improved as last year (FY11/12) was affected by flood. All brands have attained pre-flood market leadership position, and distribution channels have reached pre-flood level.
- Higher PBIT attributed to a better sales mix, higher evaporated milk sales contribution and cost management initiatives.

Dairies Thailand - Thailand Energy Award 2013

2013
THAILAND
ENERGY
AWARDS



Award presented by Khun Yingluck Shinawatra,
Prime Minister of Thailand on 18.9.2013

- **Awards:**
Best Energy Conservation in Energy-Controlled Factory Category
- **Awarding Body:**
Department of Alternative Energy Development and Efficiency, Ministry of Energy
- The Thailand Energy Award competition is to honor organizations that have contributed to energy conservation and national alternative energy development plans.
- F&N Dairies Thailand achieved financial savings of THB 19mil and energy savings of 13%. This is equivalent to 3,392 ton CO₂ reduction or growing 87,000 trees

Dairies Thailand - ASEAN ENERGY AWARD 2013



- **Awards:**

ASEAN Best Practices for Energy Management Industries, Special Submission Category

- **Winning Project:**

Energy Reduction in USCM#1 EVAP/SM Processing Line of F&N Dairies Thailand Rojana Plant

- **Awarding Body:**

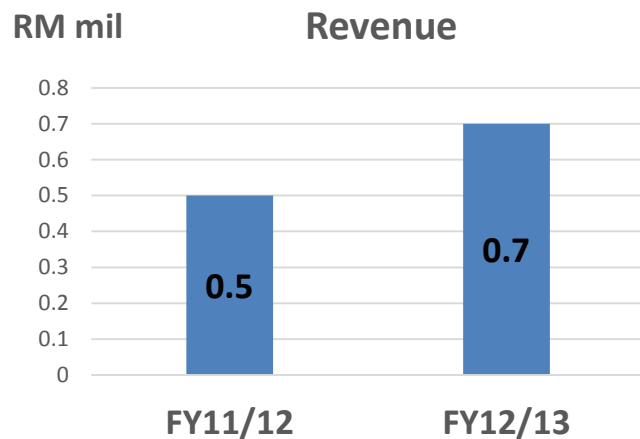
Asean Centre for Energy

- F&N Dairies Thailand is 1 of the only 2 food companies that have received the awards this year.



Awards presented by Energy Ministers of ASEAN on 25.9.2013 during the 31st Asean Minister of Energy Meeting in Bali, Indonesia.

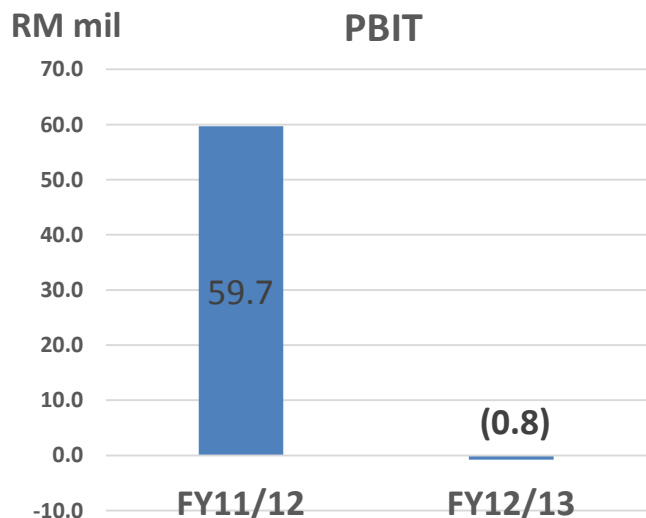
Properties / Others



- The decline in PBIT for 'Property & Others' is mainly due to:

- The realization of RM55mil (50% capital gain) following the loss of control in a former subsidiary in FY11/12

- The provision of RM12mil for litigation matter in FY12/13



Section 13 development – aerial view



- Estimated total GDV is RM1.77 billion
- Estimated GDV for Residential Component (Phase 1) is RM 571million

Section 13 development – Progress update

- Demolition works of existing structure at site nearing completion.
- Seeking all outstanding authority approvals, e.g. the Approval for land conversion, amalgamation & lease extension (from 56 to 99 yrs) and Approval for Building Plan.
- To date, approval has been obtained for the Master and Sales Gallery Layout Plan.
- Rescheduling is necessary in order for the developer to fulfill the requirements to be imposed by the new Strata Management Act 2013 (SMA) which is expected to come into force in Q1 2014.

F&N 130th Anniversary



- F&N will be celebrating with its stakeholders by giving back to the community & future generation and by sharing the joy with its customers, trade partners and employees
- The celebration will showcase F&N's heritage, strength and confidence.

Thank you

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