



**Mr Pascal De Petrini**  
Chief Executive Officer,  
Food & Beverage  
11 May 2012

Food & Beverage

2012: an unusual year

Significant changes in our “business profile” in 2012  
driven by a mix of anticipated and unexpected reasons

- **Beer** Strong model that continues to deliver great results
- **Soft Drinks** Major change with the Coke’s separation leading to a “reduced” base in Malaysia and the “homecoming” in Spore
- **Dairies** Accumulation of
  - business challenges (destabilizing impact of commodities cost evolution)
  - operational changes (move from PJ to PI, integration of the Ice Cream entities)
  - impact of a natural disaster (Rojana)

## Double-digit profit growth despite challenges

\$ 'million	1H2012	1H2011	Change (%)
Revenue	<b>1,863</b>	1,885	-1%
Profit Before Interest & Tax ("PBIT")	<b>294</b>	298	-1%
Attributable Profit Before Exceptional Items <sup>1</sup> ("APBE")	<b>134</b>	118	+13%

<sup>1</sup> 1H2012 Exceptional Items relates mainly to a \$27m-impairment charge of investment in DaFuHao, and a \$21m-assets write-off in the Rojana dairy Thai plant; partly offset by \$23m Dairies Thailand insurance and business interruption claims income, and \$18m gain on disposal of CDG

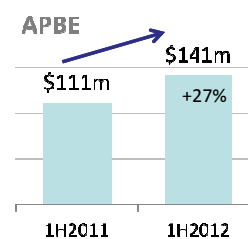
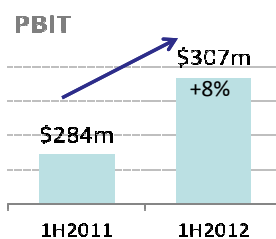
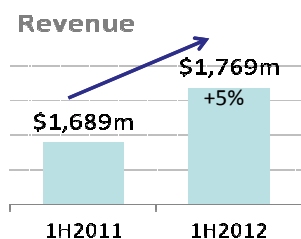


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(Exclude impact of Thai Flooding)

- Excluding the impact of Thai flooding, F&B revenue and PBIT increased 5% and 8% respectively
- APBE improved by 27%
  - Strong profit growth in Beer
  - \$13 million <sup>1</sup> deferred tax asset



Excluding Dairies Thailand

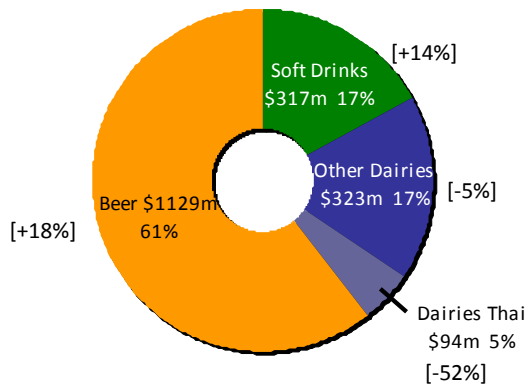


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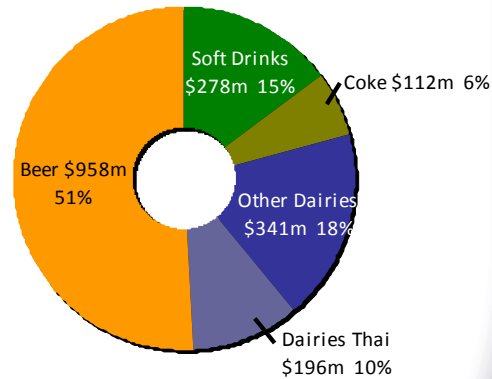
<sup>1</sup> \$23 million at PAT level

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1H2012 Revenue  
\$ 1.9 billion



1H2011 Revenue  
\$ 1.9 billion



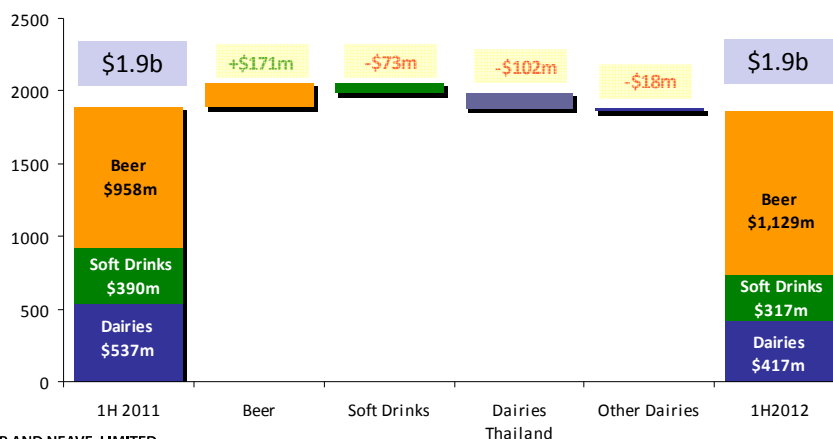
\* Figures in brackets denote y-o-y change



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- Beer revenue grew 18% on strong volume gains and price increases
- Excluding Coke's business, Soft Drinks revenue grew \$39m or +14% on higher volume
- Key brands like *100PLUS*, *F&N* and *F&N SEASONS* registered volume growth
- Dairies affected by the flood disruption in Thailand



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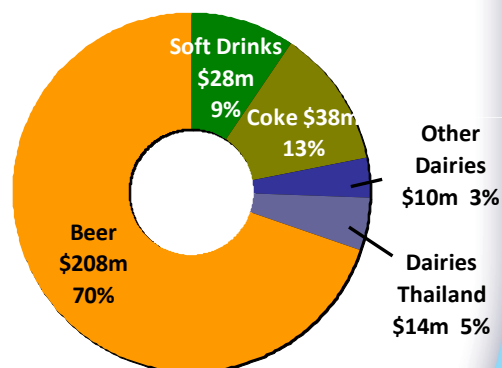
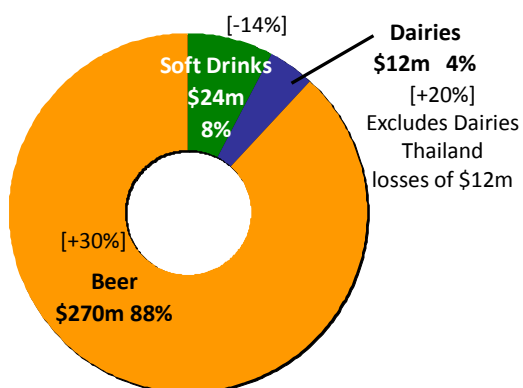
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## Beer remains the star performer

1H2012 PBIT  
\$ 294 million

1H2011 PBIT  
\$ 298 million



Note: % contribution to F&B 1H2012 PBIT is calculated based on total PBIT \$306m excluding Dairies Thailand

\* Figures in brackets denote y-o-y change



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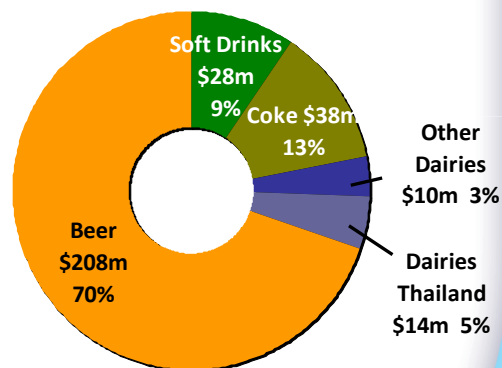
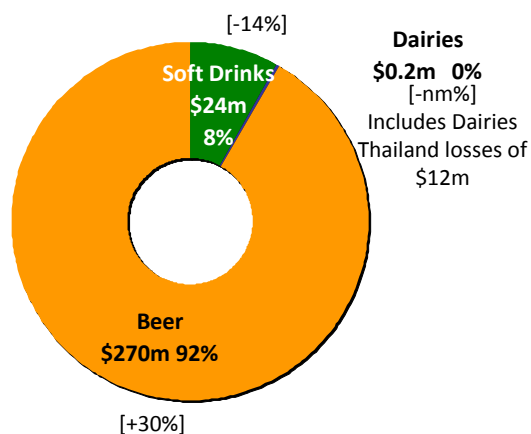
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## Food & Beverage

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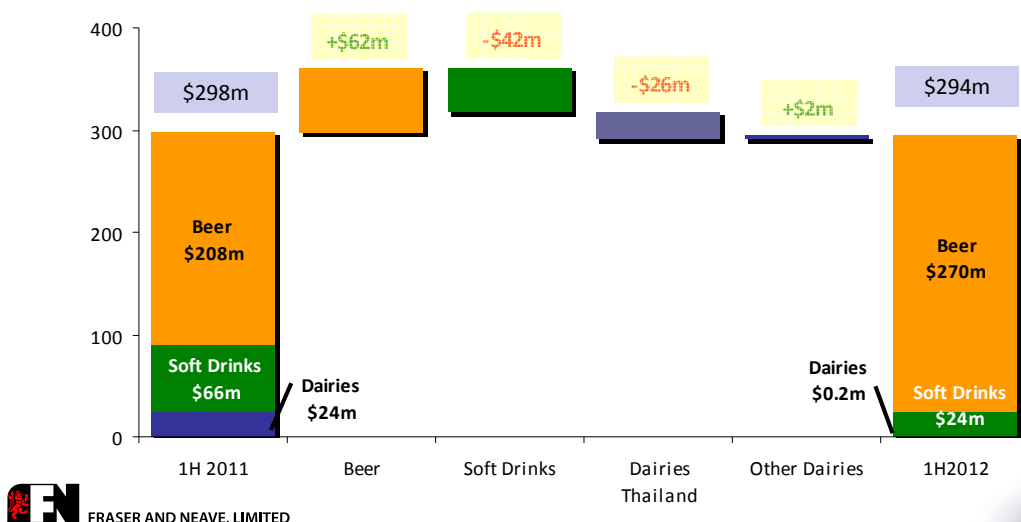
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## Food & Beverage

## PBIT supported by Beer

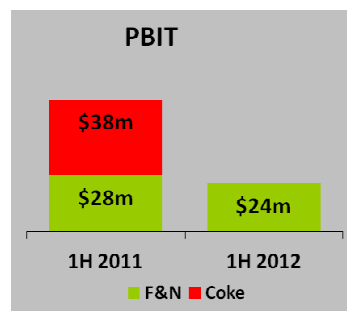
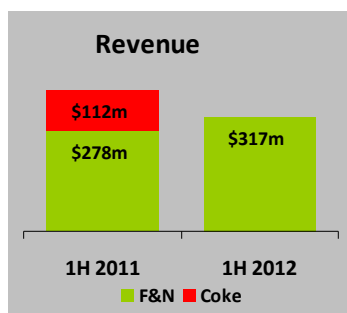
- PBIT almost flat vs 1H 2011
- Beer grew strongly on volume growth and improved margins from price increases
- Expected drop in Soft Drinks earnings following the withdrawal of Coke's business
  - Soft Drinks earnings adversely affected by rising input cost
- Excluding the impact of the flooding in Thailand, Dairies profit grew \$2m



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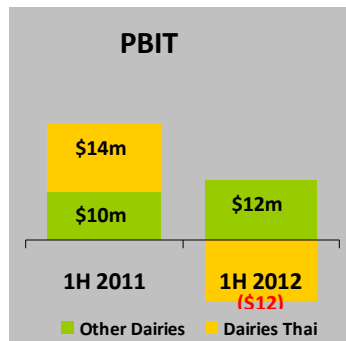
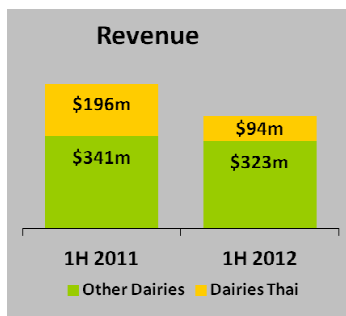
## Soft Drinks



- Excluding contribution from Coke's business, revenue improved 14% on higher volume, while PBIT dropped 14%
- In Malaysia, *100Plus* maintained strong momentum with +10% increase in YTD Mar consumption<sup>1</sup>
- In Singapore, substantial part of volume licensed to Coke last year was retained.
- Profit declined due to
  - Higher commodity costs vs 1H 2011 due to jump in sugar price by RM600/MT following the removal of sugar subsidy in Jan 2011
  - Building distribution network in Singapore and retaining capabilities in Malaysia
  - Continuous effort to invest in brand building and innovation to protect market share

<sup>1</sup> AC Nielsen

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- Excluding Dairies Thailand, overall revenue dropped 5% while PBIT increased \$2m
- Unexpected flooding in Thailand resulted in plant closure for almost 6 months; Dairies Thailand revenue declined by 52%
- Dairies Malaysia revenue affected by lower volume (with Q2 improving YoY)
  - Profit trimmed by higher key input costs (SMP, whey & sugar)
- In Singapore, lower export volume was cushioned by higher domestic sales. Profit improved on overall lower input and operating costs

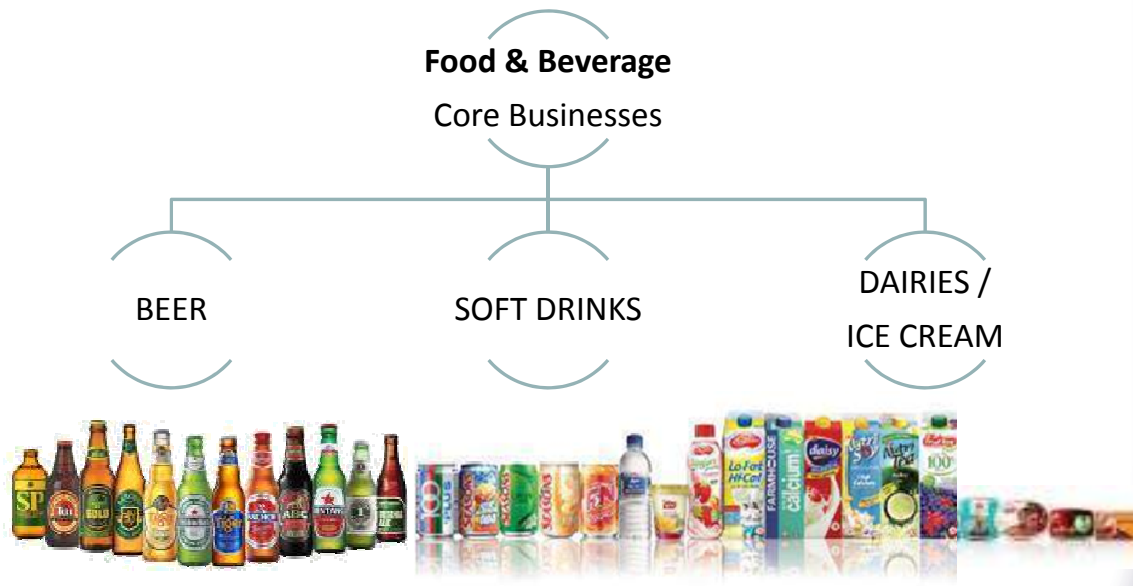


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## FY2012 Half-Year Highlights



Beer



- Strong topline and profit growth led by Vietnam, Myanmar, Indonesia and Papua New Guinea
- Margins improved from higher volumes and prices
- Indochina remained the largest revenue and profit contributor, at 40% and 52% respectively
- Remain focus on International Premium Brand Strategy in China



# Beverages





## Beverages Focused on driving key brands

- Led by growth in consumption
  - 100PLUS +10%<sup>1</sup>
  - F&N SEASONS +11%<sup>1</sup>
- Consumer-focused innovation



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<sup>1</sup> ACNielsen Malaysia YTD Mar 12

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## Food & Beverage A new milestone for Beverages

- Continued widening and deepening of distribution to ensure widest availability
- Ramping up marketing and sales activities
- Upholding excellent service quality to partners and consumers



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- Investment in a new RM18-million PET production line in Sabah



# Dairies



- Pulau Indah Malaysia production plant commenced operations
- State-of-the-art design and technology will drive greater efficiencies

**Oct 2009**Ground  
breaking &  
piling starts**Jul 2010**Construction  
starts**Oct 2011**SCM & EVAP  
line  
commissioning**Nov 2011**SCM & EVAP  
line  
qualification**Feb 2012**Certificate of  
Completion &  
Compliance  
issued**Mar 2012**SCM & EVAP  
line go live

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- Thailand Rojana plant restarted operations in March and ramped up to near full capacity in April<sup>1</sup>



<sup>1</sup> Dairy plant returned to full commercial production in May 2012

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## Food & Beverage

## Business outlook & prospects

Beer	Soft Drinks	Dairies
<ul style="list-style-type: none"> <li>• Strengthening of SGD would adversely affect financial results</li> <li>• Focus on driving continuous growth momentum</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive landscape to intensify</li> <li>• Focus on:                             <ul style="list-style-type: none"> <li>✓ Increasing marketing &amp; merchandising activities</li> <li>✓ Strengthening distribution</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Price recovery and stability in canned milk in Malaysia</li> <li>• Focus on seamless transition to PI</li> <li>• \$9m<sup>1</sup> of deferred tax asset is expected to be recognized in 2H2012</li> <li>• Full steam on market recovery in Thailand</li> </ul>



Thank You

next speaker:

**ROLAND PIRMEZ**

CHIEF EXECUTIVE OFFICER,  
ASIA PACIFIC BREWERIES