



FARMHOUSE



F&N SEASONS



Cap Junjung
Krimet Manis



FRASER & NEAVE HOLDINGS BHD



FY2015/16 Full Year Financial Highlights

3rd November 2016



Ideal.
Susu Sejat Penuh Krim



FY2015/16 Financial Highlights

- Revenue grew 1.5% despite the absence of agency products terminated in Oct 2015.
- Operating profit grew 30.5%, supported by favourable product mix, commodity prices gain and manufacturing efficiencies.
- F&B Thailand continued its growth momentum, aided by continuing strong branding initiatives and new product introductions.
- F&B Malaysia recorded growth for all its core brands, supported by continuing strong distribution and branding initiatives.

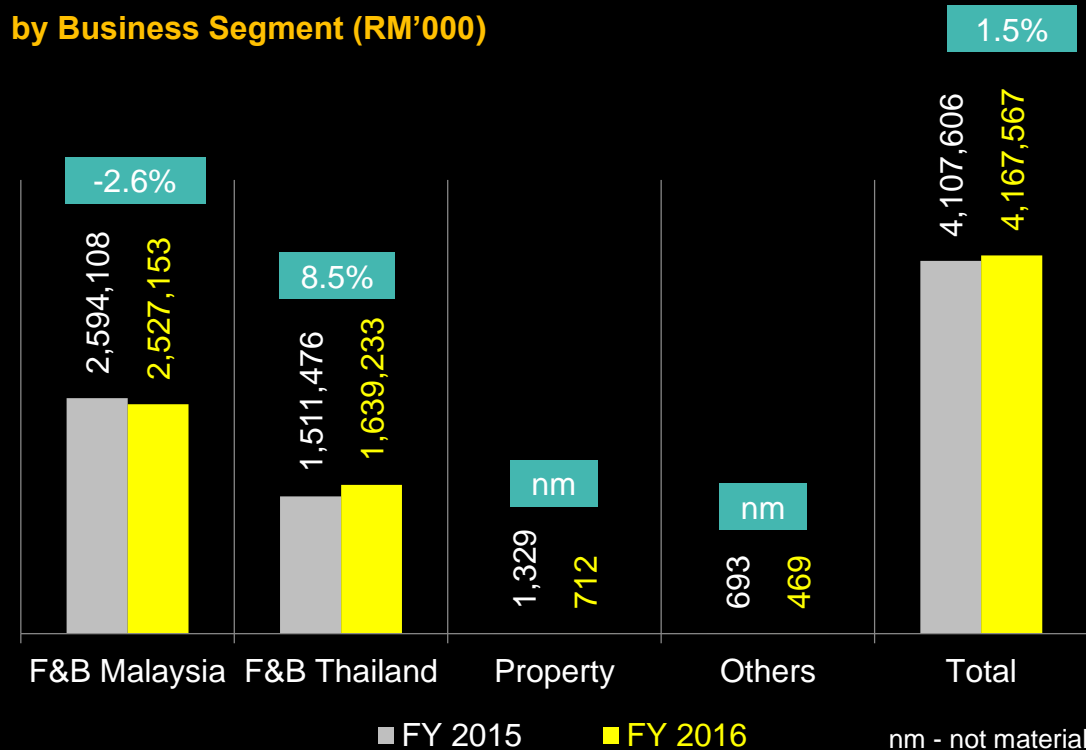


Revenue Grew by 1.5%

F&B Thailand contributing almost 40% revenue

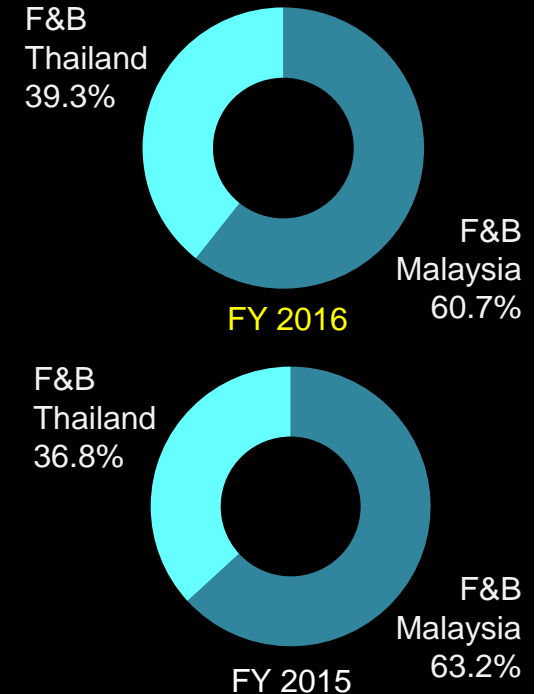
Revenue

by Business Segment (RM'000)



Revenue

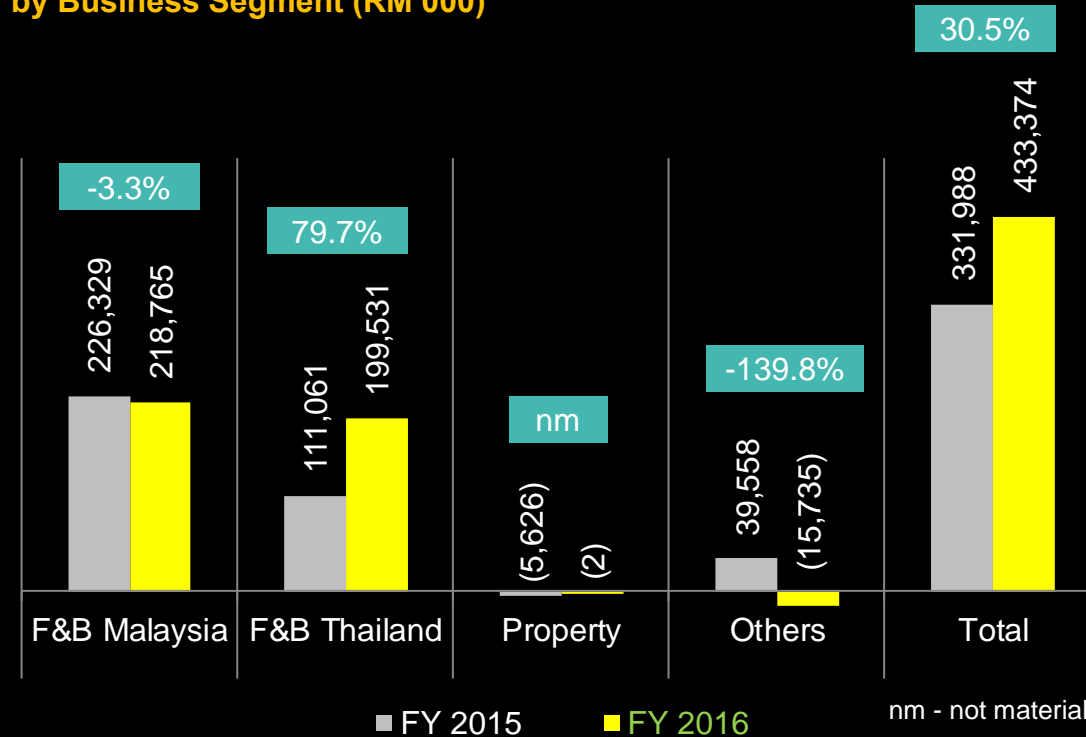
F&B Malaysia : F&B Thailand (%)



Operating Profit Grew by 30.5%

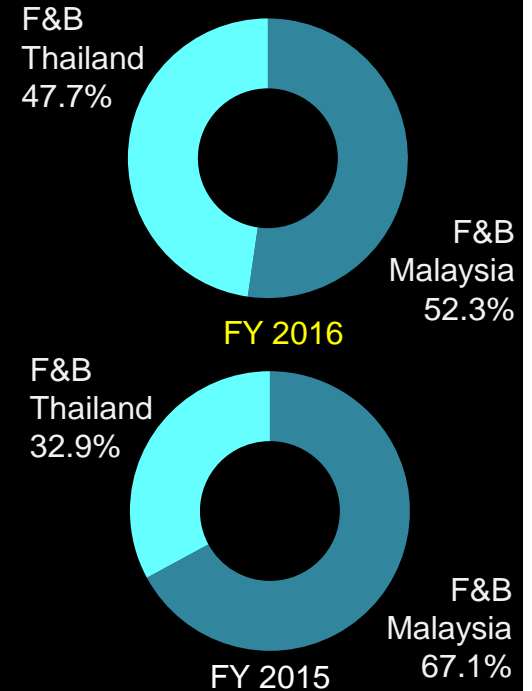
About half the operating profit comes from outside Malaysia

Operating Profit by Business Segment (RM'000)



Operating Profit

F&B Malaysia: F&B Thailand (%)





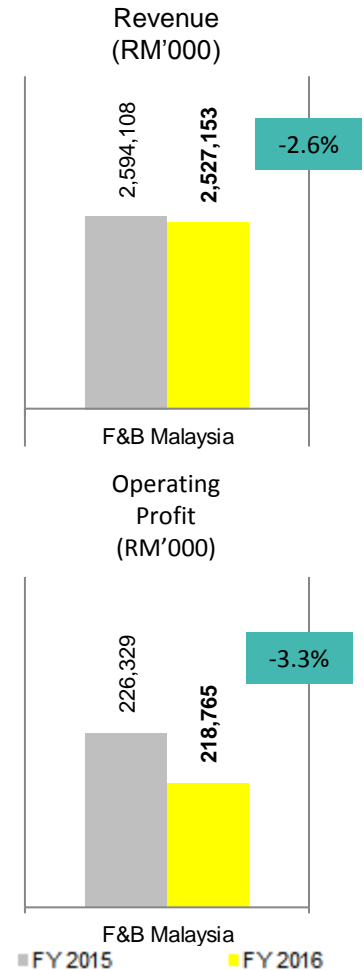
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01

**Food & Beverages Malaysia
("F&B Malaysia")**

F&B Malaysia

- Revenue decreased marginally by 2.6% mainly due to the absence of contribution from Red Bull.
 - Excluding Red Bull contribution, revenue grew by 5.9%.
- Well executed consumer-driven and trade marketing programs especially during festivities, drove year-on-year growth.
- Operating profit decreased by 3.3% on:
 - absence of Red Bull contribution;
 - marginally lower revenue;
 - higher operating costs; and
 - mitigated by favourable commodity prices.





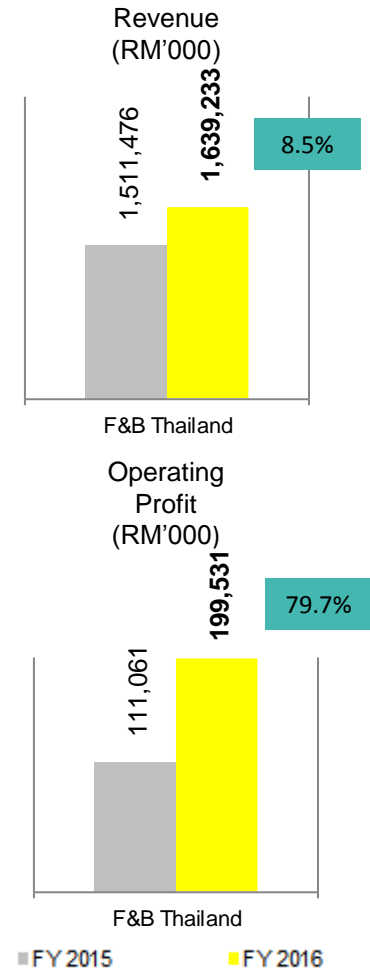
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02

**Food & Beverages Thailand
("F&B Thailand")**

F&B Thailand

- Revenue grew by 8.5% on higher demand for all products.
 - During the year, the 9th Anniversary Celebration Campaign received strong consumer response.
- Distribution coverage increased, supported by effective branding, consumer and trade campaigns. New products launched also performed well.
- Operating profit increased significantly by 79.7%, aided by:
 - favourable milk-based commodity prices,
 - recovery of withholding tax on royalties paid in previous years (equivalent to RM8.5 million),
 - realised manufacturing efficiencies, and
 - favourable Thai Baht foreign currency conversion.





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Our Exports



Double Digit Growth for Exports



* Exports are included within the F&B Malaysia & F&B Thailand segments.



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Dividends



Stronger financial and balance sheet position

- Proposed final dividend of **30.5 sen** per share (2015: 35.5 sen), bringing full year dividends to 57.5 sen (2015: 57.5 sen)
- Capex investments to build capability across the Group to capitalise on future market growth
- Entitlement date: 30 January 2017
- Payment date: 6 February 2017

	FY 2016	FY 2015
Total equity ¹	1,989,162	1,877,007
Total assets	3,205,873	3,022,569
Net cash	188,957	112,209

¹ Includes non-controlling interest



Group Financial Summary

Revenue

RM4,167.6 million

▲ 1.5%

Profit after tax

RM385.4 million

▲ 37.6%

Operating profit

RM433.4 million

▲ 30.5%

Basic EPS

105.3 sen

▲ 28.8 sen

Profit before tax

RM442.9 million

▲ 32.7%

Full year dividend

57.5 sen/per share

No change





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Business Outlook



Business Outlook

- Softening global economy with local economic uncertainties in both Malaysia and Thailand
 - In Malaysia specifically, consumer sentiments and spending post Hari Raya have not been very positive.
- Commodity prices are trending higher, particularly sugar and milk-based commodity prices
 - Ringgit continues to be volatile
- Despite the above, there are increasing competitors' trade discounting activities and continuous trade & consumer campaigns.



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Extracting Synergies



Extracting Synergies

In Malaysia, we used to operate with two commercial organisations:

- F&N Beverages Marketing Sdn Bhd for soft drinks; and
- F&N Dairies (Malaysia) Sdn Bhd for dairies.

With the commercial realignment of soft drinks and dairies operations, both businesses would be managed under F&N Beverages Marketing Sdn Bhd:

- End-to-end one-stop selling model, enabling effective cross selling and sales coverage;
- Stronger market presence;
- Effective cost-to-serve;
- Improving operational efficiencies and service levels.





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07

Investing for Sustainable Future

Over RM300 Million Capex over Two Years



Evap line, Rojana



PET line, Shah Alam



UHT Line, Kuching



Cold Aseptic PET line & Warehouse, Shah Alam



Plant expansion, Bentong

- Commitment to achieve lowest cost to market and be the best-in-class player in cost efficiency and productivity.
- To achieve projected volume growth of core products and also facilitate extension into new offerings and packaging formats.

Key Projects Update



F&NHB Chairman, Y.A.M. Tengku Syed Badarudin Jamalullail inaugurated the new PET line in Shah Alam plant in October 2016.

The RM45 million line, which has been operational since June 2016, is expected to increase bottle production by 40 per cent or 8 million cartons annually.

Key Projects Update

RM30 million UHT line
in Kuching to
be operational in
November 2016



RM180 million investment in a new
warehouse and Cold Aseptic PET
filling line in Shah Alam.
Project commenced in Q3' 2016



New Projects



The Group's latest capex of RM70 million will include :

- A new 600 bpm water line, expansion of the warehouse, production building and infrastructure at its mineral water plant in Bentong; and
- Polyethylene Terephthalate (PET) line automation in its Shah Alam plant. The state-of-the-art line will significantly reduce the Group's soft drinks manufacturing facilities' carbon footprint as well as pre-bottling storage as the bottles will be blown and formed in-situ on the production line.



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New Products & Marketing Highlights

What's New?



- F&N Magnolia Kid
- TEAPOT Squeeze



- F&N Magnolia Barista
- Nutrisoy Lite



Marketing Highlights

SPORTS



100PLUS pledges RM3 million in full support of **Kuala Lumpur 2017 (29TH SEA GAMES and 9th ASEAN Para Games)**.



100PLUS sponsors **100PLUS Malaysian Junior Open**.

Ranger sponsors **ONESILAT WORLD CHAMPIONSHIP SERIES**.



100PLUS Outrunner is back for second year with 10,000 runners!



Marketing Highlights

NEW BRAND AMBASSADORS



100PLUS signs 5 more national badminton players as its Brand Ambassadors.

- **Goh V Shem & Tan Wee Kiong - Men's doubles**
- **Chan Peng Soon and Goh Liu Ying - Mixed doubles**
- **Goh Jin Wei - Women's junior singles player**



Magnolia Gingko Plus appoints **May Ratchanok Intanon**, Thailand's top badminton player as its Brand Ambassador.



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Awards & Recognitions



Awards & Recognitions



ASEAN BUSINESS AWARDS MALAYSIA 2016

in recognition of our contribution
and success in ASEAN
by the ASEAN Business Advisory
Council (ASEAN-BAC) Malaysia



FDA QUALITY AWARD 2016

from Thai Food & Drug
Administration, given to the best
Food Manufacturers in Thailand



GREEN INDUSTRY AWARD 2016 (ANUGERAH INDUSTRI HIJAU 2016)

by the Ministry of Natural
Resources and Environment,
Malaysia (F&N Kuching Plant)

Awards & Recognitions



MSOSH GOLD CLASS II AWARD 2015

by Malaysian Society for Occupational Safety and Health

EXCELLENT ESTABLISHMENT ON LABOUR RELATION AND WELFARE 2016

by Ministry of Labour Thailand (Dairies Thailand)



BRANDLAUREATE INDUSTRY BRAND ICON AWARD 2016

FMCG - Soft Drinks and Dairies category

2016 PUTRA BRANDS AWARD

(100PLUS)





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THANK YOU



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A member of the FRASER AND NEAVE Group