

FY2016

F&N

First Quarter FINANCIAL HIGHLIGHTS



03 February 2016



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1Q2016 Performance Highlights

37% EBIT growth

Strong operating performance in the first quarter ended 31 December 2016 (“1Q2016” or “1Q16”)

- Dairies growth momentum continued unabated; earnings up nearly twofold
- Lower input cost and marketing spend fueled Soft Drinks earnings
- Profit impacted by adverse currency effects and brand investment in new markets

1Q2016 Group Financial Highlights

Revenue
(millions)

\$488.7

▼ 11.1%

Earnings before interest and tax ("EBIT")
(millions)

\$53.9

▲ 37.1%

Profit after tax ("PAT")¹
(millions)

\$47.8

▲ 57.3%

EBIT margin
(%)

11.0%

▲ 388bps

Gearing
(millions)

\$879.1 (net cash)

▲ 1.6%³

Earnings per share (basic)^{1,2}
(cents)

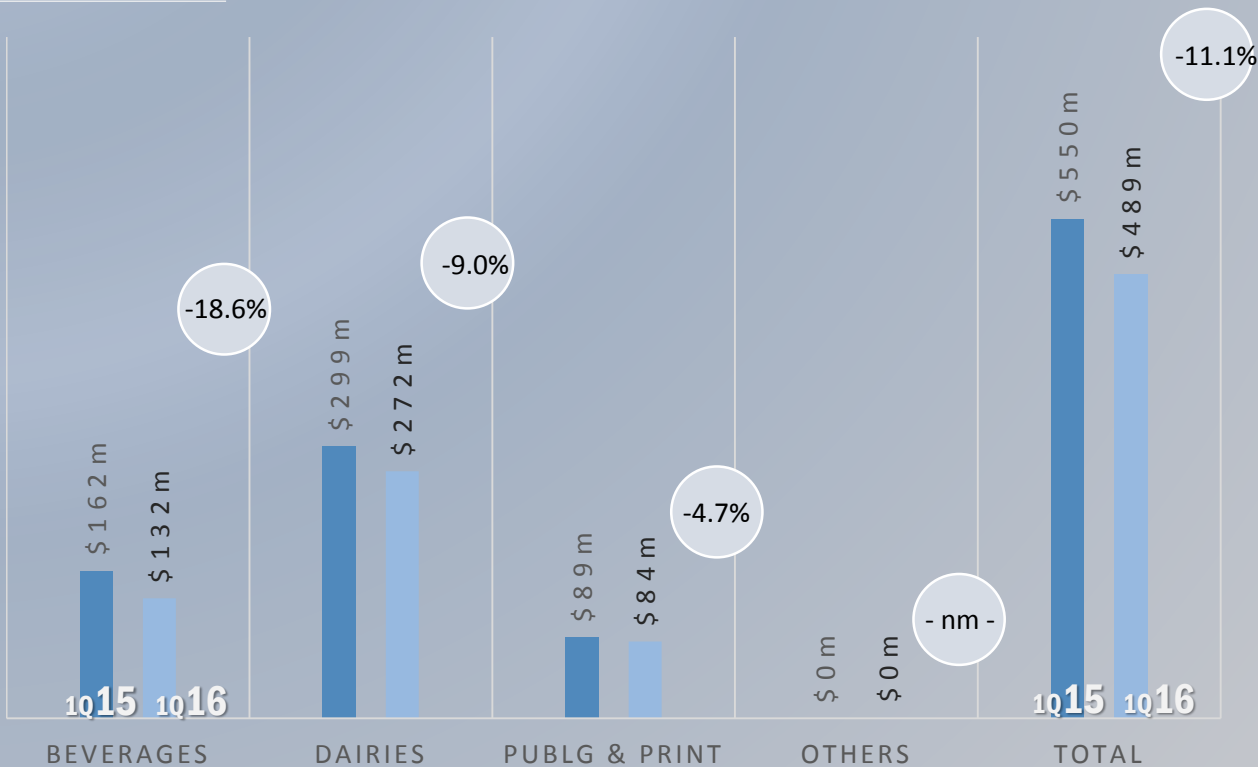
1.8

▲ 38.5%

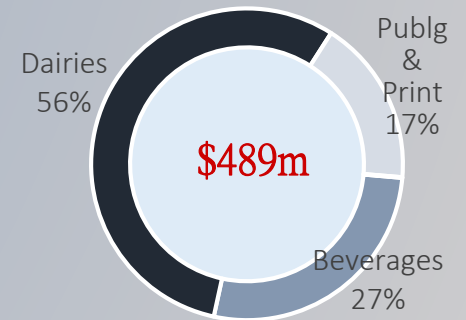
1Q2016 Revenue Down 11.1%

Due to weaker ringgit and competitive pricing, despite volume growth

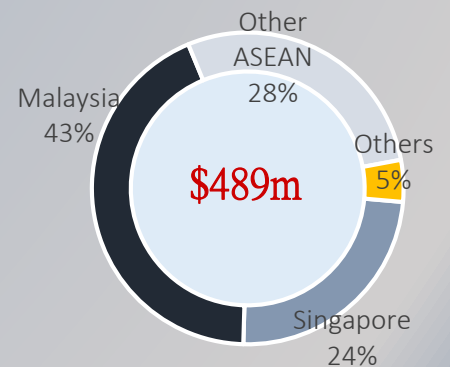
Revenue by Business Segment (\$)



1Q2016 Revenue by Business Segment (%)



1Q2016 Revenue by Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

1Q2016 Revenue | Beverages

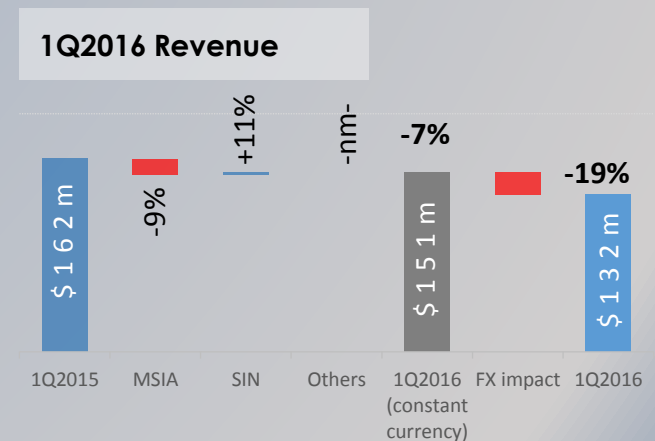
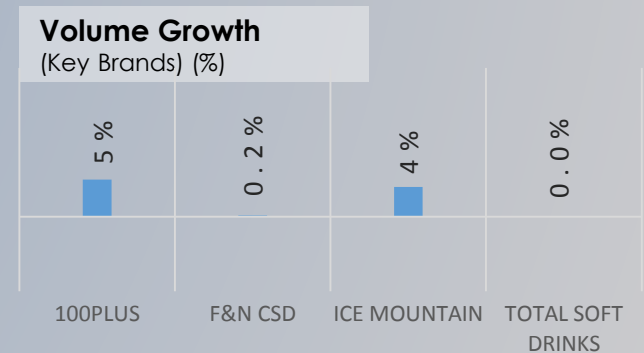
Revenue -19% on weaker ringgit and competitive pricing in Malaysia

Beverages Malaysia (-22%; -9% in constant currency)

- Volume flat against last year, despite lost sales from RedBull
- Revenue impacted by weaker Ringgit, weaker consumer confidence and increase in end-consumer related competitive pricing pressures, particularly with the commencement of Chinese New Year selling-in
- Retained leadership positions in key categories
- Launched Ranger (to replace RedBull)

Beverages Singapore

- Revenue grew 11% driven by new product *F&N Ice Mountain* sparkling water, *Oishi* and *Coco Life*



1Q2016 Revenue | Dairies

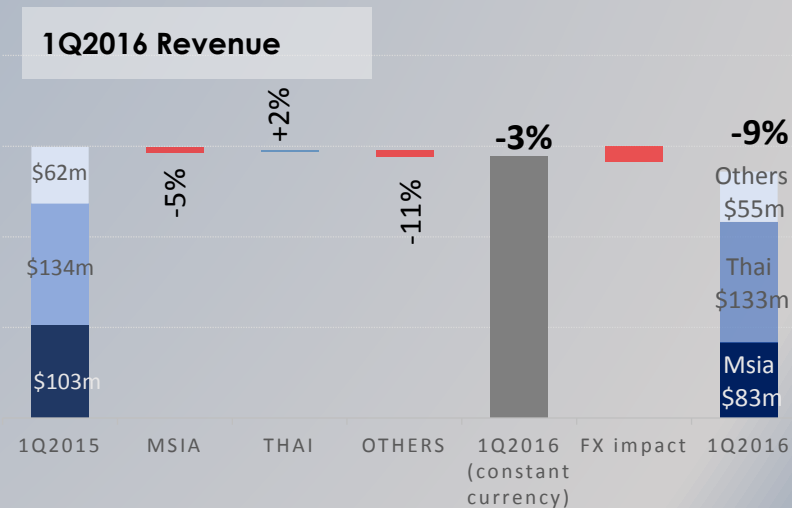
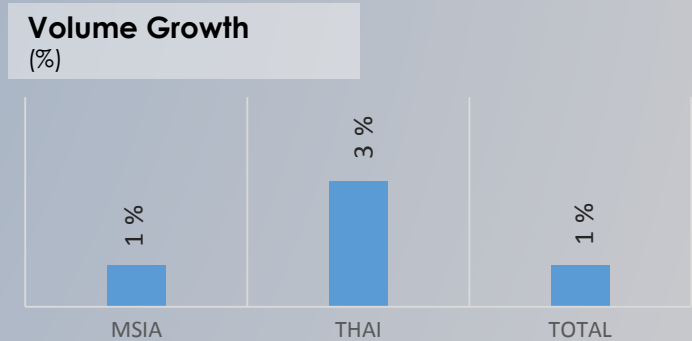
Revenue -9%, impacted by weaker ringgit and higher tactical discounts

Dairies Malaysia (-19%; -5% in constant currency)

- Weaker ringgit, higher trade discounts (in view of lower input costs) and weaker consumer confidence moderated growth in revenue
- Consolidated its market leadership positions for sweetened condensed milk and evaporated milk segments

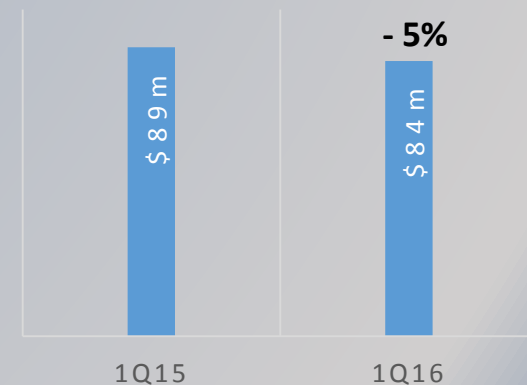
Dairies Thailand (+0%; +2% in constant currency)

- Excluding lost sales from Bear & Milo UHT, revenue grew 11% against last year
- Distribution coverage continue to increase, supported by effective branding and consumer trade campaigns
- Expanded product offering with the introduction of function-based UHT milk



1Q2016 Revenue | Publishing & Printing

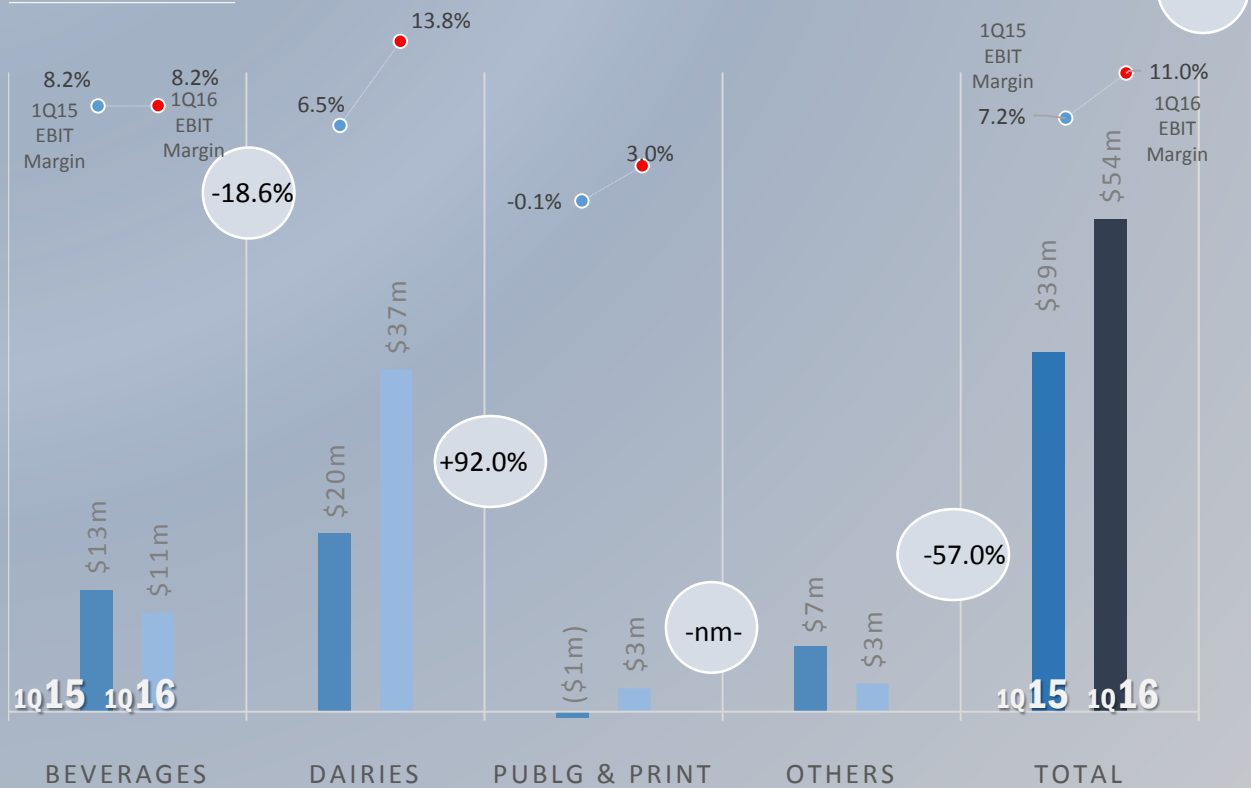
- Education Publishing continued to diversify and grow its customer base
 - Growth recorded in key markets of Singapore, Hong Kong and the US
- Lower print volume adversely affected revenue



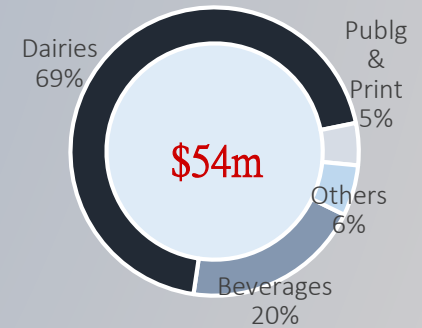
1Q2016 EBIT Grew 37.1%

Profit growth supported by Dairies and recovery in P&P

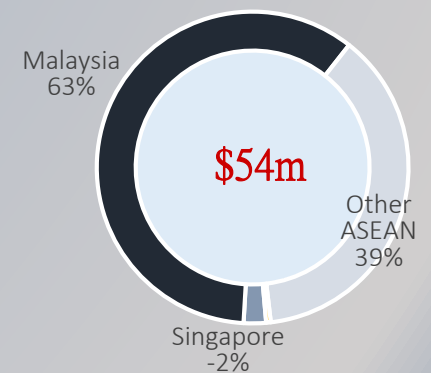
EBIT by Business Segment (\$)



1Q2016 EBIT by Business Segment (%)



1Q2016 EBIT by Geography (%)



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² Publg & Print denotes Publishing & Printing

1Q2016 EBIT | Beverages

EBIT margins maintained despite new market spending in Vietnam, Myanmar, Thailand and Indonesia

Beverages Malaysia

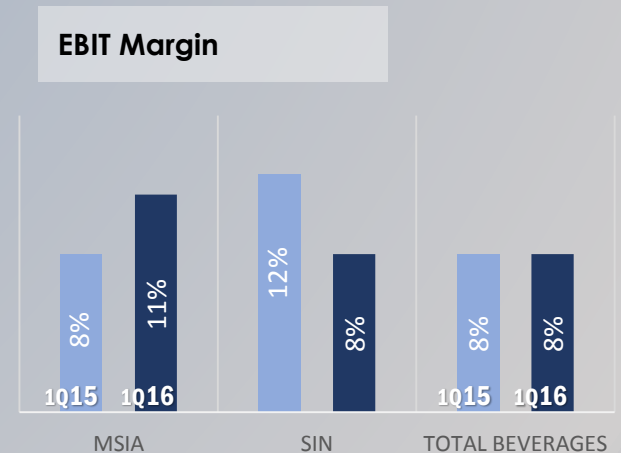
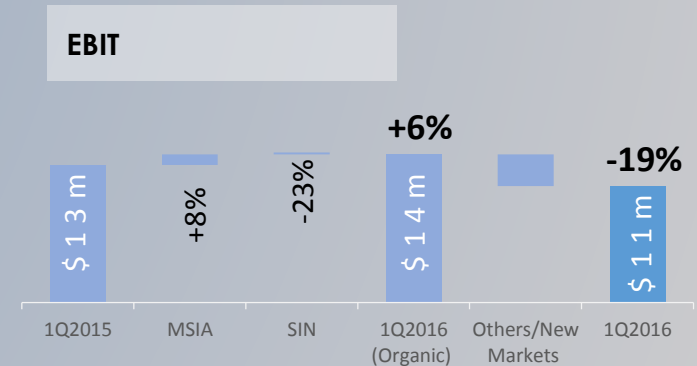
- EBIT grew 8% (+26% in constant currency), due mainly to lower input cost and marketing spend

Beverages Singapore

- EBIT fell 23% due to higher marketing spend on new launches of *Oishi* and *Coco Life*

Others / New Markets

- Aggressive regional expansion, increasing market penetration in SEA
- Brand investment cost of \$3 million in new markets of Vietnam, Myanmar, Thailand and Indonesia
- Excluding brand investment cost in new markets, Beverages EBIT grew 6%



1Q2016 EBIT | Dairies

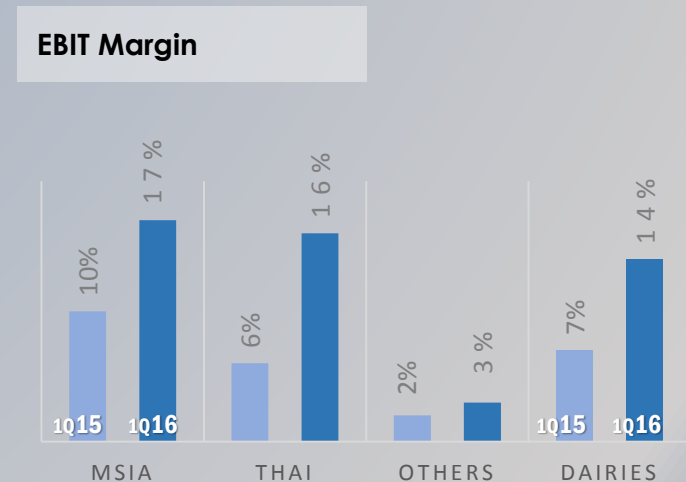
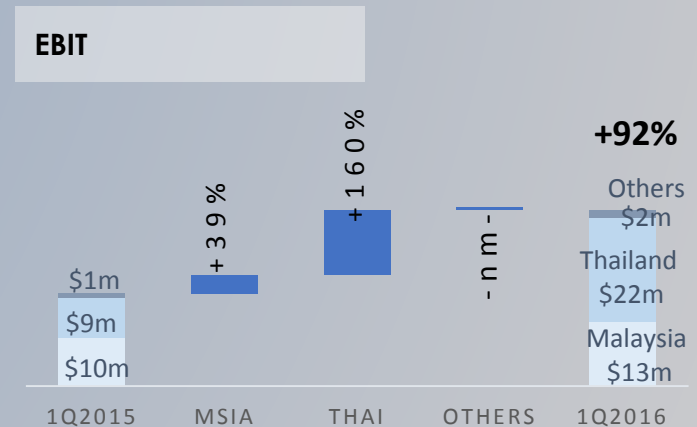
Earnings surged 92%; Margin expansion as a result of strong growth in Malaysia and Thailand

Dairies Malaysia (+39%; +62% in constant currency)

- Driven by lower input costs and continuous realised production cost savings
- Weaker ringgit affected extent of earnings growth
- EBIT margin improved to 17%, from 10%

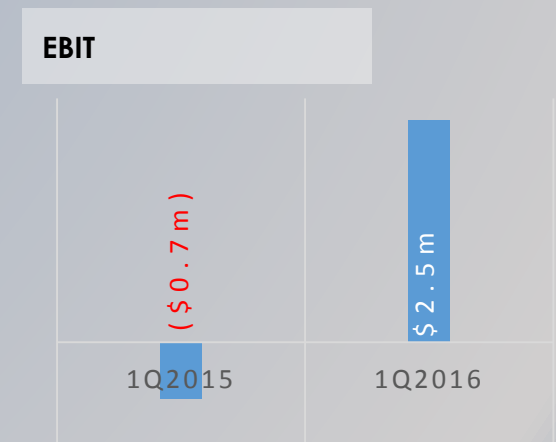
Dairies Thailand (+160%; +164% in constant currency)

- Strong profit growth supported by significant savings from input costs, lower trade discounting, increased manufacturing utilisation and efficiency and one-off cost recovery
- EBIT margin improved to 16%, from 6%



1Q2016 EBIT | Publishing & Printing

- Recovery was supported by revenue growth in Publishing and Magazines Distribution, improved efficiencies and lower costs in the Printing division as a result of the restructuring exercise in FY2015





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