

FY2016

F&N Full-Year FINANCIAL HIGHLIGHTS



7 November 2016



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FY2016 Performance Highlights

101%¹ Profit After Tax Growth

Strong operating performance in the full-year ended 30 September 2016 (“FY2016”)

- Impacted by adverse foreign exchange effect and brand investments costs in new product and market launches
- Food & Beverage EBIT up 32%; margin improved to 8%, from 6%
- Dairies growth momentum continued unabated; EBIT up 72%

FY2016 Group Financial Highlights

Revenue
(millions)

\$1,978.6

▼ 6.7%

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

\$179.2

▲ 36.2%

Profit after tax¹
(millions)

\$165.7

▲ 101.0%

Gearing
(millions)

\$908.5 (net cash)

▲ 5.0%³

Dividend per share
(cents)

4.5⁴

▼ 10.0%

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

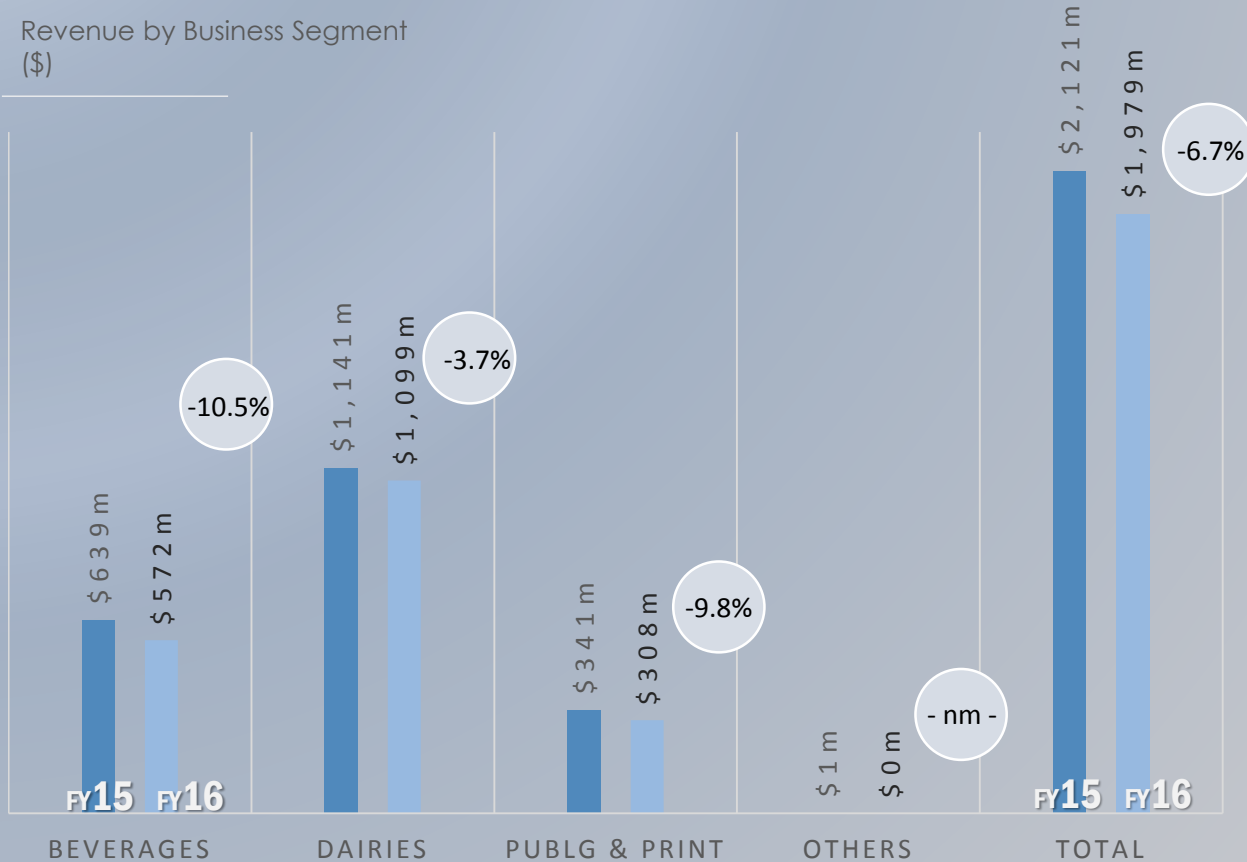
7.5

▲ 70.5%

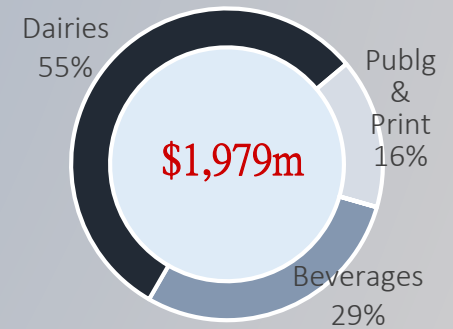
FY2016 Revenue Down 6.7%

due to negative translation effects, despite volume growth

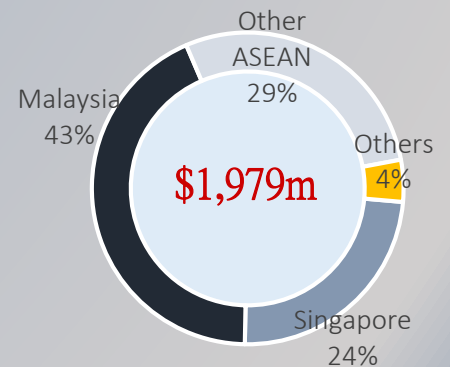
Revenue by Business Segment (\$)



FY2016 Revenue by Business Segment (%)



FY2016 Revenue by Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

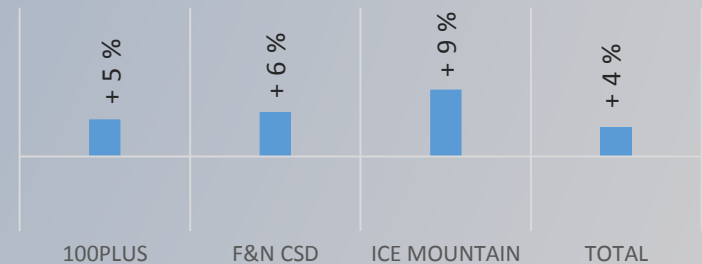
FY2016 Revenue | Beverages

Revenue declined 10% on weaker Ringgit, competitive pricing in Malaysia and loss of *Red Bull* sales

Beverages Malaysia (-16%; -9% in constant currency)

- Volume increased marginally, despite lost sales from *Red Bull*, due to effective execution of consumer and trade marketing programmes over the festive periods
- Revenue impacted by weaker Ringgit, end-consumer related competitive pricing pressures and loss of *Red Bull* sales
- Retained leadership positions in key categories

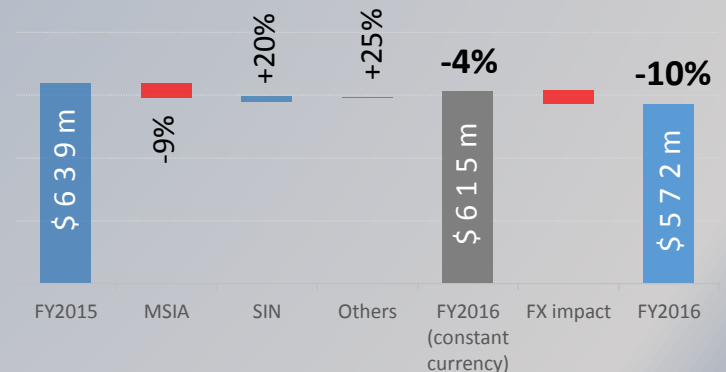
Volume Growth
(Key Brands) (%)



Beverages Singapore and New Markets

- Revenue grew 20%, driven by new products *F&N Ice Mountain Sparkling Water*, *OISHI* and *COCO LIFE* in Singapore, and *100PLUS*, *OISHI* and *F&N Sparkling Drinks* in Indonesia, Myanmar and Vietnam
- Revenue growth also supported by brand building activities and channel penetration

FY2016 Revenue



FY2016 Revenue | Dairies

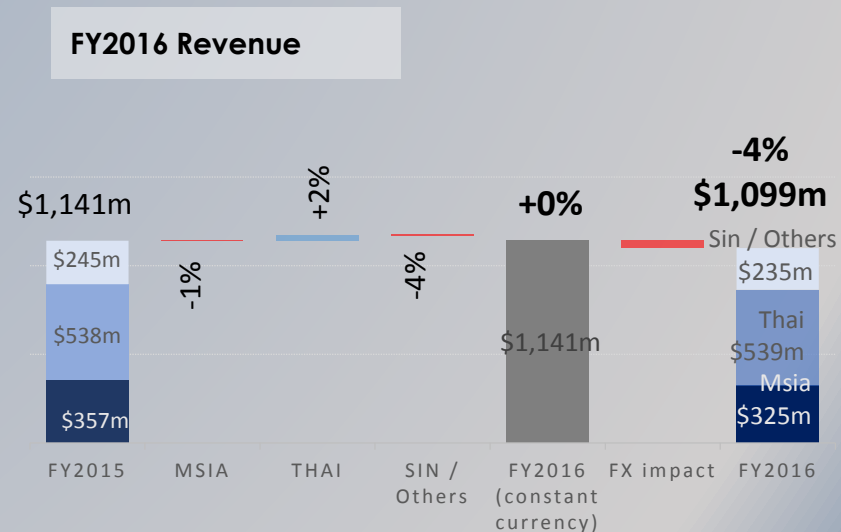
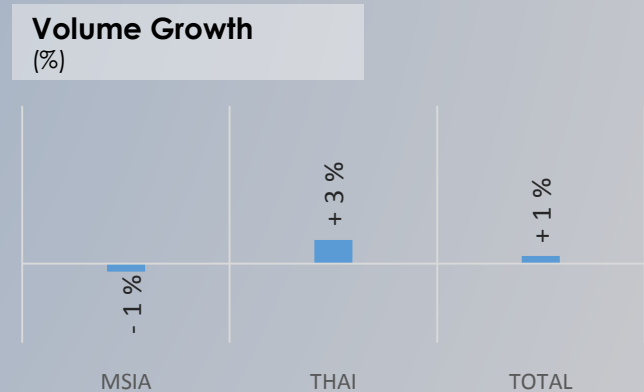
Revenue fell 4%, impacted by negative translation effects and increased pricing pressures

Dairies Malaysia (-9%; -1% in constant currency)

- Impacted by weaker Ringgit and increasing end-consumer pricing pressures
- Higher export sales have offset impact of lower domestic sales from cautious spending
- Consolidated its market leadership positions for its dairies brands

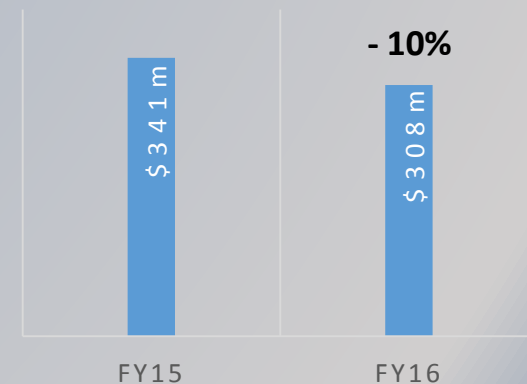
Dairies Thailand (flat; +2% in constant currency)

- Despite lost sales from *Bear* and *Milo* UHT and negative translation impact, revenue grew 2% in constant currency, on 3% volume growth of its brands
- Supported by effective consumer and trade activities, contribution from new *F&N MAGNOLIA* UHT milk products and increased distribution coverage



FY2016 Revenue | Publishing & Printing

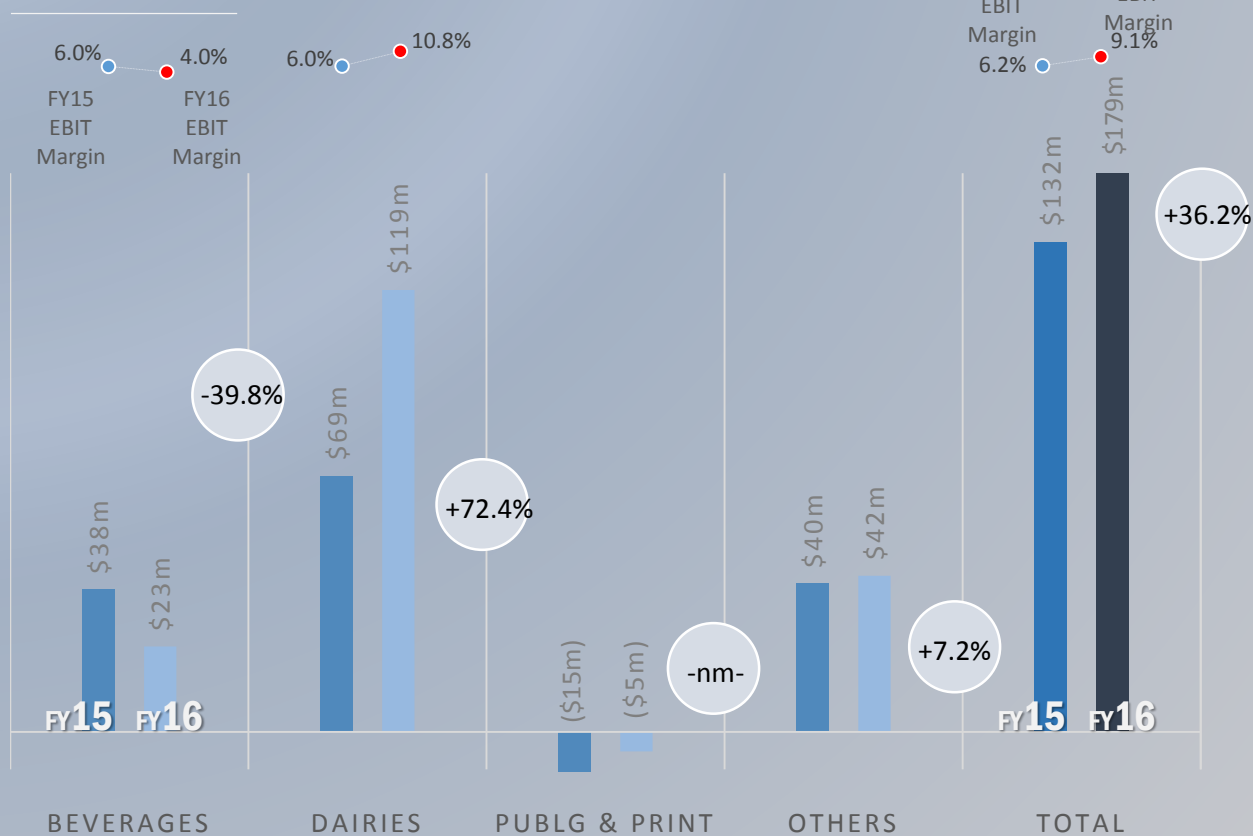
- Retail and Distribution divisions recorded revenue gains
 - Strong sales performance in airport retail and high street stores in Singapore
 - Higher partwork sales in Hong Kong
 - Higher contribution from Magazine Distribution in Singapore
- Publishing and Printing divisions revenue fell
 - Slow-down in demand in Education Publishing's key market of USA as a result of the end-of-school adoption cycle
 - Lower domestic and export print volumes, and discontinuation of a joint venture in China



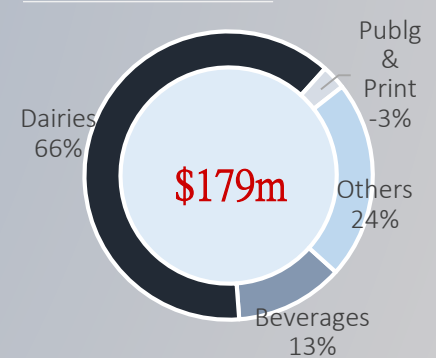
FY2016 EBIT Grew 36.2%

Profit growth supported by Dairies, despite negative translation impact

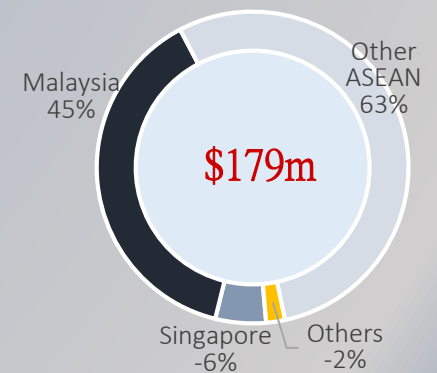
EBIT by Business Segment (\$)



FY2016 EBIT by Business Segment (%)



FY2016 EBIT by Geography (%)



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² Publg & Print denotes Publishing & Printing

FY2016 EBIT | Beverages

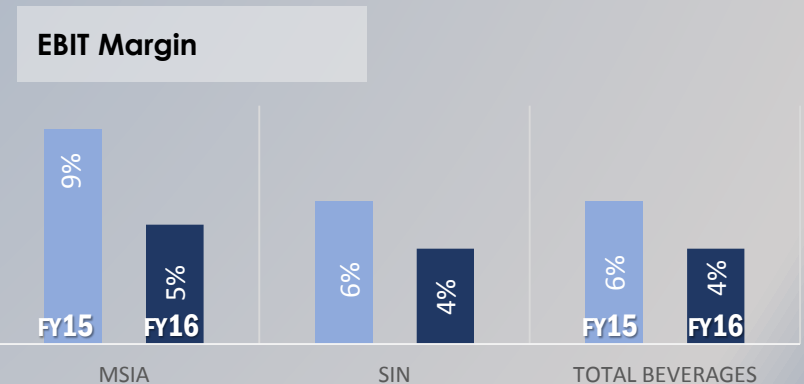
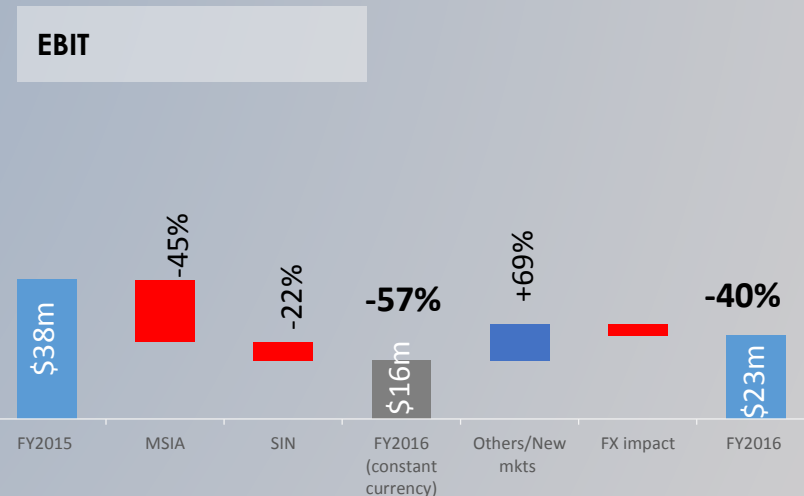
Weaker Ringgit, increased pricing pressures and lost contribution from *Red Bull* impacted earnings

Beverages Malaysia (-49%; -45% in constant currency)

- EBIT impacted by loss of contribution from *Red Bull*, increased pricing pressures and higher tactical discounts offered

Beverages Singapore and New Markets

- EBIT fell 22% due to marketing spend to support new product launches of *F&N ICE MOUNTAIN Sparkling Water*, *OISHI*, *COCO LIFE* and *CHANG* beer
- Continued targeted spend on brand building activities, trade promotions and widening of distribution channels in new markets of Indonesia, Myanmar, Thailand and Vietnam



FY2016 EBIT | Dairies

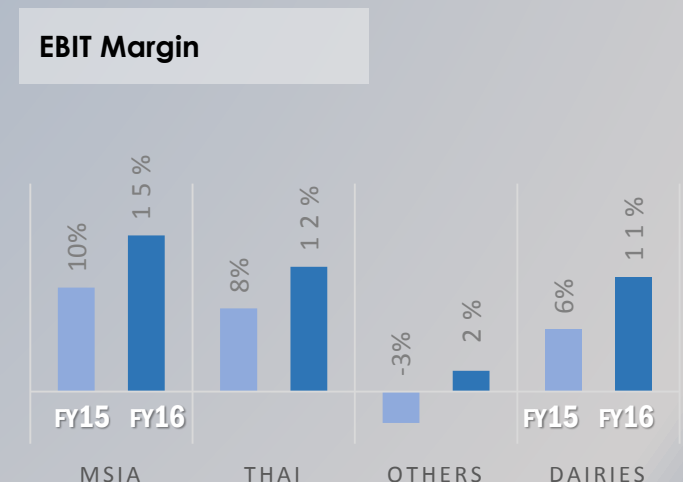
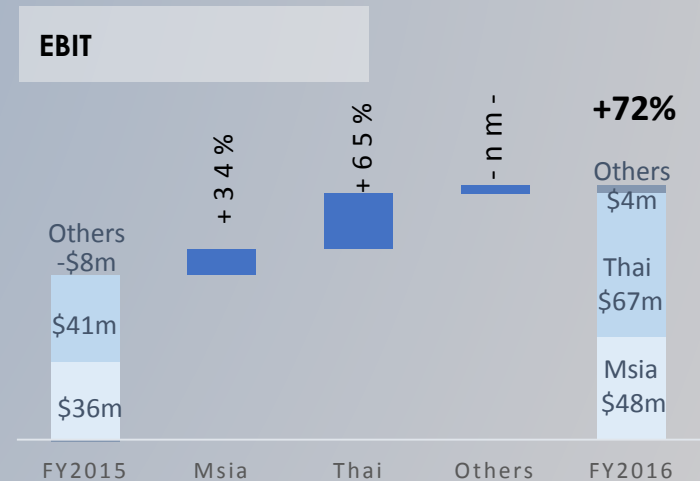
Earnings surged 72%; margin expansion on the back of higher contribution from Malaysia and Thailand

Dairies Malaysia (+34%; +46% in constant currency)

- Driven by lower input costs
- Weaker Ringgit affected extent of earnings growth
- EBIT margin improved to 15%, from 10%

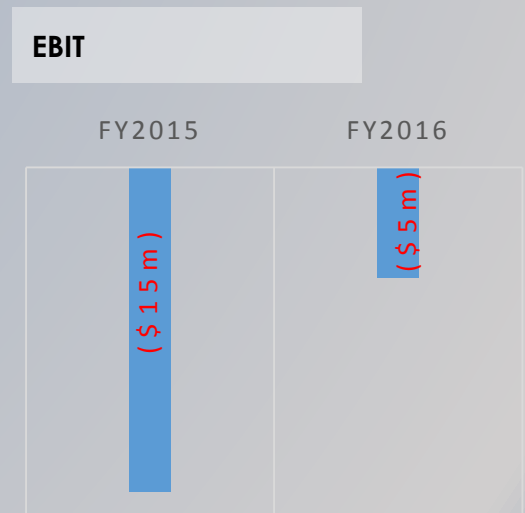
Dairies Thailand (+65%; +68% in constant currency)

- Strong profit growth supported by significant savings from input costs, more cost-effective trade distribution and improved operational efficiencies
- EBIT margin improved to 12%, from 8%



FY2016 EBIT | Publishing & Printing

- Lower revenue, investments made in digital projects, lower margins from US textbook sales and foreign exchange losses adversely impacted earnings
- Improvements in cost management and scale of efficiencies, and the absence of a one-off catch up of depreciation charges narrowed losses before interest and taxation decreased to \$5.2m, from \$15.3m



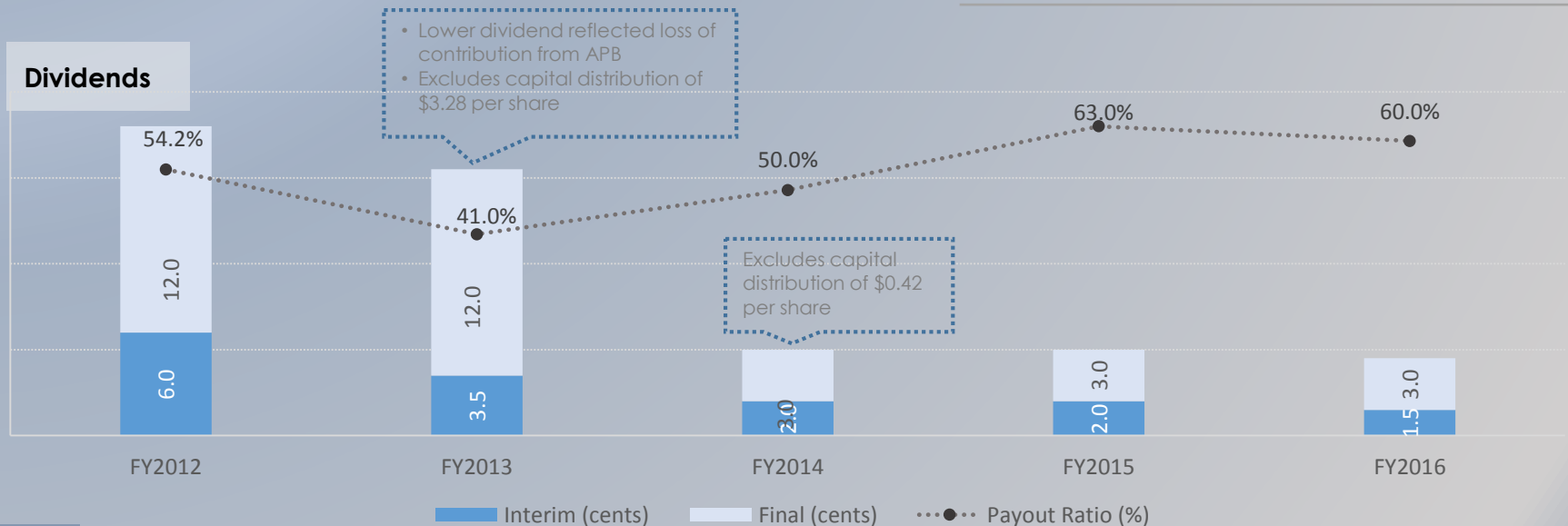
Maintained a strong financial position

Focused on prudent balance sheet management

- Dividend of 4.5 cents per share¹
- Dividend payout ratio of 60%
- Takes into account Group's capital position and near-term capital needs

Key Financials

	FY2015	FY2016
Total Equity ²	\$2,556m	\$3,153m
Total Assets	\$3,143m	\$3,773m
Net Cash	\$865m	\$908m



¹ Interim dividend paid on 9 June 2016

² Includes non-controlling interest

ORIGINAL FLAVOUR

KEY
DEVELOPMENTS:
Investing for
Growth



Strengthening market positions in primary markets

MALAYSIA, THAILAND : INVESTING FOR FUTURE GROWTH

THB
300
MILLION

MILLION

NEW FILLING AND PACKAGING LINE

In Rojana, Thailand; operational in March 2016

RM
100
MILLION

MILLION

NEW SOFT DRINKS PLANT

Expansion in East Malaysia; doubling capacity; operational by 2021



Rojana dairy plant in Thailand

Strengthening market positions in primary markets

RM
180
MILLION

NEW ASEPTIC COLD-FILLING PET BOTTLE LINE

Offers new formulations and packaging formats
Reduces PET resin packaging material by 40%
Produces 6.5 million cases per year

STATE-OF-THE-ART FACILITY, Shah Alam

Offers a four-fold increase in storage capacity
Achieves cost efficiencies

Operational by 2018



RM
30
MILLION

NEW UHT LINE, Kuching

Produces 3.4 million cases per year

Operational by end-2016

Strengthening market positions in primary markets

EXPAND AND DEEPEN ROUTE-TO-MARKET

S\$
29
MILLION

ACQUIRED VENDING MACHINE NETWORK

Increased brand visibility and product availability in Singapore
#2 vending player in Singapore
Integrated vending businesses

Completed in July 2016

INTEGRATION OF SOFT DRINKS AND DAIRIES OPERATIONS IN MALAYSIA

Extract synergies
Protect and strengthen market position
Achieve critical mass

Ongoing



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