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FRASER AND NEAVE, LIMITED

Company Registration No. 189800001R
Incorporated in the Republic of Singapore

FOR IMMEDIATE RELEASE

Fraser and Neave reports robust 3QFY2006 PBIT of \$183m, up 30%, on sales of \$1.11b

- *Year-to-date PBIT is 18.8% higher at \$520.5 million with sales at \$3.33b*
 - *Development Property continues to be the best performing division*
 - *Group on track to achieve another record year in FY2006*

Financial Highlights (S\$m)	3 rd Quarter 30 Jun 2006	3 rd Quarter 30 Jun 2005 (Restated)	% Change
Revenue	1,112.8	1,016.5	+9.5%
Trading Profit	163.3	127.2	+28.4%
Profit before Interest, Taxation and Exceptional Items	183.1	140.9	+29.9%
Attributable Profit*	75.9	60.7	+25.1%
Earnings Per Share (basic)*	6.5c	5.2c	+25%
Net Asset Value ("NAV") per ordinary share	\$2.69 (as at 30/6/06)	\$2.65 (as at 30/9/05) Restated	

* before exceptional items

SINGAPORE – [11 August 2006] – Fraser and Neave, Limited (F&N) today reported solid third quarter earnings, bolstered by another strong performance from the Group's Development Property division.

At this rate, the Group is firmly on track to achieve another record financial year for FY2006 ending 30 September 2006.

For the third quarter ended 30 June 2006, Group profit before interest, tax and exceptional items (PBIT) surged 30% to \$183.1 million, on the back of near 10% growth in revenue to \$1.11 billion, development properties earnings and a one-off adjustment on royalties by Asia Pacific Breweries Group.

Group attributable profit (before exceptional items) for the quarter grew by 25% or \$15.3 million, to reach \$75.9 million.

Earnings per share (before exceptional items) amounted to 6.5 cents compared with 5.2 cents in the previous corresponding period. On 4 July 2006, each ordinary share of the Company was sub-divided into five (5) ordinary shares. The EPS and NAV per share were computed on the basis that the sub-divided shares were in place throughout the period.

For year-to-date, Group PBIT has already crossed the half-billion mark at \$520.5 million on revenue in excess of \$3.33 billion, representing growth of 18.8% and 12.1% respectively.

Commenting on the 3Q results, Dr Han Cheng Fong, Group CEO of F&N said, "F&N continues to benefit from the decisive moves made to diversify our earnings base. Whilst rising materials and energy costs have affected margins and consumer sentiment in certain parts of our business, these have been more than offset by the Development Property business which is riding on the recovery in the Singapore residential sector and the resilience of the China property market." He added, "Despite challenging market conditions for equity

fund raising, the initial public offering of Frasers Centrepoint Trust (“FCT”), a real estate investment trust (REIT) was successfully completed on 5 July, with proceeds raised exceeding \$300 million. Testament again of F&N’s record of delivering on its promises.”

Development Property revenue and PBIT continued to grow strongly by 54% and 69% respectively, underpinned by the progressive completion of residential projects successfully launched previously as well as contributions from overseas projects and increased sales of completed units from existing stocks.

During the quarter, One Jervois (275 units) and the Infiniti (315 units) were launched in Singapore. Elsewhere, development and construction of Lumiere at Regent Place in Sydney, Vincent Square in London and JingAn Four Seasons in Shanghai are progressing as planned.

Indeed, Phase 2 of JingAn Four Seasons in Shanghai was launched in July 2006 and all units were sold within a fortnight.

Whilst projects are being launched and sold, the Group has also been active in replenishing its land bank, both in Singapore and overseas. In Singapore, three sites were added: Waterfront View at Bedok Reservoir, in joint venture with another developer, Far East Mansion at Kim Yam Road and a leasehold site at Sinaran Drive near the Novena MRT station.

In Australia, the Group won a tender for a large mixed development site in Perth and acquired a site within Camperdown’s City Quarter estate, the Paramatta Business Park and four properties at Lorne Avenue in Sydney.

And in line with the still buoyant property and retail market, rental income from Investment Property continue to grow, albeit marginally at 3% on the back of near full occupancy amongst the Group's retail malls.

Together with profit from Frasers Property (China) Ltd, which became a subsidiary at the end of the last financial year, PBIT for this division grew by 17% to \$32.9 million.

Three retails malls, namely Causeway Point, Northpoint and Anchorpoint, were transferred to FCT in conjunction with the IPO, giving rise to an increase in net asset value of approximately \$181 million.

Review of Operations for Q3

Trading profit for the latest quarter rose a sharp 28.4% to \$163.3 million from \$127.2 million in the previous year, resulting in an improvement in PBIT margin for Q3 at 16.5%.

Breweries

With volume growth reported from all regions, except New Zealand (volume down 4%), revenue from Breweries was up 2% and PBIT, which had the benefit of the one-off royalty adjustment, was higher by 39% to \$74.2 million.

During the quarter, growth in key markets like Vietnam and China more than made up for slower growth or declines in more matured markets. In Vietnam, revenue and PBIT continued to register strong growth while breweries in China reported very strong revenue and PBIT growth, signaling a good start to the hot summer season.

Singapore PBIT grew on higher export and contract brew volumes. While in Papua New Guinea, PBIT was up on higher volumes and marginal price increases.

However, in New Zealand, PBIT declined due to lower sales and increased discounting activities by competitors, aggravated by the weak NZ dollar.

In Malaysia, higher commercial spending affected earnings. Similarly Thailand incurred higher expenses to build brand equity for “*Cheers*” following its October 2005 launch.

Soft Drinks

Weak consumer sentiment in Malaysia from rising prices of essential goods including fuel and electricity affected the Soft Drinks division, with revenue and PBIT lower by 19% and 58% respectively.

Dairies

Revenue from Dairies was maintained but PBIT grew 42% due to reduced losses in the Vietnam operations and action to recover cost increases in Malaysia, partially offset by higher promotional activities and selling costs in Singapore.

Glass Containers

Due to a turnaround in China, Glass Containers registered revenue and PBIT growth of 15% and 10% respectively. Production at KL Glass was interrupted by the conversion to natural gas during the quarter.

Printing and Publishing

Revenue for Printing and Publishing was maintained at the same level as last year. However, PBIT fell 44% for the quarter as the printing group was hit by intense competition, and the loss of catalogue printing jobs in Australia.

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