

Increase in Shareholding in Fraser & Neave Holdings Bhd

Pursuant to Rule 704(15)(d) of the Listing Manual, Fraser and Neave, Limited (the " Company ") announces that it has increased its shareholding interest in its subsidiary, Fraser & Neave Holdings Bhd (" F&NHB "), from approximately 58.30% to approximately 58.86%, through the acquisition in a single transaction of 2,000,000 shares of F&NHB in the open market (the " Acquisition "). The shares of F&NHB are listed and traded on the Bursa Malaysia Securities Berhad.

The consideration for the Acquisition is approximately S\$7 million payable in cash and arrived at on a willing buyer and willing seller basis.

The Acquisition is not expected to have a material effect on the net tangible assets per share or earnings per share of the Company for the current financial year.

Except for Dr Han Cheng Fong and Mr Anthony Cheong who are directors of F&NHB, none of the other directors or substantial shareholders of the Company has any interest, directly or indirectly, in the Acquisition.

Anthony Cheong
Group Company Secretary
7 June 2007