



Fraser and Neave, Limited

Half Year Results Briefing

11 May, 2007





F&B – Non-beer

Fraser & Neave Holdings Bhd

Mr Tan Ang Meng

Chief Executive Officer





Financial Results



RM million	1H FY2007	1H FY2006	Change %
Revenue	1,250	1,002	+25%
PBIT	108	106	+2%
APBE	74	74	-

- Robust revenue growth contributed by both Nestle's acquisition and organic growth
- Erosion of margins caused by higher raw & packaging material costs and acquisition start-up cost



Key Ratios



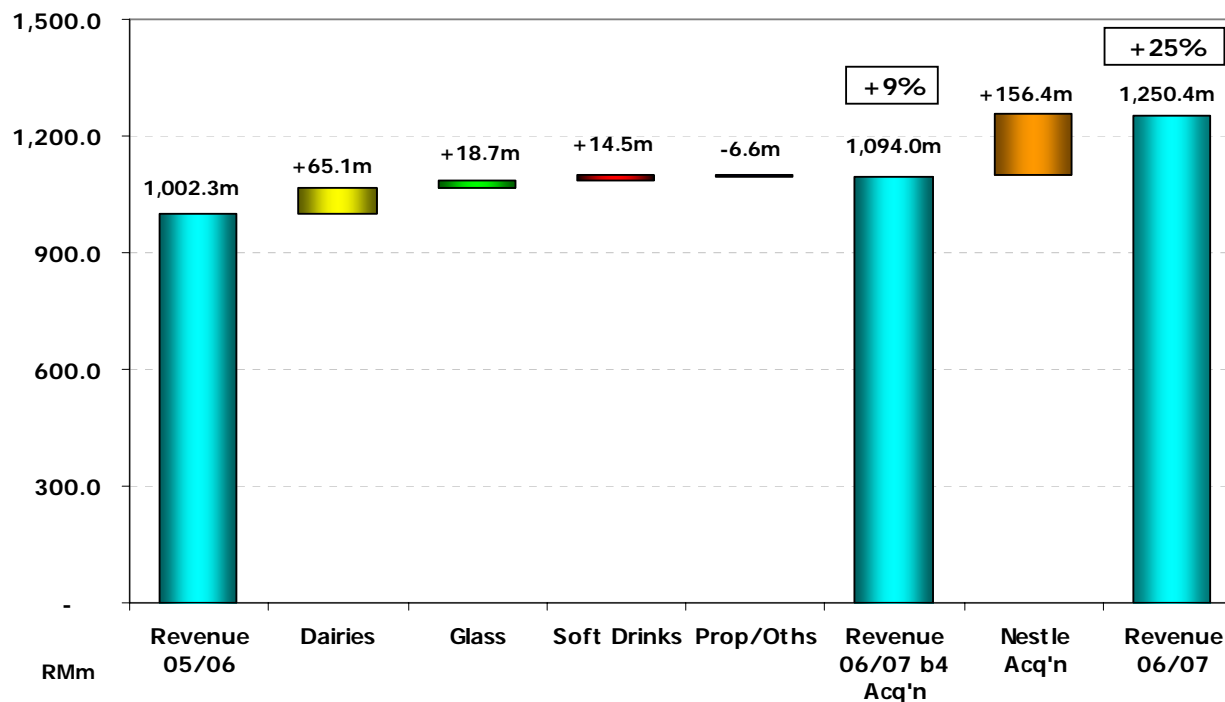
		1H FY07	1H FY06
PBIT margin	↓	8.5%	10.6%
ROE	↓	6.6%	6.7%
Net cash (RM)	↓	(152.3)m	183.6m
Per Share			
NTA (RM)	↑	3.14	3.04
EPS (sen)	↑	20.8	20.4
Net Dividend (sen)	↑	12.0	11.5



Financial Results - Revenue



- Record revenue, +25% vs LY
- Nestle's acquisition completed on Feb 01, 2007; contributed RM156m in revenue
- Soft drinks, Dairies & Glass showed improvement

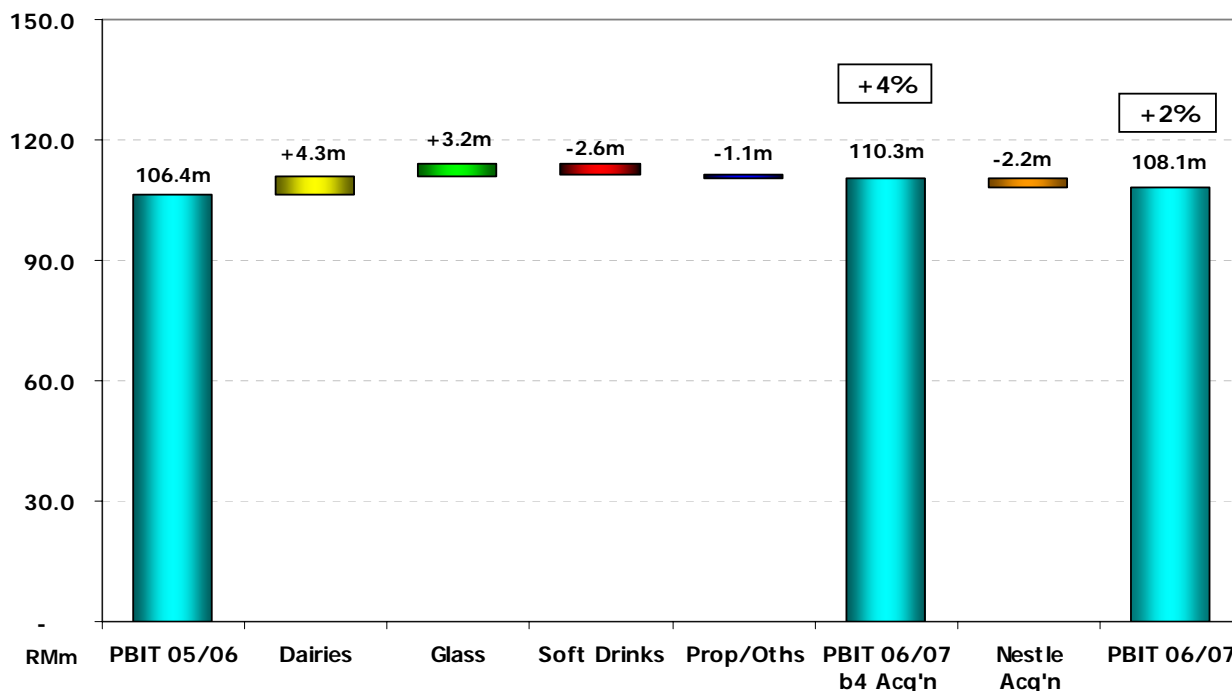




Financial Results - PBIT



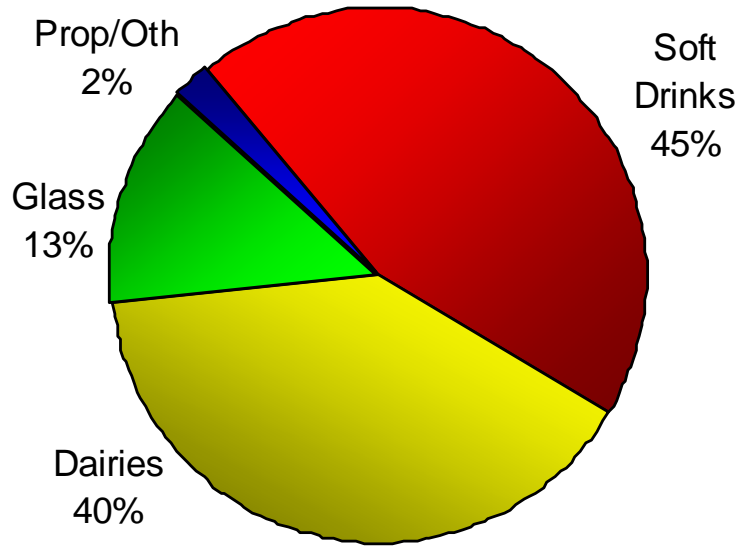
- Dairies & Glass showed double digit improvement in PBIT
- Soft drinks declined by 4%
- Start-up cost of Nestle acquisition
- Overall PBIT +2%



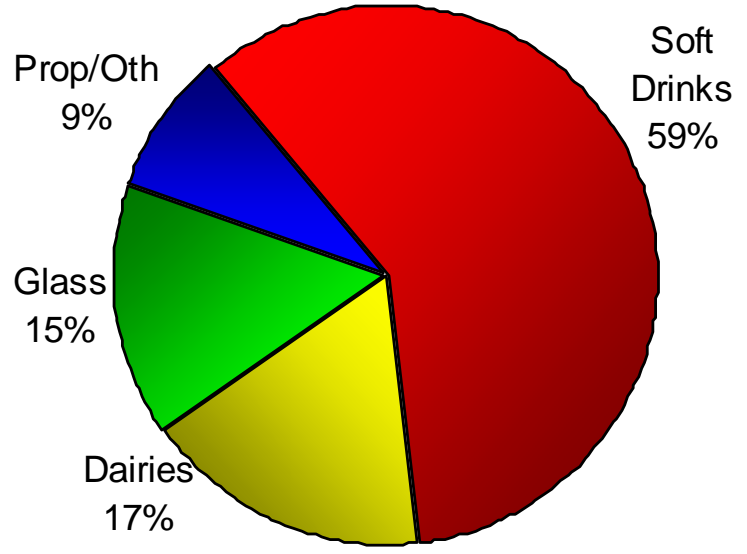
1H2007 Revenue & PBIT



Revenue – RM1.25 billion



PBIT – RM108.1 million



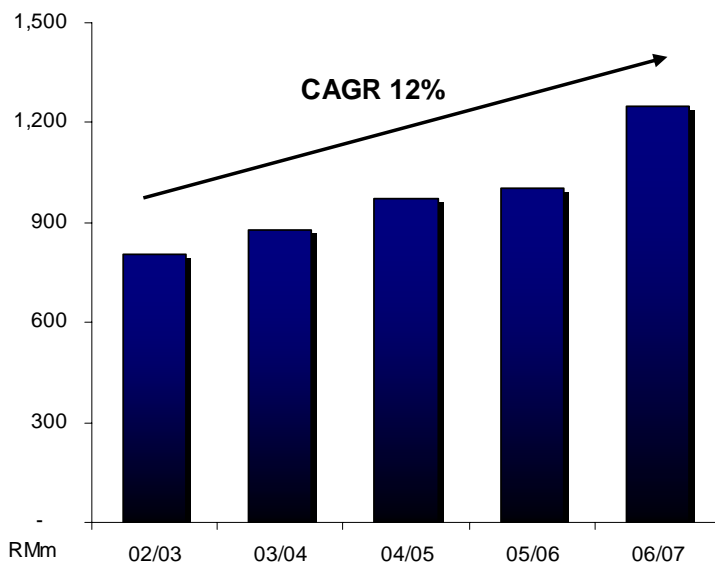
Growth: Last 5 Years (1st Half)

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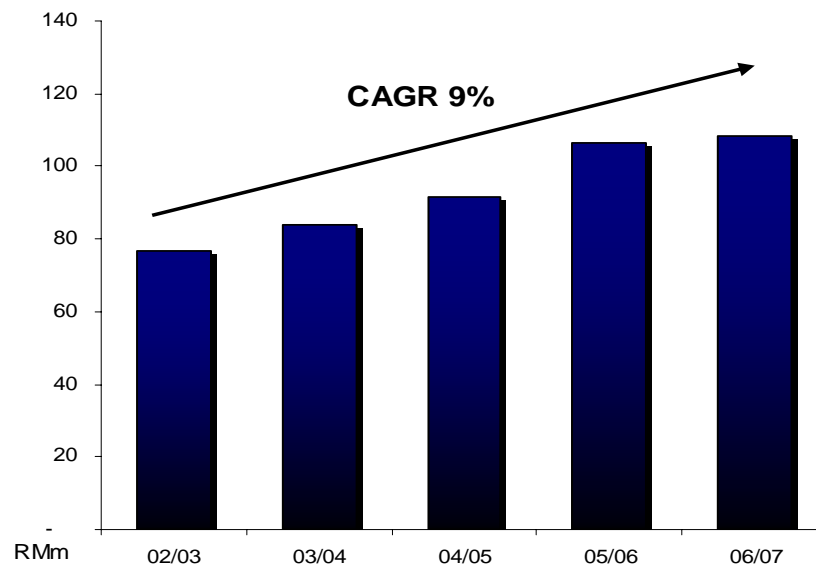


- Consistent revenue growth and profit performance
- PBIT growth slowed due to lower soft drinks performance and low property profit recognition (last stage)

Revenue



PBIT



Note : Base = 02/03

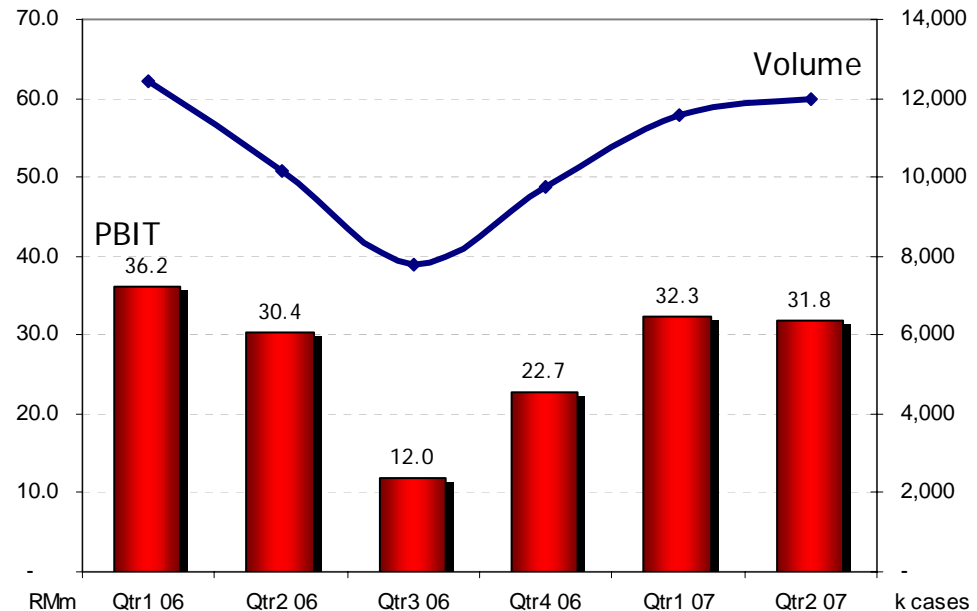
Op Review – Soft Drinks

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Quarter Review

- Sales improving since Qtr 3'06
- Strong Qtr 2'07 volume (+18% vs LY) – CNY festive sales
- PBIT growth +4% reflecting higher aluminium & other packaging costs which eroded margin
- CSD market share ~67%,
Isotonic ~93%

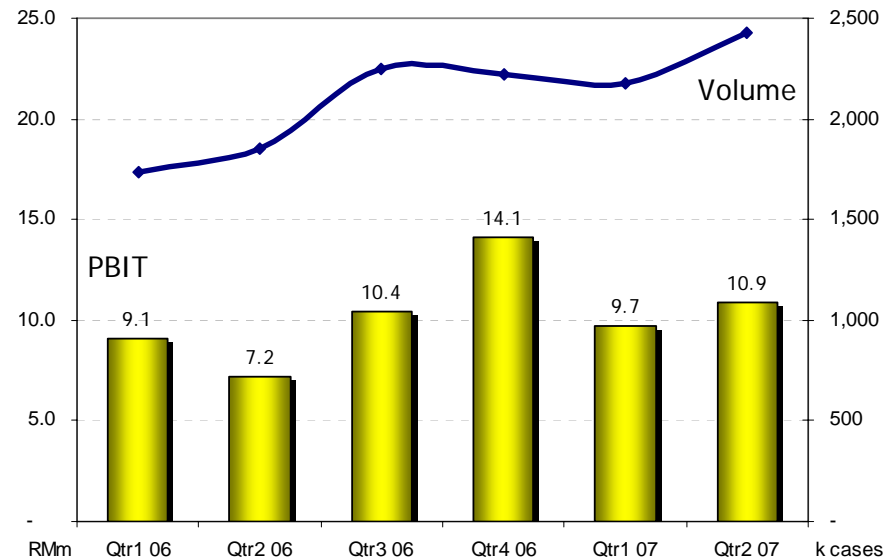


Op Review – Dairies



Quarter Review (Exclude Nestle Acquisition)

- Strong condensed milk domestic (+26% vs LY) and export sales (+48% vs LY)
- Strong PBIT growth +51%
- Higher sales volume, lower trade discounts & better export sales margin offset higher material costs
- SCM market share ~49%

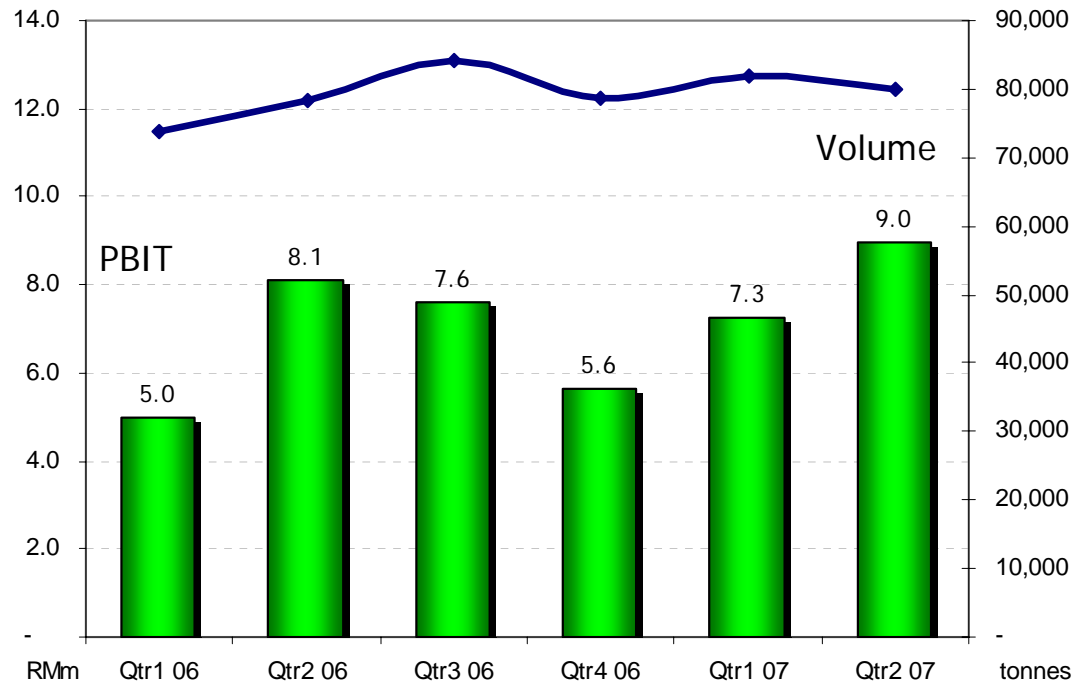


Op Review – Glass



Quarter Review

- Strong PBIT growth +11%
- All units performed better except KLG due to aged equipment





Phase 1 : Fraser Park Project

- 5-6 storey shop-office units fully sold (80 units, GDV = RM180m)
- % completion recognition, ~ 97% YTD



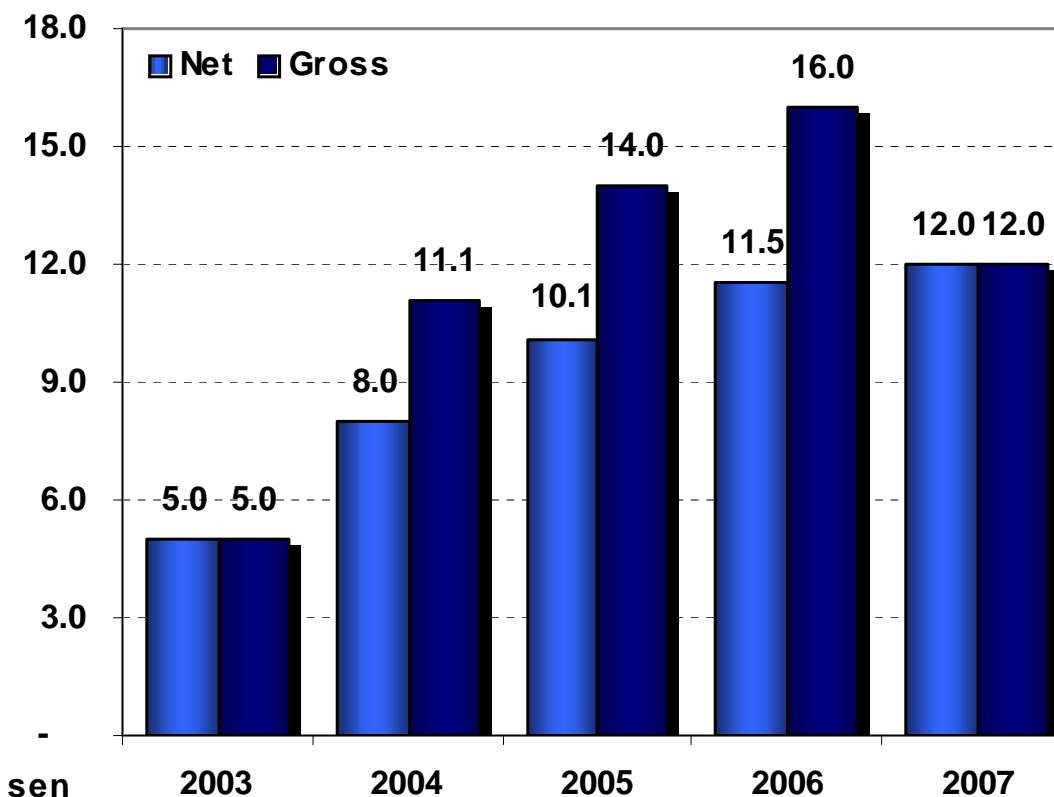
Phase 2 : ZON.e@Fraser Business Park

- Dedicated IT hub launched in Sept'06, sold ~75%
- Offers e-centric retail / entertainment, IT related business, education centre, hostel and city hotel component
- Total development value ~ RM360 million
- Construction started in Dec '06 (foundation works)





Dividend per Share



- Interim tax exempt dividend of 12 sen, +4% vs LY payable on 22/6/07
- Full year dividend expected to be same level as last year

Looking Ahead

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- +ve
 - improving consumer sentiments
 - contribution from Jalan Foss project (Phase II)
 - synergistic benefit & economies of scales from acquisition of canned liquid milk businesses from Nestle



- -ve
 - cost pressure from higher raw & packaging material costs
 - possible sales volume decline



Cautious overall outlook



THANK YOU