

FY2015

F&N

First Quarter FINANCIAL HIGHLIGHTS



12 February 2015



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First Quarter FY2015 Performance Highlights

30% EBIT growth

Strong operating performance in the first quarter ended 31 December 2014 (“1Q2015” or “1Q15”)

- Beer, Soft Drinks and Dairies posted solid volume growth
- Beer and Dairies saw double-digit earnings growth
- Soft Drinks earnings adversely affected by flooding in Malaysia

1Q2015 GROUP FINANCIAL HIGHLIGHTS

Revenue
(millions)

\$655.0

▲ 9.7%

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

\$79.7

▲ 30.4%

Profit after tax ("PAT")¹
(millions)

\$60.7

▲ 7.5%

EBIT margin
(%)

12.16%

▲ 193bps

Gearing
(millions)

\$243.3 (net cash)

▲ -nm-

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

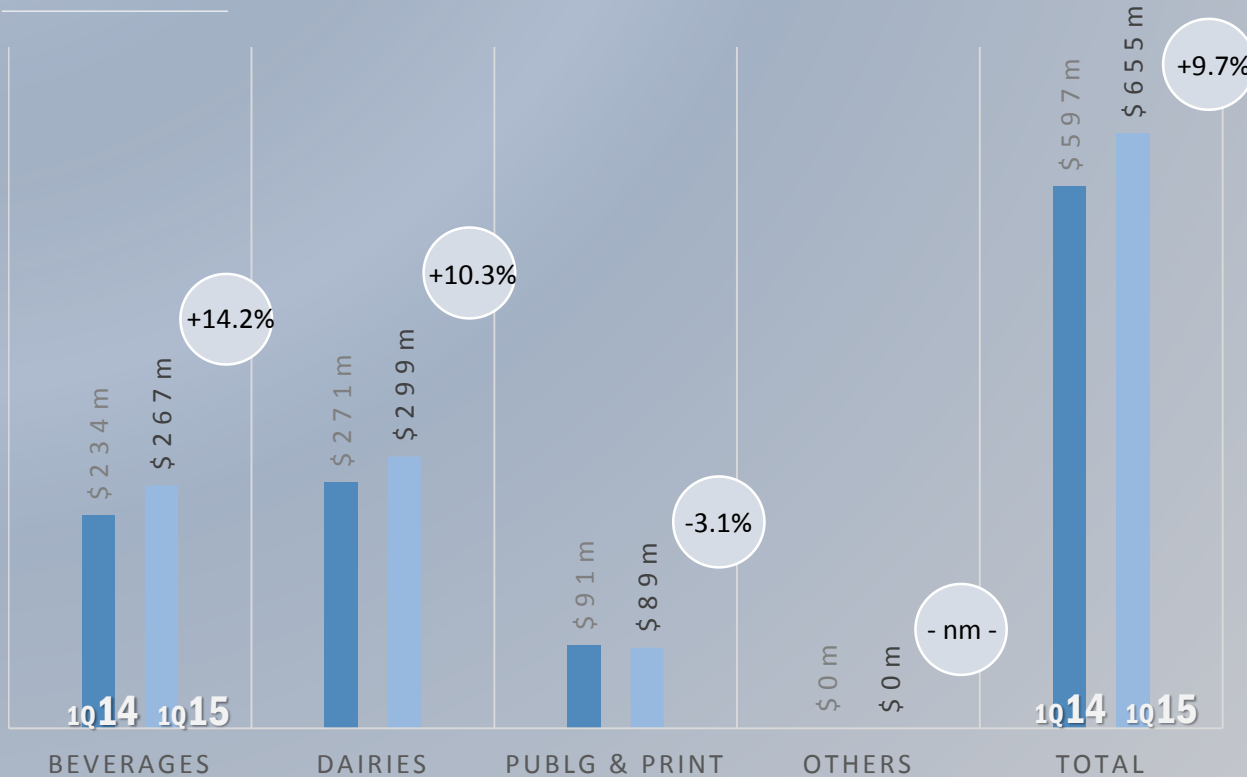
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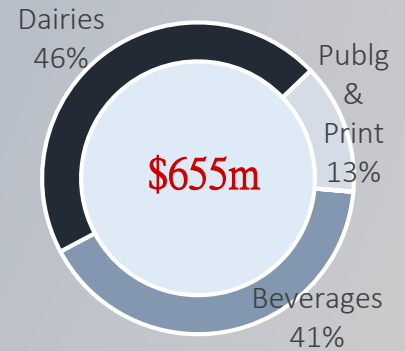
1Q2015 REVENUE GREW 9.7%

Supported by strong volume growth in F&B

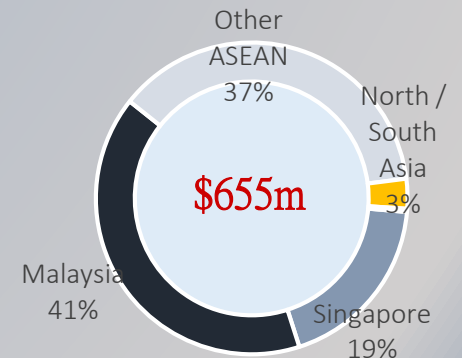
Revenue by Business Segment (\$)



1Q2015 Revenue by Business Segment (%)



1Q2015 Revenue by Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

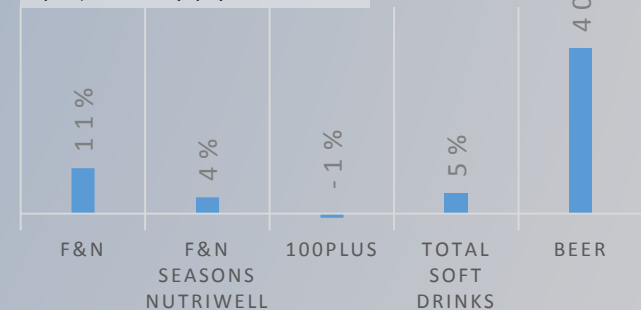
Revenue | Beverages

Revenue growth supported by higher volumes despite increasing competition

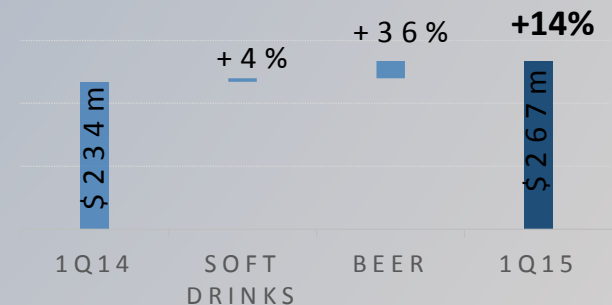
Beverages: Soft Drinks

- Volume grew 5% despite weakening consumer sentiment and flooding in Malaysia
- *F&N* and *F&N SEASONS NutriWell* powered sales
- Soft Drinks posted 4% revenue growth
 - Malaysia down 1% (+1% in constant currency)
 - Singapore up 4%
- Leadership positions in Singapore and Malaysia retained

Volume Growth
(Key Brands) (%)



1Q2015 Revenue



Beverages: Beer

- Volume grew 40% on effective marketing and route-to-market excellence
- Beer revenue improved 36% (+38% in constant currency)
- *MYANMAR BEER* continued to record strong growth

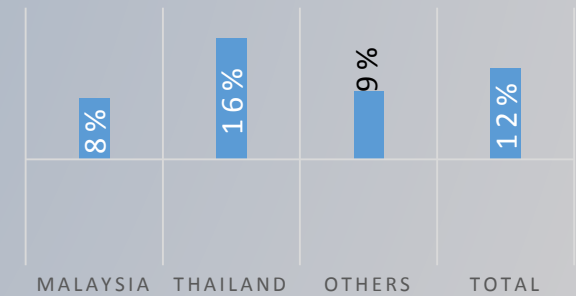
Revenue | Dairies

Revenue grew 10%; Malaysia and Thailand each recorded strong volume growth

Dairies: Malaysia

- Volume increased 8%; domestic volume recorded 9% growth
- Robust domestic volume growth was supported by effective trade programs and strong marketing and sales execution
- Revenue growth driven mainly by higher *GOLD COIN* and *F&N* canned milk volumes

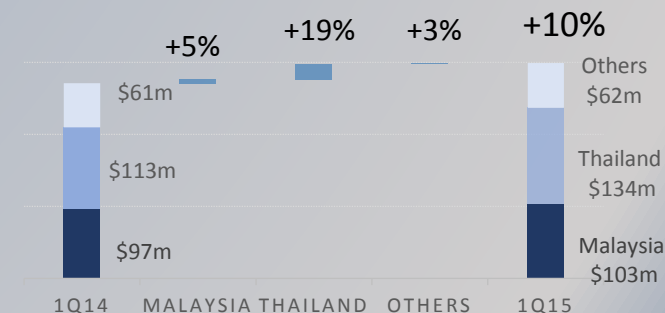
Volume Growth (%)



Dairies: Thailand

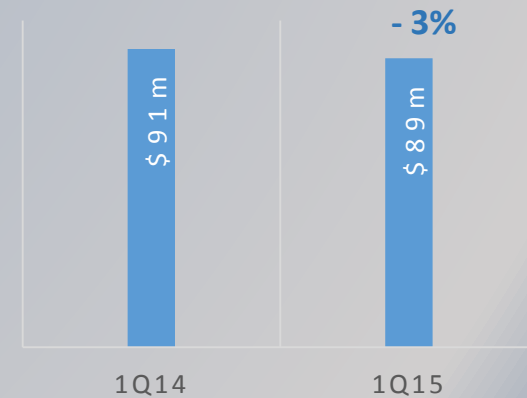
- Volume jumped 16%; domestic volume grew 13%
 - Indochina and Export recorded strong volume growth
- Revenue growth arising from effective trade activations and strong marketing and trade activation
- *F&N* brands performed well, with higher sales from *TEAPOT* canned milk and *F&N MAGNOLIA* pasteurised milk

1Q2015 Revenue



Revenue | Publishing & Printing

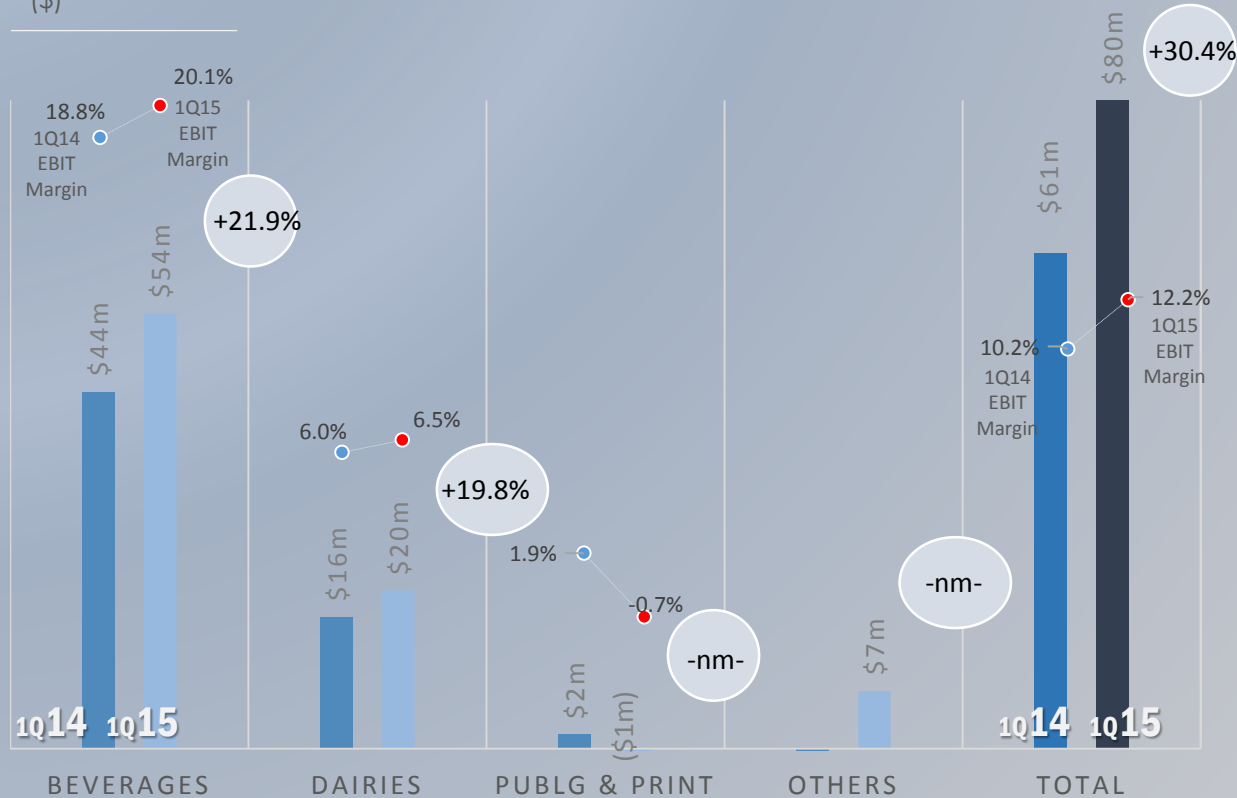
- Education Publishing continued to diversify and grow its customer base
 - Growth recorded in key markets of Singapore, Hong Kong and the US
- Lower print volume and book distribution adversely affected revenue



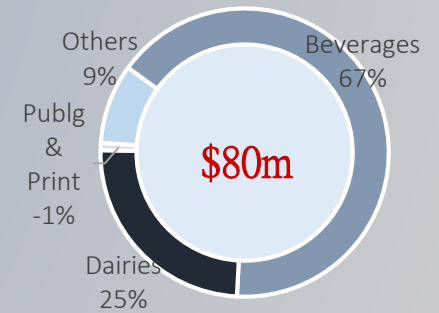
EBIT GREW 30.4%

Profit growth supported by higher sales and improved margins

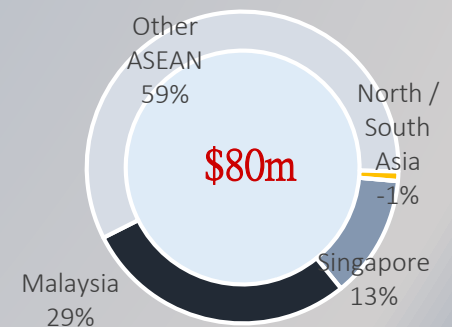
EBIT by Business Segment (\$)



1Q2015 EBIT by Business Segment (%)



1Q2015 EBIT by Geography (%)



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² Publg & Print denotes Publishing & Printing

EBIT | Beverages

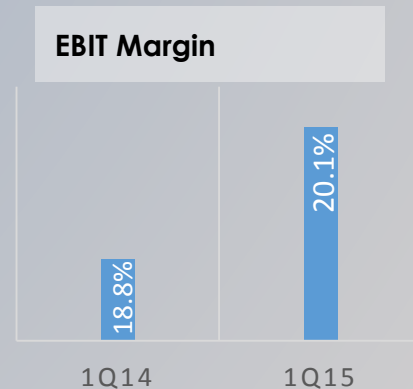
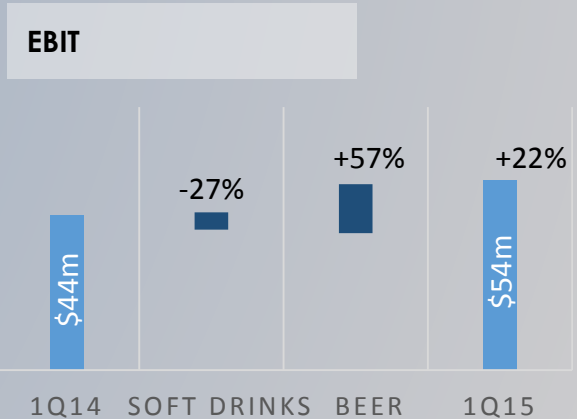
Earnings jumped 22% on higher Beer sales

Beverages: Beer

- Earnings driven by higher sales and lower input costs
- Beer EBIT improved 57% despite higher marketing spend and distribution cost
- In constant currency, Beer EBIT surged 59%

Beverages: Soft Drinks

- EBIT adversely affected by weaker performance in Malaysia
- Malaysia EBIT dropped 31% due to unfavourable sales mix and higher logistic and storage cost as a result of severe floods (-30% in constant currency)
- Singapore EBIT grew 46% on improved sales, lower input costs and operational efficiencies
- Continue to invest strongly in *100PLUS* in Myanmar
 - Brand investment to boost *100PLUS* awareness



EBIT | Dairies

Earnings grew 20% on higher sales in Malaysia, Thailand and Singapore

Dairies: Malaysia

- EBIT growth of 28%
- Driven by higher sales, favourable sales mix, improved production yields and effective promotional and trade management activities
- EBIT margin improved to 9.9%, from 8.1%

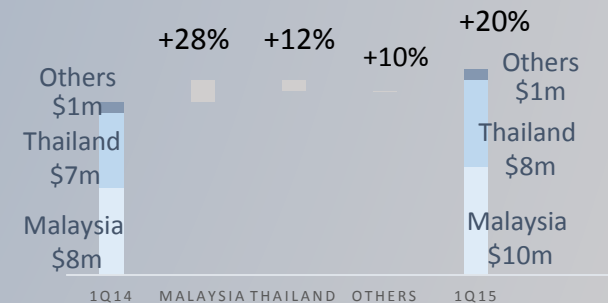
Dairies: Thailand

- EBIT grew 12% on higher sales
- Margins continued to be impacted by pricing control by the Thai government
- EBIT margin dropped from 6.6% to 6.3%

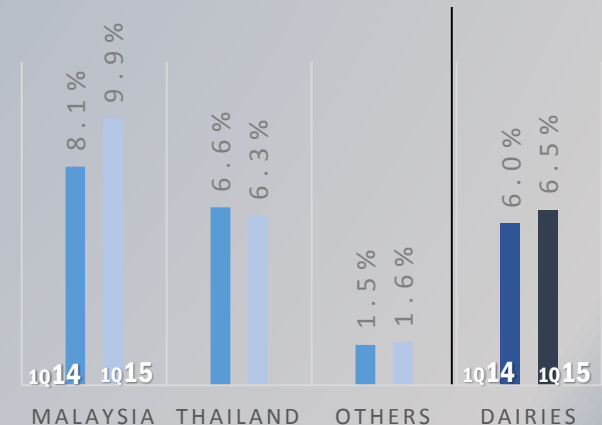
Dairies: Others

- EBIT improved 10% due to lower input costs

1Q2015 EBIT

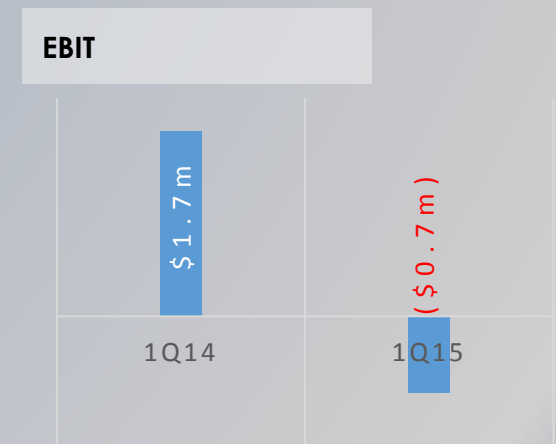


EBIT Margin



EBIT | Publishing & Printing

- Publishing earnings grew fourfold
- Lower earnings from printing and distribution, and the cessation of the use of equity accounting for Fung Choi Media Group adversely affected EBIT



Key developments

- Extended licenses for Nestle liquid milk brands
 - 22-year contract
 - Secured rights to manufacture and distribute *Carnation*, *Bear Brand*, *Bear Brand Gold*, *Ideal Milk* and *Milkmaid* in ASEAN



Range of F&N canned milk products

Key developments

- Dairy plant enhancement
 - Thailand: Adding a new filling and packaging line to seize growth opportunities



Rojana dairy plant in Thailand

Key developments

- New market: Thailand
 - Appointed Thai Drinks as the *100PLUS* licensee for Thailand. Thai Drinks is a wholly-owned subsidiary of Thai Beverage Plc Limited
 - Launched *100PLUS* in February 2015
 - Two power flavours – Citrus and Lemon Lime
- Innovation and renovation
 - *COCO Life*, 100% coconut water
 - *100PLUS* new packaging



COCO Life

100PLUS (250ml)
Thailand

100PLUS
new
packaging

SUMMARY



SUMMARY

- Maintained leading positions in key markets
- Focus on
 - Building on our core businesses
 - Expanding within and beyond our existing markets
 - Allocating resources to ensure capacities and capabilities
 - Building on/identifying strategic partnerships and extracting synergistic opportunities
 - Continue to invest in our long-term strategy
- Reviewing our positions in Myanmar



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Fraser and Neave, Limited



NEW 100PLUS BOTTLE
WITH IMPROVED GRIP

