

FY2017

F&N

First Quarter FINANCIAL HIGHLIGHTS



08 February 2017



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1Q2017 Performance Highlights

Performance in the first quarter ended 31 December 2016 (“1Q2017”)

- Revenue growth supported by
 - Newly acquired vending business
 - Growth in Dairies Thailand and New Markets of Myanmar and Vietnam
- Dairies Thailand recorded double-digit earnings growth; supported Dairies 1Q2017 EBIT growth of 5%
- Group EBIT down 14%, impacted by
 - Higher distribution and brand investments costs
 - Adverse translation effect from a weaker Ringgit

1Q2017 Group Financial Highlights

Revenue
(millions)

\$495.0

▲ 0.2%

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

\$46.4

▼ 13.7%

Profit after tax ("PAT")
(millions)

\$40.5

▼ 15.3%

EBIT margin
(%)

9.4%

▼ 150bps

Gearing
(millions)

\$169.1 (net cash)

▼ 81.4%²

Earnings per share (basic)¹
(cents)

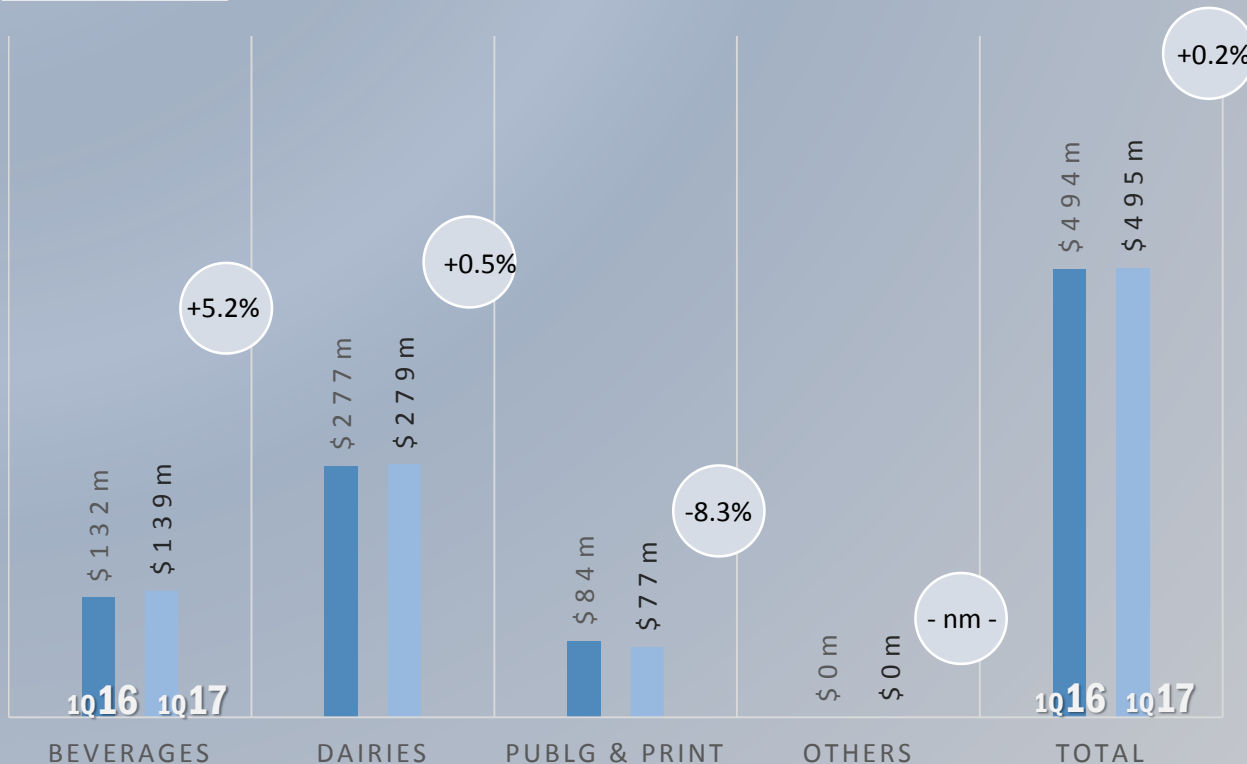
1.6

▼ 11.1%

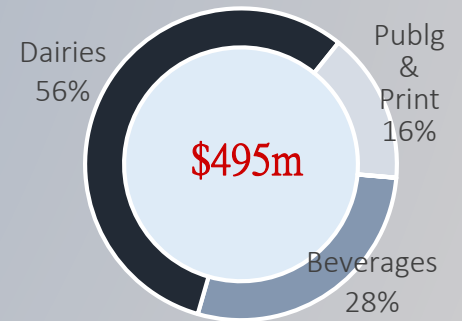
1Q2017 revenue flat at +0.2%

Growth offset by weaker Ringgit, rising input costs and competitive pricing

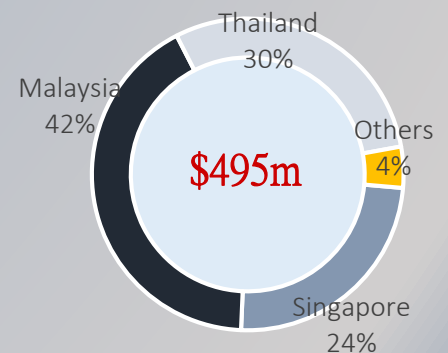
Revenue by Business Segment (\$)



1Q2017 Revenue by Business Segment (%)



1Q2017 Revenue by Geography (%)



¹ Beverages comprises Soft Drinks and Beer

² Publg & Print denotes Publishing & Printing

1Q2017 Revenue | Beverages

Revenue grew 5% on contribution from vending business and New Markets, moderated by weaker ringgit

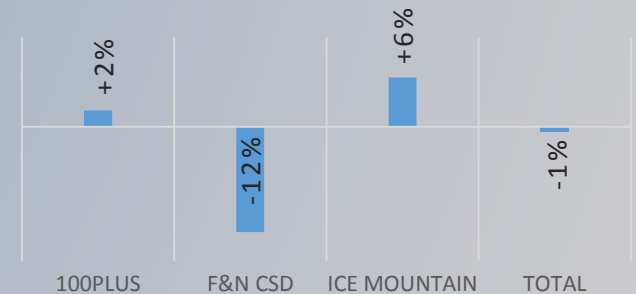
Beverages Malaysia (-1%; +1% in constant currency)

- Revenue impacted by weaker Ringgit and poor consumer sentiment, despite favourable sales mix and lower trade discounts offered
- In constant currency, revenue would have improved 1%

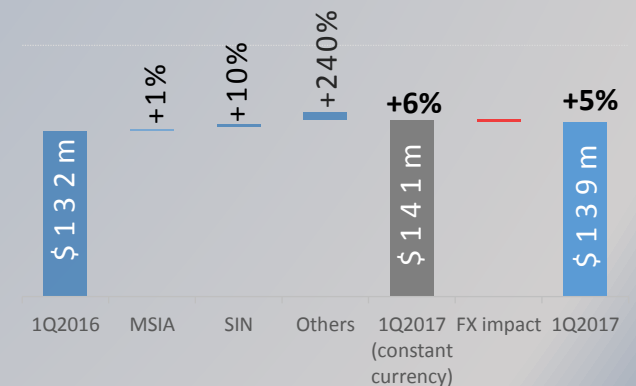
Beverages Singapore and New Markets

- Revenue grew 10%, driven by higher consumer off-take ahead of Lunar New Year period, supported by effectively executed marketing activities
- Distribution channel expansion and successful brand building programmes for *100PLUS* and *TEAPOT* in New Markets of Myanmar and Vietnam bolstered sales

Volume Growth
(Key Brands) (%)



1Q2017 Revenue



1Q2017 Revenue | Dairies

Marginal increase of 0.5%, impacted by weaker ringgit and competitive pricing pressures

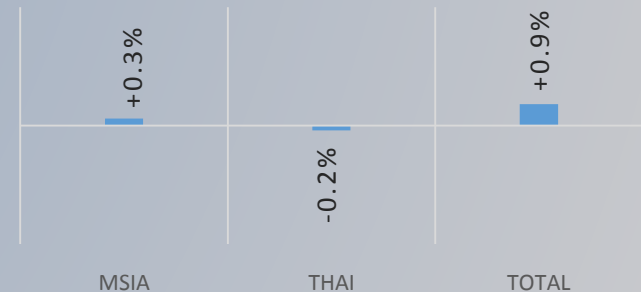
Dairies Malaysia (-4%; -2% in constant currency)

- Driven by higher Export sales
- Impacted by weaker Ringgit, competitive pricing pressures and weaker consumer confidence amidst a sluggish economic environment

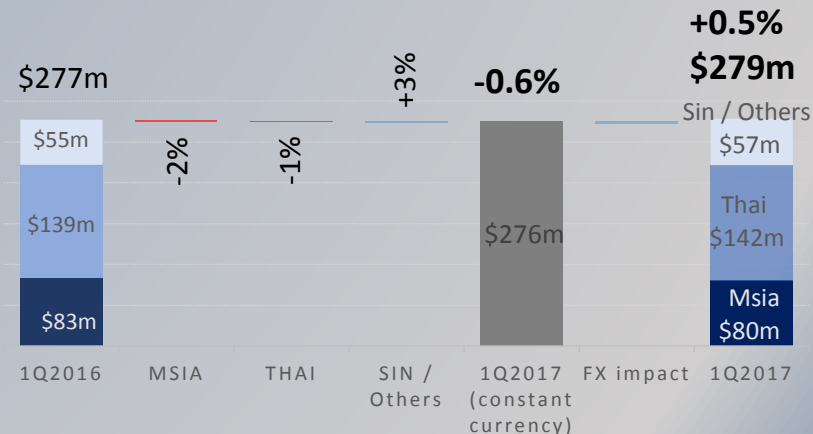
Dairies Thailand (+2%; -1% in constant currency)

- Revenue lifted by stronger Thai Baht
- Despite increased distribution coverage and contribution from new UHT products, revenue in constant currency fell 1% on subdued consumer sentiment

Volume Growth (%)

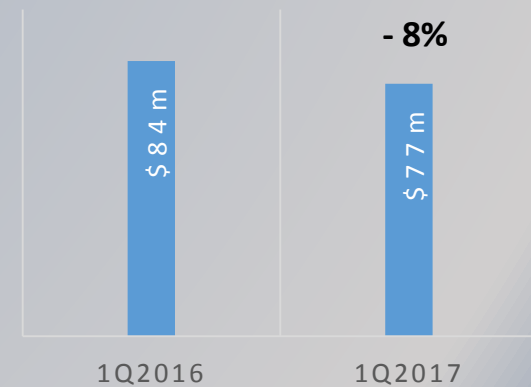


1Q2017 Revenue



1Q2017 Revenue | Publishing & Printing

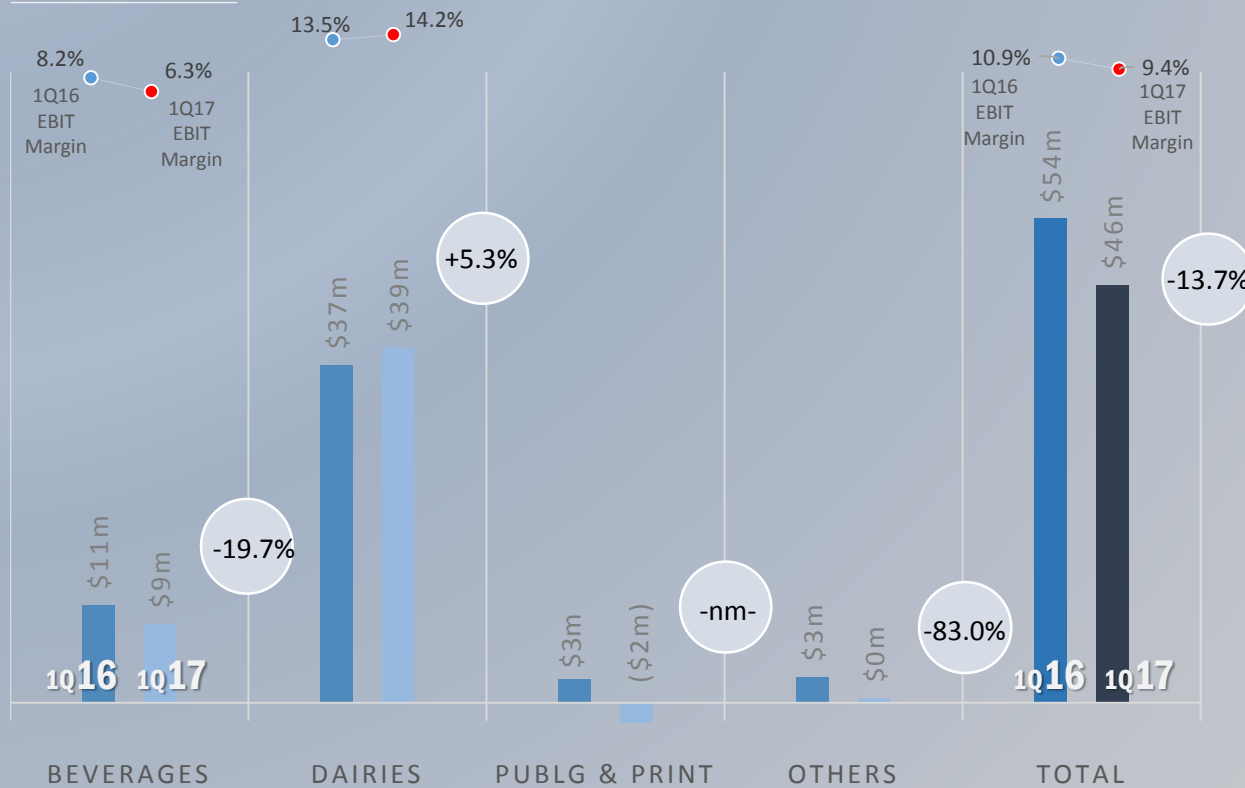
- Revenue declined 8%
 - Lower domestic demand and timing of export deliveries in Publishing division
 - Lower orders, weak retail sentiment and higher magazine trade returns in Retail and Distribution divisions
 - Lower print volume in Printing division



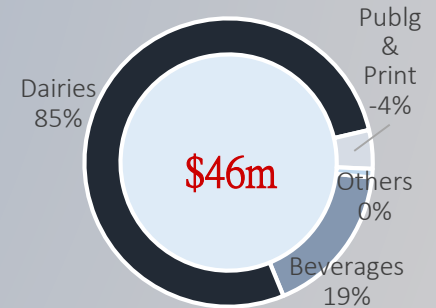
1Q2017 EBIT Slipped 13.7%

Profit impacted by higher operating expenses and weaker Ringgit

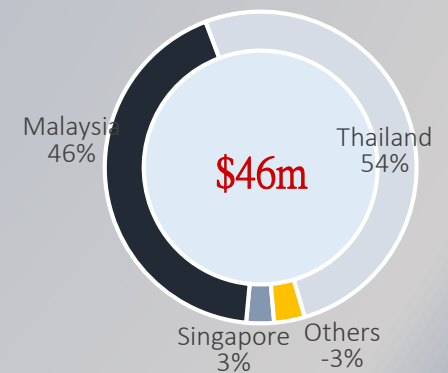
EBIT by Business Segment (\$)



1Q2017 EBIT by Business Segment (%)



1Q2017 EBIT by Geography (%)



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1Q2017 EBIT | Beverages

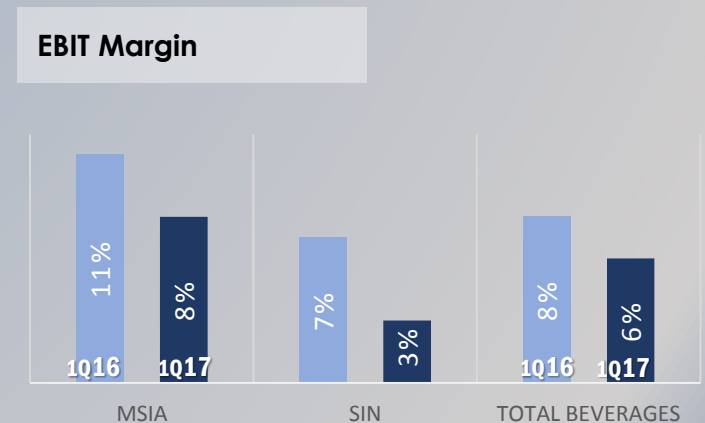
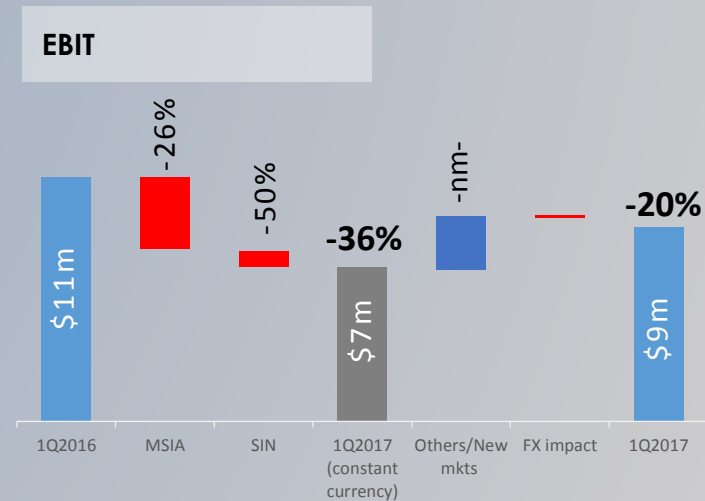
Weaker Ringgit, rising input costs and higher operating expenses impacted earnings

Beverages Malaysia (-27%; -26% in constant currency)

- EBIT fell 27% due to higher input costs (in particular sugar) and higher advertising and promotion spend

Beverages Singapore and New Markets

- Beverages Singapore EBIT fell 50% due to higher marketing spend to improve brand visibility and higher tactical discounts offered
- Continued targeted spend on brand building activities, trade promotions and widening of distribution channels in new markets of Indonesia, Myanmar, Thailand and Vietnam



1Q2017 EBIT | Dairies

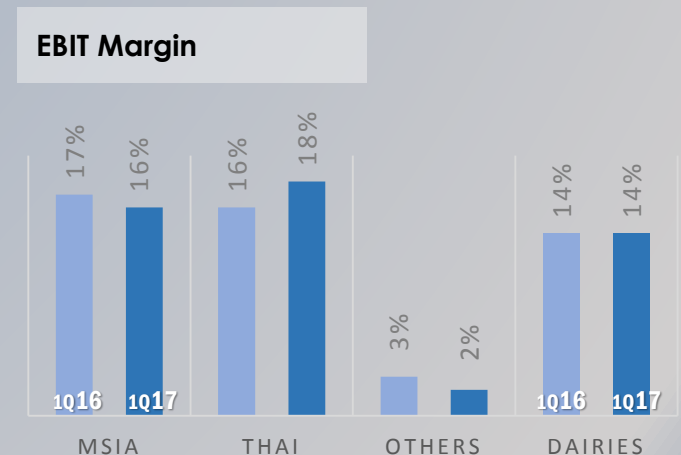
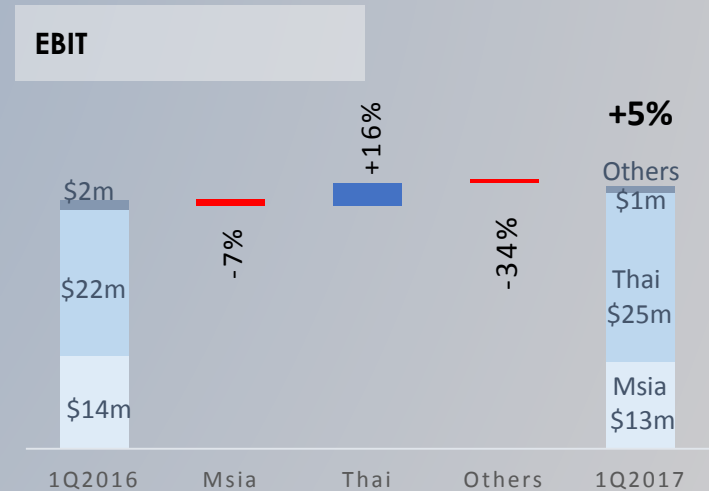
Earnings improved 5%; powered by continued growth in Thailand

Dairies Malaysia (-7%; -5% in constant currency)

- Earnings adversely affected by higher input costs (in particular sugar) and higher trade and consumer promotion spend
- Weaker ringgit further impacted earnings

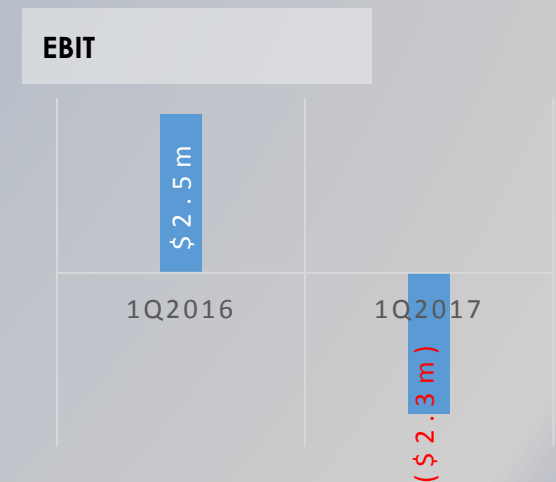
Dairies Thailand (+16%; +12% in constant currency)

- Strong profit growth despite subdued consumer sentiment, moderate revenue growth and absence of one-off item in 1Q2016
- Supported by savings from lower input costs and weaker Singapore Dollar
- EBIT margin improved to 18%, from 16%



1Q2017 EBIT | Publishing & Printing

- Losses before interest and taxation of \$2.3m, due to a decline in revenue and investments made in its e-Commerce portal
- Excluding investments in e-Commerce and inventory provision taken in Distribution division, breakeven EBIT would have been achieved





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