FY2017

F&N 9M2017 Financial Highlights



08 August 2017



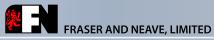


Important notice

Certain statements in this Presentation constitute "forward-looking statements", including forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of F&NL, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding F&NL's present and future business strategies and the environment in which F&NL will operate in the future. Because these statements and financial information reflect F&NL's current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

F&NL expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in F&NL's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While F&NL has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, F&NL has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.



9M2017 Performance Highlights

Attributable profit ("AP") rose to \$1.3 billion due to realisation of fair value reserves upon change of interests in Vinamilk; excluding fair value reserves, AP rose 16%, to \$87 million

Strong operating performance in the nine-month ended 30 June 2017 ("9M2017")

- Arose from higher dividend income and maiden recognition of profit from associated company, Vinamilk
- Earnings were impacted by weaker Soft Drinks and Dairies performance on weak regional economies, rising input costs and continued brand investment costs

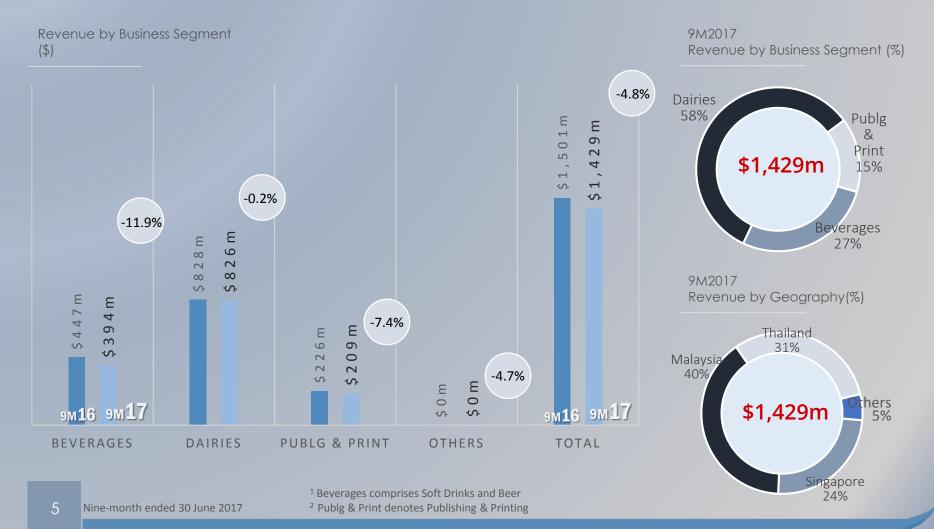
9M2017 Group Financial Highlights

Revenue	Earnings before interest and tax ("EBIT")
(million)	(million)
\$1,429.4	\$146.8
▼ 4.8%	▲ 4.2%
Profit after tax	Gearing ³
(million)	(%)
\$1,331.9 ¹	6.1
▲ NM ²	Net cash of \$908.5m @ FY2016
Dividend per share (interim)	Earnings per share (basic)
(cents)	(cents)
1.5 ⁴	89.1 ⁵
same as 1H2016	▲ NM ²
in Vinamilk of \$1.21 2 NM denotes Not M 3 Net debt / Total eq 4 Interim Dividend w	leaningful



9M2017 Revenue down 4.8%

Continuing weak consumer sentiments and increasing competitive environment in Malaysia impacted performance



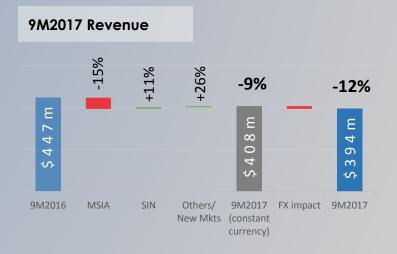


9M2017 Revenue | Beverages

Despite contribution from new vending business, Beer and New Markets, revenue declined 12% on increasing competitive environment in Malaysia, intensifying price discounting and weaker Ringgit

Beverages Malaysia (-19%; -15% in constant currency)

- Revenue impacted by weak consumer sentiment and weaker Ringgit
- Retained leadership positions in key categories



Beverages Singapore and New Markets¹

- Beer revenue increased twofold due to higher CHANG beer sales; contribution from the new vending business also lifted profits, offset by weaker domestic soft drinks sales in Singapore and lower exports
- Revenue growth in New Markets¹ due to distribution expansion and success of trade and consumer brand building activities



9M2017 Revenue | Dairies

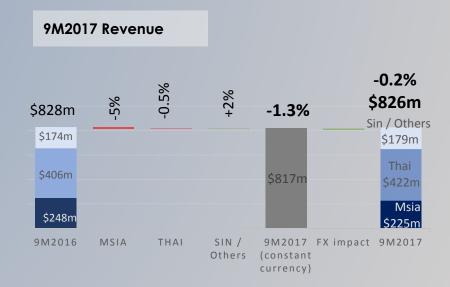
Revenue flat; higher sales in Thailand, Singapore and New Markets of Myanmar and Indonesia, offset by lower sales in Malaysia

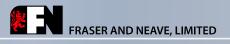
Dairies Malaysia (-9%; -5% in constant currency)

- Double-digit growth in Export helped to mitigate fall in domestic sales
- Domestic market impacted by subdued consumer confidence, competitive pricing environment and weaker Ringgit
- Maintained market leadership positions for sweetened condensed milk and evaporated milk segments

Dairies Thailand (+4%; -0.5% in constant currency)

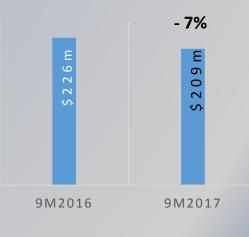
- Revenue lifted by stronger Thai Baht
- Exports grew by double digit with increasing distribution in Indochina markets
- Maintained leadership position in total canned milk category





9M2017 Revenue | Publishing & Printing

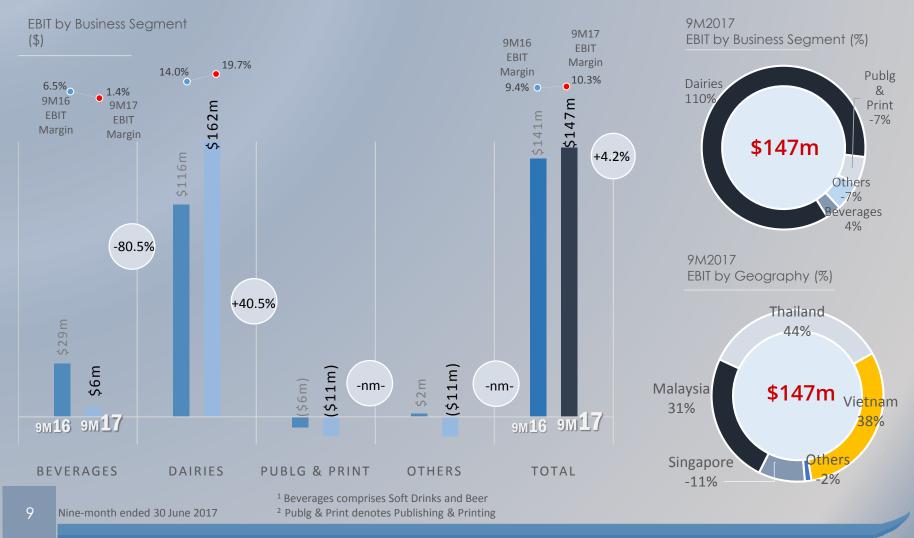
- Revenue impacted by
 - Lower education publishing revenue, impacted by lower reprint demand and absence of one-time project sales
 - despite higher print volumes from China and Malaysia





9M2017 EBIT gained 4%

Buoyed by higher dividend income and stronger Dairies earnings following the maiden recognition of profit from its associated company, Vinamilk





9M2017 EBIT |

Beverages

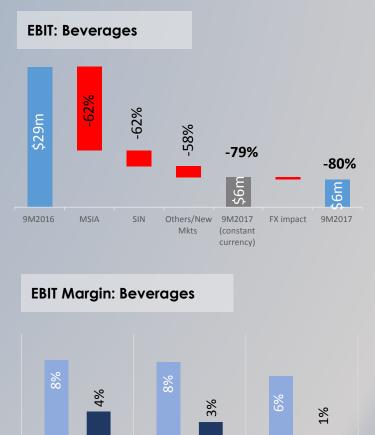
Earnings fell 80% mainly on lower soft drinks sales in Malaysia and Singapore

Beverages Malaysia (-64%; -62% in constant currency)

- EBIT impacted by lower revenue and higher input costs
- One-off professional fees incurred for the realignment of soft drinks and dairies operations further reduced earnings

Beverages Singapore and New Markets¹

- Beverages Singapore EBIT impacted by higher tactical discounts, pricing pressures from competitors and higher input costs, cushioned by earnings from the newly acquired vending business
- Continued targeted spend on brand building activities, trade promotions and widening of distribution channels in New Markets of Indonesia, Myanmar and Vietnam



SIN

9M16

9M1

MSIA

TOTAL BEVERAGES



9M2017 EBIT |

Dairies

Earnings jumped 40% on maiden profit contribution from associated company, Vinamilk

Vinamilk

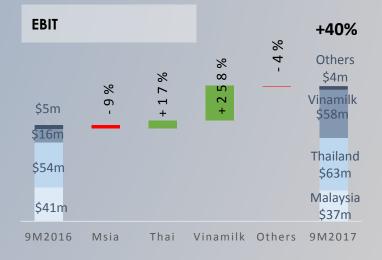
- Effective 16 Apr, the Group accounts for its share of Vinamilk's profit under equity accounting method; 2.5-months of Vinamilk's profit
 - On account of the two board representatives and 18.74% interests in Vinamilk

Dairies Malaysia (-9%; -5% in constant currency)

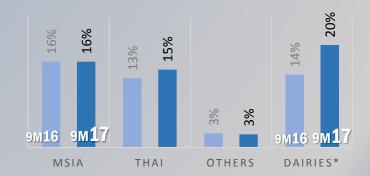
 EBIT dropped 9% on lower sales, weaker Ringgit and higher input costs, partly offset by lower trade spending and higher profit from export sales

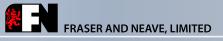
Dairies Thailand (+17%; +12% in constant currency)

- Strong profit growth supported by favourable input costs of milk and packaging
- EBIT margin improved to 15%, from 13%



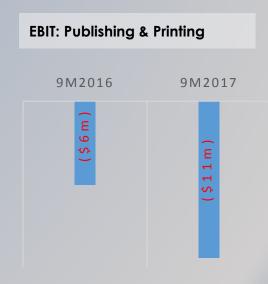
EBIT Margin





9M2017 EBIT | Publishing & Printing

 Losses before interest and taxation increased to \$11m, due to a decline in revenue, lower margins from a change in product mix in Education Publishing, investments made in its ecommerce project and higher inventory provision



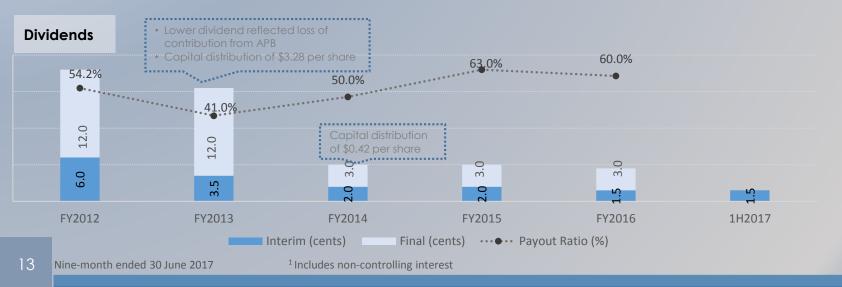


Maintained a strong financial position

Focused on prudent balance sheet management

- Borrowings increased to finance purchases of Vinamilk shares
 - The Group owns 18.74% of Vinamilk shares @ 18 July 2017
 - The Group adopts a prudent gearing policy of up to 80%
- Declared interim dividend of 1.5 cents per share, same as 1H2016; paid in June 2017
- Takes into account Group's capital position and nearterm capital needs
- Dividend policy unchanged

Key Financials		
	FY2016	9M2017
Total Equity ¹	\$3,153m	\$3,172m
Total Assets	\$3,773m	\$4,697m
Net (borrowings)/cash	\$908m	(\$193m)



KEY DEVELOPMENTS: Investing for Growth

TRÀN SỰC K BÂT SĂC X

HÀNG



Deepening our participation in Vietnam

18.74% INTERESTS @ 18 July

@ 21 Dec 2016: 16.35%
@ 30 Sep 2016: 10.95%

&

2 BOARD REPRESENTATIVES¹

Vietnam Dairy Products Joint Stock Company VINAMILK

The Group's 18.74% stake and 2 board representatives constitutes **significant influence** over Vinamilk, in accordance with Singapore Financial Reporting Standards

Going forward, the Group will **equity account** for its shareholding interest in Vinamilk (the Group, @ 1H2017, accounted for its interest in Vinamilk as Other Investments)

¹The Group's second representative to the board of Vinamilk was approved by its shareholders at its annual general meeting held on 15 Apr 2017



Deepening our participation in Vietnam

18.74% INTERESTS @ 18 July

@ 21 Dec 2016: 16.35%
@ 30 Sep 2016: 10.95%

&

2 BOARD REPRESENTATIVES¹

Vietnam Dairy Products Joint Stock Company VINAMILK

Other Investments	Investment in Associate (Equity Accounting)
Balance Sheet:	Balance Sheet:
• Carrying amount of	• Carrying amount of
investment at market value	investment at cost ²
 P&L: • Gross Income from	P&L:
Investments • FY16 dividend income of	• Share of Associated
\$48m	Companies profit

¹The Group's second representative to the board of Vinamilk was approved by its shareholders at its annual general meeting held on 15 Apr 2017

² Defined as fair value as at point of adoption of equity accounting



Deepening our participation in Vietnam

18.74% INTERESTS @ 18 July 2017

2 BOARD REPRESENTATIVES¹

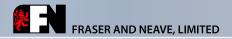
Vietnam Dairy Products Joint Stock Company VINAMILK

Top listed company by market value on Ho Chi Minh Stock Exchange

Vietnam's largest and leading dairy company involved in the production, supply and distribution of products including powdered, liquid and condensed milk and yoghurt, and beverages including soy milk, fruit juice and tea



¹The Group's second representative to the board of Vinamilk was approved by its shareholders at its annual general meeting held on 15 Apr 2017



New Launches

Innovation: New Flavours



F&N FRUIT TREE FRESH

Singapore 2 flavours: Berries & Lime



100PLUS Active

Malaysia Non-carbonated



New Launches

Portfolio expansion: Agency brands



RIBENA

Singapore 11 flavours



MAGNERS

Singapore 3 flavours: Pear, Original & Berry



Strengthening market positions in primary markets

RM 31.5 MILLION

NEW UHT LINE, Kuching

Adds capacity of 3.4 million cases per year

Localises production and enables the Group to understand customers' needs

Improves the plant's carbon footprint through environmentally-friendly packaging and reduced shipments

Operational in Mar 2017

INTEGRATION OF SOFT DRINKS AND DAIRIES OPERATIONS IN MALAYSIA

Extract synergies

Protect and strengthen market position

Achieve critical mass

Ongoing



Analyst and media contact: Jennifer Yu Head, Investor Relations T: (65) 6318 9231 E: jenniferyu@fngroup.com.sg

Fraser and Neave, Limited



