

# Delivering Results

FY2007 was a record year for F&N with revenue and profit before tax well ahead of the previous year, reflecting strong underlying fundamentals of our businesses. The Group's outstanding performance was due in part to our core strategy of regionalisation in the Asia Pacific, brand building and business expansion.

The Group has achieved strong growth in this decade. With a higher earnings base, underpinned by the progressive recognition of income from pre-sold property development, the Group's performance is expected to improve.

# Enhancing Value

The strategy for growth based on the three core businesses is clear. Given Singapore's small domestic market, growth for the Group can only be achieved by extracting operating efficiencies, expanding into new markets and venturing into new businesses – measures that have been actively pursued by F&N. Continuing to drive shareholder value, the Group targets the following:

- Re-deployment of assets to higher yielding activities to focus on asset-light, fee-based businesses;
- Effective capital management to improve returns to shareholders;
- Expand and grow core businesses through intra-market growth, expand to new markets and new synergistic ventures; and
- Balance the existing business portfolios by increasing contribution from Food & Beverage and Publishing & Printing businesses.

# GROUP FINANCIAL PERFORMANCE – 5-YEAR STATISTICS

F&N registered another year of strong earnings growth with record profit before interest and taxation of \$732 million. Despite the impact of rising costs, the Group is able to sustain our earnings growth momentum through business expansion, a singular focus on brands, and geographic diversification. The Group has achieved a growth of close to 25% for revenue and 28% growth for APBE, to \$4,738 million and \$378 million, respectively. Earnings per share increased to 28.6 cents from 25.3 cents, despite an enlarged share capital.

Year ended 30 September	2003	2004	2005	2006	2007
Notes					
<b>Profit Statement</b> (\$ million)					
	3,022	2,724	3,488	3,802	<b>4,738</b>
Revenue					
Profit before taxation					
– before exceptional items	457	445	474	537	<b>661</b>
– after exceptional items	511	468	504	571	<b>673</b>
Attributable profit					
– before exceptional items	273	264	271	295	<b>378</b>
– after exceptional items	333	290	296	320	<b>379</b>
<b>Balance Sheet</b> (\$ million)					
3	2,839	2,926	3,097	3,600	<b>5,221</b>
Net asset value					
Total assets employed	7,131	7,459	8,219	9,667	<b>12,866</b>
Long-term borrowings	1,442	2,114	2,185	2,829	<b>2,477</b>
<b>Market Capitalisation</b> (\$ million)					
	2,628	3,271	3,944	5,231	<b>7,955</b>
at close of business on the first trading day after preliminary announcement of results					
<b>Financial Ratio</b> (%)					
Return on average shareholders' equity					
	15.7	15.4	15.7	16.0	<b>15.0</b>
1	– profit before taxation and exceptional items				
	9.4	9.2	9.0	8.8	<b>8.6</b>
1	– attributable profit before exceptional items				
2	Gearing ratio				
	78.5	84.1	89.7	82.4	<b>72.1</b>
	– without minority interest				
	67.9	72.5	74.7	64.4	<b>59.0</b>
	– with minority interest				
<b>Per Share</b>					
	34.5	38.5	40.8	45.9	<b>50.0</b>
	Profit before taxation and exceptional items (cents)				
	20.6	22.8	23.3	25.3	<b>28.6</b>
	Attributable profit (cents)				
	25.2	25.1	25.4	27.3	<b>28.7</b>
	– before exceptional items				
	– after exceptional items				
3	2.46	2.52	2.65	3.07	<b>3.77</b>
	Net asset value (\$)				
	Dividend				
	10.0	11.0	11.0	12.0	<b>13.5</b>
	– net (cents)				
4	2.1	2.1	2.1	2.1	<b>2.1</b>
	– cover (times)				
<b>Stock Exchange Prices</b> (\$)					
	2.28	2.82	3.38	4.46	<b>5.75</b>
at close of business on the first trading day after preliminary announcement of results					

## Notes:

- 1 Attributable profit before exceptional items: Profit after taxation and minority interest but before exceptional items.
- 2 Gearing ratio: Sum of bank borrowings and term loans, less fixed deposits and cash and bank balances, expressed as a percentage of shareholders' funds.
- 3 Net asset value: Share capital and reserves.
- 4 Dividend cover: Attributable profit before exceptional items per share divided by net dividend per share.
- 5 Pursuant to the approval given by the shareholders at an Extraordinary General Meeting of the Company held on 31 May 2006 each ordinary share was sub-divided into 5 ordinary shares on 4 July 2006. The above ratios for 2003 to 2005 have been adjusted from that previously reported to reflect this sub-division of ordinary shares.