

# CEO Business Review • Food & Beverage • Soft Drinks

## Core Market

# SINGAPORE

### Market Positions

Number

1



Isotonic, Soya & Water

Number

2



Carbonated Soft Drinks

Number

3



Ready-To-Drink Tea

Volume (%)

▲2.6%



Revenue (%)

▲22%



Profit Before Interest & Taxation (%)

▼8%



Profit Before Interest & Taxation Margin (%)

▼2pp



Soft Drinks Singapore saw revenue growth of 22%, driven by the success of 100PLUS' sponsorship of the 28<sup>th</sup> SEA Games. However, faced with intense competition and increased marketing spend on new product launches of OISHI and COCO LIFE, Soft Drinks Singapore earnings fell 8%.

### ISOTONIC: 100PLUS

As a home-grown brand that has become the country's leading isotonic beverage, 100PLUS continued to cement its leadership position through branding campaigns and strategic partnerships with leading sports events.

100PLUS was the Official Isotonic Drink of the 28<sup>th</sup> SEA Games in Singapore, providing hydration to all the athletes throughout the duration of the Games. Leveraging the prominence of this regional sporting event, 100PLUS' sponsorship enabled it to activate brand campaigns in Singapore, Malaysia, Thailand and Myanmar, countries where 100PLUS commands a presence.

To celebrate the SEA Games, a commemorative gold can, embodying the nation's voice of support of Team Singapore and representing the colour of champions, was launched and was very well received by consumers.

In addition to supporting the biggest sporting event in the region, 100PLUS also rolled out the second phase of "Let's Move" in conjunction with Standard Chartered Marathon Singapore 2014, the nation's biggest marathon. An integrated campaign using print, digital, out-of-home and cinema advertising depicting running – the favourite sport of Singaporeans – aimed to inspire



01

more to embark on active lifestyles. Accompanying the "Let's Move" campaign, sponsorships aimed at reinforcing 100PLUS' image as the enabler for active lifestyles, such as The Straits Times Athlete of the Year Award, Safra Run and Ride, Great Eastern Women's Run, Sundown Marathon, SGX Bull Charge, OCBC Cycle and several other school and community events also garnered strong support from 100PLUS.

Besides sponsoring sports events, 100PLUS continued to engage sports organisations, including Sport Singapore, Singapore Sports Hub, Singapore Table Tennis Association and Singapore Swimming Association, to nurture and develop local athletes.

“

Soft Drinks Singapore saw revenue growth of 22%, driven by the success of 100PLUS' sponsorship of the 28<sup>th</sup> SEA Games.

”



02



03



04



05

- 01 Safra Run and Ride Sponsorship
- 02 "Let's Move" Campaign
- 03 The Straits Time Athlete of the Year Award Sponsorship
- 04 SGX Bull Charge Sponsorship
- 05 Singapore Swimming Association Awards Night
- 06 Great Eastern Women's Run Sponsorship



06



## CEO Business Review • Food & Beverage • Soft Drinks

### Core Market SINGAPORE

#### SOYA: F&N NUTRISOY

As one of F&N's core brands, F&N NUTRISOY ramped up its efforts in FY2015 to drive brand awareness and consumption. Its "Tastes As Good As Fresh" campaign aimed to correct the common misperception that soya milk bought from hawker stalls was the freshest. Through blind taste tests conducted at roadshows, F&N NUTRISOY successfully changed this perception when the majority of 6,000 consumers voted for F&N NUTRISOY as the freshest-tasting soya milk. This on-ground

activation was further amplified through radio and television advertisements.

To create more occasions for consumption, F&N NUTRISOY partnered with well-known chefs and created a series of dishes that can be whipped up at home, establishing itself as a healthier alternative to ingredients containing higher amounts of fat. The chefs demonstrated their recipes during primetime television programme "Hey Chef!", as well as live cooking demonstrations at roadshows.

In response to the growing demand for beverages with less or no sugar, F&N NUTRISOY Omega No Sugar Added was created, becoming the fastest growing variant in the Group's soya milk portfolio. To further tap the increasing demand for this range, a 475ml single-serve pack was introduced in April 2015, offering consumers the convenience of having fresh soya milk on-the-go. The addition of the 475ml-pack size has boosted the growth of the entire F&N NUTRISOY Omega No Sugar Added range, lifting sales by 30% as compared to FY2014.







02



03

- 01 F&N NUTRISOY  
 02 F&N SEASONS  
 03 OISHI Green Tea advertisement in the train station  
 04 OISHI Matcha Latte  
 05 F&N Sparkling Drinks

### TEA: F&N SEASONS and OISHI

Reinforcing F&N SEASON's message of taking time out of one's busy schedule to relax, the brand engaged local artistes of a popular long-running television drama series that aired during primetime evening to front its social media campaign. Together with above-the-line and in-store advertising, F&N SEASONS maintained its No. 3 position in the ready-to-drink tea segment.

Following the launch of OISHI in Malaysia in 2013, the Group introduced Thailand's leading ready-to-drink green tea brand in Singapore in March 2015 with two flavours – Green Tea Original and Green Tea Genmai, supported by a 360-degree integrated campaign. Its out-of-home advertising included branding the entire platform of one of Singapore's busiest train interchanges with visually arresting images, creating an immersive experience for the public. The visuals were extended to other busy train and bus interchanges with high footfall, outdoor bus shelters and on buses.

F&N also partnered 7-Eleven as the exclusive retail partner of OISHI Matcha Latte in July to create excitement and capture demand in the growing milk tea segment. This launch was supported by digital and print advertising, trade promotions and strong in-store visibility.

### CARBONATED SOFT DRINKS: F&N SPARKLING DRINKS

Synonymous with all things festive, F&N Sparkling Drinks ran a campaign for Chinese New Year and Hari Raya Puasa. In its Chinese New Year campaign, F&N created buzz amongst consumers with its exclusive home visits by two local celebrities, as well as roadshows where more celebrities engaged the public through games. For Hari Raya Puasa, the limited edition F&N Pink Grapefruit was re-introduced, following the previous year's success. This re-launch was supported by consumer promotions, in-store, print, radio and outdoor advertising.



04



05



# CEO Business Review • Food & Beverage • Soft Drinks

## Core Market

# MALAYSIA

### Market Positions

Number

# 1



Isotonic, Soya & Ready-To-Drink Tea

Number

# 2



Carbonated Soft Drinks, Asian Soft Drinks

Despite more cautious consumer spending against a backdrop of economic uncertainty, lost sales from Malaysian floods in December 2014 and stiffer competition, Soft Drinks Malaysia volume was flat against FY2014. As a result of weaker ringgit and unfavourable sales mix, FY2015 revenue was down 7% (-1% in constant currency).

Adversely impacted by higher trade discounts, higher logistics and storage costs arising from the floods, higher marketing spend and weaker ringgit, earnings fell 26%.

Higher marketing costs supported several nationwide brand campaigns, new product launches like *RANGER* (to replace *RedBull*), *EST Cola* and *COCO LIFE*, and packaging rejuvenation in the form of new slim cans for *100PLUS* and *F&N Sparkling Drinks*.

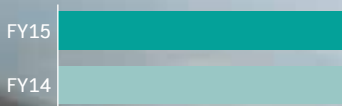
### ISOTONIC: 100PLUS

*100PLUS* was ever-present on the sports scene in our markets. This year, *100PLUS* continued to sponsor major sports events, such as the 10<sup>th</sup> edition of the *100PLUS* Malaysian Junior Open, the Outrunner race in which *100PLUS* was the first to use drones to race against man, Nike Run KL, Penang Starwalk, Maybank Malaysian Open and ATP Tennis World Tour, amongst others, positioning itself as the No. 1 isotonic drink of choice.

A major marketing coup in FY2015 was the appointment of two global football personalities, Pelé and Oscar, as *100PLUS* brand ambassadors. As the faces of the “The Great Stay Thirsty” campaign, Pelé and Oscar were featured in print and outdoor advertisements, as well as specially designed limited edition *100PLUS* cans. International media, fans and the

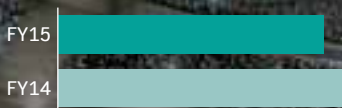
### Volume (%)

▲0%



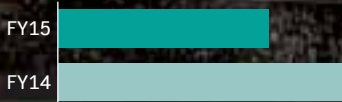
### Revenue (%)

▼7% (-1%<sup>1</sup>)



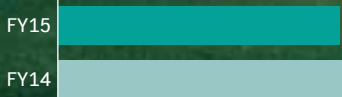
### Profit Before Interest & Taxation (%)

▼26% (-21%<sup>1</sup>)



### Profit Before Interest & Taxation Margin (%)

▼2pp



<sup>1</sup> In constant currency



Malaysian football team also had the rare opportunity to attend a talk conducted by Pelé and mingled with Oscar at a football clinic.

**SOYA: F&N NUTRISOY**

Riding on the success of its “Breakfast Love” campaign in the previous year, *F&N NUTRISOY* continued to promote consumption of its ready-to-drink soya as a breakfast beverage on broadcast and social media. It worked with celebrity to engage women in a popular television programme which positioned *F&N NUTRISOY* not only as a breakfast beverage, but also as an ingredient for preparing breakfast.

The “Peraduan Ceria Raya F&N” campaign featured *F&N NUTRISOY* as a beverage for improved sustenance during the fasting month for Muslims, encouraging them to begin and end their fasts with *F&N NUTRISOY*. The integrated campaign included in-store displays and on-ground activations at “break-fast” bazaars.

**TEA: F&N SEASONS and OISHI**

*F&N SEASONS* updated its packaging this year to a more contemporary image to rejuvenate the brand. As the No. 1 brand of Ice Lemon Tea in the country, its “Janji Chillax” campaign conveyed the importance of taking a break during stressful times with *F&N SEASONS*.

*OISHI* continued to build awareness of the quality and authenticity of Japanese green tea. A “So Delicious, So Oishi” fully integrated campaign included sampling events conducted at 100 locations across Peninsular Malaysia. To increase the number of distribution points and drive on-premise consumption, a new pack size – 300ml can – was introduced in channels which did not carry the PET bottles previously.

**CARBONATED SOFT DRINKS: F&N Sparkling Drinks and EST COLA**

Maintaining its relevance amongst youth, *F&N Sparkling Drinks* engaged radio deejays and celebrities to create unique *F&N* musical beats that were incorporated into its television commercial, and invited more than 4,000 youths to create their own *F&N* beats on its microsite. This consumer activation, while improving top of mind and driving consumption, also reinforced its brand association with cheerfulness, fun and enjoyment.

The cola segment has the largest market share within Malaysia’s carbonated soft drinks category. To gain a foothold in this segment, and to complete its own product portfolio, Soft Drinks Malaysia introduced *EST* Cola, in June 2015. Starting with the 325ml can and 500ml bottle, *EST* Cola was distributed through our wide distribution network.



02

**COCONUT WATER: COCO LIFE**

Riding on the wave of increasing consumer preference for healthy beverages, *COCO LIFE* was launched in May 2015 to very good response. Boasting qualities such as being made from 100% coconut water, zero cholesterol, zero preservatives and zero fat, sales volume more than doubled forecasts within a few months of its launch, and successfully captured 12% market share of the coconut juice category within a month. This was due to the strength of Soft Drinks Malaysia’s network of over 7,000 distribution points ranging from petrol stations, to convenience stores, supermarkets and golf clubs. Sampling programmes to create consumer awareness were also implemented. We will continue to drive awareness and trials of *COCO LIFE*, including partnering airline AirAsia in December 2015 to bring our product to consumers onboard.

- 01 100PLUS brand ambassadors Pelé and Oscar
- 02 *F&N SEASONS* “Janji Chillax” Campaign
- 03 *OISHI* Green Tea “So Delicious, So Oishi” Campaign
- 04 *COCO LIFE* advertisement
- 05 Range of *EST* Cola



03



04



05



# CEO Business Review • Food & Beverage • Soft Drinks

## New Market

# MYANMAR

### Market Position

Number

# 1



Isotonic



The F&N branch office was established in Yangon last year to conduct market research, coordinate sales and marketing efforts, as well as to provide support to business units and local distributors. Since the establishment of this office, the Group has seen positive sales growth in this market. First introduced in 2012, 100PLUS has since established itself as one of the fastest-growing soft drink brands in Myanmar. This growth stemmed from aggressive on-ground activations and strategic sponsorships, focusing on sports-related campaigns targeting the younger generation.

This year, for instance, 100PLUS extended its “Go for Gold” campaign which was first implemented in 2013 when it secured the Official Hydration Partner title of the SEA Games in Myanmar. Having created substantial brand exposure through the campaign, 100PLUS rode on the momentum to create further buzz in 2015. It highlighted the national teams in a 12-episode television programme, using online and on-ground activations and partnership with one of the country’s leading modern trade retail chains, to rally support for the Burmese athletes.



01



02

For the second year running, 100PLUS participated in YOMA Yangon International Marathon 2015. Through this marathon, we created trial opportunities for participants via hydration stations throughout the race route and raised the brand profile through social

media and on-ground activations. With strategic partnerships such as this one, the Group aims to raise brand visibility and reinforce 100PLUS as the enabler for active lifestyles not just for athletes, but also for all individuals.

Having successfully established its position as a strong supporter of athletes, *100PLUS* was appointed the Official Hydration Partner of various local sports associations, such as Myanmar's Ministry of Sports to promote and support a variety of sporting events, Myanmar Football Federation and Yangon United Football Club.

Riding on the success of *100PLUS*, this year, the Group introduced *F&N SEASONS* Ice Lemon Tea in Myanmar to good response. Building on the existing platform, F&N has plans to launch other brands and product categories within its portfolio in Myanmar.

- 01 YOMA Yangon International Marathon Sponsorship
- 02 "Go for Gold" Campaign
- 03 *F&N SEASONS* Ice Lemon Tea launched in Myanmar
- 04 Partnership with Myanmar television station, Skynet
- 05 *100PLUS* supports Myanmar's football team
- 06 "Go for Gold" Campaign activation for 28th SEA Games
- 07 *100PLUS* providing hydration to Myanmar's athletes
- 08 *100PLUS* supporters at Myanmar Football Federation's event



03



04



05



06



07



08



# CEO Business Review • Food & Beverage • Soft Drinks

## New Market

# VIETNAM

A representative office was set up in Ho Chi Minh City in June 2015 to conduct market research, coordinate sales and marketing efforts and provide support to business units and local distributors.

To drive product availability, core brand *100PLUS* was launched in 400 modern trade distribution points in Vietnam, in particular convenience stores. In-store advertisements, product displays, sampling programmes and tie-ups with retailers were introduced to drive brand awareness and sales.

In addition to driving product availability, F&N executed several strategic marketing campaigns and sponsorships to build awareness of *100PLUS* amongst the locals. Beginning in April 2015 with Color Me Run, a prominent marathon event in Ho Chi Minh City, *100PLUS* created sampling opportunities for 10,000 participants through its hydration sponsorship.

Leveraging the high profile campaign launched in Malaysia on the appointment of brand ambassadors Pelé and Oscar, Vietnamese media and local influencers were invited to attend the press conference and meet the global football celebrities in Malaysia. Headlined by a popular Vietnamese celebrity and avid footballer, this conference generated significant news coverage, with 6.2 million views across 18 major news titles in the country. An extension of the “The Great Stay Thirsty” campaign featuring Pelé and Oscar was also carried out in September in the form of a television commercial aired online and across screens in commercial buildings, supermarkets and cinemas in Vietnam.

To create greater awareness of the functional benefits of *100PLUS*, the *100PLUS* Challenge & Hydration Workshop was created to engage

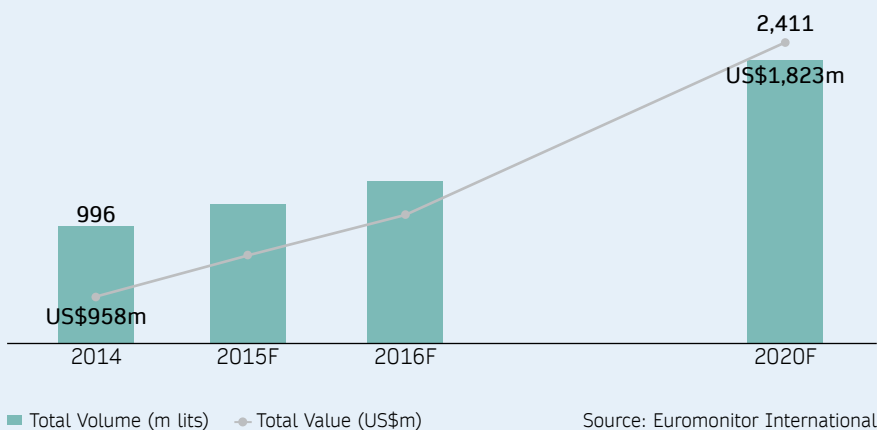
more than 100 participants ranging from local celebrities, journalists, leading sportsmen and fans of the brand. Through a race of obstacles and challenges, as well as a Q&A session with the Group’s team of R&D scientists, the workshop generated a lot of buzz, both online and in print media, totalling 26 news titles and 10.6 million views.

In addition to Color Me Run, *100PLUS* was also the hydration partner for Vietnam’s major sporting events, including the Ho Chi Minh City Journalist Association Futsal Tournament, where the 16 futsal teams donned *100PLUS* branded jerseys, and the Danang International Marathon which was attended by 5,000 runners.

The performance of *100PLUS* in Vietnam has been very encouraging thus far. In the few months ended September 2015, growth in fan base and consumer reach has been observed in both social media and offline engagements. The Group will continue to drive deeper consumer engagement through strategic partnerships and marketing activities.



**Projected Market Size of Carbonated Soft Drinks and Isotonic Segments**





01

- 01 Ho Chi Minh City futsal tournament Sponsorship
- 02 Color Me Run Sponsorship
- 03 Vietnamese media and influencers at the press conference which unveiled Pelé and Oscar as 100PLUS brand ambassadors
- 04 100PLUS Challenge & Hydration Workshop



02



03



04



# CEO Business Review • Food & Beverage • Soft Drinks

## New Market

# THAILAND

### Market Position

Number

# 2



Isotonic

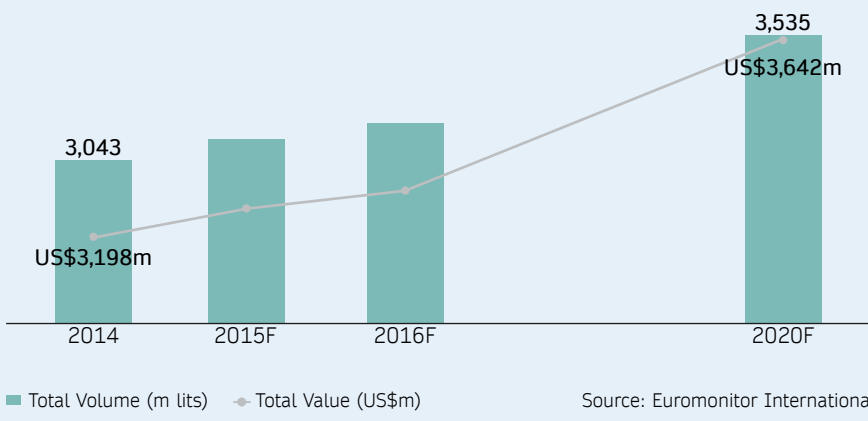
The Group officially entered Thailand in February 2015 with the launch of 100PLUS through the appointment of Thai Drinks, a wholly owned subsidiary of Thai Beverage Public Company Limited (“ThaiBev”). Thai Drinks is F&N’s appointed 100PLUS licensee for Thailand, and is responsible for the manufacturing, marketing and distribution of 100PLUS in Thailand. The Group plans to revolutionise Thailand’s carbonated soft drinks segment by positioning 100PLUS as a functional carbonated soft drink, a first in the country. The carbonated soft drinks segment is the largest ready-to-drink segment, by value, in the country.

The Group sees growth potential in the market and is confident that 100PLUS, with its unique winning taste and formula, will become an alternative soft drink for health-conscious consumers in Thailand. 100PLUS marries the functionality of rehydration and replenishment of minerals in the body with the refreshing sensation of a carbonated soft drink.

As one of the biggest brand launches in the Thai market, 100PLUS Regular and 100PLUS Lemon Lime – with their flavour profiles tweaked slightly to cater to local tastebuds – were introduced via a massive through-the-line advertising campaign. This campaign included giving away



### Projected Market Size of Carbonated Soft Drinks and Isotonic Segments





02



03

more than 10 million samples to the locals—the largest product sampling in Thailand. As at FY2015, in less than a year of its launch, 100PLUS has captured 11% market share of the isotonic segment in Thailand.

F&N will continue to leverage the strengths of its portfolio, technical knowledge, as well as the local expertise and work with our strategic partner, ThaiBev, to build our presence and grow our market share in Thailand.



01 100PLUS launch campaign in Thailand  
 02 National Stadium BTS skytrain station in Bangkok  
 03 Bus shelter in Bangkok with 100PLUS visual