



FRASER AND NEAVE, LIMITED

(Company Registration No. 189800001R)
(Incorporated in the Republic of Singapore)

FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2013

The Directors are pleased to make the following announcement of the unaudited results for the First Quarter ended 31 December 2013.

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FULL YEAR RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(a)(i) GROUP PROFIT STATEMENT

	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)*	Change %
<u>Continuing operations</u>			
Revenue	596,967	568,732	5.0
Cost of sales	(390,454)	(376,600)	3.7
Gross profit	206,513	192,132	7.5
Other expenses (net)	(9,063)	(5,196)	74.4
Operating expenses			
- Distribution	(46,312)	(44,235)	4.7
- Marketing	(58,853)	(56,048)	5.0
- Administration	(33,573)	(35,882)	(6.4)
	(138,738)	(136,165)	1.9
Trading profit	58,712	50,771	15.6
Share of associated companies' profits	2,238	835	168.0
Gross income from investments	131	240	(45.4)
Profit before interest and taxation ("PBIT")	61,081	51,846	17.8
Finance income	15,864	22,125	(28.3)
Finance cost	(7,081)	(6,446)	9.9
Net finance income	8,783	15,679	(44.0)
Profit before taxation and exceptional items	69,864	67,525	3.5
Exceptional items	-	(56,907)	NM
Profit before taxation	69,864	10,618	NM
Taxation	(13,421)	(15,528)	(13.6)
Profit from continuing operations, net of tax	56,443	(4,910)	NM
<u>Discontinued operations</u>			
Profit from discontinued operations, net of tax	138,121	129,563	6.6
Gain on disposal of discontinued operations	-	4,751,849	NM
Profit after taxation	194,564	4,876,502	(96.0)
Attributable profit to:			
Shareholders of the Company			
- Before fair value adjustment and exceptional items			
Continuing operations	36,028	34,906	3.2
Discontinued operations	119,018	70,636	68.5
	155,046	105,542	46.9
- Gain on disposal of discontinued operations	-	4,751,849	NM
- Fair value adjustment of investment properties held by discontinued operations	-	17,576	NM
- Exceptional items			
Continuing operations	-	(56,907)	NM
Discontinued operations	1,798	41,798	(95.7)
	1,798	(15,109)	NM
	156,844	4,859,858	(96.8)
Non-controlling interests			
Continuing operations	20,415	17,091	19.4
Discontinued operations	17,305	(447)	NM
	37,720	16,644	129.6
	194,564	4,876,502	(96.0)

NM – Not meaningful

* Restated upon the demerger of Frasers Centrepoint Limited, as explained in paragraph 8, page 15 of this report and adoption of Revised FRS 19 as detailed in paragraph 5, page 13 of this report.

1(a)(ii) BREAKDOWN AND EXPLANATORY NOTES TO GROUP PROFIT STATEMENT

	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)	Change %
Operating expenses			
Included in operating expenses are:			
Depreciation & amortisation	(22,816)	(24,166)	(5.6)
Allowance for bad and doubtful debts	(721)	(718)	0.4
Allowance for inventory obsolescence	(574)	(820)	(30.0)
Employee share-based expenses	(591)	(2,085)	(71.7)
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Other expenses (net)			
Gain/(Loss) on disposal of fixed assets	311	(259)	NM
Foreign exchange loss	(10,410)	(6,903)	50.8
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Taxation			
Over provision of prior year taxation	3,508	847	NM
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Exceptional items			
Provision for impairment in value of an associated company	-	(54,594)	NM
Provision for professional fee relating to the general offers	-	(2,125)	NM
Provision for restructuring and re-organisation costs of operations	-	(188)	NM
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	-	(56,907)	
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PBIT as a percentage of revenue	10.2%	9.1%	

NM - Not meaningful

1(a)(iii) ADDITIONAL INFORMATION

	Revenue		PBIT	
	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)
Group revenue and profit analysis				
By Business Activity				
Beverages	234,153	211,889	44,018	34,338
Dairies	271,046	255,238	16,296	14,885
Printing & publishing	91,291	101,003	1,739	3,864
Others	477	602	(972)	(1,241)
Continuing operations	596,967	568,732	61,081	51,846
Discontinued operations*	631,044	336,388	176,241	108,809
	1,228,011	905,120	237,322	160,655
By Territory				
Singapore	119,239	127,280	1,897	4,019
Malaysia	259,218	251,085	26,262	20,442
Other ASEAN	196,662	165,335	32,730	27,497
North/South Asia	20,382	21,372	607	194
Outside Asia	1,466	3,660	(415)	(306)
Continuing operations	596,967	568,732	61,081	51,846
Discontinued operations*	631,044	336,388	176,241	108,809
	1,228,011	905,120	237,322	160,655
Attributable profit to shareholders of the Company				
	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)		
By Business Activity				
Beverages	18,288	14,369		
Dairies	7,892	7,189		
Printing & publishing	1,948	2,576		
Others	7,900	10,772		
Continuing operations	36,028	34,906		
Discontinued operations*	119,018	70,636		
Gain on disposal of discontinued operations	-	4,751,849		
Fair value adjustment of investment properties held by discontinued operations	-	17,576		
Exceptional items				
Continuing operations	-	(56,907)		
Discontinued operations	1,798	41,798		
	1,798	(15,109)		
	156,844	4,859,858		

* Refers to the demerger of Frasers Centrepoint Limited.

1(a)(iv) STATEMENT OF COMPREHENSIVE INCOME

	Group	
	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)
Profit after taxation	194,564	4,876,502
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit statement</u>		
Share of other comprehensive income of associated companies	(5,741)	(3,821)
Realisation of reserves on disposal of joint venture companies	-	123,911
Net fair value changes on derivative financial instruments	706	1,440
Realisation of fair value gains on disposal of available-for-sale financial assets	-	(34,900)
Realisation of hedging loss from derivative financial instruments	5,707	-
Net fair value changes on available-for-sale financial assets	(23,654)	46,575
Currency translation differences	(30,992)	(1,773)
	(53,974)	131,432
<u>Items that will not be reclassified to profit statement</u>		
Remeasurement of defined benefit obligations	-	13
Other comprehensive income for the period, net of tax	(53,974)	131,445
Total comprehensive income for the period	140,590	5,007,947
Total comprehensive income attributable to:		
Shareholders of the Company		
Continuing operations	11,982	8,717
Discontinued operations	97,694	4,985,136
	109,676	4,993,853
Non-controlling interests	30,914	14,094
	140,590	5,007,947

1(b)(i) A statement of financial position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

BALANCE SHEET

	Group		Company	
	As at 31/12/2013 \$'000	As at 30/9/2013 \$'000 (Restated)*	As at 31/12/2013 \$'000	As at 30/9/2013 \$'000
SHARE CAPITAL AND RESERVES				
Share capital	1,451,446	1,441,520	1,451,446	1,441,520
Treasury shares	(23)	(23)	(23)	(23)
Reserves	945,641	7,063,170	344,026	3,265,340
	2,397,064	8,504,667	1,795,449	4,706,837
NON-CONTROLLING INTERESTS				
	403,185	373,223	-	-
	2,800,249	8,877,890	1,795,449	4,706,837
Represented by:				
NON-CURRENT ASSETS				
Fixed assets	658,078	699,109	-	-
Investment properties	40,213	3,155,404	-	-
Subsidiary companies	-	-	1,505,964	3,945,938
Associated companies	146,388	1,278,877	18,100	18,100
Intangible assets	80,973	148,315	-	-
Brands	30,847	30,836	212	212
Other investments	649,395	675,236	6,235	6,205
Other receivables	649	91,614	-	-
Other assets	-	43,200	-	-
Deferred tax assets	29,443	34,325	-	-
	1,635,986	6,156,916	1,530,511	3,970,455
CURRENT ASSETS				
Properties held for sale	31,756	4,709,952	-	-
Inventories	241,521	249,406	-	-
Trade receivables	336,634	527,334	-	-
Other receivables	81,215	133,733	370	5,488
Prepaid land costs	-	398,033	-	-
Subsidiary companies	-	-	6,780	5,695
Joint venture companies	2,695	4,520	-	-
Associated companies	-	12,710	-	-
Short term investments	100	100	-	-
Bank fixed deposits	279,003	876,333	53,316	255,674
Cash and bank balances	469,057	1,068,389	231,240	650,794
	1,441,981	7,980,510	291,706	917,651
Assets held for distribution and sale	11,401,612	7,961	2,911,034	-
	12,843,593	7,988,471	3,202,740	917,651
Deduct: CURRENT LIABILITIES				
Trade payables	181,493	528,031	-	-
Other payables	237,458	948,595	14,680	17,028
Subsidiary companies	-	-	1,364	4,507
Joint venture companies	-	8	-	-
Associated companies	1,591	1,669	-	-
Borrowings	150,934	862,019	-	-
Provision for taxation	58,823	161,076	10,724	9,734
	630,299	2,501,398	26,768	31,269
Subsidiary company held for distribution#	6,218,780	-	2,911,034	-
Liabilities held for distribution and sale	3,551,354	1,845	-	-
	10,400,433	2,503,243	2,937,802	31,269
NET CURRENT ASSETS				
	2,443,160	5,485,228	264,938	886,382
Deduct: NON-CURRENT LIABILITIES				
Other payables	10,561	17,022	-	-
Borrowings	1,220,904	2,582,525	-	150,000
Provision for employee benefits	18,743	18,349	-	-
Deferred tax liabilities	28,689	146,358	-	-
	1,278,897	2,764,254	-	150,000
	2,800,249	8,877,890	1,795,449	4,706,837

* Restated upon adoption of Revised FRS 19 as detailed in paragraph 5, page 13 of this report.

Relates to demerger of Frasers Centrepoint Limited as explained in paragraph 8, page 15 of this report.

- 1(b)(ii) Aggregate amount of Group's borrowings and debt securities.**
The Group's borrowings and debt securities as at the end of the financial period reported on, and comparative figures as at the end of the immediately preceding financial year:

Amount repayable in one year or less, or on demand

	As at 31/12/2013	As at 30/9/2013
	\$'000	\$'000
Secured :	3,861	506,901
Unsecured :	147,073	355,118
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	150,934	862,019
	<hr/>	<hr/>

Amount repayable after one year

	As at 31/12/2013	As at 30/9/2013
	\$'000	\$'000
Secured :	-	1,015,621
Unsecured :	1,220,904	1,566,904
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	1,220,904	2,582,525
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Details of any collateral

Secured borrowings are generally bank overdrafts and bank loans secured on the land and buildings, plant and machinery of the borrowing companies, pledge of shares held in a subsidiary and/or a first fixed and floating charge over the assets, and assignment of all rights, benefits and title in contracts of the respective borrowing companies.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

GROUP CASH FLOW STATEMENT

	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before taxation and exceptional items from continuing operations	69,864	67,525
Profit before taxation and exceptional items from discontinued operations	166,197	108,430
Profit before taxation and exceptional items	236,061	175,955
Adjustments for:		
Depreciation of fixed assets	18,648	20,509
Impairment of fixed assets and intangible assets (net)	(188)	(289)
Fixed assets written off	236	-
Provision for employee benefits	417	558
(Gain)/Loss on disposal of fixed assets (net)	(312)	536
Amortisation of brands and intangible assets	5,958	5,655
Interest income	(4,118)	(5,860)
Interest expenses	9,753	12,408
Share of associated companies' profits	(13,218)	(15,887)
Investment income	(256)	(530)
Profits on properties held for sale	(135,735)	(63,088)
Employee share-based expense	800	3,773
Fair value adjustment of financial instruments	(4,931)	3,592
Fair value adjustment of investment properties	-	(17,576)
Loss/(Gain) on disposal of financial instruments	2,516	(4,694)
Operating cash before working capital changes	115,631	115,062
Change in inventories	4,538	6,535
Change in receivables	(108,986)	(11,813)
Change in prepaid land costs	(300,205)	(8,975)
Change in joint venture and associated companies' balances	6,379	(2,274)
Change in payables	(67,887)	(78,079)
Progress payment received/receivable on properties held for sale	605,826	382,416
Development expenditure on properties held for sale	(208,421)	(372,227)
Currency realignment	(5,823)	2,287
Cash generated from operations	41,052	32,932
Interest income received	3,847	7,960
Interest expenses paid	(2,831)	(9,897)
Income taxes refund/(paid)	1,658	(5,531)
Payment of employee benefits	(45)	(371)
Net cash from operating activities	43,681	25,093
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Dividends from joint venture and associated companies	15,098	20,353
Investment income	256	530
Proceeds from sale of fixed assets	547	254
Proceeds from sale of short term investments	-	60,709
Proceeds from disposal of joint venture companies	-	5,581,568
Purchase of fixed assets and investment properties	(13,734)	(22,839)
Payment for intangible assets	(2,922)	(2,896)
Development expenditure on investment properties under construction	(705,772)	(4,545)
Investments in associated companies	(2,526)	(3,122)
Repayment of loan from /(Loan to) an associated company	8,071	(63,617)
Net cash (used in)/from investing activities	(700,982)	5,566,395

1(c) GROUP CASH FLOW STATEMENT (cont'd)

	1st Quarter to 31/12/2013 \$'000	1st Quarter to 31/12/2012 \$'000 (Restated)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from term loans and bank borrowings	166,131	133,502
Proceeds from issue of shares:		
- by subsidiary companies to non-controlling interests	2,841	2,694
- by the Company to shareholders	-	41,385
Payment of dividends by subsidiary companies to non-controlling interests	(2,659)	-
Net cash from financing activities	166,313	177,581
Net (decrease)/increase in cash and cash equivalents	(490,988)	5,769,069
Cash and cash equivalents at beginning of period	1,943,070	1,647,477
Effects of exchange rate changes on cash and cash equivalents	(4,498)	(2,974)
Reclassified to assets held for distribution	(700,504)	-
Cash and cash equivalents at end of period	747,080	7,413,572
Cash and cash equivalents at end of period comprise:		
Cash and bank balances	748,060	7,415,299
Bank overdrafts	(980)	(1,727)
Cash and cash equivalents at end of period	747,080	7,413,572
Analysis of disposal of joint venture companies		
Net assets disposed:		
Current assets	-	(1,686,244)
Current liabilities	-	688,375
Non-controlling interests	-	292,061
	-	(705,808)
Realisation of translation difference	-	(123,911)
Gain on disposal	-	(4,751,849)
Net cash inflow on disposal	-	(5,581,568)

- 1(d)(i) A statement (for the issuer and Group) showing either**
- (i) all changes in equity or**
 - (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

STATEMENT OF CHANGES IN EQUITY

	Group											
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1st Quarter ended												
31 December 2013												
Balance at 1 October 2013	1,441,520	(23)	3,463	6,377,183	(98,510)	592,145	(5,521)	24,129	172,982	8,507,368	373,529	8,880,897
Effects of adopting Revised FRS 19	-	-	-	(2,775)	74	-	-	-	-	(2,701)	(306)	(3,007)
Balance at 1 October 2013, restated	1,441,520	(23)	3,463	6,374,408	(98,436)	592,145	(5,521)	24,129	172,982	8,504,667	373,223	8,877,890
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	54	(5,535)	(25)	(235)	-	-	(5,741)	-	(5,741)
Net fair value changes on derivative financial instruments	-	-	-	-	-	-	630	-	-	630	76	706
Realisation of hedging loss from derivative financial instruments	-	-	-	-	-	-	5,707	-	-	5,707	-	5,707
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	(23,654)	-	-	-	(23,654)	-	(23,654)
Currency translation difference	-	-	-	-	(24,110)	-	-	-	-	(24,110)	(6,882)	(30,992)
Other comprehensive income for the period	-	-	-	54	(29,645)	(23,679)	6,102	-	-	(47,168)	(6,806)	(53,974)
Profit for the period	-	-	-	156,844	-	-	-	-	-	156,844	37,720	194,564
Total comprehensive income for the period	-	-	-	156,898	(29,645)	(23,679)	6,102	-	-	109,676	30,914	140,590
Contribution by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	375	-	375	(8)	367
Issue of shares in the Company upon vesting of shares awarded	9,926	-	-	-	-	-	-	(9,926)	-	-	-	-
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,841	2,841
Dividends:												
Distribution <i>in specie</i>	-	-	-	(6,218,780)	-	-	-	-	-	(6,218,780)	-	(6,218,780)
Dividend to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,659)	(2,659)
Additional dividends due to vesting of shares awarded	-	-	-	(406)	-	-	-	-	406	-	-	-
Total contributions by and distributions to owners	9,926	-	-	(6,219,186)	-	-	-	(9,551)	406	(6,218,405)	174	(6,218,231)
Changes in ownership interests												
Change of interests in a subsidiary company	-	-	-	1,126	-	-	-	-	-	1,126	(1,126)	-
Total changes in ownership interests	-	-	-	1,126	-	-	-	-	-	1,126	(1,126)	-
Total transactions with owners in their capacity as owners	9,926	-	-	(6,218,060)	-	-	-	(9,551)	406	(6,217,279)	(952)	(6,218,231)
Balance at 31 December 2013	1,451,446	(23)	3,463	313,246	(128,081)	568,466	581	14,578	173,388	2,397,064	403,185	2,800,249

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)
Group

	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Exchange Reserve	Fair Value Adjustment Reserve	Hedging Reserve	Share-based Payment Reserve	Dividend Reserve	Total	Non-controlling Interests	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1st Quarter ended												
31 December 2012												
Balance at 1 October 2012	1,499,329	(23)	264,795	5,510,947	(187,561)	326,152	(13,657)	31,151	171,404	7,602,537	663,048	8,265,585
Effects of adopting Revised FRS 19	-	-	-	(3,107)	74	-	-	-	-	(3,033)	(133)	(3,166)
Balance at 1 October 2012, restated	1,499,329	(23)	264,795	5,507,840	(187,487)	326,152	(13,657)	31,151	171,404	7,599,504	662,915	8,262,419
Comprehensive income												
Share of other comprehensive income of associated companies	-	-	-	(489)	(3,872)	(73)	613	-	-	(3,821)	-	(3,821)
Realisation of reserves on disposal of joint venture companies	-	-	(38,551)	38,564	123,911	-	-	(13)	-	123,911	-	123,911
Net fair value changes on derivative financial instruments	-	-	-	-	-	-	1,403	-	-	1,403	37	1,440
Realisation of fair value gains on disposal of available-for-sale financial assets	-	-	-	-	-	(34,900)	-	-	-	(34,900)	-	(34,900)
Net fair value changes on available-for-sale financial assets	-	-	-	-	-	46,575	-	-	-	46,575	-	46,575
Remeasurement of defined benefit obligations	-	-	-	7	-	-	-	-	-	7	6	13
Currency translation difference	-	-	-	-	820	-	-	-	-	820	(2,593)	(1,773)
Other comprehensive income for the period	-	-	(38,551)	38,082	120,859	11,602	2,016	(13)	-	133,995	(2,550)	131,445
Profit for the period	-	-	-	4,859,858	-	-	-	-	-	4,859,858	16,644	4,876,502
Total comprehensive income for the period	-	-	(38,551)	4,897,940	120,859	11,602	2,016	(13)	-	4,993,853	14,094	5,007,947
Contribution by and distributions to owners												
Employee share-based expense	-	-	-	-	-	-	-	3,313	-	3,313	224	3,537
Issue of shares in the Company upon exercise of share options and vesting of shares awarded	59,998	-	-	-	-	-	-	(18,613)	-	41,385	-	41,385
Contribution of capital by non-controlling interests	-	-	-	-	-	-	-	-	-	-	2,694	2,694
Transfer of reserves by overseas subsidiary companies in compliance with statutory requirement	-	-	(3,561)	3,561	-	-	-	-	-	-	-	-
Dividends:												
Additional dividends due to exercise of share options and vesting of shares awarded	-	-	-	(1,459)	-	-	-	-	1,459	-	-	-
Total contributions by and distributions to owners	59,998	-	(3,561)	2,102	-	-	-	(15,300)	1,459	44,698	2,918	47,616
Changes in ownership interests												
Change of interests in a subsidiary company	-	-	-	758	-	-	-	-	-	758	(758)	-
Disposal of joint venture companies	-	-	-	-	-	-	-	-	-	-	(292,061)	(292,061)
Total changes in ownership interests	-	-	-	758	-	-	-	-	-	758	(292,819)	(292,061)
Total transactions with owners in their capacity as owners	59,998	-	(3,561)	2,860	-	-	-	(15,300)	1,459	45,456	(289,901)	(244,445)
Balance at 31 December 2012	1,559,327	(23)	222,683	10,408,640	(66,628)	337,754	(11,641)	15,838	172,863	12,638,813	387,108	13,025,921

1(d)(i) STATEMENT OF CHANGES IN EQUITY (cont'd)

	Company							
	Share Capital	Treasury Shares	Capital Reserve	Revenue Reserve	Fair Value Adjustment Reserve	Share- Based Payment Reserve	Dividend Reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
1st Quarter ended 31 December 2013								
Balance at 1 October 2013	1,441,520	(23)	(2,814)	3,073,846	150	21,176	172,982	4,706,837
Comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	-	30	-	-	30
Other comprehensive income for the period	-	-	-	-	30	-	-	30
Loss for the period	-	-	-	(770)	-	-	-	(770)
Total comprehensive income for the period	-	-	-	(770)	30	-	-	(740)
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	386	-	386
Issue of shares in the Company upon vesting of shares awarded	9,926	-	-	-	-	(9,926)	-	-
Distribution <i>in specie</i>	-	-	-	(2,911,034)	-	-	-	(2,911,034)
Additional dividends due to vesting of shares awarded	-	-	-	(406)	-	-	406	-
Total transactions with owners in their capacity as owners	9,926	-	-	(2,911,440)	-	(9,540)	406	(2,910,648)
Balance at 31 December 2013	1,451,446	(23)	(2,814)	161,636	180	11,636	173,388	1,795,449
1st Quarter ended 31 December 2012								
Balance at 1 October 2012	1,499,329	(23)	1,036,460	1,601,604	1,886	28,965	171,404	4,339,625
Comprehensive income								
Net fair value changes on available-for-sale financial assets	-	-	-	-	3	-	-	3
Other comprehensive income for the period	-	-	-	-	3	-	-	3
Profit for the period	-	-	-	5,096,157	-	-	-	5,096,157
Total comprehensive income for the period	-	-	-	5,096,157	3	-	-	5,096,160
Contributions by and distributions to owners								
Employee share-based expense	-	-	-	-	-	3,027	-	3,027
Issue of shares in the Company upon exercise of share options and vesting of shares awarded	59,998	-	-	-	-	(18,613)	-	41,385
Transfer of reserves	-	-	(260,251)	260,251	-	-	-	-
Additional dividends due to exercise of share options and vesting of shares awarded	-	-	-	(1,459)	-	-	1,459	-
Total transactions with owners in their capacity as owners	59,998	-	(260,251)	258,792	-	(15,586)	1,459	44,412
Balance at 31 December 2012	1,559,327	(23)	776,209	6,956,553	1,889	13,379	172,863	9,480,197

1(d)(ii) SHARE CAPITAL

Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of Shares	
	1st Quarter to 31/12/2013	4th Quarter to 30/9/2013
Issued and fully paid ordinary shares:		
As at beginning of period	1,441,523,536	1,441,523,536
Issued during the period - pursuant to share plans	3,386,850	-
As at end of period	<u>1,444,910,386</u>	<u>1,441,523,536</u>
	As at 31/12/2013	As at 31/12/2012
The number of shares that may be issued on exercise of share options outstanding at the end of the period	<u>-</u>	<u>997,156</u>
The number of shares awarded conditionally under Share Plans as at the end of the period	<u>4,257,939</u>	<u>5,594,324</u>
The number of issued shares excluding treasury shares at the end of the period	<u>1,444,906,286</u>	<u>1,440,522,280</u>

The Company held 4,100 treasury shares as at 31 December 2013 (31 December 2012: 4,100).

1(d)(iii) The total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company's total number of issued shares excluding treasury shares is 1,444,906,286 as at 31 December 2013 and 1,441,519,436 as at 30 September 2013.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares by the Company during the three months ended 31 December 2013.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group and Company have applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as compared with the audited financial statements for the year ended 30 September 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

As disclosed in paragraph 4, the Group and Company have adopted the following new and revised FRS which became effective from this financial year.

Revised FRS 19	Employee Benefits
FRS 113	Fair Value Measurements
Amendments to FRS 107	Disclosures – Offsetting Financial Assets and Financial Liabilities
Improvements to FRSs 2012:	
Amendments to FRS 1	Presentation of Financial Statements
Amendments to FRS 16	Property, Plant and Equipment
Amendments to FRS 32	Financial Instruments: Presentation

Except for Revised FRS 19, the adoption of the above standards had no material effect on the financial performance or position of the Group and the Company.

With the adoption of Revised FRS 19, the comparative Profit Statement for the period ended 31 December 2012 has been restated. Administration Expenses increased by \$113,000 and Attributable Profit to Shareholders and Non-controlling Interests decreased by \$62,000 and \$51,000 respectively.

Balance Sheet as at 30 September 2013 has been restated. Provision for Employee Benefits increased by \$3,007,000. Exchange Reserve increased by \$74,000 while Revenue Reserve and Non-controlling Interests decreased by \$2,775,000 and \$306,000 respectively. The effect of this restatement is not significant and consequently a restated Group Balance Sheet at the start of the previous reporting period has not been presented.

6. **Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:**

- (a) based on the weighted average number of ordinary shares on issue and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	1st Quarter to 31/12/2013	1st Quarter to 31/12/2012 (Restated)
Earnings per ordinary share:		
(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items	10.7	7.3
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items	10.9	337.4
(b) On a fully diluted basis (cents)		
- before gain on disposal of discontinued operations, fair value adjustment and exceptional items	10.7	7.3
- after gain on disposal of discontinued operations, fair value adjustment and exceptional items	10.8	336.0
	\$'000	\$'000
Attributable profit	156,844	4,859,858
Change in attributable net profit due to dilutive share options	(43)	(41)
Adjusted attributable profit	156,801	4,859,817

Continuing Operations

Earnings per ordinary share from continuing operations:

(a) Based on the weighted average number of ordinary shares on issue (cents)		
- before fair value adjustment and exceptional items	2.5	2.4
- after fair value adjustment and exceptional items	2.5	(1.5)
(b) On a fully diluted basis (cents)		
- before fair value adjustment and exceptional items	2.5	2.4
- after fair value adjustment and exceptional items	2.5	(1.5)
	\$'000	\$'000
Attributable profit	36,028	(22,001)
Change in attributable profit due to dilutive share options	(43)	(41)
Adjusted attributable profit	35,985	(22,042)

7. **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

- (a) current financial period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	As at 31/12/2013	As at 30/9/2013 (Restated)	As at 31/12/2013	As at 30/9/2012
Net asset value per ordinary share based on issued share capital	\$1.66	\$5.90	\$1.24	\$3.27

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

REVIEW OF PERFORMANCE

The principal activities of the Group are:

- (i) production and sale of beverages (includes soft drinks, beer and stout) and dairy products; and
- (ii) printing and publishing.

These activities are carried out through the Company's subsidiary, joint venture and associated companies to which the Company provides management and administrative services.

On 27 August 2013, the Directors announced the proposed demerger of its property business by effecting a distribution *in specie* (the "Proposed FCL Distribution") of all the ordinary shares in the issued share capital of Frasers Centrepoint Limited ("FCL"), a wholly owned subsidiary of the Company to shareholders of the Company, on the basis of two ordinary shares in FCL for each ordinary share of the Company and the listing of the FCL shares on the main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") by way of an Introduction (the "Proposed Listing").

On 13 November 2013, the shareholders of the company approved the Proposed FCL Distribution. Prior to the quarter ended 31 December 2013, the Company subscribed for 1,806,520,790 new shares in FCL for a total subscription amount of \$670 million. Subsequently, the Company announced the completion of the Proposed FCL Distribution on 8 January 2014.

In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of FCL Group has been presented separately on the Group Profit Statement as Discontinued Operations for the 1st quarter ended December 2013 and December 2012. Accordingly, the Group's Properties Segment will be discontinued and the remaining undisposed Property components of the Group will be presented in Others segment. On the Group Balance Sheet, the financial position of FCL Group as at 31 December 2013 was aggregated and presented as Assets Held for Distribution and Liabilities Held for Distribution. A provision for the distribution *in specie* amounting to \$6,219 million and \$2,911 million was made in the Balance Sheet of the Group and Company respectively as at 31 December 2013.

Profit Statement – 1st Quarter

Group revenue increased 5% to \$597 million for the quarter ended 31 December 2013 compared to the corresponding period last year. Beverages segment recorded higher revenue due to contribution from all operations. Dairies also recorded higher revenue from its operations in Thailand and Malaysia. Printing and Publishing revenue was lower.

Group PBIT (profit before interest and tax) of \$61 million was 18% higher than the corresponding period last year due to higher contribution from Beverages and Dairies segments.

Group attributable profit on continuing operations* was 3% higher at \$36 million and basic earnings per share on continuing operations was 4% higher at 2.5 cents.

In accordance with FRS 105, Non-current Assets Held for Sale and Discontinued Operations, the results of the FCL Group for the previous year was restated and presented separately on the Group Profit Statement as Discontinued Operations.

* before fair value adjustment of investment properties and exceptional items

Beverages

Overall Beverages revenue and PBIT was 11% and 28% higher, compared to the corresponding period last year.

Soft Drinks revenue increased by 3% as compared to the same period last year. Sales revenue in Malaysia increased on the back of higher volume, increased distribution outlet coverage, increased marketing activities and trade presence. Sales revenue in Singapore increased mainly due to sales contributed by *100Plus* and *SEASONS*. Sales of *100Plus* was boosted by its sponsorship as the official drinks partner during the SEA Games in Myanmar. With higher sales volume, lower input cost and successful cost management initiatives, Soft Drinks PBIT increased by 36% to \$18 million.

Breweries revenue and sales volume were 29% and 43% higher than last year. Volume growth was mainly contributed by Myanmar Beer as a result of successful promotional campaigns during the SEA Games. Sales revenue increased on the back of volume increases but partly offset by unfavourable exchange movement. Breweries PBIT increased by 23% mainly due to higher sales volume and healthy product mix offset by higher marketing spend for the SEA Games sponsorship and higher distribution cost.

Dairies

Dairies revenue was 6% higher than the corresponding period last year. Dairies in Thailand recorded revenue increase of 15% on the back of double digit growth in volume in both domestic and export markets. In the domestic market, higher consumer demand and effective marketing campaigns helped reinforce its market leader position. Dairies in Malaysia recorded an increase of 6% in sales revenue mainly due to an increase in sales volume and effective promotion and trade management efforts.

Dairies PBIT increased by 9% mainly due to increased contribution on higher sales revenue and improved operating efficiencies

Printing and Publishing

Printing and publishing revenue at \$91 million was 10% lower as compared to the same period last year. Publishing revenue dropped mainly due to lower textbook sales in Singapore and Chile. Printing revenue declined mainly due to underperformance from operations in Singapore and Malaysia resulting from the loss of publication of certain key titles. The above were partly offset by increased revenue from the Distribution Group due to growth from book distribution.

PBIT declined to \$2 million mainly due to the decline in profitability of the Publishing Group as a result of the decline in textbook sales. This was cushioned by measures taken by the Printing Group to manage its costs across its printing plants. The increased contribution from associated companies also helped to partially offset the decline.

Tax

The Group effective tax rate ("ETR") of 19.2% (2012: 146.2%) is higher than the corporate tax rate of 17% because of non-tax deductible expenses and the high taxes levied on the profits of overseas subsidiaries. The comparative ETR becomes 23.8% when the impairment provision of an investment is disregarded. The lower group effective tax rate in the current quarter is due to the write-back of over-provision for tax in prior years.

FCL Group – Discontinued Operations

Revenue and PBIT grew 88% and 62% respectively over the corresponding period last year.

Investment Property revenue and PBIT grew mainly due to the full quarter contribution from the Group's 50% owned One@Changi City which commenced full operations from November 2012. Higher average rental rates and close to full occupancy achieved for office and industrial properties, particularly Alexandra Point, Alexandra Technopark and River Valley Office Tower also contributed to the growth in revenue during the period. Improved efficiencies on better occupancy rates led to higher PBIT growth.

Hospitality revenue and PBIT grew largely due to higher room revenue owing to increase in occupancy, notably Fraser Suites Queens Gate in the United Kingdom, where more rooms were available upon completion of renovation works in July 2013, as well as increased occupancy at Fraser Suites Perth.

Development Property revenue and PBIT grew mainly due to higher development revenue from overseas projects. Australia developments led the increase in overseas revenue with the completion of One Central Park East, continued sales of completed units in One Central Park West and Park Lane, and the sale of Morton Street development site in Sydney. In China, revenue was higher due to sale of completed units of Phase 1B and 2A in Suzhou Baitang, China. In Singapore, revenue and PBIT were lower mainly due to the difference in percentage of completion and revenue recognition on the development projects over the 2 comparative quarters.

Balance Sheet as at 31 December 2013

The Group

The decrease in Reserves was mainly due to the Proposed FCL Distribution, negative currency translation and fair value losses on the investment in Vinamilk in Vietnam. This was offset by profits of \$157 million retained for the quarter.

The decrease in the various lines of Assets and Liabilities are mainly due to the reclassification to Assets/Liabilities Held for Distribution upon the shareholders' approval of the Proposed FCL Distribution.

Setting aside the Proposed FCL Distribution, the increase in Trade Receivables is mainly in line with higher sales recorded by the Beverages and Dairies divisions while the decrease in Other Payables is mainly due to payments made for accruals as at 30 September 2013.

Group Cash Flow Statement for quarter ended 31 December 2013

The cash inflows and outflows are detailed in the Group Cash Flow Statement and includes FCL's cashflow for the period ended 31 December 2013.

Net cash inflow from operating activities of \$44 million was higher than the \$25 million last year mainly due to higher payments received on properties held for sale partly offset by prepayment made for land costs.

Net cash outflow from investing activities of \$701 million as compared to an inflow of \$5,566 million last year was mainly due to development expenditure incurred on investment properties under construction in this quarter. Last year's cashflow benefitted from the proceeds received from the disposal of APIPL Group and short term investments.

Net cash inflow from financing activities of \$166 million was slightly lower than \$178 million last year due to higher proceeds received in the previous year upon the issue of shares in the Company pursuant to the exercise of executive share options.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The global economy is expected to grow modestly in 2014 with the Singapore economy expected to grow at between 2% to 4%.

The Food & Beverage segment expects key raw materials and energy costs to continue to be volatile. In particular, dairy based raw materials prices are expected to remain relatively high. In addition, consumer sentiments in the markets in which we operate is expected to be affected by both the economic climate and government policies. Nevertheless, the Group will continue to monitor the situation closely to mitigate the effects of rising costs and to respond in a timely manner to changes in consumer sentiments so as to sustain the operating performance of the Group.

Overall outlook for the Printing & Publishing segment remains challenging in the coming months. Education Publishing will continue its investment to expand the business and focus on developing its overseas markets while Printing will focus on expanding its commercial and non-traditional print jobs to mitigate challenges faced in the traditional print business.

While the strengthening of the Singapore Dollar against the regional Asia Pacific currencies will alleviate some pressure on import costs, it will also impact the financial performance of the Group as a high proportion of earnings are derived from outside Singapore.

11. If no dividend has been declared (recommended), a statement to the effect.

No dividend has been declared for the current financial period.

12. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company had not obtained a general mandate from shareholders for Interested Person Transactions during the period.

13. SUBSEQUENT EVENTS

(a) Further to the Announcements in relation to the demerger of its property business by effecting a distribution *in specie*, on 8 January 2014, the Company announced the completion of the Proposed FCL Distribution.

(b) On 9 January 2014, the Company's subsidiary company, Fraser & Neave Holdings Bhd ("F&NHB") announced that it had entered into a settlement agreement (the "Settlement Agreement") with BJC O-I Glass Pte Ltd ("BJC O-I"), Berli Jucker Public Company Ltd ("BJC") and ACI International Pty Ltd ("ACI") in respect of the proceeding instituted by BJC O-I against F&NHB, without any admission as to any claims and/or liabilities.

The Settlement Agreement covers all claims save and except for claims relating to Sichuan Malaya Glass Co Ltd and claims relating to taxation assessment liabilities pursuant to the terms and conditions in the Share Sale Agreement dated 14 May 2010 between BJC, ACI and F&NHB.

(c) On 26 December 2013, the Company announced a proposed capital reduction exercise ("Capital Reduction") involving a cash distribution by the Company to the shareholders of the Company of \$0.42 in cash for each ordinary share in the capital of the Company. Based on the number of existing issued shares, as at the date of this announcement, an aggregate amount of approximately \$607 million will be returned to the shareholders pursuant to the Capital Reduction.

(d) Redemption of Notes Series 9 & 10 Retail Bonds 5 & 7 year were completed in January 2014. All Notes and Bonds issued to the Company and F&N Treasury Pte Ltd, a subsidiary company, have been redeemed.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including the Director(s), if any, who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement and the Directors jointly and severally accept full responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement.

**15. CONFIRMATION BY THE BOARD OF DIRECTORS
Pursuant to Rule 705(5) of the SGX Listing Manual**

We, Siripen Sitasuwan and Sithichai Chaikriangkrai, being two Directors of Fraser and Neave, Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company, that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the interim financial results to be false or misleading in any material respect.

On behalf of the Board

Siripen Sitasuwan
Director

Sithichai Chaikriangkrai
Director

BY ORDER OF THE BOARD
Anthony Cheong Fook Seng
Group Company Secretary

11 February 2014