FRASER & NEAVE HOLDINGS BHD.
(Company No: 004205-V, Incorporated in Malaysia)

Level 8, F&N Point,
No. 3 Jalan Metro Pudu 1,
Fraser Business Park, Off Jalan Yew,
50450 Kuala Lumpur, Malaysia
Tel: 03-92352288 Fax:03-92227878

For immediate release

QUARTERLY FINANCIAL REPORT

Quarter 2 and half year results : Financial Year Ending 30 September 2014

The Directors are pleased to release the unaudited quarterly financial report for the quarter and six months ended 31st March 2014.

The contents of the financial report comprise the following attached unaudited condensed consolidated financial statements, explanatory notes and additional disclosures and these must be read in conjunction with the Group's financial statements for the year ended 30 September 2013:

Schedule A : Unaudited Condensed Consolidated Income Statement
Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income
Schedule C : Unaudited Condensed Consolidated Statement of Financial Position
Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows
Schedule E : Unaudited Condensed Consolidated Statement of Changes in Equity
Schedule F : Selected Explanatory Notes
Schedule G : Additional Disclosures

The unaudited quarterly financial report has been prepared in accordance with the accounting standards on interim financial reporting issued by the Malaysian Accounting Standards Board and contains additional disclosures prescribed by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. Unless specified otherwise, the same accounting policies and methods of computation applied to the Group's financial statements for the previous year had been followed throughout this quarterly financial report.

By Order of the Board

Soon Wing Chong
Company Secretary

Kuala Lumpur
7 May 2014

Schedule A : Unaudited Condensed Consolidated Income Statement

For the quarter and six months ended 31 March 2014

RM'000	Individual 2nd Quarter 31/03/2014	Individual 2nd Quarter 31/03/2013 (Restated)	% chg	Cumulative 2nd Quarter 31/03/2014	Cumulative 2nd Quarter 31/03/2013 (Restated)	% chg
Revenue	935,395	* 865,274	*8.1%*	1,883,156	* 1,719,485	*9.5%*
Operating profit	81,765	* 66,839	*22.3%*	167,640	* 134,447	*24.7%*
Interest expense	(2,818)	(3,404)		(5,746)	(7,029)	
Interest income	1,847	* 828		3,677	* 1,898	
Share of results of a joint venture #	(193)	* (129)		(414)	* (307)	
Share of results of an associate ^	2,165	1,201		3,739	2,434	
Profit before tax (PBT)	82,766	65,335	*26.7%*	168,896	131,443	*28.5%*
Taxation (Schedule G, Note 4)	(14,675)	* (11,025)		(32,048)	* (20,311)	
Profit after tax (PAT)	68,091	54,310	*25.4%*	136,848	111,132	*23.1%*
Attributable to:						
Equity holders of the Company	68,091	54,319	*25.4%*	136,857	111,141	*23.1%*
Non-controlling interests	-	(9)		(9)	(9)	
	68,091	54,310		136,848	111,132	
Basic earnings per share (sen) attributable to equity holders of the Company	18.6	14.9	*24.8%*	37.5	30.6	*22.5%*
Diluted earnings per share (sen) attributable to equity holders of the Company	18.6	14.9	*24.8%*	37.4	30.5	*22.6%*

* *The comparatives for the financial quarter and six months ended 31 March 2014 have been restated as disclosed in Schedule F, Note 18.*

The share of results of a joint venture for the quarter refers to Vacaron Company Sdn Bhd and is derived from its management accounts for the quarter and six months ended 31 March 2014.

^ *The share of results of an associate for the quarter refers to Cocoaland Holdings Berhad and is derived from its quarterly announcement for the year ended 31 December 2013 dated 27 February 2014.*

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the year ended 30 September 2013.

Schedule B : Unaudited Condensed Consolidated Statement of Comprehensive Income
For the quarter and six months ended 31 March 2014

RM'000	Individual 2nd Quarter 31/03/2014	Individual 2nd Quarter 31/03/2013 (Restated)	% chg	Cumulative 2nd Quarter 31/03/2014	Cumulative 2nd Quarter 31/03/2013 (Restated)	% chg
Profit for the year	68,091	54,310	*25.4%*	136,848	111,132	*23.1%*
Other comprehensive income, net of tax:						
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:						
Re-measurement gains on defined benefit plans	-	33		-	66	
***Other comprehensive income to be reclassified to profit or loss in subsequent periods*:**						
Exchange differences on translation of foreign operations	2,072	21,575		(16,214)	24,104	
Total comprehensive income	70,163	75,918	*-7.6%*	120,634	135,302	*-10.8%*
Total comprehensive income attributable to:						
Equity holders of the Company	70,163	75,927		120,643	135,311	
Non-controlling interests	-	(9)		(9)	(9)	
	70,163	75,918	*-7.6%*	120,634	135,302	*-10.8%*

Schedule C : Unaudited Condensed Consolidated Statement of Financial Position

As at 31 March 2014

RM'000	31/03/2014	30/09/2013 (Restated)	1/10/2012 (Restated)
Non-current assets			
Property, plant and equipment	1,041,059	* 1,065,773	1,074,386
Investment properties	57,084	57,084	-
Properties held for development	54,518	54,518	* 54,641
Joint venture (*Schedule F, Note 6*)	31,450	* 28,729	* 17,195
Associate	76,917	75,511	73,737
Intangible assets	133,861	136,476	134,970
Deferred tax assets	59,302	* 71,113	* 78,983
	1,454,191	1,489,204	1,433,912
Current assets			
Inventories	380,316	350,134	370,775
Receivables	534,194	* 517,462	* 537,758
Tax recoverable	4,483	3,948	* 4,745
Cash and cash equivalents	342,144	* 360,711	* 227,683
	1,261,137	1,232,255	1,140,961
Non-current assets held for sale #	-	-	55,897
	1,261,137	1,232,255	1,196,858
Total assets	2,715,328	2,721,459	2,630,770
Equity			
Share capital and reserves	1,640,155	* 1,648,440	* 1,553,585
Non-controlling interests	218	227	254
Total equity	1,640,373	1,648,667	1,553,839
Non-current liabilities			
Borrowings	300,000	150,000	-
Provision for retirement benefits	37,719	* 36,784	* 35,935
Deferred tax liabilities	27,489	26,833	15,047
	365,208	213,617	50,982
Current liabilities			
Payables	622,622	* 594,225	* 593,888
Provisions	1,709	17,934	6,000
Borrowings	75,000	240,000	423,711
Provision for taxation	10,416	7,016	2,350
	709,747	859,175	1,025,949
Total liabilities	1,074,955	1,072,792	1,076,931
Total equity and liabilities	2,715,328	2,721,459	2,630,770
Net assets per share (RM) attributable to equity holders of the Company	4.49	4.52	4.28

 # Comprises Car Park and Techno Centre which have been reclassified to "Property, plant and equipment" and "Investment Properties" in the previous financial year ended 30 September 2013 as the criteria under MFRS 5: Non-current Assets Held for Sale and Discontinued Operations are no longer met.

* *The comparatives for the six months ended 31 March 2014 have been restated as disclosed in Schedule F, Note 18.*

Schedule D : Unaudited Condensed Consolidated Statement of Cash Flows
For the six months ended 31 March 2014

RM'000	Cumulative 2nd quarter 31/03/2014	31/03/2013 (Restated)
Operating activities		
Profit before tax	168,896	131,443
Add non-cash items:		
- Depreciation and amortisation	43,469	* 46,976
- Others	(2,644)	* 13,621
Interest income	(3,677)	* (1,898)
Interest expense	5,746	* 7,029
Share of results of a joint venture	414	* 307
Share of results of an associate	(3,739)	* (2,434)
Changes in working capital	(38,497)	* 35,322
Tax paid	(16,477)	(12,861)
Net cash flows generated from operating activities	153,491	217,505
Investing activities		
Interest income	3,677	1,898
Dividend income	2,333	2,333
Proceeds from disposal of property, plant and equipment	419	* 638
Purchase of property, plant and equipment	(26,324)	* (29,256)
Purchase of intangible assets	(223)	(3,066)
Net cash flows used in investing activities	(20,118)	(27,453)
Financing activities		
Interest expenses	(5,746)	(7,029)
Dividends paid	(146,199)	(138,156)
Net movement in borrowings	(15,000)	26,289
Proceeds from the exercise of the Executives' Share Options Scheme ("ESOS")	15,005	8,837
Net cash flows used in financing activities	(151,940)	(110,059)
Net change in cash and cash equivalents	(18,567)	79,993
Cash and cash equivalents at beginning of year	360,711	* 227,683
Cash and cash equivalents at end of quarter	342,144	307,676

Note:
( ) denotes cash outflow

* *The comparatives for the six months ended 31 March 2014 have been restated as disclosed in Schedule F, Note 18.*

Schedule E : Unaudited Condensed Consolidated Interim Statement of Changes in Equity

For the six months ended 31 March 2014

	<--------------------------Attributable to equity holders of the Company----------------->									
	<--------------------------------Non-distributable---------------------------->						Distributable			
RM'000	Share capital	Share premium	Treasury shares	Foreign exchange reserve	Share-based payment reserve	Legal reserve	Retained earnings (Restated)	Total	Non-controlling interests	Total equity
At 1 October 2013	364,658	417,309	(1,716)	10,083	12,165	9,934	836,007	1,648,440	227	1,648,667
Total comprehensive income	-	-	-	(16,214)	-	-	136,857	120,643	(9)	120,634
Transactions with owners:										
Issuance of shares upon exercise of ESOS and Share Grant Plan ("SGP")	1,148	15,258	-	-	(1,401)	-	-	15,005	-	15,005
Employee share-based payment expense	-	-	-	-	2,266	-	-	2,266	-	2,266
Dividends paid	-	-	-	-	-	-	(146,199)	(146,199)	-	(146,199)
Total transactions with owners	1,148	15,258	-	-	865	-	(146,199)	(128,928)	-	(128,928)
At 31 March 2014	365,806	432,567	(1,716)	(6,131)	13,030	9,934	826,665	1,640,155	218	1,640,373
At 1 October 2012	362,997	395,810	(1,716)	(9,268)	8,552	9,934	* 787,276	1,553,585	254	1,553,839
Total comprehensive income	-	-	-	24,104	-	-	111,207	135,311	(9)	135,302
Transactions with owners:										
Issuance of shares upon exercise of ESOS	857	7,980	-	-	-	-	-	8,837	-	8,837
Employee share-based payment expense	-	-	-	-	3,207	-	-	3,207	-	3,207
Dividends paid	-	-	-	-	-	-	(138,156)	(138,156)	-	(138,156)
Total transactions with owners	857	7,980	-	-	3,207	-	(138,156)	(126,112)	-	(126,112)
At 31 March 2013	363,854	403,790	(1,716)	14,836	11,759	9,934	760,327	1,562,784	245	1,563,029

* *The comparatives for the six months ended 31 March 2014 have been restated as disclosed in Schedule F, Note 18.*

This Statement should be read in conjunction with the selected explanatory notes on Schedule F & G of this Report and the Group's audited financial statements for the financial year ended 30 September 2013.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134

1. Basis of preparation

These condensed consolidated interim financial statements ("interim financial statements") are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 September 2013. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 September 2013.

The accounting policies and presentation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 30 September 2013, except for the adoption of the following new and amended MFRS, and Issues Committee (IC) Interpretations mandatory for annual financial periods beginning on or after 1 October 2013.

- MFRS 3 *Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)*
- MFRS 10 *Consolidated Financial Statements*
- MFRS 11 *Joint Arrangements*
- MFRS 12 *Disclosure of Interests in Other Entities*
- MFRS 13 *Fair Value Measurement*
- MFRS 119 *Employee Benefits (IAS 19 as amended by IASB in June 2011)*
- MFRS 127 *Consolidated and Separate Financial Statements (IAS 27 revised by IASB in December 2003)*
- MFRS 127 *Separate Financial Statements (IAS 27 as amended by IASB in May 2011)*
- MFRS 128 *Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)*
- Amendments to MFRS 1 *First-time Adoption of MFRS - Government Loans* *
- Amendments to MFRS 7 *Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 10, MFRS 11 and MFRS 12: *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*
- IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* *
- Annual Improvements 2009-2011 Cycle

** not applicable*

The adoption of the above pronouncements did not have any significant effect on the financial performance, position or presentation of financials of the Group, except for those described below:

MFRS 11 *Joint Arrangements*

MFRS 11 replaces MFRS 131 *Interests in Joint Ventures* and IC Interpretation 113 *Jointly-Controlled Entities – Non-monetary Contributions by Venturers*.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

1. Basis of preparation (cont'd)

MFRS 11 *Joint Arrangements* (cont'd)
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard affected the financial position of the Group. This is due to the cessation of proportionate consolidation of Vacaron Company Sdn Bhd. Under MFRS 11, Vacaron Company Sdn Bhd is treated as a joint venture and is accounted for using the equity method.

MFRS 11 has been applied in accordance with the relevant transitional provisions set out in MFRS 11. The initial investment as at 1 October 2012 for the purposes of applying the equity method is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

The above change in accounting policy has affected the amounts reported in the Group's consolidated financial statements, as shown in Schedule F, Note 18.

The accounting policies for joint ventures have been revised as follows:

"A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in joint venture, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the joint venture's profit or loss for the period in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture.

Under the equity method, on initial recognition the investment in a joint venture is recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

The interest in a joint venture is the carrying amount of the investment in the joint venture determined using the equity method together with any long-term interests that, in substance, form part of the entity's net investment in the joint venture. When the Group's share of losses in a joint venture equal or exceeds its interest in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

1. Basis of preparation (cont'd)

MFRS 11 *Joint Arrangements* (cont'd)
Profits and losses resulting from upstream and downstream transactions between the Group and its joint venture are recognised in the Group's financial statements only to the extent of unrelated investors' interests in the joint venture. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The financial statements of the joint ventures are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies MFRS 139 *Financial Instruments: Recognition and Measurement* to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

In the Company's separate financial statements, investment in joint venture is accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

MFRS 12 *Disclosures of Interests in Other Entities*
MFRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 13 *Fair Value Measurement*
MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group.

Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*
The amendments to MFRS 101 requires entities to group items presented in "Other Comprehensive Income" in the Statement of Comprehensive Income on the basis of whether they are potentially reclassifiable to profit or loss subsequently.

The amendments affect presentation only and have no impact on the Group's financial position or performance.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

1. Basis of preparation (cont'd)

MFRS 119 *Employee Benefits (IAS 19 as amended by IASB in June 2011)*
The Group applied MFRS 119 (revised) retrospectively in the current period in accordance with the transitional provisions set out in the revised standard. The opening statement of financial position of the earliest comparative period presented (1 October 2012) and the comparative figures have been accordingly restated.

The amendments to MFRS 119 revised the accounting for defined benefit plans and termination benefits. The significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of MFRS 119 as well as accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statements of financial position to reflect the full value of the plan deficit or surplus.

The Group has adopted MFRS 119 and applied this standard retrospectively during the current period. The financial effects on initial adoption of MFRS 119, together with certain reclassification made to conform with current period's presentation are shown in Schedule F, Note 18.

Accordingly, the accounting policy for the defined benefit plan has been revised as follows:

"Certain subsidiaries of the Group operate unfunded defined benefit plan for its employees. The plan pays a lump sum amount (instead of a pension) at retirement.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The liability recognised in the balance sheet is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality bonds that are denominated in the currency in which the benefits will be paid, and have tenures approximating to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when arise. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised immediately in profit or loss."

2. Auditors' report
The auditors' report of the preceding annual financial statements of the Company and of the Group was not subject to any qualification.

3. Comment on seasonality or cyclicality of operation
The Group's performance is normally not affected by seasonal or cyclical events on a year to year basis. However, on a quarter to quarter basis, the demand for certain group products such as soft drinks and evaporated milk may be skewed towards major festivities and weather pattern.

4. Unusual items affecting assets, liabilities, equity, net income or cash flows
There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

5. Significant estimates and changes in estimates

There were no significant estimates or changes in estimates that have had any material effect on the results of the current quarter.

6. Investment in joint venture

RM'000	31/03/2014	30/09/2013 (Restated)	1/10/2012 (Restated)
Unquoted shares, at cost	500	500	500
Share of post-acquisition reserves	(1,293)	(879)	(248)
	(793)	(379)	252
Shareholder's loan	87,535	84,400	72,235
	86,742	84,021	72,487
Less: Unrealised profit	(55,292)	(55,292)	(55,292)
	31,450	28,729	17,195

The summarised financial information of the joint venture, not adjusted for the proportion of ownership interest held by the Group, is as follows:

RM'000	31/03/2014	30/09/2013	1/10/2012
Total assets	173,490	167,884	144,462
Total liabilities	(175,094)	(168,660)	(143,976)

	Individual 2nd quarter		Cumulative 2nd quarter	
RM'000	31/03/2014	31/03/2013	31/03/2014	31/03/2013
Revenue	-	-	-	-
Loss	(193)	(129)	(414)	(307)

7. Issuance or repayments of debt/equity securities

There have been no issuance, cancellation, repurchases, resale and repayments of debt and equity securities in the cumulative 2nd quarter except for the issuance of:

(i) 135,100 and 936,000 ordinary shares pursuant to its Executives' Share Option Scheme at the exercise price of RM10.47 and RM14.52 each respectively; and

(ii) 76,900 ordinary shares pursuant to its Share Grant Plan at the exercise price of RM18.22.

8. Dividends paid

A final single tier dividend of 30 sen per share amounting to RM109.6 million (2012: 23 sen per share amounting to RM83.6 million) together with a special single tier dividend of 10 sen per share amounting to RM36.6 million (2012: 15 sen per share amounting to RM54.5 million) in respect of the financial year ended 30 September 2013 were paid on 26 February 2014.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

9. Segmental information

Segment Results

For management purposes, the Group's operating businesses are organised according to products and services, namely Soft Drinks, Dairies Malaysia, Dairies Thailand, Property and Others segments. Segment performance is evaluated based on operating profit. Inter-segment transactions and pricing arrangements, where applicable, are determined on a commercial basis. The results by segments for the quarter are as follows:

	Revenue				
	Individual 2nd quarter		1st quarter	Cumulative 2nd quarter	
RM'000	2014	2013	2014	2014	2013
Soft drinks	365,558	* 373,337	377,624	743,182	* 726,112
Dairies Malaysia	261,514	231,478	272,758	534,272	484,901
Dairies Thailand	308,104	260,301	297,233	605,337	508,166
Property	169	125	96	265	244
Others	50	33	50	100	62
	935,395	865,274	947,761	1,883,156	1,719,485

	Operating profit				
	Individual 2nd quarter		1st quarter	Cumulative 2nd quarter	
RM'000	2014	2013	2014	2014	2013
Soft drinks	38,484	* 34,585	43,412	81,896	* 71,040
Dairies Malaysia [(a)]	19,285	* 9,778	20,322	39,607	* 24,634
Dairies Thailand	21,260	23,120	19,303	40,563	39,723
Property	82	* (399)	248	330	* (2,668)
Others	2,654	(245)	2,590	5,244	1,718
Operating profit	81,765	66,839	85,875	167,640	134,447
Interest expense	(2,818)	(3,404)	(2,928)	(5,746)	(7,029)
Interest income	1,847	* 828	1,830	3,677	* 1,898
Share of results of a joint venture	(193)	* (129)	(221)	(414)	* (307)
Share of results of an associate	2,165	1,201	1,574	3,739	2,434
Profit before tax	82,766	65,335	86,130	168,896	131,443

(a) Included expenses relating to the shift from Section 13, Petaling Jaya to Pulau Indah along with the crating and storage of useable manufacturing machineries (Individual Q2: RMNil vs LY RM3.2 million, Cumulative Q2: RMNil vs LY RM4.2 million).

* *The comparatives for the financial quarter and six months ended 31 March 2014 have been restated as disclosed in Schedule F, Note 18.*

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

9. Segmental information (cont'd)

Segment assets
The total of segment assets is measured based on all assets excluding deferred tax assets, cash and cash equivalents, joint venture and associate.

RM'000	Assets 31/03/2014	30/9/2013
Soft drinks	737,028	731,048
Dairies Malaysia	679,930	658,355
Dairies Thailand	543,022	551,744
Property	188,349	* 188,162
Others	57,186	56,086
	2,205,515	2,185,395

Segment liabilities
The total of segment liabilities is measured based on all liabilities excluding deferred tax liabilities, provision for taxation and bank borrowings.

RM'000	Liabilities 31/03/2014	30/09/2013
Soft drinks	267,805	* 301,067
Dairies Malaysia	188,642	* 163,533
Dairies Thailand	183,704	* 148,146
Property	9,320	* 9,737
Others	12,579	26,460
	662,050	648,943

* *The comparatives for the six months ended 31 March 2014 have been restated as disclosed in Schedule F, Note 18.*

10. Acquisitions and disposals/write offs of property, plant and equipment and intangible assets

RM'000	Individual 2nd quarter 31/03/2014	31/03/2013	Cumulative 2nd quarter 31/03/2014	31/03/2013
Acquisitions (cost)	13,986	16,635	26,547	32,322
Disposals/write offs (net carrying amount)	388	853	1,395	1,999
Net loss on disposals/write offs	147	702	976	1,361

11. Subsequent events
There were no material events subsequent to the end of the quarter that have not been reflected in the current financial quarter.

12. Changes in the composition of the Group
There were no changes in the composition of the Group during the financial quarter.

13. Contingent liabilities
There were no contingent liabilities of a material nature since the last annual reporting date.

14. Contingent assets
There were no contingent assets of a material nature since the last annual reporting date.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

15. Capital commitment

The outstanding capital commitments are as follows:

RM'000	31/03/2014	30/09/2013
Property, plant and equipment		
- Approved and contracted for	18,361	9,674
- Approved and not contracted for	33,078	29,814
	51,439	39,488

16. Significant related party transactions

The following are significant related party transactions:

	Cumulative 2nd quarter	
RM'000	2014	2013
Fraser and Neave, Limited ("F&N Limited") Group		
Sales	73,914	61,336
Rental income	151	151
Purchases	101,150	96,724
Royalties paid	25,983	25,191
Corporate charges paid	937	1,621
Other expenses paid	65	-
Vacaron Company Sdn Bhd		
Receipt of corporate service fees and staff costs	598	719
Rental income	54	54
Interest income	1,709	1,596
Thai Beverage Public Company Limited Group		
Sales	295	154
Purchases	742	-
Insurance premium paid	2,445	-
Berli Jucker Public Company Limited Group		
Sales	1,450	915
Purchases	23,254	18,363
Management fees paid	617	-
Logistic cost	6	-
Permodalan Nasional Berhad ("PNB") Group *		
Sales	33,657	33,150
Purchases	25,752	13,511
Purchase of office equipment	582	-
Repair and maintenance of motor vehicle paid	-	7
Rental of equipment paid	859	929
Other expenses paid	50	162
Compensation of key management personnel of the Group	3,162	4,350
Directors fees	497	391

The above transactions had been entered into in the ordinary course of business on normal commercial terms.

* Permodalan Nasional Berhad ("PNB") is deemed a related party to Fraser & Neave Holdings Bhd ("FNHB") by virtue of PNB holding 72,092,500 shares as of 31 March 2014 through Amanahraya Trustees Berhad, representing 19.72% equity interest in FNHB and having two nominee directors on the Board of FNHB.

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

17. Fair value hierarchy

As at 31 March 2014, the Group held foreign currency forward contracts carried at fair value of approximately RM91,381 (30 September 2013: RM306,410) based on level 1 quoted prices (unadjusted) in active markets for identical assets or liabilities. There was no transfer between any levels of the fair value hierarchy and there was no change in the purpose of any financial asset that subsequently resulted in a different classification of that asset during the financial quarter.

18. Change in comparatives

The comparatives for the financial quarter and six months ended 31 March 2014 have been restated as follows:

RM'000	As previously stated	Adjustments (a)	(b)	(c)	As restated
Income statement:					
For the quarter ended 31 March 2013					
Revenue	882,061	-	-	(i) (16,787)	865,274
Operating profit	66,958	173	(292)	-	66,839
Interest income	830	(2)	-	-	828
Share of results of a joint venture	-	(129)	-	-	(129)
Taxation	(10,983)	(42)	-	-	(11,025)
For the six months ended 31 March 2013					
Revenue	1,755,764	-	-	(i) (36,279)	1,719,485
Operating profit	134,621	410	(584)	-	134,447
Interest income	1,900	(2)	-	-	1,898
Share of results of a joint venture	-	(307)	-	-	(307)
Taxation	(20,210)	(101)	-	-	(20,311)
Statement of financial position:					
As at 30 September 2013					
Property, plant and equipment	1,065,776	(3)	-	-	1,065,773
Joint venture	-	28,729	-	-	28,729
Deferred tax assets	71,404	(291)	-	-	71,113
Property development costs	26,834	(26,834)	-	-	-
Receivables	559,722	(42,260)	-	-	517,462
Cash and cash equivalents	362,172	(1,461)	-	-	360,711
Provision for retirement benefits	35,042	-	1,742	-	36,784
Payables	636,354	(42,129)	-	-	594,225
Share capital and reserves	1,650,173	9	(1,742)	-	1,648,440
As at 1 October 2012					
Properties held for development	62,276	(7,635)	-	-	54,641
Joint venture	-	17,195	-	-	17,195
Deferred tax assets	79,050	(67)	-	-	78,983
Property development costs	9,047	(9,047)	-	-	-
Receivables	518,315	(24,359)	-	(ii) 43,802	537,758
Tax recoverable	-	-	-	(ii) 4,745	4,745
Cash and cash equivalents	227,873	(190)	-	-	227,683
Provision for retirement benefits	35,227	-	708	-	35,935
Payables	569,454	(24,113)	-	(ii) 48,547	593,888
Share capital and reserves	1,554,283	10	(708)	-	1,553,585

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

18. Change in comparatives (cont'd)

RM'000	As previously stated	Adjustments (a)	(b)	(c)	As restated
Statement of cash flows:					
For the six months ended 31 March 2013					
Depreciation	44,062	-	-	(ii) (44,062)	-
Depreciation and amortisation	-	-	-	(ii) 46,976	46,976
Others	8,875	-	584	(ii) 4,162	13,621
Interest income	-	-	-	(ii) (1,898)	(1,898)
Interest expense	-	-	-	(ii) 7,029	7,029
Share of results of a joint venture	-	307	-	-	307
Share of results of an associate	-	-	-	(ii) (2,434)	(2,434)
Changes in working capital	42,939	(541)	-	(ii) (7,076)	35,322
Capital expenditure	(28,618)	-	-	(ii) 28,618	-
Proceeds from disposal of property, plant and equipment	-	-	-	(ii) 638	638
Purchase of property, plant and equipment	-	-	-	(ii) (29,256)	(29,256)
Cash and cash equivalents at beginning of year	227,873	(190)	-	-	227,683
Statement of changes in equity:					
As at 1 October 2013					
Share capital and reserves	1,650,173	9	(1,742)	-	1,648,440
Retained earnings	837,740	9	(1,742)	-	836,007
As at 1 October 2012					
Share capital and reserves	1,554,283	10	(708)	-	1,553,585
Retained earnings	787,974	10	(708)	-	787,276
Segment revenue:					
For the quarter ended 31 March 2013					
Soft drinks	390,124	-	-	(i) (16,787)	373,337
For the six months ended 31 March 2013					
Soft drinks	762,391	-	-	(i) (36,279)	726,112

Schedule F : Selected Explanatory Notes Pursuant to MFRS 134 (cont'd)

18. Change in comparatives (cont'd)

RM'000	As previously stated	Adjustments (a)	Adjustments (b)	Adjustments (c)	As restated
Segment operating profit:					
For the quarter ended 31 March 2013					
Soft drinks	34,774	-	(189)	-	34,585
Dairies Malaysia	9,881	-	(103)	-	9,778
Property	(572)	173	-	-	(399)
Interest income	830	(2)	-	-	828
Share of results of a joint venture	-	(129)	-	-	(129)
For the six months ended 31 March 2013					
Soft drinks	71,418	-	(378)	-	71,040
Dairies Malaysia	24,840	-	(206)	-	24,634
Property	(3,078)	410	-	-	(2,668)
Interest income	1,900	(2)	-	-	1,898
Share of results of a joint venture	-	(307)	-	-	(307)
Segment assets:					
As at 30 September 2013					
Property	257,259	(69,097)	-	-	188,162
Segment liabilities:					
As at 30 September 2013					
Soft drinks	301,871	-	(804)	-	301,067
Dairies Malaysia	159,978	-	3,555	-	163,533
Dairies Thailand	149,155	-	(1,009)	-	148,146
Property	51,866	(42,129)	-	-	9,737

(a) Adjustments pursuant to the adoption of MFRS 11 Joint Arrangements (See Schedule F, Note 1)
(b) Adjustments pursuant to the adoption of MFRS 119 Employee Benefits (See Schedule F, Note 1)
(c)(i) Being adjustment for the elimination of sales tax. The adjustment has no impact on the results of the quarter and six months ended 31 March 2013.
(c)(ii) Being reclassification to conform with current year's presentation.

(The remainder of this page has been intentionally left blank.)

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements

1. Operations review

Current quarter vs corresponding quarter

Group revenue for the quarter rose by 8.1% to RM935 million from RM865 million driven by stronger sales from both its dairies operations. Soft Drinks' sales were impacted by heavy competitors' trade discounting. Both Dairies Malaysia and Thailand registered double digit growth of 13.0% and 18.4% respectively, driven by stronger domestic market off-take.

Group operating profit improved by 22.3%, contributed by Soft Drinks and Dairies Malaysia. Soft Drinks' operating profit grew by 11.3%, aided by lower trade discounts, a favorable sales mix composition, improvement in commodity prices and improved production yields. Dairies Malaysia's operating profit grew significantly by 97.2%, supported by the 13.0% revenue growth, improved production yield and the absence of packing and dismantling costs amounting to RM3.2 million incurred in corresponding quarter last year. Dairies Thailand's operating profit, however declined by 8.0% despite higher sales achievement as it was impacted by high commodity prices which we are not able to pass on.

Half year vs corresponding period last year

Group revenue rose 9.5% to RM1.88 billion for the first half of the year mainly contributed by the improved performances of all its business units, in particular, from both its dairies operations. Dairies Malaysia's and Dairies Thailand's improved performances were driven by stronger domestic market off-take. Soft Drinks, though registering a growth in revenue by 2.4%, saw increased competitors' trade promotions and offerings. However, current year's Chinese New Year sales volume for Soft Drinks increased with higher consumers' activations.

Group operating profit rose 24.7% to RM167.6 million. The increase was mainly attributable to improved performances for Soft Drinks and Dairies Malaysia. Soft Drinks' operating profit grew by 15.3%, aided by lower trade discounts, a favorable sales mix composition, improvement in commodity prices and improved production yields. Dairies Malaysia's improved performance was due to higher sales, improved production yield, bad debt recovery and the absence of packing and dismantling costs amounting to RM4.2 million incurred in corresponding period last year. Despite higher sales for Dairies Thailand, the inability to pass on commodity price increase to end consumers has negated the contribution of higher revenue to operating profit.

2. Comment on material change in profit before taxation vs preceding 1st quarter

Profit before taxation in the current quarter was RM82.8 million compared to RM86.1 million in the preceding 1st quarter. Discounting the bad debt recovery of RM3.5 million by Dairies Malaysia in the preceding 1st quarter and higher profit contribution from the associate company, the Group's quarter on quarter profit was relatively unchanged.

The operating profit of Soft Drinks and Dairies Malaysia were in line with the lower sales. Dairies Thailand's operating profit grew by 10.1% from higher sales and favourable sales mix, lower advertising and promotion activities on its core brands and lower administrative costs.

3. Prospects

Prospects for the remainder of the current financial year continue to be challenging due to pressure on consumer sentiment amidst growing concerns on the high level of household debts and the Government's decision to reduce subsidies on certain essential consumer goods in Malaysia.

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

3. Prospects (cont'd)

Cost of doing business is expected to go up driven by higher inflation prospects and a volatile foreign exchange environment – in particular the strengthening of the USD against the Thai Baht and Malaysian Ringgit. Additionally, prices of key commodities especially milk based products are expected to remain high compounded by our inability to recover the cost increases. The water shortage in Selangor, Malaysia would have incremental cost implications going forward.

With these challenges we will remain vigilant to the evolving business and market dynamics.

4. Tax expense

The details of the tax expense are as follows:

	Individual 2nd quarter		Cumulative 2nd quarter	
RM'000	2014	2013	2014	2013
Current income tax	9,915	7,554	20,867	16,820
Deferred tax – origination and reversal of temporary differences	5,782	3,157	12,049	5,029
(Over)/under provision in respect of previous years				
- Income tax	(1,198)	(1,810)	(1,192)	(4,231)
- Deferred tax	176	2,124	324	2,693
	14,675	11,025	32,048	20,311

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	Individual 2nd quarter		Cumulative 2nd quarter	
RM'000	2014	2013	2014	2013
Profit before tax	82,766	65,335	168,896	131,443
Tax at Malaysian statutory tax rate of 25%	20,692	16,334	42,224	32,861
Different tax rates in other countries	(1,283)	1,879	(2,497)	1,263
Effect of reduction in income tax rate	(353)	-	-	-
Income not subject to tax	(4,518)	(9,968)	(8,931)	(15,903)
Expenses not deductible for tax purposes	2,195	1,173	3,180	2,753
Utilisation of previously unrecognised tax losses	(331)	-	(552)	-
(Over)/under provision in respect of previous years				
- Income tax	(1,198)	(1,810)	(1,192)	(4,231)
- Deferred tax	176	2,124	324	2,693
Share of results of a joint venture	49	32	104	77
Share of results of an associate	(541)	(301)	(935)	(609)
Others	(213)	1,562	323	1,407
Total income tax expense	14,675	11,025	32,048	20,311
Effective income tax rate	17.7%	16.9%	19.0%	15.5%

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

5. Status of corporate proposals

There were no outstanding corporate proposals or announcements made in the current financial quarter.

6. Group borrowings and debt securities

The details of the Group's borrowings as at 31 March 2014 are as follows:

RM'000	Currency	Current	Non-current
CP/MTN – RM1.5 billion			
Medium term notes ("MTN")	RM	75,000	300,000

On 26 September 2013 and 7 October 2013, its subsidiary F&N Capital Sdn Bhd ("the Issuer") has issued MTN of RM150 million each with the tenure of five (5) years from the issued date. These MTN bear interest rate of 4.38% and 4.24% per annum respectively and payable semi-annually in arrears. On 24 February 2014, the Issuer has drawn down RM75 million of the CP with the tenure of six (6) months and interest rate of 3.62% per annum.

7. Material litigation

There are no material litigation to be disclosed in this interim financial statements.

8. Proposed interim dividend

The Directors are pleased to declare an interim single tier dividend of 22 sen per share (2013: 20 sen) for the financial year ending 30 September 2014. This dividend amounting to RM80.4 million will be paid on 8 August 2014.

The entitlement date for the above dividend shall be 18 July 2014 and a depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred to the depositor's securities account before 4.00pm on 18 July 2014 in respect of ordinary transfer; and

(b) Shares bought on the BURSA MALAYSIA SECURITIES BERHAD on a cum entitlement basis according to the Rules of the BURSA MALAYSIA SECURITIES BERHAD.

9. Earnings per share (EPS)

(a) The basic EPS were computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue (net of treasury shares).

	Individual 2nd quarter		Cumulative 2nd quarter	
	2014	2013	2014	2013
Group attributable profit to shareholders of the Company (RM'000)	68,091	54,319	136,857	111,141
Weighted average number of ordinary shares net of treasury shares ('000)	366,192	363,523	365,159	363,347
Earnings per share (sen)	18.6	14.9	37.5	30.6

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

9. Earnings per share (EPS) (cont'd)

(b) The diluted EPS were computed by dividing the Group attributable profit to shareholders of the Company by the weighted average number of ordinary shares in issue (net of treasury shares), adjusted for the dilutive effects of potential ordinary shares, i.e. share options granted pursuant to the Employees' Share Option Scheme ("ESOS") and Share Grant Plan ("SGP").

	Individual 2nd quarter		Cumulative 2nd quarter	
	2014	2013	2014	2013
Group attributable profit to shareholders of the Company (RM'000)	68,091	54,319	136,857	111,141
Weighted average number of ordinary shares net of treasury shares ('000)	366,192	363,523	365,159	363,347
Adjustment for share options granted pursuant to the ESOS/SGP ('000)	553	1,244	652	1,349
Adjusted weighted average number of ordinary shares net of treasury shares ('000)	366,745	364,767	365,811	364,696
Earnings per share (sen)	18.6	14.9	37.4	30.5

10. Disclosure of realised and unrealised portions of the revenue reserve

The breakdown of the retained profits of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:

RM'000	31/03/2014	30/09/2013
Total revenue reserve of the Company and its subsidiaries		
Realised	781,636	783,301
Unrealised	28,003	46,182
	809,639	829,483
Total share of accumulated losses from a joint venture		
Realised	(1,293)	(879)
Total share of retained earnings from an associate		
Realised	8,190	6,784
Consolidation adjustments	10,129	619
Total Group retained profits as per financial statements	826,665	836,007

Schedule G : Additional Disclosures in Compliance with Main Market Listing Requirements (cont'd)

11. Notes to the Condensed Consolidated Income Statement

PBT is arrived at after charging/(crediting) the following items:

	RM'000	Individual 2nd quarter 2014	Individual 2nd quarter 2013	Cumulative 2nd quarter 2014	Cumulative 2nd quarter 2013
(a)	Other income	(3,307)	(96)	(4,869)	(196)
(b)	Depreciation and amortisation	21,785	22,917	43,469	46,976
(c)	Impairment of intangible assets	N/A	N/A	N/A	N/A
(d)	Impairment of assets	N/A	N/A	N/A	N/A
(e)	Impairment loss on receivables	4,069	505	5,132	1,777
(f)	(Reversal)/Bad debts written off	-	(255)	-	237
(g)	Bad debts recovered	69	2,464	4,761	2,628
(h)	Provision for inventories	46	664	385	744
(i)	Inventories written off	2,163	3,585	4,331	6,113
(j)	(Gain)/loss on disposal of quoted or unquoted investments	N/A	N/A	N/A	N/A
(k)	Net loss on disposal/write offs of property, plant and equipment/intangible assets	147	702	976	1,361
(l)	Impairment of other assets	N/A	N/A	N/A	N/A
(m)	Foreign exchange (gain)/loss	(217)	(465)	535	(194)
(n)	(Gain)/loss on forward foreign exchange contracts	377	(95)	297	(54)
(o)	Unusual items	N/A	N/A	N/A	N/A

12. Approval of the quarterly financial report

The quarterly financial report has been approved for issue in accordance with a resolution of the Board of Directors on 7 May 2014.