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## FRASER & NEAVE HOLDINGS BHD

(Company No. 004205-V)

FOR IMMEDIATE RELEASE

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### F&N REGISTERS TOP LINE GROWTH OF 8.9 PER CENT FOR FY 2013/2014

- ❖ Revenue rose 8.9 per cent due to higher contributions from all business units, led by Dairies Thailand which posted double digit growth
- ❖ Dairies Malaysia's and Soft Drinks' operating profit soared by 28.3 per cent and 26.2 per cent respectively.

Financial Highlights (RM million)	Full Year 2013/2014	Full Year 2012/2013	Change %
Revenue (RM billion)	3.82	3.51	8.9
Profit before tax (RM million)	315.5	307.8	2.5
Profit after tax (RM million)	259.4	259.5	0.0
Basic earnings per share – basic (sen)	71.0	71.4	-0.6

Fraser & Neave Holdings Bhd (F&NHB) maintained its growth trajectory for the financial year ended September 30, 2014, expanding revenue by 8.9 per cent to RM 3.82 billion.

Solid performance and higher contributions from all its business units, driven by Dairies Thailand, which registered a 15.6 per cent growth in revenue, contributed to the total increase in the Group's revenue. This was despite challenges in the market due to reduced consumer disposable income from interest rate hikes, reduction of fuel subsidies and heavier trade competitive pressure and presence.

“Our unrelenting focus on strengthening and widening sales distribution networks and trade presence along with effective execution of trade promotions and campaign activations ensured sustained growth by all business units throughout the year. The Group also further reinforced its respective market leaderships for its core products,” said Fraser & Neave Holdings Bhd Chairman, Y.A.M. Tengku Syarif Bendahara Perlis Syed Badarudin Jamalullail in reviewing the Group’s financial performance for the year ended September 30, 2014.

Group profit before tax increased from RM307.8 million to RM315.5 million year-on-year. However, there was an insurance claim of RM49.3 million recognised in the last financial year, and excluding this claim, Group profit before tax, increased from RM258.4 million to RM315.5 million. Dairies Malaysia’s operating profit soared 28.3 per cent while Soft Drinks recorded 26.2 per cent growth on the back of improved sales, production yield improvements, lower execution costs and absence of certain one-off items.

Dairies Thailand cushioned the impact of higher milk-based commodity prices through increased marketing investment to achieve stronger domestic sales and extended outlet penetration and presence; effective trade terms on its sales mix management; operational efficiencies savings and effective spending on advertising and promotions. In spite of robust sales, Dairies Thailand’s operating profit for the period under review eased 1.5 per cent to RM78.3 million due to higher production costs from milk-based raw material which it was not able to recover in full from end customers.

The Group’s profit after tax for the year excluding insurance claims of RM45.0 million recognised in the last financial year, rose 21.0 per cent to RM259.4 million from RM214.5 million on account of better performance from Dairies Malaysia and Soft Drinks.

In tandem with F&NHB’s year-on-year performance, the Group in its fourth quarter ended September 30, 2014 recorded revenue gains of 7.5 per cent to RM964.5 million while profit before tax decreased to RM75.4 million from RM87.2 million. However, discounting the insurance claims, profit before tax soared 34.1 per cent to RM75.4 million compared with the corresponding quarter last year.

The Section 13 project is an integrated residential-commercial development to be known as Fraser Square comprising 3 Residential Blocks, Retail Mall, Hotel, Boutique Office, SOHO and Corporate Office Building. The first phase of the residential block is targeted to be launched within the next six months.

Commenting on the prospects for the next financial year, Tengku Syed Badarudin Jamalullail said, private consumption in Malaysia is expected to moderate in 2015 with the introduction of GST, notwithstanding the favourable employment outlook and Government assistance through cash transfers and lower individual income tax and higher household income. In Thailand, private consumption is expected to gradually return to normal following the change in government in May. However, the halt in some Government subsidies, particularly the rice pledge programme, might impact consumer spending in rural areas.

“Raw material cost, in particular commodities, continues to be volatile while the Malaysian Ringgit and Thai Baht are expected to remain weak. The Group will be vigilant and respond accordingly to the changing business dynamics and market environment,” he added.

The Directors are recommending a final single tier dividend of 33 sen per share (2013: final single dividend of 30 sen per share with a special single tier dividend of 10 sen per share). If approved by shareholders at the forthcoming Annual General Meeting, the total dividend for the year would be 55 sen (2013: single tier dividend of 50 sen per share with special single tier dividend of 10 sen per share).

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#### **About Fraser & Neave Holdings Bhd**

Fraser & Neave Holdings Bhd (F&NHB) is a Malaysian company listed on Bursa Malaysia's Main Board with expertise and prominent standing in the food and beverage business. F&NHB has a rich history spanning a 130 years, positioning the company and brand as one that is trusted by generations. F&NHB has over 3,000 employees and is Malaysia's top 100 leading graduate employers. F&NHB operates in Malaysia, Brunei, Thailand and Indochina, and is a subsidiary of Fraser and Neave, Limited, a company listed on the Singapore Stock Exchange.

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**Issued with the compliments of Fraser & Neave Holdings Bhd**

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