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FRASER AND NEAVE, LIMITED

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

UNDERWRITTEN OFFER OF S\$300,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF BONDS TO THE PUBLIC IN SINGAPORE, AND INSTITUTIONAL AND OTHER INVESTORS

Introduction

On 16 March 2011, Fraser and Neave, Limited (the "**Guarantor**") announced an underwritten offer by its wholly-owned subsidiary, F&N Treasury Pte. Ltd. (the "**Issuer**"), of S\$300,000,000 in aggregate principal amount of bonds (the "**Offer**"), comprising an offer to the public in Singapore (the "**Public Offer**") and to institutional and other investors (the "**Placement**") as follows:

- (a) S\$150,000,000 in aggregate principal amount of 2.48 per cent. bonds due 2016 (the "**5-Year Bonds**"), by way of:
 - (i) an offer of S\$50,000,000 in aggregate principal amount of 5-Year Bonds pursuant to the Public Offer; and
 - (ii) an offer of S\$100,000,000 in aggregate principal amount of 5-Year Bonds pursuant to the Placement,(collectively, the "**5-Year Bonds Tranche**"); and
- (b) S\$150,000,000 in aggregate principal amount of 3.15 per cent. bonds due 2018 (the "**7-Year Bonds**") and together with the 5-Year Bonds, the "**Bonds**"), by way of:
 - (i) an offer of S\$50,000,000 in aggregate principal amount of 7-Year Bonds pursuant to the Public Offer; and
 - (ii) an offer of S\$100,000,000 in aggregate principal amount of 7-Year Bonds pursuant to the Placement,(collectively, the "**7-Year Bonds Tranche**"),

to be issued by the Issuer, and unconditionally and irrevocably guaranteed by the Guarantor, at the issue price of S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds) (the “**Issue Price**”), Provided That:

- (1) the Issuer and the Guarantor may, with the agreement of the Sole Arranger and Sole Bookrunner (as defined herein), re-allocate the aggregate principal amount of Bonds offered between the 5-Year Bonds Tranche and the 7-Year Bonds Tranche and/or between the Public Offer and the Placement, all in the circumstances described in the Offer Information Statement (as defined herein); and
- (2) the issue size of the Bonds shall not exceed S\$300,000,000 in aggregate principal amount of the Bonds.

DBS Bank Ltd. (“**DBS Bank**”) is the sole arranger and sole bookrunner of the Offer (in such capacity, the “**Sole Arranger and Sole Bookrunner**”) and the sole lead manager of the Public Offer.

DBS Bank and CIMB Bank Berhad (“**CIMB**”) are the joint underwriters of the Offer and the joint lead managers of the Placement.

Lodgment of the Offer Information Statement

The Issuer has today lodged with the Monetary Authority of Singapore (the “**Authority**”) the Offer Information Statement dated 16 March 2011 in relation to the Offer (the “**Offer Information Statement**”).

Unless otherwise defined, all terms used herein shall bear the same meaning as in the Offer Information Statement.

A copy of the Offer Information Statement is enclosed with this announcement. Copies of the Offer Information Statement may also be obtained on request, subject to availability, during operating hours from selected branches of DBS Bank (including POSB) and CIMB. A copy of the Offer Information Statement is also available on the Authority's OPERA website <http://masnet.mas.gov.sg/opera/sdrprosp.nsf>.

Principal terms of the Bonds

Principal terms of the 5-Year Bonds

The 5-Year Bonds, which will be issued in denominations of S\$1,000 each or integral multiples thereof, will bear interest at the rate of 2.48 per cent. per annum, payable semi-annually in arrear. The 5-Year Bonds are expected to be issued on or about 28 March 2011 and will have a tenor of five years from their date of issue. The 5-Year Bonds will be cleared through The Central Depository (Pte) Limited (the “**CDP**”). The 5-Year Bonds will not be rated.

Principal terms of the 7-Year Bonds

The 7-Year Bonds, which will be issued in denominations of S\$1,000 each or integral multiples thereof, will bear interest at the rate of 3.15 per cent. per annum, payable semi-annually in arrear. The 7-Year Bonds are expected to be issued on or about 28 March 2011 and will have a tenor of seven years from their date of issue. The 7-Year Bonds will be cleared through the CDP. The 7-Year Bonds will not be rated.

Use of Proceeds

All net proceeds will go to the Issuer and will be on-lent by the Issuer to the Guarantor Group to meet its working capital and other funding requirements, and to refinance existing borrowings.

Pending the deployment of the net proceeds from the Offer, the net proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets and/or marketable securities or used for other purposes on a short-term basis as the Directors of the Issuer and the Guarantor may deem appropriate in the interest of the Guarantor Group.

Expected Timetable of Key Events

Prospective investors are requested to note the following important dates and times in respect of the Offer:

Lodgment of Offer Information Statement	: 16 March 2011
Opening date and time for applications for the Placement Bonds	: 16 March 2011 at 2.00 p.m.
Opening date and time for applications for the Public Offer Bonds	: 17 March 2011 at 9.00 a.m.
Last date and time for applications for the Placement Bonds	: 23 March 2011 at 10.00 a.m.
Last date and time for applications for the Public Offer Bonds	: 23 March 2011 at 10.00 a.m.
Balloting of applications for the 5-Year Bonds under the Public Offer, if necessary. Commence returning or refunding of application moneys to unsuccessful or partially successful applicants	: 24 March 2011
Balloting of applications for the 7-Year Bonds under the Public Offer, if necessary. Commence returning or refunding of application moneys to unsuccessful or partially successful applicants	: 25 March 2011
Expected Issue Date of the Bonds	: 28 March 2011
Expected date of commencement of trading of the Bonds on the Main Board of the SGX-ST	: 29 March 2011

The above timetable is indicative only and is subject to change. As at the date of the Offer Information Statement, the Issuer does not expect the above timetable to be modified. However, the Issuer may, with the approval of the SGX-ST (if required) and the agreement of the Sole Arranger and Sole Bookrunner, extend, shorten or modify the above timetable as it may think fit subject to any limitation under any applicable laws. In particular, the Issuer will, if so agreed with the Sole Arranger and Sole Bookrunner, have the absolute discretion to close the Public Offer and/or the Placement early. The Issuer will, through the Guarantor, publicly announce any changes to the above timetable through a SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

Application and Payment Procedures

The Issue Price for the Bonds is S\$1 per S\$1 in principal amount of the Bonds (being 100 per cent. of the principal amount of the Bonds). Bonds applied for under the Public Offer are payable in full upon application while the Bonds applied for under the Placement are payable in full on or about the date of issue of the Bonds. The Bonds will be issued in denominations of S\$1,000 each or integral multiples thereof.

Under the Public Offer, S\$50,000,000 in aggregate principal amount of 5-Year Bonds and S\$50,000,000 in aggregate principal amount of 7-Year Bonds will be offered at the Issue Price to the public in Singapore, subject to adjustment in accordance with the terms of the Underwriting Agreement. Applications for the Public Offer Bonds must be made at any ATM of DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited or United Overseas Bank Limited or its subsidiary, Far Eastern Bank Limited or through the internet banking website of DBS Bank (the "**Electronic Applications**"). An application for the Public Offer Bonds is subject to a minimum of S\$5,000 in principal amount of Bonds per application or higher amounts in integral multiples of S\$1,000 thereof.

Under the Placement, S\$100,000,000 in aggregate principal amount of 5-Year Bonds and S\$100,000,000 in aggregate principal amount of 7-Year Bonds will be offered at the Issue Price to institutional and other investors, subject to adjustment in accordance with the terms of the Underwriting Agreement. Applications for the Placement Bonds must be made directly through the Joint Lead Managers of the Placement, who will determine, at their discretion, the manner and method for applications under the Placement. An application for the Placement Bonds is subject to a minimum of S\$100,000 in principal amount of Bonds per application or higher amounts in integral multiples of S\$1,000 thereof.

The Issuer and the Sole Arranger and Sole Bookrunner reserve the right to reject or accept any application in whole or in part, or to scale down, or ballot any application, without assigning any reason therefor, and no enquiry and/or correspondence on their decision will be entertained. This right applies to all applications.

The Bonds are not eligible for inclusion under the CPF Investment Scheme – Ordinary Account. The Bonds are also not SRS eligible. Accordingly, prospective investors CANNOT use their CPF Funds or SRS Funds to pay the Issue Price to subscribe for the Bonds or to later purchase the Bonds.

Further Information

For further information, you may contact DBS Bank at the number set out below:

<p>DBS Bank</p> <p>Contact: 1800 339 6666 (POSB)</p> <p>Contact: 1800 111 1111 (DBS Bank)</p>

More information on the terms, conditions and procedures for application and payment for the Bonds, including the different modes of application and payment, are set out in the Offer Information Statement. Anyone wishing to subscribe for the Bonds should read the Offer Information Statement in full and must make an application in the manner set out in the Offer Information Statement.

Anthony Cheong Fook Seng
Group Company Secretary
16 March 2011

Important Notice

This Announcement is for information purposes only and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for or acquire, the Bonds in any jurisdiction in which such an offer or solicitation is unlawful. No person should subscribe for or acquire any Bonds except on the basis of the information contained in the Offer Information Statement.

The information contained in this Announcement is qualified in its entirety by, and should be read in conjunction with, the full text of the Offer Information Statement. Anyone wishing to subscribe for the Bonds should read the Offer Information Statement in full and must make an application in the manner set out in the Offer Information Statement.