



# Fraser and Neave, Limited

FY2013 Half-Year Results

10 May 2013

*Towards a successful future: To be a world-class multi-national enterprise with an Asian base, providing superior returns with a focus on Food & Beverage and Properties*

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Fraser and Neave, Limited

**1H2013 Group Financials**

# Financial highlights

(\$ 'million)	1H2013	1H2012 <sup>1</sup>	Change (%)
Revenue	<b>1,825</b>	1,561	+17.0%
Profit before interest and tax ("PBIT")	<b>324</b>	237	+36.9%
Profit after taxation <sup>2,3</sup>	<b>191</b>	226	-15.6%
Attributable profit <sup>2,3</sup>			
- Before fair value adjustment and exceptional items	<b>154</b>	157	- 1.5%
Earnings per share (basic)(cents) <sup>2,3</sup>			
- Before fair value adjustment and exceptional items	<b>10.7</b>	11.1	- 3.6%
Dividend	<b>3.5 cents</b>	6.0 cents	-41.7%
NAV per share <sup>4</sup>	<b>\$8.80</b>	\$5.32 (30 Sep) <sup>5</sup>	+65.4%

Half-year ended 31 Mar 2013

<sup>1</sup> Restated upon reclassification of brewery operations as Discontinued Operations

<sup>2</sup> Excludes gain on disposal of Discontinued Operations of \$4,752 million

<sup>3</sup> Excludes Discontinued Operations

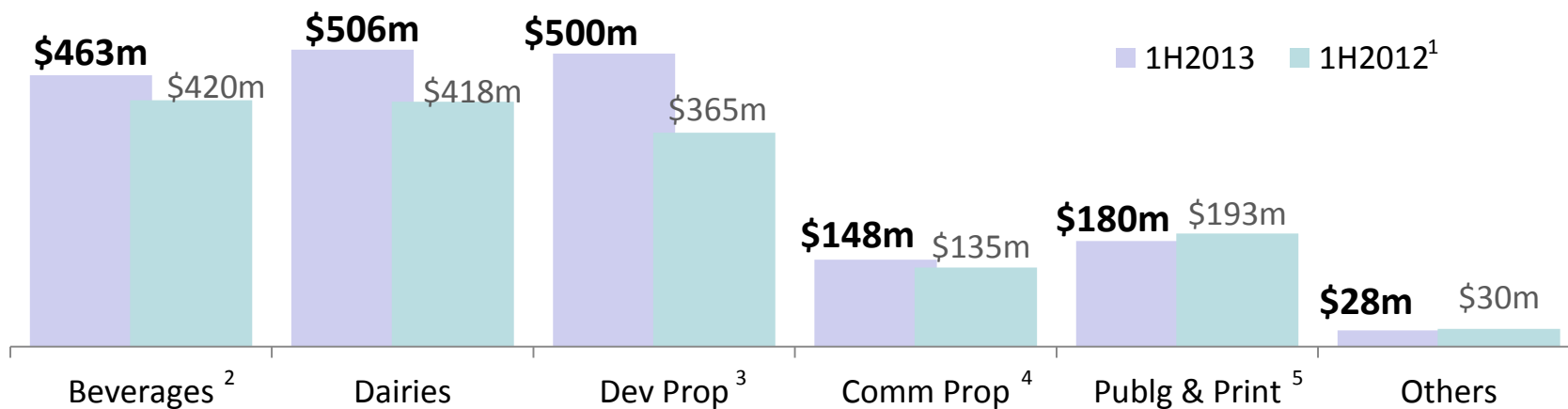
<sup>4</sup> Calculated as Net Asset / Total Number of Shares Issued

<sup>5</sup> Restated due to FRS12

# Group Revenue

# Broadbased topline growth

Revenue	<b>1H2013: \$1,825m</b>	1H2012 <sup>1</sup> : \$1,561m	+17.0%
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	1H2013		1H2012 <sup>1</sup>
Beverages <sup>2</sup>	25%	} 53%	27%
Dairies	28%		27%
Development Property	27%	} 35%	23%
Commercial Property	8%		9%
Publishing & Printing	10%		12%
Others	2%		2%

Half-year ended 31 Mar 2013

<sup>1</sup> Restated upon reclassification of brewery operations as Discontinued Operations

<sup>2</sup> Comprises Soft Drinks and Beer

<sup>3</sup> Dev Prop denotes Development Property

<sup>4</sup> Comm Prop denotes Commercial Property which includes investment properties, REITs and Hospitality

<sup>5</sup> Publg & Print denotes Publishing & Printing



## Group Revenue

## Solid topline growth

- Continued strong revenue growth in F&B and Properties
- Beverages<sup>2</sup> growth mainly driven by strong volume gain in Myanmar Brewery
- Dairies Thailand sales recovered to pre-flood levels
- Properties supported by pre-sold development projects in Singapore
- Higher rental from existing investment portfolio supported Commercial Property topline growth, despite divestment of a listed subsidiary<sup>3</sup> in Sep 2012
  - Hospitality's expanded portfolio of serviced residences lifted earnings

Change	Revenue	1H2013	1H2012 <sup>1</sup>
+15.7%	Food & Beverage ("F&B")	\$969m	\$838m
+10.2%	- Beverages <sup>2</sup>	48%	50%
+21.2%	- Dairies	52%	50%
+29.6%	Properties	\$648m	\$500m
+37.0%	- Development	77%	73%
+9.6%	- Commercial	23%	27%
- 6.4%	Publishing & Printing	\$180m	\$193m
- 8.3%	Others	\$28m	\$30m
+17.0%	<b>TOTAL</b>	<b>\$1,825m</b>	<b>\$1,561m</b>
	- Food & Beverage	53%	54%
	- Properties	35%	32%
	- Publishing & Printing	10%	12%
	- Others	2%	2%

Half-year ended 31 Mar 2013

<sup>1</sup> Restated upon reclassification of brewery operations as Discontinued Operations

<sup>2</sup> Comprises Soft Drinks and Beer

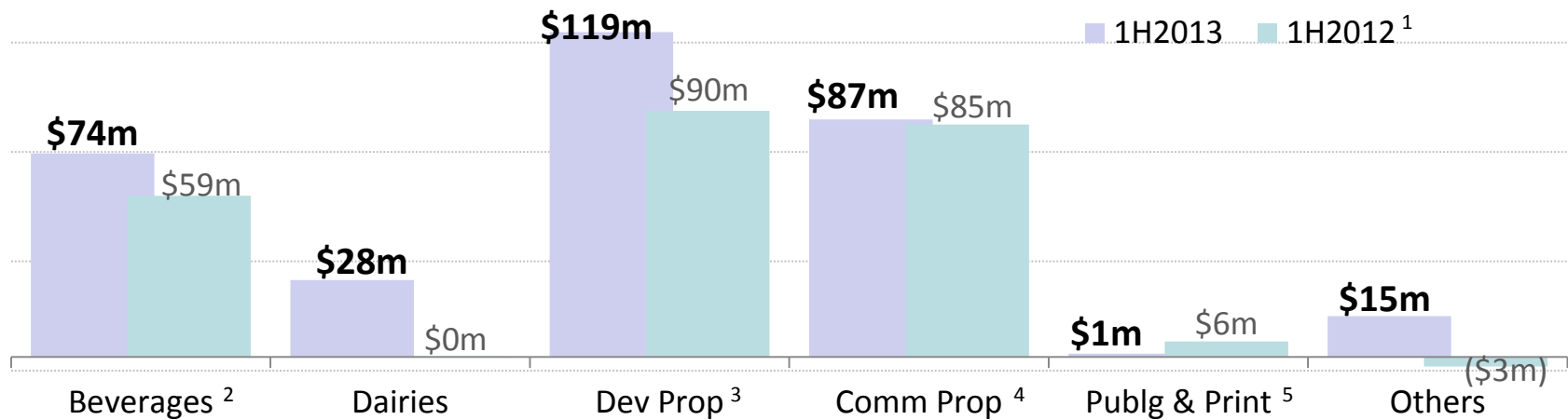
<sup>3</sup> Divested Frasers Property China Limited in Sep 2012



# PBIT by Business

# F&B and Properties drove profit growth

Profit before interest and tax	<b>1H2013: \$324m</b>	1H2012 <sup>1</sup> : \$237m	+36.9%
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	1H2013		1H2012 <sup>1</sup>
Beverages <sup>5</sup>	23%	} 32%	25%
Dairies	9%		0%
Development Property	36%	} 63%	38%
Commercial Property	27%		36%
Publishing & Printing	0%		2%
Others	5%		-1%

Half-year ended 31 Mar 2013

<sup>1</sup> Restated upon reclassification of brewery operations as Discontinued Operations

<sup>2</sup> Comprises Soft Drinks and Beer

<sup>3</sup> Dev Prop denotes Development Property

<sup>4</sup> Comm Prop denotes Commercial Property which includes investment properties, REITs and Hospitality

<sup>5</sup> Publg & Print denotes Publishing & Printing



# Drivers of PBIT<sup>1</sup> Growth

- Double-digit topline growth in Myanmar and improved Soft Drinks sales in Malaysia buoyed Beverages<sup>3</sup> earnings
- Dairies Thailand recovered from floods' impact; Malaysia benefitted from lower input costs
- Development Property supported by Singapore pre-sold projects
  - Construction of *One Central Park* and *Park Lane* in Sydney will complete, in stages, this year
- Higher rental income and strong occupancy rates supported Commercial Property profit growth

# F&B and Properties drove profit growth

Change	PBIT <sup>1</sup>	1H2013	1H2012 <sup>2</sup>
+73.3%	Food & Beverage ("F&B")	\$102m	\$59m
+26.1%	- Beverages <sup>3</sup>	73%	100%
-nm-	- Dairies	27%	-%
+17.1%	Properties	\$206m	\$175m
+31.1%	- Development	58%	52%
+ 2.2%	- Commercial	42%	48%
-78.9%	Publishing and Printing	\$1m	\$6m
-nm-	Others	\$15m	(\$3m)
+36.9%	<b>TOTAL</b>	<b>\$324m</b>	<b>\$237m</b>
	- Food & Beverage	32%	25%
	- Properties	63%	74%
	- Publishing & Printing	0%	2%
	- Others	5%	-1%

Half-year ended 31 Mar 2013

<sup>1</sup> Profit before interest and tax

<sup>2</sup> Restated upon reclassification of brewery operations as Discontinued Operations

<sup>3</sup> Comprises Soft Drinks and Beer



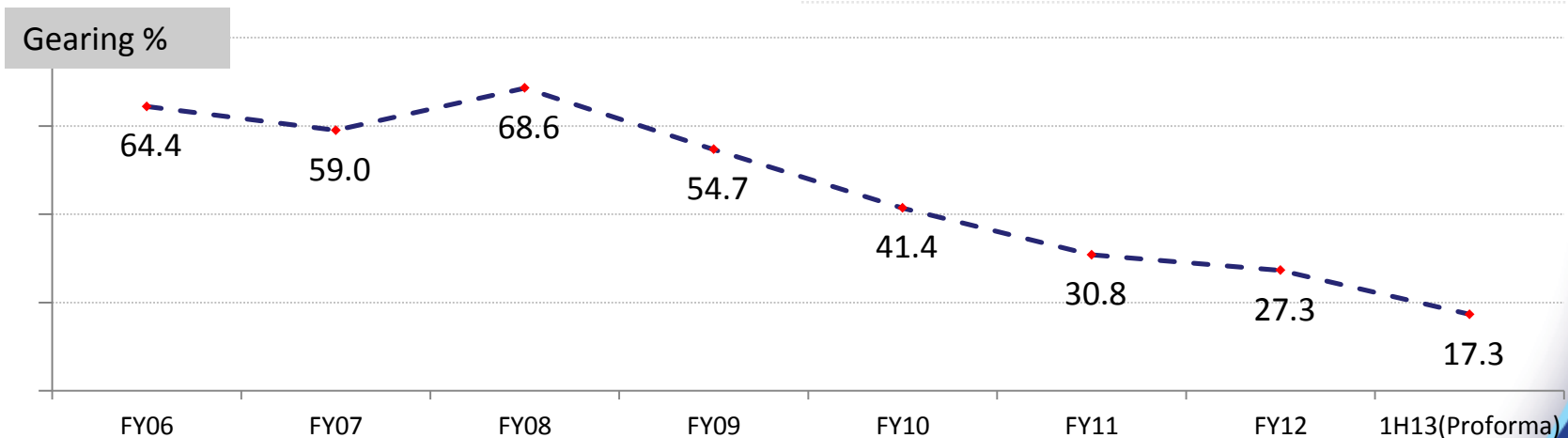


# Supported by a strong balance sheet

- Net cash position of \$3.3 billion
  - Post-capital reduction, proforma gearing of 17.3%
- Interest rates remained low; average cost of debt was 2.97%
- Undrawn facilities of \$3.3 billion within the Group

## Key Financial Ratios

Chg		1H2013	FY2012 <sup>1</sup>
-nm-	Net cash/(debt)	\$3,293m	(\$2,259m)
+57.8%	Total Equity <sup>2</sup>	\$13,046m	\$8,266m
-nm-	Gearing <sup>3</sup>	Net cash	27.3%
	Average cost of debt	2.97%	2.91%
	Average debt maturity (year)	2.5	2.8



Half-year ended 31 Mar 2013

<sup>1</sup> Restated for FRS12

<sup>2</sup> Includes non-controlling interest

<sup>3</sup> Calculated as Net Debt / Total Equity





Fraser and Neave, Limited

## Proposed Capital Reduction Exercise

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**Proposal:** Cash distribution of \$3.28 per share  
(Aggregate distribution of \$4.73 billion)

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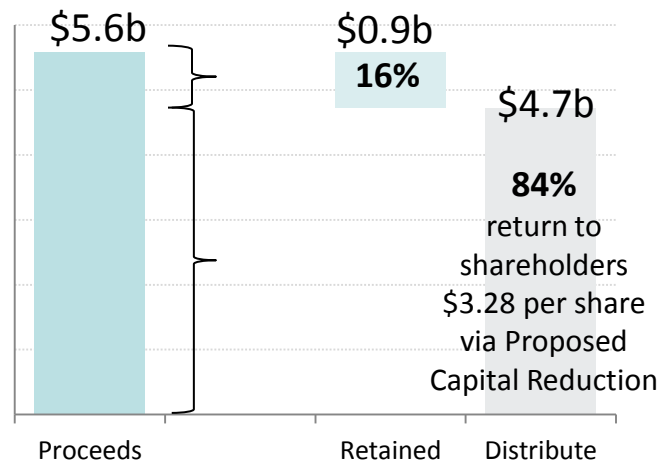
**Conditions:**

1. Approval of shareholders at EGM
  2. Approval of the High Court of Singapore
  3. Other relevant approvals
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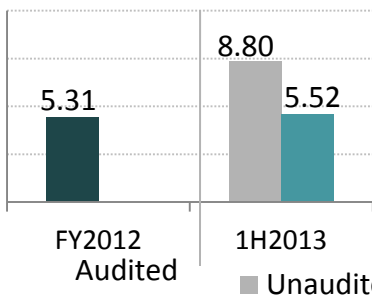
**Payment date:** Subject to *Conditions*, on or about 31 July 2013

# Proposed cash distribution of \$3.28 per share

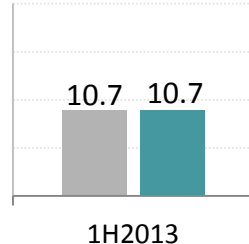
## CAPITAL REDUCTION



### NAV per share (\$)



### EPS (cents)



+ Unaudited actual figures are before completion of the Proposed Capital Reduction

\* Proforma figures assume completion of the Proposed Capital Reduction

## Rationale

- Allow focus on existing operations
- Maintain sufficient flexibility to take advantage of business opportunities in the F&B and real estate sectors
- Achieve a more efficient capital structure
- Enable Shareholders to receive a substantial portion of the gain from the sale of our entire interest in Asia Pacific Breweries Limited

### As at 31 March 2013

	Audited FY2012	Unaudited 1H2013	Proforma 1H2013
Total shares outstanding (million shares)	1,428	1,441	1,441
Shareholders fund (\$ 'million)	\$7,591	\$12,679	\$7,951
Total Equity (\$ 'million)	\$8,255	\$13,046	\$8,318
Net cash/(borrowings) (\$ 'million)	(\$2,259)	\$3,293	(\$1,435)
Net gearing	27.4%	Net cash	17.3%





End