#20-00 Alexandra Point
438 Alexandra Road
Singapore 119958

Tel : (65) 6318 9393
Fax : (65) 6271 0811
Website: www.fraserandneave.com

FRASER AND NEAVE, LIMITED
Company Registration No. 189800001R
Incorporated in the Republic of Singapore

Fraser and Neave records 52 per cent rise in first-half FY2019 profit

- ***1H2019 revenue increased 2 per cent to $931.8 million on higher Beverages and Dairies sales***
- ***1H2019 PBIT[1] rose 59 per cent to $136.6 million***
  - ***Dairies growth momentum continued into 1H2019; earnings rose 43 per cent***
  - ***Beverages earnings largely impacted by higher marketing spending and distribution costs, as well as pre-operating costs incurred at the new brewery in Myanmar***
- ***Profit after taxation grew 52 per cent to $107.2 million***
- ***Interim dividend of 1.5 cents per share declared, equal to last year***

Financial Highlights (S$ 'million)	**3 months to 31 March 2019**	**3 months to 31 March 2018 (Restated)**	**6 months to 31 March 2019**	**6 months to 31 March 2018 (Restated)**
Revenue	467.4	452.1	931.8	914.6
PBIT[1]	65.6	36.0	136.6	86.1
Profit After Taxation	51.3	29.7	107.2	70.5
Attributable Profit[2]	35.9	15.0	73.8	40.8
Earnings Per Share (basic)(cents)[2]	2.5	1.0	5.1	2.8
Net Asset Value Per Share			$1.96	$1.95 (30 Sep 2018)

[1] *PBIT denotes profit before interest, taxation and exceptional items*
[2] *Before exceptional items*
[3] *Restated upon adoption of SFRS(I) 15 and finalisation of the purchase price allocation in relation to F&N's investment in Vietnam Dairy Products Joint Stock Company*

SINGAPORE, 30 APRIL 2019 – Fraser and Neave, Limited ("**F&N**" or the "**Group**") today announced financial results for the second quarter ("**2Q2019**") and half-year ("**1H2019**") ended 31 March 2019.

Three-Month Ended 31 March 2019 ("2Q2019")

The Group posted quarterly revenue of $467.4 million, an increase of 3 per cent over the second quarter of FY2018 ("**2Q2018**"). Profit before interest and taxation ("**PBIT**") increased 82 per cent to $65.6 million. Profit after taxation rose 73 per cent to $51.3 million, from $29.7 million previously. The lower after-tax growth was due to higher effective tax rate following the expiration of corporate tax incentive in Thailand.

This quarter, higher soft drinks and dairy sales contributed to Food & Beverage ("**F&B**") division strong performance, delivering a top-line growth of 5 per cent to $409.7 million, from $389.0 million in the corresponding period last year. Successful festive activations and promotions, improvement in route-to-market in East Malaysia as well as higher export volumes helped spur F&B growth. However, the better performance in F&B was partly offset by lower revenue in Publishing & Printing due mainly to weaker print volume. Consequently, 2Q2019 Group revenue grew 3 per cent to $467.4 million, from $452.1 million in 2Q2018.

Profit growth outpaced sales in this quarter. Bolstered by higher sales and improved Dairies profitability, the Group earnings rose 82 per cent in the second quarter of FY2019 to $65.6 million, from $36.0 million in the corresponding period last year. Dairies 2Q2019 earnings of $73.2 million represented an increase of 43 per cent versus the prior year's corresponding period. The strong quarter performance from Dairies was underpinned by higher profit share from the Group's associate company in Vietnam, Vietnam Dairy Products Joint Stock Company ("**Vinamilk**"), as well as stronger performances from Dairies Thailand.

Lifted mainly by the 14-per-cent top-line growth, lower input costs and the recovery of withholding tax, Dairies Thailand profit rose 50 per cent.

2Q2019 earnings were however weighed down by weaker Beverages performance. Beverages profitability continued to be adversely impacted by pre-operating costs associated with the ongoing construction of the greenfield brewery in Myanmar, and higher input costs and promotion expense. Consequently, Beverages 2Q2019 losses widened to $1.7 million, from $0.8 million previously. Excluding the brewery pre-operating costs, Beverages losses would be lower, at $1.1 million.

Publishing & Printing, in contrast, saw its 2Q2019 losses narrowed to $7.5 million, from $8.4 million in the corresponding period last year largely due to improved product mix and continued tight cost management.

Six-Month Ended 31 March 2019 ("1H2019")

Group revenue for the half-year of FY2019 grew 2 per cent year-on-year to $931.8 million, from $914.6 million. The revenue uplift was driven by F&B division where soft drinks and dairies recorded higher sales of 4 per cent, benefitting from successful festive activations and strong export sales. Growth of Group PBIT, outpaced revenue, growing 59 per cent year-on-year to $136.6 million as Dairies Thailand and Dairies Malaysia delivered strong performances. Lifted mainly by lower input costs, profit from Dairies Thailand and Dairies Malaysia grew 40 per cent and 23 per cent, respectively. In addition to higher profit share from Vinamilk, Dairies recorded robust year-on-year earnings growth of 43 per cent to $145.1 million, up from $101.4 million.

However, weaker Beverages half-year performance continued to impact Group earnings. In addition to pre-operating costs associated with the ongoing construction of the brewery in Myanmar, weaker Beverages Malaysia performance also contributed to Beverages lower earnings. Beverages Malaysia 1H2019 PBIT, despite recording revenue growth of 1 per cent year-on-year, has been adversely impacted by unfavourable input costs, and higher marketing spend and distribution cost. The Group's continued spend on brand building initiatives and trade promotions in New Markets of Indonesia, Myanmar and Vietnam has also contributed to Beverages' loss of $1.9 million in the first-half of FY2019, down from a profit of $0.8 million in the corresponding period last year.

Publishing & Printing revenue declined 9 per cent to $128.3 million mainly due to a drop in magazine-related demand for both print and distribution, as well as lower publishing sales in Singapore and Hong Kong. Losses for the 1H2019 widened to $7.1 million, from a loss of $6.7 million in the corresponding period last year. The higher loss was mainly due to the absence of a $1.1 million one-off gain in the sale of machinery recorded last year. Excluding the gain from 1H2018, Publishing & Printing 1H2019 losses would have narrowed, arising from continued prudent cost management and active steps taken to lower fixed cost structure.

Mr Koh Poh Tiong, Chairman of the F&N Board Executive Committee said, "We are pleased with our progress in the first-half of FY2019. Our focus on innovation, brand-building and marketplace execution, supported in part by our productivity initiatives, has yielded robust performance through the first six months of FY2019, despite challenging marketplace conditions in our core markets."

"We remain resolutely focused on driving growth and will look to seize opportunities to solidify our position in key markets and categories. We remain confident that we have the right strategies in place and will continue to strengthen our brand portfolio and leverage our unparalleled distribution network to create sustainable long-term shareholder value," Mr Koh added.

Interim Dividend

Directors have declared an interim dividend of 1.5 cents per share, unchanged from the interim dividend declared a year ago. The dividend will be paid on 10 June 2019.

Corporate Developments

(A) F&N acquires 60.0 per cent interest in Print Lab Pte Ltd

In April 2019, the Group's Publishing & Printing arm, Times Publishing Limited ("**TPL**") acquired a 60 per cent stake in Print Lab Pte. Ltd. ("**PL**") for a cash consideration of $24.5 million. The acquisition is part of TPL's continuing strategy to diversify its print portfolio and strengthen the company's foothold in the growing integrated marketing and print solution market.

PL is a one-stop integrated print, creative and digital out-of-home solution provider in Singapore. It serves clients across a diverse set of industries including clients in the creative retail marketing segment, FMCG, retail, automobile and financial institutions, many of which are blue-chip companies.

(B) F&N enters food business with a 20.75 per cent stake in a Japanese franchised business in Thailand

In April 2019, F&N Retail Connection Co. Ltd ("**FNRC**") and Japanese Dining Concepts (Asia) Ltd successfully entered into a 55-45 joint venture for the acquisition of a 51-per-cent stake in Genki Sushi Bangkapi Co. Ltd. ("**GSB**"), a franchised sushi restaurant business in Thailand under its principal brand, *GENKI SUSHI*.

F&N owns approximately 73.99 per cent of FNRC, giving it an effective 20.75 per cent stake in GSB. Thai Beverage PCL owns the remaining share of FNRC.

This investment in GSB marked F&N's foray into the food industry, a move that leverages the knowledge and network of Thai Beverage PCL in Thailand.

- END -

For clarification and further enquiries, please contact:

Mr HUI Choon Kit
Chief Financial Officer and
Company Secretary
DID: 6318 9272

Ms Jennifer YU
Head, Investor Relations
DID: 6318 9231
Email: jenniferyu@fngroup.com.sg