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F&N seeks new energy drink venture to replace Red Bull



A Red Bull caravan was in Bangkok in 2013. Red Bull is the European version of Thailand's favourite energetic drink, Krating Daeng, which is now the world's No.1 energy drink brand.

KUALA LUMPUR - Fraser & Neave Holdings Bhd is looking for a replacement energy drink after the exclusive rights to distribute Red Bull expires on Sept 30, 2015.

"If we can't have red bull we need to have another energy drink," said chief executive officer Lim Yew Hoe at a briefing earlier today.

He said there is still some five to six months to go, so there is no rush to launch a new energy drink, whether it is rights to a different brand or F&N's own brand.

"At this moment it is still under tremendous research in Thailand, Singapore and Malaysia, to work out what we think are potential winning products in the energy category in Malaysia," Lim said.

While the termination of the Red Bull exclusive distributorship will not impact F&N's financials for the year ending Sept 30, 2015, it will impact the group's topline in the following financial year.

We have grown the Red Bull business from 200 million cases to 400 million cases, about 200-250 million ringgit in revenue," he said.

To replace the loss in volume, F&N will be looking at its new products like Oishi and will also be launching a new cola brand from Thailand.

We have a few things in the pipeline to replace the volume lost by the Red Bull termination. We are looking at a few of our other products that we can take advantage of our distribution at this moment," added Lim.

