



## FRASER & NEAVE HOLDINGS BHD.

Company No: 004205-V, Incorporated in Malaysia

**For Immediate Release**

### GROUP RESULTS: SECOND QUARTER 2001/2002

The Directors announce the unaudited results of the Group for the three months ended 31 March 2002, being the second quarter for financial year ending 30 September 2002.

#### Consolidated Income Statement

RM'000	Individual 2 <sup>nd</sup> Quarter		Cumulative 2 <sup>nd</sup> Quarter	
	31/3/2002	31/3/2001	31/3/2002	31/3/2001
1 (a) <u>Revenue</u>				
Soft drinks	206,517	197,506	404,109	392,568
Dairy products	121,266	150,432	255,452	285,747
Glass packaging	58,879	52,925	123,819	119,378
Others	291	131	600	260
Total Group	<u>386,953</u>	<u>400,994</u>	<u>783,980</u>	<u>797,953</u>
(b) Investment income	-	-	-	-
(c) Other income	-	-	-	-
2 (a) Profit before financial cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	53,586	50,805	104,286	100,606
(b) Finance cost	(1,243)	(1,400)	(2,398)	(3,083)
(c) Depreciation and amortisation	(18,568)	(19,079)	(36,785)	(38,287)
(d) Exceptional items	-	(2,400)	-	(2,233)
(e) Profit before income tax, minority interests and extraordinary items	<u>33,775</u>	<u>27,926</u>	<u>65,103</u>	<u>57,003</u>
(f) Share of profits of associated companies	-	-	-	-
(g) Profit before income tax, minority interests and extraordinary items after share of profits of associated companies	<u>33,775</u>	<u>27,926</u>	<u>65,103</u>	<u>57,003</u>
(h) Income tax	(6,850)	(5,309)	(12,963)	(8,669)
(i) i. Profit after income tax before deducting minority interests	<u>26,925</u>	<u>22,617</u>	<u>52,140</u>	<u>48,334</u>
(i) ii. Minority interest	(2,350)	(2,068)	(4,886)	(4,204)
(j) Pre-acquisition profit	-	-	-	-
(k) Net profit from ordinary activities attributable to members of the company	<u>24,575</u>	<u>20,549</u>	<u>47,254</u>	<u>44,130</u>
(l) i. Extraordinary items	-	-	-	-
(l) ii. Minority interest	-	-	-	-
(l) iii. Extraordinary items attributable to members of the company	-	-	-	-
(m) <b>Net profit attributable to members of the company</b>	<b><u>24,575</u></b>	<b><u>20,549</u></b>	<b><u>47,254</u></b>	<b><u>44,130</u></b>
3 (a) Earnings per share – basic (sen)	6.9	6.8	13.3	15.8*

\* The relatively higher EPS was due to the lower average weighted share base in 2001.

**Consolidated Balance Sheet**

<b>RM'000</b>	As at <u>31/3/2002</u>	As at <u>30/9/2001</u>
1 Plant, property and equipment.....	685,041	705,056
2 Other investments (see Note 22) .....	22,254	22,254
3 Current assets		
Stocks .....	267,822	270,594
Receivables .....	301,103	277,729
Amount due from related companies.....	19,120	15,741
Cash, bank balances and fixed deposits...	244,243	156,135
	<u>832,288</u>	<u>720,199</u>
4 Current liabilities		
Payables .....	289,568	261,061
Amount due to related companies .....	2,107	1,610
Short term borrowings (Note 10) .....	92,600	128,094
Provision for taxation .....	3,165	9,201
	<u>387,440</u>	<u>399,966</u>
5 Net current assets .....	<u>444,848</u>	<u>320,233</u>
	<u>1,152,143</u>	<u>1,047,543</u>
6 Shareholders' equity		
Share capital .....	356,493	356,493
Reserves		
Share premium .....	339,990	339,990
Reserve on consolidation .....	62,795	62,795
Capital reserve .....	18,027	18,027
Retained profit .....	174,849	145,418
	<u>952,154</u>	<u>922,723</u>
7 Minority interest .....	86,819	56,793
8 Long term borrowings (Note 10) .....	42,905	-
9 Other long term liabilities .....	40,166	39,716
10 Deferred taxation	30,099	28,311
	<u>1,152,143</u>	<u>1,047,543</u>
11 Net tangible assets per share (RM) .....	<u>2.67</u>	<u>2.59</u>

Notes

1. Accounting convention

The quarterly financial statements have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets, and comply with approved accounting standards. The method of computation and the basis of consolidation are consistent with the most recent annual financial statements. The Group in these quarterly financial statements refers to the Company and its subsidiary companies.

2. Exceptional items

There were no exceptional items in the current financial period to date. The exceptional items in previous year were gain from disposal of property of RM2.2 million and provision for closure of plant of RM4.4 million.

3. Extraordinary items

There were no extraordinary items in the current financial period to date.

4. Tax charge

The details of the tax charge are as follows:-

RM'000	Cumulative <u>Quarter</u>
Current	11,060
Tax under provision in previous years	116
Deferred Tax	1,787
	<u>12,963</u>

The Group's effective tax rate in this financial quarter and the financial period to date is lower than the statutory rate due to the utilisation of reinvestment allowances and brought forward capital allowances.

Notes (cont'd)

5. Sale of unquoted investments and properties  
A property was disposed of by a subsidiary for a cash consideration of RM1.1 million in the previous quarter and the gain of RM0.3 million has been included in the results.
6. Particulars of quoted investments  
No quoted securities have been acquired or disposed of in the current financial period to date.
7. Changes in the composition of the group  
There were no changes in the composition of the Group in the current financial period to date.
8. Status of corporate proposals  
There were no outstanding corporate proposals or new announcements made in this financial quarter.
9. Issuance or repayment of debt/equity securities  
There were no issuance and repayment of any debt/equity securities in the current financial period to date.

10. Group borrowings and debt securities

The details of the Group's borrowings are as follows:-

RM'000	As at 31/3/2002	As at 30/9/2001
<u>Short Term Borrowings</u>		
Unsecured bank advances/loans	92,600	128,094
<u>Long Term Borrowings</u>		
Unsecured loan - USD 10.1 million	38,304	-
Secured loan - Renminbi 10.0 million	4,601	-
	135,505	128,094

All short term borrowings are denominated in Ringgit Malaysia and are for working capital purposes. The long term borrowings raised are to finance the building of a new glass factory in China.

There are no outstanding debt securities in the current financial period to date.

11. Contingent liabilities

The Directors are not aware of any contingent liabilities that have arisen since the last annual balance sheet date.

12. Off balance sheet - financial instruments

As part of the normal course of business, the subsidiaries in the Group regularly enter into foreign currency contracts to hedge against currency fluctuation for its accounts payable and forward purchases that are denominated in foreign currency.

As at seven days before the date of this report, the details of the outstanding forward currency contracts (summarised by currency type) are as follows:

Currency	Average Contracted Rate	Equivalent RM'000	Expiry Date
USD	1USD=RM3.795	41,737	May'02-Aug'02
Thai BAHT	1Thai BAHT=RM0.087	2,749	May'02-June'02

Other than as disclosed above, there are no other financial instruments that are "off balance sheet" in nature that have been entered into, as at the date of this report.

13. Pending material litigation

There is no pending litigation of a material nature since the last balance sheet date.

14. Segmental results

RM'000	<u>Cumulative Second Quarter</u> <u>Ended 31 March 2002</u>			<u>Cumulative Second Quarter</u> <u>Ended 31 March 2001</u>		
	<u>Revenue</u>	<u>Profit Before Tax</u>	<u>Assets* Employed</u>	<u>Revenue</u>	<u>Profit Before Tax</u>	<u>Assets* Employed</u>
Soft drinks	404,109	36,692	329,079	392,568	26,589	305,362
Dairy products	255,452	8,231	286,660	285,747	9,802	258,272
Glass packaging	123,819	15,474	341,441	119,378	16,201	271,954
Others	600	4,706	194,963	260	4,411	239,691
	<u>783,980</u>	<u>65,103</u>	<u>1,152,143</u>	<u>797,953</u>	<u>57,003</u>	<u>1,075,279</u>

\*Assets Employed comprises of segment assets less segment liabilities.

15. Comment on material change in profit before tax (PBT) vs last quarter

Group PBT for the quarter of RM 33.8million was 7.8% higher than the last quarter. The higher profit was contributed by higher soft drink sales in view of the festivities during this quarter.

16. Operations review

Group revenue for the quarter showed a decline of 3.5% when compared to the same quarter last year. However, Group PBT was up 21.0% reflecting the strategy that in meeting competition, the Group was able to maintain margins despite intense marketing and discounting activities by competitors in the dairies industry.

For the cumulative quarter todate, which is also the first half of the financial year, Group PBT was up 14.2% against a negative growth of 1.7% in Group revenue. The improvement in profitability was due to better product mix, lower material costs and lower operating costs resulting from previous and ongoing cost rationalisation exercises.

17. Subsequent event

The Directors are not aware of any significant trends or any material events subsequent to this quarter that have not been reflected in the financial statement for this financial quarter.

18. Comment on seasonality or cyclicity of operations

The Group's performance is normally not affected by seasonal or cyclical events on a year to year basis. However on a quarter to quarter basis, the demand for some group products such as soft drinks may be skewed towards the major festivities, which normally occur at the end and beginning of the calendar year.

19. Prospects

Barring any unforeseen circumstances, the Directors are optimistic in the financial year on achieving better performance than that of last year.

20. Profit forecast variance (final quarter)

This is not applicable.

21. Dividend

The Directors declare an interim tax-exempt dividend of 5 sen (2001: 4 sen) to be paid to shareholders on 24 June 2002.

The entitlement date for the interim dividend shall be 10 June 2002 and a depositor shall qualify for the entitlement to the dividend only in respect of:

- (a) Shares transferred to the depositor's securities account before 12.30pm on 10 June 2002 in respect of ordinary transfer.
- (b) Shares bought on the Kuala Lumpur Stock Exchange ("KLSE") on a cum entitlement basis according to the Rules of the KLSE.

22. Other investments

This is in respect of progress advances made to an associate company to acquire a property that is earmarked for commercial development at KL Sentral. It is intended to be eventually converted into equity capital of the associate company. This transaction was approved in the Company's Extraordinary General Meeting held on 6 March 1998.

BY ORDER OF THE BOARD

Tony Lee Cheow Fui  
Company Secretary

Kuala Lumpur, Malaysia.  
8 May 2002