



FRASER & NEAVE HOLDINGS BHD.

Company No: 004205-V, Incorporated in Malaysia

For Immediate Release

GROUP RESULTS: THIRD QUARTER 2001/2002

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

Consolidated Income Statement

RM'000

	Individual 3 rd Quarter		Cumulative 3 rd Quarter	
	30/6/2002	30/6/2001	30/6/2002	30/6/2001
1 (a) <u>Revenue</u>				
Soft drinks	190,192	171,992	594,301	564,560
Dairy products	131,051	145,724	386,503	431,471
Glass packaging	57,948	55,539	181,767	174,917
Others	278	179	878	439
Total Group	<u>379,469</u>	<u>373,434</u>	<u>1,163,449</u>	<u>1,171,387</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	51,098	45,925	155,387	146,531
(b) Finance cost	(1,156)	(1,227)	(3,554)	(4,310)
(c) Depreciation and amortisation	(18,448)	(18,182)	(55,236)	(56,469)
(d) Exceptional items	-	(1,200)	-	(3,433)
(e) Profit before income tax, minority interests and extraordinary items	<u>31,494</u>	<u>25,316</u>	<u>96,597</u>	<u>82,319</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>31,494</u>	<u>25,316</u>	<u>96,597</u>	<u>82,319</u>
(h) Income tax	(5,744)	(6,250)	(18,707)	(14,919)
(i) i. Profit after income tax before deducting minority interests	<u>25,750</u>	<u>19,066</u>	<u>77,890</u>	<u>67,400</u>
(i) ii. Minority interest	(1,892)	(1,724)	(6,778)	(5,928)
(j) Pre-acquisition profit	-	-	-	-
(k) Net profit from ordinary activities attributable to members of the company	<u>23,858</u>	<u>17,342</u>	<u>71,112</u>	<u>61,472</u>
(l) i. Extraordinary items	-	-	-	-
(l) ii. Minority interest	-	-	-	-
(l) iii. Extraordinary items attributable to members of the company	-	-	-	-
(m) Net profit attributable to members of the company	<u>23,858</u>	<u>17,342</u>	<u>71,112</u>	<u>61,472</u>
3 (a) Earnings per share – basic (sen)	6.7	4.9	20.0	20.2*

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

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<u>Consolidated Balance Sheet</u>	Unaudited	Audited
RM'000	as at <u>30/6/2002</u>	as at <u>30/9/2001</u>
1 Plant, property and equipment.....	699,639	705,056
2 Advances to an associate company (Note 22).	22,254	22,254
3 Current assets		
Stocks	253,067	270,594
Receivables	299,894	277,729
Amount due from related companies.....	17,416	15,741
Cash, bank balances and fixed deposits...	249,100	156,135
	<u>819,477</u>	<u>720,199</u>
4 Current liabilities		
Payables	306,818	261,061
Amount due to related companies	5,377	1,610
Short term borrowings (Note 10)	49,724	128,094
Provision for taxation	5,923	9,201
	<u>367,842</u>	<u>399,966</u>
5 Net current assets	<u>451,635</u>	<u>320,233</u>
	<u>1,173,528</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	180,880	145,418
	<u>958,185</u>	<u>922,723</u>
7 Minority interest	88,619	56,793
8 Long term borrowings (Note 10)	57,123	-
9 Other long term liabilities	40,768	39,716
10 Deferred taxation	28,833	28,311
	<u>1,173,528</u>	<u>1,047,543</u>
11 Net tangible assets per share (RM)	<u>2.69</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 and asset write off due to closure of plant.

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	Current Quarter	Cumulative Quarter
Current	7,503	18,563
Tax under provision in previous years	-	116
(Reversal)/provision of deferred tax	(1,759)	28
	<u>5,744</u>	<u>18,707</u>

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The Group's effective tax rate in this current quarter and the cumulative quarter is lower than the statutory rate due to brought forward tax losses, the utilisation of reinvestment allowances and reversal of deferred tax over provided in previous years.

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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 first 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 <u>30/6/2002</u>	As at <u>30/9/2001</u>
<u>Short Term Borrowings</u>		
Unsecured bank advances/loans	49,724	128,094
<u>Long Term Borrowings</u>		
Unsecured loan – USD 10.1 million	38,304	-
Secured loan – Renminbi 41 million	18,819	-
	<u>106,847</u>	<u>128,094</u>

All short term borrowings are denominated in Ringgit Malaysia and are for working capital purposes. The long term borrowings raised were 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
There were no material 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.

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Notes (cont'd)

14. Segmental results

RM'000	<u>Cumulative Third Quarter Ended 30 June 2002</u>			<u>Cumulative Third Quarter Ended 30 June 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>
<u>Business Group</u>						
Soft drinks	594,301	49,322	266,762	564,560	36,901	210,128
Dairy products	386,503	17,442	162,103	431,471	12,805	160,737
Glass packaging	181,767	22,511	312,152	174,917	24,902	243,163
Others	878	7,322	432,511	439	7,711	414,462
	<u>1,163,449</u>	<u>96,597</u>	<u>1,173,528</u>	<u>1,171,387</u>	<u>82,319</u>	<u>1,028,490</u>

**Assets Employed comprises 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 31.5million was 6.8% lower than the last quarter. The higher PBT in the previous quarter was due to festive seasons, which traditionally result in higher consumption of the Group's beverage products.

16. Operations review

Group revenue for the quarter showed a marginal increase of 1.6% when compared to the same quarter last year. The decline in the dairies revenue was offset by the increase in the soft drinks segment. However, Group PBT was up 24.4% contributed by improved profitability of the dairies operations from lower cost of materials and improved soft drinks volume.

For the cumulative quarter todate, Group PBT was up 17.3% against a marginally lower Group revenue.

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 and based on the current performance trend of the group businesses, the Directors are of the view that the full year group profit performance will exceed that of the previous year.

20. Profit forecast variance (final quarter)

This is not applicable.

21. Dividend

No dividend has been declared in this financial quarter.

However, in the financial period to date, an interim tax exempt dividend of 5 sen per share for the financial ending 30 September 2002 has been paid on 24 June 2002.

Notes (cont'd)

22. Advances to an associate company

This is in respect of progress advances made to an associate company to acquire a property that has been earmarked for commercial development at the Kuala Lumpur Sentral station in Brickfields. These advances which is non-interest bearing, would eventually be converted to equity and form part of the Group's investment in the commercial development. This transaction was approved by shareholders at an Extraordinary General Meeting held on 6 March 1998.

BY ORDER OF THE BOARD

Tony Lee Cheow Fui
Company Secretary

Kuala Lumpur, Malaysia.
19 August 2002