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FRASER & NEAVE HOLDINGS BHD.

Company No: 004205-V, Incorporated in Malaysia

For Immediate Release

GROUP RESULTS : FIRST QUARTER 2001/2002

The Directors announce the unaudited results of the Group for the three months ended 31 December 2001, being the first quarter for financial year ending 30 September 2002.

Consolidated Income Statement

RM'000

		First Quarter	
		31/12/2001	31/12/2000
1	(a) <u>Revenue</u>		
	Soft drinks	197,592	195,062
	Dairy products	134,186	135,315
	Glass packaging	64,940	66,453
	Others	309	129
	Total Group	<u>397,027</u>	<u>396,959</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	50,703	47,801
	(b) Finance cost	(1,155)	(1,683)
	(c) Depreciation and amortisation	(18,220)	(19,208)
	(d) Exceptional items	-	2,167
	(e) Profit before income tax, minority interests and extraordinary items	<u>31,328</u>	<u>29,077</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>31,328</u>	<u>29,077</u>
	(h) Income tax	(6,113)	(3,360)
	(i) i. Profit after income tax before deducting minority interests	<u>25,215</u>	<u>25,717</u>
	(i) ii. Minority Interest	(2,536)	(2,136)
	(j) Pre-acquisition profit	-	-
	(k) Net profit from ordinary activities attributable to members of the company	<u>22,679</u>	<u>23,581</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>22,679</u>	<u>23,581</u>
3	(a) Earnings per share (sen)	6.4*	9.0

* The lower EPS is partly due to the enlargement of share capital.

Fraser & Neave Holdings Bhd
Group Results: First Quarter 2001/2002

Consolidated Balance Sheet	As at	As at
RM'000	<u>31/12/2001</u>	<u>30/9/2001</u>
1 Plant, Property and Equipment.....	692,934	705,056
2 Other Investments (see Note 22)	22,254	22,254
3 Current Assets		
Stocks	283,695	270,594
Receivables	305,894	277,729
Amount Due from Related Companies.....	34,367	15,741
Cash, Bank Balances and Fixed Deposits...	205,314	156,135
	<u>829,270</u>	<u>720,199</u>
4 Current Liabilities		
Payables	287,097	261,061
Amount Due to Related Companies	5,963	1,610
Short Term Borrowings (Note 10)	122,335	128,094
Provision for Taxation	9,796	9,201
	<u>425,191</u>	<u>399,966</u>
5 Net Current Assets	<u>404,079</u>	<u>320,233</u>
	<u>1,119,267</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	168,099	145,418
	<u>945,404</u>	<u>922,723</u>
7 Minority Interest	74,631	56,793
8 Long Term Borrowings (Note 10)	27,629	-
9 Other Long Term Liabilities	39,839	39,716
10 Deferred taxation	31,764	28,311
	<u>1,119,267</u>	<u>1,047,543</u>
11 Net Tangible Assets per share (RM)	<u>2.65</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.

3. Extraordinary Items

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

4. Tax Charge

The details of the tax charge is as follows:-

RM'000	
Current	3,304
Deferred Tax	2,809
	<u>6,113</u>

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

Notes (cont'd)

5. Sale of Unquoted Investments and Properties
A property was disposed by a subsidiary for a cash consideration of RM1.1 million in this quarter and a realised 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 year to date.
7. Changes in the Composition of the Group
There were no changes in the composition of the Group in the current financial year 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>31/12/2001</u>	As at <u>30/9/2001</u>
<u>Short Term Borrowings</u>		
Unsecured bank advances/loans	122,335	128,094
<u>Long Term Borrowings</u>		
Unsecured loan - USD 6.1 million	23,028	-
Secured loan - RMB 10.0 million	4,601	-
	<u>149,964</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 in the current financial quarter are to finance the investment 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 enters 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	Contract Rate	Equivalent RM'000	Expiry Date
USD	1USD=RM3.79	69,790	Feb'02 – May'02
Thai BAHT	1Thai BAHT=RM0.09	5,456	Feb'02 – May'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.

Notes (cont'd)

14. Segmental Results

RM'000	<u>First Quarter</u> Ended 31 December 2001			<u>First Quarter</u> Ended 31 December 2000		
	<u>Revenue</u>	<u>PBT</u>	<u>Total Assets</u>	<u>Revenue</u>	<u>PBT</u>	<u>Total Assets</u>
<u>Business Group</u>						
Soft Drinks	197,592	17,474	577,273	195,062	13,376	618,899
Dairy Products	134,186	3,848	405,946	135,315	4,567	375,725
Glass packaging	64,940	7,667	377,521	66,453	7,840	322,293
Others	309	2,339	183,718	129	3,294	172,655
	<u>397,027</u>	<u>31,328</u>	<u>1,544,458</u>	<u>396,959</u>	<u>29,077</u>	<u>1,489,572</u>

15. Comment on Material Change in Profit Before Tax (PBT) vs Last Quarter

Group PBT for the quarter of RM 31.3million was 47.5% higher than last quarter. The higher profit was mainly due to higher soft drink sales in view of the festivities. Group revenue increased 7.3% over the last quarter.

16. Operations Review

For the financial quarter under review, PBT was higher by 7.7% compared to the same quarter last year. The improvement reflected a better sales mix and benefits from ongoing cost rationalisation; these were partly offsetted by higher material costs in the dairies operation.

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 skew towards the major festivities, which normally occur at the end and beginning of the calendar year.

19. Prospects

Barring any unforeseen circumstances and assuming the present business sentiment continues, the Directors are optimistic in the financial year on achieving comparable performance to that of last year.

20. Profit Forecast Variance (final quarter)

This is not applicable.

21. Dividend

No dividend has been declared in this financial quarter.

At the recent Annual General Meeting held on 23 January 2002, the shareholders approved a final tax-exempt dividend payment of 5 sen per share (2000: 7 sen less tax) amounting to RM17.8 million in respect of the financial year ended 30 September 2001. This will be paid on 27 March 2002.

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.

BY ORDER OF THE BOARD

Tony Lee Cheow Fui
 Company Secretary

Fraser & Neave Holdings Bhd
Group Results: First Quarter 2001/2002

Kuala Lumpur, 19 February 2002