

NEWS RELEASE

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F&N POSTS 26 PER CENT RISE IN PRE-TAX PROFIT FOR Q1

F&N Holdings Berhad (F&N) has posted a higher pre-tax profit of RM39.5 million for its first quarter ended December 31, 2002, an increase of 26.1 per cent over the RM31.3 million recorded in the corresponding period of the previous year.

Total Group revenue increased by 3.8 per cent to RM412 million from RM397 million recorded in the same quarter of the preceding year.

Speaking at a media briefing in Kuala Lumpur, Mr. Tony Lee, F&N's chief financial officer, said the improved performance was mainly attributed to better soft drinks volume -- driven by 100Plus and Seasons brands -- and lower milk powder prices.

"Despite the festive seasons, consumer sentiment was patchy during the first quarter. We do not expect significant pick up for the remaining quarters in view of global uncertainties.

"However, the Group will benefit from margin improvement through its productivity enhancement program, which has played a significant role in containing costs, lower cost of milk powder and new revenue stream from our China glass investment. Overall, we are cautiously optimistic of achieving better results for the current financial year," Lee added.

Earnings per share for current quarter were 7.8 sen, while net tangible assets per share stood at RM2.81.

For the current quarter, F&N's soft drinks division earned an increased profit of RM24 million, up 28.9 per cent, compared to RM18.7 million recorded in the same quarter of the previous year. Turnover also increased significantly from last year's quarter figure of RM197.6 million to RM233.4 million for the period under review.

The dairies division registered a declined turnover of RM108.4 million, compared to RM134.2 million in the preceding year's quarter. However, its operating profit rose 47.9 per cent to RM7.5 million as against RM5.1 million in the previous year-to-year period.

F&N's glass division operated at full capacity to register a RM69.9 million turnover and pre-tax profit of RM7.5 million. This compared to revenue of RM64.9 million and PBIT of RM7.8 million in same quarter of the preceding year.

Lee said that the soft drinks division was again the major contributor to the latest results accounting for more than 60 per cent of overall pre-tax group profit, assisted by festive sales.

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Issued with the compliments of F&N Holdings Berhad.
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