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MSM net profit down 9% on weaker sales

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KUALA LUMPUR: MSM Malaysia Holdings Bhd, the country's largest sugar refiner, saw a 9.2% drop in net profit to RM56.3 million for the first quarter ended March 31, 2014 (1QFY14) from RM62 million a year ago due to lower domestic sales.

Revenue fell 3.2% year-on-year to RM498.3 million from RM515 million due to lower domestic and export sales despite an increase in industry sales.

However, its net profit more than doubled quarter-on-quarter, although revenue fell 7.3%.

"We are heartened by the results achieved in the first quarter as it is in line with our targets and expectations. Furthermore, this was achieved during trying times for the industry given the influx of foreign sugar supply as well as water rationing which impacted our operations," said MSM group chief executive officer Datuk Sheikh Awab Abod in a statement yesterday.

"With cost optimisation measures coupled with consistent volume of production output, we believe the results for the quarter under review place us in good stead for the remaining quarters for the financial year," he said.

Total production output for 1QFY14 stood at 218,423 tonnes. For the three-month period, MSM received RM535,000 in sugar subsidy from the government, down from RM17.6 million in 1QFY13.