



## Sugar producer MSM's 2nd quarter earnings down 15%

**PETALING JAYA:** Sugar producer MSM Malaysia Holdings Bhd's earnings in the second quarter ended June 30, 2014 was lower by 14.9% year-on-year, coming in at RM78.7 million compared to RM92.6 million on higher costs and a RM8.8 million net loss for the quarter compared to a net gain of RM16.9 million for the same quarter in the previous year.

Revenue slipped 1.5% to RM595.4 million from RM604.6 million previously, while earnings per share for the quarter was 11.20 sen compared to 13.17 sen previously.

Pre-tax profit for the current quarter was RM103 million as compared to RM123 million for the same period in 2013 mainly due to higher gains recorded for raw sugar and foreign exchange hedging last year.

MSM declared an interim dividend of 10 sen per share.

MSM president and group CEO Datuk Sheikh Awab Sheikh Abod said MSM is focused on consolidating its strengths and reinforcing its position as the Malaysia's leading sugar producer.

"We are ready to pursue aggressive growth that will see us expand locally and in the

region," he said in a statement yesterday.

MSM continued to increase its production capacity by automating production process, improve storage capacity, handling and delivery. "This enables us to meet rising demand, maximise output and deliver significant cost savings through economies of scale," he said.

For the six months period to June 30 2014, MSM's net profit fell 12.6% to RM135 million from RM154.5 million before, while revenue dipped 2.3% to RM1.1 billion from RM1.12 billion.

MSM said despite the removal of sugar subsidy last October, the sales volume for both domestic and industrial sector registered an increase from 366,700 tonnes in the first half of 2013 to 395,400 tonnes in the first half of 2014.

Under Budget 2014, the government abolished the 34 sen per kg sugar subsidy, leading to a hike in the retail price of refined sugar, while at the same time allowing imports of refined sugar.

"Notwithstanding the volatility of commodity prices, MSM is expected to be able to sustain its satisfactory performance," it said.