

news release
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FOR IMMEDIATE PUBLICATION

KONSORTIUM POSTS UNAUDITED 2009 FIRST QUARTER PROFIT OF RM6.6 MILLION.

PUCHONG --- Konsortium Logistik Berhad today announced an unaudited interim profit before tax of RM6.6 million for the first quarter ended 31 March 2009. The slowdown in the country's economy that cuts across most industries has had a negative impact on the Group's logistics supply chain activities where it has recorded a 16.4 per cent decline in revenue for the quarter ended 31 March 2009 to RM52.1 million as compared to the previous corresponding quarter.

Despite the lower revenue, the initiatives through the assets renewal exercise, staff and process productivity initiatives, among others, that were implemented since the beginning of 2008 has proven successful with the Group recording an Operation Profits of RM8.5Mil, an increase of 24 per cent over the previous corresponding quarter. Net margins were higher due to higher productivity and better utilisation of people and assets. The net profit was RM5.3 million compared to RM5.0 million in the previous corresponding quarter. Basic earnings per share improved to 2.27 sen for the first quarter of 2009 compared with 2.10 sen in the previous first quarter of 2008.

The gloomy global and domestic economy for the remaining quarters of 2009 will impact the already negative trading activities across various industries, unless there is a strong recovery in the second half of the year. Intense competition for customers in the Haulage, Port and Customs Clearance and Air Freight divisions is evident and this will drive margins lower through price discounts. Although the Group's other logistics activities have long term contracts and relatively high entry barriers, the downturn in economy and lower consumer spending will inevitably have some negative impact on the Group's revenue. Nevertheless, the Group will continue its profits improvement plans, where the drive for high productivity and cost efficiencies will help mitigate the impact cause by falling revenue. It will also work hard to tap on its close relationships with its existing customers to penetrate into areas of opportunities that it does not cover and to offer more productive logistics solutions via its costs effective model and processes.

End of Release.

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