

F.F.I. HOLDINGS LTD

(A.B.N. 32 009 155 328)

AND CONTROLLED ENTITIES

UNAUDITED PRELIMINARY INTERIM FINANCIAL REPORT FOR THE HALF YEAR ENDED 31st DECEMBER 2008

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CHAIRMAN'S REVIEW

DECEMBER 2008

On behalf of the Directors I am pleased to report the unaudited preliminary financial results for the six months ended the 31st December 2008. Profit for the period after income tax and minority interests was \$797,000, (down 7.7%). The results were achieved on sales of \$13.9 million up 8% on the previous corresponding half-year.

F.F.I. Holdings Ltd is a West Australian based food company with manufacturing, processing and packing operations covering the following areas –

- ◆ “Chocolate Products of Australia” – industrial supply of chocolate and chocolate compounds.
- ◆ “Nemar Cake Toppings” – cake toppings and confectionery products.
- ◆ “Prepact”- contract packing and blending.
- ◆ “Olympic Fine Foods” – nuts, dried fruits, snacks, muesli and popcorn.
- ◆ “Fresh Food Industries” – bakers jams and fruit fillings.
- ◆ “Tradition Smallgoods” – fresh sausages, bacon and processed meat products.

The profit for the period under review represents earnings per share of 12.4 cents and the Directors have resolved to maintain the interim dividend at 7.0 cents (fully franked).

While the profit was marginally down on the record results that were achieved in the corresponding period to December 2007, many of the factors that resulted in the dramatic downturn in profits in the second half last year have now been addressed. Profitability has therefore, significantly improved when compared with the previous six month period to June 2008.

The Company is enjoying sound organic sales growth while profit margins are improving with the softening of commodity prices. In addition, a number of initiatives undertaken to improve manufacturing efficiencies and cost controls are also delivering improved results.

The Company remains in a sound financial position with quality assets and low debts. Notwithstanding the anticipated further down turn in the industrial property market the Directors are comfortable with the conservative carrying values of the Company's land and other assets. The Directors will continue to carefully monitor the carrying value of all assets.

The Directors are pleased with the progress that has been achieved during the period. The outlook is positive and the financial results are expected to continue to improve in the last half compared with the last half of the previous year.

The Company expects to release it's audited financial report for the half year ended 31st December 2008 on Wednesday the 25th of February 2009.

Rodney G. Moonen
Chairman of Directors
12th February 2009

F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES
UNAUDITED PRELIMINARY
INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31st DECEMBER 2008

ASX APPENDIX 4D DISCLOSURE
RESULTS FOR ANNOUNCEMENT TO THE MARKET

FINANCIAL RESULTS

Movement from the previous corresponding period (6 months ended 31 December 2007) for;

Revenue from ordinary activities	up	8.2%	to	\$13,987,972
Profit / (Loss) from ordinary activities after tax attributable to members	down	7.7%	to	\$797,121
Net Profit / (Loss) attributable to members	down	7.7%	to	\$797,121

DIVIDENDS

	<u>Amount Per Security</u>	<u>Franked Amount Per Security</u>
Interim Dividend	7.00 cents	7.00 cents
Previous corresponding period	7.00 cents	7.00 cents
Record date for determining entitlements to dividend;	21 st April 2009	
Payment date for dividend;	28 th April 2009	

The Company's Dividend Reinvestment Plan (DRP) will remain in operation for the interim dividend payable on 28th April 2009. Elections to participate in the DRP for the interim dividend or an amendment to an existing notice of election must be received by close of business on 21st April 2009. Previously lodged elections to participate in the DRP remain valid for the dividend.

NET TANGIBLE ASSETS

	<u>Current Period</u>	<u>Previous Corresponding Period</u>
Net Tangible assets per Security	\$2.44	\$2.18

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- ***This report is based on unaudited financial results for the half year to 31 December 2008.***
 - ***It is recommended that this report be read in conjunction with the annual financial report of the company for the year ended 30 June 2008.***

F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Economic Entity	
	31.12.2008	31.12.2007
	\$	\$
Revenue	13,987,972	12,927,666
Changes in inventories of finished goods and work in progress	196,321	90,101
Raw materials and consumables used	(7,526,096)	(6,857,009)
Employee benefits expense	(2,996,711)	(2,792,390)
Depreciation and amortisation expense	(212,530)	(198,876)
Repairs and Maintenance	(312,838)	(387,715)
Freight	(770,575)	(575,059)
Finance costs	(128,026)	(69,531)
Other expenses	(1,024,333)	(852,365)
Profit before income tax	1,213,184	1,284,822
Income tax expense	(363,955)	(385,447)
Profit for the period	849,229	899,375
Profit attributable to minority equity interest	(52,108)	(35,947)
Profit attributable to members of the parent entity	797,121	863,428

Overall Operations:

Basic earnings per share (cents per share)	12.4	13.5
Diluted earnings per share (cents per share)	12.4	13.5

F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2008

	Economic Entity	
	31.12.2008	30.06.2008
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	244,334	41,748
Trade and other receivables	4,001,611	3,288,270
Inventories	3,196,842	2,850,353
Other current assets	56,658	31,742
TOTAL CURRENT ASSETS	7,499,445	6,212,113
NON-CURRENT ASSETS		
Trade and other receivables	503,855	544,664
Land held as an investment	9,248,334	9,248,334
Property, plant and equipment	9,113,574	8,651,160
Deferred tax assets	313,765	313,765
Intangible assets	262,530	262,530
Other non-current assets	41,906	41,906
TOTAL NON-CURRENT ASSETS	19,483,964	19,062,359
TOTAL ASSETS	26,983,409	25,274,472
CURRENT LIABILITIES		
Trade and other payables	3,206,344	2,391,210
Short-term financial liabilities	-	1,591,536
Current tax liabilities	96,305	78,903
Short-term provisions	710,107	663,384
TOTAL CURRENT LIABILITIES	4,012,756	4,725,033
NON-CURRENT LIABILITIES		
Trade and other payables	-	-
Long-term financial liabilities	2,500,153	911,253
Deferred tax liabilities	3,681,951	3,681,951
TOTAL NON-CURRENT LIABILITIES	6,182,104	4,593,204
TOTAL LIABILITIES	10,194,860	9,318,237
NET ASSETS	16,788,549	15,956,235
EQUITY		
Issued capital	5,530,204	4,805,631
Reserves	2,584,500	2,584,500
Retained earnings	8,450,925	8,358,167
Parent entity interest	16,565,629	15,748,298
Minority equity interest	222,920	207,937
TOTAL EQUITY	16,788,549	15,956,235

F.F.I. HOLDINGS LIMITED AND CONTROLLED ENTITIES

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Economic Entity	
	31.12.2008	31.12.2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	13,314,818	12,033,965
Payments to suppliers and employees	(11,943,780)	(10,783,000)
Dividends received	2,850	2,455
Interest received	2,197	4,892
Finance costs	(128,026)	(69,531)
Income tax paid	(346,553)	(413,655)
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Net cash provided by (used in) operating activities	901,506	775,126
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CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of non-current assets	47,012	-
Purchase of non-current assets	(767,190)	(248,885)
Proceeds from borrowings	1,588,900	-
Purchase of other financial assets	-	-
Purchase of intangible assets	-	-
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Net cash provided by (used in) investing activities	868,722	(248,885)
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CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	724,573	-
Dividends paid by chief entity	(704,363)	(1,118,216)
Dividends paid by controlled entities to outside equity interests	(37,125)	-
Proceeds from employee share plan	40,809	59,262
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Net cash provided by (used in) financing activities	23,894	(1,058,954)
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Net increase (decrease) in cash held	1,794,122	(532,713)
Cash at 1 July 2008	(1,549,788)	(90,971)
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Cash at 31 December 2008	244,334	(623,684)
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