

Mesiniaga on track for 15% pre-tax profit growth

SUBANG JAYA: Mesiniaga Bhd is on track to achieving its target of 15% growth in pre-tax profit for the financial year ending Dec 31, 2006, said chief executive officer Wan Mohamed Fusil Wan Mahmood.

Although the company's first-quarter results did not meet expectations, Mesiniaga's second quarter ending June 30 would meet up to 40% of the targeted profits for the full year, he said after the company AGM yesterday.

"Our first quarter was below expectation as the Eighth Malaysia Plan projects finished in this quarter and the Ninth Malaysia Plan (9MP) projects have yet to be awarded".

The remaining 60% of targeted earnings would be made up in the third and fourth quarters of the year, which traditionally had heavier weighted earnings potential for the

IT solutions provider, he added.

Wan Mohamed said Mesiniaga was hopeful of securing substantial contracts under the 9MP due to its experience in servicing the government.

He said the company had invested a great deal of effort in assessing the various needs of government agencies before tendering.

Mesiniaga, which now has 50% of its business servicing the private sector, will also look at expanding in the enterprise IT solutions sector.

In the next 18 to 24 months, the company would be looking at expanding its intellectual property in software solutions to further penetrate this market.

"The financial services and insurance sector and the oil and gas sector would be the immediate areas of focus this year," he added.