Dole 'disappointed' with flower earnings

According to the Dole Food Companies, Inc., the only division in Dole's core businesses not performing at target levels is Dole Fresh Flowers. It will lose about $2 million for the second quarter.

Dole is "very disappointed" with the results of the division, says Lawrence Kern, Dole president and COO.

Dole told investors that the floral industry is less attractive than the company had expected in 1998 when it made its four industry acquisitions (Sunburst Farms, Four Farmers, Finesse Farms and CCI).

In addition, the company's integration of the acquired businesses has been slower than expected.

To improve performance, Dole has done an "extensive" review of the flower division in order to reconfigure it.

In the second quarter of 2002, reported net income of $66.8 million was up from $37.0 million for the second quarter of 2001.

For year-to-date 2002, net income fell to $3.2 million from $71.7 million in the corresponding period of 2001, owing to a non-cash, after-tax charge of $119.9 million from the write-off of goodwill associated with the company's fresh-cut flower business, which was occasioned by the change in US accounting principles related to goodwill.