

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

Quarterly report on results for the financial quarter ended 31 March 2009
The figures have not been audited.

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	3 month CUMULATIVE TO DATE	3 month CUMULATIVE TO DATE
	31/03/09 RM'000	31/03/08 RM'000	31/03/09 RM'000	31/03/08 RM'000
Revenue	168,566	180,112	168,566	180,112
Cost of Sales	<u>(122,686)</u>	<u>(142,947)</u>	<u>(122,686)</u>	<u>(142,947)</u>
Gross Profit	45,880	37,165	45,880	37,165
Other Income	171	152	171	152
Interest Income	6	29	6	29
Distribution Costs	(20,183)	(16,505)	(20,183)	(16,505)
Administrative Expenses	(4,726)	(4,253)	(4,726)	(4,253)
Other operating Expenses	<u>(8,481)</u>	<u>(8,004)</u>	<u>(8,481)</u>	<u>(8,004)</u>
Profit From Operations	12,667	8,584	12,667	8,584
Finance Costs	<u>(1)</u>	<u>(32)</u>	<u>(1)</u>	<u>(32)</u>
Profit Before Taxation	12,666	8,552	12,666	8,552
Taxation	<u>(3,913)</u>	<u>(2,252)</u>	<u>(3,913)</u>	<u>(2,252)</u>
Profit After Taxation	<u>8,753</u>	<u>6,300</u>	<u>8,753</u>	<u>6,300</u>
Attributable to:				
Equity holders of the Company	8,753	6,300	8,753	6,300
Minority Interest	-	-	-	-
	<u>8,753</u>	<u>6,300</u>	<u>8,753</u>	<u>6,300</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>13.68</u>	<u>9.84</u>	<u>13.68</u>	<u>9.84</u>

(The Condensed Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

DUTCH LADY MILK INDUSTRIES BERHAD

(5063-V)

(Incorporated in Malaysia)

CONDENSED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31/03/09 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31/12/08 (Audited)
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	57,121	57,551
Prepaid leased payments	3,761	3,782
Intangibles assets	5,317	5,665
	66,199	66,998
CURRENT ASSETS		
Inventories	74,001	74,902
Trade Receivables	114,129	115,774
Other receivables and prepaid expenses	5,581	3,799
Amounts owing by other related companies	4,064	5,709
Cash and bank balances	21,467	23,792
TOTAL CURRENT ASSETS	219,242	223,976
TOTAL ASSETS	285,441	290,974
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued Capital	64,000	64,000
Unappropriated Profit	106,338	97,585
Equity attributable to equity holders of the Company	170,338	161,585
Minority Interest	-	-
TOTAL EQUITY	170,338	161,585
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	2,300	2,300
	2,300	2,300
CURRENT LIABILITIES		
Short-term borrowings	-	-
Trade payables	62,127	64,387
Other payables and accrued expenses	23,857	35,619
Amount owing to other related companies	20,915	22,478
Provisions	247	247
Tax Liabilities	5,657	4,358
	112,803	127,089
TOTAL LIABILITIES	115,103	129,389
TOTAL EQUITY AND LIABILITIES	285,441	290,974
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.66	2.52

(The Condensed Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)

(Incorporated in Malaysia)

**CONDENSED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2009**

	Issued Capital RM000	Share Premium RM000	Distributable Reserve - Unappropriated profit RM000	Attributable to equity holders of the parent RM000	Minority Interest RM000	Total RM000
3 months ended 31 March 2009						
Balance at beginning of period	64,000	-	97,585	161,585	-	161,585
Movements during the period (Cumulative)	-	-	8,753	8,753	-	8,753
Dividends paid	-	-	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>106,338</u>	<u>170,338</u>	<u>-</u>	<u>170,338</u>
3 months ended 31 March 2008						
Balance at beginning of period	64,000	-	63,258	127,258	-	127,258
Movements during the period (Cumulative)	-	-	6,300	6,300	-	6,300
Dividends paid	-	-	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>69,558</u>	<u>133,558</u>	<u>-</u>	<u>133,558</u>

(The Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

DUTCH LADY MILK INDUSTRIES BERHAD

(5063-V)

(Incorporated in Malaysia)

**CONDENSED CASH FLOW STATEMENT
For the period ended 31 March 2009**

	<u>2009</u> 3 months ended 31 March RM'000	<u>2008</u> 3 months ended 31 March RM'000
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	170,240	143,886
Cash paid to suppliers and employees	(168,418)	(155,501)
	<hr/>	<hr/>
Cash generated from / (absorbed by) operations	1,822	(11,615)
Income tax paid	(2,614)	(4,100)
	<hr/>	<hr/>
Net cash from operating activities	(792)	(15,715)
	<hr/> <hr/>	<hr/> <hr/>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Additions of property, plant and equipment	(1,543)	-
Proceeds from disposal of property, plant and equipment	5	124
Interest received	6	29
	<hr/>	<hr/>
Net cash used in investing activities	(1,532)	153
	<hr/> <hr/>	<hr/> <hr/>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(1)	(32)
Dividends paid	-	-
	<hr/>	<hr/>
Net cash used in financing activities	(1)	(32)
	<hr/> <hr/>	<hr/> <hr/>
Net decrease in cash and cash equivalents	(2,325)	(15,594)
Cash and cash equivalents brought forward	23,792	17,267
	<hr/>	<hr/>
Cash and cash equivalents carried forward	21,467	1,673
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(The Condensed Cashflow Statement should be read in conjunction with the Annual Financial Report for the year ended 31 December 2008)

DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)
(Incorporated in Malaysia)

NOTES

1. Basis of Preparation

The interim financial report is unaudited and has been prepared in accordance with Financial Reporting Standard (FRS) 134 'Interim Financial Reporting' issued by the Malaysian Accounting Standards Board (MASB) and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2008. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the financial year ended 31 December 2008.

2. Auditors' Report of Preceding Annual Financial Statements

The audit report of the Company in respect of the annual audited financial statements for the year ended 31 December 2008 was not subject to any audit qualification.

3. Seasonal and Cyclical Factors

The milk and milk related business can be influenced by the weather and major festivals.

4. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

6. Changes in Estimates

There were no changes in estimates of amounts reported in the current quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

7. Changes in Debt and Equity

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

8. Dividends

There were no dividends paid for the financial quarter under review.

9. Segmental Analysis

No segmental information has been provided as the Company operates principally in Malaysia and in one major business segment.

10. Valuation of Prepaid Lease Payments

There were no changes or amendments to the valuation of Prepaid lease payments from the previous annual financial statements.

11. Subsequent Events

There were no material subsequent events as at 19 May 2009 that will affect the financial results of the financial period under review.

12. Changes in Composition of the Company

There were no changes in the composition of the Company during the financial period under review.

13. Contingent Liabilities

There were no other contingent liabilities as at 19 May 2009 other than operating lease obligations by the Company amounting to RM3.2 million.

14. Related Party Transactions

The following are significant related party transactions:-

	Quarter ended 31.03.2009 RM'000	Year-to-date 31.03.2009 RM'000
Sales to related parties	4,539	4,539
Purchases from related parties	32,014	32,014
License fees	4,574	4,574
Call centre services from related party	276	276

The above transactions have been entered in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

15. Review of Results (Against preceding year corresponding period)

The Company's revenue for the financial quarter decreased by 6% compared to preceding year corresponding quarter mainly due to cautious consumer spending in line with the economic conditions. The profit before taxation for the financial quarter was higher at RM12.7 million mainly as a result of lower dairy raw material prices.

16. Comments on Material Changes in Profit Before Taxation

The Company's revenue was higher in the current quarter at RM168.6 million compared to RM165.3 million in the preceding quarter. The profit before taxation for the current quarter was lower at RM12.7 million compared to the preceding quarter of RM19.2 million as a result of product mix and higher advertising and promotional expenditure.

17. Business Prospects

The Company expects that the year 2009 will remain challenging due to the uncertain global economic environment that will impact consumer sentiment and spending.

18. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document

Not applicable.

19. Profit Forecast

The Company did not issue any profit forecast during the financial period under review.

20. Taxation

Taxation is made up as follows: -

	As at end of quarter 31.03.2009	3 month Cumulative to-date 31.03.2009
	RM'000	RM'000
Income tax for current period	3,913	3,913
Deferred tax for current period	-	-
Total taxation	3,913	3,913

21. Deferred Tax Liabilities

	31.03.2009	31.12.2008
	<u>RM'000</u>	<u>RM'000</u>
At 1 January 2009 (2008)	2,300	1,618
Recognised in the income statement	-	682
At 31 March 2009 (31 Dec 2008)	<u>2,300</u>	<u>2,300</u>

22. Sale of Unquoted Investments and / or Properties

There were no sales of investments or properties during the financial period under review.

23. Purchase or Disposal of Quoted Securities

- a) There were no purchases or disposals of quoted securities during the financial period under review.
- b) There were no investments in quoted securities as at the end of the financial period under review.

24. Corporate Proposals

There were no corporate proposals announced but not completed as at 19 May 2009.

25. Company Borrowings

There were no borrowings nor debt securities as at the end of the reporting period.

26. Off Balance Sheet Financial Instruments

There were no financial instruments with off-balance sheet risk as at 19 May 2009.

27. Material Litigation

Not applicable.

28. Proposed Dividend

At the Annual General Meeting to be held on 27 May 2009, a final dividend in respect of the financial year ended 31 December 2008 of gross 6.25 sen per ordinary share less income tax, and 3.75 sen per ordinary share, tax exempt, amounting to a total net dividend of RM 5.40 million, will be proposed for approval by shareholders.

If approved, the dividends will be paid out on 1 July 2009.

29. Earnings Per Share

	Current Quarter ended	Comparative Quarter ended	3 month Cumulative to-date	3 month Cumulative to-date
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Basic earnings per share				
Profit after taxation (RM'000)	8,753	6,300	8,753	6,300
Weighted average number of ordinary shares in issue ('000)	64,000	64,000	64,000	64,000
Basic earnings per share (sen)	13.68	9.84	13.68	9.84

The Company does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore dilute its basic earnings per share.

By Order of the Board
Huang Shi Chin
Company Secretary
26 May 2009