

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

Quarterly report on results for the financial quarter ended 30 June 2009
The figures have not been audited.

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	6 month CUMULATIVE TO DATE	6 month CUMULATIVE TO DATE
	30/06/09 RM'000	30/06/08 RM'000	30/06/09 RM'000	30/06/08 RM'000
Revenue	176,631	187,692	345,197	367,804
Cost of Sales	<u>(119,933)</u>	<u>(143,408)</u>	<u>(242,619)</u>	<u>(286,355)</u>
Gross Profit	56,698	44,284	102,578	81,449
Other Income	322	459	493	611
Interest Income	32	2	38	31
Distribution Costs	(25,116)	(21,427)	(45,299)	(37,932)
Administrative Expenses	(4,656)	(5,064)	(9,382)	(9,317)
Other operating Expenses	<u>(7,394)</u>	<u>(7,153)</u>	<u>(15,875)</u>	<u>(15,157)</u>
Profit From Operations	19,886	11,101	32,553	19,685
Finance Costs	<u>-</u>	<u>(56)</u>	<u>(1)</u>	<u>(88)</u>
Profit Before Taxation	19,886	11,045	32,552	19,597
Taxation	<u>(4,497)</u>	<u>(2,527)</u>	<u>(8,410)</u>	<u>(4,779)</u>
Profit After Taxation	<u>15,389</u>	<u>8,518</u>	<u>24,142</u>	<u>14,818</u>
Attributable to:				
Equity holders of the Company	15,389	8,518	24,142	14,818
Minority Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>15,389</u>	<u>8,518</u>	<u>24,142</u>	<u>14,818</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>24.05</u>	<u>13.31</u>	<u>37.72</u>	<u>23.15</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 30/06/09 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31/12/08 (Audited)
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	64,305	57,551
Prepaid leased payments	3,743	3,782
Intangibles assets	5,357	5,665
	73,405	66,998
CURRENT ASSETS		
Inventories	60,337	74,902
Trade Receivables	123,456	115,774
Other receivables and prepaid expenses	4,568	3,799
Amounts owing by other related companies	6,802	5,709
Cash and bank balances	41,207	23,792
TOTAL CURRENT ASSETS	236,370	223,976
TOTAL ASSETS	309,775	290,974
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued Capital	64,000	64,000
Unappropriated Profit	121,727	97,585
Equity attributable to equity holders of the Company	185,727	161,585
Minority Interest	-	-
TOTAL EQUITY	185,727	161,585
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	3,149	2,300
	3,149	2,300
CURRENT LIABILITIES		
Short-term borrowings	-	-
Trade payables	62,436	64,387
Other payables and accrued expenses	33,139	35,619
Amount owing to other related companies	18,418	22,478
Provisions	247	247
Tax Liabilities	6,659	4,358
	120,899	127,089
TOTAL LIABILITIES	124,048	129,389
TOTAL EQUITY AND LIABILITIES	309,775	290,974
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.90	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 30 June 2009**

	Issued Capital RM'000	Share Premium RM'000	Distributable Reserve - Unappropriated profit RM'000	Attributable to equity holders of the parent RM'000	Minority Interest RM'000	Total RM'000
6 months ended 30 June 2009						
Balance at beginning of period	64,000	-	97,585	161,585	-	161,585
Movements during the period (Cumulative)	-	-	24,142	24,142	-	24,142
Dividends paid	-	-	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>121,727</u>	<u>185,727</u>	<u>-</u>	<u>185,727</u>
6 months ended 30 June 2008						
Balance at beginning of period	64,000	-	63,258	127,258	-	127,258
Movements during the period (Cumulative)	-	-	14,818	14,818	-	14,818
Dividends paid	-	-	-	-	-	-
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>78,076</u>	<u>142,076</u>	<u>-</u>	<u>142,076</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 30 June 2009**

	<u>2009</u> 6 months ended 30 June RM'000	<u>2008</u> 6 months ended 30 June RM'000
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	336,141	333,070
Cash paid to suppliers and employees	(302,420)	(321,167)
	<hr/>	<hr/>
Cash generated from / (absorbed by) operations	33,721	11,903
Income tax paid	(5,259)	(8,000)
	<hr/>	<hr/>
Net cash from operating activities	28,462	3,903
	<hr/> <hr/>	<hr/> <hr/>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Additions of property, plant and equipment	(11,089)	(3,170)
Proceeds from disposal of property, plant and equipment	5	314
Interest received	38	31
	<hr/>	<hr/>
Net cash used in investing activities	(11,046)	(2,825)
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CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(1)	(88)
Dividends paid	-	-
	<hr/>	<hr/>
Net cash used in financing activities	(1)	(88)
	<hr/> <hr/>	<hr/> <hr/>
Net decrease in cash and cash equivalents	17,415	990
Cash and cash equivalents brought forward	23,792	17,267
	<hr/>	<hr/>
Cash and cash equivalents carried forward	41,207	18,257
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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 Securities Main Market 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 qualifications.

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 18 August 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 18 August 2009 other than operating lease obligations by the Company amounting to RM3.5 million.

14. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 30.06.2009 RM'000	Year-to-date 30.06.2009 RM'000
Sales to related parties	8,493	13,032
Purchases from related parties	29,109	61,123
Know-how and Trademark License fees	4,613	9,187
Call centre services from related party	375	651

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

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

The Company's revenue for the financial quarter was 6% lower compared to preceding year corresponding quarter mainly due to lower selling prices. The profit before taxation for the financial quarter was on the other hand, higher at RM19.9 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 RM176.6 million compared to RM168.6 million in the preceding quarter as a result of consumer promotions. The profit before taxation for the current quarter was also higher at RM19.9 million compared to the preceding quarter of RM12.7 million as a result of the higher sales and lower input costs.

17. Business Prospects

The Company expects that the year 2009 will remain challenging due to cautious consumer 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 30.06.2009	6 month Cumulative to-date 30.06.2009
	RM'000	RM'000
Income tax for current period	3,648	7,561
Deferred tax for current period	849	849
Total taxation	4,497	8,410

21. Deferred Tax Liabilities

	30.06.2009	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	849	682
At 30 June 2009 (31 Dec 2008)	<u>3,149</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 18 August 2009.

25. Company Borrowings

There were no borrowings or 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 18 August 2009.

27. Material Litigation

There were no material litigations against the Company as at 18 August 2009.

28. Proposed Dividend

The company did not propose any dividends for the current quarter.

29. Earnings Per Share

	Current Quarter ended	Comparative Quarter ended	6 month Cumulative to-date	6 month Cumulative to-date
	30.06.2009	30.06.2008	30.06.2009	30.06.2008
Basic earnings per share				
Profit after taxation (RM'000)	15,389	8,518	24,142	14,818
Weighted average number of ordinary shares in issue ('000)	64,000	64,000	64,000	64,000
Basic earnings per share (sen)	24.05	13.31	37.72	23.15

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
 25 August 2009