

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

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

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	9 month CUMULATIVE TO DATE	9 month CUMULATIVE TO DATE
	30/09/09 RM'000	30/09/08 RM'000	30/09/09 RM'000	30/09/08 RM'000
Revenue	177,129	178,422	522,326	546,226
Cost of Sales	<u>(107,850)</u>	<u>(123,717)</u>	<u>(350,469)</u>	<u>(410,072)</u>
Gross Profit	69,279	54,705	171,857	136,154
Other Income	599	138	1,092	749
Interest Income	80	-	118	31
Distribution Costs	(28,819)	(21,703)	(74,118)	(59,635)
Administrative Expenses	(4,227)	(4,588)	(13,609)	(13,905)
Other operating Expenses	<u>(9,974)</u>	<u>(9,441)</u>	<u>(25,849)</u>	<u>(24,598)</u>
Profit From Operations	26,938	19,111	59,491	38,796
Finance Costs	-	(94)	(1)	(182)
Profit Before Taxation	26,938	19,017	59,490	38,614
Taxation	<u>(6,728)</u>	<u>(4,952)</u>	<u>(15,138)</u>	<u>(9,731)</u>
Profit After Taxation	20,210	14,065	44,352	28,883
Attributable to:				
Equity holders of the Company	20,210	14,065	44,352	28,883
Minority Interest	-	-	-	-
	<u>20,210</u>	<u>14,065</u>	<u>44,352</u>	<u>28,883</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>31.58</u>	<u>21.98</u>	<u>69.30</u>	<u>45.13</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 30/09/09 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31/12/08 (Audited)
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	62,990	57,551
Prepaid leased payments	3,725	3,782
Intangibles assets	5,009	5,665
	71,724	66,998
CURRENT ASSETS		
Inventories	54,387	74,902
Trade Receivables	99,984	115,774
Other receivables and prepaid expenses	5,368	3,799
Amounts owing by other related companies	5,830	5,709
Cash and bank balances	61,377	23,792
TOTAL CURRENT ASSETS	226,946	223,976
TOTAL ASSETS	298,670	290,974
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued Capital	64,000	64,000
Unappropriated Profit	136,537	97,585
Equity attributable to equity holders of the Company	200,537	161,585
Minority Interest	-	-
TOTAL EQUITY	200,537	161,585
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	3,649	2,300
	3,649	2,300
CURRENT LIABILITIES		
Short-term borrowings	-	-
Trade payables	56,140	64,387
Other payables and accrued expenses	15,078	35,619
Amount owing to other related companies	16,881	22,478
Provisions	266	247
Tax Liabilities	6,119	4,358
	94,484	127,089
TOTAL LIABILITIES	98,133	129,389
TOTAL EQUITY AND LIABILITIES	298,670	290,974

Net assets per share attributable to ordinary equity holders of the Company (RM)

3.13

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 September 2009

	<u>Issued Capital</u> RM'000	<u>Share Premium</u> RM'000	Distributable Reserve - Unappropriated <u>profit</u> RM'000	Attributable to equity holders of <u>the parent</u> RM'000	<u>Minority Interest</u> RM'000	<u>Total</u> RM'000
9 months ended 30 September 2009						
Balance at beginning of period	64,000	-	97,585	161,585	-	161,585
Movements during the period (Cumulative)	-	-	44,352	44,352	-	44,352
Dividends paid	-	-	(5,400)	(5,400)	-	(5,400)
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>136,537</u>	<u>200,537</u>	<u>-</u>	<u>200,537</u>
9 months ended 30 September 2008						
Balance at beginning of period	64,000	-	63,258	127,258	-	127,258
Movements during the period (Cumulative)	-	-	28,883	28,883	-	28,883
Dividends paid	-	-	(5,360)	(5,360)	-	(5,360)
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>86,781</u>	<u>150,781</u>	<u>-</u>	<u>150,781</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 September 2009**

	2009 9 months ended 30 Sept RM'000	2008 9 months ended 30 Sept RM'000
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	537,515	509,809
Cash paid to suppliers and employees	(470,851)	(500,134)
	<hr/>	<hr/>
Cash generated from operations	66,664	9,675
Income tax paid	(12,028)	(13,285)
	<hr/>	<hr/>
Net cash from operating activities	54,636	(3,610)
	<hr/>	<hr/>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Additions of property, plant and equipment	(11,773)	(8,110)
Proceeds from disposal of property, plant and equipment	5	324
Interest received	118	31
	<hr/>	<hr/>
Net cash used in investing activities	(11,650)	(7,755)
	<hr/>	<hr/>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(1)	(182)
Dividends paid	(5,400)	(5,360)
	<hr/>	<hr/>
Net cash used in financing activities	(5,401)	(5,542)
	<hr/>	<hr/>
Net increase/ decrease in cash and cash equivalents	37,585	(16,907)
Cash and cash equivalents brought forward	23,792	17,267
	<hr/>	<hr/>
Cash and cash equivalents carried forward	61,377	360
	<hr/>	<hr/>

(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

	Quarter ended 30.09.09 RM'000	Quarter ended 30.09.08 RM'000	Year to-date 30.09.09 RM'000	Year to-date 30.09.08 RM'000
In respect of the financial year ended 31 December 2008 (2008: 31 December 2007)				
Final dividends paid:				
- 3.75 sen (2008: 3.75 sen) tax exempt per RM 1.00 ordinary share	2,400	2,400	2,400	2,400
- 6.25 sen less income tax (2008: 6.25 sen less income tax) per RM 1.00 ordinary share	3,000	2,960	3,000	2,960
	<u>5,400</u>	<u>5,360</u>	<u>5,400</u>	<u>5,360</u>
Net dividend per share (sen)	8.44	8.37	8.44	8.37

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 17 November 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 17 November 2009 other than operating lease obligations by the Company amounting to RM3.9 million.

14. Related Party Transactions

The following are significant related party transactions:-

	Quarter ended 30.09.2009 RM'000	Year-to-date 30.09.2009 RM'000
Sales to related parties	8,203	21,235
Purchases from related parties	28,101	89,224
Know-how and Trademark License fees	4,405	13,592
Call centre services from related party	375	1,026

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 comparable to the preceding year's corresponding quarter. The profit before taxation for the financial quarter was however, higher at RM26.9 million mainly due to more favourable dairy raw material prices.

16. Comments on Material Changes in Profit Before Taxation

The Company's revenue was marginally higher in the current quarter at RM177.1 million compared to RM176.6 million in the preceding quarter. The profit before taxation for the current quarter was higher at RM26.9 million compared to the preceding quarter of RM19.9 million as a result of lower input costs.

17. Business Prospects

The Board of Directors expect that the results for the full year will be much better than the previous year. However, indications of significant increases in dairy raw material prices in 2010 may dampen the company's performance in that year.

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 30.09.2009	9 month Cumulative to-date 30.09.2009
	RM'000	RM'000
Income tax for current period	6,228	13,789
Deferred tax for current period	500	1,349
Total taxation	6,728	15,138

21. Deferred Tax Liabilities

	30.09.2009 RM'000	31.12.2008 RM'000
At 1 January 2009 (2008)	2,300	1,618
Recognised in the income statement	1,349	682
At 30 Sept 2009 (31 Dec 2008)	3,649	2,300

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 17 November 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 17 November 2009.

27. Material Litigation

There were no material litigations against the Company as at 17 November 2009.

28. Proposed Dividend

The Board of Directors declared on 24 November 2009 the payment of an interim dividend of 6.25 sen per share, less income tax, amounting to RM 3.0 million, and a special interim dividend both in respect of the financial year ending 31 December 2009 of gross 70.0 sen per ordinary share, less income tax, amounting to RM 33.6 million.

The dividend will be paid on 28 December 2009 to shareholders whose names appear in the Register of Members and Record of Depositors at the close of business on 15 December 2009.

29. Earnings Per Share

	Current Quarter ended	Comparative Quarter ended	9 month Cumulative to-date	9 month Cumulative to-date
	30.09.2009	30.09.2008	30.09.2009	30.09.2008
Basic earnings per share				
Profit after taxation (RM'000)	20,210	14,065	44,352	28,883
Weighted average number of ordinary shares in issue ('000)	64,000	64,000	64,000	64,000
Basic earnings per share (sen)	31.58	21.98	69.30	45.13

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
24 November 2009