

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

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

CONDENSED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	12 month CUMULATIVE TO DATE	12 month CUMULATIVE TO DATE
	31/12/09 RM'000	31/12/08 RM'000	31/12/09 RM'000	31/12/08 RM'000
Revenue	169,521	165,341	691,847	711,567
Cost of Sales	<u>(112,041)</u>	<u>(116,639)</u>	<u>(462,510)</u>	<u>(526,711)</u>
Gross Profit	57,480	48,702	229,337	184,856
Other Income	469	761	1,561	1,510
Interest Income	333	-	451	31
Distribution Costs	(24,579)	(22,768)	(98,697)	(82,403)
Administrative Expenses	(5,439)	(4,437)	(19,048)	(18,342)
Other operating Expenses	<u>(5,273)</u>	<u>(2,900)</u>	<u>(31,122)</u>	<u>(27,498)</u>
Profit From Operations	22,991	19,358	82,482	58,154
Finance Costs	-	(114)	(1)	(296)
Profit Before Taxation	22,991	19,244	82,481	57,858
Taxation	<u>(6,943)</u>	<u>(5,480)</u>	<u>(22,081)</u>	<u>(15,211)</u>
Profit After Taxation	16,048	13,764	60,400	42,647
Attributable to:				
Equity holders of the Company	16,048	13,764	60,400	42,647
Minority Interest	-	-	-	-
	<u>16,048</u>	<u>13,764</u>	<u>60,400</u>	<u>42,647</u>
EARNINGS PER SHARE				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>25.08</u>	<u>21.51</u>	<u>94.38</u>	<u>66.64</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 31/12/09 (Unaudited)	AS AT PRECEDING FINANCIAL YEAR END 31/12/08 (Audited)
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	78,621	57,551
Prepaid leased payments	3,706	3,782
Intangibles assets	4,879	5,665
	87,206	66,998
CURRENT ASSETS		
Inventories	57,552	74,902
Trade Receivables	86,630	113,370
Other receivables and prepaid expenses	2,401	3,799
Amounts owing by other related companies	5,469	5,709
Cash and bank balances	41,732	23,792
TOTAL CURRENT ASSETS	193,784	221,572
TOTAL ASSETS	280,990	288,570
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Issued Capital	64,000	64,000
Unappropriated Profit	115,985	97,585
Equity attributable to equity holders of the Company	179,985	161,585
Minority Interest	-	-
TOTAL EQUITY	179,985	161,585
NON-CURRENT LIABILITIES		
Deferred Tax Liabilities	4,150	2,300
	4,150	2,300
CURRENT LIABILITIES		
Short-term borrowings	-	-
Trade payables	53,547	64,387
Other payables and accrued expenses	16,438	33,215
Amount owing to other related companies	21,920	22,478
Provisions	283	247
Tax Liabilities	4,667	4,358
	96,855	124,685
TOTAL LIABILITIES	101,005	126,985
TOTAL EQUITY AND LIABILITIES	280,990	288,570
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.81	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 year ended 31 December 2009**

	<u>Issued Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Distributable Reserve - Unappropriated profit</u> RM'000	<u>Attributable to equity holders of the parent</u> RM'000	<u>Minority Interest</u> RM'000	<u>Total</u> RM'000
12 months ended 31 December 2009						
Balance at beginning of period	64,000	-	97,585	161,585	-	161,585
Movements during the period (Cumulative)	-	-	60,400	60,400	-	60,400
Dividends paid	-	-	(42,000)	(42,000)	-	(42,000)
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>115,985</u>	<u>179,985</u>	<u>-</u>	<u>179,985</u>
12 months ended 31 December 2008						
Balance at beginning of period	64,000	-	63,258	127,258	-	127,258
Movements during the period (Cumulative)	-	-	42,647	42,647	-	42,647
Dividends paid	-	-	(8,320)	(8,320)	-	(8,320)
Balance at end of period	<u>64,000</u>	<u>-</u>	<u>97,585</u>	<u>161,585</u>	<u>-</u>	<u>161,585</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 year ended 31 December 2009**

	2009 12 months ended 31 Dec RM'000	2008 12 months ended 31 Dec RM'000
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES		
Cash receipts from customers and other receivables	721,781	689,119
Cash paid to suppliers and employees	(612,482)	(643,387)
	<hr/>	<hr/>
Cash generated from operations	109,299	45,732
Income tax paid	(19,922)	(15,835)
	<hr/>	<hr/>
Net cash from operating activities	89,377	29,897
	<hr/>	<hr/>
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES		
Additions of property, plant and equipment	(29,285)	(8,150)
Additions of intangible assets	(607)	(6,961)
Proceeds from disposal of property, plant and equipment	5	324
Interest received	451	31
	<hr/>	<hr/>
Net cash used in investing activities	(29,436)	(14,756)
	<hr/>	<hr/>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Interest paid	(1)	(296)
Dividends paid	(42,000)	(8,320)
	<hr/>	<hr/>
Net cash used in financing activities	(42,001)	(8,616)
	<hr/>	<hr/>
Net increase/ decrease in cash and cash equivalents	17,940	6,525
Cash and cash equivalents brought forward	23,792	17,267
	<hr/>	<hr/>
Cash and cash equivalents carried forward	41,732	23,792
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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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

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 31.12.09 RM'000	Quarter ended 31.12.08 RM'000	Year to-date 31.12.09 RM'000	Year to-date 31.12.08 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
- 6.25 sen less income tax (2008: 6.25 sen less income tax) per RM 1.00 ordinary share	-	-	3,000	2,960
In respect of the financial year ended 31 December 2009				
Interim dividend paid:				
- 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
Special interim dividend paid:				
- 70.00 sen less income tax per RM 1.00 ordinary share	33,600	-	33,600	-
	<u>36,600</u>	<u>2,960</u>	<u>42,000</u>	<u>8,320</u>
Net dividend per share (sen)	57.19	4.63	65.63	13.00

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 11 February 2010 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 11 February 2010 other than operating lease obligations by the Company amounting to RM3.8 million.

14. Related Party Transactions

The following are significant related party transactions:-

	Quarter ended 31.12.2009 RM'000	Year-to-date 31.12.2009 RM'000
Sales to related parties	6,241	27,476
Purchases from related parties	21,985	111,209
Know-how and Trademark License fees	4,700	18,292
Call centre services from related party	481	1,507

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 2.5% higher compared to the preceding year's corresponding quarter. The profit before taxation for the financial quarter was however, significantly higher at RM23.0 million, mainly attributed to favourable dairy raw material prices and effective marketing activities.

16. Comments on Material Changes in Profit Before Taxation

The profit before taxation for the current quarter was lower at RM23.0 million compared to the preceding quarter of RM26.9 million, mainly as a result of higher advertising and promotions costs and lower selling prices.

17. Business Prospects

The Board expects a difficult year ahead because of an anticipated increase in dairy raw material prices and increased competition.

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 31.12.2009	12 month Cumulative to-date 31.12.2009
	RM'000	RM'000
Income tax for current period	6,442	20,231
Deferred tax for current period	501	1,850
Total taxation	6,943	22,081

21. Deferred Tax Liabilities

	31.12.2009 RM'000	31.12.2008 RM'000
At 1 January 2009 (2008)	2,300	1,618
Recognised in the income statement	1,850	682
At 31 Dec 2009 (31 Dec 2008)	4,150	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 11 February 2010.

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 11 February 2010.

27. Material Litigation

There were no material litigations against the Company as at 11 February 2010.

28. Proposed Dividend

The Company paid 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 ended 31 December 2009 of gross 70.0 sen per ordinary share, less income tax, amounting to RM 33.6 million, on 28 December 2009.

At the forthcoming Annual General Meeting, a final dividend in respect of the current financial year ended 31 December 2009, of 10.0 sen, less 25% income tax, and 5.0 sen, tax exempt, per RM 1.00 ordinary share, amounting to a total net dividend of RM 8.0 million (12.5 sen net per share) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2010.

29. Earnings Per Share

	Current Quarter ended	Comparative Quarter ended	12 month Cumulative to-date	12 month Cumulative to-date
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Basic earnings per share				
Profit after taxation (RM'000)	16,048	13,764	60,400	42,647
Weighted average number of ordinary shares in issue ('000)	64,000	64,000	64,000	64,000
Basic earnings per share (sen)	25.08	21.51	94.38	66.64

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
18 February 2010