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## Dutch Lady 2Q net profit doubles on higher revenue

BY CHEN SHAUA FUI

KUALA LUMPUR: Dutch Lady Milk Industries Bhd's net profit doubled to RM48.78 million or 76.2 sen per share for the second quarter ended June 30, 2015 (2QFY15) from RM24.27 million or 37.95 sen per share a year ago.

Dutch Lady attributed the higher earnings to improved revenue and lower raw material prices.

Revenue for 2QFY15 also rose 3.8% to RM278.29 million from RM268.23 million in 2QFY14, mainly contributed by the relaunch of Dutch Lady Children Formula Milk, but slightly offset by the goods and services tax (GST) implementation impact.

For the six months period (1HFY15), Dutch Lady's net profit expanded 39% to RM65.9 million or 102.8 sen per share against RM47.34 million or 73.95 sen per share in 1HFY14, largely at-

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tributed to favourable raw material prices.

However, revenue for 1HFY15 fell 4.2% to RM475.18 million from RM495.91 million a year ago due to the planned phasing of the relaunch of new products in 1QFY15, rundown of activities prior to relaunch and implementation of the GST.

On prospects, Dutch Lady said the business environment is expected to remain challenging against the backdrop of less robust consumer confidence post-GST period and the foreign exchange

uncertainty of the ringgit.

"Despite the ongoing business challenges for 2015, the company remains committed to leveraging the strength of the Dutch Lady brand supported by the various shopper activities to support the new product relaunches of the Dutch Lady PureFarm Milk range and Dutch Lady Children Formula Milk," it added.

Dutch Lady (fundamental: 2.1; valuation: 1.5) shares dropped 10 sen or 0.22% to close at RM45.80 yesterday, for a market capitalisation of RM2.93 billion.