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MEDIA RELEASE

DUTCH LADY MALAYSIA POSTS RECORD RESULTS FOR Q4 AND FY11

Kuala Lumpur, Friday, 24 February 2012: Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) posted record results for its unaudited Q4 and FY11 results ended December 31, 2011.

Profit before tax for Q4 posted a 135.69% year-on-year increase to RM37.58million, compared to RM15.94million in the preceding year.

In turn, the country's leading dairy corporation chalked another rise of 161.84% year-on-year increase in its profit after tax to RM28.37million, compared to RM10.84 million for Q4 2010.

Managing Director Mr Bas van den Berg attributed the company's historic achievement to strong sales, creative marketing campaigns and the programme change that was introduced to Dutch Lady Malaysia in 2010.

"What we did in the change programme called Passion for Blue (PFB) was to re-strategise both our business focus and company development."

PfB is unique in that it was innovatively designed to create and build a winning business culture within Dutch Lady Malaysia in order to propel the company to greater heights.

"It is an all-encompassing programme that focuses on strategy development as well as people development. In PFB, we develop business strategies, at the same time re-look at strengthening our staff via training programmes besides employing the right talents," said van den Berg, the driving force behind PFB. He had arrived in Malaysia in 2010 committed to making a huge shift in the positioning of the company in order to take it to the next level.

Van den Berg added that since PFB was launched in 2010, Dutch Lady Malaysia seems to be moving in the desired direction, with the Q4 and FY11 acknowledged as a good example.

Explained van den Berg further: "The PFB resulted in a strong team, which worked on strong sales tactics. Coupled with creative marketing campaigns, the combination has contributed towards the record figures in its 49-year history."

"In recent years, our focus has been on product innovation and stream-lining our dairy range. The successful launch of Dutch Lady Growing-Up Milk with 5X DHA in January 2011 together with increasing consumer demand for our quality, nutritious milk brands contributed to record sales."

The company achieved a resounding increase for Q4's revenue by 34.85% to RM211.40million compared to RM156.77million of the preceding year's corresponding quarter.

For FY11, the company achieved its revenue of RM810.65 million, 16.37% higher than the preceding year's RM696.63million. In addition, FY11's profit before tax increased by 57.1%, from RM90.1million in the preceding year to RM141.55million in the current financial year.

When commenting about business prospects for 2012, Mr van den Berg cautiously commented: "The world's economy is unpredictable with so many developed countries experiencing business slowdown and this in turn may impact consumer spending. Fluctuating raw material prices and many other external forces may compound matters too.

"However, Dutch Lady Malaysia expects to achieve positive results and remain profitable, in tandem with the country's anticipated GDP forecast of around 5%, and further development in dairy consumption in Malaysia.

"In line with our Corporate mission of Helping Malaysians Move Forward in Life with Trusted Dairy Nutrition, the company embarked on a sugar-reduction programme and intends to reduce its total sugar usage by 40% by end 2013.

"At the start of 2012, three products – Dutch Lady Kid, Dutch Lady School and Dutch Lady Low Fat Drinking Yogurt - were introduced to the market with 25% less sugar. More of such sugar-reduced products can be expected this year.

"As health awareness increases among our consumers, demand for our products have also increased. To meet the demand, we commissioned a new UHT machine.

"The new filling line can produce around 7,500 packs of 250ml UHT milk per hour. This new addition will spur even stronger growth and volume for Dutch Lady's liquid milk category, which is already enjoying strong growth."

Dutch Lady is the leader in liquid milk category with 64% market share. This include products in different packaging formats such as UHT milk in tetra brik, sterilised milk in plastic bottles and Pasteurised milk in cartons, all in various sizes.

Concluded Mr van den Berg, "As a leading dairy brand, Dutch Lady steadfastly strives to improve its processes and to deliver nutritious, high quality milk products to its consumers. The company is confident that various campaigns to spread the goodness of milk and a dedicated staff force will help it achieve positive growth and results through this challenging year."

At its board meeting on 24 February 2012, the company also announced a single-tier interim dividend of RM0.50 per share totalling RM32.0 million and a single-tier special interim dividend of RM0.80 per share totalling RM51.2 million, which will be paid out to shareholders on 21 May 2012.

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About Dutch Lady Malaysia

Incorporated in 1963, Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) is currently the leading dairy company in Malaysia. It was the first milk company to be listed on Bursa Malaysia (1968) and its holding company is Royal FrieslandCampina, a Dutch multinational corporation and the largest dairy co-operative in the world.

Dutch Lady Malaysia manufactures and sells a wide range of quality dairy products for the home and export markets, with all products enjoying a strong following under the Dutch Lady and Friso brands. The Company believes in product innovation and constantly strives to improve its processes in order to deliver quality nutritious products to its consumers.

It was the first company in the world to market a Growing-Up Milk powder specifically formulated for children up to three years old. This range is currently marketed in Malaysia as Dutch Lady 123 and Dutch Lady 456, and Dutch Lady 6+.

Dutch Lady Malaysia is a strong supporter of the local dairy industry and works closely with the Department of Veterinary Services (DVS) to ensure its ongoing development.

In line with its Corporate mission of "Helping Malaysians move forward in life with Trusted Dairy Nutrition" the quality of the Company's products is paramount.

The Company maintains strict adherence to food safety and quality standards and global best practices in production in line with its continuous accreditation of ISO9001, ISO14001, OHSAS 18001 (Occupational Health and Safety Assessment Series) and HACCP (Hazard Analysis Critical Control Point) certifications from relevant authorities. Dutch Lady Malaysia also has an unbroken record as the preferred brand in milk products, winning the Readers' Digest Super Brand Gold award for 11 consecutive years since 1999, and is recognised as among the top 30 of Malaysia's Most Valuable Brands since 2007.

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