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DUTCH LADY MALAYSIA POSTS STRONG FINANCIAL RESULTS DESPITE CHALLENGING GLOBAL DAIRY MARKET IN 2013

Petaling Jaya, May 28, 2014 - Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) posted strong financial results for its financial year ended 2013, with revenue earnings at RM982.7 million, an increase of 11.4% from 2012's figure of RM882.2 million.

Profit before tax also saw an appreciable increase of 12.6%, from RM165.8 million in 2012 to RM186.7 million for 2013. In turn, net profit for 2013 closed at RM138.3 million, a 12.1% increase from the previous year's sum of RM123.4 million.

Managing Director of Dutch Lady Malaysia, Rahul Colaco, outlined the Company's financial performance at a dedicated press conference after the company's 51st Annual General Meeting (AGM) held today.

Colaco explained, "The Company experienced strong domestic demand for its brand of dairy products, particularly so for its Growing-Up Milk powder range, the Friso range as well as the Dutch Lady Chocolate Drink. With over 50 years in the business, we continue our commitment to providing Malaysians with trusted, healthy dairy nutrition.

"The Dutch Lady brand has continued to be at the forefront in the infant formula and growing-up milk categories. We witnessed strong sales growth in the liquid milk category," he added.

First quarter results for 2014 were also announced, with revenue earned at RM227.7 million, an increase of 10.4% compared to 2013's earning of RM206.3 million. Profit before tax was RM31.2 million, compared to the previous year's amount of RM39.2 million. Similarly, profit after tax was RM23.1 million, a 20.5% decrease compared to last year's figure of RM29.0 million.

Added Colaco, "As with most industries, ours is also affected by a number of market forces including rising raw material prices. We have had to initiate price increases during the course of the year to offset the higher dairy raw material costs as well as increasing currency exchange rates, as most of the global purchases of the Company for its dairy raw materials are transacted in US Dollars.

"With the continued increase in the dairy raw material prices together with global economic instability, it has indeed been a challenge for the Company to maintain the stability of its product retail prices."



"We expect the dairy market to continue to witness significant volatility driven by uncertainty in global supply and demand."

"Despite the challenging economic environment, Dutch Lady Malaysia will continue to focus on reinforcing our brands, tapping on our marketing and operational strengths so as to ensure Dutch Lady Malaysia continues to be a strong corporate player, able to maintain shareholder value, and contribute towards helping build a stronger Malaysia," concluded Colaco.

For the financial year ended 2013, the Company paid out a total of RM166.4 million as interim dividends comprising both the standard and interim dividend payments.

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About Dutch Lady Malaysia

Incorporated in 1963, Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) is the leading dairy company in Malaysia. It is owned by one of the largest dairy cooperative companies in the world, Royal FrieslandCampina NV, a Dutch multinational dairy company.

Dutch Lady Malaysia was the first milk company to be listed on Bursa Malaysia in 1968 and the first to introduce Growing Up Milk in Malaysia in 1988. Today, Dutch Lady Malaysia manufactures and sells a wide range of quality dairy products for the home and export market, with all products enjoying a strong following in brands like Dutch Lady and Friso.

Through a unique collaboration between FrieslandCampina and four international research teams/universities, we initiated the South East Asian Nutrition Survey (SEANUTS) study in 2009, involving four countries – Malaysia, Indonesia, Vietnam and Thailand. SEANUTS is the largest and most extensive nutrition and health study ever done in South-East Asia, wherein 16,744 children between the ages of six months and 12 years were surveyed over a four-year period.

Issued by Dutch Lady Milk Industries Berhad

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