



FrieslandCampina 

press release

Dutch Lady Malaysia registered a positive 4.6% revenue growth in 2016



Petaling Jaya, 28 April 2017 – Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) recorded revenue growth of 4.6% from RM1,001.7 million in 2015 to RM1,047.7 million in 2016, while profit-before-tax increased 4.9% versus the previous year from RM188.7 million to 198.0 million. The improvement in profit was mainly contributed by higher sales and improved margin resulting from lower dairy raw materials prices.

For the financial year ended 31 December 2016, the Company paid out a total of RM140.8 million of standard and special interim dividends to its shareholders. The Company also announced yesterday the payment of a one-off extraordinary dividend of 60.0 sen per share to its shareholders.

Dutch Lady Malaysia's Managing Director, Ms Saw Chooi Lee, said: "Despite the challenging market environment, the increase in revenue for last year was driven by our focus on our key product categories, namely the Dutch Lady Growing Up Milk, Friso Gold Growing up Milk and the Dutch Lady Ready-To-Drink liquid milk products, coupled with exciting marketing campaigns that ensure our brands remain close and relevant to our consumers."



Chooi Lee explained that although the Malaysian consumer confidence rebounded slightly last year, it remained at a pessimistic level and was relatively low in comparison to neighbouring countries.*



"This translated to consumers shopping less often, downsizing their purchases for lower cash outlay, increasing their reliance on promotion, and switching to alternative products that offer cheaper deals," she said.

Chooi Lee added that the Company took steps to address this. Besides introducing new and relevant products and investing in brand campaigns and activations, the company also provided consumers with choices in the form of product variety and pack sizes while reminding them the importance of having dairy in their diet.

For 2017, the Company maintained its first quarter-on-quarter revenue with profit before tax for Quarter 1 2017 lower by 8%. The lower profit was due to higher material costs and the weaker Ringgit, whilst at the same time the company continued to invest in advertising and promotions.

Regarding Dutch Lady Malaysia's business outlook for 2017, Chooi Lee said: "The less optimistic economy outlook coupled with the higher material prices and weakening of the Malaysian Ringgit is expecting to result in a challenging climate for the business environment. Nonetheless we will remain focused in 2017 to leverage on the established Dutch Lady brand and its quality offerings to win the hearts of Malaysian consumers," she added.

**Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4, 2016.*

About Dutch Lady Milk Industries Berhad Incorporated in 1963, Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) is a 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 Formulated Milk Powder for Children in Malaysia in 1988. Dutch Lady Malaysia, awarded as the Company of the Year 2014 by The Edge Billion Ringgit Club, 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 Gold.

Through a unique collaboration between FrieslandCampina and four international research teams/universities, the South East Asian Nutrition Surveys (SEANUTS) study was commissioned to study the nutritional status and insufficiency thereof found to be present in South East Asian children up to 12 years old.

About Royal FrieslandCampina Every day, Royal FrieslandCampina provides millions of consumers all over the world with food that is rich in valuable nutrients. With annual revenue of 11.4 billion euros, Royal FrieslandCampina is one of the world's five largest dairy companies, supplying consumer and professional products, as well as ingredients and half-finished products to the food industry and the pharmaceutical sector around the world. Royal FrieslandCampina has offices in 28 countries and almost 22,000 employees, and its products are available in more than 100 countries. The Company is fully owned by Zuivelcoöperatie FrieslandCampina U.A, with 19,244 member dairy farmers in the Netherlands, Germany and Belgium—making it one of the world's largest dairy cooperatives.

For more information please visit: www.frieslandcampina.com.

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