



## **MEDIA RELEASE**

### **Dutch Lady Malaysia revenue surpasses RM1 billion for the first time despite challenging market environment**

**Petaling Jaya, 27 May 2015** – Dutch Lady Milk Industries Berhad (Dutch Lady Malaysia) continued to register revenue growth in 2014 despite lower total market dairy demand and competitive pressures. Revenue was higher at 2.1% from RM980.1 million in 2013 to RM1,000.2 million in 2014, passing the RM1 billion mark for the first time. Profit-before-tax was lower at RM148.4 million due to the higher dairy raw material prices, coupled with the weakening Ringgit.

For the financial year ended 31 December 2014, the Company paid out a total of RM140.8 million of interim and special interim dividends to shareholders.

Dutch Lady Malaysia's Managing Director, Ms Saw Chooi Lee, said: "Despite the challenging market environment, we were able to strengthen our market leadership in the category of Formulated Milk Powder for Children, and protected our strong hold as the No. 1 brand in Ready-To-Drink milk category."

Chooi Lee explained that as a result of Malaysia's economic slowdown, the Malaysian consumer confidence level last year was the lowest in three years (2012 to 2014)\*. "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 due to lower consumer confidence and the shifts in their shopping patterns, the total dairy industry in Malaysia experienced a volume and value decline last year.

Chooi Lee continued: "The dairy industry was also affected by significant increases in global dairy raw materials prices in the first half of 2014. As most of our dairy raw materials were procured in US Dollar, the increasing currency exchange rates amplified the pressure on our profitability."

According to Chooi Lee, the same difficult market conditions continued in the first quarter of 2015 with persistent weak consumer sentiments, which dampened further in April following the implementation of the Goods and Services Tax (GST). For the first quarter of the current financial year, Dutch Lady Malaysia's revenue was lower at RM196.9 million and profit before tax stood at RM23.0 million, compared to the corresponding quarter in 2014. The lower revenue was in line with the planned phasing in of the newly launched Dutch Lady Formulated Milk Powder for Children. Regarding the dairy business outlook for 2015, Chooi Lee said: "While there are clearly challenges, we believe there are opportunities ahead and remain cautiously optimistic on 2015 and beyond."





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“We will continue to leverage on the strength of the Dutch Lady brand, focus on our mission to help Malaysians move forward in life with trusted dairy nutrition through various activities such as our Drink.Move.Be Strong campaign, and strengthen our operational efficiency to sustain top-line growth for the company and maintain shareholder value,” she added.

Dutch Lady Malaysia is committed to staying relevant to its consumers, by focusing on innovations, especially on its products. In the first quarter of 2015, Dutch Lady Malaysia re-launched its range of liquid milk products under the new name of Dutch Lady PureFarm in efforts to refresh the brand and its commitment to deliver delicious and nutritious milk, anchored in over 140 years of Dutch dairy farming expertise. Under Formulated Milk Powder for Children, Dutch Lady Malaysia has also launched a newly improved formula that helps to support children’s growth according to their mental developmental milestones and needs.

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*\*Source: Nielsen Global Survey of Consumer Confidence & Spending Intentions, Q4, 2014.*





### **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, we initiated the South East Asian Nutrition Surveys (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 up to 12 years old were surveyed over a four-year period.

More information can be found on [www.dutchlady.com.my](http://www.dutchlady.com.my).

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### **Issued by Dutch Lady Milk Industries Berhad**

Dina Mohd Nor

Tel: 03-7953 2600 (615) / Email: [Dina.MohdNor@frieslandcampina.com](mailto:Dina.MohdNor@frieslandcampina.com)

Wong Ee Laine

Tel: 03-7953 2600 (746) / Email: [Eelaine.Wong@frieslandcampina.com](mailto:Eelaine.Wong@frieslandcampina.com)

### **Through Bridges PR & Events Sdn Bhd**

Irene Thng

Tel: 03-7982 1750/51

Email: [irene@bridgespr.com.my](mailto:irene@bridgespr.com.my)

