

**DUTCH LADY MILK INDUSTRIES BERHAD** (5063-V)  
(Incorporated in Malaysia)

Quarterly report on results for the financial quarter ended 31 March 2012  
The figures have not been audited.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER ENDED	COMPARATIVE QUARTER ENDED	3 month CUMULATIVE TO DATE	3 month CUMULATIVE TO DATE
	31/03/12 RM'000	31/03/11 RM'000	31/03/12 RM'000	31/03/11 RM'000
Revenue	214,053	196,643	214,053	196,643
Cost of Sales	<u>(134,928)</u>	<u>(122,126)</u>	<u>(134,928)</u>	<u>(122,126)</u>
Gross Profit	79,125	74,517	79,125	74,517
Other Income	196	130	196	130
Distribution Expenses	(27,832)	(25,772)	(27,832)	(25,772)
Administrative Expenses	(6,294)	(5,724)	(6,294)	(5,724)
Other Operating Expenses	<u>(8,457)</u>	<u>(8,905)</u>	<u>(8,457)</u>	<u>(8,905)</u>
Results from Operating Activities	36,738	34,246	36,738	34,246
Finance Costs	(732)	-	(732)	-
Interest Income	1,111	307	1,111	307
Profit Before Taxation	<u>37,117</u>	<u>34,553</u>	<u>37,117</u>	<u>34,553</u>
Income Tax Expenses	<u>(9,651)</u>	<u>(6,215)</u>	<u>(9,651)</u>	<u>(6,215)</u>
Profit After Taxation	27,466	28,338	27,466	28,338
Other Comprehensive Income	-	-	-	-
Total comprehensive income for the period	<u>27,466</u>	<u>28,338</u>	<u>27,466</u>	<u>28,338</u>
Profit Attributable to:				
Equity holders of the Company	27,466	28,338	27,466	28,338
Non-controlling interest	-	-	-	-
	<u>27,466</u>	<u>28,338</u>	<u>27,466</u>	<u>28,338</u>
<b>EARNINGS PER SHARE</b>				
- Basic earnings per share (sen) (Based on 64,000,000 ordinary shares)	<u>42.92</u>	<u>44.28</u>	<u>42.92</u>	<u>44.28</u>

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011)

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**CONDENSED STATEMENT OF FINANCIAL POSITION**

	<b>AS AT END OF CURRENT QUARTER 31/03/12 (Unaudited)</b>	<b>AS AT PRECEDING FINANCIAL YEAR ENDED 31/12/11 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Property, plant and equipment	70,260	71,602
Intangible assets	2,068	2,446
<b>TOTAL NON-CURRENT ASSETS</b>	<b>72,328</b>	<b>74,048</b>
Inventories	75,859	93,448
Trade and other receivables	38,717	36,714
Prepayments	1,507	1,161
Cash and cash equivalents	225,464	193,143
<b>TOTAL CURRENT ASSETS</b>	<b>341,547</b>	<b>324,466</b>
<b>TOTAL ASSETS</b>	<b>413,875</b>	<b>398,514</b>
<b>EQUITY</b>		
Share capital	64,000	64,000
Retained profits	222,620	195,154
Attributable to equity holders of the Company	286,620	259,154
Non-controlling interest	-	-
<b>TOTAL EQUITY</b>	<b>286,620</b>	<b>259,154</b>
<b>LIABILITIES</b>		
Deferred tax liabilities	4,051	4,051
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,051</b>	<b>4,051</b>
Trade and other payables	106,265	121,832
Provision	369	375
Current tax liabilities	16,570	13,102
<b>CURRENT LIABILITIES</b>	<b>123,204</b>	<b>135,309</b>
<b>TOTAL LIABILITIES</b>	<b>127,255</b>	<b>139,360</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>413,875</b>	<b>398,514</b>
Net assets per share attributable to ordinary equity holders of the Company (RM)	4.48	4.05

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011)

**DUTCH LADY MILK INDUSTRIES BERHAD (5063-V)**

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Quarterly report on results for the financial quarter ended 31 March 2012  
The figures have not been audited.**CONDENSED STATEMENT OF CHANGES IN EQUITY  
For the year ended 31 March 2012**

	Share Capital RM'000	Distributable Retained profits RM'000	Attributable to equity holders of the Company RM'000	Non- Controlling Interest RM'000	Total RM'000
<b>3 month ended 31 March 2012</b>					
Balance at beginning of period	64,000	195,154	259,154	-	259,154
Movements during the period	-	27,466	27,466	-	27,466
Dividends paid	-	-	-	-	-
Balance at end of period	64,000	222,620	286,620	-	286,620
<b>3 month ended 31 March 2011</b>					
Balance at beginning of period	64,000	133,472	197,472	-	197,472
Movements during the period	-	28,338	28,338	-	28,338
Dividends paid	-	-	-	-	-
Balance at end of period	64,000	161,810	225,810	-	225,810

(The Condensed Statement of Changes in Equity should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011)

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(5063-V)

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**For the year ended 31 March 2012**

	3 months ended 31/03/12 RM'000	3 months ended 31/03/11 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers and other receivables	211,918	178,924
Cash paid to suppliers and employees	(173,316)	(160,857)
	<hr/>	<hr/>
Cash generated from operations	38,602	18,067
Income tax paid	(6,183)	(6,267)
	<hr/>	<hr/>
Net cash from operating activities	32,419	11,800
	<hr/>	<hr/>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Additions of property, plant and equipment	(491)	(1,526)
Proceeds from disposal of property, plant and equipment	14	3
Interest received	1,111	307
	<hr/>	<hr/>
Net cash generated from / (used in) investing activities	634	(1,216)
	<hr/>	<hr/>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>		
Interest paid	(732)	-
	<hr/>	<hr/>
Net cash used in financing activities	(732)	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	32,321	10,584
Cash and cash equivalents brought forward	193,143	85,657
	<hr/>	<hr/>
Cash and cash equivalents carried forward	225,464	96,241
	<hr/> <hr/>	<hr/> <hr/>

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statement for the year ended 31 December 2011)

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**NOTES**

**1. Basis of Preparation**

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, 'Interim Financial Reporting' in Malaysia and with IAS 34 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the most recent audited financial statements of the Company as at and for the year ended 31 December 2011.

These are the Company's interim financial statements for part of the period covered by the Company's first MFRS framework annual financial statements and MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' had been applied.

**2. Auditors' Report of Preceding Annual Financial Statements**

The auditors' report of the Company in respect of the annual audited financial statements for the year ended 31 December 2011 was not subject to any audit qualification.

**3. Seasonal and Cyclical Factors**

The dairy and dairy related business can be influenced by the weather and major festivals.

**4. Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

**6. Changes in Estimates**

There were no changes in estimates of amounts reported in the current quarter or changes in estimates of amounts reported in prior financial years that have a material effect in the current quarter.

**7. Changes in Debt and Equity**

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period under review.

**8. Dividends**

There were no dividends paid for the financial period under review.

## 9. Segmental Analysis

The Company operates principally in Malaysia and in one major business segment. As such, only one reportable segment analysis is prepared. The Company's Board of Directors (the chief operating decision maker) reviews internal management reports at least on a quarterly basis.

	Quarter ended 31/03/12 RM'000	Quarter ended 31/03/11 RM'000
<b>Segment profit</b>		
Revenue	214,053	196,643
Profit After Taxation	27,466	28,338

## 10. Subsequent Events

There were no material subsequent events as at 17 May 2012 that will affect the financial results of the financial period under review.

## 11. Changes in Composition of the Company

There were no changes in the composition of the Company during the financial period under review.

## 12. Contingent Liabilities

There were no other contingent liabilities as at 17 May 2012 other than operating lease obligations by the Company amounting to RM6.9 million.

## 13. Related Party Transactions

The following are significant related party transactions: -

	Quarter ended 31/03/12 RM'000	Quarter ended 31/03/11 RM'000
Sales to related parties	7,872	8,534
Purchases from related parties	19,400	19,616
Know-how, Trademark License and Management Support fees	7,717	5,719
Shared services from related parties	968	1,260

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

**14. Review of Results (Against preceding year corresponding period)**

Revenue in the current quarter increased by 9% compared to the preceding year's corresponding quarter, mainly due to strong sales in the Company's powder and liquid products. Profit before taxation for the current quarter was RM 2.6 million higher at RM 37.1 million mainly attributable to the higher sales for the quarter and favourable sales mix.

**15. Comments on Material Changes in Profit Before Taxation**

The Company's revenue in the current quarter was 1% higher compared to the preceding quarter mainly contributed by higher sales of powder products. The profit before taxation for the current quarter was lower by RM 0.5 million mainly due to the higher marketing expenses incurred during the quarter.

**16. Business Prospects**

The general uncertainty over the world's economy may impact consumer spending. Despite the high dairy raw material prices, the Board of Directors of the Company is relatively optimistic on its 2012 outlook given the strength of its Dutch Lady brand and strong market position.

**17. Statement on Revenue or Profit Estimate, Forecast, Projection or Internal Targets Previously Announced or Disclosed in a Public Document**

Not applicable.

**18. Profit Forecast**

The Company did not issue any profit forecast during the financial period under review.

**19. Taxation**

Taxation is made up as follows: -

	Quarter ended 31/03/12 RM'000	Quarter ended 31/03/11 RM'000
Income tax for current period	9,651	8,985
Deferred tax for current period	-	-
Over provision of prior years taxation	-	(2,770)
Total taxation	<u>9,651</u>	<u>6,215</u>

The effective tax rate for the period under review is higher than the statutory tax rate mainly due to certain expenses incurred that was disallowed for tax purposes.

The taxation for last year same quarter was lower than the statutory tax rate mainly due to the release of over provisions in prior years' taxes following tax clearance by Inland Revenue Board.

**20. Deferred Tax Liabilities**

	Quarter ended 31/03/12 RM'000	Quarter ended 31/03/11 RM'000
At 1 January	4,051	3,757
Recognised in the statement of comprehensive income	-	-
At 31 March	<u>4,051</u>	<u>3,757</u>

**21. Corporate Proposals**

There were no corporate proposals announced as at 17 May 2012.

**22. Company Borrowings**

There were no borrowings or debt securities as at the end of the reporting period.

**23. Material Litigation**

There were no material litigations against the Company as at 17 May 2012.

**24. Proposed Dividend**

The Company did not propose any dividends for the current quarter.

**25. Retained Profits**

The breakdown of the retained profits of the Company as at 31 March, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Year to-date 31/03/12 RM'000	Year to-date 31/12/11 RM'000
Total retained profits:		
- Realised profit	226,882	199,157
- Unrealised loss	<u>(4,262)</u>	<u>(4,003)</u>
Total retained profits as per statement of financial position	<u>222,620</u>	<u>195,154</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by Malaysian Institute of Accountants on 20 December 2010.



## 26. Earnings Per Share

	Quarter ended 31/03/12	Quarter ended 31/03/11
<b>Basic earnings per share</b>		
Profit for the period (RM'000)	27,466	28,338
Weighted average number of ordinary shares in issue ('000)	64,000	64,000
Basic earnings per share (sen)	42.92	44.28

The Company does not have in issue any financial instrument or other contract that may entitle its holders to ordinary shares and therefore dilute its basic earnings per share.

## 27. Notes to the Condensed Statement of Comprehensive Income

	Year to- date 31/03/12 RM'000	Year to- date 31/03/11 RM'000
Interest income	1,111	307
Interest expense	(732)	-
Depreciation of property, plant and equipment	(1,836)	(2,082)
Amortisation of intangible assets	(374)	(359)
Write down of inventories	(253)	(305)
Gain/(Loss) on disposal of property, plant and equipment	(17)	1
Net gain/(loss) on foreign exchange		
- Realised	92	687
- Unrealised	(211)	(876)

By Order of the Board  
Huang Shi Chin  
Izreen Fara Binti Ismail  
Joint Company Secretaries  
24 May 2012