



Albalact reports a turnover increase of 9.2% and 39% higher profit in the first nine months of the year

Bucharest, November 12, 2010 - The results of Albalact for the first nine months of the year remain positive, under the circumstances in which the company made some major investments this year and the dairy market is still hit by recession.

Albalact's turnover increased by 9.2% from January to September 2010 compared with the same period last year, reaching RON 183,278,274 from RON 167,867,394 in 2009, according to the report published today on the stock exchange. During the first 9 months of this year, the total income increased by 11.9% as compared to last year's results, reaching RON 196,174,416 from RON 175,254,995 in 2009.

The company's net profit for the period January - September 2010 is 39% higher than the net profit registered in the same period in 2009. During the first nine months of this year, Albalact registered RON 2,394,104 profits, while last year's net profit for the first nine months was RON 1,720,689.

"The market is still affected by the decrease of consumers' purchasing power. Moreover, the material prices increased significantly, which imposes pressure on profitability. Notwithstanding these problems, Albalact made major investments in marketing, in particular during the second quarter of the year and will continue investing, because investing during times of crisis ensures a long term development of the company. As a conclusion, results so far are fine and we hope that we will reach the predicted growth for the entire year 2010 and also register profit. We can only draw a line and evaluate our results at the end of the year", says **Raul Ciurtin, President and Chief Executive Officer of Albalact Alba Iulia.**

The year 2010 was marked by two important moments for Albalact: the national launch of Raraul brand and Zuzu brand relaunch.

The Raraul rebranding process started in 2009, when Albalact modernised the Raraul factory in Campulung Moldovenesc and started producing cheese under the same brand name Raraul. The process was finalised this year, after the company decided to enter a new product segment with Raraul brand - UHT milk. For the new brand, Albalact chose new visual elements which communicate the fact that Raraul dairy products are natural and healthy because they come from the heart of Bucovina. Raraul's portfolio currently includes: UHT milk, fresh pasteurised milk, classic, Runc and smoked yellow cheese, white cheese, fresh cow cheese, traditional kneaded cheese.





In autumn this year, **Albalact** relaunched **Zuzu** brand with a new visual identity, which makes the brand fresher, more colourful and creative, together with a new communication campaign. The feathers defining the Zuzu packaging were replaced by petals and leaves which underline more distinctly the natural origin and the freshness of the product. From now on, the new **Zuzu awakens you in the morning**, refreshes you, offers you the necessary energy and inspiration for the day. The new image provides the rational attributes Zuzu needed, and the new logo, along with the packaging design ensure a better visibility on the market.

Recently, Albalact shareholders also approved the merger of Albalact S.A. with Raraul S.A. - Albalact absorbing Raraul. Albalact currently holds 95.67% of Raraul's share capital. The merger of the two companies was absolutely necessary in order to develop an efficient integrated management.

With a tradition of over 38 years on the Romanian dairy market, **Albalact** became a joint stock company in 1999, and ten years later was ranked among the top 3 dairy producers in Romania. Albalact gained its market leader fame on the pasteurized and UHT milk market with its brands Zuzu and Fulga, observing European quality standards, a competitive price policy, modern packaging and innovation. Zuzu ranks first on the market in volumes of pasteurised milk with a share of 30% (MEMRB retail audit, Dec 2010), and Fulga ranks second on the UHT milk market, with a volume market share of 17% (MEMRB retail audit, Dec 2010). According to the same MEMRB study, Albalact also leads the market of table butter, with the same name Albalact brand. With the Albalact sour cream, the company ranks second in this segment. In 2008, Albalact entered the cheese market by acquiring the majority stocks of the company **Raraul in Campulung Moldovenesc**. Raraul specialises in cheese production under the same brand name. Albalact currently produces over 60 dairy varieties under the brand names Fulga, Zuzu, De Albalact and Raraul.

Albalact - Alba Iulia is one of the top five milk and dairy producers in Romania. Established in the year 1971 and transformed into a joint stock company in 1990, Albalact was privatised in 1999. Albalact has over 700 employees and over 6000 stock holders and is listed in the second category of the Bucharest stock exchange. Since 2009, Albalact holds 95.67% of the stock of shares of Raraul in Campulung Moldovenesc. Presently Albalact markets fresh pasteurised and UHT products under its brands: **Fulga, Zuzu, De Albalact and Raraul**.

