



## **Albalact reports an increase in turnover of 7.57% for the first half of 2010**

**Bucharest, August 4, 2010** - Albalact continues reporting significant income increases for 2010, maintaining a realistic strategy on a market strongly affected by the decrease of consumers' purchasing power and aggressive low prices.

During the first half of 2010, Albalact's turnover increased by 7.57%, reaching RON 125,070,971, as compared to 2009, when the reported turnover for the first half was RON 116,270,109.

During the first half of the current year, Albalact registered an increase by 9.1% in total income. Total income has increased from RON 120,957,052 during the first half of 2009 to RON 131,960,540 for the same period in 2010.

Operational profits for the first half of 2010 - RON 6,373,016 - are 2.56% higher than those of the first half of 2009 - RON 6,213,552. During this period, only net profits were affected by the significant increase of the euro exchange rate in June, which determined an increase of over 100% of financial expenses. During the first half of 2010, net profits decreased by 13.96% reaching RON 2,418,240 as compared to RON 2,810,474 for the same period in 2009.

*"The dairy market faces difficult, even tough times, because of the dramatic decrease of purchasing power, which imposes a high pressure on prices. Under these circumstances, the company's results are very good and I am very pleased. We will continue expanding our portfolio, our distribution and client network and we will have new launches and new promotions. I am confident that by the end of the year we will reach the planned budget",* says **Raul Ciurtin, Chief Executive officer of Albalact Alba Iulia.**

Last week, Albalact launched Raraul dairy products, transforming thus a local brand into a national brand, with a new image and a new market positioning concept. The rebranding process started in 2009, when Albalact modernised the Raraul factory in Campulung Moldovenesc and started producing cheese under the same brand name. The process was finalised this year, after the company decided to enter a new product segment with Raraul brand - UHT milk. For the new Raraul 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. The brand communication campaign started with the TV spot for Raraul UHT milk. The campaign will run nationally until September 31 and will be complemented with press layouts, PR and trade marketing activities.





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 4 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 29% (MEMRB retail audit, Jan-Dec 2009), and Fulga ranks second on the UHT milk market, with a volume market share of 19.5% (MEMRB retail audit, Jan-Dec 2009). 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**. In 2009 the shares held by Albalact within Raraul share capital increased up to 93.6%. 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 500 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**.

