



## **Albalact business grew by 18% in the first quarter of this year**

**Bucharest, 10 May 2013** - Albalact business has been significantly growing since the beginning of 2013, shows the company's balance-sheet.

In the first quarter of this year, Albalact reported a turnover of RON 102,442,852, that is 18% more than the turnover reported for the same period of 2012 (RON 86,360,827). The company drove profits of RON 2,686,134, almost flat as compared to the profits booked in the same period of the previous year.

*“The increase experienced by our company in the first quarter overtook the overall market growth. This shows us that there are still segments of the dairy market that have development potential, and consumers still trust Romanian brands and products. Albalact performs very good in certain categories where it doubled its sales - I mean here yogurt and cottage cheese -, and the company continues to stake on them. Nevertheless, we pursue a profitable growth and consolidation of the leadership position, as a strategic objective for Albalact. We believe the dairy market will not perform better this year as compared to last year, moreover since there are still pressure factors, such as high raw material expenses and costs, economic constraints, and reduced purchasing power. Consumption could recover further to the VAT rate reduction”,* says **Irina Măndoiu, Business Director with Albalact.**

Albalact continued to invest in technology, distribution, and portfolio, and expanded its brands in categories with potential where it was or was not present before. A great challenge was the launch in 2012 of a new cottage cheese portfolio under Rarăul Brand, which required Albalact to double the production capacity of Rarăul factory in Campulung Moldovenesc. The range extension lifted Albalact, in only one year, to the second position of cottage cheese manufacturers with Rarăul brands, and secured it a 9% market value share (in February 2013)\*.

Recently, Albalact has also launched a new brand for a special product. Fruzu is the youngest brand of the company, and create a new category on the Romanian fruity yogurt market: yogurt with fruit topping in an one-of-the-kind packaging on the market. Early this year, the company launched some news products in consolidated portfolios.

Albalact is currently ranked third most important dairy producer in Romania, being traditionally present on the Romanian market for more than 40 years. Albalact produces over 80 dairy varieties under the brand names **Fulga, Zuzu, Fruzu, De Albalact and Rarăul**. Albalact entered the cheese market segment back in 2008 with acquisition of the control stock (99.01%) of **Rarăul Campulung Moldovenesc**, which was specialized in cheese production, under **Rarăul** namesake brand.





Currently, Zuzu is the leader in the pasteurized milk segment, with a market share of 23.1% in terms of value, and also the leader in the total milk segment (UHT milk and pasteurized milk), with a market value share of 16.8% in February 2013. Albalact is the market leader also in the table butter segment, with De Albalact namesake brand, with 23.5% market value share between December 2012-January 2013. In sour cream segment, Albalact remains the leader with De Albalact brand, with a 14.6% market value share, in February 2013. In cottage cheese category, Albalact climbed to the second position with Rarăul brand, with a 9% market value share in February 2013.\*

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**Albalact - Alba Iulia** is one of the three largest Romanian milk and dairy producers. Established back in 1971, Albalact was converted into a joint-stock company in 1990, and later on privatized in 1999. Albalact has more than 800 employees and 5,000 stock holders, and is listed in the third category of the Bucharest Stock Exchange. Currently, Albalact holds 99.01% of the stock of Rarăul Campulung Moldovenesc. Albalact markets fresh pasteurized and UHT products under its brands **Fulga, Zuzu, Fruzu, De Albalact** and **Rarăul**.

*\* calculations based on AC Nielsen data from Retail Index Service for the audit period February 2013, and, respectively December 2012 - January 2013, per Total Romania, discounters included. (Copyright © 2012, The Nielsen Company)*

