



## **Albalact reports a double digit business growth in 2014**

### **Bucharest - 21 April 2015**

In 2014, Albalact obtained a turnover of RON 474,909,116, 12% more than the turnover reported in 2013 - 423,185,587, shows the financial report in 2014, as approved by the General Meeting. The company obtained a net profit of RON 12,299,398, including also the profit made from exceptional activities that is the transfer of the logistics business from Albalact SA to Albalact Logistic SRL owned 100% by Albalact SA.

*“In the context of a still diary market in respect of volume, and slightly increasing in terms of value last year, we are happy to report the innovations supported by Albalact and the efficient portfolio management strategy brought the company a double digit business growth in 2014 (sales which were 12% higher in value), as well as a 9% increase of sales in terms of volume. This year, Albalact will conform the healthy business growth module by pursuing the same strategy as in 2014. We will continue to innovate products and packaging, and focus on rendering the last year’s investments more efficient. We are more optimistic also with regard to the economic context of 2015, when the significant VAT reduction for foodstuff will certainly help strengthening the purchasing power of consumers, even if saturation of the European milk market is expected to general a slight reduction in prices”,* declared **Stephane Batoux, General Manager of ALBALACT.**

For 2015, Albalact budgeted a turnover of RON 508,559,792.

In the same General Meeting, Albalact shareholders approved allotment of dividends this year, Thus, the company will pay a gross dividend of RON 0.0185 per share from the aggregate profit of the previous years, the total amount to be paid being estimated at RON 11.7 million. The gross dividends are due to be paid within 5 months since the date of the decision.

Company’s shareholders further approved a change in the use of the shares acquired by the company under the redemption programmed approved in 2013. Thus, the share will not be canceled anymore, but included in a share option plan for the company’s management, in accordance with the terms and conditions of the plan.

Similarly, Albalact continues its actions and formalities to move to the main market of the Bucharest Stock Exchange, as the company has already met the required technical criteria. In the Extraordinary General Meeting of February, company’s shareholders approved, with unanimity of votes, that the company’s share are accepted for trading on the spot regulated market managed by the Bucharest Stock Exchange. The decision was made under Law 151/2014 clarifying the legal status of the shares traded on RASDAQ market to be terminated in October this year.





Albalact is the largest Romanian processor of daily products, and is ranked second among the players in the Romanian dairy industry. Year after year, Albalact has invested to develop its portfolio and innovate both its products and its packaging, pursuing a strategy that was realistically adapted to the market's needs and developments. The biggest innovation of the company over the past years is the plastic can with handle, launched in 2014 under Zuzu brand, a first of its kind for Romania. The modern and highly practical packaging came also with new SKUs which have not been available before on the milk market - 1.8 liters for families and volume consumers, and 500 ml for "on-the-go" consumption. For the new packaging, the company provided the factory with a state-of-the-art piece of equipment for packing milk in plastic recipients. This project offered Albalact a 20% increase in the market share in milk category.

Other new projects were launched in 2014 targeting the company's yogurt portfolio - packagings and new SKUs and even a brand new product aimed for men alone - Zuzu Max, a creamy yogurt with 10% fat.

In 2014, Albalact invested approx. EUR 8 million in modernization and expansion of the production capacity of Oiejdea factory, in county of Alba. The investments were designed to support the growth of the company in the years to come, and consolidate its position on several market segments.

Albalact has been leading the milk market with Zuzu brand (UHT milk and pasteurized milk) since 2008. Albalact is also leading the market also in the table butter segment and sour cream segment, with its namesake brand De Albalact. Expansion within the yogurt category with Zuzu portfolio brought the company in top three yogurt producer in Romania, and with Rarăul brand and its portfolio of cottage cheese, the company climbed as high as the second place in this category.

Albalact has more than 140 products in its portfolio, sold under its five umbrella brands: Zuzu, Fulga, De Albalact, Rarăul, and Poiana Florilor. The company holds 99.01% of the shares of Rarăul company in Campulung Moldovenesc.

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**Albalact - Alba Iulia** is the largest company with majority domestic capital in the industry. 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 is listed in Rasdaq category of the Bucharest Stock Exchange. Albalact also holds 99.01% of the stock of Rarăul Campulung Moldovenesc. Albalact markets fresh pasteurized and UHT products under its brands **Fulga, Zuzu, Fruzu, Rarăul, De Albalact** and **Poiana Florilor**.

