



After 9 months, Albalact Group confirms reaching the budgeted target for 2015

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Albalact Group confirms the target budgeted for this year, further to publication of the non-audited consolidated financial statements for January-September 2015.

The financial statements at 9 months were drawn up in keeping with the international financial reporting standards (IFRS) adopted by the European Union. These financial statements cover the results of Albalact SA, as well as of other companies, that is Raraul SA Campulung Moldovenesc and Albalact Logistic SRL, which are held by Albalact SA. Company's listing on the Bucharest Stock Exchange in first part of this year determined a restatement of the financial statements drawn up by the three companies of Albalact Group, by having individual reporting pursuant to the Order of the Minister of Public Finance 1802/2014 (OMPF) replaced with IFRS reporting.

After the first nine months of this year, Albalact Group reported net consolidated revenues of RON 312,877,779, going slightly up as compared to the same period of the previous year, when the group's net consolidated revenues amounted to RON 311,981,026, as per the IFRS.

The net profit obtained by Albalact group of companies in the period January-September 2015 amounts to RON 9,980,991, which is significantly higher than the net profit booked for the same period of the previous year, show the same IFRS-compliant consolidated financial statements.

"The company's strategy for this year was directed towards a profitable business growth. The results show us that we followed the right direction, and we can now confirm that we will reach the planned increase in the end of this year. Cost optimization and proper planning had an essential contribution to these results. At the same time, we have continued to invest in marketing and new products. We brought up important programmes this fall, and one of them regarded the relaunch of the traditional brand of the company, that is Albalact, and portfolio enlargement. We continued to put resources also in Zuzu Bifidus portfolio, another important project for 2015. Furthermore, we also developed a special brand for Horeca segment, which Albalact intends to expand. We came up with a new campaign for Zuzu Max creamy yogurts, as well as for Rarăul cottage cheese portfolio. We started to communicate Raraul again to consumers. Most of our projects were launched in the second half of the year, but the data shows that the impact on this year's financial statements will be good. Next year, we plan to continue with this strategy, so much the more that we expect the milk market to stabilize. We also consider further product and packaging innovations, too. Optimization of the distribution business will be also in our focus", says Stephane BATOUX, General Manager of ALBALACT.





For the financial year 2015, Albalact Group budgeted consolidated revenues of RON 419,453,120, as rectified in October, according to the international financial reporting standards (IFRS) adopted by the European Union. This translates into a budgeted increase of the group's consolidated revenues by almost 3% in the end of this year.

In October, company has just relaunched the traditional namesake brand. Albalact is Albalact's oldest brand (more than 40 years old). In time, in its portfolio we have found good dairy products made according to old recipes. Albalact means, first and foremost, table butter, a product that has not changed for more than four decades, and appeared with the same packaging and same recipe that put it on the map and are appreciated even today by consumers. De Albalact has for a long time been the leader in sales in the butter category (according to Nielsen data). Albalact brand is the leader also on the sour cream market. Same as with butter, Albalact sour cream is seen by consumers as the traditional product that has preserved its quality and flavor of the old days. Nowadays, Albalact brand proposes a new visual identity and a new communication platform aimed to strengthen the brand's position in the traditional segment. The brand enjoys a special design which emphasizes both the appreciation for the Romanian values, the unmistakable tastes we had been grown up with, as well as the importance Albalact places on the milk used to prepare its products. Albalact portfolio has also changed and includes, besides the products already available, new products, such as fresh milk packed in 1 liter Tetra Top cartons, and traditional fermented drinks (sweet and sour buttermilk, kefir) in 330 g and 900 g PET packaging. Similarly, Albalact butter range was enriched with 3 new varieties: butter 70% fat, butter 82% fat, and slightly salted butter 82% fat.

An important project Albalact implemented this year regards expansion of the yogurt portfolio in active health category - a strategy which aims to strengthen the position of the company on yogurt market. Thus, Albalact developed a new range of Zuzu Bifidus yogurts, with an unique combination of living lactic acid cultures which helps protecting and balancing the digestive system.

The yogurt segment has been an important target for Albalact since 2012, when the company made material changes to its portfolio. Last year, the company had its yogurt assembly line modernized, and introduced new packages in its portfolio. The expansion within the category propelled Albalact in the top three domestic yogurt producers. Volume wise, the company accounted for 17.0% of the yogurt market in 2014 (according to A.C. Nielsen Retail Audit over the aggregated periods January 2014 - December 2014, Total Romania).

Albalact has been leading the milk market with Zuzu brand (UHT milk and pasteurized milk) since 2008. Albalact is leading the market also in the table butter segment and sour cream segment, with its namesake brand Albalact. With Raraul brand and its cottage cheese line-up, the company climbed as high as the second place in this category.

Albalact has more than 150 products in its portfolio, sold under its five umbrella brands: Zuzu, Fulga, Albalact, Rarăul, and Poiana Florilor. The company holds 99.01% of the shares of Raraul in Câmpulung Moldovenesc.





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, with more than 900 employees, has a majority Romanian shareholding, and is listed on the main market of the Bucharest Stock Exchange. Albalact holds 99.01% of the stock of Raraul Campulung Moldovenesc, and 100% of the logistic company Albalact Logistic SRL. Albalact markets fresh pasteurized and UHT products under its brands **Fulga, Zuzu, Rarăul, Albalact,** and **Poiana Florilor.**

