



The Albalact Group reports an 8.9% increase in revenues in 2015

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The Albalact Group ended the financial year 2015 with a profitable revenue growth, a result that slightly exceeded the budgeted target, according to the consolidated IFRS financial report, discussed and approved by the General Meeting of Shareholders.

The financial statements drafted according to the international financial reporting standards adopted by the European Union (IFRS) include the results of Albalact SA and of the companies Rarăul SA Câmpulung Moldovenesc and Albalact Logistic SRL, owned by Albalact SA. The company's listing on the Bucharest Stock Exchange in 2015 determined a restatement of the financial statements drawn up by the three companies of the Albalact Group, by having individual reporting pursuant to the Order of the Minister of Public Finance (OMPF) no. 1802/2014 replaced by the IFRS reporting.

The financial statements show that Albalact's net revenues increased last year by 8.9%, from RON 408,127,648 in 2014 to RON 444,019,761 in 2015.

The net profit of the Albalact Group in 2015 amounts to RON 12,625,705, significantly higher than the net profit recorded in 2014, as evidenced by the consolidated IFRS financial statements.

"We are delighted that we have succeeded in following up on the strategy built around profitable business growth. We have been striving to have a good balance between revenue growth by one figure and profit growth. Last year, we gave great importance to marketing investments, and the success of new projects has exceeded our expectations. I am referring to the launch of Zuzu Bifidus yoghurt range with health benefits - one of the most important projects of the company in 2015 - but also to the re-launch of the Zuzu Max yoghurt portfolio. The traditional Albalact brand was also refreshed with a new visual identity meant to adapt it more to the local values and with an expanded portfolio. We have also launched a special brand for the HoReCa segment, which Albalact wants to develop further. This year we are applying the same strategy to support profitable growth by one figure. We will stay focused on the traditional Albalact brand, but we are also planning other innovations in the yogurt segment, most likely in the second half of the year. We will also continue to expand and optimize our distribution business", says **Stephane BATOUX, General Manager of ALBALACT.**

The traditional Albalact brand is the oldest brand of Albalact (more than 40 years), the portfolio of which has consisted, over time, of good dairy products made using old recipes. Albalact means, first of all, table butter, a product that has remained unchanged for over four decades, with the same packaging and same recipe that have made it known and that consumers still appreciate today. Albalact has long been a sales leader in the butter category (according to Nielsen data). The Albalact brand is also the market leader for sour cream. Just like butter, the Albalact sour cream is, for consumers, a traditional product that has retained the quality and flavor it had in the old times. In the autumn of last year, the Albalact





brand introduced a new visual identity and a new communication platform aimed at strengthening the brand's position in the traditional segment. The brand has a special design which emphasizes both the appreciation for the Romanian values and the taste we grew up with, as well as the importance Albalact places on the milk used to prepare its products. Albalact's portfolio has also changed and includes 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. Albalact's range of butters has also been enriched with new assortments.

An important project that Albalact also launched in 2015 regards the expansion of the yogurt portfolio in active health category - a category which aims to strengthen the position of the company on the yoghurt market. Thus, Albalact developed the new range of Zuzu Bifidus yogurts, with a unique combination of live lactic cultures that contribute to the protection and balance of the digestive system. Albalact has been leading the milk market with the Zuzu brand (UHT milk and pasteurized milk) since 2008. Albalact is leading the market in the table butter and sour cream segments as well, with its namesake brand Albalact.

On January 27, 2016, the majority shareholders holding 70.3% of Albalact's share capital have entered into an agreement with Lactalis for the acquisition by Lactalis of all the shares held by the selling shareholders. This agreement provides for the usual conditions prior to the completion of the transaction, including, but not limited to, the approval of the Romanian Competition Council and the absence of any significant negative change, as contractually agreed by the parties. Subject to these prerequisites, Lactalis intends to initiate a voluntary takeover bid, covering 100% of the shares held by Albalact's shareholders, receiving firm commitments from the Selling Shareholders to subscribe all their shares in the takeover bid.

