



FrieslandCampina 



Annual figures for 2009

17 March 2010



The year 2009

- Good financial performance in challenging dairy market
- Successful integration of merged companies



Good financial performance in challenging dairy market

- Sound performance achieved with brands in South-East Asia, Africa and Europe, and in industrial specialties
- Market shares of most brands up or equal, in part thanks to increased advertising and promotional expenses
- Volumes in South-East Asia and Africa on the rise; decreasing consumption of dairy products puts volumes under pressure in Europe



Good financial performance in challenging dairy market

- Profit for the year up 35% to EUR 182 million
- Revenue down 14% to EUR 8.2 billion, due to low prices of such products as milk powder, caseins and basic cheese, in particular
- Operating profit before non-recurring expenses up 26% to EUR 347 million
- Non-recurring expenses of EUR 89 million relate to restructuring and merger costs
- Operating profit up 4% to EUR 258 million; operating profit as a percentage of revenue up from 2.6% to 3.2%
- Cash flows from operating activities increase significantly from EUR 351 to EUR 757 million



Headline figures 2009

Results

in millions of Euros

	2009	2008
Revenue	8.160	9.454
Operating profit before non-recurring expenses	347	276
Operating profit	258	248
Profit	182	135



Headline figures 2009

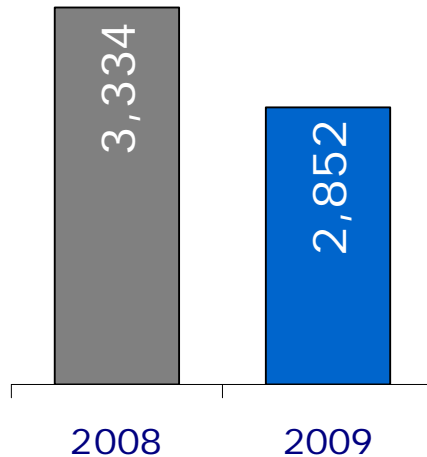
In Euros per 100 kilograms of milk

	2009	2008
Guaranteed price	26.40	35.89
Performance payment	0.59	0.48
Milk price	26.99	36.37
Registered reserve	0.35	0.29

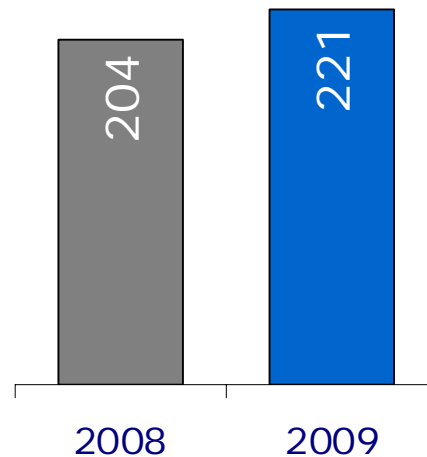


Consumer Products Europe

Revenue



EBIT before incidentals



Market circumstances/results 2009:

- Good results for branded products
- Market shares up in most segments, in part thanks to A&P and campaigns
- Decline in sales volume in Western Europe
- Decline in revenue owing to average lower selling prices
- Lower overhead costs owing to cost control and synergy
- Non-recurring expenses of EUR 51 million as a result of announced reorganisations





“In the festive year for Monna’s 40th anniversary Dutch consumers elected Monna as the Brand of the Year 2009. We are back to what we want to be: a brand that represents enjoyment and happiness.”

*Brechje Albert, brand group manager Monna,
FrieslandCampina Benelux*



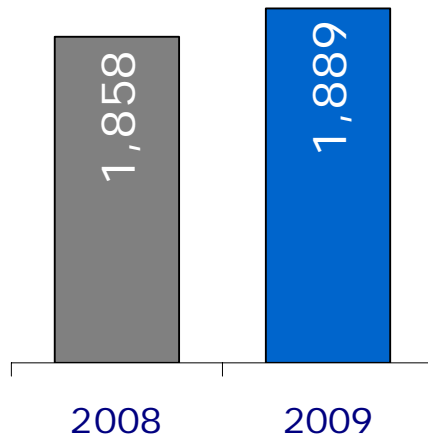
“When we repositioned Landliebe, we took the enjoyment of naturally produced dairy products as our angle, based on a story of feeding cows with home-grown crops and the guarantee that our milk is GMO-Free. All this resulted in growth for Landliebe, despite fierce competition in the German market.”

*Alexandra Ferrari, marketing Landliebe,
FrieslandCampina Deutschland*

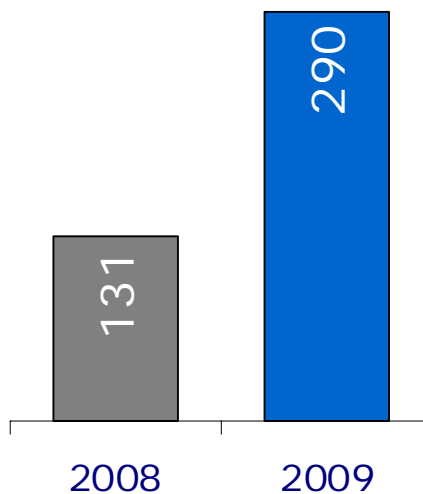


Consumer Products International

Revenue



EBIT before incidentals



Market circumstances/results 2009:

- Good results for branded products
- Market shares up in most segments
- Increase in revenue in local currency of 5%
- Increase in volume by 6%
- Lower raw material costs contributed to improvement in performance
- Asia appears to be recovering from the recession more quickly





“The sale of milk in single portions offer huge opportunities in Nigeria. Most people cannot afford to buy tins of milk, but they can afford to buy small sachets. We sell sachets under the Peak brand. We aimed to be present and visible everywhere, and we were.

*Dolapo Otegbayi, innovatiemanager
FrieslandCampina WAMCO Nigeria*

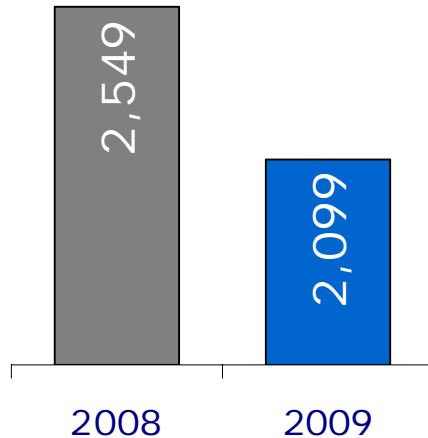


"In 2009 it was the first year in which we applied synbiotics in Friso Gold, our premium brand. The TV commercials and advertisements showing good bacteria beating the bad ones worked very well. Friso Gold's market share rose to 10 percent and its financial performance was well above target."

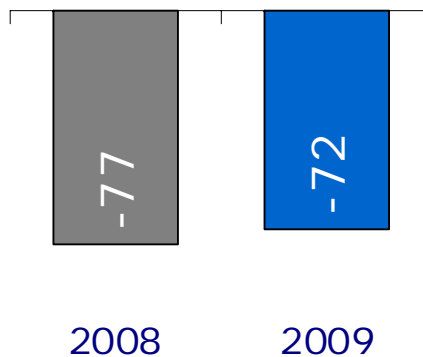
*Dr. Nguyen Tri Hung,
Nutritional Operations Manager
FrieslandCampina Vietnam*



Revenue



EBIT before incidentals



Market circumstances/results 2009:

- Lower revenue owing to price and volume pressure and decline in sales volume from a number of customers as a result of the merger (to reduce dependence)
- Branded cheese such as Milner, NH and Frico are stable for export
- Overhead costs are lower owing to cost control and synergy
- Non-recurring expenses of EUR 26 million as a result of announced reorganisations

MILNER

ANNO 1898
FRICO

Slankie
20+

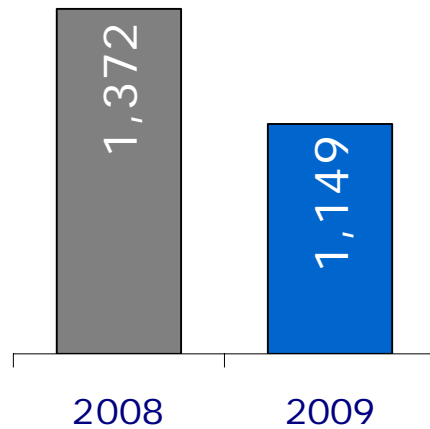
Botergoud



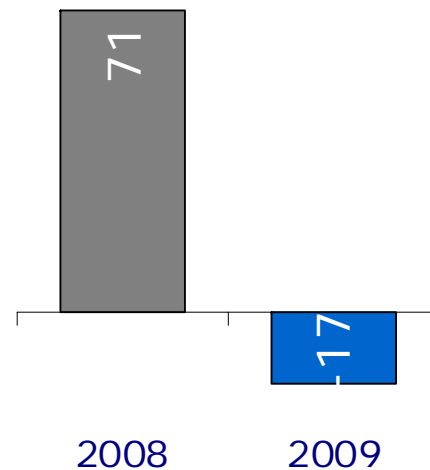
“Russians love cheese. Coffee with cheese is a delicacy. FrieslandCampina represents approximately half of the annual import of Dutch cheese in Russia.”

*Hans Nijborg, market group manager
FrieslandCampina Cheese Specialties Centraal- en Oost-Europa*

Revenue



EBIT before incidentals



Market circumstances/results 2009:

- Decrease in revenue and income owing to lower selling prices for basic products (milk powder, caseins)
- Higher volume as a result of higher milk processing
- Specialties achieved growth
- Volume growth in infant nutrition

DOMO®









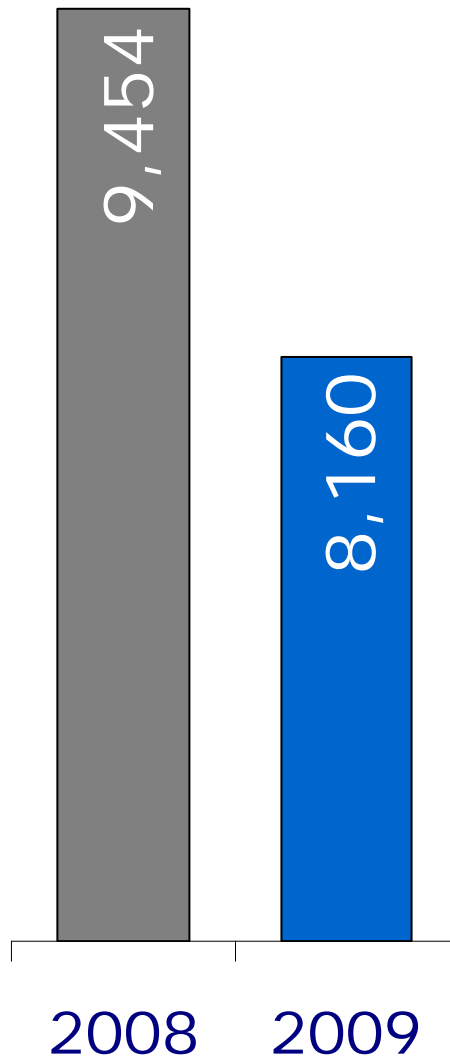
“Domo and DMV were active with ingredients in the same markets. By combining knowledge, we can present ourselves even better as experts and continue to develop products together with customers and reinforce our relationship.”

Janneke Dijksterhuis, Ingredients Sales Manager at FrieslandCampina Domo

Business groups at a glance

	Consumer Products Europe	Consumer Products International	Cheese & Butter	Ingredients
				
Revenue	2.9bn	1.9bn	2.1bn	1.2 bn
Share of revenue	35%	23%	26%	14%
Operating profit	170m	290m	- 98 m	- 20 m
...before non-recurring expenses	221m	290m	- 72m	- 17m

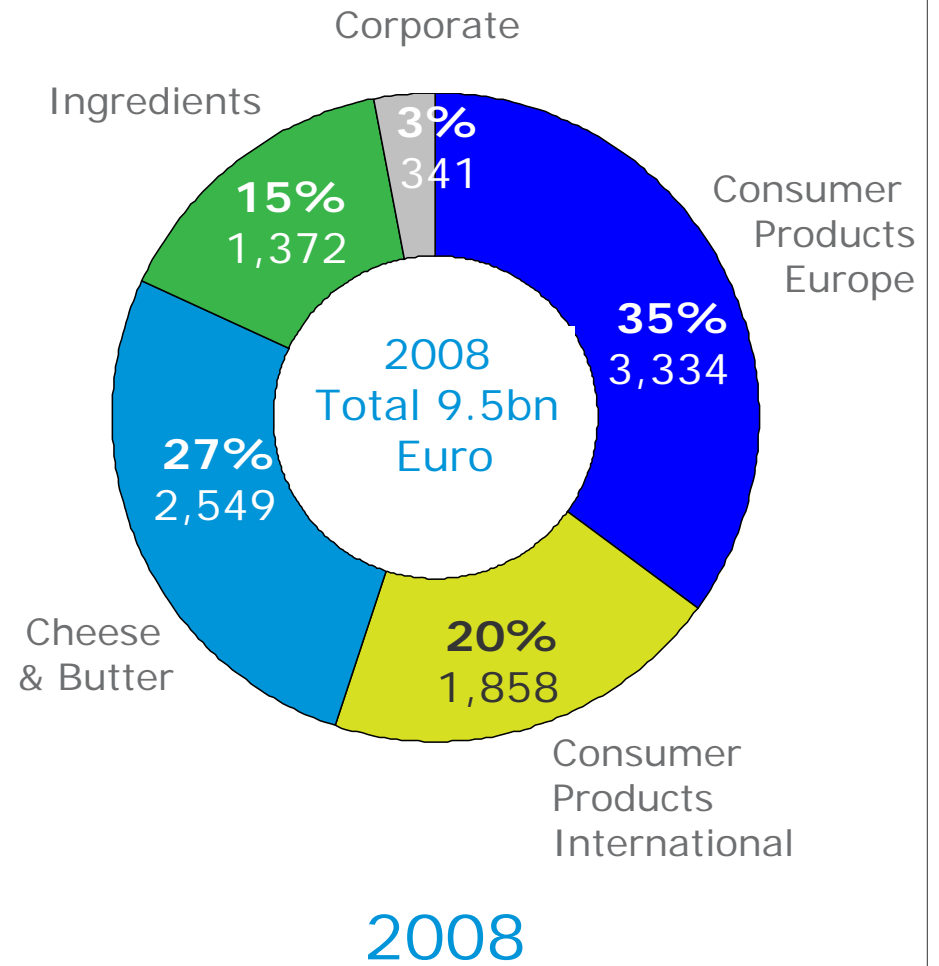
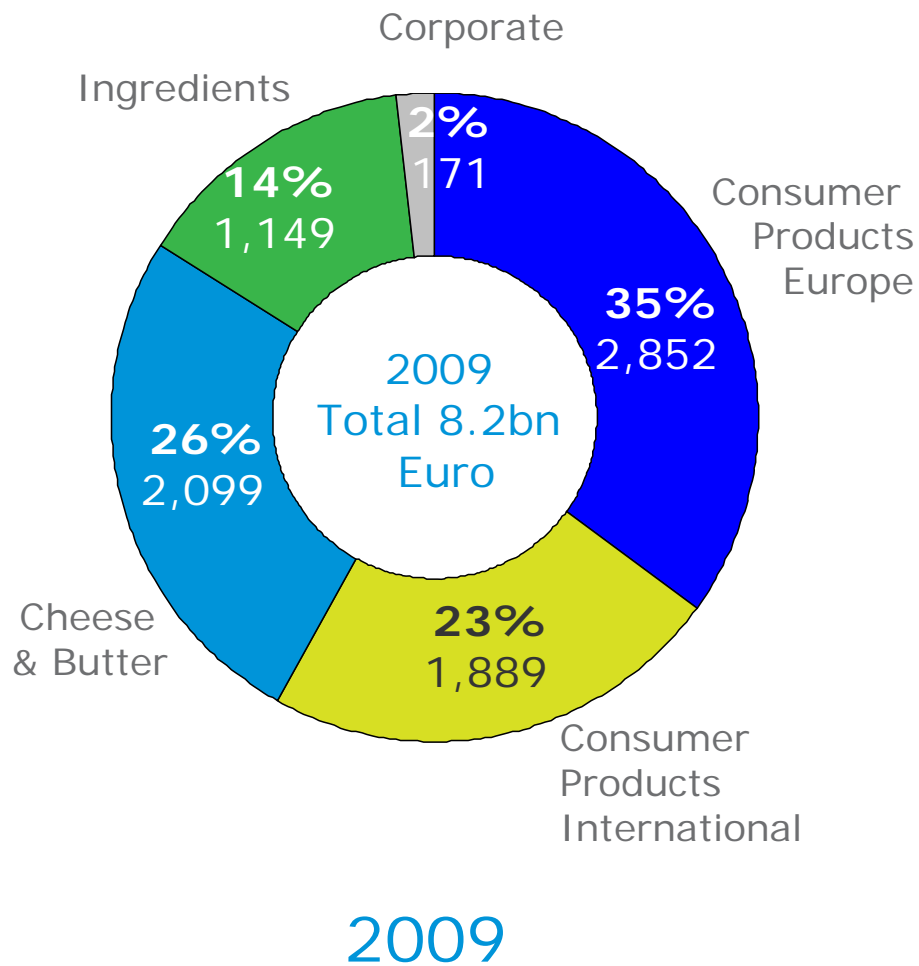
Revenue and operating profit in Euros



- Revenue 2009: EUR 8.2 billion
- Down EUR 1.3 billion (- 14%)
- Volumes in Asia and Africa on the rise
- Decline in volume in Europe
- Lower selling prices for milk powders, caseins and basic cheese

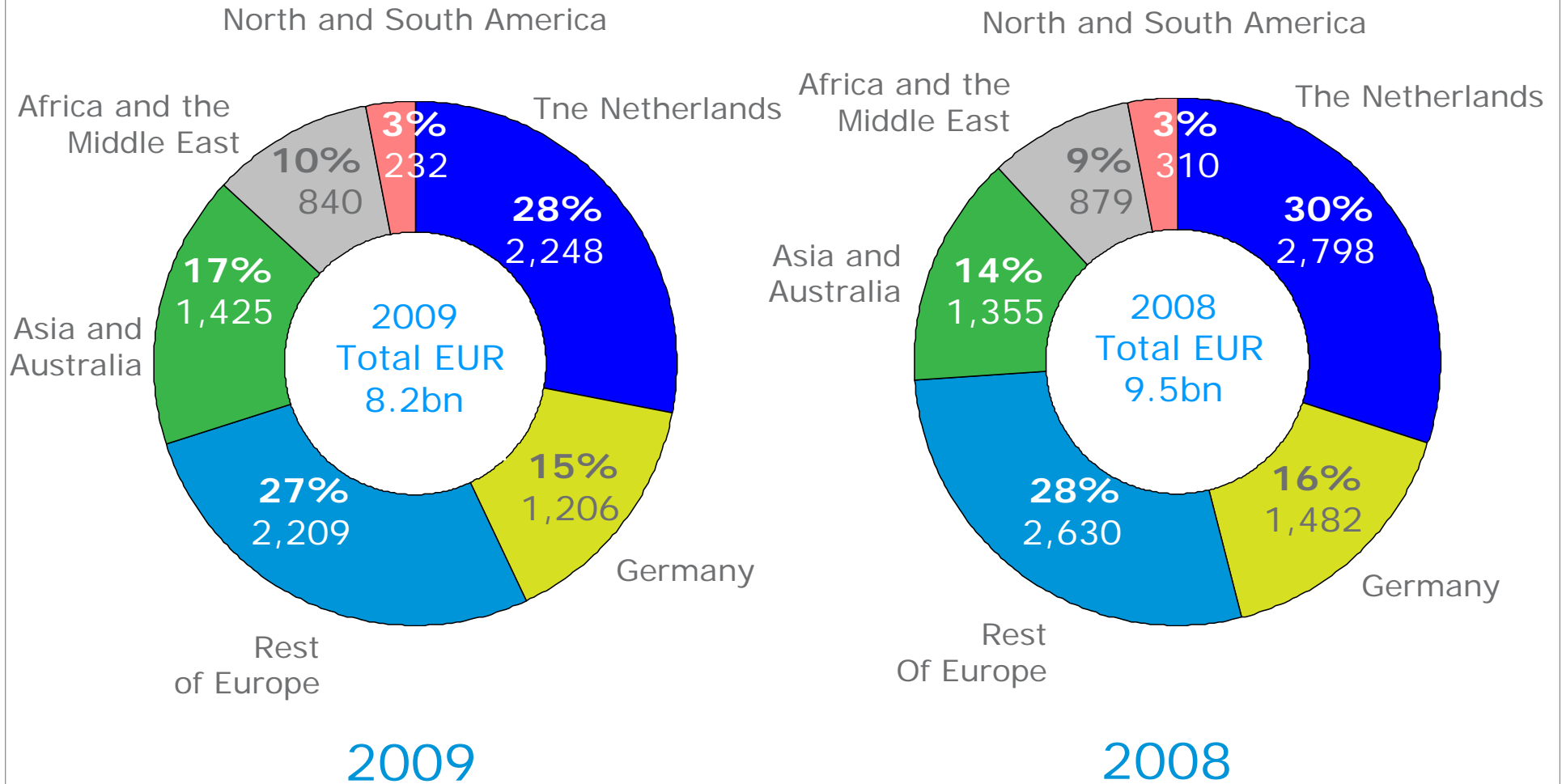


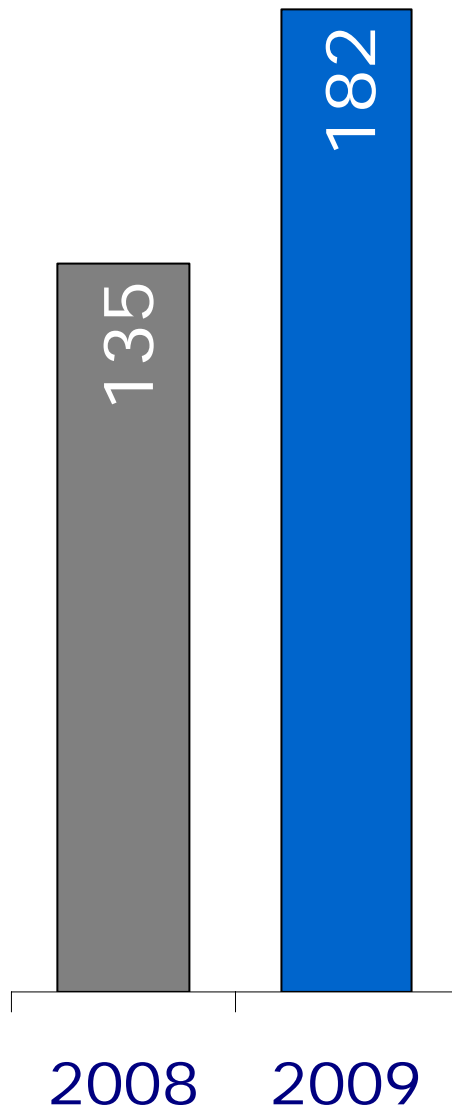
Revenue by business group





Revenue by geographical area





- Profit 2009: EUR 182 million
- Up EUR 47 million (35%)
- Sound performances with branded products
- Increase in the share of profits of non-consolidated associates
- Lower financing costs



Income statement 2009

In millions of Euros	2009	2008
Revenue	8,160	9,454
Other operating income	27	27
Cost of raw materials, consumables and goods for resale	- 5,089	- 6,422
Employee benefits expense	- 817	- 796
Other operating expenses	- 1,817	- 1,796
Depreciation & amortisation	- 206	- 219
Operating profit	258	248
Finance income and costs	- 59	- 104
Share of profits of joint ventures & associates	21	6
Income tax expense	- 38	- 15
Profit for the year	182	135



Balance sheet – assets **2009**

in millions of Euros

	2009	2008
Property, plant and equipment	1,463	1,471
Intangible assets	910	909
Other assets	381	259
Inventories	817	960
Trade and other receivables	927	1,151
Cash and cash equivalents	272	180
Total	4,770	4,930



Balance sheet – liabilities **2009**

in millions of Euros

	2009	2008
Equity	1,552	1,265
Perpetual notes	130	130
Minority interests	97	85
Total equity	1,749	1,480
Non-current liabilities	1,276	1,237
Current borrowings	309	684
Other current liabilities	1,436	1,529
Total	4,770	4,930



Cash flow

In millions of Euros	2009	2008
Net cash flows from operating activities	757	351
Net cash flows used in investing activities	- 196	- 214
Net cash flows used in financing activities	- 465	- 109
Net cash flows	96	28



Headline figures **2009**

	2009	2008
Solvency ratio	36,7%	30,0%
Employees average number of FTEs	20.034	20.568
Member dairy companies	15.326	15.837
Members	21.062	21.583
Processed milk in millions of kg	10.755	11.446
Milk supplied by members in millions of kg	8.685	8.589



Implementation of EU Remedies

- Remedies have been implemented, final report 'monitoring trustee' approved by Brussels:
 - ✓ Sale of fresh dairy (Nijkerk Dairy B.V.) to Arla Foods;
 - ✓ Sale of brands Yogho! Yogho! and Choco! Choco! to Milcobel (Benelux);
 - ✓ Sale of Bleskensgraaf cheese activities to Deltamilk;
 - ✓ Allocation of Dutch raw milk to the Dutch Milk Foundation
 - only Arla Foods and Delta Milk are purchasing milk
 - 1 member took advantage of the termination scheme at 31 December 2009



A few introductions



DOMO[®]

MCI 10
Micellar casein
isolate



DP 90
Instant
topping



Outlook for 2010

- Demand for dairy products to edge up slightly
- Minor fluctuations in supply and demand of milk powder, basic cheese and butter on the global market will have substantial consequences for the proceeds of all product categories
- Continued fluctuations in milk prices



FrieslandCampina 

