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D&L Industries, Inc.

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10 May 2013

PHILIPPINE STOCK EXCHANGE, INC.
Disclosure Department,
Issuer Regulation Division
3/F Philippine Stock Exchang, Inc.
Ayala Triangle, Ayala Avenue
Makati City 1226

Attention: MS. JANET A. ENCARNACION
Head, Disclosure Department

Madam:

We are submitting herewith the Company's Press Statement in connection with the First Quarter results for the period ended 31 March 2013.

This report is made in compliance with the Revised Disclosure Rules.

Thank You.

Very truly yours,

Daryl Eunika B. Maloles
Investor Relations Officer

D&L Industries Announces First Quarter 2013 Results

- **Consolidated net income hit P314 million, 19% higher year-on-year, or EPS of P0.09**

- **Sustained margin gains supported by improving sales mix and weak commodity prices. Gross Profit Margin up 6.4 pct points to 19.2%, Net Income Margin up 5.2 pct points to 13.5%**

- **Sales Mix: 69% Higher Margin Specialty products, 31% Low Margin Commodities. Reduction in commodity business still on-going, consolidated revenues down 27% year-on-year to P2.3 billion**

May 9, 2013 – D&L Industries net income reached P314 million, or earnings per share (EPS) of P0.09, for the first quarter of 2013, 19% higher than the same period last year.

Revenues were 27% lower at P2.3 billion as the group continued to strategically sell less of its big volume, low margin refined vegetable oils in favour of its high margin specialty products (HMSP). From 67% as of end 2012, HMSP now account for 69% of the group's overall sales. The drop in sales also mirrors the pass through of lower raw material costs, given the downtrend in prices of coconut oil and palm oil.

The Company maintained steady progress towards growing its high-margin specialty business as new markets are explored and more new higher margin products are rolled out. Commodity prices also softened during the period, benefitting margins overall. Gross Profit Margin grew from 12.8% last year to 19.2%, while Net Income Margin rose from 8.3% to 13.5%.

In the coming quarters, earnings growth is expected to accelerate as income from new businesses, including the Showa Denko deal announced in January, are recognized. Overall, the Company remains in line with expectations this year.

Food Ingredients

Oleo-Fats, Inc. (OFI) saw solid volume growth in key markets which are of strategic focus to the company, including specialty fats and oils and food service. It continued to scale back on its low margin commodity products as well, hence volume losses on the refined vegetable oil business and some lower-margin, generic specialty products.

In 1Q2012, the low-margin Refined Vegetable Oils accounted for more than half of sales, putting pressure on profitability. For the 1Q2013, its share has been whittled down to 43%. Meanwhile, higher margin Specialty Fats and Oils were 57% of Oleo-Fats' sales in 1Q2013, from 49% in 1Q2012.

This strategy continued to drive margins and profitability, easing the 31% drop in revenues to P1.7 billion that were due to lower volumes from the refined vegetable oils and weak commodity prices. OFI closed the quarter with a net income of P107 million, 11% higher than P96 million in 1Q2012.

Plastics

Given exceptional growth in 1Q2012 due to businesses gained from the 2011 tsunami in Japan and flooding in Thailand, volume in 1Q2013 was relatively subdued. As a result, sales were down 18% to P585 million in 1Q2013.

In line with the group's strategic priorities, the plastics business, through First in Colours (FIC) and D&L Polymers and Colours (DLPC), has also been veering away from its lower margin specialty products and toward customized, specialty products with relatively higher margins. As a result, the P141 million net income for the period was well ahead of the prior year by 29%.

Good progress has been made on the Showa Denko business announced early this year. As previously stated, a dry run was done on December 2012 with an initial shipment to Japan. Its contribution, though currently remains small, is expected to ramp up by the latter half of the year.

Oleochemicals, Resins, and Powder Coatings

For the full year, sales of Chemrez Technologies were down 1% year-on-year to P1.03 billion. Biodiesel, a third of Chemrez' total revenues, increased sales by 4% on higher volume. However, prices remain depressed due to an overhang in supply. Also, the absence of prior period's inventory gain resulted to the 1Q2013 margins being reduced to levels well below those achieved in 1Q2012.

Net income for 1Q2013 reached P70 million, which is already 27% of 2012's full year net income. Year-on-year, it was 42% lower.

Aerosols

Aero-Pack, Inc. (API) sustained double-digit gains in volume for the period. However, rate of sales growth was limited by selling more products with relatively lower sales value but higher margin. Hence, sales were down 1% to P84 million but net income increased 30% year-on-year to P13 million.

D&L Industries is a Filipino company engaged in product customization and specialization for the food, plastics, and aerosol industries. The company's principal business activities include manufacturing of customized food ingredients, specialty raw materials for plastics, and oleochemicals for personal and home care use. Established in 1963, D&L has the largest market share in each of the industries it serves, as well as longstanding customer relationships with the Philippines' leading consumer and chemical companies. It was listed on the Philippine Stock Exchange on December 2012. For more information please visit www.dnl.com.ph