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11 November 2013

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

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

Gentlemen:

We are submitting the Company's Press Statement in connection with the First Nine Months results for the period ended 30 September 2013.

Thank You.

Very truly yours,

A handwritten signature in black ink, appearing to read 'ALVIN D. LAO', written over a horizontal line.

Alvin D. Lao
EVP & Chief Finance Officer

D&L Industries Announces January-September 2013 Results

- **Consolidated net income at P1.04 billion, 25% higher year-on-year, or EPS of P0.29. 9M2013 net income already 101% of FY2012 recurring net income.**
- **Average sequential sales increase of 9% for the past two consecutive quarters. Year-on-year, consolidated revenues down by 9% due to lower commodity prices. Double-digit growth in overall food ingredients volume**
- **Sales Mix update: 69% Higher Margin Specialty products, 31% Low Margin Commodities. Gross Profit Margin up 3.0 pct points to 18.6%, Net Income Margin up 3.7 pct points to 13.6%**

November 11, 2013 – D&L Industries net income reached P1.04 billion, or earnings per share (EPS) of P0.29, for the first nine months of 2013, 25% higher than the same period last year. Third quarter net income increased 43% year-on-year to P387 million. Profit growth was group-wide, with all four business segments reporting year-on-year growth.

As expected, due to persistent softness in commodity prices, year-to-date consolidated revenues were lower by 9% year-on-year. The past two consecutive quarters however, have seen average sequential topline growth of 9% on back of increasing volume and shifting product mix.

High margin specialty products (HMSP) accounted for 69% of the group's overall sales for the period and low margin commodities accounted for 31%. This resulted to overall Gross Profit Margin rising to 18.6% from 15.7% last year, and overall Net Income Margin improving to 13.6% from 9.9%.

Year-to-date, we continue to make substantial, measurable progress on our strategic priority - focusing more on higher margin specialty products – bringing us further on track to meet expectations this year.

Product Mix

	2011	2012	9M2012	9M2013
High-Margin Specialty Products	57%	66%	66%	69%
Low-Margin Commodity Products	43%	34%	34%	31%

Food Ingredients

Overall volume gains accelerated to double-digits, underpinned by strong tailwinds in domestic food consumption trends. Improving market dynamics also supported recovery in volume of refined vegetable oils. More importantly, volume growth was sustained in specialty fats and oils – a category deemed significant to our strategy.

We continue to benefit from tremendous opportunities in the food service market as 1) existing customers add more stores and expand product offerings, and 2) new players emerge. Momentum in exports also picked up as sales increased 82% year-on-year, driven by strong volume growth.

Oleo-Fats continues to work closely with customers on product development and innovation initiatives, enabling it to penetrate more new food applications and new markets. As a result, the company closed the first nine months of the year with a net income of P420 million, 22% up year-on-year. Revenues were lower by 12% at P5.5 billion on lower prices of palm oil compared with the same period last year.

Plastics

The temporary weakness in volume we saw during the period mainly reflects the impact of businesses that occurred in the 2011-2012 period that did not happen this year, including the flooding in Bangkok in 2011. Sales for the first nine months were lower by 5% year-on-year.

Overall, growth has normalized and the business continues to perform well. Even with the abovementioned market headwinds, earnings for the period rose 26% to P402 million year-on-year. Margins increased in all product categories, which we continue to attribute to improving specialty product mix.

As to the deal announced early this year with Showa Denko for the manufacturing of bioplastics compound, trials are now being run in Italy. It will be the next market destination after Japan, where shipments for agriculture applications of biopolymers already started.

Oleochemicals, Resins, and Powder Coatings

Chemrez Technologies revenues were higher by 10% year-on-year at P3.2 billion in the first nine months of the year, mainly due to strength in biodiesel sales. Biodiesel volume jumped 91%, while sales rose 22% year-on-year. New businesses gained last year contributed significantly during the period.

In line with the strategy implemented across the D&L group, Chemrez continues to grow its higher margin specialty chemicals business.

In particular, we saw good results in the non-biodiesel oleochemical segment, which is now 12% of total revenues. Sales were up 17% and margins hovered double digits. These non-biodiesel oleochemicals are part of Chemrez's extensive portfolio of green products. Mostly used as foaming agents for shampoos and liquid soaps, these products are replacements for petrochemical-based ingredients in personal care and home care products.

Given steady growth and healthy margins, paint is another important end market as Chemrez continues to benefit from increased construction and building activities. Chemrez makes specialty chemicals for paints, including color dispersion and emulsion materials. These two segments, combined with powder coating, accounted for more than a quarter of sales.

Overall, net income for the period reached P231 million, 3% higher from same period last year, and 90% of the full year net income in 2012.

Aerosols

Strong tailwind from changing consumer preference toward convenience supported consumption for home care and personal care aerosol products. Strong volume growth momentum was sustained during the period as sales grew 30% to P322 million.

Aero-Pack, as the dominant local aerosol manufacturer in the country, has been expanding its portfolio of personal and home care products to meet brisk market demand, given growing domestic purchasing power and the evolving consumption patterns.

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 in December 2012. For more information please visit www.dnl.com.ph