

For immediate release

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HEINEKEN MALAYSIA BERHAD CONTINUES GROWTH MOMENTUM WITH FY18 RESULTS

- FY18 Revenue grew by 8.3% to RM2.03 billion (FY17: RM1.87 billion)
- Profit Before Tax increased by 4.8% to RM381 million (FY17: RM363 million)
- Net profit increased by 4.6% to RM283 million (FY17: RM270 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) today announced its financial results for the year ended 31 December 2018, delivering a commendable performance showing growth across in the Company's revenue, profit before tax (PBT), and net profit compared to the same period in 2017.

For the 12 months ended 31 December 2018, Group revenue rose by 8.3% to RM2 billion compared to the same period in 2017 mainly attributed to increase in sales volume, price adjustment on 15 April 2018 and the implementation of Sales and Services Tax (SST) on 1 September 2018. Group PBT grew 4.8%, driven by a strong fourth quarter which registered a higher revenue and improved cost efficiency in commercial spend and overheads.

For the fourth quarter ended 31 December 2018, Group revenue grew 12.3% to RM662 million as compared to the same quarter in 2017 mainly due to increase in sales volume driven by the flagship Tiger brand. Group PBT grew 18.1% compared to the same quarter last year due to higher revenue and efficient and effective management of commercial spend and overheads. This was one of the highest quarterly growth rates in the past three years.

Roland Bala, Managing Director of HEINEKEN Malaysia commented, "HEINEKEN Malaysia posted a commendable full year performance, we are pleased to report growth in our revenue and profit, which was made possible due to the strong efforts of our people. Our hard work in enhancing operational efficiencies across the business was reflected in our results. For this, I would like to thank the team for their commitment and look forward to further achievements in the year ahead."

“Notably, we delivered a successful Chinese New Year campaign in 2018 and leveraged the mid-year football season to activate Tiger’s “Roar Together: Uncage the Passion” campaign. As the home of world class brands, we also gave consumers a world class experience in 2018 when Heineken® through its UEFA Champions League (UCL) campaign brought Ronaldinho and the UCL Trophy Tour to Malaysia. There are more exciting things coming in 2019 as we continue to shape the market through a consumer-inspired innovation agenda,” Roland added.

HEINEKEN Malaysia remains cautious given the challenging environment due to intense competition, implementation of the SST, and the continued presence of contraband beer in the market. In line with rising global commodity prices, the Group also expects an increase in cost of operations including raw materials and packaging.

On outlook, Roland commented, “The external environment remains challenging. Amidst slowing global growth rates, currency volatility and uncertainty in the commodity markets, we will need to adopt a cautious approach in cost management. Locally, we would like to thank the Government and the Royal Malaysian Customs for their efforts in addressing the illicit alcohol issue, which causes significant revenue loss to both Government and Industry. There have been positive steps, including the increase of minimum penalties against those found dealing in illicit products. We will continue to give our full support to the Government in addressing this concern.”

The Board at HEINEKEN Malaysia has also proposed a single tier final dividend of 54 sen per stock unit for the year ended 31 December 2018, subject to approval of the shareholders at the forthcoming Annual General Meeting. The single tier final dividend will be paid on 19 July 2019 to shareholders registered at the close of business on 5 July 2019.

Total dividend for the year ended 31 December 2018 is 94 sen per stock unit comprising:

- a single tier interim dividend of 40 sen which was paid on 25 October 2018; and
- a proposed single tier final dividend of 54 sen per stock unit.

“Cementing HEINEKEN Malaysia’s strong position in the country, we remain focused on the sustainability of our business from barley to bar. We are proud to contribute to the Malaysian economy in a significant way both directly through taxes paid and indirectly through jobs and value created both upstream and downstream. As a leading brewer, we will continue to promote sustainable growth by developing our people, investing behind our brands, as well as growing with the local community and protecting our planet especially through the meaningful work of our CSR arm, SPARK Foundation,” Roland concluded.

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About Heineken Malaysia Berhad

HEINEKEN Malaysia with its portfolio of iconic international brands is the leading brewer in the country. The Company brews, markets and distributes:

- ✓ The World’s No. 1 international premium beer **Heineken®** ;
- ✓ The World-acclaimed iconic Asian beer **Tiger Beer**, its doubly refreshing variant **Tiger Radler**; and its other innovative brew **Tiger White** – Asia’s Wheat Beer;
- ✓ The World’s No. 1 stout **Guinness**, and the unique smooth and fresh stout **Guinness Bright**;
- ✓ The World’s No. 1 cider **Strongbow Apple Ciders**
- ✓ The New Zealand inspired cider **Apple Fox Cider**
- ✓ The all-time local favourite **Anchor Smooth**, its latest variant **Anchor Smooth Draught** and its strong beer variant **Anchor Strong**;
- ✓ The premium Irish ale **Kilkenny**;
- ✓ The real shandy **Anglia**

HEINEKEN Malaysia also produces the wholesome, premium quality non-alcoholic **Malta**. HEINEKEN Malaysia’s brand portfolio also includes the No. 1 German wheat beer **Paulaner**, Japan’s No. 1 100% malt beer **Kirin Ichiban** and the World’s No. 1 ready-to-drink alcoholic beverage **Smirnoff Ice**. The Company continues to lead the responsible drinking agenda through its Drink Sensibly campaign.

Listed on the Main Market of Bursa Malaysia, HEINEKEN Malaysia’s principal shareholder is GAPL Pte Ltd based in Singapore. GAPL Pte Ltd is 100% owned by Heineken N.V.

For more information please visit: www.heinekenmalaysia.com

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