

For Immediate Release

14 February 2018

HEINEKEN MALAYSIA: SOLID GROWTH WITH A COMMENDABLE FULL-YEAR PERFORMANCE

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its financial results for the full year ended 31 December 2017

- Revenue grew by 2.6% to RM1.93 billion from RM1.88 billion
- Profit Before Tax improved by 4.6% to RM363 million from RM347 million

The Company delivered solid growth momentum with improved revenue, profit before tax (PBT) and net profit on the same period last year.

Revenue for the 12-month period increased by 2.6% to RM1.93 billion from RM1.88 billion whilst PBT was up 4.6% to RM363 million from RM347 million in 2016. Performance was driven by volume growth led by Tiger complemented by other core brands and favourable mix. The successful execution of strategic initiatives as well as efficiency gains through cost optimisation across the organisation were also factors in the strong performance in 2017.

Revenue in the fourth quarter increased by 6.1% as compared to the same period last year mainly driven by volume growth and the festive period buying ahead of the 2018 Chinese New Year. Apple Fox Cider, which was introduced in August 2017 continued to perform strongly in the fourth quarter. PBT grew by 0.6% with revenue growth partially offset by higher commercial spend in the quarter.

Commenting on the performance, Hans Essaadi, Managing Director of HEINEKEN Malaysia said, "Our performance in 2017 demonstrated our focus on achieving growth through continuously enhancing commercial execution as well as delivering cost efficiencies. We continued to invest in our portfolio with new product launches including Apple Fox Cider, Guinness Bright, Anchor Smooth Draught and a refreshed Tiger Radler (Lemon, limited edition Grapefruit, and Lime Mint 0.0% alcohol)."

The launch of HEINEKEN Malaysia's mainstream cider brand, Apple Fox Cider, has helped gain traction in the cider category. Investment in cider is delivering growth, as seen in the previous Q3 results through the production of Strongbow Apple Ciders and Apple Fox Cider at the Sungei Way Brewery.

In the stout category, the company launched Guinness Bright, a refreshing stout infused with coffee, ginger, and lemongrass extracts. Available exclusively in Malaysia, Guinness Bright is crafted through a partnership between brewers at Heineken Malaysia Berhad and the Open Gate Brewery in Dublin.

The Company is cautious on the coming year due to uncertainties ahead of the upcoming general elections and also the rising consumer price index (CPI) impacting consumer spending. Whilst the consumer sentiment index (CSI) has been stabilising, it still remains significantly below an optimal level.

“We also acknowledge the continued threat of a large contraband market which can have a negative impact on our business and on a wider scale, the overall economy. On a positive note, we must commend the Royal Malaysian Customs Department on its ongoing enforcement efforts to address the contraband issue in the country. We are fully in support of the Government’s approach and are committed to assist all relevant authorities to combat illegal trade through holistic initiatives that include greater enforcement, education and outreach to both traders and consumers,” said Essaadi.

“Despite the headwinds, we are well placed to face these challenges and will continue to focus on our strategic priorities, growing our inspirational brands and embedding revenue management and zero bad costs to increase shareholder value,” he added.

The Board at HEINEKEN Malaysia has also proposed a single tier final dividend of 50 sen per stock unit for the year ended 31 December 2017. Subject to approval of the shareholders at the forthcoming Annual General Meeting, the single tier final dividend will be paid on 6 June 2018 to shareholders registered at the close of business on 18 May 2018.

Total dividend for the year ended 31 December 2017 is 90 sen per stock unit comprising:

- a single tier interim dividend of 40 sen which was paid on 9 October 2017; and
- a proposed single tier final dividend of 50 sen per stock unit.

Regarding the outlook, Essaadi said, “HEINEKEN Malaysia aims to be the leading brewer of inspirational brands, enjoyed anytime, anywhere. We are committed to the long-term growth of our business whilst fully integrating sustainability in what we do. Our support in nurturing local businesses and our contribution to the national economy is important and will continue. Our global ‘Brewing a Better World’ sustainability strategy enables us to do this by growing our people and protecting the environment,” he added.

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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