

For Immediate Release

11 May 2018

HEINEKEN MALAYSIA: Q1 DELIVERS COMMENDABLE TOP LINE GROWTH, CONSUMER SENTIMENT IMPROVING

- 1QFY18 revenue up 11% at RM434 million (1QFY17: RM393 million)
- Profit before tax flat vs LY at RM64 million (1QFY17: RM64 million)
- Net profit maintained at RM49 million (1QFY17: RM49 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) announced its results for the first quarter ended 31 March 2018, reporting double digit top-line growth on the back of a successful festive season campaign which resulted in higher market share.

Revenue for the quarter increased by 11% to RM434 million from RM393 million, whilst Profit Before Tax (PBT) was flat at RM64 million compared to the same quarter in 2017.

Commenting on the results, Hans Essaadi, Managing Director of HEINEKEN Malaysia said, “Our strong top line performance in 1QFY18 was driven by higher sales volume from effective execution of commercial strategies, which resulted from a sharpened focus across the organisation to support the Company’s growth ambition. The later Chinese New Year which provided for a slightly longer selling period, enabled us to capitalise on extending exciting promotions led by Malaysia’s No. 1 Beer, Tiger, to our consumers in appreciation of their continued loyal support.”

Group PBT was flat versus the same quarter last year due to higher promotion costs as well as timing differences of commercial expenses. Furthermore, trade partners delayed purchases to early April 2018 in anticipation of the announced price adjustment, which took effect on 15 April 2018.

Using data from the Malaysian Institute of Economic Research the Consumer Sentiment Index gained 8.4 points quarter-on-quarter to 91 in 1QFY18. The Company notes the strengthening consumer sentiment from this as a positive trend for 2018. Nevertheless, the index remains below the optimism threshold of 100 points, with economic and political uncertainties that accompany the General Election potentially a less favourable factor.

Furthermore, the Company continues to remain concerned over the threat of a significant contraband market.

“The existence of a large contraband market will continue to impact our business and the overall economy. That said we appreciate the Royal Malaysian Customs Department’s proactive stance to address the contraband issue in the country through stronger enforcement. Our support towards the relevant authorities remains steadfast, and we will continue to assist in all efforts to combat illegal trade through holistic initiatives that include education and outreach to both traders and consumers,” said Essaadi.

On outlook, Essaadi said that the Group is cautiously optimistic of delivering a commendable performance in year 2018 through implementation of key strategies and cost savings initiatives which are expected to enhance operational efficiencies and overall effectiveness.

“Our support in nurturing local businesses and our contribution to the national economy is important and will continue. We are on track to achieve our global ‘Brewing a Better World’ sustainability targets to ensure that we deliver positive impact to our stakeholders across the value chain from Barley to Bar,” he added.

– ENDS –

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.



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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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