

For Immediate Release

31 October 2018

## **HEINEKEN MALAYSIA REPORTS IMPROVED Q3 PERFORMANCE**

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- **3QFY18 revenue grew 3.3% to RM512 million (3QFY17: RM495 million)**
- **Profit before tax rose 3.3% to RM97.7 million (3QFY17: RM94.7 million)**
- **Net profit increased 19.7% to RM78.9million (3QFY17: RM65.9 million)**

Heineken Malaysia Berhad (HEINEKEN Malaysia) today announced its results for the third quarter ended 30 September 2018, reporting a revenue increase of 3.3% due to increase in sales volume prior to the implementation of Sales and Service Tax (SST) 2018.

Revenue grew 3.3% to RM512 million compared to the same quarter in 2017, whilst Profit Before Tax (PBT) increased 3.3% to RM97.7 million, in line with revenue growth. Net profit for the quarter increased 19.7% y-o-y mainly due to over provision of prior year taxation and deferred taxation recognised in the current quarter.

For the cumulative nine-month period ended 30 September 2018, revenue increased 6.5% to RM1.37 billion compared to the same period in 2017, mainly the result of increased sales volume prior to the price adjustment in April 2018 and the implementation of SST in September 2018. PBT declined by 2% largely due to higher commercial spend in the festive period and timing of marketing expenses in the preceding quarter.

Commenting on the results, HEINEKEN Malaysia Managing Director Roland Bala said, “Our performance in the third quarter of 2018 reflects improved consumer sentiment in the market. The reintroduction of SST and subsequent price adjustment resulted in higher sales volume ahead of 17 September 2018. In the nine-month period, we steadily improved our performance through effective execution of commercial strategies, supported by a sharper focus on cost management initiatives within the Group.”

Regarding outlook, HEINEKEN Malaysia expects the business environment to remain challenging given the intense competition, the implementation of SST on 1 September 2018 and the continued presence of contraband beer in the market.

“We commend the extensive efforts of the Government and its agencies, in particular the Royal Malaysian Customs Department, for stepping up enforcement against contraband alcohol and illicit trade, which represent a significant loss of revenue to both Government and Industry. We urge no increase in excise duties on beer to ensure the price gap between duty-paid products and contraband is not widened further.” said Roland.

Leveraging on its portfolio of iconic brands, the Group will continue to strengthen its commercial strategies and execution to drive performance with a focus on improving operational efficiencies across the business to achieve a commendable performance for the financial year 2018.

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**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](http://www.heinekenmalaysia.com)

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