

For Immediate Release

15 February 2017

HEINEKEN MALAYSIA BERHAD REPORTS SOLID PERFORMANCE AMIDST CHALLENGING CONDITIONS

Cumulative 18-month period ended 31 December 2016

- Revenue of RM2.8 billion.
- Profit before tax of RM549 million.
- Net profit of RM427 million.
- Earnings per share of 141.43 sen.

Cumulative 18-month period ended 31 December 2016 versus corresponding period ended 31 December 2015

- Revenue grew 4.9% to RM2.8 billion from RM2.6 billion.
- Profit before tax grew by 11.1% to RM549 million from RM494 million.

3-month period ended 31 December 2016 versus the previous year's quarter ended 31 December 2015

- Revenue grew 10.1% to RM577 million from RM524 million.
- Profit before tax improved by 3.7% to RM122 million from RM118 million.

Heineken Malaysia Berhad (formerly Guinness Anchor Berhad) announced its financial results, reporting double digit growth for the cumulative 18-month period and the 3-month period ended 31 December 2016, despite challenging market conditions.

Revenue increased by 4.9% to RM2.8 billion during the cumulative 18-month period, and 10.1% to RM577 million for the 3-month period ended 31 December 2016. This was driven by continued volume growth for the Heineken® and Guinness premium brands, stronger overall portfolio performance, effective sales execution and robust growth in the Off-Trade segment, mostly driven by earlier timing of Chinese New Year.

Profit before tax grew by 11.1% to RM549 million during the cumulative 18-month period, and by 3.7% to RM122 million for the 3-month period ended 31 December 2016. This was underpinned by increased revenue, improved cost efficiency in commercial spend, benefits derived from Project Breakout – an integrated system which optimised efficiencies in the entire value chain from brewery to trade, as well as savings from global procurement initiatives.

Hans Essaadi, Managing Director of HEINEKEN Malaysia said, “The increase in revenue across the 18-month period despite the challenging market conditions is testament to HEINEKEN Malaysia’s brand-led and consumer-inspired strategy, which is supported by a strong portfolio of products.”

“Despite currency volatility and soft consumer sentiment, HEINEKEN Malaysia’s focus on driving premium growth, innovation and improving cost efficiency delivered solid performance during this challenging period,” he added.

The solid performance was underpinned by shifting market trends and consumption habits, resulting in considerable growth in the Off-Trade segment. Despite this, soft consumer sentiment and the Government’s decision to restructure excise duties in March 2016 has created pressure on legitimate duty-paid products given growing demand for cheaper contraband products.

“We commend the Royal Malaysian Customs Department for their efforts to combat the inflow of contraband beer across the country, particularly in Sabah. However, the illicit market remains a major concern to the industry and the Government as it results in significant loss of revenue. HEINEKEN Malaysia remains committed to supporting the Government in all anti-contraband initiatives,” Essaadi said.

HEINEKEN Malaysia has proposed a final single tier dividend of 60 sen per 50 sen stock unit for the financial period ended 31 December 2016. This is subject to the approval of shareholders at the forthcoming Annual General Meeting, to be announced at a later date. The total dividend for the 18 months ended 31 December 2016 is 145 sen per 50 sen stock unit.

2017 is expected to remain challenging due to both global and domestic economic uncertainties with increased regulatory requirements, most notably, the increase in the legal purchasing age which takes effect 1 December 2017.

Commenting on the outlook for 2017, Essaadi said, “HEINEKEN Malaysia is determined to continue to outperform by delivering on the key strategies in our business, through expanding our iconic portfolio of brands, strengthening our commercial strategies and investing in our people. At the same time, as part of the HEINEKEN Group, we will leverage the integrated global supply chain to further improve efficiencies, as well as implement long-term cost saving measures to stay ahead of the game,” he concluded.

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About Heineken Malaysia Berhad (formerly Guinness Anchor 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**, and its doubly refreshing variant **Tiger Radler**; and its other innovative brew **Tiger White** – Asia's Wheat Beer;
- The World's No. 1 stout **Guinness**;
- The all-time local favourite **Anchor Smooth** 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 World's No. 1 cider **Strongbow**, 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.

Heineken Malaysia Berhad officially changed its name on 21 April 2016 following Heineken N.V.'s acquisition of GAPL Pte Ltd on 7 October in 2015.

For more information please visit: www.heinekenmalaysia.com

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