

FOR IMMEDIATE RELEASE

Press Statement 21/2017

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## Strong Q2 results with Revenue up 4.1% and Net Profit up 18.6%

1HFY17 growth in revenue of 7.4% and growth in net profit of 12.2%

Shah Alam, 17 August, 2017 – Carlsberg Brewery Malaysia Berhad (the Group)'s net profit for the second quarter (Q2) ended 30 June 2017 increased by 18.6% to RM60.9 million on the back of a solid growth in revenue of 4.1% to RM412.1 million as compared to same period last year.

On an organic basis, revenue of the Group grew by 6.8% to RM405.0 million, whilst organic net profit increased by 20.3% to RM57.9 million after adjusting for the trade loading in its Malaysia operations in June last year and a one-off trade discount adjustment in its Singapore operations this year.

In Q2, the Malaysia operations saw a 2% drop in revenue from RM257.3 million to RM252.0 million against the same quarter last year due to trade loading in June 2016 prior to price adjustment on 1 July 2016. Adjusted for this impact, revenue and profit from the Malaysia operations grew by 4.8% and 20.4% respectively driven by better product mix as well as *Fund the Journey* efficiency initiatives.

Reported revenue of the Singapore operations increased by 15.6% to RM160.1 million in Q2 partly due to a one-off trade discount adjustment of RM7.2 million. Adjusted for this impact, revenue and profit from operations grew by 10.4% and 18.1% respectively, contributed by higher sales and favourable foreign exchange development.

For the first half year ended 30 June 2017 (1HFY17), revenue of the Group grew by 7.4% to RM914.8 million, while net profit increased by 12.2% to RM128.3 million. The strong growth in both top- and bottom-line was achieved amidst a soft consumer sentiment in both Malaysian and Singaporean markets.

Earnings per share for 1HFY17 was 41.97 sen compared with 37.38 sen year-on-year. The Group announced a single tier interim dividend of 10 sen per ordinary share, up from 5 sen in earlier years, for the financial year ending 31 December 2017, on the back of a solid 1HFY17 performance.

Managing Director Lars Lehmann says: “We are pleased about our performance in the first half of this year in both Malaysia and Singapore. Our teams have done a very good job executing our SAIL’22 strategy delivering a strong operational performance with growth of our key brands in difficult market conditions”.

“We are particularly proud of the growth of our flagship brand Carlsberg and our great product innovation Carlsberg Smooth Draught, *Probably the Smoothest Beer in the World*. Our recent Carlsberg campaign *Probably the Best Brewery Tour*, celebrating Carlsberg’s 170<sup>th</sup> year anniversary, has been very well-received by our customers and consumers,” he added.

Lehmann continues: “Our premium brands Somersby cider and Kronenbourg Blanc are growing double-digit, improving our brand mix and overall revenue. In Malaysia, our draught stout Connor’s is also growing double-digit as well and reaching new consumers with the ‘Connor’s Challenge’ campaign. In Singapore, our Asahi Super Dry sales are also very encouraging”.

In anticipation of the upcoming National Budget announcement in October 2017, Lehmann urged the Government not to impose any further increase on the excise duties as any increase will lead to more influx of contraband beers.

#### Contacts

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Carlsberg Brewery Malaysia Berhad (Carlsberg Malaysia Group) was incorporated in December 1969.

Today, it manufactures beer, stout, cider and other malt related beverages. Sales and distribution of beer, stout, cider and other alcoholic beverages are carried out by its subsidiaries Carlsberg Marketing Sdn. Bhd. in Malaysia, Carlsberg Singapore Pte. Ltd., and associate company, Lion Brewery (Ceylon) PLC in Sri Lanka.

Our flagship brand Carlsberg is growing from strength to strength with Carlsberg Smooth Draught and Carlsberg Special Brew as product extension. Our portfolio of leading and premium brands that features Kronenbourg 1664 and Kronenbourg 1664 Blanc, Somersby Apple and Blackberry Cider, Asahi Super Dry, Connor’s Stout Porter, Danish Royal Stout, SKOL, Corona Extra, Jolly Shandy and non-alcoholic beverage Nutrimalt are the favourite brews in its segments and staying in tune with the dynamics of the local beer market landscape.