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Carlsberg Malaysia's Profit After Tax up 31% for Q1 2016

Shah Alam, May 17, 2016 – Carlsberg Brewery Malaysia Berhad (Carlsberg Malaysia) posted an impressive performance for the first quarter ended 31 March 2016. The Group's profit after tax increased by 31.4% to RM64.0 million on the back of a revenue growth of 6.1% to RM455.7 million compared to the corresponding quarter in 2015. Profit from operations jumped by 34.2% to RM 80.5 million for the quarter under review against the same period last year.

Managing Director, Henrik Juel Andersen commented: "We are very pleased to turn in a solid start for the year with a strong double-digit growth in profits despite the negative impact of the hike in Malaysian excise duties on 1 March 2016. The improved performance was mainly driven by higher volume and value contributions from both the Malaysia and Singapore operations".

"Our Chinese New Year campaign (CNY) was a resounding success this year. Our products were in high demand and we optimized our return on marketing investment through robust value management that helped deliver an overall better product, price and category mix. The profit improvement measures and cost efficiency initiatives under our *Funding the Journey* programme also paid off as we embarked to achieve better balance between market share, gross margin and earnings", he added.

The Singapore operations continued its momentum and were off to a promising start with operating profit improving significantly by 100.3% to RM20.0 million for the quarter. This was a result of higher sales during the CNY festive period, increased contribution from subsidiary company MayBev Pte Ltd., strengthening of the Singapore Dollar against the Malaysian Ringgit as well as enhanced synergies between the Malaysia and Singapore operations.

Commenting on the business outlook, Andersen said "The aggressive excise tax increase on March 1 has dampened our outlook for the year. However, we are pleased that the efforts we continue to put into strengthening the efficiency of our Malaysian and Singapore operations as well as the ongoing investment into our brands have yielded considerable success. This has helped our company to deliver higher profits and shareholder returns over the years and weather the climate of low consumer sentiment and unfavourable macroeconomic environment.

Andersen added “We continue to bring exciting innovations to our consumers. In April, a new product extension, Carlsberg Smooth Draught was launched in Malaysia. Available at approximately 6,000 outlets nationwide, the new brew, which delivers the smooth, easy to-drink experience of a freshly tapped beer in a bottle, has already met with an overwhelming response from consumers. I am confident that Carlsberg Smooth Draught will drive consumption in the market and recruit drinkers who prefer the smoothness of a draught beer at an affordable price.

On May 3, Carlsberg, the official beer of the UEFA EURO 2016 in France, kick-started an integrated marketing campaign. Leveraging on Carlsberg’s global sponsorship of the prestigious football championship, Carlsberg will reward 10 Malaysian consumers with probably the best football prize to ‘Play on Pitch’ with UEFA EURO football legends. We anticipate very strong interest throughout the month-long event and will activate consumer-facing activities to drive this programme”, Andersen explained.

The brewer has also made good progress in implementing Carlsberg Group’s new global strategy SAIL 2022 by embedding the strategic priorities into its operational and commercial planning activities. The strategy is supported by “*Funding the Journey*” program which forms the backbone of efficiency improvements throughout all functions of the company.

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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 Pear 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.