

FOR IMMEDIATE RELEASE

Press Statement 07/2019

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FY18 Net Profit up 25.3%, Total Dividend of 100sen per Share Declared and Proposed

Revenue growth of 14.6% and higher free cash flow of 7.4% as a result of continued growth in Malaysia and solid performance in Singapore

Shah Alam, 14 February 2019 – Carlsberg Brewery Malaysia Berhad (the Group) declared and proposed a total dividend payment amounting to 100.0 sen per ordinary share following a record performance for the year ended 31 December 2018 (FY18). Net profit of the Group for FY18 increased by 25.3% to RM 277.2million on a strong revenue growth of 14.6% to RM 1.98billion. Profit from operations grew 16.1% to RM 347.0million, whilst free cash flow up 7.4% to RM 328.0million.

For FY18, Malaysia's revenue increased by 21.9% to RM 1.41billion and profit from operations rose 17.4% to RM 254.1million. Carlsberg Singapore Pte. Ltd (CSPL) delivered a higher profit from operations partly due to one-off negative trade offer adjustments of RM 17.2million in 2017 (FY17). CSPL's improved result was partially offset by unfavourable foreign exchange movement between SGD and MYR. The Group registered a higher share of profits from its associated company Lion Brewery (Ceylon) PLC (LBCP) to RM 21.0million for FY18 versus a share of loss of RM 0.2million in FY17.

Earnings per share was 90.65 sen compared with 72.34 sen year-on-year.

For the quarter ended 31 December 2018 (Q4FY18), net profit of the Group improved by 34.9% to RM 67.4million, whilst revenue grew 25.6% to RM 525.7million as compared to Q4FY17. The higher net profit was a result of strong sales in the Malaysia operations offset by a substantial increase in marketing investments, higher profits from CSPL as well as higher profit contribution from LBCP of RM 6.2million as compared to RM 2.7million in Q4FY17.

The Malaysia operations grew revenue by 30.4% to RM 378.2million, whilst profit from operations improved by 3.1% to RM 55.0million for Q4FY18 versus Q4FY17. The organic revenue growth was 23%, if excluding the impact from Sales & Service Tax. Profit from operations were negatively impacted by higher marketing investments in Q4FY18 versus Q4FY17.

Revenue of the Singapore operations grew by 14.9% to RM 147.5million, whilst profit from operations increased by 130.2% to RM 29.0million for Q4FY18 as compared to Q4FY17. The significant improvement in profit from operations was partly due to the one-off negative trade offer adjustments of RM 13.8million in Q4FY17. Excluding the adjustments in 2017, profits from operations for Q4FY18 was a solid 9.9% growth in Singapore.

The Group has declared a FOURTH quarter single tier interim dividend of 16.6 sen per ordinary share. In addition to the FOURTH quarter single tier interim dividend, the Group has also proposed a FINAL single tier dividend of 22.4 sen per ordinary share plus a SPECIAL single tier dividend of 9.3 sen amounting to 48.3 sen per ordinary share. The proposed FINAL and SPECIAL dividends are subject to the shareholders' approval at the forthcoming 49th Annual General Meeting.

Together with the interim single tier dividends declared for the first nine months FY18 amounting to 51.7 sen, the total declared and proposed dividends for FY18 is 100.0 sen per ordinary share. This is equivalent to a 110.3% payment of the Group's FY18 net profit.

This is in line with the Group's dividend policy to declare interim dividends on quarterly basis, where the target payout is at least 75% of the Group's quarterly net profit with the remaining dividend declared in the last quarter. The Group may also consider a special dividend in the event of surplus cash after considering future cash requirements.

Managing Director Lars Lehmann commented: "We are proud to deliver strong growth in our top- and bottom-line every quarter in 2018, which enabled us to pay out a record 100.0 sen per share to our shareholders".

"Our consistent focus on executing well on our SAIL'22 strategy is paying off in both Malaysia and Singapore. However, rising prices for raw and packaging materials will have a negative impact on our production costs. We will continue to focus our resources on great innovations, excellent product quality and relevant consumer activations. I would particularly like to thank our consumers and customers for their support as well as our employees for their dedication", Lehmann added.

Contacts

Investor Relations: Lim Chee Keat +603-55226 422 cheekeat.lim@carlsberg.asia
Media Relations: Pearl Lai +603-55226 408 pearl.lai@carlsberg.asia

Carlsberg Brewery Malaysia Berhad was incorporated in December 1969.

We are a dynamic brewer with operations in Malaysia and Singapore, with stakes in a brewery in Sri Lanka. We also have a regional presence via exports to Thailand, Taiwan, Hong Kong and Laos.

Our international portfolio of brands features Probably The Best Beer In The World – Carlsberg, Probably The Smoothest Beer In The World – Carlsberg Smooth Draught and Probably The Best Strong Beer – Carlsberg Special Brew. This Carlsberg trio is complemented by international premium brews including France's premium wheat beer Kronenbourg 1664 Blanc, Japan's No.1 premium beer Asahi Super Dry, European cider Somersby, British-inspired Connor's Stout Porter draught, US award-winning craft beer Brooklyn Brewery as well as Corona Extra, the imported premium Mexican beer brand. Our local brands include SKOL, Royal Stout, Jolly Shandy and Nutrimalt.