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HEINEKEN MALAYSIA BERHAD DEMONSTRATES RESILIENCE *Delivers Commendable Profit Growth*

3-month period ended 30 June 2016 versus corresponding quarter ended 30 June 2015

- Revenue in the mentioned quarter grew 15.6% from RM398 million to RM460 million.
- Profit before tax increased 21.5% from RM66 million to RM80 million.
- Net profit increased 38.3% from RM44 million to RM61 million.
- Earnings per share increased from 14.57 sen to 20.15 sen.

Cumulative 12-month period ended 30 June 2016 versus corresponding period ended 30 June 2015

- Revenue grew 5.7% from RM1.75 billion to RM1.85 billion.
- Profit before tax for the period increased 20.4% from RM292 million to RM352 million.
- Net profit increased 24% from RM214 million to RM266 million.
- Earnings per share increased from 70.90 sen to 87.94 sen.

Heineken Malaysia Berhad (HEINEKEN Malaysia) posted double digit growth in the quarter ended 30 June 2016 driven by effective commercial strategy, investment behind brands and channel executions in a challenging external environment.

Hans Essaadi, Managing Director of HEINEKEN Malaysia said, “We have performed well by executing strategy that enabled us to drive higher sales while further improving cost efficiency. Our brand-led and consumer-driven approach is supported by effective channel execution, contributing towards the growth of our bottom line. Our sales were also bolstered by the four week long football tournament.”

“We aim to build further on the solid foundation we have created, by continuing to focus on innovating our product portfolio to continuously meet the evolving needs of our consumers. With the backing of HEINEKEN’s experience and capabilities as the world’s most international brewer, HEINEKEN Malaysia will continue to benefit from having access to world class marketing strategy and a global supply chain that delivers cost efficiency” he added.

HEINEKEN Malaysia has declared a second single tier interim dividend of 35 sen per 50 sen stock unit for the financial period ending 31 December 2016. Considering the first single tier interim dividend of 20 sen and the special dividend of 30 sen paid in April 2016, the total dividend declared as of 30 June 2016 amounts to 85 sen per 50 sen stock unit.

The external environment remains challenging due to soft consumer sentiment compounded by an increase in excise duties for alcohol products since 1 March 2016. Further, new regulations taking effect beginning 1 December 2017 will increase the Legal Purchasing Age (LPA) for alcoholic beverages from 18 to 21 years. In view of this challenging environment, Essaadi said HEINEKEN Malaysia is cautious of policy changes that may drive consumers to easily available contraband beers.

“We continue to support all efforts of the Royal Malaysian Customs Department in fighting contraband beers, which has been a major concern for the industry and also results in revenue loss to the Government. With the change in LPA, we urge the Government to consider more holistic measures including stronger enforcement over contraband activities as well as consumer education and outreach,” he said.

Over the past five years, HEINEKEN Malaysia has been the leading advocate for responsible consumption, investing over RM3 million to encourage responsible drinking.

Commenting on HEINEKEN Malaysia’s outlook, Essaadi said, “Given the uncertainties in the global economy, the Group expects the domestic economic environment to remain challenging. The consumer sentiment is expected to remain weak.

For the next 6 months, the Group will continue to focus on driving its key strategy to deliver resilient performance, strengthen operational efficiency and execution to deliver value for its shareholders. Backed by a solid 12 months performance, the Group remains confident that it will deliver commendable results for the financial period ending 31 December 2016.

– ENDS –

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 Diageo's interest in GAPL Pte Ltd on 7 October in 2015.

For more information please visit: www.heinekenmalaysia.com

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