

For Immediate Release

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HEINEKEN MALAYSIA BERHAD REPORTS STRONG Q1 RESULTS

- Revenue increased 21% to RM525 million (1QFY18: RM434 million)
- Profit Before Tax increased by 10% to RM70 million (1QFY18: RM64 million)
- Net Profit increased by 8% to RM53 million (1QFY18: RM49 million)

Heineken Malaysia Berhad (HEINEKEN Malaysia) today announced its results for the first quarter ended 31 March 2019 (1QFY19), reporting solid double-digit revenue growth following a successful festive season campaign, increased sales in priority channels and strengthened execution of its brands' campaigns.

Group Revenue for 1QFY19 was up 21% on last year to RM525 million (1QFY18: RM434 million) and Group Profit Before Tax (PBT) increased by 10% to RM70 million (1QFY18: RM64 million). On a comparable basis, excluding Sales and Services Tax (SST) impact, the Group's organic revenue grew by 13.3% in 1QFY19 vs. 1QFY18.

Roland Bala, Managing Director of HEINEKEN Malaysia commented, "We have started 2019 well with a good Q1, driven by the effective execution of commercial campaigns such as Tiger Beer's Uncage New Beginnings campaign, nationwide activations of Guinness' St. Patrick's Festival and Heineken®'s Live Your Music campaign, as well as better management of our route to market. As the home of world class brands, we continue to inspire consumers with the most exciting campaigns that only HEINEKEN Malaysia's award-winning portfolio can deliver."

The revenue increase in the first quarter was also boosted by some sales ahead of the price increase on 1 April 2019. This was the first price increase since the Sales and Services Tax (SST) was introduced on 1 September 2018. The increase was necessary due to higher cost of packaging and raw materials following increased global commodity prices. In view of the Government's decision to postpone the implementation of the sugar tax on beverages until 1 July 2019, pricing taken on the non-alcoholic Malta currently excludes this new tax.

Roland commented, "We have kept price increase to a minimum and we have not increased the prices of some of our products. We are mindful of the challenging market conditions and that the Consumers Sentiment Index fell further below the confidence threshold of 85.6 in Q1. On a positive front, I take this opportunity to thank the Government and the Royal Malaysian Customs Department for their efforts in intensifying enforcement to clamp down on illicit alcohol as this represents revenue leakages to both the Government as well as the beer industry. We have witnessed positive results from enforcement actions and will continue to work closely with relevant authorities in support of their initiatives to address this issue."

Regarding the outlook for the rest of the year, Roland remarked that the Company will leverage on the solid growth in Q1 to continue sharpening its focus on executing the right strategies to drive value creation for our stakeholders towards delivering a satisfactory performance for 2019, whilst being cautious of softening consumer sentiment and competition that is expected to intensify.

“An exciting year lies ahead of us as we reinforce our commitment to win in the marketplace by investing behind our core brands and innovations that have scale, improving our execution and route to market, developing our people and protecting our planet. Guided by HEINEKEN Global’s “Brewing a Better World” global strategy, sustainability is at the core of our business and we remain on track to reduce our water and energy consumption. As a progressive and responsible corporate citizen, we want to make a positive impact beyond our business operations. Through the work of our CSR arm, SPARK Foundation, we remain steadfast in our efforts to grow with local communities in the areas of environmental conservation and education for a greener and better tomorrow,” Roland concluded.

Heineken Malaysia 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**
- The World’s No. 1 stout **Guinness**
- The World’s No. 1 cider **Strongbow Apple Ciders**
- The New Zealand inspired cider **Apple Fox Cider**
- The all-time local favourite **Anchor Smooth**
- 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 No. 1 German wheat beer **Paulaner** and Japan’s No. 1 100% malt beer **Kirin Ichiban**. 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.

For more information please visit: www.heinekenmalaysia.com

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