

FOR IMMEDIATE RELEASE

Press Statement 26/2018

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IHFY18 Net Profit rose 12.8% and Revenue up 7.5%

Q2 net profit grew 4.9% on a revenue growth of 2.3% from higher sales in Malaysia offsetting lower performance in Singapore

Shah Alam, August 16, 2018 – Carlsberg Brewery Malaysia Berhad (the Group) posted a 12.8% increase in net profit to RM144.7 million on the back of a solid revenue growth of 7.5% to RM963.9 million for the first half year ended 30 June 2018 (IHFY18) as compared to the same period last year. For the quarter ended 30 June 2018 (Q2FY18), the Group's net profit was up 4.9% to RM63.9 million, while revenue grew 2.3% to RM415.5 million.

The growth in top-line and bottom-line of the Group in IHFY18 was contributed by better results in the local domestic market and boosted by a share of profits of RM11.0 million from associate company, Lion Brewery (Ceylon) PLC, in Sri Lanka versus a share of loss of RM3.5 million in the first half 2017. These better results were partly offset by a lower performance in the Singapore operations.

Revenue of the Malaysia operations in IHFY18 grew 16.9% to RM684.6 million and profit from operations increased by 25.2% to RM139.5 million versus the same period last year. Revenue for Q2FY18 improved by 11.7% to RM278.8 million, while profit from operations rose 34.4% to RM57.0 million against the same quarter last year. The solid performance was driven by double-digit growth across most product segments.

In IHFY18, the Singapore operations reported a 10.3% drop in revenue to RM279.4 million and posted a lower profit from operations by 38.4% to RM40.4 million versus the same period last year. Revenue for Q2FY18 declined by 12.5% to RM136.6 million whilst profit from operations declined by 42.6% to RM22.6 million.

The lower performance in Singapore was mainly due to lower sales, unfavourable foreign exchange movements and a positive one-off trade discount adjustment in the corresponding quarter last year.

Earnings per share for IHFY18 was 47.34 sen as compared to 41.97 sen for the same period last year. EPS for Q2FY18 was 20.9 sen versus 19.93 sen for the corresponding quarter last year.

In line with the Group's dividend policy announced in February 2018, the Group proposed a SECOND single tier interim dividend of 15.7 sen per ordinary share. Together with the FIRST interim dividend declared in respect of Q1FY18 of 20.0 sen per ordinary share, the total IHFY18

interim dividends stand at 35.7 sen per ordinary share, which represents a pay-out ratio of 75.4% of the Group's net profit for 1HFY18.

Managing Director Lars Lehmann said: "We are pleased to continue to deliver growth via our focus on product innovation and quality for the benefit of consumers, customers and shareholders."

"The innovative "POP Cap" on Carlsberg Smooth Draught bottles makes it easier and more fun to open our bottles. Our great cider product innovation, Somersby Sparkling Rosé is attracting many female consumers looking for an elegant refreshment. Carlsberg's Probably The Best Football Beer campaign in June and July was an overwhelming success and contributed to the strong growth of the Carlsberg brand," Lehmann commented.

"The implementation of Sales and Service Tax (SST) on 1st September 2018 will impact consumer spending on beer negatively. We urge the Royal Malaysian Customs to further intensify their efforts to fight contraband beer following the abolishment of GST and re-introduction of SST," Lehmann added.

The Group is hopeful that the Government will not impose any further increase on the excise duties in the upcoming Federal Budget announcement on 2nd November 2018 as any increase will lead to more influx of contraband beers and losses to government tax revenue.

On a separate matter, the Group welcomed Ms. Chow Lee Peng, a Malaysian aged 49, as Non-Independent, Non-Executive Director effective 16 August 2018. She, a qualified accountant and lawyer, is currently the Vice President – Legal for the Carlsberg Asia region.

Note: The Group adopted MFRS 15 as of 1 January 2018. The revenues of corresponding periods in 2017 are restated on MFRS 15 basis.

Contacts

Investor Relations: Lim Chee Keat +603-55226 422 cheekeit.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.