

FOR IMMEDIATE RELEASE

Press Statement 16/2018

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Page 1 of 2

## 11.7% Revenue Growth with Net Profit up 19.9%

20.8% revenue growth in Malaysia and business recovery in Sri Lanka offset against lower performance in Singapore

**Shah Alam, May 17, 2018** – Carlsberg Brewery Malaysia Berhad (the Group) reported a revenue of RM 548.5 million for the quarter one ended 31 March 2018 (Q1FY18). Net profit of the Group grew 19.9% to RM 80.8 million. The strong result was driven by better sales during the Chinese New Year festive period, continued growth of premium brands and higher profits from associate company Lion Brewery (Ceylon) PLC (LBCP).

The Group adopted MFRS 15 as of 1 January 2018 without restating its prior year results. Had the Group applied MFRS 15 for quarter one 31 March 2017, the Group's revenue would have grown by 11.7% on a like-to-like basis. There is no net profit impact arising from adoption of MFRS 15 in the Group's financial results.

Revenue of the Malaysia operations grew by 20.8%, on an MFRS 15 restated basis, to RM405.8 million and profit from operations increased by 19.6% to RM82.5 million for Q1FY18 versus the same quarter last year. This was partly contributed by the timing of CNY and trade stocking up in March prior to price adjustments on 1 April 2018.

The Singapore operations reported a 8.0% decline in revenue, on an MFRS 15 restated basis, to RM142.7 million and posted a lower profit from operations by 32.2% to RM17.8 million due to lower sales and depreciation of the Singapore Dollar against Ringgit Malaysia.

LBCP in Sri Lanka had a turnaround with a share of profit of RM5.6 million in Q1FY18 versus a share of loss of RM5.9 million in the corresponding quarter last year. This improvement was driven by the final settlement of the insurance compensation for the floods disaster that occurred in May 2016 and higher operational profits.

Earnings per share for the quarter was 26.4 sen compared to 22.0 sen for the corresponding period last year.

The Group on 14 February 2018 announced a dividend policy, where it targets a 100% yearly payout of the Group's consolidated net profit. The Group intends to declare interim dividends on a quarterly basis with a target payout of at least 75% of the Group's quarterly consolidated net profit with the remaining dividend declared in the last quarter.

Taking the abovementioned into effect, the Group proposed an interim dividend of 20 sen per ordinary share, which represents a payout ratio of 75.7% of its consolidated net profit for Q1 FY18.

“We are proud to deliver strong growth in both revenue and net profit and pay a quarterly dividend for the first time after introducing the new dividend policy. Our Chinese New Year campaign was very successful and our premium brands Somersby Cider, Kronenbourg 1664 Blanc, Asahi Super Dry and Connor’s Stout Porter in total grew 26% across Malaysia and Singapore in the first quarter of the year,” Managing Director Lars Lehmann elaborated on the results.

Commenting on the outlook, Lehmann said: “In April, we launched the innovative ‘POP Cap’ on Carlsberg Smooth Draught bottles making it even easier to open and enjoy Carlsberg draught beer in bottles anywhere in Malaysia and Singapore. The ‘Now You Can POP A Draught Anywhere!’ campaign keeps fuelling the growth of Carlsberg Smooth Draught.”

“We are launching our football campaign for consumers to buy Carlsberg and enjoy *Probably the Best Football Beer in the World* during the upcoming football matches. Consumers can collect exclusive merchandises of their favourite national football team, when they buy Carlsberg and Carlsberg Smooth Draught,” he shared.

“Due to the strong sales of Somersby Sparkling Rosé as a limited edition during the festive season, we have now made it a permanent Somersby variant in Malaysia and Singapore,” he added.

The Group strongly encourages the Ministry of Finance and Royal Malaysian Customs Department to continue their efforts to fight contraband beer and strengthen the legitimate tax-paying part of the beer market in Malaysia and hence the Government’s revenue collection.

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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.