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Masan Revises FY2018 Forecast with Upward Range: 1Q2018 Expected Financial Performance Reflecting Stronger Growth Fundamentals

Ho Chi Minh City, 14 Mar 2018 – Masan Group Corporation (**HOSE: MSN**, “Masan” and the “Company”), today announced a revised detailed 2018 annual budget which provides for a high-end range to its previously disclosed management forecast. The Company’s decision to provide an upward range is based on stronger growth across many of its underlying businesses and improving market fundamentals during the first 2 months of 2018.

The Company will seek shareholder approval of its FY2018 consolidated net revenue and NPAT Post-MI range as detailed in the table below at its Annual General Shareholders’ Meeting on 24 April 2018.

VND Billion	FY2017	Previous Forecast (Low-end Case)	Revised Forecast (High-end Case)
Net Revenue	37,621	45,150	47,000
<i>Masan Consumer Holdings</i>	<i>13,526</i>	<i>17,900</i>	<i>19,500</i>
<i>Masan Nutri-Science</i>	<i>18,690</i>	<i>19,950</i>	<i>19,500</i>
<i>Masan Resources</i>	<i>5,405</i>	<i>7,300</i>	<i>8,000</i>
EBITDA¹	9,397	11,150	11,900
NPAT Post-MI	3,103	3,400	4,000
NPAT Post-MI (Normalized)²	2,170	3,400	4,000
<i>EBITDA margin</i>	<i>25.0%</i>	<i>24.7%</i>	<i>25.3%</i>
<i>NPAT Post MI margin (Normalized)</i>	<i>5.8%</i>	<i>7.5%</i>	<i>8.5%</i>

Management View of FY2018 Performance Revision

- **FY2018 revised outlook:** Management has provided an upward range for its forecasted FY2018 consolidated net revenue and NPAT Post Minority Interest driven by:
 - Stronger growth momentum across Masan Consumer Holdings’ entire product portfolio and robust offtake of its innovation portfolio launched over the past 6-12 months;
 - Tungsten prices outpacing management forecast of USD275 per MTU (currently USD310-330 per MTU);
 - Earnings from associates being higher than previously forecasted; and
 - Effective management of consolidated SG&A, which is projected to be approximately 15% of consolidated net revenue, down from 19% in FY2017.
- **Consolidated Net revenue forecasted to grow in excess of 20% supported by high double digit growth in Masan Consumer Holdings and Masan Resources**
 - Masan Consumer Holdings (“MCH”) is forecasted to deliver approximately 10% additional growth compared to the previous FY2018 guidance driven by stronger than expected performance in seasonings and convenience foods.

¹ EBITDA is MSN’s consolidated net profit after tax, with net financial expense, tax, depreciation and amortization added back. The earnings contribution of Techcombank (“TCB”), an associate, is included given its materiality to MSN’s financial results.

² Normalized NPAT Post-MI excludes one-off consolidated gain of VND933 billion from the sale of TCB convertible bonds in 2017.

- In the first two months of 2018, MCH net revenue grew by an additional 10% versus management bottom-up 2018 budget, resulting in a growth rate of ~70% compared to 1Q2017. In addition, distributor stock level at the end of February 2018 is well maintained at approximately less than 3 weeks of inventory with a total value of VND700 billion. This is consistent with MCH’s strategy to maintain a disciplined and healthy distribution system. Management expects to deliver 1Q2018 net revenue of approximately VND3.6 trillion, 15% higher than the budget.
- Masan Nutri-Science (“MNS”) forecast is expected to deliver only 70-80% of the previous 1Q2018 budget. Therefore management has revised MNS’ FY2018 forecast downwards. Although livestock prices have started to show signs of recovery, management does not anticipate a strong recovery until 2H2018. MNS is on track to launch its branded fresh meat products in 4Q2018 which is expected to drive the revenue and profit margin growth of the MNS in the medium-term.
- Masan Resources (“MSR”) FY2018 forecast has been revised upward by approximately 10% driven by a more favorable tungsten price environment.
- **Normalized NPAT Post-MI forecasted to grow 3x higher than net revenue growth, mainly driven by effective SG&A investment and higher contribution from MCH**
 - SG&A as a percent of sales in FY2018 is forecasted to decline by over 350 basis points compared to 2017 which experienced one-off investments at MCH (distributor destocking initiative) and MNS (loyalty programs to win market share).
 - Management expects MCH to account for more than 40% of the Company’s consolidated net revenue compared to 36% in 2017, resulting in stronger profitability margins on a consolidated basis: over 8.0% NPAT Post-MI margin versus previous forecast of 7.5%.
 - Taking into account the performance of the Company’s businesses in the month of January and February, management expects EBITDA to grow in excess of 30% and NPAT post-MI to grow 1.5x in 1Q2018 versus 1Q2017.
- **Management View on Potential Risks to High-end Range of FY2018 Forecast**
 - MNS: soft commodity prices increasing significantly and MNS being unable to pass on such increased costs to its customers; and livestock prices remaining depressed at current levels of VND30,000 per kilogram.
 - MCH: slower consumer offtake of MCH’s innovations and potential delays of innovation launches into the market.
 - MSR: tungsten prices declining below an average price of USD300 per MTU for FY2018 and feed grades not being in line with the mine plan.

MASAN GROUP CORPORATION

Masan Group Corporation (“Masan” and the “Company”) believes in doing well by doing good. The Company’s mission is to provide better products and services to the 90 million people of Vietnam, so that they can pay half as much for their daily basic needs. Masan aims to achieve this by driving productivity with technological innovations, trusted brands, and focusing on fewer but bigger opportunities that impact the most lives.

Masan Group’s member companies and associates are industry leaders in branded food and beverages, consumer agriculture (meat), value-add chemical processing, and financial services, altogether representing segments of Vietnam’s economy that are experiencing the most transformational growth.

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