

**FOR IMMEDIATE RELEASE**

**Masan Triples Net Profits in 9M2016;  
On Track to Deliver USD2 bn in Net Sales for FY2016**

**Ho Chi Minh City, 28 October 2016** – Masan Group Corporation (**HOSE: MSN**, “Masan” and the “Company”), one of Vietnam’s largest private sector companies, reported its management accounts for the first nine months of 2016 today.

**Key Highlights**

- **57.6% growth in net sales:** Masan completes 72% of its base case annual target in the first nine months of 2016, supported by strong topline growth across all three business platforms. Masan is on track to deliver its upper-end sales target of USD2 bn in sales for FY2016, as 4Q typically comprises of more than 30% of yearly sales.
- **Branded F&B builds on positive momentum established in 1H2016:** Subsequent to delivering 7.9% growth in net sales during 1H2016 vs. 1H2015, branded F&B platform delivered 9.9% growth in 3Q2016 compared to 3Q2015, due to successful new product launches, particularly in the beverage categories, building on the momentum established in the first half of the year. As a result, branded F&B portfolio sales were up 8.6% for the first nine months of the year in 2016, on track to deliver double-digit growth for FY2016.
- **Consumer-Agri topline continues to grow at more than double the market growth rate; on track to deliver more than 30% growth in bottomline:** Masan Nutri-Science (“MNS”) continued to deliver growth rates far in excess of overall market growth rate. MNS delivered 24.8% topline growth in 3Q2016 vs. 3Q2015, supported by “Bio-zeem” range of products and a volume growth of 57.9% in the pig feed segment. As a result, MNS delivered 17.6% topline growth in 9M2016 vs. 9M2015 and is firmly on track to deliver more than 25% and 30% growth in topline and bottomline, respectively, for FY2016. MNS continues to deliver significant milestones in building out a 3F platform with the ground breaking ceremony of its first pig farm in Nghe An province to occur in November 2016.
- **Techcombank continues its retail transformation and balance sheet discipline; delivers significant contribution to Masan’s bottom-line:** Techcombank (“TCB”) delivered nearly 2.5x growth in profits before tax during 3Q2016 vs. 3Q2015, resulting in 84.6% growth in profits before tax for 9M2016 vs. 9M2015. TCB contributed nearly VND696 bn to Masan’s bottomline during the first nine months of 2016, driven by its retail centric strategy, focus on fee income growth, and stronger CASA funding base.
- **Record production and strict cost discipline at Masan Resources deliver record revenue and EBITDA:** Masan Resources (“MSR”) achieved 185.1% net sales growth during 3Q2016 vs. 3Q2015, resulting in a 78.5% sales growth for first nine months of 2016 vs. similar period last year. Lower commodity prices were offset by a 15.8% growth in volume production on a tungsten equivalent basis and strict cost control resulting in 56.2% growth in EBITDA. On the back of strong operational results, Masan has announced its intention to tender for all of the common shares of MSR to open the way for the next round of strategic growth and long-term capital.

- **On track to outperform upwardly revised earnings estimate of VND2,400 bn:** Masan delivered net profits after tax, amortization and minority interests of VND1,848 bn during first nine months of 2016. As 4Q typically accounts for more than 30% of annual profits, Masan is well on track to deliver VND2,400 bn in profits, a ~60% growth compared to FY2015.

**Masan Consolidated 9M2016 Snapshot**<sup>(1)</sup>

<b>VND Billion</b>	<b>9M2016</b>	<b>9M2015</b>	<b>Growth</b>
<b>Net Revenue</b>	<b>30,148</b>	<b>19,129</b>	<b>57.6%</b>
<i>Branded F&amp;B Products</i>	9,770	8,998	8.6%
<i>Consumer-Agri</i>	17,571	8,557	105.3%
<i>Mineral Resources and Value-Add Processing</i>	2,808	1,573	78.5%
<b>EBITDA</b>	<b>6,455</b>	<b>4,198</b>	<b>53.8%</b>
<i>Branded F&amp;B Products</i>	2,186	2,012	8.6%
<i>Consumer-Agri</i>	2,435	944	157.9%
<i>Mineral Resources and Value-Add Processing</i>	1,396	894	56.2%
<b>NPAT Post Minority (Pro forma)</b> <sup>(2)</sup>	<b>2,291</b>	<b>902</b>	<b>154.0%</b>
<b>NPAT Post Minority (VAS)</b>	<b>1,848</b>	<b>584</b>	<b>216.4%</b>

<sup>(1)</sup> Financial numbers are based on management figures.

<sup>(2)</sup> Pro forma numbers, for each of the reporting periods and its respective comparative period, have been computed by reversing the impact from the amortization of goodwill, tangible assets and intangible assets as a result of the Masan's M&A transactions in the past. In 9M2016, amortization expenses alone before minority interest amounted to VND577 billion.

## Commentary on Business Segments

### Branded Food and Beverage

#### Two consecutive quarters of solid growth and first small step in serving the 250 million consumers of Inland ASEAN with the October launch of Chin-Su Yod Thong fish sauce in Thailand

- On the back of successful product launches, Masan has demonstrated its' ability to deliver growth during the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2016. Branded F&B businesses delivered 9.9% topline growth in 3Q2016 vs. 3Q2015, after delivering 7.9% growth in 1H2016 vs. 1H2015.
- During 3Q2016, seasonings, beverages and beer categories delivered strong growth, signaling improved momentum for the rest of the year. New product launches at Vinacafe ("VCF") like "Café De Nam" and "Buon Me Thuot" and the outperformance of cereals portfolio has propelled topline up by 26.3% during 3Q2016 vs. 3Q2015.
- Masan launched its first seasonings product in "Inland ASEAN", with the launch of Chin-Su Yod Thong (Golden Drop) in Thailand (supported by Singha's deep distribution footprint) in October 2016, which will add further impetus to topline growth during 4Q2016 and 2017.

Category Revenues (VND Billion)	9M2016	9M2015	Growth
Seasonings	3,723	3,430	8.5%
Convenience Foods	2,614	3,021	(13.5%)
Beverages and Others <sup>(1)</sup>	2,762	2,147	28.6%
Beer	671	400	67.8%
<b>Branded Food and Beverage</b>	<b>9,770</b>	<b>8,998</b>	<b>8.6%</b>

<sup>(1)</sup> Includes all non-alcoholic beverages, coffee, cereals and exports

- **9M2016 Revenue highlights:** Masan's branded food and beverage portfolio net revenues were up 9.9% in 3Q2016, compared to 3Q2015, resulting in 8.6% topline growth for Masan Consumer Holdings ("MCH") in 9M2016.
  - Masan's branded food and beverage businesses generated combined sales in 9M2016 of VND9,770 billion, up 8.6%, due to growth across categories aided by new product launches. Beverages and beer categories continued to be outperformers with total growth exceeding 30%.
  - Seasonings category revenues were up 8.5% for 9M2016, contributing 38% of topline for the overall branded F&B category. The launch of Masan's first seasonings brand in Thailand coupled with the expected launch of "Nam Ngu Premium" fish sauce for the domestic market could provide further avenues for growth.
  - Convenience foods revenues declined by 13.5% during 9M2016, due to fierce competition and slower overall market growth, though market share remained stable around 26%. Launch of chicken noodles/porridge under the Kokomi brand during Q4, expansion into adjacent categories like dry noodles, coupled with specific promotional activities to increase off-take are expected to generate topline growth during 4Q2016. Convenience foods portfolio continues to deliver record profitability for 9M2016.
  - Beverages and others category grew by 28.6% during 9M2016 due to successful launch of new innovative coffee products by VCF like "Buon Me Thuot" and 'Café De Nam", supported by consolidation of Quang Ninh's beverage business (acquired in November 2015). Café De Nam is the world's first single serve product that can deliver authentic

Vietnamese phin-style coffee at the push of a button. Cereal products delivered outperformance during 3Q2016, resulting in 9M2016 revenues being up 55.1% compared to similar period last year. As a result of successful launches in coffee and strength in cereals business, VCF revenues were up 26.3% in 3Q2016 vs. 3Q2015 and 16.1% for the first 9 months of 2016 vs. similar period last year.

- Masan Brewery revenues grew 67.8% to VND671 billion during 9M2016 vs. 9M2015. Momentum is expected to be further accelerated with the August 2016 launch of “Su Tu Trang” Super Special variant, a lighter beer that is positioned as more premium product. The new variant would also be useful in entering new markets across central Vietnam, providing another avenue of growth for Masan Brewery.
- **9M2016 Profitability highlights:** Masan’s strategy of creating power brands, delivering product innovation, building deep distribution networks and operating world-class facilities have led to significant profits.
  - **Gross Profits:** For Masan Consumer, gross profits in 9M2016 were up 6.0%, with margins around 44%, similar to last year despite stronger growth in traditionally lower margin categories such as beverages. Masan Brewery achieved gross margins of 22.0% for 3Q2016, nearly double compared to 3Q2015. Gross margins for beer business are expected to improve substantially in the near future as utilization levels increase at the new beer facility in Hau Giang province.
  - **EBITDA Margins:** Masan Consumer’s EBITDA margins were 23.6% in 9M2016, slightly lower than margins for 9M2015, on the back of increased SG&A spending to invest in brand building across seasonings, convenience foods and beverages. EBITDA margins for 3Q2016 were 27.8%, compared to 25.7% for 3Q2015, signaling improved performance. Masan Brewery continued to deliver high single digit EBITDA margins, less than 24 months from start of operations.
  - **Net Profits:** Reported net profits for Masan Consumer were VND1,684 billion in 9M2016, down 4.2% compared to similar period last year, driven by lower net financial income as a result of large cash dividends over the past two years, though the business continues to deliver growth at an operating profit level.
- **Inland ASEAN new product launch:** Masan and its strategic partner Singha introduced a new product “Chin-su Yod Thong” fish sauce in Thailand during October 2016, as a first small step to better serve 250 million Inland ASEAN consumers.
  - In Feb 2016, a special team was selected from Masan and Singha to collectively develop this product by understanding the flavor of Thai fish sauce (“nampla”). Within 7 months, the team successfully developed Chin-Su Yod Thong, a fish sauce that enhances the flavors essence of Thai cuisine.
  - During product development over 50 prototypes were tested with feedback from over one thousand Thai consumers and food experts taken into consideration. Reasons to believe in the potential success includes the fact that over 75% of samplers responded by saying they would replace their current fish sauce with Chin-su Yod Thong once available for purchase.

- Not only has Chin-su Yod Thong won over Thai consumers and cooks for its taste, but it has also been approved by the Thai FDA, a testament to Masan’s ability to create products with high standards for health and hygiene.

### Consumer-Agri

#### **MNS on track to becoming Vietnam’s leader in providing branded animal protein solutions across the value chain; volume and bottomline growth to reach 30% in 2016**

- MNS 3F platform was further developed during October 2016 with the groundbreaking of its pig farm in Nghe An Province. When fully ramped up, the 10,000 sow operations will be capable of raising up to 250,000 pigs per year and helping MNS win the northern meat market. Combined with the largest external pig feed platform and the strategic partnership with VISSAN, Vietnam’s largest branded meat player, Masan is well advanced in its mission to provide Vietnamese consumers with traceable and affordable branded meat products.
- By adoption of a consumer driven approach through building power brands like “Bio-zeem”, which continue to improve productivity for consumers, MNS has delivered market-beating topline growth and margin expansion in its animal feed division, on track to deliver 25% and 30% growth for revenues and net profits, respectively for 2016.

VND Billion <sup>(1)</sup>	9M2016	9M2015	Growth
Net Revenue <sup>(2)</sup>	17,571	14,940	17.6%
Gross Margin	22.2%	18.7%	3.5%
EBITDA	2,435	1,684	44.6%
Net Profit After Tax (VAS) <sup>(3)</sup>	1,589	1,021	55.6%

<sup>(1)</sup> Assumes nine month contribution for both Vietnamese-French Cattle Feed JSC (“Proconco”) and ANCO

<sup>(2)</sup> Financial numbers are based on management figures

<sup>(3)</sup> Profits after tax before minority expenses, 9M2015 profits are combined profits for Proconco and ANCO

- **9M2016 Key financial highlights:** The combined brands of Proconco and ANCO achieved net sales of VND17,571 billion in 9M2016, up 17.6% compared to the same period last year, aided by 24.8% topline growth in 3Q2016 vs. 3Q2015.
  - **Power brands:** MNS’ strong portfolio of brands delivered 22.0% sales volume growth in 9M2016 compared to the same period last year on a like-for-like basis, supported by the successful launch of “Bio-zeem” range of products, which contributed 38.1% of MNS revenues, compared to just 6.1% for 9M2015.
  - **Focus on pig feed (highest margin product):** Pig feed accounted for 66.7% of total volume sold during 9M2016, compared to 51.4% during 9M2015, a key factor in delivering higher gross margins for MNS. 9M2016 pig feed volume was up 57.9% compared to similar period last year.
- **Margin expansion:** Launch and successful expansion of power brands, greater focus on higher margin products, in addition to realizing synergies between Masan’s combined business platforms has led to significant improvement in margins.
  - **Gross margin up 350 bps:** Pig feed products accounted for 66.7% of revenues for MNS in 9M2016, compared to 51.4% in 9M2015, aiding in significant improvement of MNS’ gross margins to 22.2% in 9M2016 compared to 18.7% in similar period last year.

- **EBITDA margin up 259 bps:** 9M2016 EBITDA was up 44.6% to VND2,435 billion versus similar period last year, due to gross margin enhancement and greater operational efficiencies. EBITDA margins for 9M2016 were 13.9% compared to 11.3% in 9M2015.
- **Net margin up 221 bps:** On a like-for-like basis, ANCO and Proconco's combined 9M2016 NPAT increased by 55.6% to VND1,589 billion compared to the same period last year, with NPAT margins increasing to 9.0% compared to 6.8% in 9M2015.
- **Masan Nutri-Farm update:** Ground breaking ceremony for state-of-the-art pig farming operation in Nghe An province to occur in November 2016. Under steady state conditions, the project is expected to account for more than 24,000 tons of live pigs/year, generating more than VND1,000 billion in revenues (at current market prices) and gross margins higher than the animal feed division. The project would be fully VietGap compliant, be free of antibiotics, and provide 100% traceability for meat products, addressing a major concerns for consumers in Vietnam.

### **Mineral Resources and Value-Add Processing**

#### **Plant optimization measures and strict cost control results in record revenues and EBITDA**

VND Billion <sup>(1)</sup>	9M2016	9M2015	Growth
Net Revenue	2,808	1,573	78.5%
EBITDA	1,396	894	56.2%
Attributable Net Profit (VAS) <sup>(2)</sup>	106	144	(26.4%)

<sup>(1)</sup> Financial numbers are based on management figures

<sup>(2)</sup> Attributable net profit is after tax and minority expenses

- **Net sales up 78.5%:** Despite lower commodity prices, record production paved the way for 78.5% increase in net revenues of VND2,808 billion for 9M2016 vs. 9M2015. All production was fully sold and MSR's order book continued to be over-subscribed. Initiatives implemented in the last 18 months to improve the quality of products has resulted in additional demand and new potential long-term sales arrangements, which may lead to higher price realizations in the near future.
- **Strict cost control delivers strong profitability:** Cost control continues to be the central theme driving profitability in a weak commodity price environment.
  - **EBITDA increased by 56.2%:** The Nui Phao project continues to be one of the lowest-cost producers of Tungsten in the world, as relentless focus through cost control initiatives resulted in 56.2% growth in EBITDA for 9M2016 compared to same period last year.
  - **Attributable net profit of VND106 billion:** Ability to reduce its cash costs while still increase overall productivity has permitted Masan Resources to report a positive profit attributable to shareholders of VND106 billion in 9M2016. Normalized for prices witnessed over the same period last year, MSR's attributable net profit would have exceed VND300 billion for the reporting period.

Summary Production Data	9M2016	9M2015	Growth
Ore mined (kt)	2,602	2,683	(3.0%)
Ore processed (kt)	2,681	2,435	10.1%
Tungsten concentrate (t)	4,248	3,734	13.8%
Tungsten equivalent units (t) <sup>(1)</sup>	8,627	7,447	15.9%

<sup>(1)</sup> Nui Phao finished products are converted to a tungsten equivalent units

- **Masan tenders for all shares of Masan Resources to open way for fresh round of strategic capital:** Masan Group, through its wholly owned subsidiary, announced a tender offer for all outstanding common shares of Masan Resources, at VND15,500 per share to pave the way for fresh round of strategic capital. MRC Ltd., an investment fund co-managed by Fortress Investment Group and Mount Kellett, is the largest foreign investor in MSR with a 20.04% equity stake and has expressed interest in selling into the tender offer as the fund is nearing its maturity.
- **No material impact to cash position or equity dilution:** Masan intends to fund the proposed tender offer through a combination of USD35 million in 2-year debt and an issuance of 12 million primary shares at a price of VND95,000 per share to MRC Ltd. The net dilution impact to Masan's existing shareholders will be minimal, taking into account the recently concluded buyback program, where the Company has acquired nearly 10 million shares at an average price below VND70,000 per share.

### **Financial Services**

#### **9M2016 profit before tax rises 84.6% compared to 9M2015, emerging as a clear leader with a retail focus, expected to deliver 1.8x growth in profits before tax for FY2016**

- Techcombank ("TCB") contributed nearly VND696 bn to Masan's bottomline during the first nine months of 2016, underpinned by its retail centric strategy, focus on fee income growth, and stronger CASA funding base.
  - 9M2016 profit before tax was VND2,864 billion, up 84.6% compared to 9M2015, due to 21.0% increase in net interest income and 19.5% increase in net fee and commission income, even after accounting for higher provision expenses.
  - The bank's NPL stood at 1.81% as of 30 September 2016, below the 3% stipulated by the State Bank of Vietnam. TCB is on track to fully provision VAMC and other legacy non-performing loans by 2017, to emerge as the first bank in Vietnam free from bad debts related to the banking downturn.
  - Capital adequacy ratio was at 13.6% as at the end of 9M2016, significantly higher than the 9.0% stipulated by the State Bank of Vietnam.
- **Strategic outlook:** Techcombank's vision is to be the premier consumer technology bank in Vietnam and driving the transformation of the banking sector by improving financial lives of 90 million Vietnamese consumers.
  - TCB is focused on serving the retail segment, as this segment accounts for 43.5% of total outstanding loans. Partnering with high quality corporates to explore the full value chain, bancassurance initiatives, increased contribution from mortgages, auto loans and credit cards are some of the key components driving profitability going forward.
  - The bank would continue to focus on three key aspects to deliver its vision: lower cost of funding, value-added services and leveraging consumer insights.

## **MASAN GROUP CORPORATION**

Masan Group Corporation (“Masan” and the “Company”) is one of Vietnam’s largest companies. The Company is focused on the domestic consumption opportunity and has built leading businesses in the branded food and beverage sector and in the animal nutrition value chain.

Masan’s businesses include Masan Consumer Holdings, the producer of some of Vietnam’s most trusted and loved brands across many food and beverage categories (such as Chin-su, Nam Ngu, Tam Thai Tu, Omachi, Kokomi, Vinacafe, Wake-up, Vinh Hao and Su Tu Trang), and Masan Nutri-Science, Vietnam’s largest local animal protein company (with brands such as Proconco and ANCO). The Company’s other businesses include Masan Resources, one of the world’s largest producers of tungsten and strategic industrial minerals, and associate Techcombank, a leading joint stock commercial bank in Vietnam.

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