

**FOR IMMEDIATE RELEASE**

**4Q2013 Results: Record Sales, Gross Margins and Net Profits**

**Ho Chi Minh City, 14 Feb 2014** – Masan Group Corporation (**HOSE: MSN**, “Masan Group” and the “Group”), one of Vietnam’s largest private sector business groups, today reported its fourth quarter financial results for 2013:

- **Record sales driven by strong momentum in the consumer business:** Masan Group reported 4Q2013 sales of VND4,437 billion, up 21.4% vs. 4Q2012. This brings sales growth in 2H2013 vs. 2H2012 to 21.3%. Such half year growth has accelerated as compared against the half year growth of 1H2013 vs. 1H2012, as investments made in the consumer business over 2013 have begun to result in enhanced market share and revenues.
- **Masan Group pro-forma net profits up 43.5%:** Masan Group’s pro-forma net profits after tax for 4Q2013 were at VND901 billion, up 43.5% vs. 4Q2012, driven by a 38.6% growth in pro-forma net profits of Masan Consumer. Reported profits of Masan Group have grown 92.0%.
- **Record sales, gross margins and net profits for Masan Consumer:** Driven by strengthened market position across categories and successful new launches in convenience foods, Masan Consumer’s sales were up 21.4% in 4Q2013 vs. 4Q2012. Operating efficiencies and cost savings resulted in higher gross margins across all categories, with overall gross margins at 44.8% for 4Q2013, up from 41.9% in 4Q2012, culminating in a 38.6% pro-forma net profit growth in 4Q2013.
- **Nui Phao mine on track to contribute revenues from 1Q2014:** Year to date, the Nui Phao project has successfully placed US\$14.4 million worth of products with customers across all four product streams: value added product of tungsten, as well as fluorospar, bismuth and copper. The mine is on track to contribute meaningfully to Group revenues in 1Q2014.
- **Full year numbers:** Masan Group’s sales were up 14.9% in the full year 2013, as the momentum from Masan Consumer’s 2H sales overcame lower 1H sales. Masan Consumer showed 14.4% growth in pro-forma net profit for the full year 2013, while Group pro-forma net profit for the full year was down 22.6%. Associate Techcombank showed a 13.9% drop in net profits for the full year 2013.
- **On track to exceed US\$1 billion revenues in 2014:** 2013 was a year of investment and restructuring for Masan Group, with focus on product development and brand building for the consumer business, building world-class facilities for the resources business and simplifying the group’s structure and balance sheet. These investments are now reflecting in revenues and market share, as demonstrated in Masan Consumer’s numbers. This momentum should strengthen in 2014, with significant contribution from convenience foods, beverages and Nui Phao. We expect this enhanced market position to reflect in higher gross margins and profits, as we have demonstrated in the seasonings and instant noodles business.

VND Million	4Q2013	4Q2012	Growth	FY2013	FY2012	Growth
<b>Masan Group Pro forma</b> <sup>(1)</sup>						
Net Profit After Tax	901,286	627,889	43.5%	2,151,191	2,779,970	(22.6%)
<b>Masan Consumer Pro forma</b> <sup>(2)(b),(c),(d)</sup>						
Net Revenue	4,437,440	3,654,410	21.4%	11,942,533	10,389,414	14.9%
Net Profit After Tax	1,563,959	1,128,573	38.6%	3,539,782	3,094,872	14.4%
<b>Techcombank</b>						
Net Profit After Tax	96,240	(912,002)	NM	659,071	765,686	(13.9%)

<sup>(1)</sup> Interim financial numbers are based on management figures except the first half financials for 2012 and 2013, which have been reviewed, and full year financials for 2012, which has been audited

<sup>(2)</sup> Pro forma numbers, for each of the reporting period and its respective comparative period, have been computed by: (a) adding back the amortization of goodwill from the transfer of ownership in Techcombank and assuming Masan Group held a 30.36% economic interest in Techcombank from 1 January 2012; (b) adding back the amortization of goodwill, tangible assets and intangible assets from the acquisition of Vinacafe; (c) adding back the amortization of goodwill from the acquisition of Vietnamese French Cattle Feed Joint Stock Company; and (d) adding back the amortization of goodwill from the acquisition of Vinh Hao Mineral Water Corporation

## Commentary

### **Masan Consumer: Record 4Q2013 revenues, gross margins and net profits**

- **Revenue momentum strengthening:** Masan Consumer's revenues for 4Q2013 were at a record VND4,437 billion, up 21.4% vs. 4Q2012. The business has sustained the growth momentum established in 3Q2013, when revenues grew 21.0%. For the full year 2013, revenues were at VND11,943 billion, up 14.9%.
  - Demand in the core seasonings category continued to remain robust in 2H2013.
  - Within convenience foods, Masan Consumer's market share in instant noodles has crossed the 30% mark, driven by continued strong performance of the premium and value segment brands Omachi and Kokomi, respectively, as well as strong momentum from mid-market brand Sagami. The company is targeting to reach 40% market share in 2014 and become Vietnam's market leader in instant noodles.
  - New launches in the convenience foods segment, including complete breakfast meal B'fast and congee Komi have achieved good consumer acceptance.
  - Vinacafe reported 18.4% YoY growth in revenues in 4Q2013, driven by the relaunch of Wake Up Sai Gon in mid-2013 and the launch of 2-in-1 coffee Phinn.
- **Higher gross margins:** A combination of productivity improvements, economies of scale and cost saving measures have resulted in gross margins improvements across all the key categories. Gross margins for 4Q2013 were at 44.8%, up from 41.9% in 4Q2012.
- **Record net profits:** Pro-forma net profits for 4Q2013 were at VND1,564 billion, up 38.6%, driven by higher revenues and gross margins. Pro-forma net profits for the full year 2013 were up 14.4%. While SG&A expenses reflect continued investments in product development and brand building, these investments have begun to reflect in revenues, bringing down SG&A as a proportion of sales.

- **Quadrupling of addressable market - strong revenue prospects for 2014:** With the entry into complete meals and the mid-market instant noodles segment, as well as the establishment of a strong platform to target the beverages category, the addressable market for Masan Consumer has expanded from US\$1.1 billion to US\$4.5 billion. This should result in significantly higher revenues in 2014.

#### **Masan Resources: Nui Phao project on track to contribute to Group revenues from 1Q2014**

- Masan Resources has progressed the commissioning of the Nui Phao project, delivering state-of-the-art technology and world-class facilities in Vietnam. In line with Masan's philosophy of building world-class businesses with international scale, the Nui Phao mine will be the world's second largest producer of tungsten.
- The plant throughput has operated at 100% of design capacity levels. The ramp-up efforts are now focused on sustainably de-bottlenecking throughput and increasing mineral recovery rates from the plant.
- The project has successfully placed over US\$14.4 million worth of products with customers so far in 2014, comprising all four product streams: value added products of tungsten, as well as fluorspar, bismuth and copper. The mine is on track to contribute meaningfully to Group revenues in 1Q2014.
- Sales of tungsten value added products are well underway.
  - The JV with H.C. Starck, international leaders in tungsten processing, has been established, and is enabling Masan Resources to access state-of-the-art technology for deep processing of tungsten.
  - The tungsten deep processing plant is already processing tungsten concentrate into value added products. It has exceeded recovery expectations so far, and sales of value-added tungsten products have been underway for over three months.
- The project has initiated a Margin Improvement Program (MIP) which is designed to further promote the business focus across all areas of the company in the progression to steady state operations.

#### **Techcombank: Continued focus on prudent lending policies and asset quality**

- Deposits from customers grew by 7.6% in FY2013 compared to FY2012, while loans to customers grew by 3.0%, underpinned by prudent lending policies and a conservative Loan-to-Deposit ratio of 57.3%.
- Techcombank continued to build out a strong retail franchise, especially in the South of Vietnam serving needs of Vietnamese consumers through 1,229 ATMs, more than 300 branches and transaction offices.
- Lower interest rates, tougher lending environment and conservative provisioning resulted in FY2013 profit after tax of VND659 billion, down 13.9% vs. FY2012.
- Techcombank continues to focus on maintaining a strong balance sheet, improving efficiencies and controlling costs. The capital adequacy ratio was 14.0% as of 31 December 2013, significantly higher than the 9.0% stipulated by the State Bank of Vietnam.

### **Strategic Initiatives: Simplification and focus on consumption sector**

- In December 2013, in line with its plan of increasing its strategic focus on the consumption sector and simplifying its corporate structure, Masan Group restructured Hoa Bang Lang Consultant Company Limited into Masan Consumer Holdings (“MCH”). Pursuant to this, MCH will be the Company’s direct subsidiary holding shares of Masan Consumer formerly held by Masan Group and its other subsidiaries. MCH will also invest in other established consumer-related businesses.
- Plans are also underway to transfer the shares of Masan Agri, the largest shareholder of Vietnamese French Cattle Feed Joint Stock Company (“Proconco”), one of Vietnam’s largest animal feed companies, to another wholly owned subsidiary of Masan Group from Masan Consumer. This restructuring would simplify the group structure further by making Masan Consumer a pure food and beverage company.

### **Appointment of Seokhee Won as Masan Consumer CEO**

- On February 10, 2014, Masan Group announced that Seokhee Won will be joining as Chief Executive Officer (“CEO”) of Masan Consumer. Seokhee Won will also join as Deputy CEO of Masan Group, in line with the Group’s focus on consumer and consumption-related businesses.
- Mr. Won is a seasoned executive with 22 years at global consumer goods company Unilever. In his most recent role, he was Senior Vice President, responsible for Unilever’s skincare business in Asia and the Ponds brand globally. Mr. Won’s experience includes senior management roles in Unilever’s businesses in China, South Africa, Thailand, Korea and Vietnam. He spent eight years with Unilever Vietnam (from 1997 to 2005) as Marketing Director and then as Vice President, during which he was responsible for Unilever’s entire personal care portfolio.
- Seokhee Won will officially assume his new role in early 2014. Appointments are subject to customary regulatory approvals.

## **ABOUT MASAN GROUP CORPORATION**

Masan Group is one of Vietnam's largest private sector companies focused on building market-leading businesses that capitalize on Vietnam's structural consumption and resources stories. We have a track record of actively building, acquiring and managing large-scale operating platforms. We are committed to being Vietnam's local private sector champion in terms of scale, profitability and shareholder return and being the country's growth partner and employer of choice.

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