

FOR IMMEDIATE RELEASE

**Masan's Net Profit Grows by 184% in 1H2016;
Management Revises FY2016 Earnings Guidance Upwards by 25%**

Ho Chi Minh City, 29 July 2016 – Masan Group Corporation (**HOSE: MSN**, “Masan” and the “Company”), one of Vietnam’s largest private companies, reported its management accounts for the first half of 2016 and revised its 2016 net profit guidance upwards by 25% on the account of strong performance across all business segments.

Key Highlights

- **Nearly half of 2016 USD2 billion sales target completed:** Supported by an 83.8% growth in net revenues in the first half of 2016, the Company has achieved nearly half of its full year expected revenues. Historically, 60% of Masan’s revenues are generated in the second half due to seasonality trends in its branded F&B business.
- **Branded F&B delivers turnaround:** Delivered record 2Q revenues of VND3,566 billion up 14.7% and 28.3% from 2Q2015 and 1Q2016, respectively. Management reiterates that the branded F&B business is on track to achieve mid-teen topline growth in 2016, supported by the establishment of Masan’s first overseas subsidiary, Masan Consumer (Thailand) Co., Ltd, deepening its relationship with Singha and expanding into “Inland ASEAN”.
- **Consumer animal protein segment continues to consolidate market share through innovation and building power brands; on track to grow 30% in 2016:** Masan Nutri-Science (“MNS”) delivered 18.4% growth in revenues in 2Q2016 compared to 2Q2015 (on a like-for-like basis, assuming full year contributions from both ANCO and Proconco brands). By applying a consumer-like approach to grow share and improve gross margins, MNS grew net profit by 103.8% during 2Q2016. Furthermore, transformation into a consumer branded meat platform accelerated with the VISSAN strategic partnership (24.9%) and with the establishment of Masan Nutri-Farm.
- **Techcombank leads Vietnam’s banking sector recovery to lift Masan’s bottom-line:** Techcombank (“TCB”) achieved a 73.1% growth in net profit after tax during 2Q2016; on track to achieve a profit before tax of VND3,500 billion for FY2016, representing a 73.9% growth driven by a strong fee income franchise and an early emergence from the provisioning cycle.
- **Record production and processing of tungsten chemicals:** Masan Resources (“MSR”) generated a topline growth of 45.3% to achieve profitability in 1H2016; lower commodity prices offset by a 14% growth in volume production on a tungsten equivalent basis and 58.0% reduction in SG&A.
- **~25% earnings upgrade:** Having achieved 54% of its Annual Plan’s earnings target of VND1,900 billion, Masan raised its NPAT (VAS) guidance by ~25% to approximately VND2,400 billion, a ~60% growth compared to FY2015.

Detailed Commentary on Financial Results

Masan Consolidated 1H2016 Snapshot ⁽¹⁾

VND Billion	1H2016	1H2015	Growth
Net Revenue	19,141	10,414	83.8%
<i>Branded F&B Products</i>	6,345	5,881	7.9%
<i>Animal Protein</i>	11,051	3,332	231.7%
<i>Mineral Resources and Value-Added Processing</i>	1,745	1,201	45.3%
EBITDA	4,127	2,441	69.1%
<i>Branded F&B Products</i>	1,278	1,284	(0.5%)
<i>Animal Protein</i>	1,615	366	341.3%
<i>Mineral Resources and Value-Added Processing</i>	877	588	49.2%
Net Profit After Tax⁽²⁾ (Pro forma)⁽³⁾	1,863	915	103.6%
Net Profit After Tax Pre-MI (VAS)	1,480	673	119.9%
Net Profit After Tax Post-MI (VAS)	1,034	364	184.1%

⁽¹⁾ Financial numbers are based on management figures.

⁽²⁾ Before minority interest.

⁽³⁾ 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 Group's historical M&A transactions. In 1H2016, amortization expenses before minority interest amounted to VND383 billion.

Masan Group 1H2016 Results

- **Revenues grew 83.8% compared to the same period last year:** Masan reported 1H2016 net sales of VND19,141 billion, up 83.8% vs. 1H2015, due to topline growth across all three businesses segments.
 - Sales of branded food and non-alcoholic beverages (Masan Consumer, “MSC”) were up 14.7% during 2Q2016 compared to 2Q2015. As a result, Masan Consumer Holdings’ (“MCH”) net sales increased by 7.9% in the first half, with its beer segment achieving a growth of 83.5% in the same period.
 - MNS delivered another robust quarterly performance, generating an 18.4% topline growth in 2Q2016 compared to 2Q2015, resulting in a 13.8% growth for the first half of 2016 (on a like-for-like basis).
 - Masan Resources (“MSR”) achieved a 142.2% and a 45.3% growth in net revenues for 2Q2016 and 1H2016, respectively, compared to the same periods last year.
- **Record EBITDA, up 69.1%:** Masan reported an EBITDA of VND4,127 billion for 1H2016, up 69.1% from the same period last year.
 - Branded food and beverages business generated VND1,278 billion in EBITDA for 1H2016, down by 0.5% compared to 1H2016 due to higher marketing spend. MSC delivered 15.2% growth in EBITDA for 2Q2016 compared to 2Q2015.

- MNS EBITDA margins increased by 363 basis points in the first half of 2016, validating Masan's focus on innovation-led brand building and on productivity transformation of the animal protein value chain.
- Masan Resources delivered an EBITDA margin of 50.2%, as a result of a 74.1% growth in EBITDA during 2Q2016, resulting from higher production of value-added tungsten products, greater operational efficiencies, and lower SG&A.
- **Attributable net profit up 2.8x:** Reported net profit after tax and minorities, which takes into account VND383 billion of amortization expenses related to past acquisitions, was VND1,034 billion in 1H2016, up 184.1% from 1H2015. Pro forma net profit after tax and minorities, adding back amortization expenses, was VND1,324 billion in 1H2016, an increase of 147.0%.
- **Strong balance sheet to fund growth in consumption-related opportunities:** Masan's consolidated cash balance as of 30 June 2016, was VND12,863 billion, comprising of cash, cash equivalents, short-term investments and other interest bearing assets. This cash amount would be bolstered by the upcoming USD450 million equity investment by Singha Asia in addition to an expected EBITDA generation of USD250 million for 2H2016.

Commentary on Business Segments

Branded Food and Beverage

Strong traction seen in 2Q2016 numbers to deliver topline growth in excess of 15% in 2016; first seasonings product launch expected in Thailand during 3Q2016

- During 2Q2016, seasonings, beverages, and beer categories delivered double-digit growth, suggesting momentum for the remainder of the year. 1Q2016 was an outlier due to an early Tet, but significant uptick in growth during 2Q2016 demonstrates Masan’s ability to deliver growth on the back of successful new product launches. First steps into “Inland ASEAN”, with the expected launch of Masan’s first seasonings brand in Thailand (supported by Singha’s deep distribution network) during 3Q2016 could contribute additional growth to 2H2016 and 2017.

Category Revenues (VND Billion)	1H2016	1H2015	Growth
Seasonings	2,356	2,257	4.4%
Convenience Foods	1,823	2,037	(10.5%)
Beverages and Others ⁽¹⁾	1,623	1,291	25.7%
Beer	543	296	83.5%
Branded Food and Beverage	6,345	5,881	7.9%

⁽¹⁾ Includes all non-alcoholic beverages, coffee, cereals, and exports

- **1H2016 revenue highlights:** Masan’s branded food and beverage portfolio’s net revenues were up 14.7% in 2Q2016, compared to 2Q2015, resulting in a 7.9% topline growth for MCH in the first half.
 - Masan’s branded food and beverage businesses generated combined sales during 1H2016 of VND6,345 billion, up 7.9%, due to growth across multiple categories aided by new product launches.
 - Seasonings category revenues were up 16.1% for 2Q2016, while convenience foods’ revenues declined by 6.0% during the same period. Anticipated new product launches within the convenience foods category during 2H2016 is expected to reverse this trend.
 - Beverages and others category grew by 42.7% during 2Q2016 due to the consolidation of Quang Ninh’s beverage business and to the successful launch of new innovative coffee products such as Café De Nam, the world’s first single serve product that delivers authentic Vietnamese phin-style coffee at the push of a button. Within two months of Café De Nam’s launch in HCMC, more than 600 coffee shops have been serving the product.
 - Masan Brewery’s revenues grew by 85.5% in the first half, expecting momentum to carry into the second half supported by the upcoming launch of a premium variant. Management revises its beer forecast upwards to achieve a nearly doubling of sales in 2016.
- **1H2016 profitability highlights:** Masan’s strategy of building power brands, premiumizing portfolio products and focusing on costs have led to improvements in profitability.
 - **Gross Margins:** For Masan Consumer, gross margins in 1H2016 were 42.9%, comparable to last year, aided by the convenience foods category, which delivered record gross margins in 1H2016. Masan Brewery’s gross margin was 22.8% during 1H2016, which is expected to improve substantially over the next few quarters as utilization levels increase at the new beer facility in Hau Giang province.

- **EBITDA Margins:** Masan Consumer’s EBITDA margin was 21.2% in 1H2016, declining by 146 basis points compared to 1H2015, on the back of increased SG&A spending to invest in brand building across the seasonings, convenience foods, and beverages categories.
- **Net Profit:** Reported net profit for Masan Consumer was VND965 billion in 1H2016, down 20.5% compared to the same period last year, driven by lower net financial income resulting from large cash dividends over the past two years.
- **Inland ASEAN strategic update:** Masan established Masan Consumer Thailand, its first overseas subsidiary in July 2016, to launch a seasonings brand as a first step in entering the larger “Inland ASEAN” market within the second half of 2016 and to become a regional consumer champion.
 - Through its partnership with Singha, a leading Thai player, Masan has been market testing its first fish sauce product in Thailand, generating excellent customer reviews to date.
 - Brand name, product formulation, and marketing activities are in advanced stages of execution with the first batch expected to reach the Thai market in September 2016.

Consumer Animal Protein

MNS continues to consolidate market share through innovation and building power brands; on track to grow 30% in 2016

- MNS has been implementing an FMCG business model to its animal protein business, by building power brands such as the “Bio-zeem” range of products. Power brands are the key to MNS’ future growth strategy, as they help to gain and defend market share, to enhance margins, and to withstand inflationary input cost pressures.

VND Billion ⁽¹⁾	1H2016	1H2015	Growth
Net Revenue ⁽²⁾	11,051	9,706	13.8%
Gross Margin	22.3%	17.9%	4.4%
EBITDA	1,615	1,117	44.6%
Net Profit After Tax (VAS) ⁽³⁾	1,037	751	38.1%

⁽¹⁾ Assumes six month contribution for both Vietnamese-French Cattle Feed JSC (“Proconco”) and ANCO

⁽²⁾ Financial numbers are based on management figures

⁽³⁾ Profit after tax before minority expenses, 1H2015 profits are combined profits for Proconco and ANCO

- **1H2016 key financial highlights:** The combined brands of Proconco and ANCO achieved net sales of VND11,051 billion in 1H2016, up 13.8% compared to the same period last year, driven by an increase in 18.4% topline growth during 2Q2016 compared to 2Q2015.
 - **Power brands:** MNS’ strong portfolio of brands delivered an increase in 24.2% sales volume during 1H2016 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 accounted for 36.1% of MNS revenues compared to less than 1% in 1H2015.
 - **Focus on pig feed (highest margin product):** Pig feed accounted for 63.2% of total volume sold during 1H2016, compared to 49.6% during 1H2015, resulting in an increase of 58.2% from 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 438 bps:** Pig feed products accounted for 64.4% of revenues for MNS in 1H2016, compared to 52.7% in 1H2015, significantly improving MNS gross margins to 22.3% in 1H2016 compared to 17.9% from the same period last year.
 - **EBITDA margin up 310 bps:** 1H2016 EBITDA was up 44.6% to VND1,615 billion compared to last year, due to gross margin enhancement and greater operational efficiencies. EBITDA margin for 1H2016 was 14.6% compared to 11.5% in 1H2015.
 - **Net margin up 165 bps:** On a like-for-like basis, MNS’ 1H2016 NPAT increased by 38.1% to VND1,037 billion compared to the same period last year, with NPAT margin increasing to 9.4% compared to 7.7% in 1H2015.
- **MNS takes further steps to becoming a branded consumer meat player** by increasing its ownership in ANCO and VISSAN to 100% and 24.9%, respectively, and by establishing Masan Nutri-Farm.
 - **Strategic rationale:** MNS is committed to drive productivity of Vietnam’s animal protein sector and, ultimately, to directly serve consumers with traceable, quality, and affordable meat products. These strategic acquisitions are a clear indication of Masan’s belief in ANCO and VISSAN as strong underlying platforms, which would help to develop a consumer meat champion.
 - **USD18 billion market:** Vietnam’s animal protein consumption is poised to grow in line with the increase in disposable income. Currently, Vietnam is both a global top 10 producer and consumer of pork, which is comprised of 60% domestic meat consumption. MNS, as the largest external pig feed producer and strategic partner of Vietnam’s largest meat company, is well positioned to benefit from the sector’s growth. In addition, as Vietnamese consumers demand more hygienic, affordable, and traceable meat products, MNS’s focus on building trusted brands and increasing availability will help it emerge as a national leader.

Mineral Resources and Value-Added Processing

Ramp up of value-added tungsten plant coupled with optimization initiatives translate into record financial performance

- MSR recorded profit attributable to its shareholders of VND70 billion during 1H2016, a decrease of VND34 billion during the same period last year. Attributable profit remained positive despite a volatile economic climate and was made possible through plant optimization measures and initiatives started in 2H2015.

VND Billion⁽¹⁾	1H2016	1H2015	Growth
Net Revenue	1,745	1,201	45.3%
EBITDA Margin	50.2%	48.9%	1.3%
Attributable Net Profit (VAS) ⁽²⁾	70	104	(32.7%)

⁽¹⁾ Financial numbers are based on management figures

⁽²⁾ Attributable net profit is after tax and minority expenses

- **Net sales up 45.3%:** Initiatives undertaken in 2015 and commissioned during the first half of 2016, have paved the way for increased production in 1H2016. With all output being fully sold, continuous

focus on quality control and improvement across all products have started to pay dividends through higher price realizations. As a result, in spite of lower commodity prices, Masan Resources posted net revenues of VND1,745 billion in 1H2016, up 45.3% from the same period last year.

- **Driving profitability through improved efficiencies and focus on costs:** The Nui Phao project is in the lowest quartile for cash costs of all global tungsten producers. MSR continues to deliver enhanced operational efficiencies while reducing the cost base to ensure it firmly remains within the lowest cash cost quartile of the tungsten industry cost curve in order to capitalize on the ever improving pricing environment. The decrease in SG&A by 58.0% from VND255 billion in 1H2015 to VND107 billion in 1H2016 contributed to profitability.
 - **EBITDA increased by 49.1%:** Masan Resource’s EBITDA increased by 49.1% during 1H2016, due to initiatives implemented to improve processing recoveries, further plant utilization, and a reduction in operating costs through the continuous application of strict cost controls.
 - **Attributable net profit declines:** Masan Resources reported profit attributable to shareholders of VND70 billion in 1H2016, a decrease of VND34 billion over 1H2015, due to lower commodity prices. MSR’s industry leading margins will enable the company to capitalize on any recovery in commodity prices quicker than its peers.
- **Increased production through efficiency improvements:** As a result of initiatives aimed at increasing efficiency, production increased by 13.5% on a tungsten equivalent basis, with tungsten and copper production increasing by 12% and 41%, respectively.
 - Feed grades, mill throughput, and recovery rates increased in line with expectations. The commissioning of a number of low cost and high return projects commenced at the end of the first quarter 2016. These projects were integrated into the main plant during 1H2016 and are expected to yield further productivity efficiencies going forward.

Summary Production Data	1H2016	1H2015	Growth
Ore mined (kt)	1,670	1,839	(9.1%)
Ore processed (kt)	1,727	1,611	7.2%
Tungsten concentrate (t)	2,756	2,450	12.1%
Tungsten equivalent units (t) ⁽¹⁾	5,466	4,815	13.5%

⁽¹⁾ Nui Phao finished products are converted to tungsten equivalent units

Techcombank

1H2016 profit before tax rises 53.8% compared to 1H2015, emerging as a clear leader in a recovering sector

- Techcombank has focused on controlling costs while maintaining conservative lending policies during a period of restructuring over the past 4 years.
 - 1H2016 profit before tax was VND1,587 billion, up 53.8% compared to 1H2015 due to a 17.3% increase in net interest income and to a 40.1% increase in net fee and commission income, which accounts for higher provision expenses.
 - The bank’s NPL stood at 1.87% as of 30 June 2016, below the 3% stipulated by the State Bank of Vietnam, signaling prudent lending policies applied by the bank post the banking sector downturn. TCB has focused on prudent risk management through aggressive provisioning in the last 4 years and is on track to fully provision VAMC and other loan receivables by 2017,

emerging as the first bank in Vietnam to be free from bad debts related to the banking downturn.

- Capital adequacy ratio was at 14.3% as at the end of 1H2016, significantly higher than the 9.0% stipulated by the State Bank of Vietnam.
- Techcombank has continued to maintain a strong deposit base and retail franchise, while introducing new products for customers and generating additional revenue streams:
 - As of 30 Jun 2016, Techcombank continued to serve Vietnamese customers through its 312 branches and transaction offices, supported by nearly 1,200 ATM's and over 1,500 points-of-sale spreads across Vietnam.
- **Strategic outlook:** Techcombank's mission for 2020 is to be the leading bank in Vietnam, with an ROE of 20% and market capitalization above USD5 billion. In order to achieve this goal, the bank targets to generate at least 30% TOI (total operating income) growth every year and have its fee income reach 30% of TOI by 2020.
 - The bank would continue to focus on three key aspects to deliver its 2020 vision: cash consolidation, value-added services, and retail loans.
 - In terms of cash consolidation, the bank aims to increase its CASA (current and savings account) ratio to nearly 30% by 2020, from less than 20% today. Additionally, increased focus on transaction banking (ATM services, mobile, and internet banking) would help to develop this channel.
 - Value-added services comprising of bancassurance and credit cards for the retail segment, and guarantee & remittance services for corporate, would be key drivers in increasing fee and commission income.
 - Focus on the retail channel is another key aspect, as this segment accounts for 44% of total outstanding loans. Partnering with high quality corporates to explore the full value chain, increased contribution from mortgages, auto loans and credit cards would be some of the key drivers going forward.

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 our associate, Techcombank, a leading joint stock commercial bank in Vietnam.

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