



FOR IMMEDIATE RELEASE

**Strengthened Platform for Next Wave of Transformational Growth,
Masan Group Delivers Record Results in 2014**

Full Year Sales, EBITDA and Net Profit up 34.7%, 55.4% and 44.2%, respectively

Ho Chi Minh City, 13 February 2015 – Masan Group Corporation (**HOSE: MSN**, “Masan Group” and the “Group”), one of Vietnam’s largest private sector business groups, today reported its management accounts for the full year 2014. Strategic context and business highlights include:

- **Platform across all businesses is ready for next wave of transformational growth:** Since our listing 5 years ago, Masan Group has experienced rapid growth followed by a period of investment and platform building to consolidate its market position and to lay the foundation for the next phase of transformation. As a result of these efforts, culminating with several major initiatives in 2014, the key strategic pieces are in place for Masan Group to begin its next 5 year period of strong value creation:
 - **Core consumption platform is well positioned to win in a US\$9 billion addressable market:** We have expanded our addressable market from US\$1.1 billion in 2013 to US\$9 billion in 2014 by redefining our existing categories (sauces to seasoning and instant noodles to convenience foods), and entering new ones, such as non-alcoholic beverages (Vinacafe and Vinh Hao) and, more recently, beer (under the “Su Tu Trang” brand). Our addressable market would be larger if we include processed meat (where we acquired Saigon Nutri Food in December 2014), a part of Vietnam’s overall US\$18 billion meat sector. To win, Masan Group has built an operating platform that is particularly strong in building brands that have been successful across the premium, mainstream, and value segments. We also have the deepest FMCG distribution network in Vietnam, where we are one of the few companies with a strong presence in both on- and off-premise channels. Lastly, to support our deeper push in the consumption space, we have successfully issued a 10 year bond in 2014 guaranteed by CGIF, a trustee of the Asian Development Bank. This landmark transaction added VND2,100 billion to Masan Group’s consolidated cash balance, which stands at VND9,208 billion (including short term investments) at the end of 2014.
 - **Non-core resources business is now a profitable operating business with a path to becoming a global leader:** The Nui Phao mine has started contributing to the Group financial results in 2014 (VND1,127 billion EBITDA and positive net profit contribution during a ramp up year). Nui Phao is already the largest operating tungsten mine outside of China, is globally the lowest cost producer of this mineral, and has an international marquee client base for its products. The Nui Phao mine is positioned to become an even more globally significant player in the tungsten market with a program to further improve operational efficiency and scale. In a volatile global macro environment, our tungsten business has the financial wherewithal and good visibility to improve production, allowing us to outperform the market for the foreseeable future.
 - **Similarly, our financial investment in Techcombank is poised to benefit from the industry shakeout and restructuring within the domestic banking sector,** where the

bank, after a period of high growth, has gone through its own multi-year period of consistent focus, investment in its platform, and aggressive provisioning. As a result, Techcombank is starting to emerge as a frontrunner in the sector with one of the healthiest balance sheets. Techcombank showed a 61.4% jump in profits before tax in 2014.

Against the backdrop of Vietnam’s improving macroeconomic outlook and rising consumer confidence, Masan Group’s strategic investments and business development over past several years has placed the Group at a unique advantage to benefit greatly in the upcoming years. Going into 2015, we are firmly rooted as a leading consumption-focused company. In addition, our non-core assets are fully-funded with clearer paths to value creation for our shareholders by becoming leading businesses in their own right.

■ **Our focus on long-term business building is starting to show results - record sales, EBITDA and net profits in 2014 – up 34.7%, 55.4% and 44.2% respectively:**

- Revenues of VND16.1 trillion for the full year 2014, up 34.7% vs. 2013.
- Pro-forma operating EBITDA (Earnings before Interest, Depreciation and Tax) of VND3,999 billion in 2014, up 55.4% vs. 2013.
- Operating EBITDA margin of 24.9% in 2014 vs. 21.6% in 2013. Consumer gross margins expanded from 41.9% in 2013 to 44.1% in 2014, driven by cost reduction and productivity improvements, while the resources business reported pro-forma EBITDA margins of 39.9% in 2014.
- Pro-forma net profit after tax of VND 3,116 billion in 2014, up 44.2% vs. 2013, with the resources business successfully transforming from a development asset into a profitable operating business. While the Group’s profits in 1H2014 were affected by interest and depreciation costs from the resources business as Nui Phao completed its commissioning phase, the Group’s net profit trajectory improved as earnings in 2H2014 from the resources business more than offset the losses incurred during 1H2014.

VND Billion	2014	2013	Growth
Masan Group Pro forma ⁽¹⁾⁽²⁾			
Net Revenue	16,089	11,943	34.7%
<i>Consumer Products</i>	<i>13,263</i>	<i>11,943</i>	<i>11.1%</i>
<i>Resources</i>	<i>2,826</i>	<i>-</i>	<i>NM</i>
Gross Profit	6,766	4,999	35.3%
Gross Margin	42.1%	41.9%	
Operating EBITDA	3,999	2,574	55.4%
Operating EBITDA margin	24.9%	21.6%	
Net Profit After Tax	3,116	2,161	44.2%

⁽¹⁾ Interim financial numbers are based on management figures

⁽²⁾ Pro forma numbers, for each of the reporting periods and its respective comparative period, have been computed by reversing impact from the amortization of goodwill, tangible assets and intangible assets as a result of the Group’s M&A transactions in the past, as well as adjusting for one-time non-recurring expenses in connection with the ramp-up of operations at Nui Phao

Detailed Commentary

Consumption platform: record sales and net profit in 2014, growth engines in place

- The Group has further strengthened its consumption platform over the last year through a mix of organic execution and acquisitions.
 - **Foods:**
 - **Seasonings:** We built on our leading market share in fish sauce, soy sauce and chili sauce to go deeper into the seasonings category. We restructured our brand portfolio to better address the premium segment and the mainstream segment, with the introduction of “Chin-su 3 Ngon” and “Nam Ngu 3-in-1”. We also entered the much larger seasonings market in 2014 with the launch of a granules product under the Nam Ngu brand. Through our subsidiary, we became a significant shareholder in Cholimex Foods Ltd., a well-known sauces and condiments company in Vietnam that will provide us even greater access to the value segment.
 - **Convenience Foods:** We have built a strong position in the convenience foods category, driven by our instant noodles offerings - Omachi, Sagami and Kokomi - straddling the premium, mass and value segments, as well as complete meals and congee products like Komi, and are on track for our goal of achieving the no.1 position in 2015.
 - **Beverage:** We have built a beverage platform in record time, with experienced managers, strong on- and off-premise distribution and a robust product pipeline. As a result, coffee and bottled beverage sales grew strongly in 2014. “Wake-Up” has emerged as a strong brand, with Wake-Up Saigon, which was launched in 2013, commanding significant market share, and good response to caffeine-based drink Wake-Up 247, which was launched in 1H2014, as well as Wake-Up 2-in-1, which was launched in 2H2014. Wake-Up Saigon was rated among the fastest-growing beverage brands in the 2014 Kantar survey. An important milestone was achieved with Vinacafe being chosen to be served on Vietnam Airlines flights from Jan 2015 onwards, a testament to Vinacafe’s quality, flavor and heritage.
 - **Beer:** Masan Brewery is our platform for targeting the US\$4 billion Vietnam beer market. We entered this market by acquiring a brewery and launching the brand “Su Tu Trang”. The brand has had a successful pilot launch in the Mekong Delta, operating at full capacity with pre-Tet demand and reporting VND140 billion in sales in 4Q2014.
 - **Meat:** The meat market in Vietnam presents a very attractive opportunity. Total meat consumption in Vietnam is estimated at US\$18 billion, with Vietnam’s per capita protein consumption being significantly lower than peers. Processed meat represents less than 1% of meat consumption (vs. 13% in China), a number that is set to increase as income levels rise. Moreover, the processed meat market in Vietnam is fragmented, providing an opportunity for a leader to define trends in this category. It is in this context that Masan Group, through its subsidiary, acquired 100% of Saigon Nutri Food Joint Stock Company, providing the Group a platform to target this very attractive category.
- **Record sales and profits:** The initiatives taken over the last year have resulted in sales and profits growth for the consumer business in 2014:

- 2014 sales of VND13,098 billion (excluding beer), up 9.7% over 2013. With our strategy of investing in product innovation and brand-building continuing, sales generation and administrative (SG&A) expenses have been high, and net profits were at VND3,657 billion, representing 3.3% growth over 2013.
- Gross margins expanded by 220 basis points, from 41.9% in 2013 to 44.1% in 2014, driven by cost reduction and productivity improvements, coupled with economies of scale. Gross margins showed improvement across all categories, with margins for the seasonings business being over 50% and gross margins for convenience foods and coffee at 33% and 35% respectively, all significantly up from a year ago.
- While the overall macro environment in 2014 was challenging, the consumer business was able to benefit from continued measures to improve competitiveness and expand the addressable market. Sales for 4Q2014 were also affected by the late arrival of Tet in the second half of Feb 2015, but this is offset by strong sales for January.
- **Capital for growth through landmark bond issuance:** Masan Consumer Holdings (MCH), a wholly owned subsidiary of Masan Group which holds the Group's interest in Masan Consumer and the Group's brewery business, completed a landmark 10 year bond issuance, raising VND 2,100 billion at an 8% fixed coupon rate. The bonds are among the longest tenure and lowest cost issuance by a private sector company in Vietnam. The bonds are guaranteed by the Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank ("ADB"). This is CGIF's first deal in Vietnam. Besides being a validation of the Group's focus on the consumption potential of Vietnam, this deal gives us long-term capital for organic and inorganic growth.
- **Key initiatives to strengthen the distribution network:** We enhanced our distribution capabilities, with the addition of more distributors for beverages and on-premise points of sale. This achievement makes our business one of the few in Vietnam with both a strong on and off-premise presence for food and beverages, with a total of over 200,000 points of sale. We have also successfully implemented a state-of-the-art Distributor Management System (DMS) across 100% of our distributors, which gives us access to real-time data across our distribution network.

Resources business: a steady and profitable operation that is globally significant in the tungsten market

- **First phase of transformation complete:** 2014 marks the year when we successfully completed the commissioning and transformed an attractive asset – the Nui Phao mine – into a leading global tungsten player. Nui Phao has delivered positive net profits and is well positioned to create further value going forward.
 - The Nui Phao mine has produced high quality products – tungsten, fluorspar, bismuth and copper – which have been sold to leading customers across North America, Europe and Asia. Nui Phao represents a strategically important alternative source of supply globally, especially as the no. 1 producer of tungsten and bismuth outside China. The value-added products of tungsten are being sold through a joint venture established with H.C. Starck GmbH to a marquee customer base.
 - Key plant parameters have ramped up as per expectations, with plant throughput reaching design utilization levels of 90%, and recovery rates improved across all products. The business has shown strong cash economics, and we are focused on further improving efficiencies in a complex market.

- A mine life expansion study was successfully completed in 2014 extending the mine life by three years to approximately 20 years from 2014, based on increasing mine reserves to 66 million tonnes. Study activities included a drilling program, detailed analysis, external review coupled with independent expert verification and sign off to international investment standards.
- **The successful scaling up of the resources business is reflecting in the financial results:**
 - Sales of VND2,826 billion and pro-forma EBITDA of VND1,127 billion in 2014 (these are numbers for ten months, as the project began to contribute to Group's financial results only after commencing commercial operations, effective March 1, 2014). EBITDA margins were at 39.9%.
 - Generated a net profit for the full year 2014, as earnings during the second half of 2014 more than offset the losses incurred during the first half of the year as Nui Phao completed its commissioning phase.
- **Transforming a steady state operation into a globally significant tungsten player:** Nui Phao is already the largest operating tungsten mine outside of China, is globally the lowest cost producer of such mineral, and has an international marquee client base for its products. The Nui Phao mine is positioned to become an even more globally significant player in the tungsten market with a program to further improve operational efficiency and scale. In a volatile global macro environment, our tungsten business has the financial wherewithal and good visibility to improve production, allowing us to outperform the market for the foreseeable future.

Techcombank: Proactive approach to managing the banking sector downturn has created a clear path to market leadership as sector fundamentals improve; profits before tax up 61.4% in 2014

- While the banking sector has been through a challenging environment over the last five years, associate Techcombank has used the downturn to emerge stronger and more competitive.
- Techcombank has focused on balance sheet strength, prudent provisioning, improving efficiencies and controlling costs while maintaining conservative lending policies. It has continued to maintain a strong deposit base and retail franchise, while introducing new products for customers and additional revenue streams which have contributed to fee-based income.
- The above initiatives, coupled with an improvement in the lending environment, has resulted in a sharp improvement in financial results:
 - 2014 profit before tax was VND1,417 billion, up 61.4% YoY. This improvement is despite provisioning of VND2,258 billion in 2014, consistent with the bank's proactive approach to strengthening its balance sheet.
 - Net interest income was up 33.1% YoY in 2014. With the introduction of new products and income streams, net fee and commission income in 2014 reached VND1,123 billion, up 52.5% over 2013.
 - Other key parameters, such as coverage ratios and cost-to-income ratio, showed improvement as well.
 - Loan-to-Deposit ratio was maintained at a conservative 61.5%.
 - The capital adequacy ratio was 15.7% as of 31 Dec 2014, significantly higher than the 9.0% stipulated by the State Bank of Vietnam.

- With less than 25% of the population having a bank account, and low penetration of most banking products such as mortgages and credit cards, the banking sector in Vietnam has huge potential. With Techcombank's deposit base, strong retail franchise and enhanced competitiveness, it is well-placed to tap the long-term potential of the sector in Vietnam, and is ready for leadership as sector fundamentals improve.

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 story. We have a track record of actively building, acquiring and managing large-scale operating platforms. Our goal is to be and be recognized as the pride of Vietnam by creating a winning, unique business model in Asia.

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