



**FOR IMMEDIATE RELEASE**

**2012 Results Demonstrate Strong Business Fundamentals Despite a Challenging Operating Environment**

**Ho Chi Minh City, 7 February 2013** – Masan Group Corporation (**HOSE: MSN, “Masan Group”**), one of Vietnam’s largest private sector business groups, today reported its fourth quarter and full year financial results for 2012:

- Full year 2012 net sales of VND10,389 billion, representing growth of 47.2%, on the back of strong revenue growth from subsidiary Masan Consumer;
- Full year 2012 pro-forma net operating profit of VND2,835 billion, growth of 13.0%, led by strong profitability at subsidiary Masan Consumer;
- Masan Consumer reported strong operating performance, with 47.2% growth in net sales and 34.9% growth in pro-forma net profit after tax for the full year 2012;
- Subsidiary Masan Resources is on track to commission the Nui Phao mine within the next three months, making substantial progress on project construction activities;
- Masan Group’s full year 2012 pro-forma net profit after tax of VND2,781 billion was down 10.0% <sup>(1)</sup>, with subsidiary Masan Consumer reporting 34.9% growth in pro-forma net profit after tax and associate company Techcombank reporting 75.8% drop in net profit after tax due to conservative loan loss provisioning; and
- Masan Group announced major strategic initiatives, including a USD200 million investment by leading global investment firm KKR into Masan Consumer (in addition to KKR’s USD159 million investment in 2011), representing the largest ever private equity investment into Vietnam. Masan Consumer announced the purchase of a 24.9% stake in bottled beverage company Vinh Hao Mineral Joint Stock Company.

VND Million	2012	2011	Growth
<b>Masan Group Pro Forma <sup>(1)</sup></b>			
Net Sales	10,389,415	7,056,849	47.2%
Net Operating Profits	2,834,990	2,507,946	13.0%
Net Profit After Tax	2,781,110	3,089,504	-10.0%
<b>Masan Consumer <sup>(1)(b)</sup></b>			
Net Sales	10,389,415	7,056,849	47.2%
Net Profit After Tax	3,076,022	2,280,436	34.9%
<b>Techcombank</b>			
Net Profit After Tax	762,620	3,153,766	-75.8%

<sup>(1)</sup> Pro-forma numbers have been computed by: (a) adding back the amortization of goodwill from the transfer of ownership in Techcombank for the financial years 2011 and 2012 and assuming Masan Group held a 30.44% economic interest in Techcombank since 1 January 2011;(b) adding back the amortization of goodwill, tangible assets and intangible assets from the acquisition of Vinacafe Bien Hoa JSC for the financial year 2012 and 2011 and (c) adding back the amortization of goodwill from the acquisition of Vietnamese French Cattle Feed Joint Stock Company for the financial year 2012.

## Commentary

### **Masan Consumer**

#### **Continued strong performance: impressive growth in instant noodles, successful implementation of up-trading strategy in fish sauce, and strengthened market position in instant coffee**

Net sales figures for 4Q2012 and full year 2012 were at VND3,654 billion and VND10,389 billion respectively, up 30.0% and 47.2%, respectively, over the corresponding periods in the previous year.

- Masan Consumer delivered outstanding growth in the instant noodles category in 2012, driven by continued strong performance of its super premium brand Omachi and sharp growth in the mass market segment via its value product Kokomi, which was launched in end 2011.
- In the fish sauce segment, growth was supported by the successful implementation of an up-trading strategy, with mid-tier consumers switching from the Nam Ngu brand to the mid-priced cross-over brand Chin Su-Nam Ngu that was launched in 2012.
- Masan Consumer strengthened its competitive position in the coffee and cereals segments with new launches in 2012. The instant coffee portfolio was strengthened with the addition of “Wake-up” brands, which received positive customer response. A new cereal brand “Kachi” was launched, which reinforced the company’s leading position in the instant cereals category.
- Gross margins remained robust on the back of strong branding, pricing power, production efficiencies and cost control, as well as realization of synergies from the successful integration of Vinacafe into the Masan Consumer platform.
- Masan Consumer continued to expand its leading pan-national distribution platform, with the number of distributors increasing from 162 in 2011 to 180 in 2012 and the coverage area expanding from 164,000 points-of-sale in 2011 to over 176,000 in 2012.

### **Masan Resources**

#### **Project accelerates for commissioning within three months**

##### Construction update

- Construction activities further progressed with another USD70 million of capital expenditure in 4Q2012; project is now under three months away from ore commissioning.
- All earthworks for the tailings dam have been completed and handed over to the operations team, paving the way for start of production.
- Commissioning of thickener circuits has commenced; this is a first step towards commissioning of the full plant.
- The final leg of work on piping, cabling, and electrical instrumentation is underway.

##### Operations update

- Two million cubic meters of material have been removed from the Nui Phao open pit mine, and first ore has been mined. This is representative of the extent of progress that the project has made since Masan acquired it in 2010.
- SAP has been implemented at Nui Phao, providing international quality information systems and reporting for the project.
- Plans are on schedule for the recruitment of operations personnel to run the plant.

## **Techcombank**

### **Q4 result affected by conservative loan loss provision; the bank remains well capitalized**

- Deposits from customers grew strongly by 25.7% in 2012, driven by Techcombank's strong franchise. Loans to customers grew 7.3% in 2012, underpinned by prudent lending policies.
- Lower interest rate and the tougher lending environment coupled with conservative provisioning, resulted in a 2012 profit before tax of VND 1,017 billion.
- Techcombank has taken significant steps to de-risk its balance sheet, improve efficiencies and control costs.
- Despite a difficult operating environment the Bank continues to maintain strong liquidity and robust Capital Adequacy:
  - Loan-to-Deposit ratio at 60.3% as of Dec 2012, compared to 70.6% in Dec 2011.
  - Capital Adequacy Ratio (CAR) at 12.6% as of Dec 2012, well in excess of the regulatory requirement of 9.0%.

## **Strategic Business Initiatives**

### **KKR extends partnership with Masan Group and doubles investment in Masan Consumer**

- On 9 January, 2013, Masan Group announced that KKR, a leading global investment firm with more than USD66 billion in assets under management, will invest USD200 million in Masan Consumer through a combination of primary and secondary shares. This is in addition to the USD159 million invested in April 2011.
- This is the largest ever private equity transaction in Vietnam. With this investment, KKR has doubled its investment in less than two years, demonstrating a strong conviction to Vietnam's consumption story, Masan Group as its partner of choice in Vietnam and Masan Consumer as a leading Vietnam consumption platform.
- The partnership with KKR will enable Masan to broaden and deepen the group's consumption platform to capture opportunities provided by the structural consumption growth and rising middle class potential of Vietnam.

### **Masan Consumer broadens beverage strategy**

- On 1 February, 2013, Masan Consumer announced that it will purchase 24.9% of bottled beverage company (the "Transaction"), Vinh Hao Mineral Joint Stock Company ("Vinh Hao").
- Established in 1930, Vinh Hao was the first domestic mineral water producer in Vietnam and is today one of the most recognized and trusted brands in the bottled beverage sector. Its portfolio comprises of mineral water, purified water, and mineral water-based soft drinks.
- On the back of the transaction, Masan Consumer plans to launch a cash tender offer process at similar commercial terms to increase its stake. The contemplated transaction and tender offer are subject to customary corporate and regulatory approvals.

### **Key management hires**

- Deepak Gulati joined Masan Consumer in January 2013 as Chief Marketing Officer. He has 17 years of regional experience across P&G, Nokia, and Philip Morris.

## 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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