

FOR IMMEDIATE RELEASE

First Quarter Strategic Initiatives Position Masan to Deliver 15 to 20% Growth in Revenues and Profits for 2017

Ho Chi Minh City, 28 April 2017 – Masan Group Corporation (**HOSE: MSN**, “Masan” and the “Company”), today reported its management accounts for the first quarter of 2017. A challenging operational environment for branded food and beverages and consumer-agri contributed to lower 1Q2017 consolidated financial results. However, Masan has executed on several strategic initiatives across its consumer staple businesses and forecasts top and bottom line growth of 15 to 20 percent for the full year, supported by a stronger 2017 second half. Management expects Techcombank and Masan Resources to continue to deliver strong financial results for the full year.

1Q2017 Key Business Highlights

- **Decision to focus on sell-out growth and challenging pig prices leads to nearly flat consolidated revenues early in the year:** Masan delivered VND8,540 billion in net sales for 1Q2017, down 2.6% compared to 1Q2016.
 - Branded food and beverage experienced an expected net sales decline of 27.7% due to management’s strategic decision to rebalance distributor inventory levels to ensure sustainable growth for 2H2017 and over the medium term. There was less consumption than previously forecasted (particularly in the rural where Masan focuses) during the Tet Lunar New Year which led to higher inventory levels at the distributor level – this has impacted the entire packaged food and beverage sector. The rebalancing efforts have been successful as sell-out growth has been stronger than management forecasted and this will result in a more efficient route to market (measured in days it takes to move product from factory to consumer offtake). In addition, growth in 2H2017 is expected to be driven by a strong innovation pipeline in convenience foods, processed meat, beer and beverages.
 - Consumer-agri delivered 3.3% net sales growth, a notable achievement given current low pig prices. In 1Q2017, the overall pig feed market volume declined by approximately 20% compared to 1Q2016 due to an oversupply of livestock. Masan’s pig feed volume declined by approximately 4%. However, in a challenging environment where many pig farmers are not aggressively breeding and implementing cost savings initiatives, Bio-zeem net sales increased in 1Q2017 by nearly 15%, a testament to Bio-zeem’s brand loyalty and the productivity benefit it brings to farmers. Management believes that pig prices will recover in the second half of 2017 as livestock demand and supply rebalances and domestic consumption demand picks up ahead of the Tet Lunar New Year. Net sales growth in 1Q2017 was mainly driven by poultry feed which was up 25.6% compared to 1Q2016.
 - Net sales at Masan Resources grew 45.9% due to increased production efficiency and higher prices for all products in comparison to the same period last, resulting in an increase of VND370 billion over the same period last year.
 - Techcombank’s initiative to focus on rebuilding a healthy, clean balance sheet is starting to yield results and positions the bank for sustainable growth. Techcombank delivered total operating income (“TOI”) growth of 15.5% compared to 1Q2016. This is quite similar

to the strategic initiative currently being implemented in Masan's branded food and beverage division to rebalance demand and supply. Masan does not consolidate Techcombank's revenue.

- While management expects a relatively flat first half overall, the Company has re-affirmed its target to deliver 15-20% growth in consolidated net sales for FY2017, as product categories across its consumer staples businesses are expected to deliver stronger second half results and Masan Resources continues to build off its 1Q2017 momentum.
- **14.1% growth in EBITDA, outperformance by Masan Resources and Techcombank:** Masan generated VND1,863 billion in consolidated EBITDA for 1Q2017, up 14.1% compared to 1Q2016 due to higher contribution from consumer-agri, mineral resources and financial services businesses. Consumer-agri platform delivered 7.7% growth in EBITDA due to higher gross margins while branded food and beverages delivered VND194 billion in EBITDA for 1Q2017. Mineral resources business and the financial services segment delivered 41.3% and 132.6% growth in EBITDA contribution, respectively.
- **Masan delivers VND392 billion in cash profits for 1Q2017:** As a result of quarter on quarter growth from all business divisions except branded food and beverages, Masan achieved VND237 billion in net profits after tax and minority interests for 1Q2017, down 6.4% compared to 1Q2016. Adding back the impact of amortization of goodwill and intangibles from the Company's M&A transactions, Masan's "cash" net profit after tax and minority interest were nearly flat at VND392 billion.
 - With the expected stronger performance across business divisions in the second half of 2017, the Company reaffirms its target of VND3,200 – 3,400 billion net profits after tax and minority interests, as approved by shareholders at the recent Annual General Meeting of Shareholders ("AGM"). Cash profits after minority interest is expected to be higher than reported net profits after tax and minority interest by approximately VND650 billion in 2017.

Strategic Highlights

- **Basic is Value:** At its AGM held on 24 April 2017, Masan reaffirmed its vision to develop into Vietnam's consumer champion by introducing its fundamental belief, "Basic is Value". Masan believes that value comes from serving the daily basic needs of 90 million Vietnamese consumers, allowing them to pay less for quality products and services – "value for money". The Company defines basic needs as daily essentials such as food and beverage, fresh food (meat) and financial products that together represents 50 percent of the consumer's daily spending (half of Vietnam's GDP). These daily products are not just overpriced and not easily accessible, they are of questionable quality as well. Today, on a per capita basis, each consumer in Vietnam spends USD2 per month on Masan's product and services. By continually making quality, innovative and affordable daily basic goods and services universally available, Masan believes it can increase Vietnamese consumers' monthly spend on Masan products and services to USD2.7 by year-end 2017 (including Techcombank's TOI).
- **KKR backs Masan's vision and operating platform to be Vietnam's future consumer champion:** Masan's consumer vision, operating platform and growth potential was validated on 21 April 2017, when KKR completed and funded its investment of USD150 million for a 7.5% stake in Masan

Nutri-Science and USD100 million secondary purchase of Masan Group ordinary shares from PENM Partners.

- The US\$150 million of primary capital will accelerate the development of Masan Nutri-Science's integrated consumer-agri platform to ultimately reach consumers with branded, safe and affordable meat products organically or via M&A.
- KKR is now the second largest foreign shareholder in Masan Group after the Government of Singapore Investment Corporation ("GIC"). This is a validation of Masan's "Basic is Value" strategy and its operating platform to deliver on its medium term growth plans.
- **Balance Sheet optimization to enhance profitability margins to better reflect its consumer business model:** During 2017, Masan plans to pay down some of its more expensive debt to reduce financial expenses and boost profitability and is on track to lower its consolidated Debt/EBITDA ratio from 4.2x at the end of 2016 to less than 3.5x by the end of 2017. Improved leverage ratios are expected to lower net financial expenses, strengthen the consolidated balance sheet, and increase financing flexibility for transformational opportunities.

Masan Consolidated 1Q FY2017 Snapshot ⁽¹⁾

VND Billion	1Q 2017	1Q 2016	Growth
Net Revenue	8,540	8,769	(2.6)%
<i>Consumer Staples</i>	7,364	7,962	(7.5)%
<i>F&B Products</i>	2,011	2,779	(27.7)%
<i>Consumer-Agri (meat value chain)</i>	5,353	5,183	3.3%
<i>Mineral Resources and Value-Add Processing</i>	1,176	806	45.9%
EBITDA⁽²⁾	1,863	1,632	14.1%
<i>Consumer Staples</i>	921	1,092	(15.7)%
<i>F&B Products</i>	194	417	(53.5)%
<i>Consumer-Agri (meat value chain)</i>	727	674	7.7%
<i>Mineral Resources and Value-Add Processing</i>	634	449	41.3%
<i>Financial Services</i>	325	140	132.6%
NPAT Post Minority Interest	237	253	(6.4)%
Cash NPAT Post Minority Interest⁽³⁾	392	395	(0.7)%

⁽¹⁾ Financial numbers are based on management figures and in accordance to Vietnamese Accounting Standards

⁽²⁾ EBITDA is MSN's consolidated net profit after tax, with net financial expense, tax, depreciation and amortization added back. MSN's consolidated EBITDA is lower than the total contributions from its business segments due to holding company level expenses

⁽³⁾ Cash NPAT (or pro forma NPAT), 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 1Q 2017, amortization expenses alone amounted to VND155 billion. Management believes that these figures reflect Masan's true earnings performance and cash generating potential.

Commentary on Business Segments

Consumer Staples - Consumer-Agri

Masan Nutri-Science delivers 3.3% revenue growth and 18% growth in profits, in spite of temporary decline in pig feed market due to low livestock prices

- The success of **Masan Nutri-Science's (MNS) consumer-centric approach** and innovations to enhance productivity: Today Masan is a market leader in the USD18 billion animal protein space by creating the first power brand "Bio-zeem" and laying the foundation to accelerate its integrated "3F" (feed-farm-food) model. The "3F" model is a must to make meat affordable and meet the **growing demands of 90 million Vietnamese consumers for hygienic and safe meat** products. KKR's primary injection of USD150 million primary capital into this business will support the growth of feed business and build out an integrated meat platform.
- MNS' delivered more than 3% growth in revenues for 1Q2017, compared to 1Q2016 in spite of overall decline of the pig feed market, due to nearly 25% drop in pig livestock prices during the last 6 months. MNS gained market share in 1Q2017 due to brand loyalty, focus on delivering full suite solutions to farmers, and innovation to enhance farmers' productivity.
 - Following the successful launch of our first Bio-zeem branded product in 2015 that enhances the feed conversion ratio (allowing farmers to deliver to market their pigs 12 days earlier), MNS has launched antibiotic-free Bio-zeem which delivers the same productivity output while combating antibiotic resistance to improve Vietnam food safety practices. In April 2017, MNS launched Bio-zeem Mama, a feed product for sows designed to increase litter size by 2 piglets per year (current average in Vietnam is 17-19 piglets per sow per year). MNS is well positioned to increase its farmer base and benefit from the expected recovery of pig prices in the second half of the year with the launch of Bio-zeem Mama.
 - MNS management team will also support farmers through this cyclical down-turn to improve genetics of their pig farms, positioning itself to further benefit as pig prices recover.
- MNS' medium-term execution strategy to become a consumer meat platform is based on an integrated 3F (Feed-Farm-Food) model which will drive productivity in the meat value chain. Masan's 3F approach has progressed significantly in 2016 with the VISSAN strategic partnership and the October 2016 groundbreaking of Masan's pig farm in Nghe An Province, which will position the Company to win the meat market in northern Vietnam. Masan expects to start selling branded, safe, traceable and affordable meat products by the first half of 2018.

VND Billion ⁽¹⁾	1Q 2017	1Q 2016	Growth
Net Revenue	5,353	5,183	3.3%
Gross Margin	23.9%	20.3%	3.6%
EBITDA	727	674	7.7%
Net Profit After Tax ⁽²⁾	304	257	18.0%

⁽¹⁾ Financial numbers are based on management figures

⁽²⁾ After minority interest

- **1Q2017 Key financial highlights:** MNS achieved net sales of VND5,353 billion in 1Q2017, up 3.3% compared to 1Q2016, despite a weak animal feed market directly impacted by temporary low pig prices.
 - **Power brands:** MNS' strong portfolio of brands delivered 2.6% sales volume growth, to 554 thousand tons in 1Q2017, compared to 1Q2016, supported by full range of animal feed products and the success of "Bio-zeem" brand. Bio-zeem accounted for 39% of MNS revenues in 1Q2017, compared to just 35% in 1Q2016.
 - **Focus on pig feed (largest market) and growing poultry feed:** Pig feed continued to be the main focus area of growth for MNS, with the category accounting for 59% of total volume sold in 1Q2017. However, MNS' efforts to grow its non-pig feed business has also yielded results. Sales of poultry feed reached VND1,347 billion, an increase of over 25% compared to 1Q16.
- **Margin expansion:** Success of higher-value "Bio-zeem" products and operational efficiencies from further integration improvement in margins.
 - **Gross margin up 360 bps:** Higher contribution from Bio-zeem and efficiencies from procurement, logistics and conversion costs, helped in improving MNS' gross margins to 23.9% in 1Q2017 compared to 20.3% in 1Q2016.
 - **EBITDA margin up 60 bps:** 1Q2017 EBITDA was up 7.7% to VND727 billion compared to 1Q2016, due to gross margin enhancement and greater operational efficiencies. EBITDA margin for 1Q2017 was 13.6% compared to 13.0% in 1Q2016.
 - **Net margin up 70 bps:** MNS generated profit after tax and minority interest of VND304 billion up 18.0% compared to 1Q2016, with profit margin of 5.7%.

Consumer Staples – Food and Beverages

Initiative to rebalance distributor inventory level to better match demand and supply resulted in lower sales in 1Q2017 but is expected to support more sustainable growth going forward; 2017 growth target is on track

- **Strategic highlights:** 2016 marked the beginning of MCH's transformation from a Vietnamese food company into a regional food AND beverages company. Beverages was MCH's biggest growth driver in 2016, and is also expected to be the fastest growing segment again in 2017, enabling MCH to better achieve its target of becoming a 50/50 food and beverages company by 2020. With the launch of "Chin-su Yod Thong" fish sauce at the end of 2016, Masan has taken the first small step to become a regional player and serve the 250 million consumers of In-land ASEAN. Masan expects its Thailand business to deliver USD8 to 10 million in sales for 2017.

Category Revenues (VND Billion)	1Q2017	1Q2016	Growth	2017 Expected Growth
Seasonings	764	891	(14)%	~3%
Convenience Foods ⁽¹⁾	630	897	(30)%	~5%
Beverages and Others ⁽²⁾	617	991	(38)%	~10%
Branded Food and Beverages	2,011	2,779	(28)%	5-10%

⁽¹⁾ Includes instant noodles, instant congee, and processed meat

⁽²⁾ Includes bottled beverages, beer, soluble coffee, nutrition cereals, and exports

- **Revenue highlights:** Masan's food and beverages portfolio revenues declined by 27.7% in 1Q2017 to reach VND2,011 billion due to the planned effort to promote sell-out growth and rebalance distributor inventory levels to better match supply and demand. This initiative is expected to be completed in the first half of 2017 and lead to healthier SG&A spend. While the initiative will impact first half results, Masan will be better positioned to deliver stronger second half results and ensure sustainable growth in the medium and long term.
- Revenues for MCH are expected to be up 5 to 10% for the full year 2017, supported by growth in the foods category and double digit growth in beverages category.

- **Seasonings:** Seasonings category revenues are expected to be up by single digits for 2017. Category growth will be underpinned by the launch of a super-premium variant under the Nam Ngu brand and continued growth of its premium offering, Chin-su. Urban and affluent consumers are demanding more value-added benefits and a greater variety as their wallet grows.

Masan expects to maintain its leadership position in mainstream and economy segments as rural consumption picks up in 2H2017. In addition, the pilot launch of Chin-su Yod Thong at the end of 2016 will be expanded to serve Thai consumers nationwide in 2017 (previously only available in 10 provinces) and deliver an additional USD8-10 million in net sales for the overall seasonings category.

- **Beverages and others** category revenues were down in 1Q2017 at VND617 billion due to the aforementioned rebalancing of distributor inventory levels (mainly beer and instant coffee) and scaling back the Company's efforts to sell beer nationwide in order to refocus on the Mekong Delta and South, which are our strongholds. Masan is developing a new beer concept by the end of 1H2017 to not only protect share but to grow further.

Masan saw stronger performance from its non-alcoholic bottled beverages business (Wake-Up 247, Vinh Hao, Faith and Quang Hanh brands), which grew by 50.3% in 1Q2017 and is expected to grow 33.0% in 2017.

Within instant coffee, Masan will refocus on its two core power brands, Vinacafe and Wake-Up, to deliver stronger growth in the second half. Altogether, beverages revenues are expected to be up approximately 10% in FY2017.

- **Convenience foods (excluding processed meat):** Category revenues are expected to be up 5-6% for FY2017 by offering nutrition instead of just pure instant noodles. With the launch of Omachi Special with 100% meat in April, Masan is executing on its nutritional strategy to transform the instant noodles market into meal solutions. Efforts are also underway to leverage Omachi's nutrition innovation to re-launch Kokomi in 2017 to regain share in the economy and mainstream segment.
- **Processed meat:** Processed meat category is expected to be the next significant growth driver for the branded food and beverages business by providing clean, delicious and affordable meat-based products like Woa! Ngon. Application of global technology, focus on local taste preferences, supported by a unique distribution model and synergy with Masan Nutri-Science are expected to deliver USD7 to 10 million in net sales in FY2017, approximately 3 to 5 times 2016 net sales.

- **Profitability highlights:** MCH achieved gross margins of 40.5% during 1Q2017 higher by 140 basis points compared to 1Q2016, with EBITDA margins of ~10% due to higher SG&A expenses related

to supporting the sell-out initiative which is expected to lower SG&A expenses in the future. Masan Consumer delivered net profits post minority interest of VND120 billion during the same period. For FY17, Masan Consumer is expected to deliver NPAT growth in the region of -5% to 5%, as the company expects to pay out nearly VND2,340 billion in dividends, lowering its financial income.

Mineral Resources and Value-Add Processing

Efficiency and innovation leading to 300% growth in attributable net profits despite continued low prices

VND Billion ⁽¹⁾	1Q2017	1Q2016	Growth
Net Revenue	1,176	806	46%
EBITDA	634	449	41%
Net Profit after Tax ⁽²⁾	44	11	300%

⁽¹⁾ Financial numbers are based on management figures

⁽²⁾ Net profit is after minority interest

- **Net revenue up 46%:** Masan Resources delivered 46% growth in net revenues to VND1,176 billion in 1Q2017, driven by increased efficiency and higher prices for all products in comparison to the same period last year. All products remained fully sold and oversubscribed. The realized prices for tungsten and fluorspar continue to grow as customer need for reliability and quality of product are increasingly becoming a major priority. New potential sales arrangements remain under evaluation with discussions being focused on arrangements that are long-term and strategic in nature.
- **EBITDA increased by 41%:** On account of cost control initiatives implemented last year, there has been a marked improvement in the Company's operating cash cost. Compared with the average EBITDA margin over 2016, EBITDA margins in 1Q2017 increased by 3%. The business continues to drive down costs in 2017 with firm commitment to the belief that operating in the lower cost quartile for cash costs is a core competitive advantage that differentiates Masan Resources from its competitors.
- **Attributable net profit jumps 300%:** MSR delivered VND44 billion in attributable net profits for 1Q2017, up 300% compared to 1Q2016. Ability to reduce cash costs while increasing overall productivity has allowed MSR to better manage cash flow. This coupled with a strong and stable US dollar denominated cash flow stream resulted in reduced financing cost. Initiatives have also been implemented to aggressively prepay debt ahead of schedule leading to reduced financial expenses and an improvement in credit profile.

Summary Production Data	1Q2017	1Q2016	Growth
Material processed (kt)	962	813	18%
Tungsten concentrate (t)	1,869	1,407	33%
Tungsten equivalent units (t) ⁽¹⁾	3,934	2,984	32%

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

- **Not just a mining company:** As one of the most efficient and lowest cost tungsten chemical processing company in the world, Masan Resources (MSR) is well positioned to go further downstream within the tungsten value chain. Tungsten is a key strategic mineral where Masan can be a global influencer and create Vietnam's first global power brand by moving up the value-

add curve, acquiring downstream technology and creating unique end-consumer products that cannot be easily replicated. The exit of Mount Kellett at the end of 2016 provides greater flexibility to develop strategic partnerships for capital, technology and security of future supply.

Financial Services

1Q2017 profit before tax rises 127% compared to 1Q2016; 20% ROE expected in 2017

- Clean up of Techcombank (TCB) and our “Consumer Tech Bank” strategy has helped in rebuilding a healthy balance sheet and **market beating profitability growth** over the last 2 years.
- TCB contributed nearly VND325 billion to Masan’s profits during 1Q2017, underpinned by its retail centric strategy, focus on fee income growth, and stronger CASA funding base.
 - 1Q2017 profit before tax was VND1,325 billion, up 127% compared to 1Q2016, due to higher net interest income and trading results, offset by VND1,270 billion in provision expenses. TCB is on track to fully provision VAMC and other legacy non-performing loans during 2017 with the aim of becoming one of Vietnam first bank to comply with Basel II.
 - The bank’s NPL stood at 1.89% as of 31 March 2017, while capital adequacy ratio was at 12.4%, significantly higher than the 9.0% stipulated by the State Bank of Vietnam.
 - For FY2017, TCB targets a 25% growth in net profits, based on approximately 20% growth in credit and deposits for the full year.
 - Top objectives for 2017, in addition to building a retail franchise would focus on growing the SME business and developing electronic banking transaction platform to reduce dependence on cash.

MASAN GROUP CORPORATION

Masan Group Corporation (“Masan” and the “Company”) believes in doing well by doing good. The Company’s mission is to provide better products and services to the 90 million people of Vietnam, so that they can pay half as much for their daily basic needs. Masan aims to achieve this by driving productivity with technological innovations, trusted brands, and focusing on fewer but bigger opportunities that impact the most lives.

Masan Group’s member companies and associates are industry leaders in branded food and beverages, consumer agriculture (meat), value-add chemical processing, and financial services, altogether representing segments of Vietnam’s economy that are experiencing the most transformational growth.

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