



**MASAN CONSUMER CORPORATION**  
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## **REPORT OF CHIEF EXECUTIVE OFFICER ON 2016 RESULTS AND 2017 BUSINESS PLAN**

### **I. 2016 BUSINESS SUMMARY**

1. In 2016, our company, Masan Consumer Corporation (the “Company”) grew net revenue to VND13,790 billion, an increase of 4.4%, supported by over 25% growth in the beverage category and 2.5% in the seasonings category. This growth was offset by lower net revenue in our convenience foods business. Net profit after tax and minorities declined by 5.1% to VND2,679 billion from VND2,822 billion, primarily driven by lower net financial income as a result of the Company’s robust cash dividend policy.
2. We have been generating strong cash flows over the past three years, enabling us to pay a cash dividend in excess of VND11,000 billion, and we are seeking shareholder approval to payout an additional VND2,341 billion in 2017. Since developing market leading positions in key food categories like seasonings and convenience foods, the Company has gone on to build a complimentary beverage business. Bottled beverages is now Masan’s fastest growing category, with 69% growth in non-alcoholic bottled beverages. During October 2016, Masan launched its first seasonings brand in Thailand, Chin-su Yod Thong, to go broader regionally, and serve the 250 million consumers of Inland ASEAN.
3. The Company has also commissioned its new US\$3 million Research and Development facility at MSI. As one of the largest and most advanced R&D facility for food and beverage, the Company is well positioned to continue developing innovative products for consumers with a focus on the 3 A’s: Availability, Affordability and Assurance of Quality.

### **II. 2017 TARGETS**

The Company has set the targets for growth in revenue and profit for 2017 as follows:

	<b>Targets</b>
Net revenue (VND billion)	<b>14,500 – 15,300</b>
Net profit after tax and minorities (VND billion)	<b>2,550 – 2,810</b>

### **III. 2017 BUSINESS STRATEGY AND PLAN**

1. Focus on sell-out growth. Our measurement of success should be based on our market share performance and how much our end consumers are buying, not just our financial topline.
2. Develop a healthier and more sustainable route-to-market model for our consumers and customers. By rebalancing our distributors’ inventory to better match demand with supply, we can optimize SG&A and increase operational efficiency.
3. Strategically transform to rely less on a push business model and more on a pull business model through investments to build Power Brands.
4. Do more with less, also know internally as “Fit to Growth”: in a market where input costs are increasing, we must deliver superior execution to lower our operating costs so that Masan Consumer can invest in brands and innovation. This will require all teams across functions to step up.

5. Focus on our existing categories: while we will always explore new categories to better serve consumers, Masan Consumer's priority shall be in existing categories where there are still many opportunities for growth and challenges that require attention. We shall be focused on growing and protecting our fish sauce "citadel", regaining share in convenience foods by growing the Omachi and Kokomi brands, achieving 51% market share in instant coffee, accelerating growth in bottled beverages, and building out our processed meat business.

*Dated April 10, 2017*

**Chief Executive Officer**

*(signed and sealed)*

**Seokhee Won**