



**MASAN CONSUMER CORPORATION**

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**ENGLISH TRANSLATION**

**REPORT OF THE BOARD OF DIRECTORS  
AT 2014 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

The Board of Directors (the “Board”) would like to report on the Board’s activities in 2013 as follows:

With our commitment to improving the Vietnamese people's spiritual and material lives each and every day, Masan Consumer Corporation (“Masan Consumer” or the “Company”) has grown to become one of Vietnam’s leading food and beverage companies. Today, Masan Consumer has a portfolio of some of the country’s most recognizable and preferred consumer brands.

2013 was a year of investment for Masan Consumer. We invested in product development, brand-building and hiring managerial talent. By redefining our key categories into seasonings, convenience foods and beverages, we have effectively quadrupled the addressable market for our consumer products from US\$1.1 billion to US\$4.5 billion. We successfully executed an M&A transaction in the beverages segment with the acquisition of Vinh Hao Mineral Water Corporation, and invested in people, infrastructure and distribution to build our beverage platform.

Operationally, Masan Consumer continued to grow its distribution network, expand production facilities and launch new brands across different categories. Following the successful integration of Vinacafe Bien Hoa, Vietnam’s leading instant coffee maker, we have almost tripled its processing capacity with the successful commissioning of a new facility at Long Thanh, reducing dependence on imports. Following the acquisition of Vinh Hao, an iconic beverages company, in the first half of 2013, the business has been successfully integrated into our platform. Successful consumer product launches included Sagami, a mid-market instant noodles brand to complement offerings in the premium and value segments; B’fast, a complete breakfast meal with real chicken and mushroom; Komi, a rice congee; and Phinn, a 2-in-1 instant coffee brand.

Our commitment to being an employer of choice for talent with the right mix of international experience and local execution capabilities was underscored by the hire of Seokhee Won, who will be joining as CEO of Masan Consumer. He brings with him 22 years of leadership experience at Unilever in building, scaling up and managing consumer businesses across emerging and frontier markets. Le Trung Thanh has also joined as Managing Director for the beverage platform. He has held executive positions at many famous consumer companies in Vietnam, including a successful period at Pepsi.

In January, KKR followed up their US\$159 million investment in our consumer business, which closed in April 2011, with a further investment of US\$200 million, marking the largest private equity deal ever in Vietnam. The transaction validates our strategy of continued investments to strengthen our platform, especially as we redefine our categories and go deeper in beverages.

Financially, Masan Consumer delivered record revenues in 2013. The financial results for the first half of 2013 reflected the investment phase of the Company, with revenues growing only 5.1%. These investments in product development and brand-building began to pay off in the second half of 2013 as successful product launches in instant noodles, complete breakfast meals and coffee segments resulted in a 21.0% growth in revenues in the second half. For the full year 2013, our net sales grew from VND10,389 billion in 2012 to VND11,943 billion in 2013, representing a 14.9% increase. Driven by economies of scale and enhanced productivity, gross profit grew by 18.7% from VND4,210 billion in 2012 to VND4,999 billion in 2013, with gross margin improving from 40.5% in 2012 to 41.9% in 2013. As a result, Masan Consumer's net profit grew by 14.7% to VND3,270 billion in 2013.

From the momentum we have witnessed in our second half of 2013, we believe that 2014 will be a record year for us. We expect net sales to grow reaching within the range of VND16,000 billion to VND17,000 billion, supported by strong growth across all categories and especially in convenience foods and beverages.

On behalf on the Company, we would like to express our gratitude to our valued customers, employees, partners and other stakeholders for their tremendous support over the past year. During a period of investing and building, our people and partners stepped up to support our efforts in countless ways. Together, we truly are improving the Vietnamese people's spiritual and material lives each and every day.

Yours sincerely,

*Ho Chi Minh City, April 8, 2014.*

**ON BEHALF OF THE BOARD**

**CHAIRMAN**

*(signed and sealed)*

**NGUYEN DANG QUANG**