



1H 2014
Unaudited Earnings
Presentation



Agenda



Results Highlights

Store Network

Consolidated Results

Business Segments

Working Capital

Capital Expenditure

Recent Developments

1H 2014 Unaudited Results Highlights



1H 2014 Store Network

Metro Manila

Business units	No. of stores
Supermarkets	30
Department stores	11
DIY stores	45
Convenience stores	264
Drug stores	57
Specialty stores	119
Total	526

Luzon¹

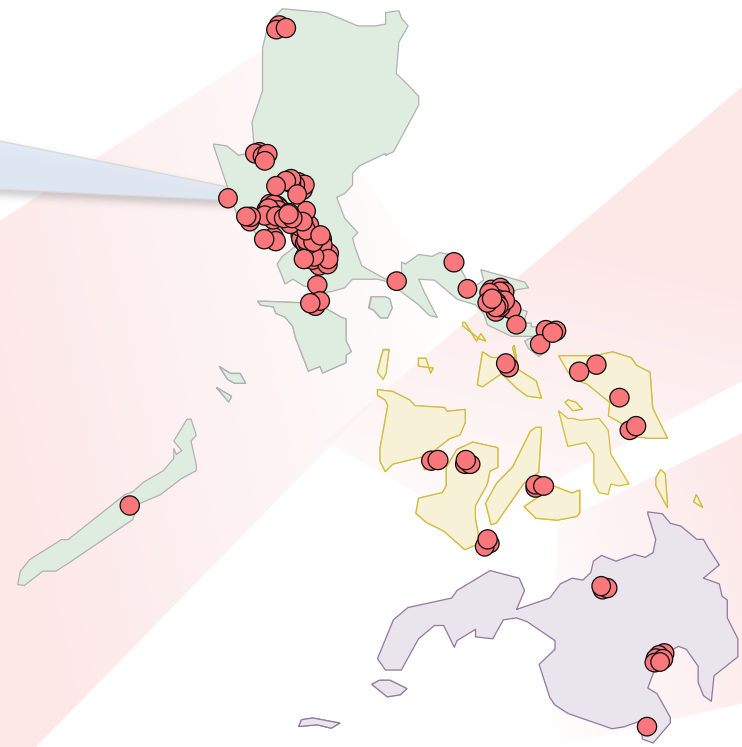
Business units	No. of stores
Supermarkets	46
Department stores	18
DIY stores	56
Convenience stores	138
Drug stores	197
Specialty stores	53
Total	508

Visayas

Business units	No. of stores
Supermarkets	13
Department stores	6
DIY stores	17
Convenience stores	12
Drug stores	17
Specialty stores	24
Total	89

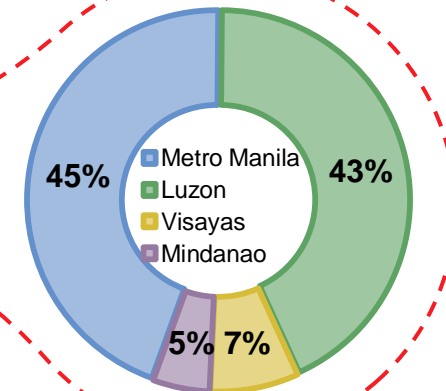
Mindanao

Business units	No. of stores
Supermarkets	10
Department stores	5
DIY stores	13
Drug stores	8
Specialty stores	21
Total	57



1,180 stores

Nationwide
as of June 2014

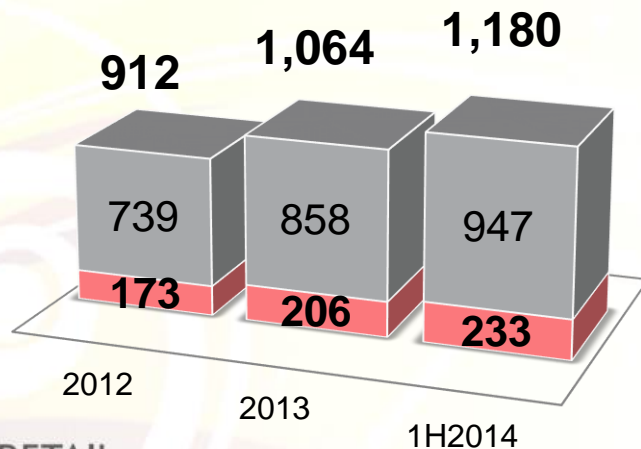


1H 2014 Store Network

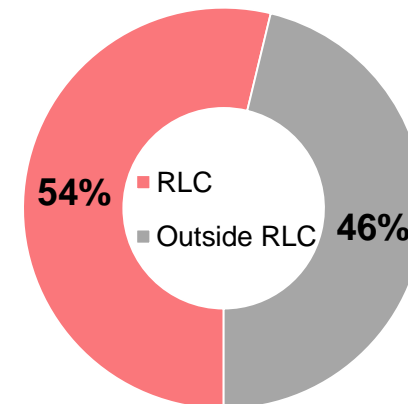
	2012	2013	<i>Inc.</i>	1H2013	1H2014	<i>Inc.</i>
Supermarkets	74	91	17	75	99	24
Department Stores	36	38	2	36	40	4
DIY Stores	111	126	15	114	131	17
Convenience Stores	336	386	50	345	414	69
Drug Stores*	218	239	21	223	279	56
Specialty Stores	137	184	47	147	217	70
Total	912	1,064	152	940	1,180	240

Number of Stores

■ RLC ■ Outside RLC

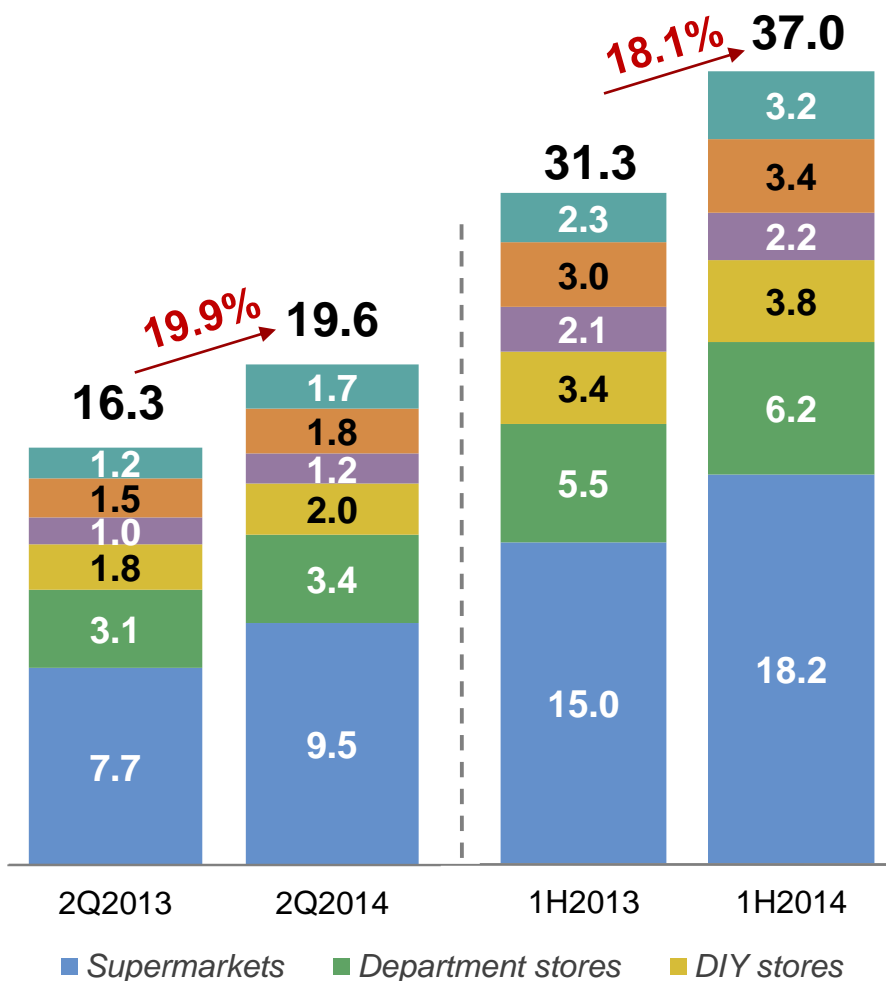


Gross Floor Area

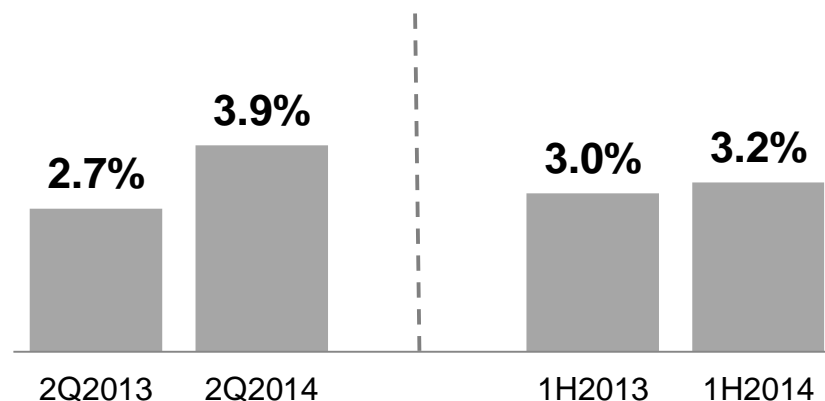


Consolidated Results

Net Sales¹ (PHP bn)



SSSG (%)



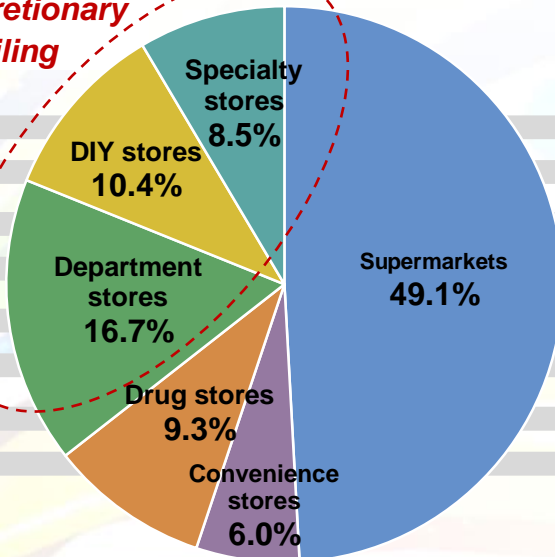
- **18.1% yoy growth in net sales** coming from:
 - 13.6% from **240 new stores** added for the period and;
 - 3.2% from SSSG and;
 - 1.3% from recent acquisitions

1H 2014 Contribution Per Segment

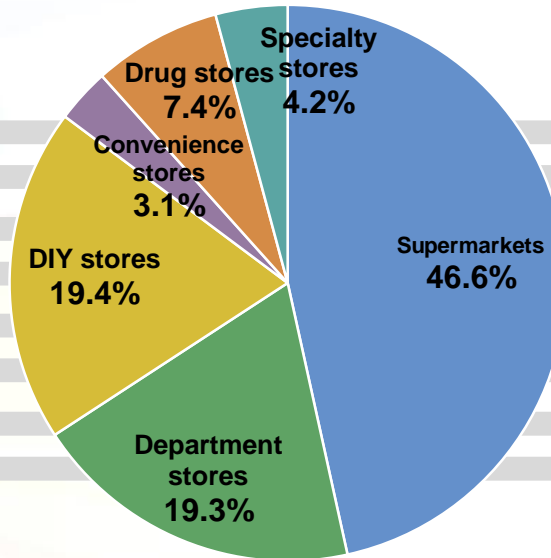


Net Sales Breakdown

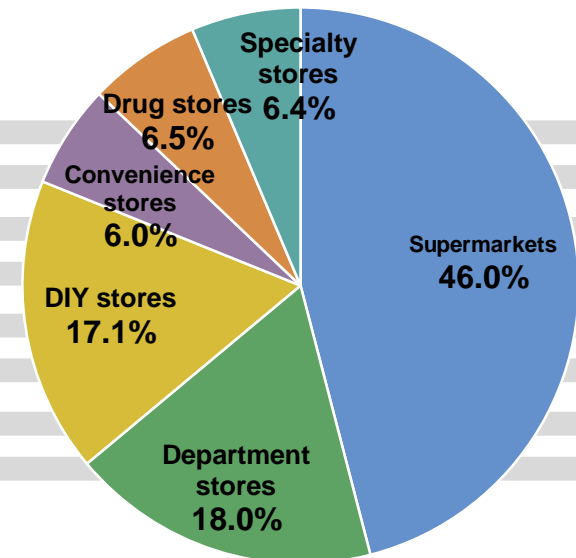
Discretionary Retailing
36%



EBIT Breakdown



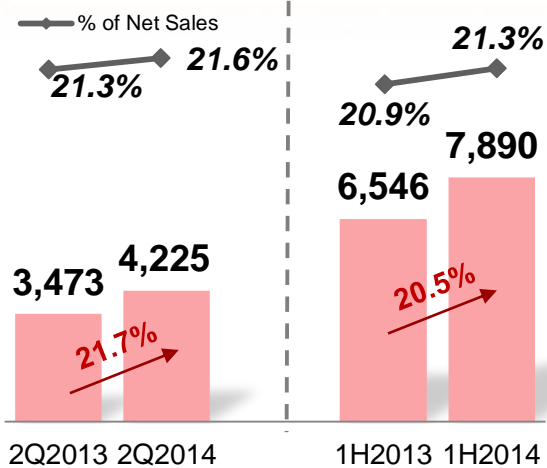
EBITDA Breakdown



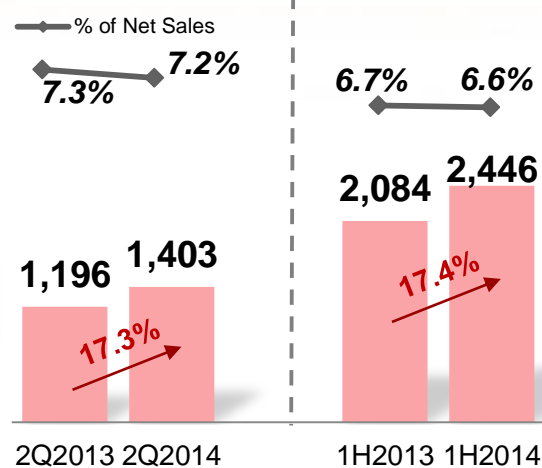
Consolidated Results



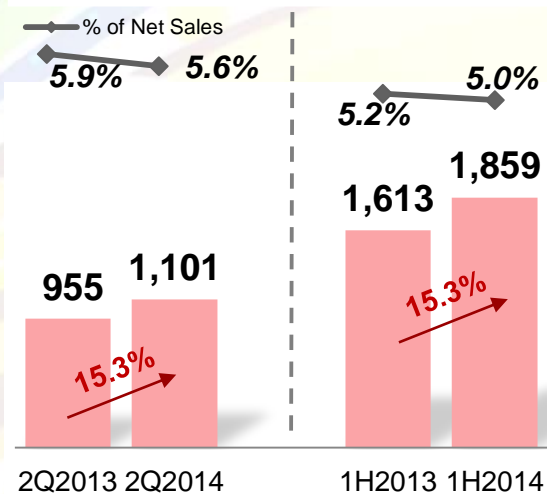
Gross profit¹ (PHP mm)



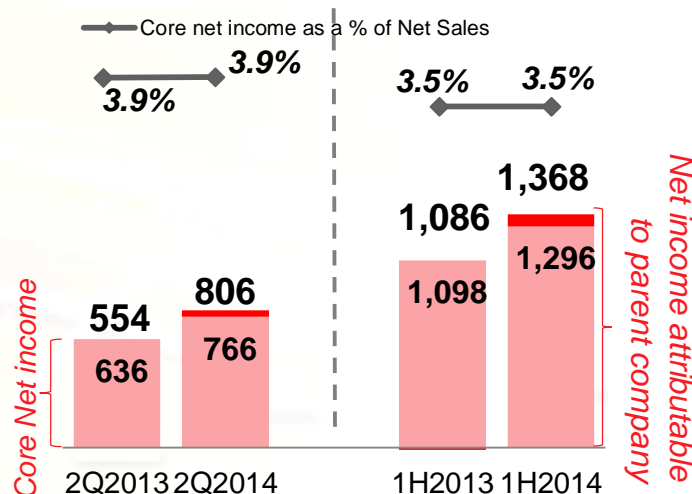
EBITDA² (PHP mm)



EBIT (PHP mm)



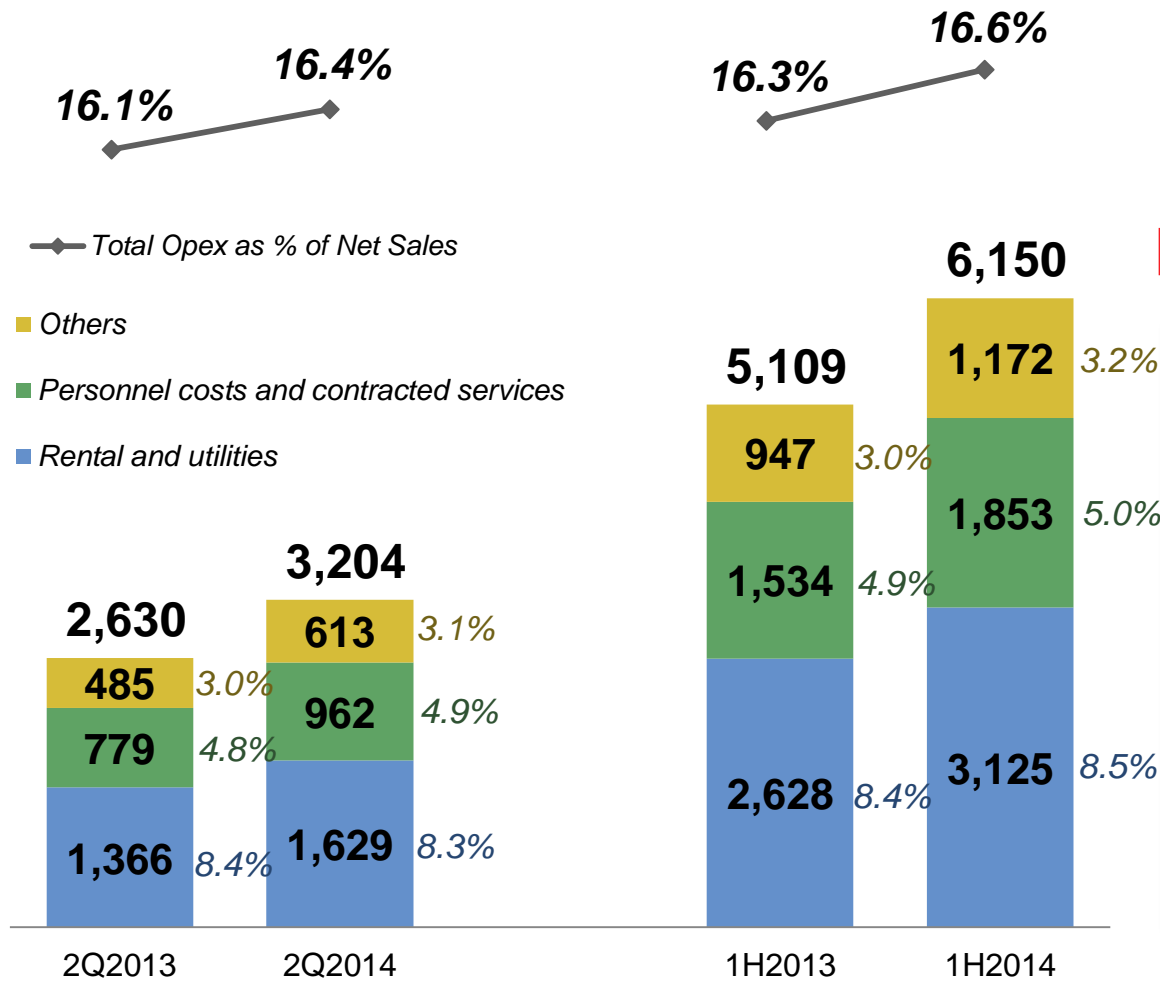
Net Income (PHP mm)



- Growing scale pushed GP margin higher
- Sustained gross margin improvements largely driven by suppliers' support
- EBITDA margin slightly declined in 1H2014 vs 1H2013

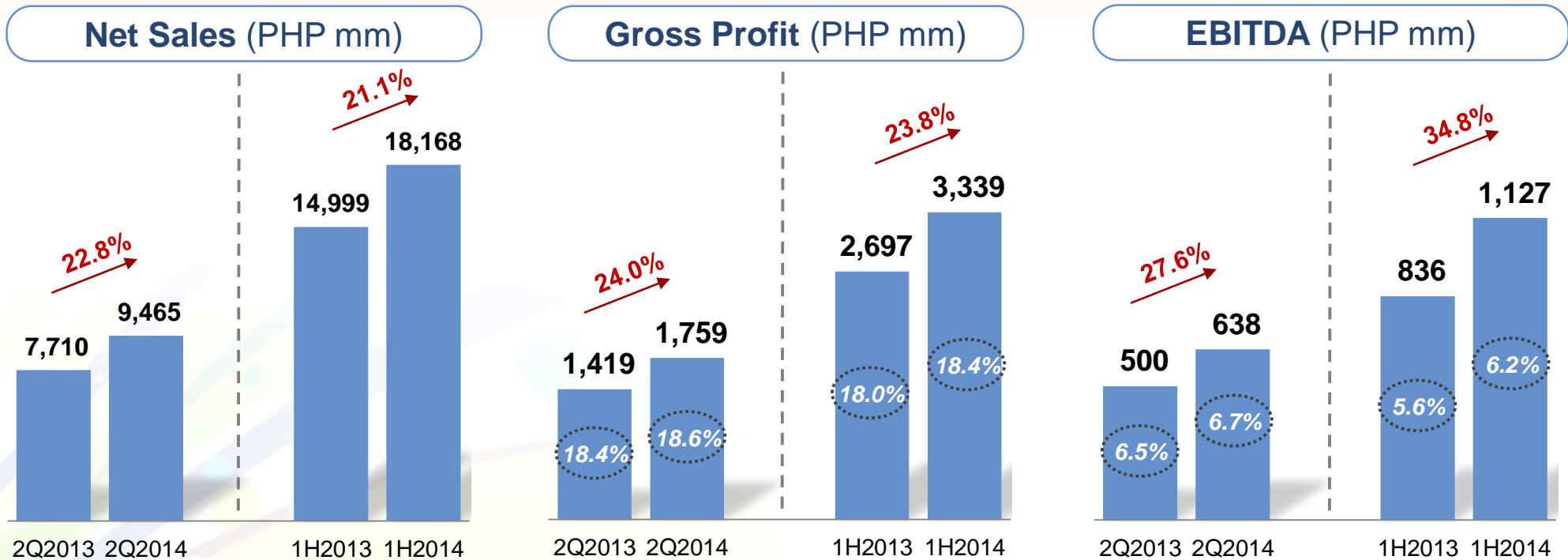
Operating Expenses

Adjusted operating expenses¹ (PHP mm, % of Net Sales)



■ Increase in OPEX as % of net sales due to high transportation expense as a result of truck ban and Manila port congestion

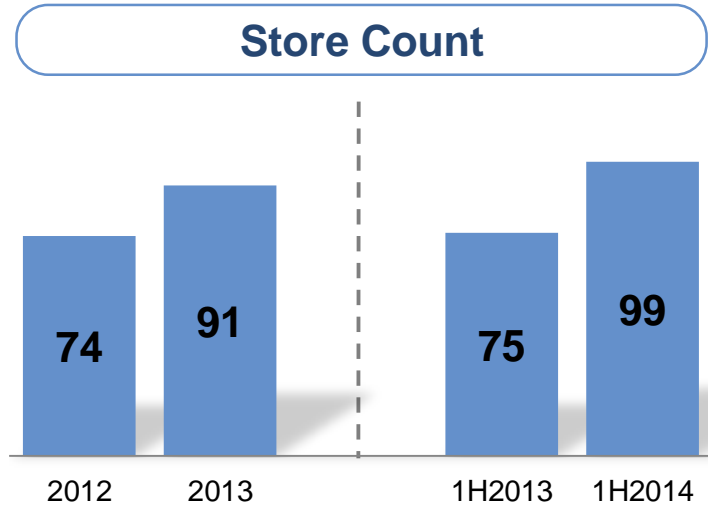
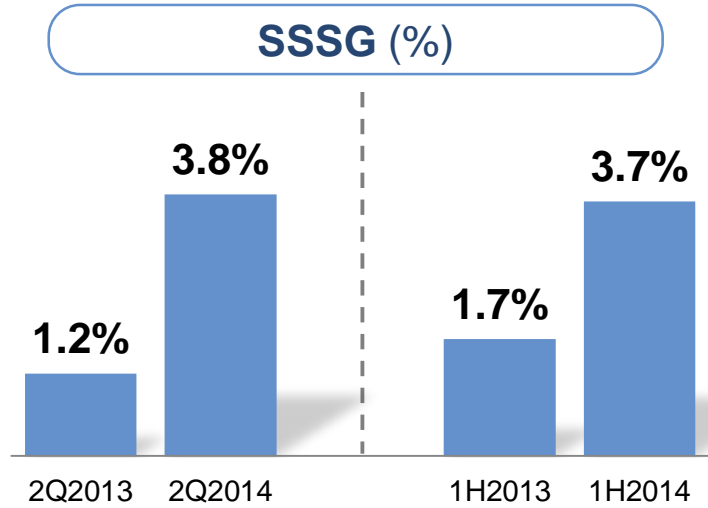
Supermarket Business Segment



- Increase in sales in 1H 2014 largely driven by **new store openings** (15.1%), **robust SSSG** (3.7%), and **sales contribution** from EZ Supermarket & Jaynith's (2.3%)
- Gains in GP trickled down to EBITDA on **pro-active cost management**

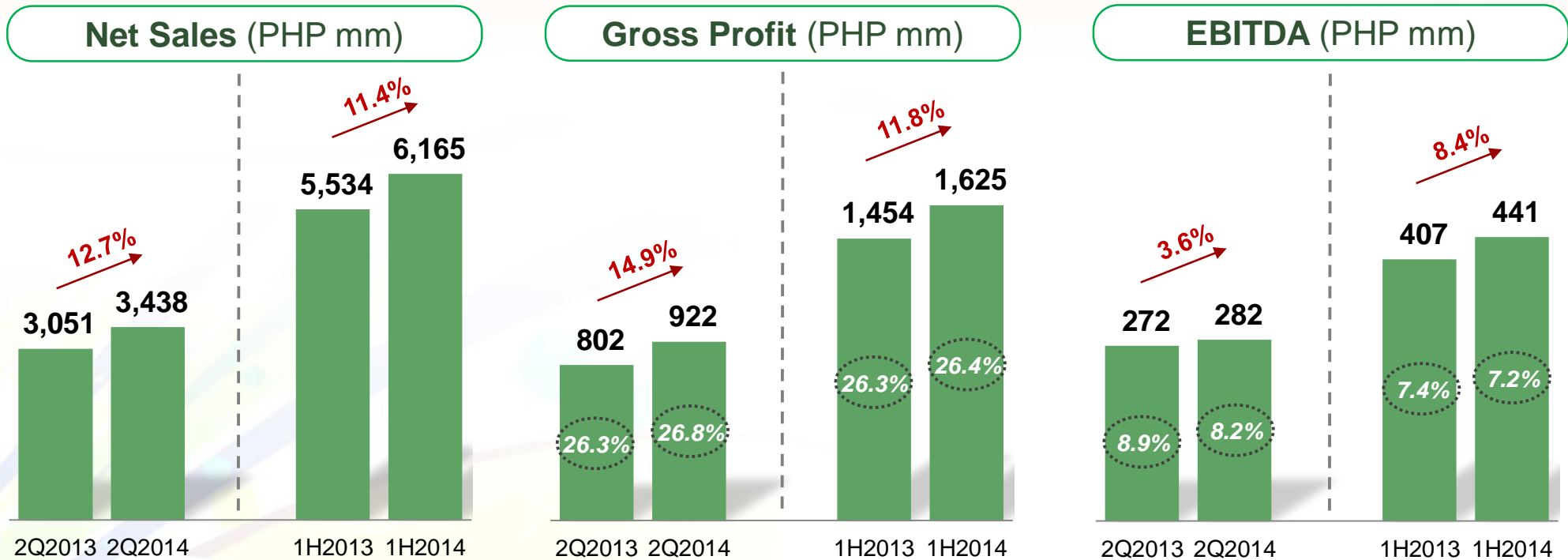


Supermarket Business Segment



■ **Strong SSSG** due to **robust sales performance** of stores that were opened in 2012

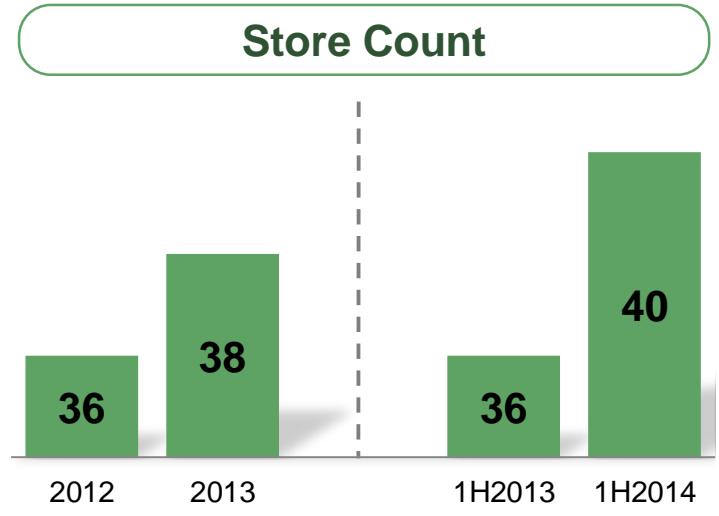
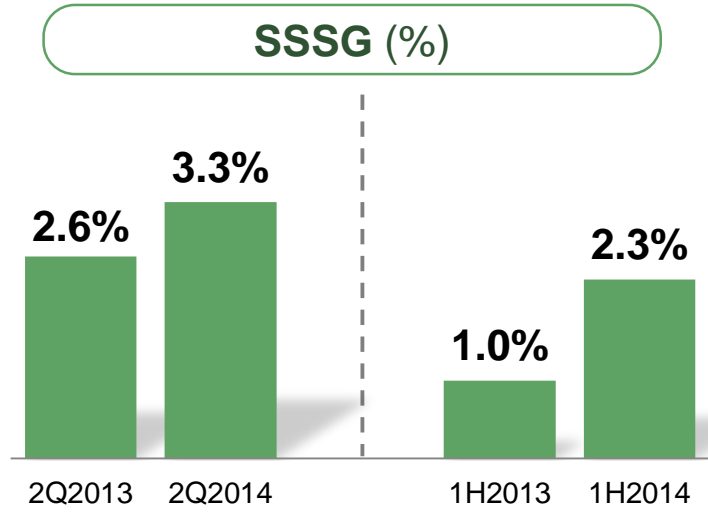
Department Store Business Segment



- Increase in sales in 1H 2014 driven by **new store sales contribution** (9.1%), and **resilient SSSG** (2.3%)
- GP margin improved by **50bps** in 2Q 2014

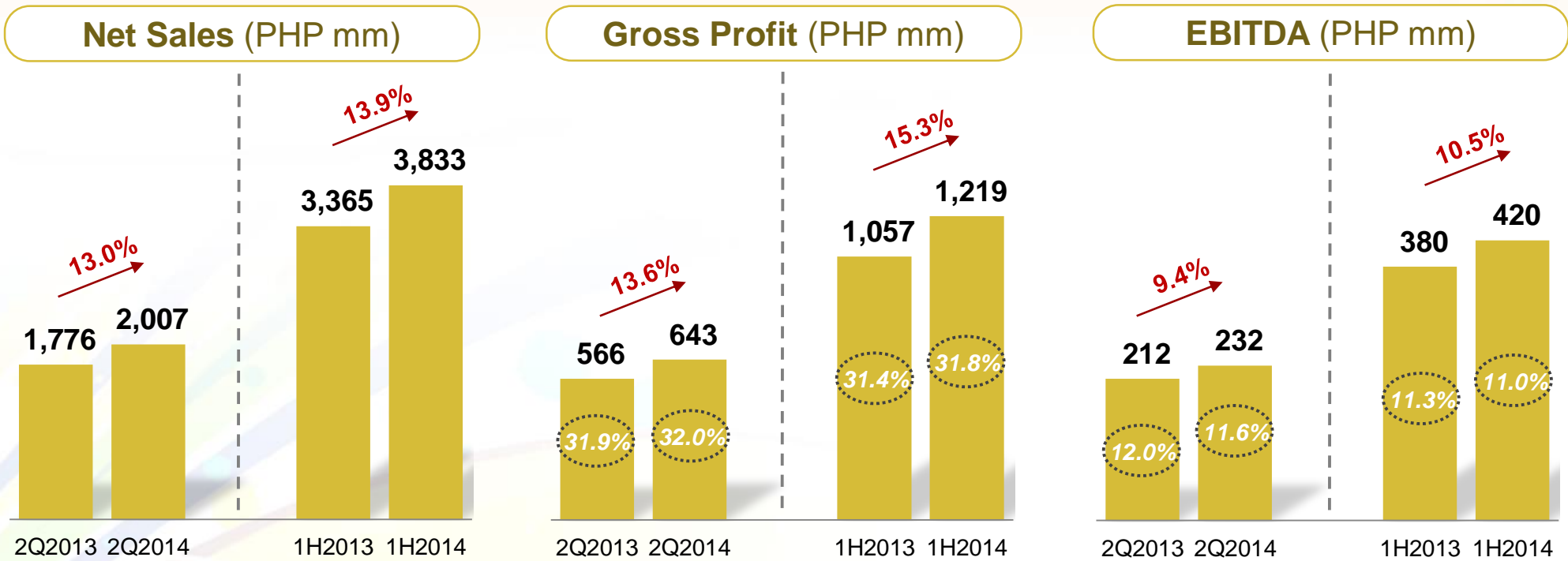


Department Store Business Segment



■ SSSG recovered on better product assortment

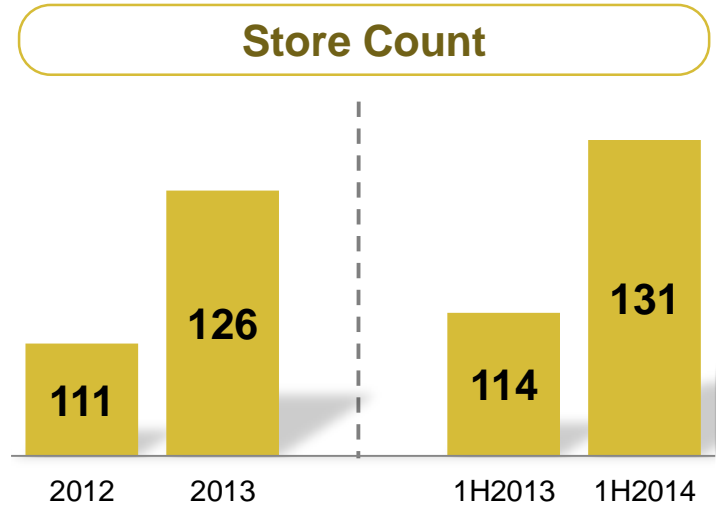
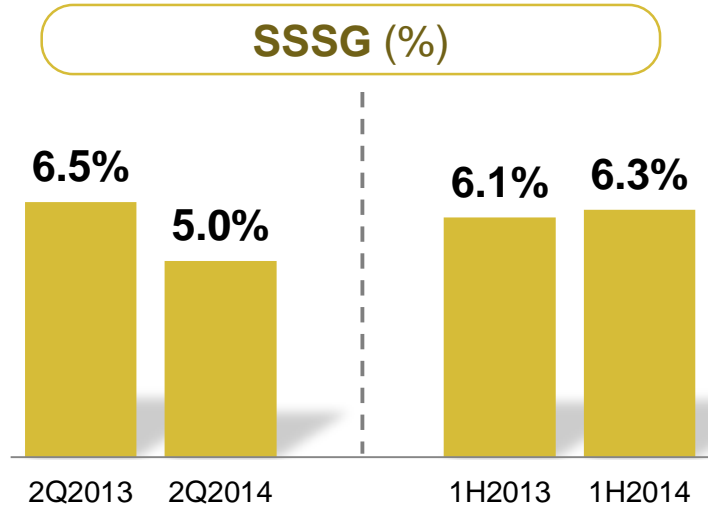
DIY Store Business Segment



- Growth in net sales driven by **new store sales contribution** (7.6%) and **robust SSSG** (6.3%)
- EBITDA affected by **exceptionally high freight costs**



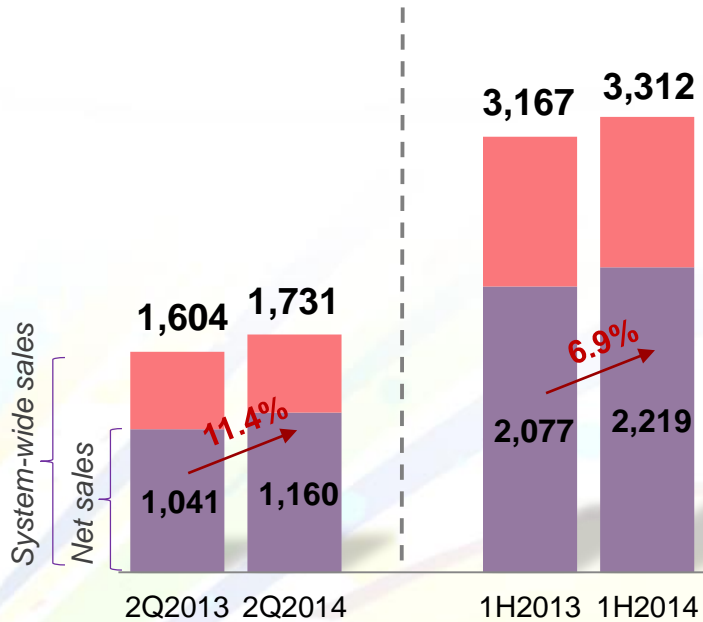
DIY Store Business Segment



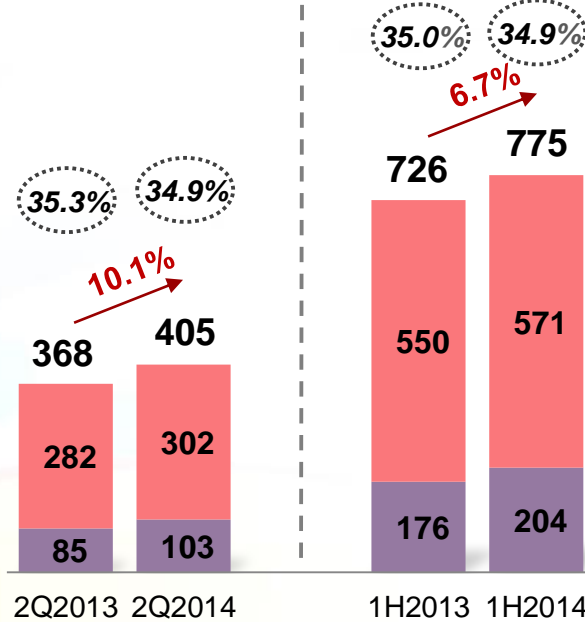
■ SSSG benefited from **sustained residential construction boom**, and **improvement in merchandise mix**

Convenience Store Business Segment

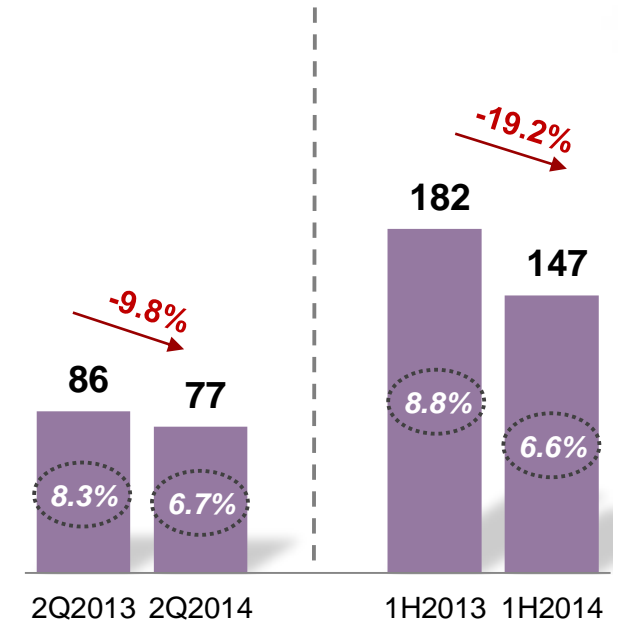
System-wide Sales & Net Sales
(PHP mm)



Gross Profit & Royalty Income
(PHP mm)



EBITDA (PHP mm)



○ = GP + Royalty Income % of segment's net sales

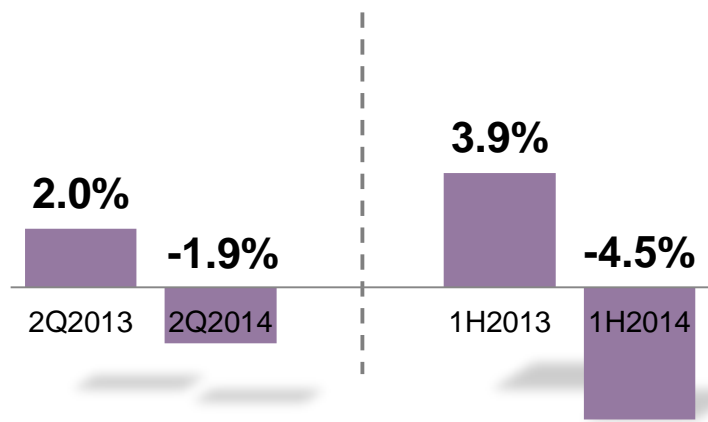
○ = % of segment's net sales

- System-wide sales affected by the big drop in cigarette sales
- Increase in net sales driven mainly by new store openings

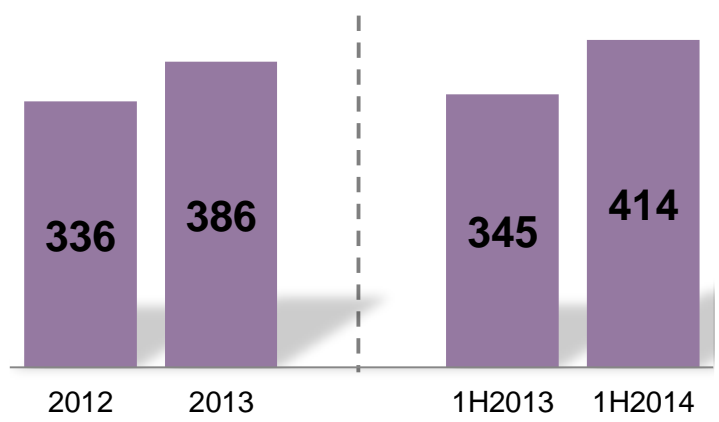


Convenience Store Business Segment

SSSG (%)

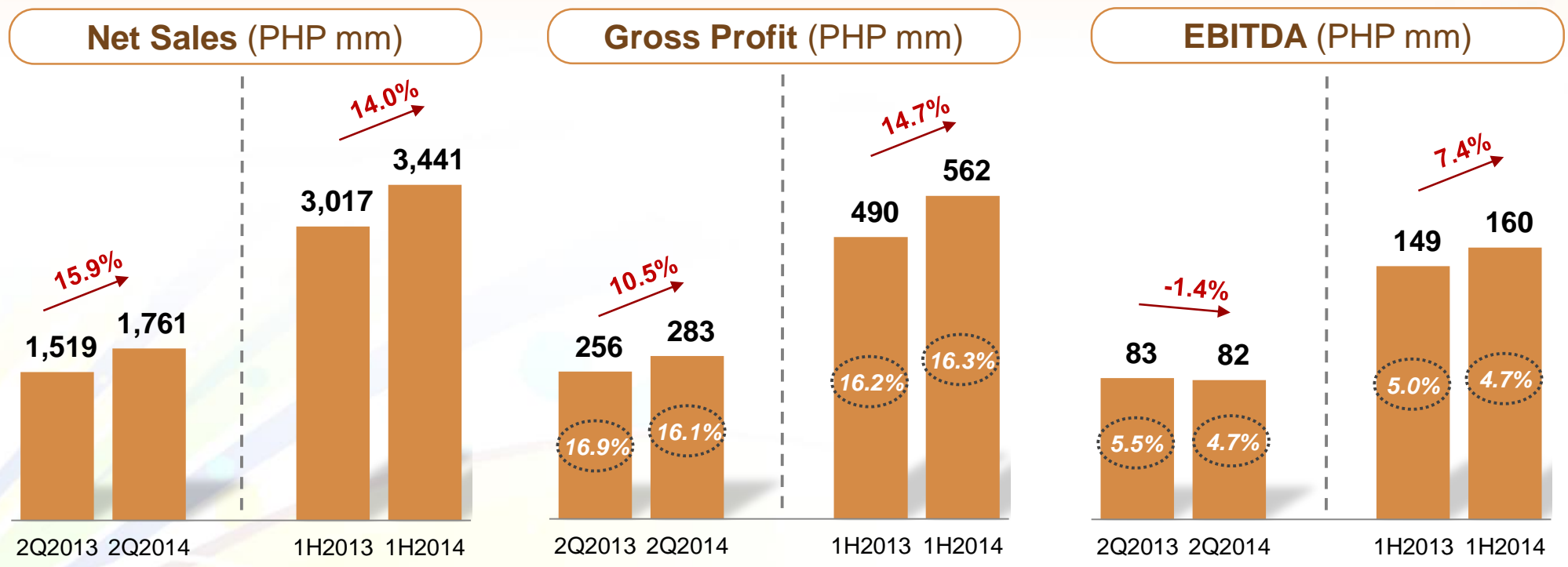


Store Count



■ Weaker SSSG due to **stiffer competition, lower cigarette sales, and supply chain issues**

Drug Store Business Segment

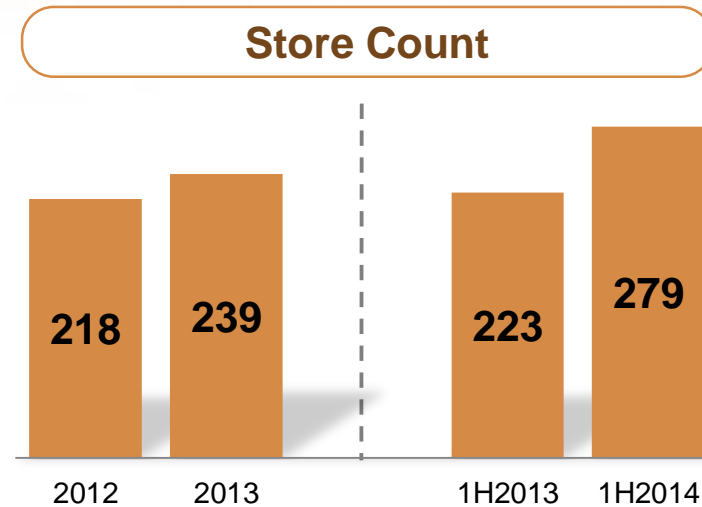
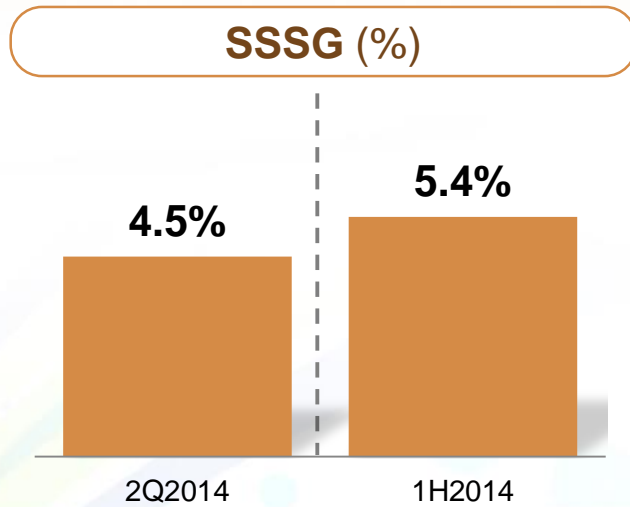


■ Growth in sales in 1H 2014 came from **new store openings** (8.4%), **strong SSSG** (5.4%) and the balance from the **acquisition of Chavez Pharmacy**



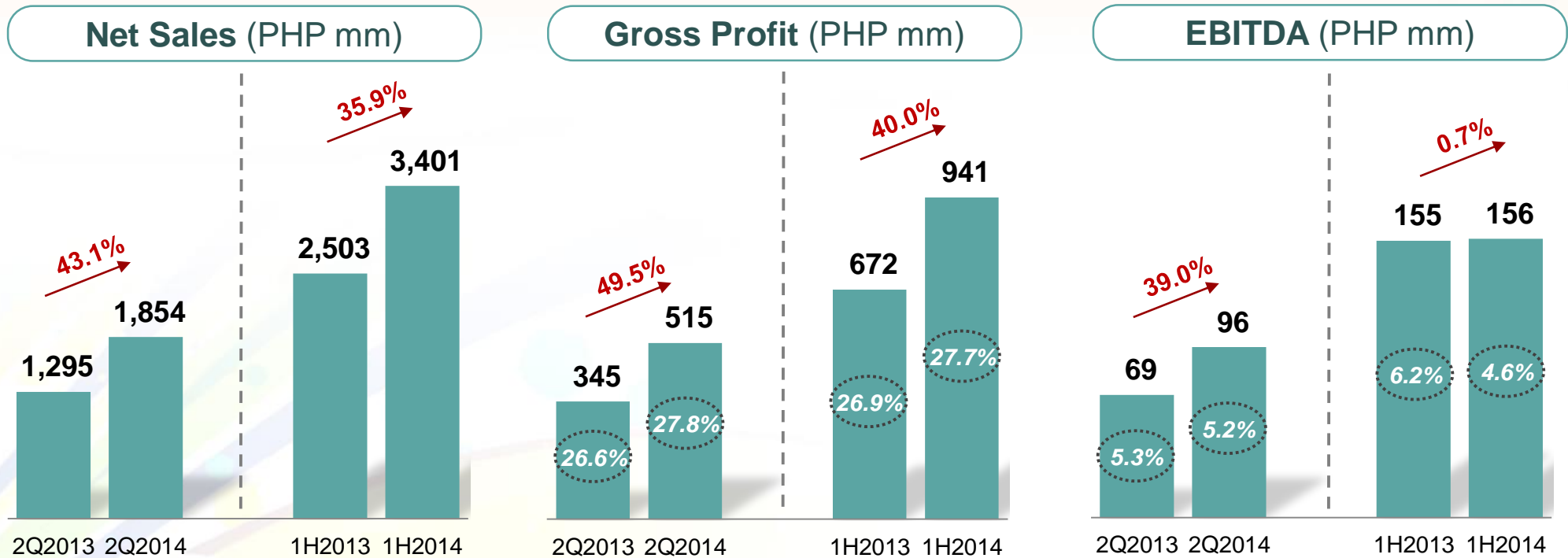
* SSD was only acquired in July 2012 and consolidated into Robinsons Retail beginning August 2012.

Drug Store Business Segment



■ **Strong SSSG** due to the unusually cold weather conditions early this year

Specialty Store Business Segment

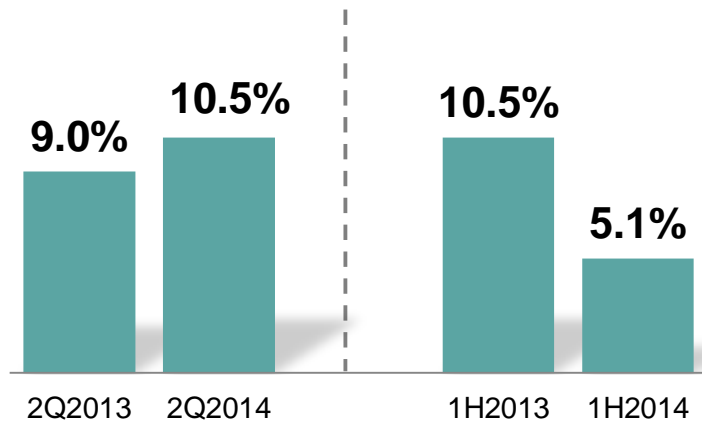


- Growth in net sales mainly driven by **new store openings**
- EBITDA margin affected by **lower SSSG** this year

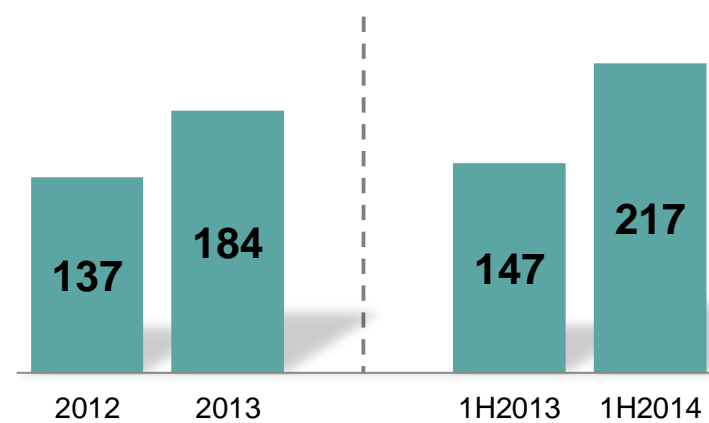


Specialty Store Business Segment

SSSG (%)



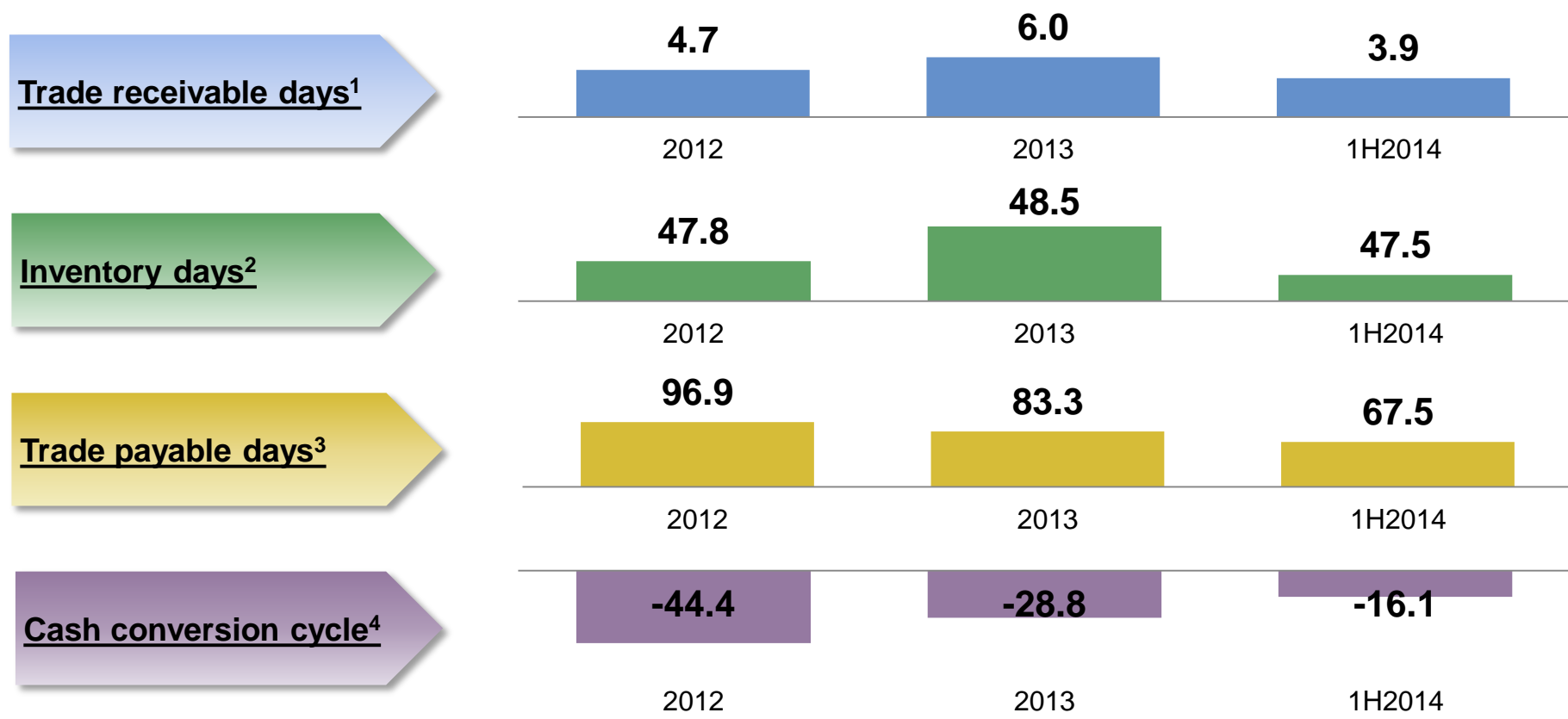
Store Count



■ Higher 2Q SSSG due to stellar SSSG of toys, appliances and Daiso Japan, compensating the negative SSSG of int'l fashion brands

Working Capital

Working capital days trend



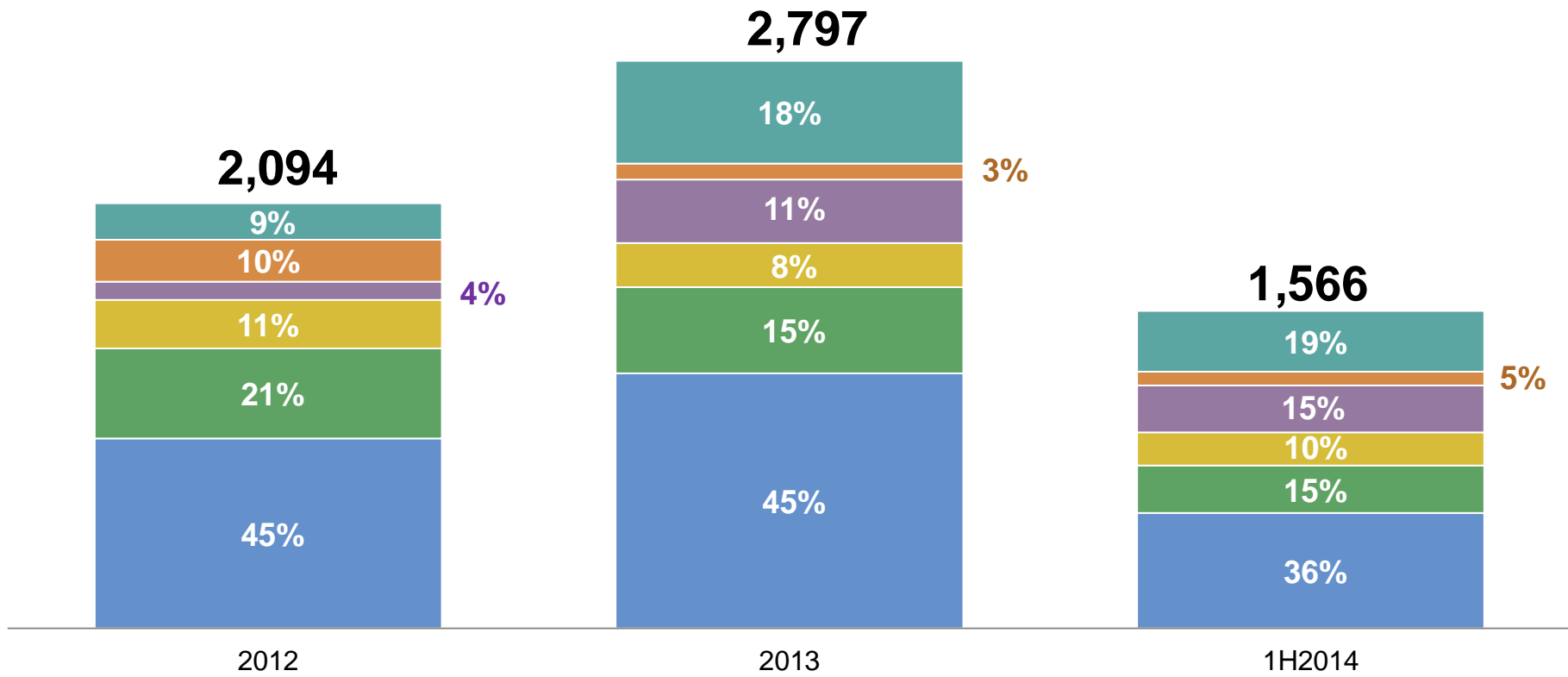
■ Negative working capital sustained in 1H 2014

Capital Expenditure

Capital expenditure breakdown (PHP mm)¹

- Supermarkets
- Department stores
- DIY stores
- Convenience stores
- Drug stores
- Specialty stores

% of group's net sales



¹ Capital expenditure includes expenses on leasehold improvements, store and furniture fixtures, office furniture and fixtures, transportation equipment, building and other equipment and computer equipment

Supermarket – Robinsons Easymart



- ❑ Robinsons Supermarket recently launched a new format, called **Robinsons Easymart**, a network of neighborhood grocery stores
 - The first four (4) branches were opened in Tarlac City, North Luzon last August 15, 2014. Seven (7) more branches are slated to open within the year.

Consolidated Financial Statements

Consolidated Statements of Financial Position (Unaudited)

PHP mm	6M 2014	31-Dec 2013
ASSETS		
Current assets		
Cash and cash equivalents	9,981	30,136
Short-term investments	6,838	335
Merchandise inventories	7,637	7,029
Other current assets	2,063	2,116
Total Current Assets	26,519	39,616
Noncurrent assets		
Property and equipment - net	7,873	6,897
Available-for-sale (AFS) financial assets	10,840	0
Investment in shares of stocks	1,914	1,803
Intangible assets	3,095	2,907
Other noncurrent assets	1,428	1,078
Total Noncurrent Assets	25,150	12,685
Total Assets	51,669	52,301
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	10,854	12,075
Current portion of loans payable	146	396
Other current liabilities	666	904
Total Current Liabilities	11,666	13,375
Noncurrent Liabilities		
Loans payable - net of current portion	84	112
Others	862	831
Total Noncurrent Liabilities	946	943
Total Liabilities	12,612	14,318
Equity		
Capital stock	1,385	1,385
Treasury shares	(1,100)	(1,100)
Additional paid-in capital	27,027	27,027
Retained earnings	9,856	9,051
Others	189	144
Total equity attributable to equity holders of Parent Company	37,357	36,507
Non-controlling interest in consolidated subsidiaries	1,700	1,476
Total Equity	39,057	37,983
Total Liabilities and Equity	51,669	52,301

Consolidated Financial Statements (cont'd)

Consolidated Statements of Comprehensive Income (Unaudited)

PHP mm	Three Months Ended June 30		Six Months Ended June 30	
	2Q 2014	2Q 2013	6M 2014	6M 2013
Sales - net of sales discounts and returns	19,553	16,303	36,979	31,317
Cost of merchandise sold	15,328	12,830	29,089	24,771
Gross Profit	4,225	3,473	7,890	6,546
Royalty, rent and other revenues	382	353	706	647
Gross profit including other revenue	4,607	3,826	8,596	7,193
Operating expenses	(3,506)	(2,871)	(6,737)	(5,580)
Earnings before interest and taxes	1,101	955	1,859	1,613
OTHER INCOME (CHARGES)				
Interest income	135	17	235	41
Dividend income	0	1	0	3
Interest expense	(4)	(21)	(9)	(46)
Unrealized foreign currency exchange gain (loss)	(30)	8	(30)	6
Equity in net earnings of an associate	38	(17)	50	127
	139	(12)	246	131
INCOME BEFORE INCOME TAX	1,240	943	2,105	1,744
Provision for (benefit from) income tax	331	299	554	472
NET INCOME	909	644	1,551	1,272
Net income attributable to:				
Equity holders of the Parent Company	806	554	1,368	1,086
Non-controlling interest in consolidated subsidiaries	103	90	183	186
	909	644	1,551	1,272
Earnings Per Share				
Basic	0.59	1.33	1.00	2.62
Weighted	0.59	1.33	1.00	2.62
Shares Outstanding				
End of Period	1,366	415	1,366	415
Weighted	1,366	415	1,366	415

Consolidated Financial Statements (cont'd)

Consolidated Statements of Cash Flows (Unaudited)

PHP mm	Six Months Ended June 30	
	6M 2014	6M 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	2,105	1,744
Adjustments for:		
Depreciation and amortization	587	467
Equity in net earnings of an associate	(50)	(127)
Interest expense	9	46
Interest income	(235)	(41)
Others	30	(5)
Operating income before working capital changes	2,446	2,084
Working capital changes	(8,762)	(2,465)
Income tax paid	(844)	(267)
Interest received	161	45
Net cash flows generated from (used in) operations	(6,999)	(603)
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	0	3
Property and equipment - net	(1,566)	(1,053)
Acquisitions of AFS investments	(10,844)	0
Acquisitions of goodwill	(149)	0
Others	(366)	(53)
Net cash flows used in investing activities	(12,925)	(1,103)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from stock subscriptions	0	485
Payment of loans	(278)	(813)
Interest paid	9	(46)
Dividends paid	(3)	(3)
Increase (decrease) in noncontrolling interest	41	0
Net cash flows used in financing activities	(231)	(377)
Net increase (decrease) in cash and cash equivalents	(20,155)	(2,083)
Cash and cash equivalents at beginning of year	30,136	6,052
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9,981	3,969