

May 13, 2016

Robinsons Retail's Core Net Earnings Expands 9.6% in 1Q 2016

Financial Highlights:

<i>(In P million)</i>	For the First Quarter ending March 31		
	2016	2015	% change
Net Sales	22,696	19,715	15.1%
Gross Profit	4,805	4,252	13.0%
Operating Income	904	790	14.4%
Net Income	834	822	1.4%
Net Income attributable to equity holders of the Parent company	785	781	0.5%
Core Net Earnings	696	635	9.6%
EBITDA	1,348	1,190	13.3%
Earnings per share (P)*	0.57	0.56	

*Based on net income attributable to equity holders of the Parent company. Weighted average number of shares used in the calculation is 1,385m for 2015 and 2016.

Robinsons Retail Holdings, Inc.'s core net earnings for the first quarter ending March 2016 which excludes interest income, equitized net earnings from its 40% stake in Robinsons Bank and forex gains or losses expanded by 9.6% to P696 million from P635 million last year.

Net income attributable to equity holders of the parent company recorded flattish growth at 0.5% to P785 million in 1Q 2016 from P781 million in the same period last year. This is due to the booking of P73 million in unrealized foreign exchange losses from the US dollar denominated available-for-sale investments on the back of the appreciation of the peso against the US dollar at end March 2016 versus end December 2015.

Consolidated net sales for the first quarter grew by 15.1% to P22.7 billion from P19.7 billion, arising from the robust same store sales growth (SSSG) of 9.0% and the sales contribution of new stores. Robinsons Retail operated a total of 1,514 stores (+158 stores from April 2015 to March 2016) and expanded its total gross floor area by 7.8% yoy to approximately 967,000 square meters.

The robust 9.0% SSSG in 1Q 2016 is due to the strong SSSG across all segments: Supermarkets at 8.7%, Department Stores at 7.5%, DIY at 9.8%, Convenience Stores at 7.0%, Drugstores at 10.7% and Specialty Stores at 12.7%.

Blended gross profit increased by 13.0% to P4.8 billion in 1Q2016 from P4.3 billion in 1Q 2015. Operating income improved by 14.4% to P904 million while EBITDA (earnings before interest, taxes, depreciation and amortization) was up by 13.3% to P1.4 billion.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities amounting to P27.0 billion as of end March 2016 versus borrowings of P2.2 billion. The company spent a total of P732 million in capital expenditures in 1Q 2016, 14.6% of the full year budget of P5.0 billion. Cash conversion cycle remained healthy at negative level of 2 days.

“Our first quarter results affirm our optimism for 2016. Increased consumption from election-related spending and lower fuel and utility costs, combined with improved customer service on our part, has boosted our consolidated same store sales performance to a record-high. Building a solid foundation for long-term profitable growth, we are working hard to sustain this strong start for the rest of the year,” said **Robina Gokongwei-Pe**, the President and Chief Operating Officer of Robinsons Retail Holdings, Inc.

Signed:



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