

August 14, 2015

Robinsons Retail Net Income Expands 36.2% in 1H2015

Financial Highlights:

(In P million)	For the Second Quarter ended June 30			For the First Half ended June 30		
	2015	2014	% change	2015	2014	% change
Net Sales	21,639	19,553	10.7	41,354	36,979	11.8
Gross Profit	4,763	4,225	12.7	9,016	7,890	14.3
Operating Income	1,174	1,102	6.6	1,965	1,859	5.7
Net Income	1,130	909	24.4	1,953	1,551	25.9
Net Income attributable to equity holders of the Parent company	1,082	806	34.2	1,863	1,368	36.2
Core Net Earnings	851	766	11.1	1,439	1,296	11.1
EBITDA	1,568	1,404	11.8	2,758	2,446	12.7
Earnings per share (P)*	0.78	0.59	32.4	1.35	1.00	34.4

*Based on net income attributable to equity holders of the Parent company. Shares outstanding used in the calculation is 1,366m in 2014 versus 1,385m in 2015.

Robinsons Retail Holdings, Inc.'s net income attributable to equity holders of the parent company grew by 36.2% for the first six months ending in June 2015 to P1.86 billion from P1.37 billion in the same period last year due to the increase in operating income and the interest income on bond investments.

Core net earnings (net income excluding interest, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses), on the other hand, grew by 11.1% to P1.44 billion in the first half of 2015.

Consolidated net sales for the second quarter ended June 2015 lifted by 10.7% from P19.55 billion to P21.64 billion, arising from the sales contribution of the new stores and the healthy same store sales growth (SSSG) of 2.4%, which is within our target range of between 2-3% for the year. Department store's SSSG continued to be robust at 5.4% as well as that of the DIY segment at 4.3% and Ministop at 4.9%. Supermarket's SSSG was at 1.0% for the second quarter but still at the high end of the target range for the first half of 2015 at 2.2%.

For the first six months of 2015, consolidated net sales was up by 11.8% from P36.98 billion to P41.35 billion coming from the sales contribution of 219 new stores, the healthy blended SSSG of 2.9% and the six-month sales contribution from newly acquired businesses A.M. Builders' Depot and Chavez Pharmacy.

From July 2014 to June 2015, Robinsons Retail added a total of 219 stores to end the quarter with 1,399 stores in total, which translates to 12.9% yoy increase in gross floor area to approximately 901,000 square meters.

Consolidated gross margin expanded by 50bps to 21.8% for the first half of 2015 as compared to same period last year on the back of the group's growing scale, additional supplier discounts and the offering of additional value-added services. Operating income was up by 5.7% to P1.97 billion while EBITDA (earnings before interest, taxes, depreciation and amortization) increased by 12.7% to P2.76 billion. EBITDA margins improved by 10bps year-on-year to 6.7% for the six months ended June 2015.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities amounting to P23.92 billion as of end June 2015 versus borrowings of only P186 million. The company spent a total of P1.46 billion in capital expenditures for the first half of 2015, 24.3% of the full year budget of P6.0 billion. Cash conversion cycle remained healthy at negative 0.26 days.

"I am happy that same store sales have held up despite competition continuing to be intense. I am seeing a lot of promise from the new formats that we recently launched such as Costa Coffee, Robinsons Selections, and True Home by True Value. With this, we are emboldened to open more stores from these formats. Sales from our consumer electronics and appliance online business through a market place has been promising, which confirms that there is a growing market for this business. The industry's dynamism will always keep us on our toes." said **Robina Gokongwei-Pe**, the President and Chief Operating Officer of Robinsons Retail Holdings, Inc.

Signed:



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