

November 13, 2015

Robinsons Retail Net Income Expands 26.7% in 9M2015

Financial Highlights:

(In P million)	For the Third Quarter ended September 30			For the First Nine Months ended September 30		
	2015	2014	% change	2015	2014	% change
Net Sales	21,935	19,200	14.2%	63,289	56,179	12.7%
Gross Profit	4,752	4,193	13.3%	13,767	12,083	13.9%
Operating Income	1,137	1,087	4.6%	3,102	2,946	5.3%
Net Income	1,163	1,071	8.5%	3,116	2,623	18.8%
Net Income attributable to equity holders of the Parent company	1,109	978	13.4%	2,972	2,346	26.7%
Core Net Earnings	785	744	5.5%	2,224	2,039	9.0%
EBITDA	1,548	1,407	10.0%	4,306	3,853	11.7%
Earnings per share (P)*	0.80	0.72	11.9%	2.15	1.72	25.0%

*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 expanded by 26.7% for the first nine months ending in September 2015 to P2.97 billion from P2.35 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 income, equitized net earnings from the 40% stake in Robinsons Bank and unrealized forex gains/losses), on the other hand, grew by 9.0% to P2.22 billion in the first nine months of 2015.

Consolidated net sales for the third quarter ended September 2015 increased by 14.2% from P19.20 billion to P21.94 billion, arising from the sales contribution of the new stores and the strong same store sales growth (SSSG) of 5.6%, way above our target range of between 2-3% for the year. All segments posted strong SSSG for 3Q2015: Supermarkets at 4.1%,



Department Stores at 7.9%, DIY at 5.5%, Convenience Stores at 6.7%, Drugstores at 5.4% and Specialty Stores at 10.6%.

For the first nine months of 2015, consolidated net sales was up by 12.7% from P56.18 billion to P63.29 billion coming from the sales contribution of new stores, the strong SSSG of 3.8% and the nine-month sales contribution from newly acquired businesses A.M. Builders' Depot and Chavez Pharmacy as well as the one month sales contribution from Saver's Appliance Depot.

From October 2014 to September 2015, Robinsons Retail added 208 stores to end the quarter with a total of 1,466 stores, which translates to 10.7% yoy increase in gross floor area (GFA) to approximately 939,000 square meters. The lower number of store additions of 208 (vs. 276 in the same period last year) and smaller GFA growth (from 19.9% last year) arise from the rationalization of some brands this year, and the closure of non-performing stores.

Consolidated gross margin improved by 25 basis points to 21.8% for the first nine months 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 5.3% to P3.10 billion while EBITDA (earnings before interest, taxes, depreciation and amortization) lifted by 11.7% to P4.31 billion.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities amounting to P25.36 billion as of end September 2015 versus borrowings of only P1.86 billion. The company spent a total of P2.34 billion in capital expenditures for the first nine months of 2015. Cash conversion cycle remained healthy at negative 5.0 days.

"We foresee the retail environment to continue to experience intense competition with the consolidation of industry players. We will continue to take advantage of opportunities to participate in the industry's consolidation, similar to our acquisition of 90% of Saver's Appliance Depot, one of the top 10 consumer electronics and home appliances players in the country. We continue to be optimistic in the country's retail environment as the growing economy would translate to more Filipinos having higher disposable incomes and thus increasing discretionary spending." said **Robina Gokongwei-Pe**, the President and Chief Operating Officer of Robinsons Retail Holdings, Inc.

Signed:

A handwritten signature in black ink, appearing to read 'GRD', is written over a horizontal line.

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