

June 2, 2014



From left to right: Dr. Gregorio N. de Chavez III, Treasurer of Chavez Pharmacy Corporation; Gloria N. de Chavez, President of Chavez Pharmacy Corporation; Robina Y. Gokongwei-Pe, President and COO-Robinsons Retail Holdings, Inc.; Dahlia T. Dy, Managing Director of South Star Drug, Inc.; Manuel T. Dy, Vice President for Operations of South Star Drug, Inc. .

Robinsons Retail Buys Seven Drugstore Chain in Batangas

Robinsons Retail Holdings, Inc, through its 90% owned subsidiary, South Star Drug, Inc., recently acquired Chavez Pharmacy, a major drugstore chain based in Batangas. Since the commencement of its operations in 1975, Chavez Pharmacy has successfully expanded over the years and built strong relationships with its customers. The seven Chavez Pharmacy drugstores are strategically located and have a proven track record for offering quality pharmaceutical products.

Going into mergers and acquisitions is one of the strategies of South Star Drug to strengthen and expand its presence and reach in the drugstore industry. In 2011, South Star Drug acquired a 53-drugstore chain of Manson Drug in Central Luzon and it has successfully integrated the stores in its portfolio in less than a year.

South Star Drug, a partnership between Robinsons Retail and the Dy family, is the country's third largest drugstore chain. At 77 years old, it is one of the oldest drugstore chains in the country. It is also the largest drugstore chain in the Bicol region and Central Luzon. South Star recorded an unprecedented number of store openings in 1Q 2014 at 26, more than the 21 stores that were opened for the whole of 2013. South Star had a total of 265 stores as of end March 2014 and plans to end 2014 with over 300 stores.


For the whole of 2013, South Star Drug generated P6.3 billion in net sales on robust same store sales growth of 6.0%. The relatively high SSSG in 2013 was sustained in 1Q 2014 at 6.2%, resulting to 12.1% yoy increase in net sales to P1.7 billion. EBITDA (earnings before interest, taxes, depreciation and amortization) expanded by 18.2% yoy in 1Q 2014 to P78 million while full year 2013 EBITDA reached P320 million.

Dahlia Dy, Managing Director of South Star Drug, commented on the acquisition: "I am very pleased with the acquisition of Chavez Pharmacy. The owner is a very active member of the Philippine Pharmacists Association and Drugstore Association of the Philippines, thus we can tap her knowledge and relationship in the drug store industry to further strengthen our presence in the country."

Gloria de Chavez, President of Chavez Pharmacy Corporation, said "Our family is delighted with this move knowing that Chavez Pharmacy will be well taken care of by South Star Drug. I have full confidence in South Star Drug in continuing with our legacy of offering good quality, safe, effective and more affordable medicines to our clients and customers as depicted in our corporate tagline "Kaakibat sa Kalusugan".

The purchase of 100% stake in Chavez Pharmacy is the third acquisition of Robinsons Retail for 2014. Robinsons Retail operates 10 retail formats under its six business segments: a) Robinsons Supermarket, b) Robinsons Department Store, c) Handyman Do it Best, True Value and Howards Storage World under the DIY segment, d) Ministop under convenience stores, e) South Star Drug and Manson Drug under drugstores and f) Robinsons Appliances, Toys "R" Us, one price point retailer Daiso Japan and international fashion brands such as Topshop, Topman and Dorothy Perkins and international cosmetics brands such as Shiseido and Benefit under specialty stores. As of end-March 2014, Robinsons Retail had a total of 1,145 stores located all over the country.

Signed:



Gina Roa-Dipaling

Investor Relations Officer

Tel nos. DL: (632) 6311490 TL: (632) 6350751 to 64 ext 555

Email: gina.dipaling@robinsonsbretail.com.ph