

Robinsons Retail's Unaudited 2014 Net Income Up 34%

Financial Highlights:

<i>(In P million)</i>	For the Fourth Quarter ended December 31			For the Full Year ended December 31		
	2014	2013	% change	2014	2013	% change
Net Sales	24,220	20,078	20.6	80,400	67,254	19.5
Gross Profit	5,346	4,339	23.2	17,429	14,312	21.8
Operating Income	1,544	1,431	7.9	4,490	4,063	10.5
Net Income	1,305	1,074	21.5	3,928	3,117	26.0
Net Income attributable to equity holders of the Parent company	1,322	986	34.1	3,667	2,745	33.6
Core Net Earnings	1,182	1,052	12.4	3,422	2,901	18.0
EBITDA	1,917	1,717	11.6	5,770	5,063	14.0
Earnings per share (P)*	0.97	1.36		2.68	3.79	

*Based on net income attributable to equity holders of the Parent company. Weighted average number of shares used in the calculation is 1,367m in 2014 versus 724m in 2013.

Robinsons Retail Holdings, Inc. registered a 33.6% increase in net income attributable to equity holders of the parent company to P3.67 billion from P2.75 billion for the full year ended 2014 driven by higher income from operations and interest income.

For the fourth quarter, consolidated net income attributable to equity holders of the parent company grew by 34.1% to P1.32 billion from P986 million last year.

For the full year ended December 2014, core net earnings which excludes interest income on bond investments, equitized net earnings from its 40% stake in Robinsons Bank and forex gains or losses, increased by 18.0% to P3.42 billion from P2.90 billion last year.

Consolidated net sales topped the P80 billion mark in 2014, as it grew by 19.5% from P67.25 billion to P80.40 billion in 2014, resulting from the sales contribution of 263 new stores in 2014, the full year sales contribution from 152 stores that we opened in 2013 and the strong same store sales growth (SSSG) of 3.6%, higher than the 2-3% consolidated SSSG target for the year.

The 3.6% SSSG for 2014 is a marked improvement from the previous year's 2.6% SSSG, boosted by Robinsons Supermarket's 3.3% SSSG, Robinsons Department Store's 5.1%, DIY's 7.2%, and the Specialty Store's segment SSSG of 6.4% driven by the double-digit SSSG of Toys "R" Us and Daiso Japan as well as the 4.3% SSSG of Robinsons Appliances.

As of end-December 2014, Robinsons Retail operated a total of 1,327 stores, up from the previous year's 1,064 stores and expanded its total gross floor area by 18.6% yoy, in line with the target of growing its floor space by mid to high teens.

Blended gross margin expanded by 0.4% to 21.7% in 2014 as the group continued to benefit from increasing scale and the offering of additional value-added services to our trade partners.

Operating income increased by 10.5% to P4.49 billion while EBITDA (earnings before interest, taxes, depreciation and amortization) grew by 14.0% to P5.77 billion, notwithstanding the increase in operating expenses. Operating expenses increased by 24.2% as 2014 was an unprecedented year of store expansion (both organic as well as acquisitions) coupled with the unplanned effects of the port congestion.

Robinsons Retail's balance sheet remained solid with cash, cash equivalents and liquid marketable securities of P29.55 billion as of end-December 2014 versus borrowings of only P112 million. The company spent a total of P4.04 billion in capital expenditures for the year ended 2014. Cash conversion cycle was kept at negative level of 22.8 days.

"It has been a good year for Robinsons Retail for exceeding our like-for-like sales as well as expansion in gross floor area targets. Our sales has hit the eighty billion peso mark for the first time while same store sales growth was strong despite intense competition. In 2014, we embarked on an aggressive store expansion plan, coupled with the acquisition of some complementary businesses. We will continue to be aggressive in opening stores in key locations around the country, bringing modern retail to the broadening middle class with the Philippine economy seen to sustain its strong growth performance in the coming years." said **Robina Gokongwei-Pe**, the President and Chief Operating Officer of Robinsons Retail Holdings, Inc.

Signed:



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