

COSCO CAPITAL GROUP



INVESTOR PRESENTATION 9M 2015 RESULTS & PERFORMANCE

The logo for Puregold, featuring a stylized gold bar icon and the text "PUREGOLD" in a bold, sans-serif font.

PUREGOLD

The logo for S&R Membership Shopping, featuring the text "S&R" in a large, blue, stylized font, with "Membership Shopping" in a smaller font below it.

S&R
Membership Shopping

The world class shopping experience

The logo for Premier Wine & Spirits, Inc., featuring the word "PREMIER" in a curved banner above a sunburst icon, with "WINE & SPIRITS, INC." below it.

PREMIER
WINE & SPIRITS, INC.

The logo for Meritus Prime, featuring the text "Meritus Prime" in a cursive font, with "Meritus Prime" in a smaller font below it.

Meritus Prime
Meritus Prime

The logo for Montosco Inc., featuring a circular icon with a stylized "M" and the text "MONTOSCO INC." to its right.

MONTOSCO INC.

The logo for 999 Shopping Mall, featuring the number "999" in a large, red, stylized font, with "Shopping Mall" in a smaller, red font below it.

999
Shopping Mall

The logo for Liquigaz, featuring a stylized flame icon and the text "Liquigaz" in a sans-serif font.

Liquigaz

The logo for Office Warehouse, featuring the text "Office Warehouse" in a bold, sans-serif font, with "Office" on the top line, "Warehouse" on the second line, and "house" on the third line, all within a yellow square with a black border.

Office
Warehouse
house

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CONGLOMERATE MAP



Lucio Co & Family

73%

Cosco Capital Inc.

51%

Grocery Retailing

100%

Liquor Distribution

100%

Commercial Real Estate

Specialty Retail

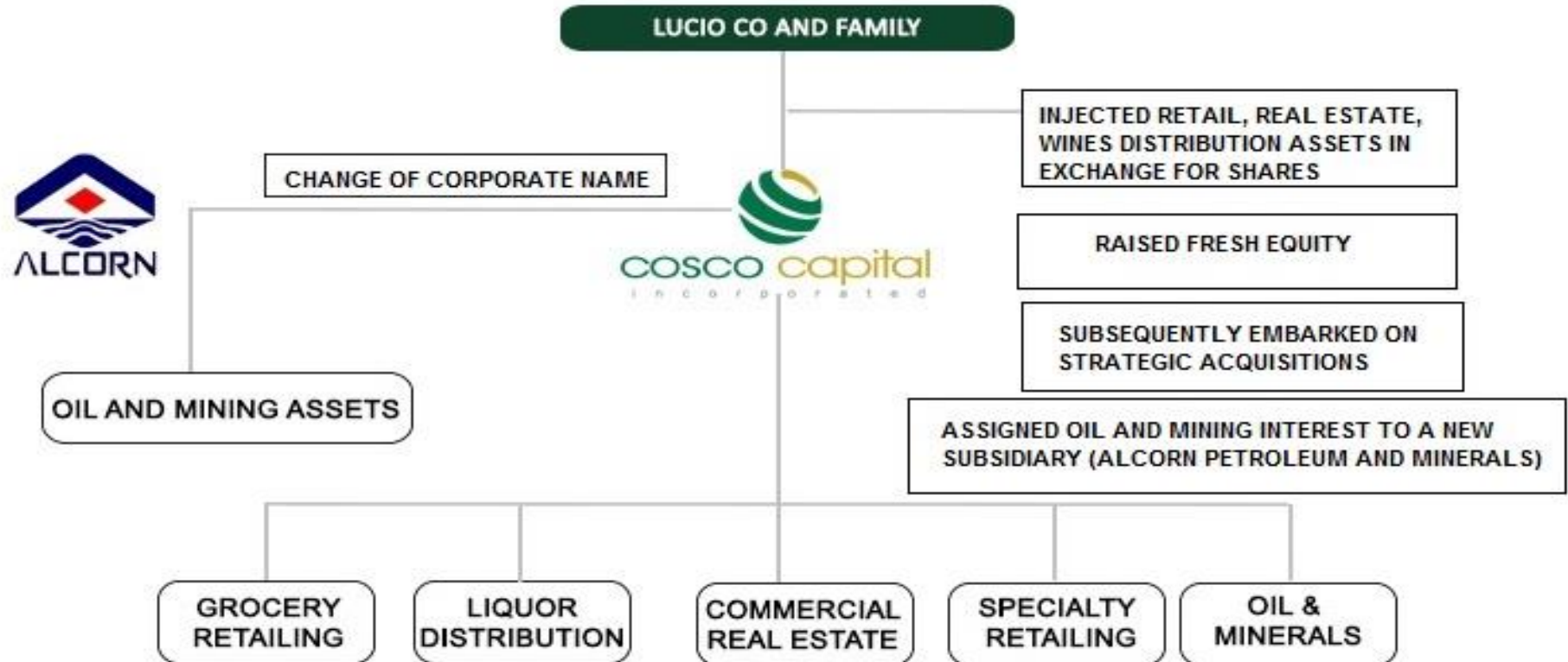
100%

Oil & Minerals



One of the leading retail holding companies in the Philippines

CORPORATE RESTRUCTURING



CORPORATE HIGHLIGHTS



2013

2014

2015

April 22: Approval by the Securities and Exchange Commission (SEC) of change in corporate name and increase in capital stock of Parent company.

May 31: Implementation of issuance and listing of new shares, cross trade at the Philippine Stock Exchange (PSE) of PGOLD shares to the Parent company, issuance of shares to the subscribers pursuant to share swap, special block sale at the PSE of new shares.

January 29: Approval of merger of Nation Realty, Inc., Go Fay & Co, Inc., SVF Corporation and 999 Shopping Mall, Inc. (Nation Realty, Inc. as the absorbing entity).

February 28: Acquisition of NE Pacific Shopping Centers Corporation

May 1: Acquisition of Office Warehouse, Inc.

July 17: Acquisition and subscription of additional shares of Canaria Holdings Corporation.

July 21: Acquisition of Liguigaz Philippine Corporation through Canaria Holdings Corporation

August 12: Cosco Capital, Inc. through its wholly-owned subsidiary, Ellimac Prime Holdings, Inc., acquired Maunlad mall situated at Malolos Bulacan

August 6: Puregold Price Club, through wholly-owned subsidiary Entenso Equities and Goldtempo Company, Inc., acquired eight (8) supermarket stores operating under trade name Budgetlane

August 5: through wholly-owned subsidiary, Ellimac Prime Holdings, Inc. acquired RFC mall located along Alabang, Zapote, Las Pinas City

February 3

- Puregold Price Club, Inc. acquired nine (9) supermarkets from NE Incorporated.
- Cosco Capital, Inc. through its wholly-owned subsidiary, Ellimac Prime Holdings, Inc., acquired four (4) commercial properties from NE Incorporated

INVESTMENT SUMMARY



1. Sustained economic growth of the Philippines
2. Exposure to growing & robust consumer sector
3. Visible growth pipeline in the next 5 years
4. Focused core target market per brand
5. Management focused on the sustainable and Long-Term growth of the company

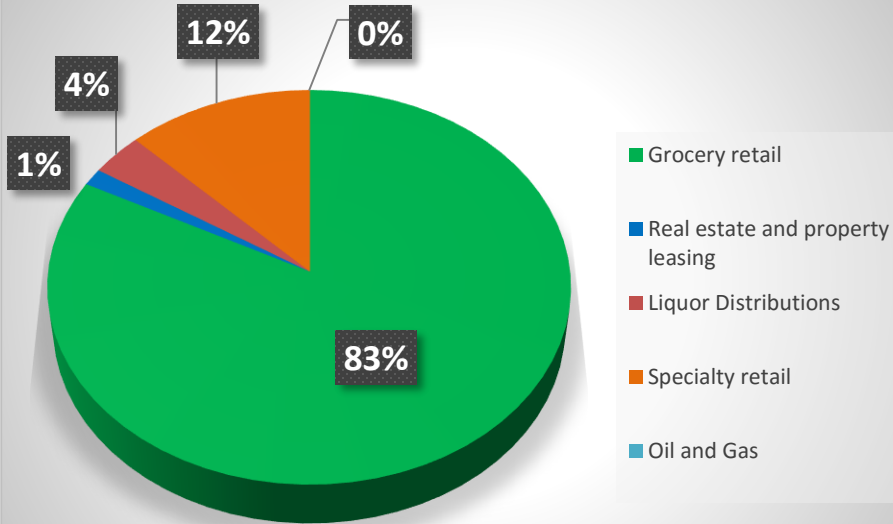
9M 2015 RESULTS AND PERFORMANCE



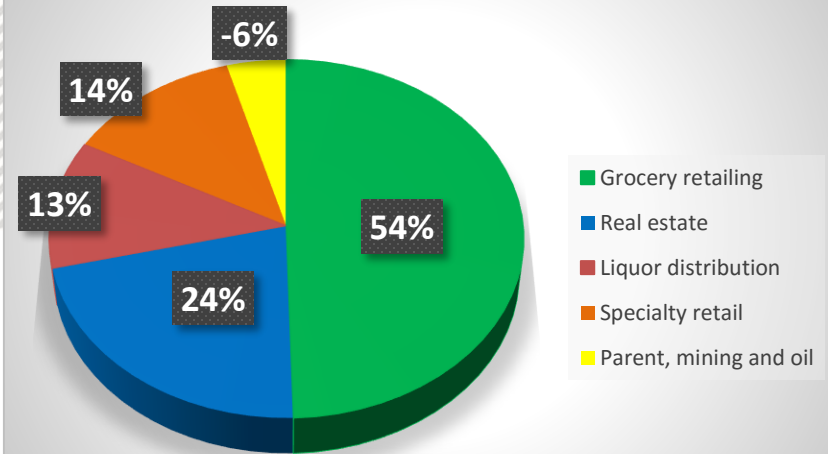
- Consolidated revenue grew by 23% in 9M 2015; Grocery Retail segment accounted for about 83% of the consolidated revenue.
- Gross profit grew by 15% in 9M 2015; with gross margin posted 17%.
- Consolidated net income grew by 15% in 9M 2015; with consolidated net profit margin at 6%.

9M 2015 REVENUE AND PATMI CONTRIBUTIONS

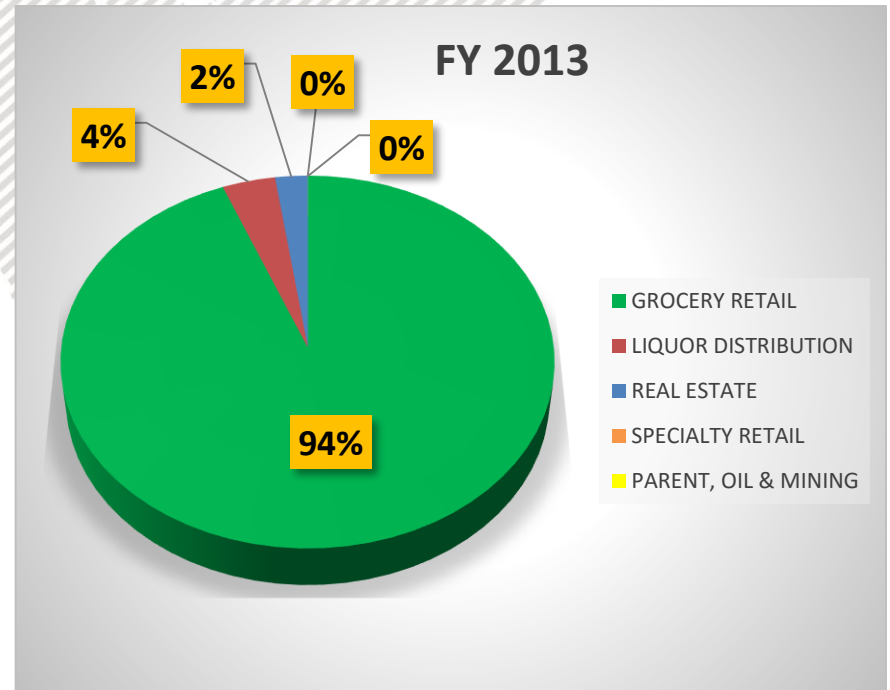
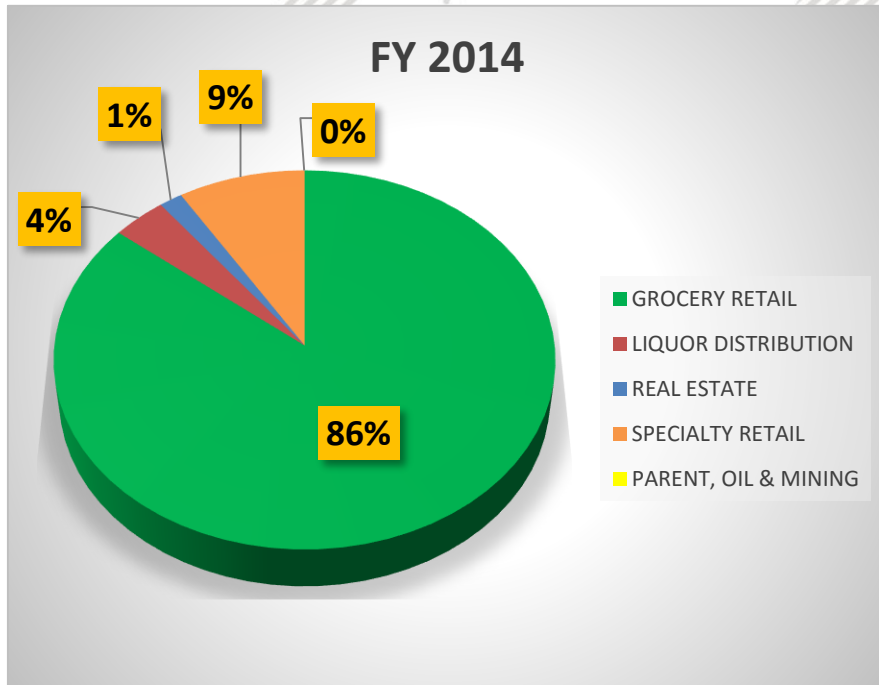
REVENUE



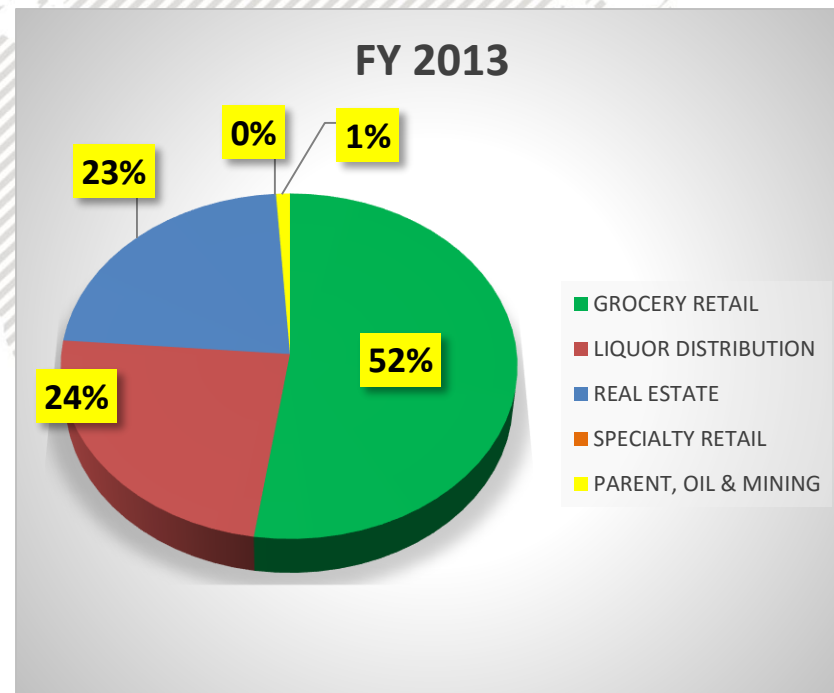
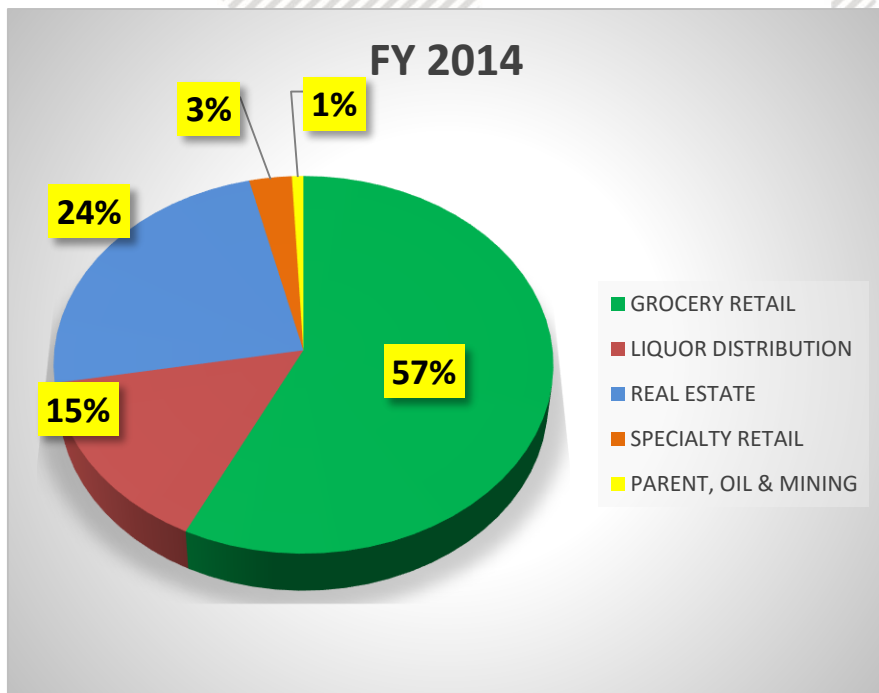
PATMI



REVENUE CONTRIBUTION BY BUSINESS SEGMENT



PATMI CONTRIBUTION BY BUSINESS SEGMENT

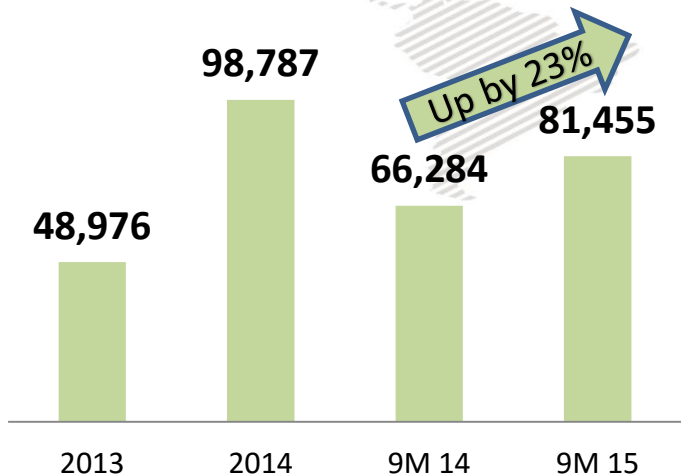


PATMI – Net income attributable to equity holders of the parent company

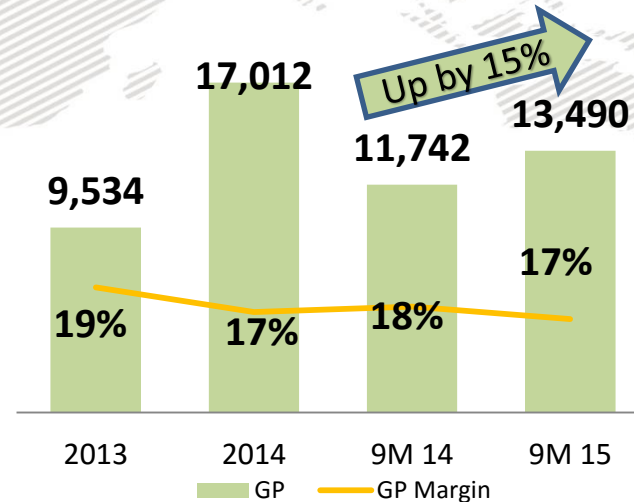
9M 2015 CONSOLIDATED FINANCIAL PERFORMANCE



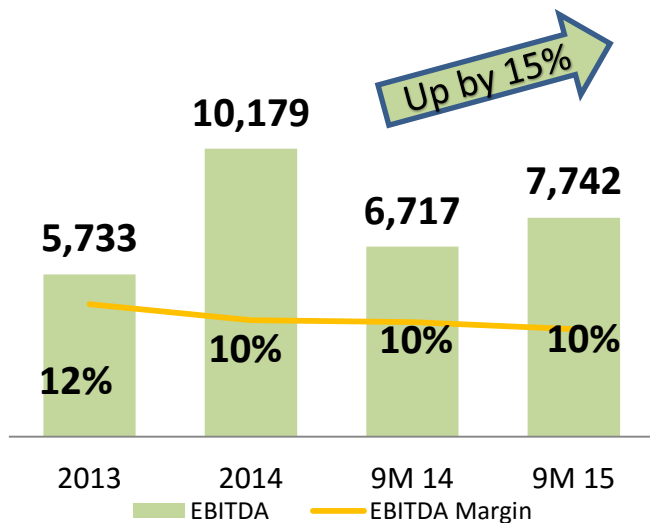
Revenues (in Php Millions)



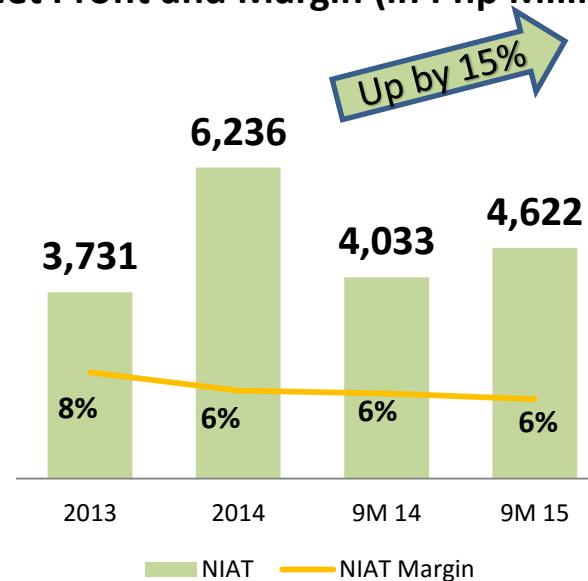
Gross Profit and Margin (in Php Millions)



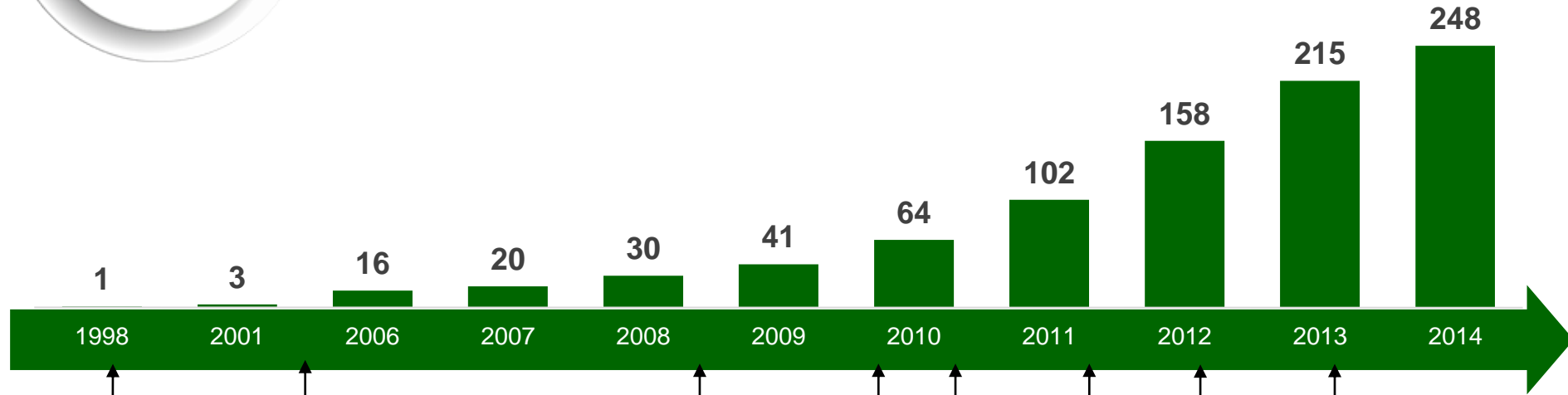
EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)




Stores roll-out through FY 2014



First store

- Opened in Mandaluyong City, Metro Manila

First format introduction



Expansion

- Launched loyalty program in 2001; renamed as *Tindahan ni Aling Puring* in 2004
- Between 2002 and 2006, launched an average of 3 new stores every year and expanded operations in North and South Luzon

Brand recognition

- Reader's Digest Asia's "Most Trusted Brands"

New format introduction



Market leadership

- The 2nd largest hypermarket and supermarket retailer in the Philippines in terms of net sales

New format introduction - 2010



Rapid expansion via organic new Puregold stores roll-out and acquisitions

- 2011 - Opened 38 new Puregold stores
- 2012 - Opened 31 new Puregold stores; Acquired Parco supermarkets with 19 stores and S&R warehouse membership shopping club with 6 stores



Continuing new stores roll-out via organic geographic expansion and acquisitions

- Opened 40 new Puregold and 2 new S&R stores in 2013
- Acquired Company E with 15 stores in same year

Rapid store expansion from 1 to 248 stores in 16 years

RETAIL SEGMENT HIGHLIGHTS



- Opened 16 new PGOLD stores; 7 S&R New York Style Pizza (QSR) in 9M 2015; acquired 9 Stores NE Bodega, 8 Stores Budgetlane Supermarket and closed 4 PGOLD stores
- Operating 267 stores as of 9M 2015; with consolidated NSA of more than 421,000 sqm.; excluding acquisition NE Bodega of around 15,000 sqm and Budgetlane of around 18,000 sqm.
- Consolidated net sales expanded by 12.6% in 9M 2015; Puregold stores sales accounted for about 82.7% of consolidated net sales
- Gross profit grew by 6.8% in 9M 2015; with gross profit margin posted 16.3%
- Operating income increased by 6.6% in 9M 2015; with operating margin at 6.8%
- Consolidated Net income grew by 6.5% in 9M 2015; consolidated net profit margin at 4.8% PGOLD only net margin is at 3.6% while S&R net margin is 10.1%.



Guidance for FY 2015

- Consolidated net sales targeted to grow by 12 to 15% driven by the following:
 - Net sales growth from Puregold and S&R stores
 - Positive SSSG for Puregold (2-3%) and S&R (2-3%)
 - Opening of 25 new Puregold stores; 1 S&R & 5 S&R QSR
 - Acquisition of NE Bodega & Budgetlane Supermarket
 - Opening of new store formats: Lawson Convenience Stores and Merkado Supermarket (AYAGOLD)
- Sustain current PGOLD consolidated gross and net profit margins
- Pursue acquisitions and expand into new geographic locations

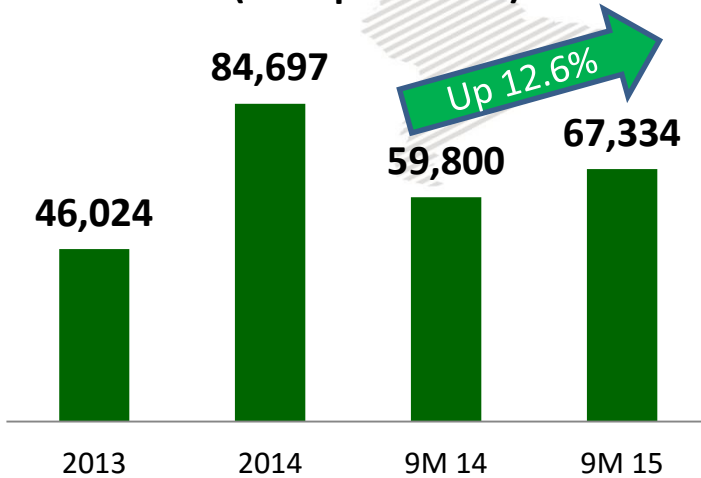
RETAIL SEGMENT HIGHLIGHTS



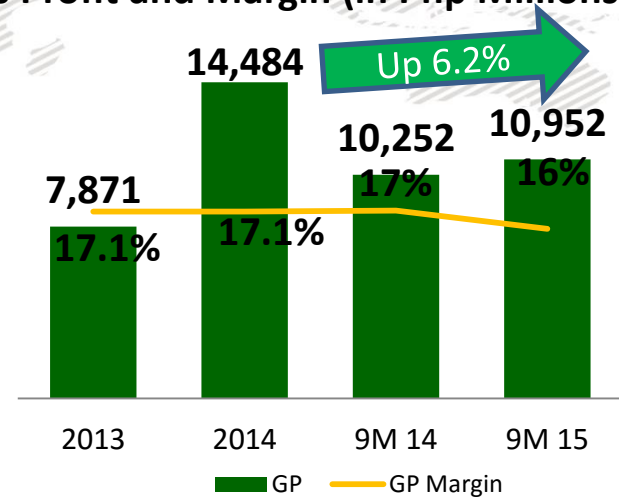
- CAPEX Budget of Php 3.4 billion in 2015
 - Php 1 billion for 25 new Puregold Stores
 - Php 550 million for 1 S&R
 - Php 150 million for 10 S&R QSR
 - Php 40 million for S&R store renovations
 - Php 150 million for 25 Lawsons Stores
 - Php 1.5 billion for acquisitions
- To be funded by internally generated cash and short term untapped bank credit lines if necessary.

RETAIL SEGMENT FINANCIAL PERFORMANCE

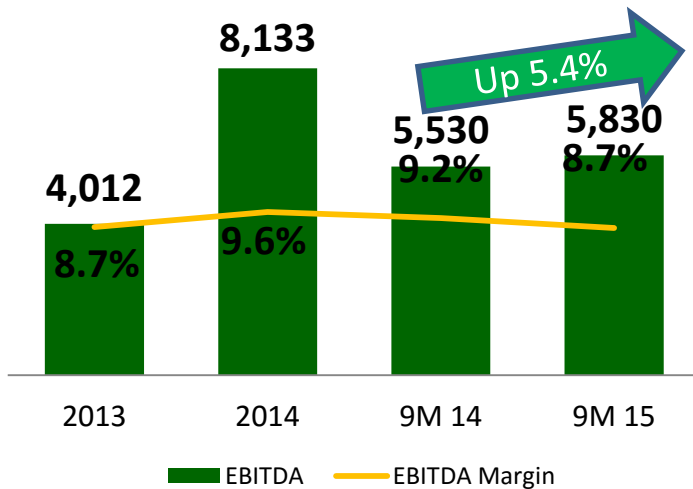
Revenues (in Php Millions)



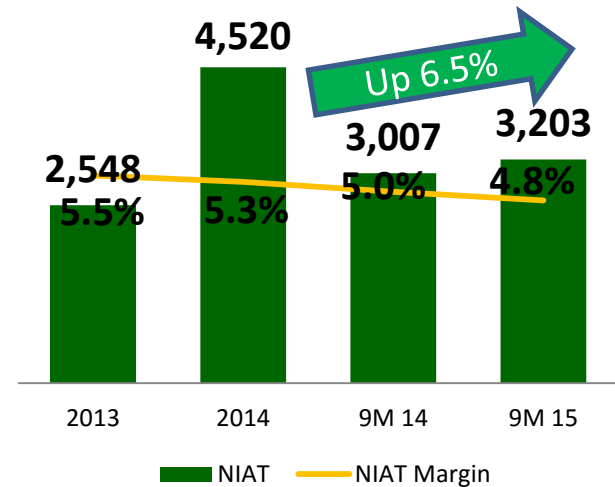
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



LIQUOR SEGMENT HIGHLIGHTS

Products



Rhum

Bacardi

Tequila

Cuervo

Whisky

Bushmills whiskies

Chivas

Cognac

Vodka

Liquers



Brandy

Fundador light

Fundador

Whisky

JB/Grants



Brandy

Alfonso

Alfonso light

Exelente

Carlos

Tequila

Patron

Whisky

Johnnie walker



cosco capital
corporated

LIQUOR SEGMENT HIGHLIGHTS



FY 2014 SALES MIX

Category	2014	2013	Increase	%
Brandy	860,048	737,985	122,063	17%
Other spirits and wines	442,298	320,356	121,943	38%
	1,302,346	1,058,340	244,006	23%
Specialty beverages	87,556	53,854	33,702	63%
	1,389,902	1,112,194	277,708	25%

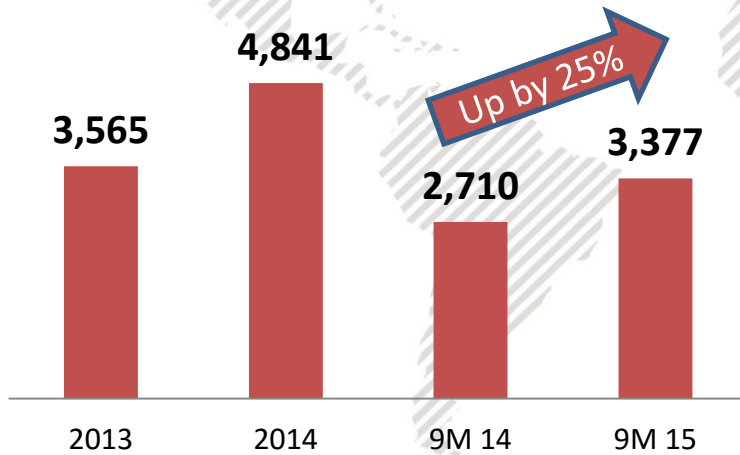
9M 2015 SALES MIX

Category	2015	2014	Increase	%
Brandy	587,862	427,682	160,180	37%
Other spirits and wines	302,700	241,176	61,525	26%
	890,563	668,858	221,705	33%
Specialty beverages	82,297	63,916	18,381	29%
	972,860	732,773	240,086	33%

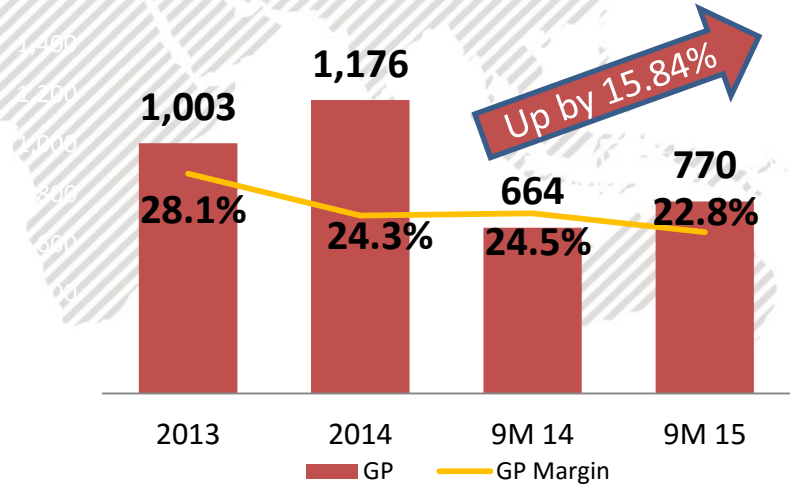
LIQUOR DISTRIBUTION FINANCIAL PERFORMANCE



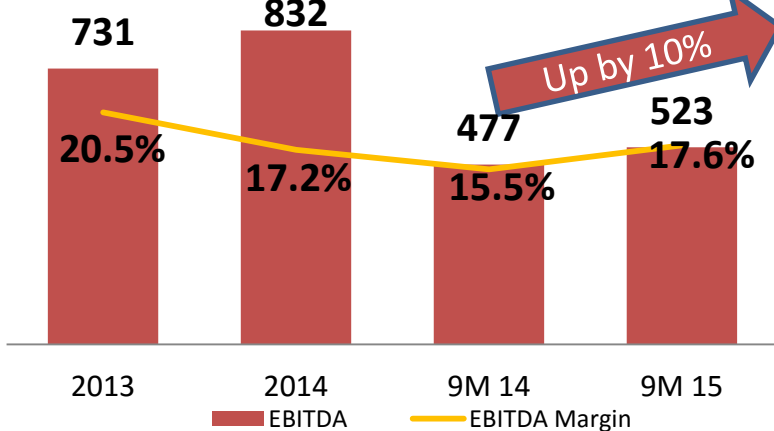
Revenues (in Php Millions)



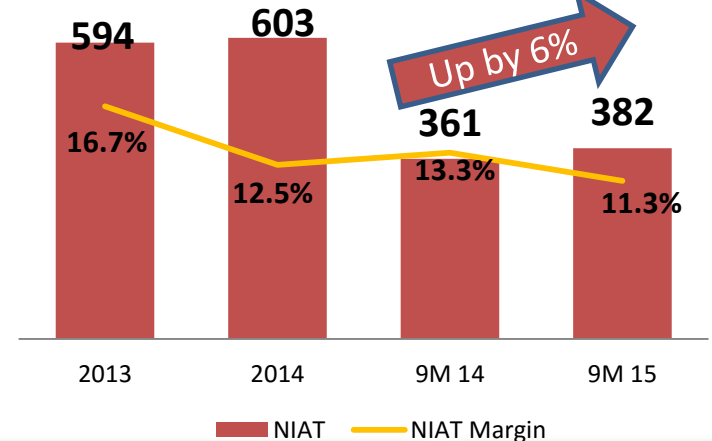
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



REAL ESTATE SEGMENT HIGHLIGHTS



- Total of **32** properties in 2014 and **27** in 2013.
- Gross Leasable Area (GLA) in 2014 **378,756** and **286,880** in 2013.
- Acquisitions of six (6) commercial properties in 2015 adding GLA of 35,649 sq. m.
- Operates **38** commercial properties and buildings as of 9M 2015 with GLA of over **414,000 sqm.**
- EPHI completes its 2nd co-development mall project with Ayala Malls at Fairview Terraces in January 2014.
- COSCO Capital acquires NE Pacific Mall, Cabanatuan, in Feb 2014.

REAL ESTATE SEGMENT HIGHLIGHTS



Portfolio of Properties

		Dec 2013	Dec 2014	9M 2015
1.	Land under Lease			
	Number of properties	7	9	9
	Total area in sqms	85,704	145,980	145,980
	Book value	Php3,324mm	Php4,243mm	Php4,243mm
2.	Commercial Buildings			
	Number of buildings	18	21	27
	Total GLA in sqms	145,876	177,476	213,125
	Investment costs	Php5,427mm	Php7,549mm	Php8,668mm
3.	Divisoria 999			
	Number of buildings	2	2	2
	Total GLA in sqms	55,300	55,300	55,300
	Investment cost	Php4,162mm	Php4,162mm	Php4,162mm
TOTALS				
	Number of properties	27	32	38
	Investment costs	Php12,913mm	Php15,954mm	Php17,073mm
	Total GLA in sqms	286,880	378,756	414,405

REAL ESTATE SEGMENT HIGHLIGHTS

FY 2014 Occupancy rates



Branches	%
Sto. Cristo, Baliuag	99.2%
Cabanatuan	60.2%
Candelaria	89.7%
Cubao	99.2%
Don Antonio Heights	96.9%
Tabang, Guiguinto	97.5%
Caloocan, Monumento	97.3%
Pasig	90.5%
Q.I.	99.3%
San Juan, Batangas	83.3%
Sucacat	97.9%

Branches	Rate
Taguig	99.4%
Taytay	98.8%
Tayuman	98.5%
Valenzuela	73.1%
Dau	92.6%
Anabu, Cavite	94.5%
Subic Harbor Point	93.0%
Fairview Terraces	62.3%
Angeles, Pampanga	100.0%
Cabanatuan, NE	99.8%

REAL ESTATE SEGMENT HIGHLIGHTS



Selected Financial Ratios

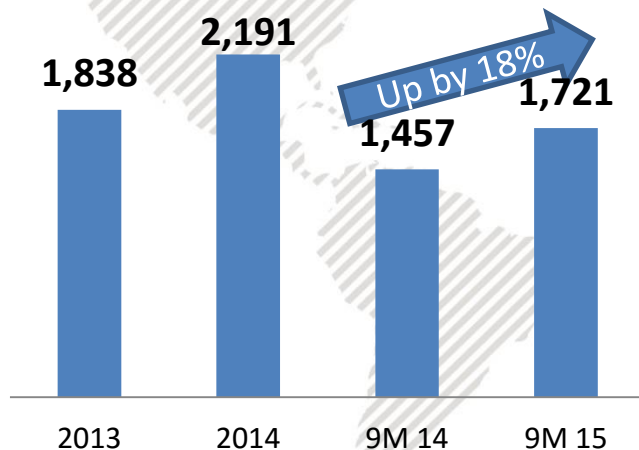
		2014	2013	9M 2015	9M 2014
A.	Ebitda / Rentals	78.4%	49.0%	80.3%	80.2%
B.	Rentals / Property & Eqpt	12.3%	12.5%	12.6%	12.2%
C.	Ebitda / Property & Eqpt	9.6%	6.1%	10.1%	9.8%
D.	Debt : Equity	0.47	0.45	0.53	0.50
E.	NIAT / Equity	6.0%	2.7%	5.3%	4.6%

REAL ESTATE FINANCIAL PERFORMANCE

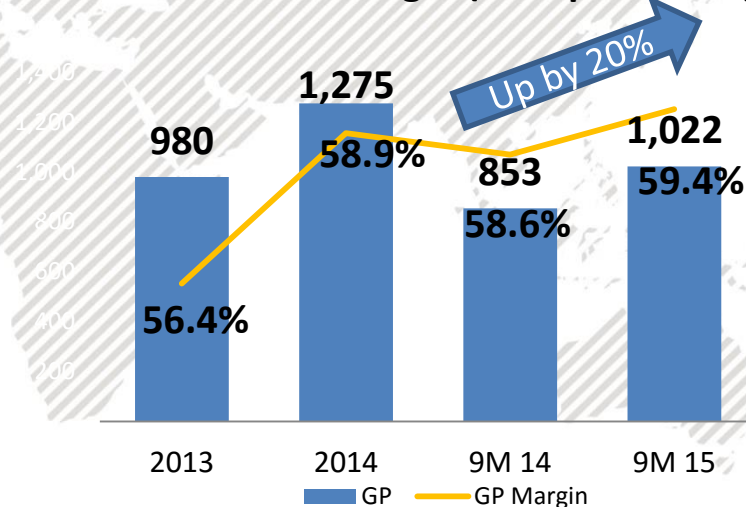


cosco capital
INCORPORATED

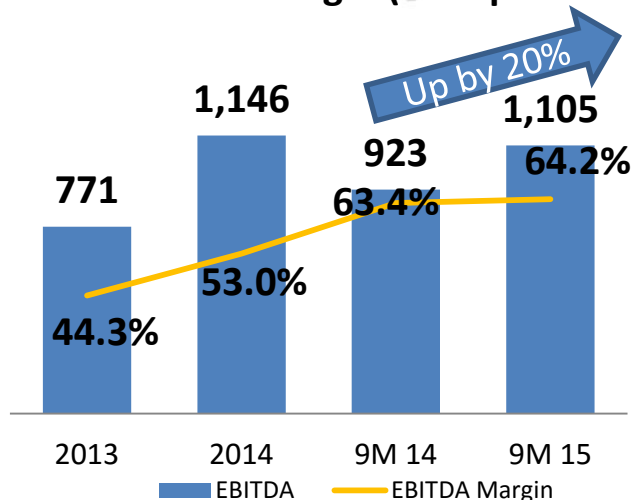
Revenues (in Php Millions)



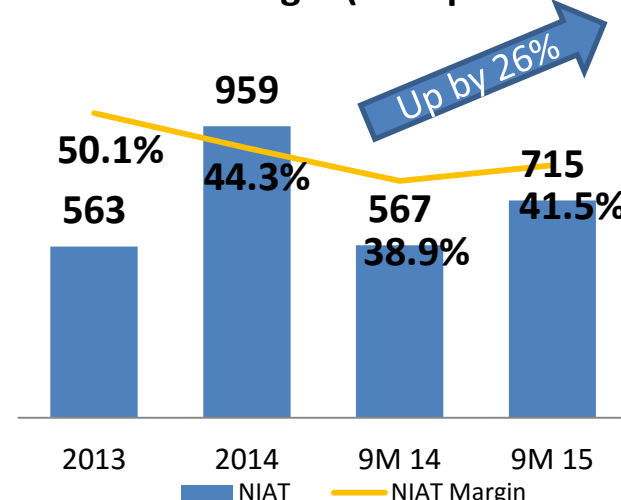
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



Liquigaz Philippine Corporation

- 432,995 mT sold in 2014
- Operates in 5 business segments
- Current market share of around 30%.
- Acquisition of G&G refiling tank in 2015.
- Infrastructures:
 - Bataan Terminal
 - North hub 75 mT tank size
 - South hub 40 mT tank size
 - Tanks at customer premises
 - Cylinders
 - Auto gas stations
 - Bulk trucks
 - Cylinder truck



Five Business Segments

1. Wholesale
2. Commercial
3. Industrial
4. Autogas
5. Cylinders

Office Warehouse, Inc.

- A total 48 stores in December 2014
- Total of **55** stores in 3Q 2015
- Net selling area of **5,597.08** sq.m.
- 67% of outlets are mall based and 33% are stand alone
- Target to open 10 stores in 2015



SPECIALTY RETAIL SEGMENT HIGHLIGHTS



Product Mix

Category	Products	Share of Business
Ink & Toner	Ink & Toner	32%
Office and School Supplies	Papers, envelopes, folders, writing instruments, art materials, desk accessories	31%
Business Machine/ Technology	Mainly printers, includes also phones, CCTV, biometrics, computer peripherals, calculators	24%
Office Furniture	Tables, desk, cabinets, chairs, vault	8%
Services & Others	Binding, photocopy, lamination, general supplies, electricals	5%

SPECIALTY RETAIL SEGMENT HIGHLIGHTS



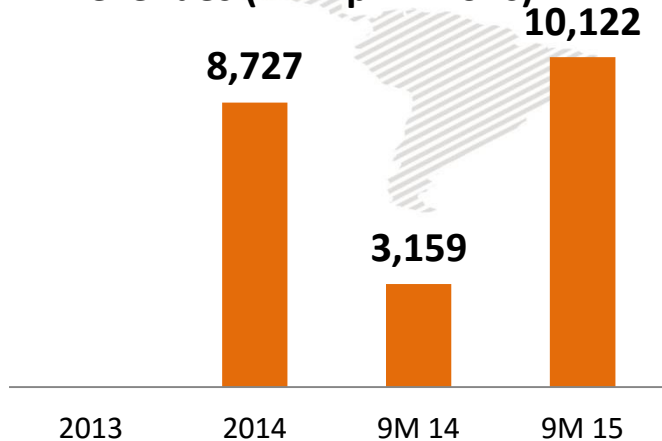
Well-known Global Partner Brands



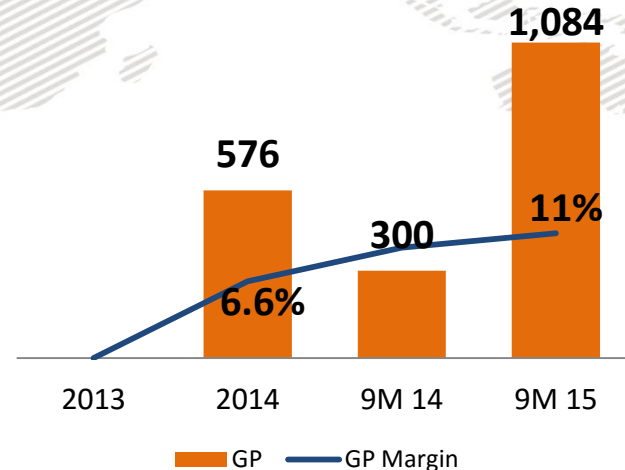
SPECIALTY RETAIL FINANCIAL PERFORMANCE



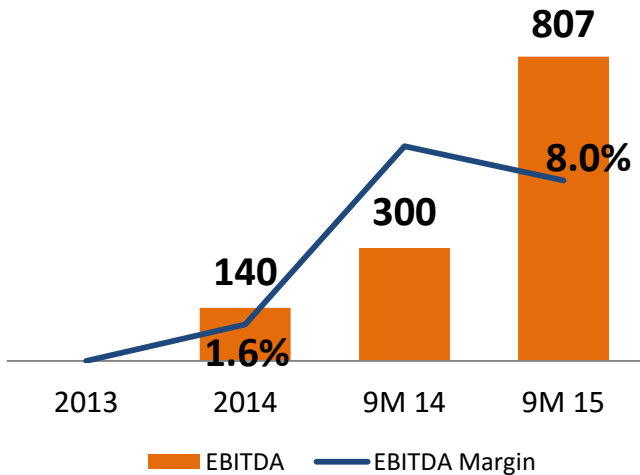
Revenues (in Php Millions)



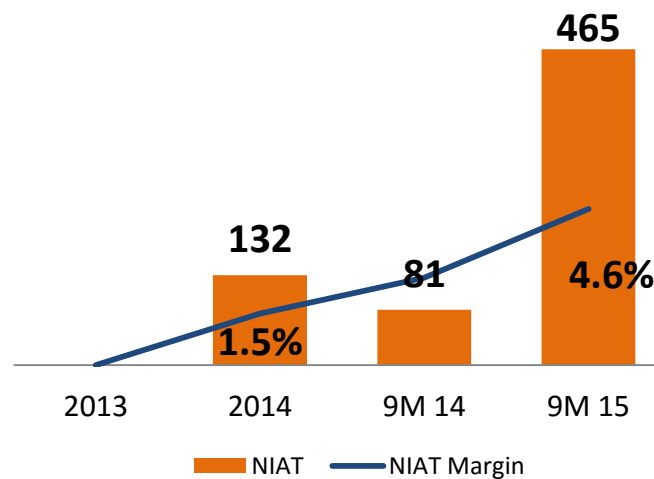
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



Thank you