

COSCO CAPITAL GROUP



INVESTOR PRESENTATION 1H 2015 RESULTS & PERFORMANCE



DISCLAIMER

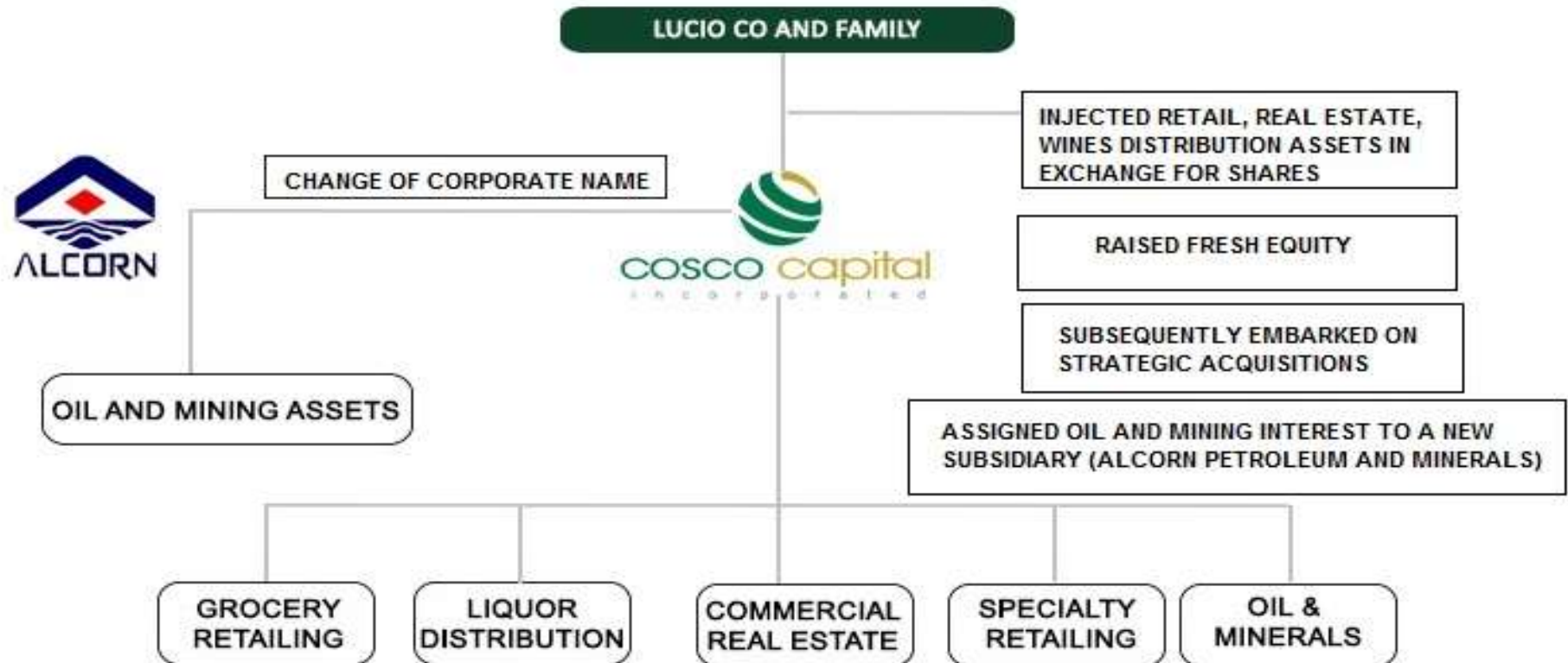
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CONGLOMERATE MAP



One of the leading retail holding companies in the Philippines

CORPORATE RESTRUCTURING



CORPORATE HIGHLIGHTS



2013

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.

2014

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 Liquigaz Philippine Corporation through Canaria Holdings Corporation

2015

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 five (5) commercial properties from NE Incorporated.

INVESTMENT SUMMARY



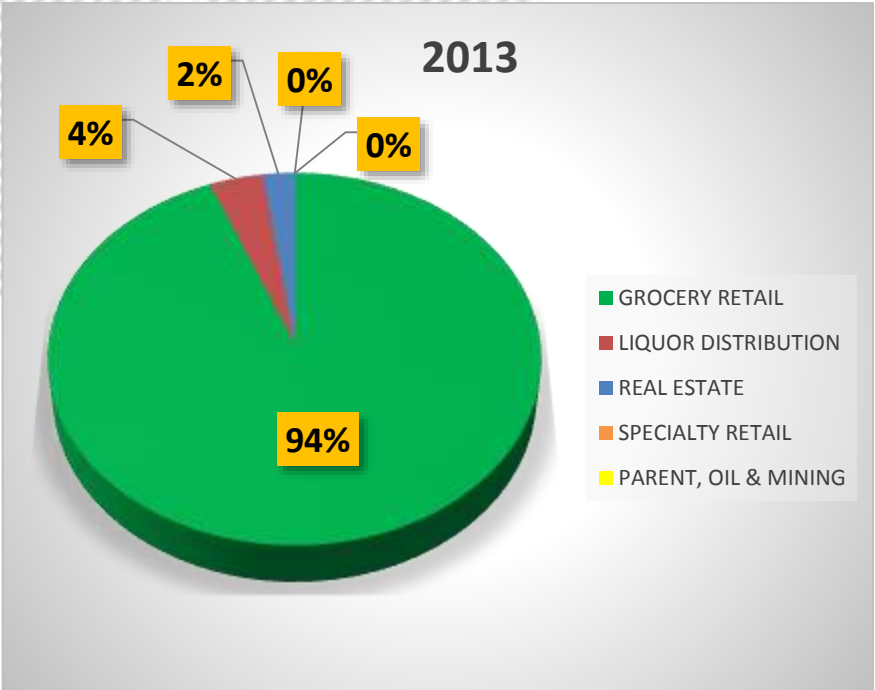
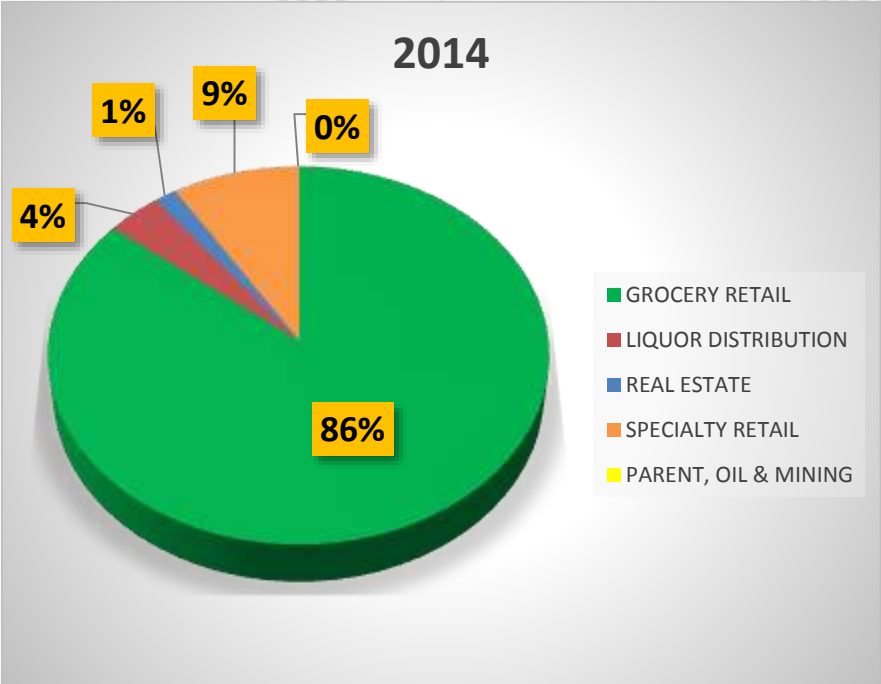
1. Sustained economic growth of the Philippines
2. Exposure to growing & robust consumer sector
3. Visible growth pipeline in the next 5 years
4. Focused core target market per brand
5. Management focused on the sustainable and Long-Term growth of the company

1H 2015 RESULTS AND PERFORMANCE



- Consolidated revenue grew by 30% in 1H 2015
- Grocery Retail segment accounted by about 82% of the consolidated revenue.
- Gross profit grew by 22% in 1H 2015; with gross margin posted 16%.
- Consolidated net income grew by 24% in 1H 2015; with consolidated net profit margin at 5%.

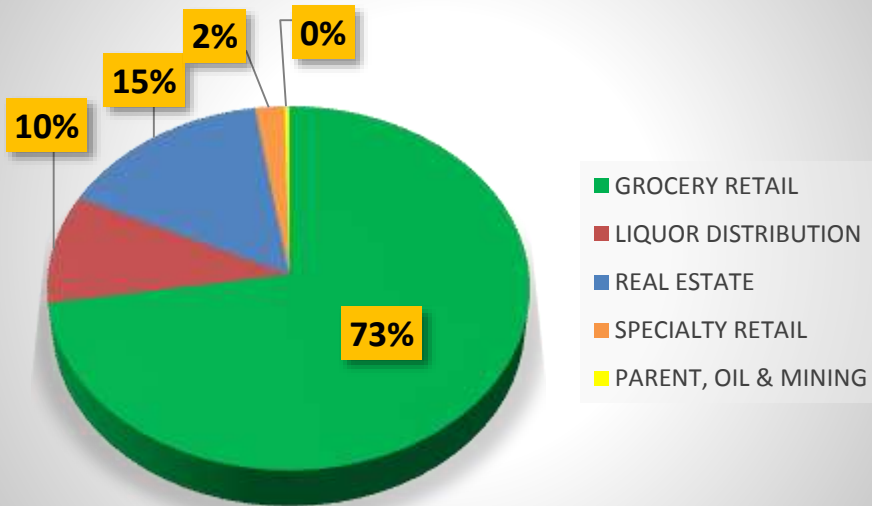
REVENUE CONTRIBUTION BY BUSINESS SEGMENT



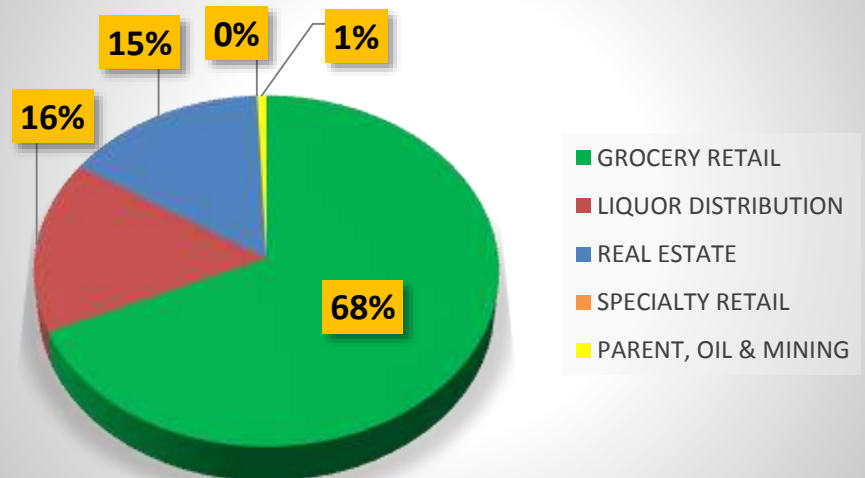
NET INCOME CONTRIBUTION BY BUSINESS SEGMENT



2014



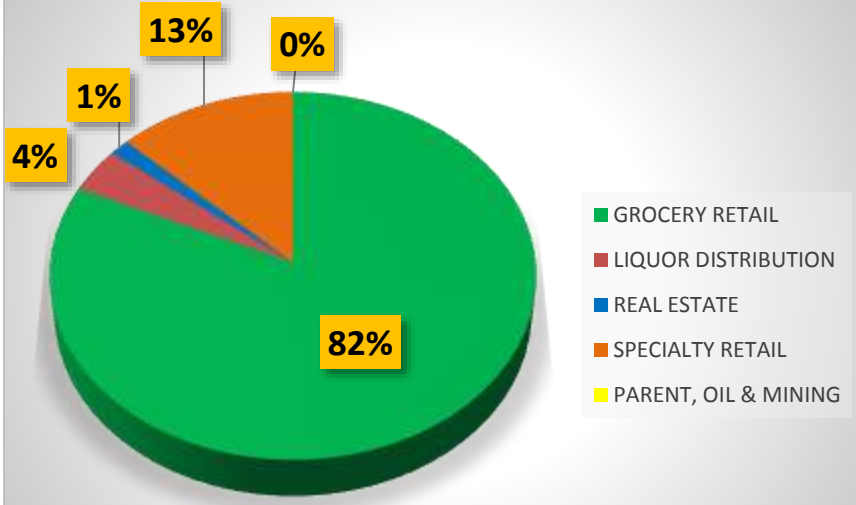
2013



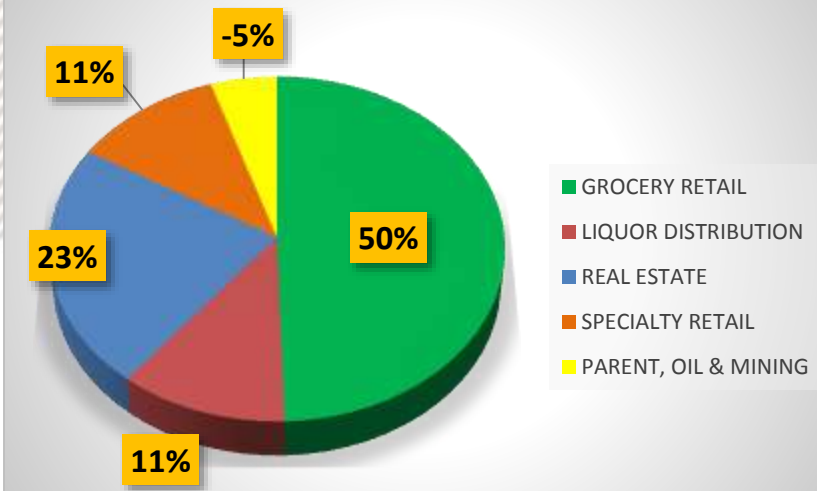
1H 2015 REVENUE AND NET INCOME CONTRIBUTIONS



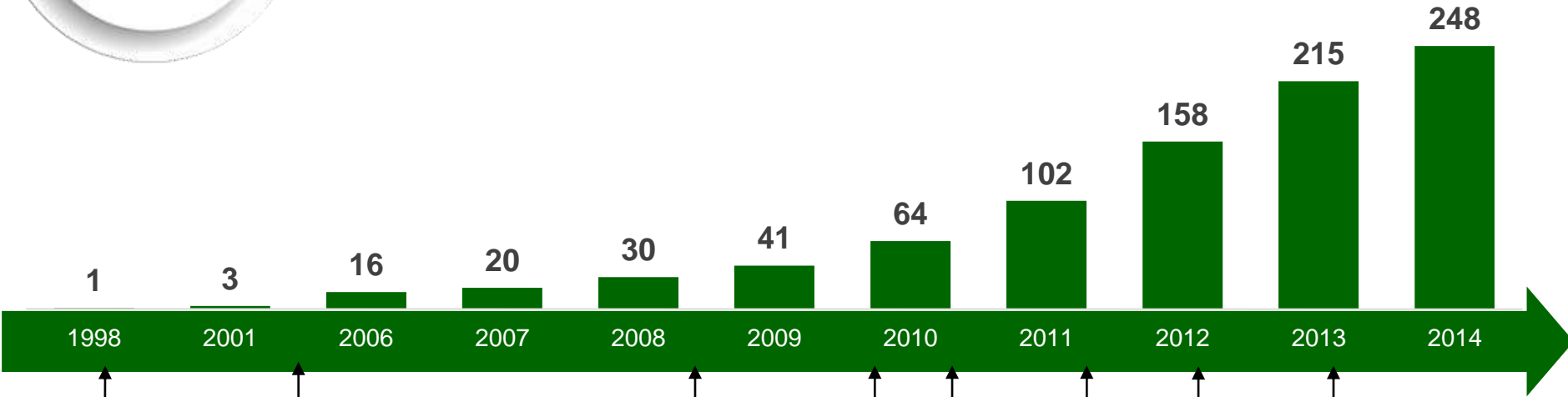
REVENUE



PATMI




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 10 new PGOLD stores; 4 S&R New York Style Pizza (QSR) in 1H 2015; acquired NE Bodega 9 Stores and closed 4 PGOLD stores
- Operating 258 stores as of 1H 2015; with consolidated NSA of more than 414,000 sqm.; excluding NE Bodega acquisition of about 15,000 sqm.
- Consolidated net sales expanded by 12% in 1H 2015; Puregold stores sales accounted for about 82.7% of consolidated net sales



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

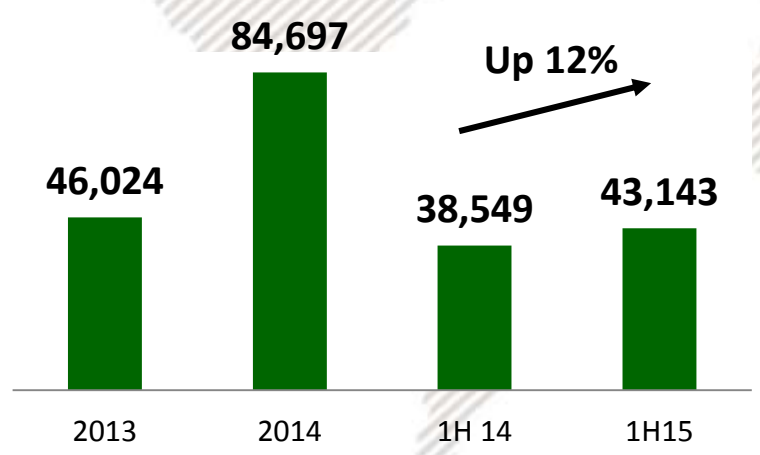


- CAPEX Budget of Php 4 billion in 2015
 - Php 1.2 billion for 25 new Puregold Stores
 - Php 650 million for 1 S&R
 - Php 150 million for 10 S&R QSR
 - Php 200 million for store renovation, upgrades and S&R Distribution Center improvements
 - Php 300 million for 50 Lawsons Stores
 - Php 1.5 billion for acquisitions
- To be funded by internally generated cash and short term untapped bank credit lines if necessary.

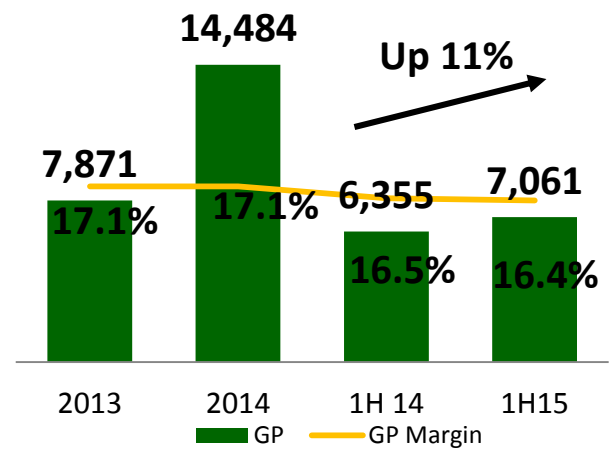
RETAIL SEGMENT FINANCIAL PERFORMANCE



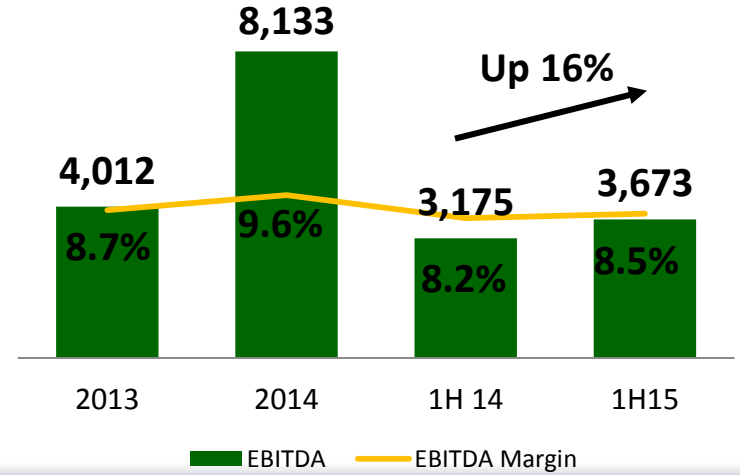
Revenues (in Php Millions)



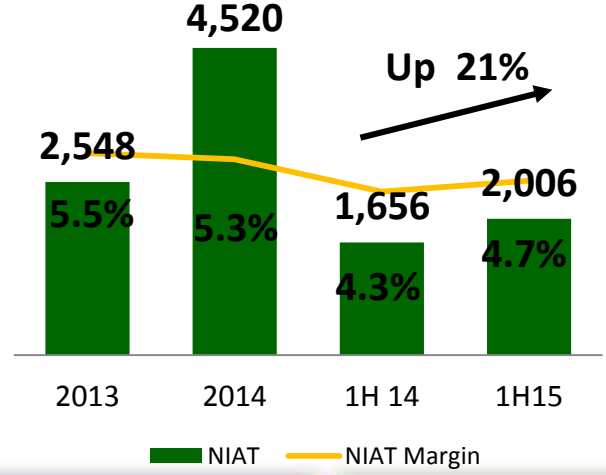
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



LIQUOR SEGMENT HIGHLIGHTS



Products

Brandy

Alfonso
Alfonso light
Exelente
Carlos
Fundador light
Fundador

Whisky

Jonnie walker
J&B
Bushmills whiskies
Chivas

Rhum

Bacardi

Tequila

Patron
Cuervo

Cognac

Vodka

Liquers



LIQUOR SEGMENT HIGHLIGHTS



FY 2014 SALES MIX

Category	2014	2013	Increase	%
Brandy	860,048	737,985	122,063	17%
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%

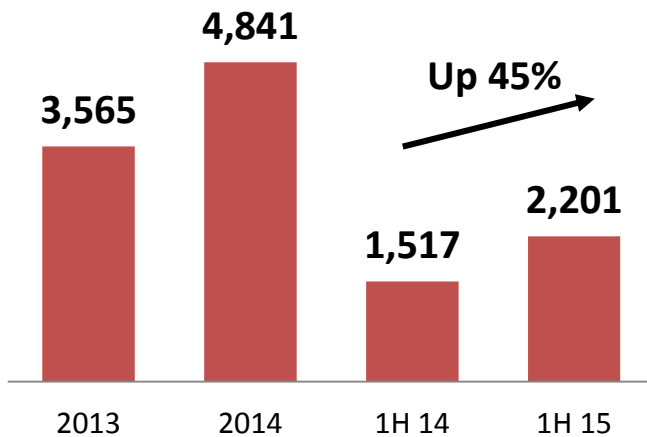
1H 2015 SALES MIX

	2015	2014	Increase	%
	387,949	245,358	142,590	58%
	185,317	139,708	45,609	33%
	573,266	385,066	188,200	49%
	49,259	41,452	7,806	19%
	622,525	426,519	196,006	46%

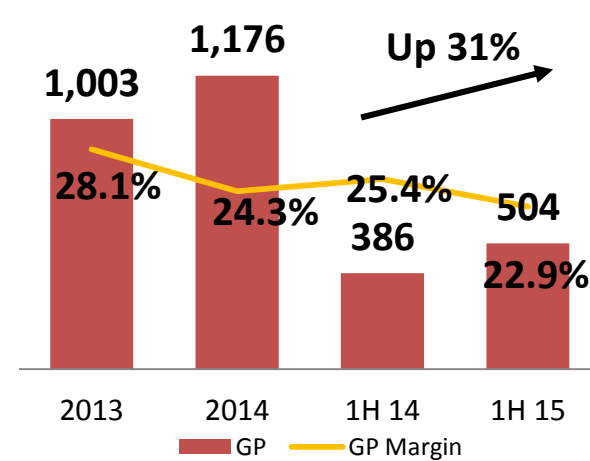
LIQUOR DISTRIBUTION FINANCIAL PERFORMANCE



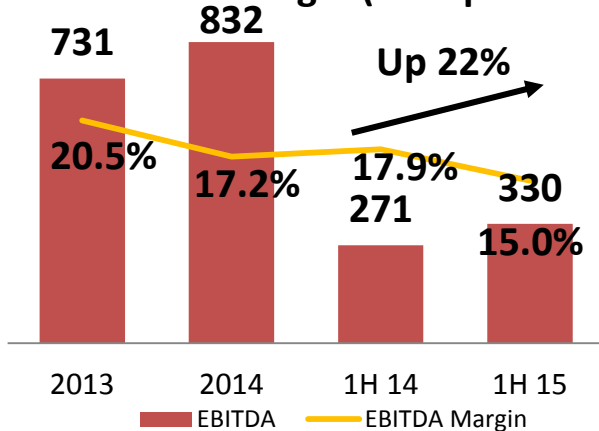
Revenues (in Php Millions)



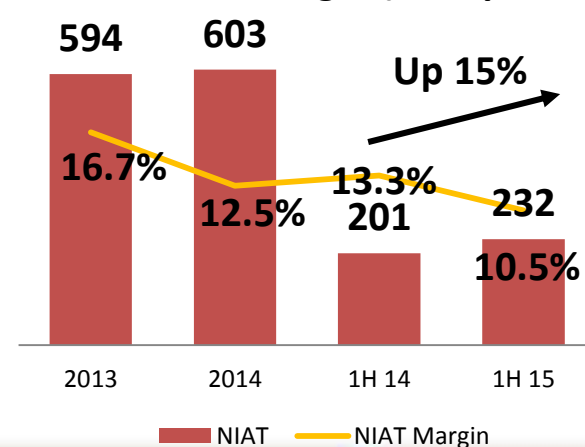
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



REAL ESTATE SEGMENT HIGHLIGHTS



- Total of **31** properties in 2014 and **27** in 2013.
- Gross Leasable Area (GLA) in 2014 **321,216** and **228,754** in 2013.
- 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.
- Acquisitions of four (4) commercial properties in 2015

- Target development timeline:
 - About 3 community malls in Y2015
 - About 4 community malls in Y2016

REAL ESTATE SEGMENT HIGHLIGHTS



Portfolio of Properties

		Dec 2013	Dec 2014	1H 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	20	24
	Total GLA in sqms	145,876	177,476	196,159
	Investment costs	Php5,427mm	Php7,549mm	Php8,095mm
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	31	35
	Investment costs	Php12,913mm	Php15,954mm	Php16,500mm

REAL ESTATE SEGMENT HIGHLIGHTS



1H 2015 Portfolio

Properties	2013	2014 additions	2014 Asset Portfolio	1Q2015 additions	1H2015 Assets Portfolio
Land under lease					
Number of properties	7	2	9		9
Total area in sqms	85,704	60,476	146,180		146,180
Commercial Buildings					
Number of buildings	20	2	22	4	26
Total GLA in sqms	145,876	31,986	177,862	19,429	197,291

Operates 35 commercial properties and buildings as of 1H 2015 with GLA of over 343,000 sqm

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%
Sucac	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



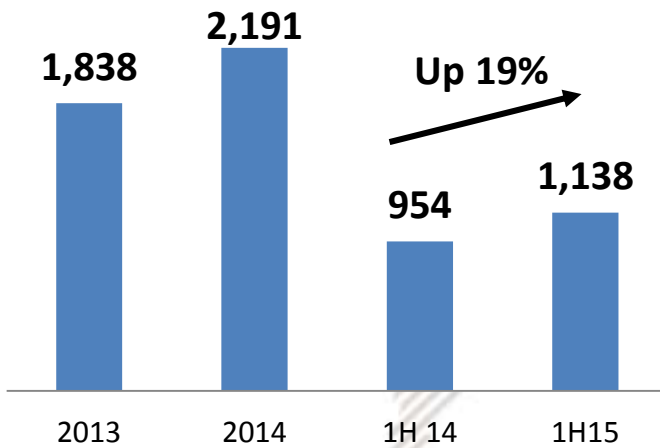
Selected Financial Ratios

		2014	2013	1H 2015	1H 2014
A.	Ebitda / Rentals	78.4%	49.0%	81.4%	78.4%
B.	Rentals / Property & Eqpt	12.3%	12.5%	13.3%	13.1%
C.	Ebitda / Property & Eqpt	9.6%	6.1%	10.8%	10.3%
D.	Debt : Equity	0.47	0.45	0.49	0.43
E.	NIAT / Equity	6.0%	2.7%	3.5%	3.1%

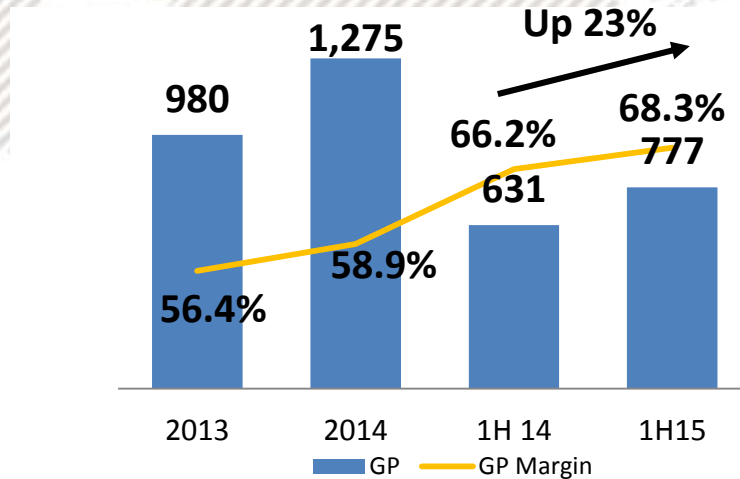
REAL ESTATE FINANCIAL PERFORMANCE



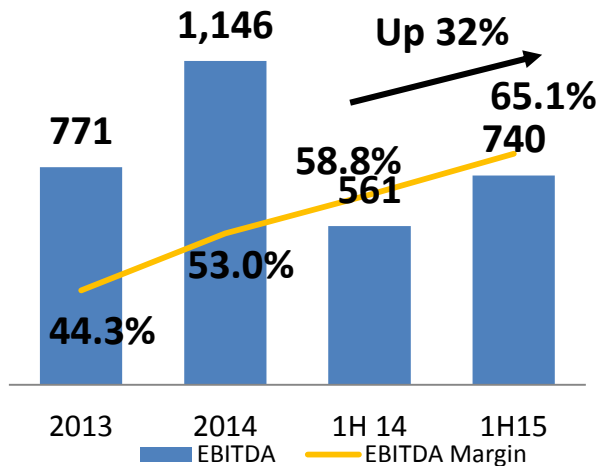
Revenues (in Php Millions)



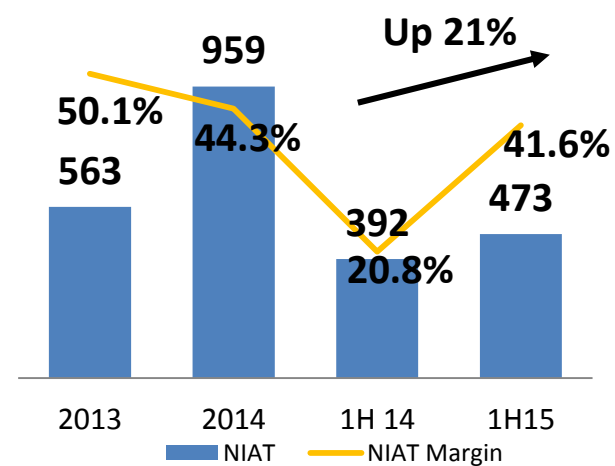
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



Liquigaz Philippine Corporation

- 432,995 mT sold in 2014
- Operates in 5 business segments
- Increase in current market share by 7% to 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 51 stores in 1HQ 2015
- Net selling area of 5,124.43 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

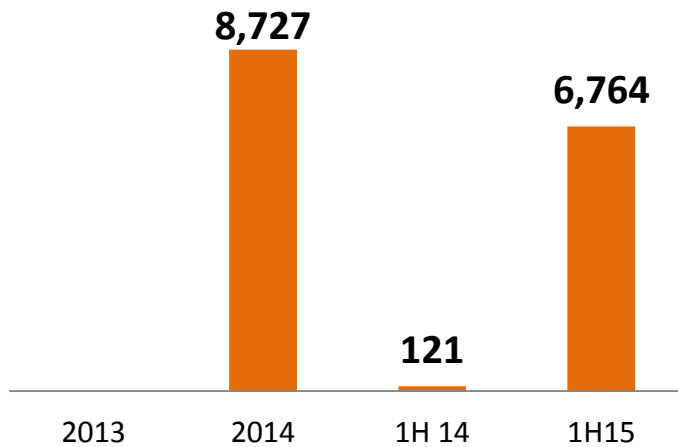


Well-known Global Partner Brands

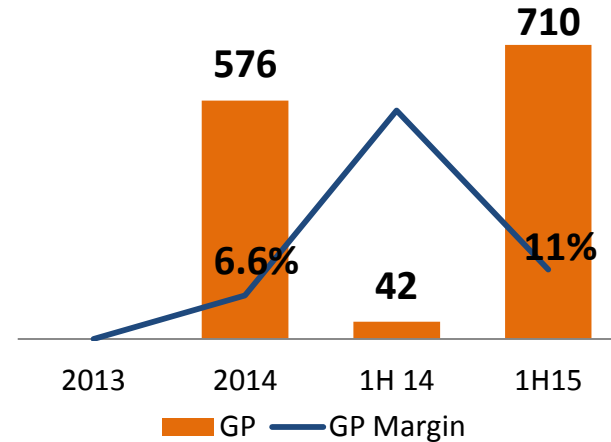


SPECIALTY RETAIL FINANCIAL PERFORMANCE

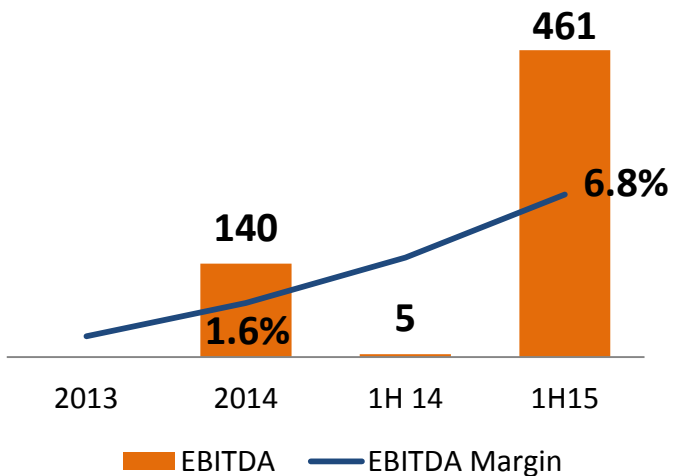
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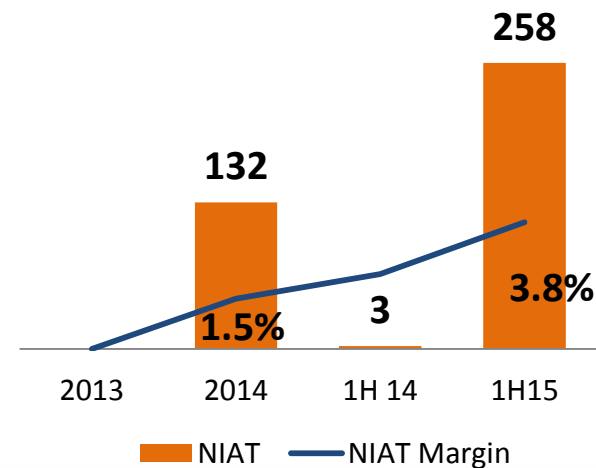
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



Thank you