

COSCO CAPITAL GROUP



INVESTOR PRESENTATION Q1 2016 RESULTS & PERFORMANCE

 PUREGOLD

**S&R**
Membership Shopping
The world class shopping experience

**PREMIER**
WINE & SPIRITS, INC.

*Meritus Prime*
DISTRIBUTORS, INC.

 MONTOSCO INC.

**999**
Shopping Mall

 Liquigaz

 Office
Warehouse

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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

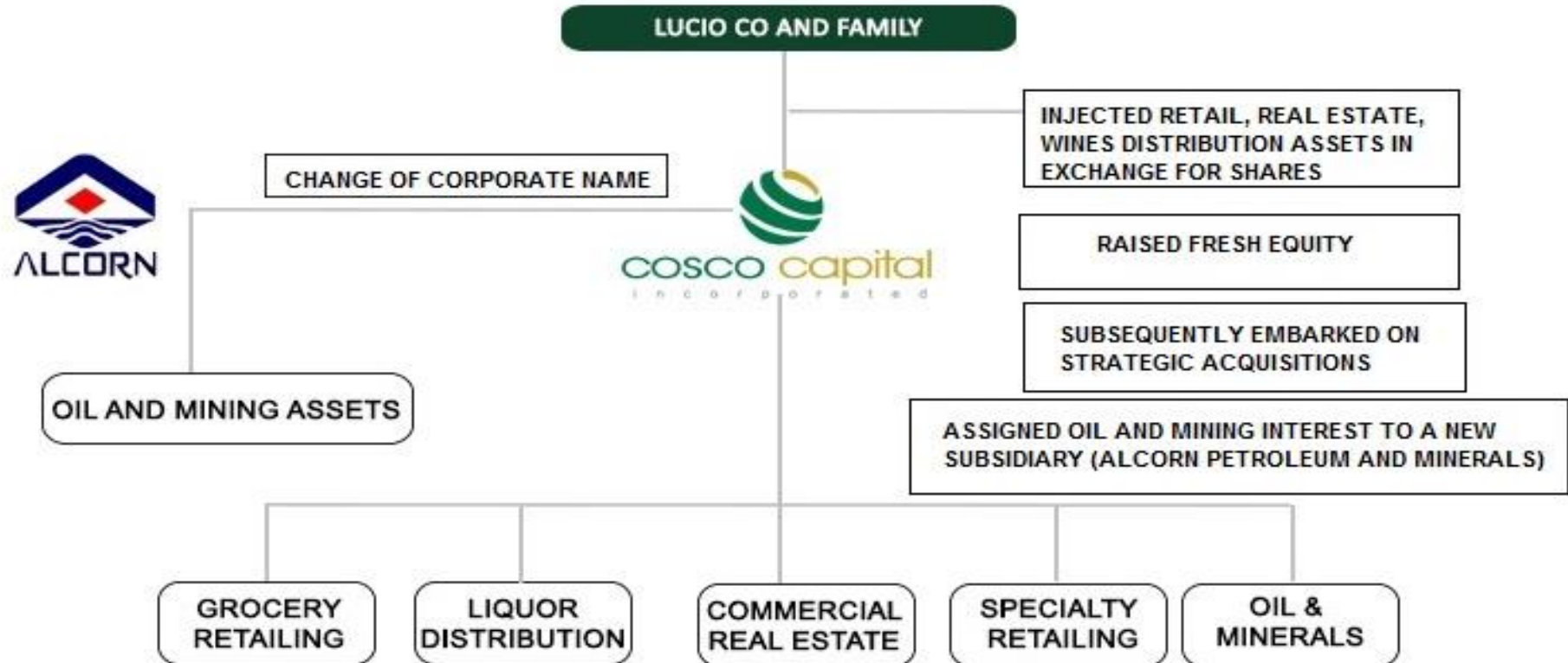
100%

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.

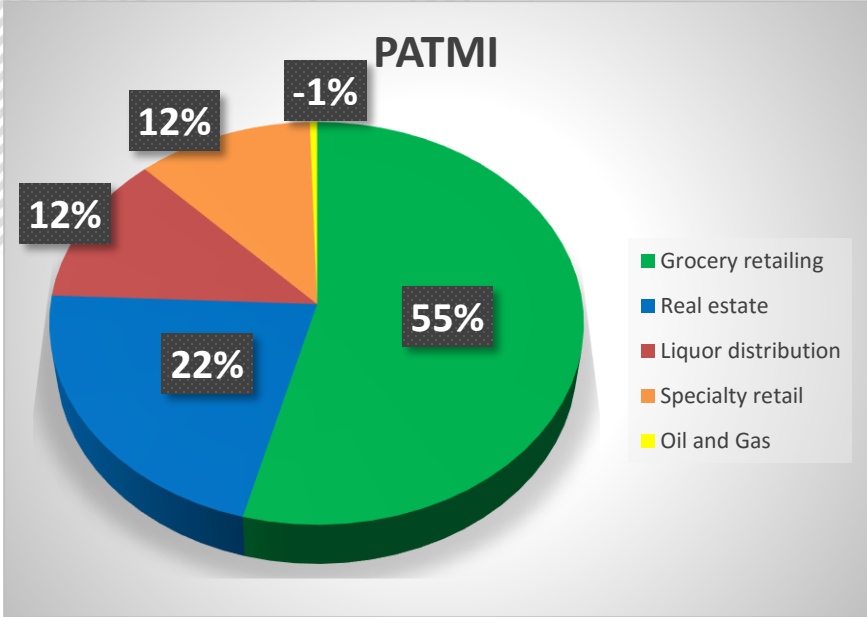
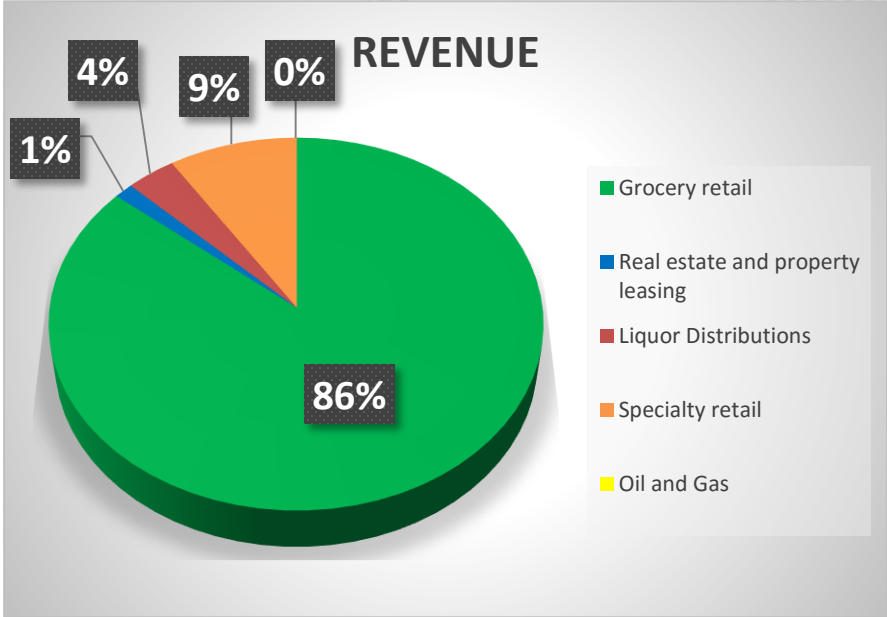
- Cosco Capital, Inc. through its wholly-owned subsidiary, Ellimac Prime Holdings, Inc., acquired four (4) commercial properties from NE Incorporated

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

Q1 2016 REVENUE AND PATMI CONTRIBUTIONS



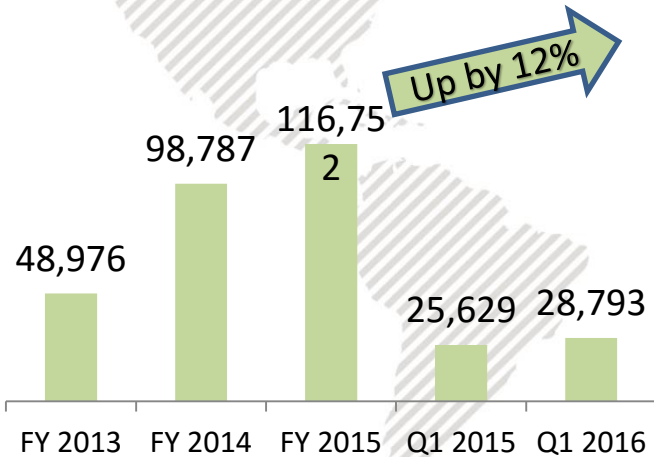
PATMI – Net income attributable to equity holders of the parent company

Q1 2016 CONSOLIDATED FINANCIAL PERFORMANCE

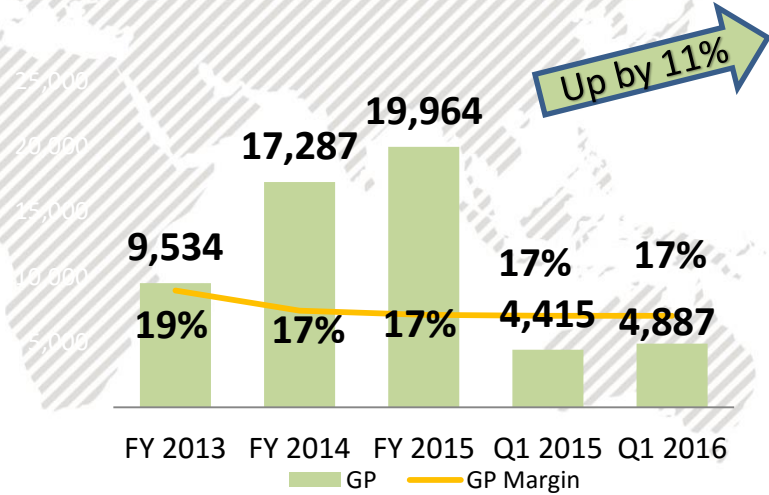


cosco capital
INCORPORATED

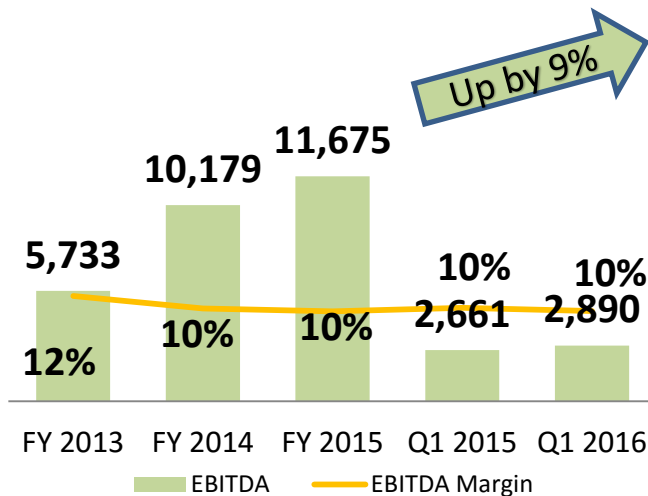
Revenues (in Php Millions)



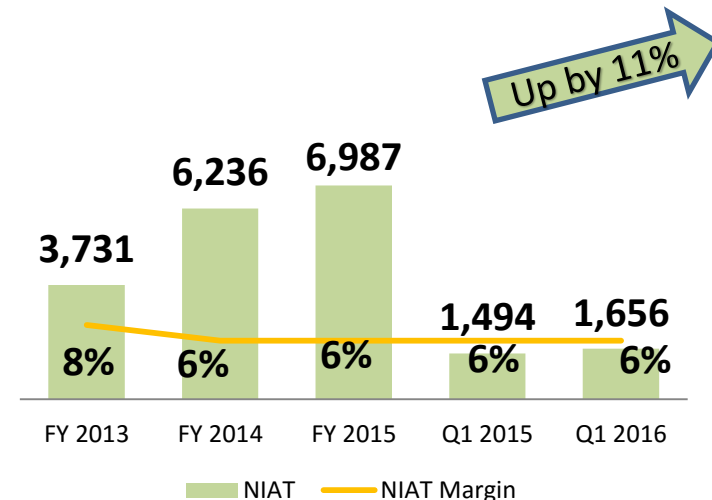
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)

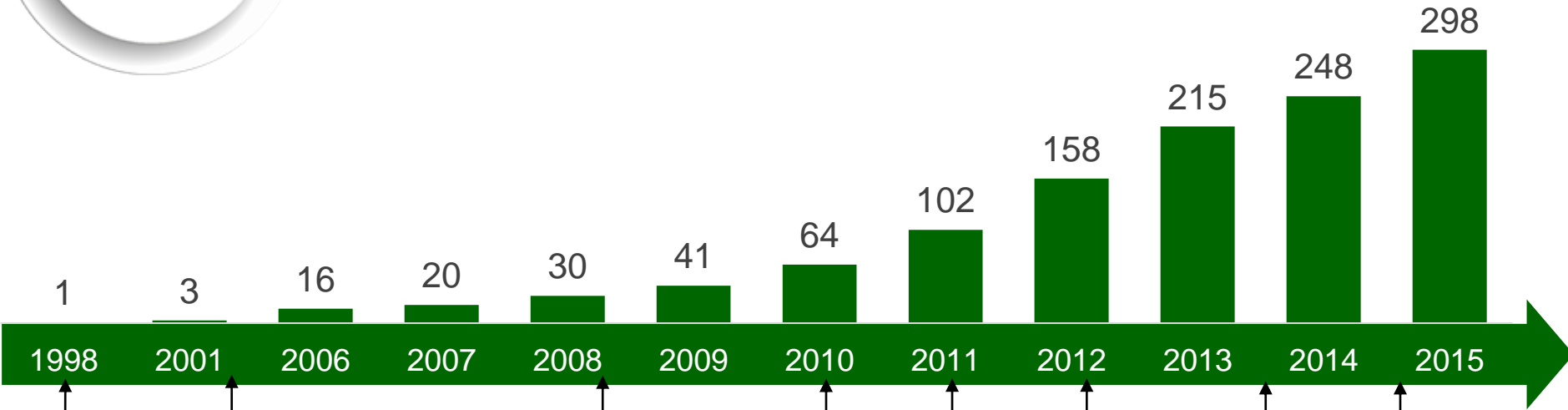


Net Profit and Margin (in Php Millions)





Stores roll-out through FY 2015



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 2013
- NE Bodega 9 stores and Budgetlane 8 stores acquisitions in 2015

Rapid store expansion from 1 to 298 stores in 17 years

GROCERY RETAIL SEGMENT HIGHLIGHTS



- Opened 5 new PGOLD stores; 1 S&R New York Style Pizza (QSR) in 1Q 2016; closed 1 PGOLD store
- Operating 286 stores in 1Q 2016; with consolidated NSA of more than 430,000 sqm.; excluding acquisition NE Bodega of around 15,000 sqm and Budgetlane of around 18,000 sqm.
- Consolidated net sales expanded by 19.7% in 1Q 2016; Puregold stores sales accounted for about 82.4% of consolidated net sales
- Gross profit grew by 12.6% in 1Q 2016; with gross profit margin posted 16.6%
- Operating income increased by 12.9% in 1Q 2016; with operating margin at 6.7%
- Consolidated Net income grew by 9.5% in 1Q 2016; consolidated net profit margin at 4.7% PGOLD only net margin is at 3.8% while S&R net margin is 8.7%.



GUIDANCE FOR FY 2016

- Consolidated net sales targeted to grow by 12 to 15% driven by the following:
 - Net sales growth from organic Puregold and S&R stores
 - Positive SSSG for Puregold (3%) and S&R (4 to 5%)
 - Opening of 25 new Puregold stores; 2 S&R stores
 - Full year operations of NE Bodega & Budgetlane Supermarket
- Lower PGOLD inventory days between 45 to 50 days
- Sustain PGOLD consolidated gross and net profit margins
- Pursue acquisitions and expand into new geographic locations

CAPEX GUIDANCE FOR FY 2016

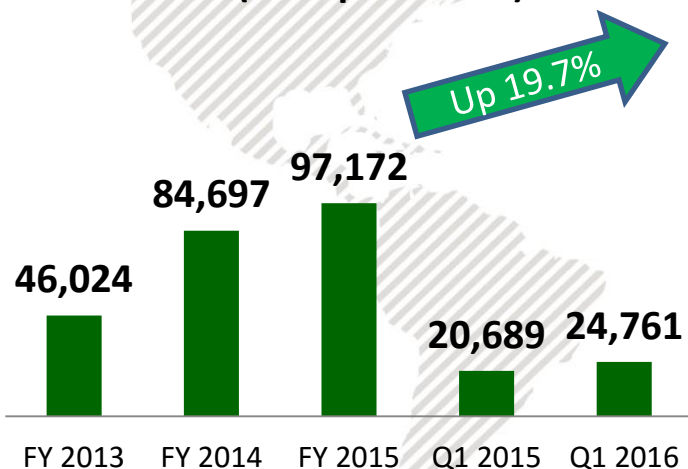
- CAPEX Budget of Php 2.6 billion in 2016
 - Php 1 billion for 25 new Puregold Stores
 - Php 1 billion for 2 S&R stores
 - Php 150 million for 10 S&R QSR
 - Php 450 million for 75 Lawsons Stores
- To be funded by internally generated cash and short term untapped bank credit lines if necessary.

GROCERY RETAIL SEGMENT FINANCIAL PERFORMANCE

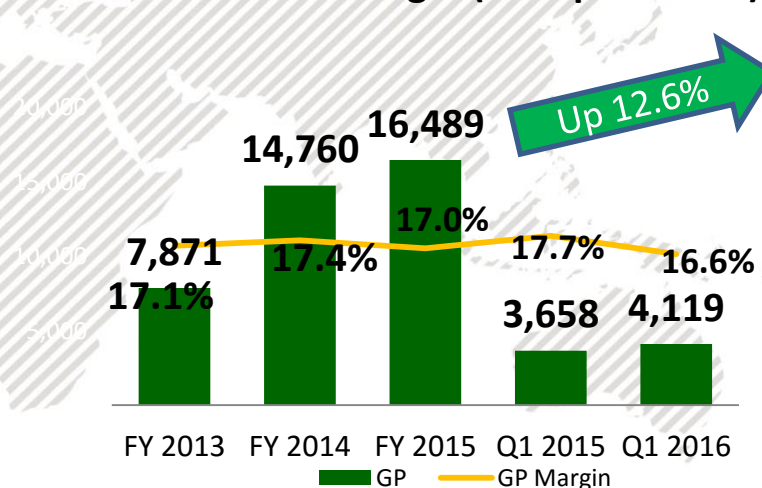


cosco capital

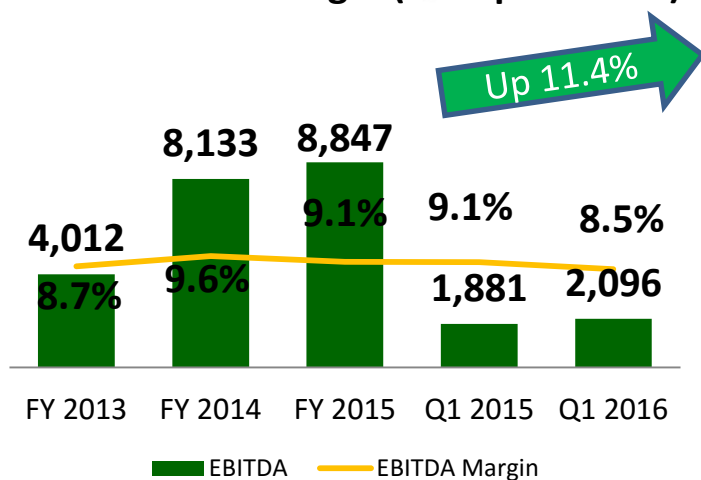
Revenues (in Php Millions)



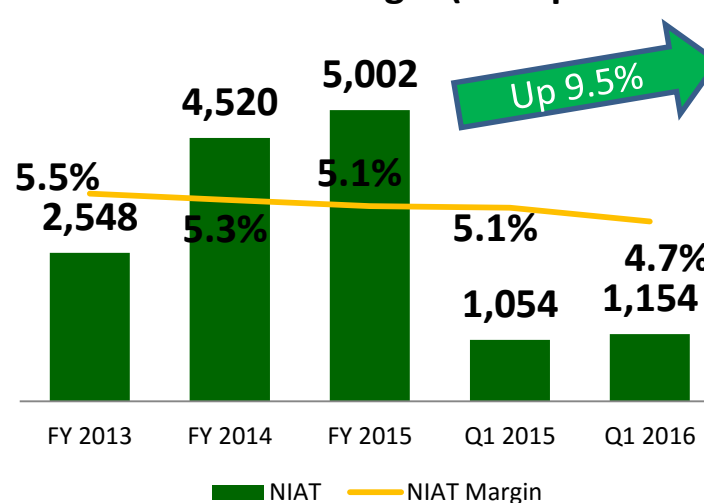
Gross Profit and Margin (in Php Millions)



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



Q1 2016 SALES MIX

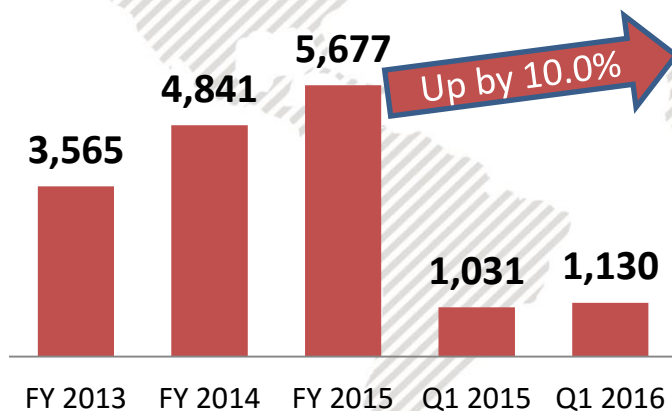
Category	2016	2015	Increase	%
Brandy	195,510	195,346	164	-
Other spirits	69,013	61,119	7,893	13%
Sub-Total	264,523	256,465	8,057	3%
Wines	29,230	26,414	2,816	11%
Specialty beverages	27,349	24,187	3,161	13%
Grand Total	321,101	307,066	14,035	5%

LIQUOR DISTRIBUTION FINANCIAL PERFORMANCE

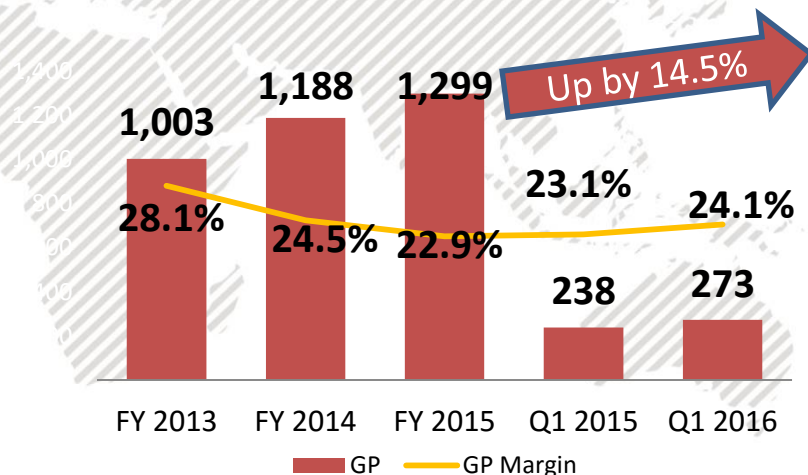


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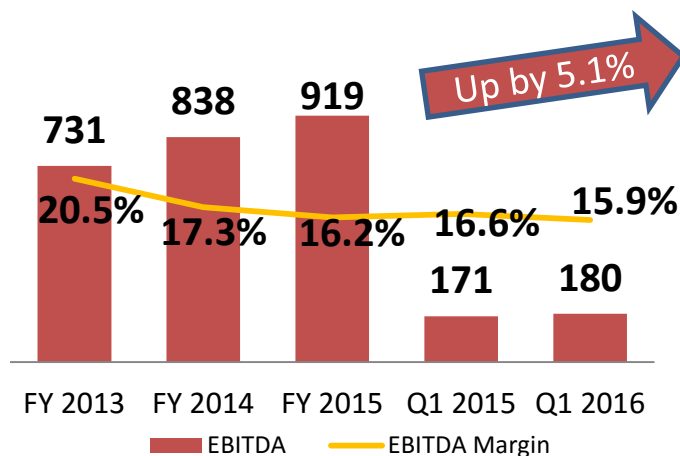
Revenues (in Php Millions)



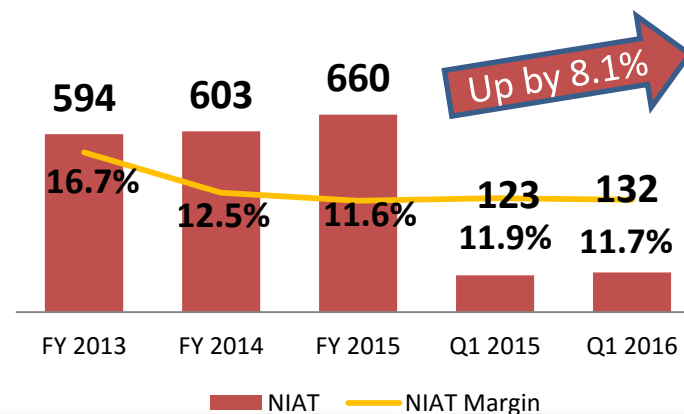
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



REAL ESTATE SEGMENT HIGHLIGHTS



- Total of **38** properties in Q1 2016 and **36** in Q1 2015.
- Gross Leasable Area (GLA) in Q1 2016 **414,405** and 397,439 in Q1 2015.

Selected Financial Ratios

		Q1 2016	Q1 2015
A.	Ebitda / Rentals	79.8%	78.4%
B.	Rentals / Property & Eqpt	12.0%	12.3%
C.	Ebitda / Property & Eqpt	9.5%	9.6%
D.	Debt : Equity	0.59	0.47
E.	NIAT / Equity	7.1%	6.0%

REAL ESTATE SEGMENT HIGHLIGHTS



Portfolio of Properties

		Q1 2015	Q1 2016	
1.	Land under Lease			
	Number of properties	9	9	
	Total area in sqms	145,980	145,980	
	Book value	Php4,243mm	Php4,243mm	
2.	Commercial Buildings			
	Number of buildings	25	27	
	Total GLA in sqms	196,159	213,125	
	Investment costs	Php8,095mm	Php8,811mm	
3.	Divisoria 999			
	Number of buildings	2	2	
	Total GLA in sqms	55,300	55,300	
	Investment cost	Php4,162mm	Php4,162mm	
TOTALS				
	Number of properties	36	38	
	Investment costs	Php16,500mm	Php17,216mm	Up by 4.3%
	Total in GLA	397,439 sq.m	414,405 sq.m	Up by 4.3%

REAL ESTATE SEGMENT HIGHLIGHTS

Q1 2016 Occupancy rates



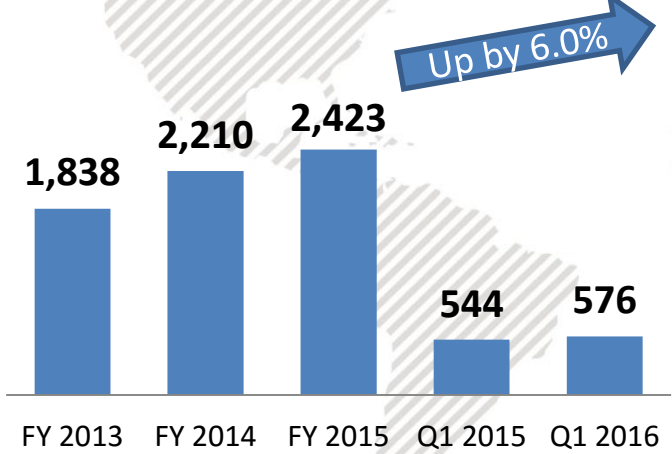
Properties	Occupancy Rate
1. Anabu, Cavite	96.1%
2. Angeles, Pampanga	100.0%
3. 999 Building 1	98.3%,
4. 999 Building 2	94.4%
5. Baliuag, Bulacan	99.9%
6. Cabanatuan	94.4%
7. Candelaria	91.9%
8. Cubao	99.8%
9. Dalandanan, Valenzuela	94.1%
10. Dau, Mabalacat	95.8%
11. Don Antonio Heights	100.0%
12. Fairview Terraces	74.7%
13. Guiguinto, Bulacan	99.1%
14. Monumento	99.1%

Properties	Occupancy Rate
15. NE Baler	71.5%
16. NE San Jose	81.3%
17. NE San Juan	87.1%
18. NE Zulueta	73.6%
19. NE Pacific	99.1%
20. Q.I. Central	99.0%
21. RFC Las Pinas	46.7%
22. San Joaquin, Pasig	100.0%
23. San Juan, Batangas	100.0%
24. Subic Harbor Point	91.0%
25. Sucat	100.0%
26. Taguig	99.1%
27. Taytay	100.0%
28. Tayuman	95.5%

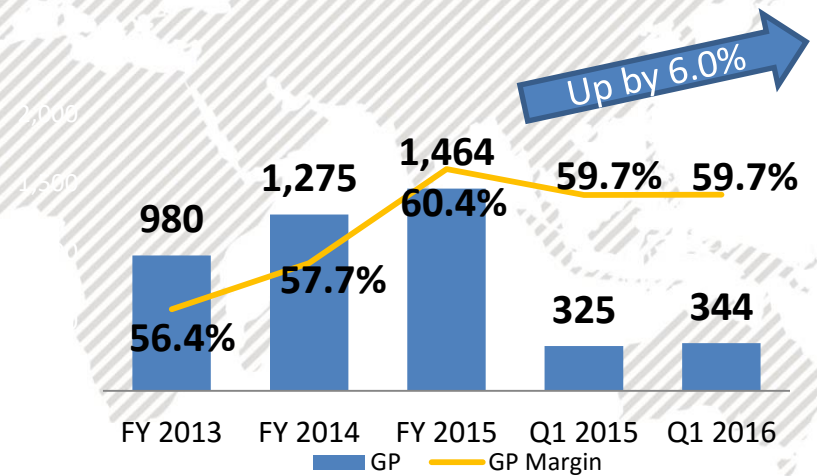
REAL ESTATE FINANCIAL PERFORMANCE



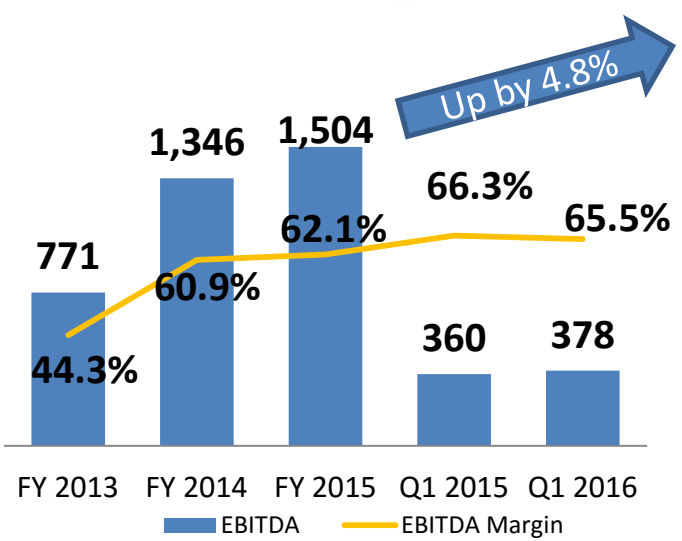
Revenues (in Php Millions)



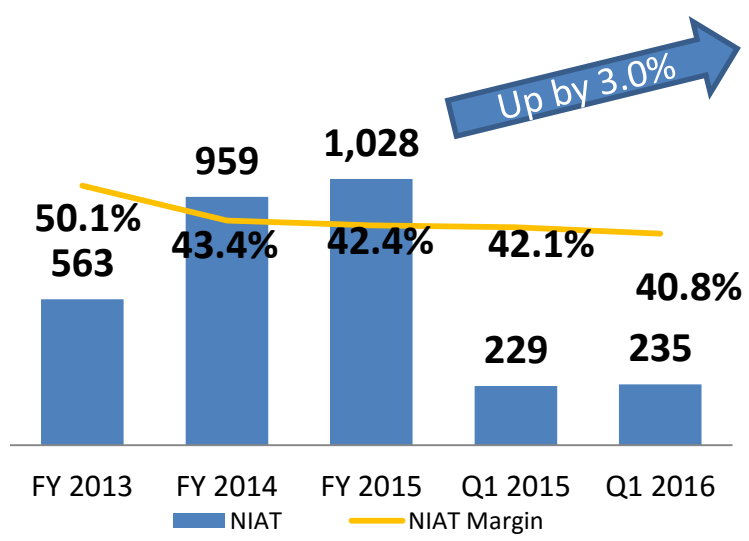
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



Liquigaz Philippine Corporation

- **99,166 mT** volume sold in Q1 2016 and **111,090 mT** in Q1 2015
- Operates in 5 business segments
- Current market share of around 30%.
- Acquisition of G&G and Velgas 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.

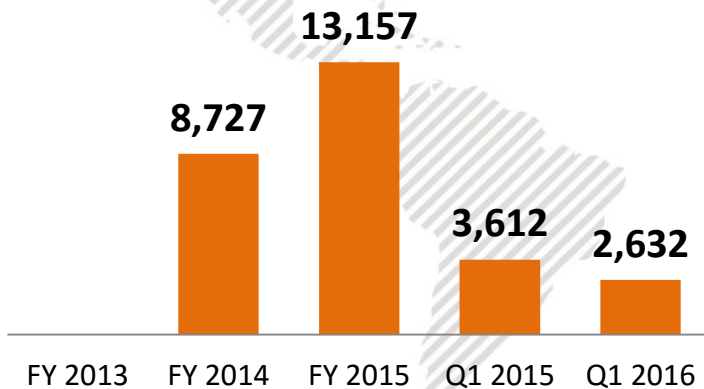
- A total 59 stores in Q1 2016 and 50 stores in Q1 2015
- Net selling area of **11,036** sq.m. in Q1 2016
- 63% of outlets are mall based and 37% are stand alone



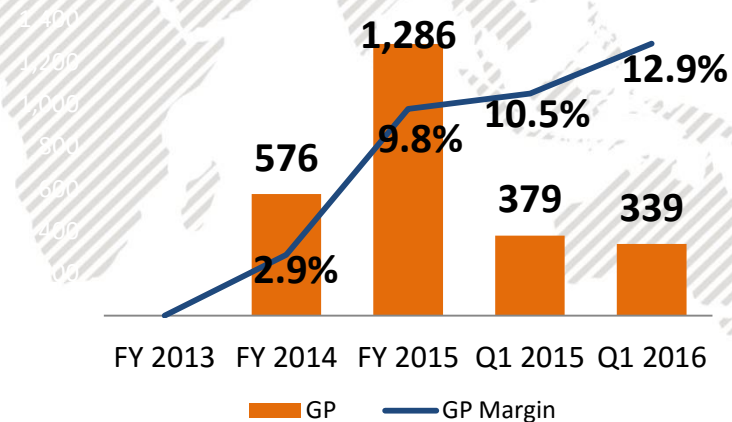
SPECIALTY RETAIL FINANCIAL PERFORMANCE



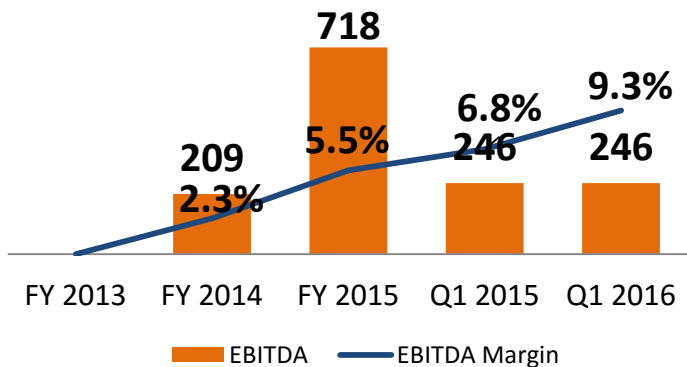
Revenues (in Php Millions)



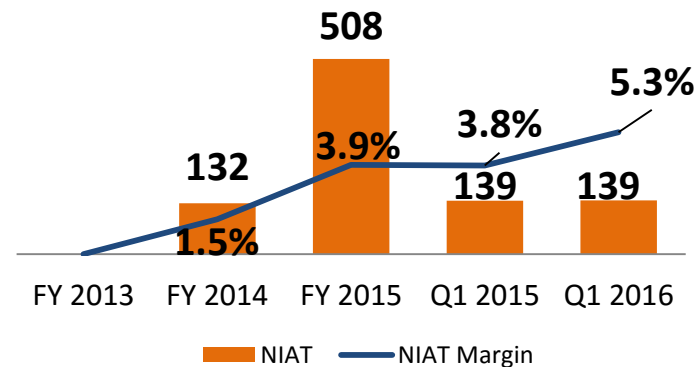
Gross Profit and Margin (in Php Millions)



EBITDA and Margin (in Php Millions)



Net Profit and Margin (in Php Millions)



Thank you