



FY16 1H Unaudited Results May 11, 2016

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AGENDA

- 1H FY16 Financial Performance
- Outlook and Guidance
- Appendix



URC: Margins sustained despite tepid topline growth

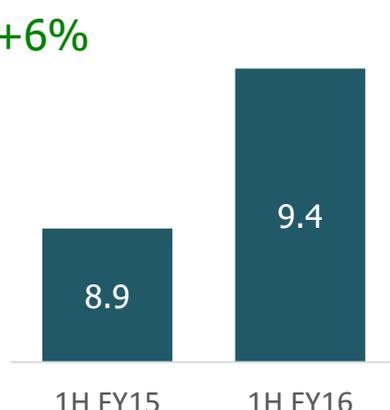
SALES

+5%



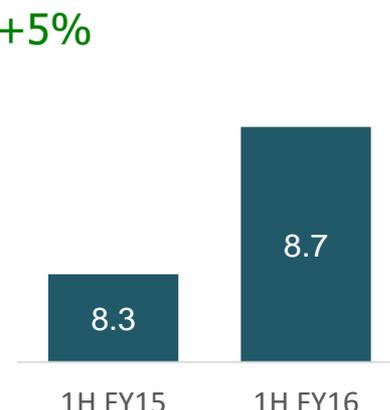
EBIT

+6%



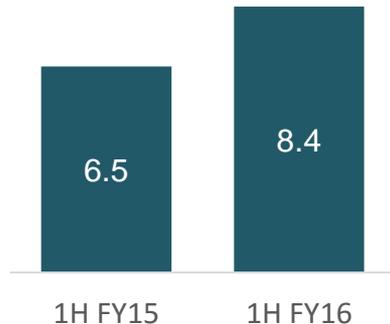
CORE EARNINGS

+5%



NET INCOME

+29%

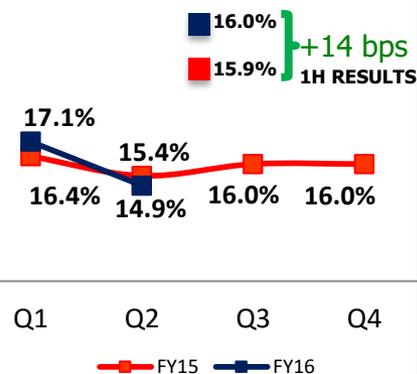


EBITDA

+10%



EBIT MARGIN

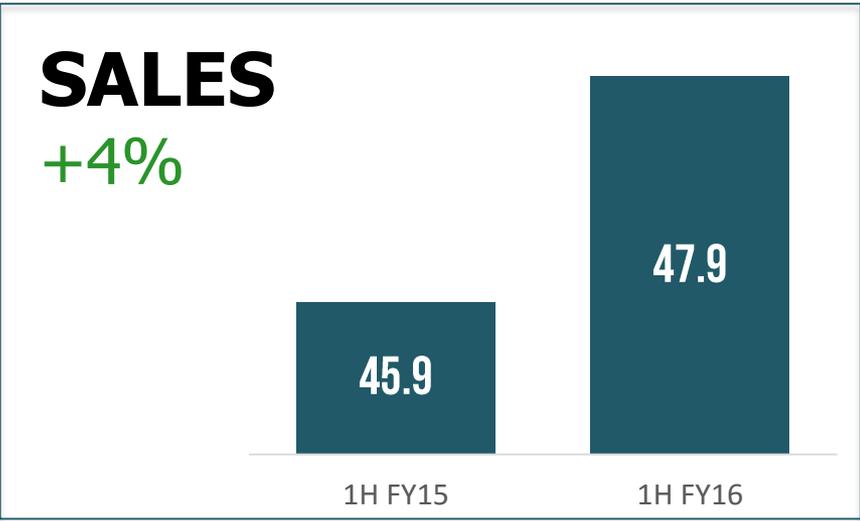


- Maintaining EBIT margins despite slower topline growth
- Core earnings tracking topline growth
- Net income higher driven by non-recurring items

*Sales to EBITDA are in Billion Pesos

*Growth: vs. SPLY

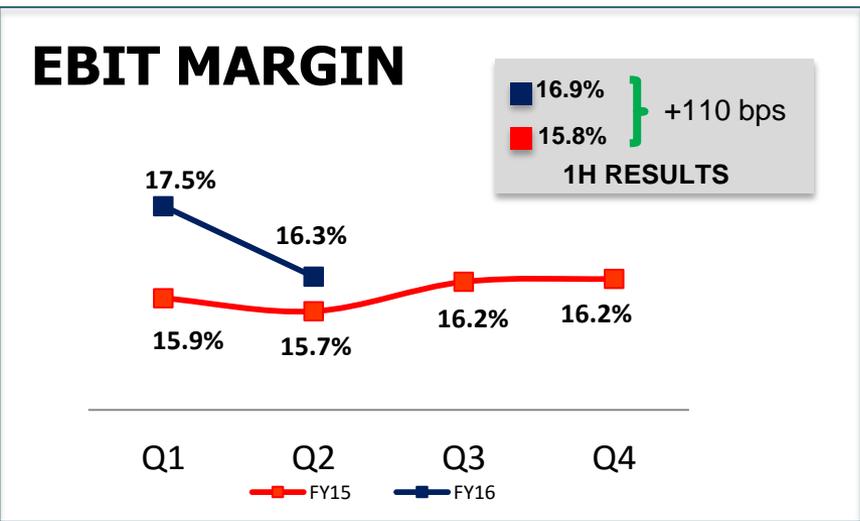
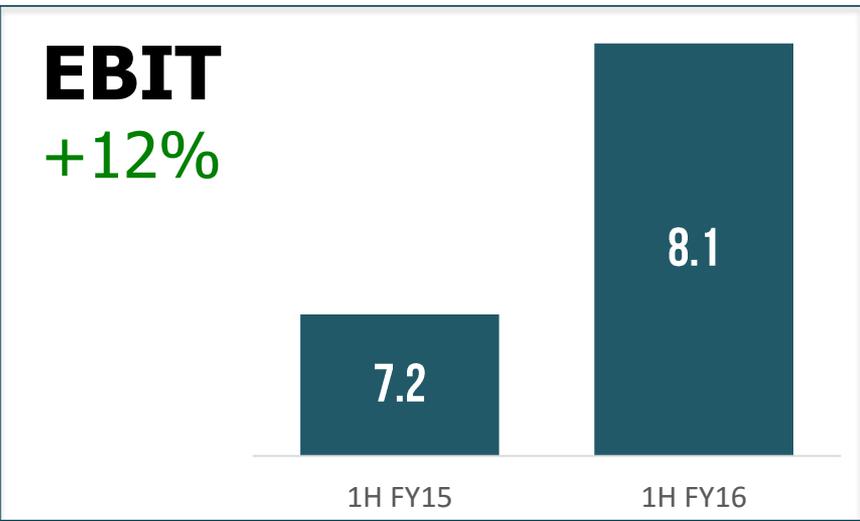
BCF: Lower topline growth but managed to boost operating income and margin



Muted sales growth as a result of aggressive price competition on the 3in1 coffee and declining instant coffee segment

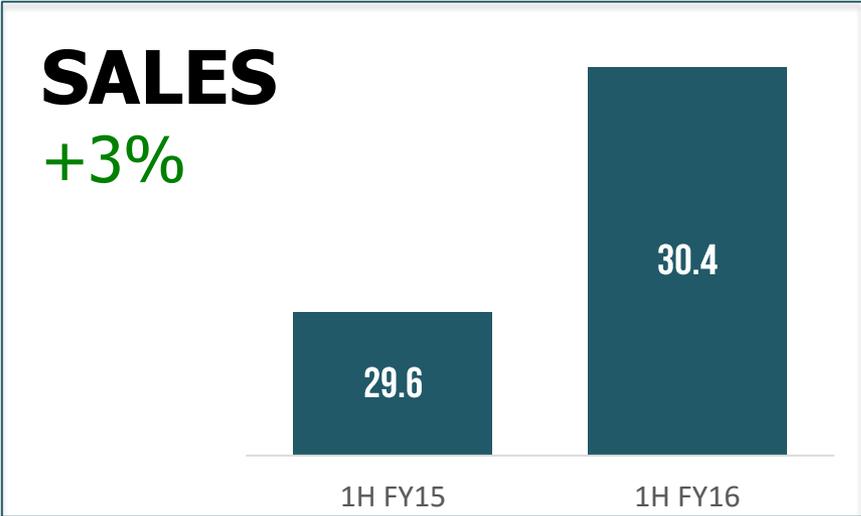
INT'L growth driven by Vietnam, Indonesia and New Zealand

Business continues to benefit from lower input prices resulting to higher margins

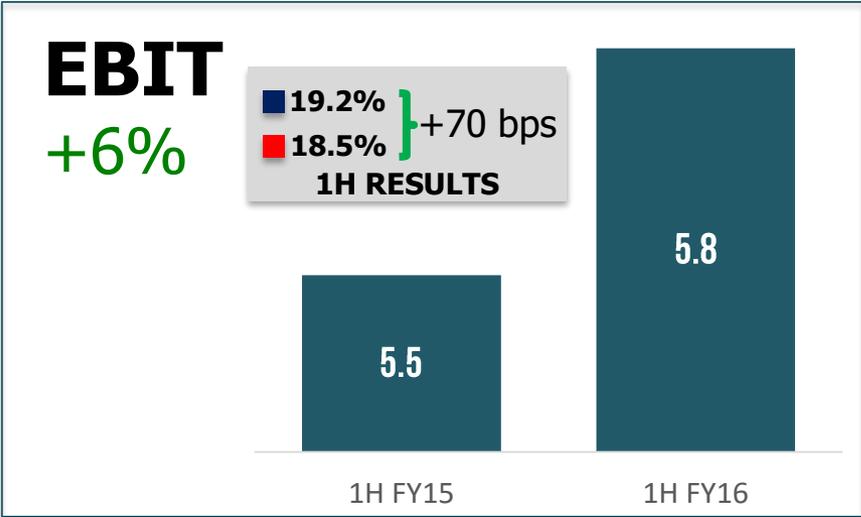


*Sales and EBIT are in Billion Pesos
 **Growth: vs. SPLY
 *** Excluding Packaging

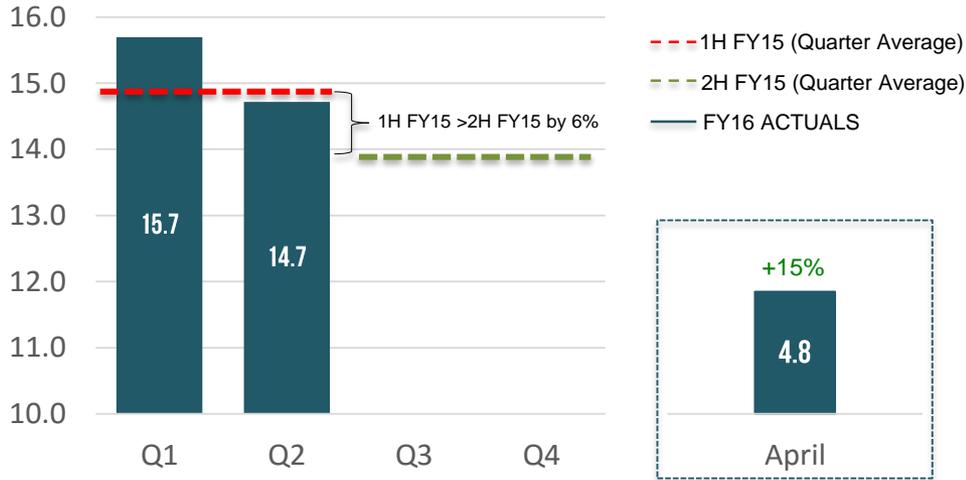
BCF PH: Challenging 1H with muted growth but margins remained robust



- Low single-digit topline growth given tougher comparables exacerbated by price competition on coffee significantly lowering total category value
- Experiencing softer sales in traditional retail and wholesalers as an effect of El Niño
- Robust margins as a result of lower input prices and energy costs



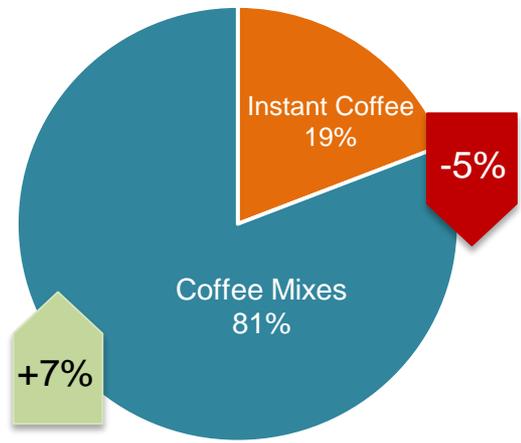
1H Sales vs 2H Sales



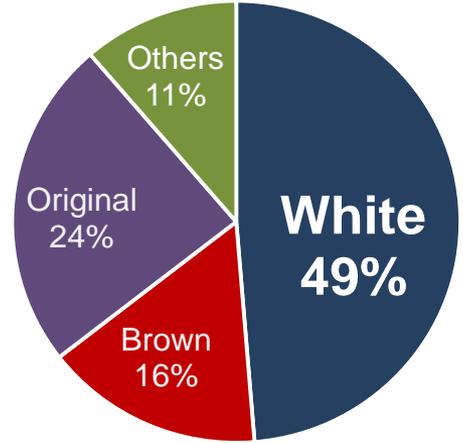
*Sales and EBIT are in Billion Pesos
**Growth: vs. SPLY
***Excluding Packaging

BCF PH: Maintained market shares in a very competitive coffee category

TOTAL COFFEE MARKET SPLIT and GROWTH RATE



COFFEE MIXES MARKET SPLIT



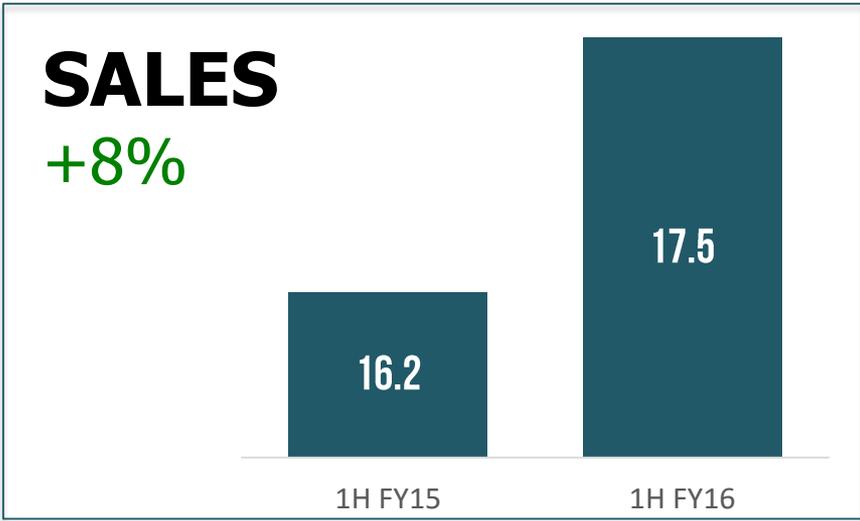
MARKET SHARES ON COFFEE MIXES

	MAT	VS.SPLY	EXIT	VS. LAST MONTH
URC	30.6%	+9%	31.7%	+4%
Company 1	36.7%	+1%	38.8%	0%
Company 2	28.7%	+17%	26.7%	-4%

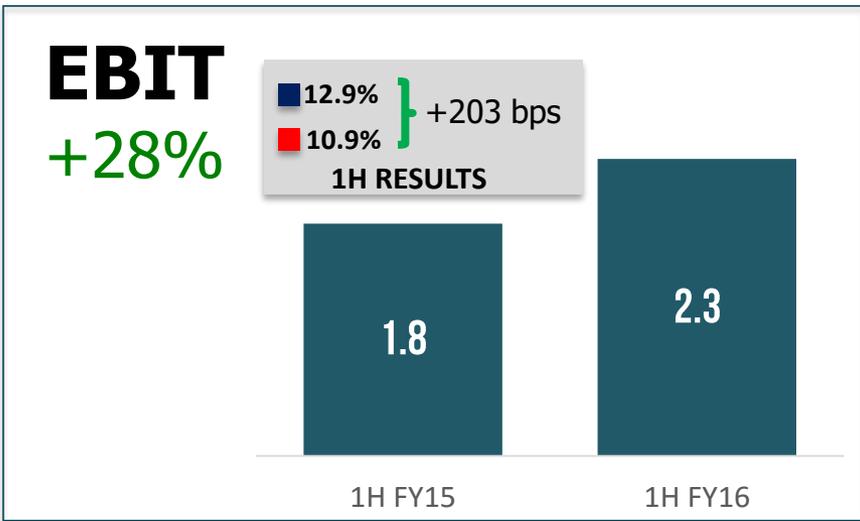
-  Despite challenges in the category due to price competition and shift to low-priced twin packs, URC managed to grow its market share on the coffee mixes segment.
-  Coffee market split, shifted to mixes segment. White variant captured the biggest share of this segment at 49% with Great Taste White as the leading brand (42.5% of Total White)
-  URC plans to launch new and exciting products in the next six months.

*Value Market Shares Based on Nielsen Data Moving Annual Total (MAT) and Latest Reading Mar 2016 (Exit)

BCF INT'L: Margins trending higher despite continued challenges in macro and forex



 Macro-environment challenges in some markets remains while forex affecting translation of topline growth
 Profit and margin grew faster due to lower commodity prices, productivity initiatives and scale



SALES VALUE GROWTH

TOTAL SALES: 371M USD, +2% vs SPLY, +11% (using constant forex rate)

	IN LCY
Vietnam	+9%
Thailand	-1%
Indonesia	+25%
Malaysia	+10%
New Zealand***	-3%

*Sales and EBIT are in Billion Pesos
 **Growth: vs. SPLY
 ***New Zealand (Griffin's) full 1H sales

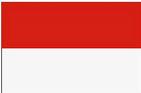
BCF INT'L: Key updates on our major markets

THAILAND



- New Factory (Plant 6) completed.
- Ongoing installation of production lines for wafers and biscuits for local and regional requirements.

INDONESIA



- Modern Trade continues to drive the business.
- Growth coming across all categories; Piattos +20% and Cloud 9 +32%.



VIETNAM



- Rong Do gaining traction while C2 sustained its market leadership in RTD Tea.
- Launched “Nuoc Sam”, a herbal drink for the urban Vietnamese.



NEW ZEALAND

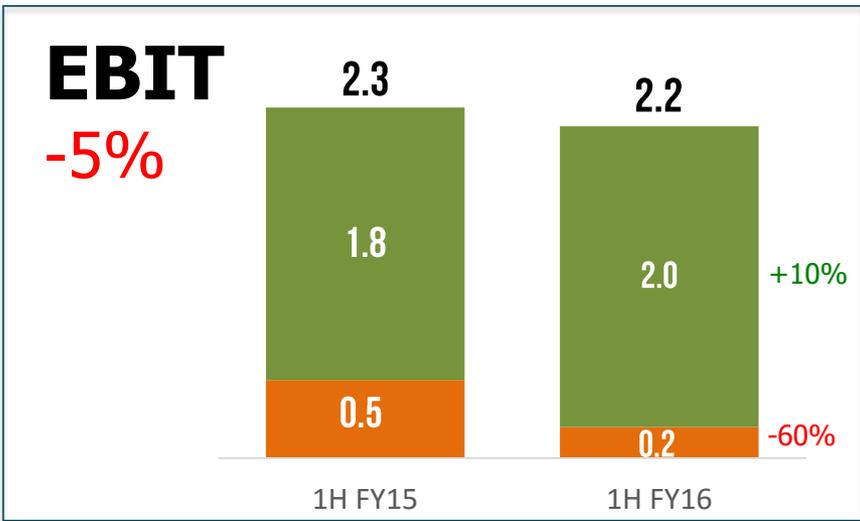
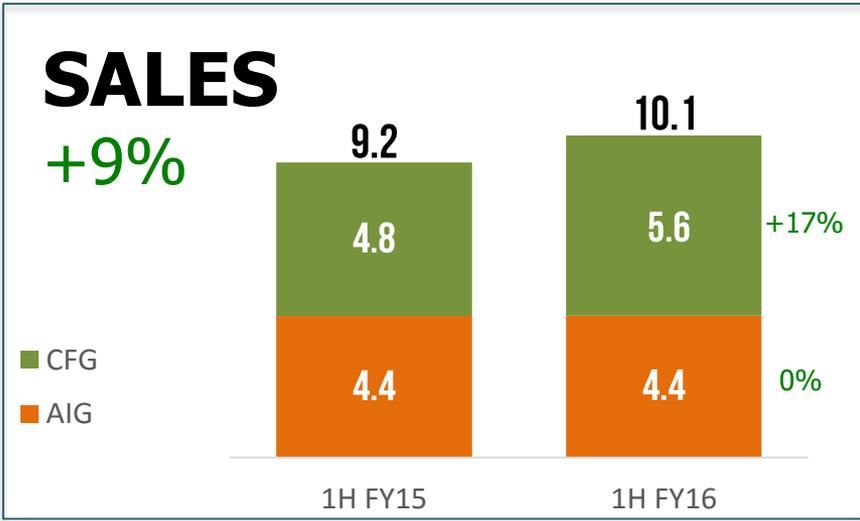


Griffin’s maintained strong market shares in key segments (Sweet Biscuits and Wrapped Snacks) while Australian business is challenged by price competition.



*See Appendix: Value Market Shares

NON BCF: Mixed results with commodity foods group driving topline and profit growth while agro-industrial challenged by lower selling prices for farms



COMMODITY FOODS GROUP (CFG)



SURE growth driven by the Renewable business



Flour was flat due to lower average selling prices offset by better sales volume.

AGRO-INDUSTRIAL GROUP (AIG)



Negative performance on Farms as a result of lower selling prices of hogs due to the oversupply of imported frozen meat cuts.

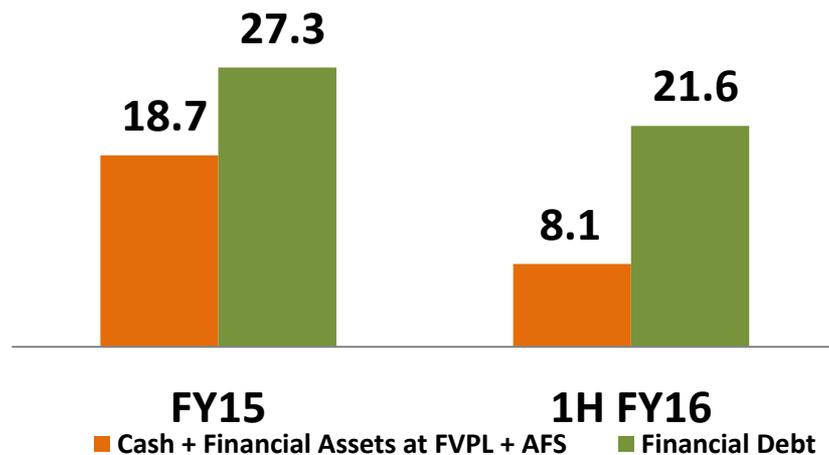


Feeds grew driven by higher sales volume.

*Sales and EBIT are in Billion Pesos
 **Growth: vs. SPLY

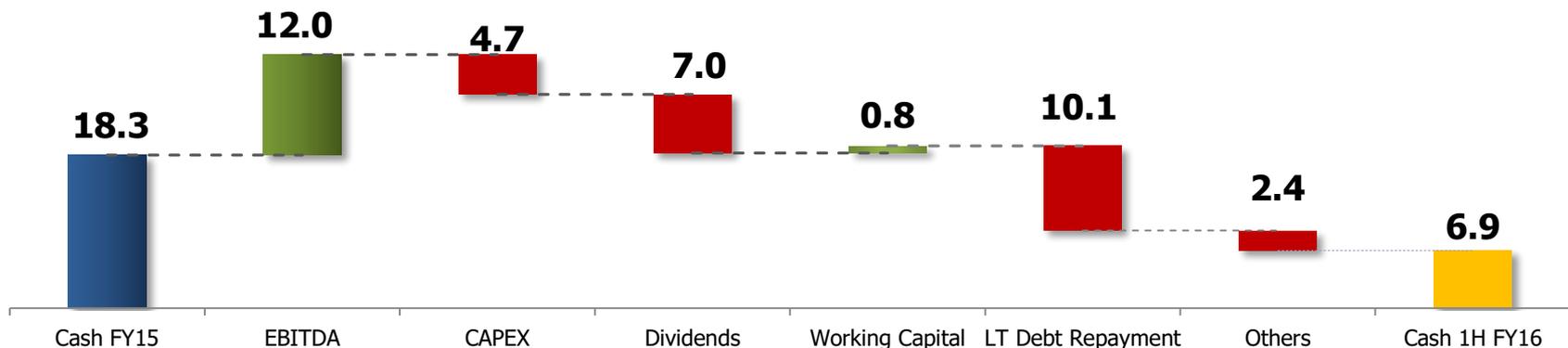
Maintained healthy cash position

Cash and Financial Debt



- Net debt position of Php 13.5B due to the long term debt from Griffin's acquisition
- CAPEX disbursements of Php 4.7B
- Gearing ratio of 0.33

Cash Position



Outlook and Guidance

OUTLOOK

- ❑ Challenges will continue to remain with El Nino intensifying and its effects will linger at least in the next twelve months
- ❑ Expect tougher competitive environment across markets and in our key categories beyond coffee
- ❑ With stabilizing FOREX, soft commodity prices will continue to creep up

PLANS

- ❑ Continue to strengthen portfolio with exciting new products, price points and value for money offerings
- ❑ Expand distribution and availability of our brands
- ❑ Continue to scale up affordable premium products from our JV's and progressively introduce Griffin's
- ❑ Non-BCF business will continue to contribute robust profitability

With the recent trends of the business, we are revising our topline guidance of growing 6-7% but we expect to grow operating income faster to 10% thus margins will expand slightly for the year.



Income Statement

(Php Millions)	1H FY16	1H FY15	YoY
NET SALES	58,538	55,644	5%
Cost of Sales	39,052	38,051	3%
GROSS PROFIT	19,485	17,593	11%
Operating Expenses	(10,092)	(8,742)	15%
OPERATING INCOME	9,393	8,851	6%
Equity in Net Income	(180)	(163)	
Finance cost - net	(510)	(474)	
Other Revenues	(15)	43	
CORE EARNINGS	8,688	8,258	5%
Market valuation gain/ (loss)	945	(24)	
Foreign exchange gain/ (loss) - net	376	(312)	
Impairment Loss	-	-	
INCOME BEFORE INCOME TAX	10,009	7,923	26%
Provision for Income Tax	1,624	1,433	
NET INCOME	8,385	6,490	29%
Net income attributable to holders of the parent	8,275	6,423	
EBITDA	11,979	10,892	10%

Net finance revenue decreased vs. SPLY due to amortization of the remaining bond issuance costs related to the prepaid long term debt.

Market valuation gain on financial instruments at fair value was up driven by fair value changes of the derivative instrument (currency forward).

Foreign exchange gain as IDR and NZD appreciated vs USD.

Balance Sheet

(Php Millions)	1H FY16	FY15
Cash & cash equivalents	8,046	18,700
(including Financial assets at FVPL)		
Other current assets	33,596	28,881
Property, plant, and equipment	41,604	38,832
Other noncurrent assets	24,444	24,334
TOTAL ASSETS	107,690	110,747
Current liabilities	26,368	20,712
Noncurrent liabilities	16,028	24,676
TOTAL LIABILITIES	42,397	45,387
Retained earnings	50,031	48,628
Other equity	15,262	16,732
TOTAL EQUITY	65,293	65,360

Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	1H FY16	1H FY15	YoY	1H FY16	1H FY15	YoY	1H FY16	1H FY15	YoY
Branded Consumer Foods	48,456	46,408	4%	8,104	7,236	12%	17%	16%	113
Total Philippines	31,002	30,198	3%	5,848	5,470	7%	19%	18%	75
Philippines	30,410	29,646	3%	5,829	5,475	6%	19%	18%	70
Packaging	592	552	7%	20	(5)	505%	3%	-1%	421
International	17,454	16,210	8%	2,256	1,766	28%	13%	11%	203
Non-Branded Consumer Foods	10,082	9,237	9%	2,164	2,287	-5%	21%	25%	(329)
CFG (net)	5,646	4,807	17%	1,961	1,778	10%	35%	37%	(225)
Flour	2,110	2,104	0%	671	637	5%	32%	30%	149
SURE	3,536	2,703	31%	1,290	1,140	13%	36%	42%	(570)
AIG (net)	4,436	4,429	0%	204	509	-60%	5%	11%	(690)
Feeds	2,357	1,920	23%	307	170	80%	13%	9%	417
Farms	2,079	2,509	-17%	(103)	339	-130%	-5%	14%	(1,847)
Corporate Expense				(875)	(672)	30%			
Total URC	58,538	55,644	5%	9,393	8,851	6%	16%	16%	14

Value Market Shares

Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	37.1%	URC	22.6%	6.4%
Candies	30.2%	URC	11.6%	10.8%
Chocolates	23.2%	URC	9.8%	9.1%
Biscuits	16.8%	32.8%	26.3%	URC
Canned Beans	82.3%	URC	7.6%	4.5%
Cup Noodles	47.7%	URC	44.3%	1.0%
RTD Tea	82.4%	URC	4.8%	3.6%
Coffee	29.9%	43.1%	URC	23.2%
Instant Coffee	27.1%	69.7%	URC	2.1%
Coffee Mixes	30.6%	36.7%	URC	28.7%

Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	24.9%	URC	9.3%	8.4%
Wafers	26.3%	URC	12.8%	9.7%

Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	35.1%	37.4%	URC	19.0%
Energy Drink	5.4%	39.1%	24.3%	24.1%

New Zealand

CATEGORY	MARKET SHARE	#1	#2	#3
Sweet Biscuits	46.6%	Griffin's	19.7%	12.2%

AC Nielsen, Value, MAT: Snacks-Feb 2016, Candies-Mar 2016, Chocolates, Biscuits-Jan 2016, Canned Beans- April 2014, RTD Tea- Dec 2015, Coffee- Mar 2016

URC Thailand: Biscuits, Wafers- Mar 2016, URC Vietnam: RTD Tea, Energy Drink-Mar 2016

Sweet Biscuits: MAT to 03/04/2016-New Zealand Grocery