



統一企業公司  
UNI-PRESIDENT ENTERPRISES CORP.

股票代號:1216 TT

# Uni-President 2016 Interim Results (2016.8.15 Updated)



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來一客

滿漢大餐

統一麵



Dr. Milker

AB  
優酪乳

茶裏王  
回甘 就像現泡  
單細胞生茶萃取技術  
純喫茶

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# Agenda

**1. Uni-President (1216TT) Group Overview**

**2. CVS & Retail Business (PCSC 2912TT)**

**3. China F&B Business (UPCH 220HK)**

# 1. Uni-President(1216TT) Group Overview

# The Highlight of Uni-President Group

## Largest F&B Company in Taiwan

- ✓ Market Cap US\$11.33bn, QFII ratio 54.92%
- ✓ Total assets US\$12.15bn, and revenue US\$13.11bn.
- ✓ Vertical integration from manufacturing, distribution to retailing.

## Top 3 F&B Company in China (UPCH)

- ✓ **Top. 2** position in Instant Noodle, RTD Tea, RTD Juice

## Largest CVS & Hypermarket Retailers in Taiwan

- ✓ **“7-11”** Convenience Store Chains & **“Carrefour”** Hypermarket Chains

## Focusing F&B and Retail Businesses in Asia

- \* Market cap & QFII based on the closing price NT\$62.7 (US\$1=NT\$31.455) as of Aug 9 , 2016
- \* \* Total assets and revenue were consolidated-based in 2015: US\$1=NT\$32.825 for total assets; NT\$31.739 for revenue.

# Key P&L Items of Uni-President (Consolidated)

Unit : NTD in Billions

Consolidated	16H1			15H1		2015Y		2014Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	211.52	100.0%	0.7%	209.97	100.0%	416.15	100.0%	418.33	100.0%
Gross Profit	72.83	34.4%	3.4%	70.47	33.6%	137.92	33.1%	128.01	30.6%
Operating Profit	13.35	6.3%	6.6%	12.53	6.0%	21.64	5.2%	16.97	4.1%
Pre Tax Income	17.03	8.1%	-1.3%	17.25	8.2%	27.25	6.5%	22.49	5.4%
Net Income	13.58	6.4%	0.3%	13.54	6.4%	21.59	5.2%	18.21	4.4%
*Net Income	9.10	4.3%	4.3%	8.73	4.2%	14.11	3.4%	11.13	2.7%
*EPS (after tax)	1.60			1.54		2.48		1.96	

**\*The figure is attributable to the equity holders of the company.**

Note: The figures are based on 2013Y version of Taiwan IFRS

# 16H1 Segment Information of Uni-President (Consolidated)

Unit : NTD in Billions

16H1 Segment Results	F&B and Feeds	CVS & Other Retail	Container & Packing	Others	Total	Adj.	Consolidated
Segment revenue **	95.31	95.18	10.73	31.92	233.14	(21.62)	211.52
Segment revenue %	40.9%	40.8%	4.6%	13.7%	100.0%		
YoY	-2.2%	8.0%	-13.8%	-4.7%	0.7%		0.7%
Segment income	6.66	4.59	1.27	0.18	12.70	0.65	13.35
Segment income %	52.5%	36.1%	10.0%	1.4%	100.0%		
Segment margin	7.0%	4.8%	11.8%	0.6%	5.4%		6.3%
YoY	14.1%	8.5%	22.4%	-78.1%	6.4%		6.6%

**\*\* Revenue from external customers**

**Note: Major contributed Companies of each segment**

- **F&B and Feeds** : UPEC(1216TT) / UPCH(220HK) / Southeast-Asia affiliates etc.
- **CVS & Other Retail** : PCSC(2912TT)'s Taiwan 7-11/ President Drugstore (Cosmed)./ President Transnet Corp (Taiwan Takkyubin)./President Pharmaceutical/ Uni-Ustyle Taipei/ Philippine 7-11 etc.
- **Container&Packing** : Ton-Yi Industrial(9907TT) / President Packaging Corp. etc.
- **Others** : PCSC(2912TT)'s China retail & logistics business / ScinoPharm(1789TT) / PIDC/ Uni-President Development Corp. / President Fair Development (Dream Mall) etc.

# Uni-President (1216TT) Key Cash Flow Items (Consolidated)

Unit : NTD in Billions

Items	16H1	15H1
<b>Beginning Balance</b>	<b>45.03</b>	<b>43.86</b>
<b>Net Cash provided by operating activities</b>	25.41	24.07
<b>Net cash (used in) investing activities</b>	(8.03)	(11.64)
* Capital Expenditure	(9.25)	(10.10)
<b>Net cash (used in) provided by financing activities</b>	(10.14)	(2.33)
Net increase (decrease) in long-term & short-term borrowings and short-term notes/bills payable	4.76	4.89
Net increase (decrease) in corp. bonds payable	(8.84)	(1.53)
<b>Others (Effect of FX and others)</b>	(0.43)	(0.10)
<b>Ending Balance</b>	<b>51.84</b>	<b>53.86</b>

\* Capital expenditures includes the acquisition and disposal of PP&E (including interests payment), the increase of intangible assets, the prepayment of equipment and the long-term prepaid rent (the land-use right).



# Uni-President (1216TT) Key Balance Sheet Items & Indices (Consolidated)

Item (NTD in Billions)	2016/6/30		2015/12/31		2015/6/30	
	Amount	%	Amount	%	Amount	%
<b>Total Asset</b>	<b>395.77</b>	<b>100.0%</b>	398.95	100.0%	410.47	100.0%
Major:Cash & equivalents	<b>51.84</b>	<b>13.1%</b>	45.03	11.3%	53.86	13.1%
Account receivable, net	<b>17.05</b>	<b>4.3%</b>	16.04	4.0%	18.27	4.5%
Inventories, net	<b>29.44</b>	<b>7.4%</b>	34.34	8.6%	31.57	7.7%
Investments (equity method)	<b>32.03</b>	<b>8.1%</b>	37.08	9.3%	35.94	8.8%
Property, Plant and Equipment	<b>155.78</b>	<b>39.4%</b>	160.48	40.2%	158.47	38.6%
<b>Total Liabilities</b>	<b>247.38</b>	<b>62.5%</b>	243.26	61.0%	262.81	64.0%
Major:Short-term interest-bearing debt	<b>57.03</b>	<b>14.4%</b>	58.29	14.6%	68.57	16.7%
Long-term interest-bearing debt	<b>66.04</b>	<b>16.7%</b>	69.87	17.5%	73.52	17.9%
<b>Total Stockholders' Equity</b>	<b>148.39</b>	<b>37.5%</b>	155.69	39.0%	147.66	36.0%
<b>Key Indices:</b>						
Current Ratio	92.46%		92.06%		91.91%	
Net Total Liability to Equity Ratio	131.77%		127.32%		141.51%	
Net Interest-bearing Debt to Equity	48.00%		53.39%		59.75%	

# The Major Structure of Uni-President Group

**Taiwan F&B: Uni-President (UPEC) (1216 TT)**



## F&B

**Uni-President China (UPCH) (220 HK)**  
UPEC holds 70.5%

**Southeast Asia Holdings**  
(Vietnam、Indonesia、Thailand、Philippines)  
UPEC holds 100%

**TTET Union (1232TT)**



UPEC holds 37.7%  
UP Group holds 45.3%

**Wei Lih Food**  
UPEC holds 33.3%  
Taiwan To.2 Noodle Company



**Kuang Chuan**



UPEC holds 31.25%  
Taiwan To.3 Dairy Company

## Retail & Logistics

**President Chain Stores (PCSC) (2912TT)**



UPEC holds 45.4%

**President Drugstore (Cosmed Taiwan)**



PCSC holds 100%

**TAKKYUBIN**



PCSC holds 70%  
UPEC holds 20%

**Phillipine 7-11 (SEVN PM)**



PCSC holds 51.56%

## Container & Packaging

**Ton-Yi Industrial (9907TT)**



UPEC holds 45.55%  
UP Group holds 47.49%

## Leisure Business

**President Fair Development (Dream Mall)**

UPEC holds 40.5%  
UP Group holds 100%

**Uni-President Development (Taipei BOT)**

UPEC holds 30%  
UP Group holds 70%

## Others

**President International Development (PIDC)**

UPEC holds 69.37%

**Scinopharm (1789TT)**



UPEC holds 37.94%  
UP Group holds 47.96%

**President Securities (2855TT)**

UPEC holds 27.71%;  
UP Group holds 33.11%

\* The above structure only includes Uni-President's major subsidiaries.

# Leading Market Position in Taiwan

	16H1	15H1
<b>Instant Noodle:</b>		
<b>UPEC (No.1)</b>	<b>44.61%</b>	<b>47.25%</b>
A company	21.89%	22.15%
B company	19.13%	18.58%
C company	3.50%	4.03%
D company	N/A	0.01%

	16H1	15H1
<b>RTD Tea:</b>		
<b>UPEC (No.1)</b>	<b>46.60%</b>	<b>45.70%</b>
A company	9.50%	9.70%
B company	7.70%	5.40%
C company	5.90%	3.90%
D company	3.20%	4.30%
<b>Bottled Water:</b>		
<b>UPEC (No.1)</b>	<b>20.93%</b>	<b>22.38%</b>
A company	14.62%	15.01%
B company	11.68%	14.24%
<b>RTD Juice:</b>		
A company	14.60%	19.20%
B company	11.90%	10.80%
<b>UPEC (No.3)</b>	<b>10.30%</b>	<b>8.90%</b>
C company	10.10%	10.00%
<b>RTD Coffee:</b>		
A company	34.10%	35.20%
<b>UPEC (No.2)</b>	<b>21.40%</b>	<b>21.50%</b>
B company	17.50%	16.20%
C company	9.00%	10.10%

	16H1	15H1
<b>Yogurt Drink</b>		
<b>UPEC (No.1)</b>	<b>67.50%</b>	<b>72.70%</b>
A company	8.60%	12.40%
B company	8.00%	4.90%
<b>Flavored Milk</b>		
<b>UPEC (No.1)</b>	<b>47.30%</b>	<b>47.40%</b>
A company	25.40%	26.20%
B company	4.80%	6.10%
<b>Soy Milk</b>		
<b>UPEC (No.1)</b>	<b>43.20%</b>	<b>42.70%</b>
A company	31.80%	35.80%
B company	17.60%	12.80%
<b>Fresh Milk</b>		
<b>UPEC (No.1)</b>	<b>33.30%</b>	<b>33.90%</b>
A company	24.60%	21.70%
B company	24.40%	30.00%



# Historical Key P&L Items of Uni-President (Standalone)

Unit : NTD in Billions

Stand-alone	2015Y			2014Y (adjusted)		2013Y		2012Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	38.29	100.0%	-4.8%	40.23	100.0%	42.34	100.0%	44.29	100.0%
Gross Profit	11.11	29.0%	7.6%	10.33	25.7%	10.56	24.9%	10.69	24.1%
Operating Profit	1.75	4.6%	14.4%	1.53	3.8%	1.39	3.3%	2.32	5.2%
Net Income	14.11	36.9%	26.8%	11.13	27.7%	12.76	30.1%	9.88	22.3%
EPS (after tax)	2.48			1.96		2.48		1.92	
Cash dividend/share	2.00			1.40		1.50		1.40	
Stock dividend/share	-			0.40		0.60		0.60	
Cash dividend as % of Total dividend	100%			78%		71%		70%	
Cash dividend payout ratio	81%			* 69%		60%		* 55%	

Note1: 2015Y&2014Y(adjusted) are based on 2013Y version of Taiwan IFRS

2013Y&2012Y(adjusted) are based on 2010Y version of Taiwan IFRS

Note2\*: Y2014/Y2012 cash dividend payout ratio was based on pre adjusted EPS\$2.04/\$2.55 in 2014/2012.

# Major Profit Contributors to Uni-President (Standalone)

Stand-alone basis (NTD in Millions)	2013 version of Taiwan IFRS							
	16H1		15H1		Y2015		Y2014 (adjusted)	
	Amount	% of NI	Amount	% of NI	Amount	% of NI	Amount	% of NI
Operating Income	N/A	N/A	N/A	N/A	1,750	12%	1,534	14%
Total Investment Income (Equity Method)	N/A	N/A	N/A	N/A	12,391	88%	9,714	87%
Major Components of Investment Income:								
1.Cayment President (100% ownership)	3,759	41%	3,205	37%	4,353	31%	1,577	14%
2.PCSC(2912TT) (45.4% ownership)	2,347	26%	1,956	22%	3,690	26%	4,180	38%
3.Kai Yu Investment (100% ownership)	524	6%	426	5%	664	5%	461	4%
4.Ton Yi Industrial (9907TT) (45.55% ownership)	278	3%	343	4%	340	2%	351	3%
5.Nan Lien Intl (100% ownership)	186	2%	157	2%	364	3%	276	2%
6.Kuang Chuan Dairy (31.25% ownership)	179	2%	175	2%	340	2%	158	1%
7.TTET Union (1232TT) (37.67% ownership)	169	2%	161	2%	344	2%	372	3%
8.Presicarre (20.5% ownership)	138	2%	92	1%	246	2%	189	2%
9.Scinopharm(37.94% ownership)	135	1%	96	1%	241	2%	184	2%
Net Income	9,102	100%	8,727	100%	14,108	100%	11,126	100%

# The Highlight of Uni-President ESG Practice (1)

## Food Safety:

### **1. Executing all the food safety strategy under group-level food safety committee**

The committee targets to integrate the multifunction including product development and labeling, production, supply chain, distribution and logistics across subsidiaries. It further organized a team with food safety inspection expertise to do the real time check and monitor.

### **2. Implementing advanced sourcing management mechanism and “focused” product portfolio strategy**

- (1) The number of suppliers and raw material items have been significantly decreased since 2011.
- (2) Reinforcing the execution and advance for regular onsite check of suppliers.

### **3. Devoting significant food safety related input**

The food safety spending (including food inspection fee, human resource costs and the depreciation of machines) is equivalent to roughly 2% of the company's stand-alone annual revenue in 2015

### **4. Establishing the national-level food safety inspection center with both TFDA ( Taiwan FDA) & TAF(Taiwan Accreditation Foundation) certificates**

Another brand new food safety building is targeted to be completed by end 2016.

# The Highlight of Uni-President ESG Practice (2)

## Health Consciousness:

### **1. Instant Noodle: the company has reduced the use of sodium from 3,000mg per bowl**

Achievement: 38 skus with the use of sodium less than 2,000mg per bowl and 13 skus with that less than 2,400mg per bowl. (Note: 2,400mg is an adult's RDA\* by TFDA\*\* while 2,000mg is an adult's RDA\* by WHO)

### **2. Dairy & Beverage: the company has gradually reduced the use of sugar, particularly reduced that by 25%~40% per bottle for specific items (ex: yogurt drink)**

(1) Achievement: the company has reduced the use of sugar by 24% from 2011 to 2015.

(2) There are currently 11 items/flavors of sugar free drinks across RTD tea, yogurt drink, soy milk, and fresh milk categories.

(3) The company has reduced the use of sugar in yogurt drink to meet the RDA\* by TFDA\*\*.

## Environmental Management:

### **Carbon Emission : the company targets to reduce the CO2e emission by 2% annually**

(1) Targeting the CO2e emission in 2020 to be 80% of that in 2005.

(2) The Company reduced 5,403 tons of CO2e emission in 2015.

Note: \* RDA stands for Recommended Daily Allowance

\*\*TFDA stands for Taiwan Food & Drug Administration

## **2. CVS & Retail Business (PCSC 2912TT)**



# CVS & Retail Businesses



## President Chain Store Corp. (PCSC 2912TT)

(UPEC holds 45.4% )

- **History:** Opened the first 7-11 in Taiwan in 1980 & Listed on TWSE since 1997.
- **Valuation:** Market cap US\$8.30bn\* , QFII ratio 42.07%.
- **Geographic Scope:** Taiwan 、 China 、 Southeast Asia (Philippine).
- **China Retail Businesses:**
  - First entered China retail market through Shanghai Starbucks in Year 2000.
  - In May 2008, be granted “7-Eleven” franchise license in Shanghai

\* Market cap & QFII Ratio based on closing price NT\$251 as of Aug 9, 2016 US\$1=NT\$31.455

# Key P&L Items of PCSC (2912TT) (Consolidated)

Unit : NTD in Billions

Consolidated	16H1			15H1		2015Y		2014Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	105.75	100.0%	6.1%	99.64	100.0%	205.48	100.0%	200.44	100.0%
Gross Profit	34.64	32.8%	8.6%	31.89	32.0%	66.28	32.3%	62.66	31.3%
Operating Profit	5.31	5.0%	11.1%	4.78	4.8%	9.61	4.7%	9.50	4.7%
Net Income	5.68	5.4%	17.5%	4.84	4.9%	9.44	4.6%	10.25	5.1%
*Net Income	5.04	4.8%	17.7%	4.28	4.3%	8.24	4.0%	9.09	4.5%
*EPS (after tax)	4.84			4.12		7.92		8.74	

**\*The figure is attributable to the equity holders of the company.**

Note: The figures are based on 2013Y version of Taiwan IFRS

# PCSC (2912TT) Consolidated Revenue by Segments

Unit : NTD in Billions

Revenue by Segments	16H1	% of Rev.	YoY	15H1	% of Rev.
1.Conveinece Stores	68.04	64.3%	5.7%	64.39	64.6%
2.Retail Business (including filling stations)	31.56	29.8%	8.8%	28.99	29.1%
3.PCSC's other operating segments (including restaurant and china retail)	4.71	4.5%	-9.2%	5.19	5.2%
4.Logistics Business	1.44	1.4%	34.1%	1.07	1.1%
<b>Total Revenue</b>	<b>105.75</b>	<b>100.0%</b>	<b>6.1%</b>	<b>99.64</b>	<b>100.0%</b>

# Key P&L Items of PCSC (2912TT) (Standalone)

Unit : NTD in Billions

Stand-alone	2015Y			2014Y(adjusted)		2013Y		2012Y(adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	133.41	100.0%	1.6%	131.33	100.0%	127.00	100.0%	124.76	100.0%
Gross Profit	45.11	33.8%	4.5%	43.18	32.9%	41.08	32.3%	39.78	31.9%
Operating Profit	6.41	4.8%	1.7%	6.30	4.8%	6.29	5.0%	5.96	4.8%
Net Income	8.24	6.2%	-9.4%	9.09	6.9%	8.04	6.3%	5.92	4.7%
EPS(after tax)	7.92			8.74		7.73		5.69	
Cash dividend/share	7.20			7.00		6.00		4.85	
Stock dividend/share	0.00			0.00		0.00		0.00	
Cash dividend payout ratio	91%			80%		78%		* 74%	

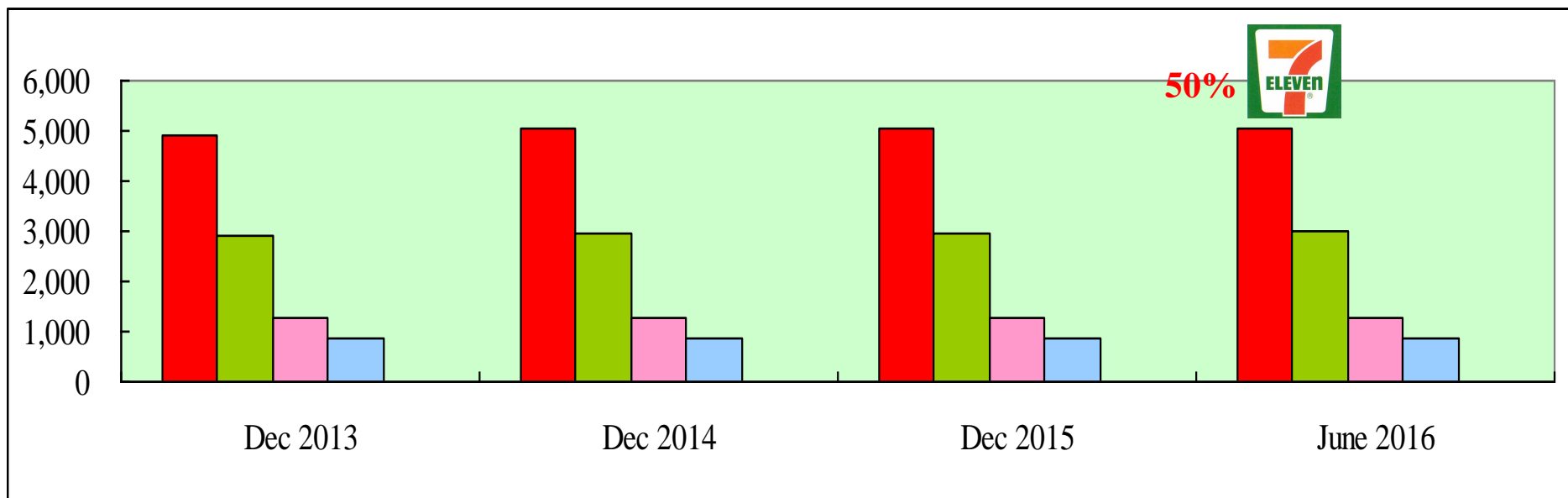
Note1: 2015Y&2014Y(adjusted) are based on 2013Y version of Taiwan IFRS

2013Y&2012Y(adjusted) are based on 2010Y version of Taiwan IFRS

Note2\*: Y2012 cash dividend payout ratio was based on pre adjusted EPS\$6.53 (Taiwan ROC GAAP) in 2012.

# PCSC's Market Share in Taiwan

## Number of Convenience Stores in Taiwan



	Dec 2013	Dec 2014	Dec 2015	June 2016
<span style="color: red;">■</span> 7-ELEVEN Chain	4,922	5,040	5,028	5,055
<span style="color: green;">■</span> A company	2,901	2,936	2,972	3,014
<span style="color: pink;">■</span> B company	1,290	1,278	1,286	1,281
<span style="color: blue;">■</span> C company	866	876	862	867

Data source: PCSC

# PCSC's Major Retail Scopes in Taiwan

## PCSC (2912TT)

### Convenience Store

#### 7-ELEVEN



PCSC holds 100%  
# of stores: 5,055

### Drugstore

#### Cosmed Taiwan



PCSC holds 100%  
# of stores: 388

### Department Store

#### Uni-Ustyle



PCSC holds 70%  
UPEC holds 30%  
# of store: 1

### Shopping Mall

#### Dream Mall



PCSC holds 19%  
UPEC holds 40.5%  
PIDC holds 40.5%  
# of store: 1

### Restaurants

#### Starbucks Taiwan

PCSC holds 30%  
UPEC holds 20%  
# of stores: 384



#### Cold Stone Creamery



PCSC holds 100%  
# of stores: 31

#### Afternoon Tea



PCSC holds 51%  
# of stores: 17

#### Mister Donut



PCSC holds 50%  
# of stores: 61

#### 21 Century



PCSC holds 100%  
# of stores: 28

### Distribution & Logistics

#### Retail Support International



UP Group holds 65%

#### Uni-President Cold-Chain



UP Group holds 100%

#### Wisdom Distribution



UP Group holds 100%

#### TAKKYUBIN



PCSC holds 70%  
UPEC holds 20%

### Online Retailer



Books.com.tw  
PCSC holds 50.03%



統一超商線上購物中心  
Ibon Mart  
PCSC holds 100%

\* Store No. is as of end June, 2016

# PCSC's Major Retail Scopes Overseas

## China

### Convenience Store

#### Shanghai 7-ELEVEN

PCSC holds 100%  
# of stores: 88



### Supermarket

#### Shandong Uni-Mart

PCSC holds 55%  
# of stores: 197



### Hypermarket

#### Presiclerc(Beijing)

PCSC holds 98.12%  
# of stores: 6



#### Sichuan Uni-Mart

PCSC holds 100%  
# of stores: 2



### Restaurants

#### Shanghai Starbucks

PCSC holds: 30%  
UPEC holds: 20%  
# of stores: 1,040



#### Cold Stone Creamery

PCSC holds 100%  
# of stores: 31



## Southeast Asia

### Convenience Store

#### Philippine 7-ELEVEN (SEVN PM)

PCSC holds 51.56%  
# of stores: 1,740



\* Store No. is as of end June, 2016

### **3. China F&B Business (UPCH 220HK)**



# F&B Business in China

## Uni-President China Holdings Ltd. (UPCH 220 HK) (UPEC holds 70.5%)

- Commenced China F&B operations in **1992**
- Listed on HKSE since **Dec 17<sup>th</sup>, 2007**
- Current market cap US\$3.74bn\*
- Strong market position : **Top.2** in Instant Noodles , RTD Tea and RTD Juice
- Distribution to 31 provinces across China



\* Market cap based on closing price HK\$6.71 as of Aug 9, 2016, US\$1=HK\$7.7565

# Historical Key P&L Items of UPCH (220HK) (Consolidated)

Unit : RMB in Millions

Consolidated-basis	16H1			15H1		Y2015		Y2014	
	Amount	% of Rev.	YoY	Amount	% of Rev.	Amount	% of Rev.	Amount	% of Rev.
Revenue	11,713	100.0%	-2.4%	12,005	100.0%	22,102	100.0%	22,488	100.0%
Gross Profit	4,325	36.9%	-4.6%	4,533	37.8%	8,141	36.8%	7,308	32.5%
Gross Margin	36.9%		-0.9ppt	37.8%		36.8%		32.5%	
Operating Profit	945	8.1%	12.4%	840	7.0%	1,031	4.7%	372	1.7%
Operating Margin	8.1%		+1.1ppt	7.0%		4.7%		1.7%	
Pre Tax Profit	1,025	8.8%	7.0%	958	8.0%	1,171	5.3%	415	1.8%
*Net Profit	775	6.6%	12.9%	687	5.7%	835	3.8%	286	1.3%
**EPS(cents)	17.95			15.90		19.32		7.18	
Net Margin	6.6%		+0.9ppt	5.7%		3.8%		1.3%	
Total Payout Ratio:						20%		20%	
Cash dividend/share (cents)						3.864		1.322	

\* The figure is attributable to the equity holders of the company.

\*\* Weighted Average EPS reflects right issue on June 24, 2014

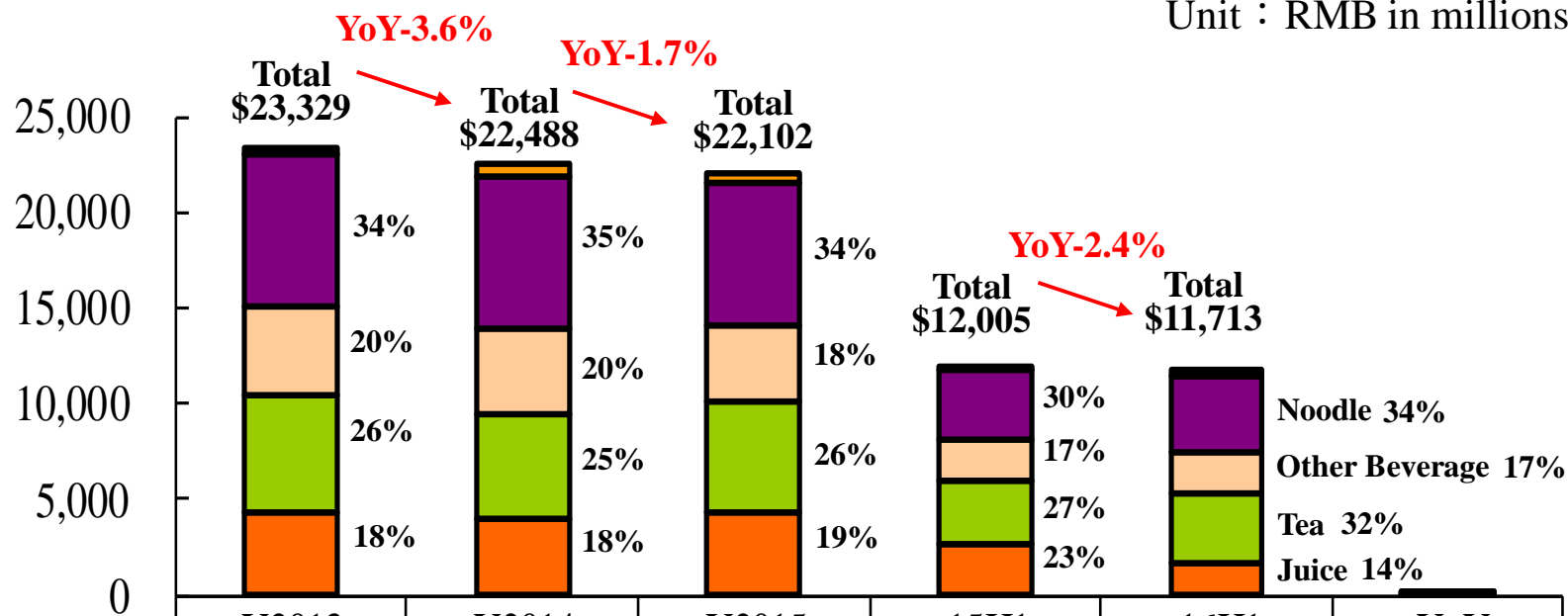
# Industry Growth In China

Unit: %	16H1		15H1	
	Value	Volume	Value	Volume
<b>Instant Noodle</b>	1.9	-6.0	-2.5	-6.1
<b>Beverage</b>	2.0	0.7	2.0	-0.6
RTD tea (no milk)	10.9	0.6	-2.4	-3.5
Juice	-0.1	-4.6	3.7	-2.5
Milk Tea	-12.8	-14.6	-18.8	-16.9
Carbonated drink	1.4	0.6	-1.5	-2.6
Bottled water	8.3	6.3	8.7	3.0
Functional drink	5.3	3.5	8.4	7.0
Asian traditional drink	-6.2	-6.9	1.2	-1.2

Data Source: Nielsen

# UPCH (220HK) Sales Break-down by Products

Unit : RMB in millions



	Y2013	Y2014	Y2015	15H1	16H1	YoY
Other Business	351	523	483	244	255	4.5%
Instant Noodles	7,826	7,960	7,567	3,652	4,011	9.8%
Other Beverage	4,750	4,540	3,947	2,085	2,040	-2.2%
RTD Tea	6,143	5,526	5,826	3,290	3,737	13.6%
Juice Drinks	4,259	3,939	4,278	2,735	1,670	-38.9%

# Market Position in China



**assam**  
阿萨姆 · 小奶茶



## Market Share: Instant Noodle

### By Value

	16H1	15H1
A company	51.9%	55.8%
<b>UPCH (No.2)</b>	<b>20.8%</b>	<b>18.0%</b>
B company	7.0%	6.1%
C company	5.0%	5.7%

### By Volume

	16H1	15H1
A company	42.9%	47.0%
<b>UPCH (No.2)</b>	<b>19.8%</b>	<b>17.0%</b>
B company	8.3%	7.4%
C company	7.3%	8.2%

## Market Share: RTD Milk Tea

### By Value

	16H1	15H1
<b>UPCH (No.1)</b>	<b>71.1%</b>	<b>65.2%</b>
A company	14.9%	19.4%
B company	5.5%	5.5%
C company	4.6%	5.2%

### By Volume

	16H1	15H1
<b>UPCH (No.1)</b>	<b>72.1%</b>	<b>66.3%</b>
A company	15.3%	20.0%
B company	5.5%	5.3%
C company	4.6%	5.2%

Source: Nielsen



# Market Position in China



## Market Share: RTD Tea (No Milk)

### By Value

	16H1	15H1
A company	50.5%	56.2%
UPCH (No.2)	28.6%	23.3%
B company	4.4%	5.6%
C company	3.9%	3.2%

### By Volume

	16H1	15H1
A company	58.8%	62.3%
UPCH (No.2)	24.8%	22.2%
B company	4.2%	4.9%
C company	2.5%	2.7%

## Market Share: RTD Juice

### By Value

	16H1	15H1
A company	20.3%	20.7%
UPCH (No.2)	13.4%	13.8%
B company	11.2%	13.0%
C company	7.8%	8.1%

### By Volume

	16H1	15H1
A company	25.0%	24.2%
UPCH (No.2)	16.3%	16.8%
B company	15.6%	17.5%
C company	7.3%	8.0%

# UPCH (220HK) Margin & Expenses Breakdown

## Gross Margin As % of revenue

	16H1	15H1	14H1
Company	36.90%	37.80%	32.50%
Instant Noodle	31.00%	32.50%	26.90%
Beverage	41.00%	40.70%	36.00%

## Expenses As % of revenue

	16H1	15H1	14H1
Company	29.70%	31.50%	29.70%
Selling&Marketing	25.30%	27.00%	25.90%
Administration	4.40%	4.50%	3.80%

## Net Margin As % of revenue

	16H1	15H1	14H1
Company	6.60%	5.70%	2.90%
Instant Noodle	3.70%	2.50%	-2.90%
Beverage	12.70%	11.00%	7.70%

# UPCH (220HK): Focusing on Branding & Innovation(1)

## 小茗同學 Classmate Xiaoming

➤ Placement marketing: 我去上學啦2 (Back to school 2)





# UPCH (220HK): Focusing on Branding & Innovation(2)

## 海之言 Haizhiyan

### ➤ Theme campaign: Seaside Summer Camp



Entertainment + Show :

Vacation + Stars + Game + Music

Online: Broadcasting + Participation + Shopping

# UPCH (220HK): Focusing on Branding & Innovation(3)

## 鮮橙多 Orange More

➤ Star effect: revive the old and promote the new

➤ Leverage Fans Economy



CPO 首席漂亮官





# UPCH (220HK): Focusing on Branding & Innovation(4)



ALKAQUA®

爱 奇 饮 用 天 然 水

巴马泉



叫醒活力元



怡赏™



微食刻  
100% 果蔬汁



# UPCH (220HK) Production Base

- 33 plants across China at the end June, 2016.
- Capex: 20161H RMB\$641M ; 2015Y RMB\$1.4B

