



統一企業公司  
UNI-PRESIDENT ENTERPRISES CORP.

股票代號:1216 TT

# Uni-President 2016Q1 Results



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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\$10.20bn, QFII ratio 52.14%
- ✓ 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\$58.4 (US\$1=NT\$32.542) as of May 12, 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	16Q1			15Q1		2015Y		2014Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	106.67	100.0%	1.6%	104.94	100.0%	416.15	100.0%	418.33	100.0%
Gross Profit	36.52	34.2%	5.8%	34.54	32.9%	137.92	33.1%	128.01	30.6%
Operating Profit	6.56	6.2%	4.5%	6.28	6.0%	21.64	5.2%	16.97	4.1%
Pre Tax Income	7.98	7.5%	-4.6%	8.37	8.0%	27.25	6.5%	22.49	5.4%
Net Income	6.40	6.0%	-3.3%	6.62	6.3%	21.59	5.2%	18.21	4.4%
*Net Income	4.34	4.1%	1.0%	4.30	4.1%	14.11	3.4%	11.13	2.7%
*EPS (after tax)	0.76			0.76		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

# 16Q1 Segment Information of Uni-President (Consolidated)

Unit : NTD in Billions

Segments (Note)	F&B and Feeds	CVS & Other Retail	Container & Packing	Others	Total	Adj.	Consolidated
Segment revenue **	49.66	46.47	5.29	15.54	116.96	(10.29)	106.67
Segment revenue %	42.5%	39.7%	4.5%	13.3%	100.0%		
YoY	-0.7%	9.2%	-22.2%	-4.3%	1.2%		1.6%
Segment income	3.57	2.18	0.47	(0.02)	6.20	0.36	6.56
Segment income %	57.6%	35.1%	7.6%	-0.3%	100.0%		
Segment margin	7.2%	4.7%	8.9%	-0.1%	5.3%		6.2%
YoY	14.7%	6.9%	0.42%	-104.3%	3.1%		4.5%

**\*\* 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	2016/3/31	2015/3/31
<b>Beginning Balance</b>	<b>45.03</b>	<b>43.86</b>
<b>Net Cash provided by operating activities</b>	14.34	13.77
<b>Net cash used in investing activities</b>	(12.30)	(18.37)
* Capital Expenditure	(4.96)	(5.56)
<b>Net cash (used in) provided by financing activities</b>	<b>(1.46)</b>	<b>3.08</b>
Net increase (decrease) in long-term & short-term borrowings and short-term notes/bills payable	(1.29)	2.46
Net increase (decrease) in corp. bonds payable	-	0.72
<b>Others (Effect of FX and others)</b>	(0.19)	(0.06)
<b>Ending Balance</b>	<b>45.42</b>	<b>42.28</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)	2016/3/31		2015/12/31		2015/3/31	
	Amount	%	Amount	%	Amount	%
<b>Total Asset</b>	<b>396.47</b>	<b>100.0%</b>	398.95	100.0%	407.74	100.0%
Major:Cash & equivalents	<b>45.42</b>	<b>11.5%</b>	45.03	11.3%	42.28	10.4%
Account receivable, net	<b>16.05</b>	<b>4.0%</b>	16.04	4.0%	16.63	4.1%
Inventories, net	<b>29.97</b>	<b>7.6%</b>	34.34	8.6%	32.91	8.1%
Investments (equity method)	<b>37.75</b>	<b>9.5%</b>	37.08	9.3%	36.82	9.0%
Property, Plant and Equipment	<b>158.21</b>	<b>39.9%</b>	160.48	40.2%	160.60	39.4%
<b>Total Liabilities</b>	<b>235.00</b>	<b>59.3%</b>	243.26	61.0%	251.61	61.7%
Major:Short-term interest-bearing debt	<b>60.28</b>	<b>15.2%</b>	58.29	14.6%	62.39	15.3%
Long-term interest-bearing debt	<b>66.32</b>	<b>16.7%</b>	69.87	17.5%	79.93	19.6%
<b>Total Stockholders' Equity</b>	<b>161.46</b>	<b>40.7%</b>	155.69	39.0%	156.13	38.3%
<b>Key Indices</b>						
Current Ratio	<b>93.87%</b>		92.06%		97.96%	
Total Liability to Equity Ratio	<b>145.55%</b>		156.25%		161.16%	
Net Total Liability to Equity Ratio	<b>117.42%</b>		127.32%		134.08%	

# 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.2 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

	16Q1	15Q1
<b>Instant Noodle:</b>		
<b>UPEC (No.1)</b>	<b>45.36%</b>	<b>48.33%</b>
A company	21.37%	20.24%
B company	19.52%	18.52%
C company	3.65%	4.00%
D company	N/A	0.01%

	16Q1	15Q1
<b>RTD Tea:</b>		
<b>UPEC (No.1)</b>	<b>46.80%</b>	<b>46.00%</b>
A company	8.30%	8.20%
B company	6.50%	4.10%
C company	5.70%	3.90%
D company	3.20%	3.60%
<b>Bottled Water:</b>		
<b>UPEC (No.1)</b>	<b>21.00%</b>	<b>23.20%</b>
A company	13.40%	15.10%
B company	11.30%	14.90%
<b>RTD Juice:</b>		
A company	17.20%	22.30%
B company	12.20%	11.90%
<b>UPEC (No.3)</b>	<b>9.60%</b>	<b>9.40%</b>
C company	9.60%	9.40%
<b>RTD Coffee:</b>		
A company	39.40%	39.50%
<b>UPEC (No.2)</b>	<b>20.10%</b>	<b>20.50%</b>
B company	15.00%	14.60%
C company	8.80%	9.60%

	16Q1	15Q1
<b>Yogurt Drink</b>		
<b>UPEC (No.1)</b>	<b>67.80%</b>	<b>75.90%</b>
A company	8.60%	12.80%
B company	8.10%	7.90%
<b>Flavored Milk</b>		
<b>UPEC (No.1)</b>	<b>46.20%</b>	<b>44.60%</b>
A company	25.80%	26.50%
B company	5.30%	5.90%
<b>Soy Milk</b>		
<b>UPEC (No.1)</b>	<b>43.00%</b>	<b>46.60%</b>
A company	30.10%	26.90%
B company	16.20%	14.10%
<b>Fresh Milk</b>		
<b>UPEC (No.1)</b>	<b>33.20%</b>	<b>34.20%</b>
A company	25.30%	32.00%
B company	23.70%	19.40%



# 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\*: Y2015 dividend policy was proposed at 2016/3/28 board meeting  
(pending shareholders' meeting resolution).

Note3\*\*: 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 (stand-alone)

Stand-alone basis (NTD in Millions)	2013 version of Taiwan IFRS							
	16Q1		15Q1		Y2015		Y2014 (adjusted)	
	Amount	% of NI	Amount	% of NI	Amount	% of NI	Amount	% of NI
<b>Operating Income</b>	N/A	N/A	N/A	N/A	1,750	12%	1,534	14%
<b>Total Investment Income (Equity Method)</b>	N/A	N/A	N/A	N/A	12,391	88%	9,714	87%
Major Components of Investment Income:								
1.Cayment President (100% ownership)	2,014	46%	1,688	39%	4,353	31%	1,577	14%
2.PCSC(2912TT) (45.4% ownership)	1,182	27%	966	22%	3,690	26%	4,182	38%
3. Kai Yu Investment (100% ownership)	231	5%	217	5%	664	5%	461	4%
4. Kuang Chuan Dairy (31.25% ownership)	97	2%	75	2%	340	2%	158	1%
5.Nan Lien Intl (100% ownership)	79	2%	65	2%	364	3%	276	2%
6. Ton Yi Industrial (9907TT) (45.55% ownership)	79	2%	221	5%	270	2%	351	3%
7.TTET Union (1232TT) (37.67% ownership)	64	1%	91	2%	344	2%	372	3%
8. Wei Lih Food	63	1%	37	1%	189	1%	138	1%
9.Scinopharm(37.94% ownership)	63	1%	44	1%	241	2%	184	2%
10. Presicarre (20.5% ownership)	60	1%	33	1%	246	2%	189	2%
11. President Securities (2855TT) (27.71%)	53	1%	154	4%	265	2%	439	4%
<b>Net Income</b>	<b>4,343</b>	<b>100%</b>	<b>4,299</b>	<b>100%</b>	<b>14,108</b>	<b>100%</b>	<b>11,126</b>	<b>100%</b>

# 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. And it further organizes a team of food safety inspection expertise to do the real time check and monitor.

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

- (1) significantly decreasing the number of suppliers and raw material items since 2011.
- (2) reinforcing its 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: reduced the use of sodium from 3,000mg:**

Currently achieved: 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: gradually reduced the use of sugar, and for specific items (eg: yogurt drink) to reduce by 25%~40% per bottle**

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

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

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

## Environmental Management:

### **Carbon Emission : targeting 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\$7.48bn\* , QFII ratio 40.84%.
- **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\$234 as of May 12, 2016 US\$1=NT\$32.542

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

Unit : NTD in Billions

Consolidated	16Q1			15Q1		2015Y		2014Y (adjusted)	
	Amount	%	YoY	Amount	%	Amount	%	Amount	%
Revenue	51.52	100.0%	6.8%	48.25	100.0%	205.48	100.0%	200.44	100.0%
Gross Profit	16.68	32.4%	9.4%	15.24	31.6%	66.28	32.3%	62.66	31.3%
Operating Profit	2.52	4.9%	11.2%	2.26	4.7%	9.61	4.7%	9.50	4.7%
Net Income	2.74	5.3%	15.9%	2.37	4.9%	9.44	4.6%	10.25	5.1%
*Net Income	2.45	4.7%	16.0%	2.11	4.4%	8.24	4.0%	9.09	4.5%
*EPS (after tax)	2.35			2.03		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 sectors

Unit : NTD in Billions

Revenue by Sectors	16Q1	% of Rev.	YoY	15Q1	% of Rev.
1.Conveinece Stores	33.06	64.2%	6.8%	30.95	64.2%
2.Retail Business (including filling stations)	15.41	29.9%	9.3%	14.10	29.2%
3.PCSC's other operating segments (including restaurant and china retail)	2.35	4.6%	-11.8%	2.66	5.5%
4.Logistics Business	0.70	1.3%	29.3%	0.54	1.1%
<b>Total Revenue</b>	<b>51.52</b>	<b>100.0%</b>	<b>6.8%</b>	<b>48.25</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		-9.4%	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%	

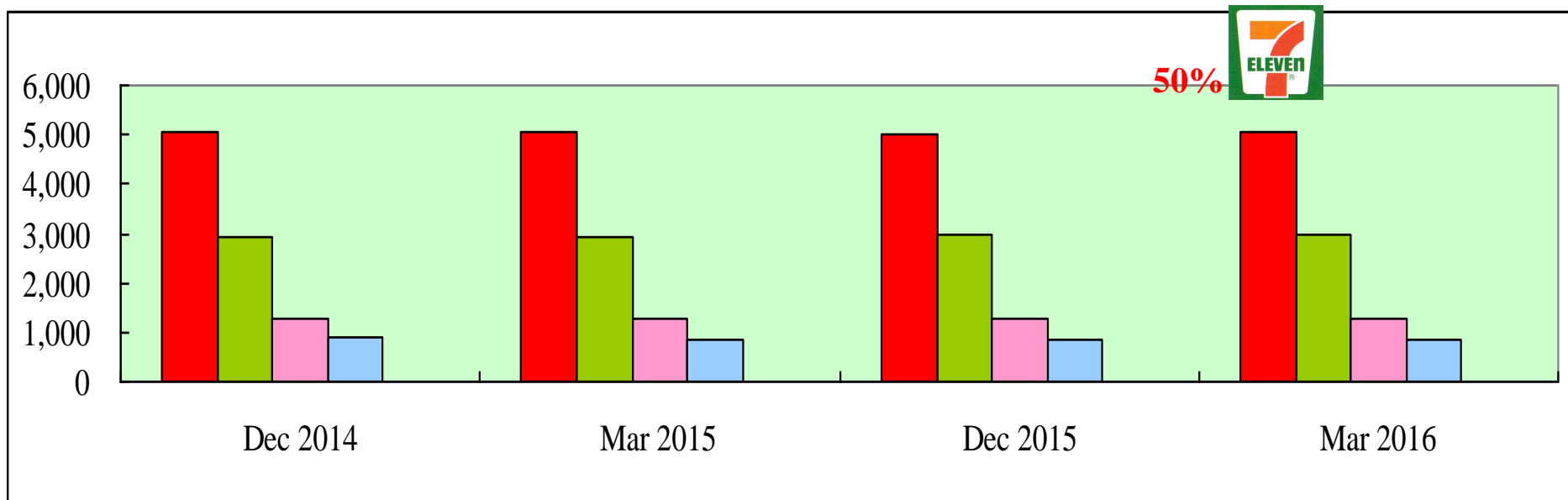
Note1: 2015Y&2014Y(adjusted) are based on 2013Y version of Taiwan IFRS  
2013Y&2012Y(adjusted) are based on 2010Y version of Taiwan IFRS

Note2\*: Y2015 dividend policy was proposed at 2016/3/16 board meeting  
(pending shareholders' meeting resolution).

Note3\*\*: 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 2014	Mar 2015	Dec 2015	Mar 2016
7-ELEVEN Chain	5,040	5,037	5,028	5,041
A company	2,936	2,943	2,972	2,978
B company	1,278	1,281	1,286	1,283
C company	876	866	862	866

Data source: PCSC

# PCSC's Major Retail Scopes in Taiwan

## PCSC (2912TT)

### Convenience Store

#### 7-ELEVEN



PCSC holds 100%  
# of stores: 5,041

### Drugstore

#### Cosmed Taiwan



PCSC holds 100%  
# of stores: 381

### 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: 375



#### Cold Stone Creamery



PCSC holds 100%  
# of stores: 31

#### Afternoon Tea



PCSC holds 51%  
# of stores: 17

#### Mister Donut



PCSC holds 50%  
# of stores: 60

#### 21 Century



PCSC holds 100%  
# of stores: 29

### 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 Mar, 2016

# PCSC's Major Retail Scopes Overseas

## China

### Convenience Store

#### Shanghai 7-ELEVEN

PCSC holds 100%  
# of stores: 83



### Supermarket

#### Shandong Uni-Mart

PCSC holds 55%  
# of stores: 199



#### Presiclerc(Beijing)

PCSC holds 98.12%  
# of stores: 6



### Hypermarket

#### Sichuan Uni-Mart

PCSC holds 100%  
# of stores: 2



### Restaurants

#### Shanghai Starbucks

PCSC holds: 30%  
UPEC holds: 20%  
# of stores: 956



#### Cold Stone Creamery

PCSC holds 100%  
# of stores: 34



## Southeast Asia

### Convenience Store

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

PCSC holds 51.56%  
# of stores: 1,655



\* Store No. is as of end Mar, 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\$4.10bn\*.
- 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\$7.37 as of May 12, 2016, US\$1=HK\$7.7593

## UPCH (220HK) Key Financials

RMB in thousands	2016.1-3M	2015.1-3M	YoY
Reported Net Profit	432,999	368,677	17.45%

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

Unit : RMB in Millions

Consolidated-basis	Y2015			Y2014		Y2013		Y2012	
	Amount	% of Rev.	YoY	Amount	% of Rev.	Amount	% of Rev.	Amount	% of Rev.
Revenue	22,102	100.0%	<b>-1.7%</b>	22,488	100.0%	23,329	103.7%	21,406	91.8%
Gross Profit	8,141	36.8%	<b>11.4%</b>	7,308	32.5%	7,780	34.6%	7,402	31.7%
Gross Margin	36.8%		<b>+4.3ppt</b>	32.5%		33.3%		34.6%	
Operating Profit	1,031	4.7%	<b>177.2%</b>	372	1.7%	932	4.1%	882	4.1%
Operating Margin	4.7%		<b>+3.0ppt</b>	1.7%		4.0%		4.1%	
Pre Tax Profit	1,171	5.3%	<b>182.2%</b>	415	1.8%	1,116	5.0%	1,077	4.6%
*Net Profit	835	3.8%	<b>192.0%</b>	286	1.3%	916	4.1%	856	3.7%
**EPS(cents)	19.32			7.18		25.46		23.78	
Net Margin	3.8%		<b>+2.5ppt</b>	1.3%		3.9%		4.0%	
Total Payout Ratio:	20%			20%		20%		20%	
Cash dividend/share (cents)	3.864			1.322		5.092		4.756	

	Y2014	Y2013	YoY
***Operating Profit (adjusted)	<b>347</b>	<b>412</b>	<b>-15.7%</b>

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

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

\*\*\* Operating Profit (adjusted) excludes 2013 one-off gain from disposals of financial assets RMB284.8mn & 2014 government grant decreases RMB211M.

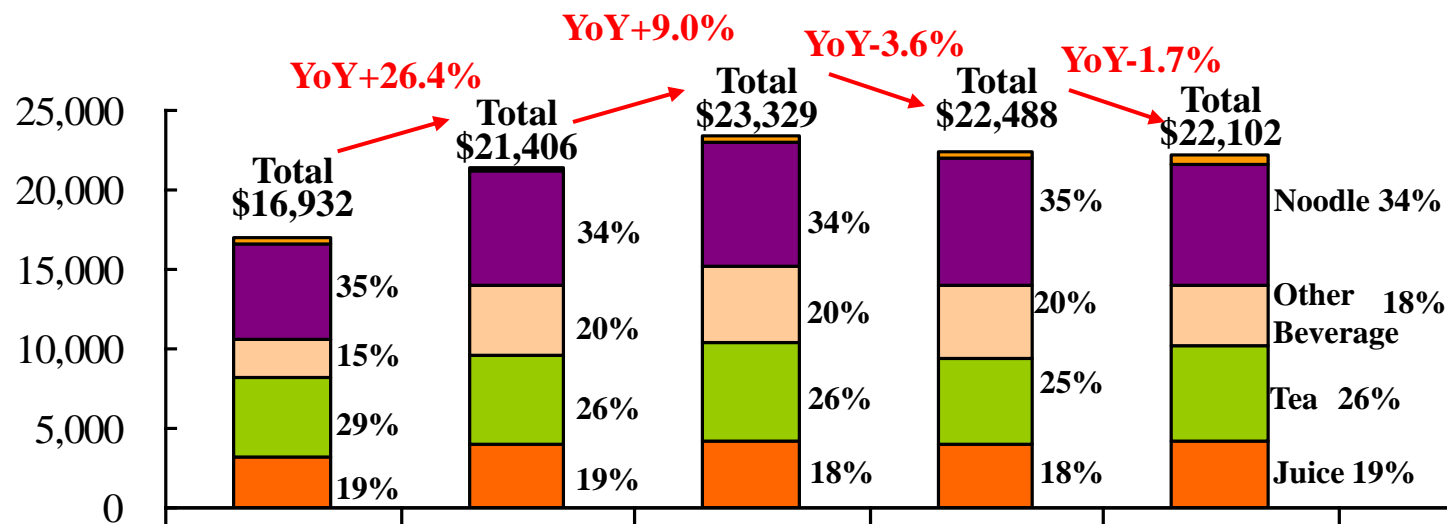
# Industry Growth In China

Unit: %	2015Y		2014Y	
	Value	Volume	Value	Volume
<b>Instant Noodle</b>	-2.8	-6.4	-2.7	-7.0
<b>Beverage</b>	1.2	-1.2	6.6	2.8
RTD tea (no milk)	-0.7	-4.6	-3.6	-2.6
Juice	3.3	-2.7	-1.6	-4.7
Milk Tea	-20.2	-19.0	1.1	-2.9
Carbonated drink	-0.6	-1.3	2.4	0.4
Bottled water	5.1	1.3	14.7	5.8
Functional drink	6.4	5.9	21.9	22.8
Asian traditional drink	-1.7	-4.4	12.6	8.1

Data Source: Nielsen

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

Unit : RMB in millions



	Y2011	Y2012	Y2013	Y2014	Y2015	YoY
Other Business	307	222	351	523	483	-7.6%
Instant Noodles	5,936	7,270	7,826	7,960	7,567	-4.9%
Other Beverage	2,485	4,320	4,750	4,540	3,947	-13.1%
RTD Tea	4,987	5,597	6,143	5,526	5,826	5.4%
Juice Drinks	3,217	3,996	4,259	3,939	4,278	8.6%

# Market Position in China



都会小馆

## Market Share: Instant Noodle

### By Value

	Y2015	Y2014
A company	55.3%	56.6%
UPCH (No.2)	18.3%	17.9%
B company	6.1%	5.8%
C company	5.6%	5.6%

### By Volume

	Y2015	Y2014
A company	46.4%	47.3%
UPCH (No.2)	17.5%	17.2%
B company	7.9%	8.1%
C company	7.4%	7.2%

## Market Share: RTD Milk Tea

### By Value

	Y2015	Y2014
UPCH (No.1)	67.8%	62.2%
A company	16.9%	17.4%
B company	5.5%	6.0%
C company	5.1%	5.4%

### By Volume

	Y2015	Y2014
UPCH (No.1)	68.7%	64.7%
A company	17.5%	18.4%
B company	5.4%	6.0%
C company	5.1%	5.5%



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阿萨姆 · 小奶茶



Source: Nielsen



# Market Position in China



## Market Share: RTD Tea (No Milk)

### By Value

	Y2015	Y2014
A company	54.7%	55.4%
UPCH (No.2)	24.8%	24.4%
B company	5.3%	6.5%
C company	3.3%	1.9%

### By Volume

	Y2015	Y2014
A company	61.1%	60.6%
UPCH (No.2)	22.9%	23.6%
B company	4.8%	5.7%
C company	2.8%	2.7%

## Market Share: RTD Juice

### By Value

	Y2015	Y2014
A company	20.5%	22.4%
UPCH (No.2)	14.7%	13.4%
B company	13.7%	17.4%
C company	7.3%	6.8%

### By Volume

	Y2015	Y2014
A company	23.8%	24.5%
B company	18.3%	21.7%
UPCH (No.3)	17.5%	16.9%
C company	7.2%	6.1%

# UPCH (220HK) Margin & Expenses Breakdown

## Gross Margin As % of revenue

	Y2015	Y2014	Y2013
Company	36.80%	32.50%	33.30%
Instant Noodle	33.40%	28.70%	29.20%
Beverage	39.30%	35.30%	35.80%

## Net Margin As % of revenue

	Y2015	Y2014	Y2013
Company	3.80%	1.30%	3.90%
Instant Noodle	2.30%	-1.20%	-1.80%
Beverage	7.90%	5.00%	5.60%

## Expenses As % of revenue

	Y2015	Y2014	Y2013
Company	33.20%	32.30%	32.90%
Selling & Marketing	28.60%	28.00%	29.30%
Administration	4.60%	4.30%	3.60%



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



ALKAQUA®

爱 奇 饮 用 天 然 水

巴马泉



PLAN N方



叫醒活力元



朗朵 Lēntō

100%

咖啡切萃液



怡赏



微食刻  
100%果蔬汁



# UPCH (220HK) Production Base

32 plants across China at the end Dec, 2015.

Capex:  
2015Y RMB\$1.4bn

