

C00097-2015

**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER**

1. Date of Report (Date of earliest event reported)  
Jan 9, 2015
2. SEC Identification Number  
11840
3. BIR Tax Identification No.  
000-100-341-000
4. Exact name of issuer as specified in its charter  
SAN MIGUEL PURE FOODS COMPANY INC.
5. Province, country or other jurisdiction of incorporation  
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office  
23/F The JMT Corporate Condominium, ADB Avenue, Ortigas Center, Pasig City  
Postal Code  
1605
8. Issuer's telephone number, including area code  
(632) 702-5000
9. Former name or former address, if changed since last report  
N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	166,667,096
Preferred	15,000,000

11. Indicate the item numbers reported herein  
Item 9. Other Events

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



**San Miguel Pure Foods Company, Inc.**  
**PF**

**PSE Disclosure Form 4-30 - Material Information/Transactions**  
**References: SRC Rule 17 (SEC Form 17-C) and**  
**Sections 4.1 and 4.4 of the Revised Disclosure Rules**

**Subject of the Disclosure**

Investors' Briefing Materials on SMPFC's Perpetual Preferred Shares Offering

**Background/Description of the Disclosure**

Please see attached.

**Other Relevant Information**

None.

**Filed on behalf by:**

<b>Name</b>	Alexandra Trillana
<b>Designation</b>	AVP & Corporate Secretary



INVESTORS' BRIEFING

# SAN MIGUEL PURE FOODS COMPANY INC.

PROPOSED PERPETUAL PREFERRED SHARES OFFERING

08 January 2015 | Makati Shangri-La



# Disclaimer

This presentation does not constitute a prospectus or other offering memorandum in whole or in part.

This presentation does not constitute or form part of and should not be construed as an offer to sell or issue or the solicitation of an offer to buy or acquire securities of the Company or any of its subsidiaries or affiliates in any jurisdiction or as an inducement to enter into investment activity. Any terms set forth herein are intended for discussion purposes only. This presentation has not been or will not be reviewed or approved by any statutory or regulatory authority or any stock exchange in the Philippines or elsewhere. No part of this presentation should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. This presentation is not financial, legal, tax or other product advice. Prospective investors should undertake their own assessment with regard to their investment and they should obtain independent advice on any such investments suitability, inherent risk and merits and any tax, legal and accounting implications which it may have on them.

This presentation has been prepared by the Company based on information available to them for use at a presentation by the Company for selected qualified buyers for information purposes only and does not constitute a recommendation regarding any securities of the Company. The information has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the information provided in this presentation.

The statements contained in this presentation speak only as at the date as of which they are made, and the Company expressly disclaims any obligation or undertaking to supplement, amend or disseminate any updates or revisions to any statements contained herein to reflect any change in events, conditions or circumstances on which any such statements are based. By preparing this presentation, none of the Company, its management, and their respective advisers undertakes any obligation to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in any such information which may become apparent.

**A REGISTRATION ON STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION, BUT HAS NOT YET BECOME EFFECTIVE. THESE SECURITIES MAY NOT BE SOLD NOR OFFERS TO BUY THE SAME MAY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PRESENTATION SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.**

This presentation is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration or an exemption from registration.

This presentation contains forward-looking statements based on the currently held beliefs and assumptions of the management of the Company, which are expressed in good faith and, in their opinion, reasonable. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results, to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements. Given these risks, uncertainties and other factors, recipients of this presentation are cautioned not to place undue reliance on these forward-looking statements.

Any reference herein to "the Company" shall mean, collectively, San Miguel Pure Foods Company, Inc. and its subsidiaries and investments."

EBITDA, EBITDA margin, EBIT, EBIT margin, income from operations ("IFO") and IFO margin are not measures of performance under the Philippine Financial Reporting Standards ("PFRS"), and should not be considered in isolation or as alternatives to net income as an indicator of the Company's operating performance or to cash flow from operating, investing and financing activities as a measure of liquidity, or any other measures of performance under PFRS. Because there are various EBITDA, EBITDA margin, EBIT, EBIT margin, IFO and IFO margin calculation methods, the Company's presentation of these measures may not be comparable to similarly titled measures used by other companies.

# Company Overview



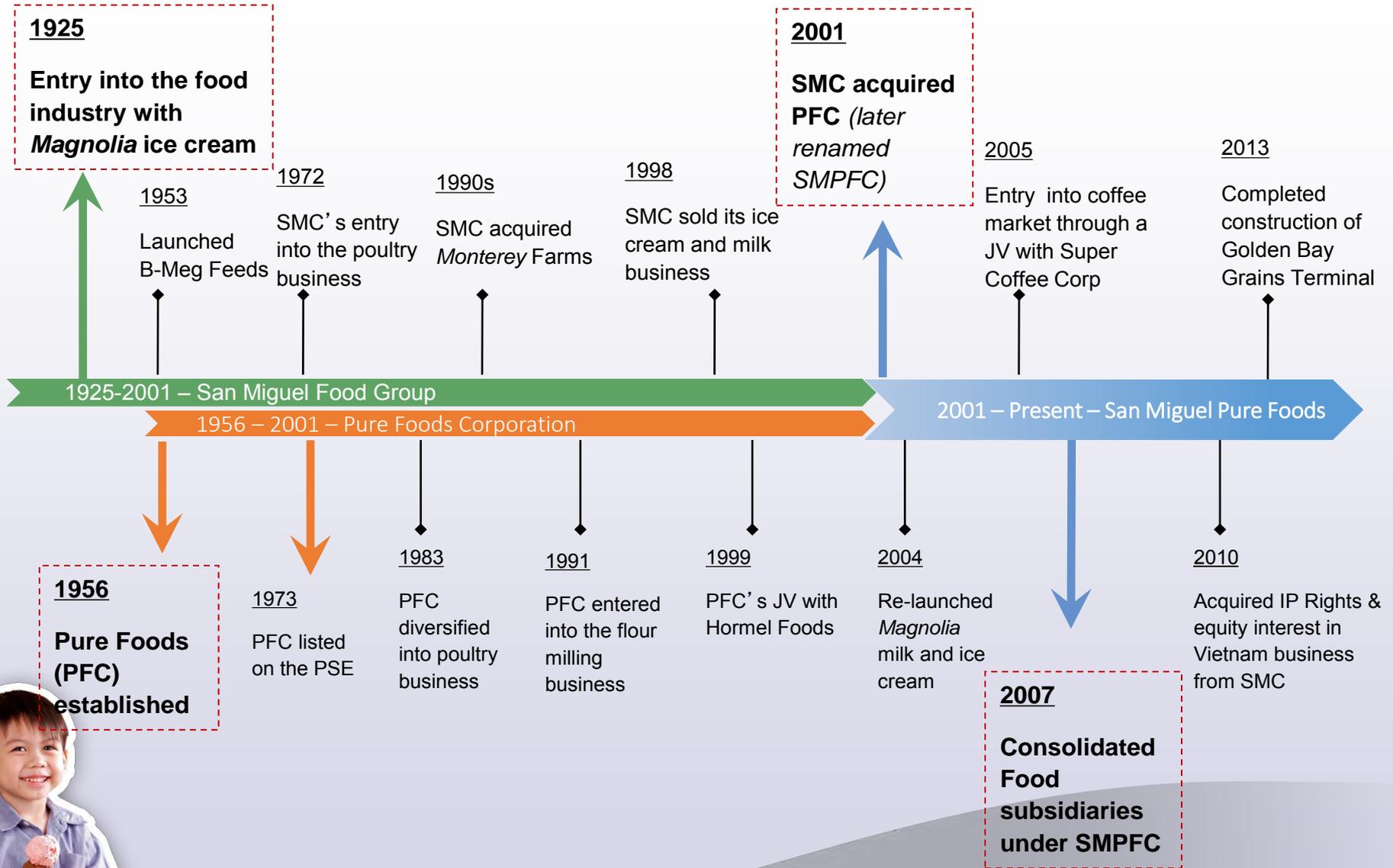
# Ownership Structure



**Note**

- 1 Remaining 40% is owned by Hormel Netherlands B.V.
- 2 Remaining 30% is owned by Super Coffee Corporation Pte Ltd
- 3 Remaining 25% is owned by Penderyn Pte Ltd.
- 4 Remaining 49% is owned by Hormel Netherlands B.V.

# A Rich History of Success



# Business Segments



2013 Results

Consolidated Revenue <b>Php99.8Bn</b>	Consolidated Operating Income <b>Php5.5Bn</b>	Consolidated Net Income <b>Php4.1Bn</b>
--	--	--

## ESTABLISHED BUSINESSES

## EMERGING BUSINESSES

### Agro-Industrial

### Value-Added Meats

### Milling

### Others

Dairy, Spreads, Oils, & Coffee

Others

### Product Categories

- Feeds
- Poultry
- Fresh Meats

- Refrigerated processed meats
- Canned meats

- Flour products
- Grain terminal and port services

- Dairy
- Spreads and oils
- Coffee

- Foodservice
- Franchising
- International Operations

### 2013 Sales<sup>1</sup>

PHP 64.4 Bn  
(64.5% of total)

PHP 14.9 Bn  
(14.9% of total)

PHP 8.7 Bn  
(8.7% of total)

PHP 8.0 Bn  
(8.0% of total)

PHP 3.8 Bn  
(3.8% of total)

### 2013 Operating Income<sup>2</sup>

PHP 2.0 Bn  
(35.5% of total)

PHP 1.0 Bn  
(18.0% of total)

PHP 2.0 Bn  
(36.7% of total)

PHP 0.5 Bn  
(9.9% of total)

Note:

<sup>1</sup> External sales only

<sup>2</sup> Excludes eliminations of negative Php 1.6 Mn.



# Highly Diversified Product Portfolio Catering to a Broad Spectrum of Customers

	Product Examples	Target Customer	Target Day-Part / Need
<b>Agricultural</b>	<ul style="list-style-type: none"> <li>Animal Feeds</li> <li>Live chickens &amp; hogs</li> </ul>	<b>Commercial farms</b> <b>Backyard farms</b> <b>Buyers of Live Animals</b>	
<b>Basic Food Ingredients</b>	<ul style="list-style-type: none"> <li>Poultry, fresh meat products</li> <li>Flour products</li> <li>Dairy, spreads and oils</li> <li>Traded products</li> </ul>	<b>Households</b> <b>Foodservice</b> <b>Institutional Clients</b>	<b>Breakfast /Lunch /  Dinner/ Dessert</b>
<b>Value-Added Meats</b>	<ul style="list-style-type: none"> <li>Processed meats</li> <li>Ready-to-eat products</li> </ul>	<b>Households</b> <b>Foodservice</b> <b>Institutional Clients</b>	<b>Breakfast</b> <b>Lunch</b> <b>Dinner</b> <b>Impulse / Snacks</b>
<b>Snacks / Convenience / Others</b>	<ul style="list-style-type: none"> <li>Dairy, spreads and oils</li> <li>Coffee</li> <li>Jelly-based snacks</li> </ul>	<b>Households</b> <b>Foodservice</b> <b>Institutional Clients</b>	<b>Impulse / Snacks</b> <b>Convenience Foods</b> <b>Dessert</b>

Catering to all customers and their food needs throughout the day

# Competitive Strengths



# Competitive Strengths



1

Leading food brands with dominant market position

2

Extensive and multi-pronged distribution network

3

Vertically integrated business model

4

Strong commitment to innovation

5

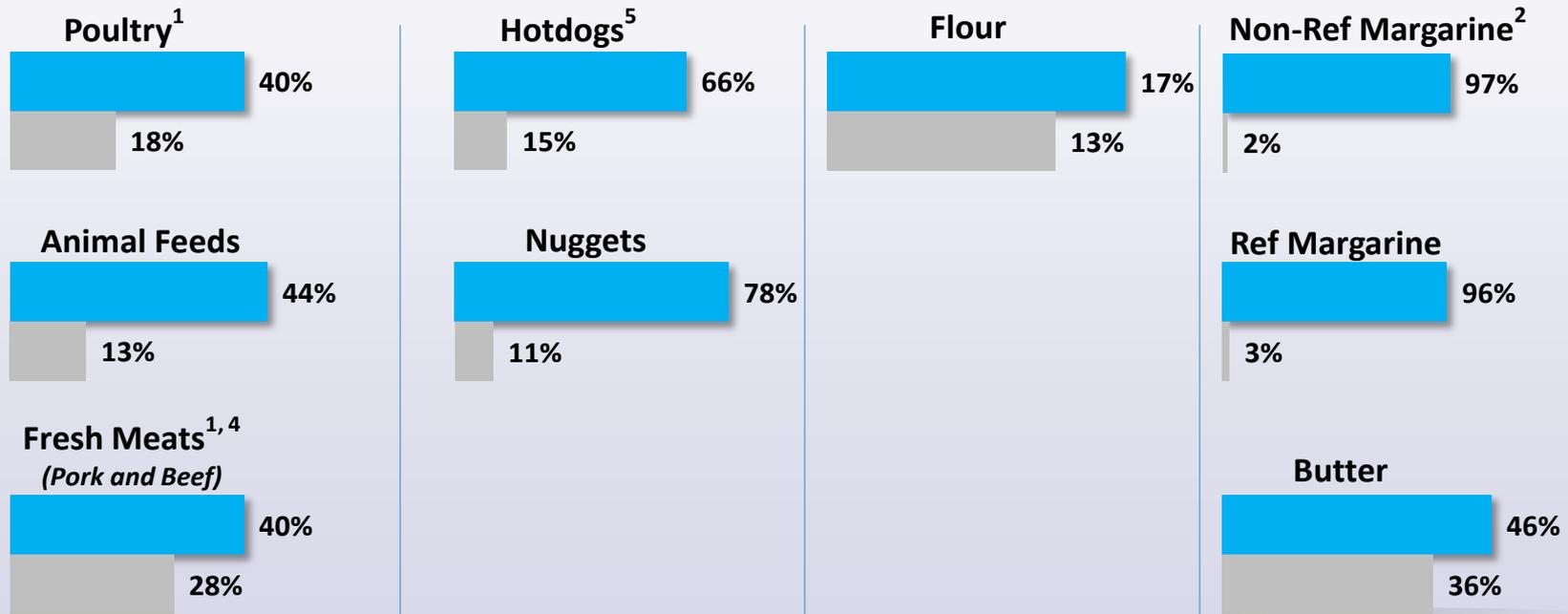
Experienced management and technical teams

# 1 Leading food brands with dominant market position

Strong Brands



Market Share<sup>3</sup>



■ SMPFC market position ■ Competitor market position

Note:  
 1 Market share as of December 2013, based on Philippine Bureau of Agricultural Statistics, Philippine Swine Producers Association, and certain internal assumptions and calculations.  
 2 Market share as of July 2014, based on Nielsen.  
 3 Market share as of September 2014, unless otherwise stated, based on Philippine Bureau of Agricultural Statistics, Philippine Association of Flour Millers, Kantar Worldpanel For Supermarkets only  
 4 For supermarkets excluding SM.  
 5 For supermarkets only.

## 2 Extensive multi-pronged distribution network

### Modern Trade

Hypermarkets,  
supermarkets  
convenience stores



### General Trade

Exclusive distributors  
serving wet markets,  
mom & pop stores,  
small grocery stores,  
wholesalers &  
dealers



### Foodservice & Institutional

Bakeries, food  
manufacturers,  
restaurants, pizza  
chains and hotels



- Over 600 *Monterey Meatshops*, 900<sup>1</sup> *Magnolia Chicken Stations* and 300 *Kambal Pandesal*

Other formats:  
*San Mig Food Ave & Hungry Juan*

- Improved distribution reach
- Closer contact with customers to differentiate products
- Greater pricing power versus competitors



*Monterey Meat Shops*



*Magnolia Chicken Stations*



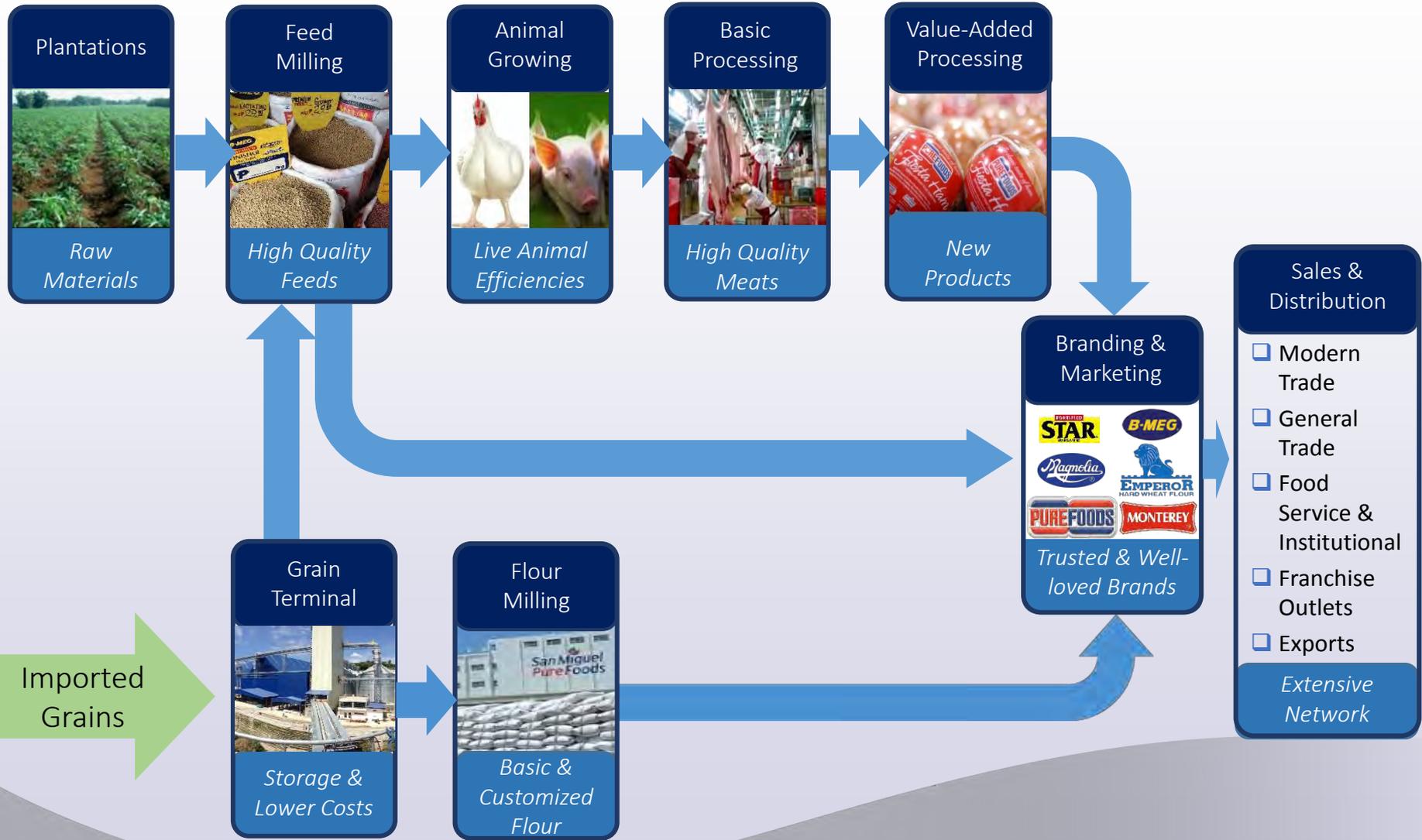
*San Mig Food Ave*



*Kambal Pandesal*

Note: 1 Includes Magnolia Chicken Stations in Monterey Meatshops

### ③ Vertically integrated business model



# 4 Strong commitment to innovation



Purefoods Crisp 'n Juicy Home Style Fried Chicken



Magnolia Chicken Yakitori



Purefoods Star Burger Bites



Purefoods Spaghetti Meat Sauce



Purefoods Sexy Chix



Purefoods Bacon Variants



Purefoods Hotdog Variants



Pure Foods Native Processed Meats Line



Magnolia Brownie and Cake Mix



Magnolia Frozen Novelties



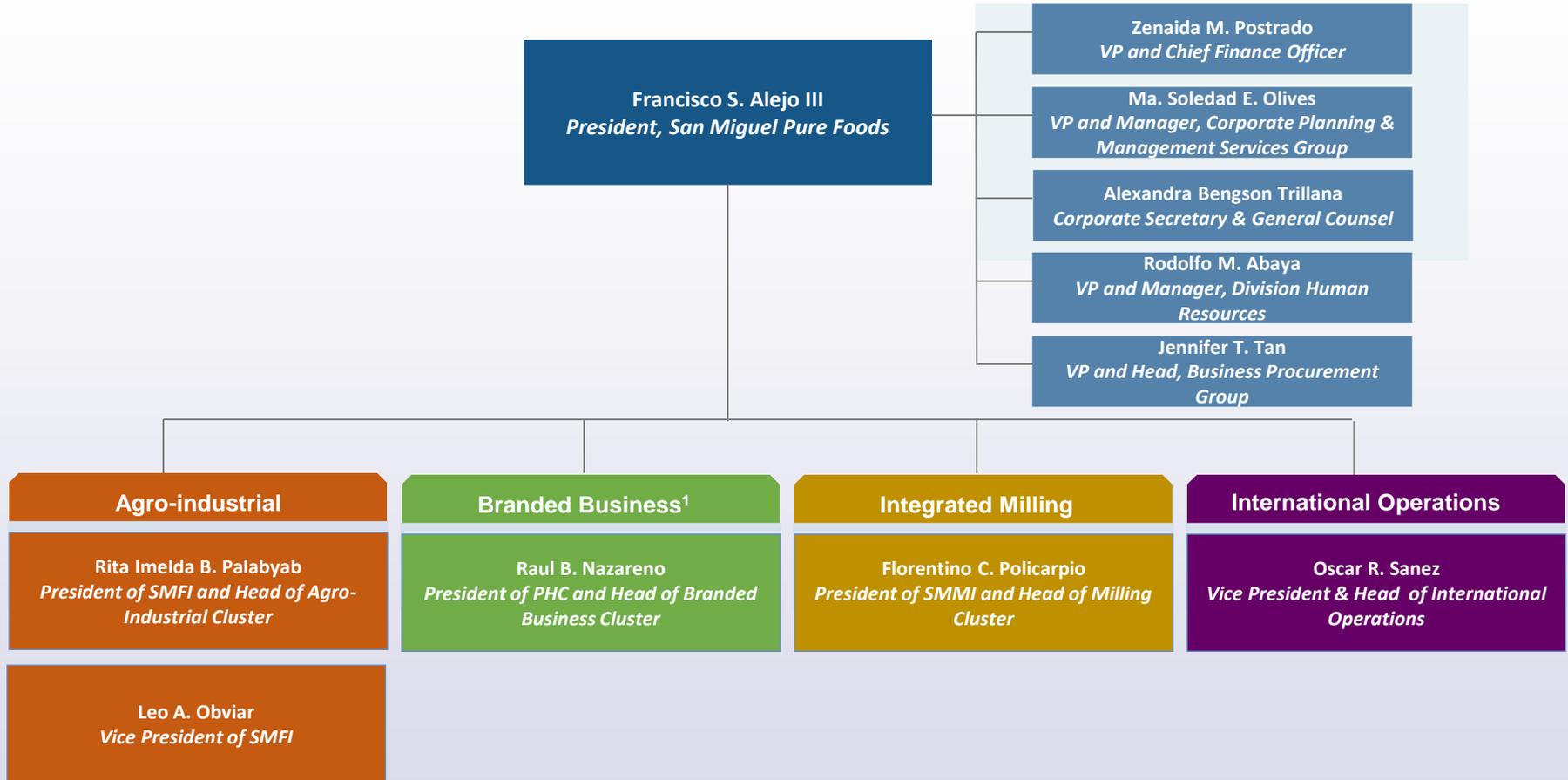
Magnolia Best of The Philippines



Magnolia Cheeze Squeeze

# 5 Experienced management and technical team

## Management structure



### Leadership positions in industry advocacies and organizations

- Rita Palabyab - President of the Philippine Association of Broilers Integrators (PABI)
- Leo Obviar - President of the Philippine Swine Producers Association (PSPA)
- Florentino Policarpio - President of the Chamber of Philippine Flour Millers (Champflour)

Note: 1 Branded business is composed of the following: value-added meats, butter, margarine, cheese, coffee, milk, ice cream and dairy desserts, jelly snacks and specialty oils

# Business Strategies

**Sustain market leading positions, improve cost efficiencies and expand business operations to drive profitable growth**

## Improve Profitability through Cost Efficiencies and Better Product Mix

- Manage costs and improve production efficiency
  - ✓ Source alternative raw materials
  - ✓ Adopt latest technologies
  - ✓ Harvest synergies through integration
- Focus on shifting to stable-priced and value-added product offerings

## Enhance Product Offering and Distribution

- Introduce new and innovative products
- Expand distribution networks, particularly in Visayas and Mindanao
- Continue investments in brand equity via advertising and promotions

## Expand and Explore Growth Opportunities

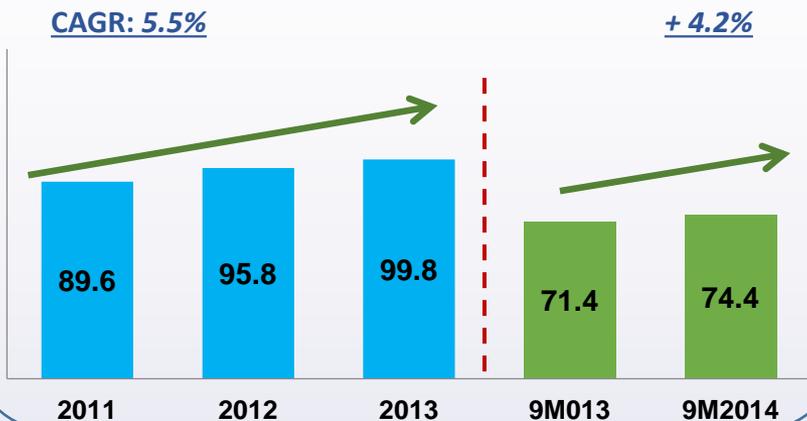
- Enter into new product categories or other food related businesses:
  - ✓ M&A
  - ✓ Greenfield
- Expand existing production capabilities

# Financial Performance



# Financial Performance

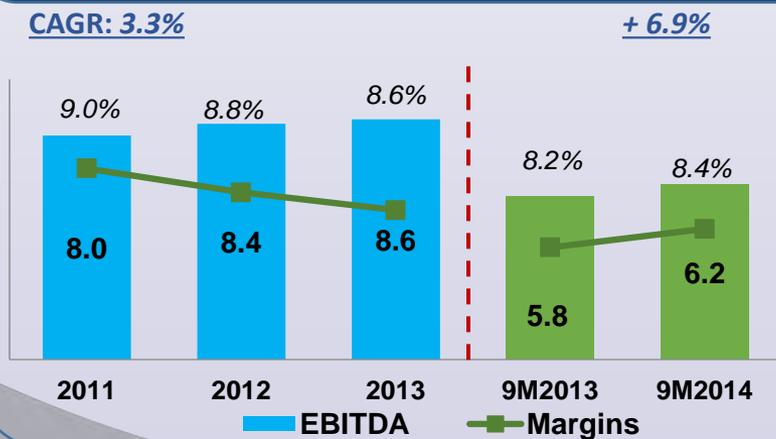
## Revenue (PHP, Bn)



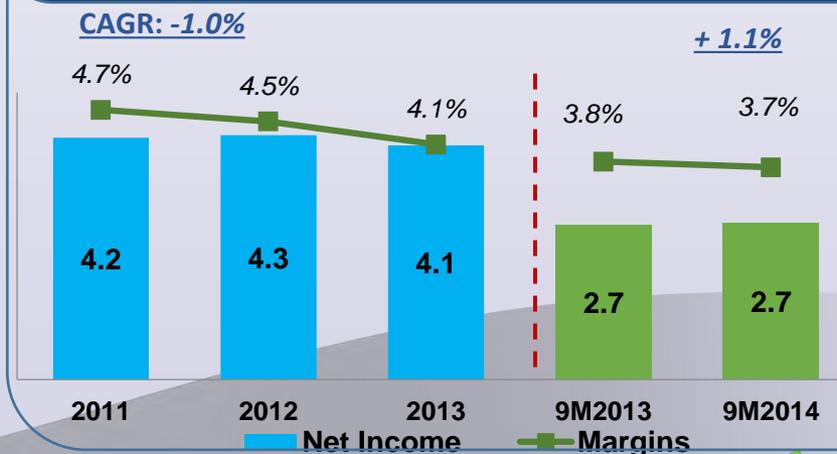
## Operating Income (PHP, Bn)



## EBITDA (PHP, Bn)

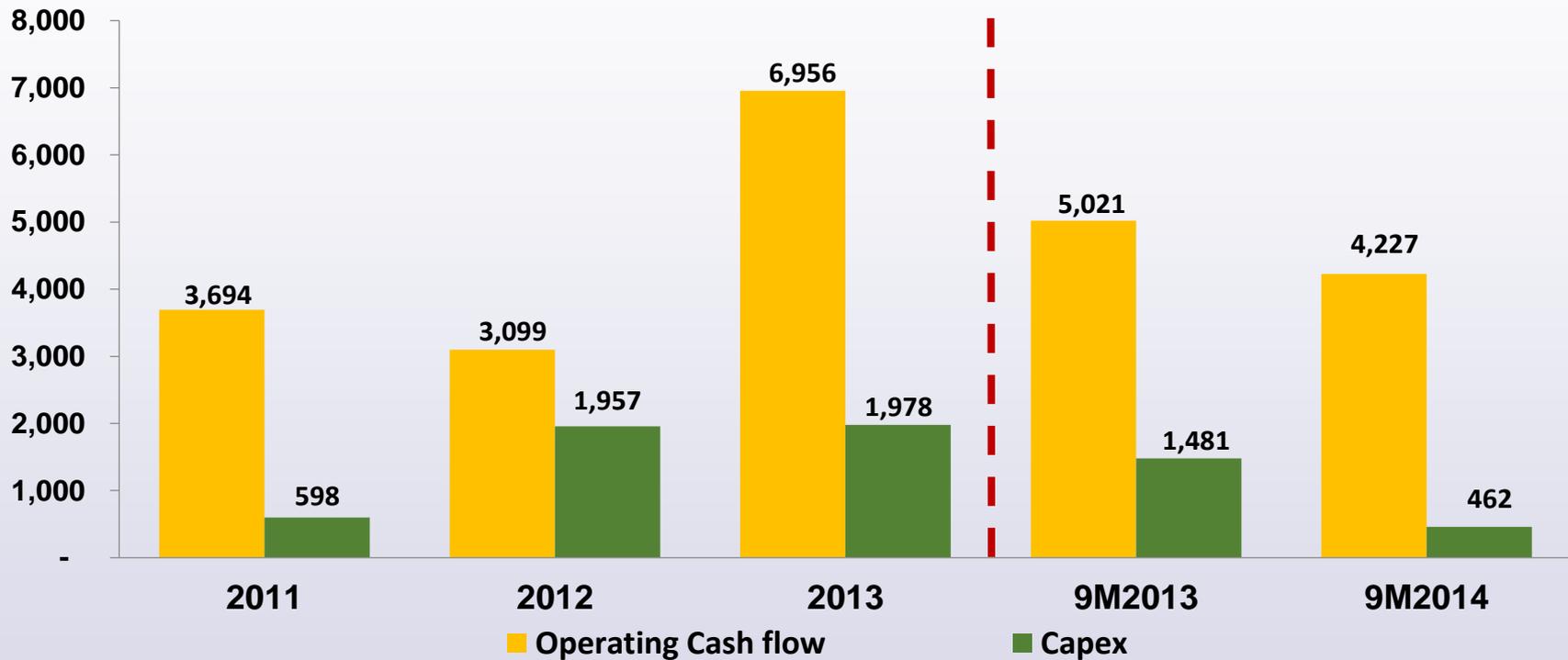


## Net Income (PHP, Bn)



# Operating Cash Flow

Operating Cash Flow and Capex (PhP, Mn)



Note: 2011 and 2012 figures are restated in accordance with PAS 19R

# Financial Position

In Php Millions	As of December 31,			As of September 30,
	2011 <sup>1</sup>	2012 <sup>1</sup>	2013	2014 <sup>2</sup>
Total Assets	61,088	68,572	72,844	62,901
Cash Balance	4,933	4,280	7,031	12,052
Total Liabilities	21,632	27,549	30,484	27,521
Interest Bearing Debt	9,634	11,826	13,131	11,430
Total Equity	39,456	41,022	42,360	35,380
Retained Earnings	14,411	16,583	18,680	12,069
Ratios				
Current Ratio	1.95 x	1.68 x	2.15 x	2.01 x
D/E Ratio	0.55 x	0.67 x	0.72 x	0.78 x

Note:

- 1 Restated 2011 & 2012 figures in accordance with PAS 19R
- 2 September 2014 Condensed Consolidated Interim Financial Statements



# THANK YOU

08 January 2015 | Makati Shangri-La