



**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: August 14, 2014
2. SEC Identification Number: ASO91-196206
3. BIR Tax Identification No: 001-096-221-000
4. Exact name of issuer as specified in its charter: Splash Corporation
5. Province, country or other jurisdiction of incorporation
6. Industry Classification Code: (SEC Use Only)
7. Address of principal office: 5F W-Office Building  
11th Avenue corner  
28th Street, Bonifacio  
Global City, Taguig City  
1634
8. Issuer's telephone number, including area code: (632) 491-7707
9. Former name or former address, if changed since last report: NA
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA
- |   | <u>Number of Shares of Common Stock</u> |
|---|---|
| Common Shares listed in the Philippine Stock Exchange | 648,055,166                             |
11. Indicate the item numbers reported herein:

Attached is a copy of the corporation's Press Release regarding Splash Corporation's doubling of its profits in the first semester of 2014 that will be publicly released today.

**SIGNATURE**

Pursuant to the requirement of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned duly authorized for the purpose.

**SPLASH CORPORATION**

By:

  
**VENERANDA M. TOMAS**  
Compliance Officer

## **Splash Corporation doubles profits in first semester**

Splash Corporation ended the first semester of 2014 with net income more than doubling to Php39.9 million on sales of Php1.7 billion which was a 5.1 percent increase compared to the same period last year.

The doubling of net income came mostly from the increase in revenues and coupled with a 5 percent decline in operating expenses. The revenue growth came from the 22 percent growth in Foods mainly from international operations and the 11 percent growth in the Personal Care segment. Together, these increases more than offset the decline of 45 percent in the revenue of Direct Sales.

Although Q2 sales was higher compared to Q1 sales, net income in Q2 was lower mainly on account of higher spending on advertising on our flagship brands—SkinWhite and Maxi-Peel—and the incurrence of forex loss on our dollar denominated receivables in Q2 amounting to Php9.4M.

“The outstanding results of the first semester validate the steps taken by Splash Corporation over the last few years to transform its operations, enhance its value chain, and step up its innovations. We can only expect even better results for Splash in the coming years,” was the assessment of EVP and CFO Vicci Tomas.

Splash Foods International grew by 50 percent driven by an expanded distribution network in North America, Middle East, Europe, and Australia. Barrio Fiesta Mixes in Bulalo, Tinola, No Boil Lechon Kawali, Caldereta, Chicken Inasal, and Sinigang variants were launched in the USA last April. By redirecting its focus toward high-margin products coupled with the improved efficiencies in the logistical, commercial, and manufacturing operations, SFC is optimistic that it will continue to sustain its upward momentum in the Philippines moving forward.

Personal Care International sales increased by 16 percent, led by the Whitening and Exfoliants Category which grew by 117 percent and 6 percent, respectively. Robust growth was realized in the regions of Africa and Middle East. The product portfolio was further expanded with the introduction of new variants for Extract and Extraderm. An intensified emphasis on high-growth market areas, risk reduction initiatives, and a growing brand affinity for its core brands—Maxi-Peel, Extraderm, SkinWhite, and Extract—in key international markets are essential contributors to the improved profitability of Personal Care International.

Topline revenue of Personal Care Philippines increased by 11 percent. Core-brand SkinWhite grew by 16 percent, with off-take for SkinWhite Power Whitening lotion—a variant supported by an intensive advertising campaign in the first semester—expanding by at least 150 percent. A new packaging for Maxi-Peel was launched to reinvigorate excitement for Splash Corp’s heritage brand. Consumer response shows positive acceptance of the new package. Moreover, the cost of doing business decreased after negotiations in Philippine retail chains for mutually beneficial trading terms.

Direct Sales is going through a process of re-engineering its internal processes and structure as a platform for future growth. It instituted a new approach to accounts receivable management which led to a 14 percent improvement in efficiency rating for the first semester. Accounts receivables for 2013 and earlier were also subjected to an aggressive recovery program. Direct Sales is also upgrading its dealer

data monitoring and information management through a shift to an improved ERP system before the end of the year.

Splash Corporation provides pioneering and high-quality products and services that cater to the universal desire of people to look good and live well. From a leadership position in the Philippines, it is successfully venturing into high-growth markets in Southeast Asia, Africa, the Middle East and North America.

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