



LT GROUP, INC.

## Press Release

### LTG's 9M 2016 Net Income Increases 33% to Php6.25 Billion

LT Group, Inc. disclosed today (November 11, 2016) that its attributable net income for the first nine months of 2016 reached Php6.25 billion, 33% higher than the Php4.71 billion reported in the same period in 2015.

Philippine National Bank (PNB) accounted for Php2.54 billion or 41% of total attributable income. The tobacco business contributed Php1.79 billion or 29%, while Asia Brewery, Inc. (ABI) added Php894 million or 14%. Tanduay Distillers, Inc. (TDI) accounted for Php679 million or 11%, followed by Eton at Php248 million or 4%. Equity in net earnings from Victorias Milling Company, Inc. (VMC) amounted to Php96 million, or 2% of total.

The Company's balance sheet remains strong. As of end-September 2016, the parent company's cash balance was at Php2.2 billion. Debt-to-Equity Ratio was at 3.5:1 with the Bank, and at 0.2:1 without the Bank.

#### **Philippine National Bank (PNB)**

PNB reported a net income of Php5.91 billion for 9M16 under the pooling method, a 12% growth from Php5.26 billion in 9M15.

Net Interest Income increased by 14% to Php14.63 billion with the 16% growth in loans and receivables. Net Service Fees and Commission Income dropped by 28% to Php2.00 billion, while Other Income grew by 55% to Php6.92 billion from Php4.46 billion due to higher Trading and Foreign Exchange Gains, as and income from the sale of Real and Other Properties Acquired (ROPA) and the 51% stake in the life insurance business to Allianz.

#### **Tobacco**

Income from the tobacco business amounted to Php1.80 billion for the first nine months of 2016, compared to Php525 million for the same period in 2015.

The higher earnings was mainly attributed to the change in mix of PMFTC's sales, with premium Marlboro accounting for a higher share of total volume.

### **Asia Brewery, Inc. (ABI)**

For the first nine months of 2016, ABI's earnings amounted Php895 million, a 29% increase over the Php694 million generated in the same period in 2015.

Cobra energy drink, Tanduay Ice alcopop and Vitamilk soymilk continue to be market leaders, while Absolute and Summit bottled water had the second largest market share.

### **Tanduay Distillers, Inc. (TDI)**

TDI's net income for January to September 2016 reached Php679 million, double the Php337 million reported for 9M15. Earnings grew largely due to the start of the contribution of bioethanol sales in 2016.

Liquor volume was relatively flat. TDI's market share based on Nielsen's customer off-take on volume was at 25% as of end-September 2016, steady compared to end-September 2015. TDI continues to have the largest share in the Visayas at 63%, and in Mindanao at 64%.

### **Eton Properties Philippines, Inc. (Eton)**

Eton reported a bottom line of Php249 million for the first three quarters of 2016, 26% more than the Php197 million generated in the same period in 2015.

Revenues increased by 17% to Php2.20 billion due to the growth in leasing revenues on the back of higher lease rates at the fully-leased out BPO office buildings with a gross leasable area (GLA) of about 124,000 square meters.

Eton broke ground on the fifth BPO office tower at Eton Centris in Quezon City in August. It will have a GLA of around 37,000 square meters and is expected to take two years to complete. Moreover, the 5,000 square meter expansion of the retail space at Centris Walk in Eton Centris which commenced in April 2016 is targeted to be completed in 2Q17.

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