



LT GROUP, INC.

Press Release

LTG Reports Php6.6 Billion Net Income for 2015, 50% Higher Than 2014

LT Group, Inc. (LTG) reported today (March 11, 2016) that its unaudited attributable net income for 2015 reached Php6.6 billion, 50% more than the Php4.4 billion reported for 2014.

Philippine National Bank (PNB) contributed Php3.51 billion or 53% of total income. Asia Brewery, Inc.'s (ABI) contribution added Php1.10 billion or 17% of total, followed by the tobacco business at Php1.04 billion or 16%. Tanduay Distillers, Inc. (TDI) accounted for Php422 million or 6%, while Eton added Php312 million or 5%. Equity in net earnings from our stake in VMC provided Php214 million or 3% of total. As of end-2015, LTG's stake in VMC stood at 22.59%. With the purchase of additional shares in February 2016, LTG's stake in VMC is currently at 30.17%.

LTG's balance sheet remains strong, with the parent company's cash balance at Php2.6 billion as of the end of 2015. Debt-to-Equity Ratio was at 3.41:1 as of end-2015 with the bank, and at 0.13:1 without the bank.

Philippine National Bank (PNB)

PNB income reached Php6.8 billion for 2015, 15% more than the Php5.9 billion reported in 2014. Net Interest Income was at Php17.6 billion for 6% more than 2014's Php16.7 billion, while Net Service Fees and Commission Income increased by 38% to Php3.6 billion. Trading and Foreign Exchange Gains declined to Php1.8 billion or by 34%, while Other Income was 35% lower at Php3.7 billion.

Asia Brewery, Inc. (ABI)

ABI's unaudited income for 2015 reached Php1.099 billion, 2% lower than the Php1.122 billion reported for 2014.

Our Cobra energy drink, Absolute and Summit water, Tanduay Ice alcopop and Vitamilk soymilk continue to be market leaders. However, intense competition in the beverage market continues to affect volumes and margins

Tobacco

The tobacco business reported a net income of Php1.04 billion for 2015, significantly more than the Php148 million reported for 2014.

Equity in net earnings from LTG's 49.6% stake in PMFTC reached Php975 million, 89% higher than the Php515 million realized in 2014. While there has been some improvement, the illicit trade continues to affect the overall profitability of the cigarette business.

Tanduay Distillers, Inc. (TDI)

TDI's unaudited net income for 2015 reached Php422 million, significantly higher than the Php101million reported in 2014.

Revenues were relatively flat, as lower volumes were offset by price increases. According to Nielsen, TDI's market share improved to 24.1% as of the end of 2015 from 22.0% as of the end of 2014. The market share gain was from the Visayas and Mindanao areas.

Eton Properties Philippines, Inc. (Eton)

Eton's income for 2015 amounted to Php313 million, or Php193 million more than the Php120 million reported in 2014.

Revenues were 9% higher with higher lease rates for new or renewed contracts in office buildings. To increase its leasing portfolio, Eton will add a fifth BPO office tower at Eton Centris in Quezon City.

(end)

LT GROUP, INC.
 (A Subsidiary of Tangent Holdings Corporation)
AND SUBSIDIARIES

UNAUDITED CONSOLIDATED BALANCE SHEETS
 (Amounts in Thousands)

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents	₱137,554,502	₱147,275,490
Financial assets at fair value through profit or loss	9,663,735	22,811,921
Available for sale (AFS) investments	2,915,170	3,774,286
Loans and receivables	173,033,707	143,653,521
Due from related parties	1,592,842	1,797,390
Inventories	12,964,190	12,936,865
Assets of the disposal group held for sale	23,526,757	-
Other current assets	8,890,634	7,886,609
Total Current Assets	370,141,537	340,136,082
Noncurrent Assets		
Loans and receivables - net of current portion	206,819,401	187,438,860
AFS investments	66,649,517	60,039,059
Held to maturity investments	23,096,473	22,895,493
Investments in associates and a joint venture	12,161,290	12,297,509
Property, plant and equipment		
At appraised values	39,007,752	38,470,525
At cost	5,830,123	3,975,397
Investment properties	22,187,676	27,197,933
Deferred income tax assets	554,465	717,218
Other noncurrent assets	3,708,046	3,665,132
Total Noncurrent Assets	380,014,743	356,697,126
TOTAL ASSETS	₱750,156,280	₱696,833,208
LIABILITIES AND EQUITY		
Current Liabilities		
Deposit liabilities	₱449,200,514	₱411,391,378
Financial liabilities at fair value through profit or loss	93,058	10,837,220
Bills and acceptances payable	4,868,371	6,640,221
Accounts payable and accrued expenses	16,067,727	16,120,561
Income tax payable	294,581	326,282
Short-term and long-term debts - current	1,876,015	5,806,123
Current portion of due to related parties	46,792	49,859
Liabilities of the disposal group held for sale	21,452,621	-
Other current liabilities	15,964,756	17,974,819
Total Current Liabilities (Carried Forward)	509,864,435	469,146,463

	December 31	
	2015	2014
Total Current Liabilities (Brought Forward)	₱509,864,435	₱469,146,463
Noncurrent Liabilities		
Deposit liabilities - net of current portion	26,955,679	23,468,731
Financial liabilities at fair value through profit or loss	42,135	24,805
Bills and acceptances payable	20,883,850	12,409,837
Long-term debts - net of current portion	10,707,651	11,291,321
Accrued retirement benefits	3,900,926	3,776,261
Deferred income tax liabilities	1,183,509	1,355,247
Other noncurrent liabilities	6,380,494	12,638,349
Total Noncurrent Liabilities	70,054,244	64,964,551
Total Liabilities	579,918,679	534,111,014
Equity		
Attributable to equity holders of the Company:		
Capital stock	10,821,389	10,821,389
Capital in excess of par	35,906,231	35,906,231
Deposits for future stock subscription	—	—
Preferred shares of subsidiaries issued to Parent Company	18,060,000	18,060,000
Other equity reserves	790,136	790,136
Other comprehensive income, net of deferred income tax effect	3,734,181	4,582,667
Retained earnings	60,099,825	54,079,986
Shares of the Company held by subsidiaries	(12,518)	(12,518)
	129,399,244	124,227,891
Non-controlling interests	40,838,357	38,494,303
Total Equity	170,237,601	162,722,194
TOTAL LIABILITIES AND EQUITY	₱750,156,280	₱696,833,208

LT GROUP, INC.
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UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
 (Amounts in Thousands, Except for Basic/Diluted Earnings Per Share)

	Years Ended December 31		
	2015	2014	2013
REVENUE			
Banking	₱26,600,160	₱24,639,374	₱28,855,871
Beverage	13,286,994	13,288,369	12,701,784
Distilled spirits	12,002,266	11,919,131	10,425,603
Tobacco	—	—	151,722
Property development	2,484,453	2,278,600	3,656,950
	54,373,873	52,125,474	55,791,930
COST OF SALES AND SERVICES	24,880,372	25,073,927	26,021,935
GROSS INCOME	29,493,501	27,051,547	29,769,995
EQUITY IN NET EARNINGS OF ASSOCIATES	1,188,974	894,555	3,704,117
	30,682,475	27,946,102	33,474,112
OPERATING EXPENSES			
Selling expenses	2,639,788	2,746,640	2,776,946
General and administrative expenses	20,816,998	22,558,997	21,681,011
	23,456,786	25,305,637	24,457,957
OPERATING INCOME	7,225,689	2,640,465	9,016,155
OTHER INCOME (CHARGES)			
Finance costs	(202,518)	(454,855)	(480,892)
Finance income	109,340	119,041	139,093
Foreign exchange gains - net	1,226,782	1,345,705	1,260,899
Others – net	3,716,184	5,510,668	3,648,639
	4,849,788	6,520,559	4,567,739
INCOME BEFORE INCOME TAX	12,075,477	9,161,024	13,583,894
PROVISION FOR INCOME TAX			
Current	2,599,797	2,399,603	2,509,506
Deferred	(20,976)	289,215	(400,676)
	2,578,821	2,688,818	2,108,830
NET INCOME	₱9,496,656	₱6,472,206	₱11,475,064
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Company	₱6,599,111	₱4,410,230	₱8,669,220
Non-controlling interests	2,897,545	2,061,976	2,805,844
	₱9,496,656	₱6,472,206	₱11,475,064
Basic/Diluted Earnings Per Share	₱0.61	₱0.41	₱0.85