



LT GROUP, INC.

Press Release

LTG 1Q 2016 Net Income Increases by 40% to Php2.2-B

LT Group, Inc. (LTG) reported today (May 12, 2016) that its unaudited attributable net income for first quarter 2016 reached Php2.2 billion, 40% higher than the Php1.6 billion reported during the same period last year.

The tobacco business contributed Php945 million or 42% of total income. This was followed by Philippine National Bank (PNB) with Php708 million (32% of total). Asia Brewery, Inc. (ABI) added Php350 million (16% of total), followed by Tanduay Distillers, Inc. (TDI) at Php82 million (4% of total). Eton contributed Php62 million (3% of total). Equity in net earnings from its stake in Victorias Milling Company, Inc. (VMC) provided Php96 million or 4% of total. In February 2016, LTG purchased 131.86 million additional shares in VMC which increased its stake to 30.17%, from 22.59% as of end-2015.

LTG's balance sheet remains strong. As of end-March 2016, the parent company's cash balance was at Php2.6 billion. Debt-to-Equity Ratio was at 3.44:1 with the bank, and at 0.14:1 without the bank.

Tobacco

The tobacco business reported a net income of Php949 million for 1Q16, significantly higher than the Php411 million generated in 1Q15.

Equity in net earnings from LTG's 49.6% stake in PMFTC reached Php913 million, 120% more than 1Q15's Php415 million. While the company sees some improvement, illicit trade continues to affect the overall profitability of the cigarette business.

Philippine National Bank (PNB)

PNB's income reached Php2.6 billion for 1Q16, 85% more than the Php1.4 billion reported for the first quarter of 2015. Net Interest Income was 13% higher at Php4.6 billion, while Net Service Fees and Commission Income increased by 18% to Php846 million. Trading and Foreign Exchange Gains grew by 50% to Php748 million, while Other Income rose by 191% to Php2.4 billion.

Asia Brewery, Inc. (ABI)

ABI's income for the first three months of 2016 amounted to Php350 million, 16% higher year-on-year (y-o-y) from Php301 million.

Its Cobra energy drink, Absolute and Summit water, Tanduay Ice alcopop and Vitamilk soymilk continue to be market leaders. Volumes of most products were higher compared to last year, largely due to the exceptionally hot summer and some impact from election-related spending.

Tanduay Distillers, Inc. (TDI)

TDI's unaudited net income for January to March 2016 reached Php82 million, a 9% growth over the Ph75 million reported in the same period last year.

Revenues were slightly higher as the contribution from bio-ethanol offset lower revenues from distilled spirits. Based on Nielsen estimates on customer off-take, TDI's market share was relatively steady at 24.2% as of end-March 2016, compared to 24.5% as of end-March 2015. TDI's market share in the Visayas and Mindanao areas was higher at 61.3% from 58.3% in the same period last year.

Eton Properties Philippines, Inc. (Eton)

Eton's earnings for 1Q16 amounted to Php62 million, 22% higher y-o-y from Php51 million.

Revenues slightly increased by 2% as higher leasing revenues offset the drop in revenues from real estate sales. Eton will add a fifth BPO office tower at Eton Centris in Quezon City to increase its leasing portfolio.

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