

Analyst Briefing Nine Months 2014 Financial Results



CONQUERING CHALLENGES



Consolidated Income Statement Highlights

(In Php Billions)

	(III T II p Billions)				
		9M14	9M13	Inc/ (Dec)	% Change
	REVENUES				
	Banking	18.09	23.49	(5.40)	(23%)
	Beverage	9.76	9.12	0.64	7%
	Tobacco	0.00	0.15	(0.15)	(100%)
	Property Development	1.19	3.08	(1.89)	(61%)
	Distilled Spirits	8.72	7.54	1.18	16%
	Total Revenues	37.76	43.38	(5.62)	(13%)
6	Cost of Sales	18.30	19.34	(1.04)	(5%)
	Gross Income	19.46	24.04	(4.58)	(19%)
	Equity Income	0.49	2.56	(2.07)	(81%)
		19.95	26.60	(6.65)	(25%)
	Operating Expenses	18.67	18.18	0.49	3%
	Other Income/(Charges)	4.06	4.18	(0.12)	(3%)
ľ	Provision for Income Tax	1.76	2.02	(0.26)	(13%)
	NET INCOME	3.58	10.58	(7.00)	(66%)
	Net Income Attributable To:				_
	Equity Holders of LTG	2.50	7.63	(5.13)	(67%)
	Non-controlling Interests	1.08	2.95	(1.87)	(63%)
	TOTAL NET INCOME	3.58	10.58	(7.00)	(66%)



Net Income by Segment

(In Php Millions)	Net In	come		LTG's Share in Net Income				
Sogmont					Y-o-Y Cl	hange		
Segment	9M14	9M13	9M14	% to total	Inc/(Dec)	%	9M13	% to total
Banking	3,715	6,676	2,050	82%	(1,685)	-45%	3,735	49%
Beverage	797	626	796	32%	171	27%	625	8%
Tobacco	464	2,799	462	19%	(2,326)	-83%	2,788	37%
Property Development	65	196	65	3%	(130)	-67%	195	3%
Distilled Spirits	(83)	77	(83)	-3%	(160)	-208%	77	1%
Others	(1,376)	207	(794)	-32%	(1,001)	-484%	207	3%
TOTAL – Actual	3,582	10,581	2,496	100%			7,627	100%
Earnings Per Share	d		0.23				0.70	



Consolidated Balance Sheet Highlights

(In Php Billions)

	As of As		Inc//Doc	% Change	
	Sep 2014	Dec 2013	inc/(Dec)	% Change	
Cash	154.3	188.3	(34.0)	(18.1%)	
Total Assets	681.4	678.5	2.9	0.4%	
Total Liabilities	523.2	528.7	(5.5)	(1.0%)	
Total Equity	158.2	149.8	8.4	5.6%	
D-E Ratio	3.3	3.5	(0.2)	(6.3%)	





(In Php Millions)	9M14	9M13	Inc/(Dec)	%
Net Interest Income	it in the			
Interest Income	15,197	14,294	903	6%
Interest Expense	2,930	4,149	(1,219)	(29%)
	12,267	10,145	2,122	21%
Net Service Fees and				
Commission Income				
Service Fee Income	2,457	2,504	(47)	(2%)
Service Fee Expense	601	683	(82)	(12%)
	1,856	1,821	35	2%
Other Income				
Trading Gains & PRX	1,168	7,630	(6,462)	(85%)
Others	4,465	3,489	976	28%
	5,633	11,119	(5,486)	(49%)
Operating Expenses	14,742	14,198	544	4%
Prov. for Income Tax	1,299	2,064	(765)	(37%)
Segment Profit	3,715	6,823	(3,108)	(46%)
EBITA Computation:	100			
Net Income	3,715	6,823	(3,108)	(46%)
Depreciation	1,181	1,134	47	4%
Prov. for Income Tax	1,299	2,064	(765)	(37%)
EBITDA	6,195	10,021	(3,826)	(38%)

Balance Sheet	As of	As of
(In Php Billions)	Sep '14	Dec '13
COH & Due from Banks	149	179
AFS Investments	59	79
Loans and Receivables	304	274
Deposit Liabilities	436	461
Equity	83	69

	As of	As of
Ratios	Sep '14	Dec '13
Return on Equity	6.5%	9.1%
Return on Assets	0.8%	1.1%
Net Interest Margin	3.2%	2.8%
Cost Efficiency	69.3%	68.2%
NPL Ratio, net	1.0%	1.4%
Loans to Deposit Ratio	67.4%	56.0%
CAR - solo	18.1%	17.0%
CAR - conso	21.1%	19.7%
Tier 1 - solo	14.6%	15.4%
Tier 1 - conso	17.9%	16.4%





(In Php Millions)	9M14	9M13 lı	nc/(Dec)	%
Segment Revenue	10,576	9,699	877	9%
Cost of Sales	7,683	6,809	874	13%
Gross Profit	2,893	2,890	3	0%
Gross Profit Margin	27%	30%	-3%pts	
Operating Expenses	1,788	1,973	(185)	(9%)
Operating Income	1,105	917	188	21%
Other Inc./(Charges)	32	(24)	56	(233%)
Prov. for Income Tax	340	267	73	27%
Segment Profit	797	626	171	27%
Net Income Margin	8%	6%	2%pts	

EBITDA Computation	n:
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EBITDA	2,382	2,200
Prov. for Income Tax	340	267
Interest Expense	9	34
Depr. and Amort.	1,236	1,273
Net Income	797	626





Income Statement



(In Php Millions)	9M14	9M13	Inc/(Dec)	%
Segment Revenue	-	152	(152)	(100%)
Cost of Sales	-	155	(155)	(100%)
Gross Profit	-	(3)	3	(100%)
Equity in Net Earnings fr PMFTC	520	2,558	(2,038)	(80%)
	520	2,555	(2,035)	(80%)
Operating Expenses	307	75	232	309%
Operating Income	213	2,480	(2,267)	(91%)
Other Inc./(Charges)	273	448	(175)	(39%)
Prov. for Income Tax	22	129	-107	(83%)
Segment Profit	464	2,799	(2,335)	(83%)
EBITDA Computation:				
Net Income	464	2,799	(2,335)	(83%)
Depr. and Amort.	8	15	(7)	(47%)
Prov. for Income Tax	22	129	(107)	(83%)
EBITDA	494	2,943	(2,449)	(83%)





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(In Php Millions)	9M14	9M13	Inc/(Dec)	%
Segment Revenue				
Residential	724	2,704	(1,980)	(73%)
Leasing	470	378	92	24%
Cost of Sales				
Residential	601	2,059	(1,458)	(71%)
Leasing	183	128	55	43%
Gross Profit				
Residential	123	645	(522)	(81%)
Leasing	287	250	37	15%
Gross Profit Margin				
Residential	17%	24%	-7%pts	
Leasing	61%	66%	-5%pts	
Operating Expenses	455	669	(214)	(32%)
Operating Income	(45)	226	(271)	(120%)
Other Inc./(Charges)	177	133	44	33%
Prov. for Income Tax	67	163	(96)	(59%)
Segment Profit	65	196	(131)	(67%)
Net Income Margin	5%	6%	-1%pt	

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EBITDA	261	460
Prov. for Income Tax	67	163
Interest Expense	41	17
Depr. and Amort.	88	84
Net Income	65	196





(In Php Millions)	9M14	9M13	Inc/(Dec)	%
Sales Volume	12.643	10.566	2.077	20%
Segment Revenue	8,755	7,556	1,199	16%
Cost of Sales	7,253	5,993	1,260	21%
Gross Profit	1,502	1,563	(61)	(4%)
Gross Profit Margin	17%	21%	-4%pts	
OPERATING EXPENSES				
Selling Expenses	762	461	301	65%
Admin.Expenses	530	617	(87)	(14%)
Operating Income	210	485	(275)	(57%)
Other Inc./(Charges)	(309)	(301)	(8)	3%
Prov. for Income Tax	(15)	107	(122)	(114%)
Segment Profit	(83)	77	(160)	(208%)
Ne <mark>t Income</mark> Margin	-1%	1%	-2%pts	

EBITDA Computation:		
Net Income	(83)	77
Depr. and Amort.	390	366
Interest Expense	312	313
Prov. for Income Tax	(15)	107
EBITDA	604	863

