

**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING OF LT GROUP, INC.
HELD ON JUNE 21, 2016 AT THE KACHINA ROOM, CENTURY PARK HOTEL,
MANILA AT 10:00 A.M.**

PRESENT:

<u>STOCKHOLDERS</u>	<u>NO. OF SHARES</u>	<u>%</u>
In Person	65,147	0.00
By Proxy	8,605,114,572	79.52
Total Attendance	8,605,179,719	79.52

DIRECTORS:

LUCIO C. TAN
CARMEN K. TAN
LUCIO K. TAN, JR.
MICHAEL G. TAN
JUANITA TAN LEE
WASHINGTON Z. SYCIP
PETER Y. ONG
FLORENCIA G. TARRIELA
WILFRIDO E. SANCHEZ
ANTONINO L. ALINDOGAN, JR.
ROBIN C. SY

I. CALL TO ORDER

The Chairman, Dr. Lucio C. Tan, called the meeting to order and requested the President, Mr. Michael G. Tan to preside for the same.

II. CERTIFICATION AS TO NOTICES AND QUORUM

Mr. Michael G. Tan asked the Corporate Secretary, Atty. Ma. Cecilia L. Pesayco, if the required notices of the meeting had been sent to the Stockholders. The Corporate Secretary certified that proper notices of the meeting had been sent to all Stockholders of record as early as May 23, 2016. This is in full compliance with Rule 20 of the Securities Regulation Code that requires written notice of the meeting be sent to all shareholders of record at least fifteen (15) business days prior to the date of the meeting. A certification to this effect was issued by Varied Services, Incorporated, the courier service company utilized by the Company to send out notices.

The Corporate Secretary further certified that there were present, in person or by proxy, a total of 8,605,179,719 shares, equivalent to 79.521% of the Company's 10,821,388,889 total issued and outstanding shares and that a quorum existed for the valid transaction of business as may properly come before the body.

III. APPROVAL OF THE MINUTES OF THE PREVIOUS MEETINGS

The next item in the agenda is the reading and approval of the minutes of the previous Annual Stockholders' Meeting, held last June 23, 2015. The matters discussed in the previous meeting were summarized in the Information Statement that was earlier distributed to the Stockholders of the Company.

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Upon motion duly made and seconded, the reading of the Minutes of the Annual Stockholders' Meeting held on June 23, 2015 was dispensed with and the Minutes of the said meeting, as appearing in the minutes book of the Company, was approved.

IV. MANAGEMENT REPORT

The President then opened the floor for questions on the Management Report that was included in the Information Statement that was distributed to the stockholders. There being no question at this point of the meeting, the Chairman, Dr. Lucio C. Tan, delivered a short message to the stockholders. Thereafter, the President, Mr. Michael G. Tan, presented his report.

Mr. Michael G. Tan reported that in 2015, the Philippines' GDP growth was at 5.8% in 2015, slightly lower than 2014's 6.1% growth rate, but still the second highest in Southeast Asia. OFW remittances and the Information Technology-Business Outsourcing or IT-BPO sector continued to grow, fueling consumer spending. OFW remittances reached USD25.8 Billion, representing a 3.4% growth, while revenues of the IT-BPO sector increased by 16% to almost USD22 Billion and had 1.2 million employees by yearend.

While the Philippine economy reported strong growth, 2015 remained a challenging year for the Company, although there were some gains and improvements over 2014. The illicit trade in the tobacco business persists, although we note some progress on tax compliance and pricing. Stiff competition in other businesses of the Company remains, but more selective yet aggressive marketing efforts yielded positive results. Moreover, the Company has also been able to forge new partnerships that will provide vehicles for future growth.

As a result of the slightly improved business environment, the Company's attributable net income for 2015 reached PhP6.6 Billion, 50% higher than the PhP4.4 Billion the Company reported for 2014. Philippine National Bank's (PNB) income contribution to the Company amounted to PhP3.5 Billion or 53% of the total income, followed by Asia Brewery, Inc. (ABI) at PhP1.1 Billion or 17% of the total income. The tobacco business added PhP1 billion or 16%, while Tanduay Distillers, Inc (TDI) accounted for PhP422 Million or 6%. Eton Properties Philippines, Inc. (EPPI) contributed PhP312 Million or 5%. The equity in net earnings from the Company's stake in Victorias Milling Company (VMC) provided PhP214 Million or 3% of the total income.

Mr. Michael G. Tan also reported that this year, the Company declared a cash dividend of PhP0.15 per share, or a total of PhP1.6 Billion, the same amount declared last year. This is equivalent to 25% of the attributable net income of 2015, higher than the dividend policy of a 20% pay-out rate. The dividend was paid out to the stockholders, last May 6.

He then proceeded to discuss each of the Company's businesses.

BEVERAGE

ABI continued to operate in a highly competitive environment with other players in the beverage market engaging in price wars. Its profitability was slightly affected but strong consumer consumption continues to fuel demand for its products. ABI was able to maintain its dominant position in three categories, for energy drinks, alcopop and soymilk. It is a co-leader in the bottled water

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category. ABI's net income reached PhP1.05 Billion in 2015, 6% lower than the PhP1.12 Billion reported in 2014.

Cobra upheld its leadership the energy drinks category, maintaining a market share of over 70%. However, sales volume was slightly lower as it remained affected by the price war of major carbonated colas. Cobra remains as ABI's flagship product, contributing more than a third of its revenues.

Through the Absolute and Summit brands, ABI continues to be one of the top players in the bottled water segment with about a 27% market share. In 2015, ABI started the expansion of its Laguna plant that will increase capacity by around 60%, which is expected to be completed within the second quarter of 2016.

The beer and alcopop segments were confronted with sustained pressures in 2015. Another increase in excise tax, coupled with the aggressive promotional and pricing activities by the market leader, adversely affected ABI's alcoholic offerings. However, these products still contribute around 20% of ABI's revenues, with Tanduay Ice having a dominant position in the alcopop category with a market share of over 70%.

Vitamilk, the soymilk brand under an exclusive distributorship agreement with Green Spot, continues to post robust sales growth. It enjoys a market share of over 80%. Construction of its plant is in full swing, and is targeted to commercially manufacture the beverage within the second half of 2016.

To continually offer to its customers beverages that cater to changing preferences, as well as capture more of the young adult population, ABI launched Barista's Best in October 2015, a convenient ready-to-drink coffee in a PET bottle.

PROPERTY DEVELOPMENT

EPPI's net income for 2015 reached PhP313 Million, PhP193 Million more than the PhP120 Million reported for 2014. The increase is largely attributed to the growth in rental income, brought about by higher rental rates in its BPO office buildings that currently enjoy full occupancy.

Revenues from the sale of residential units were lower in 2015 as revenues were largely from the percentage of completion of previously sold units. EPPI halted sales activities for about two years to revisit its projects' master plans to optimize values, and only started selling units in projects that it previously launched in May 2015.

The BPO office-building portfolio is currently around 125 square meters of gross leasable space in seven buildings. EPPI plans to increase its recurring income stream with the construction of additional BPO buildings. These include Centris Cyberbod 5 at Eton Centris in Quezon City, and eWestPod in Eton WestEnd Square, bordered by Chino Roces Avenue and Malugay and Yakal Streets in Makati City.

EPPI recently broke ground at Eton WestEnd Square. It is a one-hectare mixed-used development, which includes: Blake Tower, a 46-storey residential tower; eWest Mall, a boutique mall with two floors of retail and commercial units; and eWestPod, a BPO building.



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TOBACCO

PMFTC had an improvement in profitability with an improved mix and better pricing, but profits were still considerably lower than historical levels. Its equity in net earnings from PMFTC reached PhP975 Million, 89% higher than the PhP515 Million reported for 2014.

PMFTC's shipment volume was around 3% lower than 2014 at PhP66.2 Billion sticks. However, there was a notable shift in the mix, with Marlboro accounting for 27% of total volume from 22% in 2014. The favorable change in mix is attributed to the further narrowing of price gaps and the Marlboro Crossover campaign launched in April 2015, which saw customers trading up to the more premium brands. The increase in Marlboro's volume also enabled PMFTC to improve its market share to 74% as of end of 2015 from 72% in 2014.

The government required tax stamps to be affixed on each pack of cigarettes produced starting December 1, 2014, and on all locally manufactured packs in the market effective April 1, 2015. PMFTC launched a print in advertisement campaign to inform wholesalers and retailers to only purchase packs with affixed stamps. In recent months, Mr. Michael G. Tan reported that PMFTC has seen strong compliance in the market, although a focused effort on enforcement will be required to remain vigilant against the illicit cigarette trade.

In 2015, PMFTC upgraded the pack and stick designs of the Fortune Tribal brand family. PMFTC introduced Fortune Tribal Mint Splash, an innovative new menthol variant with a capsule in the filter. It also introduced new brands to the market, Chesterfield and L&M to broaden its brand portfolio.

BANKING

For 2015, PNB reported a net income of PhP6.8 Billion under the pooling method. This is 15% more than the PhP5.9 Billion PNB earned in 2014. Net Interest Income was 6% higher than the previous year, on the back of close to a 20% loan growth and an increase in PNB's investment portfolio. Net Services Fees and Commission Income increased by 38% due to higher fees earned by PNB Capital, as well as more deposit- and loan-related fees. However, there was a decline in Trading and Foreign Exchange Gains due to challenging conditions in both local and international financial markets.

PNB continued to improve its balance sheet. More Real and Other Properties Acquired (ROPA) were sold, reaching PhP5 Billion in book value for 2015, significantly higher than the PhP2.2 Billion sold in 2014. The Bank booked a gain of PhP1.6 Billion from the sale of ROPA in 2015. The Bank also reclassified some ROPAs to bank premises. As of the end of 2015, the Bank's ROPA stood at PhP11.8 Billion. Non-Performing Loans or NPL cover stood at 126% as of the end of 2015, from 99% as of the end of 2014. Net NPL ratio also improved to 0.3% from 0.9% in the same periods.

In 2015, credit rating agencies upgraded their outlook on PNB. Moody's Investors Service upgraded PNB's long term and short term rating two levels to investment grade. Meanwhile, Fitch Ratings gave PNB a higher rating with a stable outlook.

DISTILLED SPIRITS

Although 2015 was a difficult year for the distilled spirits industry, with overall industry volume declining, TDI fared relatively better, reporting a 3% decline in

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volume versus the industry's 4% decline. TDI increased its nationwide market share to 24% by the end of 2015 from 22% the year before. The market share gain came from the Visayas-Mindanao area where TDI continues to have the largest share at around 58%. TDI had an income of PhP422 Million in 2015, over PhP300 Million more than 2014's income of PhP101 Million. Earnings were boosted by interest savings with the payment of its 5 billion peso bond in February 2015. Its flagship product, Tanduay Five Years, continues to account for bulk of the volume, at around 77% of total.

TDI's stature as an international brand received a boost. It was recognized as the Brand Champion of the World by the editors of the Spirits Business Magazine. The World Branding Organization in London also gave Tanduay the same Brand Champion of the World award, the first for a Philippine company. Tanduay received the Monde Selection Prestige Trophy, an award given to companies that have won in the competition for 10 consecutive years.

In the premium segment, Tanduay Asian Rum has been made available on Philippine Airlines International flights, in duty free shops and select wine cellars, restaurants and bars in Metro Manila. In the middle of 2015, TDI launched Tanduay Select, a rum with 30% alcohol content. Lower proof products are the current preference among young drinkers, and Tanduay Select will try to capture more of the young urban drinkers, and more of the Metro Manila-Luzon market.

PROSPECTS FOR 2016

Mr. Michael G. Tan reported that the Company is generally more optimistic for 2016 over 2015, as the country's economy is expected to sustain its growth. A low inflation environment is likely to persist. Relatively lower oil prices will help reduce some manufacturing costs like fuel and resins for PET bottles, but may adversely affect OFW remittances with job losses in the Middle East. The BPO sector will continue to grow, fueling demand for consumer products and office space, especially in urban areas that have expanded beyond Metro Manila and Cebu into new wave cities. However, the El Nino, then the La Nina, will affect the purchasing power of those dependent on agriculture.

The outlook for the tobacco business is improving as it moves toward a unitized tax and the relatively higher compliance on tax stamps. The tobacco business of the Company is no longer selling some of its products at below cost when matching its competitor's prices, but it is still at a level that does not make economic sense when paying the correct taxes. There is room for margin improvement when the illicit trade is substantially eliminated and when there is a level playing field.

In the banking industry, the Company expects loans growth to continue on the back of the sustained growth in the country's economy. The streamlining of the approval process for consumer loans will help boost loans growth. The bank continues to work toward improving its asset quality and cost efficiencies. The partial implementation of a unified banking system before yearend 2016 and full integration in the first quarter of 2017 will result in cost savings.

In the beverage segment, the Company will continue to take advantage of the growing adult population and increasing incomes in the midst of even tougher competition. Incremental earnings will come from the soymilk plant that is expected to start commercial operations in the second half of 2016, as well as from the increased capacity of the bottled water plant.



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In the distilled spirits business, stiff competition remains. It will improve earnings with continuous improvements on cost efficiencies that include energy-saving initiatives that may also provide additional sources of revenues, as well as new product offerings to try to capture more of the young urban drinkers and the Metro Manila and Luzon market.

In the property sector, demand for BPO office space should continue to grow, and the Company will take advantage of this by increasing its portfolio although at a gradual pace.

FIRST QUARTER 2016

For the first quarter of 2016, LTG had an attributable net income of PhP2.2 Billion, 40% higher than the PhP1.6 Billion reported in the first quarter of 2015. All of its business units reported growth in the first quarter.

PNB's income under the pooling method was 85% higher at PhP2.6 Billion. The tobacco business generated PhP949 Million for a 131% growth. Asia Brewery reported a 16% income growth to PhP350 Million. Tanduay's earnings grew 9% to PhP82 Million and Eton's bottomline was 11% higher at PhP62 Million. Equity in net earnings from VMC was at PhP96 Million or 6% higher than last year.

In February 2016, the Company purchased PhP131.46 Million VMC shares at PhP5 per share. This increased its stake to the current 30.17% from 22.54% as of end-2015.

The past year has shown the Company's ability to bounce back from challenges. Working as a team, the Company was able to grow its earnings. But a lot of work still has to be done before it can get back to the income level prior to the implementation of the excise tax law, which adversely affected some of its businesses.

NEW PARTNERSHIPS

The Company is investing in its future and is strengthening its current brands and products while launching new ones, putting up new plants, expanding into new areas, and forging new partnerships.

In January, the Company announced a joint venture with Ayala Land for the development of a 35-hectare township spanning areas of Pasig City and Quezon City. Development of the master plan is ongoing, and this project will provide LTG an additional income source of earnings from the property sector, as well as give Eton opportunities to further increase its product offerings.

Recently, the Company disclosed that Asia Brewery signed a joint venture agreement with Heineken International to form AB HEINEKEN Philippines Inc. The JV company will drive the further premiumization of the brand portfolio.

Meanwhile, PNB announced the acquisition of Allianz of a 51% stake in PNB Life Insurance Inc., the life insurance subsidiary of PNB, as well as a 15-year bank assurance agreement.



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After the President's report, and upon motion duly made and seconded, the Management Report, as reflected in the Annual Report, together with the financial statements for the period ending December 31, 2015, were noted and approved.

V. RATIFICATION OF ALL ACTS, TRANSACTIONS AND RESOLUTIONS BY THE BOARD OF DIRECTORS AND MANAGEMENT IN 2015

The President then requested for the stockholders' confirmation and ratification of all acts, resolutions and investments of the Board of Directors and Management for the year 2015. A summary of the Board of Directors and Management for the year was contained in the Information Statement distributed to the stockholders. Upon motion duly made and seconded, the stockholders confirmed and ratified all such acts, proceedings, transactions and resolution of the Board of Directors and Management for the year ending December 31, 2015.

VI. ELECTION OF DIRECTORS

Next in the agenda was the election of the directors for the year 2016-2017. The Corporate Secretary reported that, the Nomination and Compensation Committee has approved the nomination of thirteen (13) individuals as directors of the Company for the year 2016-2017:

Dr. Lucio C. Tan
Ms. Carmen K. Tan
Mr. Harry C. Tan
Mr. Michael G. Tan
Mr. Lucio K. Tan, Jr.
Mr. Joseph T. Chua
Ms. Juanita Tan Lee
Mr. Peter Y. Ong
Mr. Washington Z. Sycip
Mr. Antonino L. Alindogan, Jr.
Atty. Wilfrido E. Sanchez
Ms. Florencia G. Tarriela
Mr. Robin C. Sy

Ms. Florencia G. Tarriela, Atty. Wilfrido E. Sanchez, Mr. Antonino L. Alindogan, Jr. and Mr. Robin C. Sy were nominated as independent directors.

Thereafter, upon motion duly made and seconded, taking into consideration the voting instructions received through proxies submitted to the Office of the Corporate Secretary and the votes cast in person during the meeting, the Corporate Secretary declared the 13 nominees with the highest number of votes as follows:

Dr. Lucio C. Tan
Ms. Carmen K. Tan
Mr. Harry C. Tan
Mr. Michael G. Tan
Mr. Lucio K. Tan, Jr.
Mr. Joseph T. Chua
Ms. Juanita Tan Lee
Mr. Peter Y. Ong
Mr. Washington Z. Sycip
Mr. Antonino L. Alindogan, Jr.
Atty. Wilfrido E. Sanchez

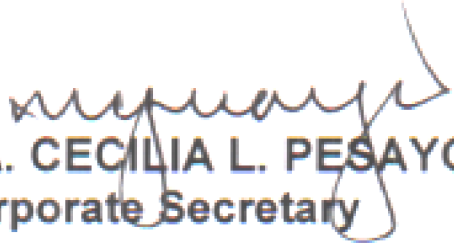

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Ms. Florencia G. Tarriela
Mr. Robin C. Sy

VII. ADJOURNMENT

There being no other business to discuss, upon motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:


MA. CECILIA L. PESAYCO
Corporate Secretary

ATTESTED BY:


LUCIO C. TAN
Chairman

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