



Press Release

LTG's 1Q Net Income at Php2.25 B, flat compared to 1Q16

LT Group, Inc. (LTG) reported today (May 12, 2017) that its unaudited attributable net income for the first quarter of 2017 amounted to Php2.25 billion, flat compared to the Php2.23 billion reported in 1Q16.

The tobacco business contributed Php1 billion or 45% of total attributable income, followed by Philippine National Bank (PNB) at Php699 million or 31%. Tanduay Distillers, Inc. generated Php207 million or 9%, while Asia Brewery, Inc. (ABI) added Php151 million or 7%. Eton Properties Philippines, Inc. (Eton) provided Php75 million or 3%. Equity in net earnings from the 30.17% stake in Victorias Milling Company, Inc. (VMC) amounted to Php116 million or 5% of total.

LTG's balance sheet remains strong. As of end-March 2017, the parent company's cash balance was at Php3.84 billion. Debt-to-Equity Ratio was at 3.78:1 with the Bank, and at 0.17:1 without the Bank.

On March 14, 2017, the Board of Directors approved a cash dividend of Php0.18 per share, or a total of Php1.95 billion, equivalent to a 20.7% pay-out rate on 2016's attributable net income. This was paid on May 7, 2017.

Tobacco

The tobacco business generated an income of Php1 billion in 1Q17, Php52 million or 5% more than the Php949 million generated in the first three months of 2016.

Higher earnings were due mainly to higher selling prices. PMFTC raised the price of Marlboro for the first time since January 2013, with the recommended retail price per stick at Php3.50 from Php3.00.

Philippine National Bank (PNB)

PNB reported an income of Php1.27 billion for the first quarter of 2017, 51% lower than 1Q16 which included a Php1.48 billion gain from the sale of Real and Other Properties Acquired (ROPA).

Net Interest Income grew by 11% to Php5.15 billion as loans and receivables were 19% higher year-on-year (y-o-y). Net Service Fees and Commission Income declined by 16% to Php709

million largely due to lower deposit-related fees. Other Income dropped by 66% to Php1.10 billion due to lower sales of ROPA.

Tanduay Distillers, Inc. (TDI)

TDI's bottom line in 1Q17 increased to Php207 million, more than double the Php82 million reported in 1Q16.

Liquor sales volume increased by 40% compared to 1Q15. Based on Nielsen estimates of customer off-take, TDI's market share in the Visayas stood at 61% as of end-March 2017, compared to 59% as of end-2016. In Mindanao, its market share stood at 65% vis-à-vis 62% as of end-2016. Most of TDI's sales are generated in the Visayas and Mindanao areas.

Asia Brewery, Inc. (ABI)

ABI's net income amounted to Php151 million for the first quarter of 2017, 57% lower than the Php350 million reported for 1Q16. ABI no longer consolidates the beer and alcopop business as these were transferred to the joint venture with Heineken, AB Heineken Philippines, Inc. (ABHPI).

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

Eton Properties Philippines, Inc. (Eton)

Eton reported earnings of Php75 million for 1Q17, 21% more than the Php62 million generated in the first quarter of 2016.

Total revenues decreased by 18% to Php535 million, as revenues from the sale of residential units were lower as these were primarily from the completion of previously sold units. Leasing revenues improved due to higher lease rates for the BPO office buildings that continue to enjoy full occupancy.

Construction is in full swing in projects that were started in 2016. These are the fifth BPO office tower at Eton Centris in Quezon City, the expansion of the retail space at Centris Walk, and Eton WestEnd Square, a mixed-use development along Pasong Tamo, Makati.