



Press Release

LTG's Full-Year 2016 Net Income at Php9.39-B, up 42% from 2015

LT Group, Inc. (LTG) disclosed today (March 17, 2017) that its audited attributable net income for 2016 reached Php9.39 billion, a 42% increase over the Php6.60 billion reported for 2015.

Philippine National Bank (PNB) accounted for Php3.42 billion or 36% of LTG's attributable income. The tobacco business contributed Php2.58 billion or 27% of total, followed by Asia Brewery, Inc. (ABI) at Php1.75 billion or 19%. Tanduay Distillers, Inc. (TDI) added Php908 million or 10%, and Eton generated Php388 million or 4%. Equity in net earnings from Victorias Milling Company, Inc. (VMC) amounted to Php142 million, or 2% of total.

LTG's balance sheet remains strong. As of end-December 2016, the parent company's cash balance was at Php1.9 billion. Debt-to-Equity Ratio was at 3.64:1 with the Bank, and at 0.15:1 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.

Philippine National Bank (PNB)

PNB reported a net income of Php7.38 billion for 2016 under the pooling method, a 9% growth from the Php6.77 billion reported in 2015.

Net Interest Income grew by 11% or Php1.92 billion with the 17% increase of loans and receivables. Net Service Fees and Commission Income dropped by 26% to Php2.66 billion from Php3.60 billion while Other Income grew by 65% to Php9.29 billion from Php5.62 billion due to higher trading income, gains from the sale of Real and Other Properties Acquired (ROPA) and the 51% stake in the life insurance business to Allianz, and re-measurement gain from the remaining stake in Allianz PNB Life Insurance, Inc.

Tobacco

Income from the tobacco business amounted to Php2.59 billion in 2016, Php1.55 billion or 149% more than the Php1.04 billion reported in 2015.

Higher earnings were due to the change in the mix of PMFTC's sales, with premium Marlboro accounting for a higher share of total volume.

Asia Brewery, Inc. (ABI)

ABI's earnings amounted Php1.76 billion in 2016, Php656 million or 60% higher than the income disclosed in 2015. This is inclusive of a Php594 million extraordinary income arising from the revaluation of the beer assets. In May 2016, ABI disclosed that it would form a joint venture with Heineken for the beer business. This was formalized in November, and the beer and alcopop businesses were transferred to AB Heineken, Inc., the joint venture company.

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

Tanduay Distillers, Inc. (TDI)

TDI's earnings for full-year 2016 rose to Php908 million, more than double the Php422 million generated in 2015. The growth is mainly attributed to the start of the contribution of bio-ethanol sales in 2016.

There was a 2% increase in the volume of liquor sales. However, TDI's market share based on Nielsen's customer off-take on volume was at 23% nationwide as of the end of 2016, a slight decline from the 24% as of end-2015. Tanduay continues to be the dominant player in the Visayas and Mindanao areas where market share increased to 60% as of end-December 2016 from 58% in end-2015.

Eton Properties Philippines, Inc. (Eton)

Eton reported a net income of Php390 million for 2016, 25% higher than the Php313 million reported a year ago.

Total revenues increased by 14% to Php2.83 billion, from the growth in leasing operations due to higher lease rates, and the sale of residential units.

Eton broke ground on the fifth BPO office tower at Eton Centris in Quezon City in August. It will have a GLA of around 37,000 square meters and is expected to be completed by end-2018. Moreover, the 5,000 square meter expansion of the retail space at Centris Walk in Eton Centris which commenced in April 2016 is targeted to be completed by mid-2017.

In the second quarter, Eton also broke ground on Eton WestEnd Square, a mixed-use development along Pasong Tamo, Makati. It will have about 15,000 square meters of GLA for retail and office use, as well as a 44-storey residential component. The office and retail components are targeted to be completed by end-2019.