



JG SUMMIT HOLDINGS, INC.

43rd FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY
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26 March 2014

SECURITIES AND EXCHANGE COMMISSION

Attention: Corporation and Finance Department
SEC Building, EDSA
Mandaluyong City

PHILIPPINE STOCK EXCHANGE, INC.

Attention: Ms. Janet Encarnation
Head, Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

PHILIPPINE DEALING AND EXCHANGE CORPORATION

Attention: Mr. Cesar B. Crisol
President and Chief Operating Officer
37/F, Tower I, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

Subject: JG SUMMIT'S CORE NET INCOME INCREASE 22%

Gentlemen:

JG Summit Holdings Inc.'s posted a 22.0% increase in consolidated core net income after taxes of ₱13.41 billion for the year ended December 31, 2013, from ₱10.99 billion last year (Core net income is computed as net income attributable to equity holders of Parent company as adjusted for the net effect of gains/losses on foreign exchange, market valuations and derivative transactions). However, consolidated net income attributable to equity holders of the Parent company amounted to only ₱10.10 billion, down 25.5% from ₱13.55 billion in 2012. The 25.5% decrease is mainly due to the 8.1% depreciation of peso YOY as the Group recorded a ₱4.1 billion foreign exchange loss compared to a foreign exchange gain of ₱1.40 billion last year. Moreover, the Group's recorded mark-to-market gains for 2013 amounted to ₱308.99 million, lower by 83.4% from last year's mark-to-market gain of ₱1.87 billion. Consolidated EBITDA reached ₱34.17 billion, a 15.7% increase compared to last year.

Consolidated revenues grew 8.9% from ₱135.59 billion to ₱147.63 billion due to the strong performance of its major subsidiaries. URC's total revenues increased by 13.8% from ₱71.2 billion to ₱ 81.0 billion in FY2013. Cebu Air's total revenues went up by 8.2% from ₱37.9 billion in CY 2012 to ₱41.0 billion in CY 2013. RLC's total revenues also increased by 17.7% from ₱13.5 billion in FY 2012 to ₱15.9 billion in FY 2013. This was brought about by the continuing growth of disposable incomes, personal consumption expenditures, and the aggressive sales and marketing efforts of these subsidiaries. Dividend income received by the Group from core investments in PLDT, among others, went up by 4.3% from ₱3.20 billion last year to ₱3.33 billion this year. JG Petrochem's revenue declined 79.2% from ₱4.91 billion for the fiscal year 2013 to ₱1.02 billion this year as it went on a technical shutdown since October 2012 to prepare for the completion and integration of its naphtha cracker which will commence operations in 2014. Equity in net earnings of associates, primarily UIC, increased from ₱2.01 billion for 2012 to ₱2.28 billion in 2013.

The Group's operating expenses increased by 18.0% from ₱21.94 billion last year to ₱25.90 billion this year due to higher selling, general and administrative expenses in the airline and food business units. As a result, Operating Income or EBIT went up 15.8% from ₱20.97 billion to ₱24.28 billion.

The Group's financing costs and other charges net of interest income, increased by 33.9% to ₱2.22 billion from last year's ₱1.66 billion because of an increase in debt obtained to partly finance the Group's capital expenditures and major investments during the year.

The Group spent about ₱36 billion in capital expenditures in 2013, to continue growing the Group's existing businesses in response to growing demand. Cebu Pacific acquired five Airbus A320 aircraft; RLC acquired several properties both for residential and commercial development and spent significantly on mall construction, renovation and expansion; the Petrochemical business continued with the construction of its Naphtha cracking facility scheduled to be operational in 2014 and, URC undertook several plant expansion projects.

In December 2013, the Parent Company completed the purchase of a 27.1% stake in Meralco for ₱71.8 billion, which was funded by a combination of debt and equity capital. The Group's balance sheet remains healthy, with a current ratio of 0.73:1, gearing ratio of 0.53:1 and net debt to equity ratio of 0.35:1 as of December 31, 2013. On February 27, 2014, the Parent Company successfully issued ₱30.0 billion Fixed Rate Corporate Bonds, one of the biggest debt issuances of the year. This will further improve the Company's liquidity position as it will refinance short-term borrowings.

The Parent Company completed a top-up equity placement involving the re-issuance of treasury shares and new common shares amounting to ₱8.80 billion in December 2013. Likewise, the Parent company sold about 5% of our stake in URC raising ₱11.89 billion. Book value per share improved from ₱22.81 per share as of December 31, 2012 to ₱26.24 per share as of December 31, 2013.

Universal Robina Corporation (URC) generated a consolidated sale of goods and services of ₱81.0 billion for the fiscal year ended September 30, 2013, 13.8% sales

growth over last year. Sales performance by business segment was as follows: (1) URC's branded consumer foods segment, excluding packaging division, increased by ₱9.73 billion, or 17.8%, to ₱64.23 billion in fiscal 2013 from ₱54.51 billion registered in FY 2012. Domestic operations posted a 22.8% increase from ₱34.35 billion in fiscal 2012 to ₱42.18 billion in fiscal 2013 due to the strong performance of its beverage division which grew 65.6% on the back of the solid performance by the powdered beverage business, which was mainly attributed to continued success of Great Taste white coffee; and its Ready-To-Drink business, mainly driven by C2 230ml solo. Sales for snack foods division grew by 4.0% due to the growth in the salty snacks category. BCFG's international sales increased by 9.4% to ₱22.05 billion in fiscal 2013 against ₱20.16 billion in fiscal 2012 due to a 14.3% increase in sales volume. Vietnam, the biggest contributor, accounted for 43.9% of total international sales in dollar terms. Indonesia also grew sales on the back of its snacks and chocolate categories, with snacks being the main driver as sales momentum continued for fabricated potato crisps. Sales for URC's packaging division decreased by 33.3% to ₱1.17 billion in fiscal 2013 from ₱1.75 billion recorded in fiscal 2012 due to decline in sales volume. (2) URC's Agro-Industrial Group (AIG) posted revenues that amounted to ₱7.39 billion in FY 2013, a slight increase from ₱7.37 billion recorded in FY 2012. The Feeds business decreased by 13.9% to ₱3.10 billion due to weaker sales volumes, however, this was offset by an increase in the farm business by 13.9% because of the higher sales prices of hogs and poultry products. (3) Sales of URC's Commodity Foods Group amounted to ₱8.20 billion, in FY 2013 or an increase of 8.3% from ₱7.58 billion in FY 2012. The Sugar business increased by 24.1% due to the early start of the milling season, good cane quality and supply, and the contribution from Tolong, a newly acquired mill. The Flour business slightly decreased by 4.8% due to lower volumes and selling prices which resulted from the influx of imported flour. Total Cost of Sales increased by ₱5.05 billion, or by 9.6%, to ₱57.78 billion in FY 2013 from ₱52.73 billion in FY 2012, due to an increase in sales volumes, net of lower prices of key inputs such as coffee beans and palm oil. URC's total gross profit for fiscal 2013 amounted to ₱23.22 billion, up by ₱4.75 billion from ₱18.47 billion reported in FY 2012. URC's gross margin increased by 280 basis points from 25.9% in FY 2012 to 28.7% in FY 2013. Selling and distribution costs and general and administrative expenses rose by ₱2.32 billion or by 21.8% to ₱12.94 billion in FY 2013 from ₱10.62 billion in FY 2012. Market valuation gain on financial instruments at fair value through profit or loss, decreased to ₱473.30 million in FY 2013 from ₱1.55 billion in FY 2012 due to the disposal of bond and equity investments. As a result, URC's finance revenue decreased by 56.9% to ₱529.64 million in FY 2013 from ₱1.23 billion in FY 2012 due to a said decline in the level of financial assets. URC's finance costs consist mainly of interest expense which decreased by 61.6%, to ₱266.03 million in FY 2013 from ₱693.27 million recorded in FY 2012 due to a decline in the level of financial debt resulting from the settlement of long-term debt and the repayment of short term debt. Gain (loss) on sale of investments showed a turn around from a loss of ₱29.91 million in 2012 to a gain of ₱735.17 million in FY 2013. The gain on sale this year represents the gain on the disposal of all bond investments and a significant portion of equity investments. The net income attributable to equity holders of the parent increased by ₱2.28 billion or by 29.4% to ₱10.04 billion in FY 2013 from ₱7.76 billion in FY 2012, as a result of the factors discussed above. URC reported an EBITDA (operating income

plus depreciation and amortization) of ₱13.90 billion for FY 2013, 23.4% higher than ₱11.27 billion posted in FY 2012. Core earnings before tax (operating profit after equity earnings, net of finance costs and other expense-net) for FY 2013 amounted to ₱11.26 billion, an increase of 33.0% from ₱8.47 billion recorded for FY 2012.

Cebu Air, Inc.(Cebu Pacific) generated gross revenues of ₱41.0 billion for the year ended December 31, 2013, 8.2% higher than the ₱37.90 billion revenues earned last year, mainly attributed to the 8.3% growth in passenger volume from 13.3 million to 14.4 million, driven by the increased number of flights in 2013. Number of flights went up by 6.0% as a result of an increase in the number of aircraft operated to 48 aircraft as of December 31, 2013 from 41 aircraft as of end 2012. Increase in revenues, however, was partially offset by the reduction in average fares by 1.1% to ₱2,206 from ₱2,232 in 2012. Cargo revenues grew 9.6% to ₱2.61 billion for the year ended December 31, 2013 following the increase in the volume of, and average freight charges of cargo transported in 2013. Moreover, ancillary revenues went up by 13.3% to ₱6.73 billion in 2013 from ₱5.94 billion in 2012. Cebu Air began unbundling ancillary products and services in 2011 and significant improvements in ancillary revenues were noted since then. Improved online bookings also contributed to the increase. Cost of services and operating expenses went up 9.5% to ₱38.60 billion in 2013 from ₱35.24 billion last year. The major contributor to the higher expenses this year is aviation fuel expenses which increased 11.2% from ₱17.56 billion in 2012 to ₱19.52 billion in 2013, as a consequence of the increase in the volume of fuel consumed from the higher number of flights year on year. The rise in aviation fuel expenses, however, was partially offset by the reduction in aviation fuel prices as referenced by the decrease in average published fuel MOPS price of US\$122.97 per barrel in the twelve months ended December 2013 from US\$126.83 average per barrel for the same period in 2012. Depreciation and amortization expenses grew by 24.8% to ₱3.46 billion for CY 2013 from ₱2.77 billion last year because of the arrival of five Airbus A320 aircraft. Aircraft and engine lease expenses went up 13.8% to ₱2.32 billion for the year 2013 from ₱2.03 billion in 2012 due to the lease of two additional Airbus A330 aircraft and by the effect of the depreciation of Philippine Peso against the US dollar during the period. Cebu Pacific recognized lower interest income for the period from ₱415.7 million last year to ₱219.62 million this year due to the decrease in the balance of cash in bank and short-term placements year on year and lower interest rates. Net foreign exchange losses of ₱2.06 billion for the year 2013 resulted from the weakening of the Philippine Peso against the US Dollar. Cebu Air's major exposure to foreign exchange rate fluctuations is related to its US dollar denominated long-term debt incurred in connection with aircraft acquisitions. As a result of the foregoing, net income for the year ended December 31, 2013 declined to ₱511.95 million from ₱3.57 billion last year.

Robinsons Land Corporation (RLC) generated total gross revenues of ₱15.90 billion for FY 2013, an increase of 18% from ₱13.52 billion total gross revenues for FY 2012. EBIT (Operating income) grew by 14% to ₱ 5.97 billion while EBITDA (Operating income plus depreciation) posted a 15% growth to ₱8.43 billion. Net income stood at ₱4.47 billion, up by 5% compared to last year. The Commercial Centers Division accounted for ₱7.39 billion of the real estate revenues for the year versus ₱6.43

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billion last year or a 15% increase. Metro Manila malls led by Robinsons Galleria and Robinsons Place Manila contributed to the growth while most provincial malls also posted decent growth in rental revenues. The Division's EBIT and EBITDA grew by 6.7% and 12.7%, respectively. The Residential Division realized revenues rose to ₱5.58 billion for the year versus ₱4.30 billion last year, or an increase of 29.8% due to the adoption of a buyer's equity requirement closer to the prevailing industry practice of recognizing sales based on percentage of construction completion. Both EBIT and EBITDA have shown positive variances of 41.2% and 39.8%, respectively. The Office Buildings Division revenues grew by 2.9% to ₱1.44 billion ₱1.40 billion over the same period last year. This increase in lease income was due to improved or escalated rental rates of leased spaces. The Division's EBIT and EBITDA showed positive variances of 5% and 3%, respectively. The Hotels Division, a major contributor of RLC's recurring revenues, registered gross revenues of ₱1.50 billion, as against last year's ₱1.38 billion. The 8% increase in hotel revenues was principally due to higher occupancy rates achieved by Holiday Inn, Summit Circle Cebu and Summit Ridge and an additional new Go Hotels Otis-Manila which opened in FY 2013. The hotel average occupancy rates are 82% for Crowne Plaza Galleria Regency, 81% for Holiday Inn Galleria Manila, 57% for Summit Circle Cebu (formerly Cebu Midtown Hotel), 45% for the Summit Ridge Hotel and 68% for Go Hotels. Hotel Division's EBIT grew by 26%, while EBITDA showed a positive variance of 19%. Real estate cost and expenses went up by 25% to ₱6.56 billion from ₱5.26 billion last year. The higher level of realized sales of residential units brought cost of real estate sales to increase by 30%. Moreover the opening of new malls raised the level of depreciation expense of Commercial centers by 19%. Furthermore, cinema expenses rose by 25% due to higher level of cinema operations which in turn resulted to higher cinema revenues. Other expenses went up by 63% due mainly to higher contracted services, among others. Interest income decreased to ₱113.4 million from ₱493.0 million last year due to lower level of cash and cash equivalents. General and administrative expenses went up by 16% due to higher salaries, advertising and promotions and taxes and licenses, among others. Interest expense decreased by 68% due to higher level of capitalized interest covering related to certain capital expenditures.

JG Summit Petrochemicals Corporation's (JGSPC) gross revenues declined by 75.7% from ₱5.11 billion last year to ₱1.24 billion for the fiscal year ended September 30, 2013, due to the technical shutdown of production since October 2012 in preparation for the naphtha cracker which will commence operations in 2nd quarter of 2014. Costs and expenses, consequently decreased by 65.9% from ₱5.63 billion in FY 2012 to ₱1.92 billion in FY 2013. Interest expense also dropped to ₱26.02 million in 2013 from ₱67.56 million in 2012 due to a lower level of trust receipts for the period. Net loss for FY 2013 increased 22.2% amounting to ₱639.91 million compared to ₱523.73 million last year.

Robinsons Bank Corporation (RBC) generated net earnings of ₱452.34 million for the year ended December 31, 2013, a 16% growth from the previous year. Revenues increased 8.5% from ₱2.53 billion last year to ₱2.75 billion this year. Interest expense dropped 25.1% to ₱558.11 million in 2013 due to lower interest rates for the period.

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Equity in net earnings of associates and joint ventures amounted to ₱2.28 billion for the year ended December 31, 2013, a 13.5% increase from last year's ₱2.01 billion. The Company acquired 27.1% stake in Meralco in December 2013, thus a corresponding equity earnings take up was recorded for the period. **United Industrial Corporation, Limited** recorded a 1.0% decline in its net income from operations S\$168.2 million in 2012 to S\$167.18 million in 2013. The decrease in net income is mainly due to lower revenues as sale of properties showed a decline of 55.6% in 2013. Since the Group's policy for the valuation of property, plant and equipment is the cost basis method, the equity income taken up by the Group represents the adjusted amounts after reversal of the effect in the income statement of the revaluation of the said assets.


Bach Johann Sebastian
Senior Vice President
