



## JG SUMMIT HOLDINGS, INC.

43<sup>rd</sup> FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY  
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April 15, 2015

### 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  
3<sup>rd</sup> Floor, Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

### PHILIPPINE DEALING AND EXCHANGE CORPORATION

Attention: Ms. Vina Vanessa S. Salonga  
Head- Issuer Compliance and Disclosure Department  
37/F, Tower I, The Enterprise Center  
6766 Ayala Avenue corner Paseo de Roxas, Makati City

Subject: **JG Summit's Net Income from Equity Holders of the Parent Increases  
75% to P18.25 Billion for 2014**

Gentlemen:

JG Summit Holdings Inc.'s posted a consolidated net income from equity holders of the parent of ₱18.25 billion for the year ended December 31, 2014, a 75% increase from ₱10.43 billion last year. Increase is due mainly to the following: full-year recognition of equity earnings from our investment in Meralco, higher dividends received from our investments in PLDT and Jobstreet Malaysia, lower foreign exchange loss recognized for the year, and sustained income growth from our core subsidiaries. Consolidated EBITDA reached ₱49.23 billion, a 38.9% increase compared to last year. Core net income after taxes increased 48.7% from ₱13.65 billion in 2013 to ₱20.30 billion in 2014.

Consolidated revenues grew 22.9% from ₱150.35 billion to ₱184.81 billion this year due to the strong performance of all subsidiaries, except for the banking business. URC's revenue grew 15.6% from ₱83.60 billion in 2013 to ₱96.65 billion in 2014 due to the strong performance of the branded consumer foods both domestic and international, which registered an 18.4% growth. The agro-industrial segment recorded a 12.9% increase because of higher sales price of hogs and better prices and higher sales volume of gamefowl feeds. CEB's 26.8% increase in gross revenues from ₱41.0 billion in 2013 to ₱52.0 billion in 2014 is brought about by 17.5% growth in passenger volume and higher cargo and ancillary revenues. Real estate and hotel revenues posted a 5.4% growth from ₱16.54 billion to ₱17.43 billion due to higher rental revenues. JG Petrochem's revenue significantly increased to ₱3.23 billion in December 2014 from ₱542.55 million for the same period in 2013 since it has resumed its commercial operations in November 2014. JG Olefins also commenced commercial operations in November 2014. Revenue from other supplementary businesses recorded 27.0% increase due to higher commission income and outsource revenue for the period. The banking revenue slightly dropped 1.2% from ₱2.75 billion in 2013 to ₱2.72 billion this year due to lower trading gain and commission income for the period.

Equity in net earnings of associates and joint ventures posted a 217.4% increase from ₱2.28 billion to ₱7.25 billion mainly due to full-year recognition of equity earnings from Meralco in 2014. The Company completed the purchase of a 27.1% stake in Meralco in December 2013. Dividend income posted a 55.8% growth from ₱3.3 billion for the year ended December 31, 2013 to ₱5.1 billion in 2014 mainly due to dividend received from PLDT and Jobstreet Malaysia during the period. The Group's operating expenses increased by 23.8% from ₱26.12 billion last year to ₱32.33 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 47.5% from ₱25.40 billion to ₱37.48 billion.

The Company's balance sheet remained healthy, with consolidated assets of ₱558.78 billion as of December 31, 2014. The Company's indebtedness remained manageable with a gearing ratio of 0.77:1 and net debt to equity of 0.59:1 as of December 31, 2014. Current ratio stood at 1.10. Stockholders' equity, excluding minority interest, stood at ₱207.62 billion as of December 31, 2014 from ₱186.18 billion last year. Book value per share improved from ₱27.39 per share as of December 31, 2013 to ₱29.58 per share as of December 31, 2014.

**Universal Robina Corporation (URC)** generated a consolidated sale of goods and services of ₱96.65 billion for the year ended December 31, 2014, 15.6% sales growth over last year's ₱83.61 billion. Sale of goods and services performance by business segment follows: (1) URC's branded consumer foods segment, excluding packaging division, increased 18.4%, to ₱79.90 billion in 2014 from ₱67.51 billion registered in 2013. Domestic operations posted a 21.2% increase in net sales from ₱44.96 billion in 2013 to ₱54.49 billion in 2014. All segments managed to post growth with beverage business driving the Philippine operations led by powdered beverage segments, mainly from coffee and complemented by the RTD. Snackfoods business also grew with

categories such as snacks, biscuits and chocolates outpacing market growth. BCFG's international sales increased by 12.7% to ₱25.41 billion in 2014 against ₱22.55 billion in 2013. Vietnam and Thailand, the two biggest contributors, accounted for 71.2% of total international sales. Vietnam sales grew despite weak consumer spending, as beverage, biscuits and candies all posted growth. Vietnam was also able to defend its market share in RTD tea from new entrants with its own C2 Oolong product offering. Thailand grew its sales despite increases in inflation and political instability with growth driven by improving sales of key biscuit and wafer brands due to promotions and sampling activities. Sale of goods and services in URC's packaging division slightly went up to ₱1.19 billion in 2014 from ₱1.07 billion recorded in 2013 due to increase in sales volume and average selling prices. Agro-Industrial segment (AIG) amounted to ₱8.41 billion in 2014, an increase from ₱7.45 billion recorded in 2013. Sale of goods and services in commodity foods segment amounted to ₱7.15 billion in 2014, down by 5.7% from ₱7.58 billion reported in 2013. Sugar business sales went down by 15.6% due to lower volumes despite increase in prices due to decline in refined sugar production while flour business managed to grow by 3.0% due to higher volumes.

URC's core earnings before tax (operating profit after equity earnings, net finance costs and other expenses - net) for 2014 amounted to ₱14.94 billion, an increase of 23.8% from ₱12.08 billion recorded for 2013. Net income attributable to equity holders of the parent increased by 12.4% to ₱11.95 billion in 2014 from ₱10.63 billion in 2013 due to higher operating income, net of lower market valuation gain from financial assets at FVPL and gain on sale of investments, and higher net finance cost and net foreign exchange loss. URC reported an EBITDA (operating income plus depreciation and amortization) of ₱19.12 billion for 2014, 27.6% higher than ₱14.96 billion posted in 2013.

**Robinsons Land Corporation (RLC)** generated total gross revenues of ₱17.46 billion for calendar year 2014, an increase of 8.5% from ₱16.55 billion total gross revenues for calendar year 2013. EBIT (Operating income) grew 2.7% to ₱6.38 billion while EBITDA (Operating income plus depreciation) posted a 5.9% growth to ₱9.24 billion. Net income stood at ₱4.78 billion, up by 2.8% compared to last year. The Commercial Centers Division accounted for ₱8.35 billion of the real estate revenues for the year versus ₱7.57 billion last year or a 10.3% increase. The Division's EBIT and EBITDA grew by 5.0% and 8.4%, respectively. The Residential Division realized revenues stood at ₱5.88 billion for the year versus ₱6.04 billion last year. The Office Buildings Division revenues grew by 14.6% to ₱1.65 billion from ₱1.44 billion over the same period last year due to new office buildings Cyberscape Alpha and Cyberscape Beta. The Division's EBIT and EBITDA showed positive variances of 10.5% and 13.9%, respectively. The Hotels Division, a major contributor of RLC's recurring revenues, registered gross revenues of ₱1.58 billion, as against last year's ₱1.50 billion. Hotels Division EBIT and EBITDA grew by 12.8% and by 5.6% in 2014 and 2013, respectively.

**Cebu Air Inc.(Cebu Pacific)** generated gross revenues of ₱52.0 billion for the year ended December 31, 2014, 26.8% higher than the ₱41.0 billion revenues earned last year. This is mainly attributed to the increase in passenger revenues by ₱8.53 billion or 26.9% to ₱40.19 billion for the year ended December 31, 2014 from ₱31.66 billion

registered in 2013 which is primarily due to the 17.5% growth in passenger volume to 16.9 million from 14.4 million driven by the increased number of flights in 2014. The number of aircraft increased from 48 aircraft as of December 31, 2013 to 52 aircraft as of December 31, 2014, which includes 3 brand new Airbus A330 aircraft delivered this year. Increase in average fares by 8.0% to ₱2,382 in 2014 from ₱2,206 in 2013 also contributed to the improvement of revenues. Operating expenses for the year ended December 31, 2014 grew 23.9% to ₱47.84 billion from ₱38.60 billion last year as a result of its expanded long haul operations and overall growth in seat capacity from the acquisition of new aircraft. The weakening of the Philippine peso against the U.S. dollar as referenced by the depreciation of the Philippine peso to an average of ₱44.40 per U.S. dollar for the year ended December 31, 2014 from an average of ₱42.46 per U.S. dollar last year based on the Philippine Dealing and Exchange Corporation (PDEX) weighted average rates also contributed to the increase. Rise in aviation fuel expenses, however, was partially offset by the reduction in aviation fuel prices as referenced by the decrease in the average published fuel MOPS price of U.S. \$112.48 per barrel in the twelve months ended December 31, 2014 from U.S. \$122.97 average per barrel in the same period last year. Cebu Air incurred a hedging loss of ₱2.31 billion for the year ended December 31, 2014 compared to a hedging gain of ₱290.33 million earned in the same period last year mainly due to losses on fuel hedging positions consequent to the decrease in fuel prices in 2014 partially offset by foreign exchange hedging gains. Net income for the year ended December 31, 2014 increased by 66.7% to ₱853.50 million from ₱511.95 million last year.

**JG Summit Petrochemicals Group** gross revenues reached ₱3.23 billion in 2014, this already includes revenues from our naphtha cracker operations, compared to last year's ₱542.54 million as commercial operations resumed after completing its plant expansion and rehabilitation in March 2014. JGSOC started commercial operations in November 2014. Costs and expenses consequently increased from ₱1.44 billion in 2013 to ₱4.50 billion in 2014 while interest expense also grew 161.4% to ₱23.24 million in 2014 from ₱8.89 million in 2013 due to higher level of trust receipts for both Petrochem and Olefins. A net foreign exchange loss of ₱45.84 million was recorded in calendar 2014 from a net foreign exchange gain ₱106.30 million for the same period last year. These factors contributed to a higher net loss in calendar year 2014 from ₱622.63 million last year to ₱759.45 million this year.

**Robinsons Bank Corp.**, generated net earnings of ₱146.91 million for the year ended December 31, 2014, a 67.5% decline from last year's net income of ₱452.34 million mainly due to decrease in banking revenues. Revenues dropped 1.2% from ₱2.75 billion last year to ₱2.72 billion this year due to lower trading gain and commission income. Interest expenses decreased as well to ₱515.36 million from ₱558.11 million due to lower interest rates for the period.

**Equity in net earnings of associates companies and joint ventures** amounted to ₱7.25 billion for the year ended December 31, 2014, a significant increase from last year's ₱2.28 billion. The increase is mainly due to take up of equity earnings from Meralco amounting to ₱4.68 billion in 2014. Equity income from UIC, increased 45.9% from ₱1.72 billion last year to ₱2.50 billion in 2014. United Industrial Corporation,

Limited recorded a 33.3% growth in its net income from operations S\$167.18 million in 2013 to S\$222.79 million in 2014. The increase in net income is mainly due to higher revenues from the hotel operations, higher contribution from the Archipelago and Thompson Three joint venture residential projects with progressive recognition of development profits on percentage of completion basis and increased share of Singapore Land's operating profit as a result of UIC's increased interest in Singapore Land to 99.6% during the period. 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.

**Other Supplementary Business, Summit Internet** recognized net income of ₱ 1.75 billion in 2014 a significant increase from last year's ₱71.80 million mainly from dividend income received from Jobstreet Malaysia amounting to ₱1.70 billion.

**Alignment of Accounting Period.** In 2014, management of the Group deemed that it is now practicable to prepare consolidated financial statements incorporating the financial statements of the Group's fiscal yearend subsidiaries as of the same date as the Parent Company's financial statements which is December 31. Accordingly, the Group restated the financial statements as of and for the year ended December 31, 2013 to reflect the effect of the alignment of the accounting periods

  
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