



JG SUMMIT HOLDINGS, INC.

43rd FLOOR ROBINSONS EQUITABLE TOWER ADB AVE. COR. POVEDA RD. ORTIGAS CENTER, PASIG CITY
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May 13, 2016

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: 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 increased 60.9% for the First Quarter of 2016**

Gentlemen:

JG Summit Holdings Inc. posted a consolidated net income from equity holders of the parent of ₱9.63 billion for the first quarter of 2016, a 60.9% increase from ₱5.98 billion for the same period last year, mainly due to the double-digit income growth in our Airline business, which benefited from the drop in fuel prices, and our Petrochemicals business, which expanded significantly since the start of its integrated operations in November 2014. Consolidated EBITDA reached ₱18.68 billion, a 23.4% increase compared to last year while core net income after taxes (excluding non-operating and non-recurring items) increased 32.3% from ₱6.18 billion for the first quarter of 2015 to ₱8.17 billion for the first quarter of 2016.

Consolidated revenues grew 6.2% from ₱57.05 billion to ₱60.59 billion due to the performance of the following core subsidiaries:

- Cebu Air's total revenues went up by 13.4% from ₱14.20 billion to ₱16.11 billion for the first quarter of 2016 due to 13.0% increase in passenger volume and 9.8% increase in average ancillary revenue per passenger, partially offset by 1.6% decrease in average fares.
- JG Petrochemicals Group revenues increased by 27.9% from ₱5.23 billion for the first quarter of 2015 to ₱6.69 billion for the same period this year due to increase in volumes of polymers sold and olefins exported.
- RLC's total revenues also increased by 12.1% from ₱4.88 billion in 2015 to ₱5.47 billion in 2016 brought about by the additional revenue contribution of the four newest malls, three office buildings (Cyberscape Alpha, Cyberscape Beta and Tera Tower) and 3 new hotels (Go Hotels Ortigas, Go Hotels Butuan, and Summit Magnolia).
- URC's total revenues slightly declined from ₱28.65 billion to ₱28.53 billion for the first quarter of 2016 due to a decrease in net sales in our branded consumer foods group, both domestic and international, farms and sugar businesses, offset by the increase in feeds business and sales contribution from the renewable energy businesses.
- Banking revenues increased 12.2% from ₱721.22 million for the first quarter of 2015 to ₱808.99 million for the same period this year due to an increase in interest income recognized from finance receivables and commission income.

Revenues from our core investments, however, declined this period compared to same period last year as dividend income received by the Group dropped 34.6% from ₱1.57 billion last year to ₱1.03 billion this year mainly due to lower dividends declared by PLDT for the period. Equity in net earnings of associates, primarily from investments in UIC and Meralco, increased from ₱1.68 billion for the first quarter of 2015 to ₱1.83 billion for the first quarter of 2016.

The Group's operating expenses increased by 14.5% from ₱9.32 billion last year to ₱10.67 billion in the same period this year due to higher selling, general and administrative expenses, particularly in the food and airline business units. As a result, Operating Income or EBIT went up 25.3% from ₱11.69 billion to ₱14.64 billion.

As of March 31, 2016, the Group's balance sheet remains healthy, with consolidated assets of ₱603.56 billion from ₱596.33 billion as of December 31, 2015. Current ratio stood at 1.04. The Group's indebtedness remained manageable with a gearing ratio of 0.66 and net debt to equity of 0.51 as of March 31, 2016. Stockholders' equity, excluding minority interest, stood at ₱231.69 billion as of March 31, 2016 from ₱223.39 billion as of December 31, 2015. Book value per share stood at ₱32.34 as of March 31, 2016.

Universal Robina Corporation (URC) posted net income for the first quarter of 2016 amounting to ₱3.60 billion, higher by 11.9% from ₱3.21 billion for the first quarter of 2015 due to higher market valuation gain on financial assets and net foreign exchange gains. Net income attributable to equity holders of the parent increased by 11.2% to ₱3.54 billion for the first quarter of 2016 from ₱3.18 billion for the first quarter of 2015.

URC generated a consolidated sale of goods and services of ₱28.53 billion for the first quarter ended March 31, 2016, a slight decline over the same period last year. Sale of goods and services performance by URC's branded consumer foods segment (BCFG), excluding packaging division, decreased 1.2%, to ₱23.17 billion for the first quarter of 2016 from ₱23.44 billion registered in the same period last year. BCFG domestic operations posted a slight decrease in net sales from ₱14.81 billion for the first quarter of 2015 to ₱14.71 billion for the first quarter of 2016 due to decline in powdered beverages, which was affected by the slower growth of total coffee market. In addition, aggressive moves of the competitors to recover or gain market shares were felt across all categories especially on snackfoods and coffee. BCFG international operations reported a 2.0% decrease in net sales from ₱8.63 billion for the first quarter of 2015 to ₱8.46 billion for the first quarter of 2016 due to foreign exchange translation from local currencies. Top-line growth came from Vietnam which continued to grow on the back of robust sales of RTD beverages, C2 and Rong Do and Indonesia which continued to generate strong sales from core brands, Piattos and Cloud 9 Crunch. Sale of goods and services in URC's Agro-Industrial segment (AIG) amounted to ₱2.15 billion for the first quarter of 2016, a 1.4% decrease from ₱2.179 billion recorded in the same period last year as Feeds business increased by 24.4% due to increase in sales volume as a result of effective sales strategy while farms business decreased by 20.7% due to decline in volume and prices. Sale of goods and services in commodity foods segment (CFG) amounted to ₱2.94 billion for the first quarter of 2016, a 6.0% increase from ₱2.78 billion reported in the same period last year as Sugar business decreased by 6.4% due to decline in refined sugar and tolling sales volume while flour business slightly decreased by 1.9% due to lower average selling price despite higher volume. Sales contribution from renewable energy businesses amounted to ₱481.66 million for the first quarter of 2016.

Robinsons Land Corporation's (RLC) consolidated net income attributable to equity holders of the Parent Company for the period ended March 31 amounted to ₱1.55 billion, up by 10.7%. EBIT and EBITDA rose by 13.3% and 14.0% to ₱2.10 billion and ₱2.97 billion, respectively, for the three months ended March 31, 2016.

Total real estate revenues were up by 13.4% to ₱5.05 billion against last year's ₱4.46 billion, while hotel revenues slightly down by 2.6% to ₱428.48 million. The Commercial Centers Division contributed 44% or ₱2.43 billion of RLC's gross revenues, posting an 8.0% growth due to same mall rental revenue growth of 7% and rental revenue contribution of the new malls namely Robinsons Place Antipolo, Robinsons Place Las Piñas, Robinsons Place Antique and Galleria Cebu. Amusement revenue was almost flat with slight decrease by 0.8% to ₱375.0 million. RLC's Residential Division contributed 35% or ₱1.94 billion to RLC's revenues while Office Buildings Division contributed 13% or ₱682.6 million, up by 30.3% from last year's ₱524.0 million largely due to the new office buildings Cyberscape Alpha, Cyberscape Beta and

Tera Tower. The Hotels Division contributed 8% or ₱428.5 million to RLC's revenues, slightly down by 2.6% versus same period last year.

Cebu Air, Inc. (Cebu Pacific) posted net income for the three months ended March 31, 2016 amounting to ₱4.04 billion, an increase of 81.4% from ₱2.23 billion in net income earned in the same period last year. The company generated gross revenues of ₱16.11 billion for the three months ended March 31, 2016, 13.4% higher than the ₱14.20 billion revenues earned in the same period last year mainly attributed to the increase in passenger revenues by 11.2% to ₱12.02 billion in the three months ended March 31, 2016 from ₱10.81 billion posted in the three months ended March 31, 2015. This increase was mainly attributable to the 13.0% increase in passenger volume to 4.8 million from 4.3 million in 2015 driven by the increased number of flights in 2016 as Cebu Pacific added more aircraft to its fleet. The slight decrease in average fares of 1.6% to ₱2,486 for the three months ended March 31, 2016 from ₱2,525 for the same period last year partially offset the increase in revenues. Cargo revenues grew 8.3% to ₱836.43 million for the three months ended March 31, 2016 from ₱772.55 million for the three months ended March 31, 2014 following the increase in the volume of cargo transported in 2016. Ancillary revenues went up by 24.1% to ₱3.25 billion in the three months ended March 31, 2016 from ₱2.62 billion registered in the same period last year consequent to the 13.0% increase in passenger traffic and 9.8% increase in average ancillary revenue per passenger. Improved online bookings, together with a wider range of ancillary revenue products and services, also contributed to the increase.

JG Summit Petrochemicals Group, which consists of JG Summit Petrochemicals Corporation (JGSPC) and JG Summit Olefins Corporation (JGSOC), reached combined gross revenues of ₱6.69 billion for the three months ended March 31, 2016, a 27.9% increase from ₱5.23 billion in the same period last year. This improvement is brought about by the increase in the volume of polymers sold by JGSPC from 75,710 MT in 2015 to 108,062 MT in 2016, and increase in volume of olefins exported by JGSOC. A net foreign exchange gain of ₱157.83 million was recognized for the three months ended March 31, 2016 from a net foreign exchange loss of ₱97.35 million for the same period last year due to the strengthening of Philippine peso against US dollar. All these factors contributed to the net income of ₱1.07 billion recorded for the three months ended March 31, 2016 from a net loss of ₱891.99 million for the same period last year, or an improvement of 220.2%

Robinsons Bank Corporation generated banking revenue of ₱808.99 million for the first quarter of 2016, a 12.17% increase from last year's ₱721.22 million. This increase was brought about by higher interest income, commission income and trading gain for the period. Cost and expenses also increased as the bank continued its expansion. Provision for impairment losses on receivables decreased to ₱27.67 million in 2016 from ₱45.91 million for the same period last year. These factors contributed to the increase in net earnings by 135.6% to ₱66.04 million for the first quarter of 2016 from ₱28.03 million for the same period last year.

Equity in net earnings of associate companies and joint ventures amounted to ₱1.83 billion for the first quarter of 2016, a 9.1% increase from last year's ₱1.68 billion. The equity earnings from Meralco increased by 3.0% from ₱1.14 billion last year to ₱1.18 billion in the same quarter this year. Equity income from UIC remained flat at ₱639.37 million last year to ₱647.41 million for the first quarter of 2016. UIC recorded net income from operations of S\$59.67 million for the first three months of 2016, a slight decrease from last year's S\$60.81 million due to lower contributions from the Archipelago and Thomson Three joint venture residential property projects. 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.



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