



LÓPEZ

HOLDINGS CORP.

ANALYSTS' BRIEFING

June 8, 2017



FULL YEAR INCOME

Consolidated, in million pesos	2016	2015	2014
Revenues	91,910	96,510	99,301
Equity in net earnings of associates	2,328	1,789	1,463
Total Revenues	94,238	98,299	100,764
Cost and Expenses	(67,408)	(74,670)	(77,688)
Other Income (Expenses)	(275)	(3,412)	(2,938)
Income tax	(5,811)	(4,091)	(4,378)
Net income	20,744	16,126	15,760
Net income attributable to Equity Holders of Par	6,557	6,191	3,760



FIRST QUARTER INCOME

Unaudited Consolidated, in million pesos		
	1Q2017	1Q2016
Revenues	25,422	22,726
Cost and Expenses	(18,276)	(16,108)
Equity in net earnings	272	498
Other expenses - net	(1,464)	(1,177)
Net income*	1,042	1,291

*net income attributable to equity holders of the Parent



FINANCIAL POSITION

Consolidated, in billion pesos		
	2016	2015
Total Assets	366.250	358.584
Interest Bearing Loans & Borrowings	163.759	171.002
Equity Holders of Parent	53.399	48.500
Debt-to-Equity (x)	3.07	3.53
Book Value Per Share	13.06	11.88



FINANCIAL POSITION

	Amounts in billion pesos			
	Parent Company Only		Consolidated	
	1Q 2017	Full 2016	1Q 2017	Full 2016
Current Assets	1.00	0.50	106.49	99.59
Noncurrent Assets	54.09	53.06	267.96	266.66
Total Assets	55.09	53.56	374.45	366.25
Current Liabilities	0.29	0.21	64.15	51.17
Interest Bearing Loans & Borrowings				
- net of current portion	0.24	0.29	134.61	144.65
Equity Holders of Parent	54.58	53.06	54.56	53.40

FINANCIAL PERFORMANCE: CORE BUSINESSES



➤ Recognized leader in clean and renewable energy through First Gen and EDC; has investment in property development, pipeline, construction firm, manufacturing



➤ Leads synergies, reflects the diverse nature of its operations: television, radio, cable, cinema, talent development, magazines, recording, international content distribution, licensing, public service. Maintained national ratings leadership



FIRST PHILIPPINE HOLDINGS CORP.

Consolidated, in billion pesos	2016	2015
Revenues	91.910	96.510
Expenses	(67.225)	(74.307)
Other Income (expenses)	(0.346)	(5.931)
Income tax	(5.801)	(4.095)
Net income	18.538	12.177
Net Income to Equity Holders of Parent	9.933	5.406
Balance Sheet		
Consolidated, in billion pesos	2016	2015
Total Assets	347.254	340.891
Total Debt	206.233	213.436
Equity to equity holders of Parent	76.514	69.816
Debt-to-equity ratio	2.695	3.057



FIRST PHILIPPINE HOLDINGS CORP.

Consolidated, in billion pesos	1Q 2017	1Q 2016
Revenues	25.422	22.726
<i>Sale of electricity</i>	21.479	19.954
<i>Real estate</i>	2.670	1.346
<i>Contracts and services</i>	0.776	1.042
<i>Sale of merchandise</i>	0.497	0.384
Cost and Expenses	(18.249)	(16.069)
Other expenses -net	(1.443)	(1.161)
Net income to Equity Holders of Parent	1.909	2.039



ABS-CBN CORPORATION

Statement of Income			
Consolidated, in billion pesos	1Q 2017	2016	2015
Revenues	9.576	41.631	38.278
Expenses	(9.317)	(36.950)	(34.949)
Tax	0.055	(1.156)	(0.784)
Net income	0.314	3.525	2.545
Statement of Financial Position			
Consolidated, in billion pesos	1Q 2017	2016	2015
Total Assets	71.568	72.734	69.944
Total Debt	49.615	41.042	41.228
Equity Holders of Parent	30.952	31.055	27.812
Debt-to-equity ratio (x)	1.603	1.322	1.482

REPORT OF THE PRESIDENT, CHIEF OPERATING OFFICER AND CHIEF FINANCE OFFICER

Good morning, fellow shareholders and Kapamilya!

Lopez Holdings Corporation benefited from the stellar performance of its major investees in 2016, amid challenging industry dynamics brought about by increased competition and regulation.

For the year 2016, your company reported P6.557 billion in net income attributable to equity holders of the Parent. This is 6% higher than the P6.191 billion in net income attributable to equity holders of the Parent reported in 2015. The steady performance of investees First Philippine Holdings Corporation (FPH) and ABS-CBN Corporation (ABS-CBN) accounted for these results. First Philippine Holdings units also reported one-off gains from arbitration settlement proceeds received by the First Philec group, and collection of liquidated damages by First Gen Corporation (FGEN) for the San Gabriel flex-plant.

Consolidated revenues decreased by 3% to P91.910 billion from P96.510 billion. This resulted from decreases in the sale of electricity (-11%), real estate (-41%) and contracts and services (-37%), from units of First Philippine Holdings. However, the stellar performance of ABS-CBN lifted equity in net earnings of associates/PDRs and joint venture by 30%, driven by an 11% growth in advertising revenues that included election-related spending.

For the first quarter of 2017, your company reported P1.042 billion in net income attributable to equity holders of the Parent. This is 19% lower than the P1.291 billion in net income attributable to equity holders of the Parent reported for the same period last year. Foreign exchange losses reduced the consolidated bottomline.

Lopez Holdings' total consolidated assets grew to P366.250 billion in 2016 from P358.584 billion in 2015. This figure mainly includes assets of First Philippine Holdings. Debt-to-equity ratio slightly improved at 3.07x in 2016 versus 3.53x in 2015. Also, book value per share was up at P13.06 a share at the end of 2016 from a value of P11.88 a share in 2015.

It is also worthy to note that Lopez Holdings' total consolidated assets as of March 31, 2017 grew to P374.45 billion from P366.25 billion as of December 2016. On the other hand, long-term interest bearing loans and borrowings was

down to P134.61 billion as of the end of the first quarter of 2017 from P144.65 billion as of the end of 2016.

On a stand-alone Parent Company's financial position accounted for at equity method, Lopez Holdings total assets as of March 31, 2017 stood at P55.09 billion. It is composed of Current assets which is mainly cash and cash equivalents and Noncurrent assets representing our carrying value of investments in First Philippine Holdings and ABS-CBN.

Total equity attributable to Parent stood at P54.58 billion.

In 2016, we received P900 million in cash dividends from conglomerates First Philippine Holdings and ABS-CBN. In the same year, we paid out P924 million in cash dividends to shareholders. And just recently during its regular meeting held on May 18, 2017, your Board approved the declaration of a cash dividend of ten centavos (P0.10) per share to stockholders of record as of June 1, 2017 and payable on June 16, 2017.

ABS-CBN continued its transformation into a digital company, offering a host of original content on TV, cable, mobile and the internet. This multi-platform approach was developed over several years to respond to the needs of new audiences, especially the youth whose millennial lifestyles have increasingly shifted to on-demand viewing, instead of scheduled programming. ABS-CBN is making good on its commitment to be there for its audiences, to inform, entertain, inspire and connect them to their loved ones all over the globe.

On the First Philippine Holdings side, its power holding company, First Gen completed two new natural gas-fired plants and began selling to the grid in 2016. Adding a total of 511 MW in power generating capacity, First Gen is in a good position to respond to the expected rise in energy demand, while still being able to contribute to cleaner air.

Natural gas is among the cleanest fossil fuels, and is an ideal bridge fuel while renewable energy prices are not yet at parity with the rest of the grid. For this reason, First Gen continues to work toward establishing a liquefied natural gas terminal in its Clean Energy Complex in Batangas. And any future expansion of its generating capacity will continue to use primarily natural gas, if not renewable sources of energy.

All our investees are ready to respond to our nation's needs, as we tread the path to economic development, in ways that look to the needs of future Filipinos

as well. Lopez Holdings and its investees have long committed to sustainable growth. We subscribe to the global movement for clean air, clean water, and resilient communities, which are turning out to be better ways to adapt to climate change. Actions like caring for the environment, educating the youth and reducing waste are not only socially responsible, but also financially prudent in the long term.

First Philippine Holdings will remain focused on growing all its investments in the same manner as it is growing its energy portfolio. Property development through Rockwell Land Corporation and First Philippine Industrial Park, and manufacturing through First Philec Corporation will continue to abide by international standards in environment, safety and health, as well as in quality management, not only as part of our enterprise-wide risk management system, but also as our contribution to the millennium development goals to which our foundations are aligned.

ABS-CBN will continue to explore ways to serve its growing local and international audiences through evidence-based research that allows it to listen well and respond to demand in a timely manner. Business in the digital age happens quickly, but not easily. There are countless instances of 'here today, gone tomorrow' in the entertainment industry, but digital shortens the day to hours, if not minutes. The 'man of the hour' could be the next minute's 'has-been'. For this reason, talent development is a continuous process to increase our pool of content creators, including actors, directors, writers, news reporters, cameramen, sound and image editors, and other production crew. Even veteran artists and news anchors have the opportunity to learn and expand their horizons with the ABS-CBN University, an internal educational endeavor to help our workforce adapt to business in the digital setting.

Lopez Holdings is stepping up to the needs of the moment in better ways. Its resources, as well as those of investees, will support sustainable development to create long-term value for shareholders and other stakeholders.

As at December 31, 2016, your company had direct obligations of only US\$5 million in restructured notes.

To date, Lopez Holdings owns 46% of FPH and 56% of ABS-CBN.

Thank you for keeping faith with your management team.

- *Salvador G. Tirona*