



# JG SUMMIT HOLDINGS, INC.

## Annual Stockholders' Meeting

28 June 2012

# Major Developments



## Making Life Better



JG SUMMIT HOLDINGS, INC.

- February 2012: Successful overnight equity placement of 215m JGS secondary shares at PhP25.00/share increased free float by 3% and expanded average daily turnover from around US\$400k pre-placement to US\$2.3m post placement. JG Summit now priced at PhP34.95/share is one of the best performing stocks in the PSE.



- October 2011: JG Summit sold its entire stake in Digitel in a landmark transaction that valued Digitel at PhP74.1bn, making it the largest M&A transaction ever in Philippine Corporate history. JG Summit now owns 8% of PLDT's enlarged share capital following the PLDT share option sale in November 2011 and generated nearly US\$600m in gross proceeds.



- 2012: Recently awarded as the "Best Managed Company in the Philippines (Small Cap Category)" by Asiamoney.
- 2011: Successfully raised PhP13.65bn in proceeds from the recent 1:2 stock rights offering at PhP10/share. Bulk of the proceeds is set aside for land banking activities.



- 2012: Awarded as the "2011 LCC of the year" and President and CEO Lance Gokongwei named as "LCC CEO of the year" during the Low Cost Airlines World Asia Pacific Conference in February 2012.
- 2011: Maintained leading position with 45.2% share in the domestic airline market in terms of total passengers carried in 2011.



- 2011: URC International sustained strong growth in revenues at 39%yoy in US\$ terms to US\$443m for FY 2011 with Thailand and Vietnam leading the pack.
- Now part of the MSCI Index and one of the top performing issues in the PSE this year.

# Strong and Well-Diversified Business Portfolio



Making Life Better



JG SUMMIT HOLDINGS, INC.

## Food



60.6%\*

## Air Transport



67.2%

## Property



61.0%

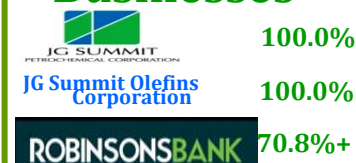
## Core Investments



8.0%

36.1%

## Growth Businesses



100.0%

100.0%

70.8%+

**Largest snacks foods and beverage company in the Philippines**

#1 in snacks food, chocolates, candies, RTD Tea

#2 in cup noodles

**Strong presence in Southeast Asia**

#1 in biscuits & wafers in Thailand

#2 in RTD tea in Vietnam

**Largest airline Company in the Philippines**

#1 in domestic passenger volume

(9.2 million passengers in 2011)

#1 in load factor (86.3%)

#1 in domestic network (32 domestic destinations)

#1 in SEA routes (19 international destinations)

**Youngest fleet**

3.6 years ave. age

**Leading mall operator in the Philippines**

#2 with 31 malls in operation

**Leading office space provider in the Philippines**

With 193,000sqm in leasable office space and another 55,000sqm BPO office space in the commercial centers

**PLDT: Largest telephone company in the Philippines**

#1 in Cellular 63.7m subscribers

#1 Fixed Line 2.2m subscribers

#1 Broadband 2.9m subscribers

**UIC: Leading property company in Singapore through Singland, a subsidiary of UIC**

**J G Petrochem: Largest and the only fully integrated Petrochemical complex in the Philippines**

**Robinsons Bank: Growing commercial banking operations**

\*As of 14 June 2012

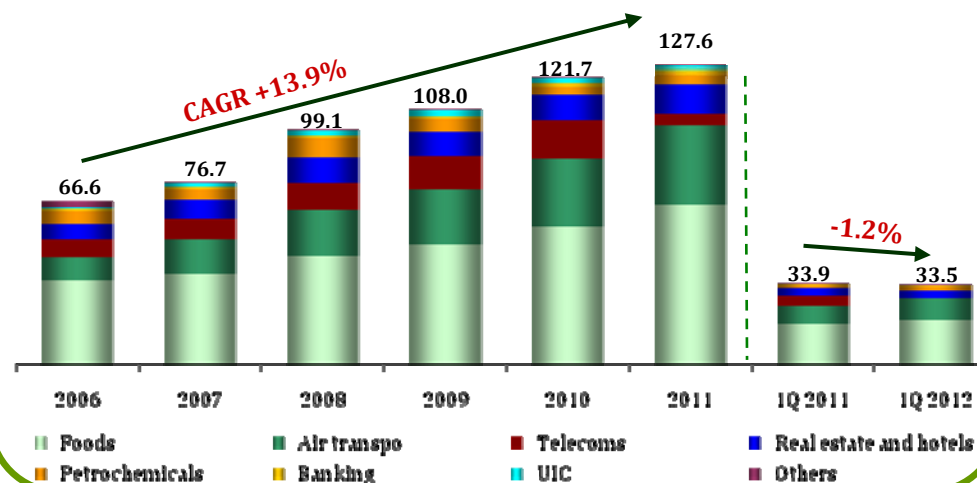
+ Total economic interest including the perpetual, non-cumulative convertible preferred shares

# Growing Revenues and Earnings from Strong Operations



## Making Life Better

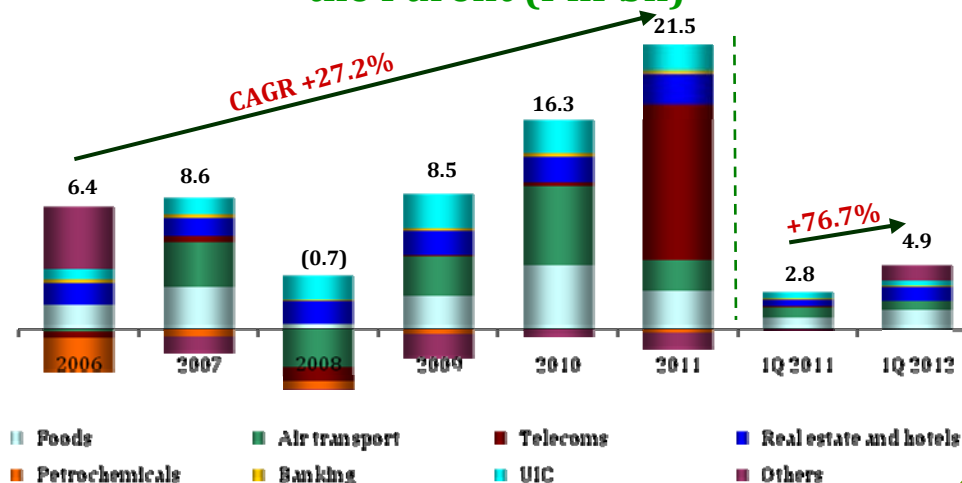
### Revenues (PhPbn)



### Revenue Drivers

- URC: Product innovation, strong distribution and International expansion.
- CEB: Low fares, young and growing fleet, internet ticket sales and growing ancillary revenues.
- RLC: Growing rental income from more malls and office buildings; growing hotel footprint; expanding condominium and housing portfolio.
- Digitel/PLDT: Innovative product offerings, network expansion & upgrade, wireless broadband.

### Net Income Attributable to Equity Holders of the Parent (PhPbn)



### Earnings Drivers

- URC: Scale economies, supply chain efficiencies, pricing power thru market leadership.
- CEB: High aircraft utilization & seat density; increased frequencies in high traffic routes; low-cost operations & fleet maintenance.
- RLC: Growing portfolio of higher margin real estate assets
- Digitel/PLDT: High network utilization and economies of scale/integration.

\*Includes Digitel's earnings from 2006 to March 2011.

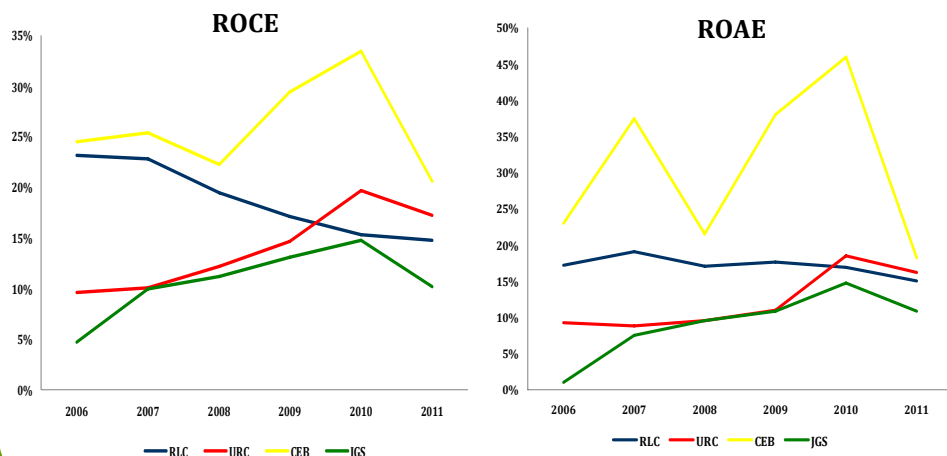


# Robust Returns and Rising Dividends



## Making Life Better

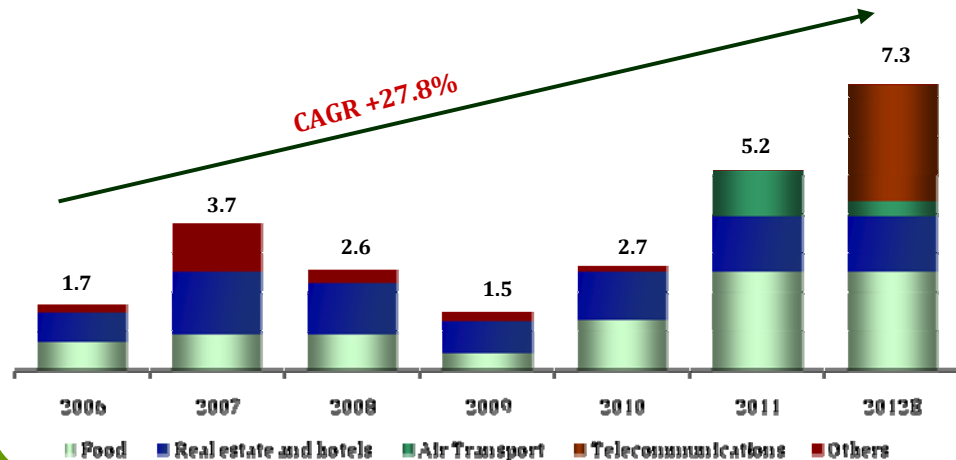
### ROCE & ROAE Comparison



ROCE = EBITDA or EBITDAR/(average SE + average debt) ; ROAE = Core Earnings before Tax/average SE

- Anchored on fast-growing businesses with large and addressable markets driven by resilient consumer spending -- food, property, airlines, telecoms.
- Achieved sustainable market-leading positions in relatively higher-margin industries with strong return profiles.

### Dividend Receipts (PhPbn)



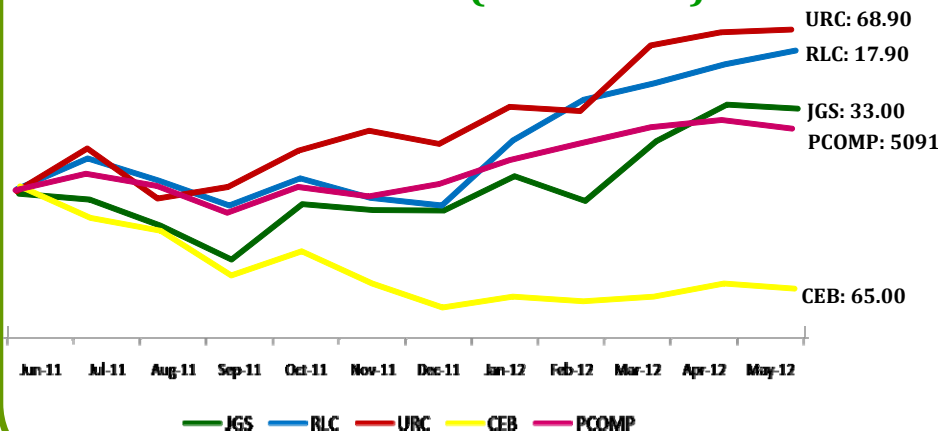
- Core businesses are now solidly cash-generative and financially independent from the parent company.
- Robust free cashflow and adequate cash reserves of operating companies have increased dividend streams into the parent company.

# Value from Growing and Stable Businesses



## Making Life Better

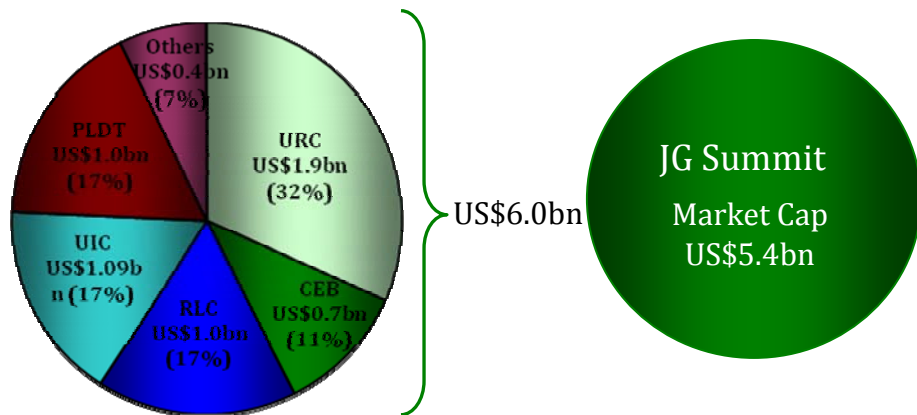
### JG Group Stock Price Performance (vs. PCOMP)\*



\*Monthly data, Closing prices data are as of end May 2012

- Resilient earnings growth and sound fundamentals of core businesses now attracting a wider investor base.
- Stock price performance of parent and subsidiaries have generally outperformed PCOMP over the last 12 months

### Gross Asset Value Breakdown\*



## Balanced Business Portfolio

- Core Businesses: Self-sustaining and cash generative growth businesses: URC (60.6% owned), RLC (61.0%) and CEB (67.2%)
- Core Investments: Robust stable earnings and strong dividend flows: UIC (36.1% owned) and PLDT (8.0% interest)
- Growth Businesses: Robinsons Bank (60.0% owned+), Petrochem & Olefins businesses (100%) and Potential PPP projects.

\*GVA computed based on JGS share to the market capitalization of the listed subsidiaries and the book value for the unlisted subsidiaries. As of 22 June 2012 closing prices. Exchange rate used is US\$1: PhP42.913.

+ Total economic interest which include the perpetual, non-cumulative convertible preferred shares

# Strong and Conservative Balance Sheet



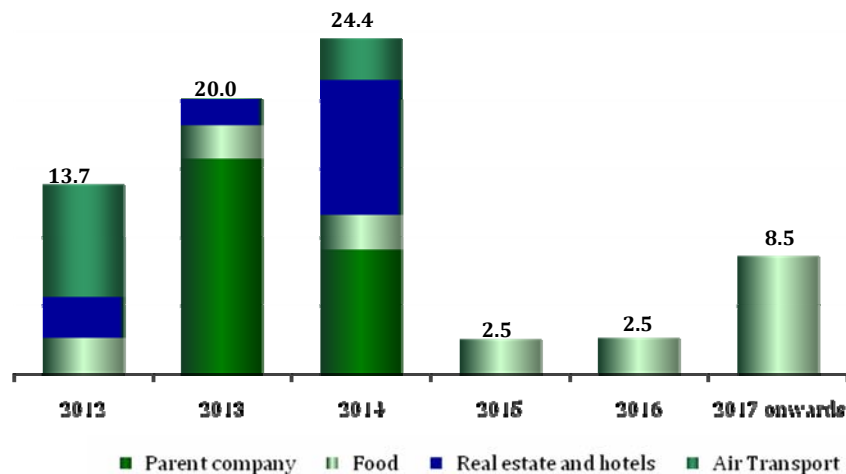
## Making Life Better

### Key Ratios

As of the period	1Q2012	2011A	2010A	2009A
Net Debt/Equity Ratio	0.16:1	0.18:1	0.37:1	0.75:1
Gearing Ratio	0.44:1	0.50:1	0.76:1	1.06:1

➤ Net D/E declined to 0.18:1 as of end Dec 2011 with the prepayment of the US\$300m loan partly from proceeds of the PLDT share option sale. In 2010, net D/E was boosted by the cash proceeds from CEB's IPO.

### Debt Maturity Profile (PhPbn)\*



\*As of 31 December 2011

➤ Prepaid US\$300m, US LIBOR+2.45% syndicated loan due Jun 2013 in Dec 2011 from the cash proceeds of the PLDT share option sale.




➤ URC: Paid down US\$200m, 8.25% bond due Jan 2012 without refinancing

➤ RLC: Paid down PhP3bn, 6.375% notes due on 29 May 2012 without refinancing

# Summary of Operating Performance



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For the period ended 31 December (PhPbn)	2010	2011	% yoy	1Q2011	1Q2012	% yoy
Revenues	105.20	123.06	 17.0	29.41	33.48	 13.8
Operating Income	20.61	17.04	 17.3	4.41	4.28	 3.1
Core Earnings before Taxes	17.93	16.29	 9.1	3.93	5.89	 49.9
Net Income attributable to Parent	16.32	21.51	 31.8	2.78	4.91	 76.7
From continuing operations	15.58	8.48	 45.6	2.38	4.91	 106.2
From discontinued operations	0.75	13.04	 1647.0	0.40		 100.0
EBITDA	28.28	25.37	 10.3	6.44	6.48	 0.6



# Current Liquidity and Financial Condition



## Making Life Better

For the year ended 31 December (PhPbn)	2010A	2011A	% yoy	1Q2011	1Q2012	% yoy
Cash flows from operating activities	18.33	12.18	-33.6	<b>9.04</b>	<b>10.14</b>	<b>+12.2</b>
CAPEX	(20.13)	(29.38)	+46.0	<b>(9.26)</b>	<b>(7.21)</b>	<b>-22.1</b>
Cash flows from investing activities (ex Capex)	2.86	19.00	+564.3	<b>(0.82)</b>	<b>(2.23)</b>	<b>+172.0</b>
Cash flows from financing activities	22.58	(10.02)	-145.2	<b>(1.65)</b>	<b>(3.72)</b>	<b>+125.5</b>

For the period ended (PhPbn)	2010A	2011A	% yoy	1Q2011	1Q2012	% yoy
Cash* (inclgd Financial Assets and AFS Inv'ts)	58.19	57.35	-1.4	56.39	54.29	-3.7
Total Assets	326.32	314.81	-3.5	334.85	329.18	-1.7
Total Financial Debt**	113.01	90.61	-19.8	110.97	84.69	-23.7
Total Liabilities	176.86	134.41	-24.0	181.92	137.72	-24.3
Total Equity						
Stockholders' Equity	117.57	141.28	+20.2	119.76	150.63	+25.8
Minority Interest	31.89	39.12	+22.7	33.16	40.82	+23.1

\* Cash, FVPL and available for sale (AFS) investments from Robinsons Bank and AFS on PLDT are excluded

\*\* Financial debt is composed of long-term debt and short-term debt

# Net Income by Segment



## Making Life Better

For the year ended 31 December  (PhPbn)	1Q2012				2011			
	% <i>Owned</i>	Net Income	Equity Net Income	% yoy <i>Growth</i>	% <i>Owned</i>	Net Income	Equity Net Income	% yoy <i>Growth</i>
<b>Food</b>	64.2	2.22	1.42	+78.9	64.2	4.64	2.98	-40.7
<b>Air Transportation</b>	67.2	0.96	0.65	-19.5	67.2	3.62	2.44	-62.8
<b>Real Estate &amp; Hotels</b>	61.0	1.15	0.70	+14.0	61.0	3.97	2.42	+11.7
<b>Petrochemicals</b>	100.0	(0.08)	(0.08)	+105.4	100.0	(0.38)	(0.38)	+275.9
<b>Bank**</b>	60.0	0.19	0.11	+123.4	60.0	0.38	0.27	-9.0
<b>Supplementary*</b>	100.0	1.77	1.77	+1192.0	100.0	0.71	0.71	+812.6
<b>UIC</b>	36.1	1.29	0.46	-7.0	36.1	5.65	2.04	-23.1
<b>Sub-total</b>			5.03	+94.5			10.48	-36.4
<b>Adjustments</b>			(0.12)	-204.0			(2.00)	+117.9
<b>Net income from continuing operations</b>			4.91	+81.6			8.48	-45.6
<b>Net income from discontinuing operations</b>							13.03	+1647.0
<b>TOTAL</b>			4.91	+76.7			21.51	+31.8

\*Includes Parent, Offshore, Cap Grp, OPMC, Unicon

\*\*RBC net income for 2011 is 100% from Jan to May and 60.% from June to December based on SGV's computation.



**Thank You!**