



PRYCE CORPORATION

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July 27, 2016

PHILIPPINE STOCK EXCHANGE

3F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Philippines 1226

Attention: **Mr. JOSE VALERIANO B. ZUÑO III**
OIC – Head, Disclosure Department

Re: **PRESS RELEASE – “Pryce 1H2016 Net Income Up 45%”**

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Gentlemen:

Please find attached our press release entitled “Pryce 1H2016 Net Income Up 45%.”

Thank you very much.

Very truly yours,


ERICA P. ENCABO
*Corporate Information and
Compliance Officer*



PRYCE CORPORATION

PRYCE 1H2016 NET INCOME UP 45%

Pryce Corporation and its subsidiaries (PPC) posted a consolidated net income of Php 433.28 million for the first half this year, up 45.85% compared to the Php 297.08 million netted for the first half of 2015. This results from a topline of Php 3.042 billion, an 11.56% increase over last year's first half revenues of Php 2.727 billion. The group's main product, liquefied petroleum gas (LPG), accounted for 91.1% of total revenues, while remaining revenues were accounted for by sales of industrial gases, real estate, pharmaceutical products, and hotel operations.

The increase in revenue was derived from strong LPG volume sales of 86,342 metric tons (MT), representing a 27.35% year-on-year sales volume growth, which, Management opines, substantially exceeds the industry growth. Strong volume sales furthermore enabled the company to maintain its revenue growth notwithstanding an average of 12% decrease in unit selling price of LPG from Php 35,644.00 per MT in the first half of last year to Php 31,289.00 per MT for the first half of this year. This follows the trend of falling fuel prices that had been ongoing since 2014. It is Management's opinion that prices will hover at relatively low levels for some time to come given the recently completed expansion of the Panama Canal. This expansion will allow the transport of products, including fuel, from the United States to Asia at more competitive prices and curb the influence of Middle Eastern countries on fuel pricing, including the pricing of LPG.

The group's net income of Php 433.28 million represents a 14.2% return on sales from last year's 10.9%, indicating an increased efficiency in generating profit from sales. Earnings per share for the first half of the year is computed at Php 0.2166.

The first half results notwithstanding, Management expects demand, and consequently prices, to rise during the second half of the year, in the last quarter in particular. Taking this into account, Management is confident that the group remains on track to achieving its target full year net income of Php 900 million "*plus or minus 10%.*"

July 27, 2016.