



# PRYCE CORPORATION

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May 4, 2016

**PHILIPPINE STOCK EXCHANGE**

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

Attention: **Ms. JANET A. ENCARNACION**  
*Head, Disclosure Department*  
PHILIPPINE STOCK EXCHANGE

Re: **PRESS RELEASE – “Pryce First Quarter Net Income Up 53% Backed by  
Solid Volume Growth”**

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Gentlemen:

Please find attached our press release entitled “Pryce First Quarter Net Income Up 53% Backed by Solid Volume Growth.”

Thank you very much.

Very truly yours,

  
ERIKA P. ENCABO  
*Corporate Information and  
Compliance Officer*



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## PRYCE FIRST QUARTER INCOME UP 53% BACKED BY SOLID VOLUME GROWTH

Pryce Corporation and its subsidiaries (PPC) capped the first quarter of this year with a 53% year-on-year increase in consolidated net income to Php 196.42 million from last year's Php 128.16 million. Largely contributing to this growth is the 23% increase in the liquefied petroleum gas (LPG) sales volumes of its subsidiary's *PryceGas* brand LPG from 32,981 metric tons (MT) in the first quarter of 2015 to 40,583 MT in the first quarter of 2016.

As a result of the growth in LPG sales volume, PPC saw an 8% year-on-year increase in consolidated revenues from Php1.345 billion in 1Q2015 to Php1.453 billion for the previous quarter. This growth in volume is attributed to the completion of strategic expansion projects during the past year, along with the steep decline in international contract price (CP) of LPG from US\$470/MT in December of 2015 to US\$376/MT and US\$306/MT in January and February of 2016, respectively. LPG sales of subsidiaries accounted for 91% of PPC's consolidated revenues while industrial gas sales contributed 6.36%. The remaining 2.6% of revenues were accounted for by real estate sales, hotel operations, and sales of pharmaceutical products.

Contraction in margins however resulted from the decline in CP, causing PPC's consolidated gross profit margin to increase only slightly at 25.40% from last year's 24.75% despite the increased revenue. Operating income nevertheless improved 13.31% to Php 193.38 million, while the net income of Php 196 million represents a 13.52% return on sales, up from last year's 9.52% showing an increased efficiency in profit generation.

While nationwide demand is growing along with the fall in CP, PPC sees its sales volume growth as outpacing the increasing demand. This appears to be an indication that PPC has an expanding LPG market share over-all, and the Company estimates that its LPG sales during the first quarter now accounts for 13% of the total national demand. PPC is optimistic that the first quarter results heralds the achievement of target projections for the year.

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