



October 18, 2017

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 9M 2017 NET INCOME UP 32%”**

X-----X

Gentlemen:

Please find attached our press release entitled “PRYCE 9M 2017 NET INCOME UP 32%”.

Thank you very much.

Very truly yours,

JOSE MA. C. ORDENES
*Alternate Information &
Compliance Officer*



PRYCE 9M 2017 NET INCOME UP 32%

For the first nine months of the year, Pryce Corporation (PPC) posted a consolidated net income of Php 942.69 million. This is up 32% from last year's first nine months' net income of Php 712.49 million. Income growth stemmed from a similarly strong growth in revenue of almost 37%, fueled mainly by a nearly 23.3% growth in liquefied petroleum gas (LPG) sales volumes in the Visayas and Mindanao markets.

Sales volume growth, especially in the Visayas and Mindanao areas, was achieved notwithstanding a sharp increase in average LPG contract prices from \$329 per metric ton (MT) to \$463 per MT during the 9-month period this year, or an almost 41% increase. LPG revenues accounted for 93% of total sales, while sales of industrial gases, real estate, and pharmaceutical products accounted for the balance of 7%.

Operating expenses rose to Php 612.47 million or 16% from the same period of last year, due mainly to an increase in depreciation expenses as a result of the reappraisal conducted at the end of the last fiscal year. Nevertheless, operating income rose 27% from last year's Php 759.15 million to Php 964.55 million, with the increase in revenues overtaking the increase in expenses.

Other income being considered, PPC's net income for the period stands at Php 942.69 million, translating to earnings of Php 0.4713 per share. The last quarter being historically the strongest of the year in terms of sales volume, Management expects to attain its net income target of Php 1.254 billion for the year, plus or minus 10%.

The expansion of storage capacity (from 2,200 MT to 3,400 MT) in our Sta. Cruz, Davao del Sur marine terminal was completed during the third quarter. It is now receiving monthly deliveries of LPG at roughly US\$ 20 per ton cheaper. Expansion of storage capacities at our terminals in Balingasag, Misamis Oriental and Sogod, Cebu are ongoing and will be completed by June - July, 2018.

October 18, 2017