



INVESTORS BRIEFING

17 August 2017, 3:30 p.m.

Shangri-La at the Fort

Part 1 of 2

LRWC

INVESTOR BRIEFING

- I. Opening
- II. Introductions
- III. Welcome Remarks: Reynaldo P. Bantug Chairman & President
- IV. 2017 1H Financial Highlights – Riz Oades

COMPANY Updates

- V. First Cagayan – Jasper Vicencio
- VI. ABLE and TGXI – Al Alonte
- VII. LR Data – John Cornejo
- VIII. Midas Hotel & PIKI – Celine Lim
- IX. PIKI & Blue Chip – Eng Hun

- V. Q&A

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WELCOME REMARKS

REYNALDO P. BANTUG
CHAIRMAN & CEO



FINANCIAL HIGHLIGHTS

RIZALITO OADES

SVP & Group CFO



INVESTORS BRIEFING

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Shangri-La at the Fort

DISCUSSION POINTS

NI Development

First Half 2017

Financial Position



Net Income Development

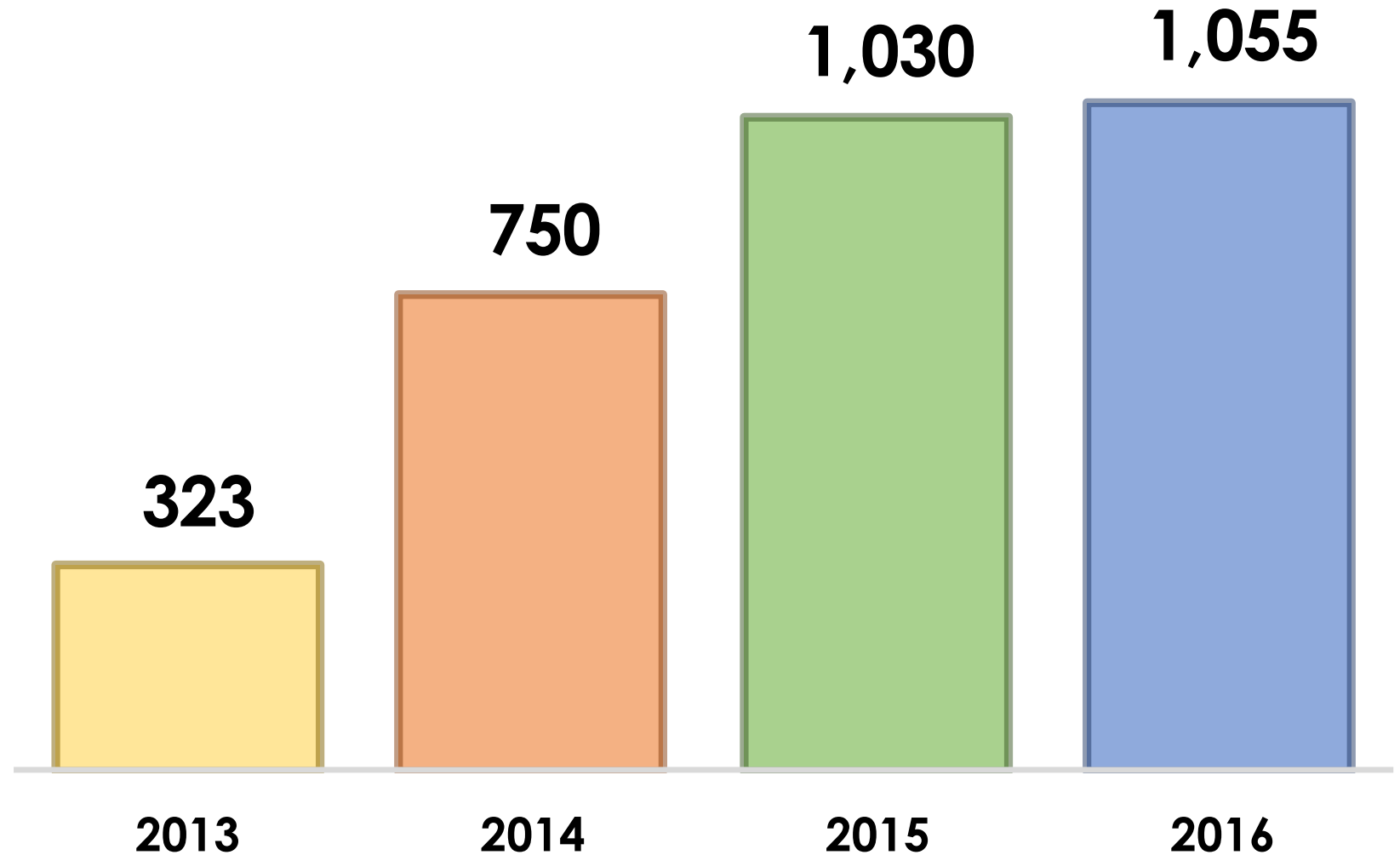


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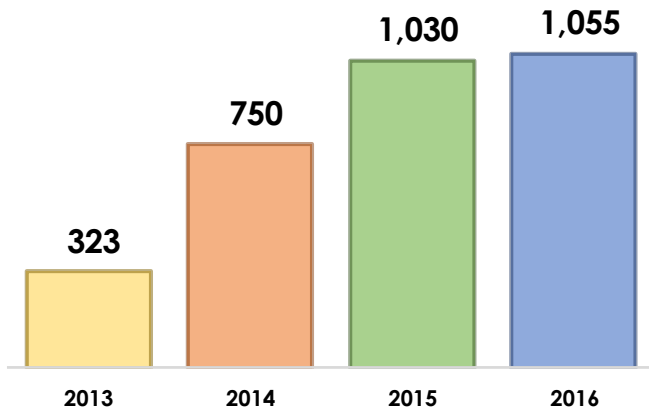
Shangri-La at the Fort

NET INCOME DEVELOPMENT





INVESTORS BRIEFING



Shangri-La at the Fort

REGULATORY CHALLENGES

2016

New administration

Philweb's non-renewal

PAGCOR's POGO license

PAGCOR's proximity rule

2017

PAGCOR stricter rules

EO 13 (online jurisdiction)



First Half 2017

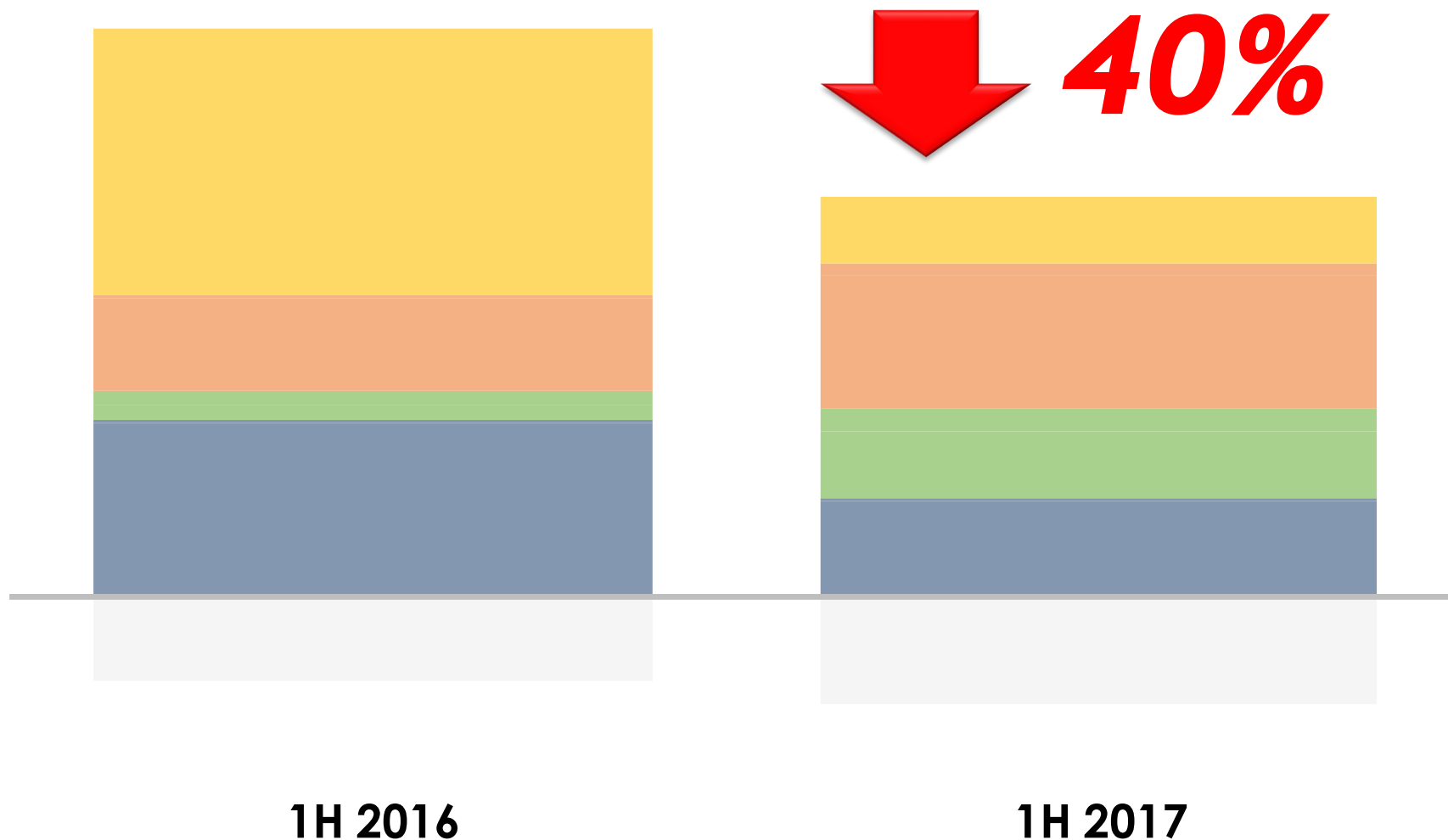
362M

↓ 239M or 40% decline

	% ownership	CY	PY	Grw	%
CONSO		362	600	(239)	-40%
CASINO		130	71	59	84%
ONLINE		84	331	(246)	-74%
RETAIL		123	219	(97)	-44%
PROPERTY		180	121	59	48%
PARENT		(155)	(141)	(14)	-10%
BCGLC	Arcade 100%	82	19	63	325%
PIKI	Junket 100%	27	15	12	81%
HEPI*	Hotel/Casino 51%	20	36	(16)	-44%
FCLRC	Hosting fees 70%	18	288	(270)	-94%
LRDCSI	Infra services 80%	67	43	24	57%
ABLE	Bingo 100%	118	215	(97)	-45%
TGXI	eCasino 100%	5	4	1	17%
ABLGI	City of Dreams 100%	166	115	51	45%
LRLDI	Comm Space 100%	(2)	12	(14)	-118%
TPI*	Office building 50%	16	(5)	21	405%

*equity share in associate/joint venture

1H 2017 NET INCOME



362M

↓ 239M or 40% decline

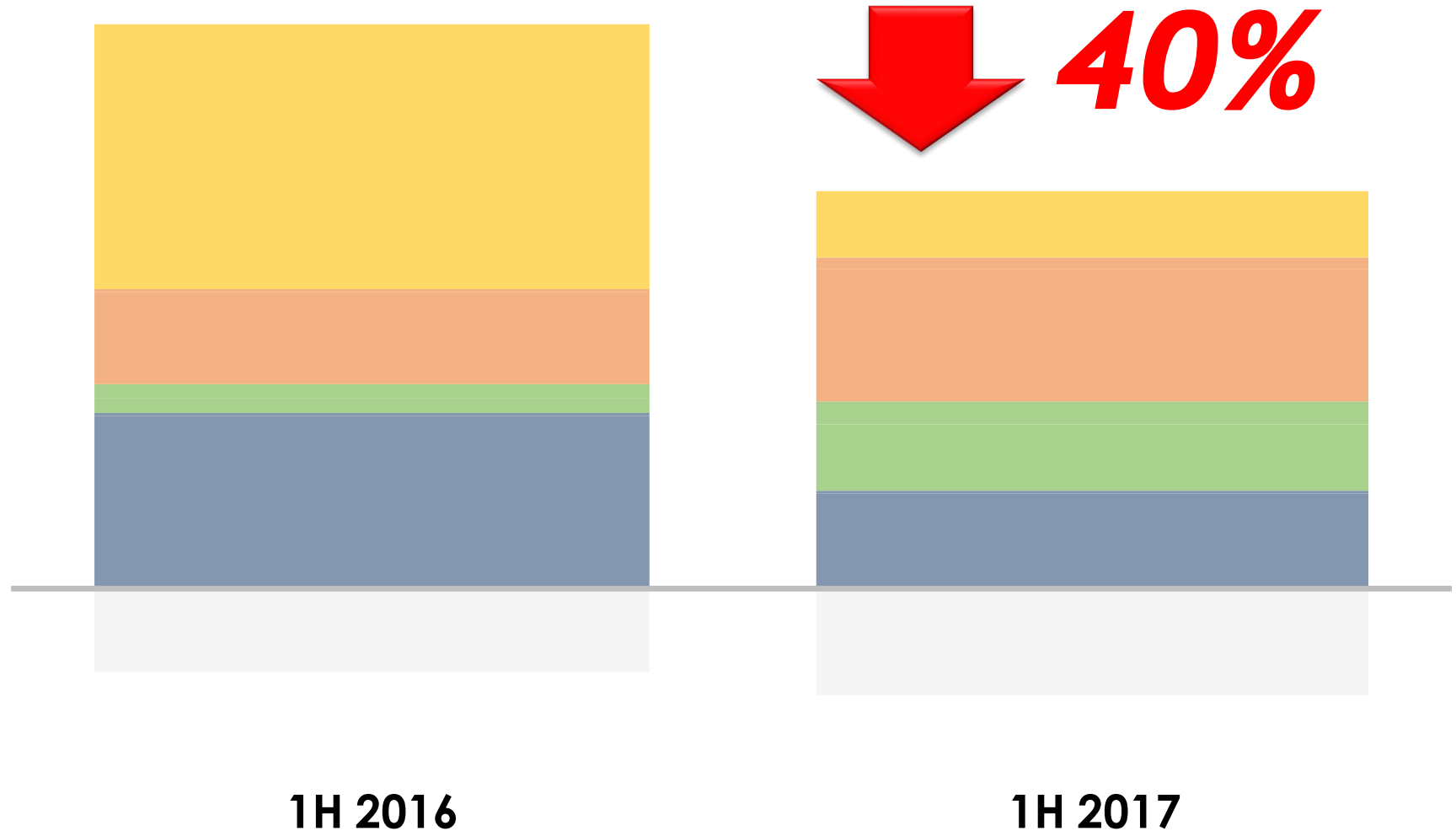
Online 74% ↓

Retail 44% ↓

Casino 84% ↑

Property 48% ↑

1H 2017 NET INCOME





344M

↑ 32M or 10% growth

Online 57% ↑

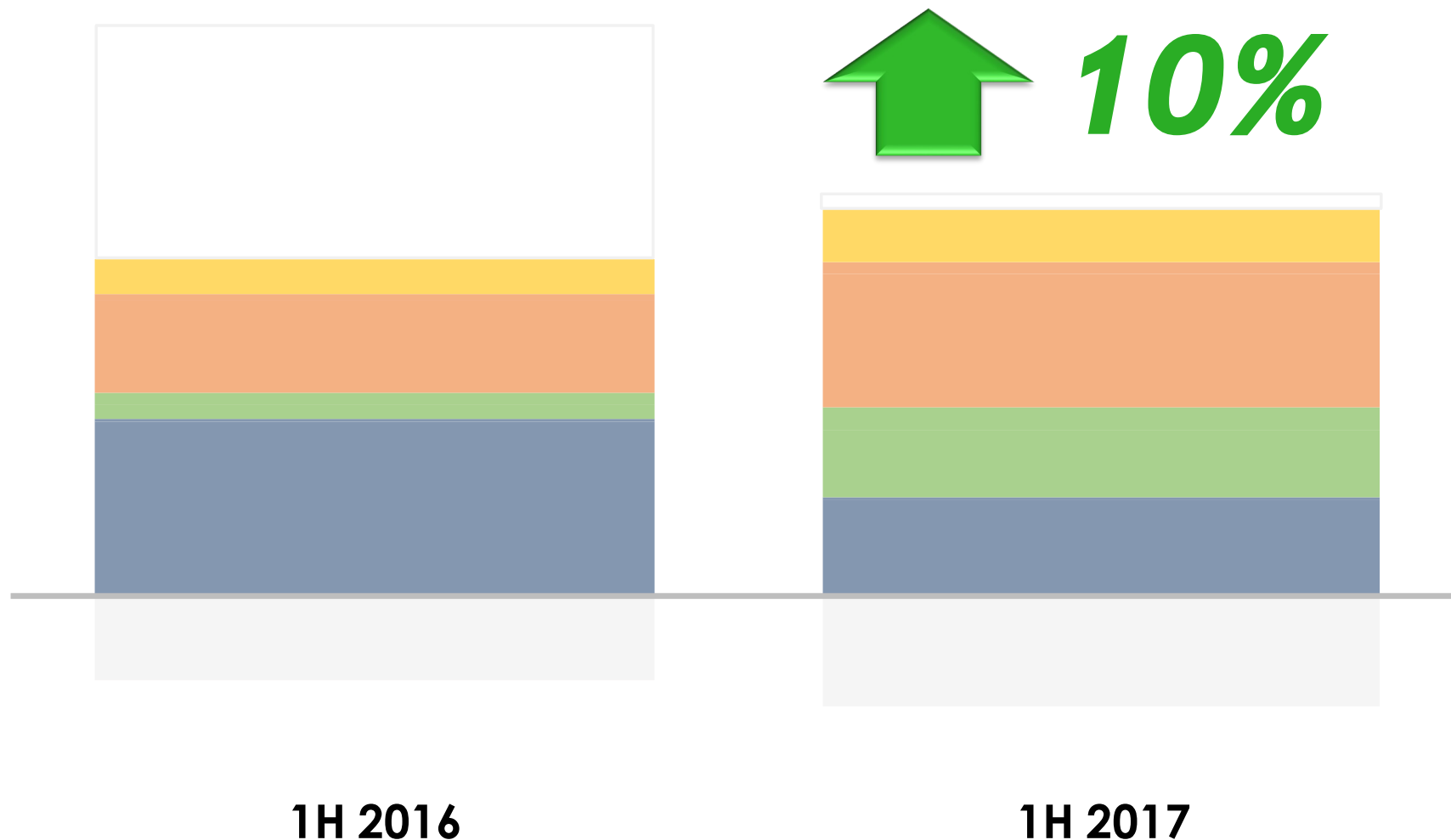
Retail 44% ↓

Casino 84% ↑

Property 48% ↑

1H 2017 NET INCOME

(without FCLRC)



344M

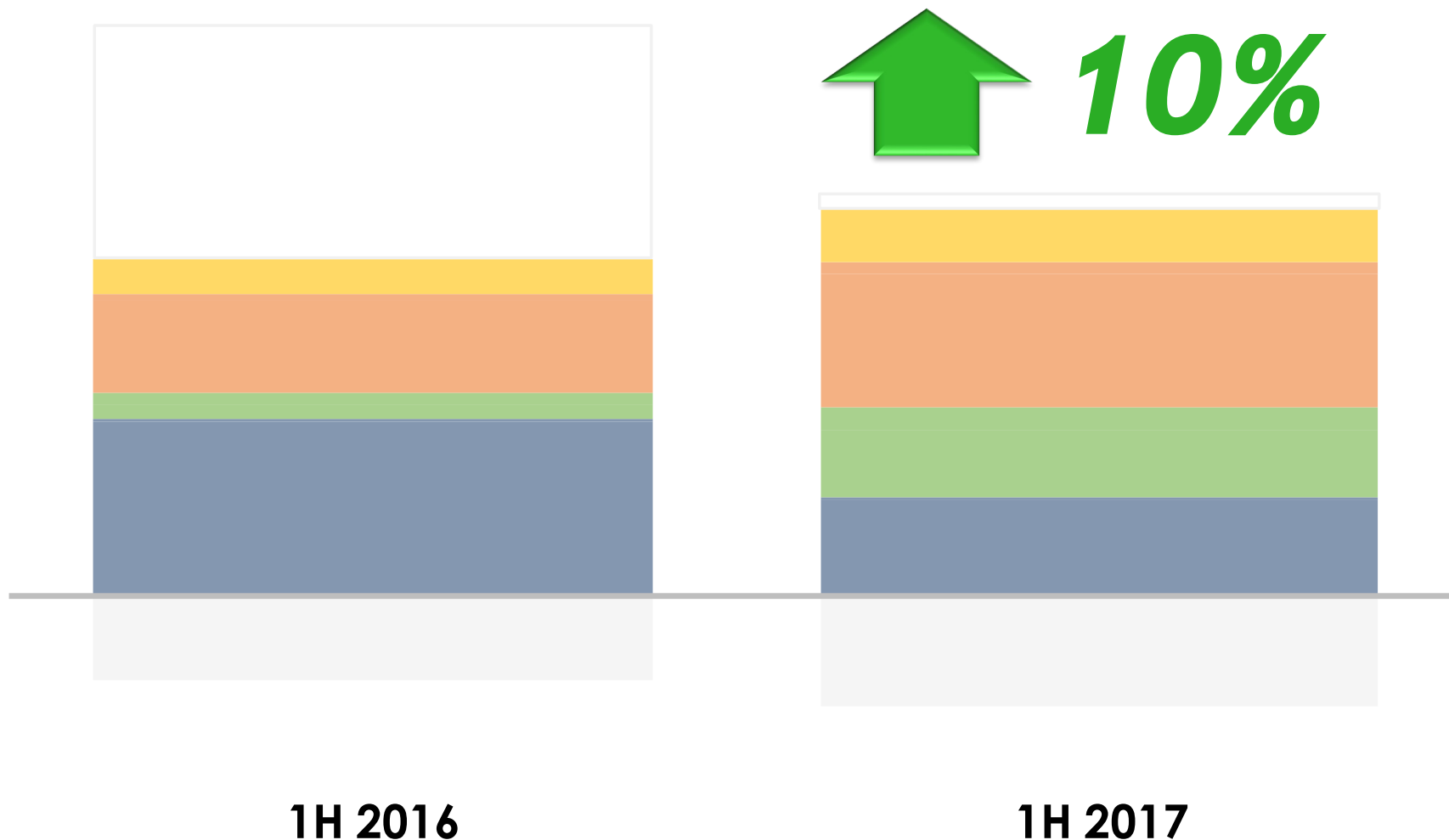
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1H 2017 NET INCOME

(without FCLRC)



1H 2016

1H 2017



Financial Position



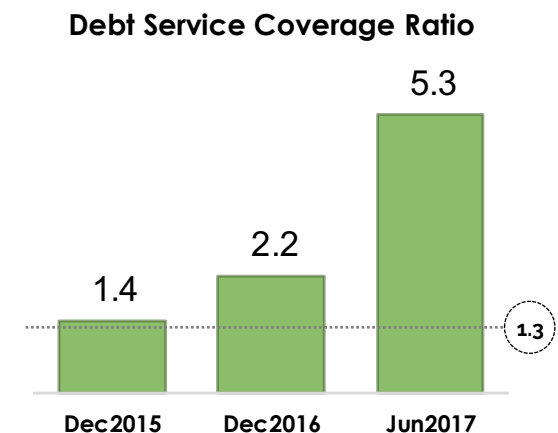
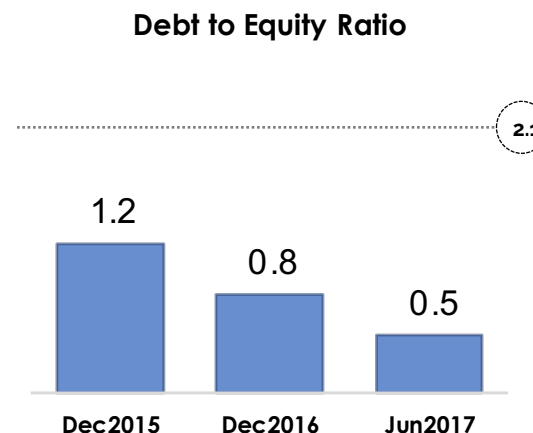
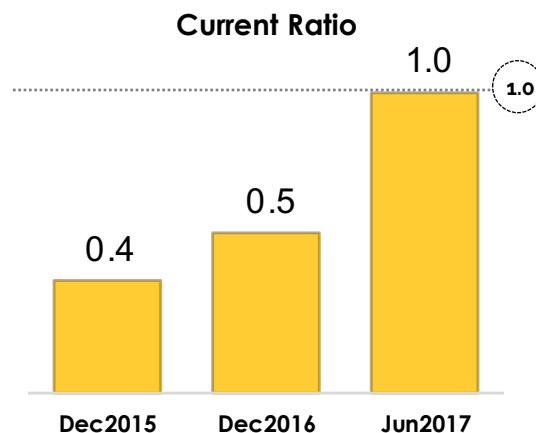
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Talisay A&B
Shangri-La at the Fort

BALANCE SHEET

	Jun2017	Dec2016	Dec2015		Jun2017	Dec2016	Dec2015
ASSETS				LIABILITIES			
<i>Current Assets</i>				<i>Current Liabilities</i>			
Cash	1,504	713	339	Accounts and other payables	1,395	794	1,855
Receivables	1,036	4,499	778	Short-term loans payable	1,084	1,189	1,211
Prepayments and other CA	168	298	267	Current portion of LT loans	174	2,943	720
	2,708	5,510	1,384	Income tax payable	185	129	98
<i>Noncurrent Assets</i>					2,838	5,055	3,885
Property and equipment	2,179	1,859	1,531	<i>Noncurrent Liabilities</i>			
Investment properties - net	130	136	144	LT loans - net of current	354	436	3,359
Investments and advances	2,879	2,971	3,142	Retirement benefits liability	107	150	126
Advances to Belle	-	-	4,780	Other noncurrent liabilities	4	4	4
Goodwill	1,484	1,453	1,453		465	591	3,489
Other noncurrent assets	1,119	929	1,163				
	7,791	7,347	12,213	EQUITY			
					7,197	7,211	6,223
TOTAL ASSETS	10,500	12,858	13,597	TOTAL LIABILITIES & EQUITY	10,500	12,858	13,597



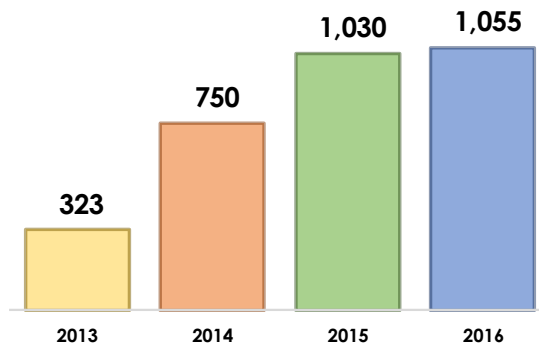
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RECAP

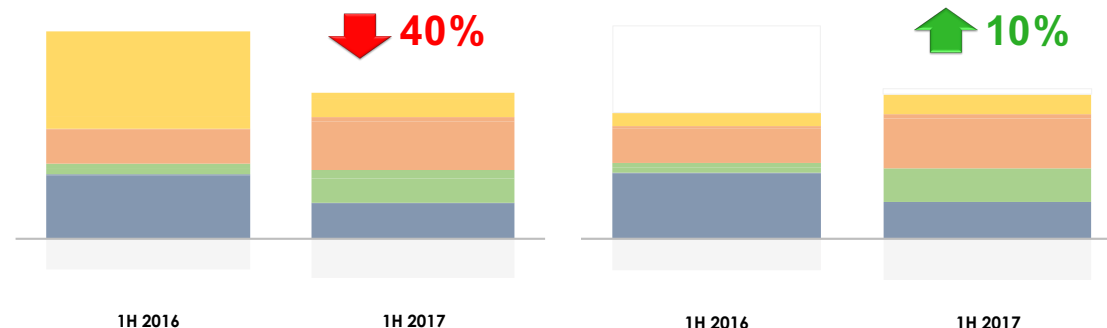
Net Income Development



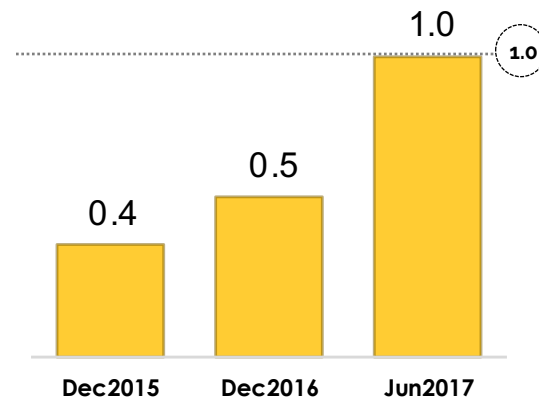
1H 2017 Net Income

with FCLRC

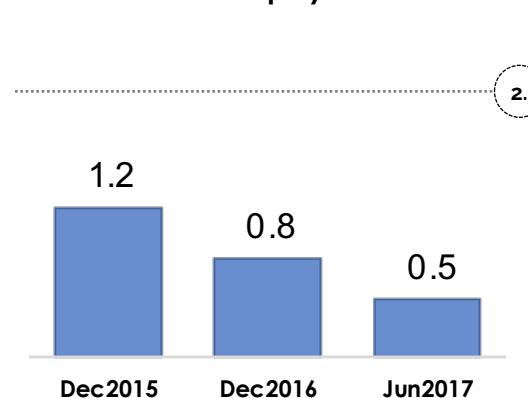
without FCLRC



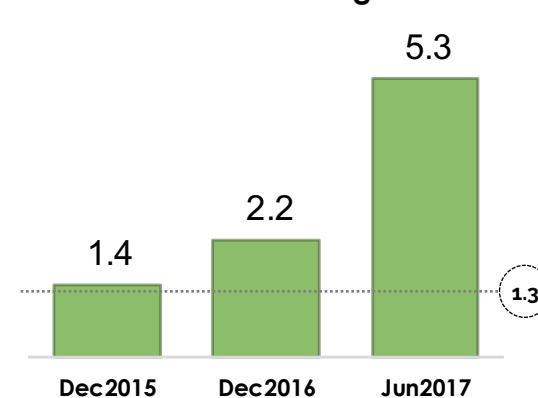
Current Ratio



Debt to Equity Ratio



Debt Service Coverage Ratio





FIRST CAGAYAN LEISURE & RESORTS CORPORATION

JASPER VICENCIO



Executive Order 13 Update

Highlights:

- Sec. 1: PNP and NBI in coordination with DOJ, DILG, DICT to intensify fight against illegal gambling
- Sec. 2: All gambling activities and services related to or in support of such activities **conducted beyond the territorial jurisdiction of the government authority which issued the license shall be dealt as illegal gambling**



Executive Order 13 Update

Highlights:

- Sec. 3: Any gambling operator desiring to operate outside the jurisdiction of the government authority which issued its existing license **shall apply for a separate license with the appropriate authority.**

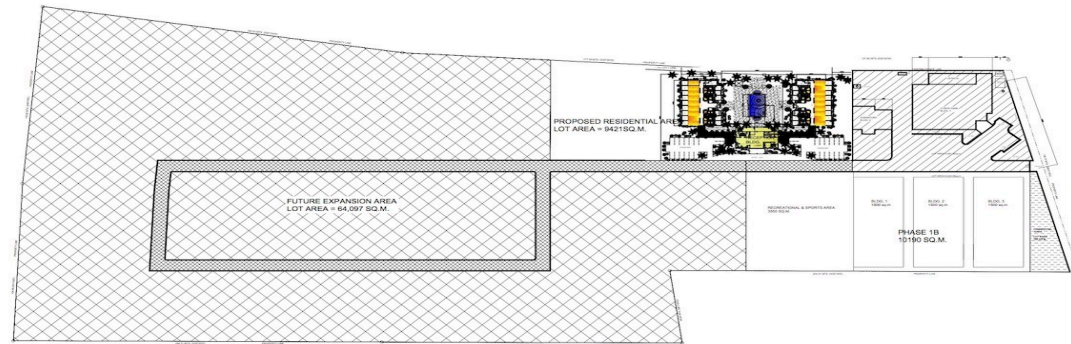


PEZA Update

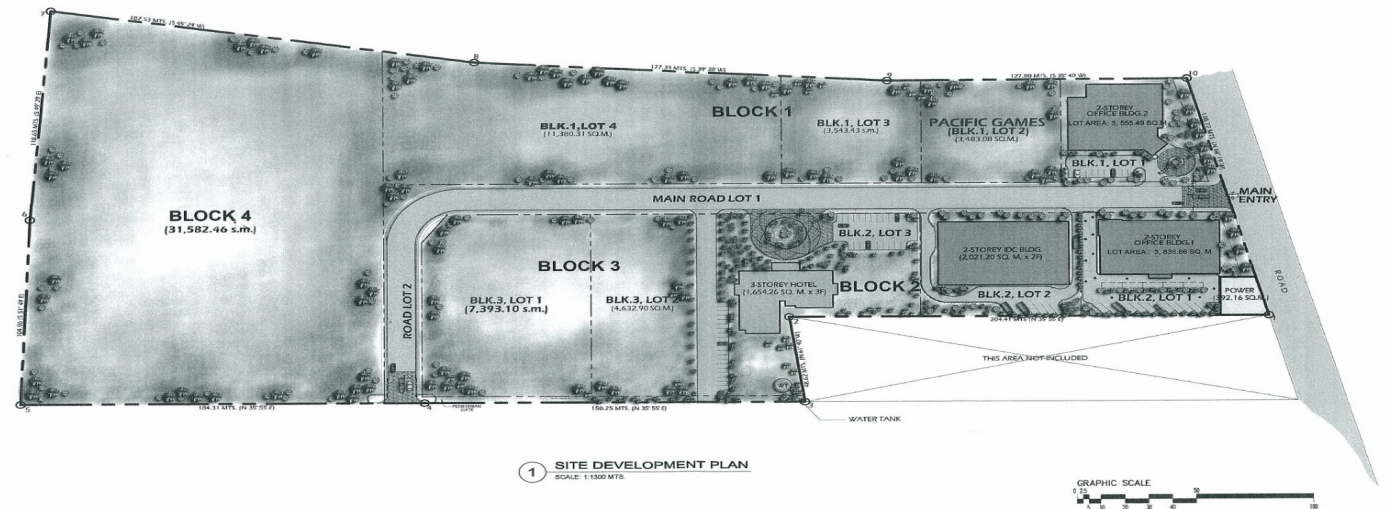
PEZA:

- Locators will be permitted to locate in PEZA buildings provided they fall under EO 13
- CEZA and APECO to get POGO license from PAGCOR in order to operate in PEZA building

Cyberpark Site Development Plan



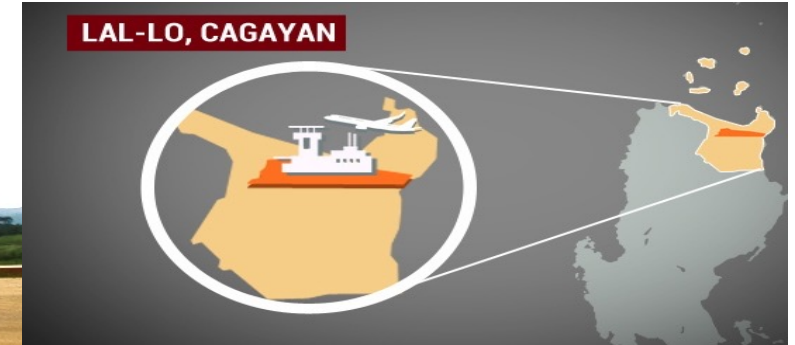
CYBER PARK
PROPOSED SITE DEVELOPMENT PLAN



Cyberpark Planned Phases

- Phase 1A — Completion of the Cyberpark Building 1 & 2 renovation and ready for turnover to a new locator, Empire Group
- Phase 1B — Proposed Development of Commercial and Residential Area
 - Construct a Data Center estimated cost of P300M at 50 rack capacity
 - Construct 2-3 storey buildings with gross floor area of 4,500 sq.m. each
 - Provide area for park and recreational facilities
 - Construct residential units (30 container type units)
- Future Phase — Development of the Remaining 64,000 sq.m.
 - Divide the area into 3 super blocks of ~2 hectares
 - Each super block has a buildable land area of ~14,000 sq.m.
 - Provide road network and utilities as required

Cagayan North International Ainort



- 2.1km long runway with a CAAP approved a Temporary Aerodrome Registration 3C up to November 12, 2017
- On-Going Works:
 - PAPI Lights, RESA, Strip Width, Air Traffic Console, Weather Equipment
- First Chartered Flight from Macau expected on Third Quarter, 2017



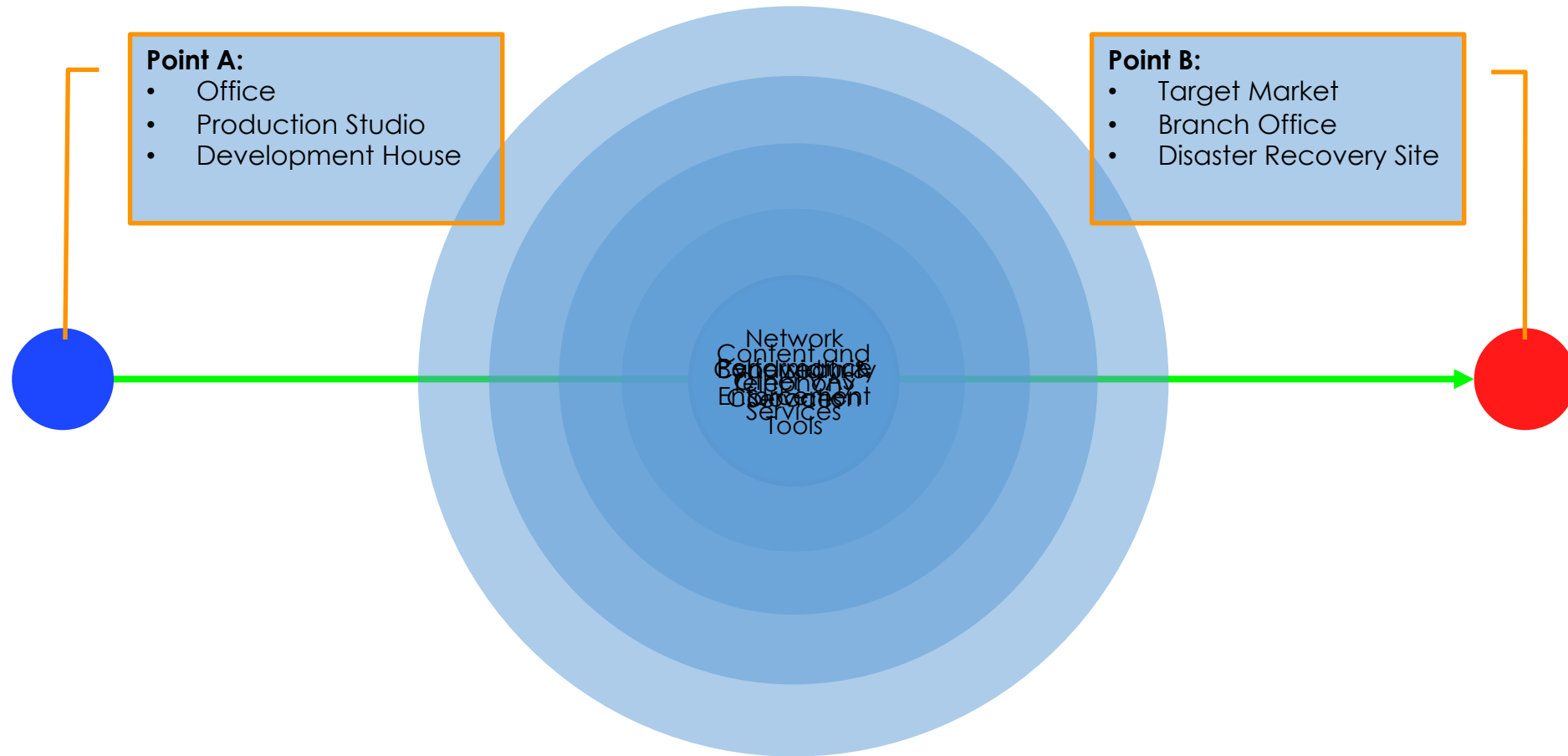
LR DATA CENTER SERVICES INC

JOHN CORNEJO

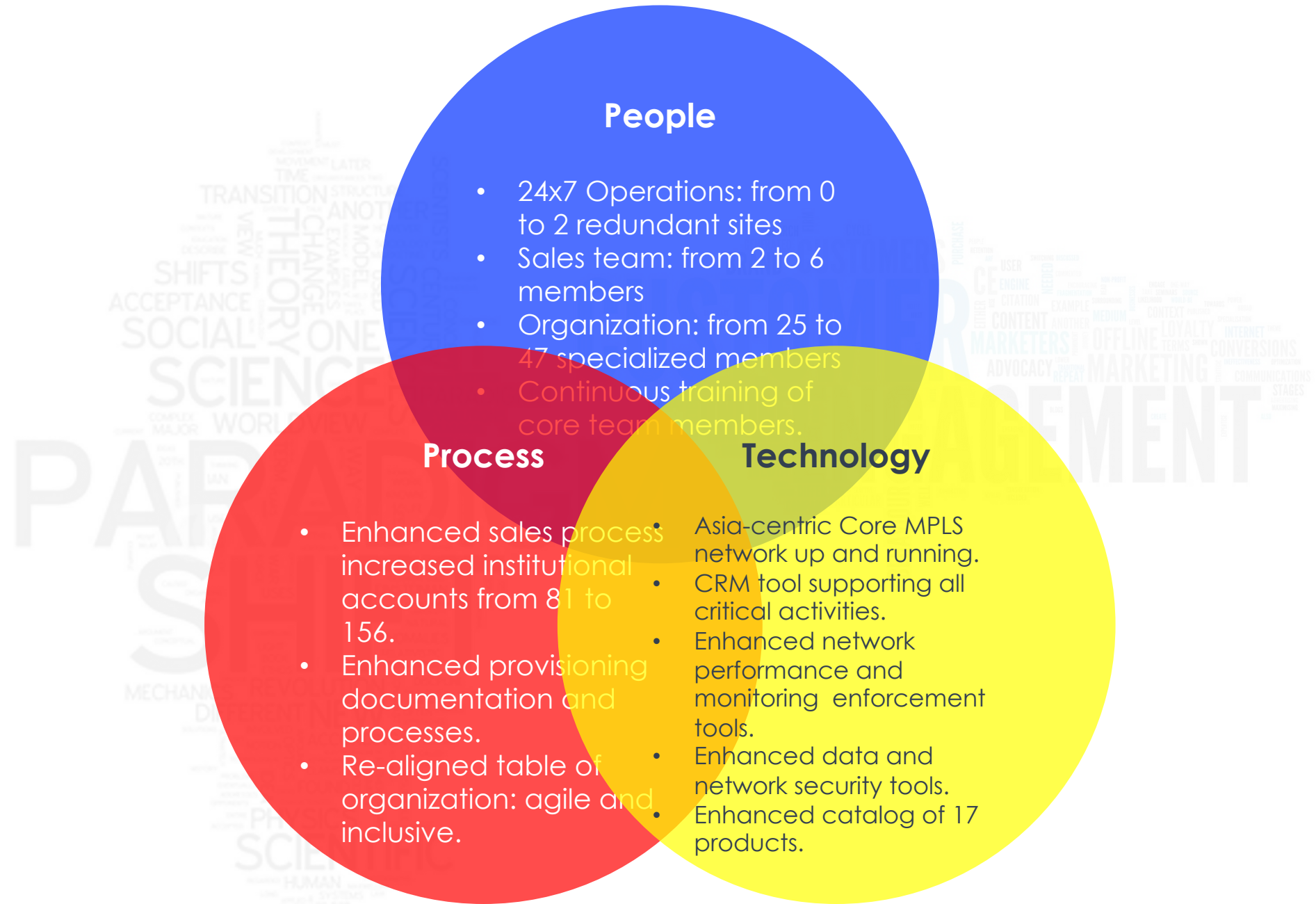


2017

Service Framework and Roadmap



2017 Business Performance Highlights



Opportunities

- Mobile Devices: platform and device-centric approach
- Growing Asian Markets: bespoke services
- Dispersed Customers: macro economies of scale
- Service Fragmentation: enhanced VAS
- Strategic Partnerships: global service availability

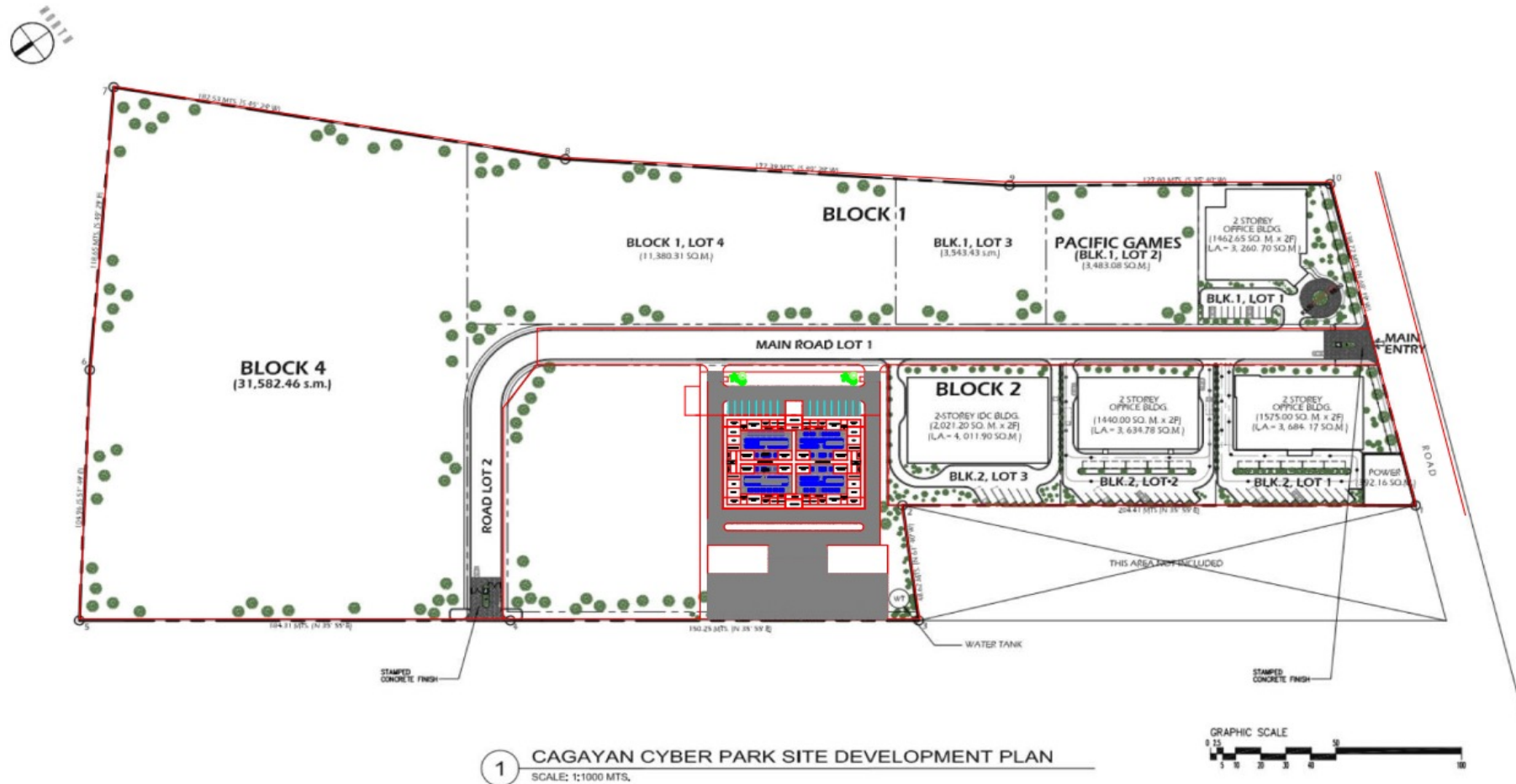


Network Infrastructure

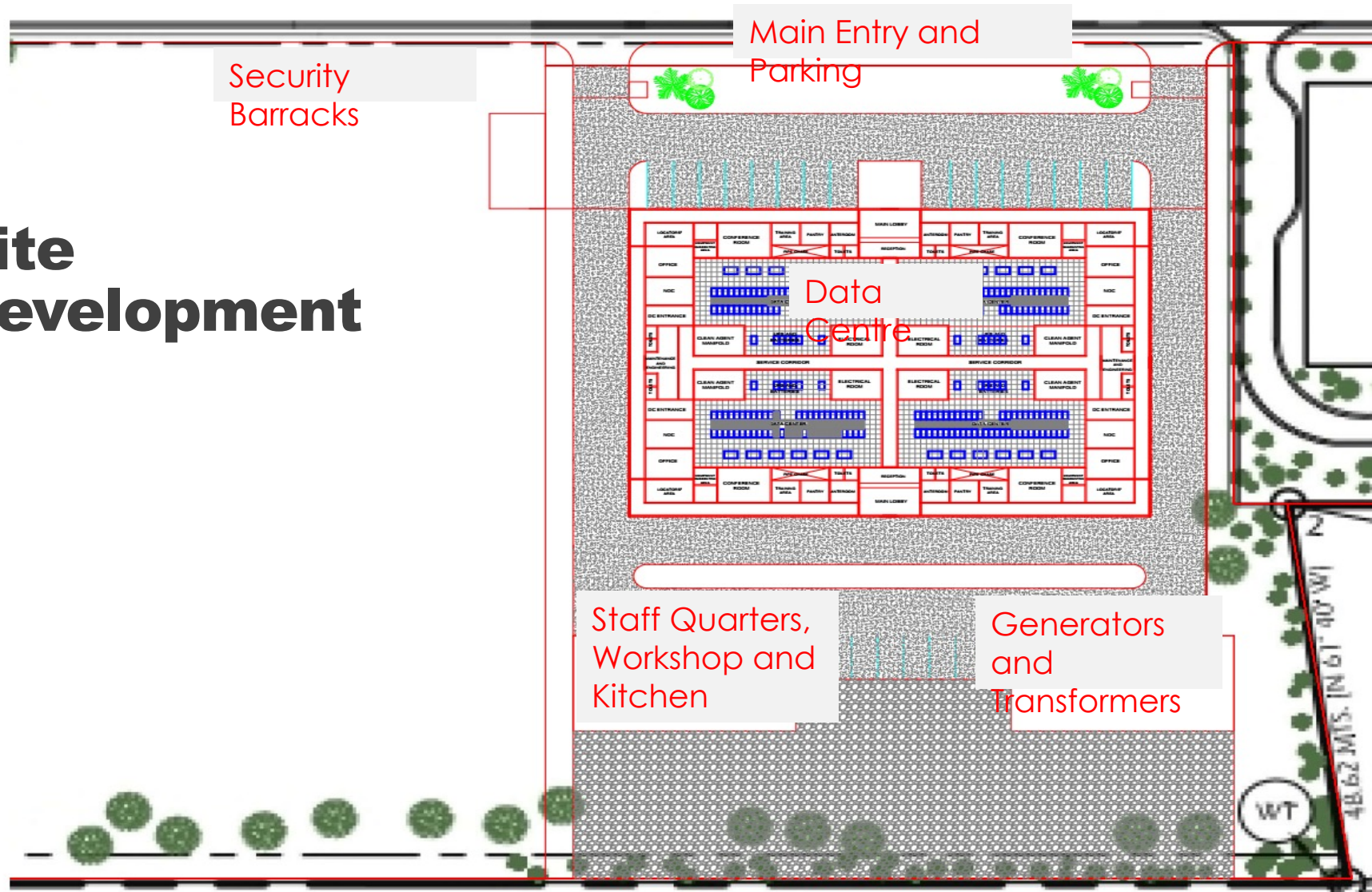
The map illustrates the network infrastructure of the Philippines, highlighting its strategic position as a global data hub. Key features include:

- Submarine Cable Landing Stations:**
 - North:** BALLESTEROS SUBMARINE CABLE LANDING STATION (TGN-IA), STA. ANA, CAGAYAN.
 - West:** LA UNION SUBMARINE CABLE LANDING STATION (AAG).
 - South:** CAVITE SUBMARINE CABLE LANDING STATION, BATANGAS SUBMARINE CABLE LANDING STATION, DAET SUBMARINE CABLE LANDING STATION.
- International Connections:**
 - TO EUROPE:** LONDON, PARIS, DUBLIN, ISLE OF MAN, GIBRALTAR, GUERNSEY, MALTA, LISBON.
 - TO HONG KONG:** HK TO TAIWAN, HK TO CHINA.
 - TO JAPAN:** JAPAN, HONGKONG, SINGAPORE, MALAYSIA.
 - TO TAIWAN:** TAIWAN, HONGKONG, SINGAPORE.
- Data Centers:**
 - CYBERPARK CEZA:** FCC DATA CENTER.
 - MK1:** DATA CENTER.
 - TECH ZONE:** DATA CENTER.
 - RCBC PLAZA:** DATA CENTER.
 - BGC:** DATA CENTER.
 - VITRO:** DATA CENTER.
- Fiber Optic Ring Cable:** A network of fiber optic cables connecting the various landing stations and data centers across the country.

Site Development



Site Development






**Perspective for 50 Racks (Phase
1)**




 **Perspective for 100 Racks
(Phase 1 and 2)**



 **Perspective for 150 Racks (Phase
1, 2 and 3)**



 **Perspective for 200 Racks (Phase
1, 2, 3 and 4)**

Service Catalog

Network Services

1. IP Transit or Global Internet Access (GIA) via Multiprotocol Label Switching (MPLS) and multiple network-to-network-interfaces (NNI) with Tier 1 providers.
2. Domestic Local Loop (DLL)
3. International Private Leased Circuit (IPLC)
4. Direct Routes: bespoke layer 2 or 3 services to Europe, China, Cambodia, Hong Kong, Taiwan, Korea, Malaysia, Japan, and others.
5. Clean Pipe Service: zero backholing of circuits with guaranteed data throughputs.
6. Content Delivery Networks (CDN): CDN to multiple global destinations.
7. Network Performance Enforcer (NPE) service through a Customer-Premise Equipment (CPE) allowing fully-outsourced, off-net, 24x7 network monitoring services for up to layer 7 management. Includes layer 7 DDoS detection and mitigation. Takes the place of 24x7 by 52 weeks of shifting Network Engineers.

Data Center Services

1. Colocation: through multiple high-performance data centers in the Philippines, with options for Disaster Recovery and/or High Availability sites across Asia and Europe.
2. Full looking glass and remote hands services across all data center sites.
3. Infrastructure as a Service: hardware leasing and management services.
4. *Virtual Private Cloud (VPC): dedicated and secure cloud services with local and offshore instances.

Security Services

1. Secure Domain Name Servers (Hardened ANS and recursive DNS): website security and acceleration, protection against DNS poisoning, DNS DDoS, malware and viruses, among others.
2. DDoS Detection and Mitigation: complete on-premise and cloud solution with multiple Tbps and PPS of mitigation capacity.
3. Vulnerability assessment: website scans, code audits, penetration testing, and infrastructure security audits.
4. Anti-phishing, spoofing and website takedown services: mitigation and takedown of fake websites.

Other Services

1. Licensed China TV Box: over 120 channels of licensed content from China, to include live/broadcast TV.
2. Telephony Services: DID, ITFS, VoIP, IVRS, ACD, and others.