COVER SHEET

SEC Registration Number

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COMPANY NAME

ALLIANCE GLOBAL GROUP, INC.
AND SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town)Province)*

7TH FLOOR, 1880 EASTWOOD
AVENUE, EASTWOOD CITY
CYBERPARK,
188 E. RODRIGUEZ JR. AVENUE,
BAGUMBAYAN, QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	Certificate of Permit to Offer Securities for Sale

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
intingdin@ymail.com	709-2038 to 41	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,297	SEPTEMBER 3RD TUESDAY	DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
DINA INTING	intingdin@ymail.com	709-2038 to 41	

Contact Person's Address

7th Floor, 1880 Eastwood Avenue, Eastwood City Cyberpark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City

Note 1: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. *For the quarterly period ended* **March 31, 2016**

2. *SEC Identification Number* **AS093-7946**

3. *BIR Tax Identification No*. **003-831-302-000**

4. *Exact name of issuer as specified in its charter* **ALLIANCE GLOBAL GROUP, INC.**

5. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. (*SEC Use Only)*
   Industry classification code

7. **7th Floor, 1880 Eastwood Avenue, EastwoodCity CyberPark**
   188 E. Rodriguez Jr. Ave., Bagumbayan, 1110 Quezon City
   Address of principal office

8. **(632) 70920-38 to -41**
   Registrant's telephone number, including area code

9. *Securities registered pursuant to Sections 8 and 12 of the SRC, or secs. 4 and 8 of the RSA*

Title of Each Class	*Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding*
Common	**10,269,827,979**

10. *Are any or all of these securities listed on a Stock Exchange?* **Yes, on the Philippine Stock Exchange.**

11. *(a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.*

    (b) AGI has been subject to such filing requirements for the past ninety (90) days.

PART I – FINANCIAL INFORMATION

1. FINANCIAL STATEMENTS

Consolidated Statements of Financial Position
Consolidated Statements of Comprehensive Income
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to Interim Consolidated Financial Statements
Schedule of Financial Soundness Indicators
Aging Schedule of Trade and Other Receivables Under Current Assets

The interim consolidated financial statements (ICFS) have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standard 34, *Interim Financial Reporting*. As such, they do not include all of the information and disclosures required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2015 (ACFS). The accounting policies and methods used in the ICFS are consistent with those applied in ACFS, except for changes brought about by the adoption of new standards that become effective on January 1, 2016 (see Note 2 to the ICFS).

Accounting estimates, assumptions and judgments are used in preparing these statements; and while these are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates (see Note 2).

The ICFS comprise the financial statements of the Company and its subsidiaries, after elimination of material intercompany transactions. In addition, shares of stock of the Company acquired by any of these subsidiaries are recognized as treasury shares and these are presented at cost as a deduction in the consolidated statements of changes in equity. Any changes in their market values as recognized separately by the subsidiaries are likewise eliminated in full. Gain or loss on the sale of these treasury shares is presented as addition to or deduction from additional paid-in capital (APIC).

Business Segments

The Group is organized into four major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, Travellers or RWM, and GADC, which in turn represent the main products and services provided by the Group and the lines of business in which the Group operates, i.e. real estate development and leasing, manufacture and distribution of distilled spirits, tourism-entertainment and gaming and quick-service restaurants operations (see Note 4).

Please refer to Note 1 to the ICFS and ACFS for a comprehensive list of subsidiaries, associates and joint ventures.

2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF INTERIM FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Key Performance Indicators

Presented below are the top five (5) key performance indicators:

In Million Philippine Pesos

	Jan- March 2016	Jan- March 2015	*Growth*
REVENUES	**33,080**	**32,312**	2.38%
NET PROFIT	**5,269**	**5,576**	-5.51%
NET PROFIT TO OWNERS OF AGI	**3,339**	**3,476**	-3.95%
	Mar 31,2016	Dec 31,2015	
TOTAL ASSETS	451,943	448,725	0.72%
CURRENT ASSETS	212,984	225,720	-5.64%
CURRENT LIABILITIES	86,076	89,733	-4.08%
	Q1 2016	Q1 2015	
Net profit rate	15.93%	17.26%	
NP Attributable to parent	10.09%	10.76%	
Return on investment/assets	1.17%	1.35%	
Current ratio	2.47x	2.56x	
Quick ratio	1.25x	1.40x	

- Revenue growth – measures the percentage change in sales/revenues over a designated period of time. Performance is measured both in terms of amount and volume, where applicable.
- Net profit growth – measures the percentage change in net profit over a designated period of time
- Net profit rate– computed as percentage of net profit to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- Return on investment [or capital employed] – the ratio of net profit to total assets - measures the degree of efficiency in the use of resources to generate net income
- Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.

Results of Operations – First Three Months

By Subsidiary groups:

	MEG	EMP	RWM	GADC	Others	TOTAL
2016						
Revenues	11,465	8,928	6,862	5,246	594	33,095
Intercompany	-14				-1	
Consolidated	11,451	8,928	6,862	5,246	593	33,080
% contribution	35%	27%	21%	16%	1%	100%
Costs and expenses	7,971	7,271	5,699	4,963	696	26,600
Intercompany	-7		-7		-2	
Consolidated	7,964	7,271	5,692	4,963	694	26,584
Net profit	2,634	1,405	1,159	191	-121	5,268
Intercompany	-7		7			
Consolidated	2,627	1,405	1,166	191	-121	5,268
% contribution	50%	27%	22%	4%	-3%	100%
Net profit to owners	2,538	1,405	1,160	190	-121	5,172
Intercompany/ adjustment	-838	-260	-638	-97		
Consolidated	1,700	1,145	522	93	-121	3,339
% contribution	50%	34%	16%	3%	-3%	100%
2015						
Revenues	10,471	8,895	7,617	4,782	601	**32,366**
Intercompany	-39	0	0	0	-15	
Consolidated	**10,432**	**8,895**	**7,617**	**4,782**	**586**	**32,312**
% contribution	32%	28%	24%	15%	1.%	100%
Costs and expenses	7,381	7,134	5,866	4,520	640	**25,541**
Intercompany	0	0	0	0	-15	
Consolidated	**7,381**	**7,134**	**5,866**	**4,520**	**625**	**25,526**
Net profit	2,349	1,401	1,745	161	-40	**5,616**
Intercompany	-39	0	0	0		
Consolidated	**2,310**	**1,401**	**1,745**	**161**	**-40**	**5,577**
% contribution	41%	25%	31%	3%	-0.70%	100%
Net profit to owners	**2,259**	**1,401**	**1,745**	**160**	**-40**	**5,525**
Intercompany/ adjustment	**-775**	**-260**	**-933**	**-81**		
Consolidated	**1,484**	**1,141**	**812**	**79**	**-40**	**3,476**
% contribution	43%	33%	23%	2%	-1%	100%
Year-on-year Change						
Revenues	9.78%	0.38%	-9.91%	9.70%	0.94%	
Costs and expenses	7.90%	1.91%	-2.96%	9.82%	10.86%	
Net profit	13.75%	0.26%	-33.13%	18.89%	203.47%	
Net profit to owners	14.55%	0.31%	-35.73%	18.20%	203.41%	

-Amounts are in million Pesos. Numbers may not add up due to rounding off. The above follows grouping of accounts at AGI consolidated level, so revenues and costs and expenses may not tally the totals as separately reported by subsidiaries as there may be items reclassified from/to revenues to/from costs at AGI consolidated level.
-RWM revenues are presented gross of promotional allowance, which are then included under costs and expenses.

Profit and loss accounts:

	2016	2015	Growth
REVENUES			
Sale of goods	17,384	16,446	5.7%
Consumer goods	9,193	8,781	4.69%
Revenues from real estate (RE) sales	8,191	7,665	6.86%
RE sales	6,858	6,239	9.92%
Realized gross profit on RE sales	896	980	-8.57%
Interest income on RE sales	437	446	-2.02%
Rendering of services	14,424	14,878	-3.05%
Gaming	5,573	6,796	-18.00%
Sales by company-operated quick-service restaurant	4,750	4,336	9.55%
Franchise revenues	484	422	14.69%
Rental income	2,408	2,171	10.92%
Other services	1,209	1,153	4.86%
Hotel operations	938	751	24.90%
Other services	271	402	-32.59%
Share in net profits of associates and joint ventures	28	71	-60.56%
Finance and other income	1,243	917	35.55%
TOTAL	33,080	32,312	2.38%
COSTS AND EXPENSES			
Cost of goods sold	11,832	11,114	6.46%
Consumer goods sold	6,384	6,199	2.98%
RE sales	3,862	3,654	5.69%
Deferred gross profit on RE sales	1,586	1,261	25.77%
Cost of services	7,413	7,049	5.16%
Gaming-license fees, promo allowances	2,605	2,704	-3.66%
Services	4,808	4,345	10.66%
Other operating expenses	6,149	5,920	3.87%
Selling and marketing	2,710	2,576	5.20%
General and administrative	3,439	3,344	2.84%
Finance costs and other charges	1,189	1,444	-17.66%
TOTAL	26,584	25,527	4.14%

The Group ended the interim period with revenues growing to P33.08 billion from P32.31 billion a year ago, and resulting in net profit of P5.27 billion from P5.58 billion of a year ago. A total of P3.34 billion of the net profit went to owners this first quarter, as compared to P3.48 billion last year.

All businesses showed positive profitable results and contributions in the interim period, despite the challenges hurdled by the gaming business.

Megaworld, the leading developer of integrated urban townships and the biggest lessor of offices, ended this quarter with 12.13% growth in net profit to P2.63 billion from P2.35 billion a year ago. Revenues, which include Global-Estate Resorts, Inc., Empire East Land Holdings, Inc. and Suntrust Properties, Inc., amounted to P11.46 billion, up 9.49% from P10.47 billion a year ago. Rental business boosted the first quarter growth, with rental revenues soaring to P2.29 billion which is 15.18% higher than P1.99 billion reported a year ago while residential sales continued to climb to P6.86 billion which is 9.91% year-on-year across its 20 integrated townships, high-rise and horizontal projects. The Megaworld-GERI-

Empire East-Suntrust brands shared 60-16-14-10 of real estate sales. Close to 50% of real estate sales came from McKinley Hill, Uptown Bonifacio, Forbestown Center and McKinley West in Taguig City; Westside City in Parañaque City; and Eastwood City in Quezon City, while 16% came from GERI's four townships, namely Boracay Newcoast, Alabang West, Twin Lakes and Sta. Barbara Heights. Empire East's high-rise projects contributed 11% particularly from The Cambridge Village, San Lorenzo Place, Pioneer Woodlands, Kasara Urban Resort and The Rochester Garden, and another 4% came from Megaworld's Makati projects. These operating results brought in 35% and 50% to AGI's consolidated revenues and net profit, respectively.

Emperador marked the first quarter with a significant milestone as it takes over the 286-year old Bodegas Fundador at end-February, making it the largest brandy company in the world. The acquisition fortified EMP's brandy business and sherry wine business in Spain and United Kingdom, adding four iconic brands to the Group's portfolio – 'Fundador Brandy de Jerez', the first Spanish brandy to be marketed; 'Terry Centenario', the largest brandy in Spain; 'Tres Cepas', a market leader in Equatorial Guinea; and 'Harveys', the number 1 selling sherry wine in the world and the leader in UK where it holds the distinction of being the only sherry wine that can be served to the Queen in Buckingham Palace. EMP closed the first quarter with net profit of P1.40 billion, on the back of almost P8.97 billion revenues for a net profit rate of 15.7%. Revenues from the brandy business expanded 19% year-on-year from increase from 'Emperador Brandy' and new products 'Andy Player Whisky' and 'Smirnoff Mule Vodka', which were launched after the first quarter last year, plus the one-month operating results of Bodegas Fundador which was consolidated for the first time beginning March this year. The Scotch whisky segment reported a 31% drop, following the termination of the Russian Standard Vodka distributorship at end-2015 while its international markets gained from new territories especially from USA and Asia. For the first quarter of the year, Emperador group accounted for 27% of AGI's consolidated revenues and net profit.

Travellers reported net profit of P1.16 billion on gross revenues of P6.86 billion with earnings before interest, taxes, depreciation and amortization at P1.40 billion. Gross gaming revenues amounted to P5.57 billion in the first quarter while non-gaming revenues totaled P982 million. Revenues from hotel, food, beverage and others expanded 20.2% while other operating revenues from cinema, theater, parking, laundry and spa grew by 39.6%. Hotel occupancy in the three hotels – Maxims, Marriott and Remington - was above 83% on average. The Marriott Grand Ballroom accounted for 15.7% of non-gaming revenues. Due to appreciation of Peso, there was P268 million foreign currency gains this year which is a complete turnaround from the P59 million foreign currency losses reported a year ago. There was also reduced interest expense as compared to a year ago for the same reason. Direct costs improved slightly due to lower gaming license fees while marketing and promotions increased a little due to increased rebates. The group contributed 21% and 22% of AGI's consolidated revenues and net profit, respectively, in the current quarter.

GADC ended the interim period with total revenues of P5.24 billion, up 9.70% from P4.78 billion for the same period last year. This is primarily due to the opening of 29 new restaurants (11 company-owned, 15 franchised, 3 joint venture), reimaging of 28 existing restaurants, expansion of business extensions (delivery service, drive-thru, dessert centers, midnight hours and breakfast daypart), the introduction of new products (Chicken Fillet ala King, Cheesy Eggdesal); Limited Time Offers Products (McGriddles, Shake Shake Fries, McRib, Dessert campaigns, Chicken muffin, Sweet Ham special), and aggressive advertising and promotional campaigns to support Extra Value Meals (Chicken McDo price reduction, Coke glass), Everyday McSavers (float, sundae, fries, sides), McSaver Meals, Desserts and Breakfast. The new restaurants contributed about 5% to total system sales while business extensions comprise 23% of the total. Drive-thru is the extension which has the biggest contribution of 12% of total revenues. Drive-thru promotions include Lucky Drive and VIP sticker. There were 484 restaurants operating by the end of the interim period, as compared to 461 restaurants a year ago. Systemwide same-store sales grew by 7% year-on-year. Price increases were also strategically implemented in order to mitigate the impact of increase in cost of raw materials and to maintain the level of product quality. Cost of sales and services went up by 9.75%, primarily due to cost of inventory which increased by 8.48% brought about by increase in sales volume, higher prices of imported raw materials and the shift in product mix. These resulted in net profit of P191 million, as compared to P161 million a year ago. The operating results translated into 16% and 4% of the consolidated revenues and net profit of AGI and subsidiaries.

Revenues from sale of goods (real estate, alcoholic beverages and snack products) were up 5.71% as a result of 4.69% and 9.91% increases in sales of consumer goods and real estate, respectively. Emperador sales expanded 3.66% while Pik-Nik sales rose 41.90%. Rendering of services (gaming, hotel, quick-service restaurants, rentals, cinemas) contracted 3.05% from the slowdown in RWM revenues which was partly offset by the growth in Megaworld's rental income and GADC's quick-service restaurants sales of 14.85% and 9.54%, respectively.

Costs and expenses increased by 4.14% year-on-year. Cost of goods sold expanded 6.47% which is attributed to higher sales. Cost of services increased by 5.17% due to higher restaurant sales. Other operating expenses rose 3.87%, primarily due to increased marketing, promotions spending and depreciation at RWM, and salaries and benefits of MEG employees.

Finance and other income swelled by 35.59% this year because the unrealized foreign currency gains of Travellers and Megaworld. **Finance costs and other charges** shrank 17.65% due to lower interest expense by Travellers as well as appreciation of Philippine peso which turned last year's forex losses to forex gains this year for Travellers and Megaworld.

Income tax increased slightly by 1.44% this year as compared to a year ago, which is attributed to Megaworld's higher tax.

Earnings before interest, taxes, depreciation and amortizations (EBITDA), computed as net profit before share in net profits of associates and joint ventures, income taxes, interest expense, depreciation, amortizations and impairment provisions, amounted to P9 billion for both comparable interim periods.

The Group had executed well in the first quarter in spite of the external hurdles.

Financial Condition

Consolidated total assets amounted to P451.94 billion at end of the interim period from P448.72 billion at beginning of year. The Group is strongly liquid with current assets exceeding current liabilities 2.47times. Current assets amounted to P212.98 billion while current liabilities amounted to P86.08 billion at end of the interim period.

Cash and cash equivalents dipped by P11.23 billion or 16.38% to end at P57.36 billion from P68.59 billion at the beginning of the year, primarily due to cash outlaid in the completion of Emperador's acquisition of Bodegas Fundador and the capital expenditures and business expansion of RWM, Megaworld and GADC. Cash flows from operating, financing and investing activities during the period were presented in the interim consolidated statements of cash flows.

Financial assets at FVTPL went down 48.31% or P3.90 billion due to investments sold during the interim period in order to get fresh funds.

Current trade and other receivables fell 6.66% or P3.26 billion due to higher collections from customers and related parties of EMP group. Non-current trade and other receivables, on the other hand, climbed 6.66% or P2.18 billion from real estate customers.

Inventories expanded 5.65% or P4.44 billion from the maturing inventories of Spanish brandy and Scotch whisky and the condominium units for sale.

Other current assets increased 10.53% or P694 million from Megaworld's input vat, Emperador's creditable withholding taxes as well as timing of prepayments and subsequent charging to profit or loss in general.

Available-for-sale financial assets rose 34.59% or P757 million from marked-to-market value changes.

Property, plant and equipment increased 10.50% or P6.96 billion primarily from the assets of the acquired Spanish business unit which include vineyards and buildings; massive constructions at RWM which will add three new hotels and new wing expansion; and new hotel buildings of Megaworld

Intangible assets increased 27.05% or nearly P8.00 billion from the acquired Spanish trademarks and the goodwill resulting in the business unit acquisition.

Other non-current assets dropped 27.37% or P2.70 billion when the P2.85 billion deposit paid last year was applied to the purchase price at completion of Bodegas Fundador's acquisition in February 2016.

Trade and other payables were down 10.81% or P4.21billion primarily due to settlement of year-end accrued expenses and accounts as these fall due.

Income tax payable went up by 40.79% or P257 million due to timing of payment as the annual local taxes are to be settled in April.

Advances from related parties went down by 8.63% or P129 million due to payments made by Megaworld during the interim period.

Retirement benefit obligation increased by 15.58% or P291 million primarily from additions booked by WMG.

The changes in equity components are presented in detail in the consolidated statements of changes in equity. The equity attributable to owners of AGI increased 3.85% or P5.28 billion primarily from net profit share for the interim period and marked-to-market gains on available-for-sale financial assets, which were partly offset by actuarial and translation losses during the interim period. The equity to non-controlling interest increased by 1.81% from net profit share for the interim period.

Liquidity and Capital Resources

The consolidated balance sheet showed strong liquidity with current assets exceeding current liabilities 2.5times. Total-liabilities-to-equity ratio is at 0.9:1. Assets exceeded liabilities 2.1times, and equity 1.9times.

In general, working capital was sourced internally from operations during the period. The Group may also from time to time seek other sources of funding, if necessary, which may include debt or equity financings, depending on its financing requirement and market conditions.

Amounts in Million Pesos	March 31,2016	Dec 31, 2015
Cash and equivalents	57,360	68,594
FVTPL/AFS financial assets	7,118	10,260
Total Available	64,478	78,854
Interest-bearing debt –current	28,682	28,705
Interest-bearing debt- noncurrent	82,140	83,791
Equity-linked securities- non-current*	5,260	5,259
Total debt	116,082	93,308
Net debt	-51,604	-14,454
Available Cash and financial assets to interest-bearing debt	56%	85%%
Interest-bearing debt to total equity	49%	40%

*Presented under Other Non-current liabilities.

Prospects for the future

AGI has a proven track record of creating value over time and is confident in its ability to deliver sustainable profitable growth and value for its stakeholders. AGI remains vigilant on delivering its business goals and intends to continue to adopt prudent measures to ensure financial sustainability. It is always on the lookout for new opportunities that will enhance the overall profitability of the group while maintaining established markets.

Emperador is looking into an exciting future with its much bigger product portfolio of brandy and whisky that have greater global reach. The group is best positioned to capitalize on premiumization opportunities. The completion of the purchase of the brandy and sherry business in Spain in February 2016 marks the birth of the world's biggest brandy company, and a new era begins not only for Emperador and Fundador but for whole brandy and sherry industry in Spain.

Megaworld has a strong roster of townships nationwide that are backed by adequate landbanking and carefully-thought masterplans. Its rental business had been growing exponentially and it targets P11 billion by the end of 2016.

Travellers sees a lot of potential for further growth in spite of increased competition and challenges in the general gaming industry. It continues identify innovative ways to further diversify its business offerings. Expansion projects at RWM are in full swing, with target completion in second half of 2016 and towards end-2016. With the Marriott Grand Ballroom fully operational, the MICE market becomes a key differentiator.

GADC targets to open its 500th store midyear 2016, looking for more innovations to delight customers.

In 2016, all the business segments are expected to sustain their growth trajectory in line with targets and will continue to strengthen their footprints in their fields.

Others

There were no known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have nor anticipate having any cash flow or liquidity problems within the year. AGI and its subsidiaries are not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Company, including any default or acceleration of an obligation. There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

There are no other significant elements of income or loss that did not arise from continuing operations.

There were no other material issuances, repurchases or repayments of debt and equity securities.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

SIGNATURE

Pursuant to the requirements of Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Alliance Global Group, Inc.
Issuer
By:

DINA D.R. INTING
Chief Financial Officer/
Corporate Information Officer/
Principal Accounting Officer
May 12, 2016

ALLIANCE GLOBAL GROUP, INC.
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
March 31, 2016

	3/31/16	12/31/15
Current ratio	2.47	2.52
Quick ratio	1.25	1.40
Liabilities-to-equity ratio	0.90	0.94
Interest-bearing debt to total capitalization ratio	0.44	0.49
Asset-to-equity ratio	1.90	1.94
Interest rate coverage ratio	673%	652%
Net profit margin	15.93%	17.26%
Return on assets	1.17%	1.35%
Return on equity/investment	2.21%	2.49%
Return on equity/investment of owners	3.70%	2.69%

LIQUIDITY RATIOS measure the business' ability to pay short-term debt.
Current ratio - computed as current assets divided by current liabilities
Quick ratio - computed a cash, marketable securities, accounts receivable divided by current liabilities.

SOLVENCY RATIOS measure the business' ability to pay all debts, particularly long-term debt.
Liabilities-to-equity ratio - computed as total liabilities divided by stockholders'equity.
Interest-bearing debt to total capitalization ratio - computed as interest-bearing debt divided by interest-bearing debt + stockholder's equity attributable to controlling interest

ASSET-TO-EQUITY RATIOS measure financial leverage and long-term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders'equity.

INTEREST RATE COVERAGE RATIOS measure the business' ability to meet its interest payments. It is computed as profit before income tax and interest expense ("EBIT") divided by interest.
In the computation, non-recurring gain is excluded from EBIT.

PROFITABILITY RATIOS
Net margin - computed as net profit divided by revenues
Return on assets - net profit divided by total assets
Return on investment - net profit divided by total stockholders' equity
Return on investment of equity owners- net profit divided by equity attributable to ownersof the parent company

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2016 AND DECEMBER 31, 2015
(Amounts in Philippine Pesos)

		March 31, 2016 (UNAUDITED)		December 31, 2015 (AUDITED)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	**P**	**57,359,457,125**	P	68,593,959,027
Trade and other receivables - net		**45,710,415,981**		48,974,257,881
Financial assets at fair value through profit or loss		**4,172,583,904**		8,071,599,462
Inventories - net		**83,073,649,302**		78,630,596,803
Property development costs		**15,382,535,521**		14,858,143,294
Other current assets		**7,285,443,049**		6,591,193,029
Total Current Assets		**212,984,084,882**		225,719,749,496
NON-CURRENT ASSETS				
Trade and other receivables - net		**35,001,215,291**		32,815,736,822
Advances to landowners and joint ventures		**4,699,858,911**		4,593,436,457
Available-for-sale financial assets		**2,945,827,048**		2,188,729,177
Land for future development		**17,401,200,613**		18,115,516,349
Investments in and advances to associates and other related parties		**10,586,896,667**		10,668,198,034
Property, plant and equipment - net		**73,231,560,570**		66,274,228,540
Investment property - net		**49,626,914,268**		48,170,946,188
Intangible assets - net		**37,559,420,382**		29,562,197,769
Deferred tax assets		**741,830,071**		751,558,125
Other non-current assets		**7,164,637,325**		9,864,457,430
Total Non-current Assets		**238,959,361,146**		223,005,004,891
TOTAL ASSETS	**P**	**451,943,446,028**	P	448,724,754,387

		March 1, 2016 (UNAUDITED)		December 31, 2015 (AUDITED)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**34,692,213,966**	P	38,899,002,354
Interest-bearing loans		**28,682,183,851**		28,704,613,782
Income tax payable		**886,929,228**		629,965,773
Other current liabilities		**21,814,705,178**		21,499,813,670
Total Current Liabilities		**86,076,032,223**		89,733,395,579
NON-CURRENT LIABILITIES				
Interest-bearing loans		**28,658,402,915**		29,071,029,819
Bonds payable		**53,481,939,551**		54,719,727,451
Advances from related parties		**1,362,496,283**		1,491,160,829
Retirement benefit obligation		**2,156,903,266**		1,866,100,741
Redeemable preferred shares		**1,948,915,329**		1,929,355,258
Deferred tax liabilities - net		**11,951,507,351**		11,587,737,168
Other non-current liabilities		**28,136,154,615**		27,138,053,551
Total Non-current Liabilities		**127,696,319,310**		127,803,164,817
Total Liabilities		**213,772,351,533**		217,536,560,396
EQUITY				
Equity attributable to owners of the parent company		**142,376,640,536**		137,056,497,134
Non-controlling interest		**95,794,453,959**		94,131,696,857
Total Equity		**238,171,094,495**		231,188,193,991
TOTAL LIABILITIES AND EQUITY	**P**	**451,943,446,028**	P	448,724,754,387

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(Amounts in Philippine Pesos)
(UNAUDITED)

	2016	2015
REVENUES		
Sale of goods	P 17,384,399,440	P 16,445,967,815
Rendering of services	14,424,440,856	14,878,121,593
Share in net profits of associates and joint ventures - net	27,753,103	71,222,523
Finance and other income	1,243,336,828	916,949,671
	33,079,930,227	32,312,261,602
COSTS AND EXPENSES		
Cost of goods sold	11,832,521,465	11,113,555,780
Cost of services	7,412,804,033	7,048,517,017
Other operating expenses	6,149,442,582	5,920,232,821
Finance costs and other charges	1,189,369,005	1,444,281,696
	26,584,137,085	25,526,587,314
PROFIT BEFORE TAX	6,495,793,142	6,785,674,288
TAX EXPENSE	1,226,935,477	1,209,567,839
NET PROFIT	5,268,857,665	5,576,106,449
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified subsequently to profit or loss		
Actuarial gains (losses) on remeasurement of retirement benefit obligation	(243,540,000)	-
Items that will be reclassified subsequently to profit or loss		
Net unrealized fair value gains (losses) on available-for-sale financial assets	2,069,772,341	(652,984,307)
Translation adjustments	(593,155,861)	(172,721,988)
	1,476,616,480	(825,706,295)
TOTAL COMPREHENSIVE INCOME	P 6,501,934,145	P 4,750,400,154
Net profit attributable to:		
Owners of the parent company	P 3,338,726,782	P 3,475,960,417
Non-controlling interest	1,930,130,883	2,100,146,032
	P 5,268,857,665	P 5,576,106,449
Total comprehensive income attributable to:		
Owners of the parent company	P 4,838,492,042	P 2,650,254,122
Non-controlling interest	1,663,442,103	2,100,146,032
	P 6,501,934,145	P 4,750,400,154
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company:		
Basic	P 0.3251	P 0.3426
Diluted	P 0.3269	P 0.3403

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Owners of the Parent Company													
									Retained Earnings					
	Capital Stock	Additional Paid-in Capital	Treasury Shares – at cost	Net Actuarial Losses on Retirement Plan Benefit Plan	Net Fair Value Gains (Losses) on Available-for-Sale Financial Assets	Accumulated Translation Adjustments	Dilution Gain	Share Options	Appropriated	Unappropriated	Total	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2016	P 10,269,827,979	P 34,395,380,979	(P 936,157,074)	(P 71,269,938)	(P 690,503,745)	(P 2,370,232,891)	P 19,980,402,684	P 727,492,290	P 1,990,590,660	P 73,760,966,190	P 75,751,556,850	P 137,056,497,134	P 94,131,696,857	P 231,188,193,991
Transactions with owners:														
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	7,797,571	7,797,571
Change in percentage ownership	-	-	-	-	-	-	-	-	-	481,651,360	481,651,360	481,651,360	(8,482,572)	473,168,788
	-	-	-	-	-	-	-	-	-	481,651,360	481,651,360	481,651,360	(685,001)	480,966,359
Total comprehensive income	-	-	-	(198,485,100)	2,176,571,244	(478,320,884)	-	-	-	3,338,726,782	3,338,726,782	4,838,492,042	1,663,442,103	6,501,934,145
Balance at March 31, 2016	**P 10,269,827,979**	**P 34,395,380,979**	**(P 936,157,074)**	**(P 269,755,038)**	**P 1,486,067,499**	**(P 2,848,553,775)**	**P 19,980,402,684**	**P 727,492,290**	**P 1,990,590,660**	**P 77,581,344,332**	**P 79,571,934,992**	**P 142,376,640,536**	**P 95,794,453,959**	**P 238,171,094,495**
Balance at January 1, 2015	P 10,269,827,979	P 34,395,380,979	(P 936,157,074)	(P 551,140,907)	(P 505,662,807)	(P 1,692,318,460)	P 19,980,402,684	P 577,813,280	P 1,225,000,000	P 63,707,319,305	P 64,932,319,305	P 126,470,464,979	P 91,012,950,893	P 217,483,415,872
Transactions with owners:														
Share-based compensation	-	-	-	-	-	-	-	13,390,995	-	-	-	13,390,995	-	13,390,995
Change in percentage ownership	-	-	-	-	-	-	-	-	-	-	-	-	1,290,067,933	1,290,067,933
	-	-	-	-	-	-	-	13,390,995	-	-	-	13,390,995	1,290,067,933	1,303,458,928
Appropriation of retained earnings	-	-	-	-	-	-	-	-	1,225,000,000	(1,225,000,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	(1,225,000,000)	1,225,000,000	-	-	-	-
Total comprehensive income	-	-	-	-	(652,984,307)	(172,721,988)	-	-	-	3,475,960,417	3,475,960,417	2,650,254,122	2,100,146,032	4,750,400,154
Balance at March 31, 2015	P 10,269,827,979	P 34,395,380,979	(P 936,157,074)	(P 551,140,907)	(P 1,158,647,114)	(P 1,865,040,448)	P 19,980,402,684	P 591,204,275	P 1,225,000,000	P 67,183,279,722	P 68,408,279,722	P 129,134,110,096	P 94,403,164,858	P 223,537,274,954

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THREE MONTHS ENDED MARCH 31, 2016 AND 2015
(Amounts in Philippine Pesos)
(UNAUDITED)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 6,495,793,142	P 6,785,674,288
Adjustments for:		
Interest expense	1,133,025,506	1,229,340,261
Depreciation and amortization	1,116,663,131	1,087,705,923
Interest income	(422,091,743)	(549,293,697)
Unrealized foreign currency losses (gains)	(69,285,221)	14,924,863
Fair value losses (gains) - net	(29,544,314)	(68,540,830)
Share in net profits of associates and joint ventures	(27,753,103)	(71,222,523)
Stock option benefit expense	7,797,571	13,390,955
Unrealized loss on interest rate swap	9,530,842	9,867,089
Net loss (gain) on disposal of property, plant and equipment, investment property and intangible assets	(613,820)	1,449,816
Impairment and other losses	-	18,577,195
Gain on sale of investment in available-for-sale financial assets	-	(1,294,239)
Operating income before working capital changes	8,213,521,991	8,470,579,101
Decrease (increase) in trade and other receivables	946,573,033	(825,453,037)
Decrease (increase) in financial assets at fair value through profit or loss	2,837,953,477	(797,672,250)
Increase in inventories	(1,070,135,587)	(1,063,389,054)
Decrease (increase) in property development costs	(693,790,874)	(706,214,426)
Increase in other current assets	(733,451,694)	(347,771,276)
Increase (decrease) in trade and other payables	(5,584,669,658)	(6,188,599,532)
Increase (decrease) in other current liabilities	314,891,508	(377,670,609)
Increase (decrease) in retirement benefit obligation	43,458,524	(7,858,588)
Increase (decrease) in other non-current liabilities	998,101,064	(128,421,422)
Cash generated from operations	5,272,451,784	(1,972,471,093)
Cash paid for taxes	(557,272,111)	(582,540,804)
Net Cash From (Used in) Operating Activities	4,715,179,673	(2,555,011,897)
Balance carried forward	P 4,715,179,673	(P 2,555,011,897)

	2015	2014
Balance brought forward	P 4,715,179,673	(P 2,555,011,897)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Business unit	(11,850,742,240)	-
Property, plant and equipment and investment property	(4,348,475,320)	(4,709,892,108)
Available-for-sale financial assets	1,031,778,333	(1,200,428,017)
Land for future development	(184,316,451)	(375,732,375)
Other non-current assets	(169,255,218)	(151,044,893)
Investment in associates	-	(1,671,610,388)
Proceeds from:		
Collections of advances from associates and other related parties	169,621,282	253,503,975
Disposal of property, plant and equipment	17,123,918	136,968,306
Interest received	364,516,430	321,383,239
Advances to landowners and joint ventures	(106,422,454)	(484,987,537)
Cash dividends received	94,112,167	-
Additional advances granted to associates and other related parties	(2,025,206)	(9,320,396)
Net Cash Used in Investing Activities	(14,984,084,759)	(7,891,160,194)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest-bearing loans and bonds	(815,442,872)	(2,143,381,566)
Proceeds from interest-bearing loans and bonds	381,216,240	4,929,807,128
Interest paid	(559,312,674)	(266,772,213)
Advances collected and received from related parties	170,829,205	1,635,201,368
Advances granted and paid to related parties	(142,886,715)	(37,813,532)
Net Cash From (Used in) Financing Activities	(965,596,816)	4,117,041,185
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,234,501,902)	(6,329,130,906)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	68,593,959,027	82,058,836,647
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 57,359,457,125	P 75,729,705,741

Supplemental Information on Non-cash Investing and Financing Activities:

In the normal course of business, the Group enters into non-cash transactions such as exchanges or purchases on account of real estate and other assets. Other non-cash transactions include transfers of property from Land for Future Development to Property Development Costs or Investment Property as the property goes through its various stages of development, and acquisitions of various Property, Plant and Equipment on account.

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016
(With Comparative Figures as of December 31, 2015)
(Amounts in Philippine Pesos)
(Unaudited)

1. CORPORATE INFORMATION

Alliance Global Group, Inc. (the Company, Parent Company, or AGI) was registered with the Philippine Securities and Exchange Commission (SEC) on October 12, 1993 and began operations in 1994 as a glass-container manufacturer. On March 12, 1999, it obtained approval from the SEC to broaden its primary business into that of a holding company. Given a wider scope of business, AGI immediately diversified its investment holdings and on April 19, 1999, AGI listed its shares in the Philippine Stock Exchange (PSE). Currently, the Company and its subsidiaries and associates (collectively referred to as the Group) operate businesses in real estate development, tourism-entertainment and gaming, food and beverage, and quick service restaurant under the following entities (see Note 4):

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI **March 2016**	 December 2015
Subsidiaries				
Megaworld and subsidiaries				
Megaworld Corporation	Megaworld	(a)	**67%**	67%
Megaworld Resort Estates, Inc.		(b)	**83%**	83%
Sonoma Premiere Land, Inc.		(c)	**73%**	73%
Megaworld Land, Inc.			**67%**	67%
Prestige Hotels and Resorts, Inc.			**67%**	67%
Mactan Oceanview Properties and Holdings, Inc.			**67%**	67%
Megaworld Cayman Islands, Inc.		(d)	**67%**	67%
Richmonde Hotel Group International Ltd.		(e)	**67%**	67%
Eastwood Cyber One Corporation			**67%**	67%
Megaworld Cebu Properties, Inc.			**67%**	67%
Megaworld Newport Property Holdings, Inc.			**67%**	67%
Oceantown Properties, Inc.			**67%**	67%
Piedmont Property Ventures, Inc.			**67%**	67%
Stonehaven Land, Inc.			**67%**	67%
Streamwood Property, Inc.			**67%**	67%
Suntrust Properties, Inc.			**67%**	67%
Lucky Chinatown Cinemas, Inc.			**67%**	67%
Luxury Global Hotels and Leisures, Inc.			**67%**	67%
Suntrust Ecotown Developers, Inc.			**67%**	67%
Arcovia Properties, Inc.			**67%**	67%
Citywalk Building Administration, Inc.			**67%**	67%
Forbestown Commercial Center Administration, Inc.			**67%**	67%
Paseo Center Building Administration, Inc.			**67%**	67%
Uptown Commercial Center Administration Inc.			**67%**	67%
Global One Integrated Business Services, Inc.			**67%**	67%
Luxury Global Malls, Inc.			**67%**	67%
Davao Park District Holdings Inc.			**67%**	67%
Governor's Hills Science School, Inc.			**67%**	67%
Sunrays Properties Management, Inc.			**67%**	67%
Suntrust One Shanata, Inc.			**67%**	67%
Suntrust Two Shanata, Inc.			**67%**	67%
Belmont Newport Luxury Hotels, Inc.			**67%**	67%
Global One Hotel Group, Inc.			**67%**	67%
Ilo-ilo Center Mall Administration, Inc.			**67%**	67%
Newtown Commercial Center Administration, Inc.			**67%**	67%

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI March 2016	December 2015
Subsidiaries				
Megaworld and subsidiaries				
McKinley Cinemas, Inc.			**67%**	67%
Uptown Cinemas, Inc.			**67%**	67%
Valley Peaks Property Management, Inc.			**67%**	67%
Megaworld Bacolod Properties, Inc.			**62%**	62%
Southwoods Mall Inc.			**61%**	61%
Megaworld Global-Estate, Inc.		(f)	**60%**	60%
Manila Bayshore Property Holdings, Inc.		(g)	**57%**	57%
Twin Lakes Corp.			**56%**	56%
Empire East Land Holdings, Inc.	EELHI		**55%**	55%
Valle Verde Properties, Inc.			**55%**	55%
Empire East Communities, Inc.			**55%**	55%
Sherman Oak Holdings, Inc.			**55%**	55%
Eastwood Property Holdings, Inc.			**55%**	55%
20TH Century Nylon Shirt, Inc.			**55%**	55%
Global-Estate Resorts, Inc.	GERI	(h)	**55%**	55%
Fil-Estate Properties, Inc.			**55%**	55%
Aklan Holdings Inc.			**55%**	55%
Blu Sky Airways, Inc.			**55%**	55%
Fil-Estate Subic Development Corp.			**55%**	55%
Fil-Power Construction Equipment Leasing Corp.			**55%**	55%
Golden Sun Airways, Inc.			**55%**	55%
La Compaña De Sta. Barbara, Inc.			**55%**	55%
MCX Corporation			**55%**	55%
Pioneer L-5 Realty Corp.			**55%**	55%
Prime Airways, Inc.			**55%**	55%
Sto. Domingo Place Development Corp.			**55%**	55%
Fil-Power Concrete Blocks Corp.			**55%**	55%
Fil-Estate Golf and Development, Inc.			**55%**	55%
Golforce, Inc.			**55%**	55%
Fil-Estate Urban Development Corp.			**55%**	55%
Novo Sierra Holdings Corp.			**55%**	55%
Global Homes and Communities, Inc.			**55%**	55%
Southwoods Ecocentrum Corp.			**55%**	55%
Philippine Aquatic Leisure Corp.			**55%**	55%
Megaworld Central Properties, Inc.			**51%**	51%
Townsquare Development, Inc.			**50%**	50%
Golden Panda-ATI Realty Corporation			**50%**	50%
La Fuerza, Inc.			**45%**	45%
Fil-Estate Industrial Park, Inc.			**44%**	44%
Megaworld-Daewoo Corporation			**40%**	40%
Laguna Bel-Air School, Inc.			**40%**	40%
Eastwood Cinema 2000, Inc.			**37%**	37%
Gilmore Property Marketing Associates Inc.			**35%**	35%
Megaworld Globus Asia, Inc.			**34%**	34%
Philippine International Properties, Inc.			**34%**	34%
Sherwood Hills Development Inc.			**30%**	30%
Oceanfront Properties, Inc.			**28%**	28%
Emperador and subsidiaries				
Emperador Inc.	EMP or Emperador		**82%**	82%
Emperador Distillers, Inc.	EDI		**82%**	82%
Emperador International Ltd.	EIL	(e)	**82%**	82%
The Bar Beverage, Inc.			**82%**	82%
Bodega San Bruno, SL	BSB	(i)	**82%**	82%
Bodegas Fundador, SLU	BFS	(i)	**82%**	82%
Emperador Europe SARL	EES	(i)	**82%**	82%
Emperador Asia Pte Ltd.	EA	(i)	**82%**	82%
Grupo Emperador Spain, S.A.	GES	(i)	**82%**	82%
Emperador Holdings (GB) Limited	EGB	(i)	**82%**	82%
Emperador UK Limited	EUK	(i)	**82%**	82%
Whyte and Mackay Group Limited	WMG	(i)	**82%**	82%
Whyte and Mackay Limited	WML	(i)	**82%**	82%
Whyte and Mackay Warehousing Ltd.		(i)	**82%**	82%

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI March 2016	December 2015
Emperador and subsidiaries				
Tradewind Estates, Inc.	TEI	(j)	**82%**	100%
Anglo Watsons Glass, Inc.			**64%**	64%
GADC and subsidiaries				
Golden Arches Development Corporation	GADC		**49%**	49%
Golden Arches Realty Corporation			**49%**	49%
Clark Mac Enterprises, Inc.			**49%**	49%
Advanced Food Concepts Manufacturing, Inc.			**49%**	49%
Onzal Development Corp.			**49%**	49%
Golden Laoag Foods Corporation			**38%**	38%
Davao City Food Industries, Inc.			**37%**	37%
Red Asian Food Solutions			**37%**	37%
First Golden Laoag Ventures			**34%**	34%
Retiro Golden Foods, Inc.			**34%**	34%
McDonald's Anonas City Center			**34%**	34%
McDonald's Puregold Taguig			**29%**	29%
Golden City Food Industries, Inc.			**29%**	29%
McDonald's Bench Building			**27%**	27%
Molino First Golden Foods, Inc.			**26%**	26%
GY Alliance Concepts, Inc.			**19%**	19%
Travellers and Subsidiaries				
Travellers International Hotel Group, Inc.	Travellers	(k)	**47%**	47%
APEC Assets Limited			**47%**	47%
Bright Leisure Management, Inc.			**47%**	47%
Deluxe Hotels and Recreation, Inc.			**47%**	47%
Entertainment City Integrated Resorts & Leisure, Inc.			**47%**	47%
Grand Integrated Hotels and Recreation, Inc.			**47%**	47%
Grand Services, Inc.			**47%**	47%
Grand Venture Management Services, Inc.			**47%**	47%
Lucky Star Hotels and Recreation, Inc.			**47%**	47%
Majestic Sunrise Leisure & Recreation, Inc.			**47%**	47%
Net Deals, Inc.			**47%**	47%
Newport Star Lifestyle, Inc.			**47%**	47%
Royal Bayshore Hotels & Amusement, Inc.			**47%**	47%
FHTC Entertainment & Production, Inc.			**47%**	47%
Bright Pelican Leisure and Production, Inc.	FHTC		**47%**	47%
Golden Peak Leisure and Recreation, Inc.			**47%**	47%
Westside City Resorts World, Inc.	WCRWI	(l)	**47%**	47%
Purple Flamingos Amusement and Leisure Corporation			**47%**	47%
Red Falcon Amusement and Leisure Corporation			**47%**	47%
Agile Fox Amusement and Leisure Corporation			**47%**	47%
Aquamarine Delphinium Leisure and Recreation, Inc.			**47%**	47%
Brilliant Apex Hotels and Leisure Corporation			**47%**	47%
Coral Primrose Leisure and Recreation Corporation			**47%**	47%
Lucky Panther Amusement and Leisure Corporation			**47%**	47%
Luminescent Vertex Hotels and Leisure Corporation			**47%**	47%
Magenta Centaurus Amusement and Leisure Corporation			**47%**	47%
Sapphire Carnation Leisure and Recreation Corporation			**47%**	47%
Scarlet Milky Way Amusement and Leisure Corporation			**47%**	47%
Sparkling Summit Hotels and Leisure Corporation			**47%**	47%
Valiant Leopard Amusement and Leisure Corporation			**47%**	47%

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI **March 2016**	 December 2015
Travellers and subsidiaries				
Vermillion Triangulum Amusement and Leisure Corporation			**47%**	47%
Westside Theatre Inc.			**47%**	47%
Corporate and Others				
New Town Land Partners, Inc.	NTLPI		**100%**	100%
Great American Foods, Inc.		(m)	**100%**	100%
McKester America, Inc.		(m)	**100%**	100%
Alliance Global Brands, Inc.			**100%**	100%
McKester Pik-nik International Limited	MPIL	(e)	**100%**	100%
Venezia Universal Ltd.		(e)	**100%**	100%
Travellers Group Ltd.		(e)	**100%**	100%
Alliance Global Group Cayman Islands, Inc.		(d)	**100%**	100%
Greenspring Investment Holdings Properties, Inc.		(e)	**100%**	100%
Shiok Success International, Ltd.		(e)	**100%**	100%
Dew Dreams International, Ltd.		(e)	**100%**	100%
First Centro, Inc.	FCI		**100%**	100%
Oceanic Realty Group International, Inc.			**100%**	100%
ERA Real Estate Exchange, Inc.			**100%**	100%
Global One Real Estate Spain, SAU		(t)	**100%**	100%
Adams Properties, Inc.			**60%**	60%
Associates				
Bonifacio West Development Corporation			**31%**	31%
Suntrust Home Developers, Inc.	SHDI		**29%**	29%
First Oceanic Property Management, Inc.		(n)	**29%**	29%
Citylink Coach Services, Inc.		(n)	**29%**	29%
Palm Tree Holdings and Development Corporation			**27%**	27%
Boracay Newcoast Hotel Group, Inc.			**25%**	25%
Fil-Estate Network, Inc.			**11%**	11%
Fil-Estate Sales, Inc.			**11%**	11%
File-Estate Realty and Sales Associates, Inc.			**11%**	11%
Fil-Estate Realty Corp.			**11%**	11%
Pacific Coast Mega City, Inc.			**11%**	11%
Nasugbu Properties, Inc.			**8%**	8%
Jointly Controlled Entities				
Front Row Theatre Management, Inc.		(o)	**50%**	50%
Bodegas Las Copas, SL	BLC	(p)	**41%**	41%

Explanatory notes:

(a) AGI's effective ownership interest is derived from its 44% direct ownership and 3% direct holdings of FCI, 18% direct holdings of NTLPI and 2% holdings of other subsidiaries

(b) AGI and Megaworld directly owns 49% and 51%, respectively

(c) A subsidiary of AGI through 60% and 40% direct ownership of EELHI and FCI, respectively

(d) Foreign subsidiaries operating under the laws of the Cayman Islands

(e) Foreign subsidiaries operating under the Business Companies Act of the British Virgin Islands (BVI)

(f) A subsidiary of AGI through 60% and 40% direct ownership of GERI and Megaworld, respectively

(g) A subsidiary of AGI through 50/50 ownership of Travellers and Megaworld

(h) AGI's effective ownership interest represents its indirect holdings through Megaworld, which owns 82% of GERI.

(i) Subsidiaries under EIL. EA is operating under the laws of Singapore while GES and its subsidiaries BSB and BFS are operating under the laws of Spain. EES is operating under the laws of Luxembourg. EGB (the ultimate UK parent) is operating under the laws of England and Wales. EUK, WMG, WML and WMWL are operating under the laws of Scotland. EA, EES and EGB are direct subsidiaries of EIL.

(j) In March 2016, AGBI sold its 100% ownership over TEI to EMP; hence, the Company's effective ownership decreased to 82%.

(k) Travellers' common shares are directly owned 25% by AGI, 3% by FCI, 2% by Megaworld, 46% by Adams, 24% by Genting Hongkong Limited (GHL) and 10% by the public.

(l) Effective ownership is through 1% direct ownership, 45% through 95% ownership of Travellers and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(m) Foreign subsidiaries of MPIL operating under the laws of United States of America
(n) Subsidiaries of SHDI, an associate of Megaworld
(o) A joint venture through FHTC
(p) A foreign joint venture under GES and operating under the laws of Spain

The Company, its subsidiaries, associates and jointly controlled entities are incorporated and operating in the Philippines, except for such foreign entities as identified in the preceding table (see explanatory notes d, e, i, m and p above and in the preceding page). The principal activities of the Group are further described in Note 4.

AGI's shares of stock and those of Megaworld, EMP, Travellers, GERI, EELHI and SHDI are listed in and traded through the PSE.

The Company's registered office and primary place of business is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

The Board of Directors (BOD) approved on May 11, 2016, the release of the interim consolidated financial statements (ICFS) of the Group for the three months ended March 31, 2016 (including the comparative financial statements as of December 31, 2015 and for the three months ended March 31, 2015).

2. BASIS OF PREPARATION OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These ICFS have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Philippine Financial Reporting Standards (PFRS), and should be read in conjunction with the Group's audited consolidated financial statements (ACFS) as at and for the year ended December 31, 2015.

The ICFS are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the ICFS of the Group are measured using the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

The preparation of the Group's ICFS in accordance with PFRS requires management to make judgments and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

The presentation of the ICFS is consistent with the most recent ACFS presentation, except for the amendments introduced by the new accounting standards mentioned in Note 3. Certain accounts in the 2015 interim consolidated statement of comprehensive income were reclassified to conform with the 2015 ACFS presentation.

The Group presents all items of income and expense in a single consolidated statement of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation used in the preparation of these ICFS are consistent with those applied in the ACFS as at and for the year ended December 31, 2015 except for the application of standards that became effective on January 1, 2016.

(a) Effective in 2016 that are Relevant to the Group

In 2016, the Group adopted for the first time the following amendments and annual improvements to PFRS that are relevant to the Group and effective for financial statements with annual period beginning on or after January 1, 2016 which did not have a significant impact on the Group's ICFS (see Note 2.3(b) in 2015 ACFS):

Amendments		
PAS 1 (Amendment)	:	Presentation of Financial Statements – Disclosure Initiative
PAS 16 and PAS 38 (Amendments)	:	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation
PAS 16 and PAS 41 (Amendments)	:	Property, Plant and Equipment and Agriculture – Bearer Plants
PAS 27 (Amendment)	:	Separate Financial Statements – Equity Method in Separate Financial Statements
PAS 28 (Amendment)	:	Investments in Associates and Joint Ventures – Investment Entities – Applying the Consolidation Exception
PFRS 11 (Amendment)	:	Joint Arrangements – Accounting for Acquisition of Interest in Joint Operations
Annual Improvements to PFRS (2012-2014) Cycle		
PFRS 7 (Amendment)	:	Financial Instruments – Disclosures
PAS 19 (Amendment)	:	Employee Benefits
PAS 34 (Amendment)	:	Interim Financial Reporting

(b) Effective in 2016 that are not Relevant to the Group

PFRS 14, *Regulatory Deferral Accounts* and amendment to PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* are mandatory for accounting periods beginning on or after January 1, 2016 but are not relevant to the Group's ICFS.

(c) Effective Subsequent to 2016 but are not Adopted Early

PFRS 9 (2014), *Financial Instruments,* is mandatory for accounting periods beginning on or after January 1, 2018. Management is currently assessing the impact of this standard on the Group's consolidated financial statements and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

4. SEGMENT INFORMATION

4.1 Business Segments

The Group is organized into major business segments, which are the major subsidiaries of the Group. These represent the main products and services provided by the Group and the line of business in which the Group operates. Presented below is the basis of the Group in reporting its primary segment information.

(a) The *Megaworld* segment consists of development of real estate, integrated resorts, leasing of properties and hotel operations business which is primarily undertaken by Megaworld Corporation and subsidiaries, the Group's forerunner in the real estate industry.

(b) The *Travellers* segment relates to tourism-oriented business that integrates entertainment, hospitality and leisure, including gaming, as that of Resorts World Manila, which is operated by Travellers International Hotel Group, Inc. and subsidiaries.

(c) The *GADC* segment refers to operations of McDonald's restaurants in the Philippines in accordance with the franchise agreement between GADC and McDonald's Corporation, USA.

(d) The *Emperador* segment refers to the manufacture and distribution of distilled spirits, including the production of glass containers, which is undertaken by Emperador Inc. and subsidiaries.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment, intangible assets and investment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables, interest-bearing loans and bonds payable.

4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

4.4 Analysis of Segment Information

Segment information can be analyzed as follows for three months ended March 31, 2016 and 2015.

	For the three months ended March 31, 2016 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES					
Sales to external customers	P 10,824,404,179	P 6,554,742,587	P 5,234,107,495	P 8,861,012,809	P 31,474,267,070
Intersegment sales	13,517,538	(451,751)	-	-	13,065,787
Finance and other revenues	627,033,885	307,379,547	11,772,607	67,358,352	1,013,544,391
Segment revenues	11,464,955,602	6,861,670,383	5,245,880,102	8,928,371,161	32,500,877,248
Cost of sales and expenses excluding depreciation and amortization	(7,244,459,288)	(5,146,986,954)	(4,650,972,385)	(6,965,121,218)	(24,007,539,845)
	4,220,496,314	1,714,683,429	594,907,717	1,963,249,943	8,493,337,403
Depreciation and amortization	(274,196,345)	(408,575,166)	(265,987,283)	(142,592,772)	(1,091,351,566)
Finance cost and other charges	(445,415,198)	(136,284,391)	(46,525,375)	(163,102,325)	(791,327,289)
Profit before tax	3,500,884,771	1,169,823,872	282,395,059	1,657,554,846	6,610,658,548
Tax expense	(860,192,358)	(3,603,515)	(91,424,470)	(252,995,693)	(1,208,216,036)
SEGMENT PROFIT	**P 2,640,692,413**	**P 1,166,220,357**	**P 190,970,589**	**P 1,404,559,153**	**P 5,402,442,512**
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 259,636,330,939	P 69,399,536,094	P 13,501,411,121	P 95,846,559,275	P 438,383,837,429
Segment liabilities	105,950,496,961	25,208,984,981	8,416,204,045	38,950,394,768	178,526,080,755

	For the three months ended March 31, 2015 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES					
Sales to external customers	P 9,962,035,299	P 7,576,725,651	P 4,758,169,047	P 8,778,621,788	P 31,075,551,785
Intersegment sales	39,791,847	-	-	-	39,791,847
Finance and other revenues	469,312,574	40,658,636	23,648,798	116,193,336	649,813,344
Segment revenues	10,471,139,720	7,617,384,287	4,781,817,845	8,894,815,124	31,765,156,976
Cost of sales and expenses excluding depreciation and amortization	(6,640,887,506)	(5,168,147,893)	(4,233,404,597)	(6,842,099,783)	(22,884,539,779)
	3,830,252,214	2,449,236,394	548,413,248	2,052,715,341	8,880,617,197
Depreciation and amortization	(264,333,882)	(323,857,136)	(245,566,744)	(151,092,752)	(984,850,514)
Finance cost and other charges	(475,568,472)	(373,539,858)	(40,872,112)	(141,268,605)	(1,031,249,047)
Profit before tax	3,090,349,860	1,751,839,400	261,974,392	1,760,353,984	6,864,517,636
Tax expense	(741,265,569)	(7,111,956)	(101,340,516)	(359,479,691)	(1,209,197,732)
SEGMENT PROFIT	P 2,349,084,291	P 1,744,727,444	P 160,633,876	P 1,400,874,293	P 5,655,319,904
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 230,857,383,819	P 65,135,446,866	P 12,265,868,941	P 87,563,581,112	P 395,822,280,738
Segment liabilities	86,664,398,542	23,785,755,938	7,813,893,526	35,225,890,489	153,489,938,495

4.5 Reconciliations

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its ICFS.

	March 31, 2016 (Unaudited)	March 31, 2015 (Unaudited)
Revenues		
Total segment revenues	**P 32,500,877,248**	P 31,765,156,976
Unallocated corporate revenue	**592,118,766**	586,896,473
Elimination of intersegment revenues	**(13,065,787)**	(39,791,847)
Revenues as reported in interim consolidated profit or loss	**P 33,079,930,227**	P 32,312,261,602
Profit or loss		
Segment operating profit	**P 5,402,442,514**	P 5,655,319,904
Unallocated corporate profit (loss)	**(120,519,062)**	39,421,608
Elimination of intersegment revenues	**(13,065,787)**	(39,791,847)
Profit as reported in interim consolidated profit or loss	**P 5,268,857,665**	P 5,654,949,665

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Assets		
Segment assets	**P 438,383,837,429**	P 430,656,017,547
Unallocated corporate assets	**13,559,608,598**	18,068,736,840
Total assets reported in the consolidated statements of financial position	**P 451,943,446,027**	P 448,724,754,387
Liabilities		
Segment liabilities	**P 178,526,080,755**	P 179,310,481,810
Unallocated corporate liabilities	**35,246,270,777**	38,226,078,586
Total liabilities reported in the consolidated statements of financial position	**P 213,772,351,532**	P 217,536,560,396

Concentration of revenue is considered when at least 10% of total segment revenue is generated from a single customer. There is no concentration of the Group's revenue in a single customer as the 10% threshold has not been met in any of the years presented.

5. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment as at March 31, 2016 and December 31, 2015 are shown below.

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Cost	**P 96,819,734,604**	P 88,951,168,007
Accumulated depreciation	**(23,588,174,034)**	(22,676,939,467)
Net carrying amount	**P 73,231,560,570**	P 66,274,228,540

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting periods is shown below.

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Balance at beginning of period net of accumulated depreciation	**P 66,274,228,540**	P 54,218,737,647
Property, plant and equipment of newly acquired business units	**4,719,112,154**	-
Additions	**2,698,437,734**	14,382,580,862
Depreciation charges for the period	**(911,234,567)**	(3,309,974,906)
Disposals	**(16,510,098)**	(203,359,592)
Effect of foreign currency adjustment	**-**	9,308,149
Impairment loss - reversal	**-**	1,877,430
Reclassifications	**467,526,807**	1,175,058,950
Balance at end of period net of accumulated depreciation and impairment loss	**P 73,231,560,570**	P 66,274,228,540

6. INVESTMENT PROPERTY

The Group's investment property includes several parcels of land, building and improvements which are held for investment purposes only, either to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation of investment property at the end of the reporting periods are shown below.

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Cost	**P 56,048,843,404**	P 54,361,605,907
Accumulated depreciation	**(6,421,929,136)**	(6,190,659,719)
Net carrying amount	**P 49,626,914,268**	P 48,170,946,188

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting periods is shown below.

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Balance at beginning of period net of accumulated depreciation	**P 48,170,946,188**	P 37,742,292,122
Additions	**1,650,037,586**	12,896,131,534
Depreciation charges for the period	**(231,269,417)**	(1,258,572,318)
Reclassifications – net	**37,199,911**	(1,175,058,950)
Disposals	**-**	(33,846,200)
Balance at end of period net of accumulated depreciation	**P 49,626,914,268**	P 48,170,946,188

7. DIVIDENDS

There were no dividends declared and paid by the Company for the three months period ended March 31, 2016.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

	March 31, 2016 (Unaudited)		March 31, 2015 (Unaudited)	
Basic:				
Net profit attributable to owners of the parent company	**P**	**3,338,726,782**	P	3,475,960,417
Divide by the weighted average number of outstanding common shares		**10,269,827,979**		10,146,863,779
	P	**0.3251**	P	0.3426
Diluted:				
Net profit attributable to owners of the parent company	**P**	**3,338,726,782**	P	3,475,960,417
Divide by the weighted average number of outstanding common shares		**10,312,620,461**		10,213,884,612
	P	**0.3269**	P	0.3403

As at March 31, 2016 and 2015, there are 105.6 million and 66.2 million potentially dilutive shares, respectively, from the Company's Executive Stock Option Plan. However, such number of dilutive shares has no significant effect on the weighted average number of outstanding common shares and, consequently has no material effect on the 2016 and 2015 diluted EPS.

9. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, jointly controlled entities, the Group's key management personnel and retirement fund, and others as described below. The summary of the Group's transactions with its related parties for the periods ended March 31, 2016 and 2015, and the related outstanding balances as at March 31, 2016 and December 31, 2015 are as follows:

		Amount of Transaction				Outstanding Balance			
Related Party Category	Notes		**March 31, 2016 (Unaudited)**		March 31, 2015 (Unaudited)		**March 31, 2016 (Unaudited)**		December 31, 2015 (Audited)
Subsidiaries' stockholders:									
Casino transactions	9.2	**P**	**51,726,406**	P	1,235,960,365	**P**	**93,376,721**	P	31,319,430
Incidental rebate charges	9.2		**-**		155,272,747		**142,625,732**		142,750,108
Management fees	9.3		**82,949,956**		154,206,453		**10,138,676**		44,043,669
Accounts payable	9.5		**2,500,000**		-		**380,670,512**		378,170,512
Redeemable preferred shares	9.7		**-**		-		**690,927,429**		671,367,358
Issuance of equity-linked securities	9.8		**-**		-		**5,280,000,000**		5,280,000,000

Related Party Category	Notes	Amount of Transaction March 31, 2016 (Unaudited)	Amount of Transaction March 31, 2015 (Unaudited)	Outstanding Balance March 31, 2016 (Unaudited)	Outstanding Balance December 31, 2015 (Audited)
Related party under common ownership:					
Purchase of raw materials	9.1	**P 590,813,704**	P 1,009,905,833	**P 1,031,669,149**	P 1,200,024,526
Purchase of imported goods	9.1	**1,864,102**	698,657	**-**	207,002
Advances granted	9.4	**(27,378,970)**	(253,503,975)	**2,663,740,400**	2,691,119,370
Associates –					
Advances granted	9.4	**(33,756,657)**	9,320,396	**1,289,577,034**	1,280,778,127
Others:					
Accounts receivable	9.5	**(106,460,447)**	(1,650,871,795)	**166,668,904**	273,130,005
Accounts payable	9.5	**(154,107,036)**	(17,050,997)	**206,266,336**	52,159,300
Advances from joint venture partners and others	9.6	**(128,664,546)**	(12,432,962)	**1,362,496,283**	1,491,160,829

9.1 Purchase of Goods

Emperador imports raw materials such as alcohol, flavorings and other items through Andresons Global, Inc. (AGL). There are also finished goods purchased from Consolidated Distillers, Inc. (Condis) and through AGL. These transactions are payable within 30 days.

Emperador also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly owned subsidiary of BLC.

The outstanding liability related to these purchases is presented as part of Trade payables under Trade and Other Payables account in the interim consolidated statements of financial position.

9.2 Joint Co-operation Agreement with Genting Hongkong, Ltd. (GHL)

Travellers and GHL have a joint co-operation agreement whereby GHL handles the promotion of Travellers' casinos and will bring patrons to play in the casinos. As a consideration for such services, Travellers pays GHL an amount equivalent to a certain percentage of net turnovers.

Incidental rebate charges arising from this transaction are presented as part of Advertising and promotions under the Other Operating Expenses account in the interim consolidated statements of comprehensive income. The outstanding balances of payables are presented as part of Trade payables under the Trade and Other Payables account in the interim consolidated statements of financial position.

Travellers also recognized outstanding receivables from GHL representing show money received by GHL from foreign patrons which GHL will later remit to Travellers. The outstanding balances of receivables are presented as part of Trade receivables under Trade and Other Receivables account in the interim consolidated statements of financial position.

9.3 Operations and Management Agreement with GHL

Some of Travellers' administrative functions are being handled by certain key officers and employees under the management of GHL as agreed by both parties under the Operations and Management Agreement. Management fees are presented as part of Management fees under the Other Operating Expenses account in the interim consolidated statements of comprehensive income. The outstanding liability arising from this transaction is presented as part of Accrued expenses under the Trade and Other Payables account in the interim consolidated statements of financial position.

9.4 Advances to Associates and Other Related Parties

Entities within the Group grant advances to associates and other entities for working capital purposes. These advances to associates and other related parties are unsecured, noninterest-bearing and repayable upon demand. Settlement is generally made in cash or through offsetting arrangements. The outstanding balances of Advances to associates and other related parties, which are shown as part of Investments in and Advances to Associates and Other Related Parties account in the consolidated statements of financial position, and movement of the account are presented as follows (these mainly represent advances granted by Megaworld):

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Balance at beginning of year	**P 3,971,897,497**	P 2,415,056,035
Cash advances granted	**-**	1,557,034,759
Collections	**(14,580,063)**	(193,297)
Balance at end of year	**P 3,957,317,434**	P 3,971,897,497

As at March 31, 2016 and December 31, 2015, based on management's assessment, the outstanding balances of advances to associates and other related parties are not impaired; hence, no impairment losses were recognized.

9.5 Due from/to Related Parties

Transactions with related parties include the following: financing of opening of letters of credit and payment of progress billing, royalty fees, rentals, interest and certain expenses in behalf of the entities within Group or other related parties. The amounts due from and to related parties are unsecured, noninterest-bearing and due and demandable any time. Settlement is generally made in cash or through offsetting arrangements. As at March 31, 2016 and December 31, 2015, based on management's assessment, the outstanding balances of advances to associates and other related parties are not impaired; hence, no impairment losses were recognized.

The details of the Due from/to Related Parties are presented under Trade and Other Receivables and Trade and Other Payables accounts, respectively, in the consolidated statements of financial position as follows:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Due from Related Parties		
Balance at beginning of year	**P 273,130,005**	P 1,833,035,771
Additions	**2,025,206**	200,760,828
Collections	**(108,486,307)**	(1,760,666,594)
Balance at end of year	**P 166,668,904**	P 273,130,005
Due to Related Parties		
Balance at beginning of year	**P 430,329,812**	P 594,494,823
Additions	**170,829,205**	55,545,720
Repayments	**(14,222,169)**	(219,710,731)
Balance at end of year	**P 586,936,848**	P 430,329,812

9.6 Non-current Advances from Related Parties

Certain expenses of entities within the Group are paid for by other related parties. The advances are unsecured, noninterest-bearing, with no repayment terms, and generally payable on cash or through offsetting arrangements. Due to Joint Venture (JV) partners pertain to the share of JV partners in the proceeds from the sale in accordance with various JV agreements entered into by GERI. Total outstanding balance of the accounts is presented as Advances from Related Parties account in the interim consolidated statements of financial position.

Details of Advances from Related Parties are presented as follows:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Advances from related parties	**P 852,694,849**	P 981,359,395
Advances from JV partners	**509,801,434**	509,801,434
	P1,362,496,283	P1,491,160,829

9.7 Redeemable Preferred Shares

This pertains to preferred shares issued by GADC in March 2005 to MRO.

9.8 Equity-linked Debt Securities

In 2014, EMP issued equity-linked debt securities (ELS) instrument to a Arran Investment Private Limited amounting to P5.3 billion, with outstanding amount presented as Equity-linked debt securities under Other Non-current Liabilities account in the interim consolidated statements of financial position. The ELS may be converted into 480.0 million common shares of EMP with a par value of P1.0 per share. The ELS bears fixed annual interest rate of 5.0% and variable interest in an amount equal to the dividends that would be payable on the conversion shares if they were issued prior to the date that any dividend is declared by EMP.

9.9 Transactions with the Retirement Plans

The Group has a formal retirement plan established separately for each significant subsidiary, particularly Megaworld, GERI, GADC, EDI and WML. These plans are defined benefit post-employment plan maintained for qualified employees, administered and managed by trustee banks (except for GERI which is still an unfunded plan).

Unit investment trust fund and equity and debt securities, which are included as plan assets under the fund consist of investments in corporations listed in the PSE. The retirement fund neither provides any guarantee or surety for any obligation of the Group. The retirement fund also does not have any investments in the Group's shares of stock.

10. COMMITMENTS AND CONTINGENCIES

10.1 Tax Contingencies of Travellers' Casino Operations

Under the Provisional License Agreement with PAGCOR, Travellers is subject to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues. The license fees are directly remitted by Travellers to PAGCOR as required under the Provisional License Agreement.

Sections 13.2(a) and (b) of Presidential Decree (P.D.) No. 1869, as amended, otherwise known as the PAGCOR Charter, grants PAGCOR an exemption from tax of any kind or form, income or otherwise, as well as fees, charges or levies of whatever nature, whether National or Local, except for the 5% franchise tax on gross revenue or earnings derived by PAGCOR from its operation under its franchise.

The PAGCOR Charter further provides that the tax exemption granted to PAGCOR shall inure to the benefit of and extend to entities with whom PAGCOR has any contractual relationship in connection with the operation of casinos. Pursuant thereto, the Provisional License Agreement entered into by Travellers with PAGCOR included a provision on license fees in lieu of all taxes with reference to the income component of the gross gaming revenues.

In April 2013, however, the BIR issued RMC 33-2013 which clarified that PAGCOR, its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended.

In May 2014, PAGCOR issued Guidelines for a 10% Income Tax Allocation (ITA) measure whereby, effective April 1, 2014, the 25% and 15% license fees were effectively reduced to 15% and 5%, respectively, inasmuch as 10% of the license fees was allocated for income tax on gaming, subject to quarterly and annual true-up mechanisms obliging the licensees to remit to PAGCOR any savings from the excess of the 10% ITA over the actual income tax paid on the gaming revenues.

The ITA measure ceases to be effective and the license fees shall automatically revert to the 25% and 15% rates indicated in the Provisional License Agreement should any of the following circumstances occur:

(a) The BIR ceases to impose income tax on the licensees, or deletes the provision of RMC 33-2013 which imposes income tax on the licensees;

(b) A court restrains or enjoins the BIR from implementing the provisions of RMC 33-2013 which imposes income tax on licensees, during the effectivity of such restraining order or injunction. In the event the court withdraws the temporary restraining order (TRO), or if the TRO expires and is not extended, the 10% ITA shall automatically be reinstated;

(c) A court, by final and executory judgment, nullifies the provision of RMC 33-2013 which imposes income tax on the licensees;

(d) The Philippine Congress amends or revokes the imposition of corporate income tax on PAGCOR and its contractees and licensees; or,

(e) Recognition of Entertainment City as a special economic and/or tourism zone with special fiscal incentives for its locators resulting in the same effect as paragraph (d) above.

The 10% ITA measure is in keeping with the true spirit and intent of the terms of the Provisional License Agreement insofar as the license fees are intended and contemplated to be in lieu of all taxes with reference to the income component of the gross gaming revenues while preserving at the same time the financial benefits of the Provisional License Agreement for the Philippine Government. It is neither intended to modify, amend or revise the Provisional License Agreement, specifically Article IV Section 20 on License Fees, nor is it an admission by PAGCOR or Travellers of the validity of RMC 33-2013 or a waiver of any of the remedies available to PAGCOR or its licensees against any assessment on income tax on gaming revenues pursued by BIR.

On December 10, 2014, the Supreme Court (SC) en banc issued a Decision in the case of PAGCOR v. BIR, *G.R. No. 215427*, confirming that income from gaming operations is subject only to 5% franchise tax, in lieu of all other taxes, under P.D. No. 1869, as amended. The BIR's Motion for Reconsideration of the foregoing pronouncement was denied with finality in a resolution issued by the SC dated March 10, 2015.

Management is of the opinion that the similar case pending with the SC will result in a positive outcome, considering the unequivocal SC declaration in the PAGCOR v. BIR, *G.R. No. 215427* that income from gaming operations is subject only to 5% franchise tax, in lieu of all taxes.

Upon finality of the resolution/decision of such case, the 10% ITA measure shall cease to be effective, and the license fees shall automatically revert to the original 25% and 15% rates as indicated in the Provisional License Agreement, in accordance with paragraphs (b) and/or (c) of the foregoing ITA measure.

In view of the foregoing, no provision has been recognized in the consolidated financial statements as at the end of the reporting periods for those periods not covered by the ITA measure.

10.2 Other Commitments and Contingencies

There are other commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying ICFS. The management is of the opinion that losses, if any, from these items will not have any material impact on the ICFS. (See Note 10 to 2015 ACFS)

In addition, there are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at FVTPL, AFS financial assets, interest-bearing loans, bonds payable, trade receivables and payables and derivative asset and liabilities which arise directly from the Group's business operations. The financial debts were issued to raise funds for the Group's capital expenditures.

The Group does not actively engage in the trading of financial assets for speculative purposes.

The Group is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

11.1 Market Risk

(a) Foreign Currency Sensitivity

Most of the Group's transactions are carried out in the functional currencies of the individual subsidiaries making the transactions. The currency exchange risk arises from transactions carried out in currencies other than the functional currency of the subsidiaries.

Such foreign-currency denominated financial assets and liabilities, translated into Philippine pesos at period-end closing rate are as follows:

	March 31, 2016 (Unaudited)		December 31, 2015 (Audited)	
	U.S. Dollars	**HK Dollars**	U.S. Dollars	HK Dollars
Financial assets	**P 9,671,268,340**	**P 1,208,005,892**	P 10,145,546,404	1,813,558,543
Financial liabilities	**(58,289,580,844)**	**(376,358,805)**	(39,079,558,751)	(383,663,971)
	(P 48,618,312,504)	**P 831,647,087**	(P 28,934,012,347)	P 1,429,894,572

The sensitivity of the consolidated income before tax for the period with regard to the Group's financial assets and the US dollar – Philippine peso exchange rate assumes +/- 3.81% and +/- 3.66% changes in exchange rate for the three months ended March 31, 2016 and for the year ended December 31, 2015, respectively. The HK dollar – Philippine peso exchange rate assumes +/-3.76% and +/- 3.64% changes for the three months ended March 31, 2016 and for the year ended December 31, 2015, respectively. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months estimated at 95% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting periods.

If the Philippine peso had strengthened (or weakened) against the U.S. dollar, with all other variables held constant, consolidated income before tax would have increased (or decreased) by P1.8 billion for the three-month period ended March 31, 2016 and P2.0 billion for the year ended December 31, 2015. If in 2016 and 2015, the Philippine peso had strengthened (or weakened) against the HK dollar, with all other variables held constant, consolidated income before tax would have decreased (or increased) by P0.3 billion for both periods.

The Group periodically reviews the trend of the foreign exchange rates and, as a practical move, increases its U.S. dollar-denominated time deposits in times when the Philippine peso is depreciating or decreases its U.S. dollar-denominated placements in times when the Philippine peso is appreciating.

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) Interest Rate Sensitivity

The Group's interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. At present, the Group is exposed to changes in market interest rates through bank borrowings and cash and cash equivalents, which are subject to variable interest rates. The Group maintains a debt portfolio unit of both fixed and variable interest rates. All other financial assets are subject to variable interest rates.

The sensitivity of the consolidated income before tax for the period to a reasonably possible change in interest rates of +/- .028% for Philippine peso and +/- 1.03% for U.S. dollar in 2016, and +/-0.65 % for Philippine peso and +/-0.09% for U.S. dollar in 2015 with effect from the beginning of the period. These percentages have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at March 31, 2016 and December 31, 2015, with effect estimated from the beginning of the period. All other variables held constant, the consolidated income before tax would have increased by P0.3 billion for the three-month period ended March 31, 2016 and P0.9 billion for the year ended December 31, 2015. Conversely, if the interest rates decreased by the same percentage, consolidated income before tax would have been lower by the same amount.

11.2 Credit Risk

Generally, the Group's credit risk is attributable to trade and other receivable arising mainly from transactions with approved franchisees, installment receivables, rental receivables and other financial assets.

The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Franchisees are subject to stringent financial, credit and legal verification process. In addition, accounts receivable are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant portion of sales, advance payments are received to mitigate credit risk.

With respect to credit risk arising from the other financial assets of the Group, composed of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 per depositor per banking institution.

Trade and other receivables that are past due but not impaired are as follows:

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Not more than 30 days	**P 1,992,489,462**	P 2,366,208,718
31 to 60 days	**1,458,847,006**	1,791,680,836
Over 60 days	**2,938,860,381**	2,040,211,996
	P 6,390,196,849	P 6,198,101,550

11.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, bonds, and preferred shares.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets. In addition, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

As at March 31, 2016, the Group's financial liabilities have contractual maturities which are presented below.

	Current		**Non-current**	
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**	**Later than 5 Years**
Trade and other payables	P 25,197,299,240	P 6,033,259,983	P -	P -
Interest-bearing loans	7,943,571,428	21,240,406,384	27,794,399,518	769,230,769
Bonds payable	477,217,800	477,217,800	46,148,444,956	11,302,889,329
ELS	-	-	6,738,766,650	-
Advances from related parties	-	-	1,949,433,131	-
Redeemable preferred shares	-	-	-	2,832,147,248
Security deposits	76,718,614	-	61,541,254	139,491,020
Derivative liabilities	-	76,618,568	102,968,307	-
Other liabilities	474,390,300	-	-	-
	P 34,169,197,382	**P 27,827,502,375**	**P 82,795,553,816**	**P 15,043,758,366**

As at December 31, 2015, the Group's financial liabilities have contractual maturities which are presented below.

	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later than 5 Years
Trade and other payables	P 31,409,266,533	P 5,004,055,500	P -	P -
Interest-bearing loans	7,037,872,022	21,981,362,227	27,712,275,240	1,358,754,578
Bonds payable	488,168,100	488,168,100	47,720,324,913	7,941,219,038
ELS	-	-	6,738,766,650	-
Advances from related parties	-	-	1,998,248,486	-
Redeemable preferred shares	-	-	-	2,832,147,248
Security deposits	85,641,580	-	44,518,983	137,841,065
Derivative liabilities	10,782,959	-	614,964,522	-
Other liabilities	154,165,026	-	-	-
	P 39,185,896,220	P 27,473,585,827	P 84,829,098,794	P 12,269,961,929

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

11.4 Other Price Risk Sensitivity

The Group's market price risk arises from its investments carried at fair value (financial assets classified as AFS financial assets). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investments held at fair value and their impact on the equity as at March 31, 2016 and December 31, 2015 are summarized as follows:

	Observed Volatility Rates		Impact on Equity	
	Increase	Decrease	Increase	Decrease
2016 - Investment in equity securities	**+36.27%**	**-36.27%**	**P 31,467,599**	**(P 31,467,599)**
2015 - Investment in equity securities	+26.31%	-26.31%	P 34,500,401	(P 34,500,401)

The maximum additional estimated loss in 2016 and 2015 is to the extent of the carrying value of the securities held as of these reporting dates with all other variables held constant. The estimated change in quoted market price is computed based on volatility of listed companies at the PSE for the past three months in 2016 and 12 months in 2015.

The investments in listed equity securities are considered long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor.

12. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts and fair values of the categories of assets and liabilities presented in the interim consolidated statements of financial position are shown below.

	March 31, 2016 (Unaudited)		December 31, 2015 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets				
Loans and receivables:				
Cash and cash equivalents	**P 57,359,457,125**	**P 57,359,457,125**	P 68,593,959,027	P 68,593,959,027
Trade and other receivables	**74,299,557,332**	**74,299,557,332**	70,856,800,739	70,856,800,739
Other financial assets	**2,023,811,873**	**2,023,811,873**	2,230,731,170	2,230,731,170
	P 133,682,826,330	**P 133,682,826,330**	P141,681,490,936	P141,681,490,936
Financial assets at FVTPL – Marketable debt and equity securities	**P 4,172,583,904**	**P 4,172,583,904**	P 8,071,599,462	P 8,071,599,462
AFS Financial Assets:				
Debt securities	**P 86,761,920**	**P 86,761,920**	P 320,535,687	P 320,535,687
Equity securities	**2,859,065,128**	**2,859,065,128**	1,868,193,490	1,868,193,490
	P 2,945,827,048	**P 2,945,827,048**	P 2,188,729,177	P 2,188,729,177

	March 31, 2016 (Unaudited)		December 31, 2015 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Liabilities –				
Financial liabilities at FVTPL –				
Derivative liabilities	**P 652,352,307**	**P 652,352,307**	P 625,747,481	P 625,747,481
Financial liabilities at amortized cost				
Current				
Trade and other payables	**P 32,814,962,372**	**P 32.814.962.372**	P 34,438,121,175	P 34,438,121,175
Interest-bearing loans and borrowings	**28,682,183,851**	**28,682,183,851**	28,704,613,782	28,704,613,782
Other current liabilities	**300,467,816**	**300,467,816**	292,779,105	292,779,105
	P 61,797,614,039	**P 61,797,614,039**	P 63,435,514,062	P 63,435,514,062
Non-current				
Bonds payable	**P 53,481,939,551**	**P 53,481,939,551**	P 54,719,727,451	P 54,719,727,451
Interest-bearing loans and borrowings	**28,658,402,915**	**28,658,402,915**	29,071,029,819	29,071,029,819
ELS	**5,260,310,722**	**5,260,310,722**	5,259,137,443	5,259,137,443
Redeemable preference shares	**1,948,915,329**	**1,948,915,329**	1,929,355,258	1,929,355,258
Due to related parties	**1,362,496,283**	**1,362,496,283**	1,491,160,829	1,491,160,829
Security deposits	**216,979,792**	**216,979,792-**	377,907,641	377,907,641
	P 90,929,044,592	**P 90,929,044,592**	P 92,848,318,441	P 92,848,318,441

13. FAIR VALUE MEASUREMENT AND DISCLOSURES

13.1 Fair Value Hierarchy

The hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets or for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the resource or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value of Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

13.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as at March 31, 2016 and December 31, 2015.

	March 31, 2016 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL -				
Debt and equity securities	P 4,172,583,904	P -	P -	P 4,172,583,904
AFS financial assets:				
Debt securities	2,669,664,800	63,680,000	125,720,328	2,859,065,128
Equity securities	86,761,920	-	-	86,761,920
	P 6,929,010,624	**P 63,680,000**	**P 125,720,328**	**P 7,118,410,952**
Financial liability:				
Financial liabilities at FVTPL -				
Derivative liabilities	**P 652,352,307**	**P -**	**P -**	**P 652,352,307**

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL -				
Debt and equity securities	P 8,071,599,462	P -	P -	P 8,071,599,462
AFS financial assets:				
Debt securities	1,868,193,490	-	-	1,868,193,490
Equity securities	131,135,359	63,680,000	125,720,328	320,535,687
	P 10,070,928,311	P 63,680,000	P 125,720,328	P 10,260,328,639
Financial liability:				
Financial liabilities at FVTPL -				
Derivative liabilities	P 625,747,481	P -	P -	P 625,747,481

13.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the interim consolidated statements of financial position on a recurring basis as at March 31, 2016 and December 31, 2015.

	March 31, 2016 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 57,359,457,125	P -	P -	P 57,359,457,125
Trade and other receivables	-	-	74,299,557,332	74,299,557,332
Other financial assets	-	-	2,023,811,873	2,023,811,873
	P 57,359,457,125	**P -**	**P 76,323,369,205**	**P 133,682,826,330**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 32,814,962,372	P 32,814,962,372
Interest-bearing loans	-	-	28,682,183,851	28,682,183,851
Other current liabilities	-	-	300,467,816	300,467,816
Non-current:				
Interest-bearing loans	-	-	28,658,402,915	28,658,402,915
Bonds payable	53,481,939,551	-	-	53,481,939,551
ELS	-	-	5,260,310,722	5,260,310,722
Due to related parties	-	-	1,362,496,283	1,362,496,283
Redeemable preferred shares	-	-	1,948,915,329	1,948,915,329
Security deposits	-	-	216,979,792	216,979,792
	P 53,481,939,551	**P -**	**P 99,244,719,080**	**P 152,726,658,631**

	December 31, 2015 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 68,593,959,027	P -	P -	P 68,593,959,027
Trade and other receivables	-	-	70,856,800,739	70,856,800,739
Other financial assets	-	-	2,230,731,170	2,230,731,170
	P 68,593,959,027	P -	P 73,087,531,909	P 141,681,490,936
Financial liabilities:				
Current:				
Interest-bearing loans	P -	P -	P 34,438,121,175	P 34,438,121,175
Trade and other payables	-	-	28,704,613,782	28,704,613,782
Other current liabilities	-	-	292,779,105	292,779,105
Non-current:				
Interest-bearing loans	-	-	29,071,029,819	29,071,029,819
Bonds payable	54,719,727,451	-	-	54,719,727,451
Equity-linked debt securities	-	-	5,259,137,443	5,259,137,443
Due to related parties	-	-	1,929,355,258	1,929,355,258
Redeemable preferred shares	-	-	1,491,160,829	1,491,160,829
Security deposits	-	-	377,907,641	377,907,641
	P 54,719,727,451	P -	P 101,564,105,052	P 156,283,832,503

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 2 and Level 3 which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

13.4 Investment Property Measured at Cost for which Fair Value is Disclosed

As at December 31, 2015, the fair value of the Group's investment property amounting to P207.1 billion is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of the investment property was determined using the income approach which is performed with values derived using a discounted cash flow model. Also, there were no transfers into or out of Level 3 fair value hierarchy. There was no valuation update made for the current period.

14. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objective is to ensure its ability to continue as a going concern; to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and to maintain strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

There were no changes in the Group's approach to capital management during the period.

	March 31, 2016 (Unaudited)	December 31, 2015 (Audited)
Total liabilities	P 213,772,351,532	P 217,536,560,396
Equity attributable to owners of the parent company	142,376,640,536	137,056,497,134
Debt-to-equity ratio	P 1.50:1	P 1.59:1

15. SEASONAL FLUCTUATIONS

For Travellers, casino operations tend to experience seasonality in visitations during public holidays, festivals in the Philippines and around South East Asian region.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES
MARCH 31, 2016
(Amounts in Philippine Pesos)

Current	P	76,694,920,729
1 to 30 days		1,992,489,462
31 to 60 days		1,458,847,006
Over 60 days		2,938,860,381
Total		83,085,117,578
Due from other related parties		166,668,904
Balance as at March 31, 2016	**P**	**83,251,786,482**