

**LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES**

SUPPLEMENTARY SCHEDULES

- Supplementary schedules required by Annex 68-E
- Reconciliation of retained earnings available for dividend declaration
- Map of the relationships of the companies within the group
- Schedule of financial soundness indicators
- Schedule of all the effective standards and interpretations

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE A: FINANCIAL ASSETS****MARCH 31, 2016**

| Name of issuing entity and association of each issue | Number of shares | Amount shown in the balance sheet | Income received and accrued |
|--|------------------|-----------------------------------|-----------------------------|
| Quoted | | | |
| Available-for-sale financial assets | | | |
| Araneta Properties, Inc. | 195,043,074 | ₱273,060,304 | ₱- |
| Non-quoted | | | |
| Loans and receivables | | | |
| Cash in bank and cash equivalents | | 573,186,734 | - |
| Trade and other receivables | | 951,064,044 | - |
| Due from related parties | | 1,942,871,415 | - |
| Security deposits | | 214,237,933 | - |
| Short term investments | | 5,020,500 | - |
| Subtotal | | 3,686,380,626 | - |
| Grand Total | | ₱3,959,440,930 | ₱- |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDER (OTHER THAN RELATED PARTIES)**

MARCH 31, 2016

| Name and Designation of debtor | Balance at beginning of period | Additions | Amounts collected | Amounts written off | Current | Not current | Balance at end of period |
|---|---------------------------------------|------------------|--------------------------|----------------------------|----------------|--------------------|---------------------------------|
| Fernando G. Araneta, <i>Chief Strategy Officer</i> | P9,284,395 | P- | P- | P- | P9,284,395 | P- | P9,284,395 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLES/PAYABLES FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
MARCH 31, 2016

| Name of Subsidiaries | Balance at beginning of period | Additions | Amounts collected | Amounts written off | Current | Not current | Balance at end of period |
|-----------------------------|---------------------------------------|---------------------|--------------------------|----------------------------|---------------------|--------------------|---------------------------------|
| LBC Express, Inc. | P6,863,559 | P562,060 | P- | P- | P7,425,619 | P- | P7,425,619 |
| LBC Express, Inc. - MM | 133,096,667 | 54,085,009 | (49,415,731) | - | 137,765,946 | - | 137,765,946 |
| LBC Express, Inc. - SCC | 30,290,079 | 39,390,395 | (38,548,771) | - | 31,131,703 | - | 31,131,703 |
| LBC Express, Inc. - NEMM | 33,987,405 | 26,194,682 | (24,978,262) | - | 35,203,826 | - | 35,203,826 |
| LBC Express, Inc. - NWMM | 45,588,991 | 28,282,133 | (9,991,536) | - | 63,879,588 | - | 63,879,588 |
| LBC Express, Inc. - EMM | 27,520,048 | 16,774,318 | (1,045,355) | - | 43,249,012 | - | 43,249,012 |
| LBC Express, Inc. - SMM | 32,488,226 | 30,231,005 | (29,115,940) | - | 33,603,290 | - | 33,603,290 |
| LBC Express, Inc. - CMM | 31,912,075 | 24,100,320 | (17,454,124) | - | 38,558,271 | - | 38,558,271 |
| LBC Express, Inc. - SL | 77,550,508 | 49,690,621 | (44,882,106) | - | 82,359,023 | - | 82,359,023 |
| LBC Express, Inc. - SEL | 51,486,142 | 32,601,732 | (28,594,380) | - | 55,493,494 | - | 55,493,494 |
| LBC Express, Inc. - CL | 40,837,195 | 35,606,614 | (31,362,666) | - | 45,081,144 | - | 45,081,144 |
| LBC Express, Inc. - NL | 43,903,827 | 34,747,102 | (32,372,823) | - | 46,278,106 | - | 46,278,106 |
| LBC Express, Inc. - VIS | 89,345,681 | 51,028,079 | (46,900,195) | - | 93,473,564 | - | 93,473,564 |
| LBC Express, Inc. - WVIS | 57,032,948 | 33,167,233 | (28,541,064) | - | 61,659,117 | - | 61,659,117 |
| LBC Express, Inc. - MIN | 65,616,333 | 39,786,505 | (34,741,369) | - | 70,661,469 | - | 70,661,469 |
| LBC Express, Inc. - SEM | 45,361,439 | 25,678,450 | (22,321,292) | - | 48,718,597 | - | 48,718,597 |
| LBC Express, Inc. - SMCC | 14,559,432 | 7,650,420 | (6,108,757) | - | 16,101,095 | - | 16,101,095 |
| LBC Express, Inc. - ESI | 3,625,505 | 7,650,889 | (6,614,765) | - | 4,661,629 | - | 4,661,629 |
| LBC Express, Inc. - SCS | 33,383,931 | 44,572,325 | (35,111,852) | - | 42,844,404 | - | 42,844,404 |
| LBC Systems, Inc. | (60,655,873) | - | (67,006,848) | - | (127,662,721) | - | (127,662,721) |
| LBC Express WLL | (6,415,148) | 7,587,852 | - | - | 1,172,704 | - | 1,172,704 |
| LBC Express Bahrain WLL | (25,035,210) | - | (2,339,262) | - | (27,374,472) | - | (27,374,472) |
| LBC Express LLC | (38,414,310) | - | (2,737,851) | - | (41,152,161) | - | (41,152,161) |
| | P733,929,450 | P589,387,745 | (560,184,949) | P- | P763,132,246 | P- | P763,132,246 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE D: INTANGIBLE ASSETS**

MARCH 31, 2016

| Description | Beginning balance | Additions at cost | Reclassification | Charged to expenses | Other changes | Ending balance |
|--------------------------|-------------------|-------------------|------------------|---------------------|---------------|----------------|
| Software | ₱32,693,711 | ₱75,373 | ₱5,937,202 | (₱5,077,226) | ₱- | ₱33,629,060 |
| Construction in Progress | 243,687,774 | 1,186,202 | (₱5,937,202) | - | - | 238,936,774 |
| | ₱276,381,485 | ₱1,261,575 | ₱- | (₱5,077,226) | ₱- | ₱272,565,834 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE E: LONG TERM DEBT****MARCH 31, 2016**

| Title of issue and type of obligation | Amount authorized by indenture | Amount shown under caption "Current liabilities" in related balance sheet | Amount shown under caption "Noncurrent liabilities" in related balance sheet |
|--|---------------------------------------|--|---|
| Obligation under finance lease | ₱55,673,192 | ₱21,170,594 | ₱34,502,598 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE F: INDEBTEDNESS TO RELATED PARTIES
MARCH 31, 2016

| Name of related party | Balance at beginning of period | Balance at end of period |
|------------------------------|---------------------------------------|---------------------------------|
| LBC Development Corporation | ₱17,522,728 | ₱17,338,393 |
| Other affiliates (various) | 2,443,523 | 2,694,035 |
| | ₱19,966,251 | ₱20,032,428 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G: GUARANTEES OF SECURITIES OF OTHER ISSUERS

MARCH 31, 2016

| Name of issuing entity of securities guaranteed by the company for which this statements is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount of owned by person for which statement is filed | Nature of guarantee |
|--|--|--|---|----------------------------|
|--|--|--|---|----------------------------|

NOT APPLICABLE

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES**SCHEDULE H: CAPITAL STOCK**

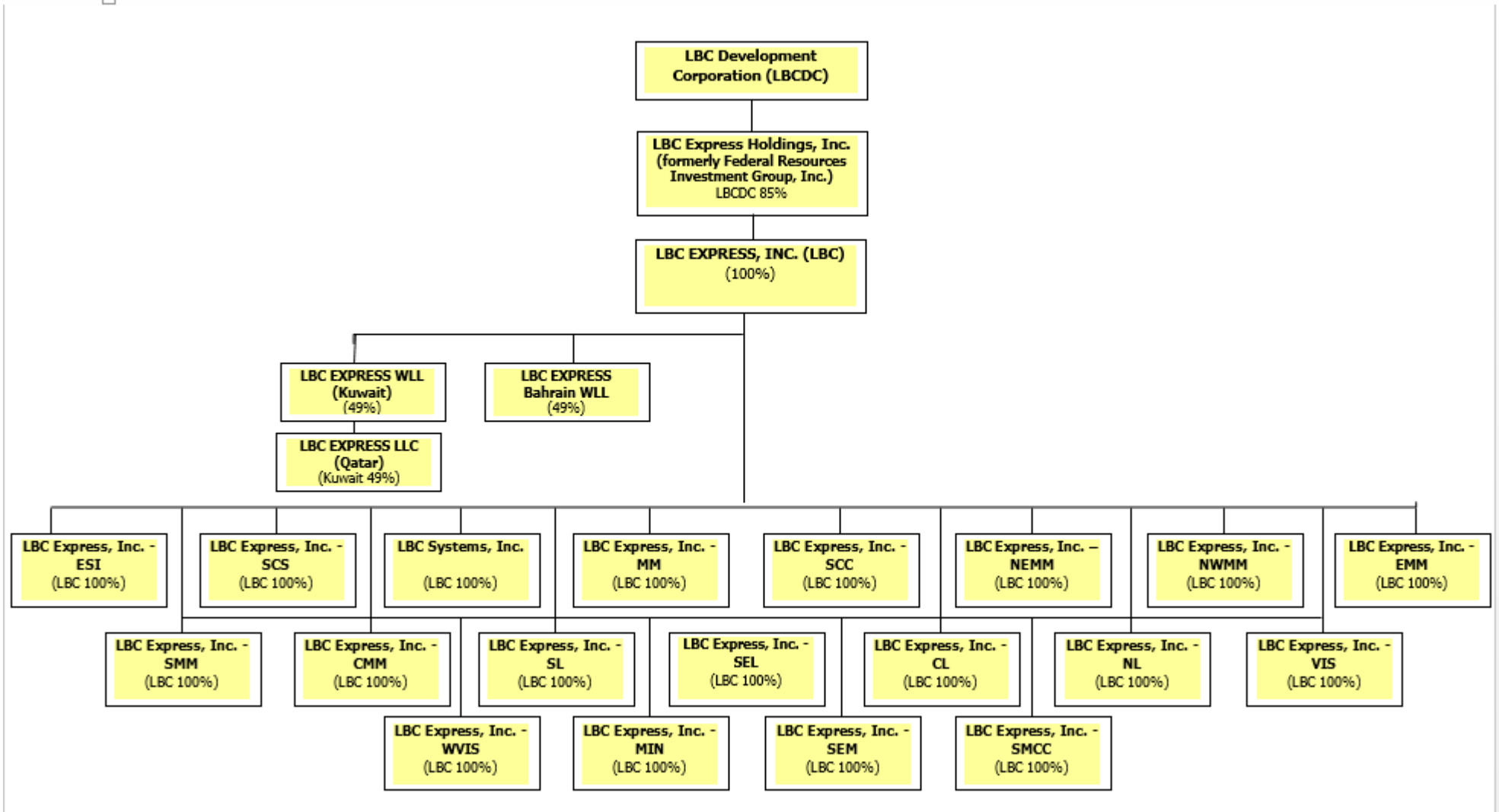
MARCH 31, 2016

| Title of issue | Number of shares authorized | Number of shares issued and outstanding at shown under related balance sheet caption | Number of shares reserved for options, warrants, conversion and other rights | Number of shares held by | | |
|-----------------------------|-----------------------------|--|--|--------------------------|-----------------------------------|-------------|
| | | | | Related parties | Directors, officers and employees | Others |
| Common stock - ₱1 par value | 2,000,000,000 | 1,425,865,471 | – | 1,205,974,632 | 1,995 | 219,888,844 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

MARCH 31, 2016



**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION
As of March 31, 2016**

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIRIES
General Aviation Center, Domestic Airport, Pasay City, Metro Manila

| | |
|---|---------------------|
| Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning | ₱174,498,871 |
| Add: Net Income actually earned/realized during the period | |
| Net income during the period closed to Retained Earnings | 213,956,880 |
| Less: | |
| Equity in net income of associate/joint venture | — |
| Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents); Unrealized actuarial gain | — |
| Fair value adjustment (M2M gains) | — |
| Fair value adjustment of investment property resulting to gain | — |
| Adjustment due to deviation from PFRS/GAAP gain | — |
| Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS | — |
| Subtotal | — |
| Add: Non actual losses | |
| Depreciation on revaluation increment (after tax) | — |
| Adjustment due to deviation from PFRS / GAAP – loss | — |
| Loss on fair value adjustment of investment property (after tax) | — |
| Net income actually earned during the period | 213,956,880 |
| Add(Less): | |
| Dividend declarations during the period | — |
| Appropriations of Retained Earnings during the period | — |
| Reversals of appropriations | — |
| Effects of prior period adjustments | — |
| Treasury shares | — |
| Effect of pooling-of-interest method | — |
| Total Retained Earnings, end available for dividend | ₱388,455,751 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIRIES**SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2016 AND FOR THE YEAR ENDED DECEMBER 31, 2015***Financial Soundness Indicators*

Below are the financial ratios that are relevant to the Group for the three months period ended March 31, 2016 and for the year ended December 31, 2015:

| Financial ratios | | March 2016 | December 2015 |
|----------------------------|--|-----------------------|------------------|
| Current ratio | $\frac{\text{Current assets}}{\text{Current liabilities}}$ | 1.27:1 | 1.18:1 |
| Debt to equity ratio | $\frac{\text{Total liabilities}}{\text{Stockholders' Equity}}$ | 2.04:1 | 2.66:1 |
| Debt to total assets ratio | $\frac{\text{Total liabilities}}{\text{Total assets}}$ | 0.67:1 | 0.73:1 |
| Return on average assets | $\frac{\text{Net income attributable to Parent Company}}{\text{Average assets}}$ | 3.64% | 8.11% |
| Book value per share | $\frac{\text{Stockholders' equity}}{\text{Total number of shares}}$ | ₱1.33 | ₱1.14 |
| Earnings per share | $\frac{\text{Net income}}{\text{Total number of shares}}$ | ₱0.15 | ₱0.29 |

LBC EXPRESS HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional schedule requirements for large entities showing a list of all effective standards and interpretations under Philippine Financial Reporting Standards (PFRS).

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of March 31, 2016:

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS | | Adopted | Not Early Adopted | Not Applicable |
|---|--|----------------|--------------------------|-----------------------|
| Effective as of March 31, 2016 | | | | |
| Framework for the Preparation and Presentation of Financial Statements | | | | |
| | Conceptual Framework Phase A: Objectives and qualitative characteristics | ✓ | | |
| PFRSs Practice Statement Management Commentary | | | | |
| Philippine Financial Reporting Standards | | | | |
| PFRS 1 (Revised) | First-time Adoption of Philippine Financial Reporting Standards | | | ✓ |
| | Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate | | | ✓ |
| | Amendments to PFRS 1: Additional Exemptions for First-time Adopters | | | ✓ |
| | Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters | | | ✓ |
| | Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters | | | ✓ |
| | Amendments to PFRS 1: Government Loans | | | ✓ |
| PFRS 2 | Share-based Payment | | | ✓ |
| | Amendments to PFRS 2: Vesting Conditions and Cancellations | | | ✓ |
| | Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions | | | ✓ |
| PFRS 3 (Revised) | Business Combinations | ✓ | | |
| IFRS 4 | Insurance Contracts | | | ✓ |
| | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts | | | ✓ |
| PFRS 5 | Non-current Assets Held for Sale and Discontinued Operations | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2016 | | Adopted | Not Early Adopted | Not Applicable |
|--|---|-------------------|--------------------------|-----------------------|
| PFRS 6 | Exploration for and Evaluation of Mineral Resources | | | ✓ |
| PFRS 7 | Financial Instruments: Disclosures | ✓ | | |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets | ✓ | | |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition | ✓ | | |
| | Amendments to PFRS 7: Improving Disclosures about Financial Instruments | ✓ | | |
| | Amendments to PFRS 7: Disclosures - Transfers of Financial Assets | | | ✓ |
| | Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities | ✓ | | |
| | Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures | Not early adopted | | |
| PFRS 8 | Operating Segments | ✓ | | |
| PFRS 9 | Financial Instruments | Not early adopted | | |
| | Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures | Not early adopted | | |
| PFRS 10 | Consolidated Financial Statements | ✓ | | |
| PFRS 11 | Joint Arrangements | | | ✓ |
| PFRS 12 | Disclosure of Interests in Other Entities | ✓ | | |
| PFRS 13 | Fair Value Measurement | ✓ | | |
| Philippine Accounting Standards | | | | |
| PAS 1 (Revised) | Presentation of Financial Statements | ✓ | | |
| | Amendment to PAS 1: Capital Disclosures | ✓ | | |
| | Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation | | | ✓ |
| | Amendments to PAS 1: Presentation of Items of Other Comprehensive Income | ✓ | | |
| PAS 2 | Inventories | ✓ | | |
| PAS 7 | Statement of Cash Flows | ✓ | | |
| PAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors | ✓ | | |
| PAS 10 | Events after the Reporting Period | ✓ | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2016 | | Adopted | Not Early Adopted | Not Applicable |
|---|---|----------------|--------------------------|-----------------------|
| PAS 11 | Construction Contracts | | | ✓ |
| PAS 12 | Income Taxes | ✓ | | |
| | Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets | ✓ | | |
| PAS 16 | Property, Plant and Equipment | ✓ | | |
| PAS 17 | Leases | ✓ | | |
| PAS 18 | Revenue | ✓ | | |
| PAS 19 | Employee Benefits | ✓ | | |
| | Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures | ✓ | | |
| PAS 19 (Amended) | Employee Benefits | ✓ | | |
| PAS 20 | Accounting for Government Grants and Disclosure of Government Assistance | | | ✓ |
| PAS 21 | The Effects of Changes in Foreign Exchange Rates | ✓ | | |
| | Amendment: Net Investment in a Foreign Operation | ✓ | | |
| PAS 23 (Revised) | Borrowing Costs | ✓ | | |
| PAS 24 (Revised) | Related Party Disclosures | ✓ | | |
| PAS 26 | Accounting and Reporting by Retirement Benefit Plans | ✓ | | |
| PAS 27 | Consolidated and Separate Financial Statements | ✓ | | |
| PAS 27 (Amended) | Separate Financial Statements | ✓ | | |
| PAS 28 | Investments in Associates | | | ✓ |
| PAS 28 (Amended) | Investments in Associates and Joint Ventures | | | ✓ |
| PAS 29 | Financial Reporting in Hyperinflationary Economies | | | ✓ |
| PAS 31 | Interests in Joint Ventures | | | ✓ |
| PAS 32 | Financial Instruments: Disclosure and Presentation | ✓ | | |
| | Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation | | | ✓ |
| | Amendment to PAS 32: Classification of Rights Issues | | | ✓ |
| | Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities | ✓ | | |
| PAS 33 | Earnings per Share | ✓ | | |
| PAS 34 | Interim Financial Reporting | ✓ | | |
| PAS 36 | Impairment of Assets | ✓ | | |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2016 | | Adopted | Not Early Adopted | Not Applicable |
|---|--|----------------|--------------------------|-----------------------|
| PAS 37 | Provisions, Contingent Liabilities and Contingent Assets | ✓ | | |
| PAS 38 | Intangible Assets | ✓ | | |
| PAS 39 | Financial Instruments: Recognition and Measurement | ✓ | | |
| | Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities | | | ✓ |
| | Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions | | | ✓ |
| | Amendments to PAS 39: The Fair Value Option | | | ✓ |
| PAS 39 | Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts | | | ✓ |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets | | | ✓ |
| | Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition | | | ✓ |
| | Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives | | | ✓ |
| | Amendment to PAS 39: Eligible Hedged Items | | | ✓ |
| PAS 40 | Investment Property | | | ✓ |
| PAS 41 | Agriculture | | | ✓ |
| Philippine Interpretations | | | | |
| IFRIC 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities | | | ✓ |
| IFRIC 2 | Members' Share in Co-operative Entities and Similar Instruments | | | ✓ |
| IFRIC 4 | <i>Determining Whether an Arrangement Contains a Lease</i> | | | ✓ |
| IFRIC 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds | | | ✓ |
| IFRIC 6 | <i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i> | | | ✓ |
| IFRIC 7 | <i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i> | | | ✓ |
| IFRIC 8 | <i>Scope of PFRS 2</i> | | | ✓ |
| IFRIC 9 | Reassessment of Embedded Derivatives | | | ✓ |
| | Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives | | | ✓ |
| IFRIC 10 | <i>Interim Financial Reporting and Impairment</i> | ✓ | | |
| IFRIC 11 | PFRS 2- Group and Treasury Share Transactions | | | ✓ |
| IFRIC 12 | Service Concession Arrangements | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2016 | | Adopted | Not Early Adopted | Not Applicable |
|---|-----------------------------|----------------|--------------------------|-----------------------|
| IFRIC 13 | Customer Loyalty Programmes | | | ✓ |

| PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of March 31, 2016 | | Adopted | Not Early Adopted | Not Applicable |
|--|--|----------------|--------------------------|-----------------------|
| IFRIC 14 | The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | | | ✓ |
| | Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement | | | ✓ |
| IFRIC 16 | Hedges of a Net Investment in a Foreign Operation | | | ✓ |
| IFRIC 17 | Distributions of Non-cash Assets to Owners | | | ✓ |
| IFRIC 18 | Transfers of Assets from Customers | | | ✓ |
| IFRIC 19 | Extinguishing Financial Liabilities with Equity Instruments | | | ✓ |
| IFRIC 20 | Stripping Costs in the Production Phase of a Surface Mine | | | ✓ |
| IFRIC 21 | Levies | | | ✓ |
| SIC-7 | Introduction of the Euro | | | ✓ |
| SIC-10 | Government Assistance - No Specific Relation to Operating Activities | | | ✓ |
| SIC-12 | Consolidation - Special Purpose Entities | | | ✓ |
| | Amendment to SIC - 12: Scope of SIC 12 | | | ✓ |
| SIC-13 | Jointly Controlled Entities - Non-Monetary Contributions by Venturers | | | ✓ |
| SIC-15 | Operating Leases - Incentives | | | ✓ |
| SIC-25 | Income Taxes - Changes in the Tax Status of an Entity or its Shareholders | | | ✓ |
| SIC-27 | Evaluating the Substance of Transactions Involving the Legal Form of a Lease | | | ✓ |
| SIC-29 | Service Concession Arrangements: Disclosures. | | | ✓ |
| SIC-31 | Revenue - Barter Transactions Involving Advertising Services | | | ✓ |
| SIC-32 | Intangible Assets - Web Site Costs | ✓ | | |

Standards tagged as “Not applicable” have been adopted by the Group but have no significant covered transactions for the year ended March 31, 2016.

Standards tagged as “Not adopted” are standards issued but not yet effective as of March 31, 2016. The Group will adopt the Standards and Interpretations when these become effective.