COVER SHEET

SEC Registration Number

AS093-7946

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@yahoo.com	709-2038 to 41	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,272	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@yahoo.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* **June 30, 2015**

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, 2014 (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, 2015 (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 Pesos	Jan-Jun 2015	Jan-Jun 2014	Quarter 2 2015	Quarter 2 2014	Quarter 1 2015	Quarter 1 2014	Growth year on year H1	Q2	Q1
REVENUES	**65,421**	**59,608**	**33,114**	**28,378**	**32,307**	**31,230**	9.75%	16.69%	3.45%
Non-recurring Gain		-468		136		-604			
Excl. Non-recurring Gain	**65,421**	**59,140**	**33,114**	**28,514**	**32,307**	**30,626**	**10.62%**	**16.13%**	**5.49%**
NET PROFIT	**11,480**	**11,376**	**5,904**	**5,122**	**5,576**	**6,254**	0.92%	15.27%	-10.84%
Non-recurring Gain		-468		136		-604			
Excl. Non-recurring Gain	**11,480**	**10,908**	**5,904**	**5,258**	**5,576**	**5,650**	**5.25%**	**12.00%**	**-1.31%**
NET PROFIT TO OWNERS OF AGI	**7,507**	**7,490**	**4,031**	**3,547**	**3,476**	**3,943**	0.22%	13.63%	-11.84%
Non-recurring Gain		-304		88		-392			
Excl. Non-recurring Gain	**7,507**	**7,186**	**4,031**	**3,635**	**3,476**	**3,551**	**4.46%**	**10.87%**	**-2.10%**
Net profit rate	17.55%	19.08%	17.83%	18.05%	17.26%	20.03%			
Recurring NP rate	17.55%	18.44%	17.83%	18.44%	17.26%	18.45%			
NP Attributable to parent	11.47%	12.57%	12.17%	12.50%	10.76%	12.63%			
Recurring NP attributable to parent	11.47%	12.15%	12.17%	12.75%	10.76%	11.59%			
Return on investment/assets	2.91%	3.38%							

	30-Jun-15	31-Dec-14	Growth
TOTAL ASSETS	395,168	409,619	-3.53%
CURRENT ASSETS	193,199	220,868	-12.53%
CURRENT LIABILITIES	56,569	92,541	-38.87%
Current ratio	3.42x	2.39x	
Quick ratio	1.69x	1.40x	

*In 2014, MEG reported P604 million one-time gain on acquisition of a subsidiary in first quarter and adjusted such in second quarter to P468 million.

- 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 Half

By Subsidiary groups:

	MEG	EMP	RWM	GADC	Others	TOTAL
2015						
Revenues	21,998	18,322	14,234	9,644	1961	**66,159**
Intercompany/ Adjustment	-23	0	0	0	-715	
Consolidated	**21,975**	**18,322**	**14,234**	**9,644**	**1,246**	**65,421**
% contribution	33.59%	28.01%	21.76%	14.74%	1.90%	100.00%
Costs and expenses	14,918	14,136	11,826	9,194	1167	**51,241**
Intercompany/ Adjustment	-11	0	0	0	-58	
Consolidated	**14,907**	**14,136**	**11,826**	**9,194**	**1,109**	**51,172**
Net profit	5,429	3,261	2,364	324	771	**12,149**
Intercompany/ Adjustment	-12	0	0	0	-657	
Consolidated	**5,417**	**3,261**	**2,364**	**324**	**114**	**11,480**
% contribution	47.18%	28.40%	20.59%	2.82%	1.00%	100%
Net profit to owners	**5,260**	**3,261**	**2,367**	**321**	**771**	**11,980**
Intercompany/ Adjustment	**-1,731**	**-605**	**-1,318**	**-164**	**-655**	
Consolidated	**3,529**	**2,656**	**1,049**	**157**	**116**	**7,507**
% contribution	47.01%	35.39%	13.98%	2.10%	1.53%	100%
2014						
Revenues	31,957	13,235	15,543	8,982	1,413	**71,130**
Intercompany/ Adjustment	-11,522	0	0	0	0	
Consolidated	**20,435**	**13,235**	**15,543**	**8,982**	**1,413**	**59,608**
% contribution	34.28%	22.20%	26.08%	15.07%	2.37%	100%
Costs and expenses	13,939	9,470	12,006	8,541	1,293	**45,249**
Intercompany/ Adjustment	-83	0	0	0	-69	
Consolidated	**13,856**	**9,470**	**12,006**	**8,541**	**1,224**	**45,097**
Net profit	16,441	3,058	2,881	322	4772	**27,474**
Intercompany/ Adjustment	-11,438	0	0	0	-4,660	
Consolidated	**5,003**	**3,058**	**2,881**	**322**	**112**	**11,376**
% contribution	43.98%	26.88%	25.33%	2.83%	0.98%	100%
Net profit to owners	**3,204**	**2,677**	**1,276**	**159**	**174**	**7,490**
% contribution	42.78%	35.74%	17.04%	2.12%	2.32%	100%
Year-on-year Change						
Revenues	7.54%	38.44%	-8.42%	7.37%	-11.82%	9.75%
Costs and expenses	7.59%	49.27%	-1.50%	7.65%	-9.40%	13.47%
Net profit	8.28%	6.64%	-17.95%	0.62%	1.79%	0.91%
Net profit to owners	10.14%	-0.78%	-17.76%	-1.26%	-33.33%	0.22%

-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.
-MEG's gains on Travellers and GERI were eliminated in consolidation, but included the P468 million gain on acquisition of a La Fuerza.

Profit and loss accounts:

	2015	2014	Growth
REVENUES			
Sale of goods	35,019	28,092	24.66%
Consumer goods	18,660	13,476	38.48%
Revenues from real estate (RE) sales	16,359	14,616	11.93%
RE sales	13,427	12,010	11.80%
Realized gross profit on RE sales	2033	1820	11.70%
Interest income on RE sales	899	786	14.42%
Rendering of services	28,435	28,230	0.73%
Gaming	12,509	13,581	-7.89%
Sales by company-operated quick-service restaurant	8,729	8,175	6.78%
Franchise revenues	881	694	26.86%
Rental income	4,210	3,434	22.60%
Other services	2,106	2,346	-10.23%
Hotel operations	1528	776	96.84%
Other services	578	1,570	-63.18%
Share in net profits of associates and joint ventures	152	57	166.67%
Finance and other income	1814	3,229	-43.82%
TOTAL	65,421	59,608	9.75%
COSTS AND EXPENSES			
Cost of goods sold	22,771	18,552	22.74%
Consumer goods sold	12,628	8,797	43.55%
RE sales	7,515	7,143	5.21%
Deferred gross profit on RE sales	2,628	2,612	0.61%
Cost of services	14,753	12,653	16.60%
Gaming-license fees, promo allowances	5,721	3,722	53.71%
Services	9,032	8,931	1.13%
Other operating expenses	11,047	11,700	-5.58%
Selling and marketing	4,401	5,902	-25.43%
General and administrative	6,646	5,798	14.63%
Finance costs and other charges	2,600	2,192	18.61%
TOTAL	51,172	45,097	13.47%

The Group ended the interim period with net profit of P11.48 billion, up 5.25% from P10.91 billion (net of P468 million non-recurring gain) a year ago. This was achieved on consolidated revenues of P65.42 billion which rose by 10.62% from last year's P59.14 billion (minus non-recurring gain). Net profit that went to owners totaled P7.51 billion, up 4.46% over last year's P7.19 billion.

All businesses showed positive profitable results and contributions in the interim period.

Megaworld reported its net profit to have reached P5.43 billion, up 12.51% from P4.83 billion (net of P11.62 billion non-recurring gains) a year ago. Revenues (net of non-recurring gains) were reported to have increased by 8.18% to P22.01 billion from P20.34 billion a year ago. Real estate sales from various townships across the country remained strong and leasing income from its office and retail portfolio continued to grow in the first half, better than a year ago by 11.79% and 22.25%, respectively. Thirty-eight percent of real estate sales came from McKinley Hill, Uptown Bonifacio, Forbestown Center and Newport City while GERI, ELI and Suntrust contributed 36% to total sales. Three new township projects were launched during the period which bring the total number of township developments under the LIVE-WORK-PLAY-LEARN lifestyle communities to 18 - the Upper East and Northhill over a total land area of 84 hectares in Bacolod, Negros Occidental and Sta. Barbara Height over a total land area of 173 hectares in Iloilo. GERI general real estate sales from Boracay Newcoast, Southwoods, Twin Lakes and Sta. Barbara while Empire East generated from Southpoint Science Park, San Lorenzo Place, Pioneer Woodlands, The Sonoma, The Rochester, The Cambridge Village, California Garden Square, Kasara Urban Resort Residences, Little Baguio Terraces and Laguna Bel Air Projects. These operating results brought in 34% and 47% of AGI's consolidated revenues and net profit, respectively.

Emperador closed the first half of the year with net profit of P3.26 billion, up 6.6% from a year ago, on the back of P18.32 billion revenues for a net profit rate of 17.8%. Revenues totaled P18.32 billion up 38.3% from P13.24 billion a year ago. Whyte and Mackay group (WMG) beefed up this year's results as it was consolidated full half this year. Domestic sales slowed down during the interim period this year but picked up in the second quarter, when sales escalated year-on-year. Sales is expected to pick up further in the coming quarters. For the first half of the year, Emperador group accounted for 28% of AGI's consolidated revenues and net profit.

Travellers reported net profit of P2.36 billion on gross revenues of P14.23 billion with earnings before interest, taxes, depreciation and amortization at P3.5 billion. Unrealized foreign exchange fluctuation reduced the net profit this year by P426 million. Travellers continues to improve quality of earnings and operating efficiency while growing its gaming footprint in the non-VIP segment. Gaming revenues contributed P12.51 billion of gross revenues, with Hotel, Food and Beverage, and other revenues at P1.17 billion, a 4.2% increase from same period last year. Average daily property visits increased by 5.5% or 19,718 visits in the first half of 2015 from 18,698 in the same period last year. Drops volume declined in the first half of 2015 as Travellers continues to approach the VIP segment with more prudence. The decline in drops was offset by an increase in the blended win rate, which is at 5.2% for the first six month of 2015 compared to 3.9% in the same period last year. Hotel performance for the first half of 2015 remains strong with all three hotels, namely Maxims, Remington, and Marriott registering an average occupancy rate of 86%. Costs and expenses remained in check as these contracted at a faster rate over last year, due to operating efficiency initiatives by management. The group contributed 22% and 21% of AGI's consolidated revenues and net profit, respectively, in the current quarter.

GADC ended the interim period with total revenues of P9.64 billion, up 7.37% from P8.98 billion for the same period last year. This is primarily due to the opening of 45 new restaurants (17 company-owned, 27 franchised, 1 joint venture), reimaging of 34 existing restaurants, expansion of business extensions (delivery service, drive-thru, dessert centers, midnight hours and breakfast daypart), the introduction of new products (New Chicken McDo Plus Meals); Limited Time Offers Products (McRib, twister fries, Dessert campaigns, Bacon Burgers, Chicken muffin, Chicken egg muffin, Sweet Ham special), and aggressive advertising and promotional campaigns to support Extra Value Meals (Chicken McDo price reduction), Everyday McSavers (float, sundae, fries, sides), Desserts and Breakfast. The 45 new restaurants contributed about 10% to total system sales while business extensions comprise 23% of the total. Drive-thru is the extension which has the biggest contribution of 11% of total revenues. Drive-thru promotions include Lucky Drive, VIP sticker and French fries holder. There were 464 restaurants operating by the end of the period, as compared to 422 restaurants a year ago. 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. Last April 2015, McDonald's reduced the price of Sundae Cone and McDip and in

May, implemented a rollback in price of Chicken McDo products which helped increase volume and revenues. Cost of sales and services went up by 7.05%, primarily due to cost of inventory which increased by 7.14% 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 P324 million, as compared to P322 million a year ago. GADC contributed 15% and 3% to consolidated revenues and net profit of AGI and subsidiaries

Revenues from sale of goods (real estate, alcoholic beverages and snack products) were up 24.66% as a result of 38.48% and 11.93% increases in sales of consumer goods and real estate, respectively. Rendering of services (gaming, hotel, quick-service restaurants, rentals, cinemas) inched up 1% from contraction of gaming revenues from where almost half of service revenues come from. Real estate sales increased by 11.80% and quick-service restaurants sales were up 6.78% year-on-year.

Costs and expenses went up 13.47%. Cost of goods sold expanded by 22.74%, primarily from Emperador and Megaworld. Cost of services increased by 16.60% year-on-year, due to increase in RWM promotional allowances. Promotional allowance refers to the relative fair value of points earned by loyalty card members, prize money for tournaments, and revenue share with junket operators. Other operating expenses declined by 5.58%, primarily due to reduction in Travellers' commissions to gaming promoters.

Finance and other income contracted by 43.82% this year because of last year's one-time gain on MEG's acquisition of a subsidiary which amounted to P468 million. There were also fair value gains on marked-to-market securities and gains on sale of AFS last year. **Finance costs and other charges** went up by 18.64% due to P426 million unrealized forex value differences in Travellers and P299 million interest expense in Emperador.

Income tax decreased by 11.68% this year as compared to a year ago, which is attributed to decline at Travellers.

Earnings before interest, taxes, depreciation and amortizations (EBITDA), computed as net profit before non-recurring income, share in net profits of associates and joint ventures, income taxes, interest expense, depreciation, amortizations and impairment provisions, amounted to P18.63 billion as compared to P18.09 billion a year ago, or 3% improvement year-on-year.

Financial Condition

Consolidated total assets amounted to P395.17 billion at end of the interim period from P409.62 billion at beginning of year. The Group is strongly liquid with current assets exceeding current liabilities 3.42times. Current assets amounted to P193.20 billion while current liabilities amounted to P56.57 billion at end of the interim period.

Cash and cash equivalents dipped by P34.39 billion or 41.91% to end at P47.67 billion from P82.06 billion at the beginning of the year, primarily due to Emperador's debt payments and property additions, Megaworld's business expansion expenditures, and Travellers' dividend payment and capital expenditures. 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 up by P2.04 billion or 46.98% due to additional investments made during the interim period.

Inventories expanded by P4.46 billion or 6.05% due to additional construction costs on on-going real estate development projects and increases in WMG work-in-process and Emperador raw materials for new products.

Other current assets increased by P815 million or 14.42% from additional prepaid expenses at Megaworld and Travellers.

Noncurrent trade and other receivables increased by P2.56 billion or 8.86% from additional RE sales during the period.

Advances to landowners and joint ventures increased by P458 million or 9.51% as a result of advances made during the period.

Available-for-sale financial assets went down by P1.52 billion or 25.50% as a result of asset disposal to get fresh funds for financing purposes and also marked-to-market changes in values.

Land for future development escalated by P3.39 billion or 25.69% primarily from additional acquisition of land and contribution of a new MEG subsidiary.

Property, plant and equipment increased by P4.64 billion or 8.56% with the ongoing constructions at Phase 2 and Phase 3 of RWM and new distillery plant of Emperador. The recently launched Marriott Grand Ballroom, part of RWM's Phase 2 expansion, is the largest ballroom in the country. The Marriott West Wing, on the other hand, is expected to be completed by the first quarter of 2016. Simultaneously, the development of Phase 3 is in full swing with the construction of three hotels – the Hilton Manila and the Sheraton Manila Hotel, as well as the new wing of Maxims Hotel. The on-going developments also include provisions for a new gaming area, additional retail space, and a six-level basement parking deck.

Investment property grew by P3.79 billion or 10.05% from completion properties for lease of Megaworld group.

Trade and other payables were down by P6.99 billion or 18.86% primarily due to settlement of Emperador's year-end accrued expenses and advances.

Current Interest bearing loans dipped by P23.49 billion or 88.09% following the full payment of all foreign-currency-denominated bank loans obtained in connection with the acquisition of Whyte and Mackay in 2014.

Income tax payable decreased by P328 million or 35.81% due to settlement of tax liabilities of Megaworld and GADC.

Non-current Interest-bearing loans soared by P10.39 billion or 129.27% due to additional loans availed by Megaworld.

Advances from related parties went down by P90 million or 10.07% due to payments made by Megaworld during the year.

Retirement benefit obligation was lower by P546 million or 19.97% primarily from reduction booked by WMG.

Deferred tax liabilities were up by P534 million or 5.20% on tax effects of taxable and deductible temporary differences.

Other non-current liabilities increased by P1.68 billion or 6.99% from liabilities of real estate group.

Liquidity and Capital Resources

The consolidated balance sheet showed strong liquidity with current assets exceeding current liabilities 3.4times. Total-liabilities-to-equity ratio is at 0.7:1. Assets exceeded liabilities 2.3times, and equity 1.7times.

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. Megaworld availed of loans during the period.

Amounts in Million Pesos	June 30,2015	Dec 31, 2014
Cash and equivalents	47,670	82,059
FVTPL/AFS financial assets	10,845	10,323
Total Available	58,515	92,382
Interest-bearing debt –current	3,174	31,661
Interest-bearing debt- noncurrent*	75,821	64,980
Net cash (debt)	-20,480	4,258
Available Cash and financial assets to interest-bearing debt	74%	95%%
Interest-bearing debt to total equity	35%	44%

*Includes equity-linked securities presented under Other Non-current liabilities.

Prospects for the future

AGI remains concentrated on its business programs. Management will continue to adopt prudent measures to ensure financial sustainability and look for new opportunities that will enhance the overall profitability of the group while maintaining the established markets. In 2015, all the business segments are expected to grow revenues and profits in line with targets. Megaworld is aggressively building more townships this year, aiming to end 2015 with 20 township developments. Emperador will have its busiest year so far with eight product launches this year. RWM is currently engaged in projects and developments that will offer broader entertainment facilities to its patrons, and will continue to focus on strengthening the non-VIP segment, expanding the international market and at the same time growing the non-gaming revenues. Travellers will have more hotels, additional gaming area and retail space in RWM by 2017. And, GADC targets 500 branches nationwide by first half of 2016.

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
August 14, 2015

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
June 30, 2015

	6/30/15	3/31/15	12/31/14
Current ratio	3.42	2.56	2.39
Quick ratio	1.69	1.45	1.40
Liabilities-to-equity ratio	0.74	0.84	0.88
Interest-bearing debt to total capitalization ratio	0.37	0.43	0.43
Asset -to-equity ratio	1.74	1.84	1.88
			6/30/14
Interest rate coverage ratio	701%	652%	811%
Net profit margin	17.55%	17.26%	19.08%
Return on assets	2.91%	1.35%	3.38%
Return on equity/investment	5.07%	2.49%	5.67%
Return on equity/investment of owners	5.67%	2.69%	6.53%

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 attributable to owners of the parent divided by equity attributable to ownersof the parent company

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND DECEMBER 31, 2014
(Amounts in Philippine Pesos)

	June 30, 2015 (UNAUDITED)	December 31, 2014 (AUDITED)
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	**P 47,670,155,479**	P 82,058,836,647
Trade and other receivables - net	**41,778,710,013**	42,708,285,496
Financial assets at fair value through profit or loss	**6,395,224,283**	4,351,221,441
Inventories - net	**78,163,524,423**	73,706,121,918
Property development costs	**12,722,611,847**	12,390,474,097
Other current assets	**6,468,615,459**	5,653,565,184
Total Current Assets	**193,198,841,504**	220,868,504,783
NON-CURRENT ASSETS		
Trade and other receivables - net	**31,475,373,931**	28,914,555,021
Advances to landowners and joint ventures	**5,282,207,239**	4,823,705,981
Available-for-sale financial assets	**4,449,355,053**	5,972,087,128
Land for future development	**16,607,024,360**	13,212,623,684
Investments in and advances to associates and other related parties	**8,136,091,489**	8,157,122,260
Property, plant and equipment - net	**58,859,079,230**	54,218,737,647
Investment property - net	**41,534,963,930**	37,742,292,122
Intangible assets - net	**29,610,355,275**	29,744,925,357
Deferred tax assets	**778,391,342**	775,835,966
Other non-current assets	**5,236,158,930**	5,188,534,145
Total Non-current Assets	**201,969,000,779**	188,750,419,311
TOTAL ASSETS	**P 395,167,842,283**	P 409,618,924,094

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	June 30, 2015 (UNAUDITED)	December 31, 2014 (AUDITED)
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	**P 30,637,809,562**	P 37,631,587,475
Interest-bearing loans	**3,174,051,204**	26,660,576,448
Income tax payable	**588,557,456**	916,910,601
Bonds payable	-	5,000,000,000
Other current liabilities	**22,168,302,327**	22,331,619,569
Total Current Liabilities	**56,568,720,549**	92,540,694,093
NON-CURRENT LIABILITIES		
Interest-bearing loans	**18,430,422,770**	8,038,681,649
Bonds payable	**52,134,462,055**	51,687,525,333
Advances from related parties	**812,186,879**	903,152,243
Retirement benefit obligation	**2,190,224,016**	2,736,675,951
Redeemable preferred shares	**1,896,734,209**	1,854,419,622
Deferred tax liabilities - net	**10,792,670,646**	10,259,066,064
Other non-current liabilities	**25,800,923,786**	24,115,293,267
Total Non-current Liabilities	**112,057,624,361**	99,594,814,129
Total Liabilities	**168,626,344,910**	192,135,508,222
EQUITY		
Equity attributable to owners of the parent company	**132,296,810,939**	126,497,113,102
Non-controlling interest	**94,244,686,434**	90,986,302,770
Total Equity	**226,541,497,373**	217,483,415,872
TOTAL LIABILITIES AND EQUITY	**P 395,167,842,283**	P 409,618,924,094

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in Philippine Pesos)
(UNAUDITED)

	2015		2014	
	Year-to-Date	**Quarter**	Year-to-Date	Quarter
REVENUES				
Sale of goods	**P 35,019,869,401**	**P 18,573,901,586**	P 28,092,212,407	P 13,085,795,019
Rendering of services	**28,434,926,628**	**13,556,805,035**	28,229,829,726	13,931,885,830
Share in net profits of associates and joint ventures - net	**151,921,992**	**80,699,469**	57,153,861	55,850,060
Finance and other income	**1,813,837,677**	**902,221,519**	3,228,675,061	1,304,096,481
	65,420,555,698	**33,113,627,609**	59,607,871,055	28,377,627,390
COSTS AND EXPENSES				
Cost of goods sold	**22,771,209,607**	**11,459,313,369**	18,552,162,975	8,869,372,456
Cost of services	**14,752,855,946**	**8,100,659,561**	12,653,341,429	6,367,478,149
Other operating expenses	**11,047,227,584**	**4,929,014,589**	11,699,845,669	5,822,825,037
Finance cost and other charges	**2,600,263,068**	**1,161,314,885**	2,191,795,522	327,876,465
	51,171,556,205	**25,650,302,404**	45,097,145,595	21,387,552,107
PROFIT BEFORE TAX	**14,248,999,493**	**7,463,325,205**	14,510,725,460	6,990,075,283
TAX EXPENSE	**2,768,581,282**	**1,559,013,443**	3,134,731,340	1,868,068,014
NET PROFIT	**11,480,418,211**	**5,904,311,762**	11,375,994,120	5,122,007,269
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on remeasurement of retirement benefit obligation - net of tax	**349,416,000**	**349,416,000**	(1,032,109)	(1,032,109)
Items that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	**(1,486,834,722)**	**(833,850,415)**	43,701,285	58,970,052
Translation adjustments	**(596,424,984)**	**(423,702,996)**	(207,203,331)	(152,529,668)
Share in other comprehensive income (loss) of associates and joint ventures	**-**	**-**	(6,159,298)	(6,159,298)
	(2,083,259,706)	**(1,257,553,411)**	(169,661,344)	(99,718,914)
TOTAL COMPREHENSIVE INCOME	**P 9,746,574,505**	**P 4,996,174,351**	P 11,205,300,667	P 5,021,256,246
Net profit attributable to:				
Owners of the parent company	**P 7,506,759,632**	**P 4,030,799,215**	P 7,490,204,510	P 3,547,350,263
Non-controlling interest	**3,973,658,579**	**1,873,512,547**	3,885,789,610	1,574,657,006
	P 11,480,418,211	**P 5,904,311,762**	P 11,375,994,120	P 5,122,007,269
Total comprehensive income attributable to:				
Owners of the parent company	**P 5,772,915,926**	**P 3,122,661,804**	P 7,319,511,057	P 3,446,599,240
Non-controlling interest	**3,973,658,579**	**1,873,512,547**	3,885,789,610	1,574,657,006
	P 9,746,574,505	**P 4,996,174,351**	P 11,205,300,667	P 5,021,256,246
Earnings Per Share for the Net Income Attributable to Owners of the Parent Company:				
Basic	**P 0.7398**	**P 0.3972**	P 0.7405	P 0.3507
Diluted	**P 0.7342**	**P 0.3937**	P 0.7374	P 0.3493

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in Philippine Pesos)
(UNAUDITED)

	2015	2014
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		
Capital Stock	P 10,269,827,979	P 10,269,827,979
Additional Paid-in Capital	34,395,380,979	33,611,840,432
Treasury Shares - at cost	(936,157,074)	(955,217,410)
Net Actuarial Losses on Retirement Benefit Plan		
Balance at beginning of period	(523,047,616)	(207,484,076)
Actuarial gains (losses) for the period, net of tax	349,416,000	(1,032,109)
Balance at end of period	(173,631,616)	(208,516,185)
Net Unrealized Losses on Available-for-Sale Securities		
Balance at beginning of period	(507,112,055)	(906,447,446)
Net unrealized fair value gains (losses) during the period	(1,486,834,722)	43,701,285
Share in other comprehensive loss of associates and joint venture	-	(6,159,298)
Balance at end of period	(1,993,946,777)	(868,905,459)
Accumulated Translation Adjustments		
Balance at beginning of period	(1,692,314,380)	(903,939,309)
Currency translation adjustments during the period	(596,424,984)	(207,203,331)
Balance at end of period	(2,288,739,364)	(1,111,142,640)
Balance carried forward	P 39,272,734,127	P 40,737,886,717

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		2015		2014
Balance brought forward	**P**	**39,272,734,127**	P	40,737,886,717
Dilution Gain		**19,980,402,684**		10,974,217,660
Share Options				
Balance at beginning of period		**577,813,280**		264,469,448
Share-based compensation expense recognized during the period		**26,781,911**		26,586,345
Balance at end of period		**604,595,191**		291,055,793
Retained Earnings				
Appropriated		**1,225,000,000**		2,145,000,000
Unappropriated				
Balance at beginning of period		**63,707,319,305**		53,400,459,760
Net profit for the period		**7,506,759,632**		7,490,204,510
Effect of change in percentage ownership		**-**	(	292,278,512)
Appropriation during the period	**(**	**1,225,000,000)**		-
Reversal of appropriation during the period		**1,225,000,000**		-
Balance at end of period		**71,214,078,937**		60,598,385,758
Total Retained Earnings		**72,439,078,937**		62,743,385,758
Total		**132,296,810,939**		114,746,545,928
NON-CONTROLLING INTEREST				
Balance at beginning of period		**90,986,302,770**		82,528,918,594
Non-controlling interest in additional investments		**1,064,712,484**	(	178,234,893)
Share in consolidated comprehensive income		**3,973,658,579**		3,885,789,610
Effect of change in percentage ownership		**-**		293,278,295
Dividend from investee	**(**	**1,779,987,399)**	(	512,200,413)
Balance at end of period		**94,244,686,434**		86,017,551,193
TOTAL EQUITY	**P**	**226,541,497,373**	P	200,764,097,121

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in Philippine Pesos)
(UNAUDITED)

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 14,248,999,493	P 14,510,725,460
Adjustments for:		
Interest expense	2,369,768,863	2,041,613,923
Depreciation and amortization	2,141,525,618	2,055,722,059
Interest income	(1,047,547,572)	(1,206,813,541)
Fair value gains - net	(198,978,270)	(598,416,336)
Share in net profits of associates and joint ventures	(151,921,992)	(57,153,861)
Stock option benefit expense	26,781,911	26,586,345
Impairment and other losses	25,694,061	6,159,404
Dividend income	(22,828,782)	(74,596,018)
Unrealized loss on interest rate swap	17,554,438	6,332,043
Unrealized foreign currency gains	(17,370,283)	(178,023,798)
Net loss (gain) on disposal of property, plant and equipment, investment property and intangible assets	6,562,811	(37,570,250)
Income from acquisition and deconsolidation of subsidiaries	-	(77,223,885)
Operating income before working capital changes	17,398,240,296	16,417,341,545
Increase in trade and other receivables	(5,603,656,593)	(5,789,195,687)
Decrease (increase) in financial assets at fair value through profit or loss	(2,099,216,757)	2,518,678,641
Increase in inventories	(2,910,068,007)	(3,398,678,609)
Decrease (increase) in property development costs	(624,845,399)	472,679,164
Increase in other current assets	(959,631,529)	(393,003,189)
Decrease in trade and other payables	(5,739,546,094)	(1,280,717,051)
Increase (decrease) in other current liabilities	(72,122,735)	523,675,080
Increase (decrease) in retirement benefit obligation	(217,367,672)	71,596,271
Increase in other non-current liabilities	759,748,326	1,762,725,299
Cash generated from (used in) operations	(68,466,164)	10,905,101,464
Cash paid for taxes	(2,428,205,277)	(2,342,413,960)
Net Cash From (Used in) Operating Activities	(2,496,671,441)	8,562,687,504
Balance carried forward	(P 2,496,671,441)	P 8,562,687,504

	2015	2014
Balance brought forward	(P 2,496,671,441)	P 8,562,687,504
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property, plant and equipment and investment property	(11,399,582,981)	(8,773,805,627)
Investment in and advances to associates	(2,927,982,943)	(4,929,107,364)
Available-for-sale financial assets	(1,136,616,338)	(133,253,573)
Land for future development	(449,405,783)	(539,957,705)
Other non-current assets	(47,624,785)	(791,768,234)
Intangible assets	-	(4,204,919)
Proceeds from:		
Collections of advances from associates and other related parties	257,715,734	-
Sale of available-for-sale financial assets	126,069,192	117,919,493
Disposal of property, plant and equipment	63,656,087	43,810,234
Interest received	1,005,463,977	1,158,905,082
Cash dividends received	22,828,782	74,596,018
Additional advances granted to associates and other related parties	(85,122,982)	(1,188,112,709)
Advances to landowners and joint ventures	-	12,411,621
Net Cash Used in Investing Activities	(15,029,103,298)	(14,952,567,683)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest-bearing loans and bonds	(30,070,231,286)	(7,910,903,404)
Proceeds from interest-bearing loans and bonds	14,461,425,468	-
Interest paid	(2,485,978,305)	(2,447,490,924)
Advances collected and received from related parties	1,569,358,594	581,523,276
Payment of derivative liability	(157,640,625)	(158,399,438)
Advances granted and paid to related parties	(179,840,275)	(1,434,751,751)
Dividends paid	-	(76,641,853)
Net Cash Used in Financing Activities	(16,862,906,429)	(11,446,664,094)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,388,681,168)	(17,836,544,273)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	82,058,836,647	94,977,525,445
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS OF NEW SUBSIDIARIES	-	387,730,870
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 47,670,155,479	P 77,528,712,042

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
JUNE 30, 2015
(With Comparative Figures as at December 31, 2014)
(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):

			Percentage of Effective Ownership of AGI	
Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	**June 2015**	December 2014
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%
Woodside Greentown 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%
Bacolod Murcia Milling Co., Inc.	BMMCI	(f)	**62%**	-

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI June 2015	December 2014
Subsidiaries				
Megaworld and subsidiaries				
Megaworld Global-Estate, Inc.		(g)	**59%**	59%
Manila Bayshore Property Holdings, Inc.		(h)	**57%**	57%
Empire East Land Holdings, Inc.	EELHI		**55%**	55%
Valle Verde Properties, Inc.		(i)	**55%**	55%
Empire East Communities, Inc.		(i)	**55%**	55%
Sherman Oak Holdings, Inc.		(i)	**55%**	55%
Eastwood Property Holdings, Inc.		(i)	**55%**	55%
Global-Estate Resorts, Inc.	GERI	(j)	**54%**	54%
Fil-Estate Properties, Inc.			**54%**	54%
Aklan Holdings Inc.			**54%**	54%
Blu Sky Airways, Inc.			**54%**	54%
Fil-Estate Subic Development Corp.			**54%**	54%
Fil-Power Construction Equipment Leasing Corp.			**54%**	54%
Golden Sun Airways, Inc.			**54%**	54%
La Compaña De Sta. Barbara, Inc.			**54%**	54%
MCX Corporation			**54%**	54%
Pioneer L-5 Realty Corp.			**54%**	54%
Prime Airways, Inc.			**54%**	54%
Sto. Domingo Place Development Corp.			**54%**	54%
Fil-Power Concrete Blocks Corp.			**54%**	54%
Fil-Estate Golf and Development, Inc			**54%**	54%
Golforce, Inc.			**54%**	54%
Fil-Estate Urban Development Corp.			**54%**	54%
Novo Sierra Holdings Corp.			**54%**	54%
Southwood Mall Inc.			**54%**	54%
Global Homes and Communities, Inc.			**54%**	54%
Megaworld Central Properties, Inc.			**51%**	51%
Townsquare Development, Inc.			**50%**	50%
Golden Panda-ATI Realty Corporation			**50%**	50%
Twin Lakes Corp.			**45%**	45%
La Fuerza, Inc.			**45%**	45%
Fil-Estate Industrial Park, Inc.			**43%**	43%
Megaworld-Daewoo Corporation			**40%**	40%
Laguna Bel-Air School, Inc.		(i)	**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%
Fil-Estate Ecocentrum Corp.			**30%**	30%
Philippine Aquatic Leisure Corp.			**30%**	30%
Oceanfront Properties, Inc.			**27%**	27%
Emperador and subsidiaries				
Emperador Inc.	EMP or Emperador		**81%**	81%
Emperador Distillers, Inc.	EDI		**81%**	81%
Emperador International Ltd.		(e)	**81%**	81%
Anglo Watsons Glass, Inc.	AWGI	(k)	**63%**	81%
The Bar Beverage, Inc.			**81%**	81%
Bodega San Bruno, SL	BSB	(l)	**81%**	81%
Emperador Europe SARL	EES	(l)	**81%**	81%
Emperador Asia Pte Ltd.	EA	(l)	**81%**	81%
Grupo Emperador Spain, S.A.	GES	(l)	**81%**	81%
Emperador Holdings (GB) Limited.	EGB	(l)	**81%**	81%
Emperador UK Limited	EUK	(l)	**81%**	81%
Whyte and Mackay Group Limited	WMG	(l)	**81%**	81%
Whyte and Mackay Limited	WML	(l)	**81%**	81%
Whyte and Mackay Warehousing Ltd.		(m)	**81%**	81%

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI June 2015	December 2014
Subsidiaries				
GADC and subsidiaries				
Golden Arches Development Corporation	GADC		**49%**	49%
Golden Arches Realty Corporation			**49%**	49%
Clark Mac Enterprises, Inc.			**49%**	49%
Advance Food Concepts Manufacturing, Inc.			**46%**	46%
Golden Laoag Foods Corporation			**38%**	38%
Davao City Food Industries, Inc.			**37%**	37%
First Golden Laoag Ventures			**34%**	34%
Retiro Golden Foods, Inc.			**34%**	34%
Red Asian Food Solutions			**37%**	37%
McDonald's Anonas City Center		(n)	**34%**	34%
McDonald's Puregold Taguig		(n)	**29%**	29%
Golden City Food Industries, Inc.		(n)	**29%**	29%
McDonald's Bench Building		(n)	**27%**	27%
Molino First Golden Foods, Inc.			**26%**	26%
GY Alliance Concepts, Inc.			**19%**	19%
Travellers and subsidiaries				
Travellers International Hotel Group, Inc.	Travellers	(o)	**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.			**47%**	47%
Golden Peak Leisure and Recreation, Inc.			**47%**	47%
Resorts World Bayshore City, Inc.	RWBCI		**47%**	47%
Purple Flamingos Amusement and Leisure Corporation		(p)	**47%**	47%
Red Falcon Amusement and Leisure Corporation		(p)	**47%**	47%
Agile Fox Amusement and Leisure Corporation		(q)	**47%**	-
Aquamarine Delphinium Leisure and Recreation Corporation		(q)	**47%**	-
Brilliant Apex Hotels and Leisure Corporation		(q)	**47%**	-
Coral Primrose Leisure and Recreation Corporation		(q)	**47%**	-
Lucky Panther Amusement and Leisure Corporation		(q)	**47%**	-
Luminescent Vertex Hotels and Leisure Corporation		(q)	**47%**	-
Magenta Centaurus Amusement and Leisure Corporation		(q)	**47%**	-
Sapphire Carnation Leisure and Recreation Corporation		(q)	**47%**	-
Scarlet Milky Way Amusement and Leisure Corporation		(q)	**47%**	-
Sparkling Summit Hotels and Leisure Corporation		(q)	**47%**	-
Valiant Leopard Amusement and Leisure Corporation		(q)	**47%**	-
Vermillion Triangulum Amusement and Leisure Corporation		(q)	**47%**	-

Subsidiaries/Associates/Jointly Controlled Entities	Short Name	Notes	Percentage of Effective Ownership of AGI June 2015	December 2014
Subsidiaries				
Corporate and Others				
New Town Land Partners, Inc.	NTLPI		**100%**	100%
Tradewind Estates, Inc.			**100%**	100%
Great American Foods, Inc.		(r)	**100%**	100%
McKester America, Inc.		(r)	**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 Ltd.		(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.		(s)	**100%**	100%
ERA Real Estate Exchange, Inc.		(s)	**100%**	100%
Global One Real Estate Spain, SAU		(t)	**100%**	100%
Adams Properties, Inc.	Adams		**60%**	60%
Associates				
Boracay Newcoast Hotel Group, Inc.			**32%**	32%
Bonifacio West Development Corporation			**31%**	31%
Suntrust Home Developers, Inc.	SHDI		**29%**	29%
First Oceanic Property Management, Inc.		(u)	**29%**	29%
Citylink Coach Services, Inc.		(u)	**29%**	29%
Palm Tree Holdings and Development Corporation			**27%**	27%
Fil-Estate Network, Inc.		(v)	**11%**	11%
Fil-Estate Sales, Inc.		(v)	**11%**	11%
Fil-Estate Realty and Sales Associates, Inc.		(v)	**11%**	11%
Fil-Estate Realty Corp.		(v)	**11%**	11%
Nasugbu Properties, Inc.		(v)	**8%**	8%
Jointly Controlled Entities				
Bodegas Las Copas, SL	BLC	(w)	**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) BMMCI, engaged in sugar milling, was acquired by Megaworld from a third party in March 2015.

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

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

(i) Subsidiaries of EELHI

(j) AGI's effective ownership interest over GERI represents its indirect holdings through Megaworld, which owns 80% of GERI, and no direct holdings.

(k) In 2015, AWGI issued voting redeemable preferred shares to a third party resulting to the decrease in effective ownership of AGI during the period. The preferred shares are non-participating.

(l) Foreign subsidiaries of EMP. EA is operating under the laws of Singapore while GES and BSB are operating under the laws of Spain. EES is operating under the laws of Luxembourg. EGB is operating under the laws of England and Wales. EUK, WMG and WML are operating under the laws of Scotland.

(m) Subsidiary of WML operating under the laws of Scotland

(n) Unincorporated joint ventures of GADC

(o) Travellers' common shares are directly owned 25% by AGI, 4.5% by FCI, 2% by Megaworld, 22.5% by Adams, 36% by Genting Hongkong Limited (GHL) and 10% by the public. The Group and GHL each hold 45% of listed common shares. The 47% effective ownership includes the voting preferred shares, as presented above. On common shares alone, effective ownership is 44%.
(p) Wholly owned subsidiaries of RWBCI
(q) New subsidiaries of Travellers in 2015
(r) Subsidiaries of MPIL operating under the laws of United States of America
(s) Subsidiaries of FCI
(t) Subsidiary of MPIL operating under the laws of Spain
(u) Subsidiaries of SHDI, an associate of Megaworld
(v) Associates of GERI
(w) A foreign jointly controlled entity under GES and operating under the laws of Spain

The Company, its subsidiaries and associates are incorporated and operating in the Philippines, except for such foreign subsidiaries and associate as identified in the preceding table (see explanatory notes d, e, l, m, r, t and w above and in the preceding page).

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

The principal activities of the Group are further described in Note 4.

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 August 14, 2015, the release of the interim consolidated financial statements (ICFS) of the Group for the six months ended June 30, 2015 (including the comparative financial statements as at December 31, 2014 and for the six months ended June 30, 2014).

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, 2014.

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.

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, 2014, except for the application of standards that became effective on July 1, 2014.

3.1 Adoption of New and Amended PFRS

(a) Effective in 2015 that are Relevant to the Group

In 2015, the Group adopted for the first time the following amendment and annual improvements to PFRS that are relevant to the Group and effective for financial statements for the annual period beginning on or after July 1, 2014:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plan (Employee Contributions)
Annual Improvements	:	Annual Improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle)

Discussed below and in the succeeding pages are the relevant information about these amendments and improvements to standards:

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans (Employee Contributions)*. The amendment clarifies that if the amount of the contributions from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. The amendment did not have significant impact in the Group's ICFS.

(ii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) effective for annual periods beginning on or after July 1, 2014 made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Group:

Annual Improvements to PFRS (2010-2012 Cycle)

(a) PAS 16 (Amendment), *Property, Plant and Equipment* and PAS 38 (Amendment), *Intangible Assets*. The amendments clarify that when an item of property, plant and equipment, and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset. The amendment did not have a significant impact in the Group's ICFS.

(b) PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the key management entity to its employees or directors. The amendment did not result to additional disclosure in the Group's ICFS.

(c) PFRS 2 (Amendment), *Share-based Payment*. The amendment clarifies the definitions of "vesting condition" and "market condition" and defines a "performance condition" and a "service condition." The amendment did not have a significant impact in the Group's ICFS.

(d) PFRS 3 (Amendment), *Business Combinations*. The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity in accordance with PAS 32, *Financial Instruments*. It also clarifies that all non-equity contingent consideration should be measured at fair value at the end of each reporting period, with changes in fair value recognized in profit or loss. The amendment did not have a significant impact in the Group's ICFS.

(e) PFRS 8 (Amendment), *Operating Segments*. The amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segment assets to the entity's assets if that amount is regularly provided to the chief operating decision maker. The amendment did not result to additional disclosure in the Group's ICFS.

(f) PFRS 13 (Amendment), *Fair Value Measurement*. The amendment in the basis of conclusion of PFRS 13 clarifies that issuing PFRS 13 and amending certain provisions of PFRS 9 and PAS 39, *Financial Instruments* related to discounting of financial instruments did not remove the ability to measure short-term receivables and payables with no stated interest rate on an undiscounted basis, when the effect of not discounting is immaterial. The amendment did not have a significant impact in the Group's ICFS.

Annual Improvements to PFRS (2011-2013 Cycle)

(a) PAS 40 (Amendment), *Investment Property*. The amendment clarifies the interrelationship of PFRS 3 and PAS 40 in determining the classification of property as an investment property or owner-occupied property, and explicitly requires an entity to use judgment in determining whether the acquisition of an investment property is an acquisition of an asset or a group of assets in accordance with PAS 40, or a business combination in accordance with PFRS 3. The amendment did not have a significant impact in the Group's ICFS.

(b) PFRS 3 (Amendment), *Business Combinations*. The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of any joint arrangement under PFRS 11, *Joint Arrangement*, in the financial statements of the joint arrangement itself. The amendment did not have a significant impact in the Group's ICFS.

(c) PFRS 13 (Amendment), *Fair Value Measurement*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of, and accounted for in accordance with PAS 39 or PFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in PAS 32. The amendment did not have a significant impact in the Group's ICFS.

(b) Effective Subsequent to 2015 but are not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards that are effective for periods subsequent to 2015 which are adopted by the FRSC, subject to the approval of the Board of Accountancy. Management will adopt the relevant pronouncements presented below and in the succeeding pages in accordance with their transitional provisions, and, unless otherwise stated, none of these are expected to have significant impact on the Group's ICFS or ACFS.

(i) Effective January 1, 2016

PAS 1 (Amendment)	:	Presentation of Financial Statements – Disclosure Initiative
PAS 16 (Amendment) and PAS 38 (Amendment)	:	Property, Plant and Equipment, and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization

PAS 16 (Amendment) and PAS 41 (Amendment)	:	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 10 (Amendment) and PAS 28 (Amendment)	:	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Ventures
PFRS 11 (Amendment)	:	Joint Arrangements
Annual Improvements	:	Annual Improvements to PFRS (2012-2014 Cycle)

(ii) Effective January 1, 2018

PFRS 9 (2014)	:	Financial instruments

The Group does not expect to implement and adopt PFRS 9 (2014) until its effective date. In addition, management is currently assessing the impact of PFRS 9 (2014) 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.

(iii) Standards with Deferred Adoption in the Philippines

PFRS 15	:	Revenue from Contracts with Customers
Philippine International Financial Reporting Interpretations Committee (IFRIC) 15	:	Agreements for Construction of Real Estate

Management is currently assessing the impact of PFRS 15 and Philippine IFRIC 15 on the Group's consolidated financial statements in preparation for the adoption of these standards in the Philippines.

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 six months ended June 30, 2015 and 2014.

	For six months ended June 30, 2015 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES					
Sales to external customers	P 21,013,094,809	P 14,151,738,519	P 9,609,827,673	P 18,137,185,321	P 62,911,846,322
Intersegment sales	23,800,264	-	-	-	23,800,264
Finance and other revenues	961,207,331	82,306,046	33,822,292	184,622,992	1,261,958,661
Segment revenues	21,998,102,404	14,234,044,565	9,643,649,965	18,321,808,313	64,197,605,247
Cost of sales and expenses excluding depreciation and amortization	(13,285,290,421)	(10,623,728,861)	(8,609,644,578)	(13,532,430,342)	(46,051,094,202)
	8,712,811,983	3,610,315,704	1,034,005,387	4,789,377,971	18,146,511,045
Depreciation and amortization	(585,384,249)	(653,967,742)	(499,217,738)	(302,490,467)	(2,041,160,196)
Finance cost and other charges	(1,036,708,127)	(548,185,800)	(84,926,853)	(301,020,792)	(1,970,841,572)
Profit before tax	7,079,719,607	2,408,162,162	449,860,796	4,185,866,712	14,134,609,277
Tax expense	(1,650,296,795)	(44,390,991)	(125,861,003)	(924,980,976)	(2,745,529,765)
SEGMENT PROFIT	P 5,440,422,812	P 2,363,771,171	P 323,999,793	P 3,260,885,736	P 11,389,079,512
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 233,914,357,535	P 64,302,104,826	P 12,219,320,826	P 67,077,278,484	P 377,513,061,671
Segment liabilities	88,126,076,309	23,462,458,427	7,777,167,061	13,140,345,246	132,506,047,043

	For six months ended June 30, 2014 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES					
Sales to external customers	P 18,708,757,598	P 15,268,882,252	P 8,868,814,094	P 12,920,241,049	P 55,766,694,993
Intersegment sales	11,521,998,501	-	-	-	11,521,998,501
Finance and other revenues	1,726,726,890	273,833,319	113,036,220	314,522,231	2,428,118,660
Segment revenues	31,957,482,989	15,542,715,571	8,981,850,314	13,234,763,280	69,716,812,154
Cost of sales and expenses excluding depreciation and amortization	(12,573,418,284)	(10,582,458,588)	(8,011,388,445)	(9,253,769,329)	(40,421,034,646)
	19,384,064,705	4,960,256,983	970,461,869	3,980,993,951	29,295,777,508
Depreciation and amortization	(571,978,015)	(792,784,969)	(439,288,158)	(216,169,232)	(2,020,220,374)
Finance cost and other charges	(710,158,498)	(630,426,743)	(90,674,608)	(215,316)	(1,431,475,165)
Profit before tax	18,101,928,192	3,537,045,271	440,499,103	3,764,609,403	25,844,081,969
Tax expense	(1,577,250,807)	(655,950,044)	(118,503,225)	(706,749,593)	(3,058,453,669)
SEGMENT PROFIT	P 16,524,677,385	P 2,881,095,227	P 321,995,878	P 3,057,859,810	P 22,785,628,300

The following presents the segment assets and liabilities of the Group as at December 31, 2014 (audited):

SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 222,696,668,271	P 62,704,306,464	P 12,260,171,563	P 96,183,811,446	P 393,844,957,744
Segment liabilities	80,666,774,428	23,106,167,980	7,980,931,664	44,775,107,154	156,528,981,226

4.5 Reconciliations

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

	June 30, 2015 (Unaudited)	June 30, 2014 (Unaudited)
Revenues		
Total segment revenues	**P 64,197,605,247**	P 69,716,812,154
Unallocated corporate revenue	**1,246,750,715**	1,413,057,402
Elimination of intersegment revenues	**(23,800,264)**	(11,521,998,501)
Revenues as reported in interim consolidated profit or loss	**P 65,420,555,698**	P 59,607,871,055
Profit or loss		
Segment operating profit	**P 11,389,079,512**	P 22,785,628,300
Unallocated corporate profit	**115,138,963**	112,364,321
Elimination of intersegment revenues	**(23,800,264)**	(11,521,998,501)
Profit as reported in interim consolidated profit or loss	**P 11,480,418,211**	P 11,375,994,120

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Assets		
Segment assets	**P 377,513,061,671**	P 393,844,957,744
Unallocated corporate assets	**17,654,780,612**	15,773,966,350
Total assets reported in the consolidated statements of financial position	**P 395,167,842,283**	P 409,618,924,094
Liabilities		
Segment liabilities	**P 132,506,047,043**	P 156,528,981,226
Unallocated corporate liabilities	**36,120,297,867**	35,606,526,996
Total liabilities reported in the consolidated statements of financial position	**P 168,626,344,910**	P 192,135,508,222

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, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment as at June 30, 2015 and December 31, 2014 are shown below.

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Cost	**P 80,264,526,341**	P 73,961,732,271
Accumulated depreciation	**(21,405,447,111)**	(19,742,994,624)
Net carrying amount	**P 58,859,079,230**	P 54,218,737,647

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

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Balance at beginning of period net of accumulated depreciation	**P 54,218,737,647**	P 41,661,804,726
Additions	**6,372,649,984**	10,420,083,120
Depreciation charges for the period	**(1,642,448,487)**	(2,943,921,950)
Disposals	**(70,218,898)**	(997,801,099)
Impairment loss	**(20,004,000)**	(209,995,122)
Property, plant and equipment of newly acquired subsidiaries	**362,984**	6,286,782,654
Reclassifications	**-**	1,785,318
Balance at end of period net of accumulated depreciation and impairment loss	**P 58,859,079,230**	P 54,218,737,647

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 beginning and end of the reporting periods are shown below.

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Cost	**P 46,927,271,418**	P 42,674,379,523
Accumulated depreciation	**(5,392,307,488)**	(4,932,087,401)
Net carrying amount	**P 41,534,963,930**	P 37,742,292,122

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

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Balance at beginning of period net of accumulated depreciation	**P 37,742,292,122**	P 27,290,428,438
Additions	**5,194,755,312**	8,739,451,301
Reclassifications – net	**(941,863,417)**	(1,785,318)
Depreciation charges for the period	**(460,220,087)**	(1,242,079,851)
Investment property of newly acquired subsidiaries	**-**	3,323,717,733
Disposals	**-**	(367,440,181)
Balance at end of period net of accumulated depreciation	**P 41,534,963,930**	P 37,742,292,122

In 2015, Megaworld reclassified certain investment properties to inventories amounting to P941.9 million.

7. DIVIDENDS

There were no dividends declared and paid by the Company for the six months period ended June 30, 2015.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

		June 30, 2015 (Unaudited)		June 30, 2014 (Unaudited)
Basic:				
Net profit attributable to owners of the parent company	**P**	**7,506,759,632**	P	7,490,204,510
Divide by the weighted average number of outstanding common shares		**10,146,863,779**		10,114,531,579
	P	**0.7398**	P	0.7405
Diluted:				
Net profit attributable to owners of the parent company	**P**	**7,506,759,632**	P	7,490,204,510
Divide by the weighted average number of outstanding common shares		**10,224,555,446**		10,157,023,246
	P	**0.7342**	P	0.7374

As at June 30, 2015 and 2014, there are 85.9 million and 42.5 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 2015 and 2014 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 six months ended June 30, 2015 and 2014, and the related outstanding balances as at June 30, 2015 and December 31, 2014 are as follows:

Related Party Category	Notes	Amount of Transaction: **June 30, 2015 (Unaudited)**	Amount of Transaction: June 30, 2014 (Unaudited)	Outstanding Balance: **June 30, 2015 (Unaudited)**	Outstanding Balance: December 31, 2014 (Audited)
Subsidiaries' stockholders:					
Interest expense on loan payable	9.2	**P -**	P 26,683,500	**P -**	P -
Casino transactions	9.3	**1,804,264,346**	5,209,655,212	**517,310,706**	289,395,342
Incidental rebate charges	9.3	**155,569,368**	1,216,927,727	**(162,093,697)**	(168,093,697)
Junket sharing expenses	9.11	**424,688,072**	-	**(58,498,807)**	-
Management fees	9.4	**229,538,843**	197,619,568	**(15,090,075)**	(31,711,184)
Accounts payable	9.8	**11,500,000**	-	**380,670,512**	369,170,512
Redeemable preferred shares	9.10	**36,564,587**	-	**632,996,309**	596,431,722
Issuance of equity-linked securities	9.12	**-**	-	**5,280,000,000**	5,280,000,000
Related party under common ownership:					
Purchase of raw materials	9.1	**P 1,597,592,588**	P 23,900,165	**P 512,398,797**	P 1,616,937,584
Purchase of imported goods	9.1	**1,974,284**	2,162,415	**496,179**	160,919
Rental income	9.5	**5,371,792**	-	**-**	-
Advances granted	9.7	**(170,154,988)**	-	**967,119,138**	1,137,274,126
Associates:					
Rental income	9.5	**-**	-	**603,436**	603,436
Advances granted	9.7	**(2,437,764)**	(1,188,112,709)	**1,275,344,145**	1,277,781,909
Others:					
Rental income	9.5	**306,572**	-	**186,380**	186,380
Receivable from joint venture	9.6	**-**	(17,711,146)	**-**	-
Accounts receivable	9.8	**(1,523,669,554)**	(119,437,373)	**309,366,217**	1,833,035,771
Accounts payable	9.8	**(30,685,871)**	(171,927,176)	**194,638,440**	225,324,311
Advances from joint venture partners and others	9.9	**(90,965,364)**	387,374,037	**812,186,879**	903,152,243
Other liabilities	9.11	**-**	34,454,676	**-**	-

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, a related party under common control.

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 Loan from MRO

GADC has a loan agreement with MRO. The principal amount of the loan of U.S.$12.0 million is payable in full up to March 17, 2025. However, in October 2014, GADC fully paid the whole amount of loan including the accrued interest thereon.

9.3 Joint Co-operation Agreement with 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.

9.4 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.

9.5 Rental Income from Associates

GERI leases its investment property to certain related parties with rental payments mutually agreed before the commencement of the lease. The revenue earned from leases to related parties are included as part of Rental income under Rendering of Services account in the interim consolidated statements of comprehensive income. The outstanding receivable is short-term, unsecured, noninterest-bearing, and are generally settled in cash upon demand.

As at June 30, 2015 and December 31, 2014, based on management's assessment, the outstanding balance of rental income receivable from associates is not impaired; hence, no impairment losses were recognized.

9.6 Receivable from a Joint Venture

Receivables from GCFII are unsecured, interest free and normally settled in cash. These are included in Trade receivables under the Trade and Other Receivables account in the interim consolidated statements of financial position.

In 2014, GADC made additional investment in GCFII resulting to an increase in ownership interest from 50% to 60%, thus obtaining control. The outstanding amount of receivables from GCFII as at June 30, 2015 and December 31, 2014 were eliminated in full.

9.7 Advances to Associates and Other Related Parties

Entities within the Group grant advances to associates and other related parties 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 interim consolidated statements of financial position. The movements of the account are presented below (these mainly represent advances granted by Megaworld):

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Balance at beginning of year	**P 2,415,056,035**	P 2,713,925,501
Cash advances granted	**85,122,982**	959,713,523
Collections	**(257,715,734)**	(1,258,582,989)
Balance at end of year	**P 2,242,463,283**	P 2,415,056,035

As at June 30, 2015 and December 31, 2014, 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.

9.8 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 June 30, 2015 and December 31, 2014, 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 interim consolidated statements of financial position as follows:

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Due from Related Parties		
Balance at beginning of year	**P 1,833,035,771**	P 1,239,264,958
Additions	**147,964,776**	1,658,605,190
Collections	**(1,671,634,330)**	(1,064,834,377)
Balance at end of year	**P 309,366,217**	P 1,833,035,771
Due to Related Parties		
Balance at beginning of year	**P 594,494,823**	P 1,295,411,359
Additions	**12,689,628**	3,380,511
Repayments	**(31,875,499)**	(704,297,047)
Balance at end of year	**P 575,308,952**	P 594,494,823

9.9 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:

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Advances from related parties	**P 487,894,968**	P 578,860,332
Advances from JV partners	**324,291,911**	324,291,911
	P 812,186,879	P 903,152,243

9.10 Redeemable Preferred Shares

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

9.11 Other Liabilities

In the normal course of business, Travellers obtains from certain related parties unsecured non-interest bearing, cash advances for working capital requirements and other purposes which is presented as part of Other Current Liabilities account in the interim consolidated statements of financial position. This also includes liabilities for revenue sharing agreements with a related party junket operator.

9.12 Equity-linked Debt Securities

In 2014, EMP issued equity-linked debt securities (ELS) instrument to a stockholder 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.

9.13 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. A similar case filed on behalf of a PAGCOR licensee is pending with the SC as at the reporting period. The Group awaits the final outcome of the said case.

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.

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. The foreign subsidiaries described in Note 1 do not have financial assets and financial liabilities denominated in currencies other than their respective foreign currencies; hence they are not exposed to foreign currency risk.

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

	June 30, 2015 (Unaudited)		December 31, 2014 (Audited)	
	U.S. Dollars	**HK Dollars**	U.S. Dollars	HK Dollars
Financial assets	**P 11,134,738,787**	**P 3,264,425,225**	P 26,693,102,110	1,912,550,620
Financial liabilities	**(42,180,556,703)**	**(1,048,866,892)**	(68,385,830,251)	(671,284,910)
	(P 31,045,817,916)	**P 2,215,558,333**	(P 41,692,728,141)	P 1,241,265,710

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 +/- 16% and +/- 18% changes in exchange rate for 2015 and 2014, respectively. The HK dollar – Philippine peso exchange rate assumes +/-16% and +/- 20% changes for 2015 and 2014, 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, excluding those financial instruments held by foreign subsidiaries.

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 P5.0 billion for the six-month period ended June 30, 2015 and P7.8 billion for the year ended December 31, 2014. If in 2015 and 2014, 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 P0.4 billion and P0.2 billion, respectively.

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 +/- 0.59% for Philippine peso and +/- 0.14% for U.S. dollar in 2015, and +/-0.83% for Philippine peso and +/-0.03% for U.S. dollar in 2014 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 June 30, 2015 and December 31, 2014, 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 six-month period ended June 30, 2015 and P0.7 billion for the year ended December 31, 2014. 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:

	June 30, 2015 (Unaudited)	December 31, 2014 (Audited)
Not more than 30 days	**P 3,143,597,867**	P 6,057,980,911
31 to 60 days	**1,131,956,231**	1,365,362,281
Over 60 days	**4,586,832,024**	1,075,817,654
	P 8,862,386,122	P 8,499,160,846

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 June 30, 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 14,660,483,708	P 15,977,325,854	P -	P -
Interest-bearing loans	2,124,186,118	1,049,865,086	8,057,937,160	10,384,615,385
Bonds payable	-	-	45,887,357,131	7,649,016,176
Advances from related parties	-	-	812,186,879	-
Redeemable preferred shares	-	-	-	1,896,734,209
Security deposits	9,331,843	-	1,781,063,405	-
Other liabilities	2,583,457,537	-	-	-
	P 19,377,459,206	**P 17,027,190,940**	**P 56,538,544,575**	**P 19,930,365,770**

As at December 31, 2014, 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 30,312,159,497	P 4,740,592,169	P -	P -
Interest-bearing loans	25,587,778,814	1,072,797,634	6,966,234,589	1,080,183,150
Bonds payable	5,461,785,950	461,785,950	44,245,200,955	7,505,468,158
Advances from related parties	-	-	384,565,490	-
Redeemable preferred shares	-	-	1,257,987,900	1,574,159,348
Security deposits	102,003,672	-	26,663,649	102,100,032
Derivative liability	233,751,463	-	-	-
Other liabilities	146,729,480	-	-	-
	P 61,844,208,876	P 6,275,175,753	P 59,619,419,233	P 10,261,910,688

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 June 30, 2015 and December 31, 2014 are summarized as follows:

	Observed Volatility Rates		Impact on Equity	
	Increase	Decrease	Increase	Decrease
2015 - Investment in equity securities	**+19.05%**	**-19.05%**	**P 334,878,792**	**(P 334,878,792)**
2014 - Investment in equity securities	+20.82%	-20.82%	P 463,852,651	(P 463,852,651)

The maximum additional estimated loss in 2015 and 2014 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 six months in 2015 and 12 months in 2014.

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 FINANCIAL LIABILITIES

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

	June 30, 2015 (Unaudited)		December 31, 2014 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets				
Loans and receivables:				
Cash and cash equivalents	**P 47,670,155,479**	**P 47,670,155,479**	P 82,058,836,647	P 82,058,836,647
Trade and other receivables	**69,776,795,623**	**69,776,795,623**	63,663,499,864	63,663,499,864
Other financial assets	**1,786,306,474**	**1,786,306,474**	1,824,034,893	1,824,034,893
	P 119,233,257,576	**P 119,233,257,576**	P147,546,371,404	P147,546,371,404
Financial assets at FVTPL-				
Marketable debt and equity securities	**P 6,395,224,283**	**P 6,395,224,283**	P 4,351,221,441	P 4,351,221,441
AFS Financial Assets:				
Debt securities	**P 2,691,272,265**	**P 2,691,272,265**	P 3,717,359,428	P 3,717,359,428
Equity securities	**1,758,082,788**	**1,758,082,788**	2,254,727,700	2,254,727,700
	P 4,449,355,053	**P 4,449,355,053**	P 5,972,087,128	P 5,972,087,128

	June 30, 2015 (Unaudited) Carrying Values	June 30, 2015 (Unaudited) Fair Values	December 31, 2014 (Audited) Carrying Values	December 31, 2014 (Audited) Fair Values
Financial Liabilities				
Financial liabilities at FVTPL –				
Derivative liabilities	**P 738,004,543**	**P 738,004,543**	P 1,268,699,964	P 1,268,699,964
Financial liabilities at amortized cost:				
Current				
Trade and other payables	**P 29,487,158,626**	**P 29,487,158,626**	P 33,906,586,092	P 33,906,586,092
Interest-bearing loans and borrowings	**3,174,051,204**	**3,174,051,204**	26,660,576,448	26,660,576,448
Bonds payable	**-**	**-**	5,000,000,000	5,000,000,000
Other current liabilities	**19,917,222,062**	**19,917,222,062**	10,263,243,481	10,263,243,481
	P 52,578,431,892	**P 52,578,431,892**	P 75,830,406,021	P 75,830,406,021
Non-current				
Bonds payable	**P 52,134,462,055**	**P 52,134,462,055**	P 51,687,525,333	P 51,687,525,333
Interest-bearing loans and borrowings	**18,430,422,770**	**18,430,422,770**	8,038,681,649	8,038,681,649
ELS	**5,256,000,770**	**5,256,000,770**	5,253,911,638	5,253,911,638
Redeemable preference shares	**1,896,734,209**	**1,896,734,209**	1,854,419,622	2,240,108,833
Due to related parties	**2,190,600,294**	**2,190,600,294**	903,152,243	903,152,243
Security deposits	**1,781,063,405**	**1,781,063,405**	294,947,826	294,947,826
	P 81,689,283,503	**P 81,689,283,503**	P 68,032,638,311	P 68,418,327,522

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 interim consolidated statements of financial position on a recurring basis as at June 30, 2015 and December 31, 2014.

	June 30, 2015 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 6,395,224,283	P -	P -	P 6,395,224,283
AFS financial assets:				
Debt securities	2,691,272,265	-	-	2,691,272,265
Equity securities	1,592,658,028	61,387,270	104,037,490	1,758,082,788
	P 10,679,154,576	**P 61,387,270**	**P 104,037,490**	**P 10,844,579,336**
Financial liability:				
Financial liabilities at FVTPL –				
Derivative liabilities	**P 738,004,543**	**P -**	**P -**	**P 738,004,543**

	December 31, 2014 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 4,351,221,441	P -	P -	P 4,351,221,441
AFS financial assets:				
Debt securities	3,717,359,428	-	-	3,717,359,428
Equity securities	2,024,370,210	63,160,000	167,197,490	2,254,727,700
	P 10,092,951,079	P 63,160,000	P 167,197,490	P 10,323,308,569
Financial liability:				
Financial liabilities at FVTPL –				
Derivative liabilities	P 1,268,699,964	P -	P -	P 1,268,699,964

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 June 30, 2015 and December 31, 2014.

	June 30, 2015 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 47,670,155,479	P -	P -	P 47,670,155,479
Trade and other receivables	-	-	69,776,795,623	69,776,795,623
	P 47,670,155,479	**P -**	**P69,776,795,623**	**P 117,446,951,102**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 29,487,158,626	P 29,487,158,626
Interest-bearing loans	-	-	3,174,051,204	3,174,051,204
Other current liabilities	-	-	19,917,222,062	19,917,222,062
Non-current:				
Interest-bearing loans	-	-	18,430,422,770	18,430,422,770
Bonds payable	52,134,462,055	-	-	52,134,462,055
Equity-linked debt securities	-	-	5,256,000,770	5,256,000,770
Due to related parties	-	-	2,190,600,294	2,190,600,294
Redeemable preferred shares	-	-	1,896,734,209	1,896,734,209
Security deposits	-	-	1,781,063,405	1,781,063,405
	P 52,134,462,055	**P -**	**P 29,554,821,448**	**P 81,689,283,503**

December 31, 2014 (Audited)

	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 82,058,836,647	P -	P -	P 82,058,836,647
Trade and other receivables	-	-	63,663,499,864	63,663,499,864
	P 82,058,836,647	P -	P 63,663,499,864	P 145,722,336,511
Financial liabilities:				
Current:				
Interest-bearing loans	P -	P -	P 26,660,576,448	P 26,660,576,448
Trade and other payables	-	-	33,906,586,092	33,906,586,092
Bonds payable	5,000,000,000	-	-	5,000,000,000
Other current liabilities	-	-	10,263,243,481	10,263,243,481
Non-current:				
Interest-bearing loans	-	-	8,038,681,649	8,038,681,649
Bonds payable	51,687,525,333	-	-	51,687,525,333
Equity-linked debt securities	-	-	5,253,911,638	5,253,911,638
Due to related parties	-	-	903,152,243	903,152,243
Redeemable preferred shares	-	-	1,854,419,622	1,854,419,622
Security deposits	-	-	294,947,826	294,947,826
	P 56,687,525,333	P -	P 87,175,518,999	P 143,863,044,332

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, 2014, the fair value of the Group's investment property amounting to P172.9 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.

		June 30, 2015 (Unaudited)		December 31, 2014 (Audited)
Total liabilities	**P**	**168,626,344,910**	P	192,135,508,222
Equity attributable to owners of the parent company		**132,296,810,939**		126,497,113,102
Debt-to-equity ratio	**P**	**1.27 : 1**	P	1.52 : 1

15. SEASONAL FLUCTUATIONS

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

16. SUBSEQUENT EVENTS

On August 12, 2015, the Company's BOD approved the declaration of cash dividends of P0.31 per share, or a total of P3.2 billion, payable on September 14, 2015 to all stockholders of record as at September 1, 2015. The cash dividends were declared out of the unrestricted retained earnings of the Company as at December 31, 2014.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES
JUNE 30, 2015
(Amounts in Philippine Pesos)

Current	P	32,606,957,674
1 to 30 days		3,143,597,867
31 to 60 days		1,131,956,231
Over 60 days		4,586,832,024
Total		41,469,343,796
Due from other related parties		309,366,217
Balance as at June 30, 2015	**P**	**41,778,710,013**