COVER SHEET

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SEC Registration Number

LEISURE & RESORTS WORLD CORPORATION & SUBSIDIARIES

(Company's Full Name)

26th Floor, West Tower, PSE Center Exchange Road Ortigas Center Pasig City

(Business Address: No. Street City/Town/Province)

MR. RIZALITO S. OADES

(Contract Person)

(02) 638-5557

(Company Telephone Number)

1	2	3	1

Month *Day*

(Fiscal Year)

	1	7	-	Q

(Form Type)

Month *Day*

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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. Commission identification number 13174 3. BIR tax identification number 321-000-108-278

LEISURE & RESORTS WORLD CORPORATION
4. Exact name of issuer as specified in its charter

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

6. Industry Classification Code: ________ (SEC use only)

26F, WEST TOWER, PSE CENTER, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY
7. Address of registrant's principal office

(02) 687-0370; 637-5292 to 93
8. Issuer's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Section 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class	Number of shares of common stock outstanding and amount of debt outstanding
Common	1.199,852,512

11. Are any or all of the securities listed on a Stock Exchange?

Yes [/] No [ ]

12. Indicate by check mark whether the registrant:

a.) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 (or for such shorter period the registrant was required to file such reports).

Yes [/] No [ ]

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

Yes [/] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Comparable Discussion on Material Changes in Results of Operations and Financial Condition

LRWC Operations

LRWC is functioning as a holding company with minimal operations. The Company is focusing its endeavor in supporting the productivity programs of its subsidiaries as grouped in the following segments: **RETAIL** (1) AB Leisure Exponent, Inc. (ABLE – 100% owned), (2) Total Gamezone Xtreme, Inc. (TGXI – 100% owned), (3) Bingo Bonanza (HK) Ltd. (BBL - 60% owned); **ONLINE** (4) First Cagayan Leisure and Resort Corporation (FCLRC – 69.68% owned); **CASINO** (5) Prime Investment Korea, Inc. (PIKI – 100% owned), (6) Blue Chip Gaming and Leisure Corporation (BCGLC – 70% owned); and **PROPERTY** (7) AB Leisure Global, Inc. (ABLGI – 100% owned); (8) LR Land Developers, Inc. (LRLDI – 100% owned).

Based on PFRS 3, Business Combination, LRWC has not amortized the goodwill on its investments in its subsidiaries. Instead, PFRS 3 requires for an annual test for goodwill impairment. On the basis of the test for impairment of goodwill, there is no need to provide for allowance for impairment for the second quarter of 2015.

LRWC's total operating expenses amounted to ₱57.4 million and ₱7.9 million during the second quarter of 2015 and 2014, respectively. The increase is largely due to higher personnel costs. The Company's main goal is to enable shared services functions that will provide consistent managerial and administrative services to all of its subsidiaries, including marketing programs. On a YTD basis, operating expenses totaled to ₱92.3 million from ₱36.3 million on account of higher salaries, rental space and other business development initiatives.

Other charges as of June 30, 2015 amounting to ₱16.6 million pertains to interest expense on loans availed for the recently acquired subsidiary.

Beginning the third quarter of 2013, LRWC recorded its 51% share in the net results of Hotel Enterprises of the Philippines, Inc. (HEPI). For the second quarter of 2015, LRWC's share in HEPI's net income amounted to ₱11.9 million or a growth of ₱1.2M as compared to last year's second quarter of ₱10.7 million. YTD 2015's share more than doubled to ₱44.9 million from ₱17.1 million same period of last year.

Starting 2009, LRWC discontinued recording its 30% share in losses of Binondo Leisure Resources, Inc. (BLRI) as its investment balance has already been consumed.

ABLE Operations
Second Quarter 2015 vs. Second Quarter 2014

ABLE (popularly known as Bingo Bonanza Corporation), is the pioneer in professional bingo gaming in the Philippines. Philippine Amusement and Gaming Corporation (PAGCOR) granted ABLE and its subsidiaries the authority to operate bingo games pursuant to P.D. 1869. Since then, bingo outlets of ABLE and its subsidiaries have become community and entertainment centers, a source of revenue for the government, and a sponsor for fund-raising activities relating to social and educational programs.

Revenues

ABLE and its subsidiaries generated total revenues of ₱1,476.2 million for the second quarter of 2015, a significant improvement from the ₱1,050.6 million revenues for the same period last year. The increase is attributable to the increase in the sales of the following: (1) Electronic Bingo (E-Bingo) by ₱242.9 million or 42.4% and (2) Traditional Bingo by ₱190.2 million or 47.5% due the acquisition of Topnotch Bingo Trend, Inc., partially offset by the decrease in the sales of Rapid Bingo by ₱6.5 million or 8.9%.

E-Bingo has become the Company's principal product line as its contribution has been increasing faster with new gaming products that are played with higher frequency and are not time bound as the traditional bingo game. The acquisition and opening of new bingo outlets also contributed to E-bingo's growth. For the second quarter of 2015, E-Bingo sales represented 55.3% to total revenues or ₱815.9 million as compared to the 54.5% contribution amounting to ₱573.0 million during the same period last year.

During the second quarter of 2015, sales from Rapid bingo contributed ₱67.0 million or 4.5% of total revenues as compared to ₱73.5 million or 7.0% contribution to total revenues for the same period last year.

Overall, the increase in sales of Electronic Bingo and Traditional Bingo resulted to the significant growth in total revenues for the quarter by ₱425.6 million or 40.5%.

Expenses

ABLE's consolidated costs and operating expenses for the second quarter of 2015 of ₱734.7 million increased by ₱190.4 million or 35.0% from ₱544.3 million in the second quarter 2014. The general increase in expenses – i.e. salaries, contracted services, rent, utilities, taxes, etc. -- is mainly attributable to additional sites acquired and new sites constructed during the period.

Corporate Income Tax

Effective November 01, 2005, Republic Act No. (R.A.) 9337, "An Act Amending the National Internal Revenue Code, as Amended, with Salient Features," particularly Section 27(c), excluded PAGCOR from the provision which identifies government-owned or controlled corporations or agencies exempted from the corporate income tax.

Management believes that ABLE's payment of 5% Franchise Tax to the Bureau of Internal Revenue (BIR) was effectively equivalent to the payment of corporate income tax. Based on consultations with tax advisers, the management also believes that the collection of income tax in addition to the 5% Franchise Tax has no legal basis.

Pursuant to P.D. 1869, also known as PAGCOR Charter and as amended by R.A. 9487, the 5% Franchise Tax shall be in lieu of all kinds of taxes, incurred or otherwise, levies, fees or assessments of any kind, nature or description, levied, established or collected by any municipal, provincial, or national government authority. This exemption inures to the benefits of corporations, associations, agencies or otherwise, or individuals with whom PAGCOR has a contractual relationship in connection with the operations of casinos under the PAGCOR Franchise. Thus, the exemption referred to under PD 1869 is extended to its Bingo grantees/licensees.

In accordance with PAGCOR's directives, the Company continued to abide by the provisions of P.D. 1869 (as amended by R.A. 9487) whereby it paid the 5% Franchise Tax.

In view of the above, management has not provided for provision for income tax in previous years up to the first quarter of 2013.

On April 17, 2013, the applicability of RMC No. 33-2013 was clarified by PAGCOR in a Memorandum dated July 09, 2013 stating: "Pursuant to RMC No. 33-2013, PAGCOR's contractees and licensees, which include bingo grantees, are subject to income tax, under the National Internal Revenue Code (NIRC), as amended, and no longer subject to the 5% franchise tax. In view thereof, please be advised that effective the third quarter of this year, bingo grantees should no longer remit the 5% franchise tax. However, you ("bingo grantees") are now subject to income tax."

Hence, starting the second quarter of 2013, ABLE has stopped paying the 5% Franchise Tax to PAGCOR and began recognizing provisions for income tax instead.

For the second quarter of 2015, provision for income tax amounted to ₽34.0 million.

Net Income

ABLE posted a consolidated net income (net of minority share) of ₽77.4 million for the second quarter of 2015, an increase of ₽36.4 million or 88.6% from the ₽41.0 million net income during the same period last year. The improvement in net income is a result of the increase in revenues slightly offset by corresponding increase in costs and operating expenses.

TGXI Operations
Second Quarter 2015

On July 21, 2014, Leisure and Resorts World Corporation (LRWC) entered into an Asset and Share Purchase Agreement with Premiere Horizon Alliance Corporation (PHAC) to purchase the latter's 100% stake in Total Gamezone Xtreme, Inc. (TGXI), the assignee and purchaser of the assets, rights and interests of Digiwave Solutions, Inc. (DSI), the operator and licensee of Philippine Amusement and Gaming Corporation (PAGCOR) e-games stations.

To date, LRWC has assumed management control and operations of TGXI's and its operating PEGS.

TGXI generated ₽71.8 million in the second quarter of 2015 representing its share in revenues from the management and operation of the PAGCOR e-games stations (PeGS). Total operating expenses aggregated to ₽70.9 million which mainly consisted of: (1) People expenses including contracted services of ₽30.8 million; (2) Rentals and utilities of ₽23.6 million; (3) Marketing expenses of ₽5.6 million; and (4) Depreciation of ₽5.1 million. Net income registered at ₽0.6 million during the quarter.

FCLRC Operations
Second Quarter 2015 vs. Second Quarter 2014

The Cagayan Economic Zone Authority (CEZA), mandated by law to manage Cagayan Special Economic Zone and Free Port (CSEZFP), has authorized FCLRC to license, regulate and supervise the operations of registered online gaming enterprise in CSEZFP. FCLRC, on behalf of CEZA, can issue two types of licenses: (1) interactive gaming licenses which cover all types of online gaming including casinos, lotteries, bingo, sportsbook; and (2) restrictive licenses which limit the offerings to sports betting only. As the master licensor, FCLRC is entitled to half of the gaming levy imposed by CEZA on the gaming operators in the CSEZFP.

FCLRC generated ₽396.4 million gross revenues for the second quarter of 2015, representing a ₽72.7 million or 22.4% increase from last year's second quarter of ₽323.7 million. The improvement in revenues is mainly due to the increase in the number of operational locators – 99 for this year as against 76 last year as well as the increase in locators' revenues. Hosting fees from restrictive and interactive gaming locators contributed ₱356.6 million or 90% of total revenues, while license application and renewal fees accounted for ₱39.8 million or 10%. Hosting fees of ₱293.7 million during the second quarter of 2015 increased by ₱62.9 million or 21.4% while license application fees increased by ₱9.7 million or 32.3% from ₱30.1 million during the same period.

FCLRC posted a net income of ₱200.5 million for the second quarter of 2015, a ₱63.5 million or 46.4% increase versus last year's ₱137.0 million. Total cost and operating expenses of ₱44.6 million decreased by ₱18.1 million or 28.8% from last year's ₱62.7 million. The decrease is mainly due to the Company's cost saving measures and overall financial prudence: (1) Communication by ₱0.4 million or 36.4%; (2) Taxes and licenses by ₱0.1 million or 121.2%; and (3) Other expense by ₱21.3 million or 57.9%. These decreases were partly offset by the following (1) Administrative salaries and benefits by ₱1.8 million or 16.8%; (2) Rent of ₱0.6 million or 14.6%; and (3) Professional fees by ₱1.3 million or 24.4%. The resulting net income in the "Other Income/(Expense) account" of ₱38.8 million or increase of ₱6.2 million or 18.9% from last year's ₱32.7 million was mainly due to the increase in the other income derived from the rental of gaming facility, which is partly offset by the following: (1) decrease in Equity in net earnings of First Cagayan Converge Data Center, Inc., (2) decrease in Finance income, and (3) increase in Finance expense.

First Cagayan Converge Data Center, Inc. (FCCDCI), a 60% owned subsidiary of FCLRC, posted a net income of ₱43.1 million and ₱44.1 million during the second quarters of 2015 and 2014, respectively, a ₱1.0 million or 2.4% decrease.

PIKI Operations
Second Quarter 2015 vs. Second Quarter 2014

PIKI started its commercial operations on July 26, 2013. Together with Philippine Amusement and Gaming Corporation (PAGCOR), PIKI executed a Junket Agreement to jointly conduct junket gaming operations within PAGCOR's Casino Filipino-Midas located at Midas Hotel and Casino in Roxas Boulevard, Pasay City.

For the quarter ended June 30, 2015, PIKI generated gross revenues from its gaming operations totaling ₱283.0 million, ₱249.0 million or 731.2% higher than last year's ₱34.1 million. Operating expenses for second quarter of 2015 amounted to ₱111.0 million which mainly consist of: (1) contracted services of ₱37.9 million and (2) advertising fees and materials of ₱54.7 million. Net income increased by ₱9.5 million or 172.9% to ₱15.0 million versus last year's ₱5.5 million.

BCGLC Operations
Second Quarter 2015 vs. Second Quarter 2014

The Group acquired 70% of BCGLC's outstanding capital stock on April 27, 2011. BCGLC operates a Slot Arcade at the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga under a license issued by the Philippine Amusement and Gaming Corporation (PAGCOR).

For the quarter ended June 30, 2015, BCGLC generated gross revenues from slot machines totaling ₱19.5 million, ₱6.3 million or 24.4% lower than last year's ₱25.9 million. Operating expenses amounted to ₱6.6 million and ₱12.2 million during the second quarter of 2015 and 2014, respectively. The decrease in operating expenses is largely due to controlled advertising and marketing expenses thus resulting to a ₱2.0 million increase of net income from last year's ₱0.1 million.

ABLGI Operations
Second Quarter 2015 vs. Second Quarter 2014

On January 14, 2011, LRWC and the ABLGI entered into several agreements (the "ABLGI Agreements") with Belle Corporation (Belle) and Premium Leisure and Amusement, Inc. (PLAI) for the leasing, fit out, and operation of an integrated casino development project to be located at Aseana Business Park, Paranaque City (the "Project"). PLAI is a member of a consortium composed of SM Investments Corporation, SM Land, Inc., SM Hotels Corporation, SM Development Corporation, SM Commercial Properties, Inc., and PLAI, which was granted a Provisional License by PAGCOR to establish and operate a casino to be located within the Manila Bay Reclamation Area.

On March 20, 2013, the Company, LRWC, Belle, Belle Grande Resource Holdings, Inc. ("BGRHC"), and PLAI entered into a Memorandum of Agreement ("ABLGI MOA") effectively terminating its ABLGI Agreements. In consideration for the waiver of the Company's rights under the ABGLI Agreements, Belle and PLAI have agreed to pay the Company, among others, an amount equivalent to the 30% interest in the net lease income of the Project and the 30% share in the gaming revenue derived therefrom. These are to be paid to the Company upon actual receipt by Belle and PLAI of the lease income and gaming revenue from the Project.

ABLGI began recognizing share in gaming revenue in December 2014 when gaming operations began.

In December 2014, the ABLGI MOA was amended to operationalize the terms and conditions of ABLGI's advances to BGHRC as funding to the project and provided that such shall be treated as a loan payable in annual installments commencing on the fifth anniversary of the transfer date. As such, the difference between the 30% share in the net lease income of the Project and the principal and interest payments on the ABLGI advance will be considered as the annual compensation fee.

For the second quarter of 2015, ABLGI recognized share in gaming revenue of ₱18.9 million. On the other hand, share in net lease income amounted to ₱46.6 million for the second quarter – a decrease of ₱53.2 million or 53.3% from last year's ₱99.8 million. The decrease was due to agreed-upon abatement requested by the operator on account of the delayed opening. Interest expense attributable to long-term borrowings to finance contribution to Belle Corporation incurred during the second quarter of 2015 decreased to ₱36.7 million from the same period last year of ₱56.8 million as the Company began paying off loan principal installment. Operating expenses amounted to ₱5.2 million for the second quarter of 2015 showing a decrease from last year's ₱7.3 million due to expenses incurred last year for the issuance of additional shares.

Although share in lease income significantly decreased during the quarter, net income decreased only by ₱1.2 million to ₱17.9 million against the ₱16.7 million net income for the same quarter in 2014 due to the recognition of share in gaming revenues.

LRLDI Operations
Second Quarter 2015 vs. Second Quarter 2014

In 2010, LRLDI has completed its construction of the CyberPark building intended for lease. Accordingly, in the same year, LRLDI entered into various lease agreements as lessor with lease terms ranging from monthly to five (5) years.

LRLDI is also committed in supporting the development of Cagayan Special Economic Zone and Free Port (CSEZFP). In executing an agreement with Cagayan Premium Ventures Development Corporation (CPVDC) and Cagayan Land Property Development Corporation

(CLPDC), LRLDI has established its support by investing funds into the Lal-Lo Airport Project, Cagayan Economic Zone and Freeport (CEZFP) International Airport Project, and other facilities within the CSEZFP. These projects aim to improve and further advance CSEZFP into a self-sustaining industrial zone.

During the second quarter of 2015, total rental income amounted to ₱5.6 million or a 9.0% increase as compared to last year's ₱5.1 million. Total operating expenses for the quarter amounted to ₱0.1 million, a mere fraction of last year's ₱6.2 million. The 50% equity share in net income of Techzone Philippines, Inc. (TPI) dropped to ₱1.3 million from last year's ₱31.9 million. Hence, LRLDI's net income for the quarter correspondingly decreased to ₱4.7 million from ₱29.7 million.

LRWC Consolidated Net Income

As a result of the foregoing developments, LRWC's posted consolidated net income (net of minority share) increased to ₱222.8 million for the second quarter of 2015 from the ₱201.6 million consolidated net income last year. The large growth is mainly due to the significant increases in net income of ABLE, FCLRC, and PIKI.

ABLE Operations
YTD - June 30, 2015 vs. June 30, 2014

Revenues

ABLE's total year-to-date revenues as of the second quarter of 2015 amounted to ₱2,805.3 million, an increase of ₱715.7 million or 34.3% from the ₱2,089.6 million total revenues for the same period last year. The increase in revenues was mainly due to the increase in revenues generated from: (1) Electronic Bingo (E-Bingo) by ₱446.3 million or 39.3% and (2) Traditional Bingo by ₱293.9 million or 36.9% partially offset by the decreases in the following: (1) Rapid Bingo by ₱22.6 million or 14.8% and (2) Pull tabs by ₱1.9 million or 42.8%.

Although Traditional Bingo is no longer the company's principal product-line, it contributed ₱1,090.9 million or 38.9% to total revenues.

The Electronic Bingo as of the second quarter of 2015, at ₱1,581.0 million or 56.3% contribution to revenues, continue to grow from the time it was first launched mid-2002 with twenty (20) machines. As of June 30, 2015, there were a total of 7,580 E-Bingo machines in 108 bingo parlors as compared to 5,281 E-Bingo machines in 80 bingo parlors as of the second quarter of 2014.

Rapid Bingo as of the second quarter of 2015 contributed ₱130.5 million or 4.7% to total revenues. By the end of June 30, 2015, there were a total of 83 Rapid bingo terminals in 75 bingo parlors as compared to 61 Rapid bingo terminals in 44 bingo parlors as of the second quarter of last year.

As of the second quarter ending June 30, 2015, Pull Tabs contributed ₱2.6 million as compared to ₱ 4.5 million for the same period last year.

Overall, the outstanding increase in revenues of Traditional and E-Bingo more than covered the decrease in sales of the other bingo products.

Expenses

ABLE's total operating expenses as of June 30, 2015, amounted to ₱1,426.0 million, reflecting an increase of ₱322.0 million or 29.2% from ₱1,104.0 million for the same period in 2014. In general, the increase is mainly attributable to additional sites acquired and new sites constructed during the period: (1) Rentals by ₱86.9 million or 65.6%; (2) Contracted services by ₱15.6 million or 24.7%; (3) Depreciation by ₱10.7 million or 27.7%; (4) Taxes and licenses by ₱8.9 million or 60.3%; and (5) Bingo cards and supplies by ₱4.2 million or 20.6%.

Net Income

As of June 30, 2015, ABLE posted a net income (net of minority share) of ₱119.9 million, a ₱46.7 million or 63.8% increase from the ₱73.2 million net income for the same period last year.

TGXI Operations
YTD – June 30, 2015

For first half of the year, TGXI generated ₱142.4 million representing its share in revenues from the management and operation of the PAGCOR e-games stations (PeGS). Total operating expenses aggregated to ₱138.5 million which mainly consisted of: (1) People expenses including contracted services of ₱61.0 million; (2) Rentals and utilities of ₱44.6 million; (3) Marketing expenses of ₱12.2 million; and (4) Depreciation of ₱10.2 million. Net income registered at ₱3.0 million for the first semester.

FCLRC Operations
YTD - June 30, 2015 vs. June 30, 2014

FCLRC's gross revenues for the first six months of 2015 was ₱762.6 million, an increase of ₱129.6 million or 20.5% from last year's figures of ₱632.9 million.

Net Income

FCLRC posted a net income of ₱364.9 million as of the second quarter of 2015, a ₱109.2 million or 42.7% increase versus last year's ₱255.7 million.

Total costs and operating expenses of ₱102.1 million decreased by ₱26.1 million or 20.4% from last year's figure of ₱128.3 million. The decrease is mainly due to the Company's cost saving measures and overall financial prudence resulting to decrease in communication expenses, depreciation, supplies, and taxes and licenses, partially offset by increase in administrative salaries and benefits, rentals, and professional fees. The resulting net income in the "Other Income/(Expense)" account of ₱70.1 million or an increase of ₱15.4 million or 28.0% from last year's ₱54.8 million was mainly due to the following increases: (1) Other income derived from the rental of gaming facility and (2) equity in net earnings of First Cagayan Converge Data Center, Inc. (FCCDCI). These increases were partly offset by the following: (1) decrease in finance income and (2) increase in finance expense.

PIKI Operations
YTD – June 30, 2015 vs. June 30, 2014

For first half of the year, PIKI generated ₱547.6 million gross revenues from its gaming operations and netted out a ₱27.5 million income after direct franchise fees and taxes, rentals and other minor expenses, or 15 times compared to last year's ₱1.3 million net income.

BCGLC Operations
YTD – June 30, 2015 vs. June 30, 2014

BCGLC generated gross revenues from slot machines totaling ₱39.4 million for the first half of 2015 which is 21% lower than ₱49.9 million of the same period last year. Total operating expenses amounted to ₱17.2 million and ₱23.2 million for June YTD 2015 and 2014, respectively.

The decrease in operating expenses is largely due to controlled marketing expenses which resulted to a ₱1.2 million profit increase for the first half of 2015 vs. ₱0.4 million in 2014.

ABLGI Operations
YTD – June 30, 2015 vs. June 30 2014

Net income for the first half 2015 registered ₱33.4 million which is slightly lower than last year's ₱34.0 million principally due to lower share in lease revenue because of the abatements requested by the operator for the delayed opening partially offset by share in gaming revenue recognized during the period. Interest expense for the period is lower than prior year due to reduced loan balance.

LRLDI Operations
YTD – June 30, 2015 vs. June 30, 2014

LRLDI posted a net income of ₱47.2 million in 2015 and ₱30.2 million in 2014 primarily due to the current year's equity share in the net earnings of Techzone Philippines, Inc. where LRLDI has a 50% investment and lower expenses compared to last year.

LRLDI's total revenues for the first six months increased to ₱7.2 million in 2015 as against ₱6.3 million in 2014 on account of rental rate escalation. Total 2015 operating expenses amounted to ₱0.4 as compared to last year's ₱7.6 million which largely pertain to taxes and professional fees for transfers and processing of land titles.

Financial Condition – June 30, 2015 vs. December 31, 2014

On a consolidated basis, the Balance Sheet of Leisure & Resorts World Corporation (LRWC) and its subsidiaries – ABLE, TGXI, FCLRC, PIKI, BCGLC, ABLGI, and LRLDI – continue to improve. Total assets as of June 30, 2015 amounting to ₱11.3 billion increased from ₱10.9 billion as of December 31, 2014. Significant increases in assets: (1) Receivables – Net by ₱74.0 million mainly attributable to the accounts of new businesses acquired and new sources of revenues during the year; (2) Property and equipment – net and Goodwill by ₱190.7 million and ₱78.3 million, respectively, mainly due to expansion and acquisitions of new sites and venues; and (3) Investments and advances – net by ₱58.2 million attributable to advances to HEPI for working capital and equity share in net income of associates and joint ventures.

Total Liabilities, on the other hand, decreased by ₱24.0 million mainly due to decrease in Trade and other payables of ₱147.3 million partially offset by additional loan availments of ₱123.8 million.

Cash Flows – Six Months Ended June 30, 2015 vs. June 30, 2014

Cash balance as of June 30, 2015 of ₱124.2 million is higher than the ₱108.0 million registered as of the same period last year. Cash generated from operations and provided by financing activities were used to cover the Company's investing and acquisition requirements.

Financial Instruments

Financial assets comprise cash and cash equivalents, receivables, due from related parties, advances to related and non-related parties, venue rental and other deposits and cash and performance bonds. Financial liabilities consist of trade and other payables, due to related parties, rent deposit and short-term and long-term loans payable.

Date of Recognition. The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and de-recognition, as applicable, is done using settlement date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes directly attributable transaction costs.

Subsequent to initial recognition, the Group classifies its financial assets in the following categories: held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, FVPL financial assets, and loans and receivables. The Group classifies its financial liabilities as either FVPL financial liabilities or other financial liabilities. The classification depends on the purpose for which the financial assets are acquired or the financial liabilities are incurred, and whether the instruments are quoted in an active market. Management determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Group has no HTM investments, AFS financial assets, and FVPL financial assets and liabilities as of as the end of the second quarters of 2015 and 2014 respectively.

Determination of Fair Value. The fair value of financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flows method, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

<u>Financial Risk Management</u>

Financial Risk Management Objectives and Policies

The Group has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This section presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

The main purpose of the Group's dealings in financial instruments is to fund their respective operations and capital expenditures. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

On August 12, 2012, the BOD created a Risk Oversight Committee which will be responsible for overseeing and managing risks that the Corporation may encounter. They will develop appropriate strategies and measures to avoid or at least minimize such risks, incorporating the Group's established risk management policies.

The Group's risk management policies were established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and forecasted results. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee performs oversight role over financial management functions, specifically in the areas of managing credit, liquidity, market and other risks of the Company. The Audit Committee directly interfaces with the internal audit function, which undertakes reviews of risk management controls and procedures and ensures the integrity of internal control activities which affect the financial management system of the Company. The results of procedures performed by Internal Audit are reported to the Audit Committee. On the other hand, the Audit Committee reports all issues identified relating to the financial reporting of the Company to the BOD on a regular basis.

Credit Risk

Credit risk represents the risk of loss the Group would incur if customers and counterparties fail to perform their contractual obligations.

Financial information on the Group's maximum exposure to credit risk as of the second quarter ending June 30, 2015 and as of December 31, 2014, without considering the effects of collaterals and other risk mitigation techniques, is presented below:

	06/30/15	12/31/14
Cash in banks	**P 113,133,143**	P 282,587,788
Receivables – net	**551,183,630**	477,177,301
Due from related parties	**79,936,424**	25,876,212
Venue rental and other deposits	**340,334,257**	249,424,165
Guarantee deposits and betting credit funds	**9,800,000**	9,800,000
Cash and performance bonds	**89,707,300**	89,707,300
Advances to a casino project	**4,241,486,036**	4,241,486,036
	P5,425,580,790	P5,376,058,802

Cash in Banks/Short-term Investments
The management evaluates the financial condition of the banking industry and bank deposits/investments are maintained with reputable banks only.

Receivables
Majority of the Group's credit risk on receivables is attributed to its internet gaming licensing activities influenced mainly by the individual characteristics of each customer and non-interest bearing advances made to entities with similar operations. The demographics of the Group's customer base, including the default risk of the industry and regions in which customers operate, has an influence on credit risk.

The BOD has established a credit policy under which each new advanced amount requested by customer/counterparties within the same gaming industry is analyzed individually for creditworthiness before standard credit terms and conditions are granted. The Group's review includes the requirements of updated credit application documents, credit verifications through the use of no negative record requests and list of blacklisted accounts, and analyses of financial performance to ensure credit capacity. The status of each account is first checked before advances are approved.

Most of the Group's customers have been transacting with the Group for several years and losses have occurred from time to time. Results of credit reviews are grouped and summarized according to credit characteristics, such as aging profiles and credit violations.

The Group establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. As of June 30, 2015, there were no significant concentrations of credit risk.

Due from Related Parties
The Group limits its exposure to credit risk by only financing the operations of related parties that have viable operations and likewise engaged in gaming amusement activities.

The most significant amount of due from related parties of the Group is the advances to BLRI which is an associate of the Parent Company.

Venue Rental and Other Deposits
The management prefers well known business establishments in the selection of location for bingo operations to ensure profitable operations and recovery of the venue rental and other deposits upon termination of the lease agreements.

Cash and Performance Bonds/Guarantee Deposits and Betting Credit Funds
The Group's exposure to credit risk is negligible as PAGCOR has sufficient funds to settle cash and performance bonds upon the expiration of the Grants.

Advances to a Casino Project
The Group has an insignificant exposure to credit risk on this account since the counterparty is a reputable entity with high quality external credit ratings.

Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by forecasting projected cash flows and maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal requirements.

In addition, the Group has an omnibus line of credit with a number of Philippine banks consisting of commitments for short term loans, letters of credit, and documents against acceptances/documents against payment (DA/DP) facilities trust receipts. All facilities under the omnibus line bear interest at floating rates consisting of a margin over current Philippine treasury rates.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is subject to various market risks, including risks from changes in prices, interest rates, currency exchange rates and equity price risk.

Change in Prices
The risk from price changes relates to the Group's ability to recover higher selling costs through price increases, which may be limited due to the regulated environment that exists in the Philippine gaming market and the willingness of players to purchase the same volume of bingo cards at higher prices. The Group's most significant exposure arises from increase in rental rates of leased premises in commercial establishments.

The Group minimizes its exposure to risks in changes in rental rates by entering into contracts with lessors with fixed rent commitment for the contract duration.

Interest Rate Risk
The Group's exposure to the risk for changes in market interest rate relates primarily to its short-term and long-term debt obligations with variable interest rates. The Group's interest rate risk exposure relates to the 90 day MART1 and LIBOR benchmark plus a designated bank spread. The Treasury Department, through its competencies of managing short-term and long-term debt obligations, transacts with creditors to ensure the most advantageous terms and to reduce exposure to risk of changes in market interest rate.

Foreign Currency Risk
The Group is exposed to foreign currency risk on purchases that are denominated in currencies other than the Philippine peso, mostly in U.S. dollar ($). In respect of monetary assets and liabilities held in currencies other that the Philippine peso, the Group ensures that its exposure is kept to an acceptable level, by buying foreign currencies at spot rates where necessary to address short-term imbalances.

<u>Fair Values</u>

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents/Receivables/Due from Related Parties/Venue Rental and Other Deposits/Cash and Performance Bonds /Trade and Other Payables/Due to a Related Party/Rent Deposit

The carrying amounts of cash and cash equivalents, receivables, due from related parties, trade and other payables and due to a related party approximate their fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of venue rental and other deposits, cash and performance bonds and rent deposit approximate their fair values, because the effective interest rate used for discounting approximates the current market rate of interest for similar transactions.

Investment in Other Shares of Stocks

The fair value of unquoted other shares of stocks approximates its cost, because there are no recent transactions involving these stocks.

Loans Payable

Loans are reported at their present values, which approximates the cash amounts that would fully satisfy the obligations as at reporting date. The carrying amount approximates fair value since the interest rates are repriced frequently. These are classified as current liabilities when they become payable within a year.

Obligations Under Finance Lease

Obligations under finance lease are reported at their present values, which approximates the cash amounts that would fully satisfy the obligations as at reporting date. These are classified as current liabilities when they become payable within a year.

Capital Management

The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The BOD also monitors the level of dividends to shareholders.

The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group defines capital as equity, which includes capital stock, additional paid-in capital and retained earnings. There were no changes in the Group's approach to capital management as of March 31, 2015 and 2014. The Group is not subject to externally-imposed capital requirements.

Adoption of New or Revised Standards, Amendment to Standards and Interpretations

The Group has adopted the following amendments to standards and interpretations starting January 1, 2014 and accordingly changed its accounting policies. Except as otherwise indicated, the adoption of these amendments to standards and interpretations did not have any significant impact on the Group's consolidated financial statements.

- *Recoverable Amount Disclosures for Non-financial Assets (Amendments to PAS 36, Impairment of Assets)*. The amendments clarify that the recoverable amount disclosure only applies to impaired assets (or cash-generating unit) and require additional disclosures to be made on fair value measurement on impaired assets when the recoverable amount is based on fair value less costs of disposal. The amendments harmonize the disclosure requirement for fair value less costs of disposal and value in use when present value techniques are used to measure the recoverable amount of impaired assets.

- *Offsetting Financial Assets and Financial Liabilities (Amendments to PAS 32)*. These amendments clarify that: a) An entity currently has a legally enforceable right to set-off if that right is not contingent on a future event and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties b) Gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that: eliminate or result in insignificant credit and liquidity risk; and process receivables and payables in a single settlement process or cycle. The adoption of these amendments did not have an effect on the consolidated financial statements.

- *Measurement of Short-term Receivables and Payables (Amendment to PFRS 13, Fair Value Measurement)*. The amendments clarify that, in issuing PFRS 13 and making consequential amendments to PAS 39 and PFRS 9, Financial Instruments, the intention is not to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

New or Revised Standards, Amendments to Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2014, and have not been applied in preparing these consolidated financial statements. Except as otherwise indicated, none of these is expected to have a significant effect on the consolidated financial statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

The Group will adopt the following new and amended standards and interpretations on the respective effective dates:

- *Defined Benefit Plans: Employee Contributions (Amendments to PAS 19, Employee Benefits)*. The amendments apply to contributions from employees or third parties to the defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service (i.e., employee contributions that are calculated according to a fixed percentage of salary). The adoption of the amendments is required to be applied retrospectively for annual periods beginning on or after July 1, 2014. Earlier application is permitted.

- *Annual Improvements to PFRS Cycles 2010-2012 and 2011-2013* contain 11 changes to nine standards with consequential amendments to other standards and interpretations, of which only the following is applicable to the Group.

  - *Scope exclusion for the formation of joint arrangements (Amendments to PFRS 3, Business Combinations)*. PFRS 3 has been amended that the standard does not apply to the accounting for the formation of all types of joint arrangements in PFRS 11, Joint Arrangements - i.e. including joint operations - in the financial statements of the joint arrangements themselves. The amendment is required to be applied prospectively for annual periods beginning on or after July 1, 2014.

  - *Disclosures on the Aggregation of Operating Segments (Amendment to PFRS 8, Operating Segments)*. PFRS 8 has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. The disclosures include: a brief description of the operating segments that have been aggregated; and the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics. In addition, the amendments clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities. The amendment is required to be applied prospectively for annual periods beginning on or after July 1, 2014.

  - *Scope of Portfolio Exception (Amendments to PFRS 13)*. The scope of the PFRS 13 portfolio exception - whereby entities are exempted from measuring the fair value of a group of financial assets and financial liabilities with offsetting risk positions on a net basis if certain conditions are met - has been aligned with the scope of PAS 39 and PFRS 9. PFRS 13 has been amended to clarify that the portfolio exception potentially applies to contracts in the scope of PAS 39 and PFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under PAS 32 - e.g. certain contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument. The amendment is required to be applied prospectively for annual periods beginning on or after July 1, 2014.

- *Inter-relationship of PFRS 3 and PAS 40 (Amendments to PAS 40, Investment Property)*. PAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under PAS 40 and perform a separate assessment under PFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. Entities will still need to use judgment to determine whether the acquisition of an investment property is an acquisition of a business under PFRS 3. The amendment is required to be applied prospectively for annual periods beginning on or after July 1, 2014.

- *Classification and Measurement of Contingent Consideration (Amendment to PFRS 3)*. The amendments clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to PAS 32, rather than to any other PFRS. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognized in profit or loss. Consequential amendments are also made to PAS 39 and PFRS 9 to prohibit contingent consideration from subsequently being measured at amortized cost. In addition, PAS 37 is amended to exclude provisions related to contingent consideration. The amendment is required to be applied prospectively for annual periods beginning on or after July 1, 2014.

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates)*. The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments are required to be applied prospectively for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

- *PFRS 9 (2014)*. PFRS 9 (2014) replaces PAS 39 and supersedes the previously published versions of PFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). PFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. PFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management. The new standard is required to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted.

Discussion and Analysis of Material Events and Uncertainties Known to Management

The Management of LRWC and subsidiary is not aware of any material events/and uncertainties that would address the past and would have impact on future operations of the following:

1. Any trends, demands, commitments, events or uncertainties that will have a material impact on LRWC's liquidity;
2. Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;
3. Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period
4. Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures;
5. Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales/revenues/income from continuing operations;
6. Any significant elements of income or loss that did not arise from LRWC continuing operations;
7. Any seasonal aspects that had a material effect on the financial condition and results of operations.

Plans for 2015

As in previous years, ABLE plans to expand by applying for permits to open new bingo parlors in high traffic areas, specifically in new SM and Robinson's Malls/Supercenters and several bingo outlets with smaller area in Metro Manila. TGXI will likewise expand its retail market reach by acquiring more strategically located venues and offering better games to attract more players and increase customer spent.

FCLRC's plan is to invite and qualify more licensed and operating locators within the year. Major capital expenditures shall mainly be pertaining to the development of the information technology (IT) and telecommunications facilities of CSEZFP and the development of Cagayan Business Park.

LRLDI plans to continue investing into the Lal-lo Airport Project of CPVDC for the following year in keeping with their commitment to support the development of CSEZFP.

BCGLC intends to continue intensifying their marketing campaign to increase foot traffic in the casino as well as extend their operating hours. LRWC will also look into expanding the arcade business.

ABLGI, as a result of the amendment of the agreement among LRWC, ABLGI, PLAI and Belle Corporation making way for the participation of a foreign partner in the casino project, will assist Belle Corporation in the funding of its own capital requirements in exchange for a share in the economic benefits to be derived by Belle and PLAI in the casino operation.

LRWC through its investment in Hotel Enterprises of the Philippines, Inc. (HEPI), plans to strengthen and enhance the operations of Midas Hotel and Casino.

PART II – OTHER INFORMATION

There is no significant information that needs to be reported under this section not previously reported in a report on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Registrant: **LEISURE & RESORTS WORLD CORPORATION**

Signature and Title: RUBEN Q. ONG, Treasurer

Date: 08/13/15

Signature and Title: RIZALITO S. OADES, SVP & Group CFO

Date: 13/8/2015

Signature and Title: DAISIREE GLYRA P. HORCA, Assistant Group Controller

Date: 08/13/15

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		30-Jun-15 (Unaudited)	31-Dec-14 (Audited)
ASSETS			
Current Assets			
Cash and cash equivalents	Schedule 1	124,197,983	338,257,077
Receivables - net	Schedule 2	551,183,630	477,177,301
Bingo cards and supplies		46,256,169	27,910,658
Prepaid expenses and other current assets	Schedule 3	131,312,414	134,841,414
Due from related parties	Schedule 2	79,936,424	25,876,212
Total Current Assets		**932,886,620**	**1,004,062,662**
Noncurrent Assets			
Property and equipment - net	Schedule 4	654,920,588	464,175,376
Investment property - net	Schedule 5	360,007,299	338,922,556
Investments and advances - net	Schedule 6	7,218,759,560	7,135,456,399
Deferred tax assets		137,191,518	104,450,295
Goodwill - net		1,355,736,422	1,277,468,117
Other noncurrent assets	Schedule 7	681,066,407	622,265,487
Total Noncurrent Assets		**10,407,681,794**	**9,942,738,230**
TOTAL ASSETS		**11,340,568,415**	**10,946,800,892**
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Trade and other payables	Schedule 8	1,427,047,419	1,574,477,523
Short-term loans payable	Schedule 10	769,510,068	1,089,710,417
Current portion of long-term loans payable	Schedule 10	567,330,952	434,876,683
Current portion of obligations under finance lease		6,461,958	7,962,278
Income tax payable		62,126,867	62,806,835
Due to related parties	Schedule 9	9,170,691	9,170,691
Total Current Liabilities		**2,841,647,955**	**3,179,004,427**
Noncurrent Liabilities			
Long-term loans payable - net of current portion	Schedule 10	2,544,880,952	2,233,366,627
Obligations under finance lease - net of current portion		3,961,488	3,961,488
Rent deposit		4,421,800	4,421,800
Retirement benefits liability		96,646,895	94,846,895
Total Noncurrent Liabilities		**2,649,911,135**	**2,336,596,810**
Equity			
Common and Preferred Stock - P1 par value			
Authorized			
2,500,000,000 Common Shares			
2,500,000,000 Preferred Shares			
Issued			
Common shares		1,199,852,512	1,199,852,512
Preferred shares		1,650,000,000	1,650,000,000
Additional paid-in capital - common		1,114,028,555	1,114,028,555
Retained earnings		1,508,983,940	1,202,592,316
Employee benefit reserve		(32,842,679)	(31,095,092)
Foreign currency translation reserve		(139,126)	(139,126)
Treasury shares		(71,142,419)	(71,142,419)
		5,368,740,783	5,064,096,746
Non-controlling interest		480,268,541	367,102,909
Total Stockholders' Equity		**5,849,009,324**	**5,431,199,655**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**11,340,568,415**	**10,946,800,892**

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
Unaudited

	For the Six Months Ended June 30		For the Three Months Ended June 30	
	2015	2014	**2015**	2014
REVENUES				
Traditional bingo games	**1,090,885,885**	797,048,822	**590,684,071**	400,436,785
Electronic bingo games	**1,580,953,936**	1,134,630,655	**815,929,458**	573,048,443
Rapid bingo games	**130,542,430**	153,158,952	**67,001,059**	73,517,255
Pull Tabs	**2,942,319**	4,775,905	**2,591,579**	3,589,465
Compensation fee	**0**	44,509,990	**0**	15,803,326
Service and hosting fees	**762,566,067**	632,929,134	**396,398,978**	323,734,999
Other gaming revenues	**774,758,166**	100,968,805	**398,883,408**	65,045,939
	4,342,648,803	2,868,022,264	**2,271,488,552**	1,455,176,213
FRANCHISE FEES AND TAXES	**1,861,148,737**	1,222,007,837	**973,029,022**	622,256,347
NET REVENUES	**2,481,500,066**	1,646,014,427	**1,298,459,530**	832,919,865
COSTS AND OPERATING EXPENSES				
Payout	**782,845,482**	610,612,058	**402,284,214**	297,100,754
Rentals	**273,489,339**	150,965,190	**143,517,292**	76,729,968
Salaries and wages	**218,171,885**	144,454,874	**119,912,956**	56,605,977
Contracted services	**194,029,927**	77,085,794	**97,141,864**	39,246,465
Supplies	**30,341,090**	23,053,403	**16,095,392**	15,783,581
Taxes and licenses	**32,209,363**	30,596,395	**11,422,548**	19,819,179
Communication and utilities	**109,791,500**	104,695,812	**57,096,195**	54,190,215
Depreciation and amortization	**76,754,260**	54,042,861	**40,443,537**	28,665,428
Others	**290,704,716**	138,917,453	**142,646,090**	57,457,416
	2,008,337,563	1,334,423,842	**1,030,560,089**	645,598,983
OPERATING INCOME	**473,162,503**	311,590,585	**267,899,441**	187,320,882
OTHER INCOME (EXPENSE)				
Equity in net earnings of an associate	**40,704,641**	31,778,772	**1,342,102**	31,858,851
Equity in net earnings of a joint venture	**83,140,894**	54,008,235	**29,909,253**	29,113,250
Finance expense - net	**(30,189,351)**	8,399,724	**(13,735,121)**	10,249,863
Other income	**69,903,560**	34,692,952	**42,515,367**	14,505,673
	163,559,744	128,879,683	**60,031,601**	85,727,638
INCOME BEFORE INCOME TAX	**636,722,247**	440,470,268	**327,931,043**	273,048,520
INCOME TAX EXPENSE (BENEFIT)	**69,714,991**	63,098,409	**41,635,567**	29,050,194
NET INCOME	**567,007,256**	377,371,859	**286,295,475**	243,998,325
Attributable to:				
Owners of the Parent Company	**453,841,624**	302,281,193	**222,837,636**	201,639,366
Non-controlling interest	**113,165,632**	75,090,666	**63,457,840**	42,358,960
	567,007,256	377,371,859	**286,295,475**	243,998,325
EARNINGS (LOSS) PER SHARE	**0.378**	0.252	**0.186**	0.168
EARNINGS PER SHARE IS COMPUTED AS FOLLOWS:				
a) Net Income	**453,841,624**	302,281,193	**222,837,636**	201,639,366
b) Weighted average number of common shares	**1,199,852,512**	1,199,852,512	**1,199,852,512**	1,199,852,512
c) EPS (a/b)	**0.378**	**0.252**	**0.186**	**0.168**

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Unaudited

For the Six Months Ended June 30, 2015

	Capital Stock		Additional	Retained	Employee	Translation	Treasury	Minority	
	Common Shares	**Preferred Shares**	**Paid-in Capital (Common)**	**Earnings**	**Benefit Reserve**	**Gain (Loss)**	**Shares**	**Interests**	**Total**
Balance at beginning of period	**1,199,852,512**	**1,650,000,000**	**1,114,028,555**	**1,195,392,316**	**(31,095,092)**	**(139,126)**	**(71,142,419)**	**367,102,909**	**5,423,999,655**
Div idends				**(140,250,000)**					**(140,250,000)**
Addition/Reduction					**(1,747,587)**				**(1,747,587)**
Minority interests								**113,165,632**	**113,165,632**
Net income for the period				**453,841,624**					**453,841,624**
Balance at end of the period	**1,199,852,512**	**1,650,000,000**	**1,114,028,555**	**1,508,983,940**	**(32,842,679)**	**(139,126)**	**(71,142,419)**	**480,268,541**	**5,849,009,324**

For the Six Months Ended June 30, 2014

	Capital Stock		Additional	Retained	Employee	Translation	Treasury	Minority	
	Common Shares	Preferred Shares	Paid-in Capital (Common)	Earnings	Benefit Reserv e	Gain (Loss)	Shares	Interests	Total
Balance at beginning of period	1,199,852,512	1,650,000,000	1,114,028,555	684,380,819	(27,297,446)	(171,038)	(71,142,419)	186,767,291	4,736,418,274
Translation gain/loss during the period						(263,236)			(263,236)
Minority interests								75,647,699	75,647,699
Net income for the period				302,281,192					302,281,192
Balance at end of year	1,199,852,512	1,650,000,000	1,114,028,555	986,662,011	(27,297,446)	(434,274)	(71,142,419)	262,414,990	5,114,083,929

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
Unaudited

	For the Six Months Ended June 30	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before franchise and taxes	**2,062,688,675**	1,573,464,271
Adjustments for:		
Depreciation	**76,754,260**	54,042,861
Equity in net earnings/loss of an associate/jv	**(123,845,535)**	(85,787,007)
Finance expense (income) - net	**(30,189,351)**	104,491,315
Operating income before working capital changes	**1,985,408,050**	1,646,211,440
Decrease (increase) in:		
Receivables	**(74,006,329)**	(132,873,808)
Bingo cards	**(18,345,511)**	(2,451,888)
Prepaid expenses and other current assets	**(3,671,000)**	(27,378,939)
Increase (decrease) in:		
Trade and other payables	**(289,815,016)**	84,030,836
Income tax payable	**(292,643)**	5,808,808
Rent deposit	**0**	0
Retirement benefits liability	**1,800,000**	(8,187,399)
Cash generated from operations	**1,601,077,550**	1,565,159,050
Finance income (expense) - net	**30,189,351**	(104,491,315)
Franchise fees and taxes paid	**(1,495,681,419)**	(1,195,535,380)
Net cash from operating activities	**135,585,481**	265,132,355
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal (Acquisition) of property and equipment - net	**(267,499,472)**	(80,163,931)
Disposal (Acquisition) of investment property - net	**(21,084,743)**	3,415,081
Decrease (increase) in investments and advances	**40,542,374**	(150,582,986)
Decrease (increase) in deferred tax assets	**(32,741,223)**	1,053,599
Decrease (increase) in other assets	**(137,069,225)**	(203,365,893)
Net cash provided (used) in investing activities	**(417,852,289)**	(429,644,130)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment (payment) of loans - net	**123,768,245**	36,593,605
Availment (payment) of obligations under finance lease - net	**(1,500,320)**	(4,846,815)
Decrease (increase) in receivables from related parties	**(54,060,212)**	(54,727,509)
Increase (decrease) in payable to related parties	**0**	0
Increase (decrease) in translation gain/loss	**0**	(263,236)
Net cash provided (used) in financing activities	**68,207,713**	(23,243,955)
NET INCREASE (DECREASE) IN CASH	**(214,059,094)**	(187,755,730)
CASH AT BEGINNING OF PERIOD	**338,257,077**	295,742,860
CASH AT END OF PERIOD	**124,197,983**	107,987,130

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Attachments to Unaudited Consolidated Financial Statements
As of June 30, 2015

Schedule 1 - Cash and Cash Equivalents	
Cash in banks	113,133,143
Cash on hand and payout fund	11,064,840
	124,197,983
Schedule 3 - Prepaid Expenses and Other CurrrentAse	
Prepayments	95,843,952
Adv to suppliers/creditors/contractors	11,000,001
Creditable withholding tax	9,775,250
Supplies	0
Input VAT	9,818,841
Others	4,874,369
	131,312,414
Schedule 4 - Property and Equipment	
Land	
Leasehold rights & improv ements	533,315,017
Transportation equipment	234,121,878
Office furniture, fixtures, and equipment	326,866,188
Bingo equipment and paraphernalia	40,143,893
Computer software	45,915,429
Building	5,159,416
Construction in progress	9,500
Other fixed assets	55,589,536
	1,241,120,858
Less: Accumulated Depreciation	(586,200,269)
	654,920,588
Schedule 5 - Investment Properties	
Land rights	186,078,447
Land improv ements	35,738,630
Building	115,690,399
Construction in progress	22,499,824
	360,007,299
Schedule 6 - Investment and Advances	
Associates:	
Cost	
Binondo Leisure Resources, Inc. (BLRI) - 30%	21,200,000
Techzone Philippines, Inc. (TPI) - 50%	250,000,000
	271,200,000
Accumulated equity in net income (loss) of an associate:	
Balance at beginning of year	
BLRI	(26,303,101)
TPI	83,331,330

Net equity in earnings (losses) for the first quarter	
BLRI	0
TPI	40,704,641
Balance at end of the quarter	
BLRI	(26,303,101)
TPI	124,035,971
	97,732,870
	368,932,870
Joint venture:	
Cost	
First Cagayan Converge Data Center Inc. (FCCDCI) -60%	15,000,000
Hotel Enterprises of the Philippines (HEPI) - 51%	750,938,000
	765,938,000
Accumulated equity in net income (loss) of a joint venture:	
Balance at beginning of year	
FCCDCI	188,176,915
HEPI	54,548,212
Dividends declared - FCCDCI	(90,000,000)
Net equity in earnings (losses) for the first quarter	
FCCDCI	38,194,694
HEPI	44,946,200
Balance at end of the quarter	
FCCDCI	136,371,608
HEPI	99,494,412
	235,866,020
	1,001,804,020
Advances:	
AB Fiber	31,696,665
Belle Corporation	4,241,486,036
BLRI	171,491,925
Cagayan Land Property Development Corporation (CLPDC)	153,118,171
Cagayan Premium Ventures Development Corporation (CPVDC)	732,536,767
DFNN, Inc. (DFNN)	101,477,620
Eco Leisure	26,136,049
FCCDCI	14,047,373
Hotel Enterprises of the Philippines (HEPI)	415,275,564
	5,887,266,169
Allowance for Impairment loss on advances	(40,000,000)
	5,847,266,169
Total	7,218,003,060
Other investments - at cost	756,500
	7,218,759,560

Schedule 7 - Other assets

Venue and rental deposits	340,334,257
Cash in bank - restricted	203,315,121
Cash and performance bonds	89,707,300
Airstrip improvements - net	47,709,728
Others	0
	681,066,407

Schedule 8 - Trade and Other Payables

Trade	487,914,414
Dividends payable	140,250,000
Regulatory fees	385,089,315
Venue rentals	0
Unearned hosting fees	180,439,984
Unpaid balance on the acquisition of new subsidiaries	0
Other accrued expenses	233,353,705
	1,427,047,419

Schedule 9 - Due to Related Party

Longview Holdings Corporation	9,070,691
Stockholders	100,000
	9,170,691

Schedule 10 - Short-term and Long-term Loans Payable

Short-term Loans Payable	
AUB	0
BDO	283,942,910
PBCOM	35,930,000
UCPB	449,637,157
Total short-term	**769,510,068**
Long-term Loans Payable	
Current Portion	
BDO	437,330,952
AUB	130,000,000
Noncurrent Portion	
BDO	2,035,714,286
AUB	509,166,667
Total long-term	**3,112,211,905**

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Attachments to Unaudited Consolidated Financial Statements
Schedule 2 – Receivables
As of June 30, 2015

1) Aging of Accounts Receivable

	TOTAL	1-3 Months	4-6 Months	7 Months to 1 year	1 year and above	Past due accounts and items in litigation
Type of Accounts Receivable						
a) Trade Receivables						
1) Rent Receivable	38,810,475	5,598,220	5,598,220	6,842,879	20,771,156	
2) Receivable from Locators	106,464,575	106,464,575				
3) Other Trade Receivables	421,625,434	336,837,060	84,788,374			
	566,900,483					
b) Non-trade Receivables						
1) Advances to employees	48,690,504	594,757	25,954,106	13,483,366	8,658,275	
2) Others	9,569,919	9,569,919				
	58,260,423					
Allowance for impairment	(73,977,276)					
Total Accounts Receivable	**551,183,630**					
c) Receivables from Related Parties						
1) Advances to Stockholders	79,936,424	2,000,000	800,349	47,153,509	29,982,566	
Total Due from Related Parties	**79,936,424**					

2) Accounts Receivable Description

Types of Receivable	Nature and Description	Collection Period
a) Advances to non-consolidated affiliates	sale of bingo cards, promotional materials and other services	six (6) mos to one (1) yr
b) Advances to employees	company loan and other advances granted to employees	six (6) mos to one (1) yr
c) Advances to related parties - BLRI	rental and advances	six (6) mos to one (1) yr
d) Others	various advances and receivables	six (6) mos to one (1) yr

3) Normal Operating Cycle: 365 days

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Financial Soundness Indicators
As of June 30, 2015

Key Performance Indicator	Formula	2015		2014	
Current Ratio	Current Assets / Current Liabilities	932,886,620 / 2,841,647,955	32.8%	1,004,062,662 / 3,179,004,427	31.6%
Debt to Equity Ratio	Total Liabilities / Stockholders' Equity	5,491,559,091 / 5,849,009,324	93.9%	5,515,601,237 / 5,431,199,655	101.6%
Asset to Equity Ratio	Total Assets / Stockholders' Equity	11,340,568,415 / 5,849,009,324	193.9%	10,946,800,892 / 5,431,199,655	201.6%
Rate of Payout to Net Revenues	Payout / Net Revenues	782,845,482 / 1,698,654,584	46.1%	610,612,058 / 1,035,402,369	59.0%
Return on Average Equity	Net Income / Average Stockholders' Equity	567,007,256 / 5,640,104,490	10.1%	377,371,859 / 4,925,251,101	7.7%
Return on Average Assets	Net Income / Average Total Assets	567,007,256 / 11,143,684,653	5.1%	377,371,859 / 9,432,295,057	4.0%
Solvency Ratio	Net Income + Depreciation / Total Liabilities	643,761,516 / 5,491,559,091	11.7%	431,414,720 / 5,515,601,237	7.8%
Interest Coverage Ratio	Income Before Interest & Tax / Interest Expense	760,052,840 / 123,330,593	6.16	542,070,544 / 101,600,276	5.34
Net Book Value Per Share	Stockholders' Equity / Weighted Average Shares Outstanding	5,849,009,324 / 1,199,852,512	4.87	5,431,199,655 / 1,199,852,512	4.53
Earnings Per Share	Net Income / Weighted Average Shares Outstanding	453,841,624 / 1,199,852,512	0.38	302,281,193 / 1,199,852,512	0.25

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Segment Information
As of June 30, 2015

The Group operates in four (4) reportable business segments: the retail group, online group, casino group, and property group, and only one (1) reportable geographical segment which is the Philippines. The description of the reportable segments are as follows:

<u>Retail</u>
The retail segment consists largely of venues providing amusements and recreation to the public in such forms as, but not limited to, traditional, electronic and rapid bingo games. And with the recent acquisition of TGXI in July 2014, this business segment now currently includes PeGS offering online casino games. Multiple sites include Bingo Halls located in large popular malls, while Bingo Boutiques and e-Games Stations are situated in strategic commercial establishments across the country.

<u>Online</u>
The online segment's primary activity is licensing of operators engaged in interactive gaming, as well as the establishment and setup of all the gaming infrastructures required in connection with the development, operation and conduct of internet server, telecommunication network, gaming enterprises, and other systems facilities.

<u>Casino</u>
The casino group is involved in hotel operation and casino marketing, junket operations, and arcade leasing.

<u>Property</u>
The property segment consists of an economic interest in one of the integrated resort operators in the Entertainment City and an investment in a joint venture property development project engaged in building a world-class Business Process Outsourcing center with offices for various locators.

Analysis of financial information by business segment as of June 30 follows:

	RETAIL GROUP	ONLINE GROUP	CASINO GROUP	PROPERTY GROUP	Others	Eliminations	CONSOLIDATED
Net revenues							
External revenue	2,947,686,028	762,566,067	586,976,349	45,420,358	-	-	**4,342,648,803**
Results							
Segment results	175,160,466	317,041,605	41,647,172	31,640,154			**565,489,398**
Unallocated corporate expenses					(92,326,895)	-	**(92,326,895)**
Results from operating activities							**473,162,503**
Finance expense - net	(13,655,697)	(18,923,493)	(24,515)	19,058,921	(16,644,567)	-	**(30,189,351)**
Other income	16,985,758	50,849,697	(250)	3,896,650	(1,828,294)	-	**69,903,560**
Equity in net earnings/loss of an associate/jv	-	38,194,694	44,946,200	40,704,641	-	-	**123,845,535**
Income taxes	(53,547,158)	(22,241,596)	(12,486,722)	(14,679,441)	33,239,927	-	**(69,714,991)**
Net income							**567,007,256**
Other Information							
Segment assets	3,174,460,621	2,644,183,882	339,845,196	6,050,861,989	6,112,765,741	(6,981,549,016)	**11,340,568,415**
Total assets							**11,340,568,415**
Segment liabilities	2,378,246,759	948,413,357	291,883,795	4,171,624,839	2,145,111,182	(4,443,720,841)	**5,491,559,091**
Total liabilities							**5,491,559,091**
Capital expenditures	192,214,251	75,481,248	1,595,038	(1,946,854)	21,240,533	-	**288,584,216**
Depreciation and amortization	59,619,882	9,758,807	4,100,896	2,169,632	1,105,043	-	**76,754,260**

There were no intersegment sales recognized between the four reportable segments for the three months ended June 30, 2015. Unallocated corporate expenses consist of net operating expenses of the Parent Company. Assets of the individual segments mainly comprise investments and advances, due from related parties, property and equipment, and trade receivables. Liabilities of the individual segments include loans payable, trade and other payables, retirement obligation, and due to related parties. Capital expenditures on noncurrent assets represent additions to property and equipment and investment property. Noncash expenses pertain to depreciation and amortization expenses attributable to the four reportable segments.

LEISURE & RESORTS WORLD CORPORATION AND SUBSIDIARIES
Notes to Interim Consolidated Financial Statements
As of June 30, 2015

1. The accompanying interim consolidated financial statements of Leisure & Resorts World Corporation (LRWC) and Subsidiaries are in compliance with Philippine Financial Reporting Standards (PFRS).

2. The same accounting policies and methods of computation are followed in the interim consolidated financial statements as compared with the most recent annual financial statements.

3. Currently the operations of LRWC is very minimal and functions as a holding company. However, its retail (AB Leisure Exponent, Inc. and Total Gamezone Xtreme, Inc.) and online (First Cagayan Leisure and Resort Corporation) segments, are operating on a daily basis including Sundays and Holidays, except on Maundy Thursday and Good Friday. Both segments are not seasonal in nature.

   Making up the casino segment, Prime Investment Korea, Inc., which began commercial operations in July of 2013, jointly conducts junket gaming operations within PAGCOR's Casino Filipino-Midas while Blue Chip Gaming and Leisure Corporation operates a Slot Arcade at the King's Royale Hotel and Leisure Park, Olongapo-Gapan Road, Macabacle, Bacolor, Pampanga under a license issued by the Philippine Amusement and Gaming Corporation (PAGCOR).

   Under the property segment, AB Leisure Global Inc. began receiving share in gaming revenues of PLAI when the latter began gaming operations in December 2014 in addition to its share in net lease income of Belle. Another subsidiary under the property segment, LR Land Developers, Inc., is engaged in realty estate acquisition, development and tourism.

4. There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents.

5. Property and equipment, other noncurrent assets, and investments and advances are reviewed for impairment. There are no indications of possible impairment of these assets.

6. There were no reported estimates in prior financial years and there are no estimates that need to be reported in the current interim period.

7. LRWC and Subsidiaries do not have any issuances, repurchases, and repayments of debt and equity securities.

8. On June 15, 2015, the BOD approved the declaration of cash dividend equivalent to ₱0.0425 per share payable to all preferred stockholders of record as of June 30, 2015, and another cash dividend of ₱0.0425 per share payable to all preferred stockholders of record as of December 29, 2015.

9. There were no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.

10. There were no changes in the composition of LRWC during the interim period. Likewise, there were no business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

11. LRWC and Subsidiaries do not have any contingent liabilities or contingent assets since the last annual balance sheet date nor do they have any current contingent liabilities or contingent assets.

12. There were no existing material contingencies and any other events or transactions that are material to an understanding of the current interim period.