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FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached disclosure filed by Philex Mining Corporation (“Philex”) with the Philippine Stock Exchange, in relation to Philex’s press release on its unaudited results of operations for the six months ended 30 June 2012.

Dated this the 25th day of July, 2012

As at the date of this announcement, the Board of Directors of First Pacific Company Limited comprises the following Directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Graham L. Pickles*

Prof. Edward K.Y. Chen*, *GBS, CBE, JP*

Tedy Djuhar

Benny S. Santoso

Napoleon L. Nazareno

Jun Tang*

Dr. Christine K.W. Loh*, *JP, OBE,*

Chevalier de l’Ordre National du Merite

* *Independent Non-executive Directors*



pressrelease

Philex Mining Posts Lower 1H2012 Profits on Reduced Gold Output

1H 2012 Core Net Income at P2.109 Billion, lower by 26% over last year on lower gold output

Hedges achieved higher realized gold prices, with copper prices similar to last year,
despite softening global metal prices

Gold output dropped by 14,103 ounces for the first half, or 19% due to lower grade

Reported Net Income down 37% from record earnings in 2011 to P2.036 billion,
due to lower Core Net Income and lower exceptional gains

EBITDA correspondingly reduced to P3.391 billion for the period

Core EPS at P0.4276 per share for the 1H2012

Reported EPS at P0.4236 per share for 1H2012

Interim dividend approved at P0.11 per share, representing
dividend payment of 25% of Core EPS

- Core net income of P2.109 billion for the first half 2012, 26% lower than P2.836 billion a year ago
- Reported net income of P2.036 billion for the period, a 37% decline from P3.219 billion a year earlier due to a decline in Core Net Income and reduced exceptional gains
- Gold production at 58,681 ounces for 1H2012 versus 72,784 ounces last year, a decline of 19% due to lower grade. Copper production level at 18.3 million pounds almost similar to last year
- Operating revenue of P7.472 billion, historically the second-highest for the Company's first half period
- First-half revenue of P4.071 billion and P3.260 billion from gold and copper, respectively, from P4.401 billion and P3.318 billion a year earlier.
- EBITDA of P3.391 billion for the first half, a decline of 30% from P4.836 billion a year ago due to lower revenues and slightly higher cash expense
- Hedging policy achieved realized prices on gold at \$1,618 per ounce from \$1,398 per ounce during the same period in 2011. Copper price per pound slightly lower at \$4.05 from \$4.09 last year.
- Core EPS for the first semester at P0.4276 per share. Reported EPS at P0.4236 per share

- **Interim dividend of P0.11 per share based on payout ratio of 25% of Core Net Income for the first half of 2012. Record date is August 8, 2012, while payment date is September 3, 2012.**

25 July 2012, Manila, PHILIPPINES — Philex Mining Corporation (PSE:PX), the Philippines' largest gold and copper producer, registered lower revenues and profits for the first half of 2012 from a year ago (which remains the record year for the Company since its inception) as the average gold grade from its Padcal mine was lower than last year's, which reached its two-year high.

"Padcal produced lower gold output in the first half this year compared to last. This has resulted in a decline of our first semester revenues, which impacted our profits and EBITDA. However, gold grade realized and gold output have improved starting in June and continued in July as access to better gold grade has opened. A better gold output in the second half compared with the first half is expected," said Philex Mining Corporation President and Chief Operating Officer Eulalio Austin, Jr. "Copper production for the first six months is similar to that of last year, as it will be for the balance of the year."

Production output amounted to 58,681 ounces of gold and 18,340,282 pounds of copper. Last year's production amounted to 72,784 ounces of gold and 18,661,403 pounds of copper at realized prices of US\$1,398 per ounce and US\$4.09 per pound.

Our hedging strategy mitigated the downward effect of softening metal prices with realized gold prices for the period of US\$1,618 per ounce and copper prices at US\$4.05 per pound. As at 30th June 2012, gold and copper prices stood at US\$1,599 per ounce and US\$3.45 per pound, respectively.

Philex Mining has entered into various metal and foreign currency hedging contracts in order to protect its future revenues from fluctuations in metal prices. Operating revenue for the first half was augmented by the net gain of P353.2 million from metal and currency hedging contracts, comprising P401 million gained from copper, but partially offset by P50.1 million loss from gold.

The Company's unaudited financial statements show a consolidated Core Net Income of P2.109 billion and Reported Net Income of P2.036 billion between January and June 2012, falling 26% from P2.836 billion and 37% from P3.219 billion, respectively, during the same period last year.

Operating revenue, meanwhile, amounted to P7.472 billion from January to June, making it the company's second-highest operating revenue for a first-half period, the highest being last year's P8.150 billion. Revenue from gold and copper were at P4.071 billion and P3.260 billion, respectively, from P4.401 billion and P3.318 billion a year earlier; revenue from silver dropped to P67.7 million from P100.4 million for the same period due to lower prices.

The Company noted that, along with the decrease in gold production volume for the same period, marketing charges declined by 12% to P360.6 million from P409.7 million.

However, costs and expenses climbed 17% to P4.051 billion from P3.455 billion mainly due to higher power rates, resulting in Income from Operations of P3.060 billion, or 29% lower than P4.286 billion.

For the first six months of the year, the company also posted earnings before interest, taxes, depreciation, and amortization (EBITDA) of P3.391 billion, a decline of 30% from P4.836 billion a year ago.

Philex Mining's revenue from its petroleum business decreased to P57.8 million during the first six months from P328.9 million a year earlier, owing to lower income by Forum Energy Plc from the Galoc oil field, which temporarily suspended production from its operations off Palawan from November 2011 to March 2012 to allow upgrading of its Floating Production, Storage and Offloading vessel. Forum Energy is a 60.5% controlled subsidiary of Philex Petroleum Corporation.

Revenue from coal rose, however to P15.7 million, owing to the sale of 4,900 tons of coal from January to June, by Brixton Energy & Mining Corporation, wholly-owned subsidiary of Philex Petroleum. This compares with revenue of P1.3 million representing 462 tons of coal sold a year ago.

"The lower gold output resulted from our lower grade ore. But starting June, we are beginning to see some recovery in grade and total output. We expect gold production volume to be better this second half, but will nonetheless be slightly lower in volume terms compared with last year. Copper volume should be maintained at levels with that of last year. Our hedging position vis-à-vis gold and copper prices is excellent, and should help mitigate anticipated slightly lower gold output for the entire year," concluded Manuel V. Pangilinan, Philex Chairman.

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About Philex Mining Corporation

Philex Mining Corporation was incorporated in the Philippines in 1955 and is listed in the Philippine Stock Exchange. The Company, Philex Gold Philippines, Inc. (PGPI, a wholly-owned subsidiary through a holding company and incorporated in the Philippines), and Silangan Mindanao Exploration Co., Inc. (SMECI, a wholly-owned subsidiary through a holding company and PGPI, and incorporated in the Philippines) and its subsidiary, Silangan Mindanao Mining Co., Inc. (SMMCI) are primarily engaged in large-scale exploration, development and utilization of mineral resources. The Company operates the Padcal Mine in Benguet. PGPI operated the Bulawan mine in Negros Occidental until the second quarter of 2002. SMECI, through SMMCI, owns the Silangan Project covering the Boyongan and Bayugo deposits which are currently under the prefeasibility stage.

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PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Peso Thousands, except Per Share)

	<u>Year Ended June 30,</u>		%
	<u>2012</u>	<u>2011</u>	<u>Variance</u>
REVENUE			
Gold	4,071,124	4,400,996	(7)
Copper	3,259,506	3,318,417	(2)
Silver	67,707	100,445	(33)
	<u>7,398,337</u>	<u>7,819,858</u>	<u>(5)</u>
Less: Marketing charges	360,648	409,657	(12)
	<u>7,037,689</u>	<u>7,410,201</u>	<u>(5)</u>
Petroleum	57,770	328,866	(82)
Coal	15,722	1,288	1,121
Others	350	-	100
	<u>7,111,531</u>	<u>7,740,355</u>	<u>(8)</u>
COSTS AND EXPENSES			
Mining and milling costs (including depletion and depreciation)	2,921,954	2,504,198	17
Mine products taxes & royalties	380,462	425,518	(11)
General and administrative expenses	644,816	369,968	74
Petroleum production costs	54,401	123,169	(56)
Handling, hauling and storage	39,394	30,486	29
Cost of coal sales	10,104	1,208	736
	<u>4,051,131</u>	<u>3,454,547</u>	<u>17</u>
INCOME FROM OPERATIONS	<u>3,060,400</u>	<u>4,285,808</u>	<u>(29)</u>
OTHER INCOME(CHARGES)			
Interest income	35,275	32,286	9
Foreign exchange losses	(126,267)	(54,022)	134
Interest expense	(7,979)	(23,598)	(66)
Marked-to-market gain	97,887	-	100
Gain on dilution of interest in an associate	-	523,710	(100)
Others - net	(118,517)	(305,728)	(61)
	<u>(119,601)</u>	<u>172,648</u>	<u>(169)</u>
INCOME BEFORE INCOME TAX	<u>2,940,799</u>	<u>4,458,456</u>	<u>(34)</u>
PROVISION FOR INCOME TAX	(904,710)	(1,239,456)	(27)
NET INCOME	<u>2,036,089</u>	<u>3,219,000</u>	<u>(37)</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:			
Equity Holders of the Parent Company	2,088,942	3,184,050	(34)
Non-controlling interests	(52,853)	34,950	(251)
	<u>2,036,089</u>	<u>3,219,000</u>	<u>(37)</u>
CORE NET INCOME	<u>2,108,808</u>	<u>2,835,630</u>	<u>(26)</u>
EBITDA	<u>3,390,785</u>	<u>4,835,940</u>	<u>(30)</u>
BASIC EARNINGS PER SHARE	<u>0.4236</u>	<u>0.6466</u>	<u>(34)</u>
DILUTED EARNINGS PER SHARE	<u>0.4231</u>	<u>0.6459</u>	<u>(34)</u>
CORE NET INCOME PER SHARE	<u>0.4276</u>	<u>0.5758</u>	<u>(26)</u>
EBITDA PER SHARE	<u>0.6876</u>	<u>0.9820</u>	<u>(30)</u>

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(Amounts in Peso Thousands, except Par Value Per Share)

	June 30	December 31
	2012	2011
	(UNAUDITED)	(AUDITED)
ASSETS		
Current Assets		
Cash and cash equivalents	3,196,182	3,947,295
Accounts receivable	626,250	1,595,629
Inventories	1,764,104	1,118,667
Derivative assets	394,086	904,701
Other current assets	927,150	765,334
Total Current Assets	6,907,772	8,331,626
Noncurrent Assets		
Property, Plant and Equipment - net	5,822,114	5,399,716
Available-for-sale (AFS) financial assets	4,987,870	5,428,069
Goodwill	258,593	258,593
Deferred income tax assets - net	12,755	12,720
Deferred exploration costs and other noncurrent assets	13,615,268	13,023,504
Total Noncurrent Assets	24,696,600	24,122,602
TOTAL ASSETS	31,604,372	32,454,228
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term bank loans	350,000	350,000
Accounts payable and accrued liabilities	1,092,596	1,160,205
Income tax payable	378,702	376,006
Dividends payable	480,686	325,333
Provisions and subscriptions payables	85,457	317,111
Derivative liabilities	-	47,270
Total Current Liabilities	2,387,441	2,575,925
Noncurrent Liabilities		
Provision for mine rehabilitation costs	18,549	17,775
Provision for losses	300,546	173,731
Deferred income tax liabilities - net	2,654,342	2,635,330
Total Noncurrent Liabilities	2,973,437	2,826,836
Total Liabilities	5,360,878	5,402,761
Equity Attributable to Equity Holders of the Parent Company		
Capital Stock - ₱1 par value	4,932,371	4,929,751
Additional paid-in capital	949,196	887,290
Retained Earnings	16,110,785	16,093,059
Net unrealized gain on AFS financial assets	1,570,462	2,020,940
Cumulative translation adjustments	127,336	495,019
Net revaluation surplus	1,611,397	1,611,397
Effect of transactions with non-controlling interests	79,650	106,027
	25,381,197	26,143,483
Non-controlling Interests	862,297	907,984
Total equity	26,243,494	27,051,467
TOTAL LIABILITIES & EQUITY	31,604,372	32,454,228