



First Pacific Company Limited

# Press Release

Wednesday, 25 April 2012

## PHILEX MINING POSTS RECORD 1ST QUARTER REVENUE AT P4.021 BILLION

- Record global metal prices increased revenue from gold by 4% to P2.177 billion, and from copper by 9% to P1.796 billion
- Tonnage milled increased by 4% to 2.356 million tonnes from 2.267 million tonnes over the same period last year
- Lower metal recoveries resulted in a slightly lower reported net income of P1.268 billion, or 3% less than the P1.310 billion at first quarter 2011
  - Core Net Income steady at P1.330 billion
  - Core Earnings Per Share at P0.2698
  - EBITDA at P2.047 billion for the quarter

The attached press release was released today in Manila by Philex Mining Corporation (“Philex”), in which First Pacific Group holds an economic interest of approximately 31.3%\*.

Philex is a Philippine-listed company engaged in exploration, development, and management of mineral and energy resources in the Philippines. Further information on Philex can be found at [www.philexmining.com.ph](http://www.philexmining.com.ph).

*\* Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% interest in Philex.*

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pressrelease

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**MANILA, Philippines, April 25, 2012** -- Philex Mining Corporation (PSE:PX) recently posted an historic high first quarter revenue of P4.021 billion, 4% higher than the P3.864 billion recorded in the same period last year on the strength of gold and copper prices in the global market. Lower grade and metal recoveries at the Padcal Mine in Benguet Province however kept Core Net Income steady at about P1.330 billion. Reported Net Income was 3% lower at P1.268 billion from P1.310 billion last year.

Metal prices continued to be strong in the three months ended March 31, as revenue from gold increased to P2.177 billion from P2.099 billion, while revenue from copper likewise increased to P1.796 billion from P1.651 billion. Average realized metal prices for the period were at \$1,678 per ounce gold and \$4.26 per pound copper on 29,153 ounces of gold and 9,085,371 pounds of copper produced. Last year, average realized metal prices were at \$1,315 per ounce gold and \$4.13 per pound copper on 37,003 ounces of gold and 9,110,472 pounds of copper produced.

Tonnage milled in Padcal increased 4% to 2.356 million tonnes for the first three months from 2.267 million tonnes in 2011, but copper concentrate produced was 2% lower at 16,478 dry metric tons as ore grades were lower at 0.494 grams gold per tonne and 0.219% copper this period from 0.613 grams gold per tonne and 0.221%

copper in 2011, and metal recoveries decreased to 77.91% for gold and 79.92% for copper, from 82.86% and 82.45%, respectively.

Income from operations decreased 5% as higher production in Padcal and higher corporate overhead increased operating costs and expenses to P1.944 billion from P1.645 billion over the same period last year.

For social development and management programs (SDMP) at the Padcal mine, Philex Mining spent a total of P9.17 million for the host and neighboring communities in the first three months. Of this amount, 75% was spent for education, 19% for livelihood and public infrastructure and 6% for health programs.

Environmental protection programs during the first quarter totaled P50.58 million or 19% of the P261.21 million allotted for 2012 for its nursery operations, plantation operation and protection, and construction of fireline/firebreak, as well as maintenance and operations of the active and decommissioned tailings ponds.

**Philex Mining Chairman and Chief Executive Officer Manuel V. Pangilinan** said the Company's investment in its Silangan Project is necessary for the long-term development of the Company. "This is the time to sow. This is the time to put in significant investments in the Silangan Project – investments for the development of the mine, the capability development of the organization for its eventual operations, the technology and equipment to conserve the environment as well as investments into the long-term development of our host and neighboring communities in Surigao del Norte."

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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.

Philex's three months period financial statements are unaudited.

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**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Peso Thousands, except Per Share)

	<b>Year Ended March 31,</b>		<b>%</b>
	<b>2012</b>	<b>2011</b>	<b>Variance</b>
<b>REVENUE</b>			
Gold	2,177,427	2,098,861	4
Copper	1,796,063	1,651,045	9
Silver	38,668	47,804	(19)
	<u>4,012,158</u>	<u>3,797,710</u>	<u>6</u>
Less: Marketing charges	173,098	206,502	(16)
	<u>3,839,060</u>	<u>3,591,208</u>	<u>7</u>
Petroleum	8,811	64,521	(86)
Coal	84	1,288	(93)
	<u><b>3,847,955</b></u>	<u><b>3,657,017</b></u>	<u><b>5</b></u>
<b>COSTS AND EXPENSES</b>			
Mining and milling costs ( including depletion and depreciation)	1,374,775	1,203,732	14
Mine products taxes & royalties	209,694	220,600	(5)
General and administrative expenses	300,296	171,245	75
Petroleum production costs	11,112	33,896	(67)
Handling, hauling and storage	48,369	14,696	229
Cost of coal sales	49	1,261	(96)
	<u>1,944,295</u>	<u>1,645,430</u>	<u>18</u>
<b>INCOME FROM OPERATIONS</b>	<u><b>1,903,660</b></u>	<u><b>2,011,587</b></u>	<u><b>(5)</b></u>
<b>OTHER INCOME(CHARGES)</b>			
Interest income	19,234	12,126	59
Foreign exchange gains (losses) - net	(47,965)	(26,881)	78
Interest expense	(4,761)	(4,253)	12
Others - net	(43,336)	(83,428)	(48)
	<u><b>(76,828)</b></u>	<u><b>(102,436)</b></u>	<u><b>(25)</b></u>
<b>INCOME BEFORE INCOME TAX</b>	<u><b>1,826,832</b></u>	<u><b>1,909,151</b></u>	<u><b>(4)</b></u>
PROVISION FOR INCOME TAX	(559,105)	(599,118)	(7)
<b>NET INCOME</b>	<u><b>1,267,727</b></u>	<u><b>1,310,033</b></u>	<u><b>(3)</b></u>
<b>NET INCOME ATTRIBUTABLE TO:</b>			
Equity Holders of the Parent Company	1,296,553	1,311,596	(1)
Non-controlling interests	(28,826)	(1,563)	1,744
	<u><b>1,267,727</b></u>	<u><b>1,310,033</b></u>	<u><b>(3)</b></u>
<b>CORE NET INCOME</b>	<u><b>1,330,128</b></u>	<u><b>1,330,412</b></u>	<u><b>(0)</b></u>
<b>EBITDA</b>	<u><b>2,047,401</b></u>	<u><b>2,092,038</b></u>	<u><b>(2)</b></u>
<b>BASIC EARNINGS PER SHARE</b>	<u><b>0.2629</b></u>	<u><b>0.2664</b></u>	<u><b>(1)</b></u>
<b>DILUTED EARNINGS PER SHARE</b>	<u><b>0.2627</b></u>	<u><b>0.2661</b></u>	<u><b>(1)</b></u>
<b>CORE NET INCOME PER SHARE</b>	<u><b>0.2698</b></u>	<u><b>0.2702</b></u>	<u><b>(0.1)</b></u>
<b>EBITDA PER SHARE</b>	<u><b>0.4152</b></u>	<u><b>0.4250</b></u>	<u><b>(2)</b></u>

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

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

	<b>March 31 2012 (UNAUDITED)</b>	<b>December 31 2011 (AUDITED)</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	4,664,039	3,947,295
Accounts receivable	713,622	1,595,629
Inventories	2,485,942	1,118,667
Derivative asset	237,944	904,701
Other current assets	861,735	765,334
<b>Total Current Assets</b>	<b>8,963,282</b>	<b>8,331,626</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	5,520,381	5,399,716
Available-for-sale (AFS) financial assets	5,311,178	5,428,069
Goodwill	258,593	258,593
Deferred income tax assets - net	-	12,720
Deferred exploration costs and other noncurrent assets	13,212,016	13,023,504
<b>Total Noncurrent Assets</b>	<b>24,302,168</b>	<b>24,122,602</b>
<b>TOTAL ASSETS</b>	<b>33,265,450</b>	<b>32,454,228</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term bank loans	350,000	350,000
Accounts payable and accrued liabilities	1,250,017	1,160,205
Income tax payable	533,607	376,006
Dividends payable	2,258,196	325,333
Provisions and subscriptions payables	171,631	317,111
Derivative liabilities	-	47,270
<b>Total Current Liabilities</b>	<b>4,563,451</b>	<b>2,575,925</b>
<b>Noncurrent Liabilities</b>		
Provision for mine rehabilitation costs	17,545	17,775
Provision for losses	108,946	173,731
Deferred income tax liabilities - net	3,036,857	2,635,330
<b>Total Noncurrent Liabilities</b>	<b>3,163,348</b>	<b>2,826,836</b>
<b>Total Liabilities</b>	<b>7,726,799</b>	<b>5,402,761</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital Stock - P1 par value	4,931,535	4,929,751
Additional paid-in capital	946,684	887,290
Retained Earnings	15,318,395	16,093,059
Net unrealized gain on AFS financial assets	1,891,070	2,020,940
Cumulative translation adjustments	(150,952)	495,019
Net revaluation surplus	1,611,397	1,611,397
Effect of transaction with non-controlling interests	106,027	106,027
	24,654,156	26,143,483
Non-controlling Interests	884,495	907,984
<b>Total equity</b>	<b>25,538,651</b>	<b>27,051,467</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>33,265,450</b>	<b>32,454,228</b>