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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

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 financial statements for the first six months ended 30 June 2015.

Dated this the 29th day of July, 2015

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Napoleon L. Nazareno

Independent Non-executive Directors:

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok



July 29, 2015

PRESS RELEASE

1H2015 NET INCOME NEGATIVELY IMPACTED BY DEPRESSED METAL PRICES

HIGHLIGHTS

- 1H2015 REPORTED NET INCOME AT P565 MILLION (1H2014: P600 MILLION)
- 1H2015 NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF PARENT AT P607 MILLION (1H2014: P627 MILLION)
- 1H2015 GOLD AND COPPER PRICES LOWEST IN THE LAST FIVE YEARS; GOLD DOWN BY 11% AND COPPER BY 16% FROM LAST YEAR
- EBITDA MARGIN IMPROVED TO 34% (1H2014: 33%) AMIDST 17% REDUCTION IN COSTS AND EXPENSES
- PROGRESS CONTINUES ON SILANGAN'S DEFINITIVE FEASIBILITY STUDY

Manila, Philippines – The Board of Directors of Philex Mining Corporation (PSE:PX) (the “Company” or “PX”) today announced that its first half 2015 financial and operating performance delivered a Net Income of P565 million, 6 percent lower than 2014’s P600 million, as global metal prices continued to slump.

Net Income Attributable to Equity Holders of the Parent Company was at P607 million (1H2014: 627 million) while Core Net Income amounted to P520 million (1H2014: P559 million).

Production and Revenues

Padcal mine operated for 178 days in the first six months of 2015 and milled 4.47 million tonnes of ore. The tonnage translated to 53,689 ounces of gold produced (1H2014: 52,286 ounces) as grades improved to 0.442 grams/tonne (g/t) (1H2014: 0.436 g/t). Meanwhile, copper output reached 16.9 million pounds (1H2014: 18.2 million pounds) with copper grades slightly lower at 0.206% (1H2014: 0.218%).

These resulted in revenues of P2.894 billion for gold (1H2014: P3.088 billion) and P1.870 billion for copper (1H2014: P2.453 billion) as average realized prices for gold were lower by 11 percent at US\$1,190 per ounce (1H2014: US\$1,341 per ounce) and while copper prices were lower by 16 percent at US\$2.61 per pound (1H2014: US\$3.09 per pound). These price levels were the lowest recorded in the last five years.

Revenues from petroleum and other sources, which were affected by lower output and volatility in world crude prices, fell to P83.5 million (1H2014: P197.8 million) while revenues from silver amounted P37.6 million (1H2014: P43.0 million).

Total consolidated revenues for the period amounted to P4.886 billion (1H2014: P5.782 billion).

Costs and Expenses

As the external environment remained extremely challenging, the Company remained relentless in managing its costs and reducing expenses across all fronts. As a result, consolidated operating cost and expenses in the first half of 2015 were 17 percent lower year-on-year at P3.728 billion (1H2014: P4.468 billion). Specifically, cash production costs went down 14 percent to P2.335 billion (1H2014: P2.706 billion) while general and administrative expenses decreased 33 percent to P363.8 million (1H2014: P540.0 million).

This translated to an improved EBITDA margin of 34 percent (1H2014: 33 percent), with operating margin maintained at 17 percent (1H2014: 17 percent).

Net other income amounted to P62.5 million in 1H2015 and reversed the P62.3 million in net other charges reported in 1H2014. In particular, net interest charges were reduced to P8.3 million compared with P153.4 million in the same period last year, attributed to the Company's debt curtailment strategy started late last year.

As of end-June 2015, Parent Company short-term loans amounted to P3.630 billion from P4.308 billion as of end-December 2014.

Outlook

"As we navigate through the turbulent global developments, we remain focused on maximizing our operating mine and at the same time setting our sights on the development of the Silangan project. Right now, we are benefitting from our cost-containment measures and are confident that the results of these initiatives will be more pronounced in the longer term", Philex President and CEO Eulalio B. Austin, Jr. said.

Mr. Yulo E. Perez, President of Silangan Mindanao and Mining Co., Inc. (SMMCI), for his part said, "the Silangan project is progressing, with the necessary permits and documentation being secured to enable the team to proceed with the next critical steps under SMMCI's early works program."

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PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE SIX MONTHS ENDED JUNE 30, 2015 AND 2014
(Amounts in Peso Thousands, except Earnings Per Share)

	<u>2015</u>	<u>2014</u>
REVENUE		
Gold	2,894,336	3,087,995
Copper	1,870,356	2,452,730
Silver	37,564	43,044
Petroleum & others	83,452	197,754
	<u>4,885,708</u>	<u>5,781,523</u>
Less: Marketing charges	<u>403,439</u>	<u>424,984</u>
	<u>4,482,269</u>	<u>5,356,539</u>
COSTS AND EXPENSES		
Mining and milling costs (including depletion and depreciation)	3,032,343	3,514,810
General and administrative expenses	363,846	540,032
Excise taxes & royalties	240,671	280,627
Petroleum production costs	54,124	87,938
Handling, hauling and storage	36,555	41,830
Cost of coal sales	-	2,794
	<u>3,727,539</u>	<u>4,468,031</u>
OTHER INCOME(CHARGES)		
Gain on sale of AFS financial assets	107,088	-
Interest income	2,640	9,190
Interest expense	(10,943)	(162,614)
Foreign exchange gains (losses) - net	(27,803)	94,777
Others - net	(8,459)	(3,614)
	<u>62,523</u>	<u>(62,261)</u>
INCOME BEFORE INCOME TAX	817,253	826,247
PROVISION FOR INCOME TAX	(252,446)	(225,787)
NET INCOME	564,807	600,460
NET INCOME ATTRIBUTABLE TO:		
Equity Holders of the Parent Company	606,974	626,949
Non-controlling interests	(42,167)	(26,489)
	<u>564,807</u>	<u>600,460</u>
CORE NET INCOME	519,728	559,034
BASIC EARNINGS PER SHARE	0.1229	0.1270
DILUTED EARNINGS PER SHARE	0.1229	0.1270
CORE NET INCOME PER SHARE	0.1052	0.1132

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	June 30 2015 <u>(UNAUDITED)</u>	December 31 2014 <u>(AUDITED)</u>
ASSETS		
Current Assets		
Cash and cash equivalents	3,103,435	5,231,892
Accounts receivable	400,827	1,055,864
Inventories	1,896,806	1,858,220
Derivative assets	10,073	7,766
Other current assets	1,581,751	1,376,741
Total Current Assets	<u>6,992,892</u>	<u>9,530,483</u>
Noncurrent Assets		
Property, Plant and Equipment - net	7,477,094	7,138,912
Available-for-sale (AFS) financial assets	601,835	906,681
Goodwill	1,238,583	1,238,583
Deferred income tax assets	8,304	8,224
Deferred exploration costs and other noncurrent assets	27,617,103	25,817,465
Total Noncurrent Assets	<u>36,942,919</u>	<u>35,109,865</u>
TOTAL ASSETS	<u>43,935,811</u>	<u>44,640,348</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Loans payable - current	3,629,745	4,307,720
Accounts payable and accrued liabilities	1,750,648	1,795,755
Income Tax Payable	102,686	47,423
Dividends payable	484,850	488,818
Provisions and subscriptions payables	498,573	883,102
Total Current Liabilities	<u>6,466,502</u>	<u>7,522,818</u>
Noncurrent Liabilities		
Deferred income tax liabilities - net	3,994,510	3,859,141
Bonds payable	6,099,680	5,947,366
Pension obligation	23,940	43,585
Provision for losses and mine rehabilitation costs	576,618	225,618
Total Noncurrent Liabilities	<u>10,694,748</u>	<u>10,075,710</u>
Total Liabilities	<u>17,161,250</u>	<u>17,598,528</u>
Equity Attributable to Equity Holders of the Parent Company		
Capital Stock - P1 par value	4,940,399	4,940,399
Additional paid-in capital	1,138,009	1,117,627
Retained Earnings		
Unappropriated	5,218,365	4,712,032
Appropriated	10,000,000	10,000,000
Net unrealized (loss) gain on AFS financial assets	(178,481)	(64,010)
Equity conversion option	1,225,518	1,225,518
Cumulative translation adjustments	58,362	37,370
Net revaluation surplus	1,611,397	1,611,397
Effect of transactions with non-controlling interests	(12,508)	19,084
	<u>24,001,061</u>	<u>23,599,417</u>
Non-controlling Interests	2,773,500	3,442,403
Total equity	<u>26,774,561</u>	<u>27,041,820</u>
TOTAL LIABILITIES & EQUITY	<u>43,935,811</u>	<u>44,640,348</u>