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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**

*(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 results of operations for the second quarter and six months ended 30 June 2013.**

**Dated this the 31<sup>st</sup> day of July, 2013**

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:***

Graham L. Pickles

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

## Press Release

Wednesday, July 31, 2013

### Highlights - Second Quarter 2013

- **Core net income at P685 million (2012: P779 million) and core net income per share at P0.1389 (2012 : P0.1579)**
- **Income from Operations was P1,057 million (2012: P1,159 million)**
- **EBITDA at P1,286 million (2012:P1,343 million and EBITDA per share at P0.2606 (2012: P0.2724)**
- **The Padcal operations processed 2.4 million tonnes of ore (2012: 2.3 million tonnes), generating revenues of P3,248 million (2012: P3,386 million)**

MANILA, Philippines— Philex Mining Corp. (PX: PSE) and its subsidiaries, (Philex or the Company) today disclosed 28 percent lower income for the second quarter of 2013 at P551 million (2012: P768 million), reflecting lower metal prices for gold and copper.

The company's Padcal Mine in Benguet, which received government authorization for temporary operations on March 8, 2013 after its voluntary suspension since August 1 last year, produced a total of 2.4 tonnes, a 5 percent improvement from last year's comparable number of 2.3 million tonnes.

During this quarter 19,474 MT of concentrates were produced, representing a significant increase from the 16,755 MT of concentrate produced in the same quarter last year. Accordingly, metal production was higher with gold increasing 13% and copper increasing 21% to 33,235 ounces and 11,244,334 pounds respectively, reflecting higher grade ore being processed and better recovery rates being achieved.

Despite these improved production figures the second quarter gross revenues decreased 4% to P3,248 million (2012: P3,386 million) reflecting the lower metal prices.

#### **About Philex Mining Corporation:**

Philex Mining Corp. was incorporated in the Philippines in 1955 and was listed on the Philippine Stock Exchange on Nov. 23, 1956. Philex Mining, Philex Gold Philippines, Inc. (PGPI), Silangan Mindanao Exploration Co., Inc. (SMECI), and Silangan Mindanao Mining Co., Inc. (SMMCI) are primarily engaged in large-scale exploration, development, and utilization of mineral resources. PGPI is a wholly owned subsidiary of Philex Mining through a holding company and incorporated in the Philippines while SMECI is a wholly owned subsidiary of Philex Mining through a holding company and PGPI, and incorporated in the Philippines. Philex Mining operates the Padcal mine in Benguet while PGPI operated the Bulawan mine in Negros Occidental between 1996 and June 2002. SMECI, through its subsidiary SMMCI, owns the Silangan Project covering the Boyongan and Bayugo deposits, which are currently under prefeasibility stage.

#### **Contact Person:**

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For the six months ended 30 June 2013 Net Income was P954 million compared to P2,036 million for the same period last year. This decrease is a direct result of the Company only operating from March 8 this year whereas last year the Company operated continuously throughout the six month period

“Despite lower metal prices, we remain on course with our social and environmental commitments to the Government, particularly the requirements for the cleanup and rehabilitation of areas affected by the Padcal spill last year,” Philex Chairman Manuel V. Pangilinan said.

During the first half of the year, the company has completed the cleanup of Balog Creek in Itogon, Benguet and is now awaiting Government permits to clean up the convergence area of the Balog Creek and the affected part of Agno River. Although the Company has allocated P74 million for this year’s Social Development and Management Programs for its host and neighboring communities, it is also undertaking additional environmental studies related to the tailings spill, as well as education & livelihood assistance programs..

The company also completed two of three chutes of the open spillway costing P327 million, which is being constructed to better ensure the management of water draining into the Company’s tailings storage facility #3 over 90% of which comes from the surrounding hillsides and balance from the Padcal milling operation. Once complete, the spillway can channel as much as 1,000 millimeter of rain over a 24-hour period — equivalent to about two times the amount of rainfall brought by typhoon Ondoy in 2009, whose downpour brought 455 millimeters of rain over a 24-hour period.



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**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE SECOND QUARTER ENDED JUNE 30**

(Amounts in Peso Thousands, except Earnings Per Share)

	<b>2013</b>	<b>2012</b>	<b>% Variance</b>
<b>REVENUE</b>			
Gold	1,761,051	1,893,696	(7)
Copper	1,459,608	1,463,443	(0)
Silver	27,119	29,039	(7)
	<u>3,247,778</u>	<u>3,386,178</u>	<u>(4)</u>
Less: Marketing charges	196,687	187,550	5
	<u>3,051,091</u>	<u>3,198,628</u>	<u>(5)</u>
Petroleum	48,818	48,959	(0)
Coal		15,638	(100)
Others	-	350	(100)
	<u><b>3,099,909</b></u>	<u><b>3,263,575</b></u>	<u><b>(5)</b></u>
<b>COSTS AND EXPENSES</b>			
Mining and milling costs ( including depletion and depreciation)	1,452,217	1,517,010	(4)
Mine products taxes & royalties	178,547	170,769	5
General and administrative expenses	365,280	342,446	7
Petroleum production costs	24,321	43,289	(44)
Handling, hauling and storage	22,373	21,194	6
Cost of coal sales	(29)	10,055	(100)
	<u>2,042,709</u>	<u>2,104,763</u>	<u>(3)</u>
<b>INCOME FROM OPERATIONS</b>	<u><b>1,057,200</b></u>	<u><b>1,158,812</b></u>	<u><b>(9)</b></u>
<b>OTHER INCOME(CHARGES)</b>			
Interest income	5,040	16,040	(69)
Foreign exchange losses	(34,044)	(78,301)	(57)
Interest expense	(111,756)	(3,218)	3,373
Marked-to-market gains	-	97,887	(100)
Others - net	(35,215)	(77,255)	(54)
	<u><b>(175,975)</b></u>	<u><b>(44,847)</b></u>	<u><b>292</b></u>
<b>INCOME BEFORE INCOME TAX</b>	<b>881,225</b>	<b>1,113,965</b>	(21)
PROVISION FOR INCOME TAX	(330,170)	(345,605)	(4)
<b>NET INCOME</b>	<u><b>551,055</b></u>	<u><b>768,360</b></u>	<u><b>(28)</b></u>
<b>NET INCOME ATTRIBUTABLE TO:</b>			
Equity Holders of the Parent Company	653,966	792,390	(17)
Non-controlling interests	(102,911)	(24,030)	328
	<u><b>551,055</b></u>	<u><b>768,360</b></u>	<u><b>(28)</b></u>
<b>CORE NET INCOME</b>	<u><b>685,283</b></u>	<u><b>778,680</b></u>	<u><b>(12)</b></u>
<b>EBITDA</b>	<u><b>1,285,543</b></u>	<u><b>1,343,383</b></u>	<u><b>(4)</b></u>
<b>BASIC EARNINGS PER SHARE</b>	<u><b>0.1326</b></u>	<u><b>0.1607</b></u>	<u><b>(17)</b></u>
<b>DILUTED EARNINGS PER SHARE</b>	<u><b>0.1326</b></u>	<u><b>0.1604</b></u>	<u><b>(17)</b></u>
<b>CORE NET INCOME PER SHARE</b>	<u><b>0.1389</b></u>	<u><b>0.1579</b></u>	<u><b>(12)</b></u>
<b>EBITDA PER SHARE</b>	<u><b>0.2606</b></u>	<u><b>0.2724</b></u>	<u><b>(4)</b></u>

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30**

(Amounts in Peso Thousands, except Earnings Per Share)

	<b>2013</b>	<b>2012</b>	<b>% Variance</b>
<b>REVENUE</b>			
Gold	2,254,074	4,071,124	(45)
Copper	1,800,562	3,259,506	(45)
Silver	34,955	67,707	(48)
	<u>4,089,591</u>	<u>7,398,337</u>	<u>(45)</u>
Less: Marketing charges	244,208	360,648	(32)
	<u>3,845,383</u>	<u>7,037,689</u>	<u>(45)</u>
Petroleum	95,290	57,770	65
Coal	1,031	15,722	(93)
Others	-	350	(100)
	<u><b>3,941,704</b></u>	<u><b>7,111,531</b></u>	<u><b>(45)</b></u>
<b>COSTS AND EXPENSES</b>			
Mining and milling costs ( including depletion and depreciation)	1,778,603	2,921,954	(39)
Mine products taxes & royalties	222,992	380,462	(41)
General and administrative expenses	640,632	657,741	(3)
Petroleum production costs	52,794	54,401	(3)
Handling, hauling and storage	29,687	39,394	(25)
Cost of coal sales	792	10,104	(92)
	<u>2,725,500</u>	<u>4,064,056</u>	<u>(33)</u>
<b>INCOME FROM OPERATIONS</b>	<u><b>1,216,204</b></u>	<u><b>3,047,475</b></u>	<u><b>(60)</b></u>
<b>OTHER INCOME(CHARGES)</b>			
Insurance proceeds	1,017,125	-	-
Padcal maintenance costs during suspension of operations	(439,590)	-	-
Gain on sale of AFS investments	26,880	-	-
Foreign exchange losses	(50,735)	(126,267)	(60)
Marked-to-market gains	-	97,887	(100)
Interest expense	(217,032)	(7,979)	2,620
Interest income	11,892	35,275	(66)
Others - net	(78,134)	(105,592)	(26)
	<u><b>270,406</b></u>	<u><b>(106,676)</b></u>	<u><b>(353)</b></u>
<b>INCOME BEFORE INCOME TAX</b>	<u><b>1,486,610</b></u>	<u><b>2,940,799</b></u>	<u><b>(49)</b></u>
PROVISION FOR INCOME TAX	(532,240)	(904,710)	(41)
<b>NET INCOME</b>	<u><b>954,370</b></u>	<u><b>2,036,089</b></u>	<u><b>(53)</b></u>
<b>NET INCOME ATTRIBUTABLE TO:</b>			
Equity Holders of the Parent Company	1,074,650	2,088,942	(49)
Non-controlling interests	(120,280)	(52,853)	128
	<u><b>954,370</b></u>	<u><b>2,036,089</b></u>	<u><b>(53)</b></u>
<b>CORE NET INCOME</b>	<u><b>817,656</b></u>	<u><b>2,108,808</b></u>	<u><b>(61)</b></u>
<b>EBITDA</b>	<u><b>2,160,371</b></u>	<u><b>3,390,785</b></u>	<u><b>(36)</b></u>
<b>BASIC EARNINGS PER SHARE</b>	<u><b>0.2178</b></u>	<u><b>0.4236</b></u>	<u><b>(49)</b></u>
<b>DILUTED EARNINGS PER SHARE</b>	<u><b>0.2178</b></u>	<u><b>0.4231</b></u>	<u><b>(49)</b></u>
<b>CORE NET INCOME PER SHARE</b>	<u><b>0.1657</b></u>	<u><b>0.4276</b></u>	<u><b>(61)</b></u>
<b>EBITDA PER SHARE</b>	<u><b>0.4379</b></u>	<u><b>0.6876</b></u>	<u><b>(36)</b></u>

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

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

	June 30 2013 <b>(UNAUDITED)</b>	December 31 2012 <b>(AUDITED) AS RESTATED</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	4,247,375	1,669,542
Accounts receivable	395,201	207,749
Inventories	2,011,271	1,314,851
Prepaid income tax	87,274	166,467
Other current assets	1,079,949	997,340
<b>Total Current Assets</b>	<b>7,821,070</b>	<b>4,355,949</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	6,575,755	6,035,174
Available-for-sale (AFS) financial assets	1,381,701	3,990,761
Goodwill	1,791,698	258,593
Deferred exploration costs and other noncurrent assets	21,367,914	14,631,528
<b>Total Noncurrent Assets</b>	<b>31,117,068</b>	<b>24,916,056</b>
<b>TOTAL ASSETS</b>	<b>38,938,138</b>	<b>29,272,005</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term loans	6,470,804	1,450,000
Accounts payable and accrued liabilities	1,189,696	1,095,550
Dividends payable	481,601	483,257
Provisions and subscriptions payables	597,744	1,589,578
<b>Total Current Liabilities</b>	<b>8,739,845</b>	<b>4,618,385</b>
<b>Noncurrent Liabilities</b>		
Long-term portion of loan	25,361	-
Deferred income tax liabilities - net	4,326,111	2,327,427
Pension obligation	-	43,973
Provision for losses	171,631	171,631
Provision for mine rehabilitation costs	19,638	18,892
<b>Total Noncurrent Liabilities</b>	<b>4,542,741</b>	<b>2,561,923</b>
<b>Total Liabilities</b>	<b>13,282,586</b>	<b>7,180,308</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital Stock - P1 par value	4,933,246	4,933,027
Additional paid-in capital	1,032,363	963,867
Retained Earnings	14,694,729	13,578,781
Net unrealized (loss) gain on AFS financial assets	(595,764)	601,055
Cumulative translation adjustments	10,343	(41,785)
Net revaluation surplus	1,611,397	1,611,397
Effect of transactions with non-controlling interests	47,728	45,099
	<b>21,734,042</b>	<b>21,691,441</b>
Non-controlling Interests	3,921,510	400,256
<b>Total equity</b>	<b>25,655,552</b>	<b>22,091,697</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>38,938,138</b>	<b>29,272,005</b>