



FIRST PACIFIC COMPANY LIMITED

Press Release

Wednesday, 27 April 2011

**PHILEX FIRST QUARTER CORE NET INCOME UP 156%
TO P1.330 BILLION**

Higher Output and Metal Prices, Better Grades, Boost Earnings

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 utilization of mineral resources in the Philippines. Further information on Philex can be found at 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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FIRST QUARTER CORE NET INCOME UP 156% TO P1.330 BILLION

Higher Output and Metal Prices, Better Grades, Boost Earnings

Highlights

- Core Net Income increased by 156% to P1.330 billion from P520.1 million in the same period of 2010.
- Reported Net Income at P1.310 billion, similarly rising by 151% from P521.3 million a year ago.
- Revenues up 59% to P3.864 billion versus P2.434 billion, the second highest quarterly revenues ever, due to higher metal prices, metal output and oil revenues.
- Petroleum revenues of P64.5 million up 84% from P35.0 million in 2010.
- EBITDA at P2.092 billion versus P959.8 million in 2010, reflecting 118% improvement.
- Tonnage milled was 2.27 million tonnes, up 8% over last year.
- Realized gold price at US\$1,315 per ounce versus US\$1,003 per ounce in previous year, and at US\$4.13 per pound versus US\$3.37 per pound for copper.
- Core earnings per share at 27.02 centavos for the period versus 10.60 centavos a year earlier. Reported earnings per share at 26.64 centavos versus 10.76 centavos.

MANILA, Philippines, 27th April, 2011 – Philex Mining Corporation (PSE: PX) today announced first quarter Core Net Income of P1.330 billion, up 156% from P520.1 million in the same period last year. Higher price levels and metal output as well as improved grades realized in the quarter from the Padcal mine generated revenues 59% higher at P3.798 billion versus P2.391 billion last year.

Reported Net Income for the quarter amounted to P1.310 billion, more than twice the Reported Net Income of P521.3 million recorded in the same quarter a year ago. This year's first quarter net income is the fourth highest quarterly income level in the history of Philex.

In per share terms, Core Net Income was 27.02 centavos this quarter compared with 10.60 centavos a year ago while Reported Net Income was 26.64 centavos versus 10.76 centavos in the same period of 2010.

Revenues at P3.864 billion is the second highest level thus far in the Company's history and 59% higher than the P2.434 billion of revenues reported a year ago. Gold revenues rose 88% to P2.099 billion from P1.114 billion. Copper revenues improved by 31% to P1.651 billion from P1.257 billion. Gold contributed 54% of total revenue, with copper accounting for 43% and the balance of 3% from silver, petroleum and coal.

“With this quarter's results, the Company is on its way potentially to generating record earnings for the year. We are benefitting from the continuing improvement in the price of gold, which has now breached the \$1,500 per ounce mark,” said Manuel V. Pangilinan, Chairman of the Board and Chief Executive Officer of Philex.

Realized prices for the Company's metal production output this quarter averaged \$1,315 per ounce gold and \$4.13 per pound copper, as compared with \$1,003 per ounce and \$3.37 per pound a year ago (net of amortization of hedging costs, which amounted to \$67 per ounce of gold and \$0.14 per pound of copper in the quarter. The year-earlier amortization figures were \$92 per ounce and \$0.11 per pound. Hedging costs are deducted from the prices applicable for the respective periods.

Earnings before interest, income tax, deductions and amortization rose 118% to P2.092 billion in the quarter versus P959.8 million in the same period of 2010.

Ore milled of 2.3 million tonnes from the Padcal mine in the first three months of 2011 had average grades of 0.221% copper and 0.613 grams of gold per tonne. In the comparable period in 2010, ore milled of 2.1 million tonnes had average grades of 0.216% copper and 0.477 grams of gold per tonne. The higher tonnage and better grades resulted in higher production of copper concentrates to 16,792 dry metric tons this quarter compared with 14,893 dry metric tons a year earlier. Accordingly, production in metals rose by 51% for gold to 37,003 ounces in the first quarter of 2011 from 24,555 ounces in 2010, and by 12% for copper to 9.1 million pounds in 2011 from 8.1 million pounds in 2010.

With this quarter's higher production volume from Padcal, total costs and expenses rose by 10% to P1.645 billion from P1.498 billion in 2010. The Padcal mine's operating cost per tonne milled amounted to P726 per tonne this quarter versus P694 per tonne a year ago. Expressed in per ounce of gold produced and after deducting revenues from copper as a by-product credit however, operating cost was a negative \$27 per ounce in 2011, compared with \$182 per ounce in 2010.

The revenue contribution from petroleum (principally from Forum Energy Plc, a 64.5%-controlled subsidiary through wholly-owned Philex Petroleum Corporation) also improved to P64.5 million this quarter from P35.0 million a year ago.

Pitkin Petroleum Plc, an 18.46%-owned affiliate of Philex Petroleum, recently announced encouraging results from its on-going drilling activities in the Ca Rong Do (Red Emperor) appraisal well in Block 07/03 in offshore Vietnam.

OUTLOOK

“The Company is close to finalizing an agreement with Manila Mining Corporation for a joint venture on the Kalayaan property of Manila Mining in northern Mindanao. This will enhance the attractiveness of the Company’s Silangan Project, particularly that of its Bayugo orebody which has a common boundary with Kalayaan. Further, advanced exploration activities are being done in the nearby Boyongan orebody which will be developed separately by Philex Mining. An exploration ramp is now being driven in Boyongan as part of its exploration activities and prefeasibility study work. The completion in March 2011 of the seismic exploration activity with respect to a potential gas field in the SC 72 Contract Area located in Northwest Palawan is a significant step towards enhancing the status of the petroleum/energy assets of the Philex Group,” said Mr. Pangilinan.

Philex’s First Quarter 2011 financial statement is unaudited.

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PHILEX MINING CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
FOR THE FIRST QUARTER ENDED MARCH 31, 2011 AND 2010
(Amounts in Thousands, except Earnings Per Share)

	2011	2010	% Variance
REVENUE			
Gold	P2,098,861	P1,114,412	88
Copper	1,651,045	1,257,377	31
Silver	47,804	19,586	144
	3,797,710	2,391,375	59
Less: Marketing charges	206,502	155,135	33
	3,591,208	2,236,240	61
Petroleum	64,521	35,043	84
Coal	1,288	7,374	(83)
	3,657,017	2,278,657	60
COSTS AND EXPENSES			
Mining and milling costs (including depletion and depreciation)	1,203,732	1,167,185	3
Mine products taxes and royalties	220,600	128,580	72
General and administrative expenses	171,245	157,281	9
Petroleum production costs	33,896	29,859	14
Handling, hauling and storage	14,696	11,471	28
Cost of coal sales	1,261	3,203	(61)
	1,645,430	1,497,579	10
INCOME FROM OPERATIONS	2,011,587	781,078	158
OTHER INCOME(CHARGES)			
Interest - net	7,873	3,278	140
Foreign exchange gains (losses)	(26,881)	1,694	(1,687)
Others - net	(83,428)	(46,235)	80
	(102,436)	(41,263)	148
INCOME BEFORE INCOME TAX	1,909,151	739,815	158
PROVISION FOR INCOME TAX	(599,118)	(218,563)	174
NET INCOME	P1,310,033	P 521,252	151
CORE NET INCOME	P1,330,412	P 520,066	156
EBITDA	P2,092,038	P 959,803	118
EARNINGS PER SHARE	P 0.2664	P 0.1076	148
CORE EARNINGS PER SHARE	P 0.2702	P 0.1060	155
EBITDA PER SHARE	P 0.4250	P 0.1956	117

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