



**FIRST PACIFIC COMPANY LIMITED**  
**第一太平有限公司**

# Press Release

**Tuesday, 30 October 2012**

**PHILEX MINING 9-MO 2012 REPORTED NET INCOME  
AT P2.03-BILLION  
9-MO 2012 CORE NET INCOME AT P2.26-BILLION  
9-MO 2012 EBITDA AT P3.58-BILLION**

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 31.2%\*.

Philex is a Philippine-listed company engaged in exploration and mining of mineral resources and, via a listed subsidiary Philex Petroleum Corporation in oil and gas exploration.

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**

**9-MO 2012 REPORTED NET INCOME AT P2.03-BILLION**  
**9-MO 2012 CORE NET INCOME AT P2.26-BILLION**  
**9-MO 2012 EBITDA AT P3.58-BILLION**

### 3<sup>rd</sup> Quarter Highlights:

- Total ore milled down to 880,808 DMT, from voluntary suspension of mining operations since August 1
- Operating Revenues amounted to P1.64 billion
- Reported Net Loss was at P1.57 million
- Core Net Income at P153.2 million, while
- Operating Expenses reduced by 26% to P1.35 billion
- Hedging gain of P349.2 million offsets tailings pond expenses of P354.7 million

**30<sup>th</sup> October 2012, Manila, PHILIPPINES** — Philex Mining Corp. (PX: PSE) today announced its unaudited financial and operating results for the first nine months of 2012 with Reported Net Income of P2.03 billion and Core Net Income of P2.26 billion.

This year's results reflect lower gains due to a drop in metal production after the Company voluntarily suspended its operations on August 1 following the leakage from the tailings pond of its Padcal Mine in Benguet due to a force majeure event from historically unprecedented heavy rains brought about by typhoons Ferdie and Gener.

For the quarter, total ore milled was at 880,808 dry metric tonnes (DMT), from which the Company produced 3.97 million pounds of copper, 12,616 ounces of gold and 11,539 ounces of silver during the month of July.

The third quarter results bring total ore milled over the last nine months from the Padcal Mine to 5.54 million DMT which produced 22.31 million pounds of copper, 71,297 ounces of gold, and 67,704 ounces of silver and resulted in operating revenues amounting to P9.11 billion.

The voluntary suspension of Padcal operations resulted in lower operating revenues at P1.64 billion this quarter. The drop of Income from Operations to P215.32 million and the tailings pond remediation expenses were mitigated by the hedging gain from the pretermination of the Company's outstanding hedge contracts resulting to a Reported Net Loss of P1.57 million over the last three months.

Philex Mining Corp. Chairman and Chief Executive Officer Manuel V. Pangilinan said, "Both financial and operating results for this quarter are better than what has been anticipated, given the unexpected setback in our Padcal operations. There were struggles, but I am pleased that the Company responded positively to the accident. I have always believed that the more than 2,200-strong Philex employees would respond to the challenge with courage and unity – as has been the mark of our employee corps historically."

EBITDA for nine months ended September 30 was at P3.58 billion, or an EBITDA Per Share of 72 centavos. Earnings Per Share for the period was at 43 centavos and Core Earnings Per Share at 46 centavos.

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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)

	<b>Year Ended September 30,</b>		<b>%</b>
	<b>2012</b>	<b>2011</b>	
<b>REVENUE</b>			
Gold	4,963,429	6,886,858	(28)
Copper	3,914,265	4,413,386	(11)
Silver	81,422	145,495	(44)
	<u>8,959,116</u>	<u>11,445,739</u>	<u>(22)</u>
Less: Marketing charges	433,550	612,850	(29)
	<u>8,525,566</u>	<u>10,832,889</u>	<u>(21)</u>
Petroleum	120,304	385,773	(69)
Coal	34,069	1,288	2,545
Others	494	-	100
	<u><b>8,680,433</b></u>	<u><b>11,219,950</b></u>	<u><b>(23)</b></u>
<b>COSTS AND EXPENSES</b>			
Mining and milling costs ( including depletion and depreciation)	3,888,935	3,826,443	2
Mine products taxes & royalties	463,262	630,149	(26)
General and administrative expenses	880,768	594,832	48
Petroleum production costs	93,583	175,843	(47)
Handling, hauling and storage	56,077	48,369	16
Cost of coal sales	22,089	1,208	1,729
	<u>5,404,714</u>	<u>5,276,844</u>	<u>2</u>
<b>INCOME FROM OPERATIONS</b>	<u><b>3,275,719</b></u>	<u><b>5,943,106</b></u>	<u><b>(45)</b></u>
<b>OTHER INCOME(CHARGES)</b>			
Interest income	52,483	72,984	(28)
Foreign exchange losses	(140,433)	(67,133)	109
Interest expense	(11,984)	(45,632)	(74)
Marked-to-market gains	287,188	-	100
Gain on dilution of interest in an associate	-	523,710	(100)
Others - net	(499,690)	(330,341)	51
	<u><b>(312,436)</b></u>	<u><b>153,588</b></u>	<u><b>(303)</b></u>
<b>INCOME BEFORE INCOME TAX</b>	<u><b>2,963,283</b></u>	<u><b>6,096,694</b></u>	<u><b>(51)</b></u>
PROVISION FOR INCOME TAX	(928,759)	(1,745,612)	(47)
<b>NET INCOME</b>	<u><b>2,034,524</b></u>	<u><b>4,351,082</b></u>	<u><b>(53)</b></u>
<b>NET INCOME ATTRIBUTABLE TO:</b>			
Equity Holders of the Parent Company	2,116,495	4,315,030	(51)
Non-controlling interests	(81,971)	36,052	(327)
	<u><b>2,034,524</b></u>	<u><b>4,351,082</b></u>	<u><b>(53)</b></u>
<b>CORE NET INCOME</b>	<u><b>2,262,060</b></u>	<u><b>3,975,803</b></u>	<u><b>(43)</b></u>
<b>EBITDA</b>	<u><b>3,575,433</b></u>	<u><b>6,648,919</b></u>	<u><b>(46)</b></u>
<b>BASIC EARNINGS PER SHARE</b>	<u><b>0.4291</b></u>	<u><b>0.8760</b></u>	<u><b>(51)</b></u>
<b>DILUTED EARNINGS PER SHARE</b>	<u><b>0.4287</b></u>	<u><b>0.8751</b></u>	<u><b>(51)</b></u>
<b>CORE NET INCOME PER SHARE</b>	<u><b>0.4587</b></u>	<u><b>0.8072</b></u>	<u><b>(43)</b></u>
<b>EBITDA PER SHARE</b>	<u><b>0.7250</b></u>	<u><b>1.3498</b></u>	<u><b>(46)</b></u>

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

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

	<b>September 30</b> <b>2012</b> <b>(UNAUDITED)</b>	<b>December 31</b> <b>2011</b> <b>(AUDITED)</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,713,695	3,947,295
Accounts receivable	649,684	1,595,629
Inventories	1,363,528	1,118,667
Derivative assets	-	904,701
Other current assets	968,019	765,334
<b>Total Current Assets</b>	<b>5,694,926</b>	<b>8,331,626</b>
<b>Noncurrent Assets</b>		
Property, Plant and Equipment - net	5,747,009	5,399,716
Available-for-sale (AFS) financial assets	4,733,402	5,428,069
Goodwill	258,593	258,593
Deferred income tax assets - net	12,755	12,720
Deferred exploration costs and other noncurrent assets	14,180,741	13,023,504
<b>Total Noncurrent Assets</b>	<b>24,932,500</b>	<b>24,122,602</b>
<b>TOTAL ASSETS</b>	<b>30,627,426</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	1,257,129	1,160,205
Income tax payable	553	376,006
Dividends payable	718,447	325,333
Provisions and subscriptions payables	84,617	317,111
Derivative liabilities	3,547	47,270
<b>Total Current Liabilities</b>	<b>2,414,293</b>	<b>2,575,925</b>
<b>Noncurrent Liabilities</b>		
Provision for mine rehabilitation costs	19,028	17,775
Provision for losses	293,725	173,731
Deferred income tax liabilities - net	2,618,830	2,635,330
<b>Total Noncurrent Liabilities</b>	<b>2,931,583</b>	<b>2,826,836</b>
<b>Total Liabilities</b>	<b>5,345,876</b>	<b>5,402,761</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital Stock - P1 par value	4,933,018	4,929,751
Additional paid-in capital	959,978	887,290
Retained Earnings	15,595,712	16,093,059
Net unrealized gain on AFS financial assets	1,319,345	2,020,940
Cumulative translation adjustments	(28,089)	495,019
Net revaluation surplus	1,611,397	1,611,397
Effect of transactions with non-controlling interests	79,650	106,027
	24,471,011	26,143,483
Non-controlling Interests	810,539	907,984
<b>Total equity</b>	<b>25,281,550</b>	<b>27,051,467</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>30,627,426</b>	<b>32,454,228</b>