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SERIES OF 2014

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<b>STOCKS RISE ON UPBEAT EARNINGS</b> Judy Dannibelle T. Chua Co, Business World, p. S2-2	[1]
<b>SM PRIME FIRING UP PLANNED BOND SALE</b> Business World, p. S1-6	[2]
<b>ALPHALAND UNIT SELLS STAKE IN BONIFACIO TOWER</b> Business World, p. S1-6	[3]
<b>ALLIANCE GLOBAL CITES 'RECORD' 2013 PROFIT</b> Business World, p. S1-6	[4]
<b>VILLAR COMPANY FINALIZES BONDS</b> Jenniffer B. Austria, Manila Standard Today, p. B1	[5]
<b>METRO PACIFIC MAY HIKE VICTORIAS STAKE</b> Lailany P. Gomez, Manila Standard Today, p. B1	[6]
<b>8990 HOLDINGS SLASHES FOLLOW-ON OFFERING PRICE AT P6.50 A PIECE</b> Jenniffer B. Austria, Manila Standard Today, p. B1	[7]
<b>PHILEX'S NET PROFIT DECREASES TO P267M</b> Jenniffer B. Austria, Manila Standard Today, p. B3	[8]
<b>CREDIBLE, GLOBAL CSR ORGANIZATIONS FETE MPIC WITH PRESTIGIOUS EXCELLENCE AWARDS</b> Business Mirror, p. B2-1	[9]
<b>METROBANK TO DIVERSIFY INTO RETAIL LENDING</b> Genivi Factao, Business Mirror, p. B2-1	[11]
<b>MVP FIRM EYES MORE STAKE IN VMC</b> Lorenz S. Marasigan, Business Mirror, p. B2	[12]
<b>EASTWEST HOLDS ANNUAL STOCKHOLDERS' MEETING</b> Business Mirror, p. B2	[13]
<b>PACIFIC ONLINE SEES HIGHER INCOME BY YEAR-END</b> VG Cabuag, Business Mirror, p. B2	[14]
<b>PHILEX MINING MORE THAN DOUBLES CORE PROFIT TO P278 MILLION IN Q1</b> James A. Loyola, Manila Bulletin, p. B-2	[15]
<b>8990 HOLDINGS DRAWS FOREIGN INVESTORS</b> Manila Bulletin, p. B-2	[16]
<b>ALLIANCE GLOBAL REGISTERED RECORD NET PROFIT OF P23.1B IN 2013</b> Jenniffer B. Austria, Manila Standard Today, p. B1	[17]
<b>KUOK GROUP RESCUES ALPHALAND</b> Jenniffer B. Austria, Manila Standard Today, p. B1	[18]
<b>SM, PARTNER PLAN TO PUT UP CONVENIENCE STORES</b> Jenniffer B. Austria, Manila Standard Today, p. B1	[19]
<b>IN BRIEF</b> Julito G. Rada, Manila Standard Today, p. B1	[20]
<b>ATLAS SEES COPPER OUTPUT RISING 40%</b> Anna Leah G. Estrada, Manila Standard Today	[21]
<b>LIBERTY REPORTS LOWER LOSSES</b> Malaya Business Insight, p. A2	[22]

# Stocks rise on upbeat earnings

By Judy Dannibelle T. Chua Co  
Senior Researcher

SHARE PRICES rose for a second straight session yesterday, allowing the main index to return above 6,700 level on the back of Wall Street's rally and month-end window dressing aided by positive earnings surprises, analysts said.

The bellwether Philippine Stock Exchange index soared by 1.08% or 71.46 points — its sharpest rise since a 1.44% climb on April 21 — to settle at 6,707.91.

The broader all-shares index climbed 41.08 points or 1.02% to 4,051.12.

"Share prices rose sharply mainly due to month-end window dressing and bolstered by the rise on Wall Street," Manny P. Cruz, market strategist at Asiasec Equities, Inc., said.

To window-dress, fund managers sell stocks with large losses and

buy high-flying stocks as they try to make a fund look good at the end of the month or quarter.

Property and financial stocks led the gainers on the back of strong first-quarter earnings.

Shares of Security Bank Corp. added ₱6.90 or 6.10% to close at ₱120.10 apiece on Wednesday, a day after reporting its net income rose 17% to ₱1.43 billion in the first quarter, driven by strong growth in net interest income.

Joanna M. Capiral, analyst at Papa Securities Corp., said: "The market ended in the green mainly due to positive corporate results and optimism on the local economic growth. We also took positive cues from overseas markets."

She pointed out that Alliance Global Group, Inc.'s net income attributable to shareholders exceeded market's expectations of ₱16 billion for 2013.

Alliance Global announced that the company's net income attribut-

able reached ₱17.2 billion in 2013, 24% higher from the ₱13.9 billion recorded in 2012. Shares of the Andrew Tan-led firm added 50 centavos or 1.63% to ₱31.15 each.

"Local equities and regional markets traded upwards today, tracking the optimism from bullish overseas market. Follow-through buying and positioning ahead of more first-quarter earnings reports also provided an added push for the local market," said James S. Lago, research head at PCCI Securities Brokers Corp.

US equities rose again on Tuesday, aided by upbeat corporate earnings results and as investors scooped up shares of battered Internet stocks.

In Asia, Japan's Nikkei 225 index added 15.88 points or 0.11% to 14,304.11, while China's Shanghai composite index rose 6.02 points or 0.30% to 2,026.36.

## NO IMPACT FROM FED

Gregg Adrian R. Ilag, analyst at AB Capital Securities, Inc., pointed out

that local investors have temporarily ignored the possibility of a further cut in the US Federal Reserve's bond-buying program.

The Fed completed its two-day policy meeting late Wednesday, after Philippine financial markets closed.

"Investors were focused more on positioning their portfolios on selective index's heavyweights and market-leading stocks like Philippine Long Distance Telephone Co. (PLDT), Metropolitan Bank & Trust Co. (Metrobank), SM Prime Holdings, Inc. and Ayala Land, Inc.," he said.

Index heavyweight PLDT saw its shares rising by ₱62 or 2.20% to ₱2,880 apiece; Ty-led Metrobank added ₱2.15 or 2.60% to ₱84.70; Syled SM Prime went up 34 centavos or 2.13% to ₱16.32; while property giant Ayala Land gained 25 centavos or 0.84% to ₱30.10 each.

Turnover improved to ₱10.31 billion.

# SM Prime firming up planned bond sale

SY-LED property giant SM Prime Holdings, Inc. plans to sell up to P25 billion worth of retail bonds by the end of next month to partly finance business expansion and land banking, senior company officials told reporters at the end of the annual stockholders' meeting yesterday of parent conglomerate SM Investments Corp. (SMIC) at SMX Convention Center in Pasay City.

"We're doing a P20-billion retail bond (sale). We are doing due diligence now. Hopefully, once it is done, (we can sell) towards the end of May," said Jeffrey C. Lim, SM Prime executive vice-president and chief financial officer (CFO).

"If there is oversubscription, we can raise another P5 billion..."

Mr. Lim said the bonds will have seven- and 10-year tenors and will be offered in one tranche. Pricing has yet to be set.

Mr. Lim said proceeds from the bond sale will help finance construction of three more retail podiums to be build beside resi-

dential projects on top of the three that have been launched so far this year, namely: Jazz Mall in BelAir subdivision in Makati City, as well as Mezza Strip and Sun Mall both in Quezon City.

"Every residential condominium will have retail (podium) on the ground or second floor," Mr. Lim said.

In a briefing last April 15, Mr. Lim had also cited plans to borrow a total of \$300 million from banks.

Funds raised from these separate transactions, he had said then, would partly to "land-banking initiatives in China,"

SM Prime also plans to open three new malls this year: in Cayan City, Isabela and Angono, Rizal, as well as Zibo City in Shandong, China

SMIC CFO Jose T. Sio told reporters separately yesterday that SM Prime's debt sale will be "in line with its five-year plan,"

Launched last April 15, that plan aims to double SM Prime's revenues and income by spending

some P400 billion for capital expenditures up to 2018 to spur both mall and residential businesses.

SMIC's property business, consolidated last year under SM Prime, consists as well of SM Development Corp.; Highlands Prime, Inc.; Costa del Hamilo, Inc.; Prime Metrostate, Inc.; and SM Hotels and Conventions Corp.

SM Prime ended 2013 with a P16.275-billion net income that was nearly flat from 2012's P16.20 billion, burdened by a P1.27-billion "one-time restructuring cost" due to the conglomerate's property business consolidation last year.

SMIC's net income grew 11.16% to P38.239 billion last year from P34.401 billion in 2012, as revenues climbed 13.1% to P253.293 billion from P223.877 billion, while costs and expenses rose 14.1% to P202.008 billion from P177.000 billion. Key profit contributors were banking (43.1%), property (35.5%) and retail (21.4%) segments. — **KNML**

## **Alphaland unit sells stake in Bonifacio tower**

A UNIT of Alphaland Corp., which is currently facing delisting for alleged violation of the bourse's transparency rules, has sold its entire stake in a project at Bonifacio Global City (BGC) to fellow-listed Shang Properties, Inc., the former said in a brief disclosure yesterday.

The Ongpin-led parent said that, "in a transaction completed today, a wholly owned subsidiary of Alphaland Corp. sold its 20% stake in the Shangri-la at the Fort project... to subsidiaries of Shang Properties, Inc. for a total cash consideration of P1.7 billion." No other detail was given.

Shangri-La at The Fort — located on a 1.5-hectare (ha) property in BGC's West Super Block at the corner of 5<sup>th</sup> Avenue and 30<sup>th</sup> Street — was designed as a mixed-use business, residential and retail tower with over 13 ha of gross floor area, according to Alphaland's third-quarter 2013 financial report.

Estimated to have cost close to P20 billion, the tower has 60 floors with 577 hotel guestrooms, 97 hotel residences and 96 Horizon Homes.

Alphaland shares, currently under trading suspension, last closed on Jan. 20 at P17.48 apiece.

## Alliance Global cites 'record' 2013 profit

ALLIANCE Global Group, Inc. ended last year with "record-breaking" net profit that was driven by subsidiaries, the conglomerate of tycoon Andrew L. Tan said in a statement attached to a disclosure yesterday.

Specifically, net profit expanded nearly 13% to P23.1 billion last year from P20.5 billion in 2012, as consolidated revenues grew 21% to P123.4 billion from P102.1 billion. Net income attributable to controlling shareholders rose 24% to P17.2 billion from P13.9 billion.

Profit growth last year, Alliance Global said in its statement, was fueled by contributions from subsidiaries Emperador, Inc. (P5.3 billion); Megaworld Corp. (P5.3 billion); Travellers International Hotel Group, Inc. (P1.2 billion); Golden Arches Development Corp. (P387 million); and Global-Estate Resorts, Inc. (P224 million).

Cited among these subsidiaries' performance were:

- Emperador, Inc., through wholly owned subsidiary Emperador Distillers, Inc., sold two million more cases of products, mostly brandy, to bring full-year volume to 33 million cases;

- Megaworld subsidiaries Empire East Land Holdings, Inc. and Suntrust Properties, Inc. launched

a combined total of 18 projects last year;

- Travellers increased revenues on the back of bigger gaming volumes and higher hotel occupancy rates;

- Golden Arches opened 37 new McDonald's restaurants; while

- Global-Estate real estate sales and hotel earnings were driven by projects in Tagaytay City and on Boracay Island.

Other details of the conglomerate's financial performance were not immediately available.

Empire East, which focuses on the middle-income market, reported separately yesterday that consolidated net profit grew 27% to P300.47 million last year from P236.02 million in 2012. Consolidated revenues — consisting of real estate sales, interest income, commissions and other revenues — increased 17% to P2.95 billion from P2.52 billion, while costs and expenses rose 16% to P2.65 billion from P2.29 billion, Empire East's annual report showed.

"We believe that all the ongoing expansion happening at the major subsidiaries... will provide the impetus for sustained growth in the long run," Kingson U. Sian, Alliance Global president and chief operating officer, said in yesterday's statement.

## Villar company finalizes bonds

VISTA Land and Lifescapes Inc. of the family of former senator Manuel Villar has finalized the terms for its P5-billion maiden retail bond offering at 5.6542 percent for the five-year bonds and 5.9437 percent for the seven-year issue.

The Securities and Exchange Commission last month approved Vista Land's application to issue P3 billion in bonds with the option to increase by another P2 billion in case of over-allotment.

BDO Capital & Investments Corp. president Ed Francisco noted a strong demand for the Vista Land bonds and said that there was a strong possibility the P2-billion oversubscription would be exercised today, the end of the offering period.

Francisco said Vista Land's bond offering was receiving strong interest because retail investors preferred bonds with shorter tenors, like five to seven years.

Bonds also offered better rates compared with time deposits.

BDO Capital is the sole issue manager and arranger of the deal. The bonds will be listed with Philippine Dealing and Exchange Corp. on May 9.

Vista Land said it would use the proceeds from the P5-billion bond offering to partially finance the commercial developments of Communities Philippines and its subsidiaries.

Early this week, Vista Land, through its unit, raised \$225 million from the issuance of unsecured five-year bonds priced at 7.45 percent a year.

Vista Land, through its five distinct operating subsidiaries, is the leading homebuilder in the Philippines.

The company in 2011, 2012 and 2013 recorded consolidated revenues of P13.513 billion, P16.335 billion and P 20.024 billion from real estate sales, respectively.

Vista Land provides a wide range of housing products to customers across all income segments. Since it commenced operations, Vista Land has built over 250,000 homes over 3,253 hectares of land.

**Jennifer B. Austria**

## Metro Pacific may hike Victorias stake

By Lailany P. Gomez

METRO Pacific Holdings Inc., the local unit of Hong Kong's First Pacific Company Ltd. led by Manuel Pangilinan, may increase its interest in Victorias Milling Co. Inc. after acquiring a 5.78-percent stake in April.

Pangilinan said increasing the shareholding at the largest sugar milling company hinged on the availability of shares.

"We bought an initial stake, and let's see where it takes us. If there are shares available, why not?" he asked.

He did not elaborate on how many more shares MPIC would probably buy.

"We do not know yet. We're taking a look at the shareholder registry to see what's available for us," Pangilinan said.

This is the group's second acquisition in the sugar business, after buying a 34-percent interest in Roxas Holdings Inc. last year.

Metro Pacific Holdings, chaired by Pangilinan, now owns 136.993 million common shares, or 5.78 percent of Victorias Milling's outstanding shares.

Metro Pacific Holdings has a 55-percent interest in MPIC.

Pangilinan earlier said the company was looking at other investment opportunities in the domestic sugar industry after making an initial investment in Roxas Holdings.

Indofood, a subsidiary of First Pacific, is a leading food solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing to distribution to wholesalers and retailers.

## 8990 Holdings slashes follow-on offering price at ₱6.50 apiece

**By Jenniffer B. Austria**

MASS housing developer 8990 Holdings Inc. has set the price for a planned follow-on offering scheduled this month at ₱6.50 per share.

The price was 48.8 percent lower than the initial indicative price of ₱12.70 per share.

At ₱6.50 apiece, 8990 Holdings

will generate close to ₱9 billion (\$204 million) in proceeds from the sale of 1.379 billion shares, consisting of 862.186 million in new common shares, 382.360 million in secondary shares and 134.950 million in over-allotment issues.

At least 70 percent of the offered shares will be sold to overseas investors and 30 percent

to domestic buyers.

The company, however, committed 65.2 percent of the total offered shares to two cornerstone investors, namely Pasir Salak Investments, a special purpose vehicle of Malaysia's state investor Khazanah Nasional Berhad, and TPG Capital, one of the world's largest private equity firms.

The two cornerstone investors will purchase 900 million shares worth ₱5.85 billion at ₱6.50 apiece. This is the first investment of both Khazanah and TPG in the Philippines.

"We are extremely pleased with the strong level of interest that we have received from the global investor community, and we welcome them as our

shareholders," 8990 Holdings president and chief executive Januario Jesus Atencio said.

"The entry of Khazanah & TPG into the company is not only a cornerstone for us, but a great milestone for the Philippine equities as well. This is further testament of the world's excitement in the Philippines as an investment destination," Atencio added.

"We are thrilled to participate with 8990, the largest home builder in the Philippines, as they address an important need in the country with very attractive and affordable housing," TPG Asia managing partner Tim Dattels said.

UBS AG is the sole global coordinator, sole international bookrunner and joint domestic lead underwriter while SB Capital Investments Corp. is the joint domestic lead underwriter.

## Credible, global CSR organizations fete MPIC with prestigious excellence awards

**M**ETRO Pacific Investments Corp. (MPIC), the largest infrastructure investment firm in the country belonging to MVP's group of companies, soars high anew in the international scene as it recently brings home prestigious and coveted awards handed out by credible institutions and global organizations.

Just last week, MPIC was feted with the most number of awards in the Fourth Asian Excellence Awards of Corporate Governance Asia held in Hong Kong, receiving citations for excellence and outstanding achievements in investor communications, business ethics, financial performance, corporate social responsibility (CSR), environmental practices and corporate communications.

In selecting the winners this year, *Corporate Governance Asia*, a publication that specializes in corporate governance issues in Hong Kong and the rest of the region, culled scores and data from its 12,000 readers around the Asia.

For two consecutive years already, Jose Ma. K. Lim, MPIC president and chief executive officer, and David J. Nicol, the company's chief financial officer, were adjudged as Asia Best CEO and Best CFO, respectively.

The two top level management executives received the distinction due to their strong and solid leadership in guiding the board of directors and the company management in growing/expanding the business, while upholding the highest ethics in business practices.

Albert William L. Pulido, MPIC's vice president for investor relations also received the Best IR Professionals award in exemplifying and articulating the company's business to the investment community.

*Corporate Governance Asia* also awarded MPIC with the Best Corporate Communications Team, Best Investor Relations Company, Best CSR and Best Environmental Responsibility for its sustainable CSR efforts in launching programs on education, environmental awareness and economic empowerment and in institutionalizing and in weaving into the company's business goals of providing clean water, continuous and reliable electricity, safe and accessible toll roads and world-class hospital care.

Another coveted and the highest recognition received by MPIC recently was the Platinum Award for Global CSR 2014, one of the

first companies in Asia to receive the award for environmental excellence.

The Global CSR Awards 2014 is Asia's most prestigious recognition awards program for CSR, which recognizes and honors companies for outstanding, innovative and world-class products, services, projects and programs implemented in the past or the present.

The award was given to MPIC during the 68th Annual Global CSR Summit and Awards held in Bali, Indonesia, on April 3 and 4.

This was the first time that a Platinum Award for Best Environmental Excellence was given by Global CSR, and MPIC was the first recipient of the prestigious recognition.

The Best Environmental Excellence Award is given to companies that successfully implement a major program in areas, such as energy efficiency, extended product responsibility, green product design, waste reduction, sustainable business practices, and water conservation. The company must have the integrated environmental performance into its sustainable development strategy and has delivered proven business benefits.

Earlier this year, MPIC received the prestigious Anvil Award of Excellence for its longest running coastal clean-up drive campaign, Shore

It Up 5, Rescue, Restore, Revive. The five-leg, yearlong 2013 Shore It Up concluded in Siargao, Surigao del Norte, recently.

The award was bestowed to MPIC for executing PR programs on a sustained basis thereby successfully intensifying its information drive to address the needs of the various coastal communities, enhancing its thrust to work for the preservation of the country's rich marine resources.

MPIC is now preparing for the sixth edition of the environmental awareness campaign this year, with new programs and activities being lined up by the MVP group of companies and partner-organizations to sustain the gains of the previous Shore It Up advocacy.

"These prestigious awards only show that we are on the right path in bringing back to the community what they deserve to get from our business operations, and are in line with our responsibility in helping the country's nation-building program," MPIC Chairman Manny V. Pangilinan said.

"MPIC, together with all our subsidiaries and associate companies maintain active CSR programs as part of our culture of giving back to communities in which it invests and serves," he said.

# Metrobank to diversify into retail lending

By GENIVI FACTAO

**M**ETROPOLITAN Bank & Trust Co. (Metrobank) said it will focus on expanding its consumer business this year which it considers a key element for future growth.

Metrobank President Fabian Dee said the bank is diversifying into the retail space this year as consumer lending slowly gains momentum.

Retail already accounts for 28 percent of the lender's entire loan book.

Metrobank First Vice President Jette Gamboa said they are looking at 18-percent to 20-percent growth in consumer loans this year.

neighbors in the region," he added.

Inflation was also seen higher at 4 percent this year on possible supply disruptions and a weak peso.

The Metrobank economic weather report for second quarter 2014 indicated volatility in global financial markets and expected to persist in the coming months.

An improved US economic outlook was seen to support the US dollar's broad-based strength.

The Metrobank Group research forecasts the peso to end-2014 at P43 to a dollar.

"While there is pressure for interest rates to rise in the coming months, the uptrend is not seen to be steep given the still high market liquidity," the lender said.

"The overall loan growth is expected to grow by 15 percent to 18 percent. The rule of thumb for our loan growth is 2 to 2.5 times of GDP [gross domestic product]," she said.

"We will make lending conducive, especially for the consumers," she said.

Metrobank Assistant Vice President and Head of Research Marc Bautista said full-year GDP growth was seen averaging 6 percent, amid the government's increased infrastructure spending and rehabilitation efforts.

"We see very good consumption spending and there's no let-up in overseas Filipino workers remittances powering the consumer business. The [projected] 6-percent GDP expansion is still good [given anticipated growth among the country's]

# MVP firm eyes more stake in VMC

By LORENZ S. MARASIGAN

**P**RIVATELY held Metro Pacific Holdings Inc. (MPHI) plans to increase its stake in sugar company Victorias Milling Corp. (VMC).

In a chance interview, MPHI Chairman Manuel V. Pangilinan said his group will acquire more shares in the sugar company if there are shares being offered at VMC's shareholder registry. He did not disclose the amount of additional equity his group is planning

to purchase. The businessman, however, added that his firm is already on the lookout for shares being tendered.

"We're taking a look at the shareholder registry if there are available [shares]," Pangilinan noted.

Last month MPHI—the controlling shareholder of Metro Pacific Investments Corp. (MPIC)—acquired 136.99 million common shares in VMC, representing 5.786 percent of the outstanding shares of the sugar firm.

The Pangilinan-led company bought an initial 1.41-percent share-

holding, or 33.39 million common shares, in VMC on April 2. The price range for the share purchase deal was from P4.28 to P4.38 each.

The company then bought an additional 103.60 million common shares in VCM, or 4.376 percent, with a price tag ranging from P4.38 to P4.50 per share. MPIC is the local unit of Hong Kong-based conglomerate First Pacific Co. Ltd.

Pangilinan earlier said First Pacific is looking at more opportunities in acquiring additional sugar

assets following its acquisition of a third of Roxas Holdings Inc. (RHI) late last year.

In November 2013 First Pacific bought about 31 percent of RHI, one of the few remaining sugar millers of the country.

A month later First Pacific increased its stake in RHI to about 34 percent and shelled out about P2.47 billion by buying out other minority holders. Roxas and Co. sold up to 34 percent of its 66-percent stake in RHI for P2.23 billion at P8 per share.

## EastWest holds annual stockholders' meeting

**E**ASTWEST, one of the fastest-growing banks in the country, held its 2014 Annual Stockholders' Meeting recently with Chairman Jonathan T. Gotianun presiding over the meeting and President and Chief Executive Officer Antonio C. Moncupa Jr. reporting on the bank's major accomplishments during the past year.

In his report, Moncupa presented the bank's strong 2013 balance sheet, with double-digit growths in assets at 17 percent, loans at 32 percent and 22 percent for deposits.

He also reported that the growth in its core businesses drove the bank's 13-percent year-on-year net profit increase. Corporate and consumer loans grew by 35 percent and 29 percent, respectively.

EastWest now ranks fifth in credit cards in term of receivables and is one of the biggest in auto loans in the industry.

Moncupa, likewise, highlighted EastWest's accelerated growth in its consolidated branch stores, which was 347 by end-2013.

The bank opened 178 branch stores in the last two years is

expecting to close the year with at least 400 stores. The growth in EastWest's earning assets coming from high-yielding customer loans, coupled with lower funding costs resulted in the bank's industry-leading net interest margin (NIM) of 8.4 percent or more than twice that of the industry.

Also taken up during the stockholders' meeting were EastWest's plans to issue and list up to a maximum of 500 million preferred shares at P10 each and to engage in the businesses of finance and leasing, bancassurance and nonlife insurance, which were both subsequently approved. Elected as members of the board of directors for the year 2014 to 2015 were Andrew L. Gotianun Sr., Mercedes T. Gotianun, Jonathan T. Gotianun, Antonio C. Moncupa Jr., Lourdes Josephine Gotianun Yap and Benedicto M. Valerio Jr. Elected as independent directors were Jose S. Sandejas, Carlos R. Alindada and Paul A. Aquino.

EastWest is a subsidiary of the Filinvest Development Corp., which has interests in real-estate development, sugar, hospitality and tourism and power generation.

## Pacific Online sees higher income by year-end

**P**ACIFIC Online Systems Corp., a company that rents out equipment to the government for the operation of lotto, expects its profit to climb to P400 million this year.

Chairman Willy Ocier said revenues dropped by about P200 million when Supertyphoon Yolanda hit the central part of the Philippines in November last year.

He said although equipment are covered by insurance, the company was also hit when the communities that support its business were devastated.

"We're busy rolling out terminals. I think it's 300 to 400 terminals this year because we lost terminals last year due to Yolanda. Some areas in Tacloban, for example, are [still] under recovery," Ocier said.

This year Pacific Online is spending P300 million for capital expenditures, mainly to re-establish damaged network areas and expand the number of lotto and Keno terminals.

Pacific Online's net income dropped to P325.05 million from the previous

year's P418.38 million. Its revenues were flat at P1.6 billion.

Pacific Online is the sole equipment provider for the Philippine Charity Sweepstakes Office's (PCSO) lotto operation in the Visayas and Mindanao.

It also holds an exclusive contract to provide equipment for the PCSO's Keno operation, or the express lottery that draws every five minutes.

Ocier said his group is working to have enough control of Pacific Online, which will allow them to consolidate the company under Belle Corp., a firm that owns half of City of Dreams Manila in the Pagcor Entertainment City.

Ocier's group currently holds 43 percent of Pacific Online, up from 35 percent. "Specifically, we bought the shares from Abacus. They used to own 15 percent, now [Pacific Online] owns half of it," Ocier said.

"It would be nice to own 50.1 percent so that we can consolidate [the company under Belle]". *VG Cabuag*

# Philex Mining more than doubles core profit to ₱278 million in Q1

By JAMES A. LOYOLA

**P**hilex Mining Corporation reported that its unaudited core net income more than doubled to ₱278.4 million in the first three months of 2014 from ₱132.4 million in the same period last year.

However, reported net income for the period was lower at ₱267.4 from ₱403.3 million in the first quarter of 2013, which included a significant amount of one-time income from insurance claims received (₱1.02 billion).

The Padcal mine operated for three whole months in the first quarter of 2014 compared with approximately one month of operation in 2013 resulting in significantly higher output and increased revenues.

Consolidated revenues grew 228 percent to ₱2.91 billion in the first quarter of this year from ₱889.3 million in 2013.

The growth in revenues was a function of the higher number of operating days and the corresponding increase in metal production, partially offset by

lower realized metal prices.

"We are glad to be starting the year on a positive note, and looking forward to operate finally the Padcal mine for the full 12 months in 2014, after two successive years of partial operations," said Philex president Eulalio B. Austin, Jr.

He said the firm's rehabilitation initiatives at Padcal "affirm our strong commitment to ensure the maximum safety of all our people, and facilities and full compliance with all the applicable laws governing our operations."

Austin added that Philex has completed all the remedial measures and investments required to improve the water management system at Padcal and these new facilities were commissioned last year. The construction of the third and final chute is also currently underway and will be completed by July 1, 2014.

"The Company's Silangan Project in Surigao del Norte, meanwhile, also continued to progress in the first quarter of 2014 as Philex awaits the completion of the project's Pre-Feasibility Study within the second quarter of

the year," Silangan Mindanao Mining Company, Inc. president Yulo E. Perez said.

Total tons milled in 2014 was 2,396,077, compared to 611,801 tons in the first quarter last year, equivalent to an average daily throughput of 26,623 tons—4 percent better than the 25,492 average daily tonnage in 2013.

Gold production in the first quarter of 2014 rose almost two-and-a-half times to 26,442 ounces from the same period last year. Gold revenue surged 227 percent to ₱1.61 billion, despite realized prices for gold falling to US\$1,371 per ounce from US\$1,595 per ounce.

Similarly, copper produced almost quadrupled from last year to 9,468,009 pounds, corresponding to a 246-percent increase in revenue to ₱1.18 billion, as realized prices for copper dropped to US\$2.85 per pound from US\$3.42 per pound).

Combined revenues from silver, coal, and petroleum more than doubled to ₱124.4 million from ₱55.3 million, with the petroleum volume increase mainly due to the higher production at the Galoc oil field.

## 8990 Holdings draws foreign investors

Mass housing developer 8990 Holdings, Inc. has priced its ₱9 billion follow-on equity offering at ₱6.50 per share after getting overwhelming demand from global investors.

For only the second time in the Philippines, a formal cornerstone tranche was executed where two global long-term institutional investors, Khazanah Nasional Berhad and TPG Capital (S) Pte. Ltd., committed to subscribe and were allocated over ₱2.9 billion worth of shares each at the top end of the price range

prior to the launch of the bookbuilding exercise.

This is the first investment of both Khazanah and TPG in the Philippines. The offering was priced at the very top of the ₱5.50 to ₱6.50 range, with participation from a large number of institutional accounts.

"We are extremely pleased with the strong level of interest that we have received from the global investor community, and we welcome them as our shareholders," said 8990 president Jesus

Atencio.

TPG Asia managing partner Tim Dattels said "we are thrilled to participate with 8990 as they address an important need in the country with very attractive and affordable housing."

Atencio noted that "the entry of Khazanah and TPG into the company is not only a cornerstone for us, but a great milestone for Philippine equities as well. This is further testament of the world's excitement in the Philippines as an investment destination." (JAL)

# Alliance Global registered record net profit of ₱23.1b in 2013

ALLIANCE Global Group Inc., the holding company of tycoon Andrew Tan, said Wednesday net income climbed 13 percent to a record P23.1 billion last year from P20.5 billion in 2012, fueled by the strong performance of real estate and liquor businesses.

Alliance Global said in a disclosure to the stock exchange consolidated revenues grew 21

percent to P123.4 billion last year from P102.1 billion a year ago.

"We are elated that the group continues to show robust financial performance. We believe that all the ongoing expansion happening at the major subsidiaries of AGI will provide the impetus for sustained growth in the long run," said Alliance Global president and chief operating officer Kingson

Sian.

Net income attributable to AGI shareholders reached P17.2 billion last year, up by 24 percent from P13.9 billion in 2012.

Liquor unit Emperor Inc. and real estate subsidiary Megaworld Corp. each contributed P5.3 billion to the group's bottom line in 2013.

Emperor's wholly-owned subsidiary Emperor Distillers

Inc. sold 2 million more cases of Emperor products, mostly brandy, bringing full-year volume to 33 million cases, despite the increase in liquor tax at the beginning of 2013.

Megaworld's performance was traced to stronger residential sales and higher leasing income from office and retail portfolio.

Megaworld and subsidiaries Empire East and Suntrust

launched 18 projects last year.

Meanwhile, gaming firm Travellers International Hotel Group Inc. accounted for almost P1.2 billion on higher gaming volume and hotel occupancy rates. Travellers operates Resorts World Manila, the first integrated tourism estate in the country located in Pasay City.

Golden Arches Development

Corp., which operates the quick service restaurant business under the McDonald's brand, contributed P387 million to the group's total net income after it opened 37 new McDonalds store in 2013.

Resort developer Global Estate Resorts Inc. accounted for P224 million, from real estate sales and hotel operations in Boracay and Tagaytay. **Jennifer B. Austria**

# Kuok Group rescues Alphaland

By Jenniffer B. Austria

PROPERTY developer Alphaland Corp. said Wednesday it sold its entire 20-percent stake in Shangri-La at the Fort, a new hotel being constructed in Bonifacio Global City, for P1.7 billion.

Alphaland said in a disclosure to the stock exchange a wholly-owned subsidiary sold the 20-percent stake in the five-star hotel to subsidiaries of Shangri-La Properties, which is owned by

the Kuok Group of Malaysia.

A company source said Alphaland sold the stake in Shangri-La at the Fort not because of financial difficulty, but because of the attractive offer

made by the Shangri-La group.

"We sold the 20-percent stake at premium. We nearly doubled our investment," the source said.

Shangri-La at The Fort is a premier hospitality property located within the west super block of the Fort Bonifacio Global City in Taguig City.

The project, designed by award-winning architectural firm Skidmore, Owings & Merrill, is expected to be completed by the second quarter of 2015.

Shangri-La at The Fort is designed as a 60-story mixed-use

business, hospitality, residential and retail tower at the corner of 5th Avenue and 30th Street.

Alphaland earlier raised P272 million from the sale of 109 million new common shares to three foreign investors.

The share sale generated additional cashflow for the company and increased its public float to 11.02 percent from 8.04 percent, making it compliant with the minimum public ownership requirement of the Philippine Stock Exchange.

Trading of Alphaland shares,

however, remained suspended and the Philippine Stock Exchange had initiated delisting procedures against the property firm for alleged failure to submit full, fair, accurate and timely disclosures of information.

The trading of Alphaland shares was halted and subsequently suspended on Jan. 20, 2014, when the company accused Ashmore Group of conducting a simulated share sale.

Alphaland filed an appeal with the PSE to lift the trading suspension.

## SM, partner plan to put up convenience stores

THE SM Group is in talks with a foreign partner to establish convenience stores in the country, amid the heightened competition in the domestic retail industry.

SM Retail, the retail unit of SM Investments Corp., said it planned to venture into smaller retail format, similar to convenience store concept.

SM Retail executive vice president Robert Kwee said in an interview at the sidelines of

the SMIC annual stockholders' meeting at SMX Convention Center in Pasay City the company was in talks with a joint venture partner to roll out smaller retail stores in the Philippines.

Kwee said the company would bring a foreign brand for the planned venture.

Meanwhile, SM Retail also plans to open 20 retail stores this year, mostly outside Metro Manila.

Kwee said most of the stores that would open this year would

be under the Savemore brand, the company's chain of neighborhood grocery stores.

SM Retail had 241 stores, consisting of 48 SM Department stores and 193 food stores, consisting of 39 SM Supermarkets, 39 SM Hypermarkets, 93 SaveMore stores and 22 Walter Mart supermarkets as of end-2013.

SM Investments Corp. acquired a 34-percent interest in CityMall Commercial Center Inc., the community mall arm

of DoubleDragon Properties in February.

DoubleDragon plans to build 100 stores over the next five years.

The retail group of SMIC is currently facing stiff competition from various retail developers including Puregold Price Club Inc. of businessman Lucio Co, which had 213 stores as of end-2013 and Robinsons Retail Holdings Inc., which had various stores in nine retail formats.

Jennifer B. Austria

## IN BRIEF

### SMC raises \$300m

SAN Miguel Global Power Holdings Corp., the power generation unit of conglomerate San Miguel Corp., raised \$300 million from the bond market to help boost its generating capacity.

• SMC Global Power Holdings Corp. sold the securities, which have no set maturity date, at 7.5 percent, according to data compiled by Bloomberg.

Proceeds will help fund the construction of two power plants with a combined capacity of 900 megawatts, San Miguel president Ramon Ang wrote in a mobile-phone message in response to questions about the offering.

• International Financing Review, a unit of Thomson Reuters unit, reported the bond has a maturity of 5.5 years.

• Fund managers bought 47 percent of the bonds, while 42 percent went to private banks, 8 percent to banks and 3 percent to insurance companies, IFR said.

• Asian investors bought 86 percent of the bonds and Europeans purchased the rest.

• IFR said Bank of America Merrill Lynch, Credit Suisse, DBS Bank, Deutsche Bank, HSBC, Mizuho Securities and Standard Chartered Bank managed the issue. **Jennifer B. Austria**

### DBP's profit dips 51%

STATE-OWNED Development Bank of the Philippines said net income in the first quarter fell 51 percent to P735 million from P1.52 billion recorded a year ago, pulled down by lower trading gains.

Total loans and investments grew to P310.2 billion in the first quarter from P274.6 billion during the same period last year.

Deposits increased 65 percent to P245.1 billion from P148.4 billion, as the bank focused on the existing client base of local government units and new client acquisition.

"DBP's first quarter income is lower than the income registered in the first quarter of 2013 as favorable market conditions in the past year allowed it to book substantial trading income. This year, however, interest rates started to rise giving less opportunity to the banking industry, including DBP, to realize as much in trading gains," DBP said.

"DBP will be relying more on interest accrual income from loans and investments this year as can already be seen in the growth of interest income in the first quarter," it said. **Julito G. Rada**

### Bank loans surge 20%

Bank loans surged 20 percent year-on-year in March, the fastest in 29 months, the Bangko Sentral said Wednesday.

The Bangko Sentral said outstanding loans of commercial banks reached P3.861 trillion as of end-March, up from P3.217 trillion a year ago.

• "Loans for production activities—which comprised more than four-fifths of banks' aggregate loan portfolio—expanded further by 18.1 percent in March from 17.8 percent in February," it said.

Loans for household consumption also grew at a faster pace of 11.7 percent in March from 9.3 percent in February, due to the expansion of credit card loans and other types of loans.

Meanwhile, domestic liquidity or money supply grew 34.8 percent year-on-year to P7 trillion as of end-March, amid the sustained demand for credit in the domestic economy.

The March expansion, however, was slower than the 36.1-percent growth recorded in February this year.

**Julito G. Rada**

## Atlas sees copper output rising 40%

ATLAS Consolidated Mining and Development Corp. expects copper production to increase 40 percent this year, following the completion of a modern copper processing plant in Cebu.

Atlas executive vice president Adrian Ramos said copper production in the first quarter likely increased 20 percent.

"Based on our estimates, the production for the first quarter of the year may reach 22 to 23 million pounds of copper from 19 million pounds produced last year. Increase in production was due to the upgraded plant," said Ramos.

Ramos said full-year production would also likely hit 130 million pounds, up by 40 percent from the 91 million pounds produced last year.

Atlas earlier announced unit Carmen Copper Corp. had commissioned the expanded copper processing plant in Cebu and produced positive results.

Carmen Copper operates the Toledo copper mine covering 1,674 hectares in Toledo City, Cebu.

Atlas said half of the newly-installed process circuit was operated continuously for about 60 hours during the initial commissioning, giving high confidence in the equipment performance and proof of process of the expanded plant.

Major components installed for expansion are two units of ball mills, four rougher flotation tanks and an auxiliary line for primary crushing with a capacity of 30,000 tons a day. **Anna Leah G. Estrada**

## Liberty reports lower losses

LIBERTY Telecom Holdings Inc. yesterday reported its net loss last year was five percent lower than the previous year or from P1.525 billion to P1.445 billion.

The company's revenues in 2013 dropped 24 percent to P 447 million last year from P587 million in 2012 due to lower postpaid and prepaid WIMAX broadband users

Currently covering Metro Manila and parts of Rizal, Bulacan, Pampanga, Cavite and Laguna, the Liberty unit, WTI is offering pure 4G internet to the consumer and corporate markets.

It offers postpaid unlimited 4G internet with broadband speeds of up to 1 mbps or 2 mbps or 2 mbps with services fees of P 598 or P 998 per month.

For prepaid it offers unlimited 4G internet which allows subscribers to switch connections speeds in one device from up to 512 kbps to 6 mbps.

"With the stiff competition in the broadband market, WTI said the company expects to capture a portion of the market by offering reliable broadband services to specific customer segment at competitive prices" Liberty said.

San Miguel Corp., through a wholly-owned subsidiary Vega Telecom, Inc., majority owns Liberty.