



# SEC News Service

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## Outsourcing giant acquires Aegis's BPO operations

**G**LOBAL outsourcing giant Teleperformance is expected to further strengthen its operations in the Philippines.

This after the company announced it is acquiring Aegis USA's outsourcing operations in the Philippines the United States and Costa Rica from Essar Global Fund's AGC Holdings for \$610 million.

Aegis USA's business represents total annual revenue of \$400 million and more than 19,000 full-time employees across 16 centers in the three countries. The company serves clients in the US market in health care, financial services and travel.

"We look forward to partnering with our new clients upon the closing of the transaction. We want to ensure them that the entire consolidated team is committed to serving them with dedication, professionalism and passion. We also want to thank them in advance for giving us the opportunity to become their loyal service providers," Daniel Julien and Paulo César Salles Vasques, respectively executive chairman and CEO of Teleperformance, said in a news statement.

Teleperformance is currently one of the biggest BPO companies operating in the Philippines, with more than 12,500 workstations from 11 business sites across Metro Manila, Antipolo, Bacolod, Cebu and Davao.

The Teleperformance executives said the deal would boost the company's market share in the US.

"We will significantly strengthen our presence in the health care, financial services, travel and hospitality verticals in the US, thereby continuing to accelerate the diversification of our business portfolio.... The deal will create immediate value for Teleperformance shareholders as it will be accretive to earnings per share by above 10 percent starting from 2015, with consolidated EBITA margin exceeding 10 percent," they said.

# Asean e-commerce market expected to grow further

**F**ROST & Sullivan expects the Asean region to lead the e-commerce field worldwide this year, with emerging economies in the country accounting for a significant share of regional revenues in the next four years.

Business-to-consumer (B2C) e-commerce in the six largest economies in the Association of Southeast Asian Nations (Asean) region generated a total revenue of \$7 billion in 2013, with Singapore contributing about \$1.7 billion, Frost & Sullivan said in a recent statement.

By 2018, it is estimated to increase at a compounded annual growth rate (CAGR) of 37.6 percent to \$34.5 billion, with significant contributions from emerging economies, particularly Indonesia

that could generate more than 40 percent of e-commerce revenues in the region.

Economic expansion, Internet adoption and foreign investment when combined add to e-commerce growth, Marc Einstein, industry principal, ICT practice, Asia Pacific at Frost & Sullivan, was quoted in the statement as saying.

Adding enthusiasm for the sector, he said, is the growing Chinese e-commerce market, whose revenue represented 7.8 percent of all retail sales last year.

Given this, he said he believes that e-commerce will likewise increase quickly in Southeast Asia, where e-commerce still accounts for 2 percent of all retail sales in most countries. But e-commerce in the region still faces a lot of chal-

lenges inhibiting its expansion.

These include, among others, the relatively small number of credit cardholders representing less than 10 percent of the population in some Asean members and over 50 percent remained unbanked. Internet fraud is also prevalent in some countries like Indonesia.

Despite these, however, Einstein still sees continued expansion and eventual consolidation in the market. He said: "In Southeast Asia, there is no one company with the No. 1 position in two markets, and there is no player with market power of companies like Amazon, Rakuten or Alibaba. Therefore, the region is ripe for M&A activity and we expect to see market developments in the near future."

Friday, July 11, 2014 **A7**

## PH stocks up 0.48%

THE Philippine Stock Exchange index (PSEI) closed at 6,937.21 points yesterday a 0.48 percent hike. The broader all shares index was up 17.88 points to 4,156.60, a 0.43 percent hike.

Gainers edged losers 98 to 74 with 53 stocks unchanged.

Trading turnover reached P6.9 billion.

Online brokerage firm 2tradeasia.com noted that the market tracked the US market's 'relief rallies' from Wall Street. BPI Asset Management, Inc., noted that US stocks closed "broadly higher" Wednesday night "following the release of the latest Federal Open Market Committee (FOMC) meeting minutes, which revealed that the Fed has decided to end its stimulus program in October if the economy stays on track."

Most actively traded BDO Unibank, Inc. was up P0.10 to P92.

Alliance Global Group, Inc. was up P0.10 to P29.80. Ayala Land, Inc. was up P0.65 to P31.35. Jollibee Foods Corp. was steady at P180. International Container Terminal Services, Inc. was down P0.60 to P111.40.

SM Investments Corp. was down P3.50 to P811.50. LT Group, Inc. was up P0.12 to P14.96. Metropolitan Bank and Trust Co. was up P0.10 to P90.10. Philippine Long Distance Telephone Co. was up P16 to P3,008.

Meanwhile, Forum Energy Plc has been given the go signal by the Department of Energy (DOE) to resume with its drilling program in the disputed Recto Bank in the West Philippine Sea.

Philex Petroleum Corp., a 60.45 percent stakeholder in Forum Energy, yesterday said it has been granted with a one year extension to drill two appraisal wells under the second sub-phase of its work program in Service Contract (SC) 72.

"The deadline for the completion of the second sub-phase, comprising the drilling of two appraisal wells, has now been extended by one year to August 15, 2016," Philex Petroleum said.

The government's extension came amid the ongoing territorial disputes between Philippines and China.

Energy Secretary Carlos Jericho Petilla earlier said the DOE does not see any reason not granting Forum's request for extension, stating that the company "will not request if they are not confident that they can drill."

"Since they are the ones asking for it, the lifting of the moratorium, then they might know something that I don't at this point," Petilla has added.

SC 72 was awarded to Forum by the Philippine government in 2010.

Forum Energy completed 2D and 3D seismic surveys in 2011 to identify the best locations to drill appraisal wells as part of the first sub-phase work program of SC 72 Recto Bank.

Exploration and development in SC 72, however, has failed to proceed since 2012 given the country's geopolitical tensions with China.

Philex Chairman Manuel V. Pangilinan earlier said Forum will spend between \$40 million to \$60 million for the upcoming drilling activities in Recto Bank.

# PSEi posts best index growth

BY ALBERT CASTRO

THE Philippine Stock Exchange said it has the "best" index growth in the Association of Southeast Asian region for the first six months of the year, and has doubled capital raised through the market for the period compared to last year.

The Philippine Stock Exchange index (PSEi) closed the period up 16.2 percent at 6,844.31 points, the PSE said.

"This growth was the fastest in the region next only to the main indices in India but besting the performance of the main indices in the ASEAN and East Asian markets," it added.

"We are again poised for another banner year based on various growth metrics. We started the year slow as we saw some fund rotation out of the country at the beginning of the year but we have since picked up the pace as shown in the rise in net foreign inflows all the way to the end of June," said Hans B. Sicat, PSE president.

\* Net foreign buying was at P45.67 billion, 14.4 percent lower than last year but almost triple the figure registered for the entire 2013.

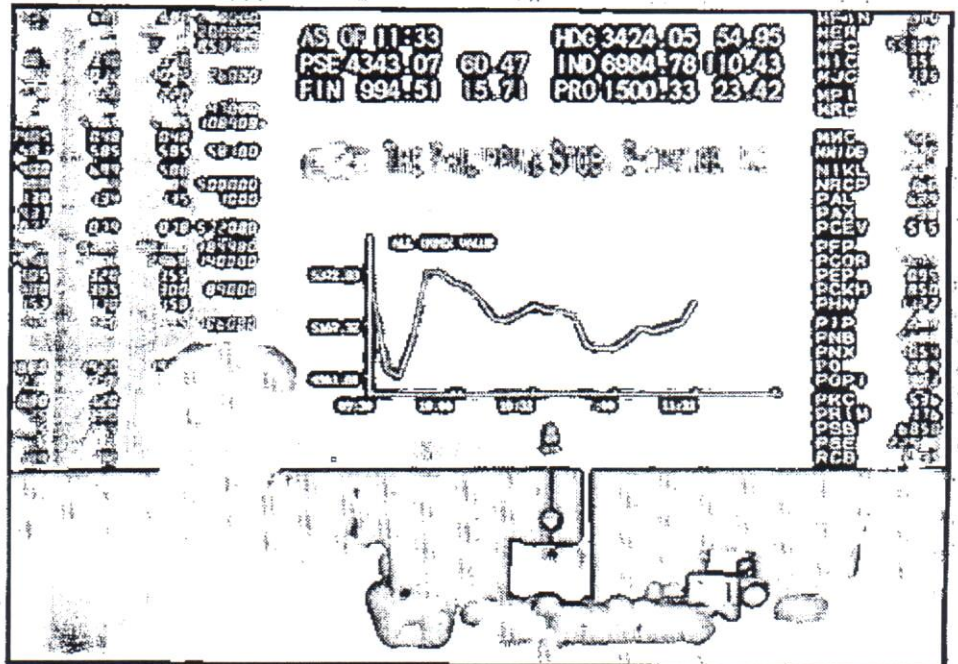
Total market capitalization reached P13.35 trillion, up 11.9 percent from the P11.93 trillion-figure of end-2013 and 14 percent higher compared to the P11.71 trillion registered as of end-June 2013.

Total value turnover reached P993.01 billion, 29.3 percent lower than the P1.4 trillion registered a year ago. Average daily value turnover also declined 29.3 percent at P8.14 billion, the PSE said.

Capital raising meanwhile grew 147.2 percent, reaching P76.12 billion from P30.80 billion in 2013.

"DoubleDragon Properties Corp. and Century Pacific Food, Inc. conducted initial public offerings, while 8990 Holdings, Inc. had its follow-on offering. Bank of the Philippine Islands, Philippine National Bank, China Banking Corporation and Manila Mining Corporation raised additional capital through stock rights offerings, while 10 other companies had private placements," the PSE said.

The increase comes in the backdrop of what investment bank First Metro Investments Corp., said was a "lost opportunity"



among the companies to tap market momentum when many second-guessed the market's robustness for the period.

Justin Ocampo, First Metro senior vice president for investment banking, last week noted that companies were expecting a heightened volatility in the market for the period that they opted to pace down their equity fund raising.

"Surprisingly however the PSEi, performed very well so it was a lost window for companies," said Ocampo.

Sicat said the PSE is behind its "target" capital raising of P200 billion for the year.

"But we remain optimistic that we can meet the P200 billion mark for the year. We have also seen an increase month-on-month in our liquidity levels. If this pace continues, we think we can get to at least our average trading levels of last year," Sicat said.

The equity market will continue to benefit from a revival of the manufacturing sector, high private sector and government consumption, the uptick in the GDP, acceleration of the PPP, a further pick up in foreign direct investments, and normalization of bank earnings, according to Bede Lovell

Gomez, First Metro investment advisory group head.

Gomez however said the market's run-up led for local stocks to "run ahead of its corporate earnings," making it the "most expensive" in the region at a trailing price-to-earnings ratio of 21.61x.

A full year GDP growth of between 6.6-7.5 percent, a dollar exchange rate of P44-46 to \$1, and inflation of 4.3 percent for the whole year will enable companies to post a profit growth of 15-18 percent for the year, and bring the PSEi to 7,000-7,200 level.

This will also bring the PSE's PE ratio to a range of 19-20x.

All sectoral indices of the PSEi were up for the period, with Mining & Oil index as the best performer after rising by 38.8 percent to the 16,541.46 level.

This was followed by the Industrial index which increased by 19.0 percent to 10,345.23. The Property index grew by 18.2 percent to the 2,607.60 level. This was trailed by the Holding Firms index which climbed by 15.0 percent to 6,243.17. The Financials index rose 14.3 percent to 1,631.47. Finally, the Services index saw a 10.0 percent gain to 2,051.79.

## Prudential Life income up 18%

PHILIPPINE Prudential Life Insurance Company, Inc. yesterday reported that its net income grew by 18 percent last year.

Philippine Prudential said that its net income jumped from P10.1 million in 2012 to P11.9 million in 2013.

In his report to stockholders, Philippine Prudential President and CEO Gregorio Mercado said that the company's net income grew despite operational and expansion costs as the company embarked on rationalizing its operations while maintaining its nationwide reach.

"Our presence nationwide remains a key strategy for us as we strive to reach every Filipino everywhere," Mercado said.

"However, we have to manage our costs by streamlining and optimizing our operations and resources, including the consolidation of some sales offices to other existing or new nearby offices with higher sales traffic and potential," he added.

In 2013, the Company inaugurated sales offices in Baguio, Gateway Mall in Cubao, Binondo, Davao, and Naga.

Mercado also said that part of the improvements is the acquisition of Premia, an insurance management software from leading Singapore-based developer 3i Infotech that would help increase productivity by boosting efficiency and simplifying daily tasks.

He added that the upgrade is under way and that many operational processes have already migrated to the new system.

Meanwhile, the company's gross premium income also grew by 10.3 percent, to P1.136 billion in 2013 from P1.030 billion in 2012.

Total assets was up 13 percent to P1.073 billion, while total investments totaled to P509.2 million, or an increase of 9.4 percent.

# Foreign investments surge 300% in April

THE country's foreign direct investments recorded inflows amounting to \$597 million in April, data from the Bangko Sentral ng Pilipinas showed.

This is 300 percent higher than the \$149 million recorded in the same period last year.

Amando Tetangco, BSP Governor, said the significant rise in FDI in April was driven by the spike in investment inflows in debt instruments to \$518 million from \$23 million a year ago.

In addition, Tetangco noted reinvestment of earnings increased by 26.2 percent to \$80 million compared to \$63 million in the previous year.

Equity capital placements, meanwhile, yielded net outflows of \$1 million.

This developed as withdrawals of \$79 million more than offset the \$78 million gross equity capital placements.

The bulk of these equity capital investments—which emanated largely from the United States, Japan, Singapore, the United Kingdom, and Germany—was channeled mainly to activities related to real estate; financial and insurance; accommodation and food service; and transportation and storage.

On a cumulative basis, FDI net inflows reached \$2.4 billion for the first four months of 2014, 9.1 percent higher than the \$2.2 billion net inflows during the same period last year.

This occurred as net inflows were recorded across FDI components.

"The sustained increase in net inflows continued to reflect strong investor confidence in the country's solid macroeconomic fundamentals," Tetangco said.

By FDI component, net investment

inflows in debt instruments increased by 42 percent to \$1.6 billion in January-April 2014 from \$1.1 billion in the previous year.

Reinvestment of earnings rose by 1.3 percent year-on-year to \$265 million in January - April 2014.

Net equity capital placements reached \$635 million as gross equity capital placements of \$954 million more than compensated for the withdrawals of \$320 million during the period.

For the first four months, equity capital investments flowed in mostly from the United States, Hong Kong, Japan, Singapore, and Taiwan.

These were channeled mainly to financial and insurance; real estate; manufacturing; wholesale and retail trade; and mining and quarrying activities.

FDIs have been growing since March which, according to Tetangco, showed continued lending of parent companies abroad to their local affiliates to fund existing operations and the expansion of their businesses in the country.

"(This is) an indication of sustained confidence in the country's strong macroeconomic fundamentals," he said.

In January, strong inflows of FDIs worth more than \$1-billion were recorded. But economists say a slowdown is expected as the actual tapering of the US Federal reserve begin. Investors shy away from emerging markets on uncertainties brought by this Fed plan.

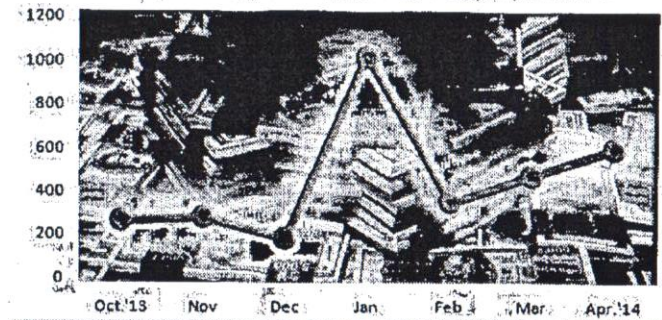
To date, the US Fed has already reduced its stimulus spending by \$50 billion bringing down the program cost to \$35 billion from the original \$85 billion.

Foreign direct investments come in the form of multinationals lending money or keeping profits with their Philippine subsidiaries, as well as new investments in the country for the purchase of new equipment and construction of facilities.

A foreign direct investments differ substantially from indirect investments such as portfolio flows, wherein overseas institutions invest in equities listed on a nation's stock exchange.

Last year, FDI inflows rose to \$3.9 billion from \$3.2 billion in 2012. This year, BSP sees FDIs registering slower inflows amounting to \$2.6 billion.

FOREIGN DIRECT INVESTMENTS



## PH shares bounce back after Wall Street recovery

PHILIPPINE shares ended a two-day downturn on Thursday, taking a positive cue from improving sentiment in US markets.

The Philippine Stock Exchange index (PSEi) recovered from two straight days of moderate losses, gaining 33.42 points, or 0.48 percent to close at 6,937.21, while the wider all shares finished at 4,156.60 after adding 17.88 points, or 0.43 percent.

"Recovery on Wall Street improved local sentiment and bargain-hunting boosted shares," BDO Unibank Inc. chief market strategist Jonathan Ravelas said in a text message.

Except for financials, which shed 0.12 points, or 0.007 percent to close at 1,665.81, all of the sector indices were in the green at Thursday's close. Property was the biggest percentage gainer, picking up 29.74 points, or 1.13 percent

to 2,669.03, followed by mining and oil, which was up by 129.78 points, or 0.79 percent to 16,572.17. Holding firms also improved, gaining 31.38 points, or 0.50 percent to close at 6,260.37, as well as services, which added 7.36 points, or 0.35 percent to 2,081.60. Industrials ended flat with a 1.00-point gain, or 0.01 percent to 10,469.31.

Valued at P6.9 billion, 1.02 billion

shares changed hands in Thursday's session. Advancers comfortably outnumbered decliners, 98 to 74, although 53 issues were unchanged.

BDO Unibank Inc. was among the day's most active movers, up 0.11 percent to P92, while Alliance Global Group, Inc., was ahead 0.34 percent to P29.80. Other active issues included Ayala Land Inc., up 2.12 percent to P31.35; Jollibee Foods Corp.,

► Shares B3

### ■ SHARES FROM B1

## PH shares bounce back

unchanged at P180; and International Container Terminal Services Inc., down 0.54 percent to P111.40.

In the next few days, Ravelas said market participants should "continue to see the market retrying the recent highs on anticipation of higher earnings for the second quarter."

In another development, capital raising activities through the stock market have more than doubled in the first half of 2014.

In a statement, the Philippine Stock Exchange (PSE) reported an increase in capital-raising activities among listed companies of 147.2 percent from January to June 2014 compared to the same period last year.

Capital raised by companies listed on the exchange through initial and follow-on

public offerings, stock rights offerings and private placements, rose to P76.12 billion in the first six months of the year from P30.80 billion in the same period in 2013.

As a result, the PSEi gained 16.2 percent during the first six months of the year and ended the period at 6,844.31 points.

"We are again poised for another banner year based on various growth metrics. We started the year slow as we saw some fund rotation out of the country at the beginning of the year but we have since picked up the pace as shown in the rise in net foreign inflows all the way to the end of June," PSE president and chief executive officer Hans Sicat said.

MADELAINE B. MIRAFLORE

## Seacem shares rise after takeover news

By Jenniffer B. Austria

SHARE price of Southeast Asia Cement Holdings Inc. closed 2.1 percent higher Thursday after posting big gains in early trading and confirming shareholders of Platinum Group Metals Corp. are buying into the company for a possible backdoor listing.

The stock price of Seacem opened at a high of P4.20 apiece, up 48.4 percent from Tuesday's close of P2.83. The share price slowly dropped back during the trading session to close at P2.89 apiece.

Seacem on Wednesday sought a trading suspension of the company's shares pending submission of material information.

Seacem said in a disclosure to the stock exchange principal shareholders, namely Iholdings Inc., Kwantlen Development Corp. and Januarius Resources Realty Corp. agreed to sell their entire 89.92-percent stake the company to Huatai Investment Holding Pty. Ltd., Regulus Best Nickel Holdings Inc., Bellatrix Star Inc., Alpha Centauri Fortune Group Inc., Antares Nickel Capital Inc., Blue Eagle Elite Ventures Inc., Ultimate Horizon Capital Inc., Sohoton Energy Inc., Great South Group Ventures Inc., Red Lion Fortune Group Inc., Dante R. Bravo, Seng Gay Chan and Hui Lin.

The 89.02-percent stake is equivalent to 6.291 billion common shares of Seacem which are to be sold for P0.46 per share.

"The buyers informed the sellers that they intend to inject their nickel mining operations into Seacem," Seacem said.

# April foreign investments up 300%

By Julito G. Rada

NET inflows of foreign direct investments in April surged 300 percent to \$597 million from \$149 million a year ago on sustained confidence of investors in the country's macroeconomic fundamentals, the Bangko Sentral ng Pilipinas said Thursday.

"The significant rise in FDI in April was driven by the spike in investment inflows in debt instruments [or intercompany borrowings] to \$518 million from \$23 million a year ago," the Bangko Sentral said.

Reinvestment of earnings increased 26.2 percent to \$80 million from \$63 million in the previous year.

"Meanwhile, equity capital placements yielded net outflows of \$1 million. This developed as withdrawals of \$79 million more

than offset the \$78-million gross equity capital placements," the bank said.

The bulk of the equity capital investments came largely from the United States, Japan, Singapore, the United Kingdom and Germany.

The investments were channeled mainly to activities related to real estate, financial and insurance, accommodation and food service and transportation and storage.

The April net FDI was also higher than the \$476 million recorded in March this year.

FDI net inflows reached \$2.4 billion in the first four months of the year, up 9.1 percent over \$2.2 billion on year.

"The sustained increase in net inflows continued to reflect strong investor confidence in the country's solid macro-economic fundamentals," the Bangko

Sentral said.

Net investment inflows in debt instruments increased 42 percent to \$1.6 billion in the four-month period from \$1.1 billion in the previous year.

"Moreover, reinvestment of earnings rose by 1.3 percent year-on-year to \$265 million in January-April. Meanwhile, net equity capital placements reached \$635 million as gross equity capital placements of \$954 million more than compensated for the withdrawals of \$320 million during the period," the Bangko Sentral said.

Equity capital placements mostly came from the US, Hong Kong, Japan, Singapore and Taiwan. They were channeled to financial and insurance; real estate; manufacturing; wholesale and retail trade; and mining and quarrying activities.

# Stocks up; Ayala, Sinophil advance

**STOCKS** bounced back Thursday after Wall Street advanced overnight in response to an upbeat outlook for the US economy by the Federal Reserve.

The Philippine Stock Exchange index rose 33.42 points, or 0.5 percent, to 6,937.21 on a value turnover of P6.9 billion. Gainers beat losers, 98 to 74, with 53 issues unchanged.

Alliance Global Group Inc. of tycoon Andrew Tan added 0.3 percent to P29.80, while Ayala Land Inc., the second most-valued builder, rallied 2.1 percent to P31.35.

Sinophil Corp. of the SM Group surged 8.3 percent to P1.70, while parent Belle Corp. advanced 1.9 percent to P5.40.

Robinsons Land Corp., the property unit of retail tycoon John Gokongwei, climbed 1.9 percent to P23.95.

International Container Terminal Services Inc., the biggest

port operator, lost 0.5 percent to P111.40, while SM Investments Corp. of retail tycoon Henry Sy fell 0.4 percent to P811.50.

The rest of Asian markets were mostly higher Thursday after Chinese trade growth picked up pace in June.

An indication from the Fed that it will keep interest rates at record lows well into next year kept downward pressure on the dollar.

Sydney added 0.22 percent, or 11.92 points, to close at 5,464.4 despite soft jobs figures, while Seoul added 0.12 percent, or 2.34 points, to 2,002.84 and in the afternoon, Hong Kong was 0.30 percent to the good.

But Tokyo dipped 0.56 percent, or 36.89 points, to 15,265.76 as the strong yen hit exporters.

Shanghai was flat in late trade.

Jakarta surged 2 percent on projections the business-friendly Joko Widodo would win a close presidential election, but Bombay sank as investors were left disappointed by a much-anticipated first budget for the new government.

US shares provided a positive lead as investors picked up bargains after a two-day losing streak, thanks to an upbeat assessment of the US economy by Fed policymakers in the minutes of their June board meeting.

The minutes showed the bank plans to end its five-year-long, economy-boosting bond-buying scheme in October.

"If the economy progresses about as the committee expects... this final reduction would occur following the October meeting," the minutes said. **With AFP**

# DoubleDragon hikes income forecast to P525 M this year

By NEIL JEROME C. MORALES

The property joint venture of the founders of grilled chicken chain Mang Inasal and fastfood giant Jollibee Foods Corp. substantially jacked up its earnings guidance to more than P500 million this year as its investments in various commercial centers bear fruit.

In a regulatory filing, DoubleDragon Properties Corp. said its net income is projected to reach P525 million this year, higher than the previous forecast of P340 million.

"The company expects continuous high growth trajectory to be driven by existing business and new investments and developments," DoubleDragon said.

In particular, subsidiary CityMall Commercial Centers Inc. (CMCCI) will account for bulk of this year's earnings. CMCCI is 66-percent owned by DoubleDragon while the remaining 34 percent is held by mall and banking conglomerate SM Investments Corp.

"CMCCI is set to uplift the community mall standard and is seen to revolutionize the community mall industry in the Philippines," DoubleDragon said.

The community mall concept will also spur substantial local economic growth and provide employment to the local workforce, it added.

CityMall branches in Roxas City, Zamboanga-Tetuan, Tagbak-Jaro in Iloilo, Consolacion in Cebu and Anabu-Imus in Cavite will start operations late this year.

CMCCI launched yesterday its food

court format that will become the centerpiece in all CityMalls.

CityMall food courts will house the top fastfood brands such as Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon and Highlands Coffee, a combination that is expected to draw in diners of all ages, DoubleDragon said.

DoubleDragon will also open the Dragon Shopping Center in September, in time for the Christmas holiday shopping rush in the Divisoria area. Dragon Shopping Mall, just in front of the 168 Shopping Mall and beside the Tutuban Shopping Center, will house several retail shops, a food court, 1,099 tiangge stalls and almost 500 parking slots.

DoubleDragon aims to reach the P1-billion net income level by 2016 and P4.8 billion by 2020. It aims to reach one million square meters (sqm) of total leasable space portfolio by 2020, of which 700,000 sqm is expected to come from the planned 100 CityMall community malls, mostly in the Visayas and Mindanao.

In the first quarter this year, DoubleDragon's net income spiked 117 percent to P21.2 million from P9.8 million a year ago while consolidated revenues surged 142 percent to P172.5 million from P71.3 million.

DoubleDragon is a 50-50 joint venture between Injap Investments of Mang Inasal Founder Edgar Sia II and HoneyStar Holdings Corp. of Jollibee owner Tony Tan Caktiong.

# FDI surges 4-fold to \$597 M in April

By KATHLEEN A. MARTIN

Foreign direct investments rose fourfold in April as the country's strong macroeconomic fundamentals continue to attract investors, the Bangko Sentral ng Pilipinas reported yesterday.

Net FDI inflows amounted to \$597 million in April, four times the \$149 million recorded in same period a year ago, driven largely by inter-company borrowings or investments of foreign firms in papers issued by their local units.

Placements in debt instruments surged to \$518 million during the month from \$23 million last year, while reinvested earnings also climbed 26.2 percent to \$80 million.

However, equity capital investments made by foreign firms in their Philippine units dropped 37.4 percent to \$79 million in April as more withdrawals were made during the period.

These funds came largely from the US, Japan, Singapore, the United Kingdom, and Germany and were put into real estate; financial and insurance; accommodation and food service; and transportation and storage activities.

In the first four months of the year, net FDI inflows amounted to \$2.449 billion, 9.1 percent higher than the \$2.245 billion recorded in the same period last year.

"The sustained increase in net in-

flows continued to reflect strong investor confidence in the country's solid macroeconomic fundamentals," the BSP said.

The Philippine economy grew by a slower-than-expected 5.7 percent in the first quarter but government officials are optimistic the 6.5- to 7.5-percent full-year goal is still within reach.

Inflation has also remained within the three to five percent target range, and the country's external profile remained robust with surpluses recorded in the balance of payments.

Inter-company borrowings during the four-month period rose 42 percent to \$1.55 billion, while reinvested earnings went up 1.3 percent to \$265 million. Turn to B-3

## FDI surges... From B-1

Equity capital, however, fell 22 percent to \$900 million as of April. The funds, which came primarily from the US, Hong Kong, Japan, Singapore and Taiwan, were invested in financial and insurance; real estate; manufacturing; wholesale and retail trade; and mining and quarrying activities.

Last year, net FDI inflows increased 20 percent to \$3.86 billion, surpassing the central bank's \$2.1-billion target for 2013.

# PLDT H1 earnings on track; more loans eyed to fund P32-B capex

By LAWRENCE AGCAOILI

Dominant carrier Philippine Long Distance Telephone Co. (PLDT) is looking at raising funds within the second half to bankroll its P32-billion capital expenditure program this year.

This developed at the company remains confident it would be able to deliver its promised core net income of P39.5 billion this year after an "on track" performance in the first half of the year.

PLDT president and chief executive officer Napoleon Nazareno said the group is now contemplating on raising funds in the second half to finance the company's expansion program.

"We might. We are still contemplating it. Proceeds will be used for the roll out, capex, expansion, and others," Nazareno said.

Details of the fund raising activity including whether it would involve the issuance of bonds, loans, among others as well as the amount to be borrowed have yet to be finalized.

"I am not sure yet but we are considering," he replied when asked how much the company is borrowing in the second half.

PLDT has already raised P15 billion from the

Turn to B-3

## PLDT H1... From B-1

issuance of seven-year bonds due 2021 and 10-year bonds due 2024 listed at the Philippine Dealing and Exchange Corp. (PDEX) last February.

The PLDT Group decided to raise its budget for capital expenditures this year to P32 billion instead of the original planned P29 billion to put up base stations that could withstand strong winds after Super Typhoon Yolanda battered provinces in the Visayas last November.

Nazareno said this year's budget for capital expenditures would also be used to attain a 100 percent 3G (Third Generation) coverage, build more long term evolution (LTE) sites, expand its fiber optic network to about 100,000 kilometers, a new international cable system, among others.

In 2013, PLDT spent P28.8 billion for capital expenditures last year or 21 percent lower compared to P36.4 billion in 2012.

Meanwhile, Nazareno said the PLDT Group is on its way to delivering the promised core net income target of P39.5 billion this year amid the "on track" performance in the first half of the year.

"It is on track, our bottomline will be on track with the guidance figures," he stressed.

Friday, July 11, 2014

## In first six months

# Capital raised via PSE doubles to ₱76B

The Philippine Stock Exchange (PSE) reported an increase in capital raising activities of 147.2 percent from January to June 2014 compared to the same period last year. Capital raised by companies listed on the Exchange through initial and follow-on public offerings, stock rights offerings and private placements, amounted to ₱76.12 billion from ₱30.80 billion in 2013.

DoubleDragon Properties Corp. and Century Pacific Food, Inc. conducted initial public offerings, while 8990 Holdings, Inc. had its follow-on offering. Bank of the Philippine Islands, Philippine National Bank, China Banking Corporation and Manila Mining Corporation raised additional capital through stock rights offerings, while 10 other companies had private placements.

Meanwhile, the PSEi rose 16.2 per-

cent during the first six months of the year and ended the period at 6,844.31 points. This growth was the fastest in the region next only to the main indices in India but besting the performance of the main indices in the ASEAN and East Asian markets.

"We are again poised for another banner year based on various growth metrics. We started the year slow as we saw some fund rotation out of the country at the beginning of the year but we have since picked up the pace as shown in the rise in net foreign inflows all the way to the end of June," PSE President and CEO Hans B. Sicat said.

Net foreign buying came in at ₱45.67 billion during the first half of the year, 14.4 percent lower than the same period last year but almost triple the figure registered for the entire 2013.

Meanwhile, total market capitalization at the end of June stood at ₱13.35 trillion, up 11.9 percent from the ₱11.93 trillion-figure at the end of 2013 and 14 percent higher from ₱11.71 trillion registered at the end of June 2013.

Total value turnover for the first six months, stood at ₱993.01 billion, 29.3 percent lower than the ₱1.4 trillion registered in the same period a year ago. Average daily value turnover also declined by 29.3 percent year-on-year to ₱8.14 billion.

"On a run rate, we may be behind our target for capital raising but we remain optimistic that we can meet the ₱200 billion mark for the year. We have also seen an increase month-on-month in our liquidity levels. If this pace continues, we think we can get to at least our average trading levels of last year," Mr. Sicat added.