



H1 2016 Briefing
12 August 2016



CONSOLIDATED FINANCIAL HIGHLIGHTS



In million Php, except ratios

	Q1 2015	Q2 2015	H1 2015	Q1 2016	Q2 2016	H1 2016	Variance
Revenues	7,245	6,472	13,717	6,470	10,088	16,559	21%
Coal	3,752	2,773	6,526	3,940	5,077	9,017	38%
Power	3,492	3,699	7,191	2,530	5,011	7,541	5%
Depreciation	565	524	1,089	664	666	1,330	22%
Coal	308	266	575	395	147	542	-6%
Power	257	258	516	269	519	788	53%
EBITDA	3,554	3,286	6,840	3,830	4,353	8,183	20%
<i>EBITDA Margin</i>	<i>49%</i>	<i>51%</i>	<i>1</i>	<i>59%</i>		<i>1</i>	<i>-41%</i>
NIAT	2,511	2,196	4,708	2,910	3,453	6,363	35%
<i>EPS</i>	<i>2.35</i>	<i>2.06</i>	<i>4.40</i>	<i>2.72</i>	<i>3.23</i>	<i>5.95</i>	<i>35%</i>
CAPEX	303	492	794	394	2,415	2,809	254%
SMC	109	274	383	84	1,503	1,587	314%
SCPC	71	135	206	171	143	314	53%
SLPC	123	82	205	139	768	907	342%
Cash	4,521	4,375	4,375	4,623	4,434	4,434	1%
Free Cash Flow	3,231	(755)	2,476	1,018	2,665	3,683	49%
<i>Net Debt</i>	<i>14,175</i>	<i>17,166</i>	<i>17,166</i>	<i>13,698</i>	<i>15,491</i>	<i>13,887</i>	<i>-19%</i>
<i>Net Debt/EBITDA</i>	<i>3.99</i>	<i>5.22</i>	<i>2.51</i>	<i>3.58</i>		<i>1.70</i>	<i>-32%</i>
<i>ROE (YoY)</i>	<i>10%</i>	<i>9%</i>	<i>20%</i>	<i>10%</i>	<i>12%</i>	<i>21%</i>	<i>7%</i>
<i>DE Ratio</i>	<i>1.07</i>	<i>1.35</i>	<i>1.35</i>	<i>0.94</i>	<i>1.08</i>	<i>1.06</i>	<i>-22%</i>
<i>Current Ratio</i>	<i>1.30</i>	<i>1.22</i>	<i>1.22</i>	<i>1.21</i>	<i>0.94</i>	<i>0.94</i>	<i>-23%</i>

SEGMENT FINANCIAL HIGHLIGHTS

Operating businesses

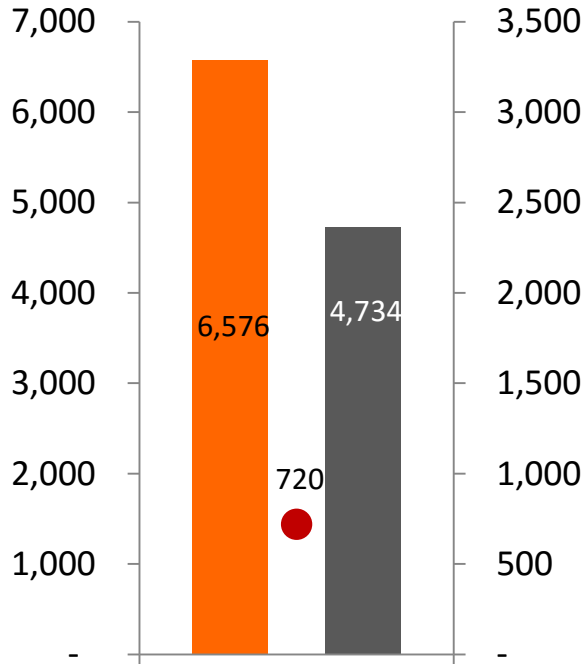


	<u>Coal</u>			<u>SCPC</u>			<u>SLPGC</u>		
	<u>H1 2015</u>	<u>H1 2016</u>	<u>Variance</u>	<u>H1 2015</u>	<u>H1 2016</u>	<u>Variance</u>	<u>H1 2015</u>	<u>H1 2016</u>	<u>Variance</u>
Revenues (In M Php)	9,235	10,939	18%	7,191	4,522	-37%	-	3,151	
Ave. Price	2,182	1,663	-24%	3.46	3.25	-6%	-	4.16	
Cost of Sales - MT/Kwhr	1,191	720	-40%	1.79	2.16	21%	-	1.11	
Gross Margin/Unit	991	944	-5%	1.67	1.09	-35%	-	3.05	
Core NIAT (In M Php)	2,716	3,781	39%	2,076	590	-72%	(27)	1,995	-7363%
Cash Balance End (In M Php)	827	1,575	90%	1,980	1,305	-34%	1,545	1,508	-2%
Interest Bearing Loans (In M Php)	4,868	5,385	11%	4,893	4,355	-11%	11,457	10,185	-11%
CAPEX (In million pesos)	383	980	156%	553	842	52%	147	907	518%
Retained Earnings, End (In M Php)	10,455	15,001	43%	5,131	4,425	-14%	(104)	1,958	-1974%
Net Working Capital	2,554	1,812	-29%	40	(2,553)	-6483%	1,988	2,012	1%
EBITDA	4,854	4,403	-9%	3,558	1,462	-59%	(31)	1,724	-5648%

H1 2016 VOLUME SOLD vs COST OF SALES

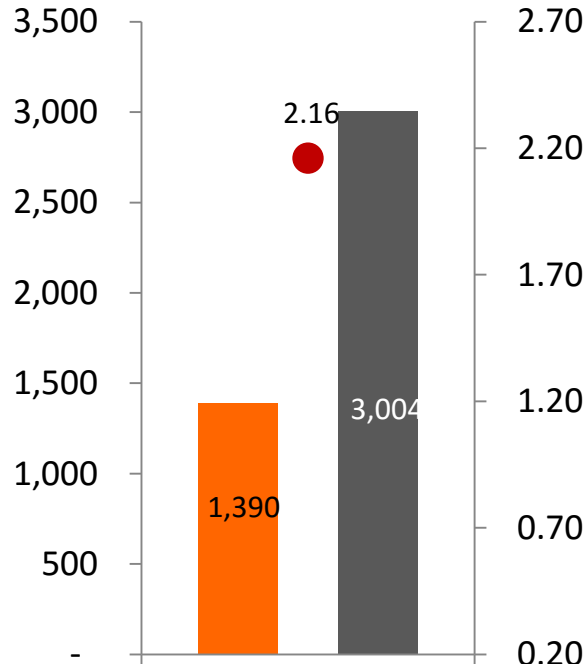


COAL



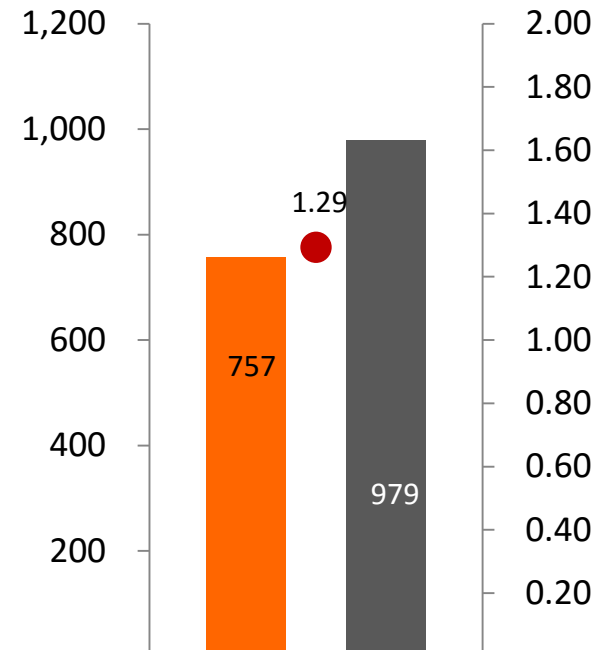
H1

SCPC



H1

SLPGC



H1

Volume Sold ('000 MTs)

Cost of Sales (million PHP)

Cost of Sales/MT

Volume Sold (GWh)

Cost of Sales (million PHP)

Cost of Sales/KWh

Volume Sold (GWh)

Cost of Sales (million PHP)

Cost of Sales/KWh

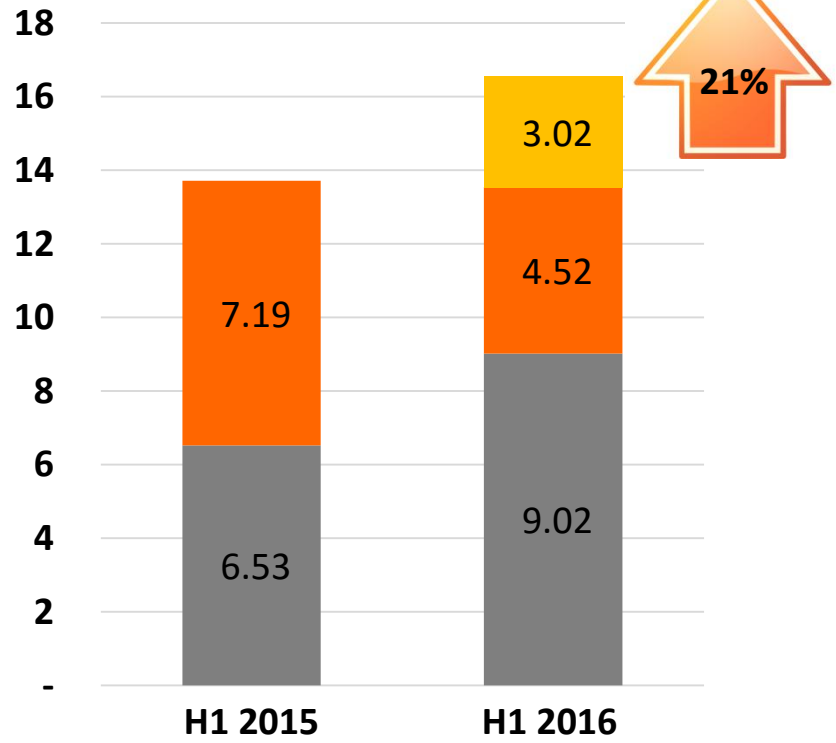
High production and low strip ratio results to low coal cost of sales. SLPGC's cost of sales/KWh is lower than SCPC because it uses washable/waste coal as fuel, it is inclusive of commissioning cost of Php139 million.

CONSOLIDATED REVENUES AND NIAT

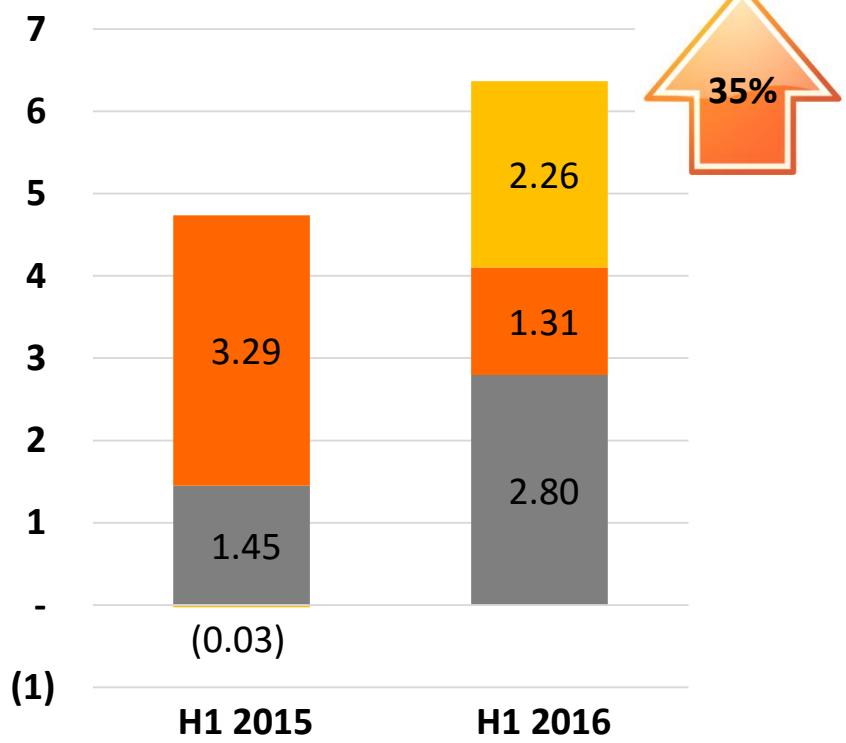


H1 2015 vs H1 2016

Gross Revenues



NIAT

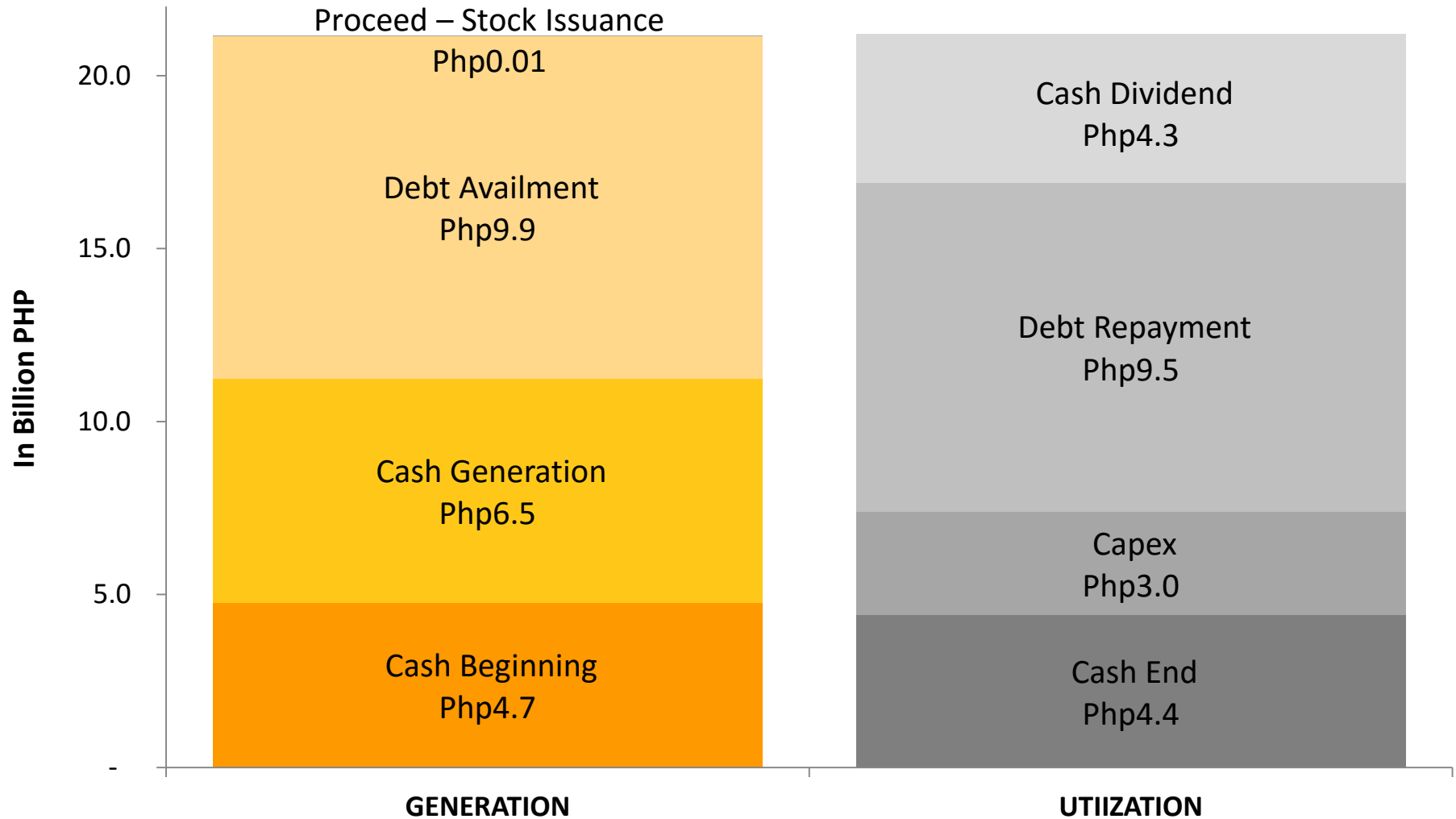


■ Coal ■ SCPC ■ SLPGC

21% ↑ in revenues, 35% ↑ in NIAT. SLPGC significantly contributed to profitability while on testing and commissioning this year.

CASH GENERATION & UTILIZATION - CONSOLIDATED

H1 2016



CONSOLIDATED ASSETS, LIABILITIES, & EQUITY

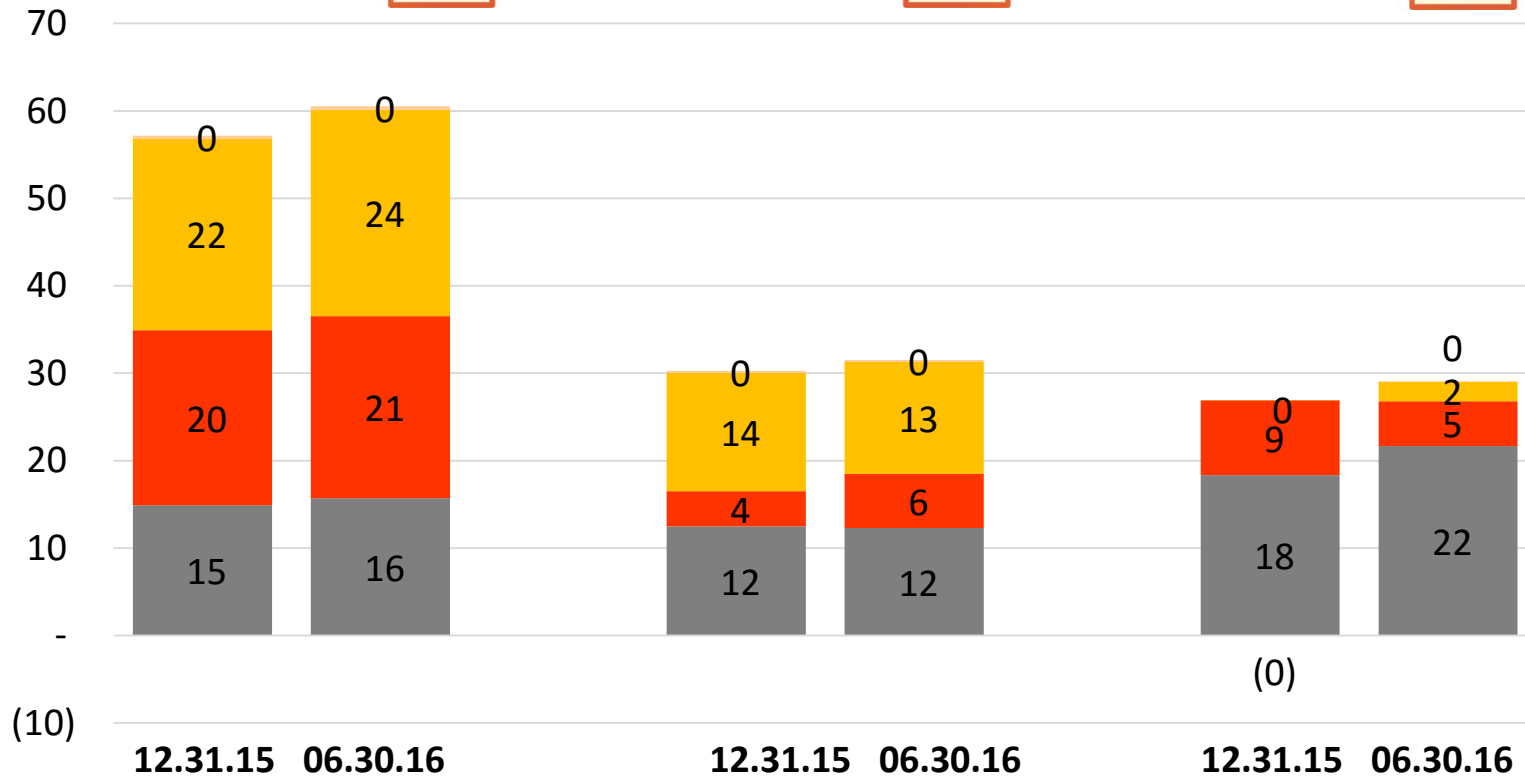
H1 2015 vs 2016 (Audited)



ASSETS **6%**

LIABILITIES **4%**

EQUITY **8%**

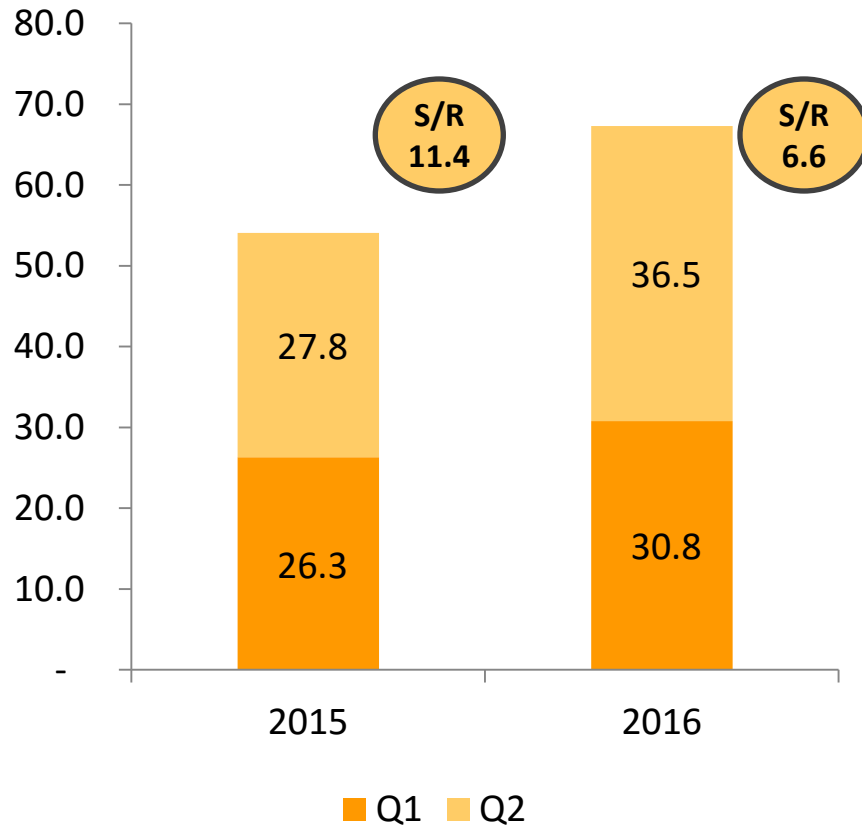


COAL PRODUCTION

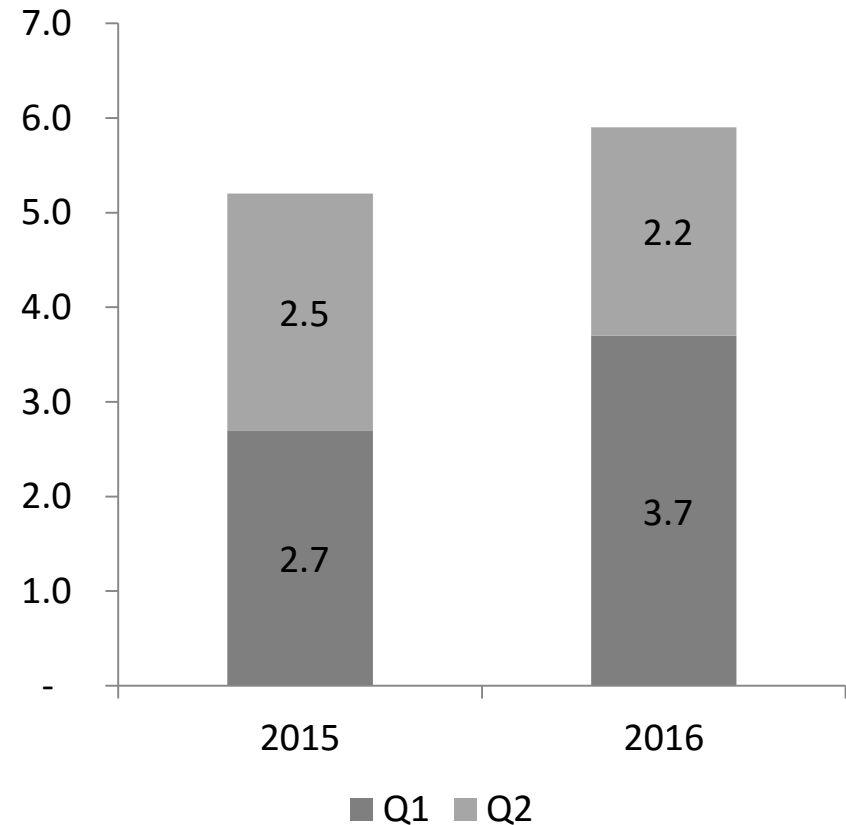
H1 2015 vs H1 2016



Materials Moved



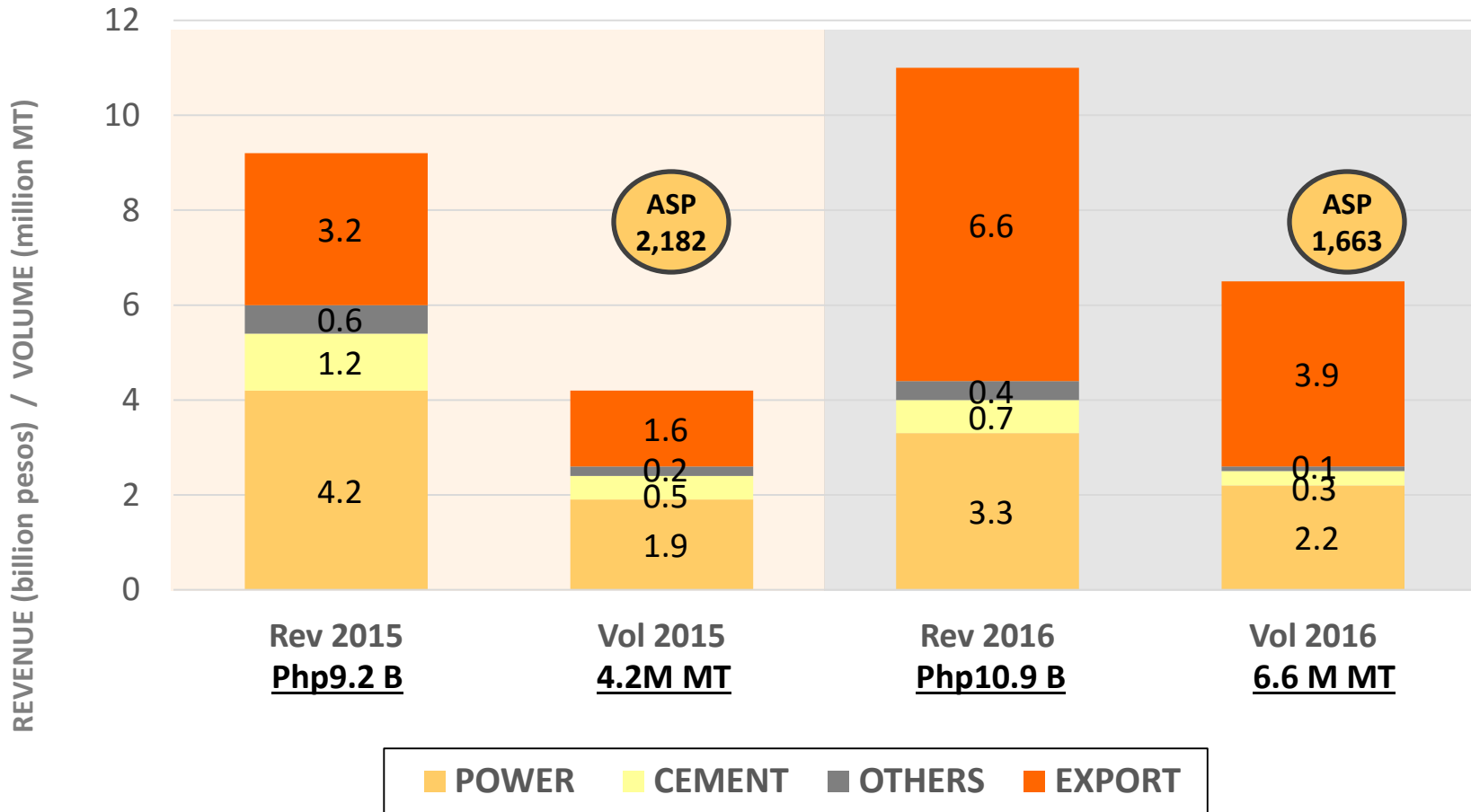
Coal Production



24% ↑ in materials moved, 14% ↑ in coal production. Increase in materials moved is due to increase in excavating capacity. Total materials moved in Q2 includes 28.1 million BCM Molave mine pre-stripping. Coal production is inclusive of washable and waste coal of 711K tons and 454K tons in H1 2015 and H1 2016, respectively.

COAL SALES

H1 2015 vs H1 2016



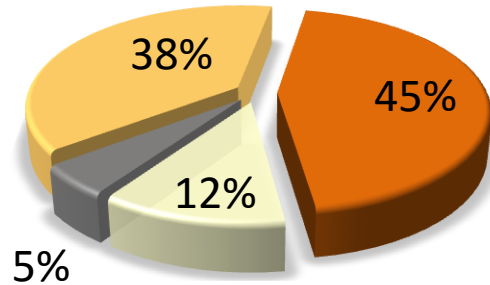
55% ↑ in volume sold, 24% ↓ ASP. Gross Revenues dropped 18% due to lower ASP. H1 2016 coal sales is inclusive of 437 thousand tons of washable coal sold to own power plants at lower price, thus also explaining the drop in ASP.

COAL SALES MIX

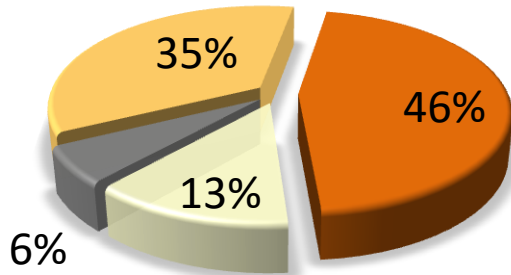
H1 2015 vs H1 2016



H1 2015

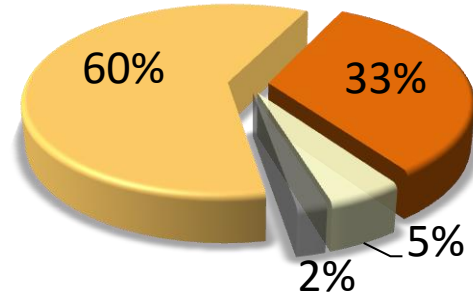


4.23 MTs

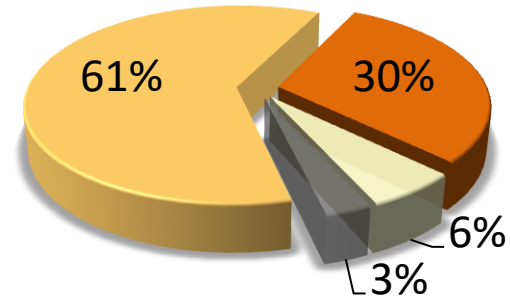


Php 9.23 B

H1 2016



6.58 M MT



Php 10.94 B

■ Power ■ Cement ■ Others ■ Export

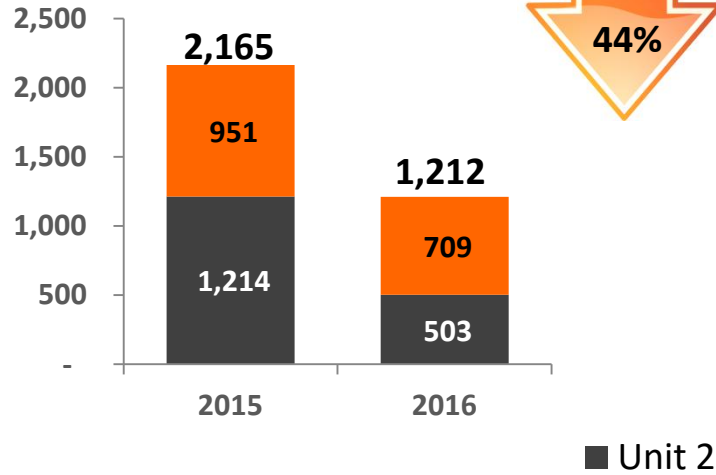
↓ off-take of cement & other plants, ↑ exports . SCPC's offtake decreased by 39% due to extended maintenance shutdown of Unit 2 in Q1; SLPGC significantly increased consumption while plants are on commissioning test. Increase in production went to exports.

SCPC POWER PLANTS' PERFORMANCE

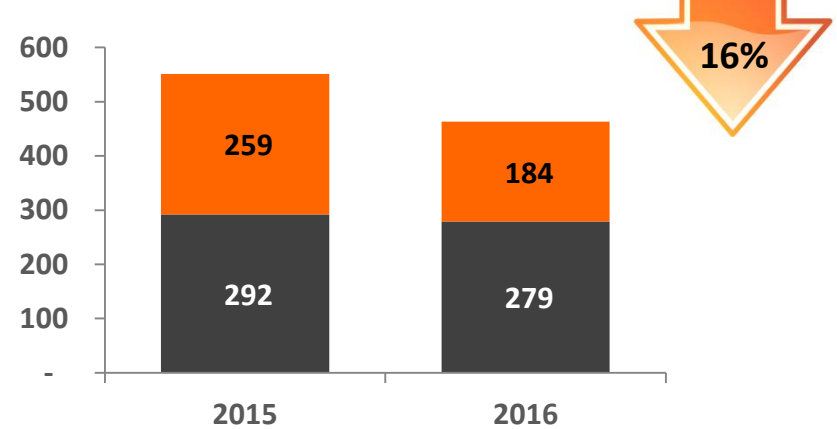


H1 2015 vs H1 2016

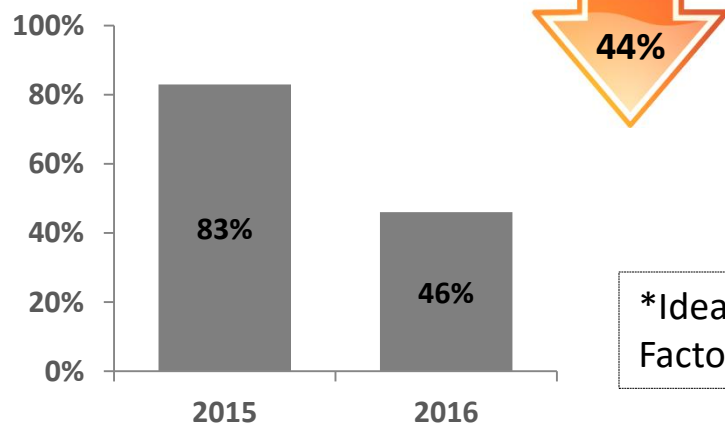
Gross Gen, Total Plant



Ave. Capacity, Total Plant



Capacity Factor, Total Plant



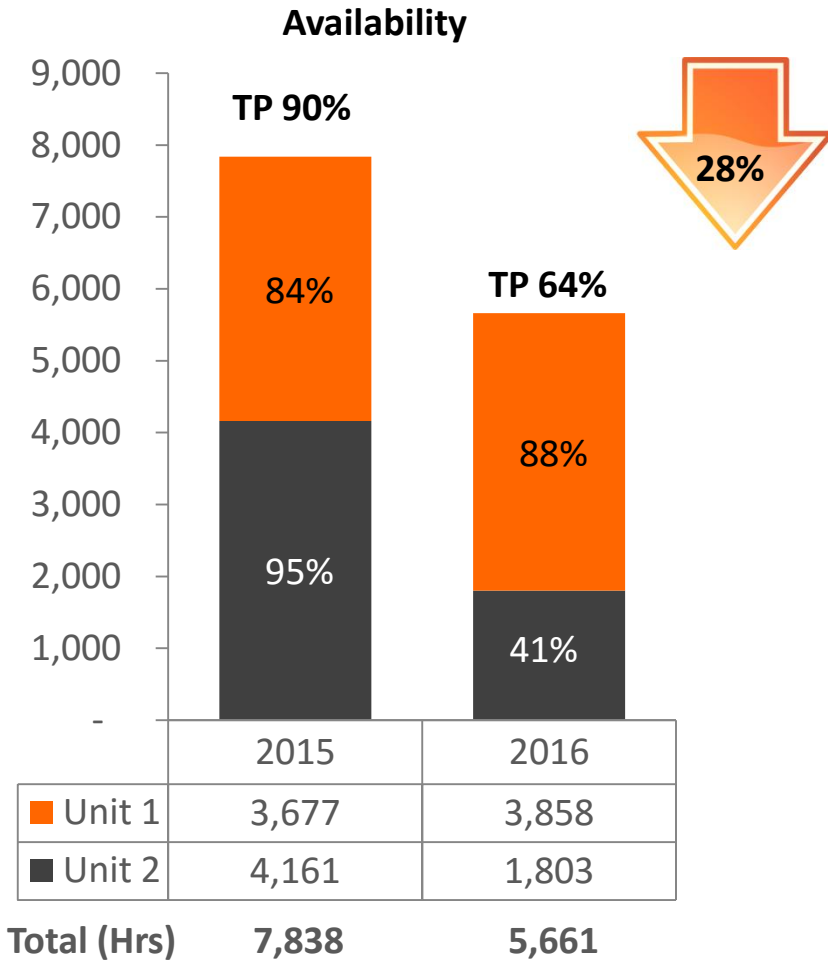
*Unit 1 Ideal Norm for Capacity Utilization is more than 67% or 200MWhr

*Unit 2 Ideal Norm for Capacity Utilization is more than 90% or 270MWhr

*Ideal Norm for Capacity Factor is more than 59%

SCPC POWER PLANTS' AVAILABILITY & OUTAGES

H1 2015 vs H1 2016



Planned Outage, Hrs	2015	2016	Variance
Unit I	360	-	100%
Unit II	-	-	-0%
Total Plant	360	-	100%

Unplanned Outage, Hrs	2015	2016	Variance
Unit I	331	534	-61%
Unit II	207	2,589	-1,149%
Total Plant	539	3,123	-480%

*Ideal Norm for Availability is more than 80%

SCPC ENERGY SALES

H1 2015 vs H1 2016

	2015	2016	Variance
BCQ Revenue in Pesos, Net	6,475	4,423	-32%
BCQ Volume Sold (GWh)	1,934	1,376	-29%
BCQ, Ave Price	3.35	3.21	-4%
Spot Sale in Pesos	716	99	-86%
Spot Volume Sold (GWh)	144	14	-90%
Spot Sales, Ave Price	4.96	7.18	45%
Total Revenue in Pesos	7,191	4,522	-37%
Total Volume Sold (GWh)	2,078	1,390	-33%
Composite Ave. Price	3.46	3.25	-6%

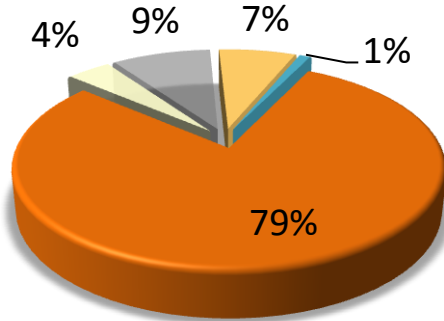
6% ↓ in ASP, 33% ↓ volume sold. Unit 2 shutdown in Q1 pulled down sales volume. Revenues dropped by 37% with lower sales volume and softer composite average price/kwh. Lower generation resulted to lower spot sales.

SCPC ENERGY SALES MIX

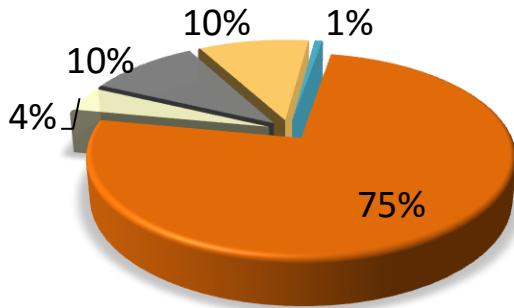
H1 2015 vs H1 2016



2015

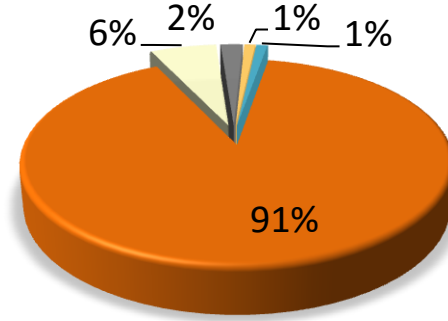


2,078 GWH

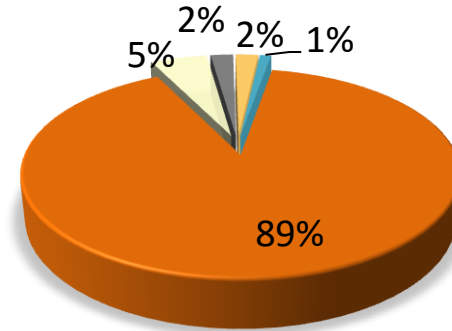


PHP 7.19 B

2016



1,390 GWH



PHP 4.52 B



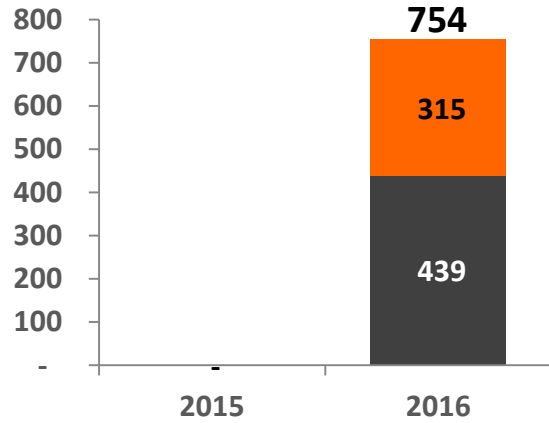
Meralco remains to be the single biggest customer of the Company, accounting for 91% of sales volume and 89% of revenues.

SLPGC POWER PLANTS' COMMISSIONING

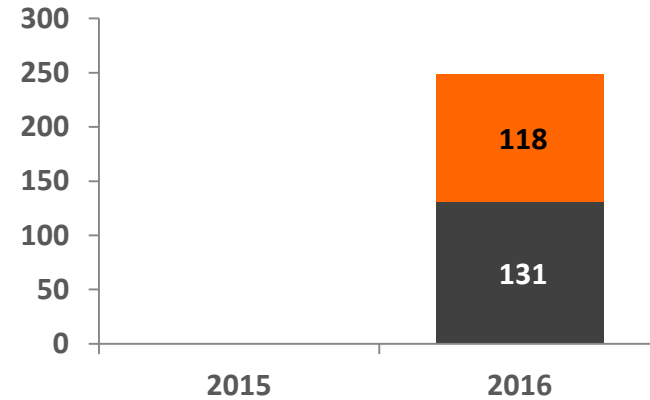


H1 2015 vs H1 2016

Gross Gen, Total Plant

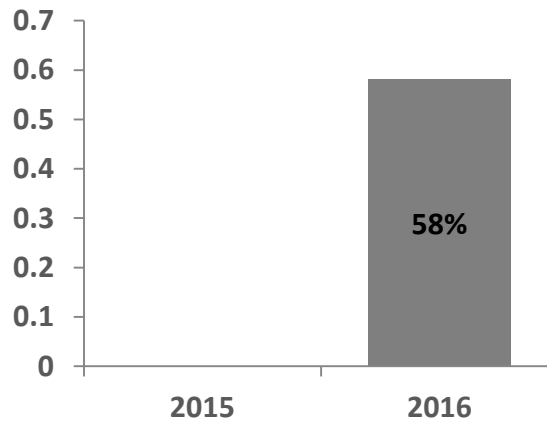


Ave. Capacity, Total Plant



■ Unit 4 ■ Unit 3

Capacity Factor, Total Plant

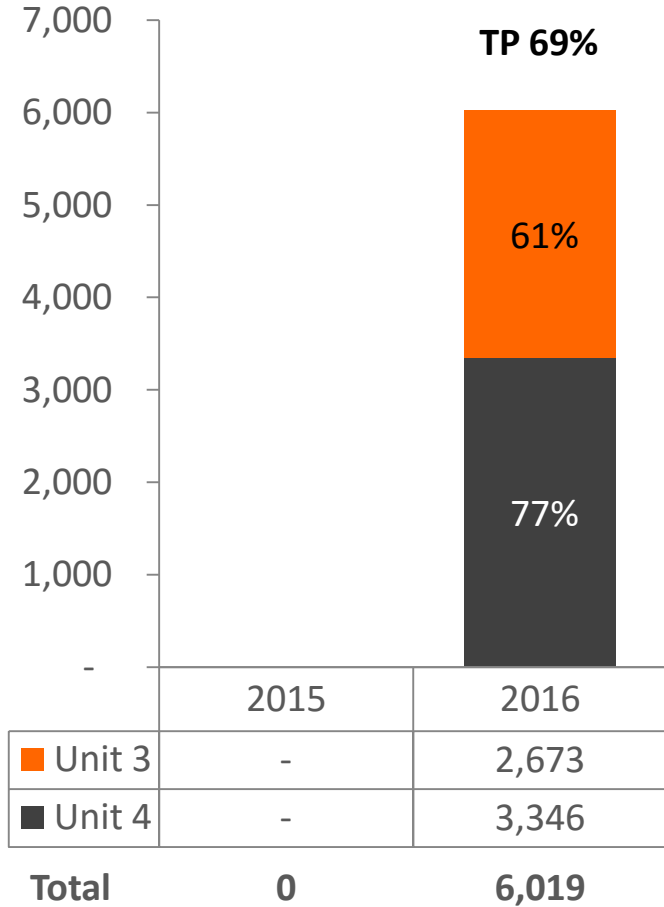


SLPGC POWER PLANTS' AVAILABILITY & OUTAGES

H1 2015 vs H1 2016



Availability



Planned Outage, Hrs	2015	2016
Unit 3	-	-
Unit 4	-	-
Total Plant	-	-

Unplanned Outage, Hrs	2015	2016
Unit 3	-	1,720
Unit 4	-	1,046
Total Plant	-	2,765

SLPGC ENERGY SALES

H1 2015 vs H1 2016

	2015	2016
BCQ Revenue in Pesos, Net	-	2,795
BCQ Volume Sold (GWh)	-	621
BCQ, Ave Price	-	4.50
Spot Sale in Pesos	-	356
Spot Volume Sold (GWh)	-	136
Spot Sales, Ave Price	-	2.62
Total Revenue in Pesos	-	3,151
Total Volume Sold (GWh)	-	757
Composite Ave. Price	-	4.16

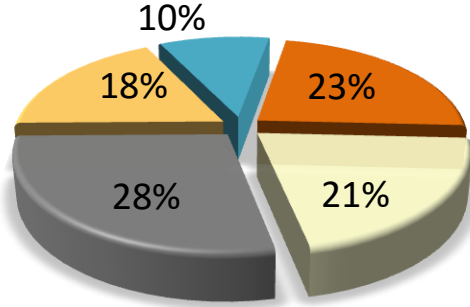
VECO (50 MW) and GN Power (52 MW) bilateral contracts are effective since 26 December 2015.
MPower (100 MW) is effective since 26 March 2016. Total contracted capacity is at 202 MW.

SLPGC ENERGY SALES MIX

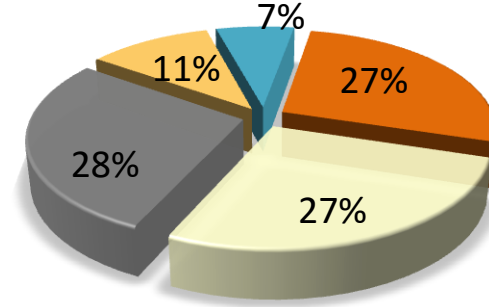
H1 2016



757 GWH



PHP 3.18 B



VECO GN Power MPower Spot SCPC

10% of the total generated energy is sold to SCPC as replacement power for its contracts.

KEY TAKEAWAYS

- Approved ECC amendment on 29 April to increase mining capacity from 12 million tons to 16 million tons
- Molave BOI-registration approved 24 February, entitling revenues from production to ITH
- Completion of improvement of shipyard facilities; one of the three shiploaders can now accommodate 70,000 tons of Panamax vessels.
- Record high H1 coal production and sales
- SCPC: Unit 2 was on shutdown the whole of Q1 2016 for maintenance activities. Units 1 & 2 are reliably running in Q2 at an average capacity of 180 MW and 279 MW, respectively.
- SLPGC: Both units already passed NGCP Grid Compliance Tests; both 2x150 MW plants were reliably running in Q2 at 140 MW each.

APPENDIX

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - COAL

For the period ending June (in million Php)



	Q1 2015	Q2 2015	H1 2015	Q1 2016	Q2 2016	H1 2016	Variance	
Revenue	5,446	3,829	9,275	4,647	6,297	10,944	1,669	18%
Costs of Sales	2,906	2,132	5,038	1,897	2,837	4,734	(304)	-6%
Gross Margin	2,540	1,697	4,237	2,750	3,459	6,210	1,973	47%
<i>Gross Profit Ratio</i>	47%	44%	46%	59%	55%	57%		24%
Govt Share	887	467	1,354	693	1,148	1,841	487	36%
Gen & Admin Exp	110	121	231	243	243	487	255	111%
OPEX	997	588	1,585	937	1,391	2,328	743	47%
	1,543	1,108	2,652	1,814	2,068	3,882	1,230	46%
Other Exp/(Inc)	(31)	(33)	(64)	5	96	102	165	-259%
Income bef tax	1,574	1,142	2,716	1,808	1,972	3,781	1,065	39%
Income Tax	-	-	-	-	-	-		
Core Income	1,574	1,142	2,716	1,808	1,972	3,781	1,065	39%
<i>Profitability Ratio</i>	29%	30%	29%	39%	31%	35%		18%

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - SCPC

For the period ending June (in million Php)



	Q1 2015	Q2 2015	H1 2015	Q1 2016	Q2 2016	H1 2016	Variance	
Revenue	3,519	3,730	7,249	1,676	2,888	4,564	(2,685)	-37%
Contracted Energy	3,084	3,400	6,484	1,630	2,801	4,431	(2,053)	-32%
Spot Sales	413	303	716	30	69	99	(616)	-86%
PPD	(4)	(4)	(9)	(4)	(4)	(8)	1	-13%
Other Income (Fly Ash)	26	32	58	20	22	42	(17)	-28%
Cost of Energy Sales	1,867	1,851	3,718	805	2,199	3,004	(714)	-19%
Generation Cost	1,813	1,829	3,643	730	1,491	2,221	(1,422)	-39%
Replacement Power Cost	36	7	42	71	699	770	728	1715%
Marketing Cost	18	15	33	3	9	12	(20)	-62%
Gross Profit	1,652	1,879	3,530	871	689	1,560	(1,970)	-56%
<i>GP Ratio</i>	<i>47%</i>	<i>50%</i>	<i>49%</i>	<i>52%</i>	<i>24%</i>	<i>34%</i>	<i>-15%</i>	<i>-30%</i>
Other Cost/Expense/Income	278	286	563	332	384	716	153	27%
General, Admin. and Other OPEX	253	236	489	316	347	663	174	36%
Finance Income/(Costs)	35	56	90	17	18	35	(55)	-61%
Foreign Exchange Gains/(Losses)	(10)	(6)	(15)	(1)	18	18	33	-215%
Net Income Before Tax	1,374	1,593	2,968	539	305	844	(2,123)	-72%
Provision for Taxes	413	479	892	163	92	255	(637)	-71%
Net Income After Tax	962	1,115	2,076	376	213	590	(1,486)	-72%
<i>Profitability Ratio</i>	<i>27%</i>	<i>30%</i>	<i>29%</i>	<i>22%</i>	<i>7%</i>	<i>13%</i>	<i>-16%</i>	<i>-55%</i>

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - SLPGC



For the period ending June (in million Php)

	Q1 2015	Q2 2015	H1 2015	Q1 2016	Q2 2016	H1 2016	Variance	Variance
Revenue	-	-	-	260	2,145	2,404	2,404	
Contracted Energy	-	-	-	253	1,882	2,136	2,136	
Spot Sales	-	-	-	-	261	261	261	
PPD	-	-	-	(2)	(10)	(12)	(12)	
Other Income (Fly Ash)	-	-	-	8	11	19	19	
Cost of Energy Sales	(0)	-	(0)	147	693	839	839	-13253514%
Generation Cost	-	-	-		334	334	334	
Depreciation and Amortization	-	-	-		223	223	223	
Replacement Power Cost	-	-	-	140	131	271	271	
Marketing Cost	(0)	-	(0)	6	5	12	12	-182594%
Gross Profit	0	-	0	113	1,452	1,565	1,565	24709464%
<i>GP Ratio</i>				44%	68%	65%		
Other Cost/Expense/Income	12	14	26	3	189	(458)	(484)	-1855%
General, Admin. and Other OPEX	14	17	31	9	55	64	33	106%
Finance Income/(Costs)	(2)	(5)	(7)	(6)	99	92	99	-1455%
Foreign Exchange Gains/(Losses)	0	0	0	(0)	(1)	(1)	(1)	-344%
Other Income	0	1	2	0	0	1	(1)	-48%
Other Income fr Commissioning				-650	36	(615)	(615)	
Net Income Before Tax	(12)	(14)	(26)	110	1,263	2,023	2,049	-7856%
Provision for Taxes	0	1	1	32	(4)	28	27	1977%
Net Income After Tax	(12)	(15)	(27)	78	1,267	1,995	2,022	-7368%
<i>Profitability Ratio</i>				30%	59%	83%		

*Before eliminating entries

COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - CONSOLIDATED

For the period ending June (in million Php)



	SMC	SCPC	SLPGC	2015	SMC	SCPC	SLPGC	2016
Coal	6,526	-	-	6,526	9,017	-	-	9,017
Power	-	7,191	-	7,191	-	4,522	2,404	6,927
Power Commissioning Income							615	615
REVENUE	6,526	7,191		13,717	9,017	4,522	3,019	16,559
Coal	3,572	-	-	3,572	3,817	-	-	3,817
Power	-	2,510	-	2,510	-	2,288	562	2,850
COST OF SALES	3,572	2,510		6,082	3,817	2,288	562	6,667
GROSS PROFIT	2,954	4,681		7,635	5,200	2,235	2,457	9,892
<i>GP Ratio</i>	<i>43%</i>	<i>73%</i>		<i>56%</i>	<i>58%</i>	<i>49%</i>	<i>81%</i>	<i>60%</i>
G/S & admin expenses	1,568	488	31	2,090	2,303	663	72	3,041
Interest expense	52	97	2	151	96	41	107	245
Interest income	(8)	(7)	(7)	(22)	(20)	(6)	(14)	(40)
Forex (gain) losses	(14)	(15)	0	(30)	24	18	(0)	41
Other (income) exp	(95)	(58)	-	(153)	(2)	(42)		(44)
Total	1,503	505	26	2,036	2,401	674	165	3,242
Income before tax	1,451	4,176	(26)	5,599	2,799	1,561	2,292	6,650
Income tax	1	889	1	892	3	255	28	286
NET INCOME	1,450	3,287	(27)	4,708	2,796	1,307	2,264	6,363
<i>NP Ratio</i>	<i>18%</i>	<i>54%</i>		<i>34%</i>	<i>31%</i>	<i>29%</i>	<i>75%</i>	<i>38%</i>

*After eliminating entries

COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED

As of June 2016 vs December 2015 (Audited) – *In million pesos*



	SMC	SCPC	SLPGC	SBPG	SRPG	SCS	SEU	SCRC	SCIP	CONSOLIDATED	
	PARENT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% INDIRECT	100% DIRECT	06.30.2016	12.31.2015
ASSETS											
Current asstes											
Cash & Cash											
Equivalents	1,575	1,305	1,508	3	25	3	3	8	3	4,434	4,746
Receivables - net	1,330	1,904	929	-	-	-	-	-	-	4,163	2,712
Inventories - net	2,472	1,927	646	-	-	-	-	-	-	5,044	4,383
Other current assets	1,616	563	1,041	-	-	-	-	0	-	3,220	3,252
Total Current Assets	6,993	5,699	4,124	3	25	3	3	8	3	16,861	15,093
Non current assets											
PPE – net	4,449	14,610	18,130	-	172	-	-	-	-	37,360	36,743
Other noncurrent assets	191	81	1,369	-	21	143	-	-	-	1,804	1,771
Exploration and evaluation asset	3,966	-	-	-	-	-	-	-	-	3,966	3,015
Deferred tax asset	110	423	2	-	-	0	0	-	-	536	536
Total Noncurrent Assets	8,716	15,114	19,501	-	192	143	0	-	-	43,666	42,064
TOTAL ASSETS	15,709	20,813	23,625	3	217	146	3	8	3	60,527	57,157

**After eliminating entries*

COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED

As of June 2016 vs December 2015 (Audited)– *In million pesos*



	SMC	SCPC	SLPGC	SBPG	SRPG	SCS	SEU	SCRC	SCIP	CONSOLIDATED	
	PARENT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100% DIRECT	100%INDIRECT	100% DIRECT	06.30.2016	12.31.2015
LIABILITIES											
Current Liabilities											
Accounts payables	6,353	1,800	1,051	-	192	0	0	0	-	9,396	7,372
Short-term loans	243	4,100	-	-	-	-	-	-	-	4,343	2,993
Long-term debt – current	1,239	-	842	-	-	-	-	-	-	2,080	5,191
Total Current Liabilities	7,834	5,990	1,892	-	192	0	0	0	-	15,819	15,556
Noncurrent Liabilities											
LT - net of current	3,903	254	9,344	-	-	-	-	-	-	13,501	11,360
Pension liability	74	15	-	-	-	-	-	-	-	88	87
Provision for site rehab	501	13	-	-	-	-	-	-	-	514	514
Other LT Liabilities	-	-	1,571	-	-	-	-	-	-	1,571	2,740
Total Noncurrent Liabilities	4,478	282	10,915	-	-	-	-	-	-	15,674	14,700
TOTAL LIABILITIES	12,312	6,182	12,807	(0)	192	-	-	0	-	31,494	30,256
EQUITY											
Capital stock	1,069	-	-	-	-	-	-	-	-	1,069	1,069
Additional paid-in capital	6,676	-	-	-	-	-	-	-	-	6,676	6,676
Minority Interest					13					13	
Retained earnings	13,950	5,140	2,227	(0)	(8)	(1)	(0)	(0)	0	21,307	19,187
Remeasurement gains and losses	(32)	2	-	-	-	-	-	-	-	(31)	(31)
Total SHE	21,662	5,142	2,227	(0)	4	(1)	(0)	(0)	0	29,034	26,901
LIABILITIES & EQUITY	33,974	11,342	15,034	(0)	196	(1)	(0)	(0)	0	60,527	57,157

**After eliminating entries*

CONSOLIDATED LOAN PROFILE

In Millions



Business Segment	Dec 2015	Jan-Jun		Jun 2016
		Availment	Payment	
Coal (USD)	87.2	68.1	85.1	70.1
Coal (PHP Equivalent)	4,101	3,701	4,470	3,285
Coal (PHP)	2,107	2,100	2,107	2,100
<i>Total Coal (PHP)</i>	<i>6,209</i>	<i>5,801</i>	<i>6,577</i>	<i>5,385</i>
SCPC (PHP)	2,300	4,100	2,048	4,355
SLPGC (PHP)	11,037	-	852	10,185
TOTAL (PHP)	19,546	9,901	9,011	19,924

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