



**First Half 2015 Briefing**  
24 August 2015



# CONSOLIDATED FINANCIAL HIGHLIGHTS



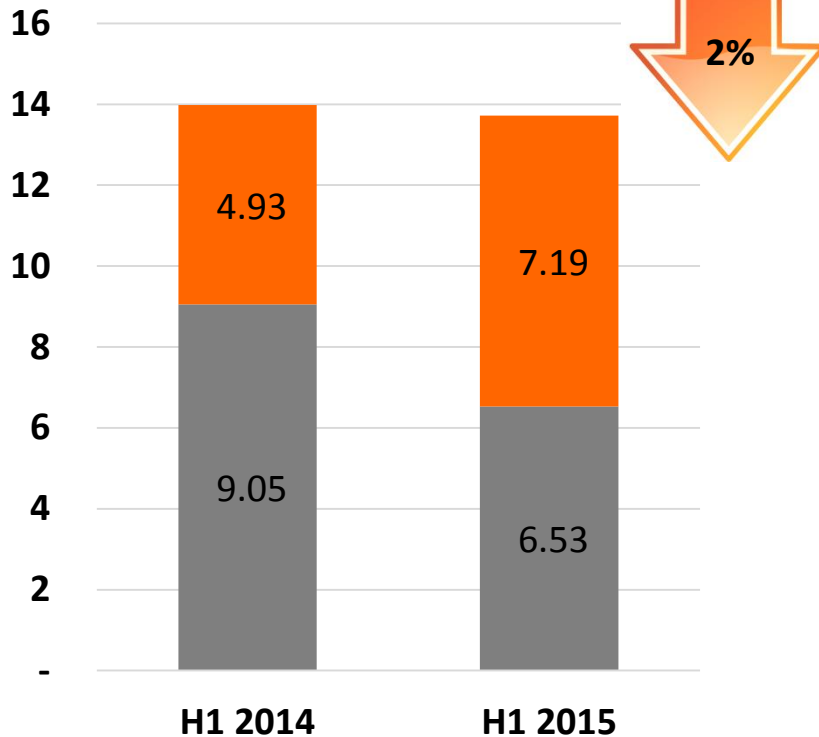
In million Php, except ratios

	Q1 2014	Q2 2014	H1 2014	Q1 2015	Q2 2015	H1 2015	Variance
Revenues	6,639	7,340	13,979	7,245	6,472	13,717	-2%
Coal	4,772	4,279	9,051	3,752	2,773	6,526	-28%
Power	1,867	3,061	4,928	3,492	3,699	7,191	46%
Depreciation – Coal	395	297	692	308	266	575	-17%
Depreciation – Power	258	252	509	257	258	516	1%
EBITDA	2,740	1,257	3,997	3,554	3,286	6,840	71%
<i>EBITDA Margin</i>	<i>41%</i>	<i>17%</i>	<i>29%</i>	<i>49%</i>	<i>51%</i>	<i>50%</i>	<i>74%</i>
NIAT	2,022	625	2,647	2,511	2,196	4,708	78%
<i>EPS</i>	<i>1.89</i>	<i>0.58</i>	<i>2.48</i>	<i>2.35</i>	<i>2.06</i>	<i>4.40</i>	<i>78%</i>
CAPEX	3,282	2,437	5,718	303	492	794	-86%
Cash	5,902	3,367	3,367	4,521	4,375	4,375	30%
Free Cash Flow	850	(2,605)	(1,754)	3,231	(755)	2,476	
Net Debt	11,851	18,613	18,613	14,175	17,166	17,166	-8%
<i>Net Debt/EBITDA</i>	<i>4.32</i>	<i>14.81</i>	<i>4.66</i>	<i>3.99</i>	<i>5.22</i>	<i>2.51</i>	<i>-46%</i>
<i>ROE</i>	<i>9%</i>	<i>3%</i>	<i>14%</i>	<i>10%</i>	<i>9%</i>	<i>20%</i>	<i>42%</i>
<i>DE Ratio</i>	<i>1.12</i>	<i>1.69</i>	<i>1.69</i>	<i>1.07</i>	<i>1.35</i>	<i>1.35</i>	<i>-20%</i>
<i>Current Ratio</i>	<i>1.71</i>	<i>1.05</i>	<i>1.05</i>	<i>1.30</i>	<i>1.22</i>	<i>1.22</i>	<i>16%</i>

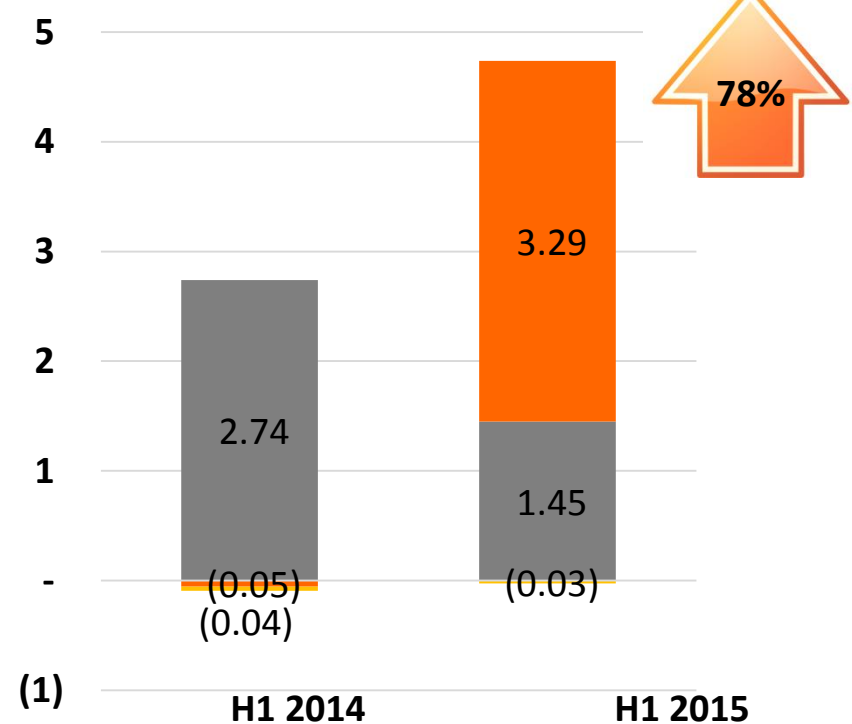
# CONSOLIDATED REVENUES AND NIAT

H1 2014 vs H1 2015

### Gross Revenues



### NIAT

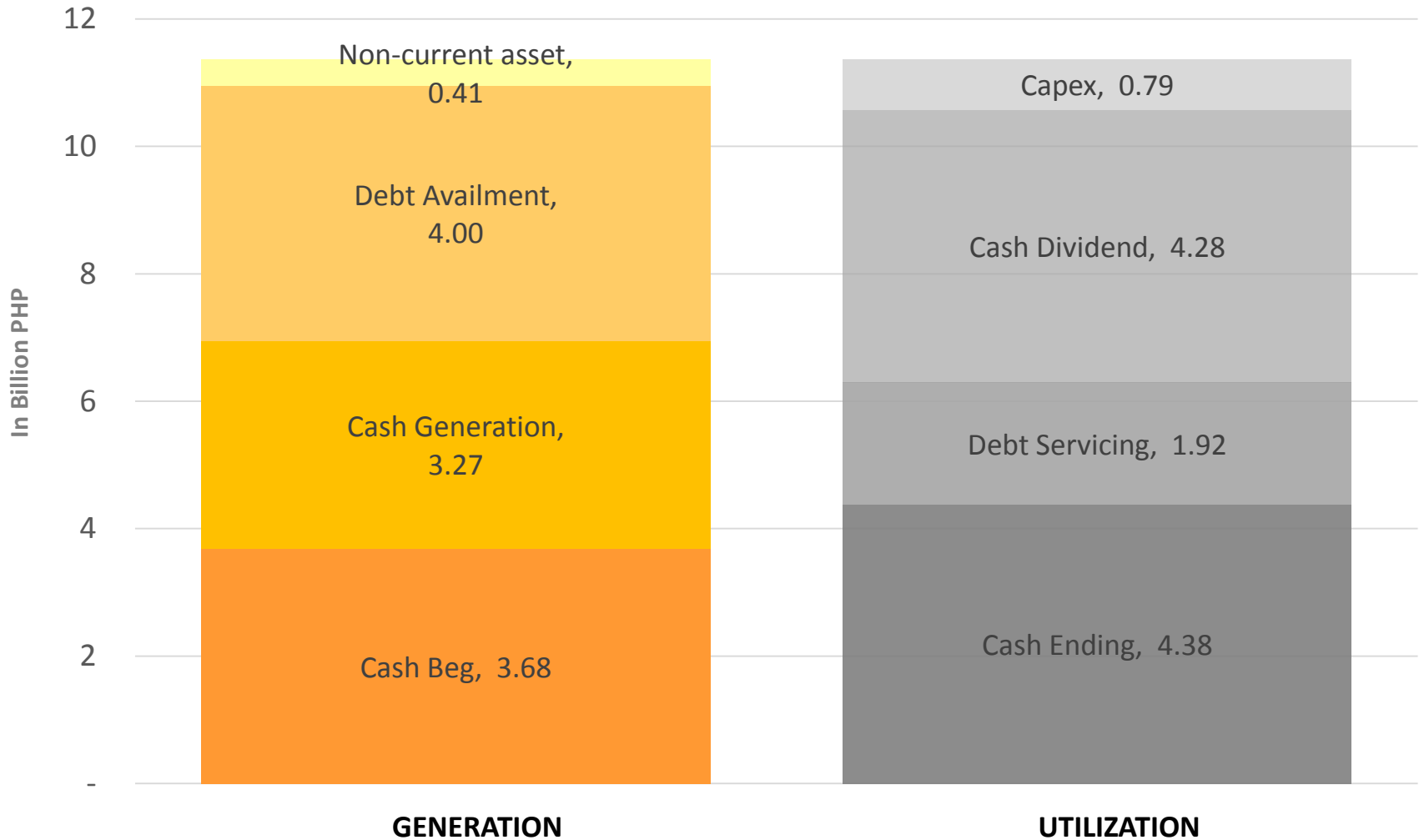


■ SMC ■ SCPC ■ SLPGC

**2% ↓ in revenues, 78% ↑ in NIAT.** Consolidated profitability is better this year as both operating units contributed to profits, unlike last year when SCPC incurred losses of Php 2.1 B from purchase of replacement power.

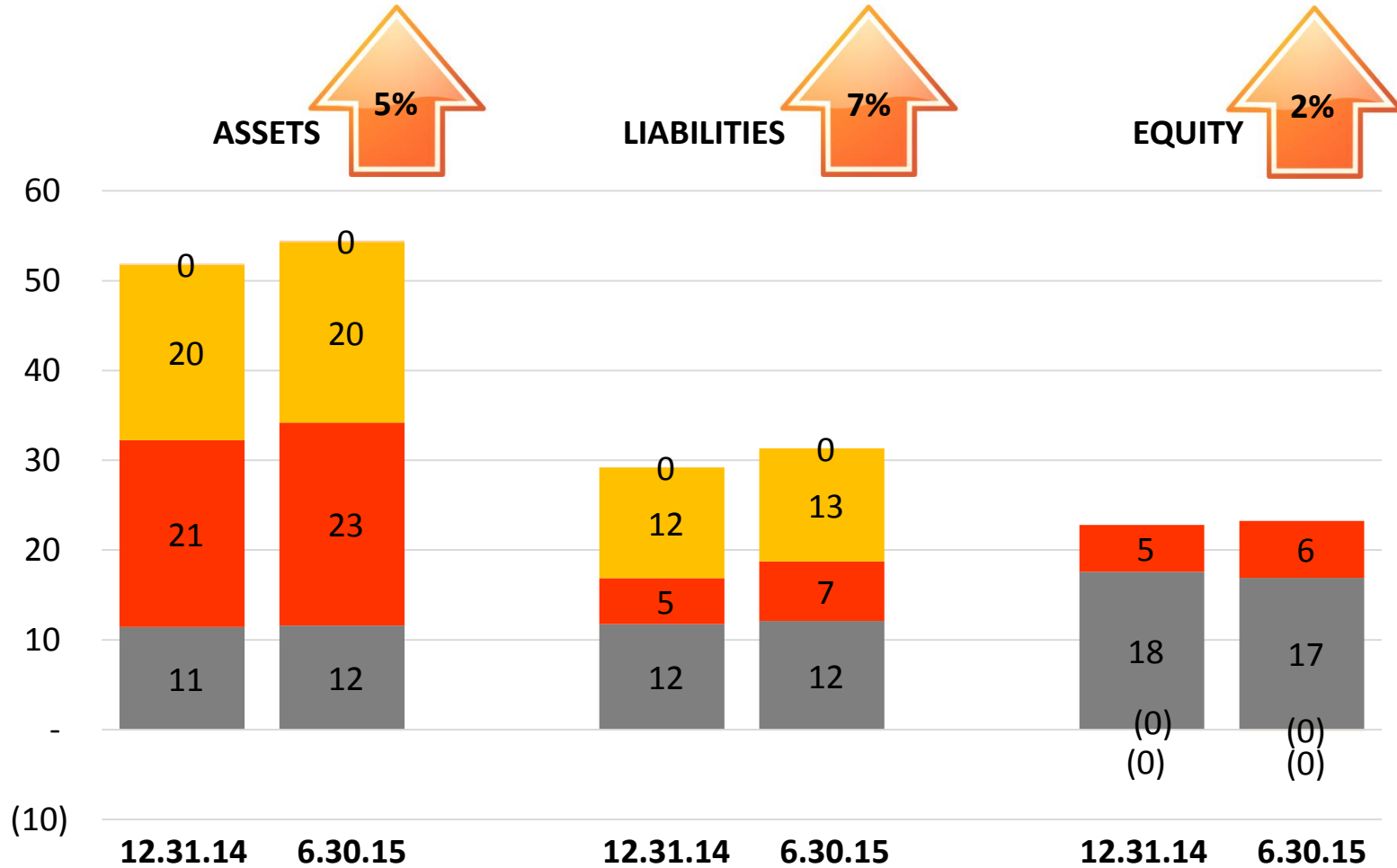
# CASH GENERATION & UTILIZATION - CONSOLIDATED

H1 2015



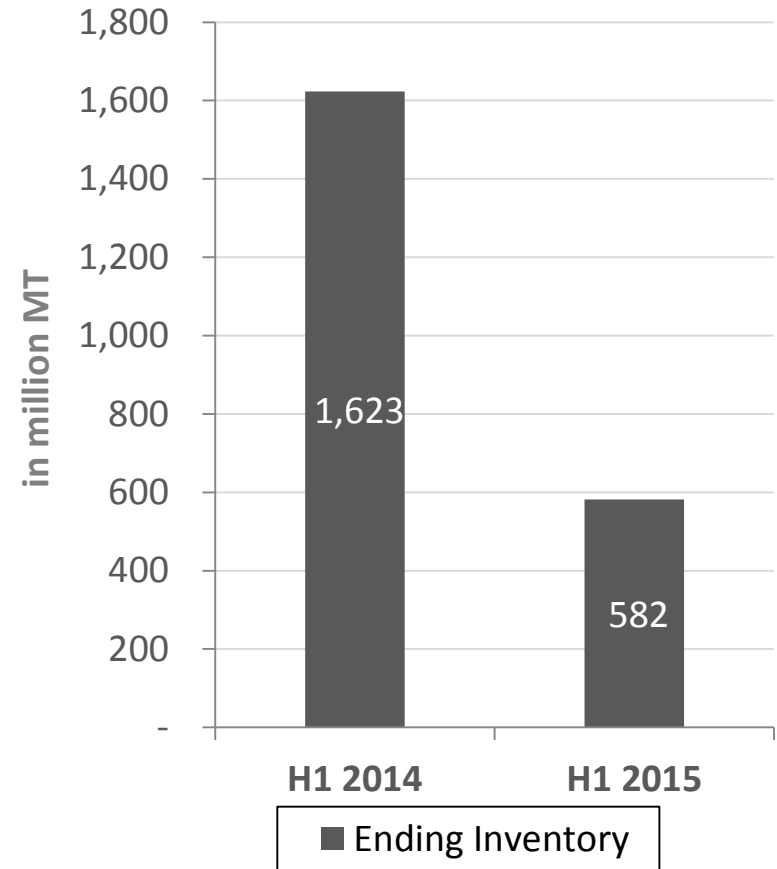
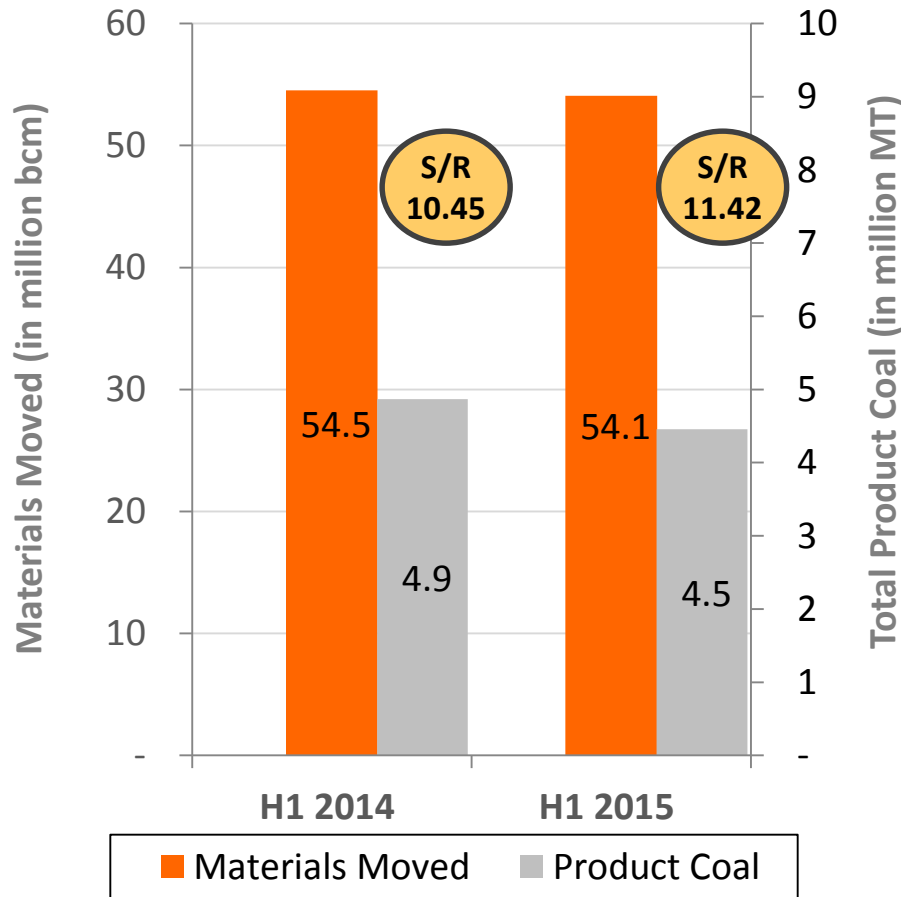
# CONSOLIDATED ASSETS, LIABILITIES, & EQUITY

As of 2014 (Audited) vs as of H1 2015 (Unaudited)



# COAL PRODUCTION

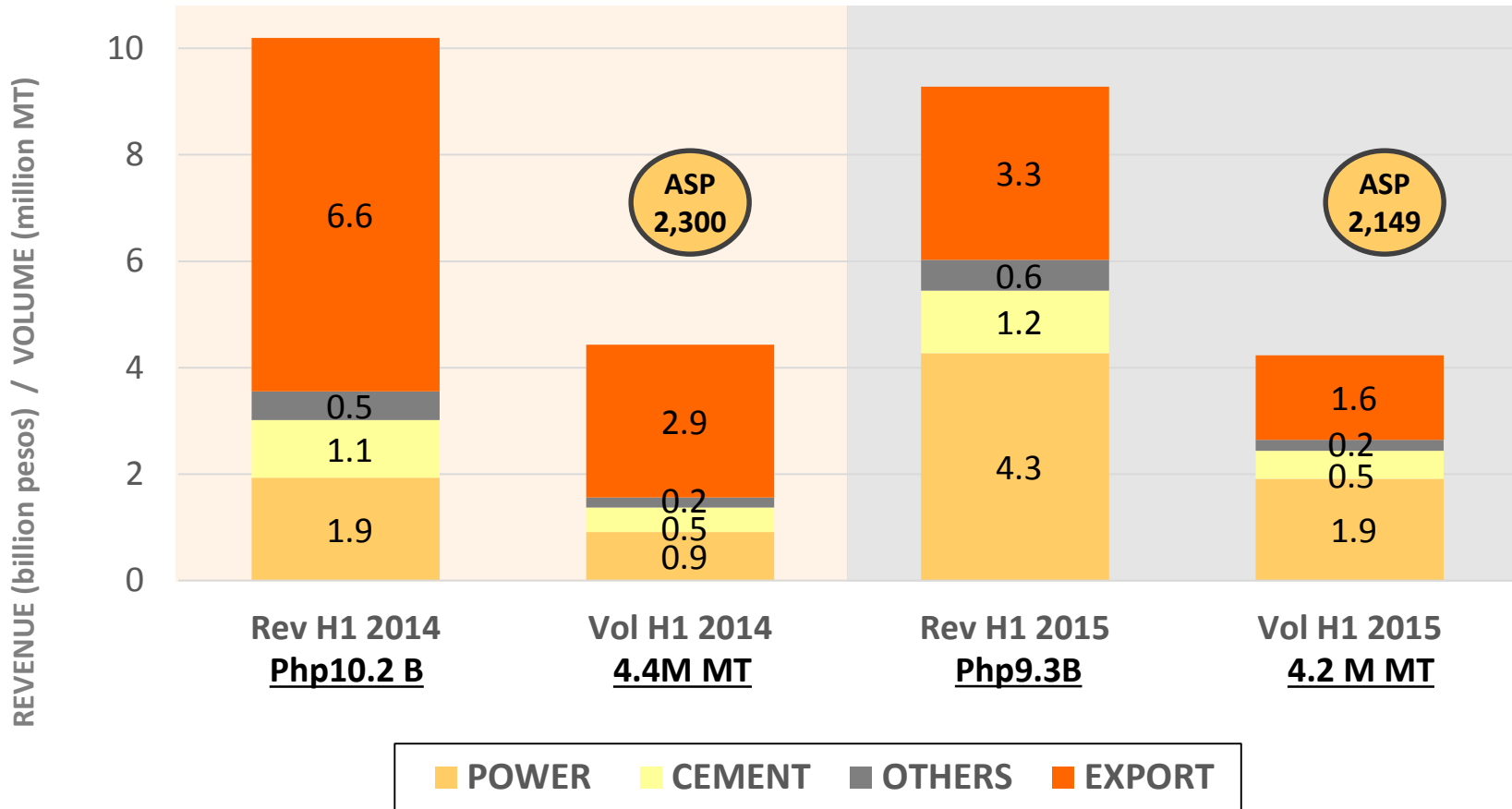
H1 2014 vs H1 2015



**1% ↓ in materials moved, 8% ↓ in coal production.** Some mining equipment were deployed to prepare future operating areas, while some were used to haul coal to the shiploading area while the conveyor system was upgraded.

# COAL SALES

H1 2014 vs H1 2015

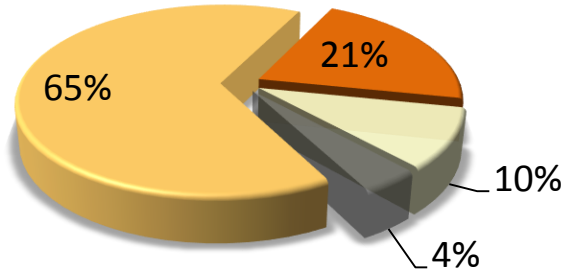


**2% ↓ in volume sold, 5% ↓ ASP.** Gross Revenues dropped 9% due to slightly lower volume and continuous softening of global coal prices.

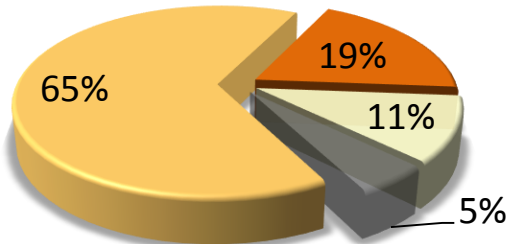
# COAL SALES MIX

H1 2014 vs H1 2015

**H1 2014**

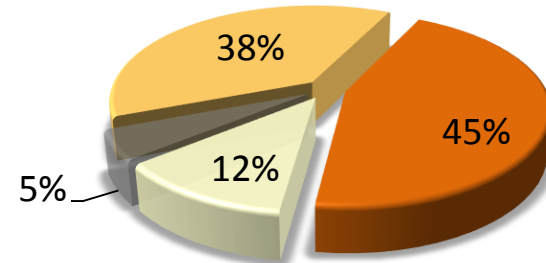


**4.43 M MT**

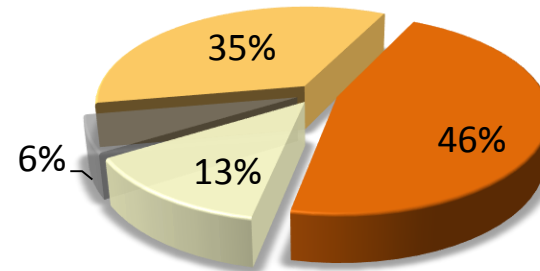


**Php 10.20 B**

**H1 2015**



**4.23 M MT**



**Php 9.28 B**

■ Power ■ Cement ■ Others ■ Export

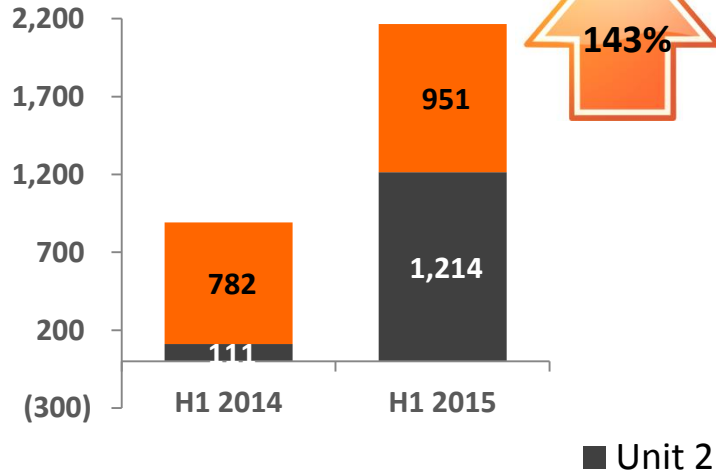
**↑ off-take of power plants** . Market share of power plants increased to 45% of sales volume and 46% of gross revenues in 2015, displacing export sales, due to more reliable performance of Calaca plants.



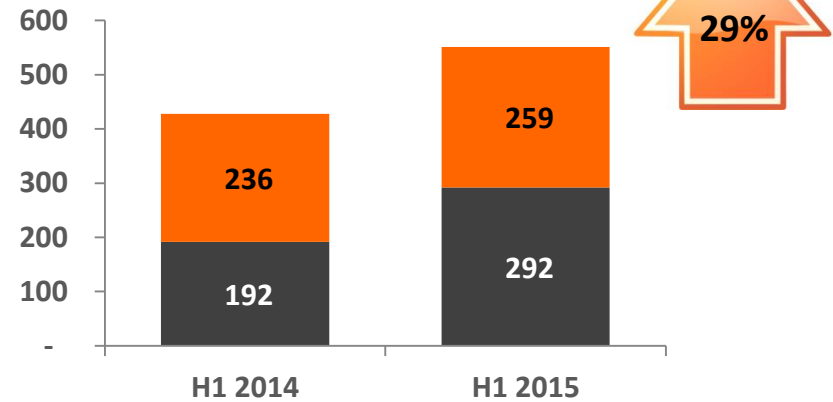
# POWER PLANTS' PERFORMANCE

H1 2014 vs H1 2015

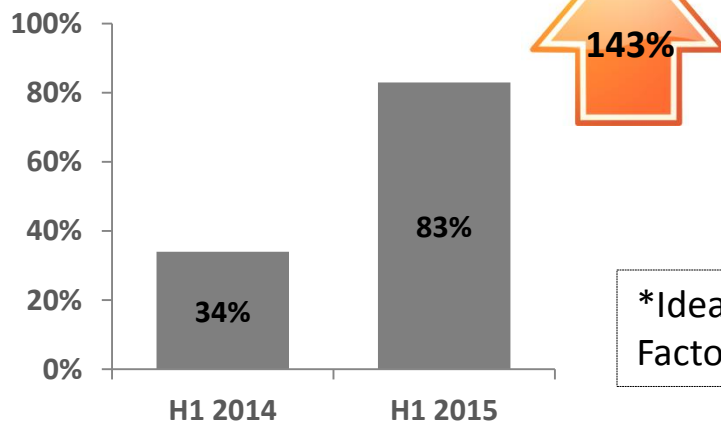
**Gross Gen, Total Plant**



**Ave. Capacity, Total Plant**



**Capacity Factor, Total Plant**



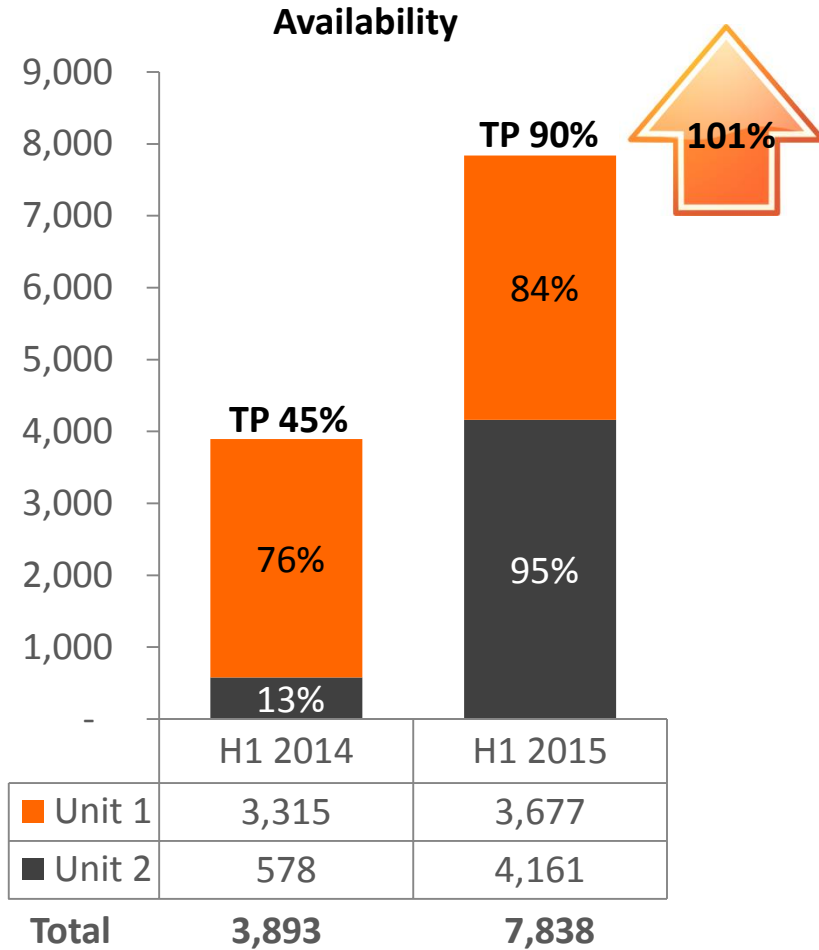
\*Unit 1 Ideal Norm for Capacity Utilization is more than 80% or 240MWhr

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

\*Ideal Norm for Capacity Factor is more than 64%

# POWER PLANTS' AVAILABILITY & OUTAGES

H1 2014 vs H1 2015



Planned Outage, Hrs	H1 2014	H1 2015	Variance
Unit I		360	-
Unit II	3,791		100%
<b>Total Plant</b>	<b>3,791</b>	<b>360</b>	<b>91%</b>

Unplanned Outage, Hrs	H1 2014	H1 2015	Variance
Unit I	1,053	331	69%
Unit II		207	-
<b>Total Plant</b>	<b>1,053</b>	<b>539</b>	<b>49%</b>

\*Ideal Norm for Availability is more than 80%

# ENERGY SALES

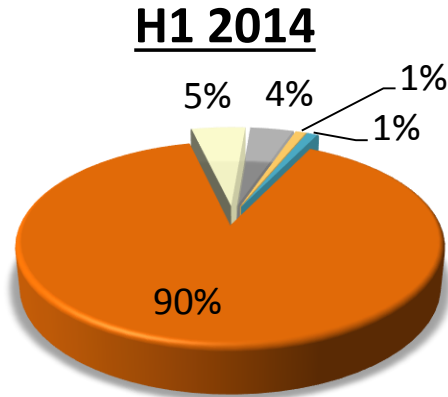
H1 2014 vs H1 2015

	H1 2014	H1 2015	Variance
BCQ Revenue in Pesos, Net	4,921	6,475	32%
BCQ Volume Sold	1,299	1,934	49%
BCQ, Ave Price	3.79	3.35	-12%
Spot Sale in Pesos	248	716	188%
Spot Volume Sold	11	145	1,165%
Spot Sales, Ave Price	21.61	4.92	-77%
Total Revenue in Pesos	5,169	7,191	39%
Total Volume Sold	1,311	2,079	59%
Composite Ave. Price	3.94	3.46	-12%

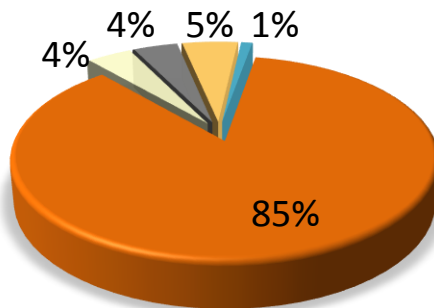
**12% ↓ in ASP, 59% ↑ volume sold.** Despite drop in composite average price/kwh, revenues increased by 39% due to in volume sold. Improved generation increased spot sales in H1 2015.

# ENERGY SALES MIX

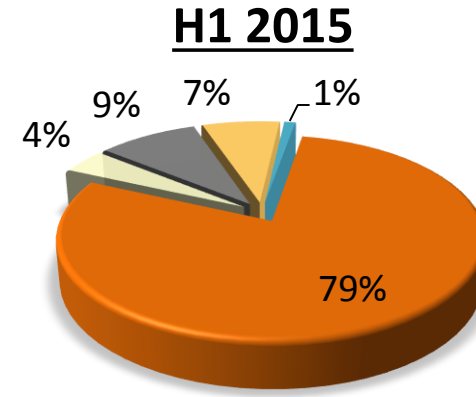
H1 2014 vs H1 2015



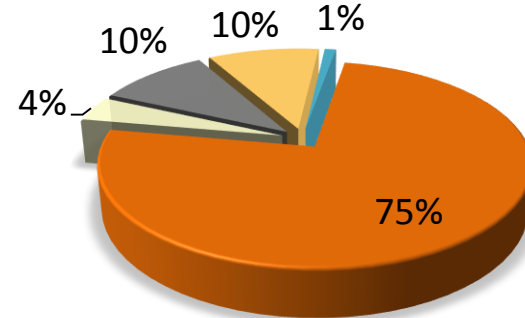
**1,311 GWH**



**Php 5.17 B**



**2,079 GWH**



**Php 7.19 B**

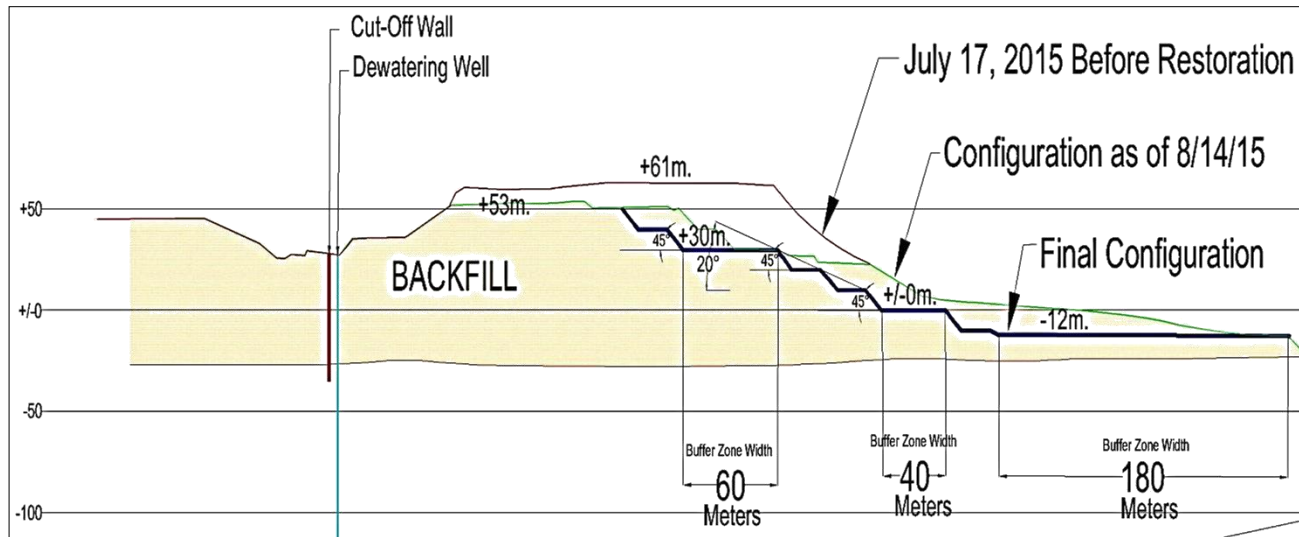


Meralco remains to be the single biggest customer of the Company, accounting for 79% of sales volume and 75% of revenues.

# UPDATES ON PIT STABILITY MEASURES AND PROGRAMS

## 1. Block # 5 ( accident site ) backfill materials.

- Unloaded materials from +61m to +53m elevation.
- Constructed buffer zones @ +30m, +/-0m, -12m berms



## 2. Added new mining protocols:

- Continuous monitoring of water levels or pressures above sea level.
- Regular hydrotechnical & geotechnical testing of soils around the pit.
- Backfill material's overall pit slope is from 26° to 20° & bench slope is from 60° to 45°

## 3. Engaged of additional permanent consultants.

- Hydrogeologist to establish parameters for dewatering wells and piezometers.
- Geotechnical Engineer to establish new pit geometry.

## 4. Employed Slope Stability Radar (SSR) in addition to Robotic Total Station (RTS).

# SLPGC 2 X 150 MW PHASE 1 EXPANSION

Overall EPC Progress Achieved: **99.4%**

Project Cost: **Php 23.3 B**

Project Finance Facility: **Php 11.5 B**



Milestones	Unit 1	Unit 2
Backfeed Power	14 Feb 15	14 Feb 15
Boiler 1 <sup>st</sup> Firing	19 Mar 2015	3 Jun 2015
Steam Blowing	7-13 Apr 2015	5-10 Jun 2015
Steam Admission	5 May 2015	7 Aug 2015
1 <sup>st</sup> Synchronization	7 Jul 2015	16 August 2015
Target Commercial Operations*	2 <sup>nd</sup> week of Sep 2015	4 <sup>th</sup> week of Sep 2015

*\*Commercial Operation will be dependent on the successful completion of 72-hour Reliability Test Run (RTR) (with no interruption), Load Rejection and Performance Test*

# APPENDIX

# COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - COAL

For the period ending June (in million Php)



	Q1 2014	Q2 2014	H1 2014	Q1 2015	Q2 2015	H1 2015	Variance	%<>
<b>Revenue</b>	5,462	4,736	10,198	5,446	3,829	9,275	(924)	-9%
<b>Costs of Sales</b>	3,152	2,290	5,442	2,907	2,132	5,039	(403)	-7%
<b>Gross Margin</b>	<b>2,310</b>	<b>2,446</b>	<b>4,756</b>	<b>2,539</b>	<b>1,697</b>	<b>4,235</b>	<b>(521)</b>	<b>-11%</b>
<i>Gross Profit Ratio</i>	<i>42%</i>	<i>52%</i>	<i>47%</i>	<i>47%</i>	<i>44%</i>	<i>46%</i>		
<b>Govt Share</b>	791	552	1,343	882	466	1,347	5	0%
<b>Gen &amp; Admin Exp</b>	125	104	229	110	122	232	2	1%
<b>OPEX</b>	916	656	1,572	991	588	1,579	7	0%
	<b>1,394</b>	<b>1,790</b>	<b>3,184</b>	<b>1,548</b>	<b>1,109</b>	<b>2,656</b>	(527)	-17%
<b>Other Exp/(Inc)</b>	76.42	(114.32)	(38)	(31)	(31)	(62)	(24)	63%
<b>Income bef tax</b>	<b>1,318</b>	<b>1,904</b>	3,222	1,579	1,140	2,718	(504)	-16%
<b>Income Tax</b>	-	-	-	-	-	-		
<b>Core Income</b>	<b>1,318</b>	<b>1,904</b>	<b>3,222</b>	<b>1,579</b>	<b>1,140</b>	<b>2,718</b>	(504)	-16%
<i>Profitability Ratio</i>	<i>24%</i>	<i>40%</i>	<i>32%</i>	<i>29%</i>	<i>30%</i>	<i>29%</i>		

\*Before eliminating entries



# COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - POWER

For the period ending June (in million Php)



	Q1 2014	Q2 2014	H1 2014	Q1 2015	Q2 2015	H1 2015	Variance	%<>
<b>Revenue</b>	<b>1,884</b>	<b>3,075</b>	<b>4,958</b>	<b>3,519</b>	<b>3,730</b>	<b>7,249</b>	<b>2,291</b>	<b>46%</b>
Contracted Energy	1,817	2,870	4,688	3,084	3,400	6,484	1,797	38%
Spot Sales	55	193	248	413	303	716	467	188%
PPD	(5)	(3)	(8)	(4)	(4)	(9)	(1)	11%
Other Income (Fly Ash)	17	14	30	26	32	58	28	91%
<b>Cost of Energy Sales</b>	<b>858</b>	<b>4,118</b>	<b>4,977</b>	<b>1,867</b>	<b>1,851</b>	<b>3,718</b>	<b>(1,259)</b>	<b>-25%</b>
Generation Cost	823	703	1,526	1,813	1,829	3,643	2,116	139%
Replacement Power Cost	28	3,410	3,438	36	7	42	(3,395)	-99%
Marketing Cost	8	5	13	18	15	33	20	157%
<b>Gross Profit</b>	<b>1,025</b>	<b>(1,044)</b>	<b>(18)</b>	<b>1,652</b>	<b>1,879</b>	<b>3,531</b>	<b>3,550</b>	<b>-19393%</b>
<i>GP Ratio</i>	<i>54%</i>	<i>-34%</i>	<i>0%</i>	<i>47%</i>	<i>50%</i>	<i>49%</i>		
<b>Other Cost/Expense/Income</b>	<b>286</b>	<b>266</b>	<b>553</b>	<b>278</b>	<b>286</b>	<b>564</b>	<b>11</b>	<b>2%</b>
General, Admin. and Other OPEX	255	217	471	253	236	489	17	4%
Finance Income/(Costs)	25	46	71	35	56	90	19	27%
Foreign Exchange Gains/(Losses)	7	3	10	(10)	(6)	(15)	(26)	-253%
<b>Net Income Before Tax</b>	<b>739</b>	<b>(1,310)</b>	<b>(571)</b>	<b>1,374</b>	<b>1,593</b>	<b>2,968</b>	<b>3,539</b>	<b>-620%</b>
Provision for Taxes	1	1	3	413	479	892	889	31331%
<b>Net Income After Tax</b>	<b>738</b>	<b>(1,311)</b>	<b>(574)</b>	<b>962</b>	<b>1,115</b>	<b>2,076</b>	<b>2,650</b>	<b>-462%</b>
<i>Profitability Ratio</i>	<i>39%</i>	<i>-43%</i>	<i>-12%</i>	<i>27%</i>	<i>30%</i>	<i>29%</i>		<i>348%</i>

\*Before eliminating entries

# COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME - CONSOLIDATED

For the period ending June (in million Php)



	SMC	SCPC	SLPGC	H1 2014	SMC	SCPC	SLPGC	H1 2015
Coal	9,051	-	-	9,051	6,526	-	-	6,526
Power	-	4,928	-	4,928	-	7,191	-	7,191
<b>REVENUE</b>	<b>9,051</b>	<b>4,928</b>	-	<b>13,979</b>	<b>6,526</b>	<b>7,191</b>	-	<b>13,717</b>
Coal	4,803	-	-	4,803	3,572	-	-	3,572
Power	-	4,435	-	4,435	-	2,510	-	2,510
<b>COST OF SALES</b>	<b>4,803</b>	<b>4,435</b>	-	<b>9,238</b>	<b>3,572</b>	<b>2,510</b>	-	<b>6,082</b>
<b>GP Ratio</b>	<b>47%</b>	<b>10%</b>		<b>34%</b>	<b>45%</b>	<b>65%</b>		<b>56%</b>
Operating expenses	1,547	494	37	2,078	1,568	488	31	2,090
Interest expense	57	85	3	144	52	97	2	151
Interest income	(8)	(14)	(2)	(24)	(8)	(7)	(7)	(22)
Forex (gain) losses	(34)	10	0	(24)	(14)	(15)	0	(30)
Other (income) exp	(55)	(30)	-	(85)	(95)	(58)	-	(153)
<b>Total</b>	<b>1,507</b>	<b>544</b>	<b>38</b>	<b>2,090</b>	<b>1,503</b>	<b>505</b>	<b>26</b>	<b>2,036</b>
<b>Income before tax</b>	<b>2,741</b>	<b>(51)</b>	<b>(38)</b>	<b>2,652</b>	<b>1,451</b>	<b>4,176</b>	<b>(26)</b>	<b>5,599</b>
<b>Income tax</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>889</b>	<b>1</b>	<b>892</b>
<b>NET INCOME</b>	<b>2,739</b>	<b>(54)</b>	<b>(38)</b>	<b>2,647</b>	<b>1,450</b>	<b>3,287</b>	<b>(27)</b>	<b>4,708</b>
<b>NP Ratio</b>	<b>30%</b>	<b>-1%</b>		<b>19%</b>	<b>22%</b>	<b>46%</b>		<b>34%</b>

# COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED

As of H1 2015 (Unaudited) vs 2014 (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	06.2015	12.2014
<b>ASSETS</b>											
<b>Current asstes</b>											
Cash & Cash											
Equivalents	827	1,980	1,545	3	3	3	3	8	3	4,375	3,683
Receivables - net	1,429	2,835	364	-	-	-	-	-	-	4,628	4,128
Inventories - net	1,956	1,805	21	-	-	-	-	-	-	3,782	2,792
Other current assets	1,874	594	794	-	-	-	-	0	-	3,261	2,169
<b>Total Current Assets</b>	<b>6,086</b>	<b>7,214</b>	<b>2,724</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>3</b>	<b>16,046</b>	<b>12,773</b>
<b>Non current assets</b>											
PPE – net	3,349	14,567	16,165	-	-	-	-	-	-	34,081	34,452
Investments	-	525	-	-	-	-	-	-	-	525	522
Other noncurrent assets	179	85	1,223	-	-	111	-	-	-	1,599	1,536
Exploration and evaluation asset	1,914	-	-	-	-	-	-	-	-	1,914	1,914
Pension Asset	-	-	-	-	-	-	-	-	-	-	-
Deferred tax asset	61	230	-	-	-	0	0	-	-	292	704
<b>Total Noncurrent Assets</b>	<b>5,503</b>	<b>15,408</b>	<b>17,388</b>	<b>-</b>	<b>-</b>	<b>111</b>	<b>0</b>		<b>-</b>	<b>38,410</b>	<b>39,129</b>
<b>TOTAL ASSETS</b>	<b>11,589</b>	<b>22,622</b>	<b>20,112</b>	<b>3</b>	<b>3</b>	<b>114</b>	<b>3</b>	<b>8</b>	<b>3</b>	<b>54,456</b>	<b>51,901</b>

# COMPARATIVE STATEMENTS OF FINANCIAL POSITION - CONSOLIDATED

As of H1 2015 (Unaudited) vs 2014 (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%INDI RECT	100% DIRECT	06.2015	12.2014
<b>LIABILITIES</b>											
<b>Current Liabilities</b>											
Accounts payables	6,658	1,752	725	(0)	-	0	-	0	-	9,135	8,806
Short-term loans	883	1,800	-	-	-	-	-	-	-	2,683	1,219
Long-term debt – current	211	757	379	-	-	-	-	-	-	1,346	2,114
<b>Total Current Liabilities</b>	<b>7,752</b>	<b>4,309</b>	<b>1,103</b>	<b>(0)</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>13,164</b>	<b>12,138</b>
<b>Noncurrent Liabilities</b>											
LT - net of current	4,130	2,303	11,079	-	-	-	-	-	-	17,512	16,089
Pension liability	44	9	-	-	-	-	-	-	-	53	49
Provision for site rehab	164	12	-	-	-	-	-	-	-	175	175
Other LT Liabilities	-	-	414	-	-	-	-	-	-	414	744
<b>Total Noncurrent Liabilities</b>	<b>4,337</b>	<b>2,324</b>	<b>11,493</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,154</b>	<b>17,057</b>
<b>TOTAL LIABILITIES</b>	<b>12,089</b>	<b>6,633</b>	<b>12,596</b>	<b>(0)</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>31,318</b>	<b>29,195</b>
<b>EQUITY</b>											
Capital stock	1,069	-	-	-	-	-	-	-	-	1,069	1,069
Additional paid-in capital	6,676	-	-	-	-	-	-	-	-	6,676	6,676
Retained earnings	9,178	6,340	(104)	(0)	(4)	(0)	(0)	(0)	0	15,408	14,975
Remeasurement gains and losses	(16)	2	-	-	-	-	-	-	-	(13)	(13)
<b>Total SHE</b>	<b>16,906</b>	<b>6,342</b>	<b>(104)</b>	<b>(0)</b>	<b>(4)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>23,139</b>	<b>22,706</b>
<b>LIABILITIES &amp; EQUITY</b>	<b>28,995</b>	<b>12,975</b>	<b>12,491</b>	<b>(0)</b>	<b>(4)</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>54,456</b>	<b>51,901</b>

# DISCLAIMER



- The information contained in this document is strictly confidential. Neither Semirara Mining and Power Corporation (SMPC), nor its advisors make any representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in any information contained herein. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning SMPC.
- In addition, this document contains certain financial information and results of operation, and may also contain certain projections, plans, strategies, and objectives of SMPC, that are not statements of historical fact which would be treated as forward looking statements within the meaning of applicable law. Forward looking statements are subject to risks and uncertainties that may cause actual events and SMPC's future results to be materially different than expected or indicated by such statements. No assurance can be given that the results anticipated by SMPC, or indicated by any such forward looking statements, will be achieved.
- This document is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the United States Securities Act of 1933, as amended (the "Securities Act") or an exemption from such registration. This document is not an offer to sell securities or a solicitation of an offer to buy securities in any jurisdiction where such offer or sale is not permitted.