

Company	9M2006 Net Income	9M2005 Net Income	Percent Change	Remarks
<b>Meralco</b>	P596 mn	(P1.06 bn loss)	+156%	<p>Meralco reported that it earned a net income of P229 mn for the 3Q06, a reversal from the P479 mn in net losses it incurred in the same period of 3Q05. This brought YTD earnings to P596 mn, or a 156% improvement from its net loss of P1.06 bn in the 9-months of 2005. Exclusive of provisions worth P1.6 bn in the period (P4.62 bn YTD) for probable losses related to the unbundling case pending with the Supreme Court, net earnings in the 3Q06 would have been at P1.26 bn (P3.60 bn YTD).</p> <p>GWH sales in the 3rd quarter fell 0.3% owing to shorter billing days for the period, lower sales from the declared holiday on Aug. 21, cooler weather and the effects of typhoon Milenyo. On a YTD basis however, GWH sales still managed to grow 1% over the comparable period last year.</p>
<b>Bank of the Phil. Islands</b>	P6.9 bn	P6.3 bn	+10%	<p>For the 3<sup>rd</sup> quarter, BPI's net income reached P2.3 billion, an increase of 11 percent from last year. Total revenues grew 7% but this was offset by the 15% rise in opex. Higher opex however was mitigated by lower impairment losses. The bank's Return on equity (ROE) and return on asset (ROA) remained high at 15.6 percent and 1.8 percent respectively.</p> <p>As expected, non-interest income remained strong, expanding 14 percent boosted mainly by gains came from securities and foreign exchange trading, property rentals, investment management and trust fees, and service charges and commissions.</p> <p>Their 9-month earnings is still within sight as it falls close to 70% of consensus target of to P10 bn earnings in 2006. The issue reached a new 52-week high at P62.50 on strong dividend payout (another pending P1.00 CD with details still TBA) and above industry loan growth (the bank's net loans grew 3.8 percent for the period, outpacing the industry growth of 2.5 percent).</p>
<b>Security Bank</b>	P1.35 bn	P897 mn	+51%	<p>Security Bank reported a net income of P1.35 bn in the first 9 mos. of 2006, up 51% over last year's profit of P897 mn. Earnings have already surpassed the bank's total net income for 2005 by P197 mn of P1.16 bn. Revenues grew by close to 10% over last year despite the tight interest rate environment.</p> <p>Non-interest income made up the slack in revenue expansion, as it grew 39% to P1.8 bn boosted by trading gains from SECB's securities' portfolio.</p> <p>SECB Continues to perform well given its high profitability, good asset quality (NPL ratio stood at a low 4.1%, better than the industry average of 7.2%) and improved dividend payout (50% better than last year). SECB remains an attractive target buy-out with PBV of P1.7x well below the last transaction values (Ibank at 2x) and EPCIBank (2.4x)</p>

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## Selected Philippine Companies: 3Q06 Earnings Results

Nov. 27, 2006

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<b>Banco de Oro</b>	P2.29 bn	P1.9 bn	+23%	<p>Banco de Oro Universal Bank posted a 23% growth in bottomline profits to P2.29B. Net interest income grew by 17% due to the increase in its portfolio of interest earning assets. Non-interest income for the period grew by 47%, from P2.5B to P3.7B on account of an upsurge in trading gain due to a decline in interest rates in the third quarter of this year. Return on average equity was computed at 14.03% while return on average assets registered at 1.17%.</p> <p>Earnings are slightly ahead of estimated forecast of (78% of P2.9 bn target this year). Note that net income for the third quarter alone was at P1.03B, 53% higher than the P672M for the same period last year and 85% higher than the P558M for the second quarter of 2006. BDO's valuation (2.1x PBV) remains on track to catch up with BPI's PBV of over 2.6 to 2.8x with its eventual merger with EPCI.</p>
<b>Metro Pacific Corp.</b>	(P478 mn) loss	P157 mn	-404%	<p>Net losses for the period reached P477.9 million, resulting from the effect of various non-recurring provisions made during the first six months of 2006 and from poor performance by Negros Navigation Company during the third quarter. Metro Pacific presently has only one operating business, which is Nenaco. Metro Pacific's entire shareholding in Landco Pacific Corporation was sold to Metro Pacific Investments Corporation last 30<sup>th</sup> April 2006.</p>
<b>PILTEL</b>	P8.5 bn (headline)  P5.1 bn (core)	P6.9 bn (headline)  P4.4 bn (core)	+22%  +16%	<p>Piltel reported a net income of P8.5 bn in the 9 mo of 2006, up 22% from last year's P6.9 bn. The company's core net income rose 16% from P4.4 bn to P5.1 bn this year, helped by the 12pct rise in service revenues. Subscriber base as of end September reached 6.4 mn, given ne additions of 1.4 mn in the first 9 months. The company also improved its EBITDA at P7.9 bn, up from P6.4 bn last year. The company last month submitted its intent to prepay \$233 mn of its principal debt, representing the balance of its outstanding restructured debt after the initial payment of \$176 mn last June.</p>
<b>Manila Water Company</b>	P1.8 bn	P1.49 bn	+22%	<p>The growth was attributed by the company to the efficient management of operating and borrowing costs. NRW fell 5 percentage points to 30% from last year's 35%. Billed volumes was also 8% higher at 934 mn liters per day. Growth prospects will be boosted if it wins the bidding for Maynilad Water Services Inc. come Nov. 21. MWSI serves 7 mn people under the West Zone concession of MWSS.</p>
<b>Aboitiz Equity Ventures</b>	P2.4 bn	P2.6 bn	-6.3%	<p>The company's 3<sup>rd</sup> quarter profits fell 6% to P845 million for the third quarter. Losses of its transport segment (P275 mn YTD losses) and weaker bank earnings (UBP net profit dn 8% YTD) also dragged down YTD earnings by 6.3%. However, this was partly offset by the 8 pct growth in its power business, which account for the largest portion of group earnings. The nine-months net profit of AEV's agribusiness unit, Pilmico Foods Corp., rose 12.4 percent to P350 million on higher margins in its flour business and the expansion of its pig farm.</p>

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<b>Metro Pacific Corp.</b>	(P478 mn) loss	P157 mn	-404%	<p>Net losses for the period reached P477.9 million, resulting from the effect of various non-recurring provisions made during the first six months of 2006 and from poor performance by Negros Navigation Company during the third quarter. Metro Pacific presently has only one operating business, which is Nenaco. Metro Pacific's entire shareholding in Landco Pacific Corporation was sold to Metro Pacific Investments Corporation last 30<sup>th</sup> April 2006.</p>
<b>PILTEL</b>	P8.5 bn (headline)  P5.1 bn (core)	P6.9 bn (headline)  P4.4 bn (core)	+22%  +16%	<p>Piltel reported a net income of P8.5 bn in the 9 mo of 2006, up 22% from last year's P6.9 bn. The company's core net income rose 16% from P4.4 bn to P5.1 bn this year, helped by the 12pct rise in service revenues. Subscriber base as of end September reached 6.4 mn, given ne additions of 1.4 mn in the first 9 months. The company also improved its EBITDA at P7.9 bn, up from P6.4 bn last year. The company last month submitted its intent to prepay \$233 mn of its principal debt, representing the balance of its outstanding restructured debt after the initial payment of \$176 mn last June.</p>
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<b>Aboitiz Equity Ventures</b>	P2.4 bn	P2.6 bn	-6.3%	<p>The company's 3<sup>rd</sup> quarter profits fell 6% to P845 million for the third quarter. Losses of its transport segment (P275 mn YTD losses) and weaker bank earnings (UBP net profit dn 8% YTD) also dragged down YTD earnings by 6.3% However, this was partly offset by the 8 pct growth in its power business, which account for the largest portion of group earnings. The nine-months net profit of AEV's agribusiness unit, Pilmico Foods Corp., rose 12.4 percent to P350 million on higher margins in its flour business and the expansion of its pig farm.</p>

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<b>Ayala Corp.</b>	P9.6 bn (headline)  P5.6 bn core	P5.1 bn (headline)  P3.68 core	+87%  +52%	Ayala Corp. reported that its consolidated net income for the first nine months of the year grew 87 percent to P9.6 billion (\$192 million) boosted by P4 bn in windfall gains from the sale of shares of its subsidiaries helped by the strong performance of its major units. AC made P2.3 billion net profit in the July to September quarter, up 64 percent from P1.4 billion reported a year ago. Exclusive of the windfall profits, AC's core net income reached P5.6 bn up 52% from last year's recurring profit of P3.68 bn. Earnings were well within expectations and is well in line with our full year forecast of P7.1 bn in net profits for the year.
<b>Ayala Land Inc.</b>	P2.716 bn (core)  P2.716 bn (headline)	P2.137 bn (core)  P2.591 bn (headline)	+27%  +5%	Ayala Land's net profit for the 9m0s. 2006 stood at P2.72 billion, up 5% from P2.59 billion during the same period last year. Nevertheless, recurring profit jumped a more impressive 27% if we exclude last year's non-recurring profit from the sale of its MRT interest and certain provisions from losses on some asset dispositions. Ayala Land posted net profits of P820 million for the third quarter, up 7.5 percent from P763 million a year earlier due to higher residential property sales and shopping center revenues.
<b>Megaworld Corp.</b>	P1.5 bn	P0.74 mn	+92%	MEG's earnings in 9mos reportedly reached P1.5 bn, up 92% from last year. According to MEG, the company is targeting a 66% growth in income this year to P1.9 bn on strong sales and fast development pace. MEG clarified that their projected 50% growth in income next year to P2.9 bn is not subject to the success of its 2:5 rights offering. Proceeds from the offering will be used to fund the development of the hotel, retail and office components of Cityplace in Manila's Chinatown; the continued expansion of its business process outsourcing office space in Eastwood, Libis; landbanking activities; and for additional working capital requirements.
<b>First Gen Corp.</b>	\$67 mn	\$62 mn	+7%	First Gen Corp. reported that net income reached \$67 mn as of end September, up 7% from last year. The improvement was attributed to lower professional fees from the conclusion of Sta. Rita's dispute with Siemens and the Malampaya consortium, lower administrative expenses and lower interest expenses.
<b>Jollibee Foods Corp.</b>	P1.49 bn	P1.168 bn	+26%	JFC reported that 3rd quarter profits grew 62% to 444.1 mn compared to income generated in the same period last year. This brought YTD profits at P1.49 bn, up 26% compared to last year. Systemwide sales expanded 16% on the strong performance of its brands locally (+12%), strong operations abroad (+50%). Earnings was also helped by the acquisition of Red Ribbon last year. Foreign operations now account for 13% of operations, up from 3% three years ago and 9% last year. Profit margins improved with GPM increasing 2.5% points, OM improved 1.7% points and NIM up 1.5% points. Margins improved due to (1) price adjustments (2) cost improvement initiatives (3) peso appreciation, which helped reduce raw materials cost. Management has noticed that consumers have frequented eating out anew in the past few months, slightly better than sentiment in the first half although still far from 2 years ago when crude prices shot up.

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Petron Corp.	P4.78 bn	P4.0 bn	-16%	<p>Petron posted a year-to-September income of P4.0 billion, 16.4% lower than the P4.78 billion registered over the same period last year. The decline was due to the sudden and steep drop in crude and finished product prices in the third quarter. Petron Corporation reported revenues of P164.20 billion for the year-to-September period, or an 18.64% increase compared to last year's P138.43 billion. Management reported that it experienced inventory losses because of the unprecedented fall in oil prices. After reaching a high of \$72.24 per barrel in August, the benchmark Dubai crude fell to as low as \$54.92 per barrel in September.</p> <p>Export margins – especially for industrial fuel oil – were likewise affected, although Mixed Xylene sales remained robust. PCOR is continuing its expansion program in the retail market while it pursues its diversification strategy into petrochemicals. Petron has the biggest service station network in the industry with more than 1,265 stations nationwide. As of August 2006, the company controls 34.3% of the highly competitive retail market. In Industrial trade, Petron has 47.5% of total volumes. Overall, Petron continued to dominate the market and posted a market share of 39.1% YTD-August. The company also disclosed that the Engineering, Procurement and Construction (EPC) of its Petro Fluidized Catalytic Cracker (PetroFCC) unit is over 30% complete. The PetroFCC will allow the company to produce more high-value white products and extract the petrochemical grade propylene. A BTX unit which will produce aromatics such as benzene and toluene and expand the company's mixed xylene production capacity will also be constructed as part of its \$300 million Refinery Master Plan. Overall, sales volumes grew by 4% to 39.99 million barrels as export volumes offset the contraction in domestic sales.</p>
SM Investments Corp.	P7.5 bn (Headline)  P6.0 bn (core)	P5.4 bn (Headline)  P5.4 bn (core)	+38%  +10%	<p>SM Investments Corp. reported that net income attributed to share holders in the first 9 months grew 38% to P7.5 bn. Exclusive of P1.5 bn in extraordinary gains, net income would've grown 10% to from P5.4 bn. Consolidated revenues for the nine-month period amounted to P45.5 billion or a growth of 18% in 2006 from P38.5 billion of the same period last year. An extraordinary income of P1.5 billion was realized on account of the gain from the sale of Global Depository Receipts in which the underlying securities are the Banco De Oro Shares, enhanced the net income.</p> <p>Retail sales (62% of revenues) increased by 6.8% to P28.3 billion for the nine months period ending September 30, 2006, primarily due to the contribution of the new SM Department Stores. Real estate sales for the nine months of 2006 improved also by 219%. The increase came from the sale of condominium units in Clusters 1, 2 and 3 of SMDC's Chateau Elysee, a six-cluster, six-storey French-Mediterranean inspired residential development near SM City Bicutan in Paranaque, and the sales of units at Towers 1 and 2 of Mezza Residences, a 38-storey, four-tower high rise condominium across SM City Sta. Mesa.</p>

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First Phil. Holdings Corp.	P5.2 bn	P3.2 bn	+63%	The increase in income was due to higher earnings from First Gen Corp., FPIDC and other associates. This was complemented by gains from dilution of equity earnings in First Gen worth P2.7 bn and P199 mn from gains of its SIRC divestment.
Belle Corp.	P117 mn	P205 mn	-43%	<p>Belle's net income at end-September reached P117.1 million, down by P327.9 from P445.1 million in the same period last year. Net revenues declined 31 percent from P586.3 million to P403.4 million owing to lower sales of real estate products.</p> <p>Exclusive of a non-recurring gain of P240 mn in 2005 stemming from the sale of 2 hectares of reclaimed land along Roxas Boulevard in Parañaque City, earnings still would've been down 43%. Belle continues to lag other property developers' gains given the high-end nature of its products (leisure property). To augment its revenue stream, Belle is pursuing its racetrack project thru 70% owned MMTC, given the potential of the horseracing industry. MMTC recently entered into an MOA with Equitak Mgt. Corp. to operationalize its legislative franchise to conduct horseracing operations. Past 6-month trading range at P0.97 to P1.16 per share.</p>
RCBC	P1.16 bn	P0.73 bn	+60%	The bank's third-quarter net profit improved 60 percent from a year earlier to P634.9 million, aided by higher interest income. Its net profit for the first nine months of the year rose 60 percent to P1.16 billion. Third-quarter net interest income grew 30 percent to P2.16 billion. Net interest income in the first nine months was up 25.3 percent at P5.7 billion. Provision for impairment losses grew by 43 percent to P549.8 million in the third quarter. Provision for impairment losses in the first nine months was up 13 percent at P1.27 billion.
China Bank	P2.52	P2.31	+9%	China Banking Corporation (China Bank) reported a 3rd quarter net income of P1.09 billion, 55.8% higher than the P699 million posted for the same period last year. For the period January to September 2006, net income reached P2.52 billion, 9.0% more than the P2.31 billion recorded in the first 9 months of 2005 – representing a 9-month earnings per share (EPS) of P40.79 compared to P37.43 of the previous year. This income performance also translates to a 15.26% return on equity and a 2.40% return on assets, sustaining its track record of above-average profitability. The revenue gains was driven by higher corporate and consumer loans volume, improved trading gains, and Trust operations.
ABS-CBN	P694 mn P494 mn (core)	P409 mn P409 mn (core)	+70% +21%	<p>ABS-CBN announced that despite its lower earnings in the third quarter, its net profit for the first nine months of the year improved 70 percent to P694 million from P409 million a year before, reflecting the continuing improvement in its core business.</p> <p>For the first nine months, gross revenue expanded by 2 percent to P12.94 billion from P12.74 billion. Earnings per share for the first nine months thereby increased to P0.890 from P0.524. The company's third-quarter net profit fell by eight percent to P178.9 million from P194.5 million a year before. The company's third-quarter revenue fell to P4.5 billion from P4.92 billion because it earned less from selling air-time, services, licenses and goods.</p>

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Phil. National Bank	P605 mn	P454 mn	+33%	The bank's 3 <sup>rd</sup> quarter earnings increased 29 percent to P179.76 mn from P139.26 mn driven by higher interest income and trading gains. This brought net profit for the first nine months to P605.13 million, up 33 percent from the 454 million posted for the same period last year. Net interest income grew six percent to P1.18 billion in the third quarter and was up eight percent at P3.9 billion in the first nine months. Trading gains from investment securities rose 7.4 percent to P247.5 million in the third quarter, and jumped 48 percent to P1.02 billion in the nine months, offsetting the impact of lower fee-based income. PNB booked P479.57 million as provisions for impairment losses in the third quarter, compared to P339.38 million a year earlier. This brought total provisions in the first nine months to P1.68 billion, against 1.39 billion in the same period last year.
DMCI Holdings	P1.03 bn (core)	P0.57 bn (core)	+81%	DMC posted a 41 percent rise in its third quarter earnings this year to P185.77 million due to higher revenues from its real estate unit, which offset the revenue drop at its coal and construction businesses. Core income was up 81% as last year's net profit last year included a one-time gain from the sale of shares in coal unit Semirara Mining Corp. amounting to P2 billion. DMCI said its wholly owned real estate firm DMCI Project Developers Inc. hit record-breaking revenues of P1.2 billion or a 21 percent increase from the previous level.
Lepanto Consolidated	P384 mn loss	P48 mn loss	+88%	Third-quarter net loss narrowed sharply to P19.7 million from P204.4 million a year given rising prices of copper and gold although higher costs and finance charges kept the miner in the red. Net loss for the first nine months of the year also fell to P47.9 million from P384.2 million in the same period last year. Operations back to normal after the 100 day strike last year in its Benguet mine site. Lepanto said it incurred a P226-million increase in cost arising from higher mining, milling, depletion and smelting and refining costs. But higher prices of copper and gold helped the company book operating profit of P30.07 million in the third quarter and P92.4 million in the first nine months of the year, compared with operating losses of 89.6 million and 136.1 million, respectively in the same periods last year. The company is hoping to cut its net loss to about P7.0 million for the whole of 2006 from a loss of 410 million in 2005.
San Miguel Corp.	P6.17 bn	P5.22 bn	+18%	San Miguel Corp. attributed the double-digit increase in profits in the first nine months of the year to strong overseas sales as the company began operations of its nonalcoholic beverage plant in the Rayong province of Thailand. Consolidated net sales increased 14 percent to P183 billion while consolidated operating income grew 25 percent to P14.7 billion as cost-savings programs across the entire organization mitigated the impact of rising costs.
Empire East Land	P104.86 mn	P23.2 mn	+357%	Empire East Land Holdings Inc. registered a net income of P104.8 mn in the first 9 months of 2006, almost a 4-fold increase from compared to last year's P23 mn in the same period. ELI registered Realized Gross Profit of P209.6 million for the nine months period of 2006 compared with P104.7 million for the same period last year. This increase was attributed to the increase in sales and construction accomplishment of on-going projects. Sales were derived from the following projects: Laguna Bel-Air 1 & 2, Laguna Bel-Air 3, Laguna Bel-Air 4, California Garden Square, Xavier Hills and TheCambridge Village.

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Leisure and Resorts World	P97.2 mn	P46.6 mn	+109%	Leisure and Resorts World Corp. (LRWC) reported a 108.6-percent jump in net income for the first nine months of the year to P97.29 million from only P46.64 million the previous period, boosted by higher sales from its bingo and Internet gaming operations. LRWC registered revenues of P2.4 billion, up 17.6 percent from P2.04 billion a year ago. Net revenues (gross revenues less franchise and regulatory fees) grew 21.29 percent to P1.74 billion from only P1.43 billion in the same period last year. Of this, net revenues for the third quarter was at P591 million or an increase of 18.2 percent from P500.55 million a year earlier. E-bingo total sales amounted to P114.6 million and P346.96 million in the third quarter and nine months ending September this year, both up two percent and five percent, respectively, due to the increase in the number of E-bingo machines. From July to September this year, the company had installed an additional 135 E-bingo machines, bringing its total machines to 1,141 in 30 bingo parlors. Revenues from Rapid Bingo, which was launched only in August 2005, reached P216 million for the first three quarters of the year compared with only P5.41 million the previous period. This accounts for 8.99 percent of the company's total gross revenues.
Paxy's Inc.	P374.9 mn	P207 mn	+81%	Paxy's Inc. registered a net income of P374.9 mn in the first 9 months of 2006, an 81% jump from last year's P207 mn. Third quarter earnings reached P162 mn, up 57% from only P103 mn last year. Consolidated Service income for the 9 months increased by 95% to P1,854 million from P903 million in 2005 of the same period. The increase is attributable to new work programs from US clients; merger of a US client which increased the volume of calls; and consolidation of the results of SmartSalary. Gross profit increased by 103% to P776 million from last year's P383 million due to SmartSalary's contribution. Gross profit margin increased slightly by 2% to 42%. Consolidated net income for 9 months reported P379 million or an 83% increase from last year due to consolidation of SmartSalary. However, percentage of net income to sales dropped slightly to 20% from 22% due to financing costs of P39 million related to the acquisition of SmartSalary. Earnings per share (EPS) for the period increased by 21% to P0.41 from last year's P0.34 despite the increase in shares.
Digitel	P881 mn loss	P1.8 bn loss	+51%	Digitel posted losses of P881 mn in the first 9 months of 2006, lower than last year's negative earnings of P1.8 bn. The company registered consolidated revenues of P7,815.7 million for the nine months ended September 30, 2006, inclusive of foreign exchange gains of P1,721.3 million reported during the third quarter. Service revenues fell 7% for the period. DIGITEL reported a consolidated EBITDA of P1,584.2 million for the nine-month period ended September 30, 2006, as against P2,108.0 million during the same period last year.
JG Summit Holdings	P2.38 bn (core)  P5.9 bn (headline)	P2.27bn (core)  P2.44 bn (headline)	+5%  +128%	JG Summit recorded a net income of P5.9 bn in the first 9 months of the year, up 128% from last year's P2.44 bn aided by P3.2 bn in gains from its sale in URC shares in Feb. 2006 and forex gains in the 3rd quarter. Jul-Sep. income reached P1.54 billion for the 3rd quarter of the calendar year, a 107% increase from last year's P0.74 billion. Recurring net income, excluding non-recurring gains, grew 4.9% from P2.27 billion to P2.38.

Company	9M2006 Net Income	9M2005 Net Income	Percent Change	Remarks
Engineering Equipment Inc.	P104 mn	P22 mn	+473%	The significant earnings growth was driven by the 22% increase in the Company's consolidated revenues to P3.75 billion from the P3.07 billion in 2005. The expansion in revenues was due to the 24% rise in construction contracts from P2.70 billion to P3.36 billion, on account of strong domestic construction activity. Sales from the Company's real estate arm likewise rose 76% to P85 million during the same period. EEI has been the beneficiary of the robust construction market in the country, as well as the Middle East and other countries. EEI had outstanding orders and contracts worth P4.38 billion at the end of September 2006. The Company is undertaking major property development projects as general contractor this year, including the <i>The Residences at Greenbelt</i> and the <i>Serendra</i> of Ayala Land, the <i>Fairways Tower</i> of Philtown and the <i>St. Francis Shang Tower</i> of Kuok Properties. Likewise, it is constructing various packages of key infrastructure projects, notably the Iloilo Airport, the Subic-Clark Tarlac 4 Expressway, the NAIA 3 Terminal elevated access road and several expansion packages for three stations of the LRT 1.
Semirara	P571 mn	P829 mn	-31%	Expenses increased 33% in the 3Q06 triggered by higher strip ratio and increased depreciation cost per bcm as a result of the influx of additional mining equipment in the current year. In addition materials expense remarkably shot up in the third quarter when major expenses related to replacement of tires of mining equipment; replacement of various parts of the conveying system; rehabilitation and maintenance of industrial and building facilities; and issuances of safety supplies were made to take advantage of operation slowdown because of rain. Consequently, Gross Margin dropped by 13% from P1.116 billion as at Q3 2005 to P974.966 million in the current period. The expiration of the company's NOLCO resulted in a marked increase in tax provision to P250 mn, thereby resulting in the drop in net income after tax.
Holcim	P825	P866	-5%	The company's operating performance for the 3Q CY2006 generated total revenues of P3 billion, about 8% lower than same period last year due to lower market demand and the raw meal silo collapse of the Davao line number 3 plant. Cost of sales was lower by 8.3% compared to 3Q CY2005 for the same reasons mentioned above. On the other hand, operating expenses for the quarter were higher than the same period last year by P126 million due the settlement of prior years' deficiency taxes. As a result, 3Q CY2006 operating EBITDA was P808.9 million. With the reduction in the company's debts and the favorable interest rate environment, financial expenses for the 3Q CY2006 were P103.4 million lower compared to the same period last year, thus resulting to a higher net income for 3Q CY2006 of P281 million after provision for income taxes of P55 million. By the end of September 2006, the company's net income reached P825 million.

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