



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

13 Aug 2010

MORNING NOTES

PSEi performance

PSEi Index 12 Aug 2010:	3,483.02	- 39.70
Value T/O, net	Php 2,183 million	
52-week High	3,539.29	
Low	2,693.13	
Foreign Buying:	Php 1,603 million	
Foreign Selling:	Php 1,408 million	

Regional performance

Dow Jones	: 10,319.95	- 58.88
FTSE 100	: 5,266.06	+ 20.85
Nikkei 225	: 9,212.59	- 80.26

Trading snapshot

Index Movers	Points
Ayala Land	-4.27
Globe Telecom	-3.84
Ayala Corp.	-3.29
Alliance Global	-3.00
ICTSI	-2.77

Index Out-performers	Up
Banco de Oro	1.38%
BPI	0.32%
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Index Under-performers	Down
Alliance Global	4.04%
Megaworld Corp.	3.93%
ICTSI	3.20%
Universal Robina	2.82%
Metro Pacific Investments	2.67%

Calendar

Aug 13	FLI/ AC 2Q Results Briefings
Aug 14	Waterfront Philippines ASM
Aug 16	PSE/ URC Results Briefings
Aug 16	Philreality ASM

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HEADLINES

Equities extend decline on jobs data

Stocks extended losses on Thursday (Aug 12) as jobless claims rose for a second straight week and Cisco Systems Inc (-9.6%) dragged both the Dow and Nasdaq after analysts downgraded the stock a day after it forecast sales below consensus. Semiconductors further dragged the Nasdaq after BMO Capital Markets downgraded the sector on concerns about rising inventories. But telecoms, generally considered a defensive play, advanced. The S&P telecom services sector rose 0.9% and Verizon Communications (+2.5%) provided the biggest boost to the Dow. General Motors recorded its biggest quarterly profit in six years, a day ahead of its expected filing for an initial public offering. In extended trading, Nvidia Corp (+6%) rose but retailer Nordstrom Inc (-4.5%) fell after reporting their respective 2Q results and outlooks.

GMA Network posts 24% YoY growth in 1H earnings (GMA7; P6.30)

GMA Network, Inc.'s 1H 2010 net income increased by 24% YoY to P1.689B. Consolidated revenues increased by 19% YoY to P7.565B. The increase of P1.230B in revenues for 1H 2010 almost equaled the P1.274B improvement recorded during the full year 2009. Meanwhile, operating expenses grew by 18% YoY to P4.133B, mainly driven by higher production costs, addition of network-produced programs, and election coverage costs. Assets grew by 8% to P13.309B due to the P1.649B increase in cash, driven mainly by political advertisements. GMA7 continues to boast of a debt-free status by the end of 2Q 2010. Felipe L. Gozon, GMA Network chairman, president and chief executive officer, said the firm won't change its net income target of P3B this year, confident that the network can still deliver strong financial and ratings performance in the second half.

Vista Land reports 29% increase in first half sales takeup (VLL; P2.50)

Vista Land & Lifescapes, Inc. announced that the company's sales take up for 1H 2010 versus the comparable period last year rose steeply by 29% to P10.2B. Revenues were P5.5B for 1H 2010 compared to the P4.9B realized during 1H 2009, while core net income was up 12% YoY to P1.44B. The company's total consolidated assets as of June 2010 remained at the P54.6B level. Capital expenditures for 2010 are expected to reach P10.2B.

SMC posts 7% growth in 1H 2010 recurring income (SMC A/B; P67.90/P68.00)

San Miguel Corporation's (SMC) reported 1H 2010 results with consolidated sales revenue at P91.9B (+8% YoY) and operating income rising to P12.1B (+40% YoY). Consolidated net income settled at P6.28B versus P56.25B the previous year, which included a P48.3B gain from the sale of a 43.25% stake in San Miguel Brewery to Kirin Holdings of Japan. Excluding non-recurring items, net income grew 7% YoY. Recurring EBITDA grew 41% YoY to P18.5B. SMC's power businesses, i.e., Sual, Limay and San Roque power plants, posted revenues of P24.1B in 1H 2010, contributing P699M to SMC's consolidated net income. Equity in earnings of affiliates increased 22% to P1.09B, propelled by Meralco's contribution.

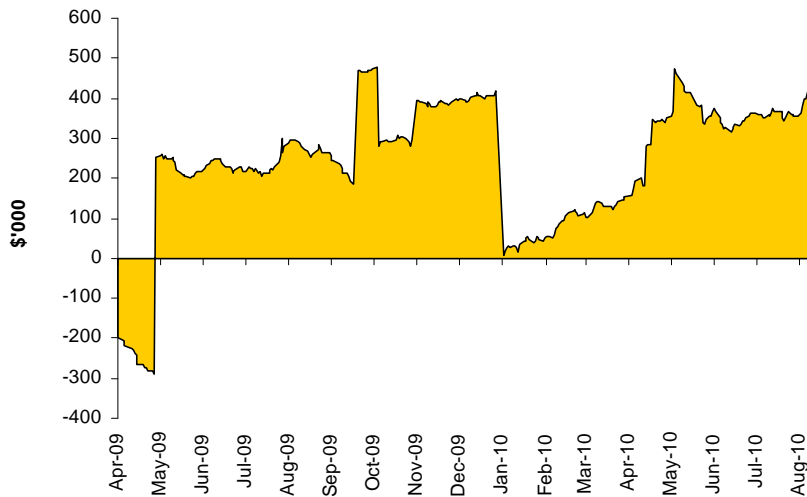
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First Gen 1H10 income up 158% to US\$50M (FGEN; P9.46)

- First Gen Corp. said that its first half net profit grew nearly three times from a year ago to US\$50M. Consolidated revenues rose by 24% YoY to US\$655.4M. The company attributed its improved first half performance to higher electricity sales of its 1,000-megawatt Santa Rita and the 500-MW San Lorenzo gas-fired power plants, which generated a 16% increase in income from the year before at US\$599.1M. Energy Development Corp. contributed US\$36.5M to First Gen's bottomline, while First Gen Hydro Power Corp. added US\$17.9M from only US\$3M in 1H2009, largely due to better prices in the wholesale electric spot market. Another affiliate, Red Vulcan Holdings Corp. also benefited from a deleveraging program with the P15B rights offering of First Gen in January this year. The outstanding debt of Red Vulcan fell by 40% to P8.3B from P13.8B in 1H2010, resulting in a US\$3.2M reduction in interest expense.

Foreign Buying-Selling : 12-month period



Source: Bloomberg