



WEALTH SECURITIES

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THE WEALTH VAULT

A Product of Wealth Securities, Inc.

FRIDAY, 23 March 2012

Index	Value	Change	% Chg	
PSEi	5,043.52	5.58	0.1108	↑
All Shares	3,417.29	2.80	0.082	↑
Financials	1,372.61	5.90	0.4658	↑
Industrial	7,688.82	23.13	0.2999	↓
Holding Firms	4,173.61	22.50	0.542	↑
Property	1,900.86	10.49	0.5488	↓
Services	1,702.59	3.84	0.226	↑
Mining & Oil	25,732.90	458.20	1.8129	↑

MARCH

23

2012

WORLD INDICES

Dow Jones	13,046.10	-0.60%
FTSE 100	5,845.65	-0.79%
NIKKEI 225	10,016.80	-1.09%

TRADING SNAPSHOT

Index Movers	Points
Bank of the Philippine Islands	+8.62
Aboitiz Equity Ventures	+6.75
SM Prime Holdings	-4.79
Metro Pacific Investments	+4.54
DMCI Holdings	-2.56

Index Out-performers	Up
Metro Pacific Investments	4.24%
Bank of the Phil. Islands	2.65%
Megaworld	2.59%
Aboitiz Equity Ventures	2.27%
Aboitiz Power	1.38%

Index Under-performers	Down
SM Prime Holdings	2.47%
DMCI Holdings	2.39%
Manila Water Company	1.92%
Jollibee Foods Corp.	1.85%
Semirara Mining Corp.	1.46%

CALENDAR

Mar 20	TA ASM
Mar 22	TEL, EG SSM
Mar 23	Q4'11 Balance of Payments
Mar 29	Monetary Policy Issues Highlights report (BSP)



PSEi Index

22 Mar 2012:	5,043.52	+ 5.58
Value T/O, net	Php 4,168 million	
52-week High	5,145.89	
Low	3,715.01	
Foreign Buying:	Php 2,737 million	
Foreign Selling:	Php 2,672 million	



HEADLINES

US stocks decline on signs Europe and China's economy is slowing

➤ US stocks declined yesterday (Mar 22) as signs that China's economy is slowing worried investors. All three major indices ended with sizeable losses with the Dow declining 0.60%; the S&P, 0.72%; and the Nasdaq, 0.39%. Recent economic reports from China had been suggesting that the world's second largest economy is slowing down. The latest, a manufacturing index from HSBC declined from 49.6 in February to 48.1 in March. Figures below 50 suggest that the manufacturing sector in the region is contracting. Contractions in China's manufacturing sector is worrisome not just because the sector had played a key role in keeping the world economy afloat since the 2008 financial crisis, but also because China is the world's largest consumer of raw materials. Stocks which are tied to this demand were among yesterday's biggest losers with US Steel Corp., and Freeport-McMoRan Copper Gold declining 5.82% and 3.7% respectively. Meanwhile in Europe, another index suggested a slower growth in the region, adding to the negative sentiments.

Gold Fields Ltd. exercises option to acquire 40% of the Far Southeast Project

➤ South African Miner Gold Fields Limited disclosed yesterday that it had exercised the option to acquire a 40% stake in the Far Southeast Project in Benguet. Gold Fields made a US\$110M down payment this week and had retained the option to acquire an additional 20% in the said gold-copper project. Marianne Ruiz, media relations officer for the Far Southeast Project reportedly commented that Gold Fields will make an additional payment of US\$110M for the remaining 20% once an FTAA is granted by the Philippine government. Lepanto Consolidated Mining Co. filed an application for an FTAA for the Far Southeast project last November 2011. The 40% stake acquired by Gold Fields was from Liberty Express Assets, a private holding company of the Felipe Yap group, while the remaining 20%, if exercised, will be acquired from Lepanto Consolidated Mining Co.

BPI loan growth faster than expected; declares cash dividends

- The Bank of the Philippine Islands confirmed reports that its president Aurelio Montinola III commented that its loan growth for the first two months of the year is trending towards a 16% growth on a year on year basis. This is faster than the bank's target of 12-15% for the whole year of 2012. For the coming years, the bank is projecting a loan growth of 12%.
- In a disclosure to the PSE, BPI announced that its Board approved the declaration of regular cash dividends amounting to P0.90 per share, and special cash dividends amounting to P0.50 per share. Record date and payment date for the said dividends are yet to be announced.

Ayala Land to spend P60B on Makati City redevelopment plan

- Ayala Land, Inc. said yesterday that it is earmarking P60B in the next five years to develop six districts in Makati City. The amount will be spread among its units and will be spend for residential, retail, office, hotel developments and other infrastructure projects within the city. ALI earlier disclosed that it is allotting P37B as capital expenditures this year, P10B of which will be financed through the sale of bonds.

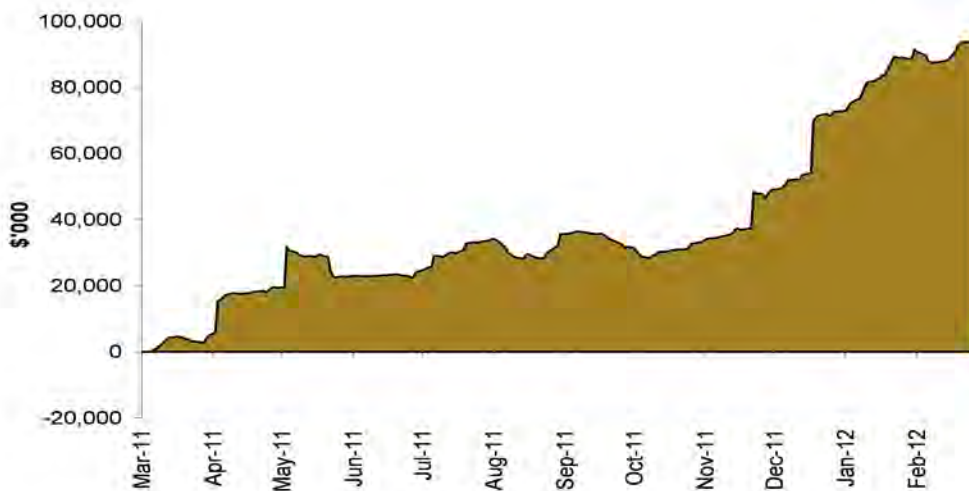
SMDC to raise P4B through notes issuance

- SM Development Corp. announced that it plans to raise P4B through the issuance of fixed-rate corporate notes. BDO Capital and Investment Corporation, and Standard Chartered Bank were appointed as Joint Lead Managers for the said notes issuance. Asked for comments, SMDC vice president for business development and corporate information, Jose T. Gabioza, told BusinessWorld that the funds raised will be for general purposes and land banking.

BDO declares stock dividends

- The Board of BDO Unibank yesterday approved the declaration of stock dividends equivalent to 3% of the BDO's outstanding capital stock. Record date and payment date for the stock dividends will be set after the approval of the BSP.

Foreign Buying-Selling : 12-month period



Source: PSE

CURRENCIES

US, Dollar	43.0250
Japan, Yen	0.5161
UK, Pound	68.2850
Hong Kong, Dollar	5.5413
EU, Euro	56.8532
Bahrain, Dinar	114.1340
Saudi Arabia, Rial	11.4724
China, Yuan	6.8046

As of 3/22/2012

COMMODITIES

NYMEX		
Crude	104.96	-1.78%
Futures		
NY Gold		
Spot (\$/t oz.)	1,641.30	-0.60%
Silver Comex		
(\$/t oz.)	31.55	-1.81%
London		
Copper Spot	8,324.50	-1.93%

As of 3/23/2012



Lepanto Consolidated Mining (LC/B)

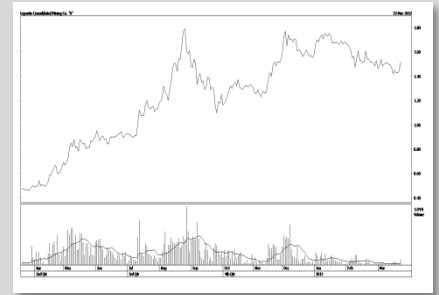
Not Rated

Company Snapshot

Price (P)	1.52
Shares O/S (million)	43,351
Market Cap (P million)	67,802
52-week High (P)	1.82
Low (P)	0.46
12-mo Avg. Value T/O (P'm)	291
Shareholders	
FMIC	17%
Free float	83%

Price Performance

	1m	6m	12m
LC	-1.3%	+17.8%	+223.4%
PSEi	+2.2%	+23.1%	+30.9%



Golden Option Exercised

- **What went on before.** For nearly 4 months, LC has been in consolidation mode. The lack of news flow did not help trading volumes either, as these continued to decrease since December. A month ago, Gold Fields announced that it will be delaying the final tranche of payment until LC is able to secure a Financial or Technical Assistance Agreement (FTAA) for the Far Southeast deposit, which is the subject of the option agreement. Without the FTAA, Gold Fields and LC will not be able to operate the mine in question.
- **Gold Fields now owns 40% of FSE.** In a “surprise” announcement yesterday, Gold Fields disclosed that it will partially exercise the option by buying Liberty's remaining 20% stake in the FSE deposit for \$110 million, leaving only Gold Fields and Lepanto as the shareholders of FSE. With this payment, a total of \$220 million had been paid to Liberty for its entire stake.

In September 2011, Gold Fields partially exercised the option and bought half of Liberty's 40% stake for \$110M. This payment completes the buyout of Liberty's stake in the Far Southeast deposit.

Ownership	Pre-exercise	Partial exercise (March 22)	Full exercise	Payment to date	Remaining Balance
Lepanto	60%	60%	40%	\$10M	\$110M
Liberty	40%	0%		\$220M	
Gold Fields	0%	40%	60%		

Source: Wealth Securities, company data

- **Overhang removed.** Although LC will only receive the payment once the FTAA is approved, which is expected in the 2nd half of the year, this removes any doubt as to whether Gold Fields is pushing through with the project. The market has been rife with rumors that Gold Fields would not exercise the option because of complications arising from the new mining law, which in turn made it more difficult to get an FTAA.

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- **LC and LCB spread expected to widen again.** The spread between the two exceeded 20 centavos at one point as prices surged. Since LCB was the only avenue for foreign buying, it rose higher than LC in the past year. However, negative rumors caused them to drop and the spread consequently narrowed. With spreads currently at 11 centavos, we expect that this may widen as a result of Gold Fields' announcement.
- **Trading opportunity.** While we have maintained that Gold Fields will exercise the option, the market has been pricing LC as if the option will not be exercised in the near future, if at all. With LC trading about 20% away from its high, we think that there are still some profits to be had as the market realizes that the option is still as golden as it was before.



Rizal Commercial Banking Corp. (RCB)

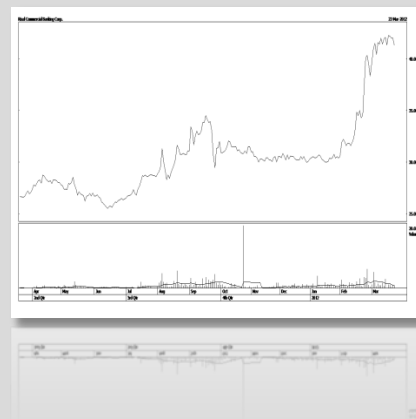
Initiating Buy

Company Snapshot

Price (P)	41.25
Price Target (P)	46.60
Shares O/S (million)	1,141
Market Cap (P million)	47,059
52-week High (P)	42.25
Low (P)	25.45
12-mo Avg. Value T/O (P/m)	65.116
Shareholders	
Pan MalayanMgt.	41.5%
Free Float	35.0%

Price Performance

	1m	6m	12m
RCB	+19.6%	+24.8%	+54.8%
PSEi	+2.2%	+23.1%	+30.9%



Shifting Gears

- **Time for Growth.** Over the last few years, RCB has been focused on cleaning-up its Balance Sheet via provisioning, significantly reducing its NPL Ratio and increasing its NPL Cover. Because of this, we believe that provisioning will be less of a drag to RCB's profitability, moving forward. This would allow RCB to deliver loan growth of ~15.0% for 2012 and 2013 and ROE (Return of Equity) of ~14.0% in 2012 and 2013. The recent capital infusions of IFC (International Finance Corporation) and CVC Capital Partners serve as votes of confidence in RCB's clean-up efforts and growth story. The capital infusion provides RCB with the necessary ammunition to allow it to shift gears from clean-up to growth.
- **The End of a Painful Clean-up.** RCB spent most of the past decade cleaning-up its Balance Sheet. RCB did this by allotting a significant portion of its PPOP (Pre-Provision Operating Profits) as Provisions for Losses. In 2004-2010, Provisions for Losses were, on the average, 37% of PPOP. While this served the purpose of cleaning-up the bad assets in RCB's Balance Sheet, the high amounts of Provisions for Losses also proved to be a drag to RCB's Net Income and ROE (Return on Equity).

Provisions for Losses vs. PPOP							
in P'million	2004	2005	2006	2007	2008	2009	2010
Total Provisions for Losses	2,213	1,567	1,749	942	998	2,243	3,142
PPOP	3,321	3,524	4,266	5,032	4,092	6,323	8,399
Provisions for Losses / PPOP	66.6%	44.5%	41.0%	18.7%	24.4%	35.5%	37.4%

Amounts in million pesos

Sources: Company data, Wealth Securities estimates

Financial and Valuation Highlights

in P'million	2009A	2010A	2011A	2012E	2013E
Net Revenues	16,154	19,294	20,512	22,204	24,970
Operating Expenses	9,831	10,895	11,421	13,369	15,143
PPOP	6,323	8,399	9,091	8,835	9,827
Net Income	3,335	4,258	5,020	5,868	6,661
ROE	11.5%	13.5%	13.7%	13.8%	14.4%
ROA	1.2%	1.4%	1.5%	1.5%	1.5%
EPS	2.6	3.3	3.4	3.9	4.6
BVPS	27.4	29.1	31.4	34.5	38.2
PE	6.8	8.7	8.8	10.5	8.9
P/BV	0.6	1.0	1.0	1.2	1.1

Sources: Company data, Wealth Securities estimates

A = Actual calendar/fiscal year results; C = Bloomberg consensus; I = Annualized interim results; E = Wealth Securities estimates

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- Because of RCB's clean-up efforts, it was able to reduce its Net NPL Ratio from 11.3% in 2004 to 3.1% in 2010. When RCB disclosed its FY2011 results, it also announced that it had reduced its Net NPL Ratio to 1.5% while increasing Net NPL Cover to 103.4%.

Net NPL Ratio							
	2004	2005	2006	2007	2008	2009	2010
Net NPL Ratio	11.3%	10.8%	5.6%	5.3%	2.4%	3.8%	3.1%

Sources: Company Data, Wealth Securities

Considering that NPLs are at a manageable level and that NPL Cover is more than adequate, we believe that provisioning will be at a more moderate pace moving forward. This will allow the bank to focus on growing its assets and loans while consistently delivering a high level of profitability.

- **Erasing a Stain.** RCB's Deferred Charges, which are a result of its previous NPA disposals, are amortized via direct charge to Equity instead of passing thru the bank's Income Statement (via Provisions for Losses). This accounting treatment has merited a qualified opinion on RCB's financial statements. This has proven to be a stain on RCB's otherwise solid financial condition.

Deferred Charges					
in P'million	2008	2009	2010	2011	2012E
Deferred Charges	8,095	7,047	6,072	5,081	4,081
Amort'n of Deferred Charges	-	835	975	991	1,000

Amounts in million pesos

Sources: Company Data, Wealth Securities

Needless to say, the Amortization of Deferred Charges has also muted the growth of RCB's BVPS (Book Value per Share), as the amortization from 2009 to 2011 amounted to ~P3.8B. On the flipside, we estimate that RCB's Deferred Charges would be reduced to ~P4.1B by YE 2012, or half of what it was in YE 2008. Further, the capital infusion of IFC and CVC Capital Partners, which totaled P7.1B, more than offsets the remaining Deferred Charges on RCB's books. We believe that, if needed, RCB can initiate a one-time write-off of the remaining Deferred Charges to complete its Balance Sheet clean-up and again merit an unqualified opinion on its financial statements.

- **Vote of Confidence, Fuel for Growth.** The investment of IFC and CVC Capital Partners represents a vote of confidence on RCB from reputable foreign institutions. IFC is the investment banking arm of World Bank while CVC Capital Partners is a known private equity and investment advisory firm. IFC bought 73.5M shares of RCB, while CVC Capital Partners subscribed to 171.0M RCB Shares. Both placements were priced at P29.0 per share. The significant investment of the two foreign entities, which equates to a combined 21.4% of RCB's expanded share base, signifies their confidence in RCB's clean-up efforts and growth initiatives. This raised RCB's CAR (Capital Adequacy Ratio) to 19.3% and Tier 1 Ratio to 14.6% as of YE2011. This will provide RCB with enough fuel for growth, moving forward.
- **Ready to Rumble.** RCB started to show signs of stronger growth when it expanded its loan portfolio to P184.7B, up 32.2% YOY. If sustained, we expect this to drive RCB's earnings growth moving forward. Based on assumptions of 15% loan growth for 2012 and 2013, we expect RCB to sustain its earnings growth of 16.9% and 13.5% for 2012 and 2013 respectively, primarily driven by strong growth in Net Interest Income.

- **BUY RCB.** We initiate coverage of RCB with a BUY, with target price of P46.60. This translates to 2012E P/BV of 1.35x and 2013E P/BV of 1.22x. Though our target price only implies an upside of 12.4% from current price levels, we note the following possible upside surprises that may cause RCB's stock price to exceed our target price:
- Accelerated write-off of Deferred Charges
 - Faster loan growth
 - Faster Balance Sheet expansion
 - Higher than expected Trading Income

Earnings Projections

As of 23 March 2012



Sector / Company	Rating	Price (P)	Target (P)	Market Cap (Pm)	Absolute Performance			Year	Net Income (Pm)	EPS (P)	EPS Growth		PER (x)	PEG (x)	BVPS (P)	P/BV (x)	EV/Ebitda (x)	ROE (%)	Div Yield (%)
					1m	6m	12m				(%)	(%)							
CONGLOMERATES																			
Aboitiz Equity	Hold	49.50	46.50	273,333	-3%	30%	21%	2010	21,866	1.50	163.2	32.9	0.2	14.2	3.5	8.7	32.9	1.1	
								2011	21,191	3.96	(3.1)	12.5	(4.0)	17.7	2.8	8.3	24.0	3.2	
								2012f	23,858	3.84	12.6	12.9	1.0	20.5	2.4	8.0	22.6	3.2	
Alliance Global	Hold	13.00	12.00	133,508	18%	34%	11%	2010	6,908	0.47	44.0	27.8	0.6	10.1	1.3	12.2	12.6	0.5	
								2011f	7,386	0.67	6.9	19.3	2.8	13.2	1.0	12.4	12.0	2.8	
								2012f	9,675	0.72	31.0	18.1	0.6	16.7	0.8	9.5	14.0	2.8	
Ayala Corp.	Buy	414.00	464.00	239,168	5%	42%	38%	2010	10,800	12.24	52.7	33.8	0.6	219.6	1.9	27.7	8.5	1.0	
								2011f	11,438	18.69	5.9	22.1	3.7	231.7	1.8	20.5	8.8	1.0	
								2012f	14,337	19.80	25.3	20.9	0.8	248.1	1.7	16.5	10.3	1.0	
DMCI Holdings	Hold	53.20	51.65	141,272	12%	47%	40%	2010	7,867	1.77	67.2	30.0	0.4	10.1	5.2	11.6	33.2	0.9	
								2011f	10,853	2.96	38.0	18.0	0.5	13.2	4.0	7.7	35.0	1.9	
								2012f	11,925	4.09	9.9	13.0	1.3	16.7	3.2	6.9	30.0	1.9	
Metro Pacific	Hold	4.18	4.17	102,799	17%	35%	31%	2010	2,871	0.09	24.8	44.7	1.8	2.2	1.9	8.7	5.4	0.2	
								2011	5,059	0.12	76.2	35.8	0.5	2.4	1.8	7.5	9.0	0.6	
								2012f	6,173	0.21	22.0	20.3	0.9	2.6	1.6	6.6	10.1	1.5	
San Miguel Corp	Buy	113.00	138.00	267,516	-2%	-7%	-28%	2010	14,268	2.49	142.3	45.4	0.3	60.5	1.9	8.0	10.0	6.0	
								2011f	24,674	6.03	72.9	18.7	0.3	81.2	1.4	3.8	14.7	0.9	
								2012f	31,957	10.42	29.5	10.8	0.4	94.0	1.2	3.2	15.4	0.9	
SM Investments	Hold	633.00	702.00	387,497	1%	22%	23%	2010	18,440	26.18	15.1	24.2	1.6	231.6	2.7	8.9	13.8	1.2	
								2011	21,200	30.12	15.0	21.0	1.4	258.5	2.4	8.2	14.1	1.4	
								2012f	22,939	34.63	8.2	18.3	2.2	292.2	2.2	7.7	13.6	1.4	
UTILITIES																			
Aboitiz Power	Hold	33.05	33.00	243,202	11%	11%	15%	2010	24,428	3.32	361.7	10.0	0.0	7.8	4.2	10.4	53.2	0.9	
								2011	21,106	2.87	(13.6)	11.5	(0.8)	8.9	3.7	9.9	34.4	4.0	
								2012f	19,839	2.70	(6.0)	12.3	(2.0)	9.9	3.3	9.7	28.7	2.6	
EDC	Buy	5.67	6.85	106,313	4%	-3%	-9%	2010	4,116	0.22	24.3	25.8	1.1	1.6	3.5	15.3	13.8	2.1	
								2011f	2,083	0.11	(49.4)	51.0	(1.0)	1.6	3.6	16.1	6.9	2.8	
								2012f	7,957	0.42	282.0	13.4	0.0	1.9	3.0	8.8	24.3	1.9	
Manila Water	Hold	23.00	24.90	46,174	4%	17%	28%	2010	3,987	1.99	23.4	11.6	0.5	9.9	2.3	7.5	21.8	2.0	
								2011f	4,522	2.25	13.4	10.2	0.8	10.7	2.2	6.6	21.9	2.4	
								2012f	5,008	2.49	10.7	9.2	0.9	11.6	2.0	6.3	22.4	2.4	
Meralco	Buy	260.00	303.00	293,090	-2%	9%	16%	2010	12,155	10.78	73.6	24.1	0.3	52.3	5.0	15.0	20.9	2.7	
								2011	14,887	13.21	22.5	19.7	0.9	52.3	5.0	12.9	25.2	2.5	
								2012f	15,487	13.74	4.0	18.9	4.7	52.3	5.0	12.1	26.3	2.6	
Petron Corp	Buy	9.96	16.00	93,375	-9%	-32%	-26%	2010	6,941	0.74	63.7	13.5	0.2	4.6	2.1	9.8	17.2	1.0	
								2011f	10,216	1.09	47.2	9.1	0.2	5.6	1.8	6.5	21.2	1.0	
								2012f	12,879	1.37	26.1	7.3	0.3	6.9	1.5	5.5	22.0	1.0	
Semirara	Hold	243.40	264.40	86,796	10%	22%	4%	2010	3,953	12.10	82.3	20.1	0.2	34.6	7.0	12.5	35.6	2.5	
								2011	6,024	16.89	39.6	14.4	0.4	39.7	6.1	9.8	45.5	4.1	
								2012f	6,952	19.50	15.4	12.5	0.8	47.4	5.1	8.2	44.7	4.9	
TRANSPORT																			
Cebu Air	Hold	68.30	64.00	39,792	-3%	-11%	-20%	2010	6,922	11.88	112.5	5.7	0.1	30.4	2.2	5.5	54.9	0.0	
								2011f	3,770	6.47	(45.5)	10.6	(0.2)	35.1	1.9	7.3	19.8	4.4	
								2012f	4,503	7.73	19.4	8.8	0.5	43.0	1.6	5.9	19.8	2.9	
ICTSI	Hold	63.00	56.00	121,955	4%	26%	54%	2010	4,324	2.23	79.0	28.2	0.4	12.3	5.1	12.5	19.5	0.6	
								2011f	5,430	2.81	25.6	22.5	0.9	15.7	4.0	9.2	20.0	0.8	
								2012f	6,120	3.16	12.7	19.9	1.6	18.3	3.4	8.0	18.6	0.8	

Sector / Company	Rating	Price (P)	Target (P)	Market Cap (Pm)	Absolute Performance			Year	Net Income (Pm)	EPS			BVPS (P)	P/BV (x)	EV/		Div Yield (%)	
					1m	6m	12m			EPS (P)	Growth (%)	PER (x)			PEG (x)	Ebitda (x)		ROE (%)
BANKS																		
Banco de Oro	Buy	66.00	74.00	172,091	-1%	25%	32%	2010	8,500	3.26	48.9	20.2	0.4	31.8	2.1	n/a	11.7	1.2
								2011f	10,033	3.85	18.0	17.2	1.0	33.2	2.0	n/a	11.8	1.2
								2012f	12,676	4.86	26.3	13.6	0.5	37.2	1.8	n/a	13.8	1.2
Bank of P.I.	Hold	75.45	73.00	268,300	10%	37%	41%	2010	11,312	3.18	32.8	23.7	0.7	22.8	3.3	n/a	15.3	1.2
								2011	12,117	3.41	7.1	22.1	3.1	25.1	3.0	n/a	14.2	1.3
								2012f	15,742	4.43	29.9	17.0	0.6	28.5	2.6	n/a	16.5	1.3
China Bank	Buy	471.00	539.00	50,519	7%	18%	23%	2010	5,003	46.65	22.0	10.1	0.5	330.3	1.4	n/a	15.2	2.5
								2011f	4,283	39.93	(14.4)	11.8	(0.8)	344.2	1.4	n/a	11.8	2.5
								2012f	5,408	50.42	26.3	9.3	0.4	385.3	1.2	n/a	13.8	2.5
Metrobank	Buy	87.50	103.00	184,713	4%	29%	41%	2010	7,851	3.72	41.6	23.5	0.6	38.5	2.3	n/a	10.5	0.7
								2011	10,516	4.98	33.9	17.6	0.5	49.0	1.8	n/a	11.4	1.1
								2012f	11,779	5.58	12.0	15.7	1.3	51.3	1.7	n/a	11.1	1.1
PNB	Buy	71.00	100.00	47,016	5%	48%	45%	2010	3,515	5.31	60.8	13.4	0.2	50.3	1.4	n/a	11.0	0.0
								2011f	4,516	6.82	28.5	10.4	0.4	93.3	0.8	n/a	9.5	0.0
								2012f	6,468	9.77	43.2	7.3	0.2	103.1	0.7	n/a	9.9	0.0
RCBC	Buy	41.25	46.60	50,944	20%	25%	55%	2010	4,258	3.45	27.7	12.0	0.4	22.1	1.9	n/a	16.1	1.5
								2011f	5,020	4.06	17.9	10.1	0.6	30.4	1.4	n/a	15.5	1.9
								2012f	5,868	4.75	16.9	8.7	0.5	33.2	1.2	n/a	14.9	1.9
Security Bank	Hold	148.00	150.00	74,296	15%	73%	118%	2010	7,160	14.26	133.8	10.4	0.1	49.0	3.0	n/a	33.8	1.4
								2011	3,086	6.15	(56.9)	24.1	(0.4)	61.3	2.4	n/a	11.1	1.4
								2012f	7,383	14.71	139.2	10.1	0.1	75.0	2.0	n/a	21.6	1.4
UnionBank	Sell	102.50	79.00	65,744	11%	71%	75%	2010	5,353	8.35	23.8	12.3	0.5	56.1	1.8	n/a	15.9	2.1
								2011f	3,820	5.96	(28.6)	17.2	(0.6)	59.6	1.7	n/a	10.3	1.5
								2012f	4,725	7.37	23.7	13.9	0.6	65.5	1.6	n/a	11.8	1.5
TELECOMS																		
Globe	Buy	1,150	1,300	152,201	-3%	30%	64%	2010	9,745	73.63	(22.5)	15.6	(0.7)	354.1	3.2	5.9	20.6	7.0
								2011f	9,832	74.29	0.9	15.5	17.3	376.1	3.1	5.7	20.3	5.4
								2012f	10,639	80.39	8.2	14.3	1.7	397.3	2.9	5.3	20.8	5.4
PLDT	Buy	2,600	3,000	557,534	-7%	18%	32%	2010	40,217	187.55	1.1	13.9	12.6	452.7	5.7	7.5	41.0	8.5
								2011f	31,697	147.82	(21.2)	17.6	(0.8)	401.0	6.5	7.8	34.6	7.3
								2012f	37,000	172.55	16.7	15.1	0.9	419.7	6.2	8.0	42.0	6.9
PROPERTY																		
Ayala Land	Hold	21.15	19.80	275,436	2%	42%	40%	2010	5,398	0.41	35.7	51.0	1.4	4.4	4.8	30.3	9.9	0.4
								2011	7,140	0.55	32.3	38.6	1.2	4.9	4.3	21.1	11.8	0.7
								2012f	7,351	0.56	3.0	37.5	12.7	5.5	3.9	19.3	10.9	0.8
Filinvest Land	Hold	1.33	1.20	32,252	7%	17%	24%	2010	2,952	0.12	46.3	10.9	0.2	1.7	0.8	14.8	7.3	2.5
								2011f	2,925	0.12	(0.9)	11.0	(12.0)	1.8	0.7	14.6	6.8	2.9
								2012f	3,396	0.14	16.1	9.5	0.6	2.0	0.7	12.7	7.3	2.9
Megaworld	Sell	1.98	1.68	59,004	10%	12%	-7%	2010	5,026	0.17	23.9	11.7	0.5	1.9	1.0	12.2	9.4	1.0
								2011f	6,392	0.21	27.2	9.2	0.3	2.2	0.9	6.4	10.5	1.2
								2012f	7,191	0.24	12.5	8.2	0.7	2.4	0.8	5.1	10.6	1.0
Robinsons Land	Hold	16.90	17.60	69,186	8%	43%	38%	2010	3,593	0.88	10.1	19.3	1.9	6.8	2.5	12.8	13.5	2.6
								2011f	4,216	1.03	17.3	16.4	0.9	7.3	2.3	10.4	14.6	2.2
								2012f	4,812	1.18	14.1	14.4	1.0	7.9	2.1	9.2	15.4	2.3
SM Dev't	Buy	7.12	8.30	60,007	-4%	-12%	9%	2010	3,022	0.36	62.4	19.9	0.3	3.0	2.3	21.9	16.5	1.1
								2011	4,180	0.50	38.3	14.4	0.4	3.5	2.0	12.8	15.1	1.2
								2012f	5,217	0.62	24.8	11.5	0.5	4.2	1.7	11.4	16.1	1.1
SM Prime	Hold	16.60	18.00	230,722	-2%	43%	51%	2010	7,856	0.57	11.9	29.4	2.5	4.2	3.9	16.2	14.7	1.5
								2011f	8,794	0.63	11.9	26.2	2.2	4.6	3.6	14.7	14.3	1.7
								2012f	9,941	0.72	13.1	23.2	1.8	4.9	3.4	13.2	15.0	1.9
Vista Land	Sell	3.88	3.25	32,976	-1%	24%	50%	2010	3,013	0.35	31.0	10.9	0.4	4.5	0.9	13.1	8.2	1.4
								2011f	3,441	0.40	14.2	9.6	0.7	4.9	0.8	10.4	8.6	1.4
								2012f	3,990	0.47	16.0	8.3	0.5	5.4	0.7	8.6	9.1	1.4

Sector / Company	Rating	Price (P)	Target (P)	Market Cap (Pm)	Absolute Performance			Year	Net Income (Pm)	EPS				BVPS (P)	P/BV (x)	EV/ Ebitda		ROE (%)	Div Yield (%)
					1m	6m	12m			EPS (P)	Growth (%)	PER (x)	PEG (x)			Ebitda (x)	ROE (%)		
C O N S U M E R																			
Jollibee	Sell	117.00	95.00	121,495	13%	37%	43%	2010	3,090	2.98	16.0	39.3	2.5	16.4	7.2	19.8	18.6	1.9	
								2011	3,213	3.09	4.0	37.8	9.5	16.4	7.2	18.2	18.9	0.9	
								2012f	3,625	3.49	12.8	33.5	2.6	16.4	7.2	17.5	21.3	0.9	
URC	Sell	62.80	52.50	129,469	21%	50%	87%	2010	7,817	3.79	101.1	16.6	0.2	19.9	3.2	12.4	20.2	1.5	
								2011	4,636	2.25	(40.7)	27.9	(0.7)	19.9	3.2	12.2	11.3	3.0	
								2012f	7,263	3.52	56.7	17.8	0.3	19.9	3.2	11.2	17.7	2.1	
M I N I N G																			
Atlas	Buy	18.06	28.40	31,860	0%	2%	22%	2010	-757	(0.43)	64.3	(42.1)	(0.7)	1.6	11.0	18.1	(55.7)	0.0	
								2011f	3,688	2.09	(587.1)	8.6	(0.0)	3.7	4.8	9.8	77.9	0.0	
								2012f	4,026	2.28	9.2	7.9	0.9	6.0	3.0	7.7	46.9	0.0	
Nickel Asia	Sell	28.50	23.06	38,185	21%	55%	46%	2010	1,479	1.10	388.3	25.8	0.1	11.1	2.6	7.6	11.3	11.1	
								2011f	1,836	1.37	24.1	20.8	0.9	12.5	2.3	6.6	11.6	1.8	
								2012f	2,059	1.54	12.2	18.5	1.5	14.1	2.0	6.3	11.6	1.8	
Philex	Buy	20.15	27.50	99,335	-3%	-13%	42%	2010	3,963	0.80	40.0	25.1	0.6	4.2	4.8	31.3	21.1	1.5	
								2011	5,800	1.18	46.3	17.1	0.4	5.3	0.0	11.0	24.8	1.0	
								2012f	6,261	1.27	7.9	15.9	2.0	6.6	0.0	10.3	21.3	1.0	
M E D I A																			
ABS-CBN	Hold	36.10	35.00	27,610	3%	3%	-18%	2010	3,179	4.16	86.7	8.7	0.1	24.5	1.5	3.8	3.1	18.3	
								2011f	2,504	3.27	(21.2)	11.0	(0.5)	26.0	1.4	4.5	5.8	13.0	
								2012f	2,285	2.99	(8.7)	12.1	(1.4)	27.8	1.3	4.3	5.8	11.1	
GMA-7	Sell	9.50	6.70	31,930	-13%	46%	36%	2010	1,950	0.58	0.1	16.4	179.2	3.5	2.7	7.0	17.3	7.4	
								2011f	2,438	0.73	25.0	13.1	0.5	4.0	2.4	6.4	19.5	4.7	
								2012f	2,638	0.78	8.2	12.1	1.5	4.5	2.1	5.9	18.4	4.7	

NOTES:

1. Figures in italics are based on consensus.
2. For ICT, Php44/US\$ exchange rate was used.



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