



WEALTH SECURITIES

Backed by a research group of analysts with over 25 years of experience in equity securities

Consistently ranked among the top 20 brokerages in the Philippines since opening in 1986

Recipient of the Euro Money Award for Excellence as the "Best Domestic Securities House in the Philippines"



THE WEALTH VAULT

A Product of Wealth Securities, Inc.

MONDAY, 23 April 2012

Index	Value	Change	% Chg	
PSEI	5,156.46	16.82	0.3251	↓
All Shares	3,429.55	4.12	0.1203	↑
Financials	1,302.79	6.95	0.5363	↑
Industrial	7,894.01	24.61	0.3108	↓
Holding Firms	4,357.17	53.81	1.2199	↓
Property	1,933.32	7.92	0.4113	↑
Services	1,699.87	3.53	0.2072	↓
Mining & Oil	25,598.75	9.95	0.0389	↑

APRIL

23

2012

WORLD INDICES

Dow Jones	13,029.30	+0.50%
FTSE 100	5,772.15	+0.48%
NIKKEI 225	9,561.36	-0.28%

TRADING SNAPSHOT

Index Movers	Points
Aboitiz Equity	-3.34
Ayala Corp	-2.86
BDO Unibank	+2.55
Alliance Global	-2.01
Jollibee Foods	-1.80

Index Out-performers	Up
Robinson Land	3.35%
BDO Unibank	2.54%
Semirara Mining	2.26%
Megaworld	1.49%
Belle Corp	1.20%

Index Under-performers	Down
Metro Pac. Inv.	2.70%
Jollibee Foods	2.68%
Alliance Global	2.68%
Aboitiz Equity	2.09%
Ayala Corp	2.02%

CALENDAR

Apr 10	GMA7 Results Briefing
Apr 11	ANS ASM
Apr 12	NI ASM
Apr 16	MWC Results Briefing



PSEi Index

20 Apr 2012:	5,156.46	- 16.82
Value T/O, net	Php 1,678 million	
52-week High	5,145.89	
Low	3,715.01	
Foreign Buying:	Php 8,176 million	
Foreign Selling:	Php 4,713 million	



HEADLINES

US stocks gain on strong earnings

➤ US stocks ended mostly up last Friday (Apr 20) as strong earnings from McDonald's, General Electric and Microsoft buoyed the market. The Dow and the S&P gained 0.50% and 0.12% respectively while the Nasdaq ended 0.24% lower. Shares of Microsoft Corp. jumped 4.5% higher after the company reported profits that beat analyst expectations. General Electrics and McDonalds likewise edged higher after reporting higher quarterly profits. Apple however declined more than 2.4%, weighing heavily on the Nasdaq. Another Nasdaq component, Sandisk Corp., dropped more than 11% after warning that it sees a decline in its Q2 revenues. Bank of America meanwhile fell 4.7% following a downgrade from CLSA.

Vista Land successfully raises P4.5B

➤ Villar-led Vista Land and Lifescapes, Inc., said in a statement over the weekend that it had raised P4.5B through the issuance of domestic corporate notes. The notes were promptly acquired by institutional investors and were upsized from P3B due to high demand. VLL said that proceeds from the offering will be used to refinance old debt and for general corporate purposes. The company said earlier that it is projecting P15B in capital expenditures for 2012. BDO Capital and Investment Corp. and Investment and Capital Corp. of the Philippines managed the said transaction.

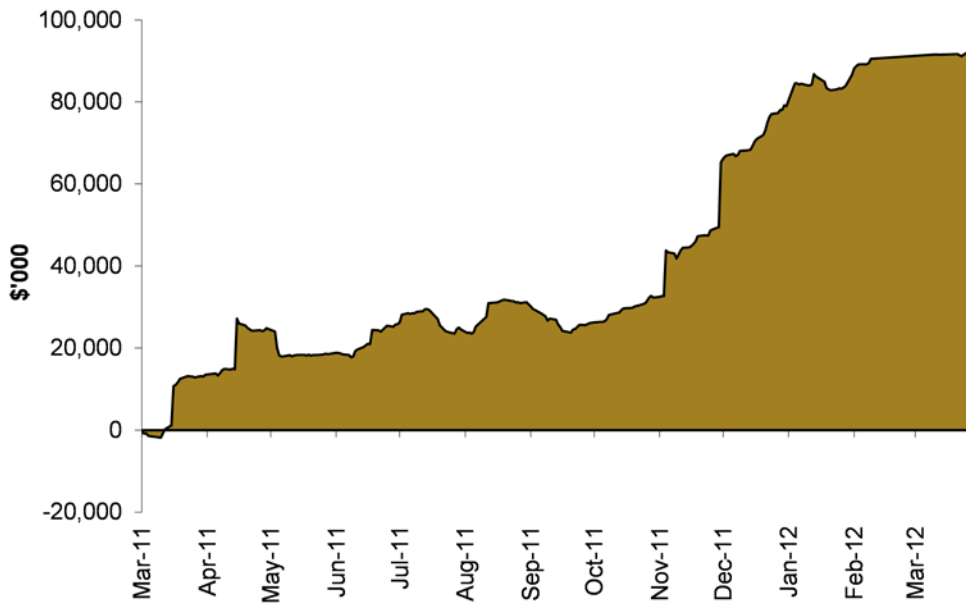
Ayala Corp. to bid for LRT-1 extension project

➤ Ayala Corp. officials said that the company is looking to bid for the extension and management of the LRT-1. The government is set to publish the invitation to bid for the project before the end of the month. The project is expected to cost around P30B and comprises the management of the passenger rail and the extension of the railway by another 11.7km to Bacoor, Cavite.

PNB to issue Tranche 2 of Tier 2 Notes

- PNB said in a press release that the bank intends to launch the issuance of the second tranche of its Fixed Rate Unsecured Subordinated Notes today. The said notes are eligible as Tier 2 Capital. PNB said that it intends to sell P3.5B worth of the 10-year notes. The initial price guidance for the notes is from 5.75% and 6.0% per annum and will be callable after the end of the 5th year from the issue date. Proceeds from the notes will be used to finance asset growth and at the same time, help the bank maintain a strong capital base.

Foreign Buying-Selling : 12-month period



Source: PSE

CURRENCIES

US, Dollar	42.6320
Japan, Yen	0.5248
UK, Pound	68.3050
Hong Kong, Dollar	5.4930
EU, Euro	55.9374
Bahrain, Dinar	113.0882
Saudi Arabia, Rial	11.3682
China, Yuan	6.7640

As of 4/19/2012

COMMODITIES

NYMEX		
Crude	103.05	+0.76%
Futures		
%NY Gold		
Spot (\$/t oz.)	1,640.40	+0.05%
Silver Comex		
(\$/t oz.)	31.63	-0.28%
London		
Copper Spot	8,240.00	+1.85%

As of 04/20/2012



EQUITY RESEARCH FOCUS

Wealth Securities Research

Core Holding

Conglomerates Sector

Bernard Aviñante
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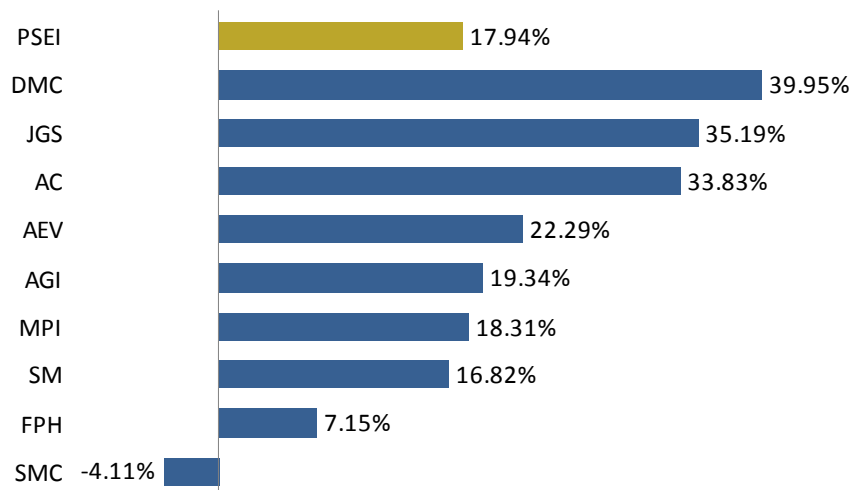
23 April 2012

Conglos Dominate PSEi

The Bigger the better

- 8 of the 30 member stocks in the PSEi are holding companies
- GT will eventually be included in the PSEi; erstwhile member, FPH, lags behind the ranks
- Since size is a key benchmark, conglos will likely affect the re-balancing of MSCI, which factors in market cap
- JGS, DMC, and MPI are large cap but non-MSCI members

Price Returns vs. PSEi



Rank of Conglomerates in the PSE Index

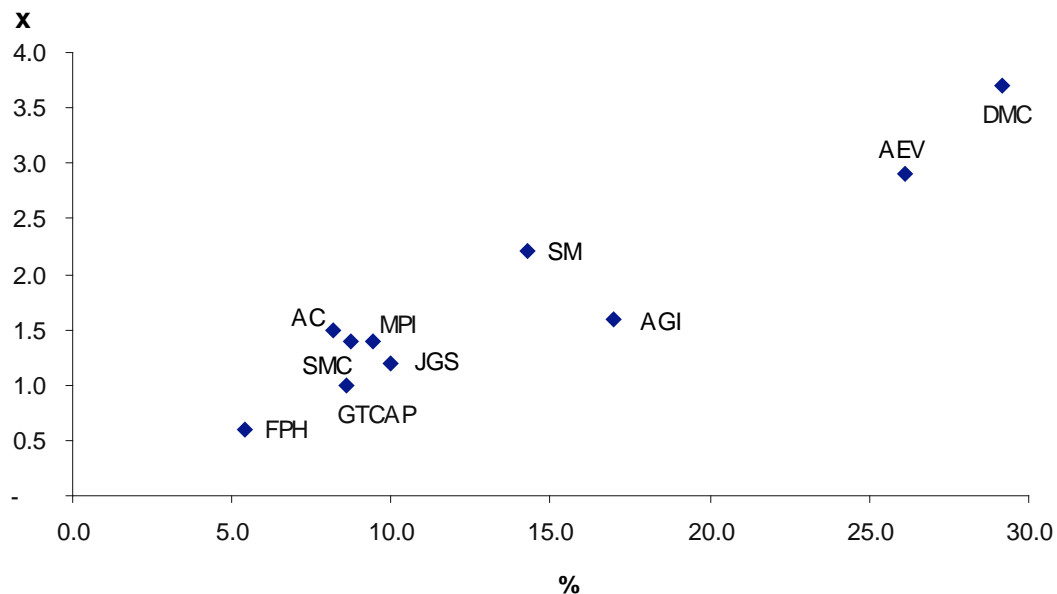
In P'mn	Market Cap	Rank		Market Cap	Rank
SM	417,698	2 nd	DMC	153,488	14 th
AEV	271,124	5 th	AGI	126,730	18 th
SMC	265,369	7 th	MPI	106,496	21 st
AC	240,275	9 th	GTCAP	77,736	N/A
JGS	229,144	10 th	FPH	36,071	N/A



Value vs. Return

- Premium valuation of AEV and DMC driven by superior ROEs
- SM's huge landbank (valued at cost) compresses ROE; unable to trade at par with "outliers"
- High earnings growth companies showing modest ROEs.

P/BV vs. ROE



Our Bets in Conglos

- We are bullish on the prospects of conglomerates, as they are the key drivers of the economy. Their market caps account for ~20% of GDP.
- We expect them to record profits of P131 billion, a growth of 31% in FY12. Sector P/E of 14.8x.
- Roll out of PPP project bids will be a key catalyst to the winning bidder.
- **6** of the **10** holding companies under our basket are **Buys**. We are still positive on the remaining **4**, but the remaining upside potential could be less.
- Our top pick is **JGS**.

	Rating	Target		Rating	Target
SM	Hold	705.50	DMC	Hold	62.70
AEV	Hold	53.90	AGI	Hold	12.75
SMC	Buy	136.00	MPI	Buy	5.10
AC	Buy	486.00	GTCAP	Buy	580.00
JGS	Buy	39.90	FPH	Buy	79.80

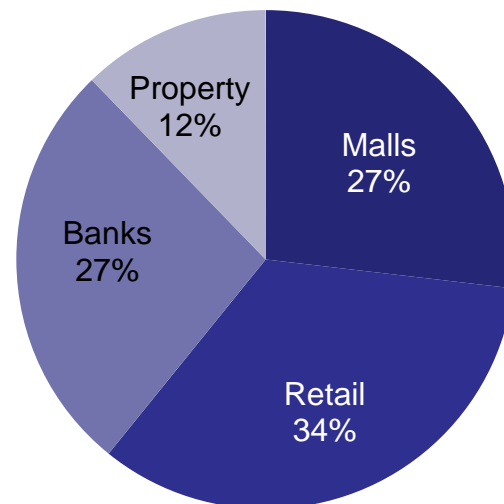


SM Investments

Firing on all cylinders

- Aggressive growth expansion plans across core businesses
- BDO entry point to non-core businesses (i.e. AT, SLEx)
- Ortigas & Co. acquisition catalyst to LT growth
- Earnings CAGR of 15% through FY14

Profit Mix



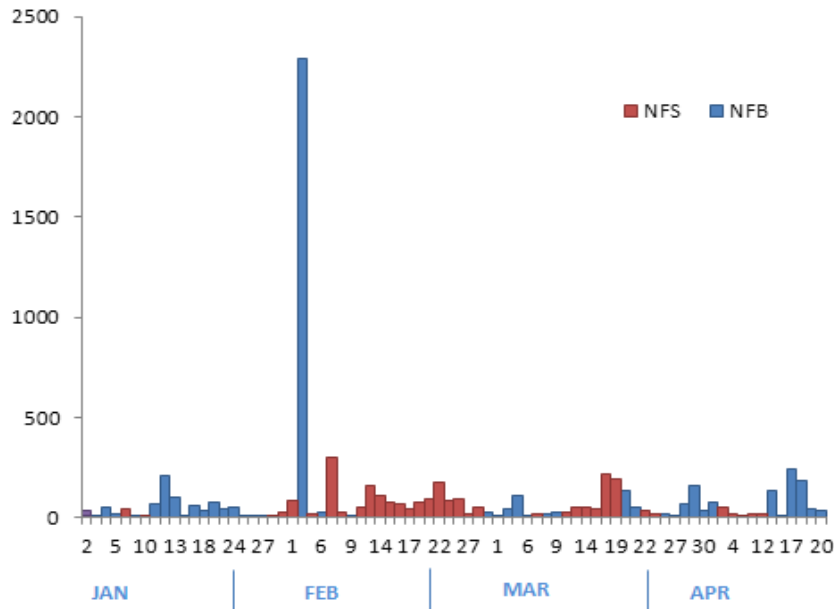
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	16,025	18,440	21,200	24,209	28,512
EPS, P	26.16	30.11	34.54	39.52	46.55
PER	25.2x	21.9x	19.1x	16.7x	14.2x
PBV	3.2x	2.8x	2.5x	2.2x	2.0x
ROE	13.58%	13.82%	14.08%	14.27%	14.75%
Dividend yield	1.0%	1.2%	1.4%	1.6%	1.8%

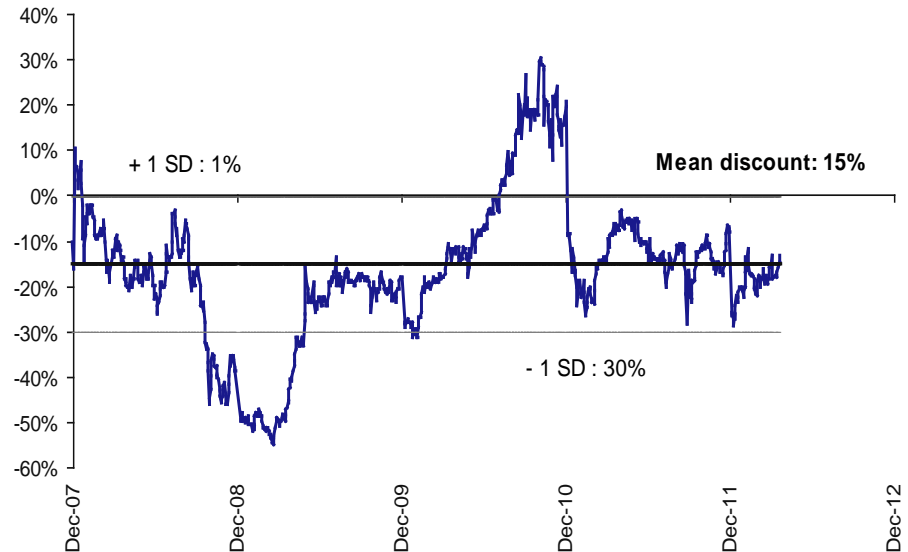


SM Investments

Foreign Buying / Selling



P/NAV Chart



- Currently hovering at the 15% average NAV discount
- Float concerns could be partly addressed by CBs
- SM to re-appraise assets in FY13 – key catalyst to unlocking value of assets, especially the non-listed ones



SM Investments

- Tourism potential very promising, whether core hotels, Pico de Loro, or Belle Grande – driver for non-listed assets
- Issued CBs totaling \$250 million; strike price around our NAV estimate. Expected dilution very minimal at 2.3%.
- Net cash position of >\$1 billion would fund acquisitions and growth aspirations.
- TP at **P705.50** per share based on 10% target discount. **Hold.**

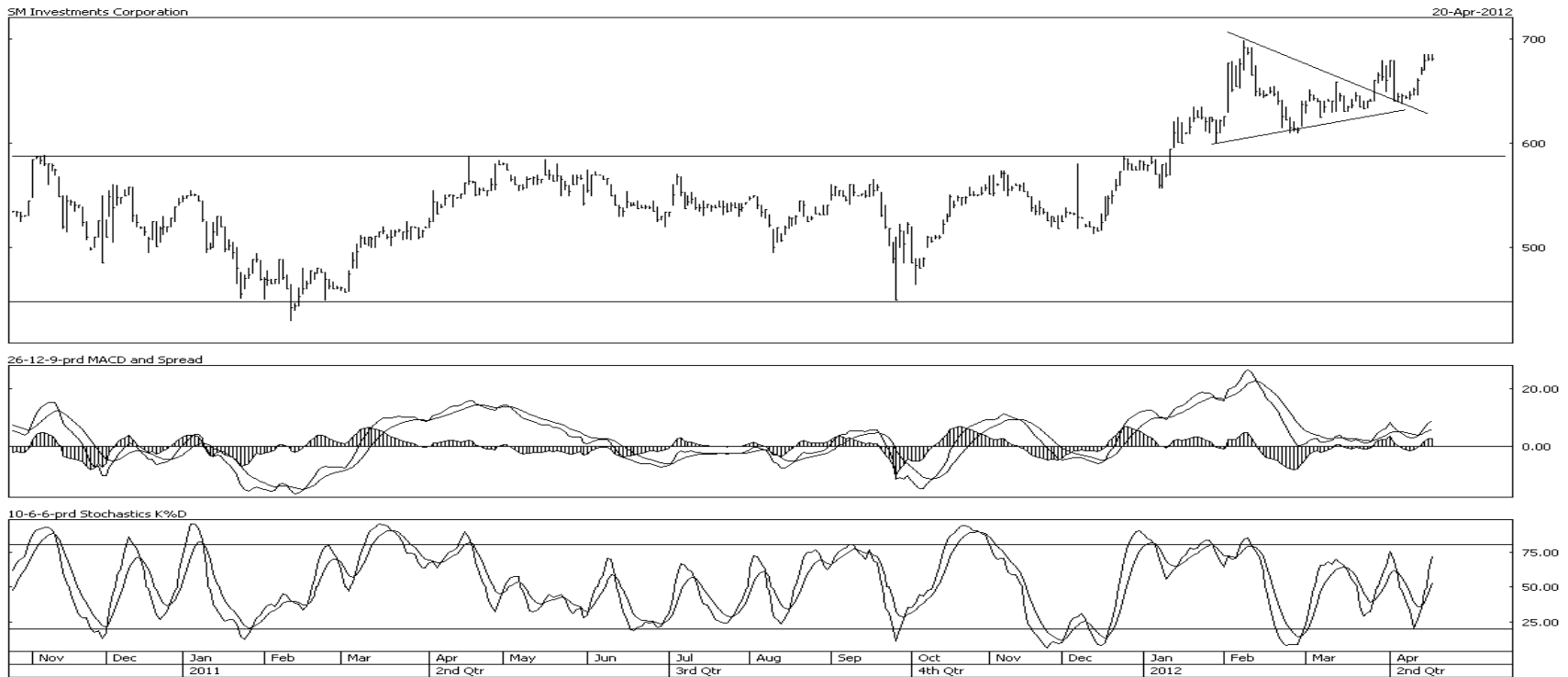


Sum of Parts: SM

	Stake	Value to SM (P'm)	EV %
Listed Assets			
SM Prime	53.0%	132,596	30%
SM Dev't	43.6%	31,198	7%
BDO + CHIB		81,146	19%
BEL + HP		19,266	4%
Others		11,216	2%
		275,423	63%
Non-listed Assets		163,700	37%
Enterprise Value		439,123	100%
Less: Parent net debt / (cash)		(41,000)	
Net Asset Value		480,123	
NAV per share		783.87	
Discount to NAV		13.3%	

SM Investments

What the Chart says...



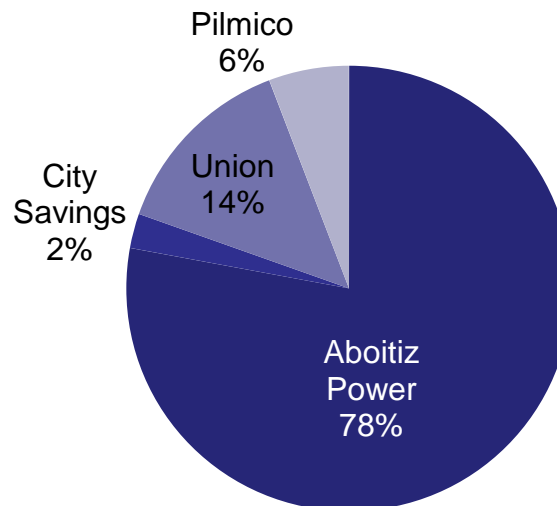
- SM appears to be on a new leg up. It has broken above a flag formation three weeks ago and has successfully retested the breakout level. The MACD and Stochastics indicators confirm this move upwards which should target the 730 to 750 levels.

Aboitiz Equity Ventures

Best yield among peers

- Growth anchored on AP's prospects; capex skewed to power
- Greenfield projects to come '14 and beyond, including plants in Mindanao grid
- Earnings to grow flattish in '12

Profit Mix



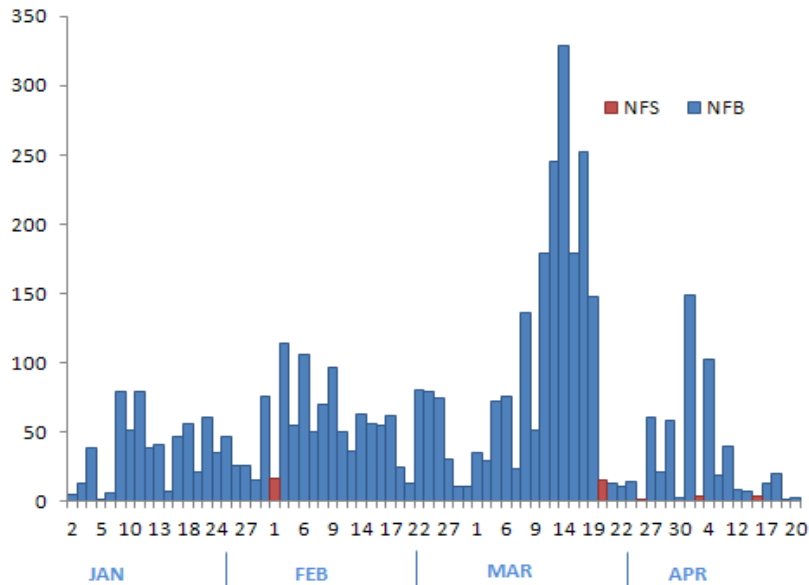
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	8,307	21,865	21,191	22,257	24,634
EPS, P	1.33	3.95	3.77	4.03	4.46
PER	37.6x	12.6x	13.3x	12.4x	11.2x
PBV	5.1x	4.3x	3.6x	3.0x	2.5x
ROE	15.20%	36.76%	29.92%	26.14%	24.26%
Dividend yield	0.5%	1.0%	3.2%	3.2%	3.2%

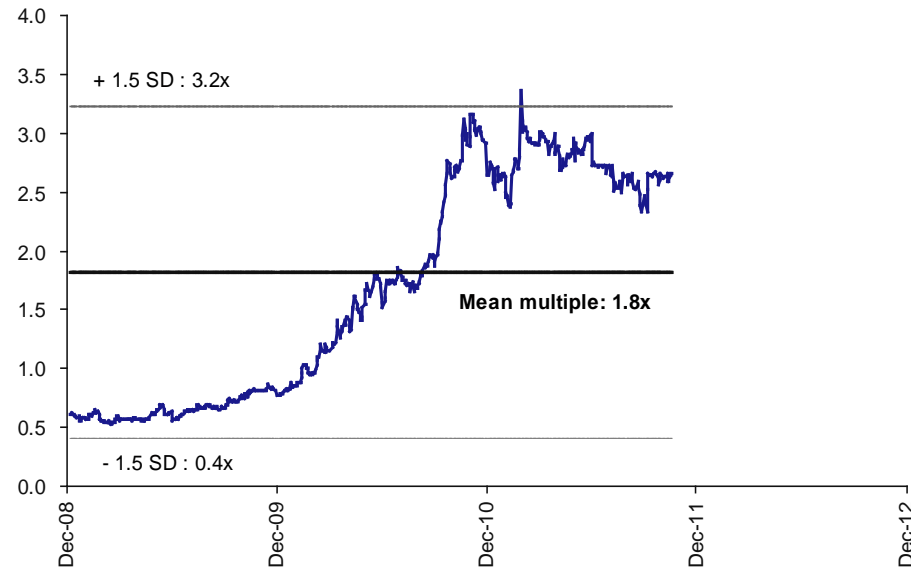


Aboitiz Equity Ventures

Foreign Buying / Selling



P/BV Chart



- Strong recipient of foreign buying, since larger peers SM and SMC have small float count
- AP's float is tightly held, too, thus resorting to parent, AEV.
- Though bulk of earnings comes from AP, payout is higher at AEV



Aboitiz Equity Ventures

- A move to increase stake in (or consolidate UBP) should be NAV enhancing
- Looking at PPP as avenues for growth, but not bidding on the ones in the priority list
- Despite modest profit growth, high payout ratio drives up ROE
- Difficult to value on NAV, but premium P/B could be warranted by high ROEs
- At 3.2x P/B, fair value is **P53.90. Hold.**

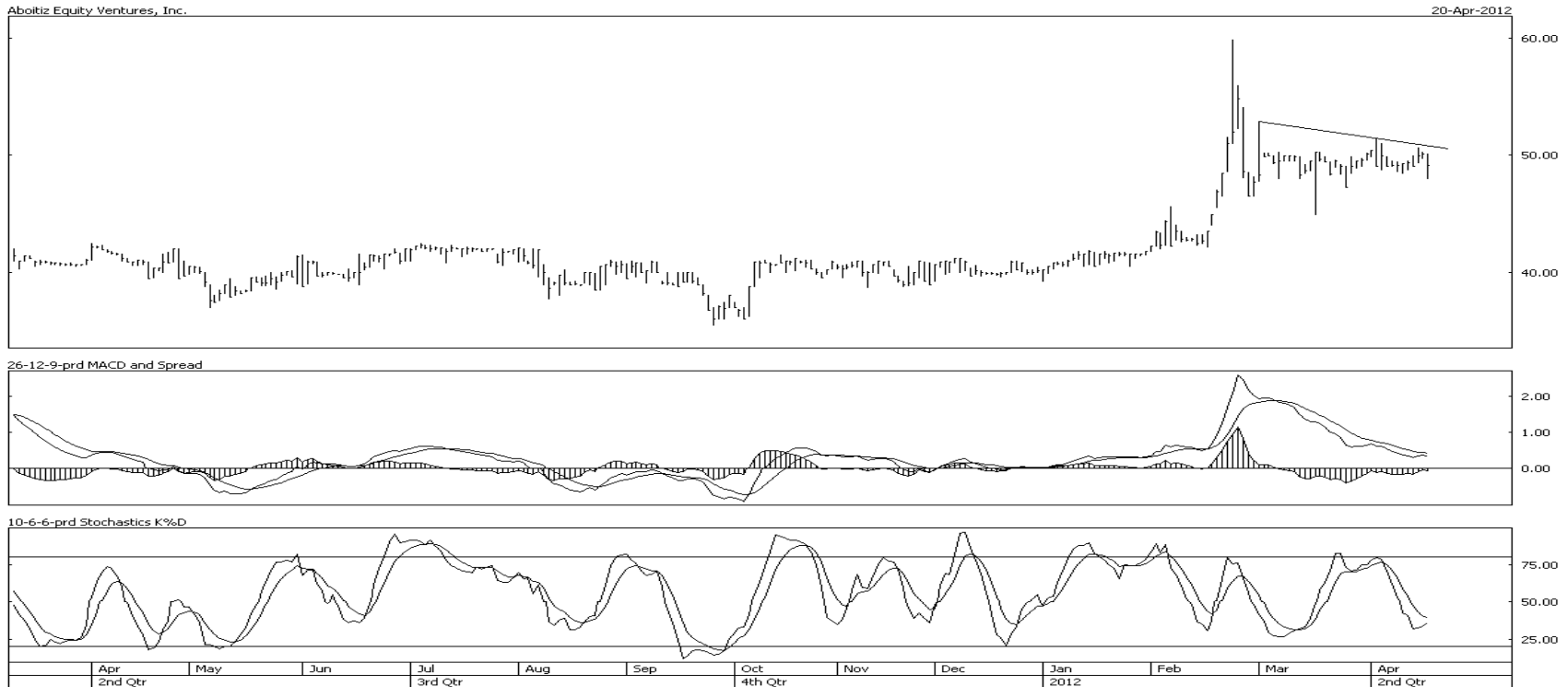
Sum of Parts: AEV

	Stake	Value to AEV (P'm)	EV %
Listed Assets			
Aboitiz Power	75.3%	207,800	78%
UnionBank	49.5%	33,343	12%
		241,143	90%
Non-listed Assets		26,804	10%
Enterprise Value		267,947	100%
Less: Parent net debt / (cash)		1,247	
Net Asset Value		266,700	
NAV per share		47.84	
Premium to NAV		4.5%	



Aboitiz Equity Ventures

What the Chart says...



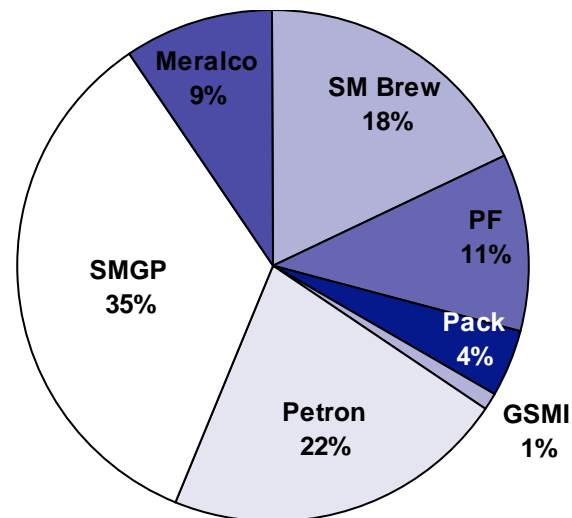
- AEV is still consolidating after the strong move in late February which pushed the price to 60. Both the MACD and Stochastics indicate that the stock is ready to move in the next few days. A break above 51 would indicate the start of a new leg up.

San Miguel Corporation

Hungry for growth

- Takes over PAL buying 49%
- Petron to purchase Exxonmobil Malaysia
- On telecom, SMC could be the next value-for-money player
- Earnings dramatically shifting to non-consumer businesses

Profit Mix



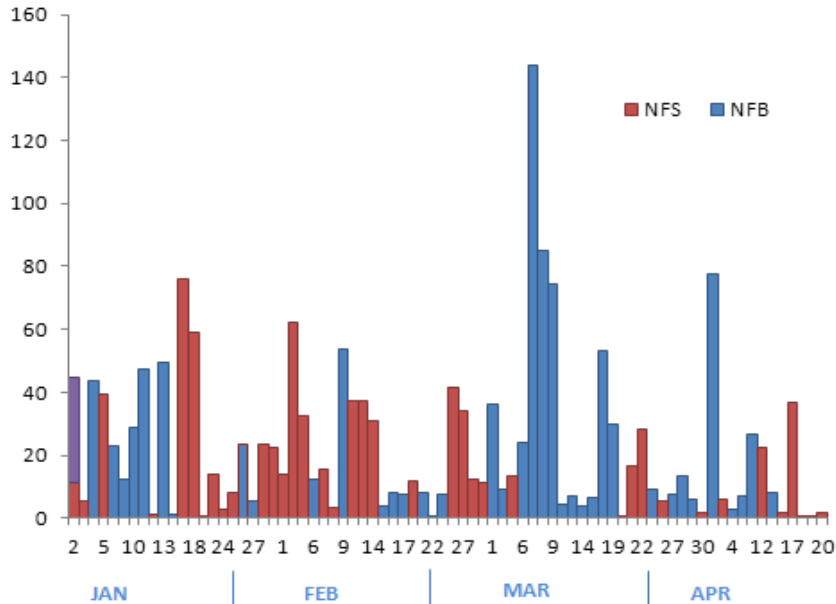
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	5,888	14,268	11,677	16,320	21,149
EPS, P	3.08	8.62	6.85	8.66	10.55
PER	4.5x	13.0x	16.4x	12.9x	10.6x
PBV	1.9x	1.8x	1.5x	1.4x	1.2x
ROE	4.18%	10.04%	7.24%	8.75%	10.38%
Dividend yield	0.9%	6.0%	0.9%	0.9%	0.9%

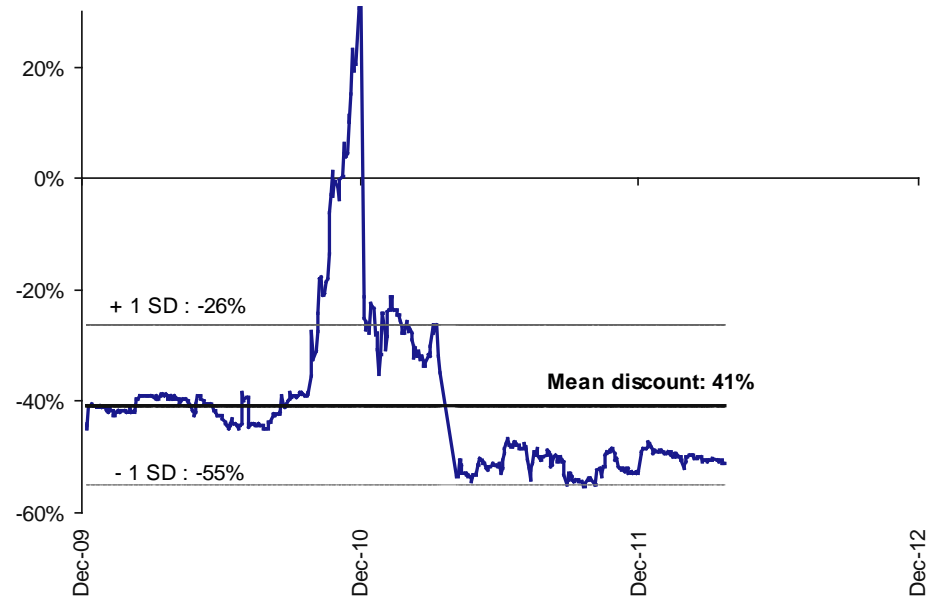


San Miguel Corporation

Foreign Buying / Selling



P/NAV Chart



- SMC has clearly lagged behind peer conglomerates, with share price barely above the P110 offer.
- In spite of the value and growth it offers, investors are less optimistic given issues with gearing.



San Miguel Corporation

- Acquisitions offer synergies within the group (e.g., PAL on Petron).
- SMC is trading at >50% discount to NAV, highest discount among conglomerates
- A series of capital raising exercises at the parent and subs levels would reflect inherent value of SMC.
- A reversion to mean discount of 41% translates to a fair value of **P136. Buy.**

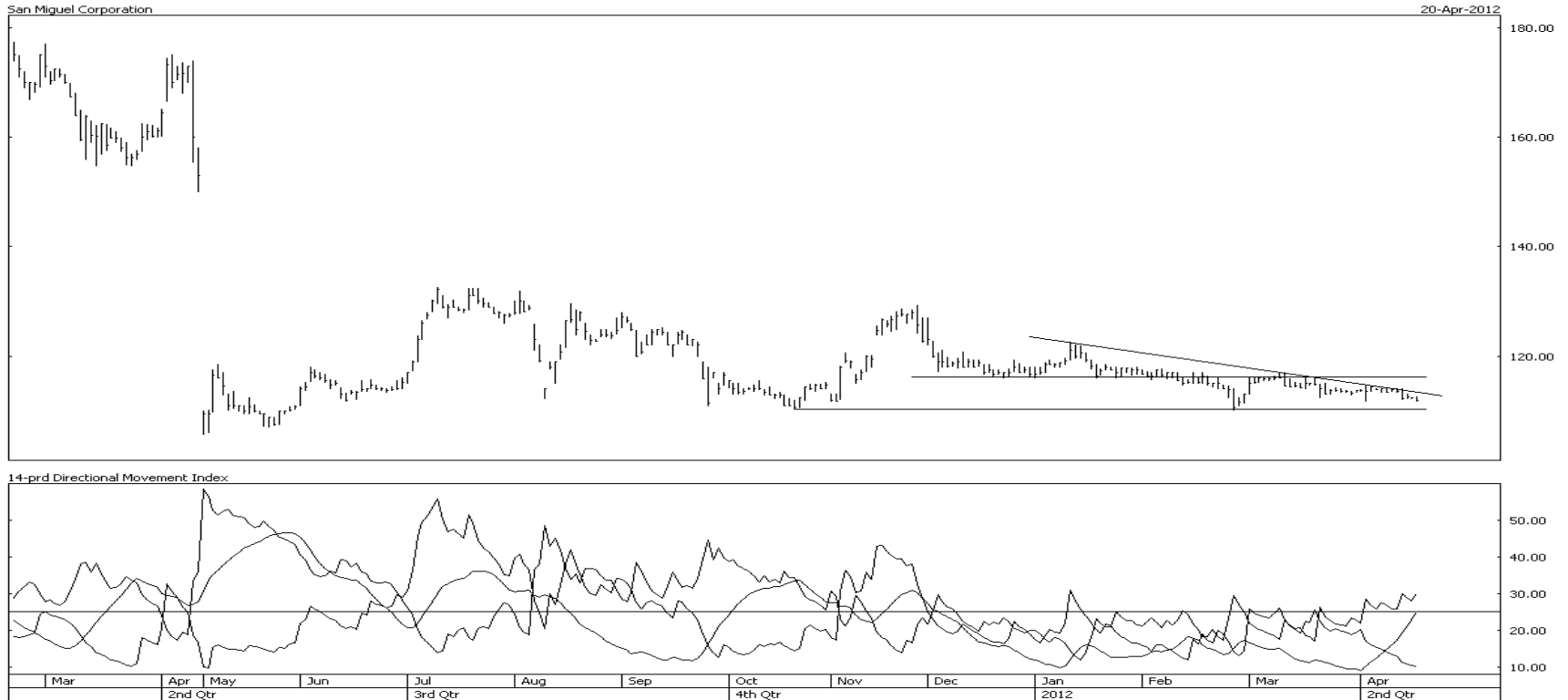


Sum of Parts: SMC

	Stake	Value to SMC (P'm)	EV %
Listed Assets			
Beer & liquor group		127,848	19%
Food group		64,985	10%
Petron	68.0%	89,250	13%
Meralco	33.2%	84,405	12%
		366,488	54%
Non-listed Assets		313,854	46%
Enterprise Value		680,342	100%
Less: Parent net debt / (cash)		18,370	
Less: Preferreds		72,788	
Net Asset Value		589,184	
NAV per share		230.46	
Discount to NAV		51.1%	

San Miguel Corporation

What the Chart says...



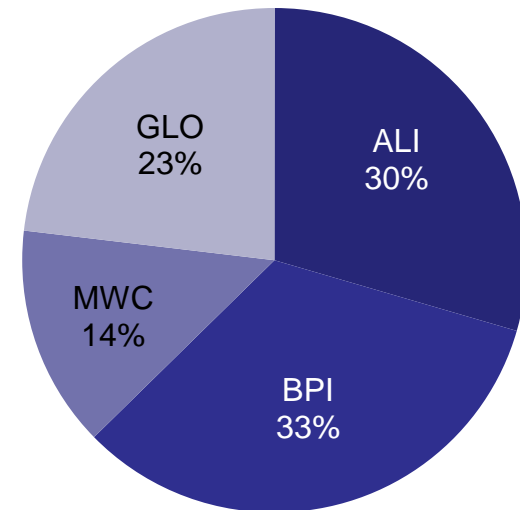
- SMC has been trading with decreasing volatility since December. Strong support is seen at 110 while resistance is pegged at 116. A break above the short-term downtrend line would push the stock towards 116.

Ayala Corporation

Infra & power add spark

- Healthy mix of profit drivers, with banking and real estate as key catalysts
- Infra and power will take time to materially contribute, but add spark to mature businesses.
- Earnings CAGR of 25% through 2014

Profit Mix



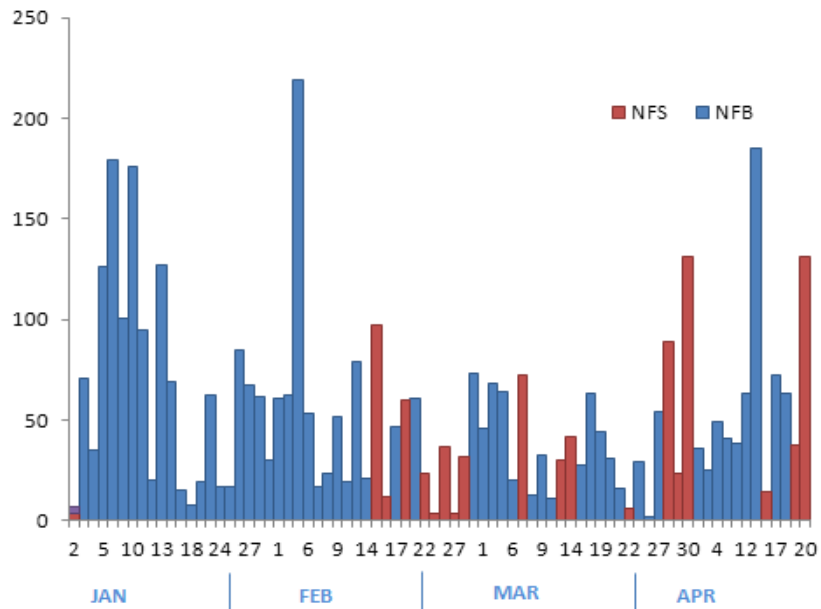
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	6,568	11,161	9,395	12,046	14,345
EPS, P	11.05	13.07	15.71	22.37	27.05
PER	38.4x	32.5x	27.0x	19.0x	15.7x
PBV	1.6x	1.7x	1.6x	1.5x	1.4x
ROE	4.29%	5.10%	6.00%	8.20%	9.38%
Dividend yield	0.9%	0.9%	1.4%	1.0%	1.5%

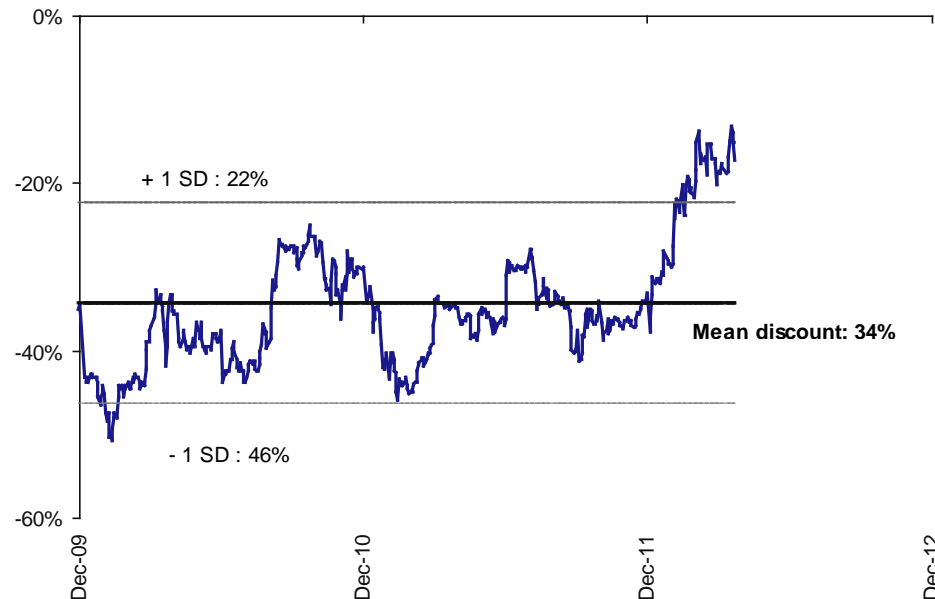


Ayala Corporation

Foreign Buying / Selling



P/NAV Chart



- Up 34% YTD, on renewed optimism because of its diversification plans.
- Since winning the Daang Hari project, investors flocked the stock.
- Well on its way to 10% discount to NAV



Ayala Corporation

- **ALI** is on track to achieving 5-10-15; **BPI** viewed as an acquirer; **GLO** benefits from reversion to duopoly; and **MWC** to get equitable tariff rate hike.
- Other businesses are expected to turn the corner.
- Very manageable debt profile: avg. maturity = 5yrs and cost of debt = 5.7%
- At 10% conglomerate discount, our fair estimate for AC is **P486**.
Buy.

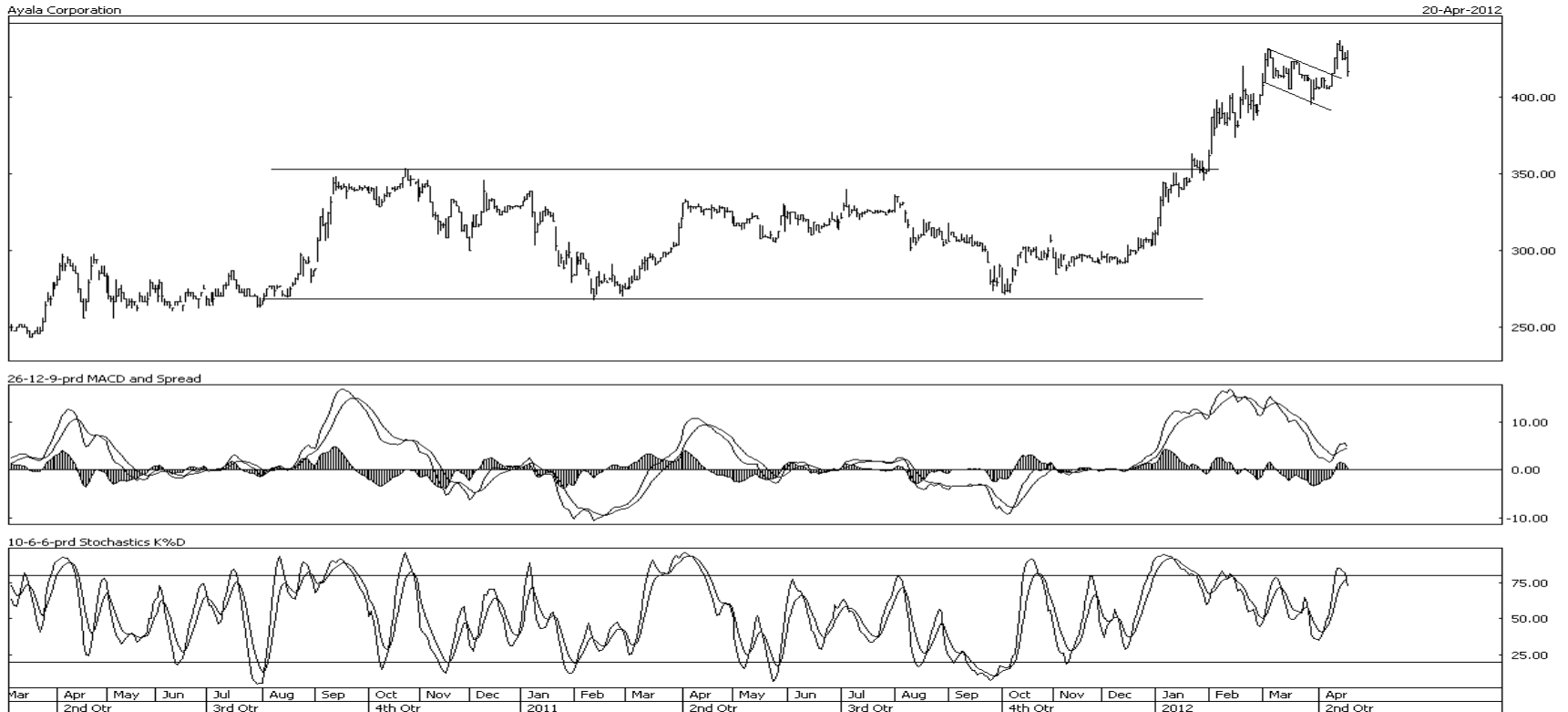


Sum of Parts: AC

	Stake	Value to AC (P'mn)	EV %
Listed Assets			
Ayala Land	53.6%	153,567	48%
BPI	33.5%	81,548	25%
Manila Water	43.1%	21,604	7%
Globe Telecom	30.5%	50,325	16%
IMI	67.8%	4,618	1%
		311,663	96%
Non-listed Assets		13,741	4%
Enterprise Value		325,403	100%
Less: Parent net debt / (cash)		13,600	
Net Asset Value		311,803	
NAV per share		539.73	
Discount to NAV		21.4%	

Ayala Corporation

What the Chart says...



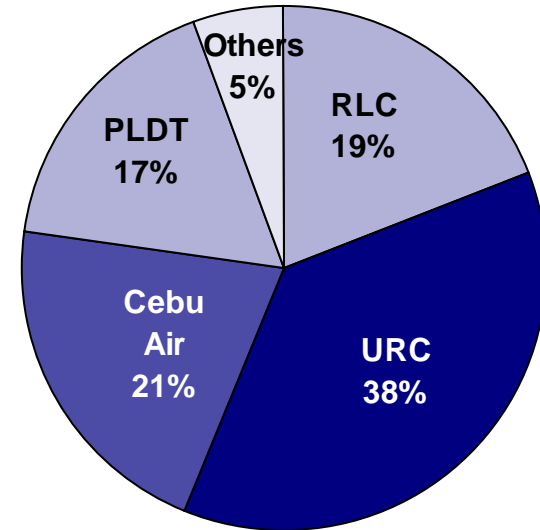
- AC broke out of a flag pattern a week ago and has resumed its uptrend. Both the MACD and Stochastics indicate that there is still upside left which could push AC towards its all-time high of 448.

JG Summit Holdings

On to summit

- Entry into TEL, the game-changer
- EPS to more than double to P2.65, P/E lower than PSEi's
- Exposure to commodities, however, creates vulnerability.
- The cheapest among conglos in spite the 35% YTD run-up

Profit Mix



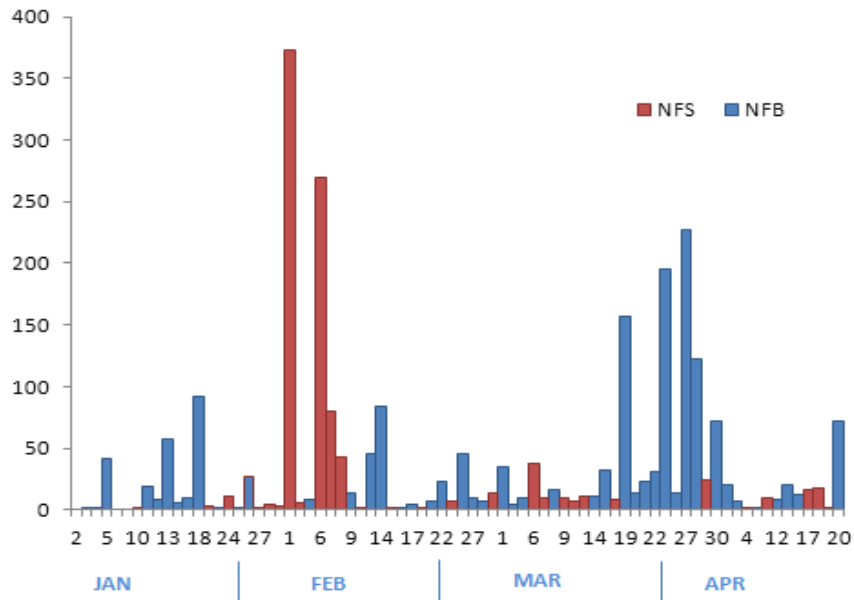
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	5,888	15,570	8,560	17,864	21,546
EPS, P	0.87	2.31	1.27	2.65	3.20
PER	39.3x	14.7x	26.8x	12.8x	10.6x
PBV	2.2x	1.5x	1.3x	1.2x	1.1x
ROE	8.15%	12.83%	13.48%	9.96%	10.85%
Dividend yield	0.1%	0.1%	0.2%	0.2%	0.2%

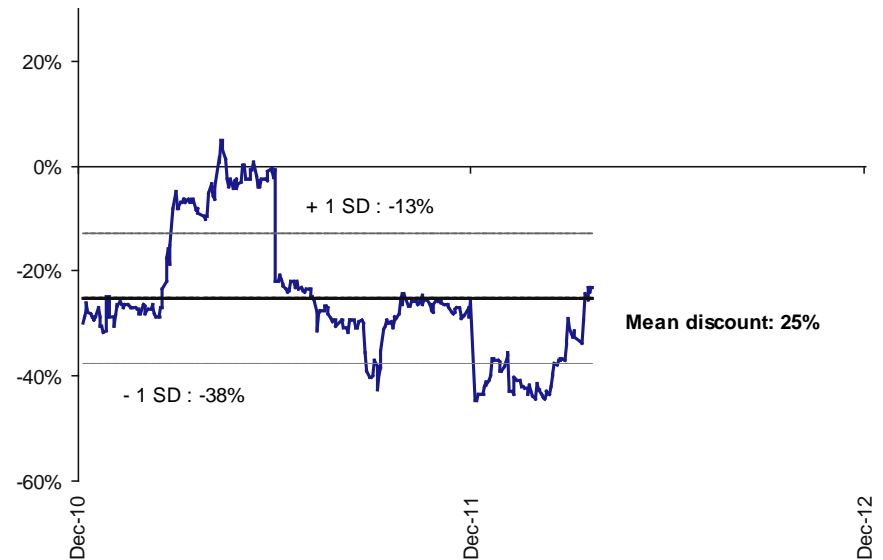


JG Summit Holdings

Foreign Buying / Selling



P/NAV Chart



- Sale of JGS shares held by subs increased the free float, allowing greater foreign participation.
- Among the non-MSCI but PSEi-member companies, JGS has the largest market cap.



JG Summit Holdings

- With TEL under its fold, EV has become more diverse.
- Significantly improved balance sheet, giving firepower in the PPP space
- Can afford to increase dividend payout – currently <10%
- Inclusion in MSCI should be a huge catalyst – both ST and LT
- At 10% discount, our upgraded TP of **P39.90** implies 17% upside. **Buy.**

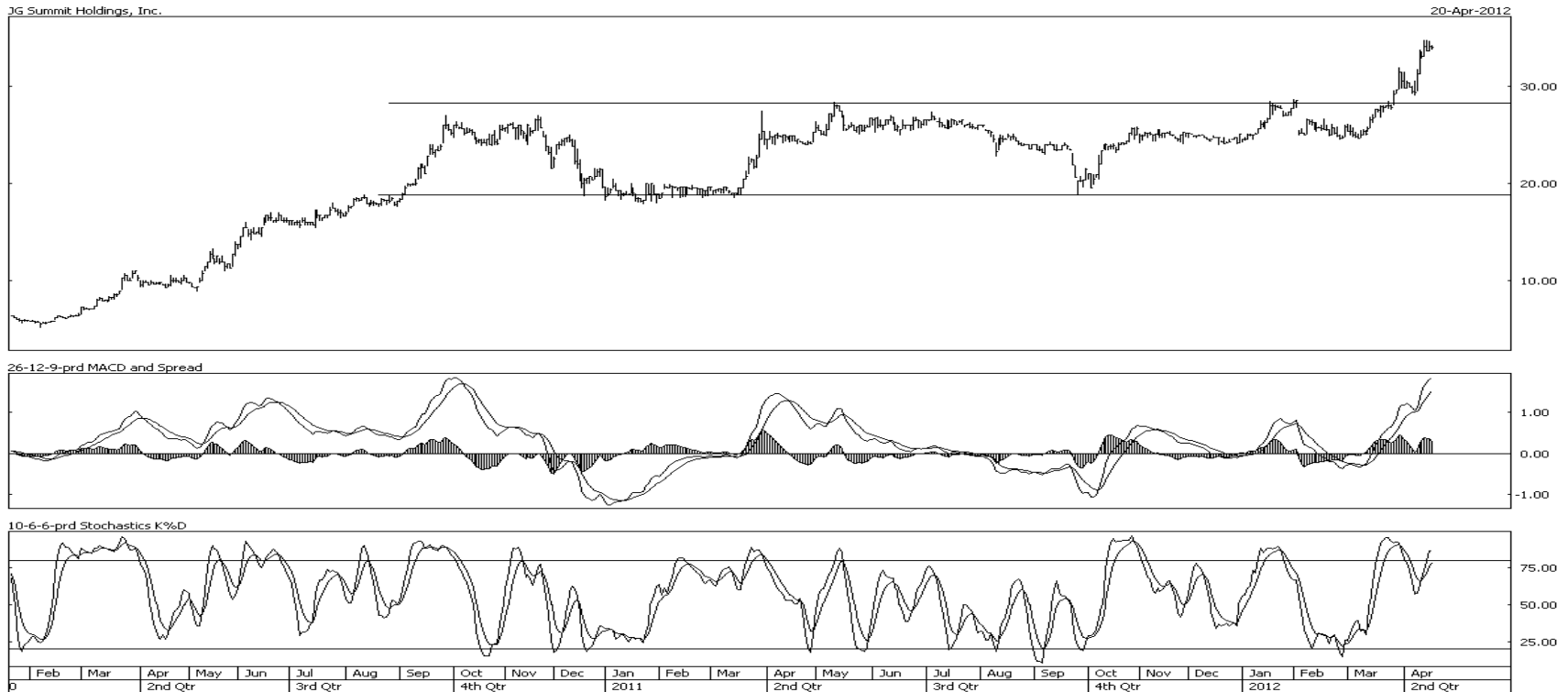


Sum of Parts: JGS

	Stake	Value to JGS (P'm)	EV %
Listed Assets			
Universal Robina	61.4%	95,246	34%
PLDT	8.0%	51,405	19%
Robinsons Land	60.0%	32,813	12%
Cebu Air	67.0%	30,815	11%
United Industrial	35.9%	46,875	17%
		257,155	90%
Non-listed Assets		20,640	10%
Enterprise Value		286,245	100%
Less: Parent net debt / (cash)		(12,297)	
Net Asset Value		298,541	
NAV per share		44.29	
Discount to NAV		24.0%	

JG Summit Holdings

What the Chart says...



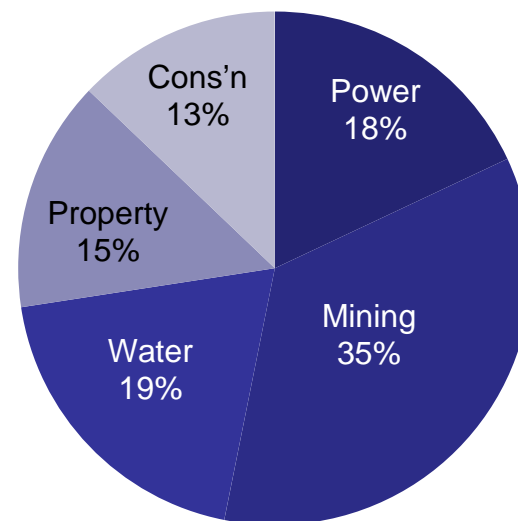
- JGS traded between 18.50 and 28.00 from September 2010 to March 2011. It broke above this wide rectangle pattern two weeks ago which would point to a target of 37.50.

DMCI Holdings

High growth, high ROE

- Power will become the largest contributor to earnings by '14
- New coal supply to mitigate long-term supply risk
- Orderbook at P22 billion, upside potential from PPP
- 7 projects under the DMCI Homes

Profit Mix



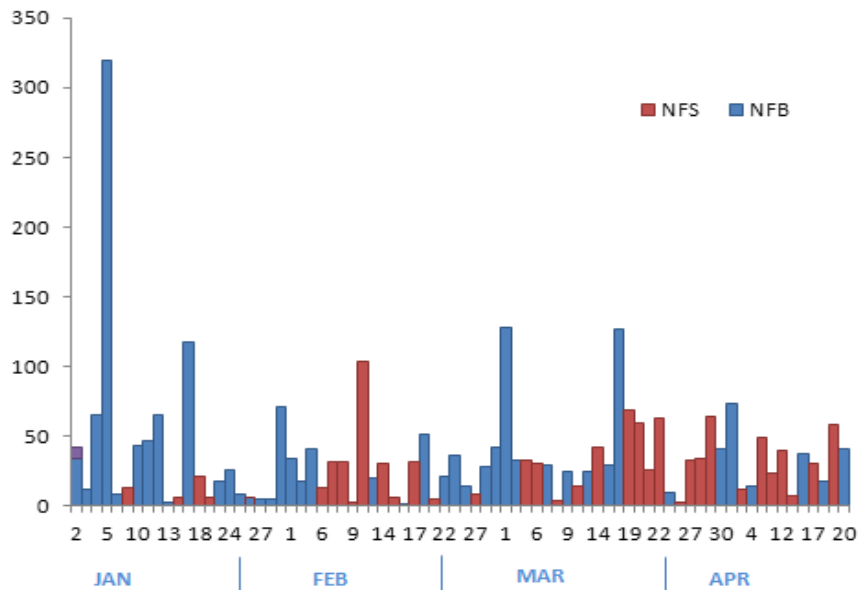
Financial & Valuation Highlights

	2009A	2010A	2011E	2012E	2013E
Net Income, P'm	4,407	7,867	9,047	10,931	13,876
EPS, P	1.66	2.71	3.41	4.12	5.18
PER	34.8x	21.3x	17.0x	14.0x	11.2x
PBV	7.5x	5.7x	4.6x	3.7x	2.9x
ROE	22.96%	33.17%	30.01%	29.17%	29.15%
Dividend yield	0.3%	0.9%	1.7%	2.1%	2.1%

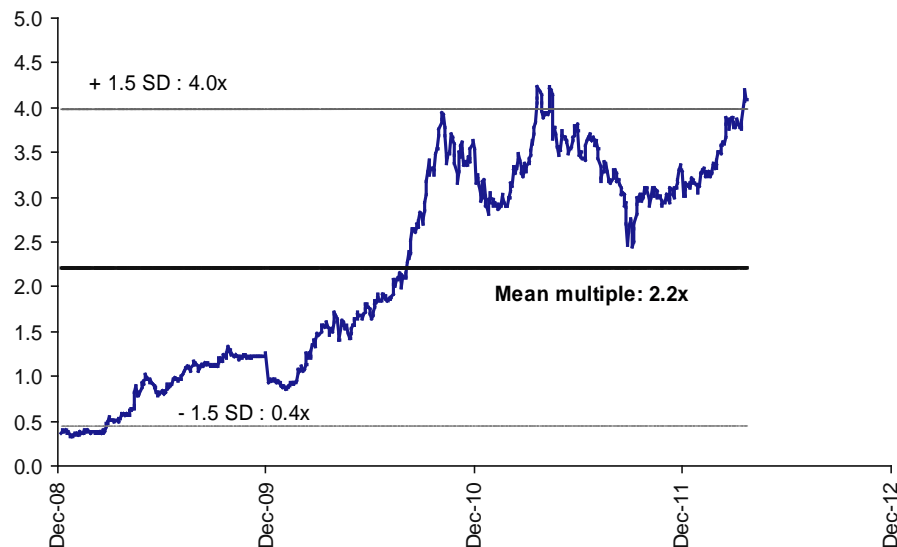


DMCI Holdings

Foreign Buying / Selling



P/BV Chart



- Best performer among peer conglomerates, up 40% YTD
- Steps up DPS by 20% = 35% payout
- Like AEV, trades at premium on P/B and P/NAV
- More foreign buying expected once included in MSCI



DMCI Holdings

- PPP beneficiary – a participant and a contractor for a winning bidder
- Marubeni entry unlocks value of unlisted Maynilad; windfall cash
- Zero debt & ~\$100m cash = acquisition mode: raw land and mine sites eyed
- Dividend yield one of the highest among peers
- At 4.0x P/B, which is 1.5 std deviation from its average multiple, we arrive at a **P62.70** TP. **Hold.**



Sum of Parts: DMC

	Stake	Value to DMC (P'm)	EV %
Listed Assets			
Semirara	55.1%	51,817	35%
Non-listed Assets		95,877	65%
Enterprise Value		147,694	100%
Less: Parent net debt / (cash)		(4,675)	
Net Asset Value		152,369	
NAV per share		57.39	
Premium to NAV		3.2%	

DMCI Holdings

What the Chart says...



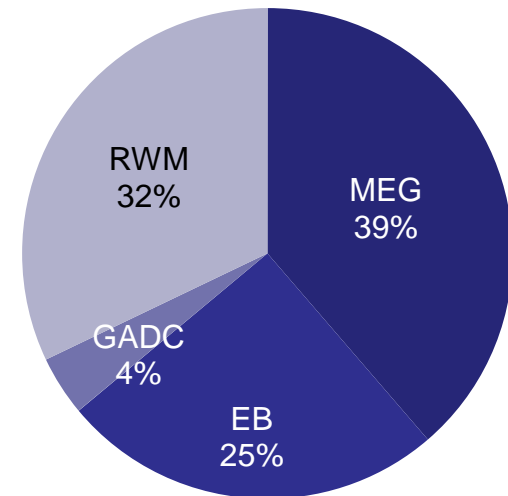
- DMC broke out of its flag formation a few days back. The strong uptrend is very much intact and the next resistance level is at 60.6, followed by 64.

Alliance Global

Coming soon: Competition

- Success in BPO replicated in IR; first mover advantage slowly eroding though
- Property remains largest profit contributor, but pressured by bigger rivals
- Earnings growth to temper in '13

Profit Mix



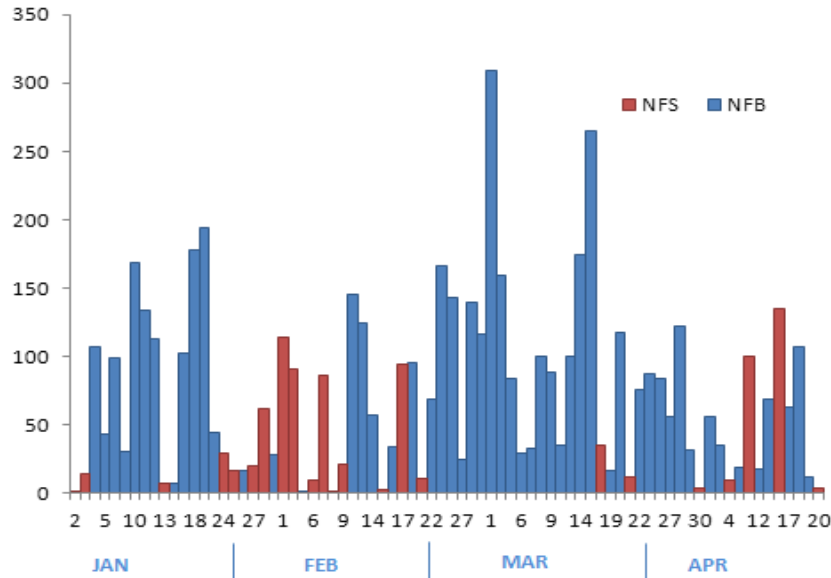
Financial & Valuation Highlights

	2009A	2010A	2011E	2012E	2013E
Net Income, P'm	4,796	6,908	9,501	12,251	14,438
EPS, P	0.49	0.71	0.93	1.19	1.41
PER	25.1x	17.4x	13.3x	10.3x	8.8x
PBV	2.3x	2.1x	1.9x	1.6x	1.4x
ROE	10.03%	12.61%	15.20%	16.94%	17.12%
Dividend yield	n/a	0.5%	2.9%	2.9%	2.9%

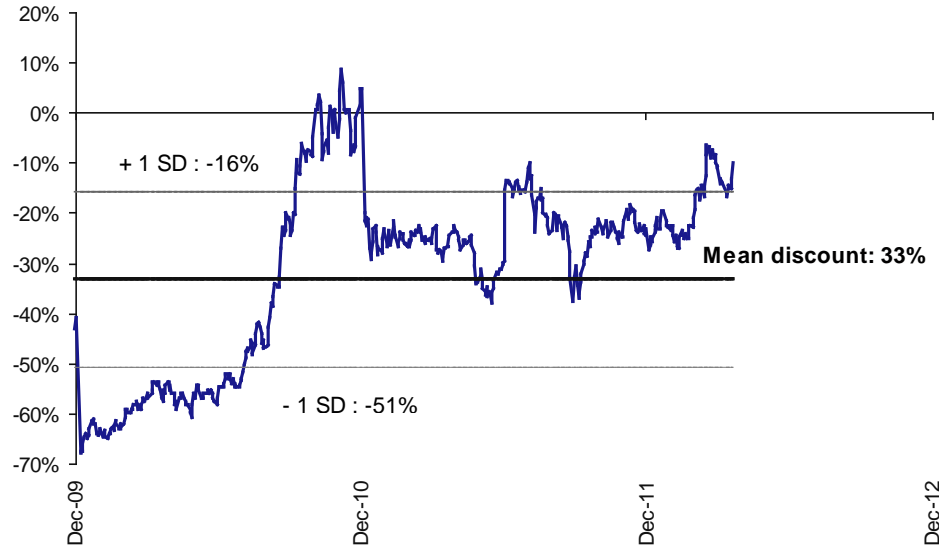


Alliance Global

Foreign Buying / Selling



P/NAV Chart



- Enjoys a good flow of foreign buying
- AGI is already above 1SD from its historical mean discount
- Incoming competition could pressure NAV discount and revert to mean.... **unless** it could show that the market is enough for all of them



Alliance Global

- Concrete plans on RW Bayshore would be announced by 2H; likely listing of Traveller's
- Emerging new casino players, BLOOM and BEL, could initially siphon traffic from RWM next year
- Tourism flavor via GERI looks promising; capital raising may be in the pipeline
- At 10% conglo discount, we see minimal upside with our **P12.75** target. **Hold**.

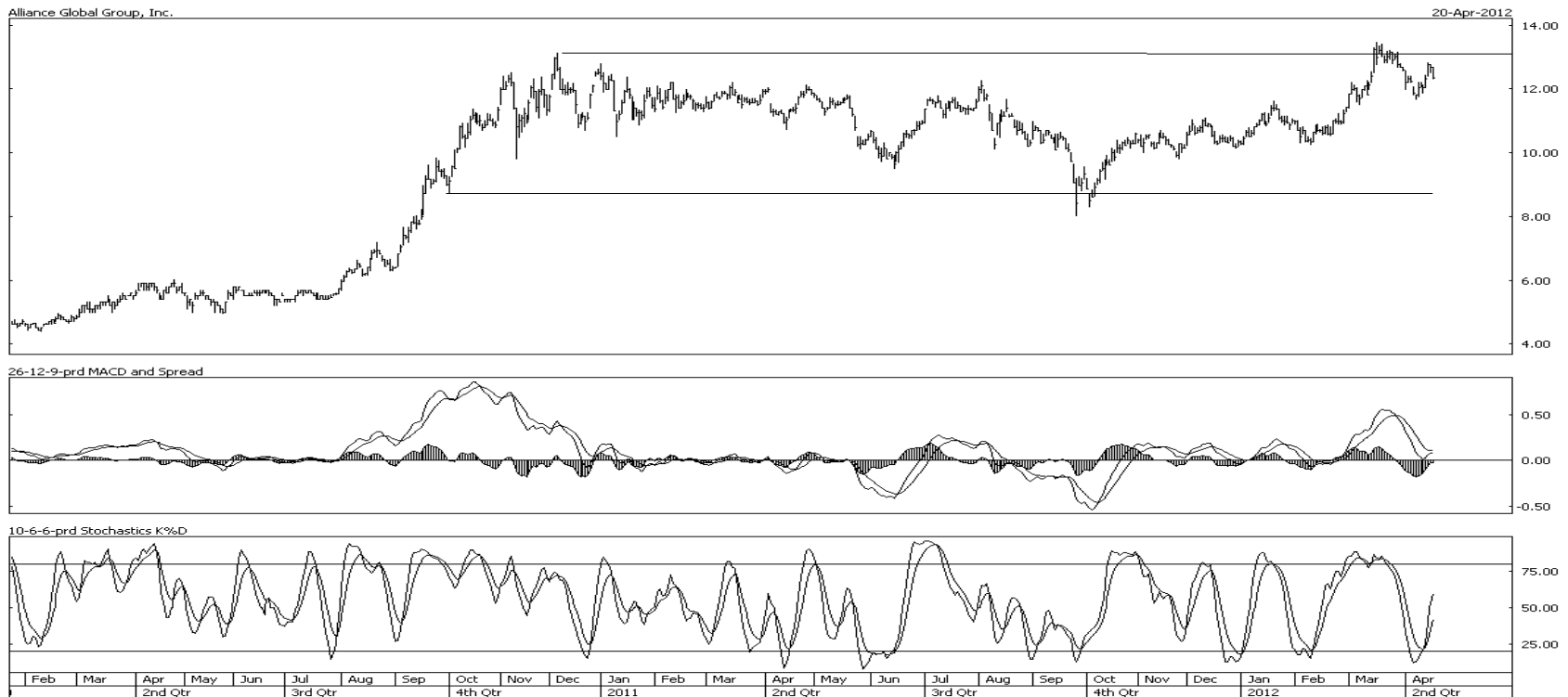
Sum of Parts: AGI

	Stake	Value to AGI (P'mn)	EV %
Listed Assets			
Megaworld	56.7%	32,708	23%
Global Estate	59.9%	10,622	7%
		43,329	30%
Non-listed Assets		100,449	70%
Enterprise Value		143,778	100%
Less: Parent net debt / (cash)		(2,192)	
Net Asset Value		145,970	
NAV per share		14.21	
Discount to NAV		13.5%	



Alliance Global

What the Chart says...



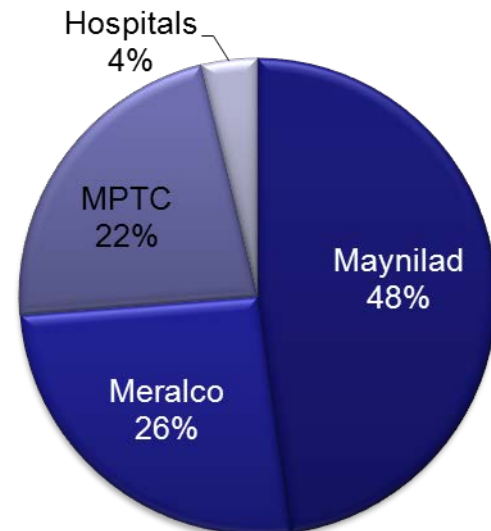
- AGI broke above the previous peak of 13.12 (established in December 2010) last month, reaching a high of 13.48. It has since fallen back to as much as 11.66 but is attempting to rally past 13.12 again. A successful break should point to 16, followed by 17.30.

Metro Pacific Investments

Still expanding

- Rate rebasing at Maynilad is key to profit growth; starts '13.
- Meralco enters power gen in time as distribution tariffs appear flat
- PPP provides avenue for add'l growth; BS has elbow room
- '12 earnings to grow 42%

Profit Mix



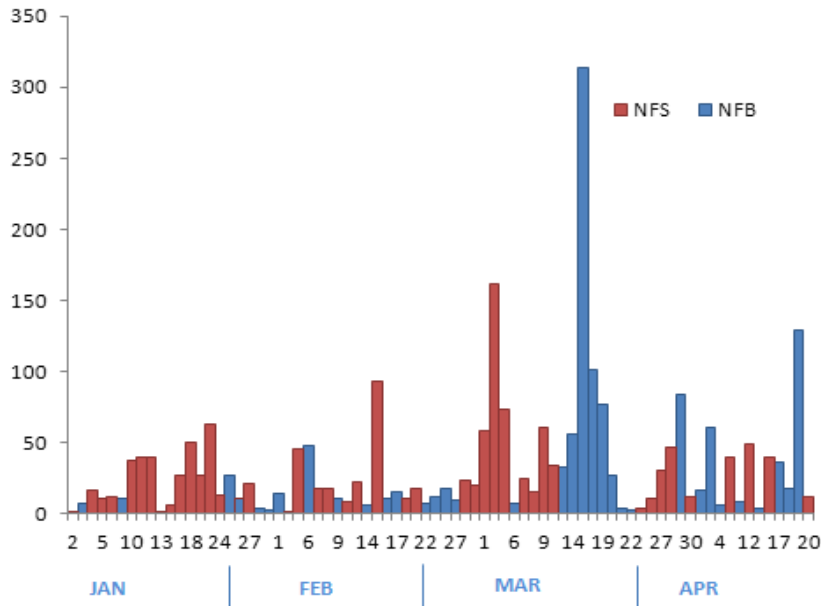
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	2,300	2,871	5,059	7,207	8,641
EPS, P	0.10	0.17	0.21	0.29	0.35
PER	42.6x	24.9x	20.9x	14.8x	12.3x
PBV	1.7x	1.8x	1.4x	1.4x	1.3x
ROE	4.49%	5.44%	7.91%	9.45%	10.56%
Dividend yield	n/a	0.2%	0.6%	0.7%	0.9%

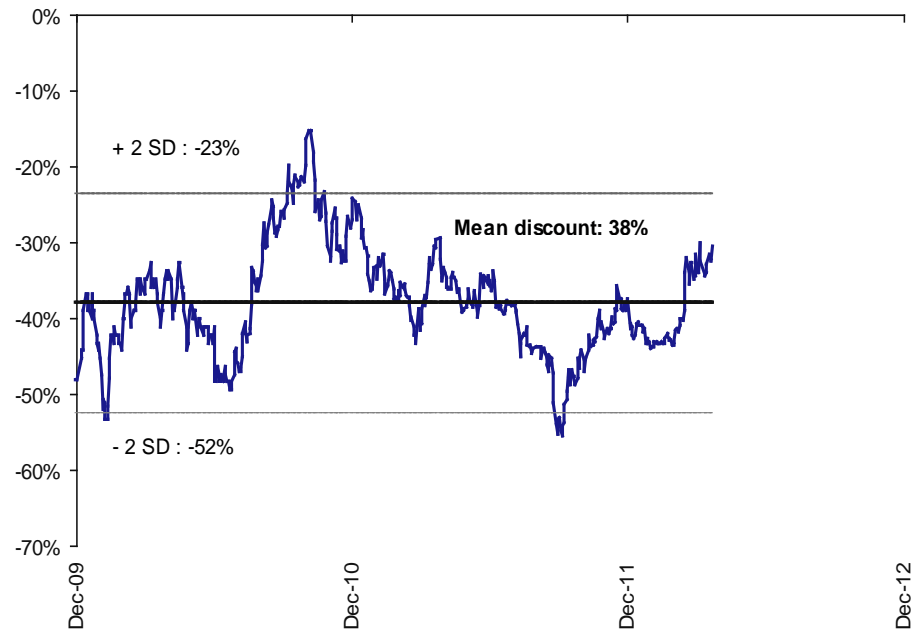


Metro Pacific Investments

Foreign Buying / Selling



P/NAV Chart



- P/NAV discount narrowing and moving to 2 S.D.
- Increased foreign participation
- Likely candidate for MSCI inclusion considering market cap expansion



Metro Pacific Investments

- Entry of Marubeni could potentially unlock the value of Maynilad
- Delayed SCTEX turnover continues to be a drag, profit and value-wise
- Subsidiaries up-stream P1.4 billion in annual cash dividends
- Current net cash position reduces balance sheet drag; can opt to look for further acquisitions
- At a 23% target discount, we upgrade our TP to **P5.10. Buy.**

Sum of the Parts: MPI

	Stake	Value to MPI (P'mn)	EV %
Listed Assets			
Meralco	22.7%	77,434	44%
MPTC	99.9%	39,779	27%
		117,153	73%
Non-listed Assets		43,575	27%
Enterprise Value		160,728	100%
Less: Parent net debt / (cash)		(2,302)	
Net Asset Value		163,030	
NAV per share		5.10	
Discount to NAV		36.5%	



Metro Pacific Investments

What the Chart says...



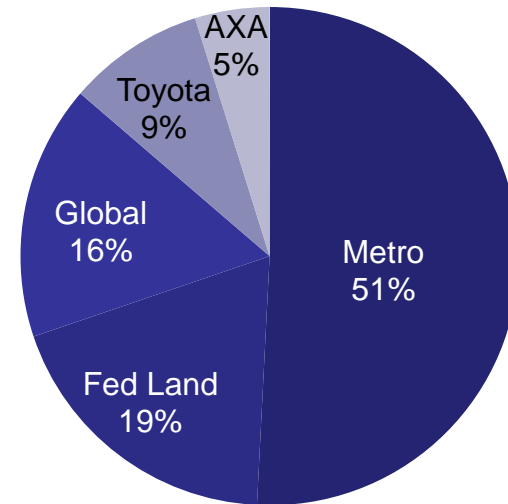
- MPI has been consolidating between 4 and 4.31 the past four weeks. The Stochastics indicator shows that the stock may be on the verge of forming a new leg up. Resistance is seen in the 4.30 to 4.45 range. Only a successful break above 4.45 would indicate a move towards the next resistance level at 4.90.

GT Capital Holdings

Great Timing

- GBP and Fed to comprise topline while the rest are derived via equity earnings.
- IPO proceeds to be channeled for consolidation; may be a concern for some.
- Expect high profit trajectory in '12

Profit Mix



Financial & Valuation Highlights

	2010A	2011A	2012E	2013E
Net Income, P'm	2,872	3,206	4,794	5,688
EPS, P	24.01	26.59	30.34	36.00
PER	20.5x	18.5x	16.2x	13.7x
PBV	2.1x	1.8x	1.0x	0.9x
ROE	10.63%	10.30%	8.57%	7.13%
Dividend yield	n/a	n/a	n/a	n/a



GT Capital Holdings

- Healthy mix of listed and non-listed assets
- We see GBPP and TMP as value drivers.
- GBPP has a sizeable presence in Visayas grid – 426MW of net dependable and attributable capacity.
- Fedland and Toyota complement consumer banking portfolio of PSBank.
- Ascribing a 10% conglomerate discount, our initial TP is **P580**.
Buy.



Sum of the Parts: GTCAP

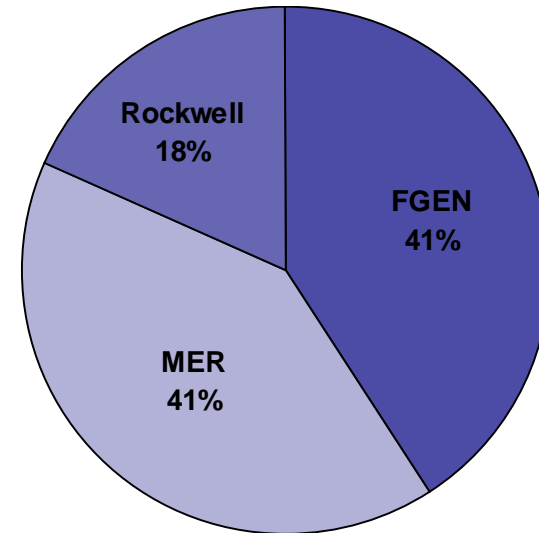
	Stake	Value to GT (P'mn)	EV %
Listed Assets			
Metrobank	25.1%	54,586	53%
Non-listed Assets		49,034	47%
Enterprise Value		103,620	100%
Less: Parent net debt / (cash)		1,700	
Net Asset Value		101,920	
NAV per share		645.06	
Discount to NAV		29.5%	

First Philippine Holdings

Time to reconsider

- Earnings to be driven by EDC
- One-time gain of P3 billion this 1Q from sale of 2.7% MER
- Consolidation of Rockwell to propel profits
- Cheapest on all valuation metrics

Profit Mix



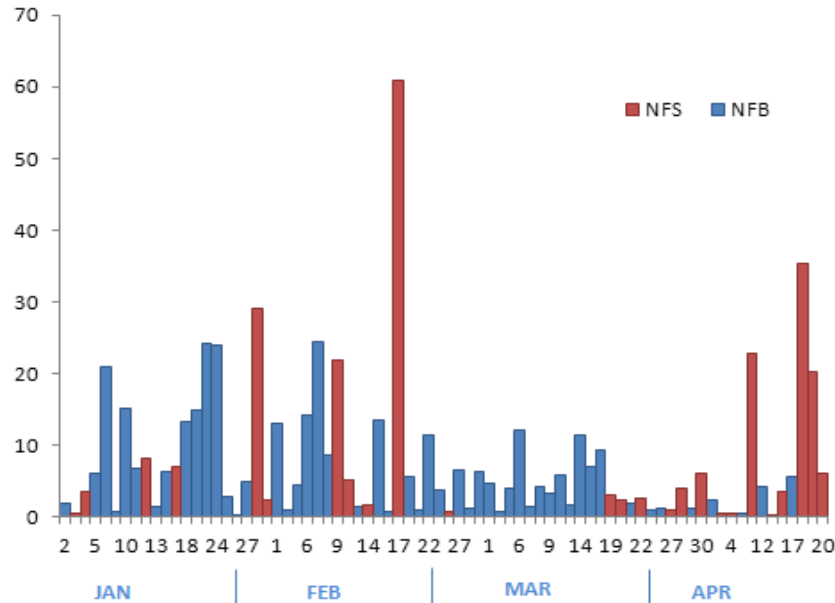
Financial & Valuation Highlights

	2009A	2010A	2011A	2012E	2013E
Net Income, P'm	(226)	1,290	2,075	3,554	5,728
EPS, P	(0.38)	2.18	3.69	6.32	10.19
PER	n/a	30.2x	17.9x	10.4x	6.5x
PBV	1.2x	0.7x	0.6x	0.6x	0.6x
ROE	n/a	1.62%	2.95%	5.41%	8.67%
Dividend yield	1.5%	3.0%	3.0%	3.0%	3.0%

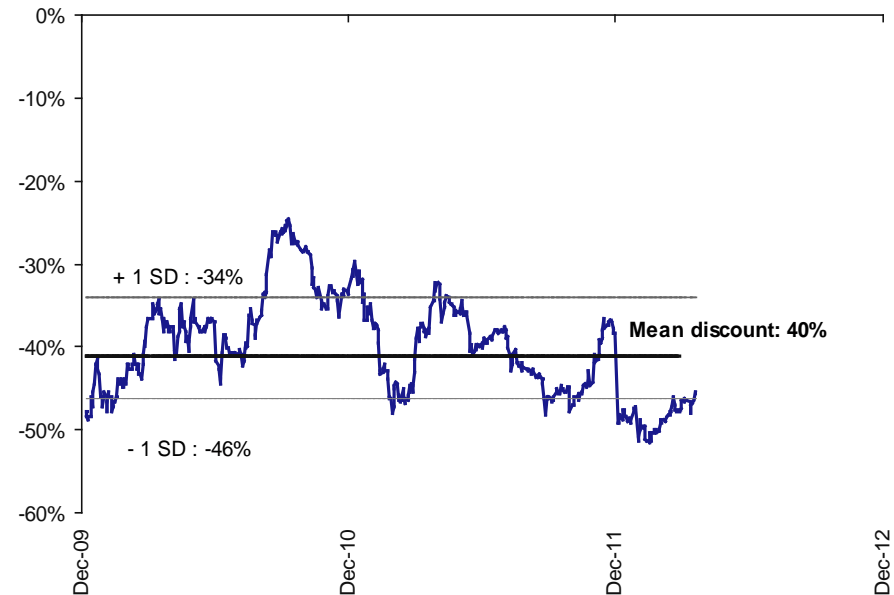


First Philippine Holdings

Foreign Buying / Selling



P/NAV Chart



- One of the laggards among conglomerates, with foreigners selling
- Once Rockwell is consolidated and if EDC delivers this September, expect a run-up.



First Philippine Holdings

- Fairly conservative approach; sits on net cash of P8 billion
- Possible deployment to FGEN via Series G
- Rockwell LBI could be this year; good prospects on property segment
- Eyes projects at EDC and FGEN levels – BG still not moving
- Stock is very cheap at 46% discount. TP is **P79.80. Buy.**

Sum of Parts: FPH

	Stake	Value to FPH (P'm)	EV %
Listed Assets			
Meralco	3.9%	13,454	22%
First Gen	66.2%	34,519	55%
		47,973	77%
Non-listed Assets		14,337	23%
Enterprise Value		62,310	100%
Less: Parent net debt / (cash)		(8,000)	
Less: Preferred shares		4,300	
Net Asset Value		66,010	
NAV per share		120.90	
Discount to NAV		45.6%	



First Philippine Holdings

What the Chart says...



- Since reaching 72 in Sept 2010, FPH has been consolidating sideways on a wide band (51 - 72), making a huge pennant pattern. In Dec 2011, this pattern was broken to the upside. FPH is now poised to test 72. A break above 72 would catapult FPH to the next resistance level at 79, followed by 92 which is the all-time high.

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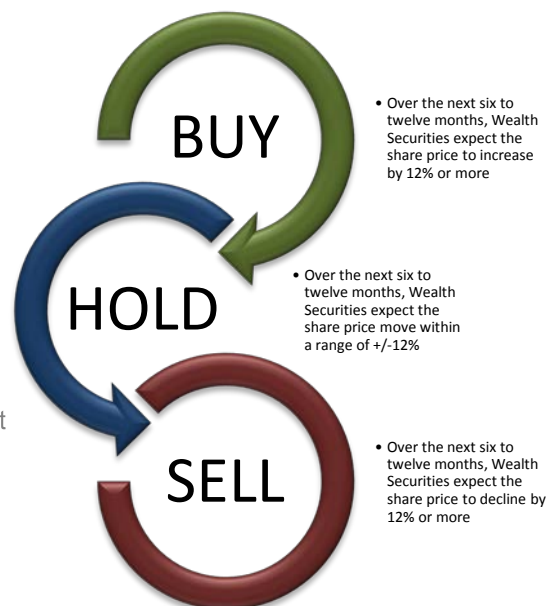
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