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1st-half earnings of listed firms expand 41.4% to P148.75B

THE COMBINED EARNINGS of domestic companies listed in the Philippine Stock Exchange (PSE) jumped by 41.4 percent to P148.75 billion during the first half of the year from P105.2 billion a year ago, a new PSE study showed.

Mr. Francis Lim, PSE president and chief executive officer, said the performance of the listed companies last year once again provides clear proof that steps being taken by the government to improve the country's macro-economic environment, especially to lower interest and inflation rates, have benefited companies.

"We in the PSE reiterate our optimism that the listed companies can further improve on their income performance and fuel the market's sustained advance, provided the same favorable factors behind their higher earnings remain in place," Mr. Lim stressed.

The study was based on the unaudited financial statements of 229 listed companies that were received by the PSE as of 06 September 2007. Those that submitted financial statements included firms that belong to the SME (small- and medium-sized enterprise) Board.

"The PSE would like to note also that the combined first-half earnings of our listed companies grew faster than the advance of the PSEi," Mr. Lim added.

During the first half of the year, the PSEi, which is the local stock market's main barometer of stock price movements, went up by 22.7 percent from its level at the end of 2006. The year-to-date growth of the PSEi stood at 11.7% percent last Friday.

"This could be an indication that our market still has a lot of room to further grow," Mr. Lim said in comparing the growth of the PSEi and listed company earnings. The PSEi also went up by 42.3 percent last year, by 15 percent in 2005, by 26.4 percent in 2004 and by 41.6 percent in 2003.

Mr. Lim said the combined gross revenues of the listed companies also went up by 15.1 percent to P1.18 trillion during the first half of the year from P1.02 trillion a year earlier.

All six industry groups in the Main Board, as well as the SME Board, enjoyed double-digit hikes in their first-half net earnings and gross revenues.

Firms in the SME Board recorded the best growth in net earnings at 584.2 percent as the combined net income of companies in this Board went up to P54.58 million during the first half of the year from P7.98 million for the same period last year.

In the Main Board the Mining and Oil Sector recorded the highest growth in income at 86.3 percent as the combined net earnings of companies in this sector jumped to P3.62 billion in the first half from P1.94 billion a year ago.

The combined net earnings of companies in the Property Sector grew by 82.9 percent; the Holding Firms Sector, by 54.4 percent; the Industrial Sector by 48.8 percent; the Financial Sector, 33.0 percent; and Services Sector, by 13.6 percent.

The Holding Firms Sector accounted for the biggest share of the income pie at P38.91 billion, the Industrial Sector came in second at P35.27 billion; Services Sector, P31.79 billion; Financial Sector, P24.28 billion; Property Sector, P14.82 billion. The Mining and Oil Sector, along with the SME Board, accounted for the rest of the income.

The combined earnings of companies that make up the 30-company PSEi went up by 28.7 percent to P98.17 billion from P76.28 billion the previous year.

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