BenguetCorp

SEC Reg. No. 11341

May 18, 2012

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA
Greenhills, Mandaluyong City

Attention: ATTY. JUSTINA F. CALLANGAN
Director, Corporation Finance Department

PHILIPPINE STOCK EXCHANGE
3rd Floor Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: MS. JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

In compliance with the reportorial requirements of the Securities and Exchange Commission (SEC) and Philippine Stock Exchange (PSE), attached hereto is Benguet Corporation's 2012 First Quarter Report ended March 31, 2012.

Please note that on May 11, 2012, we requested for extension of deadline to submit the said report under SEC Form 17-L for SEC and written request for PSE.

We hope that you will find everything in order.

Very truly yours,

BENGUET CORPORATION
By:

REYNALDO P. MENDOZA
Asst. Corporate Secretary

Universal Re-Building, 106 Paseo de Roxas, 1226 Makati City Philippines
MCPO Box 3488 • Phone: +632.812.1380 • Fax: +632.752.0717

C O V E R   S H E E T

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SEC Registration Number

B E N G U E T   C O R P O R A T I O N

(Group's Full Name)

7 T h   F l o o R ,   U n i v e r s A l   R E   B u I l D i n g ,
1 0 6   P a s E o   D e   R o x a s ,   M A k a t I   C i t y

(Business Address: No. Street City/Town/Province)

Mr. Reynaldo P. Mendoza	**812-1380**
(Contact Person)	(Group Telephone Number)

1 2	3 1	1 7 - Q		
Month	*Day*	(Form Type)	*Month*	*Day*
(Calendar Year)			(Annual Meeting)	

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended ....MARCH 31, 2012......................................

2. Commission identification number.....11341.... 3. BIR Tax Identification No..000-051-037...

BENGUET CORPORATION. ....
4. Exact name of issuer as specified in its charter

PHILIPPINES..
5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7F UNIVERSAL RE-BUILDING, 106 PASEO DE ROXAS, MAKATI CITY 1226
7. Address of issuer's principal office Postal Code

(632) 812-1380 / 751-9137...
8. Issuer's telephone number, including area code

....
9. Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding (as of March 31, 2012)
Convertible Preferred Class A*	217,061 shares
Common Class A Stock *	102,247,867 shares
Common Class B Stock *	61,461,042 shares

(*) Net of treasury shares

Total consolidated outstanding principal debt as of March 31, 2012- ₱979 Million

11. Are any or all of the securities listed on a Stock Exchange? Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

The Issuer's Convertible Preferred Class A share, Common Class A and B shares are listed in the Philippine Stock Exchange (PSE).

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [X] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [X]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

PLEASE REFER TO ANNEX "B" which is incorporated herein as part of this report (SEC Form 17-Q), on pages 12 to 21 which contained the following:

1. THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF BENGUET CORPORATION AND SUBSIDIARIES FOR THE FIRST QUARTER ENDED MARCH 31, 2012 (WITH AUDITED COMPARATIVE DATA FOR 2011) WERE PREPARED IN CONFORMITY WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE PHILIPPINES AND REFLECT AMOUNTS THAT ARE BASED ON BEST ESTIMATES AND INFORMED JUDGMENT OF MANAGEMENT WITH AN APPROPRIATE CONSIDERATION TO MATERIALITY;
2. AGING OF ACCOUNTS RECEIVABLE AS OF MARCH 31, 2012;
3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES; AND
4. ADOPTION OF PFRS 9, FINANCIAL INSTRUMENTS: CLASSIFICATION AND MEASUREMENT

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

A. <u>2012 First Quarter –Vs- 2011 First Quarter</u>

<u>Results of Operations</u>

In the first quarter of 2012, the Company continued its growth momentum of profitable operations. Increased gold production and milling rate of the Acupan Gold Project (AGP) as well as high gold price resulted in significant income compared to the period in 2011. The Sta. Cruz Nickel Project (SCNP) of the Benguetcorp Nickel Mines, Inc. (BNMI) generated modest revenue during the period and the Irisan Lime Project (ILP) reported modest but stable income.

Consolidated net income for the first quarter of 2012 amounted to ₱26.5 million, lower than the net earnings of ₱458.1 million for the same quarter last year. The decline is partly due to the lower non-recurring income from gain on debt settlement of ₱27 million booked this quarter as against the ₱420 million for the same period in 2011.

Operating revenues this quarter went up to ₱219.5 million from ₱182.9 million for the same quarter last year. The increased is mainly due to improve in gold production to 1,780 ounces this quarter from 1,063 ounces for the same period last year.

Operating costs and expenses this quarter increased to ₱196 million from ₱141 million for the same quarter last year mainly due to higher selling and general expenses and cost of mine products sold this quarter.

For the quarter this year, other income amounted ₱27.6 million substantially lower than the other income of ₱422.6 million for the same quarter last year. The decline is attributed to the lower gain on debt settlement booked this quarter to ₱27 million from ₱420 million booked for the same period last year.

Financial Position

The Company ended the first quarter of 2012 with consolidated assets of ₱5.202 billion, lower than end-December 2011 level of ₱5.304 billion. Cash and cash equivalents decreased to ₱922 million from ₱1,257 million in 2011 mainly from cash used by operating activities and equipment purchases for the AGP expansion and Nickel Project in Sta. Cruz, Zambales.

Receivables increased to ₱154.6 million from ₱81.9 million, attributed mainly from nickel shipment not yet collected. Loans receivable decreased to ₱46.2 million from ₱58.6 million in 2011 mainly due to partial collection this quarter.

Property, plant and equipment went up to ₱3,152 million from ₱3,127 million last year mainly due to equipment purchases for the AGP expansion and Nickel Project in Sta. Cruz, Zambales this quarter.

Inventories increased to ₱41.2 million from ₱37.3 million last year mainly due to purchase of M&S for Acupan and Nickel operations.

Preferred expenses and other current assets increased to ₱136 million from ₱117 million last year mainly due to increase in input VAT.

Deferred exploration costs increased to ₱344 million from ₱311 million last year mainly due to expenses incurred in the Nickel Project expansion program.

Deferred charges and other assets increased to ₱189 million from ₱133 million last year mainly due to expenses incurred in the AGP expansion program to increase its milling capacity to 300 tons per day and additional environmental fund for gold and nickel operations.

Accounts payable and accrued expenses decreased to ₱133 million from ₱244 million last year, mainly due to payments to contractors and suppliers. The outstanding bank loans (inclusive of interest and penalties as of March 31, 2012 decreased to ₱1.553 billion from ₱1.568 billion in 2011, mainly due to settlement of some debt this quarter.

Retained earnings improved to ₱1.001 billion from ₱975 million in 2011 mainly due to the net income for the first quarter of 2012. For the same reason, stockholders equity increased to ₱2.334 billion from ₱2.311 billion last year.

For more detailed discussion on the Company's results and plan of operations, please refer to the Company's President Report – 2012 First Quarter Report, which form as integral part of this report on pages 10 to 11, marked as Annex "A".

B. 2011 First Quarter -Vs- 2010 First Quarter

Results of Operations

In the first quarter of 2011, the Company sustained its momentum of profitable operations. Consolidated net income in 2011 first quarter amounted to ₱458.1 million, a turnaround from the loss of ₱16.5 million for the same quarter in 2010. The net operating income of ₱33 million before the non-cash financing charges of ₱11 million from the Nickel Project in Sta. Cruz, Zambales and Gold Project in Itogon, Benguet and the extraordinary gain of ₱436 million from the debt settlement contributed to the turnaround in the first quarter of 2011.

The Company's operating revenues in 2011 first quarter significantly increased to ₱182.9 million from ₱48.4 million for the same quarter in 2010. The increased is mainly due to improved gold production to 1,063 ounces from 633 ounces for the same period in 2010 and the ₱89 million revenue contributed by the Sta. Cruz Nickel Project.

Operating costs and expenses of ₱141 million in 2011 first quarter is higher than ₱64 million for the same quarter in 2010 mainly due to higher selling and general expenses and cost of mine products sold during the quarter.

In 2011 first quarter, other income amounted ₱423 million substantially higher than the other income of ₱10 million for the same quarter in 2010. The positive variance was partly due to the gain on debt settlement of ₱436 million versus nil for the same period in 2010.

Increased production and milling rate of the Acupan Contract Mining Project (ACMP) as well as high gold price resulted in almost double its income compared to the same period in 2010. ACMP generated net earnings of ₱23,811,000 for the quarter, significantly higher than the net earnings of ₱13,305,000 posted in the same period in 2010. Gold production for the quarter totaled 1,063 ounces, higher than the 633 ounces of gold produced in 2010. The grade of ore milled of 8.77 grams of gold per ton during the quarter was higher compared to 7.46 grams of gold per ton for the same period in 2010. Milling rate increased by 42% to 112 tons per day compared to average of 79 tons per day in the same period in 2010.

Benguetcorp Nickel Mines, Inc. (BNMI), a wholly owned subsidiary of the Company and operator of Sta. Cruz Nickel Project (SCNP), reported net earnings of ₱19,015,000 million for the quarter. BNMI plans to operate the remaining areas of SCNP within the year. During the 2011 first quarter, BNMI crew drilled a total of 84 holes in Area 2 aggregating 1,560.50 meters, and collected 1,500 core samples from 77 holes. This is part of BNMI's 25 x 25 grid drilling program to ensure grade control in the mining operation.

The Irisan Lime Project (ILP) reported modest but stable income. It generated net earnings of ₱3,046,000 for the first quarter of 2011, slightly lower than the net earnings of ₱3,702,000 posted for the same period in 2010. This was due to the lower sales volume of 2,183 tons for the quarter as compared to 2,284 tons sold for the same period in 2010, and increase in price of regular fuel oil.

The Balatoc Gold Resources Corporation (BGRC), a wholly owned subsidiary of the Company and operator of the Balatoc Tailings Project (BTP), is currently updating cost estimates for critical BTP mine/mill and ancillary equipment/facilities as part of CAPEX review. Most of the required government permits have been secured and BGRC sees financial closing within the year 2011.

The Benguet Laboratories (BL) generated net earnings of ₱939,000 for the first quarter of 2011, lower than the net earnings of ₱1,295,000 (US$29,000) for the same period in 2010, mainly due to lower revenues from corporate accounts.

Benguet Management Corporation (BMC), a wholly owned subsidiary of the Company, and its subsidiaries, reported a consolidated net loss of ₱1,606,000 for the first quarter of 2011, slightly lower compared to the loss of ₱2,341,000 for the same period in 2010. The loss was mainly due to negative performance of BMC parent and its subsidiaries. Benguetrade, Inc. (BTI), incurred a net loss of ₱406,000, for the quarter, higher compared to the loss of ₱121,000 incurred during the same period in 2010. Arrow Freight Corporation (AFC), on the other hand, incurred a net loss of ₱738,000 for the quarter, lower than the ₱1,198,000 net loss incurred for the same period in 2010.

In March 2011, the Philippine National Bank (PNB) as mortgage trustee of the consortium of creditor banks officially informed the Company that it is withdrawing the notice of default it earlier issued, since the majority creditors have indicated their retraction of their previous instruction to PNB on the default declaration. The Company has been able to retire 80.42% of its secured debt and 95.12% of its unsecured bank debt. The Company will continue to settle, or propose to restructure the remaining principal obligations, amounting to ₱348 million or US$8.0 million.

Financial Position

The Company ended the first quarter of 2011 with consolidated assets of ₱4.397 billion, higher than end-December 2010 level of ₱4.070 billion. Cash and cash equivalent substantially increased to ₱677 million from ₱292 million in 2010 partly from the collection of BNMI trade receivables and the partial drawdown of ₱47 million by a subsidiary from the ₱150 million loan granted by PhilExim.

Receivables increased to ₱299 million from ₱270 million, attributed mainly from nickel shipment not yet collected. Loans receivable decreased to ₱46.2 million from ₱54.7 million in 2010 mainly due to partial collection this quarter.

Property, plant and equipment went down to ₱2,727 million from ₱2,750 million in 2010 mainly due to depreciation and amortization booked during the quarter.

Accounts payable and accrued expenses increased to ₱958 million, mainly due to BNMI advances from DMCI Mining Corp. chargeable against future share and payable to suppliers and contractors. The outstanding bank loans inclusive of interest and penalties as of March 31, 2011 decreased to ₱1.094 billion from ₱1.491 billion in 2010, mainly due to settlement of some debt this quarter.

Income tax payable in 2011 first quarter pertains mainly to the ₱8.1 million income tax payable of BNMI Sta. Cruz Nickel Project.

The Company's deficit as of March 31, 2011 decreased to ₱2.117 billion from ₱2.575 billion in 2010 mainly due to the net income for the first quarter in 2011. For the same reason, stockholders equity increased to ₱1.213 billion from ₱0.755 billion last year.

The Company's current liability still exceeded its current assets by ₱1.1 billion as of March 31, 2011 and ₱1.6 billion as of December 31, 2010.

KNOWN TRENDS, EVENTS OR UNCERTAINTIES

The Company does not foresee any cash flow problem over the next twelve months due to continuing improvement in gold production of ACMP compounded with the prevailing favorable metal price, favorable local market sales of quicklime from ILP, and assure market for nickel ores of Sta. Cruz Nickel Project due to the signing of off-take agreement with DMCI Mining Corporation, Bright Mining & Resource Company Ltd., and Minecore Resources Inc.

There is no known event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation that have not been booked although, the Company could be contingently liable for lawsuits and claims arising from the ordinary course of business which are not presently determinable. The Parent Company's outstanding principal debt subject to the repayment plan amounted to ₱250.32 million as of March 31, 2012 and its outstanding principal debt subject to the 1992 Restructuring Agreement has been reduced to ₱236.11 or only 20% of the original principal. The Company remains committed to a final and comprehensive settlement of all the old debt, including an appropriate restructuring plan of the remaining obligations.

There is no material off-balance sheet transactions, arrangement, obligations, and other relationship of the Company with unconsolidated entities or other persons that the Company is aware of during the quarter.

In December 2011, the Company signed a ₱500 million multi-purpose omnibus credit facility with Banco de Oro Unibank Group. The facility is intended for the working capital requirements of the ongoing gold tailings reprocessing project, the expansion of AGP and the Sta.Cruz nickel project, and other mining and exploration projects of the Company.

Other than what have been discussed in their respective sections above, there are no material events or uncertainties known to management that had material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company.

KEY PERFORMANCE INDICATORS

1.) *Working Capital* - Working capital (current assets less current liabilities) and current ratio (current assets over current liabilities) measures the liquidity or debt paying ability of the Company. As of March 31, 2012, the Company's current ratio is 1.09. As of March 31, 2011, the Company's current liabilities exceeded its current assets by ₱1.1 billion.

2.) *Metal Price* - The market price of gold in the Banko Sentral ng Pilipinas which is based from the world spot market prices provided by the London Metal Exchange for gold is the key indicator in determining the Company's revenue level. This quarter, the average market prices for gold sold were at US$1,615 per ounce compared to US$1,388 per ounce for the same quarter in 2011. The favorable price of gold and nickel will have a favorable impact on the Company's revenue.

3.) *Tons Mill and Ore Grade* - Tons milled and ore grade determine gold production and sales volume. The higher the tonnage and ore grade, the more gold are produced and sold. This quarter, tons milled were 8,429 tons of shared ore grading 6.76 grams per ton gold. Gold sold were 1,063 ounces. For the same quarter in 2011, tons milled were 4,494 of shared ore grading 8.77 grams per ton gold. Gold sold were 1,063 ounces.

4.) *Foreign Exchange Rate* - The Company's sales proceeds are mainly in U.S. dollars, a higher Philippine peso to U.S. dollar exchange rate means higher peso sales but would also reflect a foreign exchange loss on the restatement of the Company's dollar obligations. Conversely, a lower exchange rate reduces the Company's revenue in pesos but brings foreign exchange income on the loans. As of March 31, 2012, the peso to dollar exchange rate was at ₱42.934, lower than the ₱43.432 for the same period in 2011.

5.) *Earnings Per Share* - The earnings per share reflect the Company's bottom line operating results expressed in amount per share of the Company's outstanding capital stock. Assuming a constant outstanding number of shares, as a Company's earnings increase, the earnings per share correspondingly increase. This quarter, the Company's earnings per share is ₱0.16, compared to earnings per share of ₱2.82 in the same period in 2011. With the projected higher gold production of AGP and assured market of nickel ores of SCNP coupled with the prevailing favorable metal prices, the Company anticipates improvement in the earnings per share.

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

There are no other information for this interim period not previously reported in a report on SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer........................**BENGUET CORPORATION**...

By:

Signature and Title: REYNALDO P. MENDOZA – SVP, Legal/Asst. Corporate Secretary
Date : May 18, 2012

Principal Financial/Accounting Officer/Controller:

Renato A. Claravall

Signature and Title: RENATO A. CLARAVALL – SVP, Chief Finance Officer
Date : May 18, 2012

Annex “A”

2012
FIRST QUARTER REPORT
BENGUET CORPORATION
AND SUBSIDIARIES

In the first quarter of 2012, Benguet Corporation sustained its forward momentum of profitable operations. Increased production and milling rate of the Acupan Gold Project (AGP) as well as high gold price resulted in significant income contribution. The Sta. Cruz Nickel Project (SCNP) of the Benguetcorp Nickel Mines, Inc. (BNMI) generated modest revenue during the period. Likewise, the Irisan Lime Project (ILP) reported modest but stable income.

Consolidated Results

Consolidated net earnings for this quarter amounted to ₱26,471,000 (US$617,000) or ₱0.16 (US$0.004) per share, lower than the net earnings of ₱458,118,000 (US$10,548,000) or ₱2.82 (US$0.065) per share for the same period in 2011. The higher income booked last year included a P420 million extraordinary gain from debt settlement.
Operating revenues for this quarter amounted to ₱219,524,000 (US$5,113,000), 20% higher than the ₱182,897,000 (US$4,211,000) for the same period in 2011. The increase was due to improved gold production by AGP with favorable gold price averaging US1,615 per ounce against US$1,388 per ounce for the same period last year.

Mining

AGP generated net earnings of ₱37,112,000 (US$864) this quarter, significantly higher than the net earnings of ₱23,811,000 (US$548,000) posted in the same period last year. AGP milled 8,429 tons of shared ore, an 88% increase from the 4,494 tons milled during the same period last year. Gold production for this quarter totaled 1,780 ounces, 67% higher than the 1,063 ounces of gold produced last year. The grade of ore milled of 6.76 grams of gold per ton during the quarter was lower compared to 8.77 grams of gold per ton for the same period last year. Milling rate increased by 34% to 150 tons per day compared to average of 112 tons per day in the same period last year, to steadily increase production. AGP is on an expansion program to bring production to 300 tons per day by year-end this year.

During the quarter, BNMI, a wholly owned subsidiary of your Company, has been working on mining plans to operate the other areas of SCNP, including additional resource definition drilling, which made a total advance of 29,138 meters from 1,869 holes drilled in Areas 2, 3 and 4. It delimited higher grade areas within Area 2 and was able to extract ore grading ≥1.7% nickel plus lower grade ores (1.5-1.69%Ni). Focus on these initiatives have resulted in lower generated net earnings for this quarter, producing net earnings of ₱3,551,000 (US$83,000) from nickel ore shipments from its SCNP’s Area 1, compared to the ₱19,015,000 (US$438,000) posted in the same period last year. As of May 2012, BNMI has mined and stockpiled from Area 2 a total of 335,032 tons of ≥1.7% to ≥1.8% nickel and 113,776 tons of ≥1.5% to ≥1.69% nickel. These ores shall be shipped in the succeeding quarters, in accordance with the off-take agreements and additional sales.

The Irisan Lime Project (ILP) generated net earnings of ₱2,244,000 (US$52,000) this quarter, lower than the net earnings of ₱3,046,000 (US$70,000) posted for the same period in 2011. The decrease in earnings is attributed to the higher cost of fuel oil, despite higher sales volume of 2,868 tons this quarter, a significant 31% increase from the 2,183 tons produced during the same period last year.

Exploration, Research & Development

Balatoc Gold Resources Corporation (BGRC), a wholly owned subsidiary of your Company and the operator of the Balatoc Tailings Project (BTP), sees financial closing within the year. BTP is the country’s first large scale gold recovery project from mill tailings. The Mineral Processing Permit (MPP), along with other related government permits, has already been issued to put BTP into operation. In addition, your Company has signed several contracts for the infrastructure development.

Your Company's Geology consultant recommended the drilling of two holes at 750 meters depth at Level 2000 to evaluate the resource of the Ampucao Copper Gold Porphyry Prospect. The drilling will commence as soon as the underground drill station has been prepared.

Healthcare Services

Benguet Laboratories (BL) generated net earnings of ₱1,243,000 (US$29,000) this quarter, 32% higher than the net earnings of ₱939,000 (US$22,000) for the same period last year. The increase in net earnings is mainly due to higher sales to corporate accounts. BL continues to serve various Health Management Organizations catering to corporate and institutional clients, both from the private and government sectors located in Northern Luzon. BL is in partnership with sixty five medical practitioners of various disciplines and expertise. BL plans to expand its operations in two provinces.

Subsidiaries & Affiliates

Benguet Management Corporation (BMC), a wholly owned subsidiary of your Company, and its subsidiaries, reported consolidated net earnings of ₱29,755,000 (US$693,000) this quarter, a significant turnaround from the loss of ₱1,606,000 (US$37,000) posted during the same period last year. The income was mainly due to the non-cash gain realized from the settlement of old debt.

Arrow Freight Corporation (AFC) reported net earnings of ₱4,255,000 this quarter, a considerable improvement from the loss of ₱738,000 incurred for the same period last year. The income is due to AFC's contracting the mining activities of your Company's nickel project, particularly the provision and operation of earth-moving equipment. AFC is BMC's logistics subsidiary.

BMC Forestry Corporation (BFC) reported net earnings of ₱239,000 (US$6,000) this quarter, lower compared to the net earnings of ₱472,000 (US$11,000) for the same period last year. BFC continues to develop the Woodspark Rosario Subdivision Project in La Union. Total lot sales and reservations to-date stand at 203 lots, with an aggregate area of 28,648 square meters. BFC is in the process of completing the requirements for the application of Certificate of Completion (COC) with the Housing and Land Use Regulatory Board (HLURB), to facilitate the eventual turnover and transfer of the subdivision amenities and utilities to the homeowners association.

Benguetrade, Inc. (BTI), incurred net loss of ₱328,000 this quarter, lower than the loss of ₱406,000 incurred during the same period in 2011.

Debt Status

As of March 31, 2012, your Parent Company's outstanding principal debt subject to the repayment plan amounted to ₱250.32 million or US$5.8 million. Your Parent Company's outstanding principal debt subject to the 1992 Restructuring Agreement has been reduced to ₱236.11 million or only 20% of the original principal. Your Company remains committed to a final and comprehensive settlement of all the old debt, including an appropriate restructuring plan of the remaining obligations.

Outlook

Your Company is poised for more growth.

We are close to completing the financial and structural initiatives to facilitate and meet the operational requirements and processes necessary to bring enhanced production, efficiency and profitability.

We thank all of our stakeholders for their patience during the past years and we urge their continued participation in achieving the tasks ahead.

Benjamin Philip G. Romualdez
President & Chief Executive Officer

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2012 AND DECEMBER 31, 2011
(In Thousands)

ANNEX 'B'

	2012	AUDITED 2011
CURRENT ASSETS		
Cash and cash equivalents	P 921,937	P 1,257,364
Accounts receivable - net	154,571	81,939
Loans Receivable	46,253	58,632
Inventories - net	41,259	37,266
Prepaid expenses and other current assets	136,070	116,861
Total Current Assets	1,300,090	1,552,062
Available for Sale Investments	15,477	14,462
Property, plant and equipment - net	3,186,399	3,126,741
Deferred Exploration Costs	344,172	311,112
Investment Property	166,693	166,693
Deferred charges and other assets	188,935	133,356
TOTAL ASSETS	P 5,201,766	P 5,304,426
LIABILITIES & STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of loans payable	P 998,218	P 1,004,193
Trade and other payables	133,363	243,977
Income Tax Payable	64,440	62,928
Total Current Liabilities	1,196,022	1,311,098
NONCURRENT LIABILITIES		
Loans payable - net of current portion	554,748	563,310
Accrued Retirement Liability	29,793	29,700
Liablility for Mine Rehabilitation	34,060	34,060
Deferred Income Tax Liabilities	978,711	980,260
Equity of Claimowners & Others	49,135	49,136
Other non-current Laibilities	25,003	25,563
Total NonCurrent Liabilities	1,671,450	1,682,029
TOTAL LIABILITIES	P 2,867,472	P 2,993,127
STOCKHOLDERS' EQUITY		
Convertible Preferred Class A - P3.44 par value		
Authorized - 19,652,912 shares		
Issued - 217,061 shares in 2012 and 2011	P 745	P 745
Common Class A - P3.00 par value		
Authorized - 120,000,000 shares, Issued - 102,351,465 shares in 2012 and 2011	307,055	307,055
Common Class B - P3.00 par value		
Authorized - 80,000,000 shares, Issued 61,473,467 shares in 2012 and 2011	184,420	184,420
Capital surplus	18,895	18,895
Other Components of Equity		
Revaluation Increment in land - net of deferred income tax liability	750,779	750,779
Cumulative Translation Adjustment	36,884	40,394
Cost of Share-based Payment	41,372	41,372
Unrealized Gain on AFS Investment	954	920
Retained earnings	1,001,206	974,735
Total capital and retained earnings	2,342,310	2,319,315
Less cost of treasury stock - 116,023 shares in 2012 and 2011	8,016	8,016
STOCKHOLDERS' EQUITY	2,334,294	2,311,299
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	P 5,201,766	P 5,304,426

ALB/LOC

BENGUET CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

FOR THE THREE MONTHS ENDED MARCH 31, 2012 (WITH COMPARATIVE DATA FOR 2011)

(In Thousands)

	2012	2011
OPERATING REVENUE		
Sales of mine products	P 186,985	P 159,691
Sales of merchandise and services	32,536	23,205
	219,521	182,897
OPERATING COSTS AND EXPENSES		
Cost of mine products sold	56,115	31,187
Cost of merchandise and services sold	22,393	13,789
Selling and general expense	135,876	94,834
Taxes on revenues	3,662	1,382
	218,045	141,192
INCOME FROM OPERATIONS	1,476	41,705
OTHER INCOME (EXPENSES)		
Interest income	1,507	6,552
Foreign exchange gain (loss)	(1,278)	3,555
Interest expense	(5,487)	(15,217)
Miscellaneous - net	32,864	427,713
	27,606	422,603
INCOME BEFORE INCOME TAX	29,082	464,308
PROVISION FOR INCOME TAX	2,611	6,190
NET INCOME	26,471	458,118
RETAINED EARNINGS (DEFICIT) AT BEG OF PERIOD	974,735	(2,575,016)
RETAINED EARNINGS (DEFICIT) AT END OF PERIOD	P 1,001,206	(P 2,116,898)
EARNINGS PER SHARE	P 0.16	P 2.82

ALB/LOC

BENGUET CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2012 (WITH COMPARATIVE DATA FOR 2011)
(In Thousands)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	P 26,471	P 458,118
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation, depletion and amortization	41,354	32,552
Unrealized foreign exchange (gain) loss	1,278	(3,555)
Gain on Settlement of Liabilities	(27,075)	(419,565)
Provision for (benefit from) deferred income tax	2,611	(2,163)
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Accounts Receivable - net	(72,632)	(29,207)
Inventories - net	(3,993)	1,762
Prepaid expenses and other current assets	(19,209)	1,725
Increase (decrease) in accounts payable and accrued expenses	(110,614)	300,065
Net Cash Provided by (Used in) Operating Activities	(161,809)	339,732
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment - net	(66,213)	(2,293)
Mining exploration and development costs	(33,060)	(31,946)
Investments in Stocks	-	-
Increase in deferred charges and other assets	(46,079)	79,306
Net Cash Provided By (Used in) Investing Activities	(145,352)	45,067
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments (repayments) of long-term debt and bank loans	(28,266)	(380)
Proceeds from issuance of common stocks	-	-
Increase (decrease) in deferred credit and others	-	-
Net Cash Provided by (Used in) Financing Activities	(28,266)	(380)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(335,427)	384,419
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,257,364	292,457
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 921,937	P 676,876

BENGUET CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY
(Amounts in Millions, Except Number of Shares)

	Unaudited March 31, 2012	Unaudited March 31, 2011	Audited 2011
CAPITAL STOCK	**P492**	P489	P492
Subscription Receivable	-	-	-
Capital Surplus	**19**	1,155	19
	511	1,644	511
REVALUATION INCREMENT IN LAND			
Balance at beginning of year	**751**	1,613	1,613
Decrease in revaluation increment	-	-	(862)
Balance - End	**751**	1,613	751
ACCUMULATED TRANSLATION ADJUSTMENT			
Balance at beginning of year	**40**	39	39
Increase (decrease) in translation adjustment	**(3)**	(1)	1
Balance - End	**37**	38	40
COST OF SHARE BASED PAYMENT			
Balance at beginning of year	**41**	42	42
Cost of share-based payment	-	(1)	(1)
Balance - End	**41**	41	41
UNREALIZED GAIN (LOSS) ON AFS INVESTMENTS			
Balance at beginning of year	**1**	2	2
Unrealized loss on AFS investments	-	-	(1)
Balance - End	**1**	2	1
EQUITY (DEFICIT)			
Balance at beginning of year	**975**	(2,575)	(2,575)
Effect of quasi-reorganization	-	-	2,165
Net income	**26**	458	1,385
Balance - End	**1,001**	(2,117)	975
TREASURY STOCKS - 116,023 shares	**(8)**	**(8)**	**(8)**
TOTAL EQUITY	**P2,334**	**P1,213**	**P2,311**

BENGUET CORPORATION
EARNINGS PER SHARE COMPUTATION

	Three Months Ended March 31	
	2012	**2011**
Net Income ('000)	**P26,471**	P458,111
Number of shares for computation of		
Basic earnings per share		
Weighted average common shares		
Issued	**163,824,932**	162,409,092
Less Treasury Stock	**116,023**	116,023
Weighted average common shares		
outstanding	**163,708,909**	162,293,069
Dilutive earnings per share		
Weighted average common shares		
Issued	**163,824,932**	162,409,092
Less Treasury Stock	**116,023**	116,023
Weighted average common shares		
Outstanding	**163,708,909**	162,293,069
Conversion of Preferred Stock	**686,455**	-
Exercise of Stock Option	**-**	244,000
	164,395,364	162,537,069
Basic earnings per share	**P0.16**	P2.82
Diluted earnings per share	**P0.16**	P2.82

BENGUET CORPORATION & SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
AS OF MARCH 31, 2012

TYPE OF ACCOUNTS RECEIVABLE	TOTAL	1 MONTH	2 - 3 MONTHS	4 - 6 MONTHS	7 MONTHS TO 1 YEAR	1 - 2 YEARS	3 - 5 YEARS	5 YEARS - ABOVE	PAST DUE ACCTS & ITEMS IN LITGN
a) Trade Receivables:									
1) Nickel/Chrome Sale (Export/Local)	85,971,863	-	65,447,982	9,625,218	-	-	11,898,663	-	-
2) Lime Deliveries	43,941,588	6,506,054	-	-	-	-	37,435,534	-	-
3) Merchandise & Services	44,263,543	6,455,207	2,833,618	9,094,553	4,876,548	4,687,658	2,386,884	14,929,075	-
Sub-total	174,176,993	12,961,261	68,281,600	16,719,771	4,876,548	4,687,658	51,721,081	14,929,075	-
Less: Allowance for Doubtful Acct.	53,823,637	-	-	-	-	-	38,894,562	14,929,075	-
Net Trade Receivable	120,353,356	12,961,261	68,281,600	16,719,771	4,876,548	4,687,658	12,826,519	0	-
b) Non-Trade Receivables									
1) Officers & Employees	30,705,243	1,220,843	6,239,580	1,751,282	(234,798)	9,282,456	11,059,310	1,386,559	-
2) Due from Subsidiaries	30,312,257	2,742,425	2,965,031	3,236,869	676,205	5,185,248	3,242,126	12,264,353	-
3) Others	138,862,462	3,869,586	2,055,052	560,108	4,491,917	17,822,191	18,680,236	91,383,372	-
Sub-total	199,879,963	7,832,853	11,259,664	5,548,269	4,933,324	32,289,895	32,981,672	105,034,284	-
Less: Allowance for Doubtful Acct.	165,661,935	-	-	-	374,017	31,452,228	31,075,744	102,759,946	-
Net Non-trade Receivable	34,218,028	7,832,853	11,259,664	5,548,269	4,559,307	837,667	1,905,928	2,274,338	-
Net Receivables (a + b)	154,571,384								

Note: The non-trade receivables - others include receivables under the Employee Stock Ownership Incentive Plan amounting to P58.5M.

ALB:LOC:ROB 05.12.12

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS OF THE COMPANY
(FOR THE FIRST QUARTER ENDED MARCH 31, 2012)

i.) The disclosure on significant accounting principles, policies, and practices are substantially the same with the disclosure made in 2011 financial statements. Additional disclosures on the significant changes of accounts and subsequent events are presented in the Management Discussion and Analysis.

ii.) During the first quarter of 2012, there were no seasonal or cyclical aspects that materially affect the operation of the Company, no substantial nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, and no unusual items that materially affect the Company's assets, liabilities, equity, net income or cash flows.

iii.) Issuances, Repurchases, Repayments of Debt and Equity Securities – For the first quarter of 2012, there were no securities sold by the Company which were not registered under the Revised Securities Act (now Securities Regulation Code (SRC)) including the sales of reacquired securities, new issues, securities issued in exchange of property, services or other securities and new securities resulting from the modification of outstanding securities.

iv.) Dividends – Pursuant to the restrictions provided for in the Parent Company's loan agreement with creditor banks, no cash dividends were declared during the first quarter 2012. Further, prior to approval of the quasi-reorganization, the Company was on negative earnings position in 2010.

v.) Segment Information - The Company is principally engaged in mining industry. Its operating revenues as March 31, 2012 mainly consist sales of gold to Bangko Sentral Ng Pilipinas amounting to ₱113 million and nickel ores amounting to ₱74 million.

vi.) Subsequent Material Events - There were no material events subsequent to the end of the quarter that have been reflected in the financial statements for the period.

vii.) There were no changes in the composition of the Company, business combinations, acquisition or disposal of subsidiaries and long-term investments and no substantial changes in contingent liabilities and contingent assets from 2011.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company and its subsidiaries (Group) principal financial instruments comprise of unsecured and secured bank loans. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has financial instruments such as cash and cash equivalents, trade and other receivables and trade and other payables, which arise directly from its operations. Other financial instruments includes Available For Sale (AFS) investments.

The risk arising from the Group's financial instruments are liquidity risk, credit risk, interest rate risk and foreign currency risk. The BOD reviews and agrees policies for managing each of this risks and they are summarized below:

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments. The Group's objective is to maintain a balance between continuity of funding in order to continuously operate and support its exploration activities. The Group considers its available funds and its liquidity in managing its immediate financial requirements.

Summarized below is the Company's financial liabilities as of March 31, 2012:

Amounts in Million	On Demand	Within Two Months	Total
Bank Loans:			
Unsecured	₱57	₱-	₱57
Secured	368	-	368
Accrued interest and penalties	574	-	574
Accrued expenses and other payables:			
Accrued expenses and others	12	121	133
Total	₱1,011	₱121	₱1,132

Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its customers and counterparties to fulfill their obligations on maturity dates or due to adverse market conditions.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

With respect to credit risk from the other financial assets of the Group, which comprise of cash and cash equivalent and AFS investments, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Since the Group trades only with recognized third parties, there is no requirement for collateral.

The table shows the maximum exposure to credit risk for the component of the balance sheet.

Amounts in Million	As of March 31, 2012	As of December 31, 2011
Cash and cash equivalents		
Cash in banks	₱416	₱639
Short-term investments	506	618
Trade and other receivables		
Trade	120	58
Others	34	24
Loans Receivable	46	59
Total credit risk exposure	₱1,122	₱1,398

The table below shows the credit quality by class of the financial assets based on the Group's rating:

March 2012	Neither Past Due Nor Impaired				
Amounts in Million	High Grade	Standard Grade	Past Due but not Impaired	Impaired	Total
Cash & cash equivalents					
Cash in banks	₱416	₱ -	₱ -	₱-	₱416
Short-term investments	506	-	-	-	506
Trade and other receivables					
Trade	13	85	5	17	120
Employee stock ownership plan	-	-	-	58	58
Others	7	5	9	13	34
Loans receivable	-	46	-	-	46
Total credit risk exposure	₱942	₱136	₱14	₱88	₱1,180

2011	Neither Past Due Nor Impaired				
Amounts in Million	High Grade	Standard Grade	Past Due but not Impaired	Impaired	Total
Cash & cash equivalents					
Cash in banks	₱639	₱ -	₱ -	₱-	₱639
Short-term investments	618	-	-	-	618
Trade and other receivables					
Trade	-	25	33	17	75
Employee stock ownership plan	-	-	-	58	58
Others	2	4	19	78	103
Loans Receivable	-	59	-	-	59
Total credit risk exposure	₱1,259	₱88	₱52	₱153	₱1,552

The Group has assessed the credit quality of the following financial assets.

1. Cash and cash equivalents are assessed as high grade since there are deposited in reputable banks, which have a low probability of insolvency.
2. Trade receivables, which pertain mainly to receivables from sale of chromite sand, were assessed as standard grade. These were assessed based on past collection experience and the debtor's ability to pay the receivables. Other than receivables which were fully provided with allowance, there were no history of default on the outstanding receivables as of March 31, 2012 and December 31, 2011.

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rate relates primarily to its secure bank loans and unsecured bank loans with floating interest rates. As of March 31, 2012 and December 31, 2011, the Company bank loans are based on the floating rates. The Group regularly monitors their interest due to exposure from interest rates movements.

The Groups secure and unsecured bank loans are both payable on demand. Nominal interest rate vary from floating rate of 91-day Philippine Treasury Bill (Php T-Bill) rate for peso loans and 3-month London Interbank Offered Rate (LIBOR) foreign loans, plus a margin of 2.5% for unsecured loans and 3.5 % for secured loans.

Foreign Currency Risk

Foreign currency risk is the risk to earnings or capital arising from changes in foreign exchange rates. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial statements and cash flows. The Group has transactional currency exposures. Such exposure arises from the sale of gold and beneficiated chrome ore and the purchase of certain goods and services denominated in US Dollar. All sales of gold are denominated in US Dollar. Dollar conversion of metal sales to Philippine peso is based on the prevailing exchange rate at the time of sale.

The Group's policy is to maintain foreign currency exposure within acceptable limits. The Group believes that its profile of foreign currency exposure on its assets and liabilities is within conservative limits for an institution engaged in the type of business in which the Group is involved. The Group did not seek to hedge the exposure on the change in foreign exchange rates between the US Dollar and the Philippine peso. The Group does not generally believe that active currency hedging would provide long-term benefits to stockholders.

The Group's foreign currency-denominated monetary assets and liabilities as follows:

	As of March 31, 2012		December 31, 2011	
Amounts in Million	US Dollar	Peso Equivalent	US Dollar	Peso Equivalent
Asset Cash	$20.02	₱860	$20.9	₱918
Liabilities Trade and other payable Secured Bank Loans	 0.17 $3.8	 7 ₱162	 17.2 $3.8	 755 ₱165

As of March 31, 2012 and December 31, 2011, the exchange rates of the Philippine peso to the US Dollar are ₱42.934 and ₱43.408, respectively.

ADOPTION OF PFRS 9, FINANCIAL INSTRUMENTS: CLASSIFICATION AND MEASUREMENT

PFRS 9, reflects the first phase of the International Accounting Standards Board's (IASB) work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected over the course of 2011 or the first of 2012. The adoption of the first phase of PFRS will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurement of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture. This is effective for annual periods beginning on or after January 1, 2013.