

SEHK: 00142 Bloomberg: 142 HK Reuters: 0142.HK ADR: FPAFY

2009 Half Year Results Presentation

9th September 2009



SUMMARY OF 1H09 RESULTS

	<u>1H09</u>	<u>1H08*</u>	<u>% Change</u>
(US\$m)			
Recurring profit	127.5	126.5	+0.8
Profit contribution from operations	151.4	158.6	-4.5
Non-recurring items	25.1	22.4	+12.1
Profit attributable to owners of the parent company	164.3	156.8	+4.8
Turnover	1,809.1	2,044.8	-11.5
(U.S. cents)			
Basic earnings per share - recurring	3.97	3.92	+1.3
Basic earnings per share - attributable	5.11	4.86	+5.1
Declared dividend	0.51	0.38	+34.2
(US\$m, except gearing ratio)	<u>30th Jun 2009</u>	<u>31st Dec 2008</u>	
Equity attributable to owners of the parent company	1,327.0	1,130.1	+17.4
Consolidated gearing ratio	0.98x	1.06x	-7.5

* Restated for change in accounting presentation

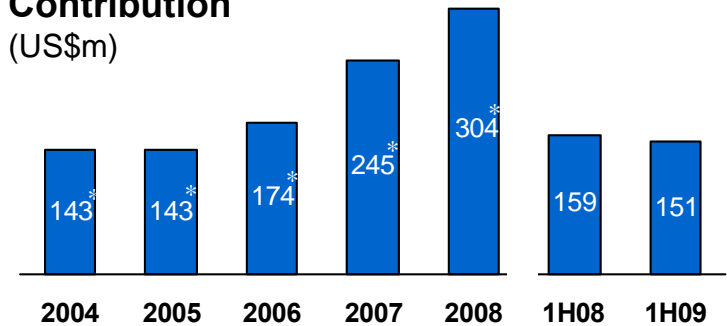
HIGHLIGHTS OF OPERATING PERFORMANCE

- Recurring profit increased 0.8% to US\$127.5m (another historic high vs 1H08: US\$126.5m)
- Profit contribution from operations down 4.5%, because of lower CPO prices and adverse forex movement (Peso and Rupiah depreciated 12% and 16%, respectively)
- Sales/contribution of operating units :

	Sales		Contribution (US\$m)		
	In local currency	In US\$m	1H09	1H08	Change
• PLDT	+3%	-9%	102.9	106.9	-4%
• MPIC	N/A	N/A	14.6	1.1	+12x
• Indofood	-4%	-19%	31.8	50.6	-37%

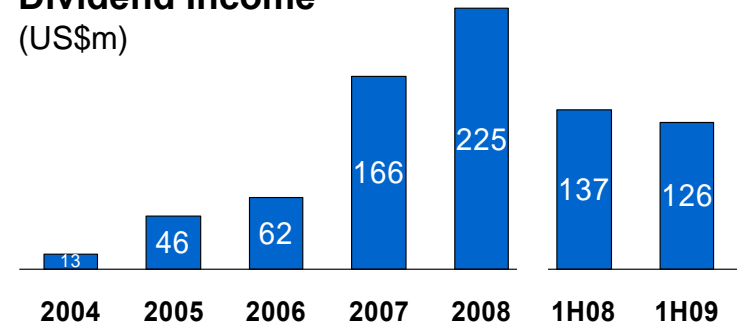
- Strong dividend income, driven by strong operating performance of PLDT
- Improved gearing at Company level : 0.44x (31 Dec 2008: 0.47x)
- Improved gearing on a consolidated basis : 0.98x (31 Dec 2008: 1.06x)
- Company gross debt US\$780m, US\$150m due in 4Q09, the remainder maturing between 2011 and 2013

Contribution
(US\$m)



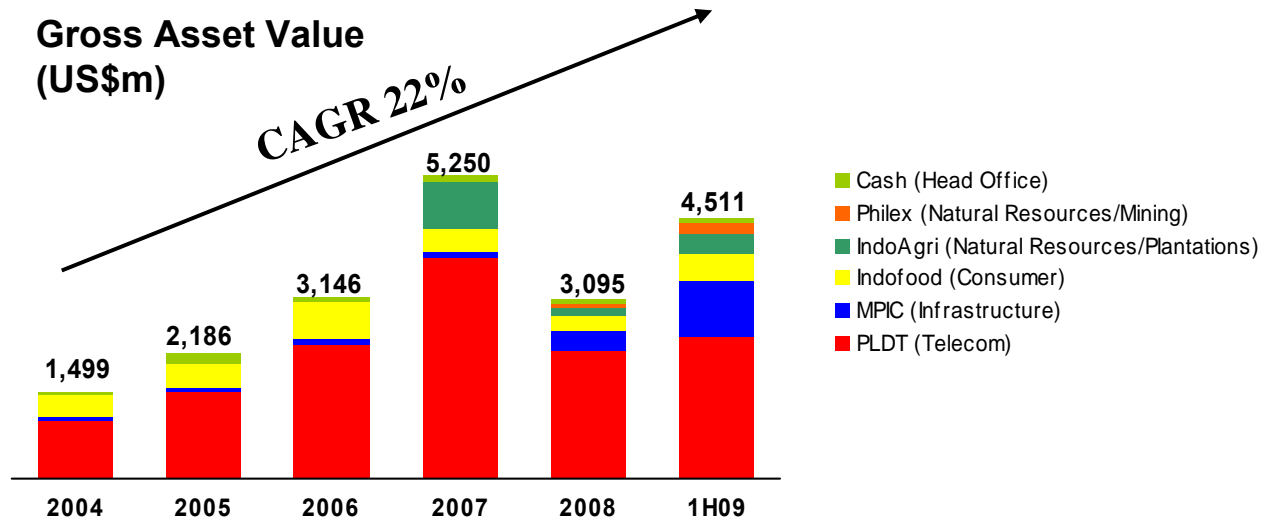
* Restated

Dividend Income
(US\$m)



	2004	2005	2006	2007	2008	1H08	1H09
Net debt/EBITDA	2.5x	2.4x	1.8x	1.5x	3.7x	1.5x	2.4x
Consolidated gearing	1.45x	1.12x	0.83x	0.68x	1.06x	0.66x	0.98x
Holding co gearing	0.10x	0.11x	0.16x	0.35x	0.47x	0.25x	0.44x

GROWTH IN GROSS ASSET VALUE, ASSETS UNDER MANAGEMENT AND NEW INVESTMENTS



2009 YTD Group Investments Concluded/Proposed (over US\$1b) :

Infrastructure

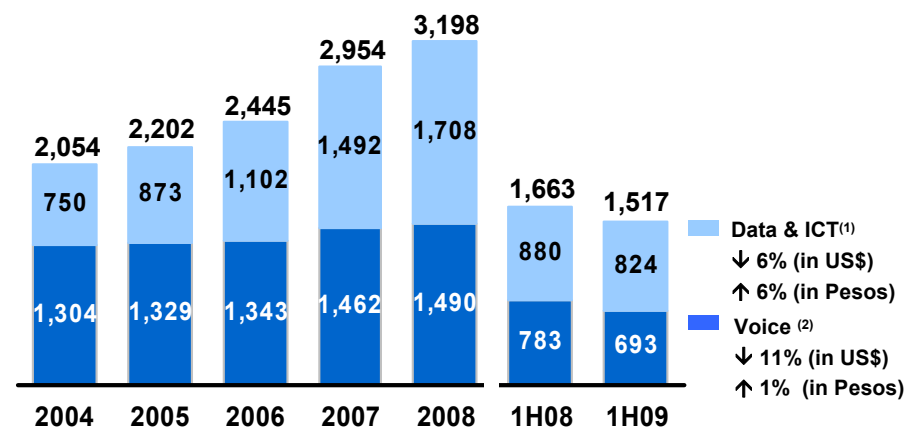
Telecom

Natural Resources

- MPIC contracted to acquire a total of 14.7% of Meralco for a total sum of US\$492m (Philippines)
- PLDT, through its subsidiary Piltel, acquired a 20% interest in Meralco (US\$419m) (Philippines)
- First Pacific acquired a 5.8% additional interest in Philex (US\$43m) (Philippines)
- Philex acquired the remaining 50% equity interest in the Boyongan deposit (US\$55m) (Philippines)
- Philex increased its stake in Pilkin Petroleum to 21% (US\$14m) (Philippines)

- Maintained strategic interest at more than 26%
- Consolidated service revenues decreased to US\$1,517m (↑4% in peso terms, ↓9% in US\$ terms)
 - Service revenues from data, cellular, broadband and ICT decreased 6% to US\$824m
 - GSM subscriber base grew 9% to 38.5 million from 35.2 million at year-end 2008
 - Broadband subscribers (wired and wireless) increased 22% from year-end 2008 to 1.2 million
- Generated free cash flow of Pesos 31.6b (US\$658m) despite increased capital expenditures of Pesos 10.7b (US\$223m)
- ePLDT EBITDA ↑4% in peso terms, ↓9% in US\$ terms to Pesos 511m (US\$10.6m) from Pesos 493m (US\$11.7m) in 1H08. EBITDA margin stable at 10%
- As of 4 September 2009 bought back 2.7m shares (up to 5 million shares approved)
- Dividend payout 70% of core earnings plus “look back” approach (1H08: 70% payout, Pesos 70 (US\$1.66); 1H09: 70% payout, Pesos 77 (US\$1.60)). Interim dividend yield over 3%

Service Revenues (US\$m)



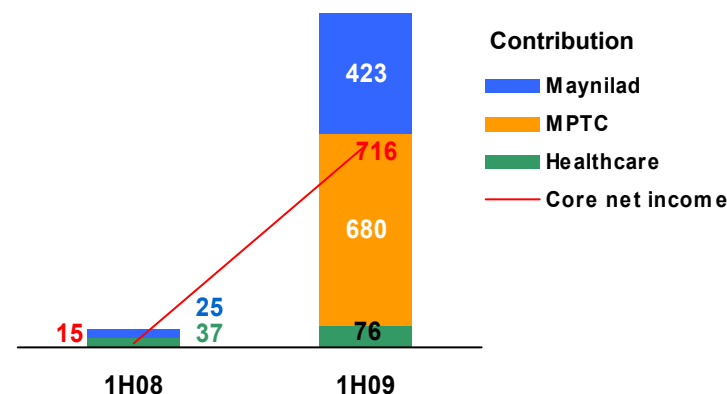
Profits and Gearing

(US\$m)	2004	2005	2006	2007	2008	1H08	1H09
Core net income	511	527	616	766	853	442	433
Reported net income	560	680	700	785	774	457	410
Gearing	2.5x	1.0x	0.6x	0.4x	0.4x	0.5x	0.4x

STRONG OPERATING PERFORMANCE

- Water distribution - Maynilad Water Services (Maynilad)
 - Profit contribution increased by 14x to US\$8.8m compared with US\$0.6m in 1H08
 - Water and sewerage service revenues increased by 7% to US\$99m
 - Encouraging trends in service provision, billed volume up 12% 167 m³ (vs 1H08) and billed customers increased 7% to 777,160 (vs 30 June 2008)
 - Lower water loss (Non-revenue water (NRW) reduced to an average of 60.9% from 65.5%, current NRW of 60.0%)
- Tollroads - Metro Pacific Tollways Corporation (MPTC)
 - Toll revenue decreased by 10% (increased by 2% in peso terms) to US\$58m with increase in toll traffic by 5%
 - Signed a MOU with PNR in August 2009
 - Extension; segment 8.1 to be completed in June 2010
- Healthcare
 - Makati Medical Center
 - Hospital and educational services revenues up 34% to US\$45m
 - Core net income of US\$3.6m (vs US\$2.9m for 1H08) in US\$ terms
 - Secured a 20 year operating contract from Cardinal Santos Medical Center starting March 2009
 - New 13 storey facility completed
 - Davao Doctors Hospital
 - Core net income of US\$1.5m (1H08: US\$1.4m)
 - Instigated facility improvement/upgrade program

Contribution and Core Net Income (Peso m)



Market Cap and Gearing

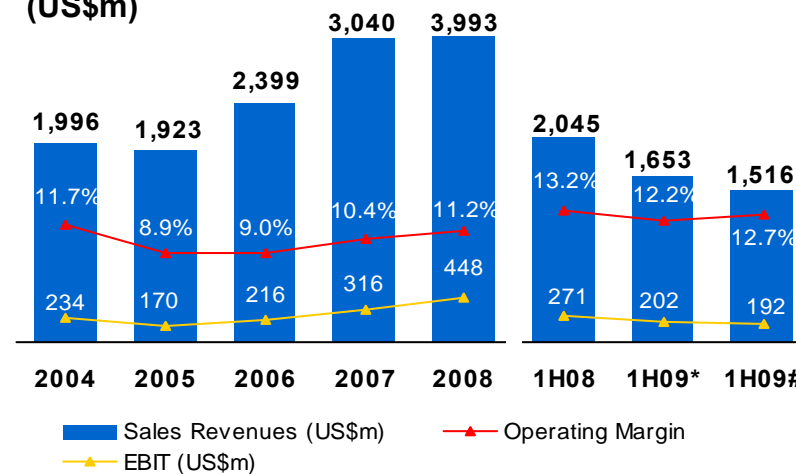
(US\$m)	2005	2006	2007	2008	1H08	1H09
Core net income	(8.8)	(6.8)	3.7	7.8	0.4	14.9
Reported net income	3.1	(13.6)	(2.4)	12.3	8.0	35.3
Market Cap	90	122	142	400	90	998
Gearing	1.29x	1.88x	1.54x	0.88x	1.24x	0.88x

OPERATING PERFORMANCE

- Sales fell 4% in Rupiah but by 19% in US\$ terms to US\$1,653m due to falling commodity prices and the depreciation of the rupiah by 16%
- Sales includes US\$137m from the newly acquired dairy business in December 2008
- Core net income (excluding plantation fair value changes) decreased by 40% to US\$54m
 - Agribusiness operating margin significantly decreased to 15.0% (1H08: 21.6%) largely attributable to lower CPO prices
 - Consolidated plantation land bank 545,243 hectares, 40% planted (1H08: 407,171 hectares, 48%)
 - Bogasari operating margin decreased to 7.0% (1H08: 10.1%) reflecting lower selling prices
 - Noodles operating margin 11.0% (FY08: 4.3%; 1H08: 2.9%) positively impacted by price increases and improved product mix

- IT rollout to all distribution points complete

Sales Revenues, EBIT and Operating Margin (US\$m)



* Includes contribution from Indolakto since Jan 2009
Excludes contribution from Indolakto

Net income and Gearing

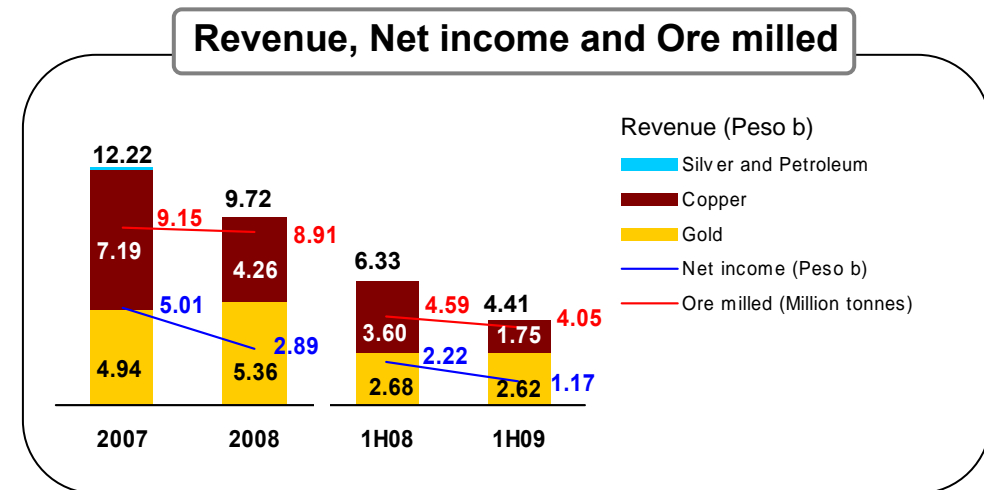
(US\$m)	2004	2005	2006	2007	2008	1H08	1H09
Core net income*	42	53	76	129	149	89	54
Net income	42	13	72	107	107	88	73
Dividend	17	5	29	43	43	-	-
Net debt	705	596	605	833	1,307	999	1,488
Gearing	1.55x	1.36x	1.11x	1.10x	1.68x	1.22x	1.73x

* Excludes forex and derivative gain/loss, plantation fair value changes and severance payments.

FIRST MINING INVESTMENT – PHILEX



- Operator of the Padcal mine since 1958
 - the first underground block cave operation in the Far East
 - Principal minerals: gold and copper
 - Environment management: six consecutive years qualified ISO-14001 certification
 - Community development: partners with local communities, local government units, government agencies and the academics to provide programs on health, education, livelihood and infrastructure development
- 1H2009 net income decreased to US\$24.3m (↓ 54% in US\$ terms, ↓ 47% in peso terms) due to lower copper prices and lower volume of metals produced
- Acquired 50% equity interest in the Boyongan deposit for US\$55m in February 2009



SUMMARY

- All businesses remain in a strong position and are well positioned to manage the challenges
- The Group will be enhanced with the acquisition by MPIC of a further interest in Meralco (planned Oct 09)
- Projects being evaluated
 - MPIC : investment in Meralco
 - : extension of its tollroad portfolio
 - : redevelopment of the North Harbour
 - First Pacific : increasing its interest in Philex and considering further mining opportunities
 - Indofood : debt reduction and internal restructuring

FINANCIAL PERFORMANCE

(US\$ million)	<u>1H2009</u>	<u>1H2008</u>	<u>% Change</u>
PLDT	102.9	106.9	-3.7
MPIC	14.6	1.1	+1,227.3
Indofood	31.8	50.6	-37.2
Philex	2.1	-	-
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Contribution from operations	151.4	158.6	-4.5
Head Office items:			
- Corporate overhead	(7.8)	(7.8)	-
- Net interest expense	(11.7)	(12.8)	-8.6
- Other expenses	(4.4)	(11.5)	-61.7
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Recurring profit	127.5	126.5	+0.8
Foreign exchange and derivative gains/(losses)			
- Head Office	(0.9)	(2.9)	-69.0
- Operating units	4.2	(1.9)	-
Gain on changes in fair value of plantations	8.4	12.7	-33.9
Non-recurring items	25.1	22.4	+12.1
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Profit attributable to owners of the parent	164.3	156.8	+4.8
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(US\$ million)	30-Jun-09	31-Dec-08	% Change
Non-current assets			
Property, plant and equipment	934.5	808.4	+15.6
Plantations	889.4	744.5	+19.5
Associated companies and joint ventures	1,184.8	1,202.3	-1.5
Goodwill	718.5	675.6	+6.3
Other intangible assets	1,546.7	1,538.5	+0.5
Other non-current assets	572.9	413.7	+38.5
	5,846.8	5,383.0	+8.6
Current assets			
Cash and cash equivalents	616.5	625.9	-1.5
Pledged deposits and restricted cash	30.8	12.0	+156.7
Available-for-sale assets	55.7	56.9	-2.1
Accounts receivable, other receivables and prepayments	408.3	435.5	-6.2
Inventories	602.9	557.4	+8.2
Other current assets	8.4	128.3	-93.5
	1,722.6	1,816.0	-5.1
Current liabilities			
Accounts payable, other payables and accruals	631.5	667.4	-5.4
Short-term borrowings	1,068.2	1,207.0	-11.5
Other current liabilities	105.0	201.3	-47.8
	1,804.7	2,075.7	-13.1
Net current liabilities	(82.1)	(259.7)	-68.4
Total assets less current liabilities	5,764.7	5,123.3	+12.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

(US\$ million)	30-Jun-09	31-Dec-08	% Change
Equity			
Issued share capital	32.2	32.1	+0.3
Retained earnings	335.6	196.0	+71.2
Other components of equity	959.2	902.0	+6.3
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Equity attributable to owners of the parent	1,327.0	1,130.1	+17.4
Minority interest	1,410.1	1,245.1	+13.3
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Total equity	2,737.1	2,375.2	+15.2
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Non-current liabilities			
Long-term borrowings	2,256.5	1,951.7	+15.6
Deferred liabilities and provisions	405.1	432.4	-6.3
Deferred tax liabilities	366.0	364.0	+0.5
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	3,027.6	2,748.1	+10.2
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	5,764.7	5,123.3	+12.5
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Net debt	2,677.4	2,520.8	+6.2
Consolidated gearing (times)	0.98	1.06	-7.5

End