FIRST PACIFIC

Press Release

2017 FULL-YEAR AUDITED FINANCIAL RESULTS

CONTRIBUTION FROM OPERATIONS UP 5% AT US$420.5 MLN
RECURRING PROFIT UP 13% AT US$300.0 MLN
NET PROFIT UP 17% TO US$120.9 MLN
FINAL DISTRIBUTION UNCHANGED AT 5.5 HK CENTS/SHARE
FULL YEAR DISTRIBUTION UNCHANGED AT 13.5 HK CENTS/SHARE

Hong Kong, 20th March, 2018 – First Pacific Company Limited (HKSE: 00142) ("First Pacific" or the "Company") today reported its audited financial results for the year ended 31st December 2017, showing a 17% rise in net profit on improved contribution from operations by nearly every business. First Pacific's Board of Directors recommended no change to the dividend on expectation of improved earnings over the medium term and consistent with the stated dividend policy.

Total contribution from operations rose 5% to US$420.5 million from US$400.2 million on stronger contribution from all businesses but PLDT Inc. ("PLDT"), hurt by a changing business model and competitive market conditions. Stronger results from PT Indofood Sukses Makmur Tbk ("Indofood"), Goodman Fielder, Philex Mining Corporation ("Philex"), and Metro Pacific Investments Corporation ("MPIC") offset much of the decline in PLDT's contribution. Recurring profit rose 13% to US$300.0 million from US$264.9 million a year earlier on sharply lower interest expense.

First Pacific is a leading investment management and holding company focused on the economies of emerging Asia, and is a major or controlling shareholder in the Philippines' biggest/leading telecommunications, infrastructure and mining companies and in Indonesia's biggest vertically-integrated food company as well as in one of Australia's and New Zealand's biggest food companies.

Net profit after non-recurring items rose 17% to US$120.9 million from US$103.2 million on higher recurring profit. Turnover rose 8% to US$7.30 billion from US$6.78 billion largely as a result of continuing sales growth at Indofood and MPIC.

"Just one of our investments – PLDT – failed to deliver improved results last year, but quarterly improvements in its results throughout the year coupled with the increasingly manifest returns from its capex program tell me that it has rounded the corner," said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific. "In the meantime, we continue to see improved results at our other investments and we are confident about our prospects looking ahead."

First Pacific has committed since 2010 to a dividend payout ratio of at least 25% of recurring profit as a key plank in a capital management program balanced between returns to shareholders and new investments for growth.

"As a sign of our confidence in the outlook for the First Pacific Group over the medium term, we consider it prudent to leave the distribution unchanged on a per-share basis and declare a final distribution of 5.5 HK cents per share," he said. "This will leave our full-year distribution unchanged at 13.5 HK cents in 2017 and represent a payout ratio of 25% of recurring profit."

In U.S. dollar terms, the final distribution recommended by First Pacific's Board amounts to 0.71 U.S. cents per share and brings the full-year regular distribution to 1.74 U.S. cents.

Indofood saw the largest increase in contribution, rising to US$148.0 million from US$137.9 million as stronger sales and margins lifted its bottom line. Goodman Fielder was next, lifting its contribution to US$30.3 million from US$24.0 million on stronger earnings. Goodman Fielder, one of Australia's biggest food producers, is owned by a 50:50 joint venture between First Pacific and Wilmar International Ltd.

The contribution by Philex rose to US$12.7 million from US$10.2 million on stronger prices for the copper and gold it produces slightly offset by poorer grades and lower volumes of ore milled. MPIC's contribution rose to US$118.3 million from US$117.2 million on greater economic interest in its electricity businesses and strong contribution growth from most of its businesses, partly offset by lower economic interest held by the Group.

PLDT saw its contribution decline to US$124.8 million from US$127.7 million a year earlier as the decline in legacy revenues like mobile voice and SMS offset strong growth in data revenues. The negative contribution from FPM Power, the holding company for PacificLight Power Pte. Ltd., Singapore's most efficient gas-fired power plant, fell to US$11.0 million from US$13.9 million.

Foreign exchange swung to a gain of US$16.4 million in 2017 from a loss of US$9.1 million in 2016.

Non-recurring losses in First Pacific's full-year earnings rose to US$195.6 million versus US$155.2 million in 2016 largely as a result of bigger impairment provisions for network assets at PLDT and others.

First Pacific received US$185 million in dividend and fee income from its operating companies in 2017, down from the US$200 million received in 2016 mainly due to lower earnings and payout ratio at PLDT.

At 31st December 2017, gross debt at the Head Office stood at US$1.6 billion. Fixed-rate debt made up 64% of the total, with floating-rate debt making up the remaining 36%. First Pacific's blended interest cost amounted to 4.5% and the average maturity of its debt was 3.6 years. Looking ahead, the first debt maturity will not take place until June 2019.

OUTLOOK

The improved financial and operating results seen in 2017 are helping to lay the groundwork for further improvement going forward. Lower borrowings and interest costs are strengthening First Pacific's balance sheet and cash flow going forward, even as Management presses on with its ambition to streamline First Pacific's portfolio of investments with a view to further improving returns and releasing funds to direct towards further debt reduction and share repurchases to boost shareholder returns.

First Pacific Management is confident that continuing growth in the markets served by Indofood, MPIC and Goodman Fielder will help lift earnings at these businesses even as they invest for growth. PLDT is beginning to reap the benefits of its five-year ₱260 billion capital expenditure program and the quarter-on-quarter improvements we have seen in 2017 signal better prospects just ahead.

First Pacific Chief Executive Pangilinan concluded:

> Given the positive outlook for organic growth by the Group businesses, we continue to seek a rebalancing of our portfolio to focus on those companies delivering more attractive earnings and cash flow growth. Any funds raised from such a rebalancing would potentially revitalize our capital management program, including a return to a meaningful share-repurchase program. This would underline First Pacific Management's optimism for our Group prospects going forward.

Further details of earnings by First Pacific's subsidiary and associated and joint venture companies follow.

REVIEW OF OPERATIONS

Indofood reported an 8% rise in core income to Rp4.3 trillion from Rp4.0 trillion a year earlier on higher sales and lower borrowing costs.

More details are available at www.indofood.com.

PLDT reported a 1% decline in core income last year to ₱27.7 billion from ₱27.9 billion in 2016 owing mainly to lower gain on sale of remaining shares in Beacon Electric and higher depreciation, partially offset by higher EBITDA.

More details are available at www.pldt.com.

MPIC reported a 17% increase in core income to ₱14.1 billion from ₱12.1 billion in 2016 on double-digit contribution growth in spite of continuing regulatory challenges.

More details are available at www.mpic.com.ph.

Goodman Fielder contributed US$30.3 million compared with US$24.0 million a year earlier on higher sales.

More details are available at www.goodmanfielder.com.

Philex reported a 2% jump in core income to ₱1.69 billion from ₱1.66 billion in 2016 on higher metal prices, offset in part by lower grades and volumes of ore milled.

More details are available at www.philexmining.com.ph.

Further information and analysis
Attached to this news release are:

- First Pacific's consolidated income statement
- Consolidated statement of financial position
- Contribution and profit summary

More details about the earnings of First Pacific and of its operating companies can be found on www.firstpacific.com under the Investor Relations tab. The 2017 Annual Report will be posted to the website and to shareholders before the end of April 2018.

Corporate Profile
First Pacific is a Hong Kong-based investment management and holding company with operations located in Asia-Pacific. The Company's principal businesses are in consumer food products, infrastructure, natural resources and telecommunications. First Pacific is listed in Hong Kong (HKSE: 00142) and its shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY). For further information, visit www.firstpacific.com.

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CONSOLIDATED INCOME STATEMENT

For the year ended 31 December	**2017 US$m**	2016 US$m
Turnover	**7,296.8**	6,779.0
Cost of sales	**(5,144.3)**	(4,774.3)
Gross profit	**2,152.5**	2,004.7
Selling and distribution expenses	**(542.9)**	(540.6)
Administrative expenses	**(609.5)**	(554.5)
Other operating income/(expenses), net	**10.7**	(40.1)
Interest income	**55.9**	56.3
Finance costs	**(386.5)**	(366.2)
Share of profits less losses of associated companies and joint ventures	**204.0**	224.5
Profit before taxation from continuing operations	**884.2**	784.1
Taxation	**(322.9)**	(286.3)
Profit for the year from continuing operations	**561.3**	497.8
Profit for the year from a discontinued operation	**-**	20.0
Profit for the year	**561.3**	517.8
Attributable to:		
Owners of the parent		
- For profit from continuing operations	**120.9**	95.9
- For profit from a discontinued operation	**-**	7.3
- For profit for the year	**120.9**	103.2
Non-controlling interests		
- For profit from continuing operations	**440.4**	401.9
- For profit from a discontinued operation	**-**	12.7
- For profit for the year	**440.4**	414.6
	561.3	517.8
	US¢	US¢
Earnings per share attributable to owners of the parent		
Basic		
- For profit from continuing operations	**2.80**	2.25
- For profit from a discontinued operation	**-**	0.17
- For profit for the year	**2.80**	2.42
Diluted		
- For profit from continuing operations	**2.80**	2.24
- For profit from a discontinued operation	**-**	0.17
- For profit for the year	**2.80**	2.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	At 31 December 2017 US$m	At 31 December 2016 US$m
Non-current assets		
Property, plant and equipment	**5,321.1**	**3,870.5**
Biological assets	**23.1**	**24.2**
Associated companies and joint ventures	**5,203.2**	**4,741.5**
Goodwill	**1,095.1**	**996.3**
Other intangible assets	**3,659.4**	**3,338.7**
Investment properties	**10.1**	**9.6**
Accounts receivable, other receivables and prepayments	**7.0**	**10.6**
Available-for-sale assets	**173.6**	**311.9**
Deferred tax assets	**208.9**	**178.8**
Pledged deposits and restricted cash	**-**	**17.9**
Other non-current assets	**456.0**	**346.7**
	16,157.5	**13,846.7**
Current assets		
Cash and cash equivalents and short-term deposits	**2,157.2**	**1,691.9**
Pledged deposits and restricted cash	**81.1**	**60.6**
Available-for-sale assets	**60.2**	**39.9**
Accounts receivable, other receivables and prepayments	**1,084.4**	**826.3**
Inventories	**874.3**	**715.2**
Biological assets	**39.8**	**34.8**
	4,297.0	**3,368.7**
Current liabilities		
Accounts payable, other payables and accruals	**1,333.9**	**1,064.5**
Short-term borrowings	**1,460.4**	**1,280.7**
Provision for taxation	**65.3**	**80.4**
Current portion of deferred liabilities, provisions and payables	**396.4**	**296.2**
	3,256.0	**2,721.8**
Net current assets	**1,041.0**	**646.9**
Total assets less current liabilities	**17,198.5**	**14,493.6**
Equity		
Issued share capital	**43.4**	**42.8**
Shares held for share award scheme	**(8.9)**	**(10.9)**
Retained earnings	**1,429.2**	**1,305.5**
Other components of equity	**1,763.4**	**1,774.6**
Equity attributable to owners of the parent	**3,227.1**	**3,112.0**
Non-controlling interests	**5,515.4**	**4,922.3**
Total equity	**8,742.5**	**8,034.3**
Non-current liabilities		
Long-term borrowings	**6,509.3**	**4,827.7**
Deferred liabilities, provisions and payables	**1,630.8**	**1,374.0**
Deferred tax liabilities	**315.9**	**257.6**
	8,456.0	**6,459.3**
	17,198.5	**14,493.6**

CONTRIBUTION AND PROFIT SUMMARY

	Turnover		Contribution to Group profit[(i)]	
For the year ended 31 December US$ millions	**2017**	2016	**2017**	2016
Indofood	**5,237.5**	5,010.5	**148.0**	137.9
PLDT[(ii)]	**-**	-	**124.8**	127.7
MPIC	**1,240.8**	940.2	**118.3**	117.2
FPW[(iii)]	**-**	-	**30.3**	24.0
Philex[(ii)]	**-**	-	**12.7**	10.2
FPM Power	**565.4**	575.3	**(11.0)**	(13.9)
FP Natural Resources	**253.1**	253.0	**(2.6)**	(2.9)
Contribution from operations[(iv)]	**7,296.8**	6,779.0	**420.5**	400.2
Head Office items:				
– Corporate overhead			**(27.1)**	(28.4)
– Net interest expense			**(80.9)**	(95.7)
– Other expenses			**(12.5)**	(11.2)
Recurring profit[(v)]			**300.0**	264.9
Foreign exchange and derivative gains/(losses)[(vi)]			**16.4**	(9.1)
Gain on changes in fair value of biological assets			**0.1**	2.6
Non-recurring items[(vii)]			**(195.6)**	(155.2)
Profit attributable to owners of the parent			**120.9**	103.2

(i) After taxation and non-controlling interests, where appropriate.

(ii) Associated companies.

(iii) Joint venture.

(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.

(v) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses, gain on changes in fair value of biological assets and non-recurring items.

(vi) Foreign exchange and derivative gains/losses represent the gains/losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net borrowings and payables and the changes in the fair values of derivatives.

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2017's non-recurring losses of US$195.6 million mainly represent the Group's impairment provisions for assets, including PLDT's wireless network assets (US$15.9 million) and additional depreciation for wireless network assets (US$44.1 million), Goodman Fielder's intangible assets (US$14.2 million), the Group's investments in AF Payments, Inc. (US$6.5 million) and Indofood's intangible assets in the Beverages business (US$6.4 million), Goodman Fielder's manufacturing network optimization costs (US$15.2 million), Head Office's bond tender and debt refinancing costs (US$14.9 million) and MPIC's loss on remeasurement of its previously held 75.0% interest in Beacon Electric Assets Holdings, Inc. (US$13.5 million), partly offset by MPIC's gain on remeasurement of previously held 60.0% interest in Tollways Management Corporation (US$11.9 million) and its divestment of a 4.5% direct interest in Manila Electric Company (US$6.1 million). 2016's non-recurring losses of US$155.2 million mainly represent the Group's impairment provisions for assets, including FPM Power's goodwill related to its investment in PLP (US$44.8 million), PLDT's investment in Rocket Internet shares and other intangible assets (US$35.4 million), Philex's deferred exploration costs and other assets (US$31.4 million) and MPIC's investment in Landco Pacific Corporation (US$6.8 million), PLP's provision for onerous contracts (US$6.0 million) and MPIC's project expenses (US$3.8 million).