



FIRST PACIFIC COMPANY LIMITED
(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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RECURRING PROFIT UP 64.3% TO US\$126.5 MILLION
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS DECLINED BY 47.3%
DUE TO LOWER EXCEPTIONAL GAINS
CONTRIBUTION FROM OPERATIONS INCREASES 53.5% TO US\$158.6 MILLION
PLDT AND INDOFOOD SUSTAIN STRONG PERFORMANCE
METRO PACIFIC POSTS PROFIT AND IS POISED FOR GROWTH

- Recurring profit improved by 64.3% to US\$126.5 million (HK\$986.7 million)
- Profit contribution from operations increased by 53.5% to US\$158.6 million (HK\$1,237.1 million)
- Non-recurring gains decreased to US\$22.4 million (HK\$174.7 million) from US\$216.1 million (HK\$1,685.6 million)
- Profit attributable to ordinary shareholders decreased by 47.3% to US\$156.8 million (HK\$1,223.0 million)
- Equity attributable to ordinary shareholders increased by 6.2% to US\$1,206.5 million (HK\$9,410.7 million)
- Turnover increased by 50.0% to US\$2,062.3 million (HK\$16,085.9 million)
- Consolidated gearing ratio improved to 0.66x at 30th June 2008, compared with 0.68x at 31st December 2007
- Adjusted net asset value per share at 30th June 2008 stood at US\$1.10 (HK\$8.56)
- Interim dividend of HK3.00 cents (U.S. 0.38 cent) per ordinary share declared

Hong Kong, 1st September 2008 – First Pacific Company Limited (“First Pacific”, “the Company”) (HKSE: 00142) today announced that recurring profit increased by 64.3 per cent to US\$126.5 million (HK\$986.7 million) driven by the strong performance of PLDT and Indofood, and the turnaround in MPIC. The recurring profit excludes the effects of revaluation of plantations and derivatives, foreign exchange differences and non-recurring gains.

Review of Financial Results

Profit contribution from operations rose by 53.5 per cent to US\$158.6 million (HK\$1,237.1 million). Turnover showed a significant improvement of 50.0 per cent to US\$2,062.3 million (HK\$16,085.9 million), principally reflecting Indofood’s higher turnover.

First Pacific recorded net non-recurring gains of US\$22.4 million (HK\$174.7 million) principally reflecting gains in relation to settlement of First Pacific’s exchangeable notes with PLDT shares. These exceptional gains are significantly lower than last year’s of US\$216.1 million (HK\$1,685.6 million). Consequently, the Company’s reported net profit decreased by 47.3 per cent to US\$156.8 million (HK\$1,223.0 million) from US\$297.5 million (HK\$2,320.5 million) for the same period in 2007.

Basic earnings per share (before exceptionals) rose by 63.3 per cent to U.S. 3.92 cents (HK30.58 cents) from last year's U.S. 2.40 cents (HK18.72 cents). Basic earnings per share (after exceptionals) decreased by 47.6 per cent to U.S. 4.86 cents (HK37.9 cents) from U.S. 9.28 cents (HK72.4 cents). Equity attributable to ordinary shareholders increased by 6.2 per cent to US\$1,206.5 million (HK\$9,410.7 million) at 30th June 2008 from US\$1,136.5 million (HK\$8,864.7 million) at 31st December 2007.

Consolidated gearing ratio improved to 0.66x at 30th June 2008 (31st December 2007: 0.68x), reflecting the strong underlying performance of the operating companies. At 30th June 2008, Head Office level gearing ratio improved to 0.25x (31st December 2007: 0.35x) resulting from higher dividend inflows from PLDT and loan repayment from DMCI-MPIC Water Company ("DMWC") - the parent company of Maynilad.

At the Head Office, net debt decreased by 25.7 per cent to US\$395.6 million (HK\$3,085.7 million) during the period. Net interest expense declined correspondingly by 29.3 per cent to US\$12.8 million (HK\$99.8 million).

The Company's Board of Directors today have declared an interim dividend of HK3.00 cents (U.S. 0.38 cent) (1H07: HK2.00 cent; U.S. 0.26 cent) per ordinary share, payable on or about 10th October 2008 to shareholders of record as at 26th September 2008.

Manuel V. Pangilinan, First Pacific's Managing Director and Chief Executive Officer, commented: "We are very pleased that PLDT, Indofood and MPIC reported solid performances in the first half of this year. Whilst the combined effects of accelerating fuel and food prices could have adversely affected our profit results in the first half, the competitive strength of our businesses and their diversity enabled us to raise our performance level for the period.

"It has been an active first half for First Pacific. We expanded our infrastructure, healthcare and plantation portfolio. In the Philippines, MPIC completed the conversion of its outstanding convertible notes into a 33 per cent equity interest in Medical Doctors, Inc. MPIC also acquired a 34 per cent interest in Davao Doctors Hospital, the leading medical institution in southern Mindanao. Subsequent to the first half, MPIC increased its effective interest in Maynilad to 51 per cent on a fully diluted basis from 42 per cent, and agreed to acquire 67.1 per cent interest in the Manila North Tollways Corporation ("NLEX"). In Indonesia, Indofood expanded its business portfolio with the subscription of a 60 per cent interest in a sugar plantation company in May 2008 and in August, signed a non-binding MOU to acquire an effective 68.6 per cent interest in Indolakto, the leading producer of dairy products in Indonesia."

Review of Operations

Philippine Long Distance Telephone Company's ("PLDT") profit momentum last year was carried through in its 2008 first half performance. The increase in cellular, broadband and data service revenues, helped by gains in certain derivative transactions, were the main profit drivers. Profit contribution to First Pacific improved by 26 per cent to US\$106.9 million for the period.

In peso terms, PLDT's consolidated core net income before foreign exchange translation and derivative gains increased by 9 per cent to Pesos 18.7 billion (US\$442.3 million), reflecting enhancement in service revenues and in EBITDA, and lower financing costs. Reported net income rose by 13 per cent to Pesos 19.3 billion (US\$456.5 million) resulting from an increase in net foreign exchange and derivative gains. In U.S. dollar terms, consolidated core net income and reported net income increased by 22 per cent and 28 per cent, respectively.

Consolidated service revenues increased by 5 per cent to Pesos 70.3 billion (US\$1,662.7 million), arising mainly from higher revenues in the cellular and broadband businesses. Consolidated EBITDA improved by 4 per cent to Pesos 43.8 billion (US\$1,036.0 million) and

EBITDA margin was stable at 62 per cent of service revenues. Consolidated free cash flow increased 16 per cent to Pesos 28.2 billion (US\$667.0 million) despite higher capex levels.

PLDT declared an interim dividend of Pesos 70 (US\$1.56) per share, representing 70 per cent payout of its core earnings during the period. Its strong free cash flow allows it to implement effectively its capital management program by way of significant dividend payout, and to pursue its business expansion plans in concurrent fashion. The PLDT Board has approved two (2) sequential share buyback programs of two (2) million shares each. As at 16th July 2008, PLDT has bought back approximately 1.74 million shares into treasury with an average cost of Pesos 2,532 (US\$59.90) per share.

PT Indofood Sukses Makmur Tbk's ("Indofood") contribution to the Group increased 150.5 per cent to US\$50.6 million for the period. Consolidated net sales rose 53.8 per cent to Rupiah 18,922.2 billion (US\$2,044.8 million) driven by the consolidation of Lonsum this year, and by price increases of its existing branded products. Indofood's four (4) strategic businesses namely, Consumer Branded Products, Bogasari, Agribusiness, and Distribution – contributed 30.3 per cent, 30.1 per cent, 28.2 per cent and 11.4 per cent to consolidated net sales, respectively.

EBIT margin increased to 13.6 per cent principally due to higher net sales. Net income improved by 125.3 per cent to Rupiah 827.4 billion (US\$89.4 million) as a result of improvement in operating income despite higher interest expense. Consolidated net debt increased by 17.3 per cent to Rupiah 9,212.6 billion (US\$998.6 million) reflecting the new borrowings to finance working capital requirements. Net gearing rose slightly to 1.22 times from 1.10 times at 31st December 2007 due to higher debt levels, including larger trust receipts from wheat importation.

In June 2008, Indofood repaid its Rupiah 1.2 trillion (US\$130.0 million) rupiah bond out of internal cash resources and short term borrowings.

In July 2008, IndoAgri completed the refinancing of its Rupiah 4 trillion (approximately US\$440 million) bridging loans for the acquisition of Lonsum with longer-term debt.

To comply with the new company law on Treasury Stock, Indofood completed the sale of part of its treasury stock equivalent to 251.8 million shares to a strategic investor on 15th August 2008. The remaining 663.8 million treasury shares held from a previous buyback exercise had been cancelled.

Metro Pacific Investments Corporation ("MPIC") is expanding its core business portfolio with the view to becoming the leading infrastructure group in the Philippines. MPIC's contribution to the Group amounted to US\$1.1 million for the period versus a loss for the previous year.

MPIC's efforts at improving processes in water distribution and employing technology in healthcare contributed to its improved operational performance. Core net income rose to Pesos 24.5 million (US\$0.6 million) reflecting a 56 per cent increase in core income contribution of Pesos 507.5 million (US\$12.0 million) from Maynilad and Pesos 35.5 million (US\$0.8 million) from Medical Doctors, Inc. ("MDI"). Non-recurring income (net) of Pesos 337.0 million (US\$8.0 million) representing the excess of the fair value of the acquired interest in MDI over its acquisition cost was partly offset by foreign exchange losses in DMWC and Maynilad. Reported net income improved slightly to Pesos 361.5 million (US\$8.6 million).

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT - UNAUDITED

For the six months ended 30 June	2008	2007
US\$ millions		(Restated)
Turnover	2,062.3	1,375.1
Cost of sales	(1,512.0)	(1,083.3)
Gross Profit	550.3	291.8
Gain on divestments and dilutions	9.8	292.2
Distribution costs	(165.7)	(111.5)
Administrative expenses	(120.4)	(78.7)
Other operating income/(expenses), net	81.9	(2.2)
Net borrowing costs	(60.4)	(61.3)
Share of profits less losses of associated companies and joint ventures	113.8	112.2
Profit Before Taxation	409.3	442.5
Taxation	(103.8)	(54.9)
Profit for the Period	305.5	387.6
Attributable to:		
Equity holders of the parent	156.8	297.5
Minority interest	148.7	90.1
	305.5	387.6
Ordinary Share Dividend		
U.S. 0.38 cent (2007: U.S. 0.26 cent) per share	12.3	8.2
Earnings Per Share Attributable to Equity Holders of the Parent (U.S. cents)		
Basic	4.86	9.28
Diluted	4.66	9.08

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

US\$ millions	At 30 June 2008	At 31 December 2007 (Restated)
Non-current Assets		
Property, plant and equipment	810.1	784.1
Plantations	1,008.4	881.5
Associated companies and joint ventures	1,237.0	1,310.8
Goodwill	356.5	347.2
Financial assets at fair value through profit or loss	-	79.8
Accounts receivable, other receivables and prepayments	7.1	37.0
Prepaid land premiums	152.8	151.4
Available-for-sale assets	5.4	6.0
Deferred tax assets	54.6	45.0
Other non-current assets	127.5	110.0
	3,759.4	3,752.8
Current Assets		
Cash and cash equivalents	779.9	600.8
Available-for-sale assets	55.4	24.1
Accounts receivable, other receivables and prepayments	547.0	355.5
Inventories	705.4	494.0
	2,087.7	1,474.4
Current Liabilities		
Accounts payable, other payables and accruals	551.1	485.6
Short-term borrowings	993.9	1,000.1
Provision for taxation	64.8	52.9
Current portion of deferred liabilities and provisions	17.3	17.4
	1,627.1	1,556.0
Net Current Assets/(Liabilities)	460.6	(81.6)
Total Assets Less Current Liabilities	4,220.0	3,671.2
Equity		
Issued share capital	32.2	32.2
Other reserves	999.1	1,048.7
Retained earnings	175.2	55.6
Equity attributable to equity holders of the parent	1,206.5	1,136.5
Minority interest	1,135.4	992.6
Total Equity	2,341.9	2,129.1
Non-current Liabilities		
Long-term borrowings	1,338.1	1,044.5
Deferred liabilities and provisions	205.0	180.5
Deferred tax liabilities	335.0	310.8
Derivative liability	-	6.3
	1,878.1	1,542.1
	4,220.0	3,671.2

FIRST PACIFIC COMPANY LIMITED CONTRIBUTION SUMMARY

For the six months ended 30 June	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2008	2007	2008	2007
US\$ millions				(Restated) ⁽ⁱⁱ⁾
PLDT ⁽ⁱⁱⁱ⁾	-	-	106.9	84.6
Indofood	2,044.8	1,360.0	50.6	20.2
MPIC	17.5	15.1	1.1	(1.5)
From operations	2,062.3	1,375.1	158.6	103.3
Head Office items:				
– Corporate overhead			(7.8)	(7.6)
– Net interest expense			(12.8)	(18.1)
– Other expenses			(11.5)	(0.6)
Recurring profit			126.5	77.0
Foreign exchange and derivative (losses)/gains ^(iv)			(4.8)	0.8
Gain on changes in fair value of plantations ⁽ⁱⁱ⁾			12.7	3.6
Non-recurring items ^(v)			22.4	216.1
Profit attributable to equity holders of the parent			156.8	297.5

(i) After taxation and minority interest, where appropriate

(ii) The Group has restated its 1H07 profit attributable to equity holders of the parent from US\$301.6 million to US\$297.5 million following the adoption of Hong Kong (International Financial Reporting Interpretations Committee)-Interpretation (HK(IFRIC)-Int) 12 “Service Concession Arrangements” issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) which become effective for annual periods beginning on or after 1 January 2008. In addition, to better illustrate the underlying operational results and recurring profit contributions, the Group has separately presented the changes in fair value of Indofood’s plantations from its recurring profit. As a result, the Group has also restated its 1H07 contribution from Indofood from US\$23.8 million to US\$20.2 million.

(iii) Associated company

(iv) 1H08’s foreign exchange and derivative losses include a loss of US\$3.9 million (1H07: a gain of US\$8.2 million) on changes in the fair value of certain PLDT shares designated as financial assets at fair value through profit or loss and a loss of US\$0.9 million (1H07: US\$7.4 million) on foreign exchange translation differences on the Group’s unhedged foreign currency denominated borrowings and payables and the changes in the fair values of derivatives.

(v) 1H08’s non-recurring gains of US\$22.4 million mainly include a gain on divestment and dilution of the Group’s interest in PLDT of US\$9.8 million. 1H07’s non-recurring gains of US\$216.1 million mainly comprise a gain on divestment of the Group’s interest in PLDT of US\$153.3 million on settlement of certain Head Office’s Exchangeable Notes with PLDT shares, and a gain on dilution of the Group’s effective interest in Indofood’s oils and plantations businesses of US\$54.4 million.