



FIRST PACIFIC COMPANY LIMITED

Press Release

2010 FINANCIAL RESULTS

**RECURRING PROFIT UP 40% TO RECORD US\$402.1 MLN
CONTRIBUTION UP 41% TO RECORD HIGH US\$474.0 MLN
ALL OPERATING COMPANIES REPORT HIGHER
EARNINGS AND CORE NET INCOME
HIGHEST-EVER DIVIDEND PAYOUT TO SHAREHOLDERS,
IN ADDITION TO CONTINUING SHARE REPURCHASES**

- Recurring profit up 40% to record high US\$402.1 mln vs. US\$286.6 mln
- Reported net profit up 1% to US\$403.7 mln vs. US\$401.6 mln
- Contribution from operations up 41% to record high US\$474.0 mln
- Turnover up 18% to US\$4.6 bln vs. US\$3.9 bln
- Recurring earnings per share up 24% to 10.36 U.S. cents per share vs. 8.36 U.S. cents per share
- Final dividend of 12.0 HK cents (1.54 U.S. cents) per share proposed vs. 8.0 HK cents (1.03 U.S. cents) per share
- Dividend payout highest ever in cash terms at US\$99.4 mln
- Dividend income from operating companies highest ever at US\$277.5 mln
- All operating companies report higher core net income in 2010

Hong Kong, 21st March, 2011 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its audited financial results for the year ended 31st December 2010 with recurring profit rising 40% to a record high US\$402.1 million from US\$286.6 million a year earlier as all operating companies delivered significantly improved results.

First Pacific, an investment management and holding company, is a major or controlling shareholder in the Philippines' biggest telecommunications, infrastructure and mining companies and in Indonesia's biggest vertically-integrated food company.

Reported net profit rose 1% to US\$403.7 million from US\$401.6 million in 2009 as considerably stronger earnings by all operating businesses filled in for the absence of non-recurring earnings recorded a year earlier. Turnover rose 18% to US\$4.6 billion – the highest level in 13 years – from US\$3.9 billion a year earlier.

“Meeting earlier today, the First Pacific Board of Directors under Chairman Anthoni Salim recommended a final dividend making the 2010 payout to shareholders the biggest ever in the three-decade history of the Company and nearly twice the size of last year's in cash terms,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of the Company.

Each of First Pacific's subsidiaries and associated companies reported higher core net income in 2010 than in 2009. They all declared dividends to shareholders, adhering to First Pacific's philosophy of unlocking value and returning it to shareholders in the form of dividends and growth in share price.

“We were able to make this record payout to shareholders thanks to the strong cash flows at our mature companies and the growing promise of our more recent acquisitions,” Pangilinan said. “Investment decisions and management guidance we have made in the past are preparing the ground for continuing growth in shareholder value.”

First Pacific collected US\$277.5 million in dividend income from its operating companies in 2010, the highest-ever and up from US\$221.5 million received in 2009, itself the second-highest recorded in the Company's history.

The Company's Board of Directors recommended a final dividend of 12 HK cents (1.54 U.S. cents) per share, up 50% from 8.0 HK cents (1.03 U.S. cents) per share a year earlier and bringing the regular dividend to 18 HK cents (2.31 U.S. cents), up 50% from the 2009 total.

The Board earlier recommended a special dividend in specie or cash of 1.88 HK cents (0.24 U.S. cents) per share in a distribution of the proceeds of an initial public offering earlier in the year by one of the Company's operating units, PT Indofood Sukses Makmur Tbk (“Indofood”), of Indofood CBP Sukses Makmur TBK PT, its Consumer Branded Products business. Taken together, the special and full-year dividends amount to 25% of 2010 recurring earnings per share of 10.36 U.S. cents (80.8 HK cents).

The dividend payments fulfill a crucial plank of the Company's capital management program: a policy of returning a minimum of 25% of full-year recurring profit to shareholders in the form of dividends. First Pacific has increased its dividend every year since 2005.

The second plank of the capital management program is a two-year share repurchase program announced on 1st June last year. Since then, the Company has repurchased and canceled 35.7 million shares at an overall cost of US\$30.6 million. In all, the program commits First Pacific to buying from the marketplace as much as US\$130 million of shares in the Company over a two-year period.

Contributions from operations rose 41% to US\$474.0 million from US\$335.2 million as each of the Company's four operating businesses reported stronger results. Higher contributions from Indofood and Philex Mining Corporation (“Philex”) were the biggest drivers of First Pacific's 2010 profit increase, followed by smaller contribution increases by Philippines

Long Distance Telephone Company (“PLDT”) and Metro Pacific Investments Corporation (“MPIC”).

Indofood produced improved operating margins in all its four main divisions, Consumer Branded Products, Bogasari (flour), Agribusiness and Distribution. Philex’s contribution was lifted by higher ore production and prices for the copper and gold it produces, offset to an extent by lower overall ore quality than a year earlier.

PLDT, the biggest telecommunications company in the country as well as the biggest company listed on the Philippine Stock Exchange, saw its core net income rise 2% to Pesos 42.0 billion as a result of a lower tax charge and higher earnings contributed by its Information and Communications Technology business segment and by Manila Electric Company (“Meralco”), the biggest electricity distributor in the Philippines.

MPIC’s contribution was increased principally by a full year’s share of earnings from its 17.4% effective economic interest in Meralco and a 56% rise in the contribution made by its Maynilad Water Services, Inc. (“Maynilad”) subsidiary, the biggest water distributor in the country.

Non-recurring items in First Pacific’s full-year earnings swung from a net gain of US\$81.3 million in 2009 to a net loss of US\$8.8 million in 2010, principally reflecting the Group’s share of Meralco’s non-recurring losses, and provision and write-off of certain assets, partly offset by the Group’s gain on disposal of its interest in an associated company. In 2009 the Group benefitted from the gains on dilution of its shareholding in MPIC.

At 31 December 2010, gross debt at the Head Office stood at US\$1.1 billion. In July 2010, FPMH Finance Limited, a wholly-owned subsidiary of the Company, issued US\$300 million of seven-year senior guaranteed secured bonds as part of its refinancing and overall debt management program. In September 2010, FPT Finance Limited, also a wholly-owned subsidiary of the Company, issued US\$400 million of 10-year senior guaranteed secured bonds as part of the same program. These fixed rate bonds enhance First Pacific’s interest rate risk management, reducing the Head Office’s floating-rate borrowings to approximately 4% of the total from approximately 69% and doubled the average maturity of the Head Office’s borrowings.

Further details of earnings by First Pacific’s subsidiary and associated companies follow.

REVIEW OF OPERATIONS

Philippine Long Distance Telephone Company (“PLDT”) contributed US\$224.1 million to First Pacific, up 9% from US\$205.3 million a year earlier, and equal to 47% of the aggregate contribution made by subsidiary and associated companies. PLDT’s reported net income was boosted by higher earnings contributions from Meralco, ePLDT/SPi and a lower tax charge.

More details are available at www.pldt.com.

Metro Pacific Investments Corporation (“MPIC”) contributed US\$46.9 million to First Pacific, up 42% from US\$33.0 million a year earlier as the contribution by Maynilad, the largest water distributor in the Philippines, rose 56% and electricity distributor Meralco contributed full-year earnings for the first time. Metro Pacific Tollways Corporation, the

largest toll road operator in the Philippines, saw a rise in its contribution commensurate with a 6% increase in vehicle entries and a 6% increase in average journey lengths. The contribution from MPIC's healthcare operations declined owing to increased investments for future growth and a decline in student numbers at nursing schools.

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

PT Indofood Sukses Makmur Tbk ("Indofood") saw its contribution to First Pacific rise 93% to US\$172.1 million from US\$89.2 million a year earlier as the Consumer Branded Products ("CBP"), Agribusiness and Distribution groups reported higher sales. All three of these groups as well as at the flour group, Bogasari, reported higher margins. Indofood was able to manage its margins despite higher costs for imported raw materials thanks in part to a strengthening Rupiah.

More details are available at www.indofood.com.

Philex Mining Corporation ("Philex") reported a 301% increase in its contribution to First Pacific to US\$30.9 million from US\$7.7 million a year earlier, boosted largely by higher prices for the gold, copper and silver it produces and by increased ore volumes offsetting lower ore quality.

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

OUTLOOK

Even as our operating companies look to the year ahead with optimism, increasing uncertainties in the world – the dislocations in the Middle East and the terrible tragedy in Japan – will make our overall operating environment more challenging than anticipated. In these circumstances, First Pacific's Management will continue to look selectively for the right opportunities to expand with further investments, specifically in the telecommunications, infrastructure, power and mining sectors.

PLDT is increasing its capital expenditure in 2011-2012 to leverage its superior integrated fixed and wireless network to build a significant competitive advantage in broadband. MPIC is actively exploring opportunities for further investment in infrastructure. Indofood is focusing on maximizing synergies between its businesses by enhancing marketing strategies, increasing product visibility and penetration in rural areas, as well as expanding product categories. On the Agribusiness side, the company expects to commence sugar production in 2011 with the completion of its South Sumatra sugar mill. At Philex, the production volume and metal grades from the Padcal Mine are expected to remain steady this year, and with copper and gold prices remaining stable to strong, revenues are expected to remain stable to strong. Philex also expects to make significant progress towards development of the Silangan project in the course of the year.

First Pacific Chief Executive Pangilinan concluded:

The watchword for First Pacific in 2011 is cautious optimism. PLDT is seizing technology and market share leadership in both wireless and fixed-line broadband.

Indofood is powering ahead with new products, higher margins and expanding plantations. As the biggest infrastructure company in the Philippines, MPIC is looking to expand in such areas as airports, toll roads and light rail. Philex, too, is seeking to build on its leading status through organic expansion, even perhaps by investing in another operating mine.

At First Pacific we are closely managing our investments and will invest further if the conditions are right and the numbers work. Our cash position is strong, enabling us to invest strategically on behalf of our shareholders for growth and returns.

Further information and analysis

Attached to this news release are:

- First Pacific's consolidated income statement
- Consolidated statement of financial position
- Summary of contributions by operating companies

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 2010 Annual Report will be posted to the website and to shareholders before the end of April 2011.

Corporate Profile

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

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**FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT**

| For the year ended 31 December | 2010 | 2009 |
|---|------------------|-----------|
| US\$ millions | | |
| Turnover | 4,640.2 | 3,925.6 |
| Cost of sales | (2,992.8) | (2,739.9) |
| Gross Profit | 1,647.4 | 1,185.7 |
| Gain on disposals and dilutions | 22.6 | 85.9 |
| Distribution costs | (371.4) | (289.0) |
| Administrative expenses | (357.3) | (286.8) |
| Other operating (expenses)/income, net | (4.5) | 105.1 |
| Net borrowing costs | (243.0) | (230.3) |
| Share of profits less losses of associated companies and joint ventures | 284.9 | 233.4 |
| Profit Before Taxation | 978.7 | 804.0 |
| Taxation | (203.2) | (143.7) |
| Profit for the Year from Continuing Operations | 775.5 | 660.3 |
| Profit for the year from a discontinued operation | - | 1.1 |
| Profit for the Year | 775.5 | 661.4 |
| Attributable to: | | |
| Owners of the parent | 403.7 | 401.6 |
| Non-controlling interests | 371.8 | 259.8 |
| | 775.5 | 661.4 |
| Earnings Per Share Attributable to Owners of the Parent (U.S. cents) | | |
| Basic | | |
| - For profit from continuing operations | 10.40 | 11.64 |
| - For profit from a discontinued operation | - | 0.07 |
| - For profit for the year | 10.40 | 11.71 |
| Diluted | | |
| - For profit from continuing operations | 10.08 | 11.28 |
| - For profit from a discontinued operation | - | 0.07 |
| - For profit for the year | 10.08 | 11.35 |
| For the year ended 31 December | 2010 | 2009 |
| US\$ millions | | |
| Ordinary Share Dividends | | |
| Interim - U.S. 0.77 cent (2009: U.S. 0.51 cent) per share | 29.9 | 16.5 |
| Special - U.S. 0.24 cent (2009: Nil) per share | 9.5 | - |
| Proposed final - U.S. 1.54 cents (2009: U.S. 1.03 cents) per share | 60.0 | 39.6 |
| Total | 99.4 | 56.1 |

**FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

| US\$ millions | At 31 December 2010 | At 31 December 2009 (Restated) |
|--|---------------------------|---|
| Non-current Assets | | |
| Property, plant and equipment | 1,419.3 | 1,249.0 |
| Plantations | 1,162.6 | 1,009.2 |
| Associated companies and joint ventures | 2,439.4 | 2,068.0 |
| Goodwill | 817.1 | 775.2 |
| Other intangible assets | 1,960.1 | 1,728.4 |
| Accounts receivable, other receivables and prepayments | 23.8 | 6.6 |
| Available-for-sale assets | 13.8 | 2.1 |
| Deferred tax assets | 82.8 | 58.3 |
| Other non-current assets | 212.0 | 305.9 |
| | 8,130.9 | 7,202.7 |
| Current Assets | | |
| Cash and cash equivalents | 1,538.8 | 936.6 |
| Restricted cash and pledged deposits | 53.4 | 29.2 |
| Available-for-sale assets | 62.8 | 40.4 |
| Accounts receivable, other receivables and prepayments | 492.7 | 632.1 |
| Inventories | 635.5 | 549.2 |
| Assets held for sale | - | 7.1 |
| | 2,783.2 | 2,194.6 |
| Current Liabilities | | |
| Accounts payable, other payables and accruals | 707.5 | 628.2 |
| Short-term borrowings | 645.4 | 829.7 |
| Provision for taxation | 54.4 | 68.9 |
| Current portion of deferred liabilities and provisions | 97.5 | 73.5 |
| | 1,504.8 | 1,600.3 |
| Net Current Assets | 1,278.4 | 594.3 |
| Total Assets Less Current Liabilities | 9,409.3 | 7,797.0 |
| Equity | | |
| Issued share capital | 39.0 | 38.6 |
| Retained earnings | 858.7 | 556.4 |
| Other components of equity | 1,677.5 | 1,321.2 |
| Equity attributable to owners of the parent | 2,575.2 | 1,916.2 |
| Non-controlling interests | 3,036.9 | 2,122.9 |
| Total Equity | 5,612.1 | 4,039.1 |
| Non-current Liabilities | | |
| Long-term borrowings | 2,793.8 | 2,855.6 |
| Deferred liabilities and provisions | 573.1 | 507.0 |
| Deferred tax liabilities | 430.3 | 395.3 |
| | 3,797.2 | 3,757.9 |
| | 9,409.3 | 7,797.0 |

**FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY**

| For the year ended 31 December US\$ millions | Turnover | | Contribution to Group profit ⁽ⁱ⁾ | |
|--|----------------|----------------|--|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| PLDT ⁽ⁱⁱ⁾ | - | - | 224.1 | 205.3 |
| MPIC | 412.2 | 336.9 | 46.9 | 33.0 |
| Indofood | 4,228.0 | 3,588.7 | 172.1 | 89.2 |
| Philex ⁽ⁱⁱ⁾ | - | - | 30.9 | 7.7 |
| From Operations | 4,640.2 | 3,925.6 | 474.0 | 335.2 |
| Head Office items: | | | | |
| - Corporate overhead | | | (20.9) | (17.6) |
| - Net interest expense | | | (45.0) | (24.0) |
| - Other expenses | | | (6.0) | (7.0) |
| Recurring Profit | | | 402.1 | 286.6 |
| Foreign exchange and derivative gains ⁽ⁱⁱⁱ⁾ | | | 2.8 | 23.7 |
| Gain on changes in the fair value of plantations | | | 7.6 | 10.0 |
| Non-recurring items ^(iv) | | | (8.8) | 81.3 |
| Profit Attributable to Owners of the Parent | | | 403.7 | 401.6 |

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

(ii) Associated companies

(iii) Foreign exchange and derivative gains represent the gains 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.

(iv) 2010's non-recurring losses of US\$8.8 million mainly represent the Group's share of Meralco's non-recurring losses, and provision and write-off of certain assets, partly offset by the Group's gain on disposal of its interest in an associated company. 2009's non-recurring gains of US\$81.3 million mainly represent gains on dilution of the Group's interest in MPIC.