FIRST PACIFIC

Press Release

2013 FULL-YEAR FINANCIAL RESULTS

- ☐ *CONTRIBUTION FROM OPERATIONS UP 1% TO US$467.2 MLN*
- ☐ *RECORD HIGH CONTRIBUTION FROM METRO PACIFIC*
- ☐ *TURNOVER UP 4% TO US$6.21 BILLION – 3RD HIGHEST EVER*
- ☐ *RECURRING PROFIT DOWN 9% TO US$327.1 MILLION*
- ☐ *RUPIAH DEPRECIATION BEING MAIN FACTOR*
- ☐ *DIVIDEND PAYOUT RATIO AT RECORD HIGH 35%*
- ☐ *FINAL DIVIDEND UNCHANGED AT HK 13.0 CENTS/SHARE*
- ☐ *FY DIVIDEND UNCHANGED AT HK 21.0 CENTS/SHARE*

Hong Kong, 25th March, 2014 – First Pacific Company Limited (HKSE: 00142) ("First Pacific" or the "Company") today reported its audited financial results for the year ended 31st December 2013 with two of four main operating companies reporting higher earnings in local currency and U.S. dollar terms.

Turnover rose 4% to US$6.21 billion – the Company's third-highest level ever. By contrast, however, recurring profit fell 9% to US$327.1 million from a restated US$358.0 million a year earlier principally owing to a decline in the rupiah exchange rate which lowered the dollar equivalent of the contribution from PT Indofood Sukses Makmur Tbk ("Indofood") while lower gold and copper prices reduced earnings at Philex Mining Corporation ("Philex") despite higher volumes produced. 2013 reported net profit fell 33% to US$235.3 million from US$353.3 million (restated) in 2012 largely due to higher foreign exchange and derivative losses and higher non-recurring losses.

Metro Pacific Investments Corporation ("MPIC") and Philippine Long Distance Telephone Company ("PLDT") both recorded higher earnings in 2013 in both local currency and U.S. dollar terms.

"It's disappointing to see forces outside our control – exchange rates and commodity prices – dictate a decline in our earnings for 2013," said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of the Company. "However, we expect a recovery in 2014, with our investee companies anticipated to deliver higher contributions to First Pacific."

In light of the Group's positive outlook, First Pacific's Board of Directors recommended a final dividend of HK 13 cents (US 1.67 cents) per share, unchanged from a record high a year earlier. This brings the regular dividend to HK 21 cents (US 2.70 cents), also unchanged from the previous year's record high.

The full-year dividend represents a payment of 35% of recurring profit to shareholders, another record high.

First Pacific, a leading investment management and holding company focused on the economies of emerging Asia, is a major or controlling shareholder in the Philippines' biggest telecommunications, infrastructure and mining companies and in Indonesia's biggest vertically-integrated food company. Last year it raised US$500 million in a rights offering to shareholders to finance investments in businesses offering immediate returns.

"We will deploy our funds carefully, with the aim of investing in new businesses which can contribute to our earnings and cash flows in the near term," Pangilinan said.

PLDT is the biggest telecommunications company in the Philippines with market shares of about two-thirds in mobile, fixed line and broadband services. Philex is the biggest metal mining company in the Philippines.

First Pacific's contribution from operations rose 1% to US$467.2 million in 2013 from US$460.8 million a year earlier as PLDT and MPIC overcame a weakened peso to deliver contribution increases that more than offset lower contributions from Indofood and Philex.

Looking ahead, First Pacific can expect full-year contributions from investments it made in 2013:

- In March 2013, the Company and Meralco PowerGen Corporation ("Meralco PowerGen") formed a 60/40 jointly-owned company to buy a 70% stake in Singapore's newest and most modern power plant for approximately US$500 million in cash and a further commitment US$49 million equity contribution into the project. The power plant, PacificLight Power Pte. Ltd., has total capacity of 800MW: two 400MW combined-cycle units located on Singapore's Jurong Island. It began commercial operations in February 2014.
- In November 2013, First Pacific and MPIC formed a 75/25 jointly-owned company to buy a 29% stake in Don Muang Tollways PCL ("DMT") for US$132 million. DMT operates a toll road in Bangkok, Thailand.
- Also that month, the Company and Indofood Agri Resources Ltd. formed a 70/30 jointly-owned company to buy 34% of Roxas Holdings, Inc., the largest integrated sugar business in the Philippines, for US$56.6 million.

At year-end 2013, First Pacific held US$573 million cash available for investments in any of its four principal areas of business (telecommunications, infrastructure, food/consumer and natural resources) in the fast-growing economies of Southeast Asia.

In addition to seeking new investments, the Company remains committed to lifting shareholder value by continuing a policy of setting aside up to 10% of recurring profit for share repurchases in each financial year. The renewed share buyback is conditional on the state of financial markets, economic conditions affecting Group companies, and on potential opportunities for investments.

First Pacific's dividend policy of a payout ratio of not less than 25% of recurring profit and its commitment to spend up to 10% of recurring profit on share repurchases has returned at least 35% of recurring profit to shareholders over the past three years – a record high 45% of 2013 recurring profit was returned to shareholders. First Pacific's dividend and share repurchase commitments are two key components of a three-part Capital Management Program designed to maximize shareholder returns. The third part is an investment program designed to continue delivering strong shareholder returns.

First Pacific collected US$306 million in dividend income from its operating companies in 2013, down 4% from a near-record high US$320 million in 2012 owing largely to a sharp fall in dividends received from Philex after it suspended operations at its Padcal Mine for seven months in 2012-2013.

Non-recurring losses in First Pacific's full-year earnings increased to US$34.5 million from US$6.4 million (restated) mainly representing the Group's debt refinancing costs, the Group's share of impairment of PLDT's digital network and Philex's investments, partly offset by share of PLDT's gain on disposal of its Business Process Outsourcing business.

At 31st December 2013, gross debt at the Head Office stood at US$1.75 billion. Fixed-rate debt made up 86% of the total with floating-rate debt accounting for the 14% balance. The Company's blended interest cost amounted to 5.5% and the average maturity of its debt was six years.

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

REVIEW OF OPERATIONS

Philippine Long Distance Telephone Company ("PLDT") reported a 5% increase in core income last year to ₱38.7 billion from ₱36.9 billion (restated) in 2012 as revenues rose and operating expenses declined.
More details are available at www.pldt.com.

Metro Pacific Investments Corporation ("MPIC") reported a 10% increase in core income to ₱7.23 billion from ₱6.56 billion (restated) in 2012, as all of its four main businesses (water, electricity distribution, toll roads and hospitals) delivered strong contribution increases.
More details are available at www.mpic.com.ph.

PT Indofood Sukses Makmur Tbk ("Indofood") reported a 3% rise in core income to Rp3.37 trillion – its eighth successive record high – from Rp3.27 trillion a year earlier on stronger sales by all divisions except Agribusiness, which was hurt by lower prices for its crude palm oil.
More details are available at www.indofood.com.

Philex Mining Corporation ("Philex") reported an 11% decline in core income to ₱1.51 billion from ₱1.70 billion in 2012 largely as a result of sharply lower gold and copper prices. More details are available at www.philexmining.com.ph.

OUTLOOK

The economies of emerging Asia continue to grow strongly, fueled largely by domestic demand. All the Group's operating companies forecast stronger earnings in 2014. These can be complemented by new investments to obtain geographic diversification and strengthen the Company's sources of dividend income.

First Pacific Chief Executive Pangilinan concluded:

> "The businesses we have been managing and nurturing will deliver growth in 2014, with the suggestion of increased profitability. Our main focus is in the area of investments. We are diligently scanning the market for opportunities available to First Pacific, and we are keen to bring home an investment – or more than one – that will deliver meaningful returns in the near term. This can be difficult and will require patience, but we are hopeful of repeating our earlier investment successes this year."

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. The 2013 Annual Report will be posted to the website and to shareholders before the end of April 2014.

Corporate Profile
First Pacific is a Hong Kong-based investment management and holding company with operations located in Asia. The Company's principal businesses are in telecommunications, infrastructure, consumer food products and natural resources. 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, see www.firstpacific.com.

* * *

For further information, please contact:

John Ryan	Tel: (852) 2842 4355
Executive Vice President	Mobile: (852) 6336 1411
Group Corporate Communications	
Sara Cheung	Tel: (852) 2842 4336
Vice President	
Group Corporate Communications	

FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT - AUDITED

For the year ended 31 December	**2013**	2012
US$ millions		(Restated)
Turnover	**6,206.3**	5,990.8
Cost of sales	**(4,377.1)**	(4,129.0)
Gross Profit	**1,829.2**	1,861.8
Selling and distribution expenses	**(461.0)**	(432.1)
Administrative expenses	**(528.5)**	(443.7)
Other operating (expenses)/income, net	**(99.4)**	36.7
Interest income	**70.3**	75.0
Financial costs	**(304.5)**	(273.7)
Share of profits less losses of associated companies and joint ventures	**267.7**	240.6
Profit Before Taxation	**773.8**	1,064.6
Taxation	**(152.9)**	(229.7)
Profit for the Year	**620.9**	834.9
Attributable to:		
Owners of the parent	**235.3**	353.3
Non-controlling interests	**385.6**	481.6
	620.9	834.9
Earnings Per Share Attributable to Owners of the Parent (U.S. cents)		
Basic	**5.66**	9.01
Diluted	**5.60**	8.90

FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - AUDITED

US$ millions	At 31 December 2013	At 31 December 2012 (Restated)
Non-current Assets		
Property, plant and equipment	**2,920.1**	1,824.3
Plantations	**1,164.4**	1,301.5
Associated companies and joint ventures	**3,406.6**	3,299.1
Goodwill	**1,047.1**	808.2
Other intangible assets	**2,386.8**	2,305.8
Accounts receivable, other receivables and prepayments	**18.5**	190.6
Available-for-sale assets	**63.7**	41.9
Deferred tax assets	**162.9**	132.3
Pledged deposits	**11.1**	11.1
Other non-current assets	**423.3**	288.4
	11,604.5	10,203.2
Current Assets		
Cash and cash equivalents	**2,375.4**	2,175.0
Pledged deposits and restricted cash	**49.3**	33.1
Available-for-sale assets	**101.8**	58.7
Accounts receivable, other receivables and prepayments	**754.1**	600.0
Inventories	**695.7**	816.7
Plantations	**2.0**	-
	3,978.3	3,683.5
Current Liabilities		
Accounts payable, other payables and accruals	**980.7**	984.4
Short-term borrowings	**1,067.0**	926.5
Provision for taxation	**32.6**	39.0
Current portion of deferred liabilities, provisions and payables	**250.4**	119.7
	2,330.7	2,069.6
Net Current Assets	**1,647.6**	1,613.9
Total Assets Less Current Liabilities	**13,252.1**	11,817.1
Equity		
Issued share capital	**43.1**	38.3
Shares held for share award scheme	**(9.6)**	-
Retained earnings	**1,575.7**	1,479.8
Other components of equity	**1,900.7**	1,721.9
Equity attributable to owners of the parent	**3,509.9**	3,240.0
Non-controlling interests	**4,008.3**	4,010.7
Total Equity	**7,518.2**	7,250.7
Non-current Liabilities		
Long-term borrowings	**4,551.3**	3,438.5
Deferred liabilities, provisions and payables	**816.0**	691.2
Deferred tax liabilities	**366.6**	436.7
	5,733.9	4,566.4
	13,252.1	11,817.1

FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY

	Turnover		Contribution to Group profit[i]	
For the year ended 31 December	**2013**	2012	**2013**	2012
US$ millions				(Restated)[ii]
PLDT[iii]	**-**	-	**209.9**	190.5
MPIC	**724.1**	660.8	**94.5**	86.6
Indofood	**5,476.3**	5,330.0	**159.6**	170.1
Philex[iii]	**-**	-	**7.3**	13.6
FPM Power	**5.9**	-	**(4.8)**	-
FPM Infrastructure	**-**	-	**0.5**	-
FP Natural Resources	**-**	-	**0.2**	-
Contribution from Operations[iv]	**6,206.3**	5,990.8	**467.2**	460.8
Head Office items:				
– Corporate overhead			**(32.5)**	(23.7)
– Net interest expense			**(86.2)**	(77.7)
– Other expenses			**(21.4)**	(1.4)
Recurring Profit[v]			**327.1**	358.0
Foreign exchange and derivative (losses)/gains[vi]			**(56.3)**	1.8
Loss on changes in fair value of plantations			**(1.0)**	(0.1)
Non-recurring items[vii]			**(34.5)**	(6.4)
Profit Attributable to Owners of the Parent			**235.3**	353.3

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

(ii) The Group has restated its 2012 contribution from operations to US$460.8 million from US$463.1 million and non-recurring losses to US$6.4 million from US$13.2 million reflecting its adoption of the revised Hong Kong Accounting Standard 19 "Employee Benefits" with effect from 1 January 2013. Accordingly, the Group's 2012 recurring profit has been restated to US$358.0 million from US$360.3 million and its 2012 profit attributable to owners of the parent has been restated to US$353.3 million from US$348.8 million.

(iii) Associated companies

(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 losses/gains, loss on changes in fair value of plantations and non-recurring items.

(vi) Foreign exchange and derivative losses/gains represent the losses/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.

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. The non-recurring losses for 2013 of US$34.5 million mainly represent the Group's debt refinancing costs (US$17.8 million), PLDT's impairment provisions for cellular network equipment and site facilities (US$12.9 million), Philex's impairment provisions for investments (US$10.9 million) and PLDT's manpower reduction costs (US$6.6 million), partly offset by PLDT's gain on disposal of business process outsourcing business (US$13.0 million). 2012's non-recurring losses of US$6.4 million mainly represent PLDT's impairment provisions for Digitel's cell sites (US$17.6 million) and Philex's provisions for fees and penalties in respect of an accidental discharge of water and tailings from its tailings pond No. 3 (US$9.9 million), partly offset by the Group's gain on dilution of a 0.2% interest in PLDT as a result of PLDT's issuance of new shares upon its tender offer for Digitel's shares in January 2012 (US$14.5 million).