FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: http://www.firstpacific.com

(Stock code: 00142)

2015 Interim Results - Unaudited

FINANCIAL HIGHLIGHTS

- Turnover decreased by 1.9% to US$3,329.3 million (HK$25,968.5 million) from US$3,392.3 million (HK$26,459.9 million).
- Profit contribution from operations decreased by 3.6% to US$248.5 million (HK$1,938.3 million) from US$257.9 million (HK$2,011.6 million).
- Recurring profit decreased by 4.2% to US$178.2 million (HK$1,390.0 million) from US$186.1 million (HK$1,451.6 million).
- Foreign exchange and derivative losses of US$17.4 million (HK$135.7 million) were recorded compared with foreign exchange and derivative gains of US$4.9 million (HK$38.2 million).
- Non-recurring losses decreased by 97.4% to US$0.2 million (HK$1.6 million) from US$7.6 million (HK$59.3 million).
- Profit attributable to owners of the parent decreased by 14.3% to US$159.6 million (HK$1,244.9 million) from US$186.3 million (HK$1,453.1 million).
- Recurring basic earnings per share (calculated based on recurring profit) decreased by 3.9% to U.S. 4.17 cents (HK32.5 cents) from U.S. 4.34 cents (HK33.9 cents).
- Basic earnings per share decreased by 13.8% to U.S. 3.74 cents (HK29.2 cents) from U.S. 4.34 cents (HK33.9 cents).
- An interim dividend of HK8.00 cents (U.S. 1.03 cents) (2014: HK8.00 cents or U.S. 1.03 cents) per ordinary share has been declared, representing a dividend payout ratio of approximately 25% (2014: approximately 24%) of recurring profit.
- Equity attributable to owners of the parent decreased by 0.9% to US$3,398.9 million (HK$26,511.4 million) at 30 June 2015 compared with US$3,428.4 million (HK$26,741.5 million) at 31 December 2014.
- Consolidated gearing ratio increased to 0.60 times at 30 June 2015 from 0.45 times at 31 December 2014.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	Notes	**2015** US$m	2014 (Restated)[(i)] US$m	**2015** HK$m*	2014 (Restated)[(i)] HK$m*
Turnover	2	**3,329.3**	3,392.3	**25,968.5**	26,459.9
Cost of sales		**(2,367.0)**	(2,430.8)	**(18,462.6)**	(18,960.2)
Gross profit		**962.3**	961.5	**7,505.9**	7,499.7
Selling and distribution expenses		**(277.3)**	(252.1)	**(2,162.9)**	(1,966.4)
Administrative expenses		**(254.8)**	(264.2)	**(1,987.4)**	(2,060.7)
Other operating (expenses)/income, net		**(28.2)**	38.2	**(220.0)**	298.0
Interest income		**37.9**	36.5	**295.6**	284.7
Finance costs		**(178.6)**	(167.6)	**(1,393.1)**	(1,307.3)
Share of profits less losses of associated companies and joint ventures		**166.6**	152.8	**1,299.5**	1,191.8
Profit before taxation	3	**427.9**	505.1	**3,337.6**	3,939.8
Taxation	4	**(88.6)**	(103.7)	**(691.1)**	(808.9)
Profit for the period from continuing operations		**339.3**	401.4	**2,646.5**	3,130.9
Profit for the period from a discontinued operation	5	**28.9**	41.0	**225.5**	319.8
Profit for the period		**368.2**	442.4	**2,872.0**	3,450.7
Attributable to:					
Owners of the parent	6				
- For profit from continuing operations		**147.6**	169.3	**1,151.3**	1,320.5
- For profit from a discontinued operation		**12.0**	17.0	**93.6**	132.6
- For profit for the period		**159.6**	186.3	**1,244.9**	1,453.1
Non-controlling interests					
- For profit from continuing operations		**191.7**	232.1	**1,495.3**	1,810.4
- For profit from a discontinued operation		**16.9**	24.0	**131.8**	187.2
- For profit for the period		**208.6**	256.1	**1,627.1**	1,997.6
		368.2	442.4	**2,872.0**	3,450.7
		US¢	US¢	**HK¢***	HK¢*
Earnings per share attributable to owners of the parent	7				
Basic					
- For profit from continuing operations		**3.46**	3.94	**27.0**	30.7
- For profit from a discontinued operation		**0.28**	0.40	**2.2**	3.2
- For profit for the period		**3.74**	4.34	**29.2**	33.9
Diluted					
- For profit from continuing operations		**3.43**	3.92	**26.7**	30.6
- For profit from a discontinued operation		**0.28**	0.39	**2.2**	3.0
- For profit for the period		**3.71**	4.31	**28.9**	33.6

(i) Refer to Note 15

Details of the interim dividend declared for the period are disclosed in Note 8.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30 June	2015 US$m	2014 US$m	2015 HK$m*	2014 HK$m*
Profit for the period	**368.2**	442.4	**2,872.0**	3,450.7
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**(269.8)**	103.1	**(2,104.4)**	804.2
Unrealized gains on available-for-sale assets	**31.9**	0.7	**248.8**	5.5
Realized gains on available-for-sale-assets	**-**	(5.0)	**-**	(39.0)
Unrealized gains on cash flow hedges	**41.6**	0.6	**324.5**	4.7
Income tax related to cash flow hedges	**(7.0)**	(0.6)	**(54.6)**	(4.7)
Share of other comprehensive (loss)/income of associated companies and joint ventures	**(72.7)**	5.5	**(567.1)**	42.9
Items that will not be reclassified to profit or loss:				
Actuarial (losses)/gains on defined benefit pension plans	**(1.9)**	2.3	**(14.8)**	17.9
Share of other comprehensive loss of associated companies and joint ventures	**(11.8)**	(11.1)	**(92.1)**	(86.6)
Other comprehensive (loss)/income for the period, net of tax	**(289.7)**	95.5	**(2,259.7)**	744.9
Total comprehensive income for the period	**78.5**	537.9	**612.3**	4,195.6
Attributable to:				
Owners of the parent	**31.6**	222.9	**246.5**	1,738.6
Non-controlling interests	**46.9**	315.0	**365.8**	2,457.0
	78.5	537.9	**612.3**	4,195.6

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2015 (Unaudited) US$m	At 31 December 2014 (Audited) US$m	At 30 June 2015 (Unaudited) HK$m*	At 31 December 2014 (Audited) HK$m*
Non-current assets					
Property, plant and equipment		**3,049.1**	2,731.8	**23,783.0**	21,308.1
Plantations		**1,159.0**	1,210.7	**9,040.2**	9,443.5
Associated companies and joint ventures		**4,599.6**	3,568.4	**35,876.9**	27,833.5
Goodwill		**1,060.3**	1,057.6	**8,270.3**	8,249.3
Other intangible assets		**2,553.3**	2,511.8	**19,915.7**	19,592.0
Accounts receivable, other receivables and prepayments		**12.4**	11.8	**96.7**	92.0
Available-for-sale assets		**84.6**	193.8	**659.9**	1,511.6
Deferred tax assets		**209.2**	200.2	**1,631.8**	1,561.6
Pledged deposits and restricted cash		**30.8**	30.9	**240.2**	241.0
Other non-current assets		**345.0**	385.9	**2,691.0**	3,010.0
		13,103.3	11,902.9	**102,205.7**	92,842.6
Current assets					
Cash and cash equivalents and short-term deposits		**1,707.4**	2,265.9	**13,317.7**	17,674.0
Pledged deposits and restricted cash		**133.2**	53.2	**1,039.0**	415.0
Available-for-sale assets		**105.1**	59.2	**819.8**	461.8
Accounts receivable, other receivables and prepayments	9	**861.8**	661.2	**6,722.0**	5,157.3
Inventories		**814.6**	717.2	**6,353.9**	5,594.2
		3,622.1	3,756.7	**28,252.4**	29,302.3
Assets classified as held for sale		**966.0**	982.4	**7,534.8**	7,662.7
		4,588.1	4,739.1	**35,787.2**	36,965.0
Current liabilities					
Accounts payable, other payables and accruals	10	**1,131.8**	1,192.4	**8,828.0**	9,300.8
Short-term borrowings		**1,273.3**	912.0	**9,931.7**	7,113.6
Provision for taxation		**53.8**	51.0	**419.7**	397.8
Current portion of deferred liabilities, provisions and payables		**305.7**	321.9	**2,384.5**	2,510.8
		2,764.6	2,477.3	**21,563.9**	19,323.0
Liabilities directly associated with the assets classified as held for sale		**358.6**	335.9	**2,797.0**	2,620.0
		3,123.2	2,813.2	**24,360.9**	21,943.0
Net current assets		**1,464.9**	1,925.9	**11,426.3**	15,022.0
Total assets less current liabilities		**14,568.2**	13,828.8	**113,632.0**	107,864.6
Equity					
Issued share capital		**42.7**	42.9	**333.1**	334.6
Shares held for share award scheme		**(8.5)**	(8.7)	**(66.3)**	(67.9)
Retained earnings		**1,627.8**	1,540.1	**12,696.8**	12,012.8
Other components of equity		**1,736.9**	1,854.1	**13,547.8**	14,462.0
Equity attributable to owners of the parent		**3,398.9**	3,428.4	**26,511.4**	26,741.5
Non-controlling interests		**4,491.4**	4,288.6	**35,032.9**	33,451.1
Total equity		**7,890.3**	7,717.0	**61,544.3**	60,192.6
Non-current liabilities					
Long-term borrowings		**5,332.5**	4,893.9	**41,593.5**	38,172.4
Deferred liabilities, provisions and payables		**968.9**	850.0	**7,557.5**	6,630.0
Deferred tax liabilities		**376.5**	367.9	**2,936.7**	2,869.6
		6,677.9	6,111.8	**52,087.7**	47,672.0
		14,568.2	13,828.8	**113,632.0**	107,864.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive (loss)/income (Note 11)	Differences arising from changes in equities of subsidiary companies	Reserves for assets classified as held for sale	Capital and other reserves	Retained earnings	Total	Non-controlling interests	(Unaudited) Total equity
	Equity attributable to owners of the parent											
Balance at 1 January 2014	43.1	(9.6)	1,821.8	46.1	(285.2)	303.1	-	14.9	1,575.7	3,509.9	4,008.3	7,518.2
Profit for the period	-	-	-	-	-	-	-	-	186.3	186.3	256.1	442.4
Other comprehensive income for the period	-	-	-	-	36.6	-	-	-	-	36.6	58.9	95.5
Total comprehensive income for the period	-	-	-	-	36.6	-	-	-	186.3	222.9	315.0	537.9
Issue of shares upon the exercise of share options	-	-	0.9	(0.3)	-	-	-	-	-	0.6	-	0.6
Repurchase and cancellation of shares	(0.1)	-	(13.8)	-	-	-	-	0.1	-	(13.8)	-	(13.8)
Employee share-based compensation benefits	-	-	-	9.8	-	-	-	-	-	9.8	-	9.8
Reclassification	-	-	-	-	12.8	-	-	(12.8)	-	-	-	-
Acquisition and dilution of interests in subsidiary companies	-	-	-	-	-	(16.6)	-	-	-	(16.6)	(18.5)	(35.1)
Appropriation to statutory reserve funds	-	-	-	-	-	-	-	0.5	(0.5)	-	-	-
2013 final dividend paid	-	-	-	-	-	-	-	-	(71.7)	(71.7)	-	(71.7)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	12.6	12.6
Dividends payable and paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(102.4)	(102.4)
Balance at 30 June 2014 (Restated)[i]	43.0	(9.6)	1,808.9	55.6	(235.8)	286.5	-	2.7	1,689.8	3,641.1	4,215.0	7,856.1
Balance at 1 January 2015	42.9	(8.7)	1,797.2	61.7	(379.1)	345.2	16.8	12.3	1,540.1	3,428.4	4,288.6	**7,717.0**
Profit for the period	-	-	-	-	-	-	-	-	159.6	159.6	208.6	**368.2**
Other comprehensive (loss)/income for the period	-	-	-	-	(128.2)	-	0.2	-	-	(128.0)	(161.7)	**(289.7)**
Total comprehensive (loss)/income for the period	-	-	-	-	(128.2)	-	0.2	-	159.6	31.6	46.9	**78.5**
Issue of shares upon the exercise of share options	-	-	0.3	(0.1)	-	-	-	-	-	0.2	-	**0.2**
Repurchase and cancellation of shares	(0.2)	-	(17.8)	-	-	-	-	-	-	(18.0)	-	**(18.0)**
Shares vested under share award scheme	-	0.2	-	(0.2)	-	-	-	-	-	-	-	**-**
Employee share-based compensation benefits	-	-	-	6.7	-	-	-	-	-	6.7	-	**6.7**
Acquisition and dilution of interests in subsidiary companies	-	-	-	(0.1)	(1.7)	23.2	-	0.1	-	21.5	158.8	**180.3**
Appropriation to statutory reserve funds	-	-	-	-	-	-	0.4	-	(0.4)	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	93.4	**93.4**
2014 final dividend paid	-	-	-	-	-	-	-	-	(71.5)	(71.5)	-	**(71.5)**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	63.9	**63.9**
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(160.2)	**(160.2)**
Balance at 30 June 2015	**42.7**	**(8.5)**	**1,779.7**	**68.0**	**(509.0)**	**368.4**	**17.4**	**12.4**	**1,627.8**	**3,398.9**	**4,491.4**	**7,890.3**

HK$ millions*	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive (loss)/income (Note 11)	Differences arising from changes in equities of subsidiary companies	Reserves for assets classified as held for sale	Capital and other reserves	Retained earnings	Total	Non-controlling interests	(Unaudited) Total equity
	Equity attributable to owners of the parent											
Balance at 1 January 2014	336.2	(74.9)	14,210.0	359.6	(2,224.5)	2,364.1	-	116.2	12,290.5	27,377.2	31,264.8	58,642.0
Profit for the period	-	-	-	-	-	-	-	-	1,453.1	1,453.1	1,997.6	3,450.7
Other comprehensive income for the period	-	-	-	-	285.5	-	-	-	-	285.5	459.4	744.9
Total comprehensive income for the period	-	-	-	-	285.5	-	-	-	1,453.1	1,738.6	2,457.0	4,195.6
Issue of shares upon the exercise of share options	-	-	7.0	(2.3)	-	-	-	-	-	4.7	-	4.7
Repurchase and cancellation of shares	(0.8)	-	(107.6)	-	-	-	-	0.8	-	(107.6)	-	(107.6)
Employee share-based compensation benefits	-	-	-	76.4	-	-	-	-	-	76.4	-	76.4
Reclassification	-	-	-	-	99.8	-	-	(99.8)	-	-	-	-
Acquisition and dilution of interests in subsidiary companies	-	-	-	-	-	(129.4)	-	-	-	(129.4)	(144.4)	(273.8)
Appropriation to statutory reserve funds	-	-	-	-	-	-	-	3.9	(3.9)	-	-	-
2013 final dividend paid	-	-	-	-	-	-	-	-	(559.3)	(559.3)	-	(559.3)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	98.3	98.3
Dividends payable and paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(798.7)	(798.7)
Balance at 30 June 2014 (Restated)[i]	335.4	(74.9)	14,109.4	433.7	(1,839.2)	2,234.7	-	21.1	13,180.4	28,400.6	32,877.0	61,277.6
Balance at 1 January 2015	334.6	(67.9)	14,018.1	481.3	(2,957.0)	2,692.6	131.0	96.0	12,012.8	26,741.5	33,451.1	**60,192.6**
Profit for the period	-	-	-	-	-	-	-	-	1,244.9	1,244.9	1,627.1	**2,872.0**
Other comprehensive (loss)/income for the period	-	-	-	-	(1,000.0)	-	1.6	-	-	(998.4)	(1,261.3)	**(2,259.7)**
Total comprehensive (loss)/income for the period	-	-	-	-	(1,000.0)	-	1.6	-	1,244.9	246.5	365.8	**612.3**
Issue of shares upon the exercise of share options	-	-	2.4	(0.8)	-	-	-	-	-	1.6	-	**1.6**
Repurchase and cancellation of shares	(1.5)	-	(138.8)	-	-	-	-	-	-	(140.3)	-	**(140.3)**
Shares vested under share award scheme	-	1.6	-	(1.6)	-	-	-	-	-	-	-	**-**
Employee share-based compensation benefits	-	-	-	52.3	-	-	-	-	-	52.3	-	**52.3**
Acquisition and dilution of interests in subsidiary companies	-	-	-	(0.8)	(13.2)	180.9	-	0.7	-	167.6	1,238.6	**1,406.2**
Appropriation to statutory reserve funds	-	-	-	-	-	-	3.1	-	(3.1)	-	-	-
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	728.5	**728.5**
2014 final dividend paid	-	-	-	-	-	-	-	-	(557.8)	(557.8)	-	**(557.8)**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	498.4	**498.4**
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(1,249.5)	**(1,249.5)**
Balance at 30 June 2015	**333.1**	**(66.3)**	**13,881.7**	**530.4**	**(3,970.2)**	**2,873.5**	**135.7**	**96.7**	**12,696.8**	**26,511.4**	**35,032.9**	**61,544.3**

(i) Refer to Note 15

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

For the six months ended 30 June	Notes	2015 US$m	2014 (Restated)[(i)] US$m	2015 HK$m*	2014 (Restated)[(i)] HK$m*
Profit before taxation					
From continuing operations		**427.9**	505.1	**3,337.6**	3,939.8
From a discontinued operation		**36.6**	52.8	**285.5**	411.8
Adjustments for:					
Finance costs		**185.8**	173.3	**1,449.2**	1,351.7
Depreciation		**115.1**	106.0	**897.8**	826.8
Foreign exchange and derivative losses/(gains), net	3	**47.5**	(6.0)	**370.5**	(46.8)
Amortization of intangible assets	3	**44.8**	41.8	**349.4**	326.0
Employee share-based compensation benefit expenses		**7.0**	10.2	**54.6**	79.6
Decrease/(increase) in other non-current assets		**4.9**	(1.1)	**38.2**	(8.6)
Impairment losses	3	**4.1**	5.5	**32.0**	42.9
Loss/(gain) on changes in fair value of plantations		**0.8**	(19.1)	**6.2**	(149.0)
Share of profits less losses of associated companies and joint ventures		**(166.6)**	(152.8)	**(1,299.5)**	(1,191.8)
Interest income		**(46.2)**	(42.8)	**(360.3)**	(333.8)
Gain on sale of property, plant and equipment	3	**(0.3)**	(0.3)	**(2.3)**	(2.3)
Gain on disposal of available-for-sale assets	3	**-**	(5.0)	**-**	(39.0)
Others		**(3.2)**	14.5	**(24.9)**	113.1
		658.2	682.1	**5,134.0**	5,320.4
Increase in working capital		**(40.8)**	(117.1)	**(318.3)**	(913.4)
Net cash generated from operations		**617.4**	565.0	**4,815.7**	4,407.0
Interest received		**43.8**	41.4	**341.6**	322.9
Interest paid		**(159.0)**	(169.9)	**(1,240.2)**	(1,325.2)
Taxes paid		**(106.3)**	(79.3)	**(829.1)**	(618.5)
Net cash flows from operating activities		**395.9**	357.2	**3,088.0**	2,786.2
Dividends received from associated companies		**126.3**	146.4	**985.1**	1,141.9
Preferred share dividends received from a joint venture		**9.1**	9.1	**71.0**	71.0
Proceeds from divestment of interests in an associated company		**4.2**	0.5	**32.7**	3.9
Dividends received from available-for-sale assets		**1.7**	0.4	**13.3**	3.1
Proceeds from disposal of available-for-sale assets		**1.4**	11.7	**10.9**	91.3
Proceeds from disposal of property, plant and equipment		**0.7**	1.7	**5.5**	13.3
Increased investments in associated companies		**(519.4)**	(42.6)	**(4,051.3)**	(332.3)
Investments in joint ventures		**(423.4)**	(1.1)	**(3,302.5)**	(8.6)
Purchase of property, plant and equipment		**(172.3)**	(207.3)	**(1,343.9)**	(1,617.0)
Investments in intangible assets		**(140.3)**	(68.4)	**(1,094.4)**	(533.5)
Acquisition of subsidiary companies		**(104.5)**	(3.0)	**(815.1)**	(23.4)
Increase in pledged deposits and restricted cash		**(81.4)**	(22.0)	**(634.9)**	(171.6)
Increase in time deposits with original maturity of more than three months		**(61.6)**	(178.3)	**(480.5)**	(1,390.7)
Investments in plantations		**(37.3)**	(51.1)	**(290.9)**	(398.6)
Acquisition of available-for-sale assets		**(35.1)**	(180.9)	**(273.8)**	(1,411.1)
Investments in associated companies		**(34.9)**	(7.2)	**(272.2)**	(56.2)
Investments in exchangeable bonds and convertible notes		**(28.1)**	(4.9)	**(219.2)**	(38.2)
Proceeds from disposal of plantations		**-**	0.2	**-**	1.6
Acquisition of a business		**-**	(44.3)	**-**	(345.5)
Net cash flows used in investing activities		**(1,494.9)**	(641.1)	**(11,660.2)**	(5,000.6)
Proceeds from new borrowings		**1,039.8**	834.9	**8,110.4**	6,512.2
Proceeds from issue of shares to non-controlling shareholders by subsidiary companies		**197.2**	0.9	**1,538.2**	7.0
Capital contributions from non-controlling shareholders		**27.9**	12.6	**217.6**	98.3
Proceeds from issue of shares upon the exercise of share options		**0.2**	0.6	**1.6**	4.7
Borrowings repaid		**(333.1)**	(386.3)	**(2,598.2)**	(3,013.2)
Dividends paid to non-controlling shareholders by subsidiary companies		**(160.2)**	(26.8)	**(1,249.5)**	(209.0)
Dividends paid to shareholders		**(71.5)**	(71.7)	**(557.8)**	(559.3)
Repurchase of shares		**(19.0)**	(13.8)	**(148.2)**	(107.6)
Payments for concession fees payable		**(17.0)**	(19.4)	**(132.6)**	(151.3)
Increased investments in a subsidiary company		**(12.6)**	(32.0)	**(98.3)**	(249.6)
Repurchase of a subsidiary company's shares		**(11.7)**	(14.1)	**(91.2)**	(110.0)
Net cash flows from financing activities		**640.0**	284.9	**4,992.0**	2,222.2
Net (decrease)/increase in cash and cash equivalents		**(459.0)**	1.0	**(3,580.2)**	7.8
Cash and cash equivalents at 1 January		**2,086.3**	2,002.8	**16,273.1**	15,621.8
Exchange translation		**(96.9)**	13.0	**(755.8)**	101.4
Cash and cash equivalents at 30 June		**1,530.4**	2,016.8	**11,937.1**	15,731.0
Representing					
Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position		**1,707.4**	2,028.4	**13,317.7**	15,821.5
Add cash and cash equivalents and short-term deposits attributable to a discontinued operation		**618.3**	531.0	**4,822.7**	4,141.8
Less time deposits with original maturity of more than three months		**(785.1)**	(540.3)	**(6,123.8)**	(4,214.3)
Less bank overdrafts		**(10.2)**	(2.3)	**(79.5)**	(18.0)
Cash and cash equivalents at 30 June		**1,530.4**	2,016.8	**11,937.1**	15,731.0

(i) Refer to Note 15

* *The Company maintains its accounts and reports to its shareholders in United States dollars. The figures shown in Hong Kong dollars are for illustration only and are based on a fixed exchange rate of 7.8 Hong Kong dollars to one United States dollar.*

Notes:-

1. Basis of preparation and impact of new and revised HKFRSs

(A) Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) issued by The Stock Exchange of Hong Kong Limited (SEHK). The condensed interim consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the Group's 2014 audited financial statements.

(B) Impact of new and revised HKFRSs

During 2015, the Group has adopted the following new and revised Hong Kong Financial Reporting Standards (HKFRSs) (which include all HKFRSs, HKASs and Hong Kong (International Financial Reporting Interpretations Committee)-Interpretations) effective for annual periods commencing on or after July 2014 issued by the HKICPA:

HKAS 19 Amendments	"Defined Benefit Plans: Employee Contributions"
Improvements to HKFRSs	"Annual Improvements to HKFRSs 2010-2012"
Improvements to HKFRSs	"Annual Improvements to HKFRSs 2011-2013"

The Group's adoption of the above pronouncements has had no effect on both the profit attributable to owners of the parent for the six-month periods ended 30 June 2015 and 30 June 2014 and the equity attributable to owners of the parent at 30 June 2015 and 31 December 2014.

2. Turnover and operating segmental information

For the six months ended 30 June	**2015**	2014 (Restated)	**2015**	2014 (Restated)
	US$m	US$m	**HK$m***	HK$m*
Turnover				
Sale of goods	**2,585.8**	2,640.5	**20,169.2**	20,595.9
Sale of electricity	**325.1**	338.9	**2,535.8**	2,643.4
Rendering of services	**418.4**	412.9	**3,263.5**	3,220.6
Total	**3,329.3**	3,392.3	**25,968.5**	26,459.9

Operating segmental Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker who makes decisions about how resources are to be allocated to the segment and assesses its performance, and for which discrete financial information is available to him.

The Board of Directors considers the business of the Group from both product or service and geographical perspectives. From the product or service perspective, the Group's business interests are divided into four main segments, which are telecommunications, consumer food products, infrastructure and natural resources. Geographically, the Board of Directors considers the businesses of the Group are operating in the Philippines, Indonesia, Australasia and Singapore and the turnover information of continuing operations is based on the locations of the customers.

The Board of Directors assesses the performance of the operating segments based on a measure of recurring profit. This basis measures the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses, gain/loss on changes in fair value of plantations and non-recurring items. Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items.

The revenue, results and other information for the six months ended 30 June 2015 and 2014, and total assets and total liabilities at 30 June 2015 and 31 December 2014 regarding the Group's operating segments are as follows.

By principal business activity - 2015

For the six months ended/at 30 June	Telecom-munications US$m	Consumer Food Products US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	**2015 Total US$m**	**2015 Total HK$m***
Revenue							
Turnover	-	2,608.8	720.5	-	-	**3,329.3**	**25,968.5**
Results							
Recurring profit	97.4	85.9	62.3	2.9	(70.3)	**178.2**	**1,390.0**
Assets and Liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	1,332.2	649.1	2,060.5	557.8	-	**4,599.6**	**35,876.9**
- Others	-	4,152.3	3,934.2	-	25.0	**8,111.5**	**63,269.7**
	1,332.2	4,801.4	5,994.7	557.8	25.0	**12,711.1**	**99,146.6**
Other assets	-	2,716.0	1,136.1	-	162.2	**4,014.3**	**31,311.5**
Segment assets	1,332.2	7,517.4	7,130.8	557.8	187.2	**16,725.4**	**130,458.1**
Assets classified as held for sale	-	933.2	32.8	-	-	**966.0**	**7,534.8**
Total assets	1,332.2	8,450.6	7,163.6	557.8	187.2	**17,691.4**	**137,992.9**
Borrowings	-	2,427.6	2,373.5	-	1,804.7	**6,605.8**	**51,525.2**
Other liabilities	-	1,371.0	1,270.6	-	195.1	**2,836.7**	**22,126.4**
Segment liabilities	-	3,798.6	3,644.1	-	1,999.8	**9,442.5**	**73,651.6**
Liabilities directly associated with the assets classified as held for sale	-	358.6	-	-	-	**358.6**	**2,797.0**
Total liabilities	-	4,157.2	3,644.1	-	1,999.8	**9,801.1**	**76,448.6**
Other Information - continuing operations							
Depreciation and amortization	-	(82.7)	(61.1)	-	(8.1)	**(151.9)**	**(1,184.8)**
Gain on changes in fair value of plantations	-	1.0	-	-	-	**1.0**	**7.8**
Impairment losses	-	(4.0)	(0.1)	-	-	**(4.1)**	**(32.0)**
Interest income	-	28.8	6.0	-	3.1	**37.9**	**295.6**
Finance costs	-	(61.4)	(67.2)	-	(50.0)	**(178.6)**	**(1,393.1)**
Share of profits less losses of associated companies and joint ventures	104.9	(9.5)	66.7	4.5	-	**166.6**	**1,299.5**
Taxation	-	(68.9)	(7.1)	-	(12.6)	**(88.6)**	**(691.1)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	-	621.3	799.0	-	0.2	**1,420.5**	**11,079.9**

By geographical market - 2015

For the six months ended/at 30 June	The Philippines US$m	Indonesia US$m	Australasia US$m	Singapore US$m	Others US$m	**2015 Total US$m**	**2015 Total HK$m***
Revenue							
Turnover	504.2	2,312.3	6.1	344.1	162.6	**3,329.3**	**25,968.5**
Assets							
Non-current assets (other than financial instruments and deferred tax assets)	7,251.3	3,616.4	524.6	1,236.5	82.3	**12,711.1**	**99,146.6**

By principal business activity - 2014

For the six months ended 30 June/at 31 December	Telecom-munications US$m	Consumer Food Products US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2014 (Restated) Total US$m	2014 (Restated) Total HK$m*
Revenue							
Turnover	-	2,679.2	713.1	-	-	3,392.3	26,459.9
Results							
Recurring profit	102.1	94.4	55.2	6.2	(71.8)	186.1	1,451.6
Assets and Liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	1,401.4	173.6	1,435.6	557.8	-	3,568.4	27,833.5
- Others	-	3,916.4	3,902.4	-	29.4	7,848.2	61,216.0
	1,401.4	4,090.0	5,338.0	557.8	29.4	11,416.6	89,049.5
Other assets	-	2,578.0	1,048.3	-	616.7	4,243.0	33,095.4
Segment assets	1,401.4	6,668.0	6,386.3	557.8	646.1	15,659.6	122,144.9
Assets classified as held for sale	-	951.8	30.6	-	-	982.4	7,662.7
Total assets	1,401.4	7,619.8	6,416.9	557.8	646.1	16,642.0	129,807.6
Borrowings	-	2,165.1	1,904.8	-	1,736.0	5,805.9	45,286.0
Other liabilities	-	1,341.9	1,321.0	-	120.3	2,783.2	21,709.0
Segment liabilities	-	3,507.0	3,225.8	-	1,856.3	8,589.1	66,995.0
Liabilities directly associated with the assets classified as held for sale	-	335.9	-	-	-	335.9	2,620.0
Total liabilities	-	3,842.9	3,225.8	-	1,856.3	8,925.0	69,615.0
Other Information - continuing operations							
Depreciation and amortization	-	(74.0)	(59.3)	-	(11.2)	(144.5)	(1,127.1)
Gain on changes in fair value of plantations	-	19.1	-	-	-	19.1	149.0
Impairment losses	-	(3.4)	(2.1)	-	-	(5.5)	(42.9)
Interest income	-	28.3	4.2	-	4.0	36.5	284.7
Finance costs	-	(61.2)	(57.4)	-	(49.0)	(167.6)	(1,307.3)
Share of profits less losses of associated companies and joint ventures	112.4	(3.6)	36.6	7.4	-	152.8	1,191.8
Taxation	-	(81.0)	(6.5)	-	(16.2)	(103.7)	(808.9)
Additions to non-current assets (other than financial instruments and deferred tax assets)	-	209.7	422.9	-	0.4	633.0	4,937.4

By geographical market - 2014

For the six months ended 30 June/at 31 December	The Philippines US$m	Indonesia US$m	Singapore US$m	Others US$m	2014 Total US$m	2014 Total HK$m*
Revenue						
Turnover	383.6	2,452.5	350.8	205.4	3,392.3	26,459.9
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	6,301.7	3,733.0	1,275.9	106.0	11,416.6	89,049.5

3. Profit before taxation

For the six months ended 30 June	2015 US$m	2014 (Restated) US$m	2015 HK$m*	2014 (Restated) HK$m*
Profit before taxation (from continuing operations) is stated after (charging)/crediting				
Cost of inventories sold	**(1,395.0)**	(1,442.1)	**(10,881.0)**	(11,248.4)
Employees' remuneration	**(334.1)**	(360.1)	**(2,606.0)**	(2,808.8)
Cost of services rendered	**(146.4)**	(135.1)	**(1,141.9)**	(1,053.8)
Depreciation	**(100.1)**	(92.5)	**(780.8)**	(721.5)
Foreign exchange and derivative (losses)/gains, net	**(47.5)**	6.0	**(370.5)**	46.8
Amortization of intangible assets	**(44.8)**	(41.8)	**(349.4)**	(326.0)
Impairment losses				
- Inventories[(i)]	**(4.0)**	(2.4)	**(31.2)**	(18.7)
- Accounts receivable[(ii)]	**(0.1)**	(1.3)	**(0.8)**	(10.2)
- Available-for-sale assets[(iii)]	**-**	(1.8)	**-**	(14.0)
Dividends received from available-for-sale assets	**1.7**	0.4	**13.3**	3.1
Gain on changes in fair value of plantations	**1.0**	19.1	**7.8**	149.0
Gain on sale of property, plant and equipment	**0.3**	0.3	**2.3**	2.3
Gain on disposal of available-for-sale assets	**-**	5.0	**-**	39.0

(i) Included in cost of sales
(ii) Included in selling and distribution expenses
(iii) Included in other operating (expenses)/income, net

4. Taxation

No Hong Kong profits tax (2014: Nil) has been provided as the Group had no estimated assessable profits (2014: Nil) arising in Hong Kong for the period. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company's subsidiary companies operate.

For the six months ended 30 June	2015	2014	2015	2014
		(Restated)		(Restated)
	US$m	US$m	HK$m*	HK$m*
Subsidiary companies - overseas				
Current taxation	**100.6**	104.0	**784.7**	811.2
Deferred taxation	**(12.0)**	(0.3)	**(93.6)**	(2.3)
Total	**88.6**	103.7	**691.1**	808.9

Included within share of profits less losses of associated companies and joint ventures is taxation of US$69.4 million (HK$541.3 million) (2014: US$41.9 million or HK$326.8 million) which is analyzed as follows.

For the six months ended 30 June	2015	2014	2015	2014
	US$m	US$m	HK$m*	HK$m*
Associated companies and joint ventures - overseas				
Current taxation	**64.8**	42.7	**505.4**	333.1
Deferred taxation	**4.6**	(0.8)	**35.9**	(6.3)
Total	**69.4**	41.9	**541.3**	326.8

5. A discontinued operation

Following Indofood's decision made on 31 December 2014 to engage in a discussion with China Minzhong Holdings Limited (CMZ BVI), a company beneficially owned by the management of China Minzhong Food Corporation Limited (CMZ), to divest a majority interest of approximately 52.9% in CMZ at a price of S$1.20 (US$0.89 or HK$6.9) per share, thereby reducing Indofood's interests in CMZ from 82.9% to approximately 30%, CMZ was classified as a disposal group held for sale at 31 December 2014 and a discontinued operation in the Group's 2014 annual and 2015 condensed interim consolidated financial statements. The potential divestment is expected to be completed before the end of 2015.

6. Profit attributable to owners of the parent

The profit attributable to owners of the parent includes US$17.4 million (HK$135.7 million) of net foreign exchange and derivative losses (2014: US$4.9 million or HK$38.2 million of gains), which represent the 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, US$1.0 million (HK$7.8 million) of loss (2014: US$2.9 million or HK$22.6 million of gain) on changes in fair value of plantations and US$0.2 million (HK$1.6 million) (2014: US$7.6 million or HK$59.3 million) of net non-recurring losses.

Analysis of foreign exchange and derivative (losses)/gains, net

For the six months ended 30 June	2015	2014	2015	2014
	US$m	US$m	HK$m*	HK$m*
Foreign exchange and derivative (losses)/gains, net				
- Subsidiary companies	**(47.5)**	6.0	**(370.5)**	46.8
- Associated companies and joint ventures	**(0.9)**	2.2	**(7.0)**	17.2
Subtotal	**(48.4)**	8.2	**(377.5)**	64.0
Attributable taxation and non-controlling interests	**31.0**	(3.3)	**241.8**	(25.8)
Total	**(17.4)**	4.9	**(135.7)**	38.2

The non-recurring losses for 2014 mainly represent MPIC's project expenses and taxes incurred in hospital group reorganization and Maynilad's manpower rightsizing costs.

7. Earnings per share attributable to owners of the parent

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the parent of US$159.6 million (HK$1,244.9 million) (2014: US$186.3 million or HK$1,453.1 million) and the weighted average number of ordinary shares of 4,280.1 million (2014: 4,299.7 million) in issue less shares held for share award scheme of 7.7 million (2014: 8.7 million) during the period.

The calculation of the diluted earnings per share is based on: (a) the profit for the period attributable to owners of the parent of US$159.6 million (HK$1,244.9 million) (2014: US$186.3 million or HK$1,453.1 million) reduced by the dilutive impacts of US$0.1 million (HK$0.8 million) (2014: US$0.1 million or HK$0.8 million) in respect of the exercise of share options issued by the Group's subsidiary and associated companies and (b) a share base equal to the aggregate of the weighted average number of ordinary shares of 4,280.1 million (2014: 4,299.7 million) in issue less shares held for share award scheme of 7.7 million (2014: 8.7 million) during the period (as used in the basic earnings per share calculation) and the weighted average number of ordinary shares of 27.3 million (2014: 33.0 million) assumed to have been issued at no consideration on the deemed exercise of all share options of the Company during the period.

8. **Ordinary share interim dividend**

At a meeting held on 31 August 2015, the Directors declared an interim cash dividend of HK8.00 cents (U.S. 1.03 cents) (2014: HK8.00 cents or U.S. 1.03 cents) per ordinary share, equivalent to a total amount of US$43.7 million (HK$340.9 million) (2014: US$44.0 million or HK$343.2 million).

9. **Accounts receivable, other receivables and prepayments**

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$560.1 million (HK$4,368.8 million) (31 December 2014: US$411.4 million or HK$3,208.9 million) with an ageing profile as follows.

	At 30 June 2015 US$m	At 31 December 2014 US$m	**At 30 June 2015 HK$m***	At 31 December 2014 HK$m*
0 to 30 days	**497.0**	377.8	**3,876.6**	2,946.8
31 to 60 days	**35.5**	14.0	**276.9**	109.2
61 to 90 days	**12.1**	5.5	**94.4**	42.9
Over 90 days	**15.5**	14.1	**120.9**	110.0
Total	**560.1**	411.4	**4,368.8**	3,208.9

Indofood generally allows customers 30 to 90 days of credit. MPIC (a) allows 14 days of credit for its water service customers, (b) collects toll fees by Cavitex Infrastructure Corporation (CIC), and through its associated company, Tollways Management Corporation (TMC), by cash, by prepaid and reloadable electronic toll collection devices and by credit card payment and (c) generally collects charges when services are rendered to its hospital customers, except for certain corporate customers which are allowed an average of 30 days of credit. PLP generally allows customers 30 days of credit. RHI generally allows customers 15 to 90 days of credit.

10. **Accounts payable, other payables and accruals**

Included in accounts payable, other payables and accruals are accounts payable of US$491.3 million (HK$3,832.1 million) (31 December 2014: US$409.5 million or HK$3,194.1 million) with an ageing profile as follows.

	At 30 June 2015 US$m	At 31 December 2014 US$m	**At 30 June 2015 HK$m***	At 31 December 2014 HK$m*
0 to 30 days	**431.1**	369.8	**3,362.6**	2,884.4
31 to 60 days	**17.5**	8.4	**136.5**	65.5
61 to 90 days	**7.3**	8.0	**56.9**	62.4
Over 90 days	**35.4**	23.3	**276.1**	181.8
Total	**491.3**	409.5	**3,832.1**	3,194.1

11. **Other comprehensive (loss)/income attributable to owners of the parent**

	Exchange reserve US$m	Unrealized gains/ (losses) on available-for-sale assets US$m	Unrealized gains/ (losses) on cash flow hedges US$m	Income tax related to cash flow hedges US$m	Actuarial (losses)/gains on defined benefit pension plans US$m	Share of other comprehensive (loss)/income of associated companies and joint ventures US$m	**Total US$m**	**Total HK$m***
Balance at 1 January 2014	(226.6)	37.0	3.0	(0.5)	(30.3)	(67.8)	(285.2)	(2,224.5)
Other comprehensive income/(loss) for the period	44.9	(2.1)	0.2	(0.2)	0.8	(7.0)	36.6	285.5
Reclassification	-	-	-	-	-	12.8	12.8	99.8
Balance at 30 June 2014	(181.7)	34.9	3.2	(0.7)	(29.5)	(62.0)	(235.8)	(1,839.2)
Balance at 1 January 2015	(307.7)	14.9	(28.0)	4.1	(28.4)	(34.0)	**(379.1)**	**(2,957.0)**
Other comprehensive (loss)/income for the period	(92.2)	27.5	19.8	(3.3)	5.0	(85.0)	**(128.2)**	**(1,000.0)**
Acquisition and dilution of interests in subsidiary companies	(1.0)	-	-	-	-	(0.7)	**(1.7)**	**(13.2)**
Balance at 30 June 2015	**(400.9)**	**42.4**	**(8.2)**	**0.8**	**(23.4)**	**(119.7)**	**(509.0)**	**(3,970.2)**

12. **Contingent liabilities**

(a) At 30 June 2015, except for US$81.1 million (HK$632.6 million) (31 December 2014: US$91.0 million or HK$709.8 million) of guarantees given by Indofood for loan facilities obtained by certain plantation farmers in relation to arrangements for those farmers' production and sale of fresh fruit bunches to Indofood, the Group had no significant contingent liabilities (31 December 2014: Nil).

(b) On 29 June 2011, the Supreme Court of the Philippines, or the Court, promulgated a Decision in the case of Wilson P. Gamboa vs. Finance Secretary Margarito B. Teves, et. al. (G.R. No. 176579) (the "Gamboa Case"), holding that "the term 'capital' in Section 11, Article XII of the 1987 Constitution refers only to shares of stock entitled to vote in the election of directors and thus only to voting common shares, and not to the total outstanding capital stock (common and non-voting preferred shares)". This decision reversed earlier opinions issued by the Philippine Securities and Exchange Commission (SEC) that non-voting preferred shares are included in the computation of the 60%-40% Filipino-alien equity requirement of certain economic activities, such as telecommunications (which is a public utility under Section 11, Article XII of the 1987 Constitution).

Although PLDT is not a party to the Gamboa Case, in its decision, the Court directed the Philippine SEC "to apply this definition of the term 'capital' in determining the extent of allowable foreign ownership in PLDT, and if there is a violation of Section 11, Article XII of the 1987 Constitution, to impose the appropriate sanctions under the law". Although the parties to the Gamboa Case filed Motions for Reconsideration of the decision and argued their positions before the Court, the Court ultimately denied the motions on 9 October 2012.

Meanwhile, on 5 July 2011, the Board of Directors of PLDT approved the amendments to the Seventh Article of Amended Articles of Incorporation of PLDT, or the Amendments to the Articles, which subclassified its authorized preferred capital into preferred shares with full voting rights, or Voting Preferred Shares, and serial preferred shares without voting rights. The Amendments to the Articles were subsequently approved by the stockholders of PLDT and the Philippine SEC.

On 15 October 2012, PLDT and BTF Holdings, Inc. (BTFHI), a Filipino corporation and a wholly-owned company of The Board of Trustees for the Account of the Beneficial Trust Fund created pursuant to the Benefit Plan of PLDT Company, or the PLDT Beneficial Trust Fund, entered into a Subscription Agreement, pursuant to which PLDT issued 150 million Voting Preferred Shares to BTFHI at Peso 1.00 per share reducing the percentage of PLDT's voting stock held by foreigners from 56.62% (based on Voting Common Shares) as at 15 October 2012 to 18.37% (based on Voting Common and Preferred Shares) as at 15 April 2013.

On 20 May 2013, the Philippine SEC issued SEC Memorandum Circular No. 8, Series of 2013, or the Philippine SEC Guidelines, which PLDT believes was intended to fulfill the Court's directive to the Philippine SEC in the Gamboa Case. The Philippine SEC Guidelines provided that "the required percentage of Filipino ownership shall be applied to BOTH: (a) the total number of outstanding shares of stock entitled to vote in the election of directors; AND (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors". PLDT believes it was, and continues to be, compliant with the Philippine SEC Guidelines. As at 31 July 2015, PLDT's foreign ownership was 31.34% of its outstanding shares entitled to vote (Common and Voting Preferred Shares), and 17.23% of its total outstanding capital stock. Therefore, PLDT believes that as at 31 July 2015, PLDT is in compliance with the requirement of Section 11, Article XII of the 1987 Constitution.

On 10 June 2013, Jose M. Roy III filed a petition for certiorari with the Supreme Court against the Philippine SEC, Philippine SEC Chairperson Teresita Herbosa and PLDT, claiming: (1) that the Philippine SEC Guidelines violates the Court's decision in the Gamboa Case (on the basis that (a) the 60-40 ownership requirement be imposed on "each class of shares" and (b) Filipinos must have full beneficial ownership of 60% of the outstanding capital stock of corporations subject to the foreign ownership requirements); and (2) that the PLDT Beneficial Trust Fund is not a Filipino-owned entity and consequently, the corporations owned by PLDT Beneficial Trust Fund, including BTFHI, cannot be considered Filipino-owned corporations.

PLDT raised several procedural and substantive arguments against the petition, including in particular, that (a) the Philippine SEC Guidelines merely implemented the dispositive portion of the decision in the Gamboa Case, and that the dispositive portion of the Gamboa Case that defines "capital" is properly reflected in the Philippine SEC Guidelines, and (b) the fundamental requirements which need to be satisfied in order for PLDT Beneficial Trust Fund and BTFHI to be considered Filipino (for PLDT Beneficial Trust Fund's Trustees to be Filipinos and for 60% of the Fund to accrue to the benefit of Philippine nationals) are satisfied with respect to the PLDT Beneficial Trust Fund, and therefore, PLDT Beneficial Trust Fund and BTFHI are Filipino shareholders for purposes of classifying their 150 million Voting Preferred Shares in PLDT. As a result, more than 60% of PLDT's total voting stock is Filipino-owned and PLDT is compliant with the Constitutional ownership requirements.

In 2013, the Philippine SEC and Chairperson Teresita Herbosa also raised a number of arguments for dismissal of the petition for being procedurally flawed and for lack of merit.

In May 2014, the petitioner filed a consolidated reply and a motion for the issuance of a temporary restraining order to prevent PLDT from holding its 2014 annual stockholders meeting. The temporary restraining order was denied and PLDT held its 2014 annual meeting on 10 June 2014 as scheduled.

On 10 February 2015, PLDT filed a consolidated memorandum setting forth its arguments against the petition.

As at 28 August 2015, the resolution of the petition remains pending with the Supreme Court.

13. Employee information

For the six months ended 30 June	2015 US$m	2014 US$m	2015 HK$m*	2014 HK$m*
Employee remuneration (including Directors' remuneration)	**351.6**	377.5	**2,742.5**	2,944.5

Number of employees	2015	2014
At 30 June	**97,089**	92,879
Average for the period	**96,899**	89,373

14. Events after the reporting period

On 10 July 2015, MPCALA Holdings, Inc. (MPCALA), a subsidiary company of MPIC, signed a concession agreement for the Cavite Laguna Expressway (CALAx) Project with the Department of Public Works and Highways (DPWH) of the Philippine government. Under the concession agreement, MPCALA is granted a concession to design, finance, construct, operate and maintain the CALAx, including the right to collect toll fees, over a 35-year concession period. The CALAx is a closed-system tolled expressway connecting the Manila-Cavite Toll Expressway and the South Luzon Expressway.

The CALAx Project was awarded to MPCALA following a competitive public bidding process where MPCALA was declared as the highest complying bidder with its offer to pay the government concession fees amounting Pesos 27.3 billion (US$605.5 million or HK$4,722.9 million). Upon signing of the concession agreement, MPCALA paid to DPWH 20% of the concession fee, amounting to Pesos 5.4 billion (US$119.8 million or HK$934.4 million). The balance of the concession fee is payable over a period of nine years from the signing of the concession agreement.

15. Comparative amounts

The comparative condensed interim consolidated income statement for the six months ended 30 June 2014 has been re-presented as if, CMZ, the operation discontinued on 31 December 2014 had been discontinued at the beginning of the year of 2014 (Note 5). In addition, certain comparative amounts have been restated to conform with the current period's accounting treatments and presentation.

16. Approval of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on 31 August 2015.

2015 GOALS: HALF-YEAR REVIEW

FIRST PACIFIC

Goal: Return Goodman Fielder to earnings growth

Achievement: **Ongoing** New management from First Pacific and Wilmar International Limited ("Wilmar") are working closely to stabilize Goodman Fielder Pty Limited ("Goodman Fielder")'s businesses in Australia while growing the New Zealand and International revenue streams. Higher marketing and capital expenditure have been approved for supporting export initiatives.

Goal: To complete the definitive feasibility study for the Silangan project

Achievement: **Ongoing** Most aspects of the definitive feasibility study are expected to be completed by year-end 2015 except the technical study for waste rock disposal which is ongoing.

Goal: To evaluate new business opportunities in unregulated sectors

Achievement: **Ongoing** A number of potential opportunities in consumer/food products, natural resources and infrastructure are being evaluated with the goal of enhancing First Pacific's portfolio with the aim of boosting shareholder value.

PLDT

Goal: Grow consolidated service revenues in 2015 by improving wireless service revenues over 2014, and maintaining double digit increases in the data and broadband businesses

Achievement: **Ongoing** PLDT's revenue mix continues to undergo a structural transition. In the medium-term, growth in the data, broadband and digital businesses is expected to compensate for declines in the legacy telco businesses. For the period ended 30 June 2015, excluding international long distance ("ILD") and national long distance ("NLD") revenues, consolidated data/broadband revenues, which were higher by 13% year-on-year, fully absorbed the reduction in cellular domestic voice and SMS and value added services ("VAS") revenues.

Goal: Achieve core income guidance of Pesos 35.0 billion

Achievement: **Ongoing** On track given core net income in the first half of Pesos 18.9 billion (US$425.3 million).

Goal: Increase coverage and capacity of the PLDT group fixed and wireless networks to support the broadband and data businesses, with guidance for 2015 capital expenditure of Pesos 39.0 billion

Achievement: **Ongoing** Guidance for **c**apital expenditure for 2015 was revised to up to Pesos 43.0 billion to improve network quality and customer experience in anticipation of an exponential growth in network traffic with increasing smartphone ownership and the expansion of PLDT's digital offerings, including e-commerce, financial solutions, mobile payments and internet TV which are important parts of PLDT's strategy to encourage increased use of data/broadband services.

Goal: Expand the PLDT group's digital business segment including the launch of initiatives in mobile payments, financial services, e-commerce and big data

Achievement: **Partly achieved and ongoing** Voyager, the PLDT group's innovations unit, contributed revenues of Pesos 0.5 billion (US$11.2 million) in the period. A new mobile payment service running on the Smart Money payments platform, PayMaya, is scheduled to launch in the Philippine later in 2015. Voyager has a number of innovations in the pipeline, including online e-commerce businesses, namely: TackThis, which helps businesses create online storefronts, Takatak, an online centralized marketplace, and mobile financial solutions application LockByMobile. These are on track to play a bigger role in revenue generation. PLDT's Enterprise business has started to offer big data analytics and business insights to their corporate and small and medium enterprise clients.

INDOFOOD

Goal: Continue to accelerate growth organically and through expansion of business categories

Achievement: **Ongoing** Revenue growth was led by the Consumer Branded Products ("CBP") group, supported by higher average selling prices and higher sales volumes. In the period, CBP group launched 22 new products including new flavors in bag and cup noodles, snack foods, biscuits and baby cereal. The group also introduced ready-to-drink black tea, and entered a new category, instant porridge.

Goal: Optimize portfolio

Achievement: **Ongoing** Healthy growth in CBP and Distribution groups was offset by lower sales at Bogasari group as it was negatively impacted by soft commodity prices.

MPIC

Goal: Launch the Automated Fare Collection System for Light Rail Transit ("LRT") and Metro Rail Transit ("MRT") lines in Metro Manila

Achievement: **Ongoing** AF Payments Inc. ("AFPI") trails at LRT2 have been largely successful and public trials for LRT1 and MRT3 are scheduled from September to October 2015, and full system acceptance is planned in December 2015.

Goal: Work with the Philippine Government for the Swiss Challenge on connector road project and bridge project in Cebu

Achievement: **Ongoing** The Swiss Challenge process, in which MPIC has the right to match the best offer for the project, is expected for both the Cebu-Cordova Bridge Project and the Connector Road/Metro Expressway Link Project.

Goal: Continue to pursue new water projects outside Metro Manila

Achievement: **Ongoing** MetroPac Water Investments Corporation is pursuing potential bulk water projects across the Philippines. It is the original proponent for bulk water in Iloilo and operations and management contractor for a water treatment plant in Cagayan De Oro.

Goal: Restructure MPIC group finances to increase dividend flow to MPIC head office

Achievement: **Achieved** On 14 April 2015, MPIC acquired an approximately 10% interest in Manila Electric Company ("Meralco") from Beacon Electric Assets Holdings, Inc. ("Beacon Electric"), increasing MPIC's direct interest in Meralco to approximately 15%. The transaction enabled Beacon Electric to reduce its debt level and hence increase dividend flow to MPIC in the long run.

Goal: Evaluate new business opportunities to diversify regulatory risk in the Philippines
Achievement: **Partially achieved and ongoing** In March 2015, MPIC through Metro Pacific Tollways Coporation ("MPTC") invested in CII Bridges and Roads Investment Joint Stock Co. ("CII B&R") in Vietnam. Other potential infrastructure projects are being evaluated.

PHILEX
Goal: Complete the definitive or bankable feasibility study of the Silangan project
Achievement: **Ongoing** Most aspects of the definitive feasibility study are expected to be completed by year-end 2015 except the technical study for waste rock disposal which is ongoing.

Goal: Secure stable financing for the development of the Silangan project
Achievement: **Pending** The process will start as soon as the definitive feasibility study of the project is finalized.

Goal: Seek a strategic partner for the development of the Silangan project
Achievement: **Ongoing** An adviser has been identified to aid in the search for a strategic partner. Formal talks will begin following completion of the definitive feasibility study of the project.

Goal: Declare additional resources and reserves for Padcal mine and resources in the surrounding area
Achievement: **Achieved and ongoing** A Competent Person's report was issued in March 2015, declaring additional resources of 111 million tonnes at the 800-600 meter level. Further validation of mining design parameters to convert such resources to reserves is ongoing. In addition, exploration for further resources in the Padcal mine and in the surrounding area is ongoing.

Goal: Update mineral resources of the Silangan project
Achievement: **Ongoing** The Joint Ore Reserves Committee ("JORC") and Philippine Mineral Reporting Code ("PMRC") compliant mineral resources reports for Boyongan based on the completed additional drilling and metallurgical test works are currently being updated. This is an important component of the definitive or bankable feasibility study of the project.

FPM POWER/PLP
Goal: Sell 80% of PLP's generation through vesting contracts and retail load
Achievement: **Ongoing** In the period, 82% of power generated was sold to retail customers and through vesting contracts and the remaining 18% was sold in the merchant market. Full year target is revised upward to 85-90%.

Goal: Maintain high levels of operational reliability and safety
Achievement: **Achieved and ongoing** PLP achieved 95.5% availability of the power plant in the first half of 2015 despite an annual inspection shutdown for 12 days for the first unit in June. The probability of failure (power plant trips) has further declined to 0.051% and 0.001% for the first and second unit, respectively. PLP's second unit also achieved a significant milestone of one year of operations without a single incident of forced outage.

Goal: Improve plant efficiency through new initiatives
Achievement: **Ongoing** To further improve the efficiency of the plant, a project to install variable speed drives for the boiler feedwater pumps was initiated in first half of 2015. This improvement is expected to be operational in the fourth quarter of 2015 and will reduce the plant auxiliary power consumption by 10,400 megawatt hours annually.

FP NATURAL RESOURCES/RHI
Goal: Optimize plant efficiency and capacity utilization
Achievement: **Ongoing** It spent Pesos 600 million in capital expenditure in the first half of 2015 to improve plant efficiency. RHI increased its tolling volume from 600,000 to 1.3 million 50 kilogram sugar bags (Lkg) by refining sugar for third parties in order to optimize capacity utilization.

Goal: Diversify into power co-generation and related businesses
Achievement: **Ongoing** RHI acquired 93.7% interest in San Carlos Bioenergy, Inc. ("SCBI") which is a bioethanol company located in San Carlos City, Negros Occidental, Philippines. RHI, as a group, is now the largest ethanol manufacturer in the Philippines. RHI also partnered with Global Business Power Corporation ("Global Business Power") for a co-generation project and commissioned Pöyry Energy, Inc. for Front-End Engineering Design on renewable energy project. The decision on whether to proceed with the project will base on the results of the study, which will be completed by the first quarter of 2016.

Goal: Improve farm efficiency which account for 70% of the production cost
Achievement: **Ongoing** RHI set up Agri-Business Development Corporation to assist sugar planters in improving their yields. The group has procured mechanical harvesters and tractors as part of its farm mechanization assistance program. RHI group is partnering with research institutions to study improvements in farm productivity.

Goal: Institutionalize a culture of excellence
Achievement: **Ongoing** RHI organized its Commercial Operations unit to centralize procurement of feedstock and marketing of sugar and ethanol within the RHI group. It also offers training on management, effective communications, project management and coaching. Key leaders were also sent to overseas training and benchmarking missions in Brazil, Thailand and the U.S. to spot improvements that can be championed and implemented in the Philippines.

REVIEW OF OPERATIONS

FIRST PACIFIC

Below is an analysis of results by individual company.

Contribution summary

For the six months ended 30 June US$ millions	Turnover 2015	Turnover 2014 (Restated)[ii]	Contribution to Group profit[i] 2015	Contribution to Group profit[i] 2014
PLDT[iii]	**-**	-	**97.4**	102.1
Indofood	**2,508.6**	2,679.2	**78.4**	92.8
MPIC	**395.4**	374.2	**69.8**	59.1
FPW[iv]	**-**	-	**6.4**	-
Philex[iii]	**-**	-	**2.9**	6.2
FPM Power	**325.1**	338.9	**(7.5)**	(5.8)
FP Natural Resources	**100.2**	-	**1.1**	1.6
FPM Infrastructure	**-**	-	**-**	1.9
Contribution from operations[v]	**3,329.3**	3,392.3	**248.5**	257.9
Head Office items:				
– Corporate overhead			**(16.0)**	(16.7)
– Net interest expense			**(47.0)**	(45.0)
– Other expenses			**(7.3)**	(10.1)
Recurring profit[vi]			**178.2**	186.1
Foreign exchange and derivative (losses)/gains[vii]			**(17.4)**	4.9
(Loss)/gain on changes in fair value of plantations			**(1.0)**	2.9
Non-recurring items[viii]			**(0.2)**	(7.6)
Profit attributable to owners of the parent			**159.6**	186.3

(i) After taxation and non-controlling interests, where appropriate
(ii) The Group has restated its 1H14 turnover to US$3,392.3 million from US$3,612.1 million following Indofood's classification of CMZ, as a disposal group held for sale and as a discontinued operation in 2014. Details of the change are set out in Note 5 to the condensed interim consolidated financial statements.
(iii) Associated companies
(iv) Joint venture
(v) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(vi) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses/gains, loss/gain on changes in fair value of plantations and non-recurring items.
(vii) Foreign exchange and derivative losses/gains represent the losses/gains 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.
(viii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H14's non-recurring losses of US$7.6 million mainly represent MPIC's project expenses and taxes incurred in hospital group reorganization and Maynilad's manpower rightsizing costs.

Turnover down 2% to US$3.3 billion from US$3.4 billion (restated)

- owing to the depreciation of the rupiah and Singapore dollar average exchange rate against the U.S. dollar by 10% and 7%, respectively
- offset by the consolidation of RHI's revenue starting March 2015 and stronger revenues at Indofood and MPIC

Recurring profit down 4% to US$178.2 million from US$186.1 million

- reflecting a decrease in contributions from Indofood, PLDT and Philex
- slightly offset by a contribution increase from MPIC and a profit contribution from Goodman Fielder in 2015

Non-recurring losses to US$0.2 million from US$7.6 million

- mainly representing MPIC's project expenses and taxes incurred in hospital group reorganization and Maynilad's manpower rightsizing costs in 2014

Reported profit down 14% to US$159.6 million from US$186.3 million

- reflecting a lower recurring profit
- foreign exchange and derivative losses in 2015 compared to foreign exchange and derivative gains in 2014
- a loss on changes in fair value of plantations compared to a gain in 2014
- partly offset by reduced non-recurring losses

The Group's operating results are denominated in local currencies, principally the peso, the rupiah, the Australian dollar (A$) and the Singapore dollar (S$), which are translated and consolidated to provide the Group's results in U.S. dollar. The changes of these currencies against the U.S. dollar are summarized below.

Exchange rates against U.S. dollar

Closing	**At 30 June 2015**	At 31 December 2014	Six months change	At 30 June 2014	One year change
Peso	**45.09**	44.72	-0.8%	43.65	-3.2%
Rupiah	**13,332**	12,440	-6.7%	11,969	-10.2%
A$	**1.305**	1.217	-6.7%	1.063	-18.5%
S$	**1.347**	1.326	-1.6%	1.247	-7.4%

Average	**Six months ended 30 June 2015**	12 months ended 31 December 2014	Six months change	Six months ended 30 June 2014	One year change
Peso	**44.51**	44.43	-0.2%	44.46	-0.1%
Rupiah	**13,009**	11,886	-8.6%	11,751	-9.7%
A$	**1.290**	1.113	-13.7%	1.092	-15.3%
S$	**1.351**	1.270	-6.0%	1.259	-6.8%

During the period, the Group recorded net foreign exchange and derivative losses of US$17.4 million (1H14: gains of US$4.9 million), which can be further analyzed as follows:

For the six months ended 30 June US$ millions	**2015**	2014
Head Office	**(0.5)**	(0.7)
PLDT	**(1.2)**	2.0
Indofood	**(13.6)**	1.8
MPIC	**0.4**	(0.7)
Philex	**(0.2)**	0.7
FPM Power	**(2.3)**	1.8
Total	**(17.4)**	4.9

Additional Investments

On 27 February 2015, First Agri Holdings Corporation ("FAHC"), a Philippine affiliate of FP Natural Resources (a 70/30-owned entity between First Pacific and its indirect agribusiness subsidiary Indofood Agri Resources Ltd. ("IndoAgri")), acquired approximately 241.8 million of RHI's treasury shares and 35.0 million of RHI's shares from its shareholders, at Pesos 7.0 (US$0.16) per share for a total consideration of approximately Pesos 1.9 billion (US$43.9 million). As a result, FP Natural Resources' interest in RHI, including those held by FAHC, increased to 50.9% from 34.0%.

On 17 March 2015, First Pacific and Wilmar, through a 50/50 joint venture FPW Singapore Holdings Pte. Ltd. ("FPW"), completed the acquisition of Goodman Fielder. The total consideration of First Pacific's 50% interest in Goodman Fielder is A$664.8 million (US$539.7 million). Goodman Fielder was delisted from the Australia and New Zealand Stock Exchanges on 19 March 2015.

Capital Management

Interim Dividend

First Pacific's Board of Directors declared an interim dividend of HK8 cents (U.S. 1.03 cents) per share, unchanged from a year earlier. The interim dividend represents a payout of 25% of the Group's 2015 first half recurring profit which is equal to the commitment of returning a minimum of 25% recurring profit to shareholders.

Share Repurchase

First Pacific repurchased a total of 18.8 million shares at an average price of HK$7.4 (US$0.95) per share at a total cost of approximately HK$139.1 million (US$18.0 million). The repurchased shares have subsequently been cancelled.

Debt Profile

At 30 June 2015, net debt at the Head Office stood at US$1.7 billion while gross debt stood at US$1.8 billion with an average maturity of approximately 4.5 years. Approximately 18% of the Head Office's borrowings were floating rate bank loans while fixed rate bonds comprised the remainder. Unsecured debts accounted for approximately 62% of Head Office borrowings. The blended interest rate was approximately 5.3% per annum.

There is no Head Office recourse for subsidiaries or affiliate companies borrowings.

Interest Cover

For the first half of 2015, Head Office recurring operating cash inflow before interest expenses was approximately US$171.2 million. Net cash interest expenses rose 7% to approximately US$46.6 million reflecting a new borrowing of US$70 million for partly financing the investments in Goodman Fielder raised the average debt level. For the 12 months ended 30 June 2015, the cash interest cover was approximately 3.5 times.

Foreign Currency Hedging

The Company actively reviews the potential benefits of hedging based on forecast dividend flows and enters into hedging arrangements (including the use of forward exchange contracts) for managing its foreign currency exposure in respect of dividend income and payments in foreign currencies on a transactional basis. There is no hedging arrangement for the balance sheet.

2015 Outlook

First Pacific is reporting its first-half 2015 earnings during a period of particular volatility in financial markets. Low commodity prices, particularly for the palm oil and metals important to key operating units, are having a negative effect on earnings and outlook for Indofood and Philex. PLDT is enduring a rapid and difficult transformation from a traditional phone company into a provider of data communications and internet-related services. MPIC faces tariff risks in its toll road and water businesses. But with continuing increase in the volume of their businesses, and tight control of expenses, prospects remain good. Goodman Fielder is emerging from a period of underinvestment and pivoting from a focus on domestic markets to larger opportunities in emerging Asia.

Notwithstanding obstacles outside the control of First Pacific, the grounds for optimism are solid. Indonesia's market of 250 million consumers is stable. The Philippines continues to grow at a robust 6% rate – among the highest economic growth rates in the world. Regardless of market conditions, most of our investee companies enjoy dominant market positions and the advantage of scale. Over the longer term, Management are positive for earnings growth.

PLDT

PLDT contributed profit of US$97.4 million to the Group (1H14: US$102.1 million), representing approximately 39% (1H14:40%) of First Pacific's aggregate contribution from the operations for the period. The 5% decline in profit contribution principally reflected increased competition in cellular businesses, increase in manpower rightsizing expenses and financing costs.

Consolidated core net income down 5% to Pesos 18.9 billion (US$425.3 million) from Pesos 19.8 billion (US$446.1 million)	▪ principally reflecting decline in revenues from the wireless business, manpower rightsizing expenses and higher financing costs due to a higher average debt level ▪ offset in part by other income in relation to a gain from the sale of 10% of Meralco shares by Beacon Electric, lower provision for income tax and other non-cash operating expenses
Reported net income down 6% to Pesos 18.7 billion (US$420.8 million) from Pesos 20.0 billion (US$450.4 million)	▪ reflecting a lower core net income ▪ recorded net foreign exchange and derivatives losses as compared with net foreign exchange and derivatives gains in the first half of 2014
Consolidated service revenues down 2% to Pesos 81.2 billion (US$1.8 billion) from Pesos 82.6 billion (US$1.9 billion)	▪ owing to declines in revenues from traditional businesses including the international and national long distance call businesses ▪ excluding revenues from the toll businesses, growth in data and broadband revenues fully absorbed the reduction in cellular domestic voice and SMS and VAS revenues ▪ innovation business Voyager's revenue contribution rose 21% to Pesos 0.5 billion (US$11.2 million) ▪ broadband, data and mobile internet revenues, accounting for 29% of total service revenues, rose 13% ▪ combined revenues from cellular SMS and VAS, cellular and fixed line domestic voice, accounting for 58% of total service revenues, decreased 3% ▪ international fixed line and cellular voice and national long distance revenues, accounting for 13% of total service revenues, declined 19%
EBITDA down 7% to Pesos 35.5 billion (US$797.6 billion) from Pesos 38.3 billion (US$861.4 million)	▪ reflecting lower service revenues from the wireless business ▪ higher cash operating expenses including a Pesos 1.4 billion (US$31.5 million) manpower rightsizing expense ▪ partly offset by the increase in non-service revenues of the fixed line business
EBITDA margin to 44% from 46%	▪ decrease is partly due to the impact of the manpower rightsizing expense and a result of the structural change in the revenue mix where high margin toll revenues are replaced by relatively lower margin data/broadband revenues, in line with industry trends ▪ excluding impact of the manpower rightsizing expense, EBITDA margin would have been 45% ▪ EBITDA margin for fixed line at 35% and for wireless services at 43%
Consolidated free cash flow down 6% to Pesos 16.9 billion (US$379.7 million) from Pesos 18.1 billion (US$407.1 million)	▪ reflecting higher capital expenditure, lower cash from operations and higher net interest paid ▪ partly offset by higher dividends received, lower net decrease in working capital and lower income taxes paid

Capital Expenditure

Capital expenditure in the first half of 2015 rose 71% to Pesos 13.9 billion (US$312.3 million). Capital expenditure for 2015 will be used to improve the PLDT group's network and quality of customer experience. This will include projects to increase its fiber footprint to 114,000 kilometers by year-end, achieve close to 100% 3G coverage with base stations connected by fiber to the network by year-end, build out 4G coverage and capacity, revamp the PLDT group's service development platforms to handle more data-centric offers, increasing data center capacity and improving operating efficiencies such as the unified Smart and Sun mobile networks.

Guidance for capital expenditure for 2015 is revised up to Pesos 43.0 billion to improve network quality and customer experience, in anticipation of accelerating growth in network traffic with greater smartphone ownership and the expansion of PLDT's digital offerings, including e-commerce, financial solutions, mobile payments and internet TV, which are an important part of PLDT's initiatives to encourage increased usage of data/broadband services.

Debt Profile

As at 30 June 2015, PLDT's consolidated net debt was US$2.4 billion as compared with US$2.3 billion at 31 December 2014. Total gross debt increased to US$3.2 billion of which 48% was denominated in U.S. dollars, and over 60% of total debts due to mature beyond 2017, only 32% of the total debt is unhedged after taking into account hedges and U.S. dollar cash on hand. Post-interest rate swaps, 85% of total debt are fixed-rate loans. The average pre-tax interest cost increased to 4.3% from 4.1% in full year 2014.

PLDT is rated investment grade by Fitch Ratings, Moody's Investors Service and Standard and Poor's Financial Services.

Capital Management

Interim Dividend

PLDT's dividend policy is to pay 75% of core net income as regular dividends with a "look back" policy at year-end to assess the possibility of paying a special dividend. In line with the dividend policy, PLDT's Board of Directors declared an interim regular dividend of Pesos 65 (US$1.4) per share payable on 25 September 2015 to shareholders on record as of 27 August 2015. The interim dividend paid in 2014 was Pesos 69 (US$1.6) per share.

Share Buyback

During the period, PLDT did not buy back shares under the share buyback program of up to 5 million shares approved by the PLDT Board of Directors in 2008. As of 30 June 2015, PLDT had bought back 2.7 million shares into treasury at an average cost of Pesos 2,388 (US$54) per share for a total consideration of Pesos 6.5 billion (US$146.0 million). Under the approved share buyback program, PLDT may still acquire up to 2.3 million shares from the market on an opportunistic basis.

Additional Investments

In January 2015, PLDT partnered with Rocket Internet to form a 50/50 joint venture for mobile payment services with a focus on emerging markets.

On 23 April, 2015, PLDT invested US$15 million in iflix in the form of a convertible note. iflix is Southeast Asia's leading internet TV service offering subscribers unlimited access to thousands of hours of entertainment for a low monthly price. Its services are available in Malaysia, the Philippines and Thailand, and are expanding to Indonesia and Vietnam.

In July 2015, PLDT and its wireless arm Smart Communications Inc. entered into a content partnership with broadcaster Fox International Channels to enrich their entertainment library. In addition to subscription video-on-demand ("SVOD") and catch-up TV offerings, subscribers can also view live Fox channels including Fox Sports, National Geographic, NatGeo People, NatGeo Wild, Fox News, Channel M, and Star Chinese Channel.

Data and broadband

All of the PLDT group's data and broadband businesses recorded growth in the period, with total data and broadband revenues rising 13% to Pesos 23.0 billion (US$516.7 million) reflecting increases of 5%, 14%, 21% and 14%, respectively, in wireless broadband, fixed broadband, mobile internet, and corporate data and data center revenues.

PLDT has the largest market share of broadband subscribers in the Philippines. Its combined broadband subscriber base reached 4.9 million at the end of June 2015. Wireless broadband subscribers rose 23% from the end of 2014 to 3.7 million which were mainly Smart wireless broadband subscribers and the remaining 1.2 million were PLDT's fixed broadband users. As at the end of June 2015, smartphone ownership rose to nearly 35% among PLDT's cellular subscribers and mobile internet usage grew 169% period-on-period.

With the increasing popularity of social networks and the growing availability of more affordable access devices, the growth momentum in PLDT's data and broadband businesses is expected to be sustained. In support of this, PLDT continues to invest in its integrated fixed and wireless networks to enable it to offer a quality customer experience together with its wide range of affordable mobile, fixed and wireless broadband services which can be accessed anytime and anywhere.

Fixed Line

Fixed line service revenues, net of interconnection costs, rose 5% to Pesos 28.8 billion (US$647.0 million), reflecting higher revenues from fixed broadband, corporate data and data center businesses, partly offset by lower international and national long distance revenues.

Domestic fixed line voice, fixed broadband, and corporate data and data center revenues, respectively, represent 29%, 27% and 30% of total fixed line revenues and increased 2%, 14% and 8% in the first half of 2015, while international and national long distance revenues accounted for 11% of total fixed line revenues and declined 15%.

The number of PLDT fixed line subscribers increased to 2.3 million of which approximately 1.2 million or 53% were fixed broadband subscribers.

Wireless

Wireless service revenues declined 4% to Pesos 55.6 billion (US$1.2 billion), reflecting decreases in SMS and voice revenues, offsetting increases in broadband, internet and digital revenues. SMS and VAS, cellular voice, wireless broadband and mobile internet, and digital represented 36%, 42%, 18% and 1% of total wireless revenues, respectively. SMS and VAS, and cellular voice revenues declined 6% and 9%, respectively as more users switched to using social media platforms. Mobile internet, wireless broadband and digital revenues rose 21%%, 4% and 22%, respectively, owing to the increasing adoption of data by subscribers and the increasing availability of affordable smartphones.

During the period, postpaid revenues increased 12% and accounted for 23% of total cellular service revenues.

The PLDT group's combined cellular subscriber base stood at 68.9 million (31 December 2014: 69.9 million), representing approximately 59% of the total cellular market in the Philippines based on subscribers and approximately 54% in terms of revenues.

Prepaid subscribers accounted for 96% of the PLDT group's total cellular subscriber base. The number of postpaid subscribers rose 9% from the end of 2014 to just over 3.0 million largely due to marketing efforts focused on growing this base using handset subsidies. PLDT's combined postpaid subscriber market share of 57% at the end of June 2015 is the largest in the Philippines.

At the end of June 2015, the cellular SIM penetration rate (counting multiple SIMs) in the Philippines was at about 117% of the population and smartphone penetration was approximately 35%.

Enterprise

During the period, consolidated corporate data and other network service revenues rose 14% to Pesos 5.3 billion (US$119.1 million), reflecting a 12% increase in corporate data revenues and a 26% improvement in data center revenues.

PLDT operates the largest data center business in the Philippines with six data centers. It offers co-location, server hosting and outsourcing, disaster recovery, connectivity and data scrubbing business solutions for corporations, and small and medium enterprises.

Multimedia/Content

Cignal TV, the Philippines' premier and largest pay TV provider, recorded 24% subscriber growth period-on-period to over 938,000 while revenues increased 55%.

In April 2015, Cignal TV and Bloomberg TV agreed to launch the Philippines' first 24-hour business news channel Bloomberg Television Philippines later in 2015. It continues adding and creating its own content through TV5, while building partnerships with international media content producers.

Digital

PLDT's innovation units Voyager and Smart e-Money are leading the introduction of pioneering products in the digital market. Smart e-Money's mobile payment and remittance platforms enable mobile transactions for the unbanked, uncarded and unconnected in the Philippines. During the period, Voyager/Smart e-Money recorded revenues of more than Pesos 500 million (US$11.2 million).

A new mobile payment service running on the Smart Money payments platform, PayMaya, is scheduled to launch in the Philippines later in 2015, and to be launched in another Asian country in 2016.

Voyager has a number of innovations in the pipeline, including, online e-commerce businesses namely: TackThis, which helps businesses create their online store fronts, Takatak, an online centralized marketplace, and mobile financial solutions application LockByMobile, are on track to play a bigger role in revenue generation. PLDT's Enterprise business has started to offer big data analytics and business insights to their business clients.

Meralco

PLDT's indirect subsidiary PCEV owns 50% of Beacon Electric. As at 31 August 2015, Beacon Electric owns approximately 34.96% of Meralco.

Meralco, the largest electricity distribution utility in the Philippines, has a franchise to distribute electricity in most of Luzon until 2028. The franchise area produces nearly half of the Philippines' gross domestic product and Meralco accounts for over half of the total electricity sales in the Philippines. Meralco is investing in various power generation projects to meet growing demand for power and to build new sources of earnings growth.

Meralco's performance in the first half of 2015 can be found in the MPIC section of this document.

2015 Outlook

The rapid decline in PLDT's toll revenues continues to bear down heavily on its medium-term revenue growth, with the increasing ease of access to the Internet causing adverse substitution of those revenues which must be paid for such as SMS and international cellular voice by over-the-top messaging, voice and other services. The annualized impact of this decrease is Pesos 4 billion to Pesos 5 billion for the full year 2015 and toll traffic could decline even faster in the coming months as smartphone penetration accelerates.

Notwithstanding this drag on revenues at PLDT's legacy businesses, PLDT needs to focus on enhancing its customers' digital experience. This will involve building out its 3G and 4G/LTE networks, enhancing network resilience to ensure operational reliability, stability and quality of service, revamp of its service development platforms to handle more data-centric offers, and reorganization of the branding across the board with a view to positioning each brand better and optimizing the value of each brand.

Consequently, capital expenditure levels will remain elevated in 2015 and in 2016.

PLDT's goal is to be nothing less than the consumer's preferred digital services provider. PLDT will achieve this by offering the consumer a superior value proposition by continuously broadening its array of products and service offerings, including leveraging on fixed and wireless assets, underpinned by a network that will enable a quality customer experience. PLDT is investing heavily in the "digital spine" for its networks and platforms to serve as the foundation for this transformative process and PLDT expects to see the benefits of these initiatives to fully manifest themselves by 2016 at the earliest.

PLDT is accordingly maintaining its 2015 core net income guidance at Pesos 35.0 billion.

Reconciliation of reported results between PLDT and First Pacific

PLDT's operations are principally denominated in peso, which averaged Pesos 44.51 (1H14: Pesos 44.46) to the U.S. dollar. Its financial results are prepared under Philippine Generally Accepted Accounting Principles (GAAP) and reported in pesos. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on International Financial Reporting Standards (IFRSs), however, certain adjustments need to be made to PLDT's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2015**	2014
Net income under Philippine GAAP	**18,729**	20,023
Preference dividends(i)	**(29)**	(30)
Net income attributable to common shareholders	**18,700**	19,993
Differing accounting and presentational treatments(ii)		
- Reclassification of non-recurring items	**(8)**	163
- Others	**(1,940)**	(2,052)
Adjusted net income under Hong Kong GAAP	**16,752**	18,104
Foreign exchange and derivative losses/(gains)(iii)	**207**	(352)
PLDT's net income as reported by First Pacific	**16,959**	17,752
US$ millions		
Net income at prevailing average rates for 1H15: Pesos 44.51 and 1H14: Pesos 44.46	**381.0**	399.3
Contribution to First Pacific Group profit, at an average shareholding of 1H15: 25.6% and 1H14: 25.6%	**97.4**	102.1

(i) First Pacific presents net income after deduction of preference dividends.

(ii) Differences in accounting treatment under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H14 of Pesos 163 million mainly represents impairment provisions for transport assets affected by network upgrade.*
- *Others: The adjustments principally relate to the accrual of withholding tax on PLDT's net income in accordance with the requirements of Hong Kong Accounting Standard (HKAS) 12 "Income Taxes", and the recognition of amortization for certain intangible assets identified as a result of the Group's acquisition of an additional 2.7% interest in PLDT in November 2011.*

(iii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative losses/gains (net of related tax) are excluded and presented separately.

INDOFOOD

Indofood's contribution to the Group decreased 16% to US$78.4 million (1H14: US$92.8 million) principally reflecting a 10% depreciation of the average rupiah exchange rate against the U.S. dollar and mainly due to a weaker performance of commodity linked businesses as commodity prices continued to be subdued.

Core net income down 8% to Rupiah 2.1 trillion (US$160.0 million) from Rupiah 2.3 trillion (US$193.1 million) (restated)

- reflecting a generally weaker performance of commodity-linked businesses – the Agribusiness and Bogasari groups

Net income down 25% to Rupiah 1.7 trillion (US$133.1 million) from Rupiah 2.3 trillion (US$197.2 million) (restated)

- mainly reflecting a lower core net income
- recorded foreign exchange losses in 2015 as compared to gains in 2014

Consolidated net sales up 4% to Rupiah 32.6 trillion (US$2.5 billion) from Rupiah 31.5 trillion (US$2.7 billion) (restated)

- increase in sales contribution by all groups except Bogasari
- sales contribution from CBP, Bogasari, Agribusiness and Distribution groups amounted to 50%, 24%, 18% and 8% of the total, respectively

Gross profit margin to 27.4% from 27.0% (restated)

- mainly due to improved margin of CBP group in conjunction with lower input costs

Consolidated operating expenses up 11% to Rupiah 5.3 trillion (US$407.4 million) from Rupiah 4.8 trillion (US$408.5 million) (restated)

- mainly due to higher costs in relation to advertising and promotion, salary, wages and employee benefits, and freight and handling

EBIT margin down to 11.8% from 12.2% (restated)

- mainly due to a weaker performance of the Agribusiness group resulting from lower average selling prices of palm products

Net gearing up to 0.42 times from 0.32 times at the end of 2014 (restated)

Debt Profile

As at 30 June 2015, Indofood recorded gross debt of Rupiah 29.7 trillion (US$2.2 billion), up 10% from Rupiah 26.9 trillion (US$2.2 billion) as at 31 December 2014. Of this total, 45% matures within one year and the remaining matures between July 2016 and June 2022, while 46% was denominated in rupiah, 54% was denominated in foreign currencies.

Additional Investments

On 18 March 2015, PT Indofood CBP Sukses Makmur ("ICBP") acquired an approximately 9.9% interest in JC Comsa through a combination of new shares and treasury shares for a total consideration of Japanese Yen 284.4 million (US$2.4 million).

On 24 June 2015, ICBP and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk ("Lonsum") jointly and equally acquired close to a 100% interest in Asian Assets Management Pte. Ltd., a limited liability company incorporated under the laws of the Republic of Singapore with 100% equity investments directly and indirectly in PT Aston Inti Makmur, a limited liability company incorporated under the laws of the Republic of Indonesia, engaged in the property business and operating its own office building in Jakarta, for a total consideration of US$78.0 million.

CBP

The CBP group comprises the following divisions: Noodles, Dairy, Snack Foods, Food Seasonings, Nutrition & Special Foods and Beverages.

Indofood's Noodles division is one of the world's largest producers of instant noodles. It has 15 production plants in Indonesia and one in Malaysia with a combined annual production capacity of over 16 billion packs per year.

PT Indolakto, the operating subsidiary of dairy business, has an annual production capacity of more than 650 thousand tonnes. It is one of the largest dairy products manufacturers in Indonesia, producing sweetened condensed milk, creamer, UHT milk, sterilized bottled milk, pasteurized liquid milk, powdered milk, ice cream and butter.

The Snack Foods division producing chips from potato, cassava, soybean and sweet potato, extruded snacks and biscuits. Its four factories have a combined annual production capacity of around 50 thousand tonnes.

The Food Seasonings division manufactures a wide range of culinary products, including instant seasoning, chili sauce, soy sauce, tomato sauce and other condiments with combined annual production capacity of more than 135 thousand tonnes.

The Nutrition & Special Foods division produces and markets food for babies and children, milk for expectant and lactating mothers, cereal snacks and cereal drinks. It has annual production capacity of around 25 thousand tonnes.

The Beverages division's product portfolio includes ready-to-drink tea, ready-to-drink coffee, packaged water, carbonated soft drinks and fruit juice drinks.

Sales of CBP group rose 8% to Rupiah 16.3 trillion (US$1.3 billion), driven by higher average selling prices and volume growth. Sales volume of Noodles and Food Seasonings was flat during the period, Dairy and Beverages divisions recorded 8% and 20% growth, respectively, while Snack Foods and Nutrition & Special Foods divisions reported 9% and 5% declines in sales volume.

EBIT margin improved to 13.1% from 11.0% (restated) primarily due to improved gross profit, despite higher selling and general and administrative expenses, particularly costs in relation to advertising and promotion, salaries, wages and employee benefits, and freight and handling.

Indonesia economic growth has slowed in the past few years. The less conducive macro-economic conditions have affected the fast-moving consumer goods industry. CBP group believes it is a temporary setback and has faith in the longer-term prospects for Indonesia. CBP group will continue its endeavors to accelerate growth and persevere with strategies while remaining cautious regarding the continuing weakness in the rupiah exchange rate.

Bogasari

Bogasari produces wheat flour and pasta for domestic and international markets. This group has its own shipping and packaging units to support internal demand for transporting wheat from overseas suppliers and on polypropylene bags.

Bogasari's sales declined 6% to Rupiah 9.6 trillion (US$740.9 million) due mainly to lower average selling prices, despite a 2% increase in the sales volume of food flour. The EBIT margin declined slightly to 7.9% from 8.1%.

Even though the flour industry has been affected by the weaker performance of fast-moving consumer goods, the flour industry is expected to continue growing steadily in the years ahead as Indonesia's wheat consumption per capita remains low in comparison with the global average. The growing popularity of modern fast-food franchises and associated lifestyle changes, primarily within younger generations, will support growth in the industry.

Agribusiness

The Agribusiness group consists of two divisions: Plantations and Edible Oils & Fats ("EOF"), which operate through IndoAgri and its main operating subsidiaries PT Salim Ivomas Pratama Tbk ("SIMP") and Lonsum in Indonesia. The Agribusiness group is one of the largest palm oil producers with leading businesses in Indonesia's branded cooking oil segment. It also has equity investments in sugar production in Companhia Mineira de Açúcar e Álcool Participacoes in Brazil and in RHI in the Philippines.

The Agribusiness group is a vertically integrated group with activities spanning the entire supply chain from research and development, seed breeding, oil palm cultivation and milling to the production and marketing of cooking oil, shortening and margarine. As a diversified Agribusiness group, it also engages in the cultivation of sugar cane, rubber and other crops.

Plantations

SIMP and Lonsum have a total planted area of 299,072 hectares. Oil palm is the dominant crop, with 26% of oil palms younger than seven years and an average age of approximately 14 years. Total planted area of oil palm was 245,818 hectares, compared to 246,055 hectares as of December 2014. This division operates 24 palm oil mills with a total annual processing capacity of 6.4 million tonnes of fresh fruit bunches. In the first half of 2015, crude palm oil ("CPO") production flat at 444 thousand tonnes.

In Indonesia, total planted area of sugar cane was 12,616 hectares in South Sumatra. In Brazil, the planted area of sugar cane was 50,131 hectares. In the first half of 2015, performance of plantation business was under pressure as average selling prices of CPO and rubber recorded double-digit decline. Most crops recorded sales volume growth except sugar which declined 35% to 16 thousand tonnes in the period.

EOF

This division manufactures cooking oils, margarines and shortening and markets products under various brands for both domestic consumption and export. As of 30 June 2015, the division had refinery capacity of over 1.4 million tonnes of CPO per annum and approximately 59% of this division's input needs are sourced from the Plantations division's CPO production.

Agribusiness's sales declined 3% to Rupiah 6.8 trillion (US$520.9 million), reflecting lower average selling prices of agriculture crops and lower sales of edible oils products. EBIT margin declined to 9.6% from 16.0%. For sales volume, CPO rose 3% to 433 thousand tonnes, palm kernel related products rose 5% to 102 thousand tonnes, rubber was up 8% to 8.5 thousand tonnes, and sugar declined 35% to 16 thousand tonnes.

IndoAgri expects demand for basic commodities such as palm oil to remain strong over the medium term, underpinned by growing consumer markets and a rising middle class. The CPO price remains soft mainly due to the slowdown of demand in major markets such as China and Europe, coupled with weak crude oil prices which has virtually eliminated discretionary biodiesel demand, and higher soybean supplies from the U.S. and South America.

The long-term outlook for natural rubber remains optimistic with healthy demand coming from tyre makers, automotive industries and rubber goods manufacturers in major rubber consuming markets, especially China, the U.S. and Europe.

IndoAgri continuous its focus on organic expansion on new plantings of oil palms in Indonesia, and sugar plantations in Indonesia, Brazil and the Philippines, as well as expanding its plantation production and downstream facilities.

Distribution

The Distribution group is a major component of Indofood's Total Food Solutions chain of operations as it has the most extensive distribution network of stock points in Indonesia among domestic consumer food producers.

Distribution's sales rose 7% to Rupiah 2.6 trillion (US$202.4 million) partly benefited from higher sales of CBP group. The EBIT margin declined to 3.3% from 4.2%.

The Distribution group continues to leverage its distribution network serving around 370,000 registered retail outlets for boosting product penetration and high product visibility in retail outlets.

2015 Outlook

Despite a less-than-favorable macro-economic situation currently, the Indonesian market remains promising in the longer term. Indofood's resilient business model has provided it with a solid foundation for executing its strategies to achieve sustainable growth and overcome the challenges ahead.

Reconciliation of reported results between Indofood and First Pacific

Indofood's operations are principally denominated in rupiah, which averaged Rupiah 13,009 (1H14: Rupiah 11,751) to the U.S. dollar. Its financial results are prepared under Indonesian GAAP and reported in rupiahs. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Accordingly, certain adjustments need to be made to Indofood's reported rupiah results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Rupiah billions	**2015**	2014 (Restated)[(i)]
Net income under Indonesian GAAP	**1,731**	2,317
Differing accounting and presentational treatments[(ii)]		
– Reclassification of non-recurring items	**(3)**	-
– (Loss)/gain on changes in fair value of plantations	**(26)**	68
– Foreign exchange accounting	**27**	27
– Others	**(71)**	(125)
Adjusted net income under Hong Kong GAAP	**1,658**	2,287
Foreign exchange and derivative losses/(gains)[(iii)]	**354**	(42)
Loss/(gain) on changes in fair value of plantations[(iii)]	**26**	(68)
Indofood's net income as reported by First Pacific	**2,038**	2,177
US$ millions		
Net income at prevailing average rates for 1H15: Rupiah 13,009 and 1H14: Rupiah 11,751	**156.7**	185.3
Contribution to First Pacific Group profit, at an average shareholding of 1H15: 50.1% and 1H14: 50.1%	**78.4**	92.8

(i) Indofood has restated its 1H14 net income to Rupiah 2,317 billion from Rupiah 2,289 billion following its adoption of the revised Indonesian Financial Accounting Standard 24 "Employee Benefits".

(ii) Differences in accounting treatment under Indonesian GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately.*
- *Loss/gain on changes in fair value of plantations: Under Indonesian GAAP, Indofood measures its plantations (biological assets) on a historical cost basis. HKAS 41 "Agriculture" requires the measurement of plantations at fair value less costs to sell. The adjustment relates to the change in fair value of plantations during the period.*
- *Foreign exchange accounting: The adjustment relates to the reversal of the amortization of foreign exchange losses that were previously capitalized by Indofood on certain fixed assets under construction, as the originating capitalized foreign exchange losses have already been written off by First Pacific.*
- *Others: The adjustments principally relate to the accrual of withholding tax on Indofood's dividends in accordance with the requirements of HKAS 12 "Income Taxes".*

(iii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative losses/gains (net of related tax) and loss/gain on changes in fair value of plantations are excluded and presented separately.

MPIC

MPIC's infrastructure portfolio as at 31 August 2015 comprises the following assets offering water distribution, electricity distribution and power generation, toll roads, rail and hospital services:

- 52.8% in Maynilad Water Services, Inc. ("Maynilad")
- 50.0% in Beacon Electric which owns 34.96% of Meralco
- 15.0% in Meralco
- 99.9% in MPTC which owns 75.6% of Manila North Tollways Corporation ("MNTC"), 46.0% of Tollways Management Corporation ("TMC") and 100% of Cavitex Infrastructure Corporation ("CIC")
- 100% interest in FPM Infrastructure Holdings Limited ("FPM Infrastructure") which owns 29.45% of Don Muang Tollway Public Company Limited ("DMT") in Thailand
- 60.1% interest in Metro Pacific Hospital Holdings, Inc. which in turn owns:
  33.2% in Medical Doctors, Inc. ("MDI")
  100% in Colinas Verdes Hospital Managers Corporation, the operator of Cardinal Santos Medical Center ("CSMC")
  69.9% in Riverside Medical Center, Inc. ("RMCI")
  34.8% in Davao Doctors Hospital, Inc. ("DDH")
  100% in East Manila Hospital Managers Corporation, the operator of Our Lady of Lourdes Hospital ("OLLH")
  85.6% in Asian Hospital, Inc. ("AHI") which owns 100% of Asian Hospital and Medical Center
  51.0% in De Los Santos Medical Center Inc.
  51.0% in Central Luzon Doctors' Hospital
  51.0% in The Megaclinic, Inc. ("Megaclinic")
- 55.0% in Light Rail Manila Corporation
- 20.0% in AFPI

MPIC's contribution to the Group rose 18% to US$69.8 million (1H14: US$59.1 million) as a result of higher contributions from Meralco/Beacon Electric, Maynilad and MPTC, partly offset by a decline in contribution from Hospitals, higher MPIC head office net interest expense and the dilution impact from MPIC's US$200 million share placement in February 2015.

Consolidated core net income up 27% to Pesos 5.9 billion (US$132.2 million) from Pesos 4.6 billion (US$104.4 million)

- Meralco/Beacon Electric , Maynilad, MPTC and DMT, and Hospitals accounted for 43%, 35%, 19% and 3%, respectively, of MPIC's consolidated profit contribution from operations
- reflecting a 65% increase in contribution from Meralco/Beacon Electric to Pesos 2.9 billion (US$66.1 million) on a higher shareholding in Meralco, a 3% increase in energy sales and higher non-electric revenues at Meralco and lower interest expense at Beacon Electric
- an 8% rise in contribution from Maynilad to Pesos 2.4 billion (US$54.3 million) on a 4% increase in billed water volume and lower personnel costs
- a 20% rise in contribution from MPTC and DMT to Pesos 1.4 billion (US$30.4 million). MPTC's performance reflected higher traffic volumes on North Luzon Expressway ("NLEX") and Manila-Cavite Toll Expressway ("CAVITEX"), higher average kilometers travelled on NLEX
- a higher contribution from DMT resulted from a higher average shareholding
- lower head office expenses
- partly offset by a 36% decline in contribution from Hospitals to Pesos 187 million (US$4.2 million) reflecting lower ownership with the entry of GIC since July 2014 as a strategic investor and higher MPIC's head office net interest expense

Consolidated reported net income up 31% to Pesos 5.6 billion (US$125.0 million) from Pesos 4.2 billion (US$95.5 million)

- due largely to a higher core net income and lower net non-core expense

Revenues up 6% to Pesos 17.6 billion (US$395.4 million) from Pesos 16.6 billion (US$374.2 million)

- reflecting revenue growth at Maynilad, MPTC and Hospitals

Debt Profile

As at 30 June 2015, MPIC reported consolidated debt of Pesos 83.1 billion (US$1.8 billion), up 36% from Pesos 61.1 billion (US$1.4 billion) as at 31 December 2014. Of the total, 95% was denominated in pesos. Fixed-rate loans accounted for 95% of the total and the average pre-tax interest cost at approximately 5.9%.

Interim Dividend

The MPIC board of directors declared an interim dividend of Pesos 0.032 (U.S. 0.071 cent) per share, 23% higher than the interim dividend of 2014. This interim dividend represents a payout ratio of 15% of core net income to shareholders.

Additional Investments

In March 2015, MPIC through MPTC invested Vietnamese Dong ("VND") 663 billion (US$31.7 million) for a 41% interest in CII Bridges and Roads Investment Joint Stock Co. ("CII B&R"). MPTC shall also advance to Ho Chi Minh City Infrastructure Investment Joint Stock Co. VND1.3 trillion (US$60.2 million) by way of exchangeable bonds, which if exchanged would provide MPTC, together with the acquired shares, up to a 45% interest in CII B&R. Out of the total consideration for the exchangeable bonds, VND604 billion (US$28.1 million) was settled in March 2015 while VND688 billion (US$32.1 million) will be settled in September 2015.

On 17 April 2015, MPIC acquired approximately 10% interest in Meralco from Beacon Electric for a consideration of Pesos 26.5 billion (US$595.4 million). The transaction increased MPIC's direct interest in Meralco to approximately 15% in additional to its effective interest of approximately 17.48% in Meralco held through its 50% interest in Beacon Electric. The balance amount of the transaction Pesos 8.5 billion (US$188.5 million) will be settled in or before July 2016.

On 27 May 2015, MPIC's indirect subsidiary MPCALA Holdings, Inc. ("MPCALA") won the bid for a 35-years concession for the Cavite-Laguna Expressway ("CALAx") project in Manila, and the Notice of Award was received on 8 June 2015 and the Concession Agreement was signed on 10 July 2015. The bid premium of Pesos 27.3 billion (US$605.5 million) is payable over nine years from signing of the Toll Concession Agreement. The total project cost is approximately Pesos 23.3 billion (US$516.7 million) and the total investment cost for MPCALA is estimated to be approximately Pesos 50.6 billion (US$1.1 billion). Construction is estimated to start on 1 July 2017, following the Philippine Government having secured the right-of-way. CALAx will integrate with MPIC's existing Manila-Cavite Toll Expressway ("CAVITEX") once open in 2020.

Equity Placement

In February 2015, MPIC raised Pesos 8.9 billion (approximately US$200 million) by placing 1.812 billion new shares at Pesos 4.9 (US$0.11) per share. The funds were used primarily to repay the balance due to Beacon Electric for MPIC's purchase of a 5% interest in Meralco from Beacon Electric in June 2014. The funds raised also partially financed the investments in CII B&R and the acquisition of an additional 10% interest in Meralco in April 2015.

Meralco

Meralco operates a franchise that runs until 2028 for electricity distribution to a region which produces over half of the Philippines' gross domestic product.

During the period, the volume of electricity sold by Meralco rose 3% to 17,753 GWh with growth driven by a 4%, 3% and 1% increase in commercial, residential and industry demand, respectively. Natural gas accounted for 38% of Meralco's fuel sources, followed by coal at 37%. The remaining 25% included hydro, geothermal and biomass sources.

System loss was reduced to 6.60% at end-June 2015 from 6.68% a year earlier, reflecting Meralco's continuing efforts on improving system efficiency. Its capital expenditure rose 18% to Pesos 5.8 billion (US$130.3 million) mainly used for the modernization of System Control Center, expansion, construction and relocation of various projects.

Revenues increased 1% to Pesos 134.0 billion (US$3.0 billion), mainly reflecting higher energy sales and a greater number of customer, effective cost management and higher contribution from non-electricity revenues. However, the overall revenue growth was held back by a 2% fall in distribution revenues owing to a 5% decrease in the average distribution rate.

Meralco PowerGen Corporation ("Meralco PowerGen")'s investments in PLP in Singapore and in Global Business Power in the Philippines are part of Meralco's power generation plan, with a combined gross capacity of 1,509 megawatts. Construction of the San Buenaventura Power Plant in Quezon with net capacity of 455 megawatts is expected to finish in early 2019. The Redondo Peninsula Energy project in Subic Bay, with planned capacity ranging from 300 megawatts to 600 megawatts, is expected to see construction start in early 2016 with completion in the second half of 2019. Meralco targets to achieve 3,000 megawatts of power generation capacity in the next few years in order to meet higher demand in line with economy growth.

Maynilad

Maynilad operates a concession that runs until 2037 for water distribution and sewerage for the West Zone of Metro Manila, comprising a population of approximately 9.8 million people and a total distribution network of 7,506 km of pipelines as at 30 June 2015.

During the period, Maynilad's average non-revenue water fell to 32.3% from 34.4%. Revenues rose 4% to Pesos 9.3 billion (US$208.9 million), reflecting a 4% increase in billed water volume to 238.5 million cubic meters and a 6% increase in billed customers to 1.23 million. Capital expenditure increased 84% to Pesos 3.7 billion (US$83.1 million) mainly reflecting development of the sewage system in the concession area.

Maynilad's water tariff for the rate rebasing for the period from 2013 to 2017 received a favorable award in arbitration proceedings on 29 December 2014. The new rate results in a 9.8% increase in the 2013 average basic water charge of Pesos 31.28 (US$0.70) per cubic meter, inclusive of the Peso 1.00 (US$0.02) Currency Exchange Rate Adjustment which the Metropolitan Waterworks and Sewerage System ("MWSS") of the Philippines has now incorporated into the basic charge. In order to mitigate the impact of the rate increase on its customers in the West Zone of Metro Manila, Maynilad is prepared to implement the awarded rate increase over the next three years on a staggered basis, subject to the approval of the MWSS. However, the MWSS has not yet acted on the arbitration award. After subsequent formal reminding, Maynilad has served Notice of Arbitration in March 2015 of the indemnity undertaking of the Republic of the Philippines regarding delays in tariff implementation. In May 2015, MWSS board had approved Maynilad's request for Consumer Price Index ("CPI")-related increase.

MPTC

MPTC, through its interests in MNTC, TMC and CIC operates NLEX, the Subic Freeport Expressway, the Subic Clark Tarlac Expressway ("SCTEX") and CAVITEX. The concession for NLEX runs until 2037, for SCTEX until 2043 and for CAVITEX until 2033 for the original toll road and to 2046 for its extension.

Revenues rose 8% to Pesos 4.6 billion (US$103.3 million), reflecting strong traffic growth on the NLEX and CAVITEX in the Philippines. Capital expenditure increased 47% to Pesos 1.9 billion (US$42.7 million) mainly reflecting construction of Segments 9 and 10 and the NLEX Citi Link.

In Manila, the NLEX Harbour Link extension's Segments 9 began operation in March 2015 and the construction of Segment 10 is expected to be completed by 2016. The competitive challenge process "Swiss Challenge" for the Connected Road/Metro Expressway Link project is expected to be conducted in 2015, with MPIC holding the right to match the best bid. MPTC is waiting for the handover of SCTEX from the regulator. The NLEX Citi Link is expected to start operations by 2019. The construction of the CAVITEX C5-Link and CALAx toll roads are expected to be completed in 2017 and 2020, respectively.

Elsewhere in the Philippines, the "Swiss Challenge" for the Cebu-Cordova Bridge project is expected to take place later in 2015 and MPTC has the right to match the best bid.

In Vietnam, 55 kilometers of CII Bridges and Roads is under planning or construction.

Hospitals

MPIC's Hospital group comprises eight full-service hospitals and Megaclinic, a mall-based diagnostic and ambulatory care center. MPIC operates the largest private provider of premier hospital services in the Philippines with 2,127 beds as at end-June 2015.

Revenues rose 8% to Pesos 7.4 billion (US$166.3 million), reflecting a 14% rise in revenues from CSMC, 12% from DDH, 11% from RMCI, 6% from OLLH, 5% from MDI and 3% from AHI.

The partnership with GIC will accelerate the expansion and growth of the Hospital division not only in hospital services but also in other health-related fields in the Philippines. This division aims to expand to 4,000 beds and better service coverage. Implementation of synergies and network integration across the hospital network continue. The Hospital group has built a non-invasive surgery training center, is looking at expanding its mall-based diagnostic centers and is considering developing a specialist cardiology center.

2015 Outlook

All financial metrics for MPIC are expected to improve in 2015 over a year earlier. Continuing strong economic growth in the Philippines combined with a healthy current account are resulting in steadily rising demand for the fundamental services provided by the MPIC group of companies. Core net profit is expected to rise to Pesos 10.0 billion in 2015 from Pesos 8.5 billion a year earlier on growing contribution from all four main business lines. Looking further ahead, diversification into new businesses such as contactless payments and light rail operation will diversify sources of contribution even as MPIC continues to see new investments in infrastructure such as toll roads, airports and the like.

Reconciliation of reported results between MPIC and First Pacific

MPIC's operations are principally denominated in peso, which averaged Pesos 44.51 (1H14: Pesos 44.46) to the U.S. dollar. Its financial results are prepared under Philippine GAAP and reported in pesos. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to MPIC's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2015**	2014
Net income under Philippine GAAP	**5,563**	4,247
Preference dividends[(i)]	**(1)**	(3)
Net income attributable to common shareholders	**5,562**	4,244
Differing accounting and presentational treatments[(ii)]		
- Reclassification of non-recurring items	**357**	340
- Others	**35**	68
Adjusted net income under Hong Kong GAAP	**5,954**	4,652
Foreign exchange and derivative (gains)/losses[(iii)]	**(37)**	54
MPIC's net income as reported by First Pacific	**5,917**	4,706
US$ millions		
Net income at prevailing average rates for 1H15: Pesos 44.51 and 1H14: Pesos 44.46	**132.9**	105.8
Contribution to First Pacific Group profit, at an average shareholding of 1H15: 52.5% and 1H14: 55.8%	**69.8**	59.1

(i) First Pacific presents net income after deduction of preference dividends.

(ii) Differences in accounting treatment under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustment includes:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H15 of Pesos 357 million principally represents project expenses. Adjustment for 1H14 of Pesos 340 million principally represents MPIC's project expenses and taxes incurred in hospital group reorganization and Maynilad's manpower rightsizing costs.*

(iii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains/losses (net of related tax) are excluded and presented separately.

FPW/GOODMAN FIELDER

On 17 March 2015, First Pacific and Wilmar through a 50/50 joint venture FPW, completed the acquisition of the entire issued share capital of Goodman Fielder by way of a scheme of arrangement. Goodman Fielder was delisted from the Australia and New Zealand Stock Exchanges on 19 March 2015.

Goodman Fielder is headquartered in Sydney and has over 40 manufacturing plants in Australia, New Zealand, Papua New Guinea, Fiji and New Caledonia. It is a leading food company in Australasia offering packaged baked products, dairy products, spreads, sauces, dressings, condiments, bulk and packaged edible fats and oils and flour products.

For the period from April to June 2015, FPW contributed a profit of US$6.4 million to the Group.

Goodman Fielder's management is implementing strategies and business plans to improve its financial and operational efficiency, primarily in Australia and New Zealand and increase exports to China and Southeast Asia.

For the period from April to June 2015, Goodman Fielder recorded total revenues of A$498.4 million (US$387.3 million) and is profitable with EBIT at A$38.8 million (US$30.1 million) and EBIT margin at 7.8%.

Debt Profile

As at 30 June 2015, Goodman Fielder's net debt stood at A$457.8 million (US$350.8 million) with maturity ranged from 2015 to 2020, and 51% of the total borrowings were fixed rate borrowings.

2015 Outlook

Goodman Fielder's management will continue to focus on allocating resources to increase both exports and operational efficiencies. This should position the company to be able to increase profitability in 2016.

Reconciliation of reported results between FPW/Goodman Fielder and First Pacific

Goodman Fielder's operations are principally denominated in A$, which averaged A$1.287 to the U.S. dollar for the period from April to June 2015. Its financial results are prepared under Australian GAAP and reported in A$. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Australian GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to Goodman Fielder's reported A$ results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the three months ended 30 June A$ millions	**2015**
Goodman Fielder's net income under Australian GAAP	**9.4**
Differing accounting and presentational treatments[(i)]	
- Reclassification of non-recurring items	**9.8**
- Others	**(3.1)**
Adjusted net income under Hong Kong GAAP	**16.1**
Foreign exchange and derivative losses	**0.2**
Goodman Fielder's net income as reported by First Pacific	**16.3**
US$ millions	
Net income at prevailing average rate for April to June 2015: A$1.287	**12.7**
Contribution to First Pacific Group profit, at an average shareholding of April to June 2015: 50.0%	**6.4**

(i) Differences in accounting treatment under Australian GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H15 of A$9.8 million represents losses arising from unwinding cross currency interest rate swaps of A$8.0 million and change of control related expenses of A$0.5 million (which are pre-acquisition in nature and hence eliminated at First Pacific level) and manpower rightsizing costs of A$1.3 million.*
- *Others: A provisional fair value assessment was performed at the date of acquisition of Goodman Fielder and certain revaluation increment adjustments have been made to its inventories, property, plant and equipment. The adjustments principally relate to the reversal of the revaluation increment adjustment made to Goodman Fielder's inventories at the date of acquisition into its post-acquisition cost of sales and recognition of additional depreciation based on the provisional fair value of its property, plant and equipment.*

PHILEX

Philex's natural resources portfolio comprises:

Philex for metal-related assets

- 100% in Padcal mine
- 100% in Silangan Mindanao Mining Co., Inc.
- 100% in Lascogon Mining Corporation
- 100% in Philex Gold Philippines, Inc.
- 5% in Kalayaan Copper Gold Resources, Inc.

Philex Petroleum Corporation ("Philex Petroleum")* for energy-related assets

- 53.4% Pitkin Petroleum Limited ("Pitkin") which owns oil and gas exploration assets in Peru and the Philippines
- 55.5%† in Forum Energy Limited ("Forum") which owns 70.0% of Service Contract ("SC") 72 which is in the exploration stage and a 2.3% interest in the Galoc oil field (SC 14C-1) which is in the production stage, both of these assets are located in the West Philippine Sea
- 50% in SC 75 (Northwest Palawan)

* *64.7% held by Philex, 11.3% held by First Pacific and 0.3% held by Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific.*

† *43.1% held directly by Philex Petroleum, 24.1% held by its 51.2%-owned Canadian subsidiary FEC Resources Inc., and 3.3% held by First Pacific.*

Philex's contribution to the Group decreased 53% to US$2.9 million (1H14: US$6.2 million) principally reflecting the adverse impacts of declining metal prices and copper grades, despite a positive impact from operational enhancement and cost management initiatives.

During the period, recovery of gold and copper improved to 84% (1H14: 78%) and 83% (1H14: 79%), respectively, as a results of enhanced recovery processes, with an average grade of 0.442 grams (1H14: 0.436 grams) of gold per tonne of ore and 0.206% (1H14: 0.218%) of copper. Gold production increased 3% to 53,689 ounces (1H14: 52,286 ounces) while copper production decreased 7% to 16.9 million pounds (1H14: 18.2 million pounds) due to lower ore grade of copper.

In the first half of 2015, metal prices continued their downward trend. The average realized price for gold declined 11% to US$1,190 per ounce (1H14: US$1,341 per ounce) and the average realized copper price fell 16% to US$2.61 per pound (1H14: US$3.09 per pound). Both metals reached five-year lows in July and August 2015.

As at 30 June 2015, Philex had Pesos 3.1 billion (US$68.8 million) of cash and cash equivalents and Pesos 9.7 billion (US$215.8 million) borrowings comprising convertible notes issued by Silangan and bank loans.

On 26 June 2015, Philex Petroleum announced that it would pledge its interests in Forum and in Pitkin for securing its outstanding debt of Pesos 2.2 billion (US$48.8 million) owed to Philex, which was subsequently approved by Philex Petroleum's shareholders on 11 August 2015.

Core net income down 7% to Pesos 520 million (US$11.7 million) from Pesos 559 million (US$12.6 million)	▪ reflecting lower revenue owing to lower metal prices and copper grade ▪ partly offset by a reduction in operating costs and expenses through cost management initiatives
Net income down 3% to Pesos 607 million (US$13.6 million) from Pesos 627 million (US$14.1 million)	▪ reflecting a lower core net income ▪ partly offset by a non-recurring gain on sale of assets
Revenue down 15% to Pesos 4.9 billion (US$110.1 million) from Pesos 5.8 billion (US$130.5 million)	▪ due primarily to lower metal prices ▪ both gold and copper prices were at a five-year low ▪ revenue from gold, copper and petroleum contributed 59%, 38% and 2% of the total, respectively, and the balance of 1% was attributable to silver
EBITDA down 13% to Pesos 1.5 billion (US$33.7 million) from Pesos 1.7 billion (US$38.2 million)	▪ reflecting the effects of lower metal prices and copper grade
Operating cost per tonne of ore milled down 7% to Pesos 830 (US$18.6) from Pesos 893 (US$20.1)	▪ reflecting the impact of cost-reduction measures

Capital expenditure (including exploration costs) down 12% to Pesos 2.5 billion (US$56.2 million) from Pesos 2.9 billion (US$65.2 million)

- reflecting focus on the Silangan project, the Kalayaan project and the projects within the Padcal vicinity

During the period, as part of the Philex parent company's cost rationalization program, it reduced manpower by 578 to 2,028.

Additional Investments

On 6 July 2015, Philex Petroleum increased its direct shareholding in Forum by 6.7% to approximately 43.1% for a total consideration of £476,755 (US$750,316).

Share repurchase

On 8 May 2015, Pitkin announced that it had repurchased a total of approximately 40.9 million shares or 31.7% of its total issued shares at US$0.75 per share for a total consideration of approximately US$30 million from Philex Petroleum and the minority shareholders of Pitkin. This resulted in Philex Petroleum receiving US$16.0 million, of which US$10.0 million was used to repay advances from Philex parent company.

Silangan Project

The gold and copper mine development project is located in Surigao del Norte, Northeastern Mindanao in the Philippines. The project secured environmental compliance certifications in 2013 and is undergoing amendment proceedings to reflect the proposed change in mining method.

During the period, its pilot plant successfully produced on-specification copper concentrates and LME-grade copper cathodes. The products are validations of the identified metallurgical processes, flotation and Solvent Extraction-Electro winning process ("SX-EW"), respectively. The site for the process plant has also been identified. The bidding process for power purchases and power station development are underway. Work on the community's water supply is ongoing.

Except for the extended options study for the waste rock disposal, most of the results of the project's definitive feasibility study are expected to be completed in 2015.

Mineral Resources and Proved Reserves

Listed below are the mineral resources and proved reserves of the Padcal mine and the mineral resources of the Silangan project based on the most recent data:

		Silangan Project (as at 5 August 2011)	
	Padcal mine (As at 31 December 2014*)	Boyongan	Bayugo
Resources(million tonnes)	268[(i)]	273[(i)]	125[(i)]
Gold (gram/tonne)	0.38	0.72	0.66
Copper (%/tonne)	0.21	0.52	0.66
Contained copper (thousand lbs)	1,231,400	3,120,000	1,820,000
Contained gold (ounces)	3,242,700	6,300,000	2,700,000
Copper equivalent[(ii)] cutoff (%)	0.314	-	-
Copper equivalent cutoff (%)	-	0.50	0.50
Proved reserves (million tonnes)	59.7		
Gold (gram/tonne)	0.41		
Copper (%/tonne)	0.20		
Recoverable copper (thousand lbs)	217,000		
Recoverable gold (ounces)	622,500		
Copper equivalent[(ii)] cutoff (%)	0.370		

* Based on the Competent Persons' reports disclosed in March 2015

(i) Measured and indicated

(ii) Copper equivalent = % copper + 0.66 x gram/tonne gold; Metal prices: US$2.75/lb copper, US$1,275/oz gold; Metal recoveries: 82% copper, 80% gold

SC72

The property covered by SC72 is located in an area where there are maritime disputes between the Philippine and Chinese governments. In July 2014, the Philippine Department of Energy ("DOE") granted another year of extension to August 2016 for the completion of a two-well drilling program by Forum.

On 4 March 2015, Forum was notified by DOE to immediately suspend all exploration work at SC72 until further notice as the territorial disputed area is involved in United Nations' arbitration process between the Philippines and China.

2015 Outlook

Depressed market prices for Philex's main products, gold and copper, will be reflected in lower earnings in 2015. Steady progress is being made in completing the definitive feasibility study of the Silangan Project, the largest new mining project in the Philippines. Conclusion of the definitive feasibility study by the first quarter of 2016 will pave the way towards obtaining project financing and a strategic partner for Silangan. This will transform the future of Philex.

Reconciliation of reported results between Philex and First Pacific

Philex's operations are principally denominated in peso, which averaged Pesos 44.51 (1H14: Pesos 44.46) to the U.S. dollar. Its financial results are prepared under Philippine GAAP and reported in pesos. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to Philex's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2015**	2014
Net income under Philippine GAAP	**607**	627
Differing accounting and presentational treatments[(i)]		
- Reclassification of non-recurring items	**(107)**	-
- Revenue recognition regarding sale of mine products	**6**	265
- Depreciation of revaluation increment of assets	**(153)**	(156)
- Others	**(89)**	(68)
Adjusted net income under Hong Kong GAAP	**264**	668
Foreign exchange and derivative losses/(gains)[(ii)]	**20**	(68)
Philex's net income as reported by First Pacific	**284**	600
US$ millions		
Net income at prevailing average rates for 1H15: Pesos 44.51 and 1H14: Pesos 44.46	**6.4**	13.5
Contribution to First Pacific Group profit, at an average shareholding of 1H15: 46.2% and 1H14: 46.2%	**2.9**	6.2

(i) Differences in accounting treatments under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H15 of Pesos 107 million represents gain on sale of assets.*
- *Revenue recognition regarding sale of mine products: Philex recognizes revenue based on the production of mine products. HKAS 18 "Revenue" requires the recognition of revenue based on the satisfaction of certain conditions, which includes the transfer of significant risks and rewards of ownership of the products to the buyers and the absence of continuing managerial involvement to the degree usually associated with ownership and effective control over the products sold.*
- *Depreciation of revaluation increment of assets: A fair value assessment was performed at the date of acquisition of Philex and certain revaluation increment adjustments have been made to its property, plant and equipment. The adjustment relates to the recognition of additional depreciation based on the revalued fair value of its property, plant and equipment.*
- *Others: The adjustments principally relate to accrual of withholding tax on Philex's net income in accordance with the requirements of HKAS 12 "Income Taxes" and the adjustments for the Group's direct share of Philex Petroleum's results.*

(ii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative losses/gains (net of related tax) are excluded and presented separately.

FPM POWER/PLP

First Pacific through a 60/40–owned entity with Meralco PowerGen holds a 70% interest in PLP. PLP is the first power plant in Singapore fully fueled by liquefied natural gas, equipped with the most efficient facilities that modern technology is able to provide. The plant's fuel is provided by BG Group under a long-term agreement through SLNG Terminal developed by the Singaporean Government. Its combined cycle combustion turbine power plant consists of two 400 gross megawatts natural gas-fired turbines with net capacity of 781 megawatts. PLP launched commercial operations of the power plant on 1 February 2014.

For the first half of 2015, the vesting contract level was revised by the Singaporean Government to 30% of total generation from 40% for the same period in 2014 for all power generators in the country. Sale of the remaining was through retail contracts and supply to the merchant market. The vesting portion is to be further reduced to 25% for the second half of 2015 and to 20% for 2016. As PLP's vesting is predominantly liquefied natural gas vesting, which is fixed till 2023, further reduction in vesting level will not have a significant impact on PLP's vesting allocation.

For the period, First Pacific's share of FPM Power's loss increased 29% to US$7.5 million (1H14: US$5.8 million), mainly due to a lower average contribution from the merchant market despite a higher volume of electricity being sold. The volume of electricity generated and sold rose 9% to approximately 2,108 gigawatt hours (1H14: 1,938 gigawatt hours), translating to a market share of approximately 9% of which 82% was for retail and vesting contracts and the remaining 18% for merchant market sales. As at 30 June 2015, PLP's workforce was at 122.

Core net loss up 26% to S$37.3 million (US$27.6 million) from S$29.5 million (US$23.4 million)	▪ principally reflecting lower average contribution from the merchant market and higher operating expenses
Net loss up 45% to S$39.8 million (US$29.5 million) from S$27.4 million (US$21.8 million)	▪ reflecting a higher core net loss ▪ recorded foreign exchange losses as compared to foreign exchange gains in 2014
Revenues up 3% to S$439.2 million (US$325.1 million) from S$426.7 million (US$338.9 million)	▪ due mainly to a higher volume of electricity generated and sold, despite lower average selling prices
Operating expenses up 7% to S$12.0 million (US$8.9 million) from S$11.2 million (US$8.9 million)	▪ reflecting higher sales and marketing expenses in line with a higher electricity volume
EBITDA down 42% to S$6.1 million (US$4.5 million) from S$10.6 million (US$8.4 million)	▪ reflecting a lower average contribution from the merchant market

Debt Profile

As at 30 June 2015, FPM Power's net debt stood at US$501.4 million while gross debt stood at US$531.4 million with 4% maturing within one year and the remaining debt maturing during the subsequent period up to 2021. All of the borrowings were floating-rate bank loans, with 96% effectively changed to fixed rate through interest rate swap arrangements.

2015 Outlook

Competition in the Singapore power generation market will continue to be keen in the second half of 2015. PLP will continue leveraging on its efficiency advantage and operational flexibility to increase its retail portfolio. Together with vesting portion, PLP aims to achieve a contract level of 85-90% for its generation.

Reconciliation of reported results between FPM Power/PLP and First Pacific

PLP's operations are principally denominated in S$, which averaged S$1.351 (1H14: S$1.259) to the U.S. dollar. Its financial results are prepared under Singapore GAAP and reported in S$. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Singapore GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to PLP's reported S$ results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June S$ millions	**2015**	2014
PLP's net loss under Singapore GAAP	**(39.8)**	(27.4)
Differing accounting and presentational treatments[(i)]		
- Intra-group elimination for consolidation accounting	**15.1**	15.1
- Amortization of vesting contract	**(0.9)**	(0.7)
- Others	**0.3**	2.4
Adjusted PLP's net loss under Hong Kong GAAP	**(25.3)**	(10.6)
Foreign exchange and derivative losses/(gains)[(ii)]	**2.5**	(2.1)
Adjusted PLP's net loss	**(22.8)**	(12.7)
US$ millions		
Net loss at prevailing average rates for 1H15: S$1.351 and 1H14: S$1.259	**(16.9)**	(10.1)
FPM Power's share of PLP's net loss, at an average shareholding of 1H15: 70.0% and 1H14: 70.0%	**(11.8)**	(7.1)
Adjusted FPM Power head office's net loss[(iii)]	**(0.7)**	(2.6)
Adjusted FPM Power's net loss as reported by First Pacific	**(12.5)**	(9.7)
First Pacific Group's share of loss, at an average shareholding of 1H15: 60.0% and 1H14: 60.0%	**(7.5)**	(5.8)

(i) Differences in accounting treatments under Singapore GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Intra-group elimination for consolidation accounting: Intra-group transactions between FPM Power and PLP are eliminated upon FPM Power's consolidation accounting. The principal consolidation adjustments include elimination of PLP's shareholder loan interest expenses and management service fee charged by FPM Power.*
- *Amortization of vesting contract: A fair value assessment was performed at the date of acquisition of PLP and the fair value of PLP's vesting contract entered with the regulator in the respect of the supply of electricity has been measured and recognized as an intangible asset. The adjustment relates to the amortization of the carrying amount of the vesting contract.*
- *Others: The adjustments for 1H14 principally relate to reversal of additional interest expenses arising from settlement/realization of cash flow hedge reserve under interest rate swaps which are pre-acquisition in nature and hence eliminated at First Pacific level.*

(ii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative losses/gains (net of related tax) are excluded and presented separately.

(iii) Adjusted FPM Power head office's net loss for 1H15 excludes foreign exchange and derivative losses (net of related tax) of US$2.4 million (1H14: foreign exchange and derivative gains of US$1.9 million).

FP NATURAL RESOURCES/ RHI

Additional investments

In late 2014, FP Natural Resources set up First Coconut Manufacturing Inc. ("FCMI") in the Philippines, which engages in the crushing of copra and refining of coconut oil. It commenced operation in May 2015.

In May 2015, RHI's subsidiary Roxas Pacific Bioenergy Corporation acquired 93.7% interest in SCBI for a consideration of approximately Pesos 1.7 billion (US$39.0 million). SCBI is a bioethanol company located in San Carlos City, Negros Occidental, Philippine. With this investment, RHI becomes the Philippines' biggest ethanol producer.

Review of Operations

First Pacific and its indirect agribusiness subsidiary IndoAgri, through a 70/30–owned entity FP Natural Resources and a Philippine affiliate have an aggregate 50.9% interest in RHI and a 16.4% interest in Victorias Milling Company, Inc. ("VMC").

The Philippine sugar industry is the third-largest in Southeast Asia after Thailand and Indonesia. First Pacific Group currently has agribusinesses in Indonesia, the Philippines and Brazil, with targets of improving sugar and coconut production yields and efficiency in the Philippines.

During the period, FP Natural Resources' contribution to the Group decreased 31% to US$1.1 million mainly reflecting pre-operating loss at FCMI and a lower core income at RHI, partly offset by a higher average effective interest in RHI held by FP Natural Resources and its Philippine affiliate.

In line with RHI's strategy of diversifying from sugar operations into bioethanol and co-generation or renewable energy businesses, and to create synergies from its bioethanol plants and to improve efficiencies, RHI has been expanding its portfolio through internal expansion and acquisitions.

On 11 May 2015, RHI partnered with Global Business Power for a detailed study of the technical requirements and investment cost of a Front-End Engineering Design for a 40-megawatt cogeneration facility in its sugar mill, Central Azucarera De La Carlota, in Negros Occidental. This will allow RHI to take advantage of opportunities in renewable energy, cut production costs and optimize efficiency.

RHI, together with its affiliate Hawaiian-Philippine Company, is the largest raw sugar producer in the Philippines, accounting for 16% of the entire country's raw sugar production. It has three sugar mills, one in Batangas and two in Negros Occidental, with combined milling capacity of 36,500 tonnes of cane per day. Its refinery facility in Batangas has capacity of 18,000 Lkg per day. RHI also has two ethanol plants in Negros Occidental with daily production capacity of 275,000 liters.

VMC accounts for 15% of the Philippines' raw sugar production. Its two sugar operations have combined milling capacity of 15,000 tonnes of cane per day and refinery capacity of 25,000 Lkg per day.

During the period, RHI produced a total of 7.3 million Lkg of raw sugar and produced 2.8 million Lkg of refined sugar. Approximately 99% of total revenues were generated from domestic sales.

Core net income down 12% to Pesos 320 million (US$7.2 million) from Pesos 362 million (US$8.1 million)	▪ principally due to a shortage in supply of sugar cane, resulting in lower sales volume of raw and premium refined sugar
Reported net income down 12% to Pesos 320 million (US$7.2 million) from Pesos 364 million (US$8.2 million)	▪ reflecting a lower core net income
Revenue up 21% to Pesos 5.4 billion (US$121.3 million) from Pesos 4.5 billion (US$101.2 million)	▪ mainly driven by the higher revenue from bioethanol businesses ▪ increase in toll refining ▪ the consolidation of SCBI's revenue since May 2015
Operating expenses up 31% to Pesos 559 million (US$12.6 million) from Pesos 427 million (US$9.6 million)	▪ mainly due to taxes paid on previous years' tax assessment
EBITDA up 0.3% to Pesos 904 million (US$20.3 million) from Pesos 901 million (US$20.3 million)	▪ principally driven by the growth in bioethanol businesses
EBITDA margin down to 16.7% from 20.2%	▪ due to lower sales of high margin refined and premium raw sugar ▪ higher fixed cost of production per Lkg due to lower tonne of cane milled

Debt Profile

As at 30 June 2015, long-term debt of RHI stood at Pesos 5.9 billion (US$131.5 million) with an average maturity of approximately eight years at an annual interest of approximately 4.3%. Short-term debt stood at Pesos 3.3 billion (US$72.1 million) with an average interest of approximately 2.8%.

Equity Raising

In February 2015, RHI sold approximately 241.8 million of its treasury shares at Pesos 7.0 per share to FAHC (a Philippine affiliate of FP Natural Resources) and raised approximately Pesos 1.7 billion (US$38.0 million). The proceeds raised were used to develop the long-term growth of RHI, including facilities upgrade and portfolio expansion of the ethanol and power co-generation businesses and to finance the acquisition of SCBI.

Interim Dividend

RHI's dividend policy is to pay a minimum of 35% of net income as dividends to its shareholders. The RHI board of directors declared an interim cash dividend of Peso 0.12 (U.S. 0.27 cent) per share, payable on 25 September 2015 to shareholders on record as of 4 September 2015.

2015 Outlook

RHI is implementing a plan to recover lost cane. Apart from farm mechanization and demo farm initiatives to increase cane volume, RHI has invested to further improve the operational efficiency of its mills, which in turn will further encourage planters to supply their canes to RHI mills. This investment is expected to narrow, if not eradicate, the gap between the recoveries of RHI's mills versus its competitors. Transloading stations to secure canes outside of its mill district, extending to Northern and Southern Negros, will be doubled.

Good prospects are seen also in its bioethanol businesses. Apart from the positive performance of Roxol Bioenergy Corporation, upgrades in San Carlos Bioenergy Corporation are being put in place to improve yields. A CO_2 Recovery Plant is in the pipeline for SCBI.

Reconciliation of reported results between FP Natural Resources/RHI and First Pacific

RHI's operations are principally denominated in peso, which averaged Pesos 44.51 (1H14: Pesos 44.46) to the U.S. dollar. Its financial results are prepared under Philippine GAAP and reported in pesos. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to RHI's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2015**	2014
RHI's net income under Philippine GAAP	**320**	364
Differing accounting and presentational treatments(i)		
- Depreciation of revaluation increment of assets	**(16)**	(16)
- Withholding tax on RHI's net income	**(11)**	(36)
Adjusted RHI's net income under Hong Kong GAAP	**293**	312
Foreign exchange and derivative gains(ii)	**-**	(2)
Adjusted RHI's net income	**293**	310
US$ millions		
Net profit at prevailing average rates for 1H15: Pesos 44.51 and 1H14: Pesos 44.46	**6.6**	7.0
FP Natural Resources group's share of RHI's net income, at an average shareholding of 1H15: 45.3% and 1H14: 34.0%	**3.0**	2.4
FP Natural Resources group's net loss(iii)	**(1.4)**	(0.1)
Adjusted FP Natural Resources group's net income as reported by First Pacific	**1.6**	2.3
First Pacific Group's share of income, at an average shareholding of 1H15: 70.0% and 1H14: 70.0%	**1.1**	1.6

(i) Differences in accounting treatments under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Depreciation of revaluation increment of assets: A provisional fair value assessment was performed at the date of the acquisition of RHI and certain revaluation increment adjustments have been made to its property, plant and equipment. The adjustment relates to the recognition of additional depreciation based on the revalued provisional fair value of these property, plant and equipment.*
- *Withholding tax on RHI's net income: The adjustment relates to accrual of withholding tax on RHI's net income in accordance with the requirements of HKAS12 "Income Taxes".*

(ii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains (net of related tax) are excluded and presented separately.

(iii) FP Natural Resources group's net loss principally represents pre-operating loss of First Coconut Manufacturing Inc. (FCMI).

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

NET DEBT AND GEARING

(A) Head Office Net Debt

The increase in net debt principally reflects the investment of US$423.4 million to increase the Group's effective interest in Goodman Fielder by 40.2% to 50%. The Head Office's borrowings at 30 June 2015 comprise bonds of US$1,487.5 million (with an aggregated face value of US$1,500 million) which are due for redemption between 2017 and 2023, and bank loans of US$317.2 million (with an aggregated face value of US$320 million) which are due for repayment in 2016 and 2018.

Changes in Head Office net debt

US$ millions	Borrowings	Cash and cash equivalents(i)	Net debt
At 1 January 2015	1,736.0	(508.5)	1,227.5
Movement	68.7	351.1	419.8
At 30 June 2015	**1,804.7**	**(157.4)**	**1,647.3**

Head Office cash flow

For the six months ended 30 June US$ millions	**2015**	2014
Dividend and fee income	**183.3**	145.7
Head Office overhead expense	**(12.1)**	(14.6)
Net cash interest expense	**(46.6)**	(43.6)
Taxes	**(0.3)**	(0.2)
Net cash inflow from operating activities	**124.3**	87.3
Net investments(ii)	**(455.1)**	(109.7)
Financing activities		
- Dividends paid	**(71.5)**	(71.7)
- Repurchase of shares	**(19.0)**	(13.8)
- Borrowings	**70.0**	-
- Others	**0.2**	0.6
Decrease in cash and cash equivalents	**(351.1)**	(107.3)
Cash and cash equivalents at 1 January	**508.5**	573.2
Cash and cash equivalents at 30 June	**157.4**	465.9

(i) Includes pledged deposits and restricted cash

(ii) Includes principally the investment in an additional 40.2% effective interest in Goodman Fielder of US$423.4 million in 1H15 (1H14: Investment in a 4.8% interest in Goodman Fielder of US$61.9 million).

(B) Group Net Debt and Gearing

An analysis of net debt and gearing for principal consolidated and associated companies and joint venture follows.

Consolidated

	At 30 June 2015			At 31 December 2014		
US$ millions	**Net debt(i)**	**Total equity**	**Gearing(ii) (times)**	Net debt/ (cash)(i)	Total equity	Gearing(ii) (times)
Head Office	**1,647.3**	**2,177.6**	**0.76x**	1,227.5	2,198.8	0.56x
Indofood	**1,293.6**	**3,431.8**	**0.38x**	1,027.0	3,657.3	0.28x
MPIC	**1,096.4**	**3,215.1**	**0.34x**	716.7	2,897.9	0.25x
FPM Power	**501.4**	**464.4**	**1.08x**	487.9	456.3	1.07x
FP Natural Resources	**195.7**	**233.6**	**0.84x**	(3.2)	92.1	-
Group adjustments(iii)	**-**	**(1,632.2)**	**-**	-	(1,585.4)	-
Total	**4,734.4**	**7,890.3**	**0.60x**	3,455.9	7,717.0	0.45x
Associated companies and joint venture						
PLDT	**2,362.7**	**2,765.7**	**0.85x**	2,313.7	3,011.4	0.77x
Goodman Fielder	**350.8**	**608.4**	**0.58x**	438.0	980.5	0.45x
Philex	**147.0**	**593.8**	**0.25x**	112.3	604.7	0.19x

(i) Includes short-term deposits, pledged deposits and restricted cash

(ii) Calculated as net debt divided by total equity

(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments to present the Group as a single economic entity.

Head Office's gearing increased principally because of its payments for additional investment in Goodman Fielder.

Indofood's gearing increased principally because of an increase in its net debt, despite the depreciation of the rupiah against the U.S. dollar during 1H15, which mainly reflects its payments for capital expenditure and dividends to shareholders, partly offset by its operating cash inflow and reduced equity principally reflecting the depreciation of the rupiah.

MPIC's gearing increased principally because of an increase in its net debt which mainly reflects MPIC's partial payments for its acquisition of additional interest in Meralco totaling 15.0% in June 2014 and April 2015 from Beacon Electric, Maynilad's payments for capital expenditure, MPTC's payments for investments in CII B&R, partly offset by a growth of MPIC's equity as a result of proceeds from MPIC's share placement and its profit recorded during the period.

FP Natural Resources changed from a net cash to a net debt position principally reflecting its consolidation of RHI and San Carlos Bioenergy, Inc. (SCBI), partly offset by proceeds from First Pacific and Indofood Agri Resources Ltd's capital injections.

The Group's gearing increased to 0.60 times level principally reflecting a higher net debt level following its additional investment in Goodman Fielder, Indofood's payments for capital expenditure and dividends and MPIC's partial payments for increased investments in Meralco, partly offset by a growth of the Group's equity principally reflecting its profit recorded during the period.

PLDT's gearing increased principally because of an increase in net debt mainly reflecting its payments for capital expenditure and reduced equity reflecting dividends paid. Goodman Fielder's gearing increased principally because of its reduced equity reflecting its losses on write-down of assets during the period, partly offset by a decrease in its net debt principally reflecting its operating cash inflow and the depreciation of the Australian dollar against the U.S. dollar during 1H15. Philex gearing increased principally because of its payments for capital expenditure.

MATURITY PROFILE

The maturity profile of debt of consolidated and associated companies and joint venture follows.

Consolidated

	Carrying amounts		Nominal values	
US$ millions	**At 30 June 2015**	At 31 December 2014	**At 30 June 2015**	At 31 December 2014
Within one year	**1,273.3**	912.0	**1,273.1**	913.5
One to two years	**403.7**	401.0	**403.8**	401.1
Two to five years	**2,071.5**	2,186.8	**2,079.9**	2,200.7
Over five years	**2,857.3**	2,306.1	**2,870.5**	2,320.0
Total	**6,605.8**	5,805.9	**6,627.3**	5,835.3

The change in the Group's debt maturity profile from 31 December 2014 to 30 June 2015 principally reflects (i) Head Office's new borrowings and reclassification between long-term borrowings and short-term borrowings, (ii) Indofood's reclassification between long-term borrowings and short-term borrowings, (iii) MPIC's new long-term borrowings to finance its acquisition of additional interests in Meralco and (iv) FP Natural Resources' consolidation of RHI and SCBI.

Associated companies and joint venture

	PLDT				Goodman Fielder				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values		Carrying amounts		Nominal values	
US$ millions	**At 30 June 2015**	At 31 December 2014	**At 30 June 2015**	At 31 December 2014	**At 30 June 2015**	At 31 December 2014	**At 30 June 2015**	At 31 December 2014	**At 30 June 2015**	At 31 December 2014	**At 30 June 2015**	At 31 December 2014
Within one year	**371.4**	329.4	**376.7**	333.3	**54.2**	0.4	**54.3**	0.4	**80.5**	96.3	**80.5**	96.3
One to two years	**648.4**	314.5	**651.8**	317.5	**84.9**	88.5	**85.4**	89.1	**-**	-	**-**	-
Two to five years	**904.9**	1,121.4	**909.7**	1,124.9	**171.1**	172.0	**171.6**	172.5	**-**	-	**-**	-
Over five years	**1,263.1**	1,144.6	**1,264.0**	1,145.6	**142.6**	299.2	**143.0**	300.0	**135.3**	133.0	**159.7**	161.0
Total	**3,187.8**	2,909.9	**3,202.2**	2,921.3	**452.8**	560.1	**454.3**	562.0	**215.8**	229.3	**240.2**	257.3

The change in PLDT's debt maturity profile from 31 December 2014 to 30 June 2015 principally reflects loan repayments and new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs. The change in Goodman Fielder's debt maturity profile from 31 December 2014 to 30 June 2015 principally reflects its repayment of borrowings and reclassification between long-term borrowings and short-term borrowings. The decrease in Philex's debt principally reflects loan repayments.

CHARGES ON GROUP ASSETS

At 30 June 2015, certain bank and other borrowings of the Group were secured by the Group's property, plant and equipment, accounts receivable, pledged deposits, cash and cash equivalents and inventories equating to a net book value of US$1,295.7 million (31 December 2014: US$1,052.6 million), receipts from future toll collections and funds in the related accounts of CIC and the Group's interests of 6.9% (31 December 2014: 6.9%) in PLDT, 40.2% (31 December 2014: 43.0%) in MPIC, 100% (31 December 2014: 100%) in CIC, 100% (31 December 2014: 100%) in AIF Toll Road Holdings (Thailand) Limited, 25.9% (31 December 2014: 25.9%) in DMT, 45.1% (31 December 2014: Nil) in Hawaiian-Philippine Company and 93.7% (31 December 2014: Nil) in SCBI.

FINANCIAL RISK MANAGEMENT

FOREIGN CURRENCY RISK

(A) Company risk

As the Head Office debts are currently denominated in U.S. dollars, foreign currency risk relates mainly to the receipt of cash dividends and to the translation of non-U.S. dollar denominated investments in subsidiary and associated companies and joint venture.

The Company actively reviews the potential benefits of hedging based on forecast dividend flows and enters into hedging arrangements (including the use of forward exchange contracts) for managing its foreign currency exposure in respect of dividend income and payments in foreign currency on a transactional basis. However, the Company does not actively seek to hedge risks arising on the translation of foreign currency denominated investments due to (i) the non-cash nature of such exposure until the values of the investments are realized and (ii) the high costs associated with such hedging. Accordingly, the Company is exposed to the impact of foreign currency fluctuations on the translated U.S. dollar value of its foreign currency denominated investments.

With the exception of the Head Office, the principal components of the Group's net asset value (NAV) mainly relate to investments denominated in the peso and the rupiah. Accordingly, any change in these currencies, against their respective 30 June 2015 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

The following table illustrates the estimated effect on the Group's adjusted NAV for a one per cent change of the peso and rupiah exchange rates against the U.S. dollar.

Company	Basis	**Effect on adjusted NAV** US$ millions	**Effect on adjusted NAV per share** HK cents
PLDT	(i)	34.4	6.29
Indofood	(i)	21.7	3.96
MPIC	(i)	15.2	2.78
Philex	(i)	3.1	0.57
Philex Petroleum	(i)	0.1	0.01
FP Natural Resources	(ii)	0.9	0.17
Head Office - Other assets	(iii)	1.1	0.20
Total		**76.5**	**13.98**

(i) Based on quoted share prices at 30 June 2015 applied to the Group's economic interests

(ii) Based on quoted share prices of RHI at 30 June 2015 applied to the Group's effective economic interest and the value of other assets measured at market value or at cost

(iii) Based on the investment cost in Silangan Mindanao Exploration Company, Inc. (SMECI)'s convertible notes

(B) Group risk

The results of the Group's operating entities are denominated in local currencies, principally the peso, the rupiah, the Australian dollar, the New Zealand dollar (NZ$) and the Singapore dollar, which are translated and consolidated to give the Group's results in U.S. dollars.

NET DEBT BY CURRENCY

It is often necessary for operating entities to borrow in U.S. dollars, which results in the risk of a translation impact on local currency results. A summary of consolidated and associated companies' and joint venture's net debt by currency follows.

Consolidated

US$ millions	US$	Peso	Rupiah	S$	Others	**Total**
Total borrowings	2,712.6	1,944.6	1,014.9	828.3	105.4	**6,605.8**
Cash and cash equivalents[(i)]	(485.3)	(753.1)	(595.5)	(31.0)	(6.5)	**(1,871.4)**
Net debt	2,227.3	1,191.5	419.4	797.3	98.9	**4,734.4**
Representing:						
Head Office	1,659.1	(9.2)	-	-	(2.6)	**1,647.3**
Indofood	534.5	-	419.4	290.7	49.0	**1,293.6**
MPIC	39.2	1,004.6	-	-	52.6	**1,096.4**
FPM Power	(5.1)	-	-	506.6	(0.1)	**501.4**
FP Natural Resources	(0.4)	196.1	-	-	-	**195.7**
Net debt	2,227.3	1,191.5	419.4	797.3	98.9	**4,734.4**

Associated companies and joint venure

US$ millions	US$	Peso	NZ$	A$	Others	**Total**
Net debt						
PLDT	1,365.0	999.3	-	-	(1.6)	**2,362.7**
Goodman Fielder	191.5	-	176.9	25.2	(42.8)	**350.8**
Philex	43.2	103.8	-	-	-	**147.0**

(i) Includes short-term deposits, pledged deposits and restricted cash

As a result of unhedged U.S. dollar net debt, the Group's results are sensitive to fluctuations in U.S. dollar exchange rates. The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in the principal operating currencies of subsidiary and associated companies and joint venture. This does not reflect the indirect effect of fluctuating exchange rates on revenues and input costs at the operating company level.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[(i)]	1,659.1	-	1,659.1	-	**-**
Indofood	534.5	-	534.5	5.3	**2.0**
MPIC	39.2	-	39.2	0.4	**0.1**
FPM Power	(5.1)	-	(5.1)	(0.1)	**-**
FP Natural Resources	(0.4)	-	(0.4)	-	**-**
PLDT	1,365.0	(201.9)	1,163.1	11.6	**2.1**
Goodman Fielder	191.5	(197.0)	(5.5)	(0.1)	**-**
Philex	43.2	-	43.2	0.4	**0.1**
Total	**3,827.0**	**(398.9)**	**3,428.1**	**17.5**	**4.3**

(i) As the Group reports its results in U.S. dollars, unhedged U.S. dollar net debt/cash at Head Office does not give rise to any significant exchange exposure.

EQUITY MARKET RISK

As the majority of the Company's investments are listed, the Company is exposed to fluctuations in the equity market values of such investments. In addition, the value of the Company's investments may be impacted by sentiment towards specific countries.

INTEREST RATE RISK

The Company and its operating entities are exposed to changes in interest rates to the extent that they impact the cost of variable interest rate borrowings. An analysis of this for consolidated and associated companies and joint venture follows.

Consolidated

US$ millions	Fixed interest rate borrowings[(i)]	Variable interest rate borrowings[(i)]	Cash and cash equivalents[(ii)]	**Net debt**
Head Office	1,487.5	317.2	(157.4)	**1,647.3**
Indofood	299.1	1,924.9	(930.4)	**1,293.6**
MPIC	1,744.9	97.2	(745.7)	**1,096.4**
FPM Power	509.3	22.1	(30.0)	**501.4**
FP Natural Resources	134.0	69.6	(7.9)	**195.7**
Total	4,174.8	2,431.0	(1,871.4)	**4,734.4**
Associated companies and joint venture				
PLDT	2,707.4	480.4	(825.1)	**2,362.7**
Goodman Fielder	231.6	221.2	(102.0)	**350.8**
Philex	135.3	80.5	(68.8)	**147.0**

(i) Reflects certain interest rate swap agreements which effectively changed variable interest rate borrowings to fixed interest rate borrowings
(ii) Includes short-term deposits, pledged deposits and restricted cash

The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in average annual interest rates in respect of the variable interest rate borrowings.

US$ millions	Variable interest rate borrowings	Profit effect of 1% change in interest rates	**Group net profit effect**
Head Office	317.2	3.2	**3.2**
Indofood	1,924.9	19.2	**7.2**
MPIC	97.2	1.0	**0.4**
FPM Power	22.1	0.2	**0.1**
FP Natural Resources	69.6	0.7	**0.3**
PLDT	480.4	4.8	**0.9**
Goodman Fielder	221.2	2.2	**0.8**
Philex	80.5	0.8	**0.3**
Total	**3,213.1**	**32.1**	**13.2**

ADJUSTED NAV PER SHARE

There follows a calculation of the Group's underlying worth.

US$ millions	Basis	**At 30 June 2015**	At 31 December 2014
PLDT	(i)	**3,442.8**	3,589.9
Indofood	(i)	**2,168.0**	2,385.3
MPIC	(i)	**1,523.5**	1,493.9
Philex	(i)	**310.2**	390.3
Philex Petroleum	(i)	**8.0**	32.1
Goodman Fielder	(ii)	**554.0**	100.8
FPM Power	(iii)	**335.3**	335.3
FP Natural Resources	(iv)	**94.8**	63.4
Head Office - Other assets	(v)	**111.8**	112.7
- Net debt		**(1,647.3)**	(1,227.5)
Total valuation		**6,901.1**	7,276.2
Number of ordinary shares in issue (millions)		**4,268.5**	4,287.0
Value per share			
- U.S. dollars		**1.62**	1.70
- HK dollars		**12.61**	13.24
Company's closing share price (HK$)		**6.54**	7.69
Share price discount to HK$ value per share (%)		**48.1**	41.9

(i) Based on quoted share prices applied to the Group's economic interests

(ii) Represents investment costs in a 50.0% economic interest in Goodman Fielder at 30 June 2015 and based on quoted share price applied to the Group's 9.8% interest in Goodman Fielder at 31 December 2014

(iii) Represents investment costs in FPM Power

(iv) Mainly represents RHI (based on quoted share price applied to the Group's effective economic interest) and other assets

(v) Represent investment cost in SMECI's convertible notes

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 20 March 2012, the Company's Directors approved a share repurchase program to spend, subject to the state of the financial markets, economic conditions affecting group companies and potential merger and acquisition opportunities, up to 10% of its annual recurring profit on share repurchases. Under this program, on 25 March 2014, the Company's Directors approved to allocate US$32.7 million, representing approximately 10% of the Group's recurring profit of US$327.1 million in respect of the financial year ended 31 December 2013, to repurchase shares in the Company by way of "on-market" repurchases. On 24 March 2015, the Company's Directors approved to allocate up to US$32.4 million, representing approximately 10% of the Group's recurring profit of US$323.9 million in respect of the financial year ended 31 December 2014, to repurchase shares in the Company by way of "on-market" repurchases.

During the period ended 30 June 2015, the Company repurchased 18,778,000 (2014: 13,376,000) ordinary shares on the SEHK at an aggregate consideration of HK$139.1 million (US$18.0 million) (2014: HK$107.1 million or US$13.8 million). These shares have been subsequently cancelled. Details of the repurchases are summarized as follows:

		Purchase price paid per share		Aggregate consideration paid	
Month of repurchases	Number of ordinary shares repurchased	Highest HK$	Lowest HK$	HK$ millions	US$ millions
January 2015	2,926,000	7.96	7.67	22.8	3.0
April 2015	2,894,000	7.52	7.39	21.6	2.8
May 2015	12,958,000	7.46	7.17	94.7	12.2
Total	**18,778,000**			**139.1**	**18.0**

The repurchases were effected by the Directors with a view to benefiting the shareholders as a whole by enhancing the Company's net assets and earnings per share.

Except as disclosed above, neither the Company, nor any of its subsidiary companies, has made any purchase, sale or redemption of any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

Corporate Governance Practices

First Pacific is committed to building and maintaining high standards of corporate governance. During the period ended 30 June 2015, the Company's Corporate Governance Committee, comprised of a majority of Independent Non-executive Directors (INEDs) and chaired by an INED, was delegated with the responsibility for supervision of the Company's corporate governance functions, carried out a review of its corporate governance practices to ensure compliance with the Listing Rule requirements.

Throughout the period, First Pacific has applied the principles and complied with all Code Provisions as contained in its own Corporate Governance Code, which incorporates the principles and requirements set out in the Corporate Governance Code (Appendix 14 of the Listing Rules), where appropriate, with the exception of Code Provision A.3.3. As a result of the retirement of Mr. Graham L. Pickles as an INED on 3 June 2015, the Company has three INEDs and the number of INEDs has temporarily fallen below one third of the Board (which is a requirement of the Listing Rules). The Company is currently interviewing prospective candidates to fill the vacancy created by Mr. Pickles' retirement, with the Nomination Committee overseeing that process in accordance with the Committee's Terms of Reference. The Company will endeavor to appoint a new INED within the three month period permitted by the Listing Rules, and to announce the appointment in due course.

Compliance of the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has adopted its own Model Code for Securities Transactions by Directors (the Model Code) on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2015.

Continuing Connected Transactions

During the period, the INEDs agreed with the Directors in relation to the following continuing connected transaction and approved the disclosure of the transaction in the form of a published announcement:

- 16 January 2015: following the expiry of the previous framework agreement between D.M. Consunji, Inc. (Consunji), a subsidiary of DMCI Holdings Inc. (DMCI), and Maynilad Water Services, Inc. (Maynilad) on 31 December 2014, Consunji and Maynilad have entered into a new Framework Agreement on substantially the same term as the previous framework agreement in order to continue performance of the services under the previous framework agreement and to allow Consunji to continue submitting proposals for business put out to competitive tender by Maynilad. Similarly, following the expiry of the lease agreement between DMCI Project Developers, Inc. (DMCIPD), a subsidiary of DMCI, and Maynilad, on 31 January 2015, DMCIPD and Maynilad have entered into a Renewal Contract, pursuant to which they have mutually agreed to further renew the lease agreement for a period of three years.

  The First Pacific group has an approximately 51.3% interest in Maynilad Water Holding Company, Inc. (MWHC), the holding company of Maynilad. By virtue of Rule 14A.07(1) of the Listing Rules, one of the shareholders owning an approximately 27.2% interest in MWHC, DMCI Holdings Inc. (DMCI), is a connected person of the Company. Consunji and DMCIPD are subsidiaries of DMCI, hence, connected persons of the Company. Accordingly, the entering into of the Framework Agreement and the Renewal Contract each constitutes a continuing connected transaction for the Company and is required to be disclosed pursuant to the Listing Rule requirements. Since Consunji and DMCIPD are connected persons only at the subsidiary level of the Company, the Framework Agreement and the Renewal Contract and their related annual caps are subject only to reporting and announcement requirements and are exempt from circular (including independent financial advice) and independent shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

Internal Control and Risk Management

The Board is responsible for maintaining an adequate system of internal controls in the Group and reviewing their effectiveness through the Audit Committee.

During the period ended 30 June 2015, the Audit Committee reviewed and advised that:

- The internal controls and accounting systems of the Group function effectively and are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorization and the financial statements are reliable for publication and compliant with all relevant laws and regulations.

- There are processes in place for identifying, evaluating and managing the material business risks faced by the Group. Such processes are incorporated in all the Group's businesses.

- There are adequate resources, qualified and experienced staff, training programs and budget for the Group's accounting and financial reporting function.

REVIEW STATEMENTS BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the 2015 interim results, including the accounting policies and practices adopted by the Group.

INTERIM DIVIDEND

The Board has declared an interim cash dividend of HK8.00 cents (U.S. 1.03 cents) per ordinary share. It is expected that the interim dividend will be paid in a currency to be determined based on the registered address of each shareholder on the Company's Register of Members as follows: Hong Kong dollars for shareholders with registered addresses in Hong Kong, Macau and PRC, Sterling pounds for shareholders with registered addresses in the United Kingdom and U.S. dollars for shareholders with registered addresses in all other countries. It is expected that the dividend warrants will be dispatched to shareholders on or about Friday, 25 September 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Tuesday, 15 September 2015 to Thursday, 17 September 2015, both days inclusive, during which period no transfer of shares will be registered. The ex-dividend date will be Friday, 11 September 2015. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 14 September 2015. The interim dividend will be paid to shareholders whose names appear on the Register of Members on Thursday, 17 September 2015 and the payment date will be on or about Friday, 25 September 2015.

RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Company (www.firstpacific.com) and the designated issuer website of the Stock Exchange (www.hkexnews.hk). The 2015 interim report containing all the information required by the Listing Rules will be mailed to shareholders and made available on the above websites by the end of September 2015.

On behalf of the Board of Directors
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and Chief Executive Officer

Hong Kong, 31 August 2015

As at the date of this announcement, the Board of the Company comprises the following Directors:

Executive Directors:
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson

Non-executive Directors:
Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Napoleon L. Nazareno

Independent Non-executive Directors:
Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok