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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

ANNOUNCEMENT MADE BY PHILIPPINE LONG DISTANCE TELEPHONE COMPANY IN RELATION TO ITS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2016

This Announcement is made by First Pacific Company Limited (“First Pacific” or the “Company”) pursuant to the requirements of Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to provide shareholders of First Pacific and the public with the unaudited consolidated financial results of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of the Company, for the three months ended 31 March 2016.

Summary

On 3 May 2016, the board of directors of PLDT approved the release of its unaudited consolidated financial results for the three months ended 31 March 2016. PLDT’s unaudited consolidated financial results have been submitted to the Philippine Stock Exchange, Inc. (“PSE”) and the New York Stock Exchange, Inc. (“NYSE”) by way of disclosure on 3 May 2016, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of the HKEX and the Company.

PLDT, a major operating associate of First Pacific, is a company incorporated in the Philippines, whose shares are listed on the PSE. In addition, PLDT’s American Depositary Receipts are listed on the NYSE. First Pacific and its Philippine affiliates have a 25.6% attributable economic interest in PLDT. On 3 May 2016, the board of directors of PLDT approved the release of its unaudited consolidated financial results for the three months ended 31 March 2016. PLDT’s unaudited consolidated financial results have been submitted to the PSE and the NYSE by way of disclosure on 3 May 2016, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of the HKEX and the Company. The unaudited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and are presented in Philippine Peso. PLDT’s unaudited Consolidated Income Statements for the three months ended 31 March 2016 and 2015, as well as the unaudited Consolidated Statement of Financial Position as at 31 March 2016 and the audited Consolidated Statement of Financial Position as at 31 December 2015 are provided below:

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS**

FOR THE THREE MONTHS ENDED 31 MARCH 2016 AND 2015

(in million pesos, except earnings per common share amounts which are in pesos)

	2016	2015
	(Unaudited)	
REVENUES		
Service revenues	40,598	40,548
Non-service revenues	2,181	2,005
	<u>42,779</u>	<u>42,553</u>
EXPENSES		
Depreciation and amortization	7,158	6,896
Cost of sales	5,233	3,704
Compensation and employee benefits	5,231	4,981
Repairs and maintenance	3,671	3,667
Asset impairment	3,228	866
Interconnection costs	2,436	2,583
Professional and other contracted services	2,174	1,926
Selling and promotions	1,718	2,017
Rent	1,670	1,458
Taxes and licenses	1,322	1,051
Insurance and security services	463	460
Communication, training and travel	301	311
Amortization of intangible assets	272	268
Other expenses	309	247
	<u>35,186</u>	<u>30,435</u>
	<u>7,593</u>	<u>12,118</u>
OTHER INCOME		
Foreign exchange gains – net	970	43
Equity share in net earnings of associates and joint ventures	637	653
Interest income	255	184
Gains (losses) on derivative financial instruments – net	(497)	30
Financing costs – net	(1,804)	(1,535)
Other income – net	1,808	763
	<u>1,369</u>	<u>138</u>
INCOME BEFORE INCOME TAX	<u>8,962</u>	<u>12,256</u>
PROVISION FOR INCOME TAX	<u>2,729</u>	<u>2,858</u>
NET INCOME	<u>6,233</u>	<u>9,398</u>
ATTRIBUTABLE TO:		
Equity holders of PLDT	6,217	9,387
Noncontrolling interests	16	11
	<u>6,233</u>	<u>9,398</u>
Earnings Per Share Attributable to Common Equity Holders of PLDT		
Basic	28.71	43.38
Diluted	28.71	43.38

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(in million pesos)

	As at 31 March 2016 (Unaudited)	As at 31 December 2015 (Audited)
ASSETS		
Noncurrent Assets		
Property and equipment	202,588	195,782
Investments in associates and joint ventures	49,454	48,703
Available-for-sale financial investments	14,126	15,711
Investment in debt securities and other long-term investments – net of current portion	942	952
Investment properties	1,825	1,825
Goodwill and intangible assets	71,908	72,117
Deferred income tax assets – net	22,011	21,941
Derivative financial assets – net of current portion	57	145
Prepayments – net of current portion	4,499	3,475
Advances and other noncurrent assets – net of current portion	3,020	3,003
Total Noncurrent Assets	<u>370,430</u>	<u>363,654</u>
Current Assets		
Cash and cash equivalents	45,262	46,455
Short-term investments	3,228	1,429
Trade and other receivables	27,168	24,898
Inventories and supplies	5,704	4,614
Current portion of derivative financial assets	11	26
Current portion of investment in debt securities and other long-term investments	51	51
Current portion of prepayments	6,040	5,798
Current portion of advances and other noncurrent assets	8,208	8,170
Total Current Assets	<u>95,672</u>	<u>91,441</u>
TOTAL ASSETS	<u><u>466,102</u></u>	<u><u>455,095</u></u>

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
(in million pesos)

	As at 31 March 2016 (Unaudited)	As at 31 December 2015 (Audited)
EQUITY AND LIABILITIES		
Equity		
Non-voting serial preferred stock	360	360
Voting preferred stock	150	150
Common stock	1,093	1,093
Treasury stock	(6,505)	(6,505)
Capital in excess of par value	130,515	130,517
Retained earnings	82	6,195
Other comprehensive loss	(20,373)	(18,202)
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Total Equity Attributable to Equity Holders of PLDT	105,322	113,608
Noncontrolling interests	281	290
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TOTAL EQUITY	105,603	113,898
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Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	130,974	143,982
Deferred income tax liabilities – net	3,599	3,704
Derivative financial liabilities – net of current portion	1,359	736
Customers’ deposits	2,423	2,430
Pension and other employee benefits	10,941	10,197
Deferred credits and other noncurrent liabilities	19,335	21,482
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Total Noncurrent Liabilities	168,631	182,531
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Current Liabilities		
Accounts payable	60,098	52,679
Accrued expenses and other current liabilities	83,572	84,286
Current portion of interest-bearing financial liabilities	30,217	16,911
Provision for claims and assessments	897	897
Dividends payable	13,795	1,461
Current portion of derivative financial liabilities	338	306
Income tax payable	2,951	2,126
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Total Current Liabilities	191,868	158,666
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TOTAL LIABILITIES	360,499	341,197
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TOTAL EQUITY AND LIABILITIES	466,102	455,095
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GENERAL

Shareholders should note that the above unaudited and audited financial results pertain only to PLDT and not to First Pacific itself.

The above information only refers to certain sections of PLDT's disclosure and shareholders should refer to PLDT's original filing submitted to the PSE (<http://www.pse.com.ph>) and the NYSE (<http://www.nyse.com>), as well as disclosed as the Company's Overseas Regulatory Announcement on the websites of the HKEX and the Company on 3 May 2016.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

Hong Kong, 3 May 2016

As at the date of this announcement, the Board 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
Madeleine Lee Suh Shin