



Press Release

2015 FULL-YEAR FINANCIAL RESULTS

NET PROFIT UP 5% TO US\$85.1 MLN
RECURRING PROFIT DOWN 9% AT US\$293.9 MLN
CONTRIBUTION FROM OPERATIONS DOWN 6% AT US\$432.9 MLN
FINAL DIVIDEND 5.5 HK CENTS/SHARE
FULL YEAR DIVIDEND 13.5 HK CENTS/SHARE

Hong Kong, 30th March, 2016 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its audited financial results for the year ended 31st December 2015, showing a rise in net profit notwithstanding difficult trading conditions.

First Pacific, a leading investment management and holding company focused on the economies of emerging Asia, is a major or controlling shareholder in the Philippines’ biggest/leading telecommunications, infrastructure and mining companies and in Indonesia’s biggest vertically-integrated food company as well as in one of Australia’s and New Zealand’s biggest food companies.

Under trading conditions marked by intense competition, unfavorable currency movements and weakened commodity prices, net profit rose 5% to US\$85.1 million from US\$81.0 million owing to lower write-downs on investments. Turnover declined 6% to US\$6.44 billion from US\$6.84 billion largely as a result of much weaker regional currencies. The Indonesian rupiah was down 12% during 2015 from its average exchange rate a year earlier; the Philippine peso fell 3% in the year.

Total contribution from operations fell 6% to US\$432.9 million from US\$462.7 million, pulled down primarily by PT Indofood Sukses Makmur Tbk (“Indofood”) on rupiah weakness, and Philippine Long Distance Telephone Company (“PLDT”), hurt by competitive market conditions. Stronger results from Metro Pacific Investments Corporation (“MPIC”) and a first-ever contribution from Goodman Fielder headquartered in Australia mitigated these shortfalls. Recurring profit fell 9% to US\$293.9 million from US\$323.9 million a year earlier on lower contribution from operations, and slightly higher interest expense, partly offset by lower other expenses.

In local currency terms, MPIC recorded its highest-ever earnings in 2015.

“Difficult market conditions at PLDT which resulted in lower profitability, and the adverse impact to Indofood from exchange rate and commodity price weaknesses were the main factors in our weakened performance in 2015,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific.

“As a result, we consider it prudent to conserve resources and meet our commitment to a minimum payout ratio of 25% by declaring a final dividend of 5.5 HK cents per share,” he said. “This will reduce our full-year dividend to 13.5 HK cents in 2015 from 21.0 HK cents in 2014.”

In U.S. dollar terms, the final dividend recommended by First Pacific’s Board amounts to 0.71 U.S. cents per share, and brings the full-year regular dividend to 1.74 U.S. cents versus 2.70 U.S. cents in 2014.

First Pacific maintains a dividend policy of distributing dividends amounting to no less than 25% of recurring profit. In 2015, shares repurchased from the market and canceled amounted to US\$19 million, or 6% of recurring profit. Together with the dividend payout, total cash returns to shareholders in 2015 amounted to 31% of recurring profit.

PLDT saw its contribution decline to US\$180.7 million from US\$195.7 million a year earlier while Indofood’s contribution fell 18% to US\$130.3 million from US\$158.4 million as a weaker rupiah reduced the U.S. dollar value of its rupiah-denominated income in 2015.

Contribution growth came from MPIC and Goodman Fielder. MPIC delivered the strongest growth in operating unit contribution, rising 11% to US\$118.2 million from US\$106.6 million. Goodman Fielder made its first-ever contribution, US\$13.3 million, following its March 2015 takeover by a 50:50 joint venture between First Pacific and Wilmar International Ltd.

Philex Mining Corporation (“Philex”) saw its contribution fall 52% to US\$4.9 million from US\$10.2 million as lower metal prices and lower sale volume cut into its earnings. The negative contribution from FPM Power, the holding company for PacificLight Power Pte. Ltd., Singapore’s newest power plant, fell to US\$10.7 million from US\$12.0 million. FP Natural Resources, the holding company for sugar and coconut investments in the Philippines, swung to a negative contribution of US\$3.8 million from a positive contribution of US\$1.6 million in 2014 on reduced supplies of sugar cane and start-up losses from its coconut operations.

First Pacific collected US\$269 million in dividend and fee income from its operating companies in 2015, down from the US\$304 million received in 2014 mainly due to currency weakness.

Foreign exchange losses increased significantly to US\$48.5 million in 2015 from US\$9.3 million in 2014.

Non-recurring losses in First Pacific’s full-year earnings fell sharply to US\$158.6 million from US\$234.3 million in 2014 principally reflecting the lower amount of impairment provision for the Group’s investments in Philex. This accounted for the increase in net profit to US\$85.1 million from US\$81.0 million.

At 31st December 2015, gross debt at the Head Office stood at US\$1.8 billion. Fixed-rate debt made up 82% of the total, with floating-rate debt making up the remaining 18%. First Pacific’s blended interest cost amounted to 5.3% and the average maturity of its debt was 4.2 years. The next major debt maturity will take place in July 2017 with the maturity of a seven-year US\$300 million bond.

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

REVIEW OF OPERATIONS

PLDT reported a 6% decline in core income last year to ₱35.2 billion from ₱37.4 billion in 2014 owing mainly to lower cellular service revenues due to intense competition, higher compensation and employee benefits expense and financing costs, partly offset by lower provision for income tax and higher fixed line service revenues.

More details are available at www.pldt.com.

Indofood reported a 10% decline in core income to Rp3.6 trillion from Rp3.9 trillion a year earlier on currency weakness, lower average selling prices by its Agribusiness and Bogasari flour and pasta divisions, partly offset by higher average selling prices at the Noodles division.

More details are available at www.indofood.com.

MPIC reported a 22% increase in core income to ₱10.3 billion from ₱8.5 billion in 2014 as each of its four main businesses delivered strong growth in spite of regulatory challenges.

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

Philex reported a 19% decline in core income to ₱905 million from ₱1.12 billion in 2014 on lower metal prices.

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

Goodman Fielder reported its first-ever contribution of US\$13.3 million to the Company.

More details are available at www.goodmanfielder.com.au.

OUTLOOK

Despite a difficult 2015, the First Pacific Group looks to the future with optimism.

PLDT will continue to focus on its digital pivot into a data-intensive, multi-media business. This will entail continuing investment in data infrastructure and internet and media-related assets and content. Its Core Income has been guided to decline as a result to ₱28.0 billion in 2016.

Indofood's strong sales growth in recent years is expected to continue in 2016, although market growth will continue to face challenges from increasing competition in most market segments.

MPIC faces some difficulty in forecasting its 2016 earnings because of continuing regulatory uncertainty. However, continuing strong growth in most of its main businesses bode well for its core earnings even as it seeks further investments in infrastructure. MPIC's performance is being helped by a strong Philippine economy.

Philex continues to work on a definitive feasibility study for its significant Silangan gold and copper mining project in Mindanao, while additional resources have been discovered in the existing Padcal mine, whose mine life has been extended to 2022. Discovery of further resources in the region would further extend Padcal's mine life.

First Pacific Chief Executive Pangilinan concluded:

“2016 will continue the transformation begun last year at PLDT, which is accelerating into a digital telecommunications and internet/media company. Our newest investment, Goodman Fielder, has begun stabilizing its domestic operations and has commenced a pivot to emerging Asia, an area for growth for 2016 and beyond. Indofood and MPIC will continue to sustain strong earnings growth over the medium term in their respective markets. Philex is continuing to explore new avenues of growth, both at Silangan and closer to home, at Padcal. Prospects for both mines look encouraging. Given the strong commitment and talent of our management team and the continuing positive outlook for certain economies of emerging Asia, our outlook for 2016 and beyond is positive for First Pacific.”

Further information and analysis

Attached to this news release are:

- First Pacific's consolidated income statement
- Consolidated statement of financial position
- Contribution and profit summary

More details about the earnings of First Pacific and of its operating companies can be found on www.firstpacific.com under the Investor Relations tab. The 2015 Annual Report will be posted to the website and to shareholders before the end of April 2016.

Corporate Profile

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

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CONSOLIDATED INCOME STATEMENT - AUDITED

For the year ended 31 December	2015	2014
US\$ millions		
Turnover	6,437.0	6,841.3
Cost of sales	(4,615.3)	(4,924.0)
Gross profit	1,821.7	1,917.3
Selling and distribution expenses	(513.6)	(527.0)
Administrative expenses	(493.0)	(548.3)
Other operating expenses, net	(142.2)	(196.4)
Interest income	78.2	89.2
Finance costs	(374.8)	(356.8)
Share of profits less losses of associated companies and joint ventures	229.7	279.1
Profit before taxation	606.0	657.1
Taxation	(193.8)	(199.5)
Profit for the year from continuing operations	412.2	457.6
Profit for the year from a discontinued operation	26.2	63.2
Profit for the year	438.4	520.8
Attributable to:		
Owners of the parent		
- For profit from continuing operations	74.2	54.8
- For profit from a discontinued operation	10.9	26.2
- For profit for the year	85.1	81.0
Non-controlling interests		
- For profit from continuing operations	338.0	402.8
- For profit from a discontinued operation	15.3	37.0
- For profit for the year	353.3	439.8
	438.4	520.8
	US¢	US¢
Earnings per share attributable to owners of the parent		
Basic		
- For profit from continuing operations	1.74	1.28
- For profit from a discontinued operation	0.25	0.61
- For profit for the year	1.99	1.89
Diluted		
- For profit from continuing operations	1.73	1.27
- For profit from a discontinued operation	0.25	0.60
- For profit for the year	1.98	1.87

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - AUDITED

US\$ millions	At 31 December 2015	At 31 December 2014
Non-current assets		
Property, plant and equipment	3,061.1	2,731.8
Plantations	1,151.1	1,210.7
Associated companies and joint ventures	4,360.5	3,568.4
Goodwill	1,023.8	1,057.6
Other intangible assets	3,151.2	2,511.8
Investment properties	9.7	-
Accounts receivable, other receivables and prepayments	8.8	11.8
Available-for-sale assets	44.1	193.8
Deferred tax assets	199.5	200.2
Pledged deposits and restricted cash	30.0	30.9
Other non-current assets	312.1	385.9
	13,351.9	11,902.9
Current assets		
Cash and cash equivalents and short-term deposits	1,612.3	2,265.9
Pledged deposits and restricted cash	51.7	53.2
Available-for-sale assets	124.8	59.2
Accounts receivable, other receivables and prepayments	758.5	661.2
Inventories	631.0	717.2
	3,178.3	3,756.7
Assets classified as held for sale	1,062.6	982.4
	4,240.9	4,739.1
Current liabilities		
Accounts payable, other payables and accruals	1,241.0	1,192.4
Short-term borrowings	998.6	912.0
Provision for taxation	44.7	51.0
Current portion of deferred liabilities, provisions and payables	348.1	321.9
	2,632.4	2,477.3
Liabilities directly associated with the assets classified as held for sale	436.2	335.9
	3,068.6	2,813.2
Net current assets	1,172.3	1,925.9
Total assets less current liabilities	14,524.2	13,828.8
Equity		
Issued share capital	42.7	42.9
Shares held for share award scheme	(6.0)	(8.7)
Retained earnings	1,508.7	1,540.1
Other components of equity	1,603.5	1,854.1
Equity attributable to owners of the parent	3,148.9	3,428.4
Non-controlling interests	4,480.2	4,288.6
Total equity	7,629.1	7,717.0
Non-current liabilities		
Long-term borrowings	5,363.3	4,893.9
Deferred liabilities, provisions and payables	1,128.9	850.0
Deferred tax liabilities	402.9	367.9
	6,895.1	6,111.8
	14,524.2	13,828.8

CONTRIBUTION AND PROFIT SUMMARY

For the year ended 31 December	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2015	2014	2015	2014
US\$ millions				
PLDT ⁽ⁱⁱ⁾	-	-	180.7	195.7
Indofood	4,763.4	5,350.4	130.3	158.4
MPIC	816.5	761.5	118.2	106.6
FPW ⁽ⁱⁱⁱ⁾	-	-	13.3	-
Philex ⁽ⁱⁱ⁾	-	-	4.9	10.2
FPM Power	663.5	729.4	(10.7)	(12.0)
FP Natural Resources	193.6	-	(3.8)	1.6
FPM Infrastructure	-	-	-	2.2
Contribution from operations^(iv)	6,437.0	6,841.3	432.9	462.7
Head Office items:				
- Corporate overhead			(31.8)	(31.5)
- Net interest expense			(94.4)	(90.0)
- Other expenses			(12.8)	(17.3)
Recurring profit^(v)			293.9	323.9
Foreign exchange and derivative losses ^(vi)			(48.5)	(9.3)
(Loss)/gain on changes in fair value of plantations			(1.7)	0.7
Non-recurring items ^(vii)			(158.6)	(234.3)
Profit attributable to owners of the parent			85.1	81.0

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

(ii) Associated companies

(iii) Joint venture

(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.

(v) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses, loss/gain on changes in fair value of plantations and non-recurring items.

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

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2015's non-recurring losses of US\$158.6 million mainly represent the Group's impairment provision in respect of its investments in Philex (US\$89.1 million), PLDT's impairment provisions for its fixed assets affected by network upgrade (US\$32.7 million) and investment in Rocket Internet shares (US\$28.7 million) and MPIC's project expenses (US\$5.7 million). 2014's non-recurring losses of US\$234.3 million mainly represent the Group's impairment provision in respect of its investments in Philex (US\$188.0 million), PLDT's impairment provisions for its fixed assets affected by network upgrade (US\$17.6 million), Philex and MPIC's manpower rightsizing costs (US\$4.9 million), MPIC's project expenses (US\$3.0 million) and taxes incurred in hospital group reorganization (US\$2.6 million).