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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 PLDT INC.

IN RELATION TO ITS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 PLDT Inc. (“PLDT”), a major operating associate of the Company, for the year ended 31 December 2016.

Summary

On 7 March 2017, the board of directors of PLDT approved the release of its unaudited consolidated financial results for the year ended 31 December 2016. PLDT’s unaudited consolidated financial results have been submitted to the PSE and the NYSE by way of disclosure on 7 March 2017, 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 Philippine Stock Exchange, Inc. (“PSE”). In addition, PLDT’s American Depositary Receipts are listed on the New York Stock Exchange, Inc. (“NYSE”). First Pacific and its Philippine affiliates have a 25.6% attributable economic interest in PLDT. On 7 March 2017, the board of directors of PLDT approved the release of its unaudited consolidated financial results for the year ended 31 December 2016. PLDT’s unaudited consolidated financial results have been submitted to the PSE and the NYSE by way of disclosure on 7 March 2017, 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 Statement for the year ended 31 December 2016 and the audited Consolidated Income Statements for the years ended 31 December 2015 and 2014, as well as the unaudited Consolidated Statement of Financial Position as at 31 December 2016 and the audited Consolidated Statement of Financial Position as at 31 December 2015 are provided below:

PLDT INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2016, 2015 AND 2014
(in million pesos, except earnings per common share amounts which are in pesos)

	2016 (Unaudited)	2015 (Audited)	2014 (Audited)
REVENUES			
Service revenues	157,210	162,930	164,943
Non-service revenues	8,052	8,173	5,892
	<u>165,262</u>	<u>171,103</u>	<u>170,835</u>
EXPENSES			
Depreciation and amortization	34,455	31,519	31,379
Compensation and employee benefits	19,928	21,606	18,749
Cost of sales	16,753	16,389	13,512
Repairs and maintenance	15,212	15,035	14,988
Asset impairment	11,042	9,690	6,046
Interconnection costs	9,573	10,317	10,420
Professional and other contracted services	9,474	8,234	7,748
Selling and promotions	7,687	9,747	10,619
Rent	6,912	6,376	6,692
Taxes and licenses	3,782	4,592	4,563
Insurance and security services	1,739	1,797	1,884
Communication, training and travel	1,253	1,349	1,552
Amortization of intangible assets	929	1,076	1,149
Cost of content	576	225	–
Other expenses	1,244	1,316	1,156
	<u>140,559</u>	<u>139,268</u>	<u>130,457</u>
	<u>24,703</u>	<u>31,835</u>	<u>40,378</u>
OTHER INCOME (EXPENSES)			
Equity share in net earnings of associates and joint ventures	1,181	3,241	3,841
Interest income	1,046	799	752
Gains (losses) on derivative financial instruments – net	996	420	(101)
Foreign exchange losses – net	(2,785)	(3,036)	(382)
Financing costs – net	(7,354)	(6,259)	(5,320)
Other income (expense) – net	4,284	(362)	4,980
	<u>(2,632)</u>	<u>(5,197)</u>	<u>3,770</u>
INCOME BEFORE INCOME TAX	<u>22,071</u>	<u>26,638</u>	<u>44,148</u>
PROVISION FOR INCOME TAX	<u>1,909</u>	<u>4,563</u>	<u>10,058</u>
NET INCOME	<u>20,162</u>	<u>22,075</u>	<u>34,090</u>
ATTRIBUTABLE TO:			
Equity holders of PLDT	20,006	22,065	34,091
Noncontrolling interests	156	10	(1)
	<u>20,162</u>	<u>22,075</u>	<u>34,090</u>
Earnings Per Share Attributable to Common Equity Holders of PLDT			
Basic	92.33	101.85	157.51
Diluted	92.33	101.85	157.51

PLDT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016 AND 2015
(in million pesos)

	31 December 2016 (Unaudited)	31 December 2015 (Audited)
ASSETS		
Noncurrent Assets		
Property and equipment	203,188	195,782
Investments in associates and joint ventures	56,858	48,703
Available-for-sale financial investments	12,189	15,711
Investment in debt securities and other long-term investments – net of current portion	374	952
Investment properties	1,890	1,825
Goodwill and intangible assets	70,280	72,117
Deferred income tax assets – net	27,183	21,941
Derivative financial assets – net of current portion	499	145
Prepayments – net of current portion	7,056	3,475
Advances and other noncurrent assets – net of current portion	9,473	3,003
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Total Noncurrent Assets	388,990	363,654
Current Assets		
Cash and cash equivalents	38,722	46,455
Short-term investments	2,738	1,429
Trade and other receivables	24,436	24,898
Inventories and supplies	3,744	4,614
Current portion of derivative financial assets	242	26
Current portion of investment in debt securities and other long-term investments	326	51
Current portion of prepayments	7,670	5,798
Current portion of advances and other noncurrent assets	8,251	8,170
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Total Current Assets	86,129	91,441
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TOTAL ASSETS	475,119	455,095
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PLDT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016 AND 2015
(in million pesos)

	31 December 2016 (Unaudited)	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	130,488	130,517
Retained earnings	3,483	6,195
Other comprehensive loss	(20,894)	(18,202)
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Total Equity Attributable to Equity Holders of PLDT	108,175	113,608
Noncontrolling interests	362	290
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TOTAL EQUITY	108,537	113,898
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Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	151,759	143,982
Deferred income tax liabilities – net	3,567	3,704
Derivative financial liabilities – net of current portion	2	736
Customers’ deposits	2,431	2,430
Pension and other employee benefits	11,206	10,197
Deferred credits and other noncurrent liabilities	15,604	21,482
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Total Noncurrent Liabilities	184,569	182,531
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Current Liabilities		
Accounts payable	52,950	52,679
Accrued expenses and other current liabilities	92,219	84,286
Current portion of interest-bearing financial liabilities	33,273	16,911
Provision for claims and assessments	897	897
Dividends payable	1,544	1,461
Current portion of derivative financial liabilities	225	306
Income tax payable	905	2,126
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Total Current Liabilities	182,013	158,666
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TOTAL LIABILITIES	366,582	341,197
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TOTAL EQUITY AND LIABILITIES	475,119	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 7 March 2017.

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

Hong Kong, 7 March 2017

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
Ambassador Albert F. del Rosario

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