



## Press Release

### 2012 FULL-YEAR FINANCIAL RESULTS

- *TURNOVER UP 5% TO US\$6.0 BLN – THIRD HIGHEST EVER*
- *RECORD HIGH CONTRIBUTION FROM METRO PACIFIC*
- *MPIC AND INDOFOOD REPORT RECORD HIGH EARNINGS*
- *RECURRING PROFIT DOWN 15% TO US\$360.3 MLN*
- *MAIN FACTOR BEING SUSPENSION AT PHILEX MINING*
- *DIVIDEND PAYOUT RATIO AT RECORD HIGH 29%*
- *FINAL DIVIDEND UNCHANGED AT 13.0 HK CENTS/SHARE*
- *FY DIVIDEND UNCHANGED AT 21.0 HK CENTS/SHARE*

Hong Kong, 19<sup>th</sup> March, 2013 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today reported its audited financial results for the year ended 31<sup>st</sup> December 2012 with recurring profit declining 15% to US\$360.3 million from a record US\$423.0 million a year earlier, principally owing to the closure of mining operations of Philex Mining Corporation (“Philex”) for the last five months of the year.

The 2012 recurring profit figure was nevertheless the third-highest recorded in the Company’s history. Turnover rose 5% to US\$6.0 billion from US\$5.7 billion in 2011. 2012 reported net profit fell 39% to US\$348.8 million from US\$574.0 million (restated) in 2011 largely due to the non-repetition of a large non-recurring gain in the earlier year.

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

Contribution from operations declined 10% to US\$463.1 million in 2012 from US\$511.8 million a year earlier. The largest component of the decline was a 72% decline in contribution from Philex to US\$13.8 million from US\$50.1 million, stemming from a suspension of operations at the Padcal mine from 1<sup>st</sup> August 2012 following a breach in its tailings pond.

This was followed by a 10% fall in the contribution from Philippine Long Distance Telephone Company (“PLDT”) to US\$193.1 million from US\$215.0 million owing to a difficult competitive environment. The contribution from PT Indofood Sukses Makmur Tbk

(“Indofood”) declined 5% to US\$170.1 million from US\$178.5 million as a 7% decline in the rupiah exchange rate offset record-high earnings in local currency terms. Metro Pacific Investments Corporation (“MPIC”) reported a 26% increase in contribution to US\$86.1 million from US\$68.2 million a year earlier as, like Indofood, it reported record-high earnings.

In local currency terms, MPIC and Indofood both recorded their highest-ever earnings in 2012. All four major First Pacific Group operating companies forecast stronger earnings in 2013.

In consideration of the Company’s positive prospects, First Pacific’s Board of Directors recommended a final dividend of 13 HK cents (1.67 US cents) per share, unchanged from a year earlier and bringing the regular dividend to 21 HK cents (2.70 US cents), unchanged from the record high set a year earlier. The regular dividend represents a payout of 29% of recurring profit to shareholders.

“We look towards the future with great optimism notwithstanding a difficult year in 2012,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of the Company.

“PLDT is forecasting a return to earnings growth, Philex has reopened the Padcal mine and both Indofood and MPIC are confident of continuing earnings growth,” he said. “In addition, we are acquiring a strong new asset in our Singapore power plant and we are continuing to seek new investments to further increase value for our shareholders.”

Earlier in March, the Company and Meralco PowerGen Corporation (“Meralco PowerGen”) announced that FPM Power Holdings Limited (“FPMP”), a non-wholly owned subsidiary of the Company, has entered into a sale and purchase agreement to acquire 70% of GMR Energy (Singapore) Pte Ltd. (“GMRE”), a company building a natural gas-fired combined cycle dual turbine power plant located in Singapore, from GMR Infrastructure for US\$488 million in cash, with a further committed US\$49 million equity contribution into the project. First Pacific holds 60% of FPMP. GMRE’s total electricity output is 800 megawatts via two 400MW combined-cycle turbines located on Singapore’s Jurong Island.

First Pacific maintains a capital management program that comprises a dividend payout and share repurchase program that can deliver up to 35% of recurring profit on an annual basis.

“Our acquisition of GMRE in Singapore is a key illustration of our strategy of investing wisely to deliver shareholder returns,” Pangilinan said. “While 2012 saw a difficult environment for PLDT and an unfortunate accident at Philex, both companies can expect a strong return to increased profitability in 2013 as MPIC and Indofood continue delivering earnings growth.”

First Pacific’s share price rose 5% in 2012, ending the year at HK\$8.51. So far in 2013, the share price is up about one-third from its year-end 2012 level.

First Pacific collected US\$320 million in dividend income from its operating companies in 2012, down slightly from a record high US\$322 million in 2011. A higher dividend payout by Indofood helped offset the absence of a final dividend from Philex.

Non-recurring items in First Pacific’s full-year earnings swung to a net loss of US\$13.2 million, principally reflecting PLDT’s impairment provisions for Digitel’s cell sites, from a

net gain of US\$152.9 million (restated) due to the non-repetition of a large non-recurring gain in the earlier year.

At 31<sup>st</sup> December 2012, gross debt at the Head Office stood at US\$1.7 billion, with net debt being US\$1.1 billion. Fixed-rate debt made up 63% of the total with floating-rate debt making up the remaining 37%. The Company's blended interest cost amounted to 5% and the average maturity of its debt was five years.

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

## REVIEW OF OPERATIONS

**Philippine Long Distance Telephone Company** reported a 4% decline in core income last year to ₱37.3 billion from ₱39.0 billion in 2011 due to intense competition and higher selling and promotion costs and subsidies.

More details are available at [www.pldt.com](http://www.pldt.com).

**Metro Pacific Investments Corporation** reported a 28% increase in core income to ₱6.5 billion from ₱5.1 billion in 2011, led by contribution increases by Maynilad Water Services, Inc. ("Maynilad") on higher tariffs and sales volume and by Meralco on higher sales volume as well as a strong performance across its healthcare operations. Metro Pacific Tollways Corporation ("MPTC") saw core income rise 6% to ₱1.6 billion from ₱1.5 billion on higher traffic.

More details are available at [www.mpic.com.ph](http://www.mpic.com.ph).

**PT Indofood Sukses Makmur Tbk** reported a 3% rise in core income to Rp3.3 trillion from Rp3.2 trillion a year earlier on stronger sales by all divisions except Agribusiness, which was hurt by lower prices for its crude palm oil.

More details are available at [www.indofood.com](http://www.indofood.com).

**Philex Mining Corporation** reported a 69% decline in core income to ₱1.7 billion from a record high ₱5.6 billion in 2011 as the Padcal mine suspended operations from 1<sup>st</sup> August 2012 following a breach in its tailings pond.

More details are available at [www.philexmining.com.ph](http://www.philexmining.com.ph).

## OUTLOOK

Despite a difficult 2012, First Pacific foresees a recovery in the Group's fortunes in 2013. While the global economy continues to have an uncertain outlook, the economies of emerging Asia continue to grow strongly with benign inflationary pressure. All the Group's operating companies forecast stronger earnings in 2013 while the newest one, GMRE, plans to go online with 800 MW of electricity generation by year-end.

PLDT will focus in 2013 on returning to earnings growth as the telecommunications industry continues to evolve into a data-intensive, multi-platform, multi-screen business. In preparation for this future, PLDT is laying the groundwork for bringing new content to media via the investment by MediaQuest Holdings, Inc. ("MediaQuest") in content production and other media platforms.

2013 is likely to be a significant year for MPIC as its current investments continue to grow and it seeks to bid on further infrastructure projects in the Philippines, such as in light rail, airport redevelopment, and in its current core businesses.

Indofood continues to grow steadily even as increasing competition increases margin pressure and volatility of input prices complicates the business environment. It will continue expanding its production capacities, particularly in dairy and palm oil products, as its Agribusiness section continues to seek new investments. The Consumer Branded Products business will continue to introduce new packaged foods to meet the needs of Indonesia's increasingly prosperous consumers.

Philex plans to bring operations at its Padcal mine to normal as it accelerates development of the Silangan Project, a major mining project with resources of 6 million ounces of gold and 5 billion pounds of copper. Silangan is scheduled to open in 2017.

First Pacific Chief Executive Pangilinan concluded:

"2012 produced less remarkable results after the record earnings we achieved in 2011. We have been working hard to achieve higher growth in 2013. Given the strong commitment and talent of our management team and the positive outlook for the economies of emerging Asia, we look ahead with optimism. We anticipate our Singapore power project coming on-line by year-end 2013 and we hope for further investments in the months ahead to continue our strong track record of bringing value growth to our shareholders."

### Further information and analysis

Attached to this news release are:

- First Pacific's consolidated income statement
- Consolidated statement of financial position
- Summary of contributions by operating companies

More details about the earnings of First Pacific and of its operating companies can be found on [www.firstpacific.com](http://www.firstpacific.com) under the Investor Relations tab. The 2012 Annual Report will be posted to the website and to shareholders before the end of April 2013.



**FIRST PACIFIC COMPANY LIMITED  
CONSOLIDATED INCOME STATEMENT - AUDITED**

<b>For the year ended 31 December</b>	<b>2012</b>	<b>2011</b>
US\$ millions		(Restated)
<b>Turnover</b>	<b>5,990.8</b>	5,684.1
Cost of sales	<b>(4,128.9)</b>	(3,910.3)
<b>Gross Profit</b>	<b>1,861.9</b>	1,773.8
Gain on dilutions, net	<b>14.4</b>	209.9
Distribution expenses	<b>(432.1)</b>	(405.2)
Administrative expenses	<b>(443.5)</b>	(396.1)
Other operating income, net	<b>22.3</b>	39.1
Interest income	<b>75.0</b>	68.9
Finance costs	<b>(273.7)</b>	(255.5)
Share of profits less losses of associated companies and joint ventures	<b>235.7</b>	278.3
<b>Profit Before Taxation</b>	<b>1,060.0</b>	1,313.2
Taxation	<b>(229.8)</b>	(215.8)
<b>Profit for the Year</b>	<b>830.2</b>	1,097.4
<b>Attributable to:</b>		
Owners of the parent	<b>348.8</b>	574.0
Non-controlling interests	<b>481.4</b>	523.4
	<b>830.2</b>	1,097.4
<b>Earnings Per Share Attributable to Owners of the Parent (U.S cents)</b>		
Basic	<b>9.09</b>	14.81
Diluted	<b>8.99</b>	14.60

**FIRST PACIFIC COMPANY LIMITED  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION - AUDITED**

US\$ millions	At 31 December 2012	At 31 December 2011
<b>Non-current Assets</b>		
Property, plant and equipment	1,824.3	1,651.7
Plantations	1,301.5	1,280.9
Associated companies and joint ventures	3,292.4	3,035.1
Goodwill	808.2	819.6
Other intangible assets	2,305.8	2,105.9
Accounts receivable, other receivables and prepayments	190.6	32.5
Available-for-sale assets	41.9	33.1
Deferred tax assets	132.3	109.9
Pledged deposits	11.1	11.1
Other non-current assets	288.4	236.0
	<b>10,196.5</b>	<b>9,315.8</b>
<b>Current Assets</b>		
Cash and cash equivalents	2,175.0	1,875.4
Restricted cash	33.1	43.7
Available-for-sale assets	58.7	63.4
Accounts receivable, other receivables and prepayments	600.0	581.8
Inventories	816.7	731.7
	<b>3,683.5</b>	<b>3,296.0</b>
<b>Current Liabilities</b>		
Accounts payable, other payables and accruals	984.4	796.5
Short-term borrowings	926.5	1,119.3
Provision for taxation	39.0	49.6
Current portion of deferred liabilities and provisions	119.7	137.6
	<b>2,069.6</b>	<b>2,103.0</b>
<b>Net Current Assets</b>	<b>1,613.9</b>	<b>1,193.0</b>
<b>Total Assets Less Current Liabilities</b>	<b>11,810.4</b>	<b>10,508.8</b>
<b>Equity</b>		
Issued share capital	38.3	38.5
Retained earnings	1,431.3	1,284.6
Other components of equity	1,763.7	1,699.6
Equity attributable to owners of the parent	3,233.3	3,022.7
Non-controlling interests	4,010.7	3,856.5
<b>Total Equity</b>	<b>7,244.0</b>	<b>6,879.2</b>
<b>Non-current Liabilities</b>		
Long-term borrowings	3,438.5	2,575.7
Deferred liabilities and provisions	691.2	607.2
Deferred tax liabilities	436.7	446.7
	<b>4,566.4</b>	<b>3,629.6</b>
	<b>11,810.4</b>	<b>10,508.8</b>

**FIRST PACIFIC COMPANY LIMITED  
CONTRIBUTION SUMMARY**

For the year ended 31 December	Turnover		Contribution to	
	2012	2011	2012	2011
US\$ millions				(Restated) <sup>(ii)</sup>
PLDT <sup>(iii)</sup>	-	-	193.1	215.0
MPIC	660.8	510.4	86.1	68.2
Indofood	5,330.0	5,173.7	170.1	178.5
Philex <sup>(iii)</sup>	-	-	13.8	50.1
<b>Contribution from Operations<sup>(iv)</sup></b>	<b>5,990.8</b>	<b>5,684.1</b>	<b>463.1</b>	<b>511.8</b>
Head Office items:				
– Corporate overhead			(23.7)	(22.1)
– Net interest expense			(77.7)	(64.2)
– Other expenses			(1.4)	(2.5)
<b>Recurring Profit<sup>(v)</sup></b>			<b>360.3</b>	<b>423.0</b>
Foreign exchange and derivative gains/(losses) <sup>(vi)</sup>			1.8	(7.1)
(Loss)/gain on changes in fair value of plantations			(0.1)	5.2
Non-recurring items <sup>(vii)</sup>			(13.2)	152.9
<b>Profit Attributable to Owners of the Parent</b>			<b>348.8</b>	<b>574.0</b>

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

(ii) The Group has restated its 2011 non-recurring gains from US\$179.8 million to US\$152.9 million following a change in the Group's accounting policy for pension obligations by recognizing all actuarial gains/losses on defined benefit pension plans in the period in which they occur in the other comprehensive income (i.e. directly into equity) instead of in the income statement, whereby both methods are permitted policy choices under the prevailing HKAS 19 "Employee Benefits". Accordingly, the Group's 2011 profit attributable to owners of the parent is restated from US\$600.9 million to US\$574.0 million. Details of the restatements are set out in Note 1 to the Consolidated Financial Statements.

(iii) Associated companies

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

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

(vi) Foreign exchange and derivative gains/losses represent the gains/losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated borrowings and payables and the changes in the fair values of derivatives.

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2012's non-recurring losses of US\$13.2 million mainly represent PLDT's impairment provisions for Digitel's cell sites (US\$17.6 million) and Philex's provisions for fees and penalties in respect of an accidental discharge of water and tailings from its tailings pond No. 3 (US\$9.9 million), partly offset by the Group's gain on dilution of a 0.2% interest in PLDT as a result of PLDT's issuance of new shares upon its tender offer for Digitel's shares in January 2012 (US\$14.5 million). 2011's non-recurring gains of US\$152.9 million mainly represent the Group's gain on dilution of a 3.4% interest in PLDT as a result of PLDT's issuance of new shares to acquire Digitel in October 2011 (US\$210.0 million), partly offset by PLDT's impairment provisions mainly as a result of Smart's network modernization (US\$42.2 million).