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FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)

Please refer to the attached disclosure of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of First Pacific Company Limited, as filed with the Philippine Stock Exchange, in relation to the SEC Form 17-C attached with the press release relating to PLDT’s audited consolidated financial results for the year ended 31 December 2013.

Dated this the 4th day of March, 2014

As at the date of this announcement, the board of directors of First Pacific Company Limited 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:

Graham L. Pickles

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

COVER SHEET

P W - 5 5
S.E.C. Registration No.

P H I L I P P I N E L O N G D I S T A N C E
T E L E P H O N E C O M P A N Y
(Company's Full Name)

R A M O N C O J U A N G C O B L D G .
M A K A T I A V E . M A K A T I C I T Y
(Business Address: No. Street City/Town/Province)

MS. JUNE CHERYL A. CABAL-REVILLA
Contact Person

816-8534
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC FORM 17-C
FORM TYPE

0 6 Every 2nd
Month Day Tuesday
Annual Meeting

C F D
Dept. Requiring this Doc.

N/A
Amended Articles
Number/Section

11,993
As of January 31, 2014
Total No. of Stockholders

Total Amount of Borrowings
N/A
Domestic

N/A
Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.1

1. March 4, 2014
Date of Report (Date of earliest event reported)
2. SEC Identification Number PW-55
3. BIR Tax Identification No. 000-488-793
4. PHILIPPINE LONG DISTANCE TELEPHONE COMPANY
Exact name of issuer as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction
of Incorporation
6. _____ (SEC Use Only)
Industry Classification Code
7. Ramon Cojuangco Building, Makati Avenue, Makati City
Address of principal office
- 1200
Postal Code
8. (632) 816-8405
Issuer's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code
and Sections 4 and 8 of the Revised Securities Act

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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2013 CORE NET INCOME AT ₱38.7 BILLION, HIGHER BY ₱1.8 BILLION OR 5% FINAL AND SPECIAL DIVIDENDS TOTTALING ₱116 PER SHARE DECLARED, BRINGING TOTAL DIVIDEND PAYOUT TO 100% OF CORE INCOME FOR 7TH CONSECUTIVE YEAR

CONSOLIDATED SERVICE REVENUES OF ₱164.1 BILLION, 3% HIGHER CONSOLIDATED EBITDA UP ₱2.2 BILLION OR 3% TO ₱77.6 BILLION FREE CASH FLOW HIGHER BY ₱4.4 BILLION TO ₱42 BILLION

CELLULAR SUBSCRIBER BASE AT 70.0 MILLION, TOTAL BROADBAND SUBSCRIBERS AT 3.4 MILLION

TOTAL CAPEX OF ₱28.8 BILLION OR 18% OF SERVICE REVENUES, LOWER BY ₱7.6 BILLION FROM ₱36.4 BILLION IN 2012
2014 CAPEX OF ₱31-₱32 BILLION, TO REMAIN BELOW 20% OF SERVICE REVENUES

- Consolidated Core Net Income of ₱38.7 billion for 2013, 5% or ₱1.8 billion higher than ₱36.9 billion in 2012
- Final and special dividends of ₱62 and ₱54, respectively, per share declared; total dividend payout for 2013 equivalent to 100% of Core Net Income
- Consolidated service revenues increased by 3% to ₱164.1 billion
- Consolidated EBITDA higher by 3% at ₱77.6 billion; consolidated EBITDA margin steady at 47% of service revenues
- Consolidated free cash flow grew by ₱4.4 billion to ₱42 billion for 2013
- Cellular subscriber base at 70 million
- Total broadband subscribers at 3.4 million; aggregate revenue contribution from broadband, data and internet services at ₱35.4 billion for 2013, 16% higher than last year
- Data revenues for fixed line now exceed revenues from fixed legacy; for cellular, now at 12% of total wireless service revenues
- Total capex of ₱28.8 billion or 18% of service revenues, lower by ₱7.6 billion from ₱36.4 billion in 2012
- 2014 capex of ₱31-₱32 billion, to remain below 20% of service revenues

MANILA, Philippines, 4th March 2014 — Philippine Long Distance Telephone Company (“PLDT”) (PSE: TEL) (NYSE: PHI) today announced its audited financial and operating results for 2013 with Consolidated Core Net Income, before exceptional items, amounting to ₱38.7 billion, 5% or ₱1.8 billion higher than the ₱36.9 billion recorded in 2012. The increase was due mainly to higher service revenues and higher EBITDA.

Reported Net Income, after reflecting exceptional transactions for the period, was down 2% to ₱35.4 billion, from ₱36.1 billion in 2012, as a result of higher foreign exchange and derivative losses, the retroactive effect of the application of Revised Philippine Accounting Standard 19, as well as estimated losses from Typhoon Yolanda of ₱900 million before any recoveries from insurance.

EBITDA margin for the period was at 47%, the same level as the previous year. Consolidated EBITDA for 2013 was 3% higher at ₱77.6 billion compared with 2012.

Consolidated service revenues for 2013 grew 3% to ₱164.1 billion, as revenues from the data and internet business more than offset the declines from international and national long distance streams.

Earlier today, the Company's Board of Directors declared a final regular dividend of ₱62 per share as well as a special dividend of ₱54 per share. This brings the 2013 total dividend payout to ₱179 per share, equivalent to 100% of Core Income.

"For seven consecutive years, we have maintained our dividend payout of 100% of our core earnings, which is unprecedented. This sustained level of return speaks well of our ability to generate strong free cash flows without impinging on our ability to continually support the capital expenditures necessary to improve and support our businesses," stated **Manuel V. Pangilinan, PLDT Chairman**.

Consolidated free cash flow remained robust at ₱42 billion, higher by ₱4.4 billion year-on-year. Consolidated capital expenditures for the period amounted to ₱28.8 billion as the PLDT Group continues to fortify its network despite having completed its two-year network transformation program ahead of schedule in 2012. At the end of 2013, PLDT's total fiber footprint stood at more than 78,000 kilometers. Capital expenditures for 2014 are projected to be in the range of ₱31 - ₱32 billion in order to support wider coverage, particularly of 3G and LTE, further expansion of the fiber optic network and international cable systems as well as investments in additional service delivery platforms and network intelligence.

The Group's consolidated net debt stood at US\$1.6 billion as at 31st December 2013. Gross debt amounted to US\$2.4 billion. Net debt to EBITDA was at 0.93x. The Company's debt maturities continue to be well spread out, with over 60% due in and after 2017. The percentage of US dollar-denominated debt to the Group's total debt portfolio is at 57%. Taking into account our peso borrowings, our hedges and our US dollar cash holdings, only 41% of total debt remains unhedged. In January 2014, PLDT issued ₱15 billion of retail bonds. The ₱12.4 billion of seven-year bonds carry a coupon rate of 5.225% while the ₱2.6 billion of 10-year bonds are at 5.2813%. The bonds are listed on the Philippine Dealing and Exchange Corporation. The Group's cash and short-term securities are invested primarily in bank placements and Government securities. PLDT was the first Philippine company to be rated "investment grade" by all three major international ratings agencies.

"2013 was characterized by a structural shift in our revenue mix. Our "growing" revenues, or those from our data businesses which amounted to ₱35.4 billion, are now larger than those from our legacy businesses and make up 22% of total service revenues versus 19% in 2012. The "steady" revenues meanwhile, or those from our SMS, domestic voice, LEC and satellite services, remained stable at ₱101.8 billion and still constitute the core of our total revenues at 62%. Finally, "declining" revenues relate to those of our legacy businesses like NLD, fixed international and cellular international voice. These legacy businesses generated revenues of ₱26.9 billion which now represents only 16% of our total revenue base. We expect this ongoing transition to temper consolidated revenue growth and EBITDA margins in the near term," explained **Napoleon L. Nazareno, President and CEO of PLDT and Smart**.

Cellular

Wireless subsidiaries Smart Communications, Inc. ("Smart") and Digitel Mobile ("Digitel") together continue to lead the industry in terms of both revenues and subscribers. Wireless

service revenues rose 3% to ₱116.7 billion for 2013, compared with the ₱113.8 billion recognized last year, reflecting the continued growth of non-SMS data and the growth in cellular voice revenues.

The PLDT Group's total cellular subscriber base as at 31st December 2013 was 70 million subscribers, broken down as follows: Smart had 25.5 million subscribers under its mainstream *Smart* brands; value brand *Talk 'N Text* ended with 29.5 million subscribers; and there were 15.1 million *Sun Cellular* subscribers.

The Group's combined postpaid cellular subscriber base grew by nearly 123,000 for the year, and stood at 2.4 million at the end of the year, inclusive of *Sun Cellular's* 1.5 million postpaid customer count.

Broadband

Total broadband, data and internet revenues for 2013 totaled ₱35.4 billion, a 16% growth year-on-year; broadband and internet now account for 22% of total group service revenues. Wireless broadband revenues, exclusive of mobile internet revenues, increased by 10% to ₱9.3 billion, compared with the ₱8.5 billion recorded last year. Moreover, mobile internet usage continues to grow strongly, with mobile internet revenues increasing by 59%, from ₱3.1 billion at the end of 2012 to ₱5.0 billion at the end of 2013.

PLDT Group fixed broadband businesses generated ₱12.3 billion in revenues for 2013, up 10% from ₱11.2 billion in the same period in 2012.

The Group's combined broadband subscriber base was 3.4 million at the end of 2013. *Smart Broadband*, Smart's wireless broadband service offered through its wholly-owned subsidiary Smart Broadband, Inc., had a wireless broadband subscriber base of over 1.9 million at the end of the period, about 1.4 million of whom were on *Smart Broadband's* prepaid service. In addition, *Sun Cellular* had a wireless broadband subscriber base of about 545,000. Meanwhile, PLDT's fixed broadband subscribers increased by 8% for 2013, bringing the total fixed broadband subscriber base to 962,000, representing 47% of the fixed line subscriber base.

"We believe that we have only scratched the surface when it comes to data - smartphone penetration is at 15% of our subscriber base and this can only grow further with the wide range of handset models projected to enter the market this year. Moreover, we have a slew of products and services in the pipeline, some developed in-house and others in partnership with OTTs, that will encourage subscribers to leave their data "always on" without fear of overspending or overbilling," said **Orlando B. Ve**a, **Smart Chief Wireless Adviser**.

Fixed Line

Fixed line service revenues for 2013, net of interconnection costs, increased to ₱53.7 billion, or 4%, from ₱51.4 billion in 2012. PLDT data and fixed broadband revenues, representing 51% of total fixed line revenues, continued to grow on the back of a 9% increase in fixed broadband revenues, a 6% rise in corporate data and other network services, and a 61% increase in data center revenues. Combined ILD and NLD businesses of PLDT, representing 15% of fixed line revenues, declined by 5%. LEC revenues which account for 30% of total fixed line revenues were stable at ₱16.3 billion.

The fixed line subscriber base remained at 2.1 million at the end of 2013.

"Revenues from our growing data businesses are now larger than those from our legacy services. While this development bodes well for revenue growth, there will be a short-term

dampening impact on EBITDA. PLDT's legacy revenues still account for a greater portion of total revenues relative to other local and regional operators," declared **Nazareno**.

Conclusion

"I am pleased to note that PLDT has turned the corner and is back on the growth track as demonstrated by the marked improvement in our 2013 numbers and early indications from the first two months of 2014. I fully expect our 2013 performance to be the springboard for continued growth. Accordingly, our guidance number for Core Net Income in 2014 is ₱39.5 billion," **concluded Pangilinan**.

PLDT Consolidated

	Year ended December 31			Three months ended December 31		
	2013	2012	% Change	2013	2012	% Change
	(audited)	(as adjusted)				
Service revenues	<u>164,052</u>	<u>159,738</u>	<u>3%</u>	<u>42,448</u>	<u>40,688</u>	<u>4%</u>
Total revenues	<u>168,331</u>	<u>163,033</u>	<u>3%</u>	<u>43,746</u>	<u>41,670</u>	<u>5%</u>
Expenses	<u>125,515</u>	<u>122,529</u>	<u>2%</u>	<u>36,295</u>	<u>34,395</u>	<u>6%</u>
Income before income tax	<u>41,632</u>	<u>43,606</u>	<u>(5%)</u>	<u>8,435</u>	<u>7,338</u>	<u>15%</u>
Provision for income tax	<u>8,248</u>	<u>8,050</u>	<u>2%</u>	<u>1,977</u>	<u>(222)</u>	<u>991%</u>
Net income - attributable to equity holders of PLDT	<u>35,420</u>	<u>36,148</u>	<u>(2%)</u>	<u>6,466</u>	<u>7,764</u>	<u>(17%)</u>
Continuing Operations	33,351	35,605	(6%)	6,466	7,584	(15%)
Discontinued Operations	2,069	543	281%	-	180	(100%)
Core net income ^(a)	<u>38,717</u>	<u>36,907</u>	<u>5%</u>	<u>9,931</u>	<u>9,217</u>	<u>8%</u>
Continuing Operations	38,816	36,356	7%	9,931	9,024	10%
Discontinued Operations	(99)	551	(118%)	-	193	(100%)
EPS (based on net income - attributable to equity holders of PLDT)						
EPS, Basic	163.67	167.07	(2%)	29.86	35.87	(17%)
EPS, Diluted	163.67	167.07	(2%)	29.86	35.87	(17%)
EPS (based on Core Net Income)						
EPS, Basic	178.93	170.58	5%	45.90	42.59	8%
EPS, Diluted	178.93	170.58	5%	45.90	42.59	8%

^(a) Net income as adjusted for the net effect of gain/loss on FX, derivative transactions, PAS 19 adjustments on MRP costs and gain on sale of BPO business

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in million pesos)

	December 31,		January 1,
	2013	2012	2012
	(As Adjusted)		
<u>ASSETS</u>			
Noncurrent Assets			
Property, plant and equipment	192,665	200,078	200,142
Investments in associates, joint ventures and deposits	41,310	27,077	17,865
Available-for-sale financial investments	220	5,651	7,181
Investment in debt securities and other long-term investments – net of current portion	2,643	205	150
Investment properties	1,222	712	1,115
Goodwill and intangible assets	73,918	74,250	83,303
Deferred income tax assets – net	14,181	7,225	5,117
Derivative financial assets	24	–	–
Prepayments – net of current portion	3,031	4,500	11,697
Advances and other noncurrent assets – net of current portion	2,761	1,376	1,340
Total Noncurrent Assets	331,975	321,074	327,910
Current Assets			
Cash and cash equivalents	31,905	37,161	46,057
Short-term investments	718	574	558
Trade and other receivables	17,564	16,379	16,245
Inventories and supplies	3,164	3,467	3,827
Derivative financial assets	10	–	366
Current portion of investment in debt securities and other long-term investments	–	150	358
Current portion of prepayments	6,054	5,144	6,345
Current portion of advances and other noncurrent assets	8,248	8,116	126
	67,663	70,991	73,882
Assets classified as held-for-sale	–	13,750	–
Total Current Assets	67,663	84,741	73,882
TOTAL ASSETS	399,638	405,815	401,792
<u>EQUITY AND LIABILITIES</u>			
Equity			
Non-voting serial preferred stock	360	360	4,419
Voting preferred stock	150	150	–
Common stock	1,093	1,093	1,085
Treasury stock	(6,505)	(6,505)	(6,505)
Capital in excess of par value	130,562	130,566	127,246
Retained earnings	22,968	25,416	26,160
Other comprehensive income	(11,481)	(3,387)	1,455
Reserves of a disposal group classified as held-for-sale	–	(2,143)	–
Total Equity Attributable to Equity Holders of PLDT	137,147	145,550	153,860
Noncontrolling interests	179	184	386
TOTAL EQUITY	137,326	145,734	154,246

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(continued)*
(in million pesos)

	December 31,		January 1,
	2013	2012	2012
	(As Adjusted)		
Noncurrent Liabilities			
Interest-bearing financial liabilities – net of current portion	88,930	102,821	91,280
Deferred income tax liabilities – net	4,437	5,713	7,078
Derivative financial liabilities	1,869	2,802	2,235
Customers' deposits	2,545	2,529	2,272
Pension and other employee benefits	13,439	1,982	552
Deferred credits and other noncurrent liabilities	22,045	21,950	22,642
Total Noncurrent Liabilities	133,265	137,797	126,059
Current Liabilities			
Accounts payable	34,882	30,451	29,554
Accrued expenses and other current liabilities	74,256	71,624	58,271
Current portion of interest-bearing financial liabilities	15,171	12,989	26,009
Provision for claims and assessments	897	1,555	1,555
Dividends payable	932	827	2,583
Derivative financial liabilities	105	418	924
Income tax payable	2,804	1,809	2,591
	129,047	119,673	121,487
Liabilities directly associated with assets classified as held-for-sale	–	2,611	–
Total Current Liabilities	129,047	122,284	121,487
TOTAL LIABILITIES	262,312	260,081	247,546
TOTAL EQUITY AND LIABILITIES	399,638	405,815	401,792

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

For the Years Ended December 31, 2013, 2012 and 2011

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

	2013	2012	2011
	(As Adjusted)		
REVENUES			
Service revenues	164,052	159,738	145,834
Non-service revenues	4,279	3,295	2,645
	168,331	163,033	148,479
EXPENSES			
Depreciation and amortization	30,304	32,354	27,539
Compensation and employee benefits	21,369	21,999	15,411
Repairs and maintenance	13,107	12,604	10,053
Cost of sales	11,806	8,747	5,443
Interconnection costs	10,610	11,105	12,586
Selling and promotions	9,776	9,708	7,807
Professional and other contracted services	6,375	5,361	5,143
Rent	6,041	5,860	3,938
Asset impairment	5,543	5,286	10,200
Taxes and licenses	3,925	3,506	3,554
Communication, training and travel	2,215	2,042	1,645
Insurance and security services	1,815	1,564	1,326
Amortization of intangible assets	1,020	921	117
Other expenses	1,609	1,472	1,662
	125,515	122,529	106,424
	42,816	40,504	42,055
OTHER INCOME (EXPENSES)			
Equity share in net earnings of associates and joint ventures	2,742	1,538	2,035
Interest income	932	1,354	1,357
Gains (losses) on derivative financial instruments – net	511	(2,009)	201
Foreign exchange gains (losses) – net	(2,893)	3,282	(735)
Financing costs – net	(6,589)	(6,876)	(6,454)
Other income	4,113	5,813	2,626
	(1,184)	3,102	(970)
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	41,632	43,606	41,085
PROVISION FOR INCOME TAX	8,248	8,050	10,734
NET INCOME FROM CONTINUING OPERATIONS	33,384	35,556	30,351
NET INCOME FROM DISCONTINUED OPERATIONS	2,069	543	867
NET INCOME	35,453	36,099	31,218
ATTRIBUTABLE TO:			
Equity holders of PLDT	35,420	36,148	31,278
Noncontrolling interests	33	(49)	(60)
	35,453	36,099	31,218
Earnings Per Share Attributable to Common Equity Holders of PLDT			
Basic	163.67	167.07	161.05
Diluted	163.67	167.07	160.91
Earnings Per Share from Continuing Operations Attributable to Common Equity Holders of PLDT			
Basic	154.09	164.55	156.52
Diluted	154.09	164.55	156.39

This press release may contain some statements which constitute “forward-looking statements” that are subject to a number of risks and uncertainties that could affect PLDT’s business and results of operations. Although PLDT believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action or events.

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About PLDT

PLDT is the leading telecommunications provider in the Philippines. Through its principal business groups – fixed line and wireless– PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line, and cellular network.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI). PLDT has one of the largest market capitalizations among Philippine listed companies.

Further information can be obtained by visiting the web at www.pldt.com.