

Press Release

2014 FIRST HALF FINANCIAL RESULTS

**NET PROFIT RISES 31% TO US\$186.3 MLN VS. US\$142.7 MLN
RECURRING PROFIT UP 1% TO US\$186.1 MLN
TOTAL CONTRIBUTION UP 3% TO US\$257.9 MLN
TURNOVER UP 16% TO US\$3.6 BLN – SECOND HIGHEST EVER
CONTRIBUTION INCREASES FROM INDOFOOD AND MPIC
INTERIM DIVIDEND UNCHANGED AT HK8.0 CENTS PER SHARE**

Hong Kong, 27th August, 2014 – First Pacific Company Limited (“First Pacific” or the “Company”) (HKSE: 00142) today reported its unaudited financial results for the six (6) months ended 30th June 2014 with total contribution from operations rising 3% to US\$257.9 million, as nearly all operating companies delivered earnings growth in local currency terms. It was the second-highest ever half-year contribution recorded by First Pacific.

First Pacific, a leading investment management and holding company focused on the economies of emerging Asia, is a major shareholder in the Philippines’ biggest telecommunications, infrastructure, mining and sugar companies, and in Indonesia’s biggest vertically-integrated food company. The Company is also partnering with Wilmar International Limited (“Wilmar”) to take over Australia’s largest listed food company, Goodman Fielder Limited (“Goodman Fielder”).

First Pacific’s recurring profit rose 1% to US\$186.1 million from US\$185.1 million. Net profit rose 31% to US\$186.3 million from US\$142.7 million a year earlier reflecting a gain of US\$2.9 million (1H2013: loss of US\$23.6 million) on changes in the fair value of plantations and as year-earlier foreign exchange losses were replaced by gains. Basic earnings per share rose to 4.34 U.S. cents (33.9 HK cents) from 3.64 U.S. cents (28.4 HK cents).

Turnover rose 16% to US\$3.6 billion – its second-highest ever half-year level – from US\$3.1 billion, including first time revenue inclusion of US\$338.9 million from PacificLight Power Pte Ltd. in Singapore.

In consideration of the stable performance of the Company’s operating units, First Pacific’s Board of Directors approved an interim cash dividend of 8 HK cents (1.03 U.S. cents) per share, unchanged from last year.

“The first half of the year wasn’t without its challenges, particularly with Indonesian exchange rate movements and regulatory delays to our projects in the Philippines,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of the Company. “While we cannot deny the challenges before us, we remain confident about prospects for our businesses.”

Pangilinan also reiterated First Pacific's commitment to shareholders with a continuing dividend policy of paying out not less than 25% of recurring profit.

In April 2014, First Pacific and Wilmar formed a 50:50 joint venture to acquire the entire share capital of Goodman Fielder and in July 2014 gained the recommendation of Goodman Fielder's Board of Directors to their shareholders to accept the bid, valuing the Australian food company at A\$1.32 billion. The process of completion of the transaction is now underway.

Non-recurring losses in First Pacific's half-year earnings doubled to US\$7.6 million from US\$3.4 million a year earlier, principally reflecting business development costs, non-recurring tax charges and early retirement program expenses.

At 30th June 2014, net debt at the Head Office stood at US\$1.3 billion while gross debt stood at US\$1.7 billion. Fixed-rate debt made up 86% of the total. The blended interest cost amounted to 5.5% and the average maturity of its debt was 5.5 years while the proportion of debt secured against assets amounted to 40% of total.

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

REVIEW OF OPERATIONS

Philippine Long Distance Telephone Company ("PLDT") reported a 2% rise in core net income in the first half of the year to ₱19.8 billion from ₱19.4 billion in 2013 on stronger service revenues and equity share in earnings of associates and lower financing costs.

More details are available at www.pldt.com

PT Indofood Sukses Makmur Tbk ("Indofood") saw strong sales growth result in a 27% increase in core net income to Rp2.2 trillion from Rp1.8 trillion a year earlier. Consolidated net sales rose 26% to Rp34.1 trillion from Rp26.9 trillion a year earlier.

More details are available at www.indofood.com

Metro Pacific Investments Corporation ("MPIC") reported an 18% increase in core net income to ₱4.6 billion from ₱3.9 billion a year earlier as each of its four main businesses delivered strong growth.

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

Philex Mining Corporation ("Philex") reported a 32% decline in core net income to ₱559 million versus ₱818 million a year earlier as declining ore grades resulted in higher cost per unit of gold and copper produced. Reported net income for the period fell 42% to ₱627 million versus ₱1.1 billion a year earlier.

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

OUTLOOK

The prospect of continuing strong operations at PLDT, Indofood and MPIC bode well for First Pacific's continuing businesses going forward. Management are preparing for completion of the Goodman Fielder transaction and the resulting opportunity to put our business development plans into action. Concern remains over the state of the Indonesian economy, particularly inflation and weakness in the rupiah, even as inflation begins to pick up in the Philippines. There is increasing attention paid to the sanctity of contract law in the Philippines, where risks related to regulation and contractual arrangements with the Government which may hold back badly needed infrastructure investments. The defensive nature of First Pacific's portfolio offers a high degree of earnings strength and continuity.

PLDT forecasts 2014 core profit of ₱39.5 billion, up from ₱38.7 billion a year earlier as it builds on demand growth for broadband, data, and internet services.

Indofood continues to grow steadily despite increasing competition and volatile input prices. It expects to deliver profit growth in 2014 — its 10th consecutive year — on account of steady growth in disposable incomes in its market of nearly 250 million people. Indofood continues to expand its production capacities and range of product offerings.

MPIC forecasts a rise in 2014 core profit to ₱8.0 billion, up from ₱7.2 billion in 2013 as economic growth and improving living standards contribute to revenue and earnings growth — even as contractual tariff increases remain stalled, in certain cases. Despite this, MPIC aims to expand its portfolio by seeking new investments, and continuing to participate albeit selectively in certain Government projects under the Philippines' public-private partnership program.

Development of Philex's Silangan Project is proceeding, with the goal of production within this decade.

First Pacific Chief Executive Pangilinan concluded:

“The first-half growth in contribution from First Pacific's operating companies was faster than the increase we saw in 2013. Our bigger investments like PLDT, Indofood and MPIC expect a strong 2014.

Stepping back to view the broader picture, we have seen inflation creep in through higher fuel and labor costs, particularly in Indonesia but more recently in the Philippines as well. Economic regulators are acting to contain these pressures and we are cautiously optimistic that economic growth in these markets will continue to be strong. While concern remains over the risk of contagion from weakening demand in China and Europe, we derive a measure of comfort that growth in First Pacific's markets is largely underpinned by domestic demand.

We are hopeful that prudent management of our assets will enable our shareholders to benefit from the economic growth in the years ahead. Our commitment to returning value to our shareholders remains steadfast. We will continue to push for capital returns to our shareholders with our capital management program.”

Further information and analysis

Attached to this news release are:

- First Pacific's condensed consolidated income statement
- Condensed 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 under the Investor Relations tab.

Corporate Profile

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

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**FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED**

For the six months ended 30 June	2014	2013
US\$ millions		
Turnover	3,612.1	3,123.8
Cost of sales	(2,574.8)	(2,216.7)
Gross profit	1,037.3	907.1
Selling and distribution expenses	(260.7)	(228.4)
Administrative expenses	(279.4)	(255.3)
Other operating income/(expenses), net	38.4	(168.5)
Interest income	42.8	37.2
Finance costs	(173.3)	(158.3)
Share of profits less losses of associated companies and joint ventures	152.8	162.6
Profit before taxation	557.9	296.4
Taxation	(115.5)	(42.5)
Profit for the period	442.4	253.9
Attributable to:		
Owners of the parent	186.3	142.7
Non-controlling interests	256.1	111.2
	442.4	253.9
Earnings per share attributable to owners of the parent (U.S. cents)		
Basic	4.34	3.64
Diluted	4.31	3.59

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

US\$ millions	At 30 June 2014 (Unaudited)	At 31 December 2013 (Audited)
Non-current assets		
Property, plant and equipment	3,091.3	2,920.1
Plantations	1,247.6	1,164.4
Associated companies and joint ventures	3,722.6	3,406.6
Goodwill	1,079.4	1,047.1
Other intangible assets	2,534.9	2,386.8
Accounts receivable, other receivables and prepayments	26.5	18.5
Available-for-sale assets	162.9	63.7
Deferred tax assets	184.0	162.9
Pledged deposits	26.1	11.1
Other non-current assets	391.7	423.3
	12,467.0	11,604.5
Current assets		
Cash and cash equivalents and short-term deposits	2,559.4	2,375.4
Pledged deposits and restricted cash	54.1	49.3
Available-for-sale assets	174.1	101.8
Accounts receivable, other receivables and prepayments	888.9	754.1
Inventories	842.1	695.7
Plantations	3.4	2.0
	4,522.0	3,978.3
Current liabilities		
Accounts payable, other payables and accruals	1,398.9	980.7
Short-term borrowings	1,169.6	1,067.0
Provision for taxation	59.5	32.6
Current portion of deferred liabilities, provisions and payables	262.4	250.4
	2,890.4	2,330.7
Net current assets	1,631.6	1,647.6
Total assets less current liabilities	14,098.6	13,252.1
Equity		
Issued share capital	43.0	43.1
Shares held for share award scheme	(9.6)	(9.6)
Retained earnings	1,676.0	1,575.7
Other components of equity	1,931.7	1,900.7
Equity attributable to owners of the parent	3,641.1	3,509.9
Non-controlling interests	4,215.0	4,008.3
Total equity	7,856.1	7,518.2
Non-current liabilities		
Long-term borrowings	5,017.1	4,551.3
Deferred liabilities, provisions and payables	840.1	816.0
Deferred tax liabilities	385.3	366.6
	6,242.5	5,733.9
	14,098.6	13,252.1

**FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY**

For the year ended 30 June	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2014	2013	2014	2013
US\$ millions				
PLDT ⁽ⁱⁱ⁾	-	-	102.1	105.2
MPIC	374.2	368.7	59.1	53.0
Indofood	2,899.0	2,755.1	92.8	90.5
Philex ⁽ⁱⁱ⁾	-	-	6.2	3.2
FPM Power	338.9	-	(5.8)	(1.6)
FPM Infrastructure	-	-	1.9	-
FP Natural Resources	-	-	1.6	-
Contribution from operations⁽ⁱⁱⁱ⁾	3,612.1	3,123.8	257.9	250.3
Head Office items:				
– Corporate overhead			(16.7)	(18.2)
– Net interest expense			(45.0)	(42.5)
– Other expenses			(10.1)	(4.5)
Recurring profit^(iv)			186.1	185.1
Foreign exchange and derivative gains/(losses) ^(v)			4.9	(15.4)
Gain/(loss) on changes in fair value of plantations			2.9	(23.6)
Non-recurring items ^(vi)			(7.6)	(3.4)
Profit Attributable to owners of the parent			186.3	142.7

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

(ii) Associated companies

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

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

(v) Foreign exchange and derivative gains/losses represent the gains/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.

(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H14's non-recurring losses of US\$7.6 million mainly represent MPIC's business development costs and taxes incurred in hospital group reorganization and Maynilad's manpower rightsizing costs. 1H13's non-recurring losses of US\$3.4 million mainly represent the Group's debt refinancing costs (US\$18.0 million), partly offset by PLDT's gain on disposal of business process outsourcing business (US\$12.1 million).