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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)

ANNOUNCEMENT MADE BY PHILIPPINE LONG DISTANCE TELEPHONE COMPANY IN RELATION TO ITS AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

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 audited consolidated financial results of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of the Company, for the year ended 31 December 2014.

Summary

On 3 March 2015, the board of directors of PLDT approved the release of its audited consolidated financial results for the year ended 31 December 2014. PLDT’s audited consolidated financial results have been submitted to the Philippine Stock Exchange, Inc. (“PSE”) and the New York Stock Exchange, Inc. (“NYSE”) by way of disclosure on 3 March 2015, 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 PSE. In addition, PLDT’s American Depositary Receipts are listed on the NYSE. First Pacific and its Philippine affiliates have a 25.6% attributable economic interest in PLDT. On 3 March 2015, the board of directors of PLDT approved the release of its audited consolidated financial results for the year ended 31 December 2014. PLDT’s audited consolidated financial results have been submitted to the PSE and the NYSE by way of disclosure on 3 March 2015, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of the HKEX and the Company. The audited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and are presented in Philippine Peso. PLDT’s audited Consolidated Income Statements for the years ended 31 December 2014 and 2013, as well as the audited Consolidated Statements of Financial Position as at 31 December 2014 and 2013 are provided below:

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS (AUDITED)
FOR THE YEARS ENDED 31 DECEMBER 2014 AND 2013**

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

	2014	2013
REVENUES		
Service revenues	165,070	164,052
Non-service revenues	5,892	4,279
	<u>170,962</u>	<u>168,331</u>
EXPENSES		
Depreciation and amortization	31,379	30,304
Compensation and employee benefits	18,749	21,369
Repairs and maintenance	14,988	13,107
Cost of sales	13,512	11,806
Selling and promotions	10,619	9,776
Interconnection costs	10,507	10,610
Professional and other contracted services	7,748	7,173
Rent	6,605	6,041
Asset impairment	6,046	5,543
Taxes and licenses	4,563	3,925
Insurance and security services	1,884	1,815
Communication, training and travel	1,552	1,417
Amortization of intangible assets	1,149	1,020
Other expenses	1,156	1,609
	<u>130,457</u>	<u>125,515</u>
	<u>40,505</u>	<u>42,816</u>
OTHER INCOME (EXPENSES)		
Equity share in net earnings of associates and joint ventures	3,841	2,742
Interest income	752	932
Gains (losses) on derivative financial instruments – net	(101)	511
Foreign exchange losses – net	(382)	(2,893)
Financing costs – net	(5,320)	(6,589)
Other income – net	4,853	4,113
	<u>3,643</u>	<u>(1,184)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	44,148	41,632
PROVISION FOR INCOME TAX	10,058	8,248
NET INCOME FROM CONTINUING OPERATIONS	34,090	33,384
NET INCOME FROM DISCONTINUED OPERATIONS	–	2,069
NET INCOME	<u>34,090</u>	<u>35,453</u>
ATTRIBUTABLE TO:		
Equity holders of PLDT	34,091	35,420
Noncontrolling interests	(1)	33
	<u>34,090</u>	<u>35,453</u>
Earnings Per Share Attributable to Common Equity Holders of PLDT		
Basic	157.51	163.67
Diluted	<u>157.51</u>	<u>163.67</u>
Earnings Per Share from Continuing Operations Attributable to Common Equity Holders of PLDT		
Basic	157.51	154.09
Diluted	<u>157.51</u>	<u>154.09</u>

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (AUDITED)
AS AT 31 DECEMBER 2014 AND 2013
(in million pesos)

	31 December 2014	31 December 2013
ASSETS		
Noncurrent Assets		
Property, plant and equipment	191,984	192,665
Investments in associates, joint ventures and deposits	42,046	41,310
Available-for-sale financial investments	28,086	220
Investment in debt securities and other long-term investments – net of current portion	960	2,643
Investment properties	1,816	1,222
Goodwill and intangible assets	72,842	73,918
Deferred income tax assets – net	17,131	14,181
Derivative financial assets – net of current portion	94	24
Prepayments – net of current portion	2,924	3,031
Advances and other noncurrent assets – net of current portion	3,218	2,761
	361,101	331,975
Current Assets		
Cash and cash equivalents	26,659	31,905
Short-term investments	643	718
Trade and other receivables	29,151	17,564
Inventories and supplies	3,706	3,164
Current portion of derivative financial assets	2	10
Current portion of investment in debt securities and other long-term investments	295	–
Current portion of prepayments	6,406	6,054
Current portion of advances and other noncurrent assets	8,332	8,248
	75,194	67,663
TOTAL ASSETS	436,295	399,638

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (AUDITED)**

(CONTINUED)

AS AT 31 DECEMBER 2014 AND 2013

(in million pesos)

	31 December 2014	31 December 2013
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	130,521	130,562
Retained earnings	17,030	22,968
Other comprehensive income	(8,285)	(11,481)
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Total Equity Attributable to Equity Holders of PLDT	134,364	137,147
Noncontrolling interests	304	179
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TOTAL EQUITY	134,668	137,326
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Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	115,400	88,930
Deferred income tax liabilities – net	4,427	4,437
Derivative financial liabilities – net of current portion	1,460	1,869
Customers’ deposits	2,438	2,545
Pension and other employee benefits	13,131	13,439
Deferred credits and other noncurrent liabilities	21,924	22,045
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Total Noncurrent Liabilities	158,780	133,265
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Current Liabilities		
Accounts payable	40,923	34,882
Accrued expenses and other current liabilities	82,678	74,256
Current portion of interest-bearing financial liabilities	14,729	15,171
Provision for claims and assessments	897	897
Dividends payable	1,070	932
Current portion of derivative financial liabilities	254	105
Income tax payable	2,296	2,804
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Total Current Liabilities	142,847	129,047
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TOTAL LIABILITIES	301,627	262,312
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TOTAL EQUITY AND LIABILITIES	436,295	399,638
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GENERAL

Shareholders should note that the above 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 3 March 2015.

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

Hong Kong, 3 March 2015

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

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