



## Press Release

### 2015 FIRST HALF FINANCIAL RESULTS

**TOTAL CONTRIBUTION DOWN 4% TO US\$248.5 MILLION  
RECURRING PROFIT DOWN 4% TO US\$178.2 MILLION  
NET PROFIT DOWN 14% TO US\$159.6 MILLION ON FX LOSSES  
TURNOVER DOWN 2% TO US\$3.33 BILLION ON WEAK RUPIAH  
DOUBLE-DIGIT CONTRIBUTION INCREASE FROM MPIC  
INTERIM DIVIDEND UNCHANGED AT HK8.0 CENTS PER SHARE**

*Hong Kong*, 31<sup>st</sup> August, 2015 – First Pacific Company Limited (“First Pacific” or the “Company”) (HKSE: 00142) today reported its unaudited financial results for the six months ended 30<sup>th</sup> June 2015 with difficult market conditions bringing down total contribution, recurring profit, net profit and turnover.

First Pacific, a leading investment management and holding company focused on the economies of emerging Asia, is a major or controlling shareholder in some of the Philippines’ biggest companies engaged in telecommunications, infrastructure, mining and sugar, and in Indonesia’s biggest vertically-integrated food company. First Pacific is also invested in one of Australia’s biggest food producers and in one of Singapore’s most efficient gas-fired power plant.

The total contribution from operations declined 4% to US\$248.5 million as each operating company delivered weaker earnings in local currency terms with the exception of MPIC, which saw its contribution rise 18% to US\$69.8 million.

First Pacific’s recurring profit fell 4% to US\$178.2 million from US\$186.1 million. Net profit fell 14% to US\$159.6 million from US\$186.3 million a year earlier reflecting a consolidated loss of US\$17.4 million (1H2014: gain of US\$4.9 million) on foreign exchange.

Turnover declined 2% to US\$3.33 billion from US\$3.39 billion owing largely to the 10% decline in the average Rupiah exchange rate against the U.S. dollar.

In keeping with its five-year practice of paying at least 25% of recurring profit to shareholders, 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 was difficult for most of our investments,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of the Company. “Weak currencies in our markets, low commodity prices, regulatory difficulties and competitive pressures all played a role,” he said. “But given our confidence in our businesses, the Board has elected to maintain a steady dividend payment to shareholders.”

Key events in the Group in the first half of 2015 are led by the completion of the acquisition of 100% Goodman Fielder, one of Australia's biggest food companies, by a 50:50 joint venture between First Pacific and Wilmar International Ltd., for A\$1.33 billion. Separately, a 70:30 joint venture between the Company and its indirect agribusiness subsidiary Indofood Agri Resources Ltd., increased its stake in one of the Philippines's biggest sugar producers, Roxas Holdings Inc.

Non-recurring losses in First Pacific's half-year earnings fell to US\$0.2 million from US\$7.6 million a year earlier, principally reflecting lower early retirement program expenses and non-recurring tax charges.

The completion of the Goodman Fielder transaction was principally funded by cash resources in the first half of 2015, leaving net debt at the Head Office at 30<sup>th</sup> June 2015 at US\$1.66 billion versus US\$1.24 billion at the end of 2014 while gross debt was little changed at US\$1.82 billion. Fixed-rate debt made up 82% of the total. The blended interest cost amounted to 5.4% and the average maturity of its debt was 4.3 years while the proportion of debt secured against assets amounted to 38% of the total.

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

## REVIEW OF OPERATIONS

**Philippine Long Distance Telephone Company** reported a 5% decline in core net income in the first half of the year to ₱18.9 billion from ₱19.8 billion in 2014 on weaker service revenues and tighter margins.

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

**PT Indofood Sukses Makmur Tbk** saw steady sales growth but an 8% fall in core net income to Rp2.08 trillion from Rp2.27 trillion a year earlier as weaker palm oil prices more than offset stronger sales and margins at its Consumer Branded Products business. Consolidated net sales rose 4% to Rp32.6 trillion from Rp31.5 trillion a year earlier.

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

**Metro Pacific Investments Corporation** reported a 27% increase in core net income to ₱5.88 billion from ₱4.64 billion a year earlier on a surge in contribution by its power and toll roads businesses.

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

**Philex Mining Corporation** reported a 7% decline in core net income to ₱520 million versus ₱559 million a year earlier due principally to lower gold and copper prices this year.

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

## OUTLOOK

First Pacific is reporting its first-half 2015 earnings during a period of particular volatility in financial markets. Low commodity prices, particularly for the palm oil and metals important to key operating units, are having a negative effect on earnings and outlook for Indofood and Philex Mining. PLDT is enduring a rapid and difficult transformation from a traditional phone company into a provider of data communications and internet-related services. MPIC faces tariff risks in its toll road and water businesses. But with continuing increase in the volume of their businesses, and tight control of expenses, prospects remain good. Goodman Fielder is emerging from a period of underinvestment and pivoting from a focus on domestic markets to larger opportunities in emerging Asia.

Notwithstanding obstacles outside the control of First Pacific, the grounds for optimism are solid. Indonesia's market of 250 million consumers is stable. The Philippines continues to grow at a robust 6% rate – among the highest economic growth rates in the world. Regardless of market conditions, most of our investee companies enjoy dominant market positions and the advantage of scale. Over the longer term, Management are positive for earnings growth.

First Pacific Chief Executive Pangilinan concluded:

We regard our investments as falling into one of two groups: steady, and transforming. Indofood and MPIC are strong and steady. Indofood is facing lower prices for its commodity products, particularly palm oil, but the resilience of Indonesian consumers against high inflation remains strong, as evidenced in their rising purchases of Indofood's food products. MPIC's infrastructure investments are growing with a steady strength we can expect to see for years to come even as it seeks similar such investments.

For their part, transformation is being led by PLDT and Goodman Fielder as they increase capital expenditures to take advantage of the opportunities before them. PLDT is migrating towards a world-class digital multi-media network. Goodman Fielder is rapidly making up for a long period of underinvestment in capital expenditure. And Philex Mining is advancing a definitive feasibility study to develop a new world-class gold and copper mine.

We are hopeful that prudent management of our assets will enable our shareholders to benefit from the growth we are confident of seeing in the years ahead.

#### **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](http://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-Pacific. Its principal businesses are in telecommunications, consumer food products, infrastructure 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](http://www.firstpacific.com).

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

| <b>For the six months ended 30 June</b>                                 | <b>2015</b>      | 2014<br>(Restated) |
|---|------------------|--------------------|
| US\$ millions   |                  |                    |
| <b>Turnover</b>   | <b>3,329.3</b>   | 3,392.3            |
| Cost of sales   | <b>(2,367.0)</b> | (2,430.8)          |
| <b>Gross profit</b>   | <b>962.3</b>     | 961.5              |
| Selling and distribution expenses                                       | <b>(277.3)</b>   | (252.1)            |
| Administrative expenses   | <b>(254.8)</b>   | (264.2)            |
| Other operating (expenses)/income, net                                  | <b>(28.2)</b>    | 38.2               |
| Interest income   | <b>37.9</b>      | 36.5               |
| Finance costs   | <b>(178.6)</b>   | (167.6)            |
| Share of profits less losses of associated companies and joint ventures | <b>166.6</b>     | 152.8              |
| <b>Profit before taxation</b>   | <b>427.9</b>     | 505.1              |
| Taxation  | <b>(88.6)</b>    | (103.7)            |
| Profit for the period from continuing operations                        | <b>339.3</b>     | 401.4              |
| Profit for the period from a discontinued operation                     | <b>28.9</b>      | 41.0               |
| <b>Profit for the period</b>  | <b>368.2</b>     | 442.4              |
| <b>Attributable to:</b>   |                  |                    |
| <b>Owners of the parent</b>   |                  |                    |
| - For profit from continuing operations                                 | <b>147.6</b>     | 169.3              |
| - For profit from a discontinued operation                              | <b>12.0</b>      | 17.0               |
| <b>- For profit for the period</b>                                      | <b>159.6</b>     | 186.3              |
| <b>Non-controlling interests</b>  |                  |                    |
| - For profit from continuing operations                                 | <b>191.7</b>     | 232.1              |
| - For profit from a discontinued operation                              | <b>16.9</b>      | 24.0               |
| <b>- For profit for the period</b>                                      | <b>208.6</b>     | 256.1              |
|   | <b>368.2</b>     | 442.4              |
|   | <b>US¢</b>       | US¢                |
| <b>Earnings per share attributable to owners of the parent</b>          |                  |                    |
| <b>Basic</b>  |                  |                    |
| - For profit from continuing operations                                 | <b>3.46</b>      | 3.94               |
| - For profit from a discontinued operation                              | <b>0.28</b>      | 0.40               |
| <b>- For profit for the period</b>                                      | <b>3.74</b>      | 4.34               |
| <b>Diluted</b>  |                  |                    |
| - For profit from continuing operations                                 | <b>3.43</b>      | 3.92               |
| - For profit from a discontinued operation                              | <b>0.28</b>      | 0.39               |
| <b>- For profit for the period</b>                                      | <b>3.71</b>      | 4.31               |

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

|   | At<br>30 June<br>2015<br>(Unaudited) | At<br>31 December<br>2014<br>(Audited) |
|---|--------------------------------------|--|
| US\$ millions   |                                      |  |
| <b>Non-current assets</b>   |                                      |  |
| Property, plant and equipment   | 3,049.1                              | 2,731.8                                |
| Plantations   | 1,159.0                              | 1,210.7                                |
| Associated companies and joint ventures                                     | 4,599.6                              | 3,568.4                                |
| Goodwill  | 1,060.3                              | 1,057.6                                |
| Other intangible assets   | 2,553.3                              | 2,511.8                                |
| Accounts receivable, other receivables and prepayments                      | 12.4                                 | 11.8                                   |
| Available-for-sale assets   | 84.6                                 | 193.8                                  |
| Deferred tax assets   | 209.2                                | 200.2                                  |
| Pledged deposits and restricted cash  | 30.8                                 | 30.9                                   |
| Other non-current assets  | 345.0                                | 385.9                                  |
|   | <b>13,103.3</b>                      | <b>11,902.9</b>                        |
| <b>Current assets</b>   |                                      |  |
| Cash and cash equivalents and short-term deposits                           | 1,707.4                              | 2,265.9                                |
| Pledged deposits and restricted cash  | 133.2                                | 53.2                                   |
| Available-for-sale assets   | 105.1                                | 59.2                                   |
| Accounts receivable, other receivables and prepayments                      | 861.8                                | 661.2                                  |
| Inventories   | 814.6                                | 717.2                                  |
|   | <b>3,622.1</b>                       | <b>3,756.7</b>                         |
| Assets classified as held for sale  | 966.0                                | 982.4                                  |
|   | <b>4,588.1</b>                       | <b>4,739.1</b>                         |
| <b>Current liabilities</b>  |                                      |  |
| Accounts payable, other payables and accruals                               | 1,131.8                              | 1,192.4                                |
| Short-term borrowings   | 1,273.3                              | 912.0                                  |
| Provision for taxation  | 53.8                                 | 51.0                                   |
| Current portion of deferred liabilities, provisions and payables            | 305.7                                | 321.9                                  |
|   | <b>2,764.6</b>                       | <b>2,477.3</b>                         |
| Liabilities directly associated with the assets classified as held for sale | 358.6                                | 335.9                                  |
|   | <b>3,123.2</b>                       | <b>2,813.2</b>                         |
| <b>Net current assets</b>   | <b>1,464.9</b>                       | <b>1,925.9</b>                         |
| <b>Total assets less current liabilities</b>                                | <b>14,568.2</b>                      | <b>13,828.8</b>                        |
| <b>Equity</b>   |                                      |  |
| Issued share capital  | 42.7                                 | 42.9                                   |
| Shares held for share award scheme  | (8.5)                                | (8.7)                                  |
| Retained earnings   | 1,627.8                              | 1,540.1                                |
| Other components of equity  | 1,736.9                              | 1,854.1                                |
| Equity attributable to owners of the parent                                 | 3,398.9                              | 3,428.4                                |
| Non-controlling interests   | 4,491.4                              | 4,288.6                                |
| <b>Total equity</b>   | <b>7,890.3</b>                       | <b>7,717.0</b>                         |
| <b>Non-current liabilities</b>  |                                      |  |
| Long-term borrowings  | 5,332.5                              | 4,893.9                                |
| Deferred liabilities, provisions and payables                               | 968.9                                | 850.0                                  |
| Deferred tax liabilities  | 376.5                                | 367.9                                  |
|   | <b>6,677.9</b>                       | <b>6,111.8</b>                         |
|   | <b>14,568.2</b>                      | <b>13,828.8</b>                        |

**FIRST PACIFIC COMPANY LIMITED  
CONTRIBUTION SUMMARY**

| For the six months ended 30 June                                | Turnover                   |                | Contribution to             |              |
|---|----------------------------|----------------|-----------------------------|--------------|
|   | 2015                       | 2014           | Group profit <sup>(i)</sup> |              |
| US\$ millions   | (Restated) <sup>(ii)</sup> |                | 2015                        | 2014         |
| PLDT <sup>(iii)</sup>   | -                          | -              | 97.4                        | 102.1        |
| Indofood  | 2,508.6                    | 2,679.2        | 78.4                        | 92.8         |
| MPIC  | 395.4                      | 374.2          | 69.8                        | 59.1         |
| FPW <sup>(iv)</sup>   | -                          | -              | 6.4                         | -            |
| Philex <sup>(iii)</sup>   | -                          | -              | 2.9                         | 6.2          |
| FPM Power   | 325.1                      | 338.9          | (7.5)                       | (5.8)        |
| FP Natural Resources  | 100.2                      | -              | 1.1                         | 1.6          |
| FPM Infrastructure  | -                          | -              | -                           | 1.9          |
| <b>Contribution from operations<sup>(v)</sup></b>               | <b>3,329.3</b>             | <b>3,392.3</b> | <b>248.5</b>                | <b>257.9</b> |
| Head Office items:  |                            |                |                             |              |
| - Corporate overhead  |                            |                | (16.0)                      | (16.7)       |
| - Net interest expense  |                            |                | (47.0)                      | (45.0)       |
| - Other expenses  |                            |                | (7.3)                       | (10.1)       |
| <b>Recurring profit<sup>(vi)</sup></b>                          |                            |                | <b>178.2</b>                | <b>186.1</b> |
| Foreign exchange and derivative (losses)/gains <sup>(vii)</sup> |                            |                | (17.4)                      | 4.9          |
| (Loss)/gain on changes in fair value of plantations             |                            |                | (1.0)                       | 2.9          |
| Non-recurring items <sup>(viii)</sup>                           |                            |                | (0.2)                       | (7.6)        |
| <b>Profit attributable to owners of the parent</b>              |                            |                | <b>159.6</b>                | <b>186.3</b> |

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

(ii) The Group has restated its 1H14 turnover to US\$3,392.3 million from US\$3,612.1 million following Indofood's classification of China Minzhong Food Corporation Limited (CMZ), as a disposal group held for sale and as a discontinued operation in 2014.

(iii) Associated companies

(iv) Joint venture

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

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

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

(viii) 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 project expenses and taxes incurred in hospital group reorganization and Maynilad's manpower rightsizing costs.