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## **FIRST PACIFIC COMPANY LIMITED**

*(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 UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

This Announcement is made by First Pacific Company Limited (“First Pacific” or the “Company”) pursuant to the requirements of Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”) to provide shareholders of First Pacific and the public with the unaudited consolidated financial results of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of the Company, for the first quarter ended 31 March 2011.

#### **Summary**

On 10 May 2011, the board of directors of PLDT approved the release of the unaudited consolidated financial results for the first quarter ended 31 March 2011. PLDT’s unaudited consolidated financial results have been submitted to the Philippine Stock Exchange and the New York Stock Exchange by way of disclosure on 10 May 2011, 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 Philippine Stock Exchange. In addition, PLDT’s American Depositary Receipts (ADRs) are listed on the New York Stock Exchange. First Pacific has a 26.5% attributable interest in PLDT. On 10 May 2011, the board of directors of PLDT approved the release of the unaudited consolidated financial results for the first quarter ended 31 March 2011. PLDT’s unaudited consolidated financial results have been submitted to the Philippine Stock Exchange and the New York Stock Exchange by way of disclosure on 10 May 2011, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of the HKEX and the Company. The unaudited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards. PLDT’s Consolidated Income Statements for the first quarter ended 31 March 2011 and 2010 as well as the Consolidated Statements of Financial Position as at 31 March 2011 and 31 December 2010 are provided below:

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES  
CONSOLIDATED INCOME STATEMENTS**

**FOR THE THREE MONTHS ENDED 31 MARCH 2011 AND 2010**

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

	2011	2010
	(Unaudited)	
<b>REVENUES</b>		
Service revenues	34,571	36,006
Non-service revenues	573	508
	<u>35,144</u>	<u>36,514</u>
<b>EXPENSES</b>		
Depreciation and amortization	6,603	6,361
Compensation and employee benefits	5,341	5,542
Repairs and maintenance	2,307	2,369
Cost of sales	1,229	1,170
Professional and other contracted services	1,190	1,175
Selling and promotions	1,155	1,554
Rent	1,014	1,092
Taxes and licenses	629	674
Communication, training and travel	413	480
Insurance and security services	309	270
Asset impairment	181	562
Amortization of intangible assets	75	91
Other expenses	422	456
	<u>20,868</u>	<u>21,796</u>
	<u>14,276</u>	<u>14,718</u>
<b>OTHER INCOME (EXPENSES)</b>		
Gains on derivative financial instruments – net	422	512
Interest income	321	366
Foreign exchange gains – net	320	708
Equity share in net earnings of associates and joint ventures	192	369
Financing costs – net	(1,530)	(1,874)
Other income	357	242
	<u>82</u>	<u>323</u>
<b>INCOME BEFORE INCOME TAX</b>	<b>14,358</b>	<b>15,041</b>
<b>PROVISION FOR INCOME TAX</b>	<b>3,632</b>	<b>3,667</b>
<b>NET INCOME FOR THE PERIOD</b>	<b><u>10,726</u></b>	<b><u>11,374</u></b>
<b>ATTRIBUTABLE TO:</b>		
Equity holders of PLDT	10,734	11,421
Non-controlling interests	(8)	(47)
	<u>10,726</u>	<u>11,374</u>
<b>Earnings Per Share For The Period Attributable to Common Equity Holders of PLDT</b>		
Basic	56.87	60.53
Diluted	56.78	60.51

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2011 AND 31 DECEMBER 2010**

*(in million pesos, except par value and number of shares)*

	<b>31 March 2011 (Unaudited)</b>	31 December 2010 (Audited)
<b>ASSETS</b>		
<b>Noncurrent Assets</b>		
Property, plant and equipment	<b>159,662</b>	163,184
Investments in associates and joint ventures	<b>23,212</b>	23,203
Available-for-sale financial assets	<b>148</b>	147
Investment in debt securities	<b>490</b>	484
Investment properties	<b>1,560</b>	1,560
Goodwill and intangible assets	<b>11,387</b>	11,485
Deferred income tax assets – net	<b>5,385</b>	6,110
Derivative financial assets	<b>238</b>	178
Prepayments – net of current portion	<b>8,999</b>	8,679
Advances and refundable deposits – net of current portion	<b>1,200</b>	1,187
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Total Noncurrent Assets	<b>212,281</b>	216,217
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<b>Current Assets</b>		
Cash and cash equivalents	<b>55,969</b>	36,678
Short-term investments	<b>644</b>	669
Trade and other receivables	<b>15,031</b>	16,428
Inventories and supplies	<b>2,417</b>	2,219
Derivative financial assets	<b>24</b>	5
Current portion of prepayments	<b>5,831</b>	5,418
Current portion of advances and refundable deposits	<b>102</b>	181
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Total Current Assets	<b>80,018</b>	61,598
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<b>TOTAL ASSETS</b>	<b>292,299</b>	<b>277,815</b>
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**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)**  
**AS AT 31 MARCH 2011 AND 31 DECEMBER 2010**

*(in million pesos, except par value and number of shares)*

	<b>31 March 2011 (Unaudited)</b>	31 December 2010 (Audited)
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Preferred stock, Php10 par value per share, authorized – 822,500,000 shares; issued and outstanding – 441,935,177 shares as at 31 March 2011 and 441,887,387 shares as at 31 December 2010	<b>4,419</b>	4,419
Common stock, Php5 par value per share, authorized – 234,000,000 shares; issued – 189,480,560 shares and outstanding – 186,756,449 shares as at 31 March 2011; and issued – 189,480,549 shares and outstanding – 186,756,438 shares as at 31 December 2010	<b>947</b>	947
Treasury stock – 2,724,111 shares as at 31 March 2011 and 31 December 2010	<b>(6,505)</b>	(6,505)
Capital in excess of par value	<b>62,890</b>	62,890
Retained earnings	<b>20,403</b>	36,594
Other comprehensive income	<b>(1,317)</b>	(1,276)
<b>Total Equity Attributable to Equity Holders of PLDT</b>	<b>80,837</b>	97,069
<b>Non-controlling Interests</b>	<b>306</b>	316
<b>TOTAL EQUITY</b>	<b>81,143</b>	97,385
<b>Noncurrent Liabilities</b>		
Interest-bearing financial liabilities – net of current portion	<b>79,689</b>	75,888
Deferred income tax liabilities – net	<b>1,015</b>	1,099
Derivative financial liabilities	<b>3,154</b>	3,604
Pension and other employee benefits	<b>2,186</b>	1,834
Customers' deposits	<b>2,236</b>	2,223
Deferred credits and other noncurrent liabilities	<b>12,036</b>	13,567
<b>Total Noncurrent Liabilities</b>	<b>100,316</b>	98,215
<b>Current Liabilities</b>		
Accounts payable	<b>23,719</b>	25,804
Accrued expenses and other current liabilities	<b>36,601</b>	35,959
Provision for assessments	<b>1,555</b>	1,555
Current portion of interest-bearing financial liabilities	<b>14,167</b>	13,801
Dividends payable	<b>28,958</b>	2,086
Income tax payable	<b>5,840</b>	3,010
<b>Total Current Liabilities</b>	<b>110,840</b>	82,215
<b>TOTAL LIABILITIES</b>	<b>211,156</b>	180,430
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>292,299</b>	277,815

## **GENERAL**

Shareholders should note that the above unaudited and 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 Philippine Stock Exchange (<http://www.pse.com.ph>) and the New York Stock Exchange (<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 10 May 2011.

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

Hong Kong, 10 May 2011

As at the date of this announcement, the Board comprises the following Directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Sir David W.C. Tang\*, *KBE*

Tedy Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles\*

Professor Edward K.Y. Chen\*, *GBS, CBE, JP*

Jun Tang\*

\* *Independent Non-executive Directors*