



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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**RECURRING PROFIT UP 20% TO US\$286.6 MILLION
REPORTED PROFIT UP 100% TO US\$401.6 MILLION
FINAL DIVIDEND OF HK8 CENTS (U.S. 1.03 CENTS) PER SHARE
FULL YEAR DIVIDEND UP 33% TO HK12 CENTS (U.S. 1.54 CENTS)
POLICY TO PAY DIVIDEND OF AT LEAST 25% OF RECURRING PROFIT
COMMENCING 2010**

- Recurring profit increased by 20% to US\$286.6 million (HK\$2,235.5 million) – record high profitability
- Reported profit increased by 100% to US\$401.6 million (HK\$3,132.5 million)
- Profit contribution from operations increased by 10% to US\$335.2 million (HK\$2,614.6 million) – a record high in value
- Equity attributable to owners of the Company increased by 70% to US\$1,916.2 million (HK\$14,946.4 million)
- Final dividend of HK8.00 cents (U.S. 1.03 cents) per share recommended
- Adjusted net asset value per share increased 73% to US\$1.33 (HK\$10.37) due to improvements in share prices of listed investments
- Consolidated gearing ratio improved to 0.67x, compared with 1.06x at 31st December 2008; Head Office gearing declined to 0.36x

Hong Kong, Tuesday, 23 March 2010 – First Pacific Company Limited (“First Pacific” or “the Company”) (HKSE: 00142) today announced that recurring profit increased by 20% to US\$286.6 million (HK\$2,235.5 million) from US\$239.2 million (HK\$1,865.8 million), reflecting a significantly improved performance by MPIC, increased contribution from Philex, continued strong performance by both PLDT and Indofood, lower share option costs and interest expenses at Head Office. Reported profit increased by 100% to US\$401.6 million (HK\$3,132.5 million) from US\$200.8 million (HK\$1,566.2 million) for last year.

Profit contribution from operations increased by 10% to US\$335.2 million (HK\$2,614.6 million) from US\$304.4 million (HK\$2,374.3 million) for the reasons described above. Turnover declined by 4% to US\$3,925.6 million (HK\$30,619.7 million), principally reflecting Indofood’s lower turnover, as a result of lower CPO and flour prices compared with those realized in 2008.

First Pacific’s net non-recurring gains increased to US\$81.3 million (HK\$634.1 million) from US\$24.5 million (HK\$191.1 million), which mainly reflected gains on dilution of the Group’s interest in MPIC.

Basic earnings per share increased by 98% to U.S. 11.71 cents (HK91.3 cents) from U.S. 5.91 cents (HK46.1 cents). Equity attributable to owners of the Company increased by 70% to US\$1,916.2 million (HK\$14,946.4 million) from US\$1,130.1 million (HK\$8,814.8 million).

Adjusted net asset value per share as at 31st December 2009 increased 73% to US\$1.33 (HK\$10.37) compared with US\$0.77 (HK\$5.97) as at 31st December 2008 due to improvement in share prices of listed investments.

At the Head Office, gross debt stood at US\$921.4 million (HK\$7,186.9 million). The Company refinanced the US\$150 million (HK\$1,170 million) bank loans due to be repaid in the fourth quarter of 2009 with a two-year term loan and an additional borrowing of US\$100 million (HK\$780 million) for funding First Pacific's investment in Philex and supporting MPIC's investment in Meralco. All bank loans are on a floating interest rate basis. During 2009, Head Office entered into US\$245 million (HK\$1,911 million) interest rate swap contracts to change the relevant debts from floating to fixed rate basis. Net interest expense declined by 20% to US\$24 million (HK\$187.2 million) resulting from lower average interest rates during the year.

For the year, Head Office's operating cash inflow amounted to approximately US\$202 million (HK\$1,575.6 million) and cash interest payments were approximately US\$21 million (HK\$163.8 million). Cash interest cover stood at 9.6 times.

The Company's Board of Directors recommended a final dividend of HK8.00 cents (U.S. 1.03 cents) per share (2008: HK6.00 cents or U.S. 0.77 cent), bringing total regular dividends (including an interim dividend of HK4.00 cents (U.S. 0.51) per share) for the full year to HK12.00 cents (U.S. 1.54 cents) per share (2008: HK9.00 cents or U.S. 1.15 cents), an increase of 33% and representing approximately 20% payout of the recurring profit.

The First Pacific Board has today formally adopted a policy for the Company to pay dividend of at least 25% of the recurring profit commencing 2010.

Manuel V. Pangilinan, First Pacific's Managing Director and Chief Executive Officer, commented: "The Group companies reported strong improvement in results for 2009 which reflects their inherent strength to deliver results even in times of global stress. We are pleased to increase our dividend payout for the fourth consecutive year to 20%. Given our confidence in the future growth potential and strong cash flows of our business portfolio, we are committed to a policy to pay dividend of at least 25% of the recurring profit commencing 2010.

REVIEW OF OPERATIONS

Philippine Long Distance Telephone Company ("PLDT") contributed a profit of US\$205.3 million (2008: US\$211.0 million) to the Group. This represents 61% of First Pacific's aggregate contribution derived from the operations of subsidiary and associated companies for 2009. This profit contribution (after the impact of a 7% depreciation of the average peso rate against the U.S. dollar) was a reflection of higher wireless service revenues, lower provision for income taxes on account of the lower Philippine corporate income tax rate, partly offset by higher employee compensation and benefit costs.

In peso terms, consolidated net income for PLDT increased 15% over 2008 to Pesos 39.8 billion (US\$832.5 million) resulting principally from an 8% increase in consolidated core net income and net forex and derivative gains of Pesos 351.4 million (US\$7.3 million). The exceptional gains arose from the translation of its U.S. dollar denominated debt because of the 3% appreciation of the peso against the U.S. dollar. Consolidated service revenues increased 2% to Pesos 145.6 billion (US\$3,046.7 million) resulting from a 3% increase in data and ICT revenues and stable voice revenues. EBITDA margin declined slightly to 59% of service revenues with 62% for wireless, 49% for fixed line and 12% for ICT. Consolidated free cash flow decreased by 9% to 44.0 billion (US\$920.3 million) reflecting higher capex and interest expense.

Smart's cellular subscriber base grew 17% to 41.3 million as at year end. Total broadband subscribers – DSL fixed and wireless – grew 62% to over 1.6 million.

PLDT declared a final dividend of Pesos 76 (US\$1.59), representing the committed 70% payout of core earnings and a special dividend of Pesos 65 (US\$1.36) per share. Together with the interim dividend of Pesos 77 (US\$1.61) per share, total dividends for 2009 amounted to Pesos 218 (US\$4.56) per share, representing a 100% payout of PLDT's consolidated core earnings for the third consecutive year.

For 2010, growth at PLDT is expected to come from broadband, fixed line revenues from corporate and SME markets, and improvements in its BPO business.

Metro Pacific Investments Corporation's ("MPIC") contribution to the Group increased 3.5 times to US\$33.0 million reflecting higher profit levels across all of its businesses, and its equity-accounted earnings from its 14.5% interest in Meralco acquired only in 2009. These were partly offset by higher interest expenses and overheads.

MPIC's consolidated core net income increased 4.9 times to Pesos 2,047 million (US\$42.8 million) reflecting Maynilad's contribution to core net income of Pesos 1,540 million (US\$32.2 million), a four fold increase over 2008, Meralco's 3 months contribution of Pesos 212 million (US\$4.4 million), MPTC's first full year contribution of Pesos 1,279 million (US\$26.8 million) and healthcare businesses' contribution of Pesos 174 million (US\$3.6 million), an increase of 58%, partly offset by higher interest expenses. Consolidated reported income increased 3.4 times to Pesos 2,300 million (US\$48.1 million) reflecting the increase in core net income referred to above, and a non-recurring income of Pesos 253 million (US\$5.3 million).

For 2010, MPIC will report a full year of contribution from Meralco and a cash dividend from Maynilad. Its portfolio of businesses will be enhanced with continued expansion of its tollroads, an investment in the fourth hospital, and redevelopment of the North Harbour in Metro Manila.

Consolidation of Meralco shares

Piltel (a 99.5% PLDT owned subsidiary) and MPIC is in the process of consolidating their respective 13.5% and 14.5% interest in Meralco into a new, special purpose vehicle called Beacon Electric Asset Holdings, Inc. ("Beacon Electric"). Upon completion of this consolidation, Beacon Electric will own 28.2% of Meralco. MPIC has also assigned to Beacon Electric its call option for an additional 6.6% interest in Meralco exercisable during the period from 15th March 2010 to 15th May 2010.

PT Indofood Sukses Makmur Tbk's ("Indofood") contribution to the Group increased 2% to US\$89.2 million principally reflecting the strong performance of the Consumer Branded Products group, partially offset by the lower average selling prices of crude palm oil ("CPO") and flour, and higher net interest expenses.

Consolidated net sales decreased by 4% to Rupiah 37.1 trillion (US\$3,588.7 million). Sales contribution of Consumer Branded Products, Bogasari, Agribusiness and Distribution contribute respectively 43.4%, 28.3%, 20.5% and 7.8% of consolidated revenues. EBIT margin increased to 13.5% from 11.2% resulting from stronger operation and lower input costs.

Consumer Branded Products division reported significantly improved performance. Sales increased 34% to Rupiah 16,533 billion (US\$1,597.6 million) reflecting higher sales volume across all product ranges and the consolidation of Indolakto which was acquired in December 2008. Higher volumes and higher average selling prices were possible as domestic demand increased against a backdrop of manageable inflation and Indofood's enhanced marketing strategy took effect. EBIT margin of this division significantly improved to 10.5% from 4.2%.

Indofood's products are expected continue to be received well by the market as inflation remains at a manageable level. Indofood will focus on maximizing synergies within the group through the consolidation of the CBP business. On the Agribusiness side, the company is expected to commence sugar production in the second half of 2010 in conjunction with the completion of its South Sumatra sugar mill. Bogasari will invest in brand equity and strengthen its customer relationships, while improving product quality and increasing efficiency in order to sustain its competitive advantage.

Philex Mining Corporation's ("Philex") contribution to the Group amounted to US\$7.7 million compared with the Group's share of Philex's one-month loss of US\$1.6 million for 2008. Total ore milled in 2009 from Padcal Mine amounted to 8.2 million tonnes at an average grade of 0.567 gram of gold and 0.228% copper per tonne, producing 119 thousand ounces of gold and 34 million pounds of copper for the year, these comprise approximately 56% and 41%, respectively, of mining revenue. Net income decreased 2.2% to Pesos 2,830 million (US\$59.2 million) due to lower volume and slightly lower yield. As of 31st December 2009, Philex had a US\$62.4 million cash balance with no outstanding bank loans.

The Silangan Project comprises the Boyongan deposit and Bayugo prospect located in Surogao del Norte, Northern Mindanao. A pre-feasibility study on Boyongan concluded that its deposit is technically and financially feasible, with proven mineral reserves of 65.8 million tonnes containing 1.39 grams of gold per tonne and 0.87% copper. The preliminary estimates for Bayugo indicated mineral resources of 86 million tonnes with 0.88% of copper and 0.73 gram of gold per tonne. Drilling continues for the Silangan Project to define further the mineralization limits and to upgrade the indicated mineral resource of Bayugo to measured resource.

In 2009, Philex consolidated its interest in the Silangan Project by purchasing the remaining 50% equity interest held by Anglo American Exploration BV and Anglo American Exploration (Philippines) Inc. Philex increased its investment in Pitkin Petroleum Plc and Forum Energy Plc to 21% and 65%, respectively during the year.

For 2010, Philex targets to improve the output from the Padcal Mine, complete the pre-feasibility study of the Silangan Project, start commercial operation of the Zamboanga coal mine of Brixton Energy & Mining Corporation, and further evaluate the opportunities of its petroleum/hydro-carbon assets.

OUTLOOK

Mr Pangilinan concluded that "Prospects for our businesses in the year 2010 are sanguine, as demonstrated in the results for the second half of 2009 of Group companies, where their resilience enabled the Group to grow its earnings and cash flows, such that we were able to deliver improved return to shareholder for the fifth consecutive year.

"Following a period of significant investment activities, our focus remains intently on improving performance of the Group's businesses and delivering higher profits and value in 2010."

Further information and analysis

Attached are First Pacific's Consolidated Financial Statements and Contribution Summary. Further information - including discussion and analysis of First Pacific's individual operations; review of the 2009 goals and goals for 2010; and financial analysis - are available under the "Press Releases, Announcements and Circulars" section of First Pacific's corporate website at www.firstpacific.com. The 2009 Annual Report will be mailed to shareholders and will be available on www.firstpacific.com before the end of April 2010.

**FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December	2009	2008
US\$ millions		
Turnover	3,925.6	4,105.3
Cost of sales	(2,739.9)	(3,103.4)
Gross Profit	1,185.7	1,001.9
Gain on dilutions and divestments	85.9	28.7
Distribution costs	(289.0)	(273.9)
Administrative expenses	(286.8)	(256.8)
Other operating income/(expenses), net	105.1	(144.9)
Net borrowing costs	(230.3)	(150.5)
Share of profits less losses of associated companies and joint ventures	233.4	192.9
Profit Before Taxation	804.0	397.4
Taxation	(143.7)	(61.4)
Profit for the Year from Continuing Operations	660.3	336.0
Profit for the year from a discontinued operation	1.1	0.6
Profit for the Year	661.4	336.6
Attributable to:		
Owners of the parent	401.6	200.8
Minority interest	259.8	135.8
	661.4	336.6
Ordinary Share Dividends		
Interim - U.S. 0.51 cent (2008: U.S. 0.38 cent) per share	16.5	12.3
Proposed final - U.S. 1.03 cents (2008: U.S. 0.77 cent) per share	39.6	24.7
Total	56.1	37.0
For the year ended 31 December		
U.S. cents	2009	2008
		(Restated)
Earnings Per Share Attributable to Owners of the Parent		
Basic		
- For profit from continuing operations	11.64	5.91
- For profit from a discontinued operation	0.07	-
- For profit for the year	11.71	5.91
Diluted		
- For profit from continuing operations	11.28	5.63
- For profit from a discontinued operation	0.07	-
- For profit for the year	11.35	5.63

FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December	2009	2008
US\$ millions		
Non-current Assets		
Property, plant and equipment	1,059.0	808.4
Plantations	1,009.2	744.5
Associated companies and joint ventures	2,068.0	1,202.3
Goodwill	775.2	675.6
Other intangible assets	1,728.4	1,538.5
Accounts receivable, other receivables and prepayments	6.6	3.0
Prepaid land premiums	183.0	153.2
Available-for-sale assets	2.1	1.7
Deferred tax assets	58.3	38.7
Other non-current assets	305.9	217.1
	7,195.7	5,383.0
Current Assets		
Cash and cash equivalents	936.6	625.9
Pledged deposits and restricted cash	29.2	12.0
Available-for-sale assets	40.4	56.9
Accounts receivable, other receivables and prepayments	639.1	435.5
Inventories	549.2	557.4
Assets held for sale	7.1	-
	2,201.6	1,687.7
Assets of a disposal group classified as held for sale	-	128.3
	2,201.6	1,816.0
Current Liabilities		
Accounts payable, other payables and accruals	628.2	667.4
Short-term borrowings	829.7	1,207.0
Provision for taxation	68.9	55.8
Current portion of deferred liabilities and provisions	73.5	39.4
	1,600.3	1,969.6
Liabilities directly associated with the assets classified as held for sale	-	106.1
	1,600.3	2,075.7
Net Current Assets/(Liabilities)	601.3	(259.7)
Total Assets Less Current Liabilities	7,797.0	5,123.3
Equity		
Issued share capital	38.6	32.1
Retained earnings	556.4	196.0
Other components of equity	1,321.2	902.0
Equity attributable to owners of the parent	1,916.2	1,130.1
Minority interest	2,122.9	1,245.1
Total Equity	4,039.1	2,375.2
Non-current Liabilities		
Long-term borrowings	2,855.6	1,951.7
Deferred liabilities and provisions	507.0	432.4
Deferred tax liabilities	395.3	364.0
	3,757.9	2,748.1
	7,797.0	5,123.3

FIRST PACIFIC COMPANY LIMITED CONTRIBUTION SUMMARY

For the year ended 31 December	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2009	2008	2009	2008
US\$ millions				
PLDT ⁽ⁱⁱ⁾	-	-	205.3	211.0
MPIC	336.9	112.8	33.0	7.4
Indofood	3,588.7	3,992.5	89.2	87.6
Philex ⁽ⁱⁱ⁾	-	-	7.7	(1.6)
From operations	3,925.6	4,105.3	335.2	304.4
Head Office items:				
- Corporate overhead			(17.6)	(15.9)
- Net interest expense			(24.0)	(29.9)
- Other expenses			(7.0)	(19.4)
Recurring profit			286.6	239.2
Foreign exchange and derivative gains/(losses) ⁽ⁱⁱⁱ⁾			23.7	(46.9)
Gain/(loss) on changes in the fair value of plantations			10.0	(16.0)
Non-recurring items ^(iv)			81.3	24.5
Profit attributable to owners of the parent			401.6	200.8

(i) After taxation and minority interest, where appropriate

(ii) Associated companies

(iii) Foreign exchange and derivative gains/losses represent the gains/losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated borrowings and payables and the changes in the fair values of derivatives.

(iv) 2009's non-recurring gain of US\$81.3 million mainly represent gains on dilution of the Group's interest in MPIC. 2008's net non-recurring gains of US\$24.5 million mainly comprise (i) a gain on dilution of the Group's investment in Indofood of US\$18.9 million, (ii) a gain on divestment and dilution of the Group's interest in PLDT of US\$9.8 million, (iii) MPIC's gains arising from an increase in interests in Maynilad and MDI totaling US\$13.4 million, (iv) a gain of US\$10.5 million from a reduction in Indofood's deferred tax liabilities due to reduction in future tax rates and (v) MPIC's gain on sale of assets of US\$3.9 million, partly offset by a Group impairment provision of US\$36.4 million in respect of its investment in Philex.