

Creating  
long-term value  
in Asia

2011 Full-Year Results  
Conference Call Presentation  
March 20, 2012

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# Developments in 2011



## Telecommunications

- PLDT acquired Digitel, the number three telecoms firm in the Philippines, for US\$1.6 bln from J.G. Summit
- First Pacific acquired 5.8 mln shares in PLDT from J.G. Summit for US\$338.8 mln to maintain equity interest over 25%

## Infrastructure

- Beacon Electric, a 50:50 joint venture between MPIC and PLDT, raised its stake in Meralco, the Philippines' biggest electricity distributor, to 45.4% for a total consideration of US\$700.7 mln
- MPIC acquired 100% of Colinas Verdes Hospital Managers Corporation for US\$6.9 mln and 51.9% of Asian Hospital, Inc. for US\$30.5 mln

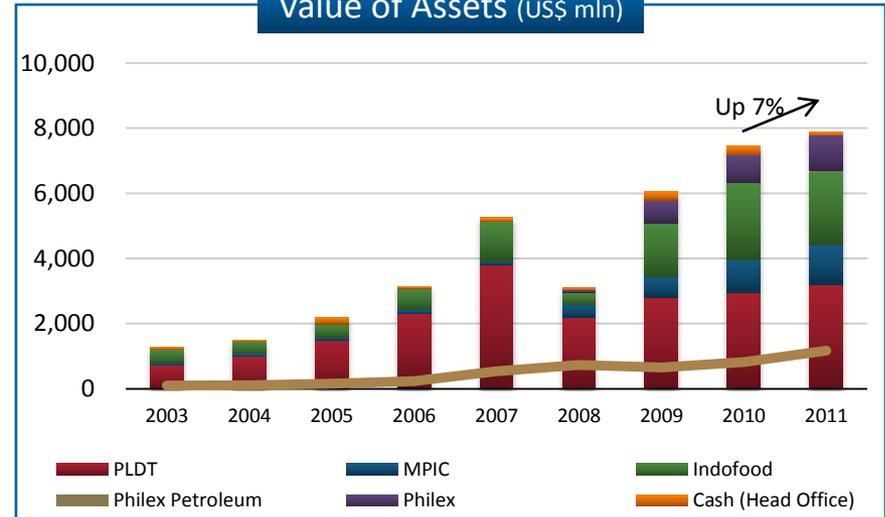
## Natural Resources

- Philex acquired 5% of Lepanto Consolidated Mining, owner of a 40% interest in the Far Southeast Gold Project, for US\$32.4 mln
- Philex also acquired an initial 5% interest in Kalayaan Copper Gold Resources Inc., a joint venture with Manila Mining, for US\$25.0 mln and will earn a further 55% in Kalayaan by sole-funding predevelopment expenses for the project
- Philex listed Philex Petroleum Corp. (PPC) by introduction on the Philippine Stock Exchange with each Philex shareholder receiving one share in PPC for every eight Philex shares they own
- SIMP raised US\$382 mln in an Indonesia initial public offering of 3.2 bln new shares at a price of Rupiah 1,100 each

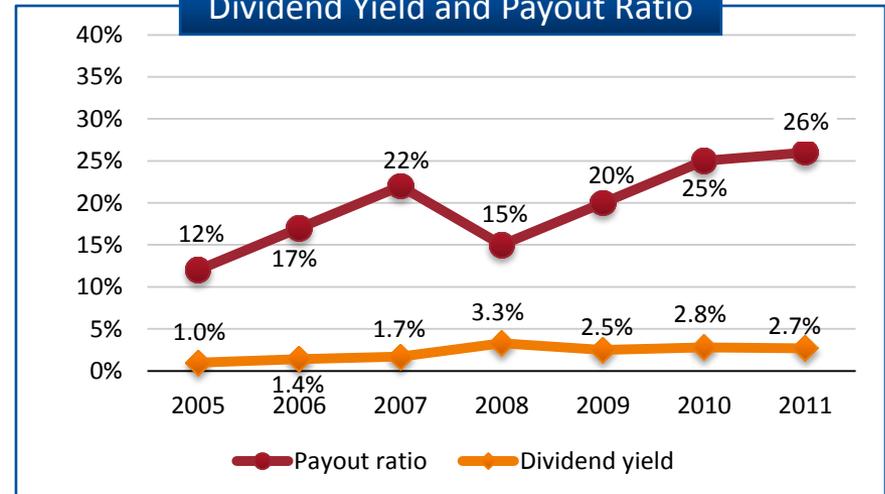
## Capital Allocation

- US\$91.9 mln spent on share repurchases to retire 103.2 mln shares in calendar 2010 and 2011
- Full-year regular dividends of HK 21.0 cents per share, up 17% from a year earlier
- 2011 dividend payout of 26% of recurring profit, including a special dividend of HK 1.2 cents per share

Value of Assets (US\$ mln)



Dividend Yield and Payout Ratio



# Summary of 2011 Results

For the year ended	2011	2010	Change
<b>(US\$m)</b>			
Recurring profit	<b>423.0</b>	402.1	+5.2%
Profit contribution from operations	<b>511.8</b>	474.0	+8.0%
Non-recurring items	<b>179.8</b>	(8.8)	-
Profit attributable to owners of the parent company	<b>600.9</b>	403.7	+48.8%
Turnover	<b>5,684.1</b>	4,640.2	+22.5%
<b>(U.S. cents)</b>			
Basic earnings per share - recurring	<b>10.92</b>	10.36	+5.4%
Basic earnings per share - attributable	<b>15.51</b>	10.40	+49.1%
Proposed final dividend	<b>1.67</b>	1.54	+8.3%
Proposed full year dividend payout	<b>26%</b>	25%	
<b>(US\$m)</b>			
Equity attributable to owners of the parent company	<b>3,022.7</b>	2,575.2	+17.4%
<b>(Times)</b>			
Consolidated gearing ratio	<b>0.26x</b>	0.33x	
Head Office gearing ratio	<b>0.71x</b>	0.46x	

# Highlights of Operating Performance

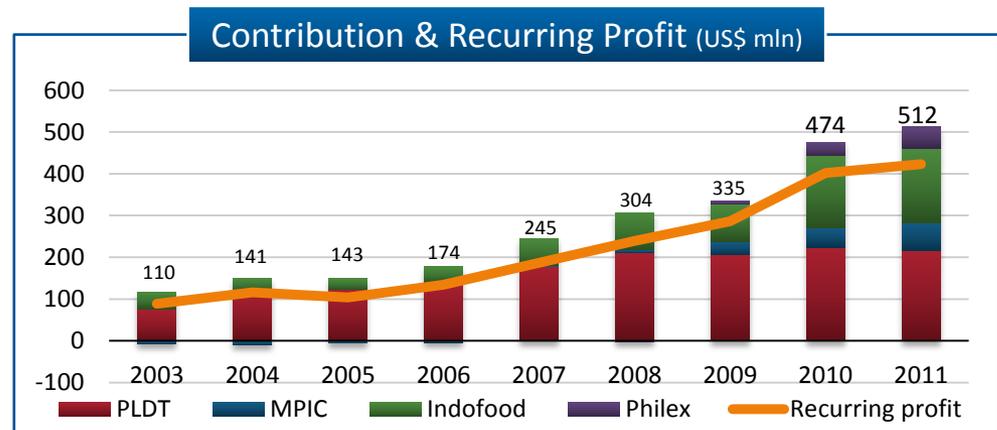
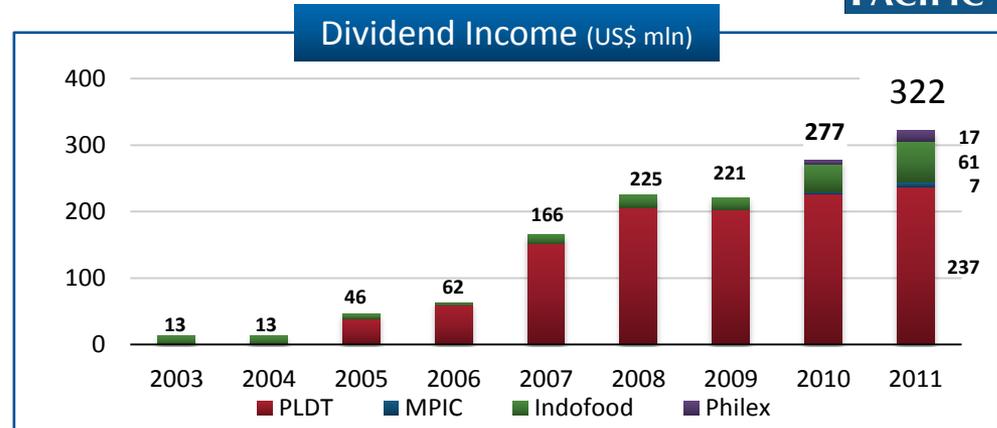
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□ Recurring Profit	US\$423.0 mln	+5%
□ Reported Profit	US\$600.9 mln	+49%
□ Contribution	US\$511.8 mln	+8%

	Sales		Contribution (US\$ mln)		
	In LC*	In US\$	2011	2010	Change
PLDT	-2%	+3%	215.0	224.1	-4%
MPIC	+19%	+24%	68.2	46.9	+45%
Indofood	+18%	+22%	178.5	172.1	+4%
Philex	+20%	+25%	50.1	30.9	+62%

\*Local currency.

- Full-year dividend income US\$322 mln, up 16%
- Consolidated gearing : 0.26x (end-2010: 0.33x)
- Head Office gearing: 0.71x (end-2010: 0.46x)
- Head Office gross debt: US\$1.3 bln (end-2010: US\$1.1 bln)
- Head Office net debt: US\$1.2 bln (end-2010: US\$816.9 mln)



**Head Office Gearing & Interest Cover**

	2005	2006	2007	2008	2009	2010	2011
Head Office gearing	0.11x	0.16x	0.35x	0.47x	0.36x	0.46x	0.71x
Interest cover	3.9x	4.2x	4.9x	4.7x	9.6x	12.6x	4.3x

# PLDT Maintaining Leadership

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## 2011 Earnings Highlights

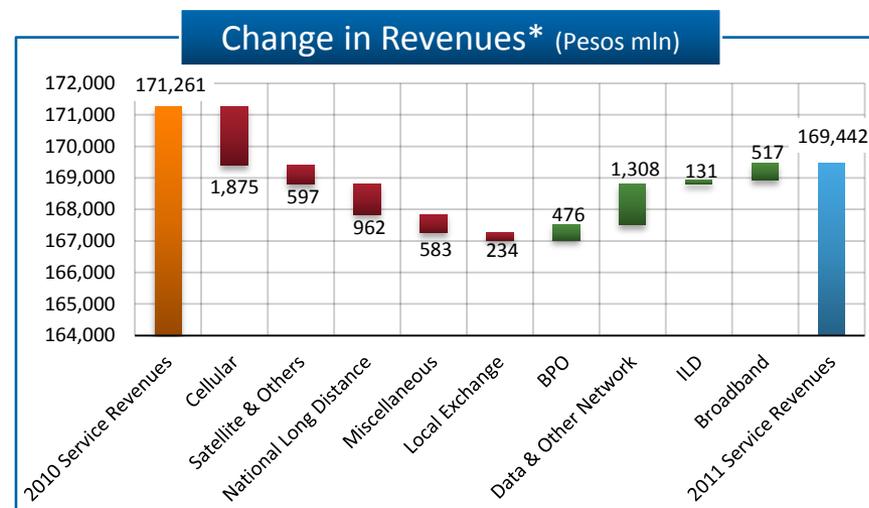
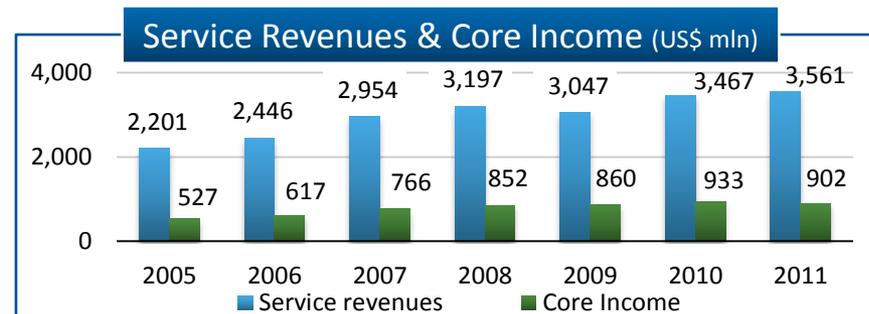
- Core income down 3% in US\$ terms (down 7% in peso terms) to US\$902 mln
- Service revenues up 3% to US\$3.56 bln (down 2% in peso terms) amid pressure on wireless and fixed line service revenues partly offset by addition of Digital revenues for the last two months of 2011

## Revenue Sources Evolving

- Cellular voice revenues down 2% on intense competition
- National Long Distance down 15% as volumes fall
- BPO revenues up 6% to ₱8.59 bln
- Wireless broadband revenues up 8% to ₱6.80 bln on subscriber growth, inclusion of Digitel's Sun Cellular

## Outlook

- PLDT's introduction of affordable smartphones and tablets are redefining the wireless market
- ₱67.0 bln network investment to result in major capex savings going forward, margin improvement and increased profitability
- Consolidation of Digitel will position PLDT for assured continued market leadership and deliver savings in network, organization of the PLDT Group, and marketing and distribution
- 2012 core income seen falling in peso terms to ₱37.0 bln vs. ₱39.0 bln in 2011 on increased competition



\*Before inter-segment transactions.

**Core Income & Gearing**

US\$ mln	2005	2006	2007	2008	2009	2010	2011
Core income	527	617	766	852	860	933	902
Dividends	175	512	754	839	851	919	893
Gearing	1.0x	0.6x	0.4x	0.4x	0.6x	0.5x	0.5x

## 2011 Earnings Highlights

- Core income rose 38% in US\$ terms to US\$118 mln vs. US\$86 mln
- Revenues rose 24% to US\$510 mln vs. US\$412 mln
- Double-digit growth in contribution from water, electricity and healthcare portfolio companies
- Toll road business contribution up 6% following expiry of tax holiday
- Head Office net interest expense down 62% in US\$ terms to US\$10 mln

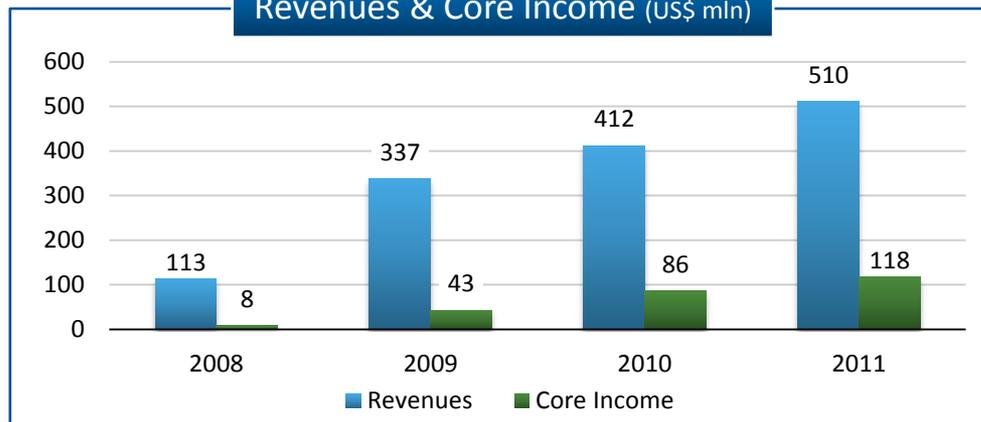
## Outlook

- Maynilad sees continuing strong growth as a result of network repair and expansion in concession area; seeking further concessions
- Toll road expansion continues with build out of Harbour Link in 2012-2013, integration of NLEX and SCTEX systems, Connector Road and acquisitions
- Meralco's continuing success seen based on sales growth, expansion of distribution network, launch of retail electricity sales and move into generation
- Healthcare Group marching towards goal of 3,000 beds, ₱1 bln net income on ₱10 bln revenues

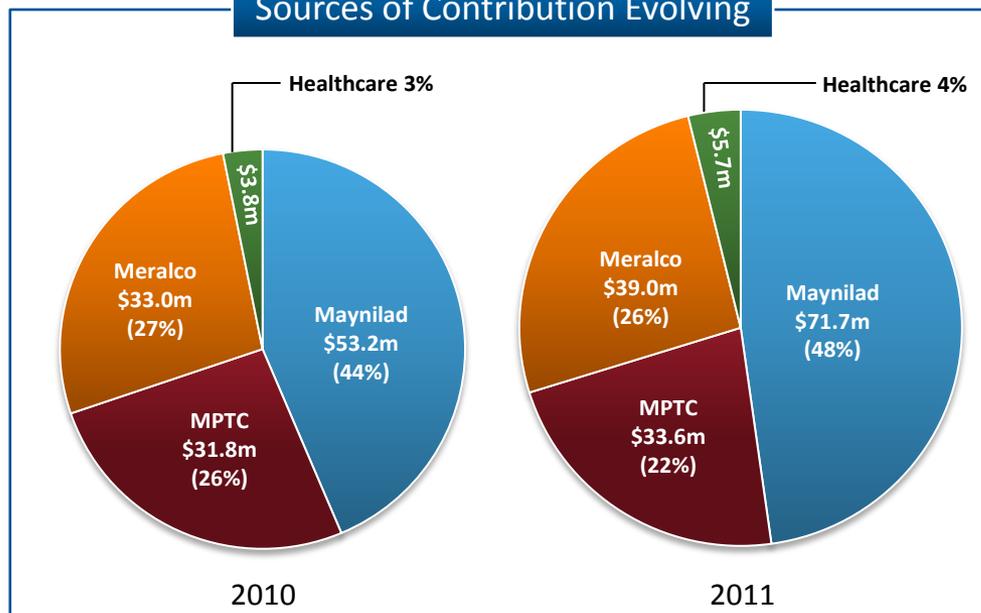
### Core Income & Gearing

US\$ mln	2008	2009	2010	2011
Core income	7.8	42.8	85.6	118.0
Reported net income	11.8	48.1	63.7	117.0
Head Office gearing	0.38x	0.31x	0.23x	n/a
Head Office net debt/(cash)	140	318	257	(52.5)

### Revenues & Core Income (US\$ mln)



### Sources of Contribution Evolving



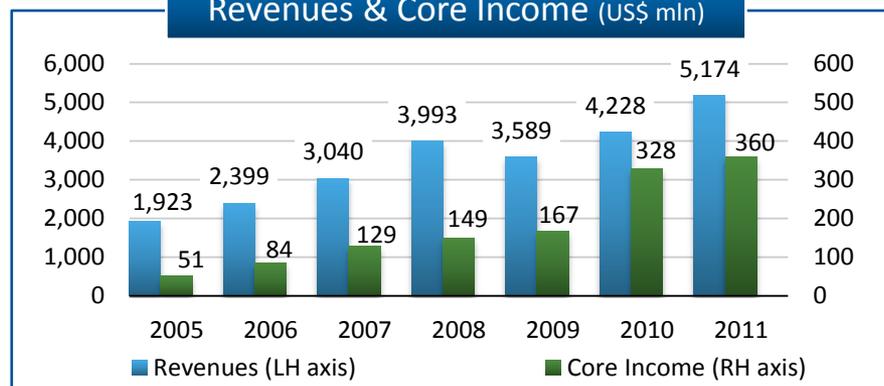
## 2011 Earnings Highlights

- Core income up 10% in US\$ terms to US\$360 mln vs. US\$328 mln on higher sales, offset by higher costs
- Revenues up 22% to US\$5.2 bln vs. US\$4.2 bln
- EBIT margin decreased to 15.1% vs. 16.4%, driven by higher costs, e.g. for wheat, milk powder and sugar
- Net income up 8% to US\$351 mln vs. US\$325 mln
- Average selling price of plantations rose 20% to US\$875/t

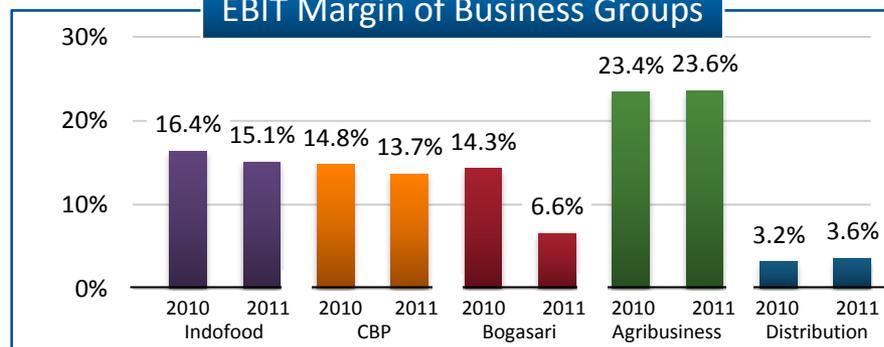
## Outlook

- Aim to meet dairy demand growing from current 11 liters/year (ASEAN average: 20 liters/year)
- Wheat consumption of 26 kg/year among the lowest in the world (global avg. 95 kg/year)
- Building two 40 tonnes/hour palm oil mills, in Kalimantan and South Sumatra
- Adding bottling and margarine plant at Jakarta CPO refinery in the first quarter of 2012
- Third-largest CPO plantation network in the world and growing
- Distribution network expanded by 16% to 365,000 registered outlets serving 230 mln population

Revenues & Core Income (US\$ mln)



EBIT Margin of Business Groups

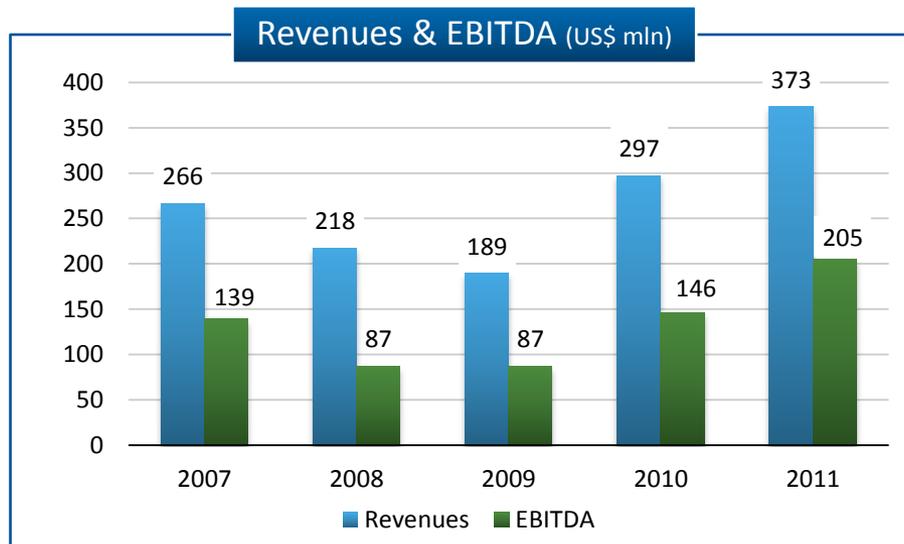


Core Income, Gearing & Margin

US\$ mln	2005	2006	2007	2008	2009	2010	2011
Core income	51	84	129	149	167	328	360
Net income	13	72	107	107	201	325	351
Dividend	4	29	43	43	80	130	140
Net debt	596	605	833	1,307	1,362	432	70
Gearing	1.24x	0.98x	0.72x	1.09x	0.83x	0.16x	0.02x
EBIT Margin	8.8%	8.9%	10.3%	11.2%	13.4%	16.4%	15.1%

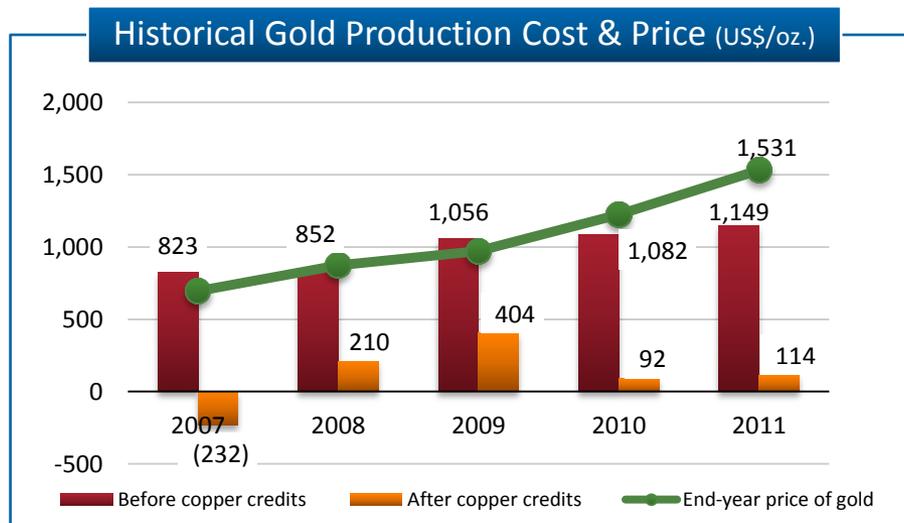
## 2011 Earnings Highlights

- EBITDA up 40% in US\$ terms to US\$205 mln from US\$146 mln year-earlier
- Revenues up 25% to US\$373 mln vs. US\$297 mln, driven by higher metal prices, higher ore quality and increased ore volume milled
- Core profit up 40% to US\$129 mln vs. US\$92 mln
- Core EPS up 34% to ₱1.13 per share from 84.45 centavos per share
- Realized gold price US\$1,536/oz. vs. US\$1,217/oz.
- Realized copper price US\$3.70/lb. vs. US\$3.63/lb.
- Gold generated 58% of revenue, copper 38%, silver 1%, petroleum 3%



## 2011 Production Highlights

- Ore milled at 25,992 tonnes per day in 2011, up 1.3% and highest since 1986
- Padcal mineral resources reassessed at 147 mln tonnes, mine life extended to 2020
- 2011 gold production 140,113 oz., up 4.9%
- 2011 copper production 38.0 mln lb., up 6.6%



## 2012 Outlook

- Acquisitions sought to bring increase in copper and gold production ahead of Silangan mining project opening in 2016

# Focus for 2012: Value Investing for Growth



## First Pacific goals

- Promote the continuing growth in profitability across all group companies
- Continue to evaluate complementary investment opportunities in telecoms, infrastructure, consumer products and natural resources in the emerging markets of Asia
- Manage capital within the Group's financial resources and overall investment plans to enhance shareholder returns
- Expand the mining portfolio
- Strengthen cash resources within the Group to enhance shareholder returns

## Telecom / Infrastructure

- MPIC to extend its toll road portfolio organically and through acquisition
- MPIC to continue evaluating complementary infrastructure opportunities in Philippine government's public-private partnership program
- Secure further power generation investment(s)
- Integrate Digitel into the PLDT Group

## Natural Resources

- Maintain momentum on the development of the Silangan project
- Acquire stakes in ongoing mining operations and actively explore in current license areas
- Expand planting of sugarcane and crude palm oil and expand portfolio via acquisition

# Contribution Summary

For the year ended 31 December	Turnover		Contribution to Group profit <sup>(i)</sup>	
	2011	2010	2011	2010
US\$ mlns				
PLDT <sup>(ii)</sup>	-	-	215.0	224.1
MPIC	510.4	412.2	68.2	46.9
Indofood	5,173.7	4,228.0	178.5	172.1
Philex <sup>(ii)</sup>	-	-	50.1	30.9
<b>Contribution from Operations<sup>(iii)</sup></b>	<b>5,684.1</b>	<b>4,640.2</b>	<b>511.8</b>	<b>474.0</b>
Head Office items:				
– Corporate overhead			(22.1)	(20.9)
– Net interest expense			(64.2)	(45.0)
– Other expenses			(2.5)	(6.0)
<b>Recurring Profit<sup>(iv)</sup></b>			<b>423.0</b>	<b>402.1</b>
Foreign exchange and derivative (losses)/gains <sup>(v)</sup>			(7.1)	2.8
Gain on changes in fair value of plantations			5.2	7.6
Non-recurring items <sup>(vi)</sup>			179.8	(8.8)
<b>Profit Attributable to Owners of the Parent</b>			<b>600.9</b>	<b>403.7</b>

(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 losses/gains, gain on changes in fair value of plantations and non-recurring items.

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

(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2011's non-recurring gains of US\$179.8 mln mainly represent the Group's gain on dilution of a 3.4% interest in PLDT as a result of PLDT's issuance of new shares to acquire Digitel in October 2011 (US\$210.0 mln), partly offset by PLDT's impairment provisions mainly as a result of Smart's network modernization (US\$42.2 mln). 2010's non-recurring losses of US\$8.8 mln mainly represent the Group's share of Meralco's non-recurring losses, and provision and write-off of certain assets, partly offset by the Group's gain on disposal of its interest in an associated company.

# Company Statement of Financial Position



At 31 December US\$ mlns	2011	2010	Change
<b>Non-current Assets</b>			
Subsidiary companies	1,028.4	1,006.2	+2.2%
	<b>1,028.4</b>	<b>1,006.2</b>	<b>+2.2%</b>
<b>Current Assets</b>			
Cash and cash equivalents	85.4	256.2	-66.7%
Amounts due from subsidiary companies	2,465.0	2,079.6	+18.5%
Assets held for sale	-	7.8	-
Other receivables and prepayments	0.5	0.1	+400.0%
	<b>2,550.9</b>	<b>2,343.7</b>	<b>+8.8%</b>
<b>Current Liabilities</b>			
Amounts due to subsidiary companies	928.1	697.4	+33.1%
Other payables and accruals	1.1	0.9	+22.2%
	<b>929.2</b>	<b>698.3</b>	<b>+33.1%</b>
<b>Net Current Assets</b>	<b>1,621.7</b>	<b>1,645.4</b>	<b>-1.4%</b>
<b>Total Assets Less Current Liabilities</b>	<b>2,650.1</b>	<b>2,651.6</b>	<b>-0.1%</b>
<b>Equity</b>			
Issued share capital	38.5	39.0	-1.3%
Retained earnings	106.5	262.2	-59.4%
Other components of equity	1,502.1	1,486.7	+1.0%
Equity attributable to owners of the parent	<b>1,647.1</b>	<b>1,787.9</b>	<b>-7.9%</b>
<b>Non-current Liabilities</b>			
Loans from subsidiary companies	1,003.0	863.7	+16.1%
	<b>2,650.1</b>	<b>2,651.6</b>	<b>-0.1%</b>

# Head Office Cash Flow



	2011	2010	Change
US\$ mlns			
Dividend income	<b>322.0</b>	277.5	+16.0%
Corporate overhead, net interest expense and taxes	<b>(89.1)</b>	(44.8)	+98.9%
Net cash inflow from operating activities	<b>232.9</b>	232.7	+0.1%
Net investments	<b>(544.5)</b>	(83.9)	+549.0%
Financing activities			
- Net borrowings/(loan repayments)	<b>291.1</b>	(595.0)	-
- Proceeds from the issue of shares upon the exercise of share options	<b>11.0</b>	18.9	-41.8%
- Dividends paid	<b>(105.6)</b>	(79.0)	+33.7%
- Repurchase of shares	<b>(69.4)</b>	(22.1)	+214.0%
- Advances to a subsidiary company	-	(143.5)	-
- Proceeds from the issue of secured bonds, net	-	689.2	-
(Decrease)/Increase in Cash and Cash Equivalents	<b>(184.5)</b>	17.3	-

# Adjusted NAV per Share

US\$ mlns	Basis	At	At
		31 December 2011	31 December 2010
PLDT	(i)	3,203.3	2,879.8
MPIC	(i)	1,212.5	993.9
Indofood	(i)	2,230.0	2,383.6
Philex	(i)	1,085.0	837.9
Philex Petroleum	(i)	45.7	-
Head Office - Other asset	(ii)	-	180.2
- Net debt		(1,170.3)	(816.9)
<b>Total Valuation</b>		<b>6,606.2</b>	<b>6,458.5</b>
<b>Number of Ordinary Shares in Issue (mlns)</b>		<b>3,850.4</b>	<b>3,902.4</b>
Value per share - U.S. dollar		1.72	1.66
- HK dollars		13.38	12.91
Company's closing share price (HK\$)		8.08	7.00
Share price discount to HK\$ value per share (%)		39.6	45.8

(i) Based on quoted share prices applied to the Group's economic interest

(ii) Based on the market value of the shares upon the conversion of MPIC ₱6.6 bln (US\$150.5 mln) convertible bonds, at 31 December 2010. The convertible bonds were converted into MPIC shares in April 2011.

# Contact Us



First Pacific Company Limited  
24<sup>th</sup> Floor, Two Exchange Square  
8 Connaught Place, Central  
Hong Kong  
Tel: +852 2842 4374

[www.firstpacific.com](http://www.firstpacific.com)