



FIRST
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Creating
long-term value
in **Asia**

Results Presentation

Fiscal 2014

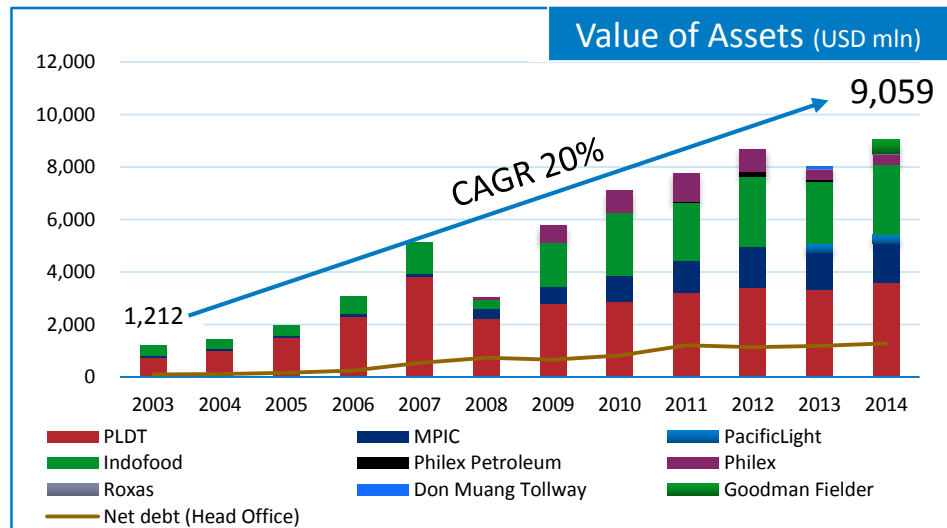
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ADR: FPAFY
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Developments in 2014

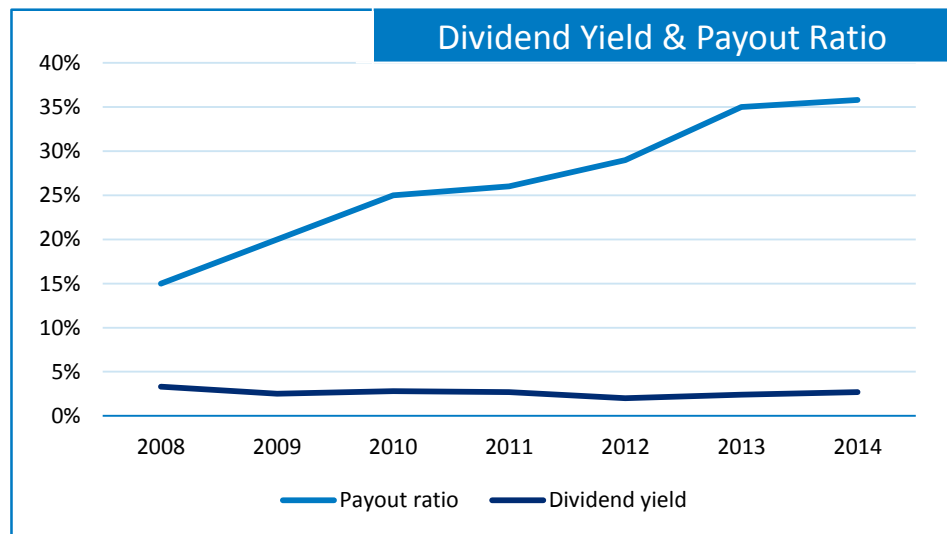


Investment in Goodman Fielder

- On 27 April 2014, First Pacific and Wilmar proposed, through a 50%/50% joint venture, to acquire the entire issued share capital of Goodman Fielder by way of a scheme of arrangement. The offering price per share was revised to A\$0.675 (US\$0.53) from A\$0.70 (US\$0.65) following a due diligence exercise. Including the 9.8% of Goodman Fielder shares acquired from Perpetual Investment Management Limited and Ellerston Capital Limited at a price of A\$0.70 (US\$0.65) per share, the total consideration of First Pacific's 50% interest in Goodman Fielder is A\$664.8 million (US\$539.7 million).
- Following approvals from various regulatory bodies, Goodman Fielder's shareholders and the relevant court in Australia, the acquisition was completed on 17 March 2015. Goodman Fielder was delisted from the Australia and New Zealand Stock Exchanges on 19 March 2015.
- Goodman Fielder is the leading food company in Australasia offering packaged baked products, spreads, dairy products, sauces, dressings, and condiments and bulk and packaged edible fats and oils and flour products. Its iconic brands include Meadow Lea, Praise, White Wings, Pampas, Mighty Soft, Helga's, Wonder White, Vogel's (under license) and Meadow Fresh.
- First Pacific is currently working closely with Wilmar and Goodman Fielder's management on developing strategies and business plans to improve its financial and operational efficiency, and to increase exports to China and Southeast Asia through First Pacific and Wilmar's distribution networks.



Pro forma as at December 31, 2014 including Goodman Fielder



Summary of 2014 Results



For the year ended December 31	2014	2013	Change
(US\$m)			
Recurring profit	323.9	327.1	-1.0%
Profit contribution from operations	462.7	467.2	-1.0%
Non-recurring losses	(234.3)	(34.5)	579%
Profit attributable to owners of the parent company	81.0	235.3	-65.6%
Turnover	6,841.3	6,206.3	13.9%
(U.S. cents)			
Basic earnings per share - recurring	7.55	7.87	-4.1%
Basic earnings per share - attributable	1.89	5.66	-66.6%
Proposed final dividend	1.67	1.67	-
Proposed full year dividend payout ratio	36%	35%	
(US\$m)			
Equity attributable to owners of the parent company	3,428.4	3,509.9	-2.3%
(Times)			
Consolidated gearing ratio	0.45x	0.42x	
Head Office gearing ratio	0.56x	0.51x	

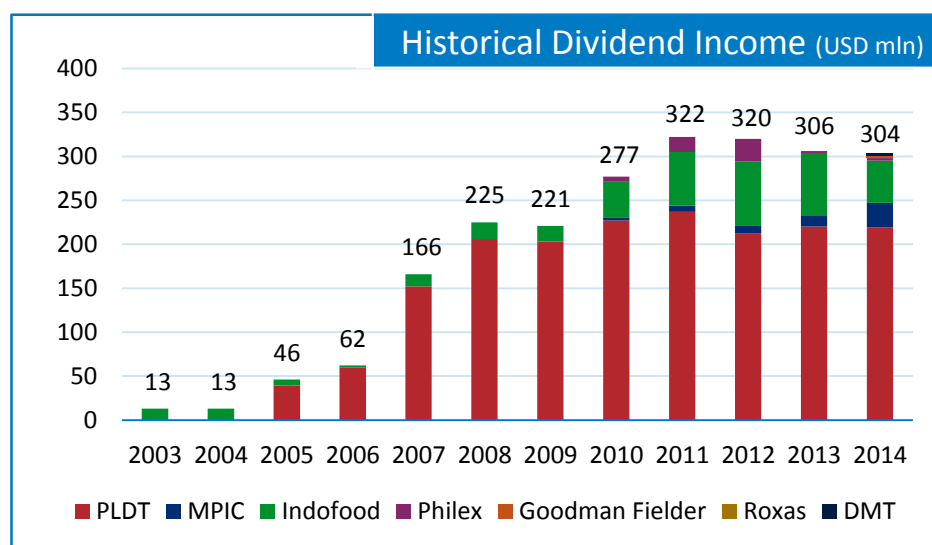
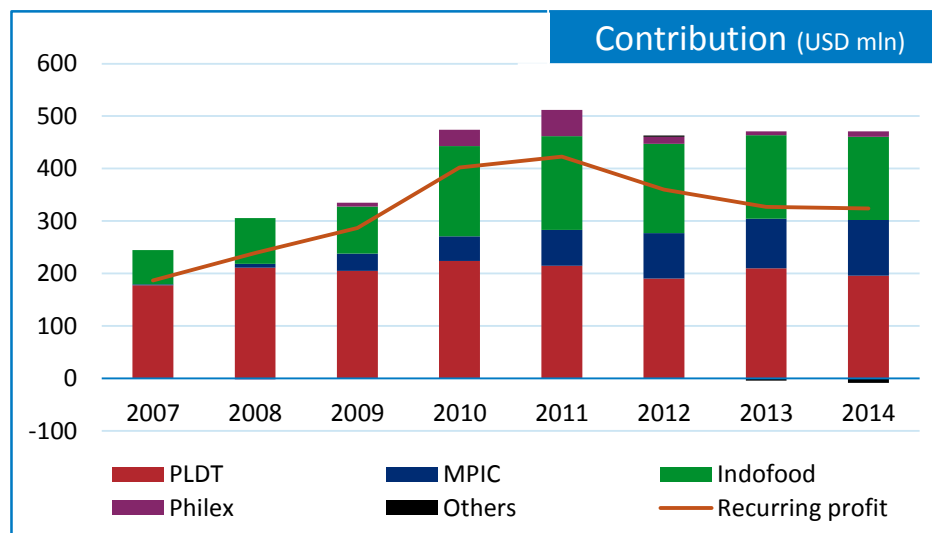
Highlights of Operating Performance

□ Recurring Profit	US\$323.9 mln	-1.0%
□ Reported Profit	US\$81.0 mln	-65.6%
□ Contribution	US\$462.7 mln	-1.0%

Contribution (US\$ mln)

	<u>2013</u>	<u>2014</u>	<u>Change</u>
PLDT	209.9	195.7	-6.8%
Indofood	159.6	158.4	-0.8%
MPIC	94.5	106.6	12.8%
Philex	7.3	10.2	39.7%
FPM Power	(4.8)	(12.0)	-150%
FP Natural Resources	0.2	1.6	+700%
FPM Infrastructure	0.5	2.2	-340%

- Full-year dividend income US\$304 mln vs. US\$306 mln
- Consolidated gearing : 0.45x (end-2013: 0.42x)
- Head Office gearing: 0.56x (end-2013: 0.51x)
- Head Office gross debt: US\$1.75 bln (end-2013: US\$1.75 bln)
- Head Office net debt: US\$1.2 bln (end-2013: US\$1.2 mln)





PLDT Service Revenues Face Structural Change

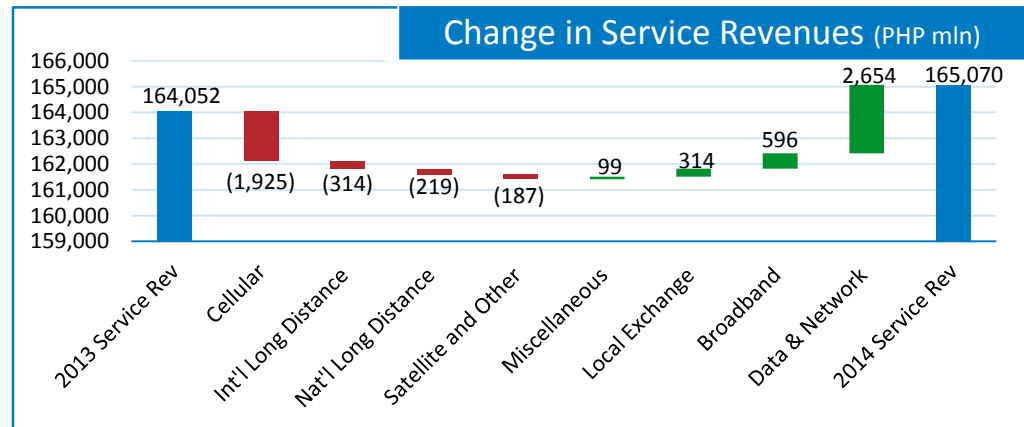
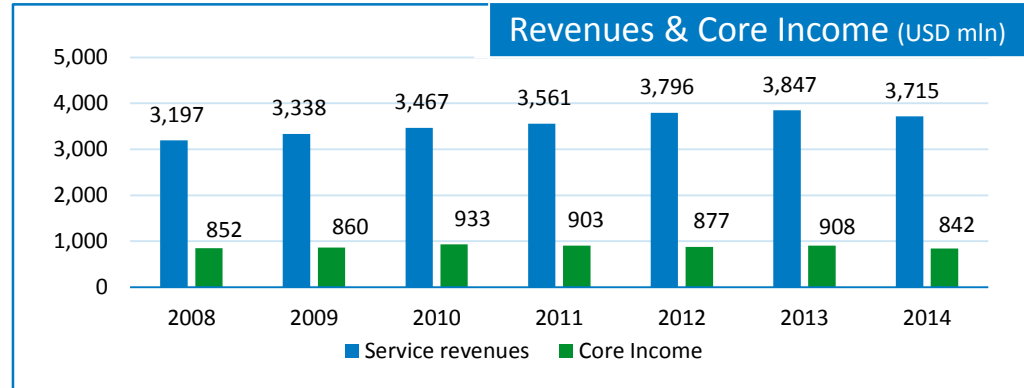


Earnings Highlights

- 2014 revenues rise 1% to ₱165.1 billion as increasing data revenues offset decline in revenues from legacy businesses
- Core income down 3% to ₱37.4 billion largely on higher non-cash expenses and income tax
- EBITDA margin stable at 47% on accelerating replacement of high-margin legacy service revenues by newer lower-margin data and broadband revenues
- Peso weakness (average FX rate down 4%) results in lower contribution in USD terms
- 2014 full-year dividend payout at 75% of core income, “look-back” policy delivers 15% special dividend

Outlook

- 2015 core income seen reaching ₱35.0 billion
- 2015 capex seen up at ₱39.0 billion
- Fast-growing revenue streams seen accelerating from low base on increasing smartphone affordability, driving demand for mobile data
- €333 million investment for 6.1% interest in Rocket, a leading internet business incubator, to develop online and mobile payment solutions for emerging markets
- Dividend policy of 75% core and “look-back” policy remains unchanged



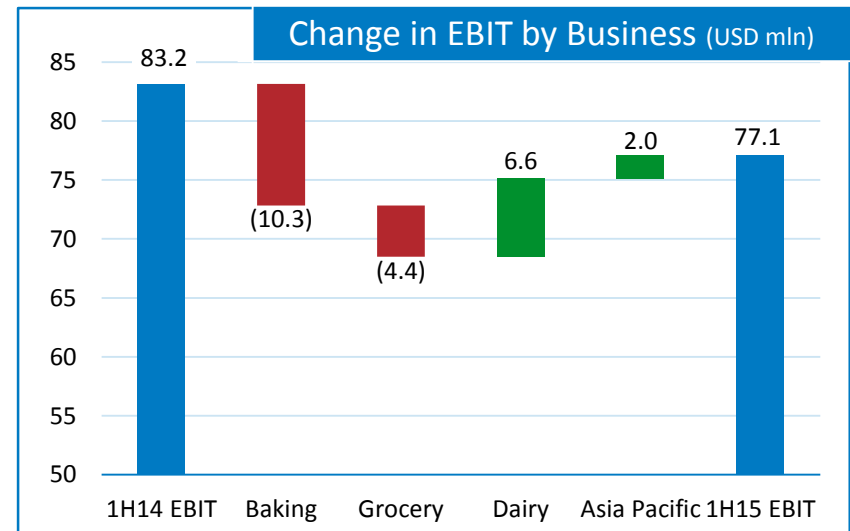
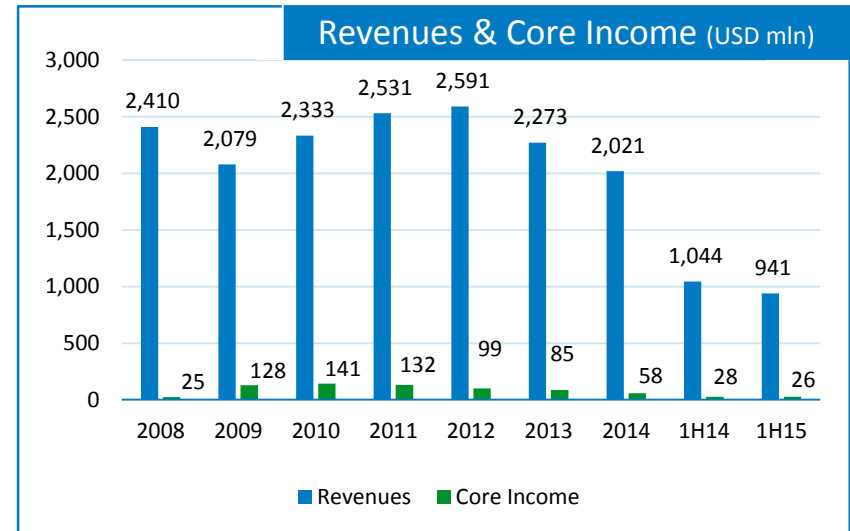
USD mln	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Core Income	527	617	766	852	860	933	903	877	908	842
Dividends	175	512	754	839	851	919	893	882	908	759
Gearing	1.0x	0.6x	0.4x	0.4x	0.6x	0.5x	0.5x	0.5x	0.5x	0.8x
EBITDA Margin	64%	64%	61%	61%	59%	54%	52%	47%	47%	47%

Earnings Highlights

- Normalized EBIT flat in AUD terms but down 6% in USD terms on currency weakness
- On “like-for-like” basis before divestments, EBIT up 5% in AUD terms
- Dairy business boosted by raw milk prices down from the previous year’s record highs, resulting in stronger margins and earnings
- Asia-Pacific business lifted by stronger Fiji Poultry performance, raising EBIT by 12%
- Baking business saw strong gains in value share in “power brands” but price pressure in fresh loaf segment in Australia and New Zealand hurt pricing and earnings
- Grocery business hurt by continued difficult trading conditions impacting prices and volumes across most product categories except Dressings & Mayo
- Continued cost discipline and cuts in overhead expenses helped shore up the bottom line following corporate restructuring a year earlier

Outlook

- First Pacific and Wilmar are conducting a strategic review following closing of the acquisition of Goodman Fielder in March 2015
- Cost-saving and efficiency improvements have already been tentatively identified
- Key goal is to expand the Asia-Pacific businesses while stabilizing domestic operations and regaining market power versus domestic supermarket duopsony



Indofood Earnings Lifted by Stronger CPO Prices

THE SYMBOL OF QUALITY FOODS

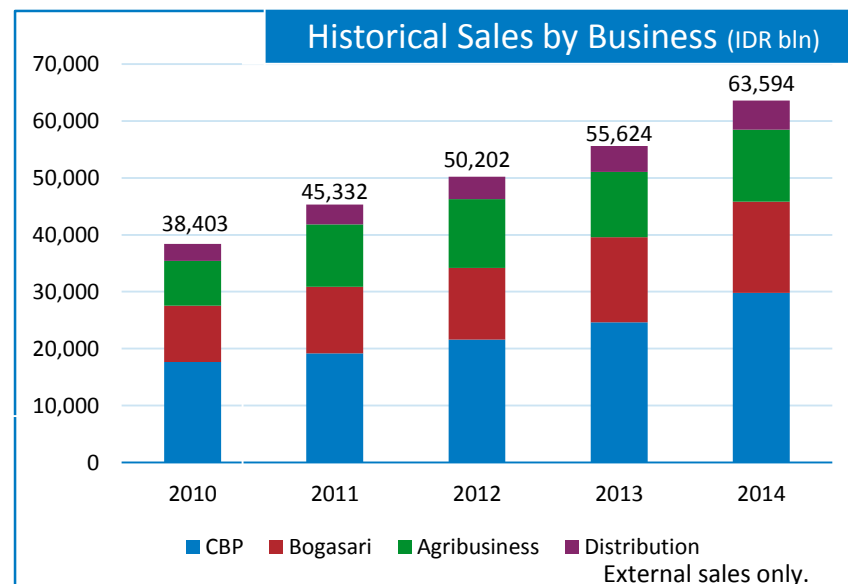
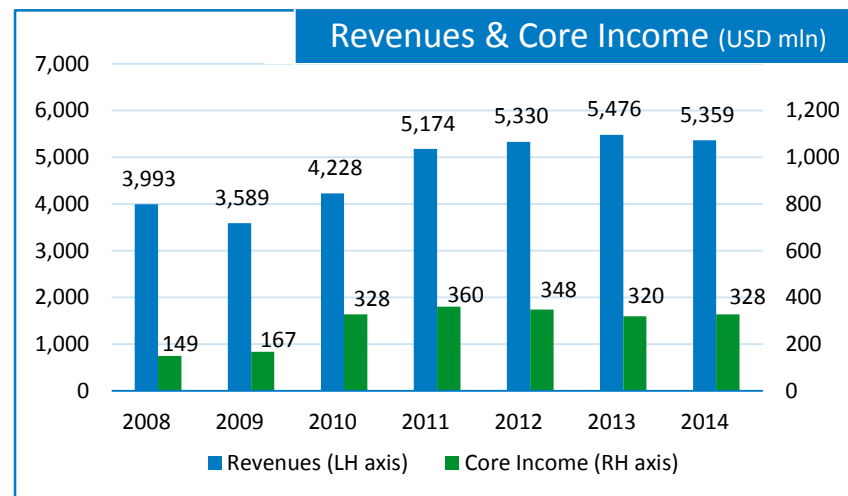
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2014 Earnings

- Revenues up 14% to IDR63.6 trillion vs. IDR55.6 trillion on higher sales in every business, led by Consumer Branded Products
- Core income rose 16% in Rupiah terms to IDR3.89 trillion vs. IDR3.37 trillion, boosted by lower finance expense
- Core income up just 3% in USD terms owing to 11% depreciation in Rupiah average exchange rate vs. a year earlier
- EBIT margin rose to 11.3% vs. 11.0% on price resilience in nearly every product line and effective cost controls

Outlook

- Strong sales growth at CBP division, Bogasari flour and pasta division and in Distribution points to continuing strong revenue growth in 2015, but held back by weaker Rupiah
- Expansion of CPO milling facilities to boost Agribusiness revenues and margins while CBP revenues to be lifted by dairy & beverages expansions
- Diaper joint venture with Japan's Oji, beverage partnership with Asahi, and oil & fats venture with Tsukishima to diversify revenues and boost income



Core Income, Gearing & Margin

USD mln	2008	2009	2010	2011	2012	2013	2014
Core income	149	167	328	360	348	320	328
Dividend	43	80	130	176	174	128	96
Net debt	1,307	1,362	432	70	205	841	1,027
Gearing	1.09x	0.83x	0.16x	0.02x	0.06x	0.27x	0.31x
EBIT Margin	11.2%	13.4%	16.4%	15.1%	13.7%	11.0%	11.3%

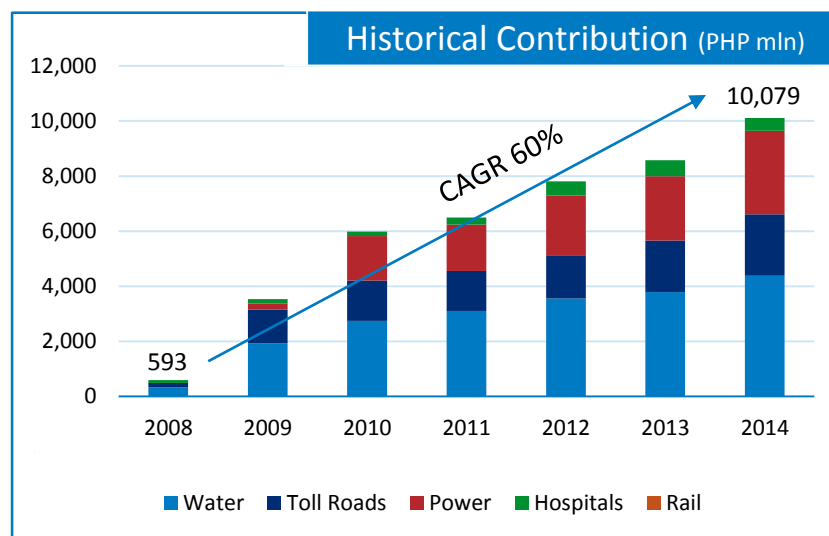
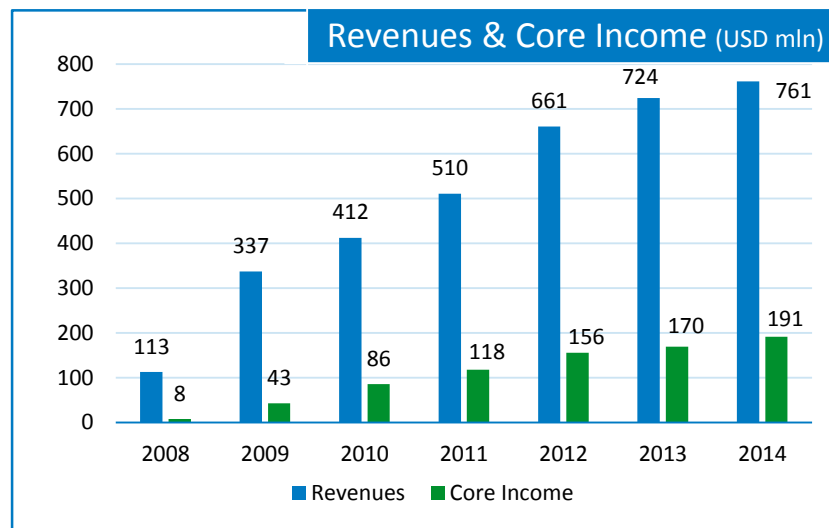
2014 Earnings Highlights

- Core income rose 18% in Peso terms to ₱8.51 billion vs. ₱7.23 billion on double-digit contribution growth by Power, Toll Roads and Water
- Power contribution raised by higher effective stake in Beacon and lower interest expense at Beacon
- Toll Roads boosted by more and longer average journeys, higher shareholding in Manila North Tollways Corp., and contribution from Don Muang
- Water contribution boosted by volumes and tariff
- Hospitals contribution lower due to smaller effective ownership with sale of 40% to GIC of Singapore

Outlook

- FY 2015 core income difficult to forecast given continuing regulatory uncertainties
- Major new toll road projects expected to launch in short to medium term
- Member of winning light rail and contactless payments consortiums in PPP development projects
- Further infrastructure investments sought including power generation

	Core Income & Gearing					
USD mln	2009	2010	2011	2012	2013	2014
Core income	42.8	85.6	118.0	156.0	169.5	191.5
Reported net income	48.1	63.7	117.0	140.4	169.1	178.7
Head Office gearing	0.31x	0.23x	n/a	0.15x	0.02x	0.03x
Head Office net debt/(cash)	140	257	(53)	237	33	52





2014 Earnings Highlights

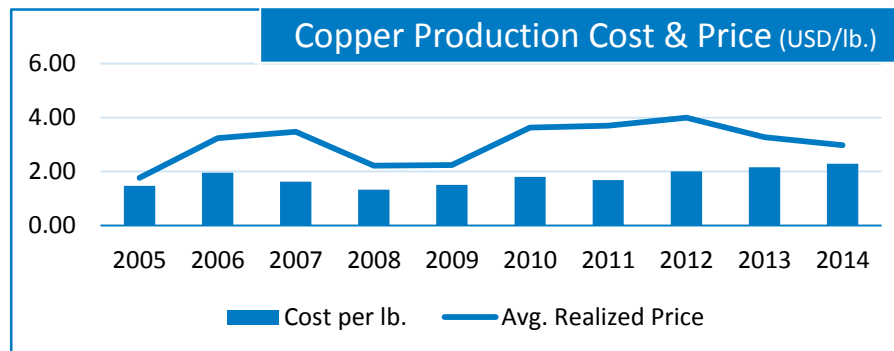
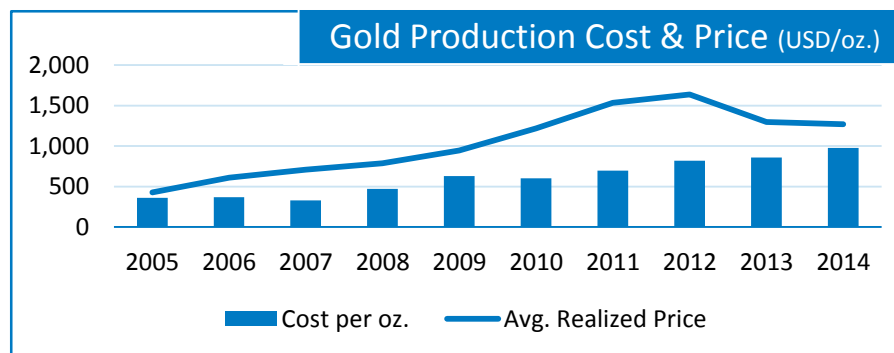
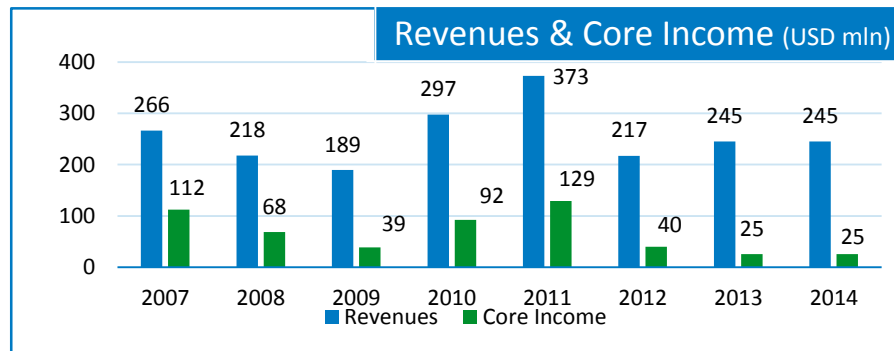
- ❑ Revenues flat at \$245 million as increase in operating days offset by lower ore grades, lower PHP exchange rate and lower metal prices
- ❑ Core income flat at \$25.3 million on higher production volumes, offset by higher production costs owing in part to poorer grades of ore
- ❑ Realized gold price down 2% to \$1,270/oz. vs. \$1,297/oz.
- ❑ Realized copper price down 9% to \$2.98/lb. vs. \$3.27/lb.
- ❑ Gold contributed 54% of revenue, copper 42%, silver 1%, petroleum 3%

2014 Production Highlights

- ❑ Days of production at 359 in 2014, up 20% from 299 days a year earlier
- ❑ Ore milled at 26,479 tonnes/day in the period, up 2% on-year from 25,880 tonnes/day in 2013
- ❑ Gold production 105,008 oz., up 5% from 99,802 oz.
- ❑ Gold grade down to 0.438 grams/tonne from 0.503 grams/tonne
- ❑ Copper production up 9% to 35.4 million lb. vs. 32.5 million lb.
- ❑ Copper grade worsened to 0.212% from 0.236%

Outlook

- ❑ Prefeasibility study for Silangan Project indicates capex of approximately \$1 billion, payback in less than five years
- ❑ Bulk sampling from ore body to be completed in 1Q 2015
- ❑ Bankable Feasibility Study scheduled in 2H 2015



Goals for 2015: Guide Transformation and Organic Growth



First Pacific

- Return Goldman Fielder to earnings growth
- To progress the Silangan project
- To evaluate new business opportunities in un-regulated sectors

PLDT

- Grow consolidated service revenues in 2015 by improving wireless service revenues over 2014, and maintaining double digit increases in the data and broadband businesses
- Achieve core income guidance of Pesos 35.0 billion
- Increase coverage and capacity of the PLDT group fixed and wireless networks to support the broadband and data businesses, with guidance for 2015 capital expenditures of Pesos 39.0 billion

Indofood

- Continue to accelerate growth organically and through expansion of business categories
- Optimize portfolio

MPIC

- Work with the Philippines Government for the Swiss challenge on connector road project and bridge project in Cebu
- Continue to pursue new water projects outside Metro Manila
- Restructure MPIC group finances to increase dividend flow to MPIC Head Office
- Evaluate new business opportunities to diversify regulatory risk in the Philippines

Philex

- Complete the definitive feasibility study of the Silangan project
- Secure stable financing for the development of the Silangan project and seek a strategic partner for the project
- Declare additional resources and reserves for Padcal mine and resources in the surrounding area

FPM Power/PLP

- Sell 80% of PLP's generation through vesting contracts and retail load
- Maintain high levels of operational reliability and safety

FP Natural Resources/RHI

- Rationalize industry to optimize plant efficiency and capacity utilization
- Diversify into power co-generation and related businesses
- Improve farm efficiency which account for 70% of the production cost

Contribution Summary



For the year ended 31 December US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2014	2013 (Restated) ⁽ⁱⁱⁱ⁾	2014	2013
PLDT ⁽ⁱⁱⁱ⁾	-	-	195.7	209.9
Indofood	5,350.4	5,275.8	158.4	159.6
MPIC	761.5	724.1	106.6	94.5
Philex ⁽ⁱⁱⁱ⁾	-	-	10.2	7.3
FPM Power	729.4	5.9	(12.0)	(4.8)
FP Natural Resources	-	-	1.6	0.2
FPM Infrastructure	-	-	2.2	0.5
Contribution from operations^(iv)	6,841.3	6,005.8	462.7	467.2
Head Office items:				
- Corporate overhead			(31.5)	(32.5)
- Net interest expense			(90.0)	(86.2)
- Other expenses			(17.3)	(21.4)
Recurring profit^(v)			323.9	327.1
Foreign exchange and derivative losses ^(vi)			(9.3)	(56.3)
Gain/(loss) on changes in fair value of plantations			0.7	(1.0)
Non-recurring items ^(vii)			(234.3)	(34.5)
Profit attributable to owners of the parent			81.0	235.3

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

(ii) The Group has restated its 2013 turnover to US\$6,005.8 million from US\$6,206.3 million following Indofood's classification of China Minzhong Food Corporation Limited, as a disposal group held for sale and as a discontinued operation in 2014.

(iii) Associated companies.

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

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

(vi) Foreign exchange and derivative losses represent the 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.

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2014's non-recurring losses of US\$234.3 million mainly represent the Group's impairment provision in respect of its investments in Philex (US\$188.0 million), PLDT's impairment provisions for its transport assets affected by network upgrade (US\$17.6 million), manpower rightsizing costs (US\$4.9 million), MPIC's business development costs (US\$3.0 million) and taxes incurred in hospital group reorganization (US\$2.6 million). 2013's non-recurring losses of US\$34.5 million mainly represent the Group's debt refinancing costs (US\$17.8 million), PLDT's impairment provisions for cellular network equipment and site facilities (US\$12.9 million), Philex's impairment provisions for investments (US\$10.9 million) and PLDT's manpower rightsizing costs (US\$6.6 million), partly offset by PLDT's gain on disposal of business process outsourcing business (US\$13.0 million).

Consolidated Statement of Financial Position

At 31 December 2014

At 31 December 2013

US\$ millions		(Restated)	Change
Non-current assets			
Property, plant and equipment	2,731.8	2,856.6	(4.4%)
Plantations	1,210.7	1,164.4	4.0%
Associated companies and joint ventures	3,568.4	3,406.6	4.7%
Goodwill	1,057.6	1,047.1	1.0%
Other intangible assets	2,511.8	2,386.8	5.2%
Accounts receivable, other receivables and prepayments	11.8	18.5	(36.2%)
Available-for-sale assets	193.8	63.7	204.2%
Deferred tax assets	200.2	162.9	22.9%
Pledged deposits and restricted cash	30.9	11.1	178.4%
Other non-current assets	385.9	423.4	(8.9%)
	11,902.9	11,541.1	3.1%
Current assets			
Cash and cash equivalents and short-term deposits	2,265.9	2,375.4	(4.6%)
Pledged deposits and restricted cash	53.2	49.3	7.9%
Available-for-sale assets	59.2	101.8	(41.8%)
Accounts receivable, other receivables and prepayments	661.2	778.8	(15.1%)
Inventories	717.2	695.7	3.1%
Plantations	-	2.0	-
	3,756.7	4,003.0	(6.2%)
Assets classified as held for sale	982.4	-	-
	4,739.1	4,003.0	18.4%
Current liabilities			
Accounts payable, other payables and accruals	1,192.4	980.7	21.6%
Short-term borrowings	912.0	1,067.0	(14.5%)
Provision for taxation	51.0	32.6	56.4%
Current portion of deferred liabilities, provisions and payables	321.9	250.4	28.6%
	2,477.3	2,330.7	6.3%
Liabilities directly associated with the assets classified as held for sale	335.9	-	-
	2,813.2	2,330.7	20.7%
Net current assets	1,925.9	1,672.3	15.2%
Total assets less current liabilities	13,828.8	13,213.4	4.7%
Equity			
Issued share capital	42.9	43.1	(0.5%)
Shares held for share award scheme	(8.7)	(9.6)	(9.4%)
Retained earnings	1,540.1	1,575.7	(2.3%)
Other components of equity	1,854.1	1,900.7	(2.5%)
Equity attributable to owners of the parent	3,428.4	3,509.9	(2.3%)
Non-controlling interests	4,288.6	3,969.6	8.0%
Total equity	7,717.0	7,479.5	3.2%
Non-current liabilities			
Long-term borrowings	4,893.9	4,551.3	7.5%
Deferred liabilities, provisions and payables	850.0	816.0	4.2%
Deferred tax liabilities	367.9	366.6	0.4%
	6,111.8	5,733.9	6.6%
	13,828.8	13,213.4	4.7%

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Head Office Cash Flow



For the year ended 31 December	2014	2013
US\$ millions		
Dividend and fee income	304.2	305.8
Head Office overhead expense	(31.0)	(30.2)
Net cash interest expense	(87.6)	(81.6)
Taxes	(0.3)	(0.3)
Net cash inflow from operating activities	185.3	193.7
Net investments ⁽ⁱ⁾	(72.7)	(507.1)
Loans to associated companies, net	(32.7)	(55.9)
Financing activities		
- Dividends paid	(115.9)	(108.6)
- Repurchase of shares	(28.0)	(31.3)
- Proceeds from rights issue, net	-	494.5
- Proceeds from the issue of unsecured bonds, net	-	395.0
- Net loan repayments	-	(393.8)
- Others	(0.7)	2.6
Decrease in cash and cash equivalents	(64.7)	(10.9)
Cash and cash equivalents at 1 January	573.2	584.1
Cash and cash equivalents at 31 December	508.5	573.2

(i) Includes principally investments in a 9.8% interest in Goldman Fielder of approximately US\$130 million and investment financings to FP Natural Resources of approximately US\$35 million, partly offset by the proceeds from the transfer of a 75% interest in FPM Infrastructure to MPIC of US\$101 million (2013: principally investment financings to FPM Power, FPM Infrastructure and FP Natural Resources of approximately US\$330 million, US\$101 million and US\$41 million, respectively).

Adjusted NAV per Share



At 31 December		2014	2013
US\$ millions	Basis		
PLDT	(i)	3,589.9	3,317.2
Indofood	(i)	2,385.3	2,380.4
MPIC	(i)	1,493.9	1,413.0
Philex	(i)	390.3	407.0
Goodman Fielder	(i)	100.8	-
Philex Petroleum	(i)	32.1	49.9
FPM Power	(ii)	335.3	330.0
FP Natural Resources	(iii)	63.4	25.9
FPM Infrastructure		-	101.3
Head Office - Other assets	(iv)	112.7	80.0
- Net debt		(1,227.5)	(1,160.3)
Total Valuation		7,276.2	6,944.4
Number of Ordinary Shares in Issue (millions)		4,287.0	4,309.7
Value per share - U.S. dollars		1.70	1.61
- HK dollars		13.24	12.57
Company's closing share price (HK\$)		7.69	8.82
Share price discount to HK\$ value per share (%)		41.9	29.8

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

(ii) Represents investment costs in FPM Power.

(iii) Mainly represents RHI (based on quoted share price applied to the Group's effective economic interest) and other assets.

(iv) Represent investment cost in Silangan's convertible notes at 31 December 2014 and loans receivable from Philex at 31 December 2013.

Contact Us



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