

FIRST
PACIFIC



Maynilad



Investor Presentation

2016 Full-Year Results

HKEx: 00142
ADR: FPAFY
www.firstpacific.com

Creating
long-term value
in Asia

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The dollar sign (“\$”) is used throughout this presentation to represent U.S. dollars except where otherwise indicated.

Senior Management of First Pacific



Robert C. Nicholson
Executive Director



Manuel V. Pangilinan
Managing Director and CEO



Edward A.
Tortorici
Executive Director



Ray C. Espinosa
Associate Director



Victorico P. Vargas
Assistant Director



Marilyn A.
Victorio-Aquino
Assistant Director



Chris H. Young
*Chief Financial
Officer*



Joseph H.P. Ng
*Exec. Vice President,
Group Finance*



John W. Ryan
*Exec. Vice President,
Investor Relations*



Stanley H. Yang
*Exec. Vice President,
Corp. Development*

FIRST PACIFIC

Telecommunications



First Pacific owns 25.6% of PLDT which in turn owns 100% of Smart, its mobile telecommunications subsidiary.

Infrastructure



First Pacific owns 42.0% of MPIC and holds economic interests of 19.5% in Meralco, 23.9% in Global Business Power, 47.5% of PacificLight, 22.2% of Maynilad, and 41.9% of MetroPacific Tollways.

Consumer Foods



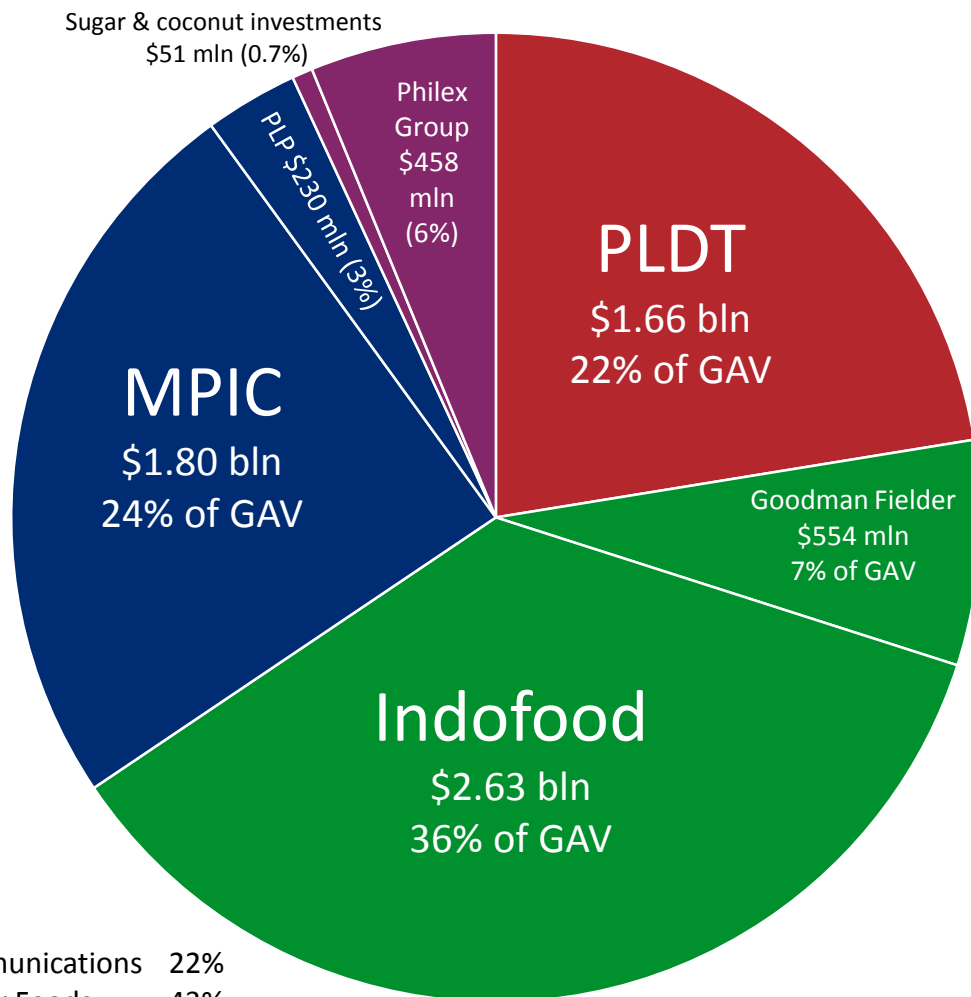
First Pacific owns 50.1% of Indofood and has an economic interest of 40.3% in ICBP. FPC owns 50.0% of Goodman Fielder.

Natural Resources



First Pacific owns 31.2% of Philex and Two Rivers, a Philippine affiliate, holds 15.0%. First Pacific holds an effective economic interest of 41.6% in Philex Petroleum, 31.4% in IndoAgri, and 47.4% in Roxas Holdings.

Gross Asset Value of \$7.4 Billion



Telecommunications	22%
Consumer Foods	43%
Infrastructure	29%
Natural Resources	7%

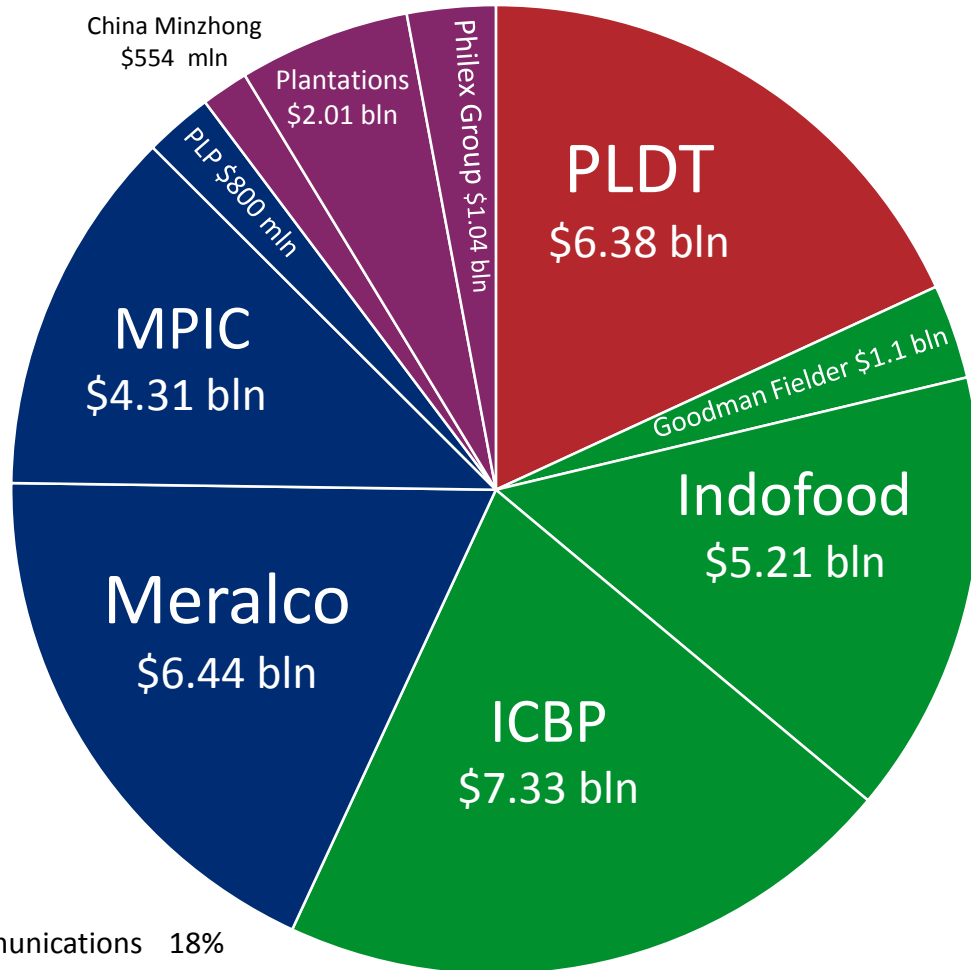
Investment Objectives

- Unlock value, enhance cash flows to deliver dividend returns, grow share price, and finance further investment in value-enhancing businesses

Investment Criteria

- Be located in or trading with fast-growing Asian economies
- Be related to our four industry sectors (consumer foods, infrastructure, natural resources, and telecommunications)
- Have a dominant market position in their sectors
- Possess the potential for delivering substantial cash flows to investors
- Allow FPC to establish management control or significant influence

\$35.2 Bln of Major Assets in Portfolio

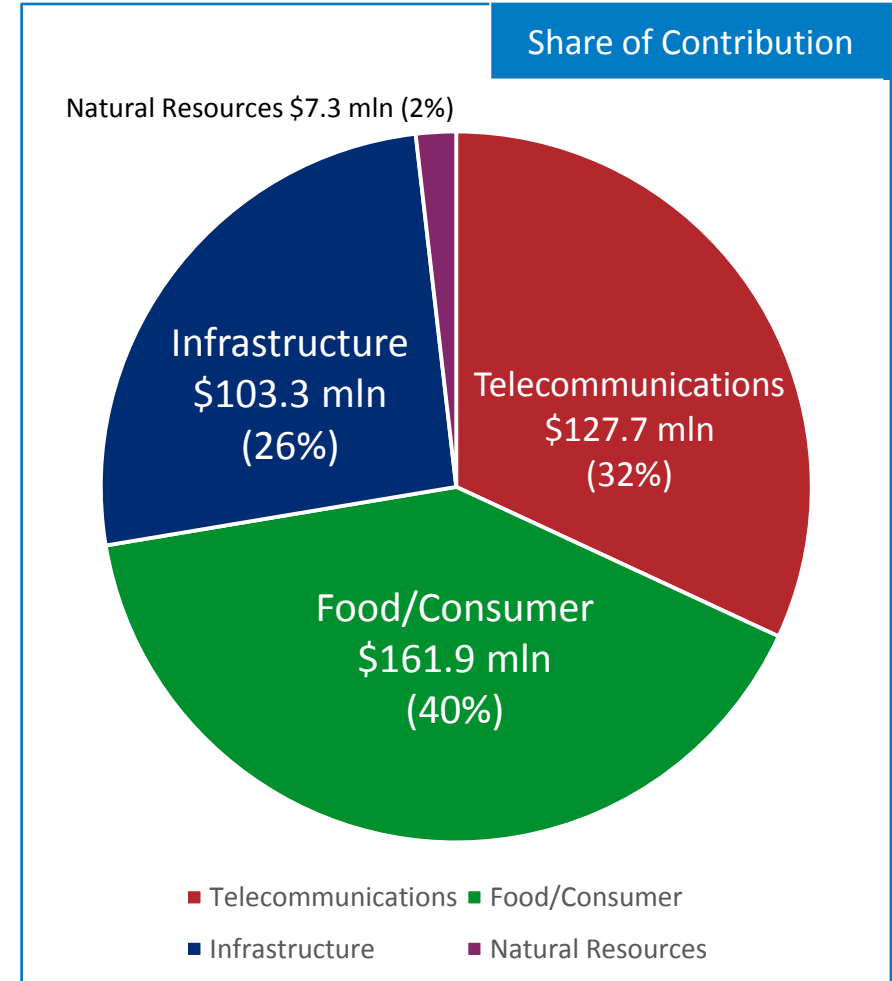
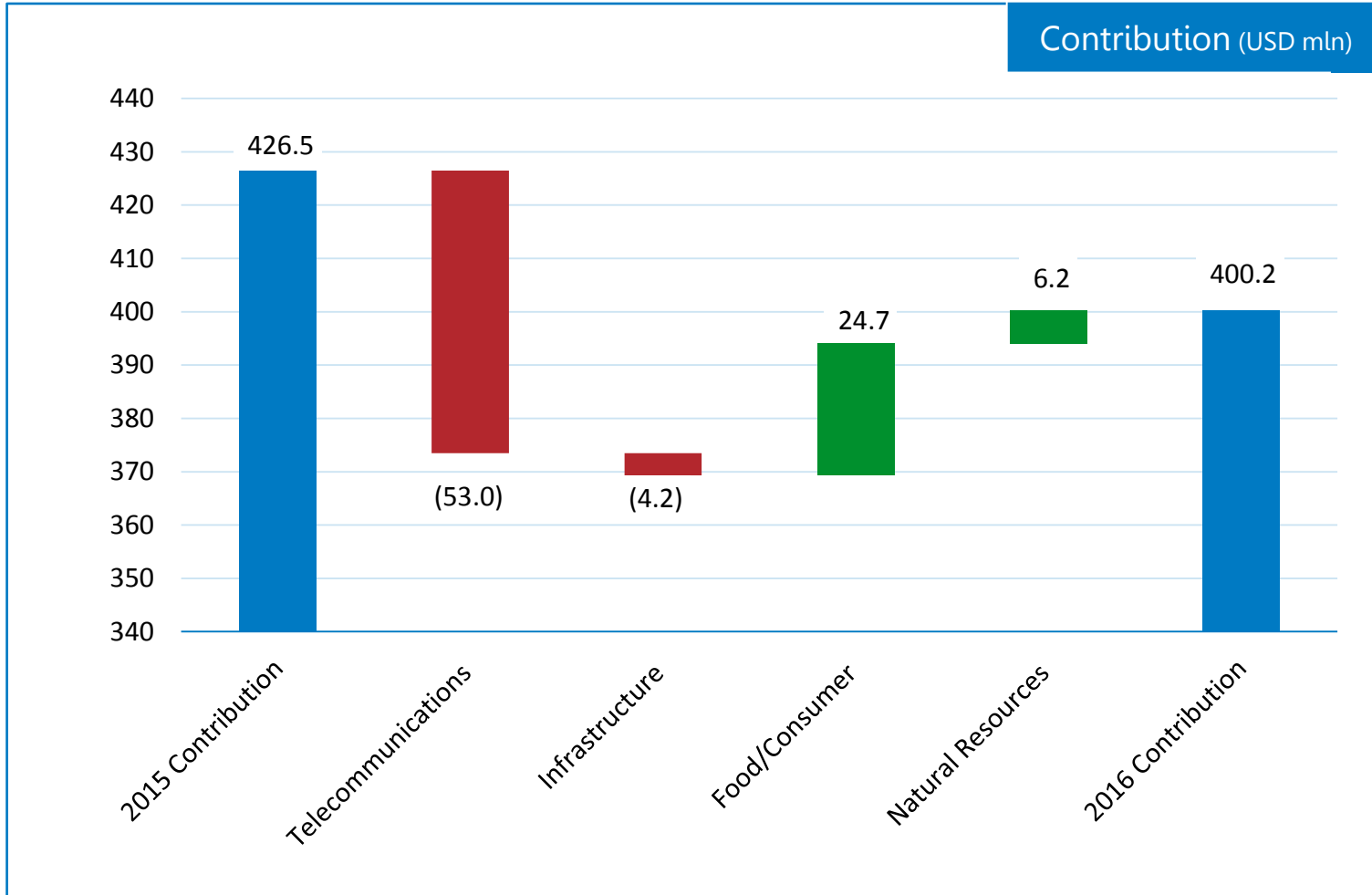


Telecommunications	18%
Consumer Foods	39%
Infrastructure	33%
Natural Resources	10%

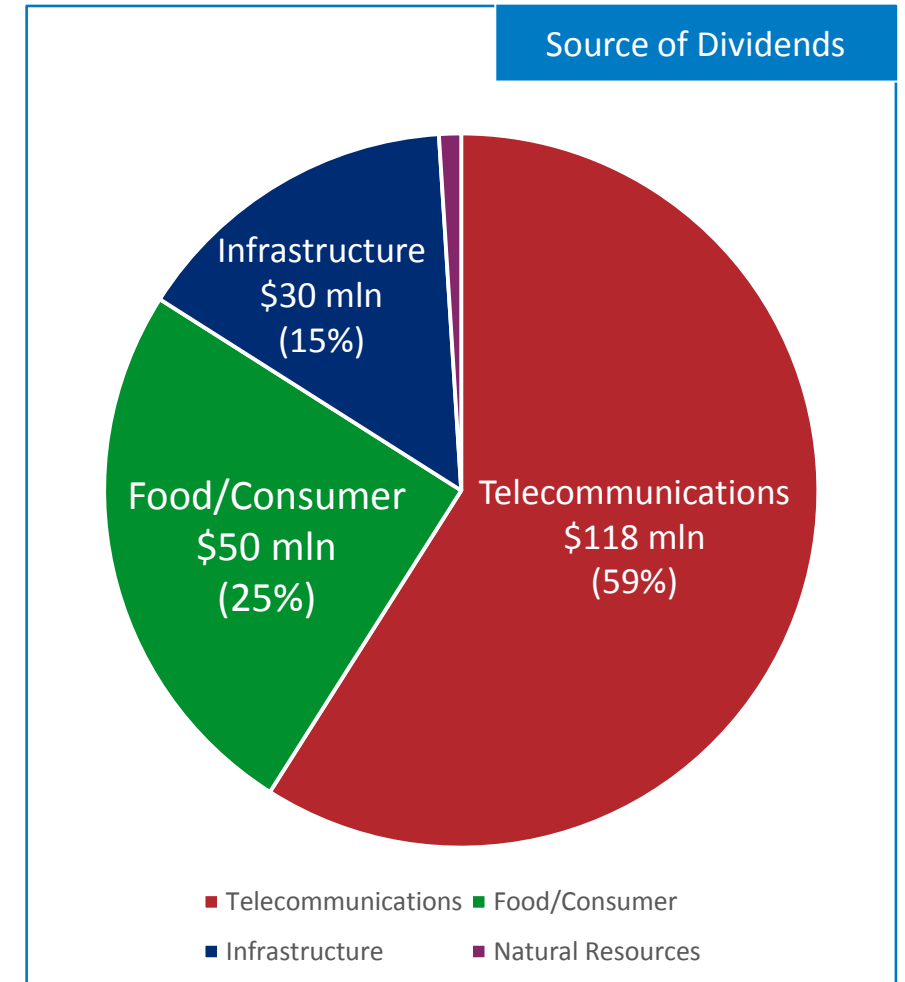
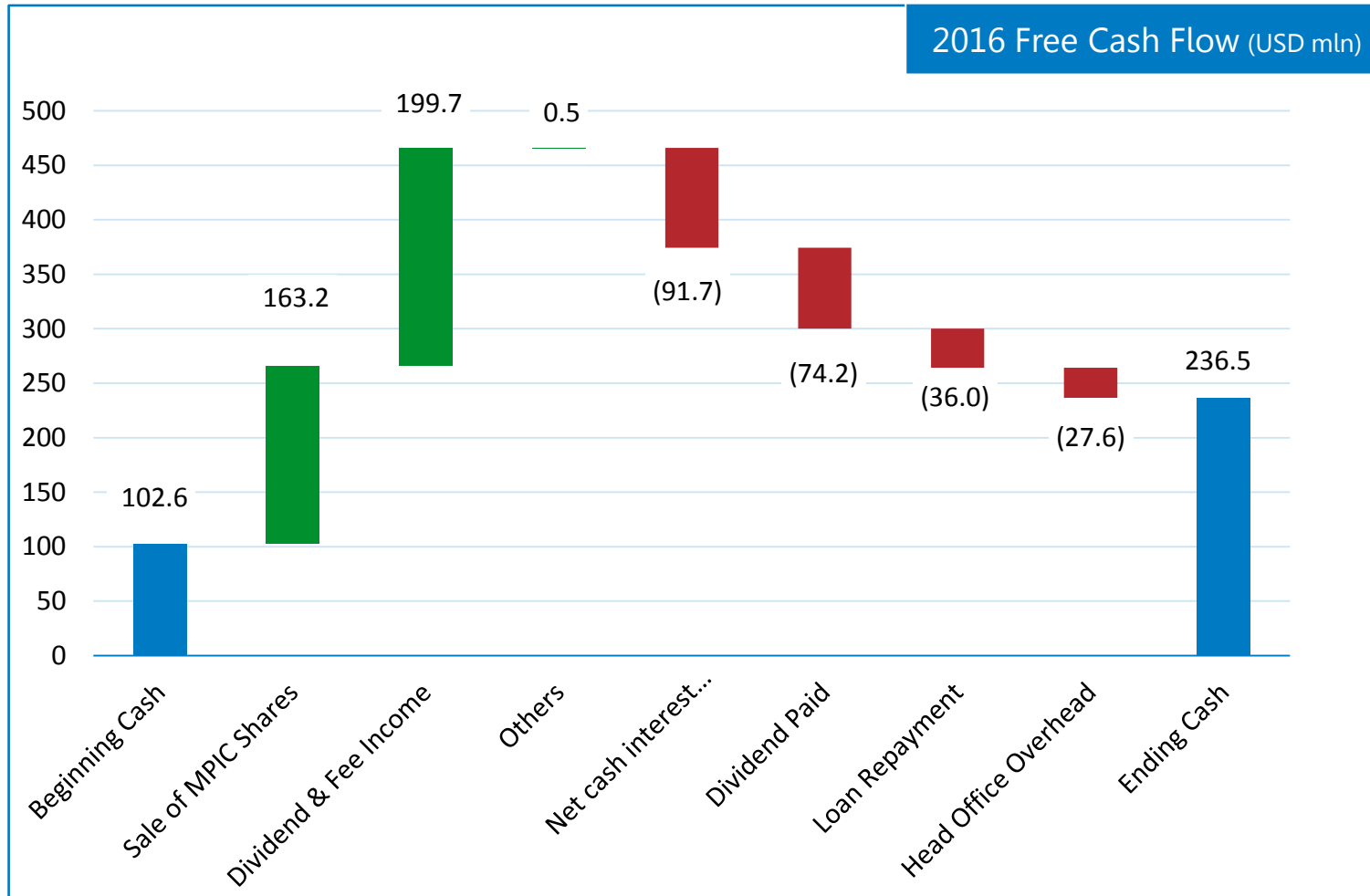
One of the Largest Listed Investors in ASEAN

- Total turnover for the First Pacific Group of Companies in 2016 was \$22.3 billion
- EBITDA totaled \$4.59 billion
- Core profit reached a total of \$2.20 billion
- Total capital expenditure was \$2.25 billion
- Gross debt of \$11.1 billion
- Net debt of \$5.90 billion

2016 Contribution



Head Office Cash Flow Remains Strong



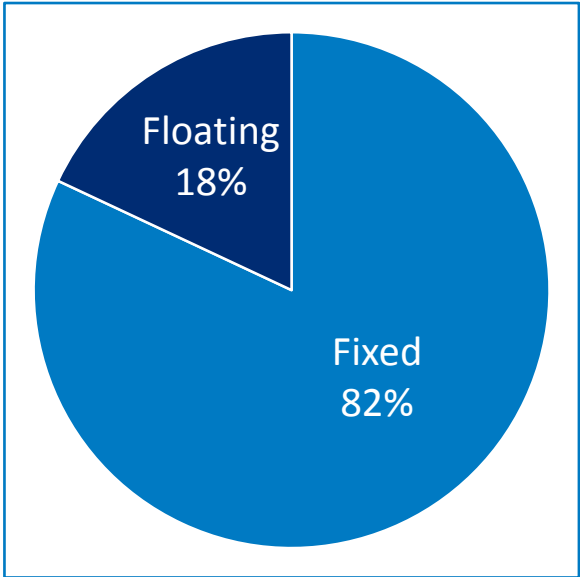
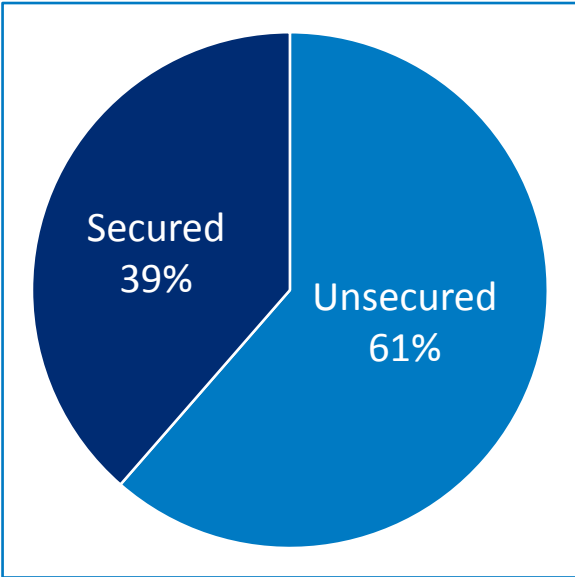
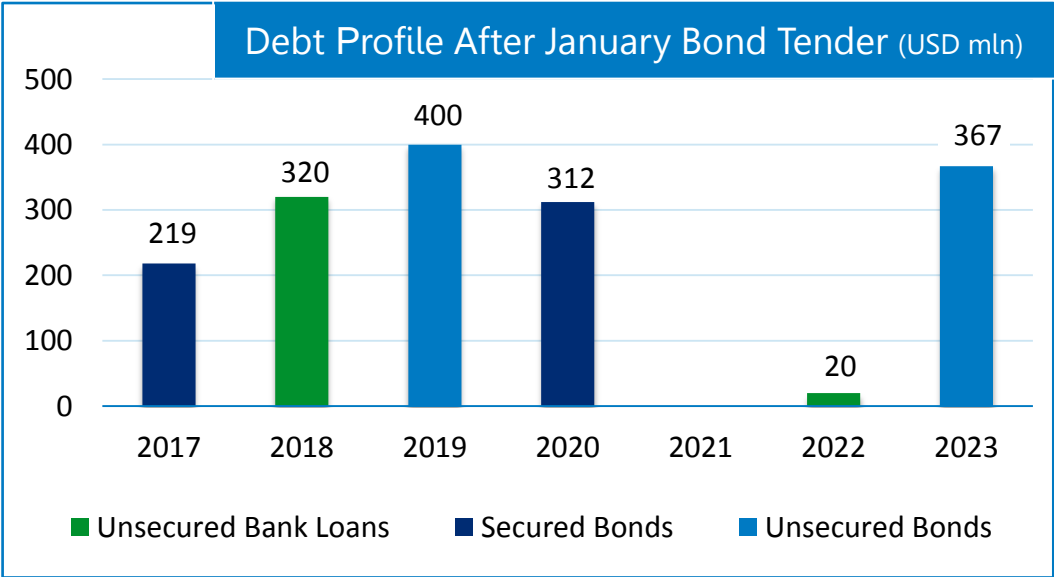
January Bond Tender Strengthens Head Office Balance Sheet

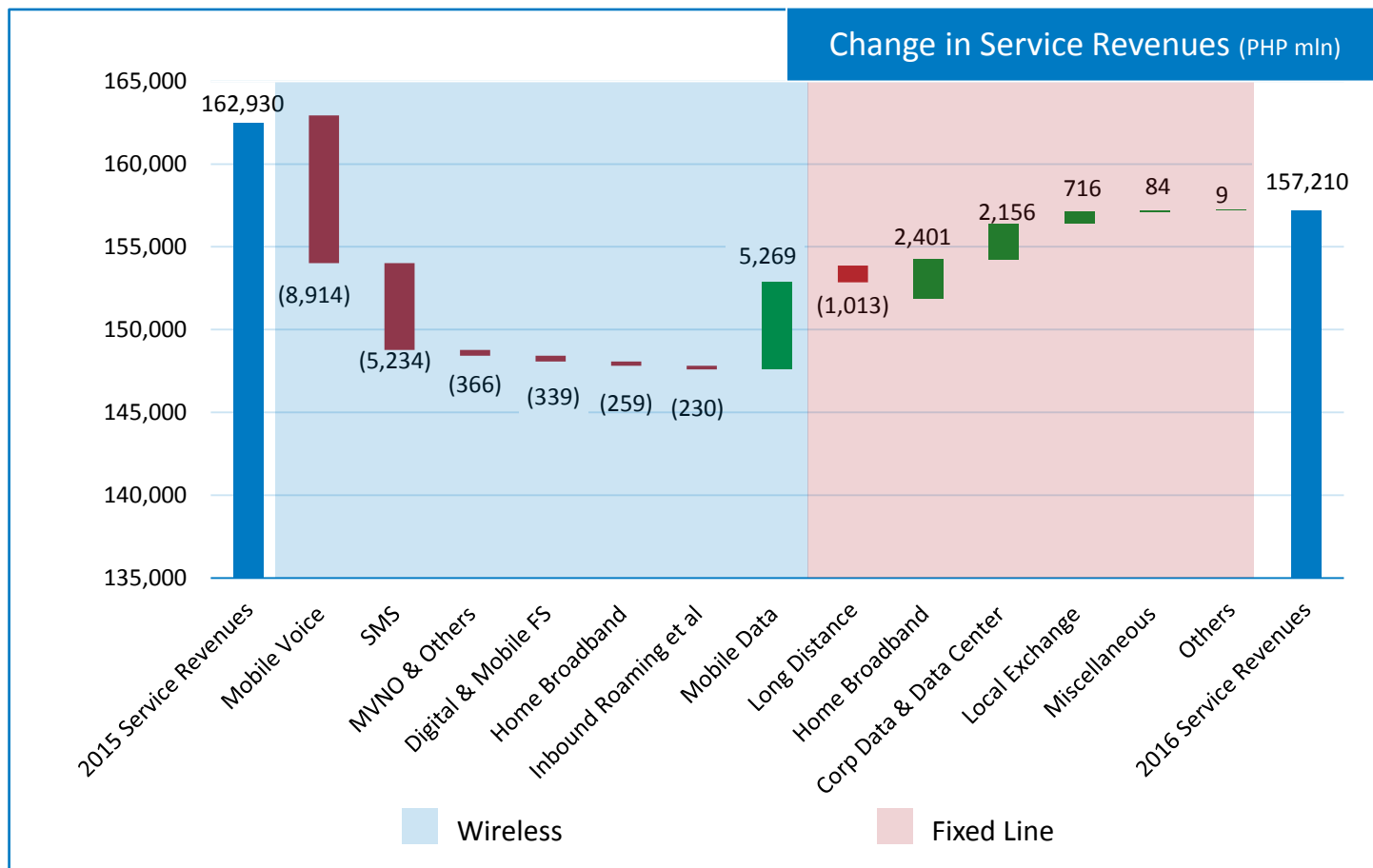
Principal	Coupon	Price*	Term	Maturity
US\$219 mln	7 ³ / ₈ %	102.070	7-Year	24 July 2017
US\$400 mln	6.0%	106.051	10-Year	28 June 2019
US\$312 mln	6 ³ / ₈ %	108.942	7-Year	28 Sept 2020
US\$367 mln	4 ¹ / ₂ %	101.652	10-Year	16 April 2023

*Recent data from Bloomberg.

End-2016 Data

- ☐ Cash interest cover over 2.0x
- ☐ Gross assets \$8.3 billion at end-2016
- ☐ Gross debt \$1.8 billion, gross debt cover 4.5x
- ☐ Net debt \$1.5 billion, net debt cover 5.4x
- ☐ Average maturity of 3.6 years
- ☐ Blended interest cost of 5.3%
- ☐ Bloomberg listing: FIRPAC <Corp> <Go>



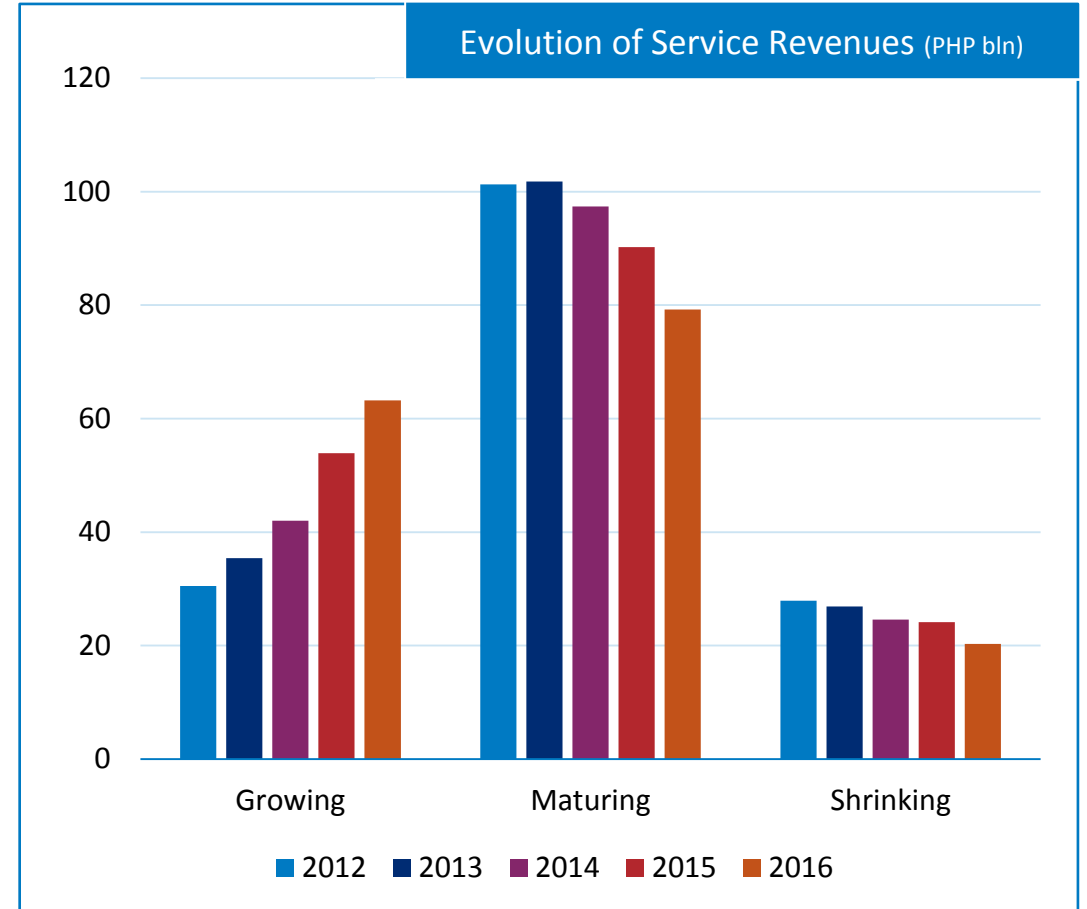
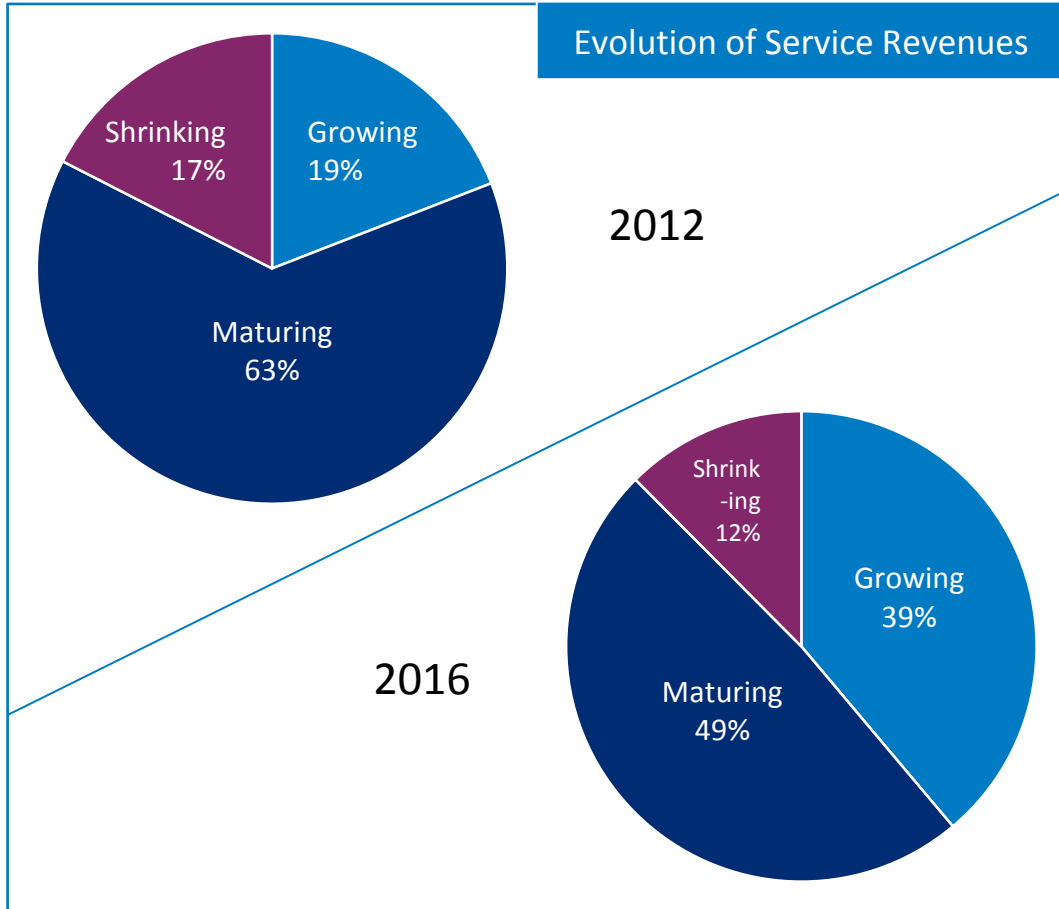


2016 Earnings Highlights

- Revenues down 4% at ₱157 billion as increasing data revenues offset by declining revenues from legacy businesses, particularly mobile voice and SMS
- Core income down 21% to ₱27.9 billion largely on lower EBITDA and higher depreciation and financing costs
- EBITDA margin down four points at 39% on replacement of high-margin legacy businesses (e.g. international long distance, SMS) by lower-margin capex-intensive data businesses like mobile internet
- Weaker PHP (down 4.3% in average exchange rate) is a factor in USD translation

Outlook

- 2017 EBITDA see rising to ₱70 billion vs. ₱61.2 billion on double-digit data revenue growth, lower cash operating expenses and non-recurrence of subsidies and provisions that took place in 2016
- Capex seen rising to ₱46 billion from ₱42.8 billion as some spending is carried over into 2017 and spending on fixed-line capex rises
- Recurring core income seen at ₱21.5 billion
- Now a majority of service revenues, data services to continue growing overall share



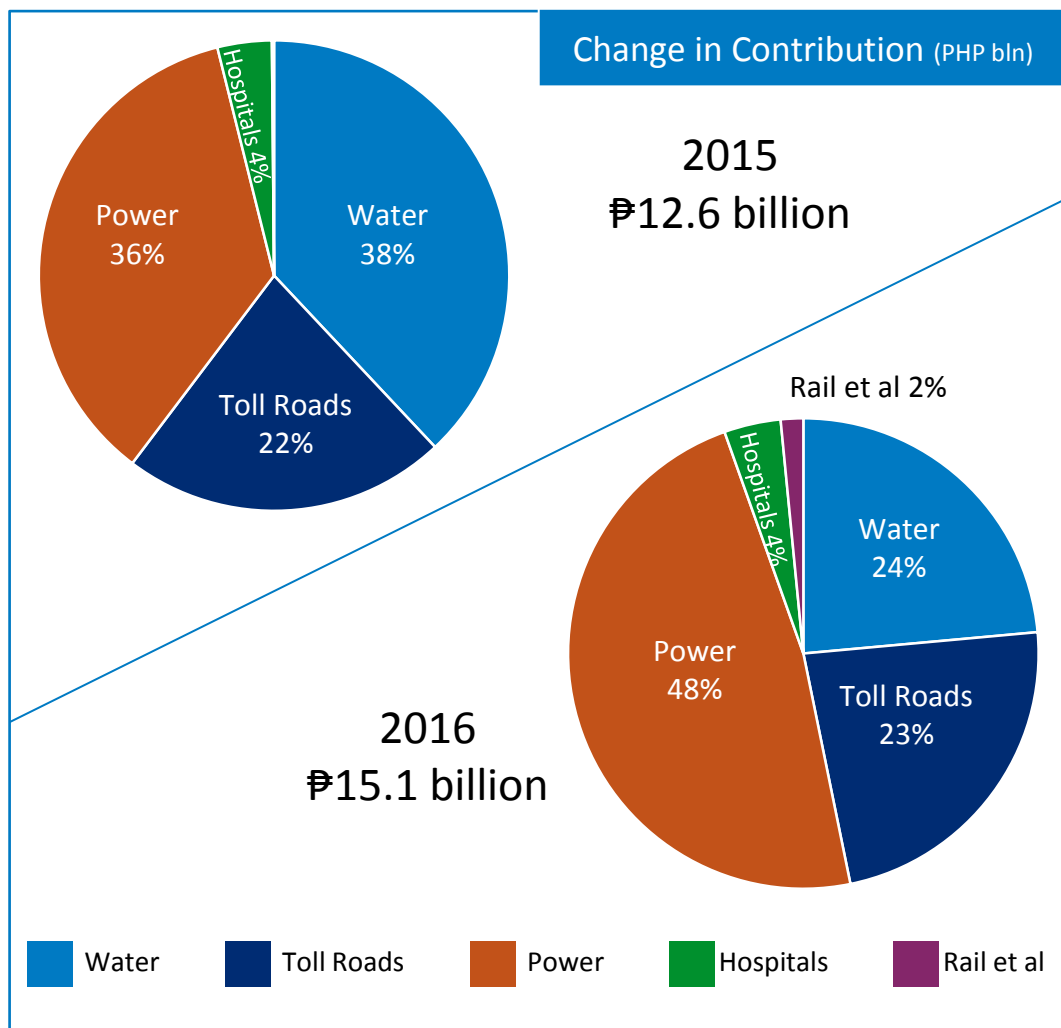
Premier Philippines Infrastructure Co.



METRO PACIFIC INVESTMENTS



*Economic interest in Meralco and Global Business Power, respectively.



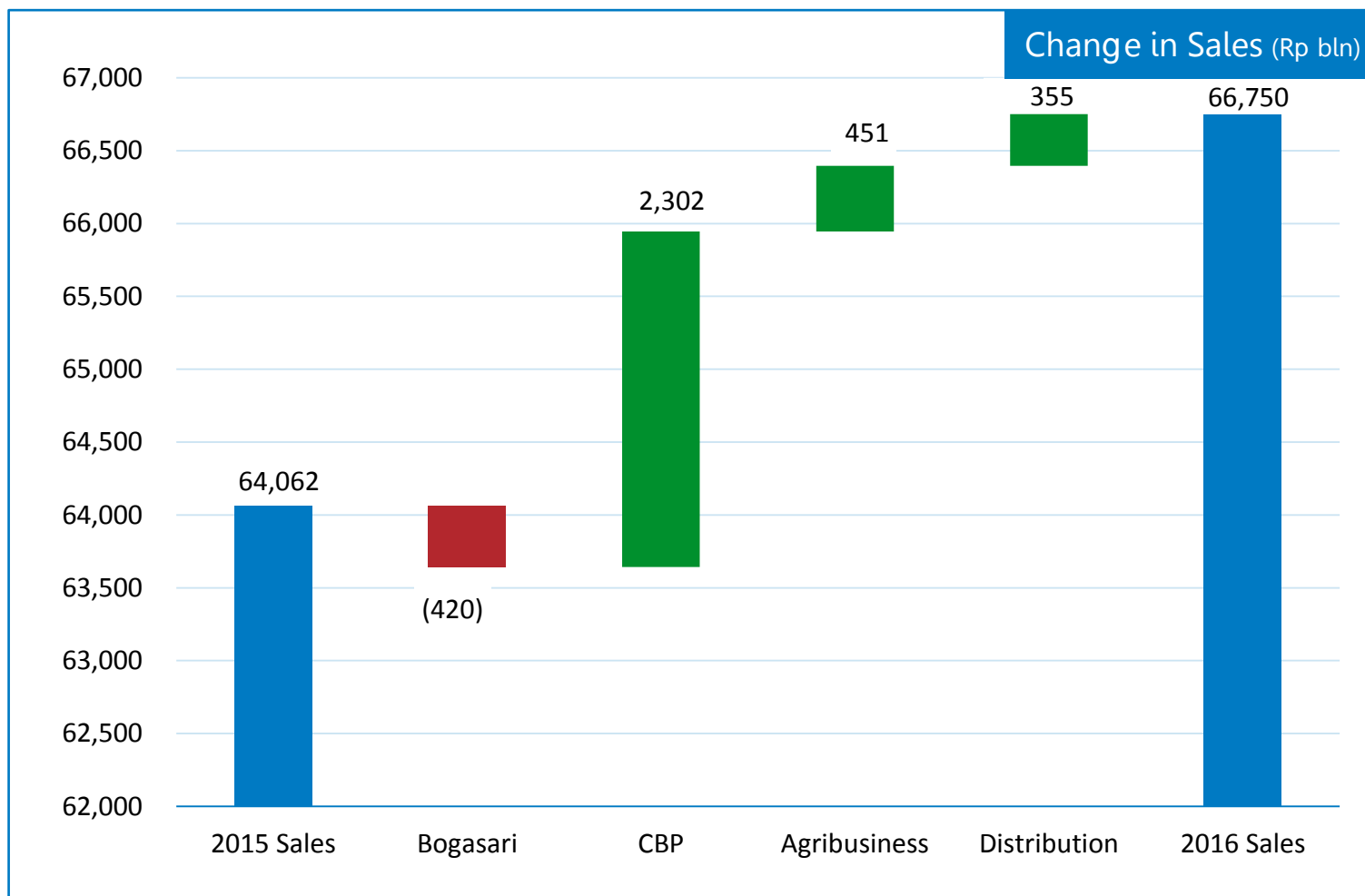
2016 Earnings Highlights

- Core income rose 17% to ₱12.1 billion vs. ₱10.3 billion on double-digit contribution growth by Power, Toll Roads and Hospitals
- Water contribution held back by end of tax holiday
- Power contribution boosted by increased economic interest in Meralco, lower interest cost at Beacon Electric, and new contribution from Global Business Power
- Toll Roads boosted by traffic increase everywhere
- Hospitals contribution up on higher patient numbers and addition of new hospitals to the Group
- Rail improved contribution on higher ridership

Outlook

- Continuing strong demand growth for MPIC services seen continuing to lift revenues
- Water and toll road tariff increases continue to be held back by regulators, culminating in MPIC revenues down a cumulative ₱6.48 billion in the period 2012-2016
- Revenue loss of ₱2.04 billion in 2016 alone
- 2017 to see 10th consecutive year of earnings growth if headway can be made on tariff disputes with regulators
- Major new toll road projects sought following approval of Connector Road
- Sell-down in Maynilad sought to finance new projects

Strong Sales By Nearly Every Business



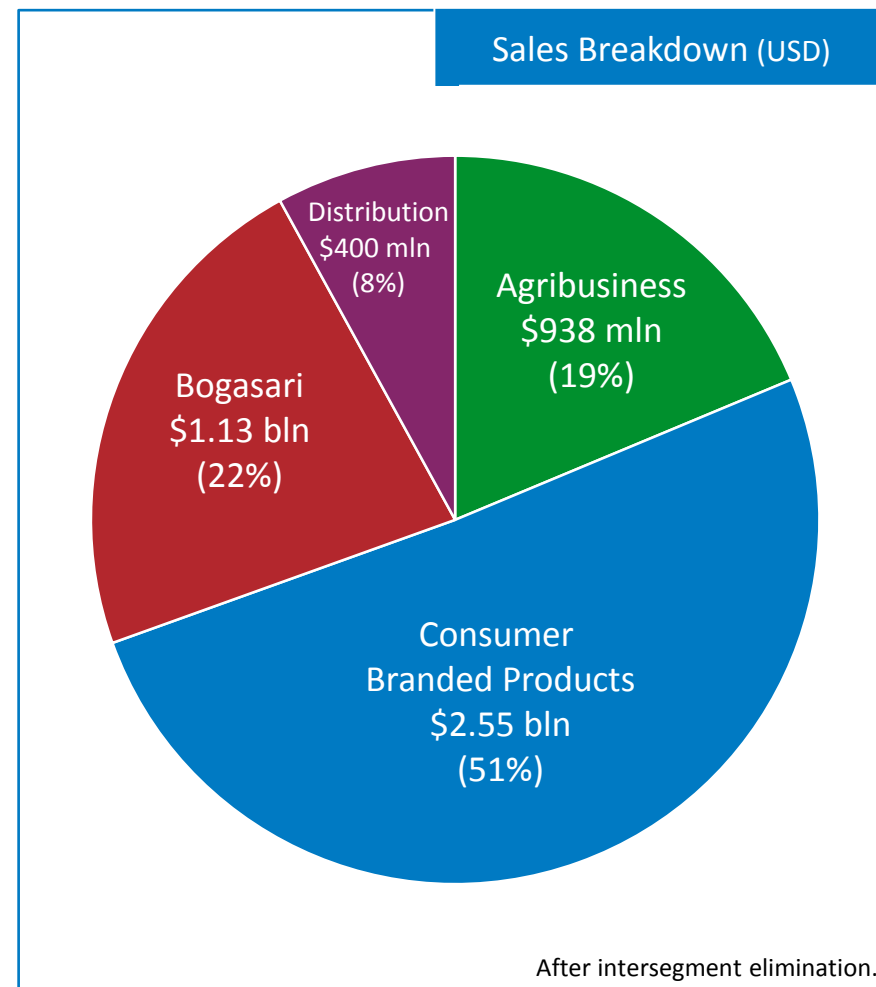
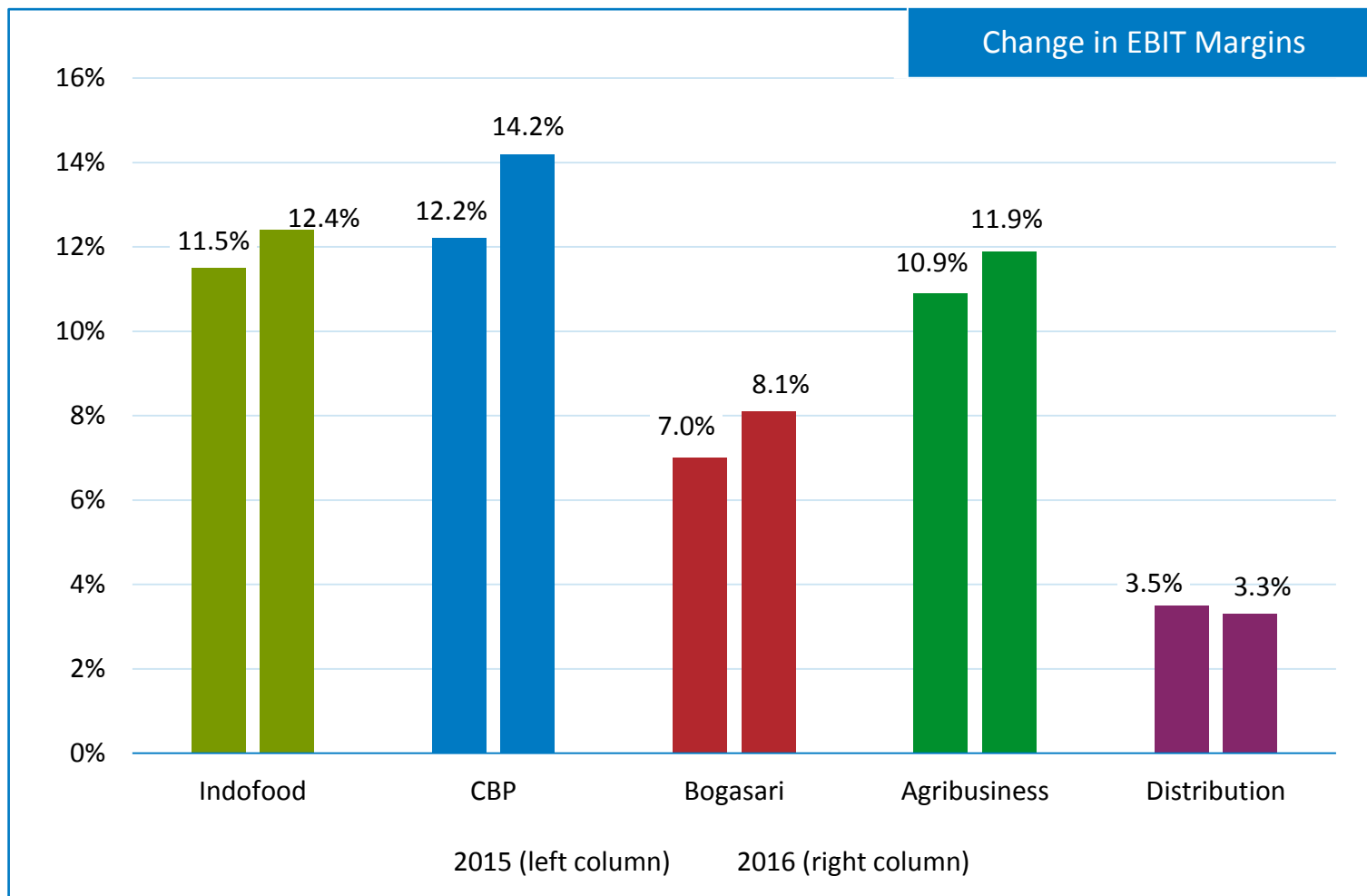
2016 Financial Highlights

- Revenues rose 4% to IDR66.8 trillion vs. IDR64.1 trillion as stronger sales in the Consumer Branded Products, Agribusiness and distribution divisions offset lower sales by the Bogasari flour business
- Core income rose 12% and reached record high in Rupiah terms to IDR3.99 trillion vs. IDR3.56 trillion as sales rose faster than costs
- EBIT margin jumped to 12.4% from 11.5% with the improvement of CBP, Bogasari and Agribusiness performance
- CBP saw sales growth for every category but beverages
- Agribusiness sales grew 4.8% on 14% rise in edible oils sales offsets 1% decline in plantation sales

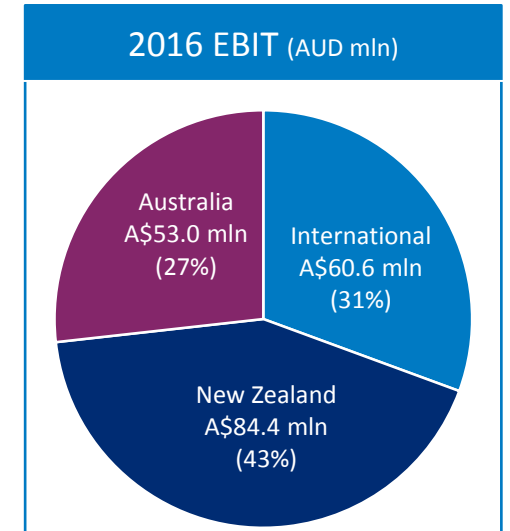
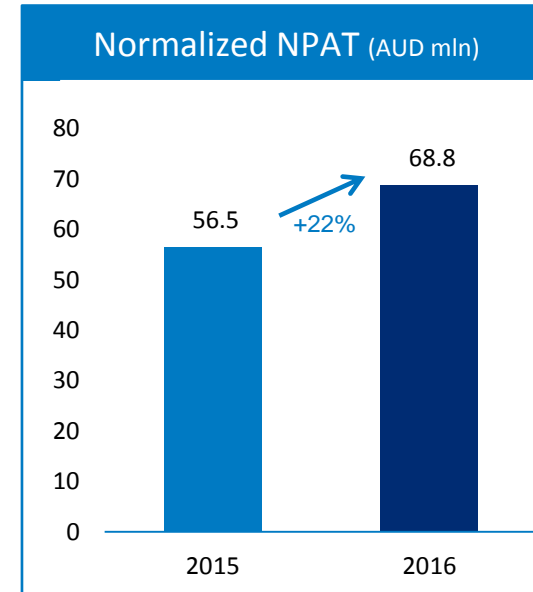
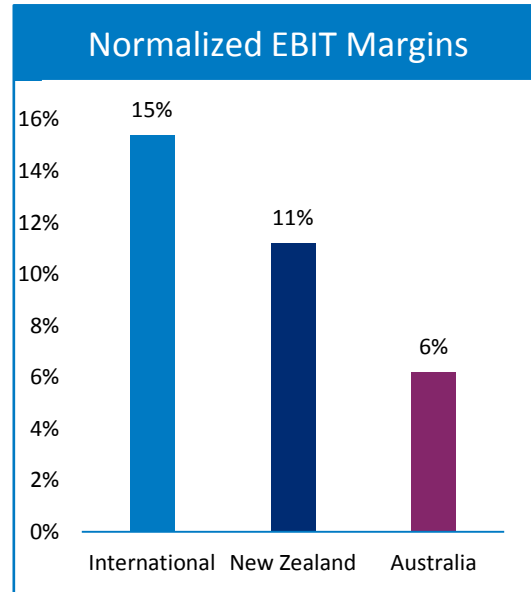
Outlook

- Strive to deliver top and bottom line growth and maintain healthy balance sheet
- Continue innovation and launch new products
- Aiming for RSPO certification for all estates and plasma smallholders by end-2019 under core commitments to ensure traceable and sustainably produced palm oil
- Entering new business categories, developing food service and export businesses to accelerate growth

Margin Growth Signals

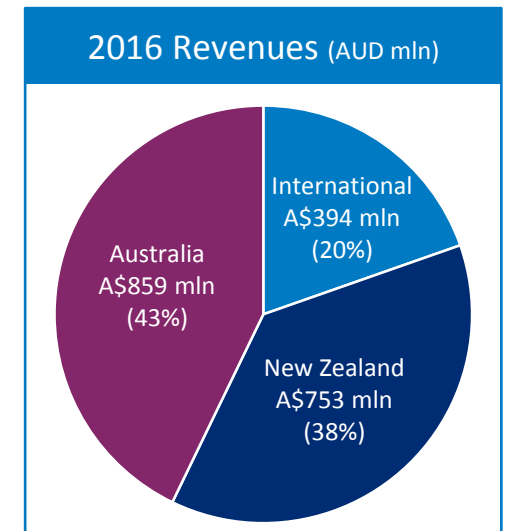


Progress in All Areas of Business



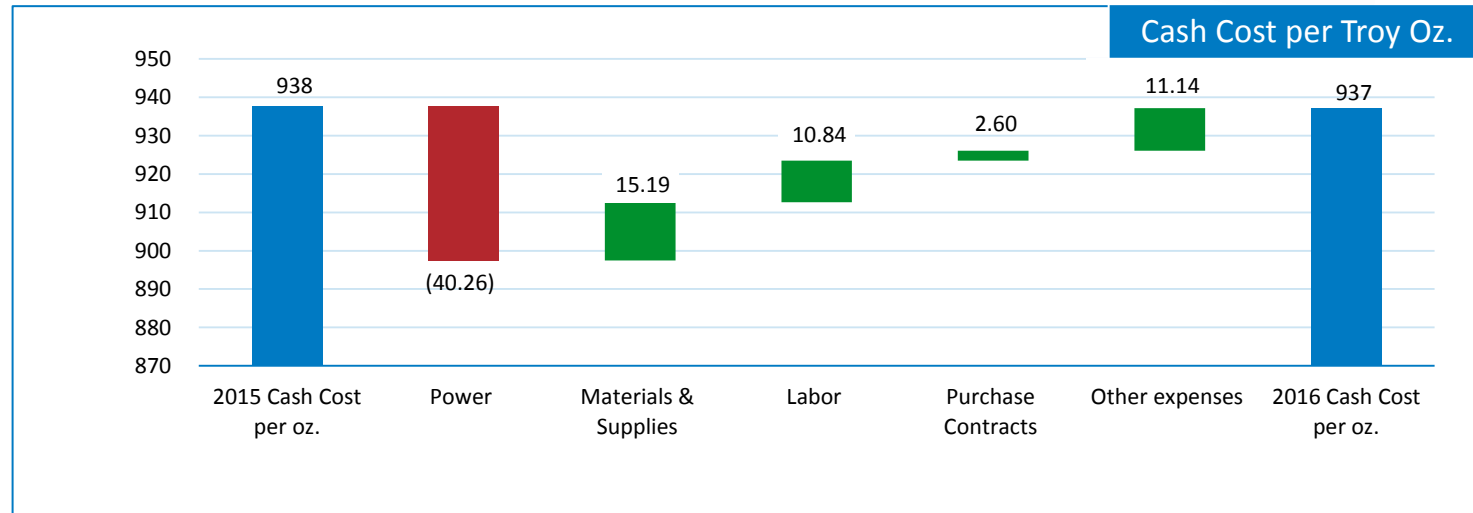
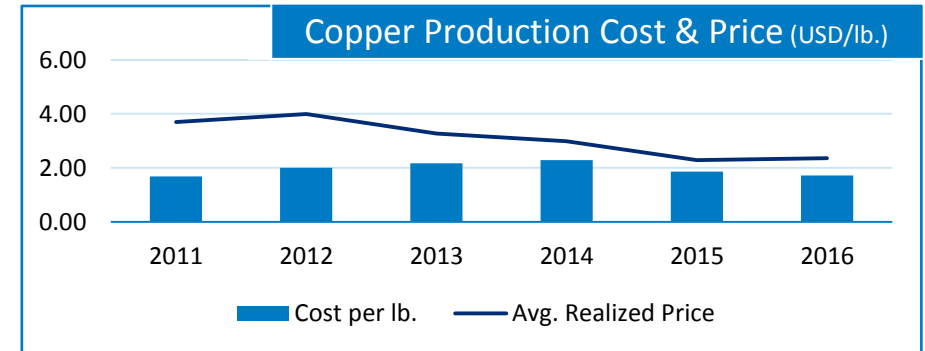
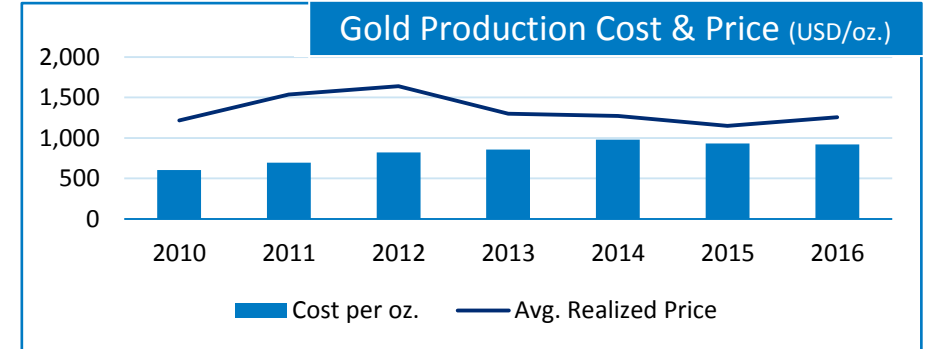
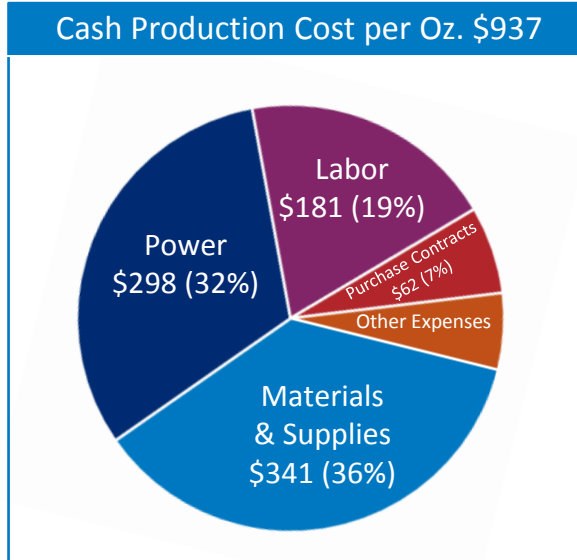
Solid performance in 2016 with momentum expected to continue in 2017...

- ❑ Core income of A\$68.8 million in 2016, representing 22% increase from 2015
- ❑ Strong profit growth boosted by turnaround of Australia operations
- ❑ New Zealand continued to deliver strong profit contribution with leading positions in dairy, baking and grocery
- ❑ International markets continued to deliver attractive margins; focus on expansion as sales in new markets rose 12%
- ❑ Overall group sales remained flat; growth in International were offset by slightly weaker Australia and New Zealand sales
- ❑ Under Goodman Fielder's new management team, 2016 delivered the launch of key initiatives which generated significant earnings improvement for the year
- ❑ Operational and growth initiatives continue as key priorities in 2017 to maintain the positive trajectory for the business



2016 Earnings Highlights

- Operating revenues rose 12% to ₱10.3 billion vs. ₱9.19 billion as a result of improved gold and copper prices, and greater number of mine operating days offsetting poorer grades of gold
- Core income up 83% at ₱1.66 billion vs. ₱905 million on lower costs and higher gold prices
- Realized gold price up 9% to \$1,254 per oz.
- Realized copper price up 3% to \$2.35 per lb.
- Cost-cutting initiatives result in 2% decline in operating expenses to ₱6.90 billion
- On per-tonne basis, cash production cost fell 2% to ₱493 per tonne vs. ₱502 per tonne



Grand Total of Mineral Resources

Metric	Cu (percent)	Au (g/t)	Cu (mln lb.)	Au ('000 oz.)
Padcal	258	0.20	0.37	1,172
Bumolo	22	0.20	0.30	96
Boyongan	273	0.52	0.72	3,120
Bayugo	125	0.66	0.66	1,820
Total	678			6,208

Bumolo is in the region of Padcal. Boyongan and Bayugo are Silangan ore bodies.

In Conclusion



- ❑ First Pacific combines access to our unrivaled portfolio of strong businesses in emerging Asia with the security of Hong Kong's legal system and listing rules, in an effective US dollar security
- ❑ We have nearly four decades of history delivering robust returns to our shareholders – our experience in investing in our markets is hard to match
- ❑ Our focus remains on seeking returns in emerging Asia within our chosen areas of business to deliver strong growth in upturns and defensive returns in downturns to deliver stable and strong returns over the long term
- ❑ Our investments are well positioned for growth in 2017 and beyond
- ❑ First Pacific's NAV discount is unjustified by the Company's prospects and offers an attractive opportunity to invest in our portfolio
- ❑ Management is identifying assets not meeting return targets for possible disposal with proceeds to apply towards share repurchases and debt reduction to signal confidence in our prospects

Appendix

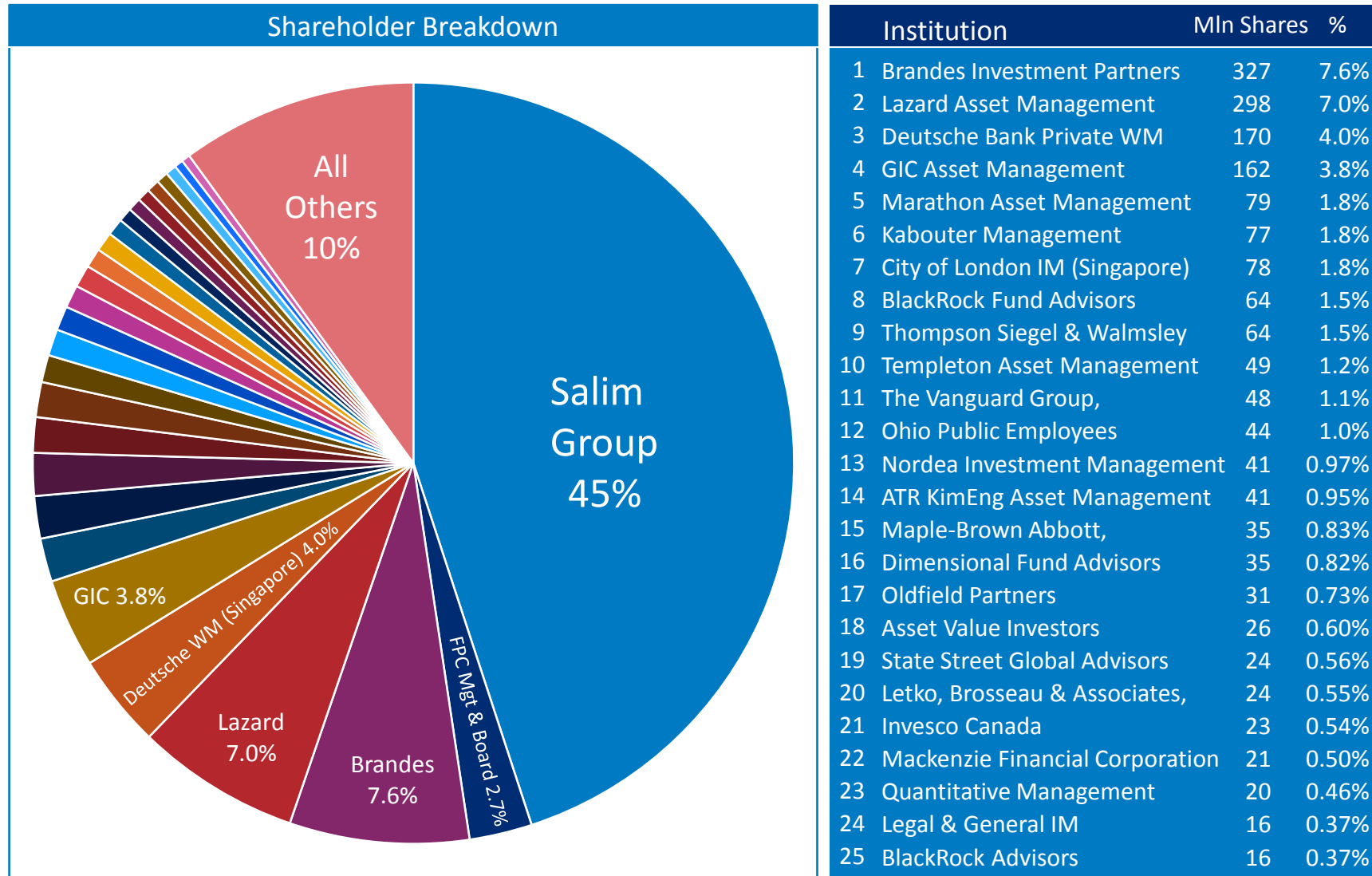
Shareholder Information
Selected Financial Data

Earnings & Borrowings Data, Group Companies 2016

	Full-Year and End-Year Data (USD mln)						
	Turnover	Core EBITDA	Net Profit	Core Profit	Capex	Gross Debt	Net Debt
Maynilad	424	302	142	150	200	537	373
MPTC	250	160	65	69	186	651	596
MERALCO	5,395	712	403	411	240	811	(970)
Global Business Power	370	180	55	60	87	729	403
Hospital Group	412	91	37	37	63	45	(38)
MPIC*	940	-	240	254	-	739	652
PLDT	3,298	1,380	420	584	898	3,721	2,943
Philex Mining (Conso)	215	80	33	35	55	195	185
PXP Energy (Conso)	2	(0)	(0)	(1)	3	-	(12)
Roxas Holdings Inc.	229	33	-	5	28	196	188
First Coconut	35	(1)	-	(1)	3	-	(6)
Indofood*	5,011	821	311	299	234	1,669	674
ICBP	2,587	422	270	278	82	152	(471)
IndoAgri	1,091	252	38	35	99	746	567
Goodman Fielder	1,488	145	36	51	65	428	347
FPM Power	575	15	(79)	(64)	2	522	471
TOTAL	22,323	4,591	1,972	2,203	2,245	11,140	5,903

*Includes results of operating companies also listed here.

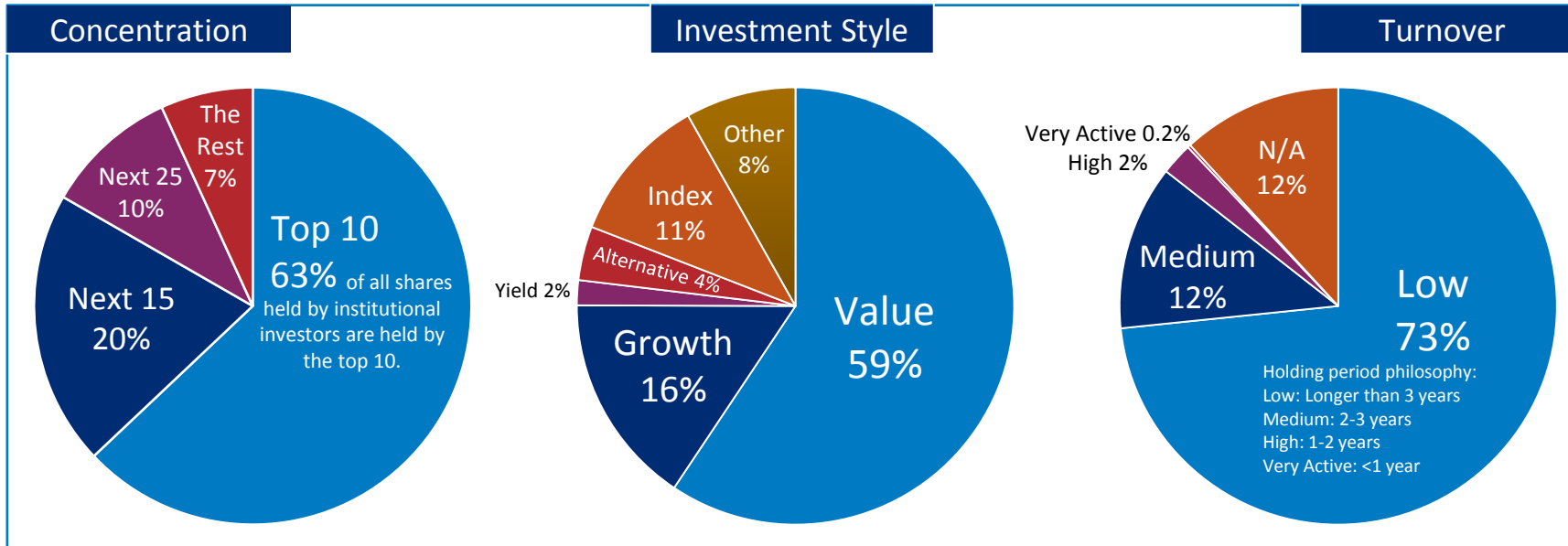
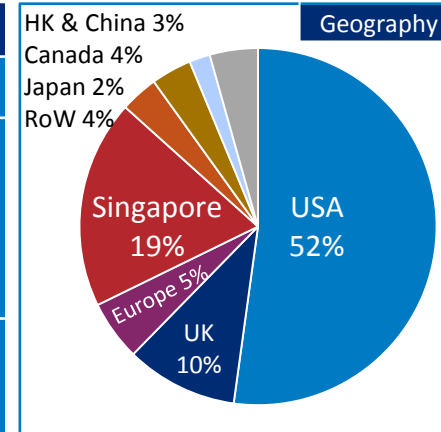
Shareholding Structure of the Company



IPREO data as at 30 December 2016. Institutional investors only. Analysis performed for First Pacific counts 240 institutional shareholders owning 2,147,690,535 shares. Total shares out: 4,281,679,008.

Analyst Ratings & Selected Shareholder Statistics

Price Targets for First Pacific (HKD/Share)				Core Profit F'casts (USD mln)		
	Rating	Date	Target	2016	2017	2018
Citigroup	Buy	28 Mar 2017	\$6.40	285	325	369
CLSA	Outperform	31 Mar 2016	\$6.40	346	393	
HSBC	Buy	9 Dec 2015	\$6.50	346		
Mizuho	Buy	29 Mar 2017	\$7.50	198		
Average			\$6.70	294	359	369



IPREO data as at 30 December 2016. Institutional investors only. Analysis performed for First Pacific counts 240 institutional shareholders owning 2,147,690,535 shares. Total shares out: 4,281,679,008.

Contribution and Profit Summary

For the year ended 31 December	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2016	2015	2016	2015 (Restated) ⁽ⁱⁱ⁾
US\$ millions				
PLDT ⁽ⁱⁱⁱ⁾	-	-	127.7	180.7
Indofood	5,010.5	4,763.4	137.9	123.9
MPIC	940.2	816.5	117.2	118.2
FPW ^(iv)	-	-	24.0	13.3
Philex ⁽ⁱⁱⁱ⁾	-	-	10.2	4.9
FPM Power	575.3	663.5	(13.9)	(10.7)
FP Natural Resources	253.0	193.6	(2.9)	(3.8)
Contribution from operations ^(v)	6,779.0	6,437.0	400.2	426.5
Head Office items:				
– Corporate overhead			(28.4)	(31.8)
– Net interest expense			(95.7)	(94.4)
– Other expenses			(11.2)	(12.8)
Recurring profit ^(vi)			264.9	287.5
Foreign exchange and derivative losses ^(vii)			(9.1)	(48.5)
Gain on changes in fair value of biological assets			2.6	0.2
Non-recurring items ^(viii)			(155.2)	(158.6)
Profit attributable to owners of the parent			103.2	80.6

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

(ii) The Group has restated its 2015 contribution from Indofood to US\$123.9 million from US\$130.3 million and changes in fair value of biological assets to a gain of US\$0.2 million from a loss of US\$1.7 million following its adoption of the amendments to HKAS 16 and 41 “Agriculture: Bearer Plants” with effect from 1 January 2016. Accordingly, the Group’s 2015 recurring profit has been restated to US\$287.5 million from US\$293.9 million and its 2015 profit attributable to owners of the parent has been restated to US\$80.6 million from US\$85.1 million. Details of the changes are set out in Note 1 to the consolidated financial statements.

(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, gain on changes in fair value of biological assets and non-recurring items.

(vii) Foreign exchange and derivative losses represent the losses 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. 2016’s non-recurring losses of US\$155.2 million mainly represent the Group’s impairment provisions for assets, including FPM Power’s goodwill related to its investments in PLP (US\$44.8 million), PLDT’s investment in Rocket Internet shares and other intangible assets (US\$35.4 million), Philex’s deferred exploration costs and other assets (US\$31.4 million) and MPIC’s investments in Landco Pacific Corporation (US\$6.8 million), PLP’s provision for onerous contracts (US\$6.0 million) and MPIC’s project expenses (US\$3.8 million).

Group Net Debt and Gearing

Consolidated

US\$ millions	At 31 December 2016			At 31 December 2015		
	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)	Net Debt ⁽ⁱ⁾	Total Equity (Restated)	Gearing ⁽ⁱⁱ⁾ (times) (Restated)
Head Office	1,511.3	2,016.7	0.75x	1,675.3	2,112.6	0.79x
Indofood	674.3	3,349.2	0.20x	1,053.3	3,193.7	0.33x
MPIC	1,492.9	3,775.5	0.40x	1,282.3	3,202.4	0.40x
FPM Power	470.2	344.8	1.36x	465.4	397.2	1.17x
FP Natural Resources	189.3	201.2	0.94x	191.6	215.0	0.89x
Group adjustments ⁽ⁱⁱⁱ⁾	-	(1,653.1)	-	-	(1,786.5)	-
Total	4,338.0	8,034.3	0.54x	4,667.9	7,334.4	0.64x

Associated Companies and Joint Venture

US\$ millions	At 31 December 2016			At 31 December 2015		
	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)
PLDT	2,942.7	2,183.0	1.35x	2,431.7	2,420.3	1.00x
FPW	368.6	952.8	0.39x	336.9	972.9	0.35x
Philex	185.4	470.6	0.39x	182.1	579.8	0.31x

(i) Includes short-term deposits, pledged deposits and restricted cash

(ii) Calculated as net debt divided by total equity

(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments to present the Group as a single economic entity.

Head Office Free Cash Flow

For the year ended 31 December	2016	2015
US\$ millions		
Dividend and fee income	199.7	268.9
Head Office overhead expense	(27.6)	(27.6)
Net cash interest expense	(91.7)	(94.2)
Net Cash Inflow from Operating Activities	80.4	147.1
Net proceeds on sale of an investment ⁽ⁱ⁾ /(net investments) ⁽ⁱⁱ⁾	163.2	(456.6)
Financing activities		
- Dividend paid	(74.2)	(115.5)
- (Repayment of loans)/borrowings	(36.0)	49.7
- Repurchase of shares	-	(19.0)
- Others	0.5	(0.3)
Increase/(decrease) in Cash and Cash Equivalents	133.9	(394.6)
Cash and cash equivalents at 1 January	102.6	497.2
Cash and Cash Equivalents at 31 December	236.5	102.6

(i) Excludes pledged deposits and restricted cash as at 31 December 2016 of US\$11.7 million (31 December 2015: US\$11.5 million and 1 January 2015: US\$11.3 million).

(ii) Principally represents the net proceeds from the sale of 1.3 billion common shares in MPIC.

(iii) 2015's net investments represent principally the investments in an additional 40.2% effective interest in Goodman Fielder of US\$423.4 million.

Adjusted NAV per Share

US\$ millions	Basis	At 31 December 2016	At 31 December 2015
PLDT	(i)	1,516.7	2,418.3
Indofood	(i)	2,593.0	1,649.1
MPIC	(i)	1,771.2	1,604.7
Philex	(i)	394.6	213.3
PXP	(i)	37.0	5.5
FPW	(ii)	554.0	554.0
FPM Power	(iii)	230.0	335.3
FP Natural Resources	(iv)	50.1	79.4
Head Office - Other assets	(v)	101.4	107.1
- Net debt		(1,511.3)	(1,675.3)
Total Valuation		5,736.7	5,291.4
Number of Ordinary Shares in Issue (millions)		4,281.7	4,268.5
Value per share - U.S. dollars		1.3	1.2
- HK dollars		10.5	9.7
Company's closing share price (HK\$)		5.4	5.1
Share price discount to HK\$ value per share (%)		48.1	46.8

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

(ii) Represents investment costs.

(iii) Represents carrying costs at 31 December 2016 and investment costs at 31 December 2015.

(iv) Mainly represents RHI (based on quoted share price applied to the Group's effective economic interest) and the Group's economic interest in other assets (measured at cost).

(v) Represents investment costs in SMECI's convertible notes.

Contact Us



First Pacific Company Limited
(Incorporated with limited liability under the laws of Bermuda)

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