

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **FIRST PACIFIC COMPANY LIMITED**

### **第一太平有限公司**

*(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 NINE MONTHS ENDED 30 SEPTEMBER 2012**

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 nine months ended 30 September 2012.

#### **Summary**

On 6 November 2012, the board of directors of PLDT approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2012. 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 6 November 2012, 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 and its Philippine affiliates have a 25.6% attributable economic interest in PLDT. On 6 November 2012, the board of directors of PLDT approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2012. 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 6 November 2012, 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 nine months ended 30 September 2012 and 2011, as well as the Consolidated Statements of Financial Position as at 30 September 2012 and 31 December 2011 are provided below:

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

**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012 AND 2011**

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

|   | <b>2012</b>           | 2011<br>(As Restated) <sup>(1)</sup><br>(Unaudited) |
|---|-----------------------|---|
| <b>REVENUES</b>   |                       |   |
| Service revenues  | 126,244               | 112,268   |
| Non-service revenues  | <u>2,313</u>          | <u>1,781</u>  |
|   | <u><b>128,557</b></u> | <u>114,049</u>                                      |
| <b>EXPENSES</b>   |                       |   |
| Depreciation and amortization   | 23,304                | 20,176  |
| Compensation and employee benefits  | 20,558                | 15,963  |
| Repairs and maintenance   | 9,913                 | 6,925   |
| Interconnection costs   | 8,695                 | 9,023   |
| Selling and promotions  | 6,907                 | 4,496   |
| Cost of sales   | 6,381                 | 3,583   |
| Rent  | 4,553                 | 2,958   |
| Professional and other contracted services                                  | 4,349                 | 3,644   |
| Taxes and licenses  | 2,769                 | 1,842   |
| Asset impairment  | 1,793                 | 1,184   |
| Communication, training and travel  | 1,784                 | 1,275   |
| Insurance and security services   | 1,159                 | 957   |
| Amortization of intangible assets   | 1,158                 | 207   |
| Other expenses  | <u>1,118</u>          | <u>1,135</u>  |
|   | <u><b>94,441</b></u>  | <u>73,368</u>                                       |
|   | <u><b>34,116</b></u>  | <u>40,681</u>                                       |
| <b>OTHER INCOME (EXPENSES)</b>  |                       |   |
| Foreign exchange gains – net  | 2,403                 | 106   |
| Equity share in net earnings of associates and joint ventures               | 1,440                 | 1,520   |
| Interest income   | 1,019                 | 1,013   |
| Gains (losses) on derivative financial instruments – net                    | (1,532)               | 626   |
| Financing costs – net   | (5,009)               | (4,772)   |
| Other income  | <u>4,885</u>          | <u>1,152</u>  |
|   | <u><b>3,206</b></u>   | <u>(355)</u>  |
| <b>INCOME BEFORE INCOME TAX</b>   | <b>37,322</b>         | 40,326  |
| <b>PROVISION FOR INCOME TAX</b>   | <u>8,633</u>          | <u>9,719</u>  |
| <b>NET INCOME</b>   | <u><b>28,689</b></u>  | <u>30,607</u>                                       |
| <b>ATTRIBUTABLE TO:</b>   |                       |   |
| Equity holders of PLDT  | 28,714                | 30,618  |
| Noncontrolling interests  | <u>(25)</u>           | <u>(11)</u>   |
|   | <u><b>28,689</b></u>  | <u>30,607</u>                                       |
| <b>Earnings Per Share Attributable to<br/>Common Equity Holders of PLDT</b> |                       |   |
| Basic   | 132.73                | 162.11  |
| Diluted   | <u>132.73</u>         | <u>162.06</u>                                       |

<sup>(1)</sup> The results for the nine months ended 30 September 2011 have been restated to reflect a change in the presentation of outbound revenues.

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2012 AND 31 DECEMBER 2011**

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

|   | <b>30 September<br/>2012<br/>(Unaudited)</b> | 31 December<br>2011<br>(As Restated) <sup>(2)</sup> |
|---|--|---|
| <b>ASSETS</b>   |  |   |
| <b>Noncurrent Assets</b>  |  |   |
| Property, plant and equipment   | <b>196,027</b>                               | 200,142   |
| Investments in associates and joint ventures and<br>deposit for future stock subscription | <b>26,979</b>                                | 17,865  |
| Available-for-sale financial assets   | <b>5,645</b>                                 | 7,181   |
| Investment in debt securities – net of current portion                                    | <b>150</b>                                   | 150   |
| Investment properties   | <b>1,115</b>                                 | 1,115   |
| Goodwill and intangible assets  | <b>80,171</b>                                | 82,603  |
| Deferred income tax assets – net  | <b>5,329</b>                                 | 5,975   |
| Prepayments – net of current portion  | <b>11,371</b>                                | 8,869   |
| Advances and other noncurrent assets<br>– net of current portion                          | <b>1,407</b>                                 | 1,340   |
| Total Noncurrent Assets   | <b>328,194</b>                               | 325,240   |
| <b>Current Assets</b>   |  |   |
| Cash and cash equivalents   | <b>38,634</b>                                | 46,057  |
| Short-term investments  | <b>570</b>                                   | 558   |
| Trade and other receivables   | <b>17,389</b>                                | 16,245  |
| Inventories and supplies  | <b>2,748</b>                                 | 3,827   |
| Derivative financial assets   | <b>80</b>                                    | 366   |
| Current portion of investment in debt securities  | <b>376</b>                                   | 358   |
| Assets held-for-sale  | <b>921</b>                                   | –   |
| Current portion of prepayments  | <b>5,247</b>                                 | 7,227   |
| Current portion of advances and other noncurrent assets                                   | <b>8,088</b>                                 | 126   |
| Total Current Assets  | <b>74,053</b>                                | 74,764  |
| <b>TOTAL ASSETS</b>   | <b>402,247</b>                               | 400,004   |

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)  
AS AT 30 SEPTEMBER 2012 AND 31 DECEMBER 2011**

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

|   | <b>30 September<br/>2012<br/>(Unaudited)</b> | 31 December<br>2011<br>(As Restated) <sup>(2)</sup> |
|---|--|---|
| <b>EQUITY AND LIABILITIES</b>   |  |   |
| <b>Equity</b>   |  |   |
| Preferred stock, Php10 par value per share,<br>authorized – 822,500,000 shares;<br>issued and outstanding – 36,002,970 shares<br>as at 30 September 2012 and 441,912,370 shares<br>as at 31 December 2011   | <b>360</b>                                   | 4,419   |
| Common stock, Php5 par value per share,<br>authorized – 234,000,000 shares;<br>issued – 218,779,886 shares and outstanding<br>– 216,055,775 shares as at 30 September 2012;<br>and issued – 217,160,444 shares and outstanding<br>– 214,436,333 shares as at 31 December 2011 | <b>1,093</b>                                 | 1,085   |
| Treasury stock – 2,724,111 shares<br>as at 30 September 2012 and 31 December 2011   | <b>(6,505)</b>                               | (6,505)   |
| Capital in excess of par value  | <b>130,579</b>                               | 127,246   |
| Retained earnings   | <b>17,963</b>                                | 26,232  |
| Other comprehensive income  | <b>(2,574)</b>                               | (644)   |
| Total Equity Attributable to Equity Holders of PLDT   | <b>140,916</b>                               | 151,833   |
| Noncontrolling interests  | <b>221</b>                                   | 386   |
| <b>TOTAL EQUITY</b>   | <b>141,137</b>                               | 152,219   |
| <b>Noncurrent Liabilities</b>   |  |   |
| Interest-bearing financial liabilities – net of current portion   | <b>104,892</b>                               | 91,280  |
| Deferred income tax liabilities – net   | <b>7,444</b>                                 | 7,260   |
| Derivative financial liabilities  | <b>3,386</b>                                 | 2,235   |
| Pension and other employee benefits   | <b>1,906</b>                                 | 609   |
| Customers' deposits   | <b>2,534</b>                                 | 2,272   |
| Deferred credits and other noncurrent liabilities   | <b>20,527</b>                                | 22,642  |
| Total Noncurrent Liabilities  | <b>140,689</b>                               | 126,298   |
| <b>Current Liabilities</b>  |  |   |
| Accounts payable  | <b>26,570</b>                                | 29,554  |
| Accrued expenses and other current liabilities  | <b>65,824</b>                                | 58,271  |
| Derivative financial liabilities  | <b>1,247</b>                                 | 924   |
| Provision for claims and assessments  | <b>1,555</b>                                 | 1,555   |
| Current portion of interest-bearing financial liabilities   | <b>21,895</b>                                | 26,009  |
| Dividends payable   | <b>891</b>                                   | 2,583   |
| Income tax payable  | <b>2,439</b>                                 | 2,591   |
| Total Current Liabilities   | <b>120,421</b>                               | 121,487   |
| <b>TOTAL LIABILITIES</b>  | <b>261,110</b>                               | 247,785   |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>402,247</b>                               | 400,004   |

<sup>(2)</sup> The 31 December 2011 comparative information was restated to reflect the adjustment to the provisional amounts used in the purchase price allocation in relation with the acquisition of Digitel.

## GENERAL

Shareholders should note that the above unaudited 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 6 November 2012.

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

Hong Kong, 6 November 2012

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

Graham L. Pickles\*

Tedy Djuhar

Benny S. Santoso

Napoleon L. Nazareno

Jun Tang\*

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

\* *Independent Non-executive Directors*