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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 AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 audited consolidated financial results of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of the Company, for the year ended 31 December 2012.

SUMMARY

On 5 March 2013, the board of directors of PLDT approved the release of the audited consolidated financial results for the year ended 31 December 2012. PLDT’s audited consolidated financial results have been submitted to the Philippine Stock Exchange and the New York Stock Exchange by way of disclosure on 5 March 2013, 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 5 March 2013, the board of directors of PLDT approved the release of the audited consolidated financial results for the year ended 31 December 2012. PLDT’s audited consolidated financial results have been submitted to the Philippine Stock Exchange and the New York Stock Exchange by way of disclosure on 5 March 2013, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of the HKEX and the Company. The audited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards. PLDT’s audited Consolidated Income Statements for the years ended 31 December 2012, 2011 and 2010, as well as the audited Consolidated Statements of Financial Position as at 31 December 2012 and 2011 are provided below:

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
AUDITED CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012, 2011 AND 2010
(in million pesos, except earnings per common share amounts)

	2012	2011	2010
		(As Adjusted ¹)	
REVENUES			
Service revenues	160,189	145,834	148,597
Non-service revenues	3,295	2,645	2,217
	<u>163,484</u>	<u>148,479</u>	<u>150,814</u>
EXPENSES			
Depreciation and amortization	32,354	27,539	25,881
Compensation and employee benefits	23,042	15,089	19,148
Repairs and maintenance	12,604	10,053	9,087
Interconnection costs	11,556	12,586	13,928
Selling and promotions	9,708	7,807	5,244
Cost of sales	8,747	5,443	4,771
Rent	5,860	3,938	3,699
Professional and other contracted services	5,361	5,143	4,462
Asset impairment	5,286	10,200	1,420
Taxes and licenses	3,506	3,554	2,508
Communication, training and travel	2,042	1,645	1,535
Insurance and security services	1,564	1,326	1,193
Amortization of intangible assets	921	117	163
Other expenses	1,472	1,662	1,637
	<u>124,023</u>	<u>106,102</u>	<u>94,676</u>
	<u>39,461</u>	<u>42,377</u>	<u>56,138</u>
OTHER INCOME (EXPENSES)			
Foreign exchange gains (losses) – net	3,282	(735)	1,850
Equity share in net earnings of associates and joint ventures	1,538	2,035	1,408
Interest income	1,354	1,357	1,180
Gains (losses) on derivative financial instruments – net	(2,009)	201	(1,741)
Financing costs – net	(6,876)	(6,454)	(6,530)
Other income	6,003	2,947	1,929
	<u>3,292</u>	<u>(649)</u>	<u>(1,904)</u>
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	42,753	41,728	54,234
PROVISION FOR INCOME TAX	8,012	10,922	13,490
NET INCOME FROM CONTINUING OPERATIONS	34,741	30,806	40,744
INCOME (LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS	660	831	(485)
NET INCOME	<u>35,401</u>	<u>31,637</u>	<u>40,259</u>
ATTRIBUTABLE TO:			
Equity holders of PLDT	35,454	31,697	40,217
Noncontrolling interests	(53)	(60)	42
	<u>35,401</u>	<u>31,637</u>	<u>40,259</u>
Earnings Per Share Attributable to Common Equity Holders of PLDT			
Basic	163.86	163.24	212.85
Diluted	163.86	163.10	212.85
Earnings Per Share for Continuing Operations Attributable to Common Equity Holders of PLDT			
Basic	160.80	158.90	215.45
Diluted	160.80	158.77	215.45

¹ Certain amounts shown here do not correspond to the 2011 and 2010 consolidated financial statements and reflect adjustments made in relation with discontinued operations.

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

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

	31 December 2012	31 December 2011 (As Adjusted ²)
ASSETS		
Noncurrent Assets		
Property, plant and equipment	200,078	200,142
Investments in associates and joint ventures and deposit	27,077	17,865
Available-for-sale financial investments	5,651	7,181
Investment in debt securities and other long-term investments – net of current portion	205	150
Investment properties	712	1,115
Goodwill and intangible assets	74,250	83,303
Deferred income tax assets – net	5,483	5,975
Prepayments – net of current portion	10,893	8,869
Advances and other noncurrent assets – net of current portion	1,376	1,340
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Total Noncurrent Assets	325,725	325,940
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Current Assets		
Cash and cash equivalents	37,161	46,057
Short-term investments	574	558
Trade and other receivables	16,379	16,245
Inventories and supplies	3,467	3,827
Derivative financial assets	–	366
Current portion of investment in debt securities and other long-term investments	150	358
Current portion of prepayments	5,144	6,345
Current portion of advances and other noncurrent assets	8,116	126
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	70,991	73,882
Assets classified as held-for-sale	13,752	–
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Total Current Assets	84,743	73,882
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TOTAL ASSETS	410,468	399,822
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**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES
AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(CONTINUED)**

AS AT 31 DECEMBER 2012 AND 2011

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

	31 December 2012	31 December 2011 (As Adjusted ²)
EQUITY AND LIABILITIES		
Equity		
Non-voting serial preferred stock, Php 10 par value per share, authorized – 807,500,000 shares; issued and outstanding – 36,002,970 shares as at 31 December 2012 and 441,912,370 shares as at 31 December 2011	360	4,419
Voting preferred stock, Php1 par value per share, authorized, issued and outstanding – 150,000,000 shares as at 31 December 2012	150	–
Common stock, Php5 par value per share, authorized – 234,000,000 shares; issued – 218,779,886 shares and outstanding – 216,055,775 shares as at 31 December 2012; and issued – 217,160,444 shares and outstanding – 214,436,333 shares as at 31 December 2011	1,093	1,085
Treasury stock – 2,724,111 shares as at 31 December 2012 and 2011	(6,505)	(6,505)
Capital in excess of par value	130,566	127,246
Retained earnings	24,794	26,232
Other comprehensive income	790	(644)
Reserves of a disposal group classified as held-for-sale	(2,188)	–
Total Equity Attributable to Equity Holders of PLDT	149,060	151,833
Noncontrolling interests	182	386
TOTAL EQUITY	149,242	152,219

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

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

	31 December 2012	31 December 2011 (As Adjusted ²)
Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	102,821	91,280
Deferred income tax liabilities – net	5,713	7,078
Derivative financial liabilities	2,802	2,235
Customers’ deposits	2,529	2,272
Pension and other employee benefits	1,822	609
Deferred credits and other noncurrent liabilities	21,950	22,642
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Total Noncurrent Liabilities	137,637	126,116
Current Liabilities		
Accounts payable	30,451	29,554
Accrued expenses and other current liabilities	72,911	58,271
Current portion of interest-bearing financial liabilities	12,989	26,009
Provision for claims and assessments	1,555	1,555
Dividends payable	827	2,583
Derivative financial liabilities	418	924
Income tax payable	1,809	2,591
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	120,960	121,487
Liabilities directly associated with assets classified as held-for-sale	2,629	–
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Total Current Liabilities	123,589	121,487
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TOTAL LIABILITIES	261,226	247,603
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TOTAL EQUITY AND LIABILITIES	410,468	399,822
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² Certain amounts shown here do not correspond to the 2011 consolidated financial statements and reflect adjustments made in relation with PLDT’s acquisition of Digital.

GENERAL

Shareholders should note that the above audited 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 5 March 2013.

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

Hong Kong, 5 March 2013

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Napoleon L. Nazareno

Independent Non-executive Directors:

Graham L. Pickles
Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Jun Tang
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok