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FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

ANNOUNCEMENT MADE BY PLDT INC. IN RELATION TO ITS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2017

This Announcement is made by First Pacific Company Limited (“First Pacific” or the “Company”) pursuant to the requirements of Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) to provide shareholders of First Pacific and the public with the unaudited consolidated financial results of PLDT Inc. (“PLDT”), a major operating associate of the Company, for the three months ended 31 March 2017.

Summary

On 12 May 2017, the board of directors of PLDT approved the release of its unaudited consolidated financial results for the three months ended 31 March 2017. PLDT’s unaudited consolidated financial results have been submitted to the PSE and the NYSE by way of disclosure on 12 May 2017, 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, Inc. (“PSE”). In addition, PLDT’s American Depositary Receipts are listed on the New York Stock Exchange, Inc. (“NYSE”). First Pacific and its Philippine affiliates have a 25.6% attributable economic interest in PLDT. On 12 May 2017, the board of directors of PLDT approved the release of its unaudited consolidated financial results for the three months ended 31 March 2017. PLDT’s unaudited consolidated financial results have been submitted to the PSE and the NYSE by way of disclosure on 12 May 2017, 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 and are presented in Philippine Peso. PLDT’s unaudited Consolidated Income Statements for the three months ended 31 March 2017 and 2016, as well as the unaudited Consolidated Statement of Financial Position as at 31 March 2017 and the audited Consolidated Statement of Financial Position as at 31 December 2016 are provided below:

PLDT INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2017 AND 2016

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

	2017 (Unaudited)	2016
REVENUES		
Service revenues	37,701	40,598
Non-service revenues	1,487	2,181
	<u>39,188</u>	<u>42,779</u>
EXPENSES		
Depreciation and amortization	7,550	7,158
Compensation and employee benefits	5,487	5,231
Repairs and maintenance	3,160	3,671
Professional and other contracted services	2,698	2,174
Cost of sales	2,646	5,126
Interconnection costs	2,091	2,436
Rent	1,830	1,670
Selling and promotions	1,508	1,718
Asset impairment	1,051	1,645
Taxes and licenses	971	1,322
Insurance and security services	462	463
Cost of content	309	107
Communication, training and travel	304	301
Amortization of intangible assets	205	272
Other expenses	204	309
	<u>30,476</u>	<u>33,603</u>
	<u>8,712</u>	<u>9,176</u>
OTHER INCOME (EXPENSES)		
Interest income	309	255
Gains (losses) on derivative financial instruments – net	282	(497)
Equity share in net earnings of associates and joint ventures	193	637
Foreign exchange gains (losses) – net	(397)	970
Financing costs – net	(1,900)	(1,804)
Other income – net	57	225
	<u>(1,456)</u>	<u>(214)</u>
INCOME BEFORE INCOME TAX	<u>7,256</u>	<u>8,962</u>
PROVISION FOR INCOME TAX	<u>2,287</u>	<u>2,729</u>
NET INCOME	<u>4,969</u>	<u>6,233</u>
ATTRIBUTABLE TO:		
Equity holders of PLDT	4,951	6,217
Noncontrolling interests	18	16
	<u>4,969</u>	<u>6,233</u>
Earnings Per Share Attributable to Common Equity Holders of PLDT		
Basic	22.84	28.71
Diluted	22.84	28.71

PLDT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017 AND 31 DECEMBER 2016
(in million pesos)

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
ASSETS		
Noncurrent Assets		
Property and equipment	197,306	203,188
Investments in associates and joint ventures	60,043	56,858
Available-for-sale financial investments	10,803	12,189
Investment in debt securities and other long-term investments – net of current portion	250	374
Investment properties	1,890	1,890
Goodwill and intangible assets	70,112	70,280
Deferred income tax assets – net	26,386	27,348
Derivative financial assets – net of current portion	349	499
Prepayments – net of current portion	7,097	7,056
Advances and other noncurrent assets – net of current portion	9,430	9,473
Total Noncurrent Assets	383,666	389,155
Current Assets		
Cash and cash equivalents	31,628	38,722
Short-term investments	8,325	2,738
Trade and other receivables	24,046	24,436
Inventories and supplies	3,192	3,744
Current portion of derivative financial assets	248	242
Current portion of investment in debt securities and other long-term investments	452	326
Current portion of prepayments	7,674	7,505
Current portion of advances and other noncurrent assets	8,225	8,251
Total Current Assets	83,790	85,964
TOTAL ASSETS	467,456	475,119

PLDT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2017 AND 31 DECEMBER 2016
(in million pesos)

	31 March 2017 (Unaudited)	31 December 2016 (Audited)
EQUITY AND LIABILITIES		
Equity		
Non-voting serial preferred stock	360	360
Voting preferred stock	150	150
Common stock	1,093	1,093
Perpetual notes	4,200	–
Treasury stock	(6,505)	(6,505)
Capital in excess of par value	130,361	130,488
Retained earnings	2,370	3,483
Other comprehensive loss	(22,075)	(20,894)
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Total Equity Attributable to Equity Holders of PLDT	109,954	108,175
Noncontrolling interests	382	362
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TOTAL EQUITY	110,336	108,537
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Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	157,976	151,759
Deferred income tax liabilities – net	3,519	3,567
Derivative financial liabilities – net of current portion	18	2
Customers’ deposits	2,428	2,431
Pension and other employee benefits	11,667	11,206
Deferred credits and other noncurrent liabilities	11,383	15,604
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Total Noncurrent Liabilities	186,991	184,569
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Current Liabilities		
Accounts payable	49,140	52,950
Accrued expenses and other current liabilities	93,489	92,219
Current portion of interest-bearing financial liabilities	17,172	33,273
Provision for claims and assessments	897	897
Dividends payable	7,592	1,544
Current portion of derivative financial liabilities	80	225
Income tax payable	1,759	905
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Total Current Liabilities	170,129	182,013
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TOTAL LIABILITIES	357,120	366,582
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TOTAL EQUITY AND LIABILITIES	467,456	475,119
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GENERAL

Shareholders should note that the above unaudited and 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 PSE (<http://www.pse.com.ph>) and the NYSE (<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 12 May 2017.

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

Hong Kong, 12 May 2017

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

Ambassador Albert F. del Rosario

Independent Non-executive Directors:

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin