



Creating
long-term value
in **Asia**

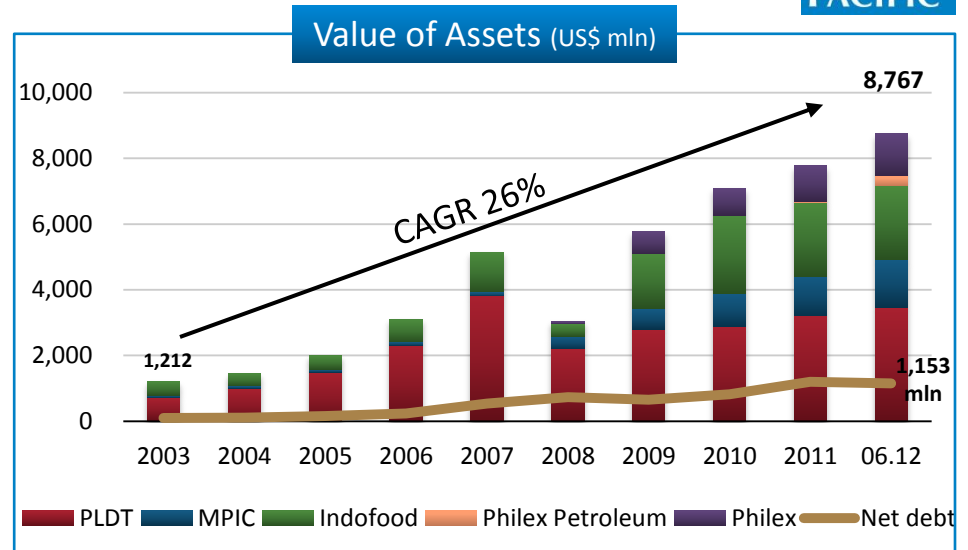
2012 Half-Year Results
Conference Call Presentation
August 29, 2012

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Developments in 2012

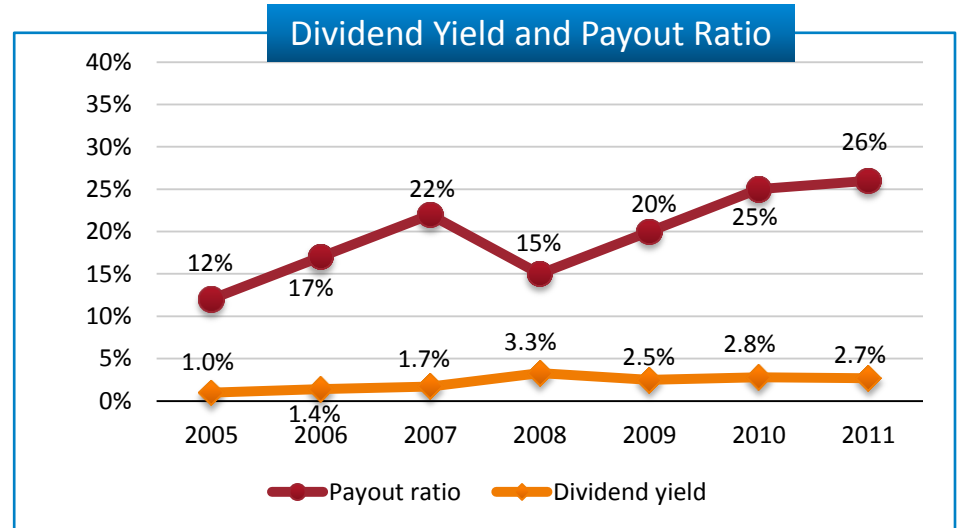
Asset Value Grows Steadily Over Time

- Value of assets controlled by FPC grew by 26% compound annual growth rate from end-2003 to end-June 2012
- Telecommunications and foods/consumer regarded as more mature assets
- Continuing growth in value led by natural resources and infrastructure investments both organically and by acquisition



Operating Companies Deliver Dividends

- PLDT dividend policy: 70% of core income plus look-back (100% payout 2007-2011)
- MPIC: 12% of core income in 2011 and set to grow
- Indofood: 50% of net income in 2011
- Philex: 25% of core income plus 25% special dividend in 2011
- Result: Dividend income at First Pacific to remain near record high in 2012



Summary of 2012 Half Year Results



For the six months ended 30 June (US\$m)	2012	2011	Change
Recurring profit	203.2	219.4	-7.4%
Profit contribution from operations	250.5	260.1	-3.7%
Non-recurring items	15.3	(4.0)	-
Profit attributable to owners of the parent company	222.2	219.3	+1.3%
Turnover	2,989.5	2,747.9	+8.8%
 (U.S. cents)			
Basic earnings per share - recurring	5.29	5.63	-6.0%
Basic earnings per share - attributable	5.78	5.63	+2.7%
Interim dividend	1.03	1.03	-
Committed full-year dividend payout	25%	26%	
 (US\$m)			
Equity attributable to owners of the parent company	3,174.1	3,022.7 ⁽ⁱ⁾	+5.0%
 (Times)			
Consolidated gearing ratio	0.26x	0.26x ⁽ⁱ⁾	-
Head Office gearing ratio	0.65x	0.71x ⁽ⁱ⁾	-8.5%

(i) As at 31 December 2011.

Highlights of Operating Performance

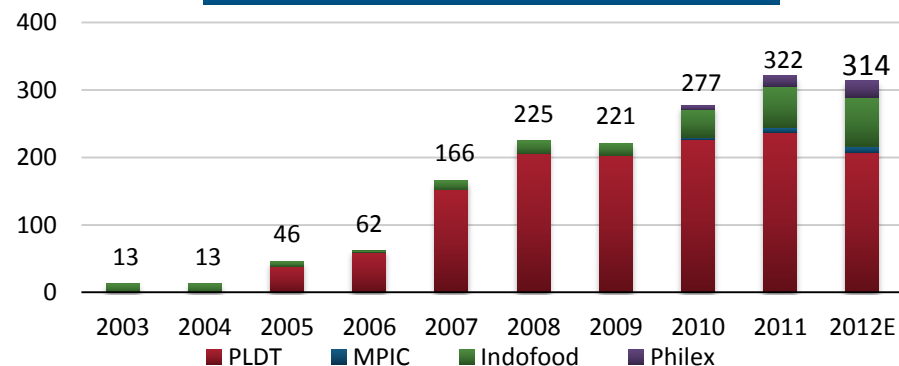
PLDT Consolidation Pulls Down Recurring Profit

- Recurring profit down 7% in 1H 2012 to US\$203.2 million vs. US\$219.4 million
- Total contributions down 4% to US\$250.5 million vs. US\$260.1 million, as PLDT and Philex declined
 - US\$12.3 million increase in MPIC contribution (up 35%)
 - Followed by US\$2.1 million contribution increase by Indofood (up 2%)
 - US\$19.1 million decline in PLDT contribution (down 17%)
 - US\$4.9 million decline in Philex contribution (down 23%)
- Recurring profit and contribution from operations rank second-highest ever after 1H 2011 figures

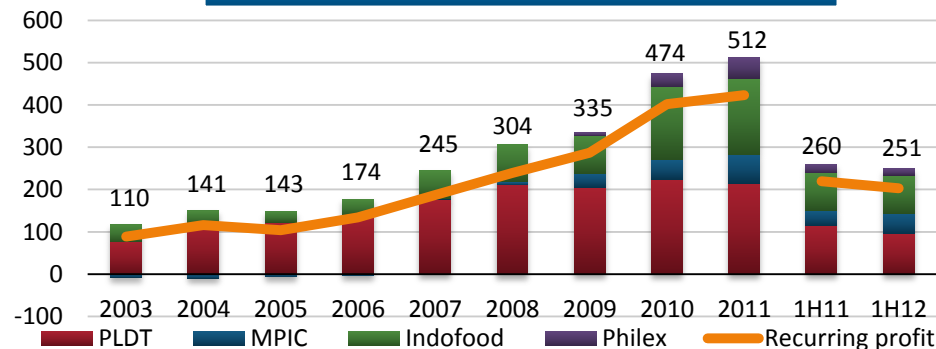
MPIC & Indofood Increase Share of Contribution

- MPIC: Boosted by Maynilad water distributor, Meralco electricity distributor, MPTC toll road operator and hospitals all showed strong contribution increases
- Indofood: Higher sales but lower EBIT margins on continuing strong competition, lower CPO prices
- Philex: Lower gold grade resulted in lower production of gold and higher per-ounce operating costs while copper production down as less ore milled
- PLDT: Service revenues depressed by increase in market competition and decline of traditional sources of revenue like texting and long-distance calling

Historical Dividend Income (US\$ mln)



Contribution & Recurring Profit (US\$ mln)



Head Office Gearing & Cash Interest Cover

	2006	2007	2008	2009	2010	2011	1H12
Head Office Gearing	0.16x	0.35x	0.47x	0.36x	0.46x	0.71x	0.65x
Cash Interest Cover	6.1x	5.4x	5.0x	9.6x	15.5x	4.5x	4.5x
GAV/Net Debt	13.0x	9.6x	4.2x	8.9x	8.7x	6.6x	7.6x

1H 2012 Earnings Highlights

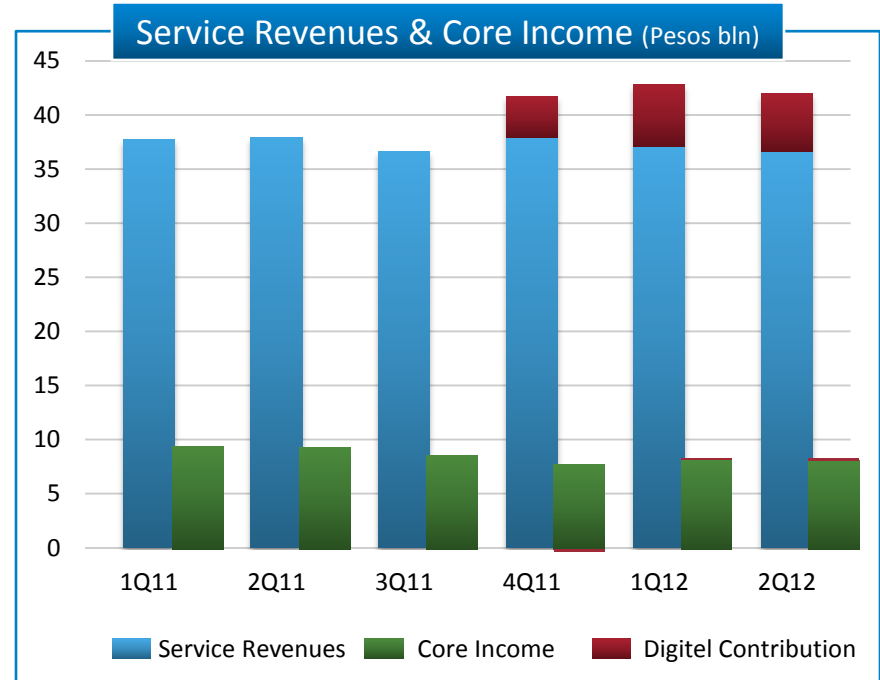
- Service revenues up 12% vs. year-earlier period, down 3% excluding contribution from Digitel
- Core income down 11%, down 13% excluding Digitel
- Decline in core income due to decline in fixed-line and wireless earnings owing in part to higher manpower reduction costs, partly offset by rise in BPO contribution

Laying the Foundation for Growth

- Capex avoidance of ₱8 billion for 2012 (17% of original combined PLDT and Digitel capex)
- Combined US\$1.6 billion capex plan on track to deliver 4G-ready network by end-2012
- Opex savings already being booked following Digitel acquisition (e.g. 18% headcount reduction at Digitel)

Outlook

- 2012 core income seen falling in peso terms to ₱37.0 billion vs. ₱39.0 billion in 2011 given the competitive environment before turning up again in 2013
- The introduction of affordable smartphones and tablets is redefining the wireless market
- Capex plan to result in permanent reductions in operating costs and push future capex needs down to maintenance level below 20% of service revenues
- Aggressive advertising and marketing is resulting in strengthened market position: subscriber market share at end-June is higher than at end-2011



Core Income, Gearing & EBITDA Margin

US\$ mln	2006	2007	2008	2009	2010	2011	1H11	1H12
Core income	617	766	852	860	933	902	484	437
Dividends	512	754	839	851	919	893	335	303
Gearing	0.6x	0.4x	0.4x	0.6x	0.5x	0.5x	0.7x	0.6x
EBITDA margin	64%	61%	61%	59%	54%	53%	60%	49%
EBITDA Margin including Digitel*								46%

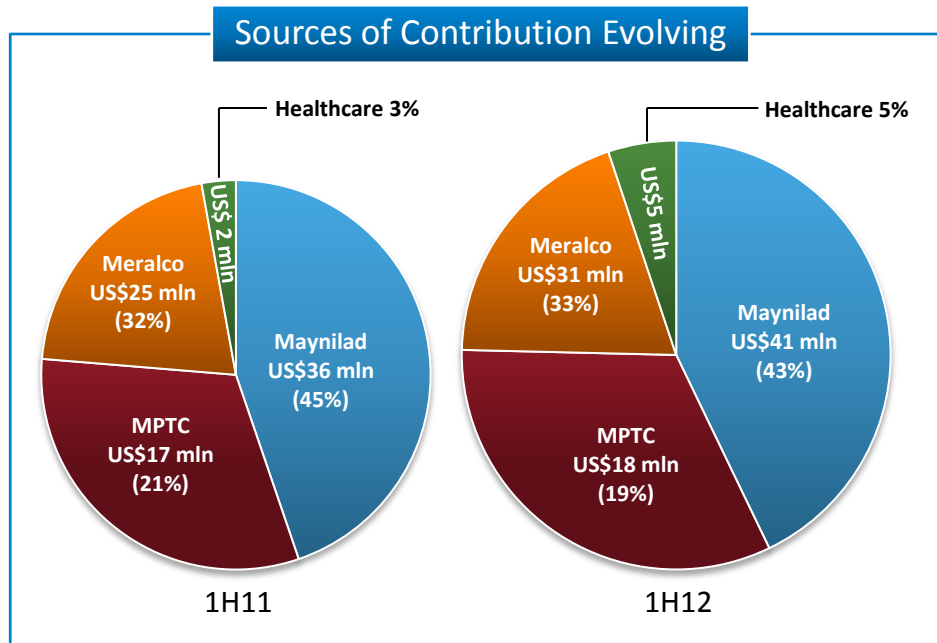
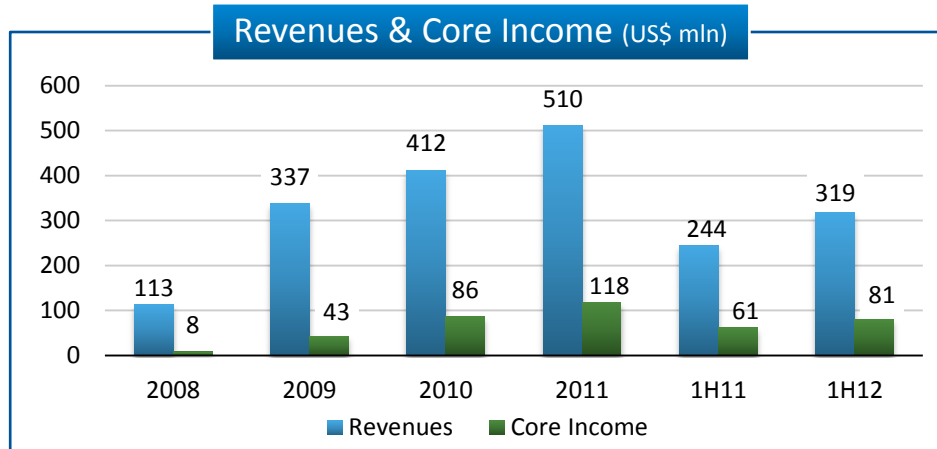
*PLDT completed its acquisition of Digitel in 4Q 2011.

1H 2012 Earnings Highlights

- Core income rose 32% in US\$ terms to US\$81 million vs. US\$61 million
- Revenues rose 31% to US\$319 million vs. US\$244 million
- Double-digit growth in contribution from water, electricity and healthcare portfolio companies
- Head Office net interest expense down 65% in US\$ terms to US\$2.9 million

Outlook

- 2012 core income seen rising 24% to ₱6.3 billion
- Maynilad sees continuing strong growth -- 8% volume growth, 10% tariff increase; seeking further concessions
- Toll road business forecasts 3% traffic growth on NLEX and 6% on SCTEX; SCTEX tariff up 19%
- Meralco forecasts 3% increase in energy sales volume, further expansion into generation
- Healthcare Group aiming towards goal of 3,000 beds, ₱1 billion net income on ₱15 billion revenues
- JV with Ayala Group to pursue light rail investment



Core Income & Gearing

US\$ mln	2008	2009	2010	2011	1H12
Core income	7.8	42.8	85.6	118.0	80.9
Reported net income	11.8	48.1	63.7	117.0	80.6
Head Office gearing	0.38x	0.31x	0.23x	n/a	0.06x
Head Office net debt/(cash)	140	318	257	(53)	87

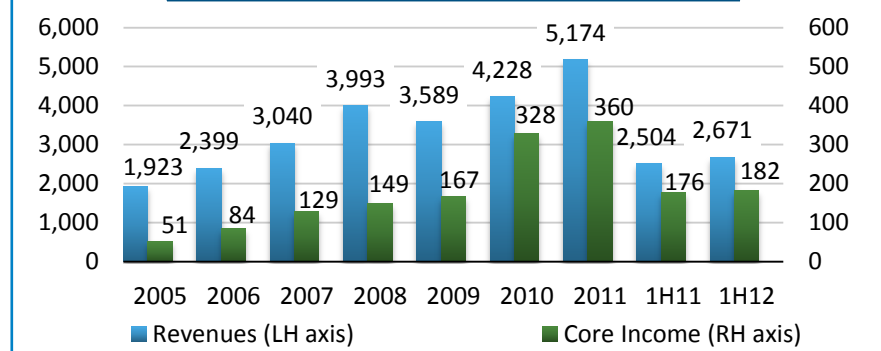
1H 2012 Earnings Highlights

- Core income up 9% in Rupiah terms to Rp1.68 trillion vs. Rp1.54 trillion on higher sales, offset by higher costs
- Revenues up 13% to Rp24.6 trillion vs. Rp21.8 trillion
- EBIT margin decreased to 14.5% vs. 15.9%, driven by lower CPO prices and continued strong competition
- Agribusiness contribution declined as a result of lower average selling prices of palm products and rubber, higher production costs
- All other businesses saw contribution increase

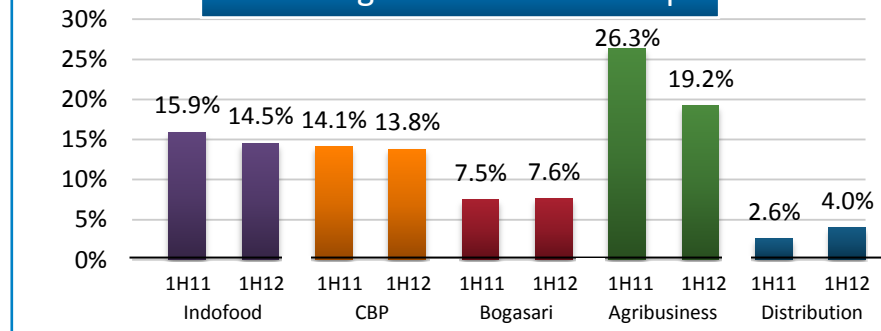
Outlook

- Partnership with Asahi to produce non-alcoholic beverages will diversify revenues and increase income
- Aim to meet dairy demand growing from current 11 liters/year (ASEAN average: 20 liters/year)
- Aim to meet growing wheat consumption, currently at 26 kg/year and among the lowest in the world (global avg. 95 kg/year)
- Building new flour mill and noodle plant
- Kalimantan palm oil mill complete in 2Q 2012 with capacity of 40 tonnes of fresh fruit bunches per hour
- Similar facility to open South Sumatra in 2013
- Bottling and margarine plant added at Jakarta CPO refinery in 1Q 2012
- Central Java sugar mill and refinery expanded in 2Q 2012 to increase capacity to 720,000 tonnes of cane per year

Revenues & Core Income (US\$ mIn)



EBIT Margin of Business Groups



Core Income, Gearing & Margin

US\$ mIn	2006	2007	2008	2009	2010	2011	1H11	1H12
Core income	84	129	149	167	328	360	176	182
Net income	72	107	107	201	325	351	181	183
Dividend	29	43	43	80	130	176	N/A	N/A
Net debt/(cash)	605	833	1,307	1,362	432	70	(60)	2
Gearing	0.98x	0.72x	1.09x	0.83x	0.16x	0.02x	N/A	-
EBIT Margin	8.9%	10.3%	11.2%	13.4%	16.4%	15.1%	15.9%	14.5%

1H 2012 Earnings Highlights

- Core income down 24% in US\$ terms at US\$49 million as lower ore grades resulted in lower gold production
- Revenues down 7% to US\$176 million vs. US\$189 million as higher gold prices offset lower grades
- Realized gold price US\$1,618/oz. vs. US\$1,398/oz.
- Realized copper price US\$4.05/lb. vs. US\$4.09/lb.
- Gold provided 54% of revenue, copper 44%, silver 1%, petroleum 1%

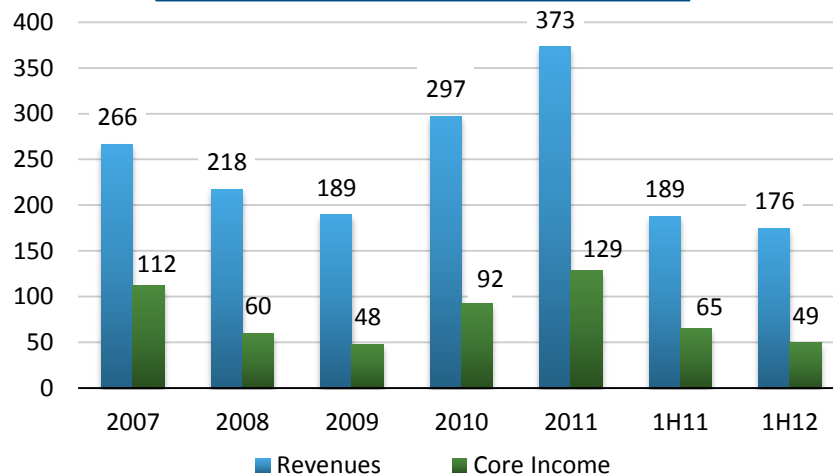
1H 2012 Production Highlights

- Ore milled at 25,586 tonnes per day in 1H 2012, down 0.5% on-year and down 1.6% from 25-year high of 25,992 tonnes per day set in FY 2011
- Gold production 58,681 oz., down 19% as grade declined to 0.500 gram/tonne from 0.591 gram/tonne
- Copper production 18.3 million lb., down 1.7% as grade remained flat at 0.221%

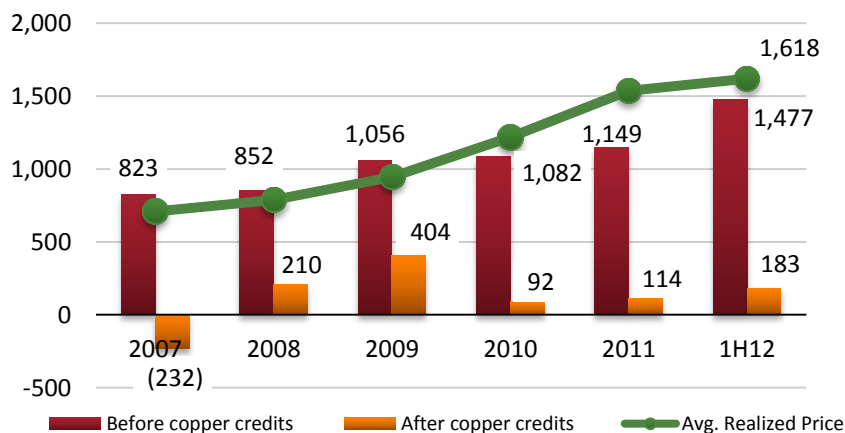
Outlook

- Full-year earnings to be impacted by mining suspension at Padcal operation
- Acquisition(s) sought to bring increase in copper and gold production ahead of Silangan mining project opening in 2017 as greenfield exploration continues
- Padcal mine life extended to 2020 as mineral resources reassessed at 142 million tonnes

Revenues & Core Income (US\$ mln)



Historical Gold Production Cost & Price (US\$/oz.)



Focus for 2012: Creating Long-Term Value



First Pacific Goals

- Continue to explore investment opportunities in existing core businesses across the region
- Fortify PLDT's position of market leadership in telecommunications, integrate Digitel, consolidate networks, position for return to earnings growth in 2013

Telecoms

- Complete the integration of Digitel into the PLDT Group to produce savings in areas such as capital expenditure and marketing/distribution operating expenditures while improving yields
- Complete the two-year network modernization program

Infrastructure

- Participate in further development of the Philippines' infrastructure

Food/Consumer

- Widen product offerings with introduction of new branded food products

Natural Resources

- Move forward on development of the Silangan Project
- Restore confidence in Padcal and restart mining operations with continued industry-best practices

Contribution Summary

For the six months ended 30 June US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2012	2011	2012	2011
PLDT ⁽ⁱⁱ⁾	-	-	96.3	115.4
MPIC	318.8	243.7	47.7	35.4
Indofood	2,670.7	2,504.2	90.4	88.3
Philex ⁽ⁱⁱ⁾	-	-	16.1	21.0
Contribution from operations⁽ⁱⁱⁱ⁾	2,989.5	2,747.9	250.5	260.1
Head Office items:				
– Corporate overhead			(11.3)	(10.2)
– Net interest expense			(34.6)	(29.7)
– Other expenses			(1.4)	(0.8)
Recurring profit^(iv)			203.2	219.4
Foreign exchange and derivative gains ^(v)			3.6	3.9
Gain on changes in fair value of plantations			0.1	-
Non-recurring items ^(vi)			15.3	(4)
Profit attributable to owners of the parent			222.2	219.3

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

(ii) Associated companies

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

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

(v) Foreign exchange and derivative gains represent the gains 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.

(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H12's non-recurring gains of US\$15.3 million mainly represent the Group's gain on dilution of a 0.2% interest in PLDT as a result of PLDT's issuance of new shares upon its tender offer for Digitel's shares in January 2012. 1H11's non-recurring losses of US\$4.0 million mainly represent the Group's share of Meralco's non-recurring losses, and provision and write-off of certain assets.

Company Statement of Financial Position



At 31 December US\$ millions	2011	2010	Change
Non-current Assets			
Subsidiary companies	1,028.4	1,006.2	2.2%
	1,028.4	1,006.2	2.2%
Current Assets			
Cash and cash equivalents	85.4	256.2	-66.7%
Amounts due from subsidiary companies	2,465.0	2,079.6	18.5%
Assets held for sale	-	7.8	-
Other receivables and prepayments	0.5	0.1	400.0%
	2,550.9	2,343.7	8.8%
Current Liabilities			
Amounts due to subsidiary companies	928.1	697.4	33.1%
Other payables and accruals	1.1	0.9	22.2%
	929.2	698.3	33.1%
Net Current Assets	1,621.7	1,645.4	-1.4%
Total Assets Less Current Liabilities	2,650.1	2,651.6	-0.1%
Equity			
Issued share capital	38.5	39.0	-1.3%
Retained earnings	106.5	262.2	-59.4%
Other components of equity	1,502.1	1,486.7	1.0%
Equity attributable to owners of the parent	1,647.1	1,787.9	-7.9%
Non-current Liabilities			
Loans from subsidiary companies	1,003.0	863.7	16.1%
	2,650.1	2,651.6	-0.1%

Head Office Cash Flow



For the six months ended 30 June	2012	2011
US\$ millions		
Dividend income	161.6	165.9
Head Office corporate overhead	(10.4)	(10.5)
Net cash interest expense	(32.2)	(31.6)
Taxes	(0.3)	(0.3)
Net cash inflow from operating activities	118.7	123.5
Net investments	(5.8)	(8.0)
Financing activities		
- Proceeds from the issue of unsecured bonds, net	395.9	-
- Net borrowings/(loan repayments)	46.2	(5.3)
- Proceeds from the issue of shares upon the exercise of share options	8.3	4.1
- Dividends paid	(64.2)	(60.0)
- Repurchase of shares	(39.4)	(35.5)
Increase in cash and cash equivalents	459.7	18.8
Opening cash and cash equivalents	102.5	287.0
Closing cash and cash equivalents	562.2	305.8

Adjusted NAV per Share



US\$ millions	Basis	At	At
		30 June 2012	31 December 2011
PLDT	(i)	3,475.7	3,203.3
MPIC	(i)	1,437.8	1,212.5
Indofood	(i)	2,249.1	2,230.0
Philex	(i)	1,291.9	1,085.0
Philex Petroleum	(i)	312.5	45.7
Gross Asset Value		8,767.0	7,776.5
Head Office - Net debt		(1,153.2)	(1,170.3)
Total Valuation		7,613.8	6,606.2
Number of Ordinary Shares in Issue (millions)		3,829.5	3,850.4
Value per share - U.S. dollar		1.99	1.72
- HK dollars		15.51	13.38
Company's closing share price (HK\$)		8.01	8.08
Share price discount to HK\$ value per share (%)		48.4	39.6

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

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