

FIRST
PACIFIC



Maynilad



LIGHT RAIL
MANILA
CORPORATION

Presentation

1H 2018 Results

29th August 2018

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.

FIRST PACIFIC

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 through the FPW joint venture with Wilmar International.

Infrastructure



First Pacific owns 42.0% of MPIC and holds economic interests of 19.1% in Meralco, 26.2% in Global Business Power, 47.3% of PacificLight, 22.2% of Maynilad, and 41.9% of Metro Pacific Tollways.

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 41.8% in PXP Energy, 31.4% in IndoAgri, and 50.0% in Roxas Holdings.

Telecommunications



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

Senior Management of First Pacific



Robert C. Nicholson
Executive Director



Manuel V. Pangilinan
Managing Director and CEO



Chris H. Young
*Executive Director
& Chief Financial
Officer*



Ray C. Espinosa
Associate Director



Victorico P. Vargas
Assistant Director



Marilyn A.
Victorio-Aquino
Assistant Director



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



John W. Ryan
*EVP, Investor Relations
& Sustainability*



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

Headline Group Data 1H 2018 & End-June (USD mln)

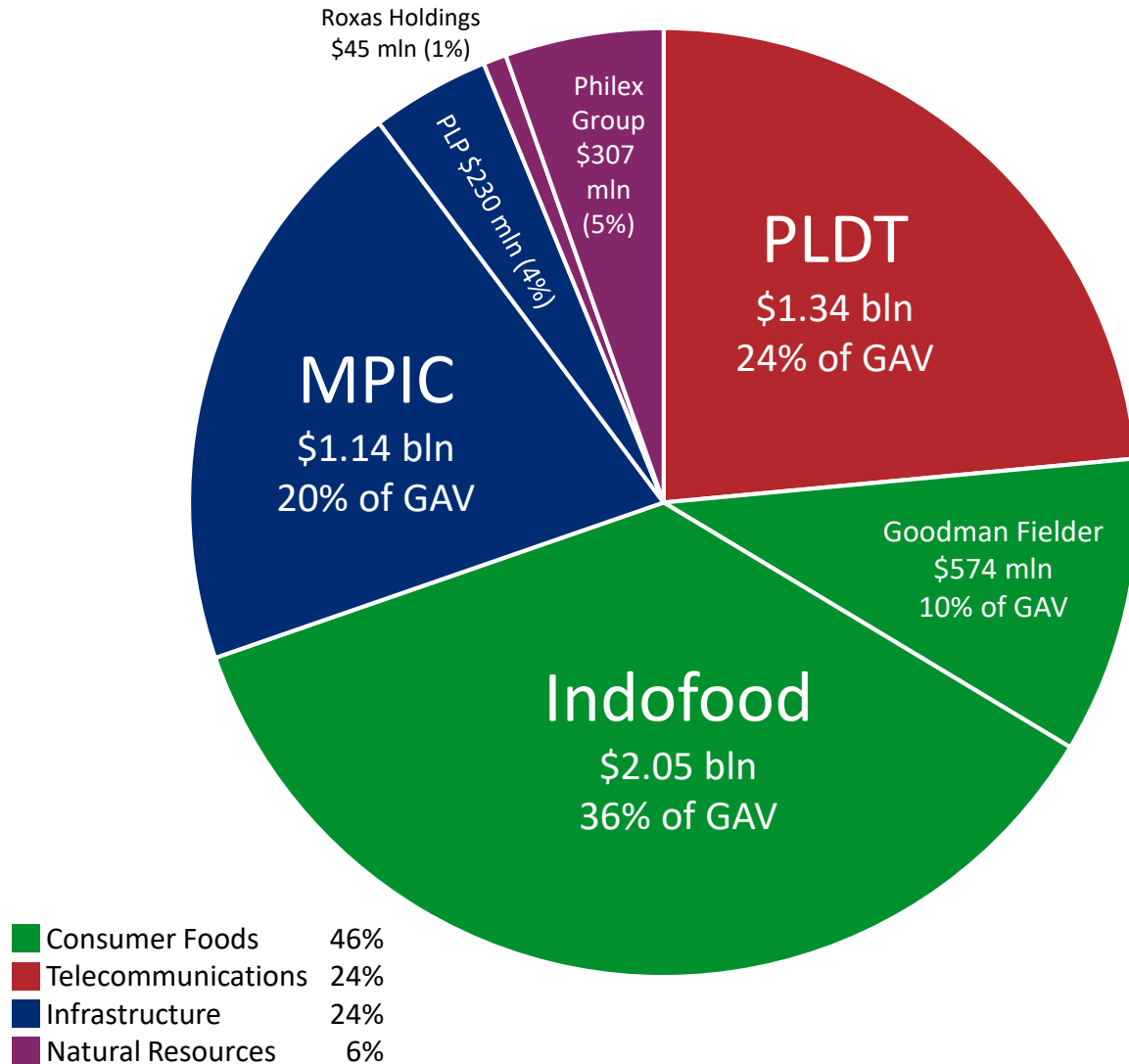
	Turnover	EBITDA	Core Profit	Gross Debt	Net Debt	Cash On Hand	Gearing	Interest Cover	Total Equity
PLDT	1,463	636	252	3,446	2,464	982	1.12	7.3	2,204
MPIC ⁽ⁱ⁾	768	366	165	3,602	2,804	798	0.66	5.1	4,235
MPIC - Head Office	-	(14)	(39)	1,041	962	79	0.42	2.0	2,301
MPTC	142	99	44	800	682	118	0.93	4.9	732
Meralco	2,885	337	208	748	(204)	952	n/a	n/a	1,424
GBPC	255	84	24	718	487	231	0.93	3.4	525
Beacon Electric ⁽ⁱⁱ⁾	62	50	55	138	71	68	0.06	11.1	1,272
Beacon PowerGen	0	0	(6)	197	170	27	0.71	(0.0)	241
Maynilad	210	152	81	549	430	118	0.51	7.4	839
Philex	89	33	12	173	157	16	0.33	n/a	471
PXP Energy	1	0	(1)	54	47	8	0.80	n/a	58
Indofood ⁽ⁱ⁾	2,597	429	143	1,792	809	983	0.25	8.1	3,275
ICBP	1,404	269	155	173	(387)	560	n/a	50.0	1,432
IndoAgri	473	84	4	800	604	196	0.41	1.3	1,461
SIMP	481	82	4	725	558	168	0.44	1.5	1,272
Lonsum	127	33	16	-	(131)	131	n/a	n/a	567
PacificLight Power	348	8	(17)	553	491	62	1.88	(0.6)	262
Roxas	133	17	2	202	199	3	1.01	2.0	198
Goodman Fielder	792	50	21	589	434	156	0.71	2.9	613
Total	12,229	2,715	1,125	19,082	13,146	5,936			26,580
First Pacific Head Office	67.5		14.7	1,638	1,574	65	0.87	2.6	1,801

(i) Consolidated.

(ii) Excluding preferred shares of ₱23.1 billion (US\$433 million).

FX rates vs. USD	PHP	IDR	SGD	AUD
Closing	53.34	14,404	1.362	1.350
Average	52.19	13,863	1.329	1.305

Gross Asset Value of \$5.7 Billion



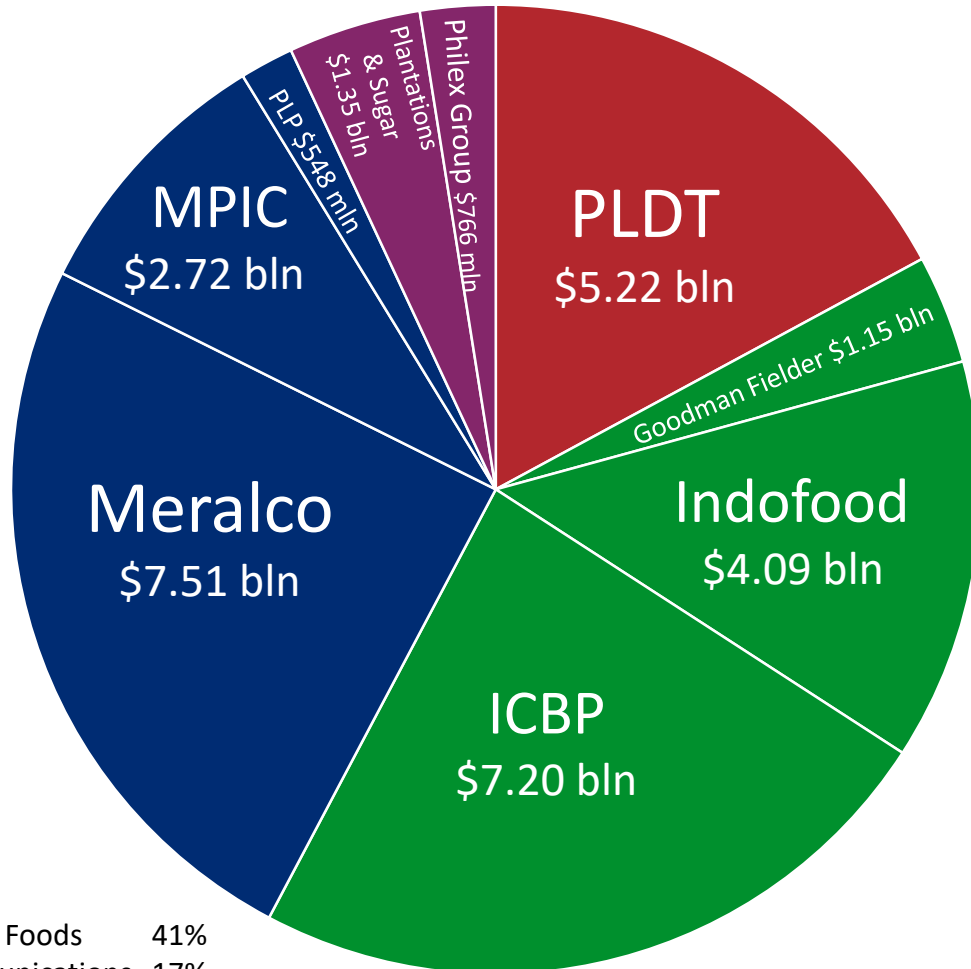
Investment Objectives

- 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

\$30.5 Bln of Major Assets in Portfolio

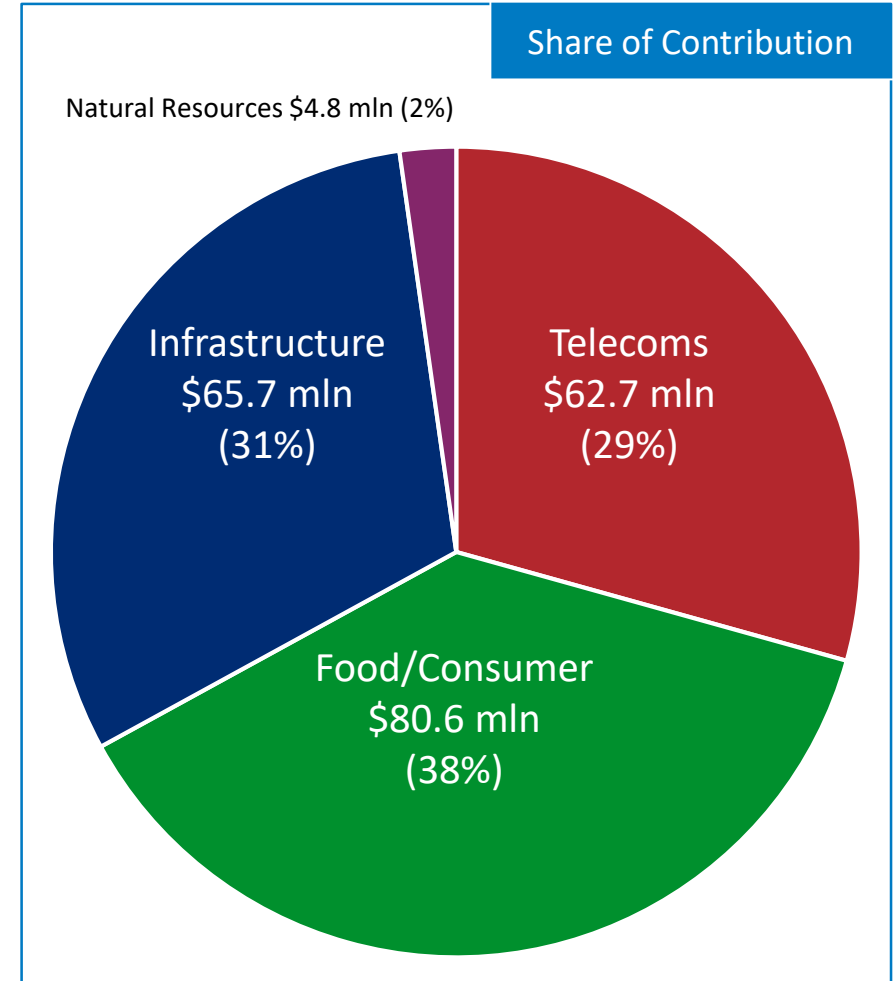
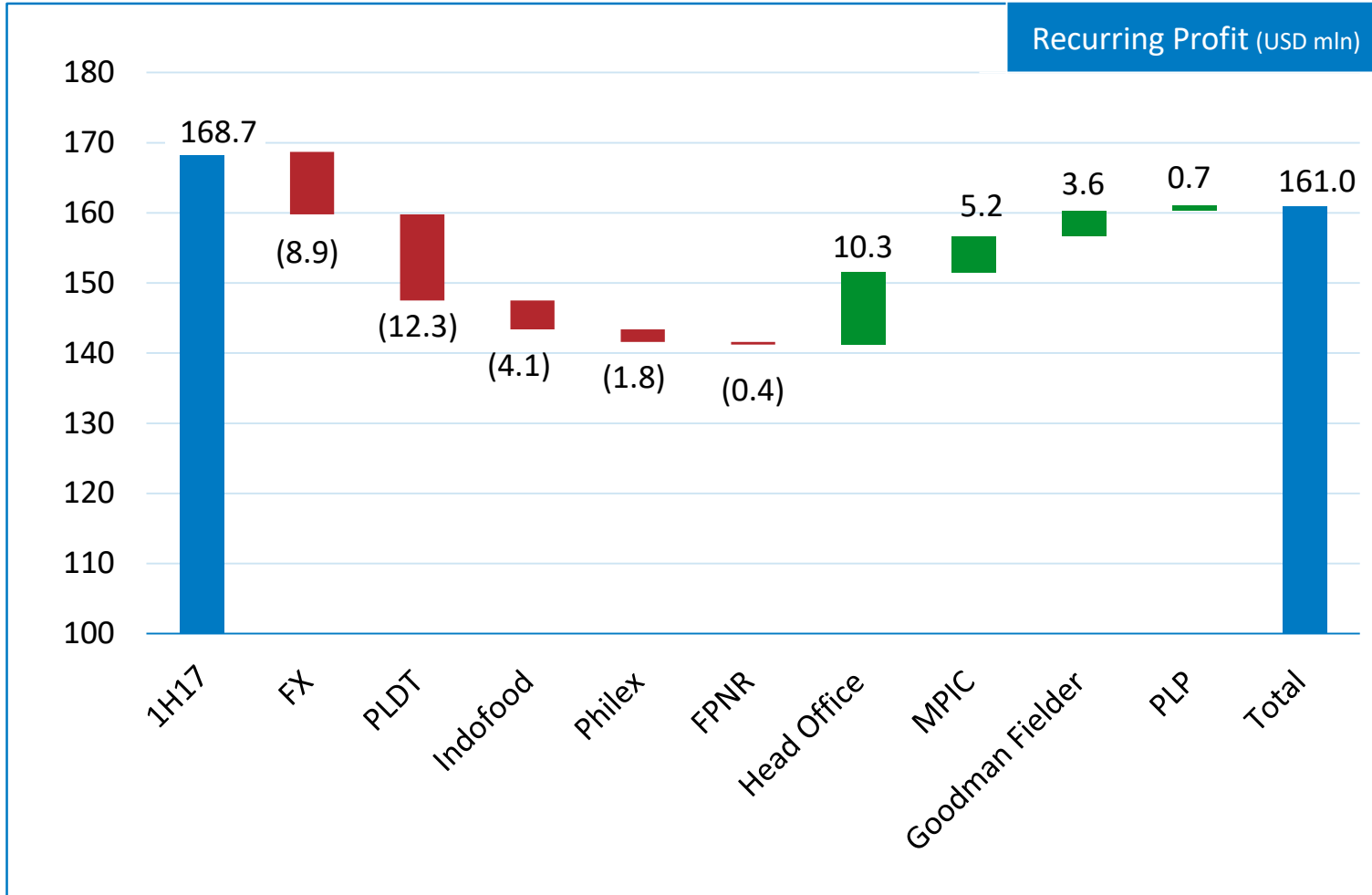


Consumer Foods	41%
Telecommunications	17%
Infrastructure	35%
Natural Resources	7%

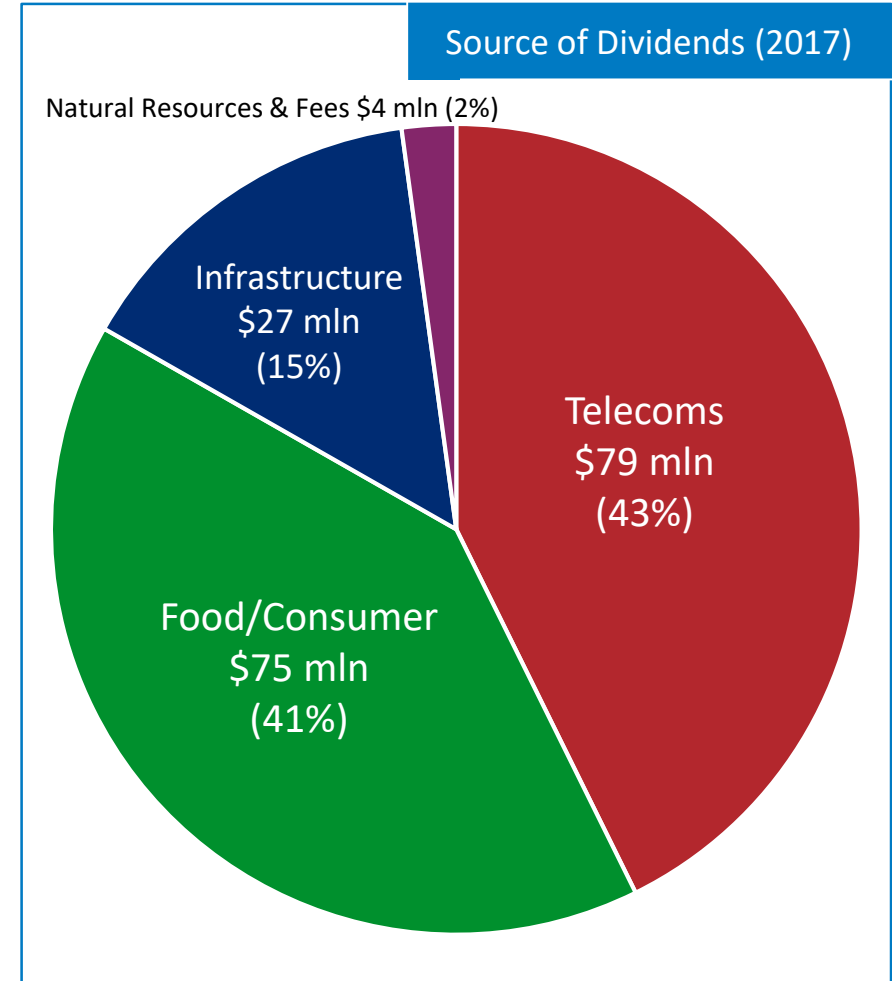
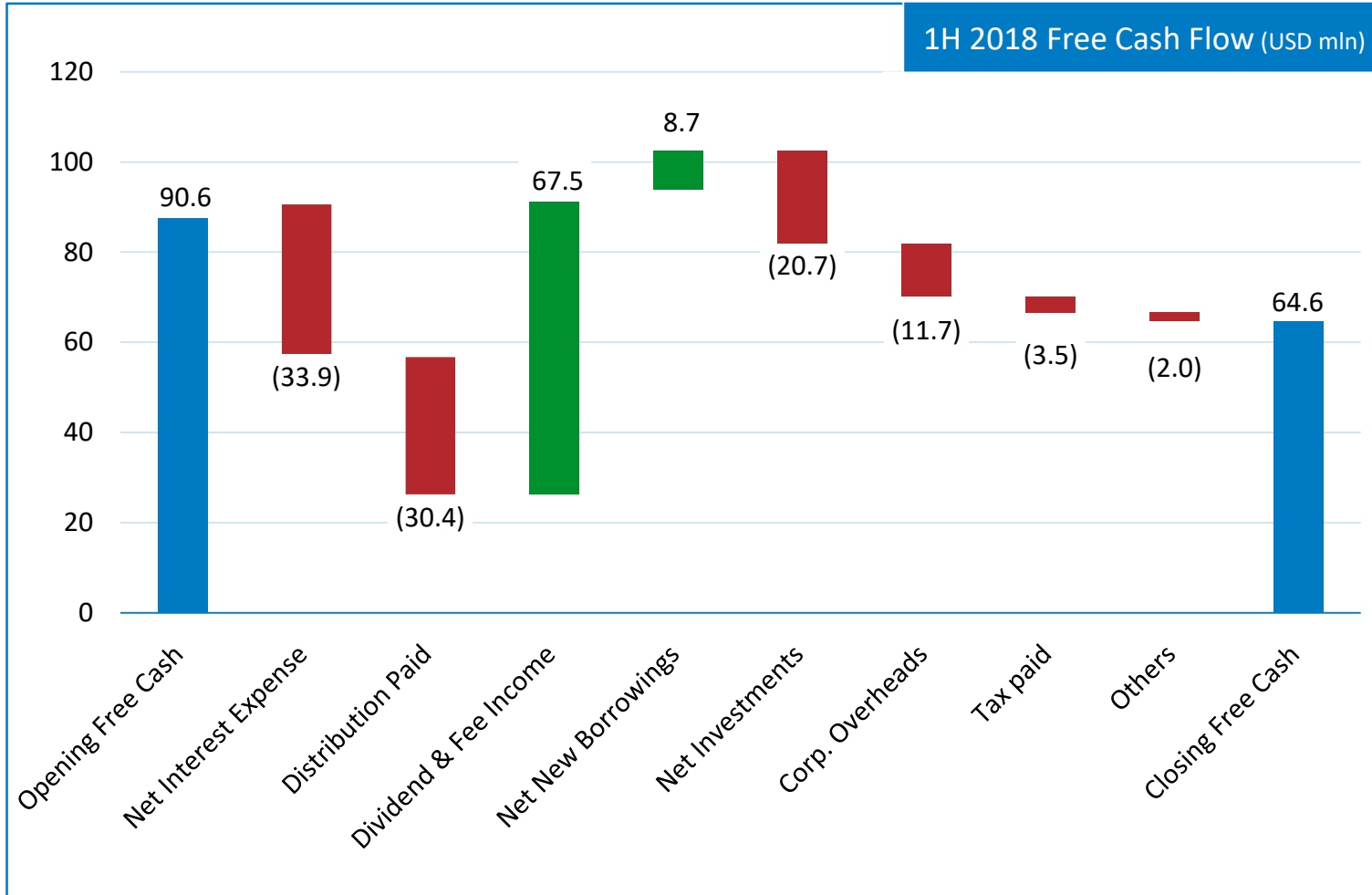
One of the Largest Listed Investors in ASEAN

- Total turnover for the First Pacific Group of Companies in 1H 2018 was \$12.2 billion
- EBITDA totaled \$2.7 billion
- Core profit reached a total of \$1.1 billion
- Total cash on hand was \$5.9 billion
- Gross debt of \$19.1 billion
- Net debt of \$13.1 billion

PLDT, Indofood Hold Back First-Half Contribution



Head Office Cash Flow Remains Strong



Interest Bill Reduced Following Tender & New Bond

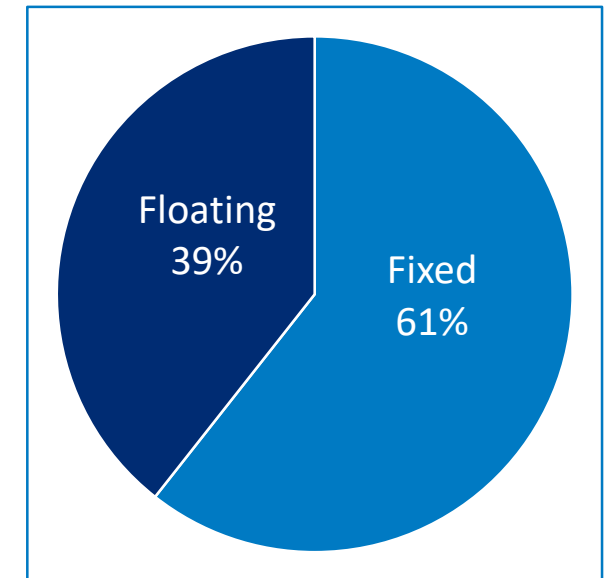
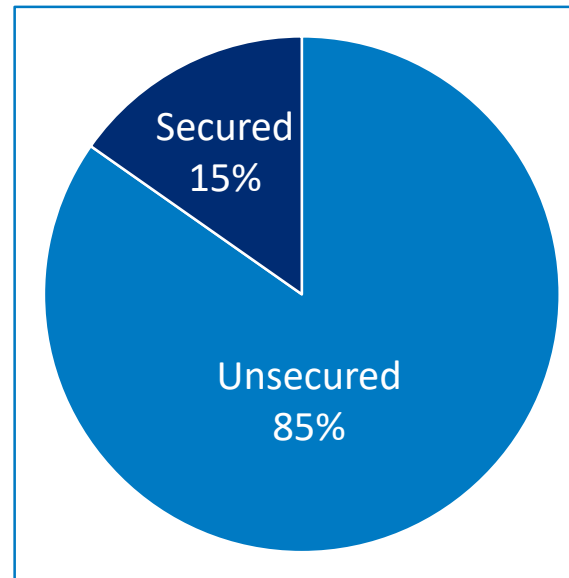
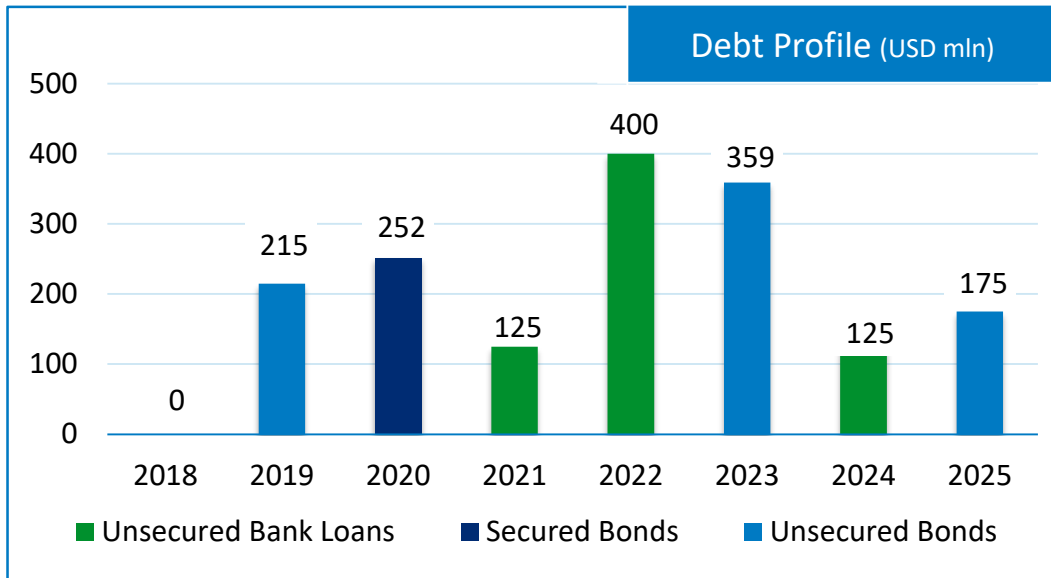


Principal	Coupon	Price*	Term	Maturity
US\$215 mln	6.0%	101.988	7-Year	28 June 2019
US\$252 mln	6 ³ / ₈ %	105.114	10-Year	28 Sept 2020
US\$359 mln	4 ¹ / ₂ %	99.495	10-Year	16 April 2023
US\$175 mln	5 ³ / ₄ %	102.073	7-Year	30 May 2025

*Data from Bloomberg 29 August 2018.

Balance Sheet as at End-June 2018

- Cash interest cover approx. 2.6x, gearing at 0.87x
- Gross assets \$6.0 billion at end-June
- Gross debt \$1.64 billion, gross debt cover 3.7x
- Net debt \$1.57 billion, net debt cover 3.8x
- Average maturity of 3.8 years
- Blended interest cost of 4.6%



Strengthening the Commitment to Sustainability

First Sustainability Reports Published

- ❑ Our inaugural ESG Report covered the 2016 financial year, met SEHK ESG reporting requirements and Global Reporting Initiative standards
- ❑ First Pacific is committed to incorporating ESG considerations in making investments and in our stewardship of investments
- ❑ First Pacific is included in the Hang Seng Sustainability Benchmark Index from 10 September 2018
- ❑ To this end, First Pacific has retained consultants from KPMG to provide advice on best practice, and from The Purpose Business to advise on policies and stakeholder engagement
- ❑ The ESG Report covers First Pacific Head office and examples and citations from sustainability reports of Group companies
- ❑ First Pacific plans to gradually increase the depth and breadth of sustainability reporting over time as more Group companies publish sustainability reports
 - ❑ We released KPIs for E, S & G in the 2017 ESG Report
 - ❑ We moved to GRI Core Standard in the 2017 Report
 - ❑ During 2018, we incorporated new data protection, privacy and other policies to bring First Pacific in line with evolving regulations and best practice

Sustainability & the Corporate Governance Committee

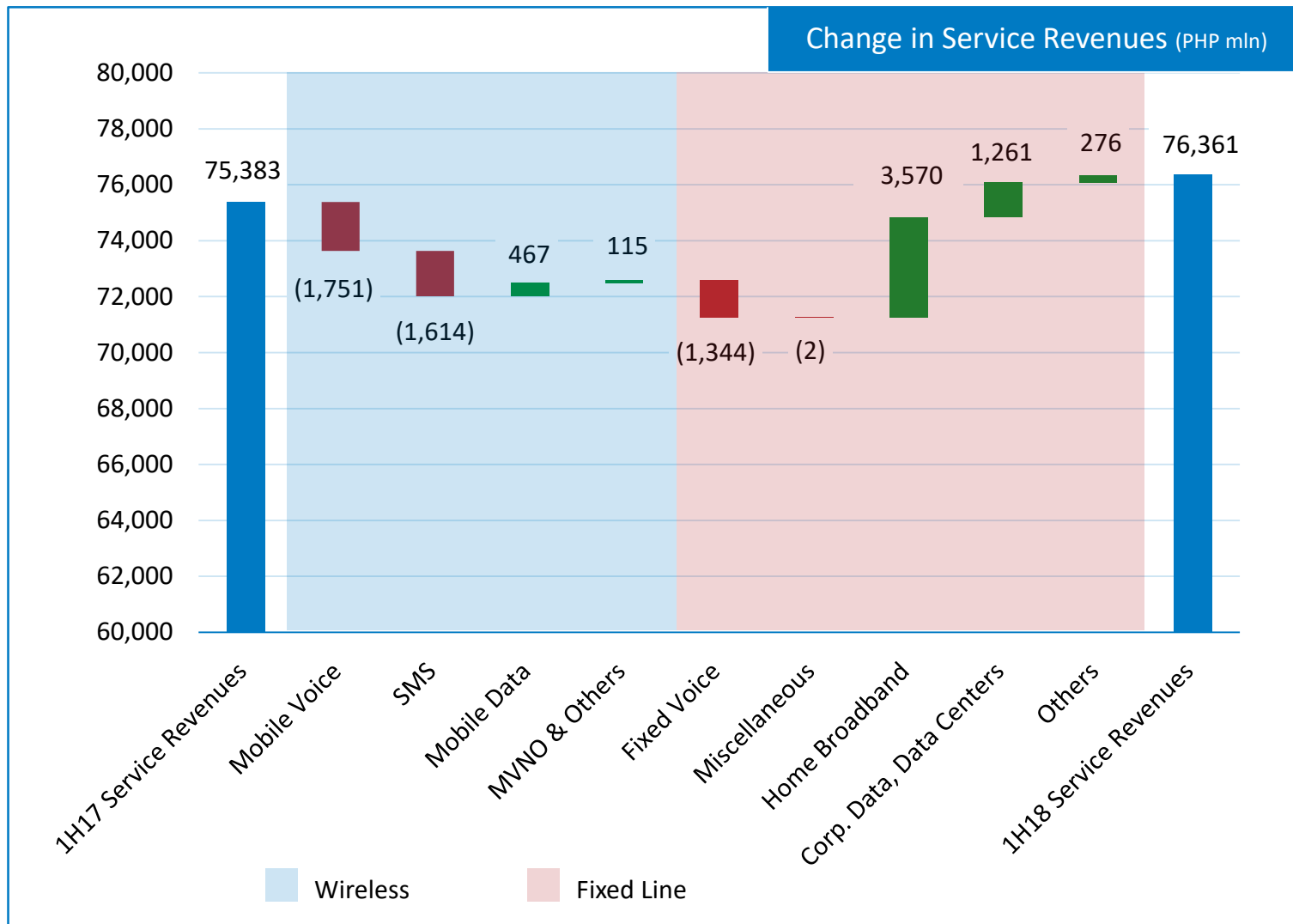
- ❑ First Pacific's Corporate Governance Committee is formally responsible not only for corporate governance but also for matters including risks affecting the environment and pertaining to the Company's social responsibility
- ❑ The Committee is composed of a majority of independent non-executive directors and is chaired by an independent non-executive director
- ❑ First Pacific appointed a Chief Sustainability Officer in 2018

ESG Reporting by Group Companies

Company	GRI Standard	First Report	Frequency
IndoAgri	Yes	2013	Annual
Maynilad	Yes	2011	Annual
MPIC	Yes	2016	Annual
PLDT	Yes	2015	Annual
Philex	Yes	2014	Annual
Roxas	Yes	2015	Annual

FPC GHG Emissions Trending Down

	Unit	2013	2014	2015	2016	2017
Total GHG Emissions of FPC HQ	tonnes CO2-e	303.0	308.4	226.7	185.1	180.9
Ratio indicator in terms of GFA	kg CO2-e/ft2	23.5	23.9	17.6	14.4	14.0
Ratio indicator in terms of staff number	tonnes CO2-e/capita	6.3	6.4	5.4	4.3	4.2
Ratio indicator in terms of revenue	kg CO2-e/USD mln	50.5	45.1	35.2	27.3	24.8



1H 2018 Earnings Highlights

- Service revenues rose 1% to ₱76.4 billion primarily due to higher revenues from data services in the fixed line business, partially offset by lower revenues from mobile and home broadband services in the wireless business
- EBITDA rose 4% to ₱33.2 billion on stronger EBITDA in the fixed line business, partly offset by lower EBITDA in wireless and other businesses
- Core income fell 25% to ₱13.1 billion largely on the absence of the previous period's gain on sale of shares in Beacon Electric, partially offset by a gain in the sale of shares in Rocket Internet, higher EBITDA, and lower finance costs and non-cash expenses
- Data and broadband revenues rose 22% to ₱39.0 billion and now account for 71% of all fixed line service revenues and 37% of wireless

Outlook

- 2018 recurring core income seen rising by ₱1-2 billion to ₱23-24 billion excluding Voyager
- Dividend policy remains at 60% of core income
- EBITDA seen rising on revenue improvement, supported by continued strengthening of data/broadband
- Surging growth in Home and Enterprise revenues seen continuing
- Capex seen rising to ₱58 billion from ₱40 billion in 2017 with continuing focus on improving network quality and customer experience

OpenSignal Awards Table

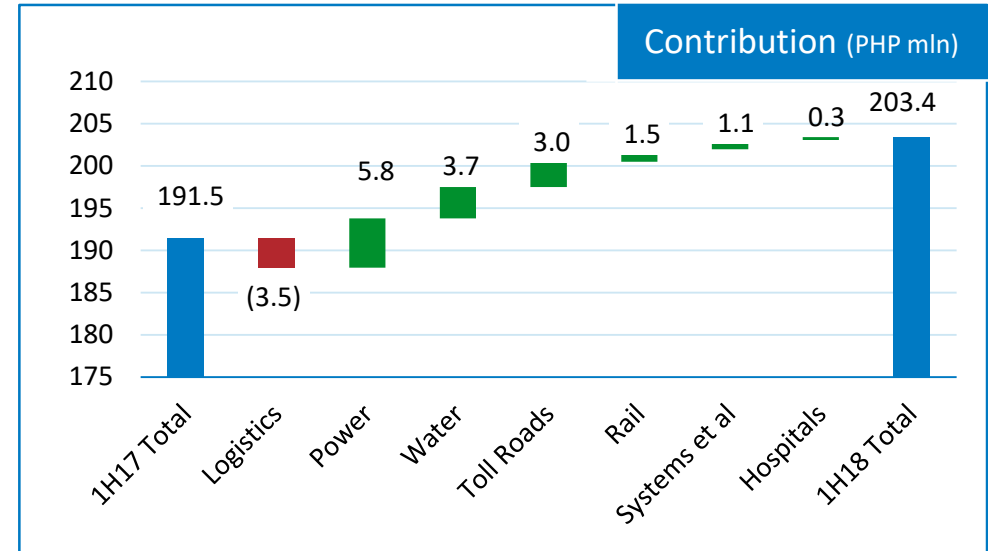
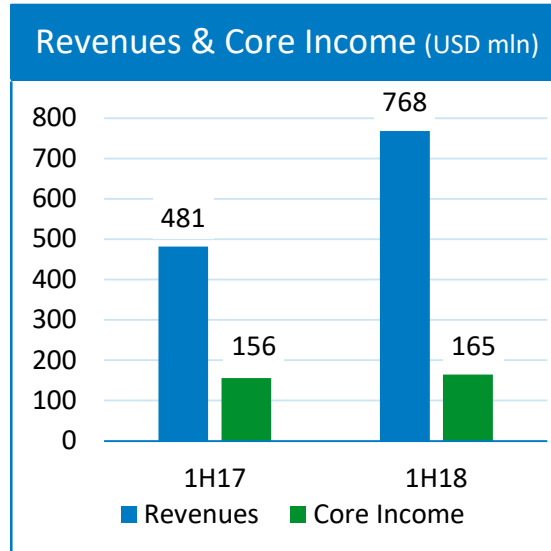
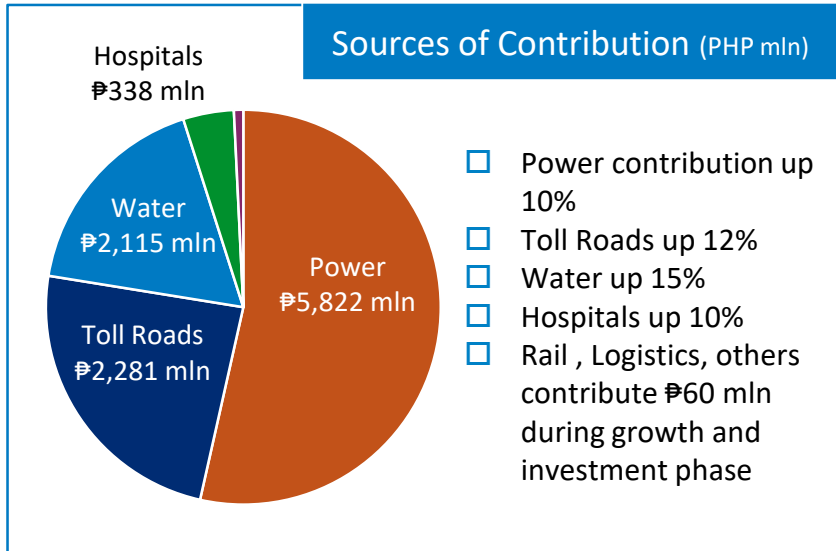
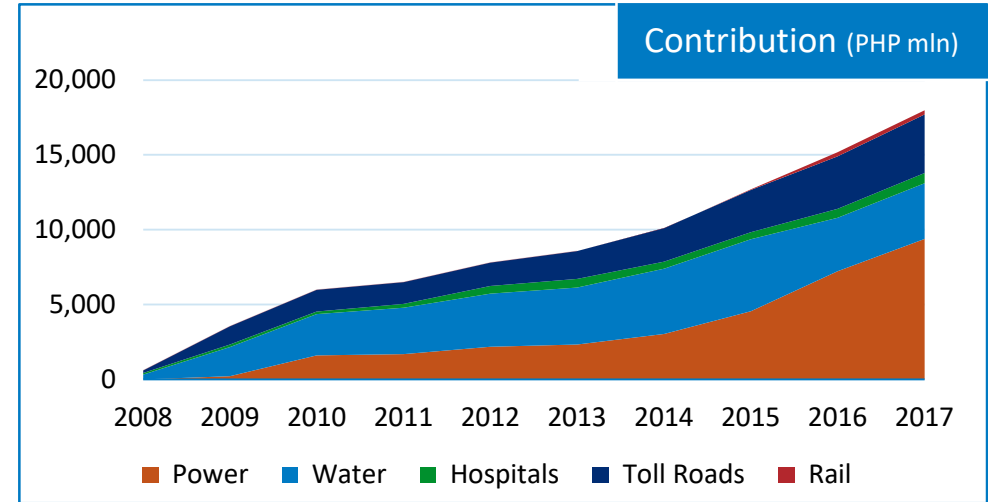
	4G Download Speed	3G Download Speed	Overall Download Speed	4G Upload Speed	4G Latency	3G Latency	4G Availability

Source: <https://opensignal.com/reports/2018/08/philippines/mobile-networks-update>



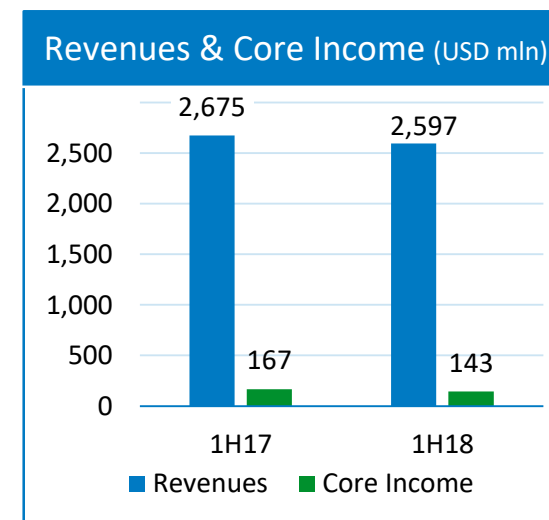
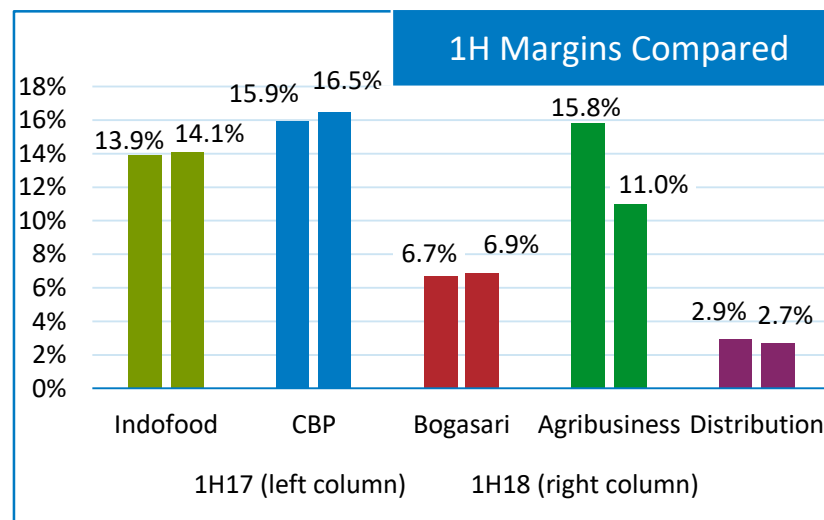
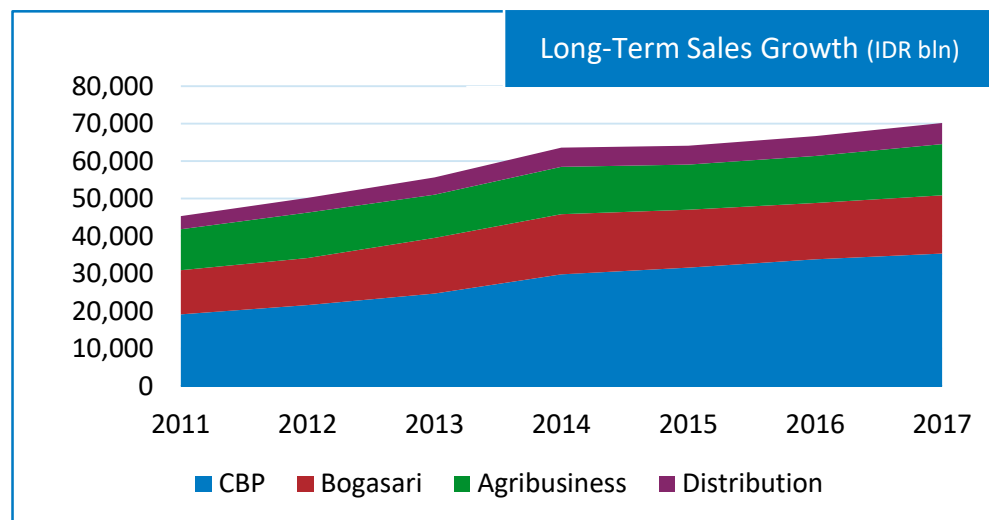
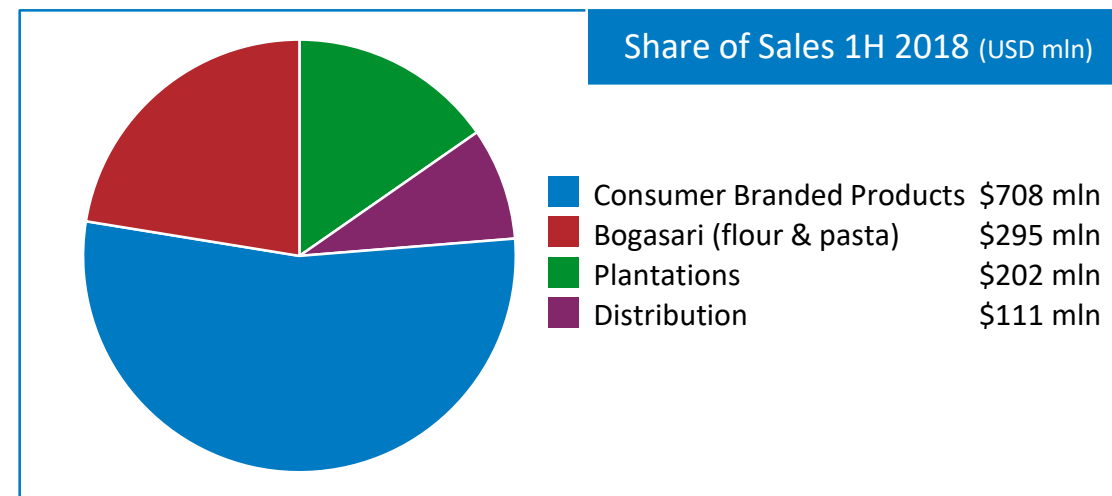
1H 2018 Earnings Highlights

- Contribution from operating companies rose 11% % to ₱10.62 billion vs. ₱9.58 billion on double-digit growth from all businesses save Logistics
- Core income rose 10% to ₱8.60 billion vs. ₱7.80 billion on lower head office costs, offset by higher interest bill
- Power contribution boosted by increased economic interest in Meralco and GBP, and volume growth at Meralco and GBP
- Water contribution lifted by inflationary tariff increase
- Toll Roads boosted by traffic increases on all domestic roads
- Hospitals contribution up on higher patient numbers
- Interest expense rose to ₱1.46 billion vs. ₱1.18 billion on new borrowing to finance investments in power and toll roads



1H 2018 Financial Highlights

- Revenues rose 1% to IDR36.0 trillion vs. IDR35.7 trillion on stronger sales in every unit except Agribusiness
- Core income declined 11% to IDR1.98 trillion vs. IDR2.23 trillion
- Factors affecting earnings included:
 - A decision to maintain higher CPO inventories for internal refining rather than selling to third parties
 - Non-recognition of deferred tax assets/benefits for loss-making businesses
 - The inability of Bogasari to pass on the full impact of higher wheat prices
 - Continuous rupiah depreciation
- Full-year revenues seen rising to new consecutive record high

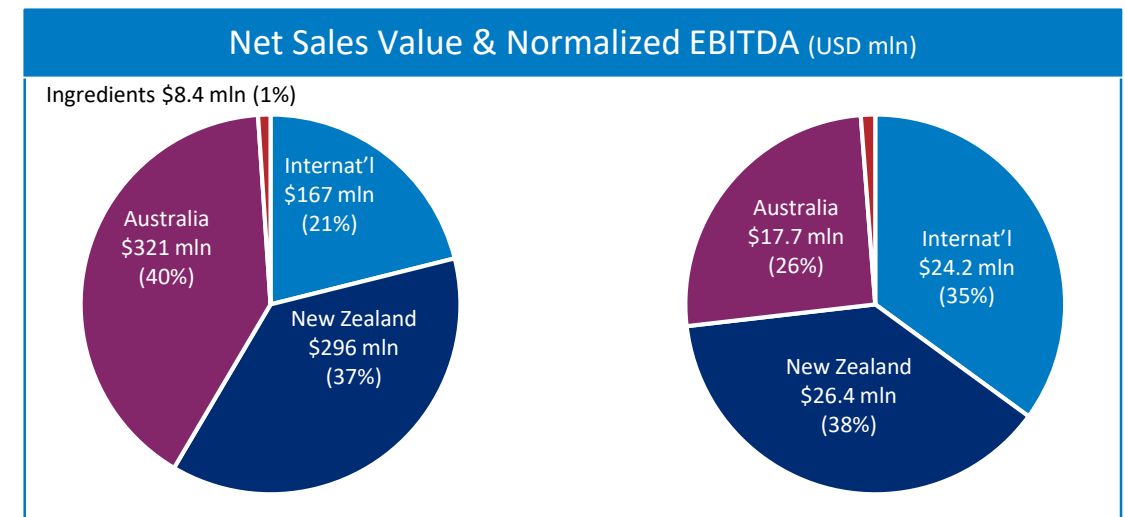
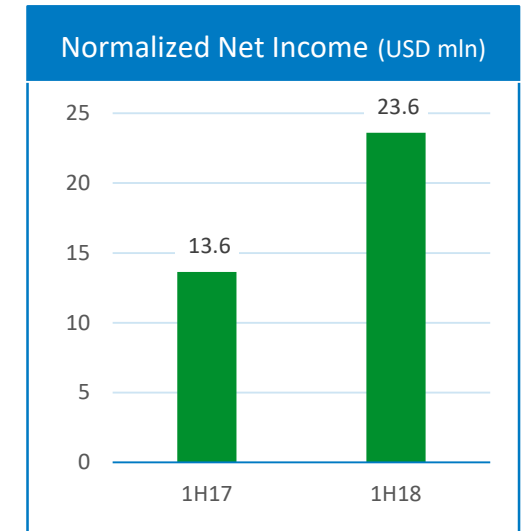
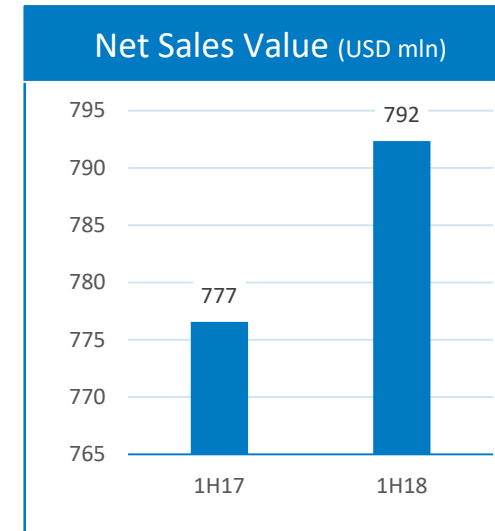


2018 First-Half Earnings Highlights

- Sales growth slowed to 1% increase as strong performance by the International business offset difficulties in the Australia and New Zealand markets
- Sales rose to A\$1.03 billion vs. A\$1.02 billion led by 11.4% surge in international markets offsetting sales declines of 2.5% in Australia and 1.9% in New Zealand
- Normalized net income rose 71% to A\$30.8 million vs. A\$18.0 million on strong international performance, continued cost savings and gain from property sales
- International sales rose 11.4% to A\$218 million led by Papua New Guinea and Fiji but offset by a decline in China. EBITDA rose 57% to A\$31.6 million as Papua New Guinea results shook off a difficult 2017 first half and the Fiji business lifted sales and profitability of the poultry business
- New Zealand sales fell 1.9% to A\$387 million as strong growth in the Grocery business was offset by lower sales at the Baking and Dairy businesses owing in part to lower bread sales and higher dairy prices
- Australia sales fell 2.5% to A\$418 million on lower loaf volumes in Loaf, Artisan, Dressings, Mayonnaise and Vinegar

Outlook

- Cost-savings, efficiency improvements and new growth initiatives have started to impact profitability with momentum expected to continue through 2018
- Growth acceleration in Southeast Asia remains a key priority with a focus on developing the export product portfolio
- New Zealand is focused on dairy product expansion with launches for the export and domestic markets
- Operating challenges in PNG have been addressed with improved volumes and return to profitability for the market



1H 2018 Earnings Highlights

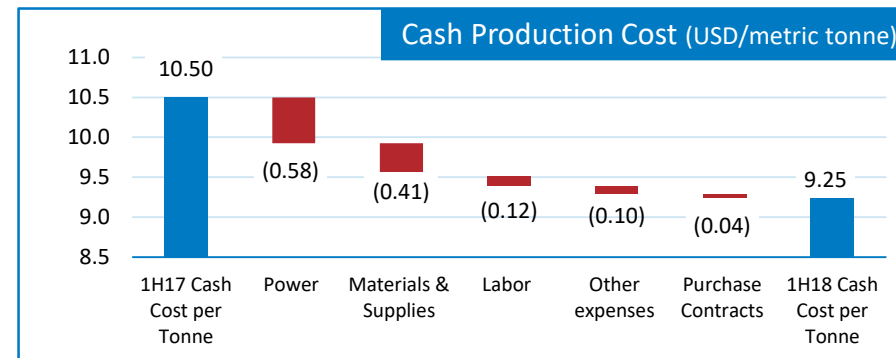
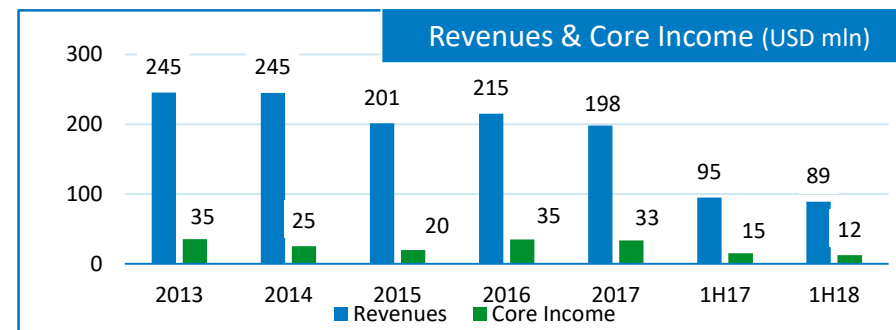
- Operating revenues fell 2% to ₱4.65 billion vs. ₱4.76 billion as a result of lower metal production offset by sharply improved copper prices and a weaker Peso
- Cash production cost fell 3% to ₱2.12 billion vs. ₱2.18 billion led by lower power cost
- Core income fell 14% to ₱646 million vs. ₱748 million mainly due to lower metal production arising from lower ore grades, higher depreciation, depletion and amortization and increased excise tax (from 2% to 4%), partly offset by higher tonnage and metal prices, better forex and lower smelting charges
- Realized gold price rose 5% to \$1,314 per oz.
- Realized copper price rose 17% to \$3.11 per lb.

1H 2018 Production Highlights

- Volume of ore milled rose 6% to 4.39 million tonnes
- Gold output 34,583 oz., down 20% from 43,251 oz.
- Gold grade 0.321 grams/tonne vs. 0.399 grams/tonne
- Copper production fell 6% to 14.1 million lb. vs. 15.0 million lb.
- Copper grade at 0.186% vs. 0.199%
- Breakeven costs rose to \$998 per ounce and \$2.35 per pound for gold and copper, respectively, due to lower metal production arising from lower ore grades of copper and gold

Outlook

- Padcal mine life extended by two years to 2022 with declaration of further proved mineral reserves
- Definitive Feasibility Study for Silangan expected to be final following resolution of open-cast mining in the Philippines
- Underground study for mining underground currently under way as backstop against potential delay in resolving open-cast mining delay



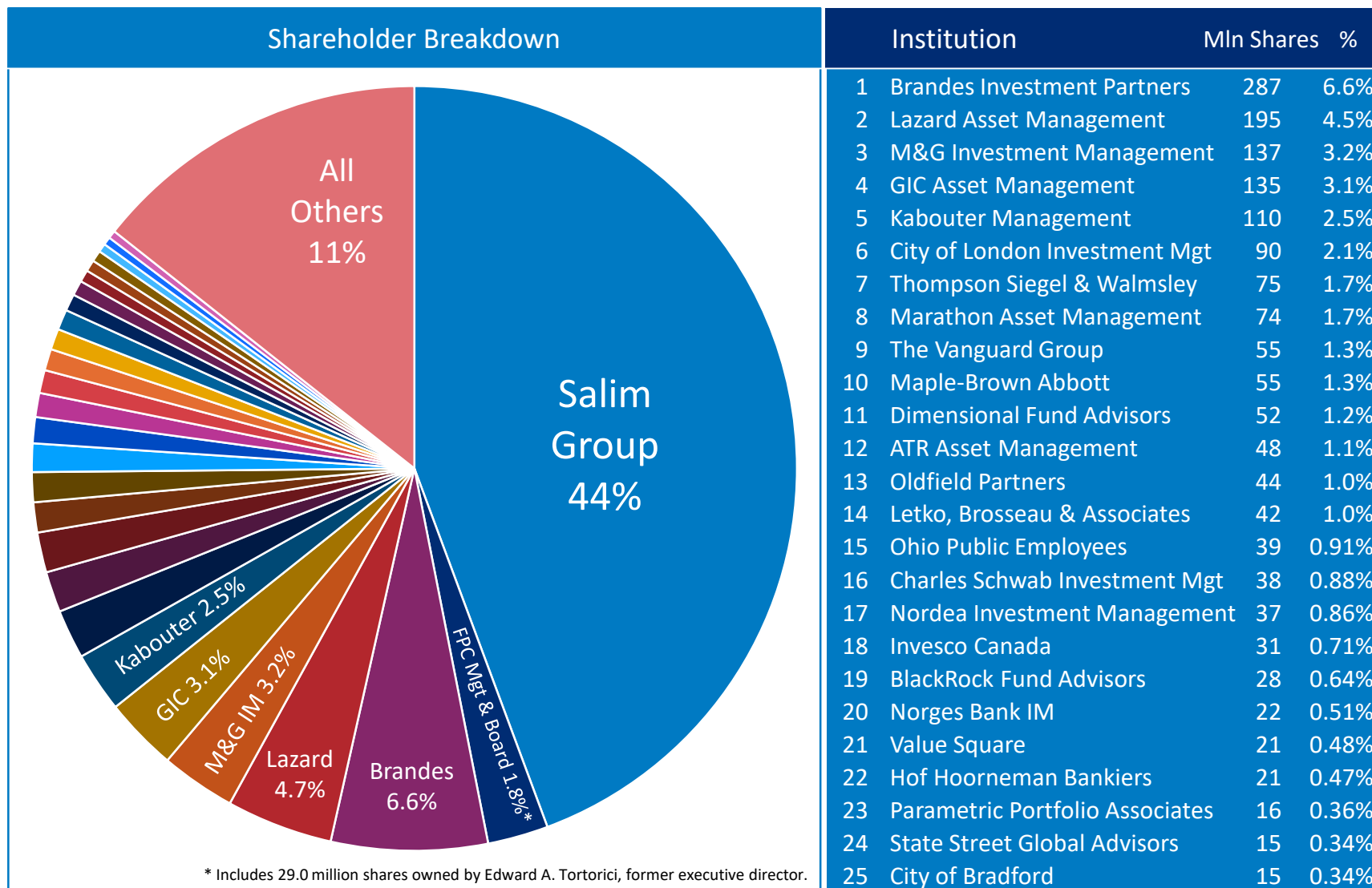
	Metric tonnes (mln)	Cu		Au	
		(percent)	(g/t)	(mln lb.)	('000 oz.)
Padcal	186	0.22	0.43	915	2,561
Bumolo	22	0.20	0.30	96	210
Boyongan	273	0.52	0.72	3,120	6,300
Bayugo	125	0.66	0.66	1,820	2,700
Total	606			5,951	11,771

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

Appendix

Shareholder Information
Selected Financial Data

Shareholding Structure of the Company



Contribution and Profit Summary

For the six months ended 30 June	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2018	2017	2018	2017
US\$ millions				
Indofood	2,596.8	2,675.4	70.3	77.2
PLDT ⁽ⁱⁱ⁾	-	-	62.7	77.7
MPIC	767.7	481.4	69.1	66.9
FPW ⁽ⁱⁱⁱ⁾	-	-	10.3	6.6
Philex ⁽ⁱⁱ⁾	-	-	4.1	6.1
FPM Power	347.8	277.6	(3.4)	(3.9)
FP Natural Resources	132.6	138.1	0.7	1.2
Contribution from operations ^(iv)	3,844.9	3,572.5	213.8	231.8
Head Office items:				
– Corporate overhead			(12.1)	(13.0)
– Net interest expense			(38.0)	(43.2)
– Other expenses			(2.7)	(6.9)
Recurring profit ^(v)			161.0	168.7
Foreign exchange and derivative (losses)/gains, net ^(vi)			(5.4)	7.8
Loss on changes in fair value of biological assets			(0.1)	(0.6)
Non-recurring items ^(vii)			(21.7)	(42.8)
Profit attributable to owners of the parent			133.8	133.1

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

(ii) Associated companies.

(iii) Joint venture.

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

(v) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative (losses)/gains, loss on changes in fair value of biological assets and non-recurring items.

(vi) Foreign exchange and derivative (losses)/gains, net represent the net (losses)/gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated net assets/liabilities and the changes in the fair values of derivatives.

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H18's non-recurring losses of US\$21.7 million mainly represent PLDT's non-core accelerated depreciation for its wireless network assets (US\$12.3 million) and Head Office's bond tender and debt refinancing costs (US\$10.7 million). 1H17's non-recurring losses of US\$42.8 million mainly represent Head Office's bond tender and debt refinancing costs (US\$13.8 million), Goodman Fielder's manufacturing network optimization costs (US\$10.5 million), MPIC's loss on remeasurement of its previously held 75% interest in Beacon Electric Asset Holdings, Inc. (US\$9.5 million), impairment provision for investment in AF Payments, Inc. (US\$6.7 million), PLDT's impairment provision for investment in Rocket Internet shares (US\$2.8 million) and Maynilad Water Services, Inc.'s manpower reduction costs (US\$1.2 million), partly offset by MPIC's gain on divestment of a 4.5% direct interest in Manila Electric Company (US\$6.1 million).

Head Office Free Cash Flow⁽ⁱ⁾

For the six months ended 30 June	2018	2017
US\$ millions		
Dividend and fee income ⁽ⁱⁱ⁾	137.6	123.6
Less: Indofood dividend received on 5 July 2018/6 July 2017 ⁽ⁱⁱ⁾	(70.1)	(68.6)
Cash dividend and fee income	67.5	55.0
Head Office overhead expense	(11.7)	(12.6)
Net cash interest expense	(33.9)	(40.7)
Tax paid	(3.5)	-
Net cash inflow from operating activities	18.4	1.7
Net investments ⁽ⁱⁱⁱ⁾	(20.7)	(10.1)
Financing activities		
- Distributions paid	(30.4)	(30.5)
- New borrowings/(repayments of loans), net	8.7	(173.7)
- Others ^(iv)	(2.0)	34.5
Decrease in cash and cash equivalents	(26.0)	(178.1)
Cash and cash equivalents at 1 January	90.6	236.5
Cash and cash equivalents at 30 June	64.6	58.4

(i) Excludes restricted cash and pledged deposits as at 30 June 2018 and 1 January 2018 of US\$0.1 million (30 June 2017: US\$9.1 million and 1 January 2017: US\$11.7 million).

(ii) 1H18's dividend and fee income includes Indofood's 2017 final dividend of US\$70.1 million which was received on 5 July 2018 (1H17: 2016 final dividend of US\$68.6 million received on 6 July 2017).

(iii) 1H18's net investments principally represent additional investments in Goodman Fielder and PLP.

(iv) Mainly payments to the trustee for share purchase scheme in 1H18 (1H17: mainly proceeds from issuance of shares upon the exercise of share options).

Group Net Debt & Gearing

Consolidated

US\$ millions	At 30 June 2018			At 31 December 2017		
	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)
Head Office	1,573.5	1,800.6	0.87x	1,521.8	1,837.7	0.83x
Indofood	809.5	3,289.4	0.25x	784.6	3,485.2	0.23x
MPIC	2,803.6	4,220.4	0.66x	2,717.4	4,302.5	0.63x
FPM Power	491.0	403.1	1.22x	509.1	398.1	1.28x
FP Natural Resources	193.4	185.7	1.04x	198.5	197.2	1.01x
Group adjustments ⁽ⁱⁱⁱ⁾	-	(1,456.3)	-	-	(1,478.2)	-
Total	5,871.0	8,442.9	0.70x	5,731.4	8,742.5	0.66x

Associated Companies and Joint Venture

US\$ millions	At 30 June 2018			At 31 December 2017		
	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)	Net Debt ⁽ⁱ⁾	Total Equity	Gearing ⁽ⁱⁱ⁾ (times)
PLDT	2,464.3	2,203.9	1.12x	2,798.0	2,223.1	1.26x
FPW	433.2	994.0	0.44x	457.9	1,005.0	0.46x
Philex	156.8	471.0	0.33x	176.5	495.3	0.36x

(i) Includes short-term deposits and restricted cash.

(ii) Calculated as net debt divided by total equity.

(iii) Group adjustments mainly represent 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.

Adjusted NAV per Share

		At 30 June 2018	At 31 December 2017
US\$ millions	Basis		
Indofood	(i)	2,029.6	2,474.2
PLDT	(i)	1,336.1	1,637.5
MPIC	(i)	1,140.3	1,814.1
Philex	(i)	192.5	276.9
PXP	(i)	114.2	88.6
FPW	(ii)	574.1	554.0
FPM Power	(iii)	230.0	230.0
FP Natural Resources	(iv)	44.8	58.5
Head Office - Other assets	(v)	94.5	100.9
- Net debt		(1,573.5)	(1,521.8)
Total Valuation		4,182.6	5,712.9
Number of Ordinary Shares in Issue (millions)		4,342.0	4,342.0
Value per share - U.S. dollars		0.96	1.32
- HK dollars		7.51	10.26
Company's closing share price (HK\$)		3.79	5.30
Share price discount to HK\$ value per share (%)		49.5	48.3

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

(ii) Represents investment costs.

(iii) Represents carrying amounts.

(iv) Mainly represents RHI (based on quoted share price applied to the Group's economic interest).

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

Contact Us



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

24th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong
Tel: +852 2842 4374
info@firstpacific.com

www.firstpacific.com