



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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**RECURRING PROFIT UP 1% TO US\$127.5 MILLION DESPITE DIFFICULT ENVIRONMENT
REPORTED PROFIT ROSE 5% TO US\$164.3 MILLION
INTERIM CASH DIVIDEND INCREASED 33% TO HK4.00 CENTS (U.S. 0.51 CENT)**

- Recurring profit up by 1% to US\$127.5 million (HK\$994.5 million) in the face of difficult economic conditions
- Reported profit increased 5% to US\$164.3 million (HK\$1,281.5 million)
- Profit contribution from operations decreased 5% to US\$151.4 million (HK\$1,180.9 million) due principally to lower contribution from plantations resulting from lower crude palm oil prices
- Interim cash dividend increased by 33% to HK4.00 cents (U.S. 0.51 cent) per ordinary share declared
- Adjusted net asset value per share at 30th June 2009 increased to US\$1.17 (HK\$9.15) compared with US\$0.76 (HK\$5.97) at 31st December 2008 due to improvements in share prices of listed investments
- Equity attributable to owners of the Company increased by 17% to US\$1,327.0 million (HK\$10,350.6 million)
- Consolidated gearing ratio improved to 0.98x at 30th June 2009, compared with 1.06x at 31st December 2008; Head Office gearing declined to 0.44x

Hong Kong, 4th September 2009 – First Pacific Company Limited (“First Pacific” or “the Company”) (HKSE: 00142) today announced that recurring profit increased by 1% to US\$127.5 million (HK\$994.5 million) (1H08: US\$126.5 million (HK\$986.7 million)) comprising a significantly improved performance by Metro Pacific Investments Corporation (“MPIC”), a lower contribution by Indofood in view principally of the decline in crude palm oil (“CPO”) prices and the depreciation of the average rupiah exchange rate, and strong results by PLDT which however when translated into U.S. dollars have been impacted negatively by the depreciation of the average peso exchange rate. The recurring profit excludes the effects of revaluation of plantations and derivatives, foreign exchange differences and non-recurring gains.

Reported profit attributable to owners of the Company increased 5% to US\$164.3 million (HK\$1,281.5 million) from US\$156.8 million (HK\$1,223.0 million), reflecting the operating results referred to above, in particular the significantly improved performance of MPIC together with a forex gain of US\$3.3 million (HK\$25.7 million) (1H08: loss of US\$4.8 million or HK\$37.4 million) arising from the appreciation of the closing rupiah exchange rate against the U.S. dollar.

Profit contribution from operations decreased by 5% to US\$151.4 million (HK\$1,180.9 million) from US\$158.6 million (US\$1,237.1 million) for the reasons described above.

First Pacific's net non-recurring gains increased to US\$25.1 million (HK\$195.8 million) from US\$22.4 million (HK\$174.7 million). The non-recurring gains mainly represents Maynilad Water's reversal of provision for deferred credits following the resolution of new tariff rates implemented from May 2009.

Basic earnings per share (before exceptionals) rose to U.S. 3.97 cents (HK31.0 cents) from U.S. 3.92 cents (HK\$30.6 cents). Basic earnings per share (after exceptionals) increased to U.S. 5.11 cents (HK39.9 cents) from U.S. 4.86 cents (HK37.9 cents). Equity attributable to owners of the Company increased by 17% to US\$1,327.0 million (HK\$10,350.6 million) compared with US\$1,130.1 million (HK\$8,814.8 million) at 31st December 2008.

Adjusted net asset value per share at 30th June 2009 increased 54% to US\$1.17 (HK\$9.15) compared with US\$0.76 (HK\$5.97) at 31st December 2008 due to improvements in share prices of listed investments.

At the Head Office, gross debt stood at US\$780.4 million (HK\$6,087.1 million). The Company is in advanced discussion with financial institutions for refinancing the US\$150 million (HK\$1,170 million) due to be repaid in the fourth quarter of 2009. The remaining balance of US\$630.4 million (HK\$4,917.1 million) will mature between 2011 and 2013. Apart from an interest rate swap contract to convert a US\$200 million (HK\$1,560 million) loan from floating to fixed interest rate, all other bank loans are on a floating interest rate basis. Net interest expense declined by 9% to US\$11.7 million (HK\$91.3 million) resulting from lower average interest rates during the period.

For the first six months, Head Office's recurring operating cash inflow was approximately US\$59 million and interest payments were approximately US\$11 million. Interest cover stood at approximately 5 times.

The Company's Board of Directors has declared an interim cash dividend of HK4.00 cents (U.S. 0.51 cent) (1H08: HK3.00 cents (U.S. 0.38 cent)) per ordinary share representing a dividend payout of approximately 13% (1H08: 10%). Dividend warrants will be dispatched to shareholders on or about 9 October 2009. Dividend yield increased to approximately 0.8% (1H08: 0.6%) based on today's closing price of HK\$5.37.

Manuel V. Pangilinan, First Pacific's Managing Director and Chief Executive Officer, commented: "The operating environment has been difficult during the period, particularly with respect to the lower global demand for commodities. However, our pro-active management of the Group's operating businesses has seen growth, improved performance and stronger cash flows. The strong dividend inflow to First Pacific has enabled an increasing dividend payout since 2005.

REVIEW OF OPERATIONS

Philippine Long Distance Telephone Company ("PLDT") contributed a profit of US\$102.9 million to the Group (1H08: US\$106.9 million). This represents 68% of First Pacific's aggregate contribution derived from the operations of subsidiary and associated companies for the period. This profit contribution (after the impact of a 12% depreciation of the average peso against U.S. dollar) was a reflection of higher wireless service revenue, lower provision for income taxes on account of the lower Philippine corporate income tax rate, higher employee compensation and benefit costs, and larger rental expenses.

Consolidated core net income for PLDT increased 11% to Pesos 20.8 billion (US\$432.8 million) reflecting a 4% increase in service revenues, an 8% increase in cash operating expenses, and lower provision for income tax resulting from the reduction of the Philippine corporate income tax rate to 30% from 35% starting 2009. Consolidated service revenues increased 4% to Pesos 72.9 billion (US\$1,516.9 million) resulting from a 17% increase in cellular and broadband subscribers year-on-year, a 6% increase in data and ICT revenues and stable voice revenues. EBITDA margin declined slightly to 60% of service revenues. Consolidated free cash flow increased by 12% to Pesos 31.6 billion (US\$657.5 million).

Combined 2G/3G subscriber bases of Smart and Piltel grew 16% year-on-year to 38.5 million. Total broadband subscribers – DSL fixed and wireless – grew 26% to over a million.

Investment in Meralco

On 14th July 2009, PLDT – through its subsidiary Piltel – completed the acquisition of a 20% interest in the Manila Electric Company (Meralco) with full payment of the consideration of Pesos 20.1 billion (US\$417.6 million). Three nominees from the group were elected to Meralco’s board at the Meralco Annual General Meeting held on 26th May 2009. The CFO of Meralco nominated by the group assumed the position on 1st July 2009.

Metro Pacific Investments Corporation’s (“MPIC”) contribution to the Group increased 12 times to US\$14.6 million reflecting the consolidation of Metro Pacific Tollways Corporation (“MPTC”) for the period, higher ownership and bigger contribution from Maynilad Water, together with increased contribution from the healthcare businesses.

MPIC’s reported net income increased 4 times to Pesos 1,696 million (US\$35.3 million) from Pesos 339 million (US\$8.0 million). Core income increased 47 times to Pesos 716 million (US\$14.9 million) from Pesos 15 million (US\$0.4 million) last year, reflecting Maynilad Water’s contribution which rose 16 times to Pesos 423 million (US\$8.8 million) from Pesos 25.0 million (US\$0.6 million) last year, MPTC’s contribution of Pesos 680 million (US\$14.1 million) and healthcare businesses’ contribution growing 105% to Pesos 76 million (US\$1.6 million).

Progress of acquiring interest in Meralco

MPIC has agreed to acquire a total of 12.96% interest in Meralco of which 10.17% will come from PLDT’s Beneficial Trust Fund and 2.79% from Crogan Limited, a wholly-owned subsidiary of First Pacific. Total consideration for both transactions stands at Pesos 18.2 billion (US\$379.0 million) which will be settled through a combination of cash and new shares of MPIC. This investment is expected to be completed by October 2009 and MPIC intends to acquire further shares in Meralco when opportunities arise.

PT Indofood Sukses Makmur Tbk’s (“Indofood”) contribution to the Group decreased 37.2% to US\$31.8 million principally reflecting lower average selling prices of crude palm oil (“CPO”) and higher net interest expenses.

Consolidated net sales decreased 4% to Rupiah 18.2 trillion (US\$1,652.9 million) reflecting the lower sales in the Agribusiness division resulting from lower average CPO prices. Sales contribution of Consumer Branded Products, Bogasari, Agribusiness and Distribution contribute respectively 43%, 30%, 19% and 8% of consolidated revenues. EBIT margin decreased to 12.2% from 13.2% resulting from the lower sales and higher operating expenses.

Consumer Branded Products division reported significantly improved performance. Sales increased 37% to Rupiah 8,076.0 billion (US\$732.7 million) which accounted for 43% (1H08: 30%) of Indofood’s consolidated revenues. The sales increase reflects generally higher sales volumes driven by enhanced marketing strategy, higher average selling prices and the consolidation of Indolakto, which was acquired in December 2008. EBIT margin of this division significantly improved to 10.0% from 3.0%.

In June 2009, Indofood issued a Rupiah 1.6 trillion (US\$157 million) 5-year rupiah bond to refinance a Rupiah 1 trillion (US\$98 million) bond due in July 2009 and other short-term bank loans.

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	2009	2008
US\$ millions		(Restated)
Turnover	1,809.1	2,044.8
Cost of sales	(1,279.8)	(1,503.6)
Gross profit	529.3	541.2
Gain on divestments and dilutions	-	9.8
Distribution costs	(137.8)	(165.7)
Administrative expenses	(138.5)	(113.0)
Other operating income, net	96.9	81.2
Net borrowing costs	(110.7)	(60.6)
Share of profits less losses of associated companies and joint ventures	114.1	113.6
Profit before taxation	353.3	406.5
Taxation	(52.7)	(103.3)
Profit for the period from continuing operations	300.6	303.2
Profit for the period from a discontinued operation	2.7	2.3
Profit for the period	303.3	305.5
Attributable to:		
Owners of the parent	164.3	156.8
Minority interest	139.0	148.7
	303.3	305.5
Ordinary share dividend		
U.S. 0.51 cent (2008: U.S. 0.38 cent) per share	16.5	12.3
Earnings per share attributable to owners of the parent (U.S. cents)		
Basic		
- For profit from continuing operations	5.01	4.81
- For profit from a discontinued operation	0.10	0.05
- For profit for the period	5.11	4.86
Diluted		
- For profit from continuing operations	4.95	4.62
- For profit from a discontinued operation	0.10	0.04
- For profit for the period	5.05	4.66

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - UNAUDITED

US\$ millions	(Unaudited) At 30 June 2009	(Audited) At 31 December 2008
Non-current assets		
Property, plant and equipment	934.5	808.4
Plantations	889.4	744.5
Associated companies and joint ventures	1,184.8	1,202.3
Goodwill	718.5	675.6
Other intangible assets	1,546.7	1,538.5
Accounts receivable, other receivables and prepayments	4.3	3.0
Prepaid land premiums	160.7	153.2
Available-for-sale assets	91.5	1.7
Deferred tax assets	46.2	38.7
Other non-current assets	270.2	217.1
	5,846.8	5,383.0
Current assets		
Cash and cash equivalents	616.5	625.9
Pledged deposits and restricted cash	30.8	12.0
Available-for-sale assets	55.7	56.9
Accounts receivable, other receivables and prepayments	408.3	435.5
Inventories	602.9	557.4
Assets held for sale	8.4	-
	1,722.6	1,687.7
Assets of a disposal group classified as held for sale	-	128.3
	1,722.6	1,816.0
Current liabilities		
Accounts payable, other payables and accruals	631.5	667.4
Short-term borrowings	1,068.2	1,207.0
Provision for taxation	23.4	55.8
Current portion of deferred liabilities and provisions	81.6	39.4
	1,804.7	1,969.6
Liabilities directly associated with the assets classified as held for sale	-	106.1
	1,804.7	2,075.7
Net current liabilities	(82.1)	(259.7)
Total assets less current liabilities	5,764.7	5,123.3
Equity		
Issued share capital	32.2	32.1
Retained earnings	335.6	196.0
Other components of equity	959.2	902.0
Equity attributable to owners of the parent	1,327.0	1,130.1
Minority interest	1,410.1	1,245.1
Total equity	2,737.1	2,375.2
Non-current liabilities		
Long-term borrowings	2,256.5	1,951.7
Deferred liabilities and provisions	405.1	432.4
Deferred tax liabilities	366.0	364.0
	3,027.6	2,748.1
	5,764.7	5,123.3

**FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY**

For the six months ended 30 June US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2009	2008 (Restated) ⁽ⁱⁱ⁾	2009	2008
PLDT ⁽ⁱⁱⁱ⁾	-	-	102.9	106.9
MPIC ⁽ⁱⁱ⁾	156.2	-	14.6	1.1
Indofood	1,652.9	2,044.8	31.8	50.6
Philex ⁽ⁱⁱⁱ⁾	-	-	2.1	-
From operations	1,809.1	2,044.8	151.4	158.6
Head Office items:				
– Corporate overhead			(7.8)	(7.8)
– Net interest expense			(11.7)	(12.8)
– Other expenses			(4.4)	(11.5)
Recurring profit			127.5	126.5
Foreign exchange and derivative gains/(losses) ^(iv)			3.3	(4.8)
Gain on changes in fair value of plantations			8.4	12.7
Non-recurring items ^(v)			25.1	22.4
Profit attributable to owners of the parent			164.3	156.8

(i) After taxation and minority interest, where appropriate

(ii) The Group has restated its 1H08 turnover following a classification of the Group's investment in Landco Pacific Corporation (Landco) as a disposal group classified as held for sale in December 2008. MPIC's 1H2008 contribution includes US\$0.8 million contribution from Landco. Following MPIC's disposal of a 17.0% interest in Landco in June 2009, which reduced MPIC's interest in Landco from 51.0% to 34.0%, the Group's investment in Landco was reclassified from a disposal group classified as held for sale to assets held for sale in the Condensed Interim Financial Statements.

(iii) Associated companies

(iv) Foreign exchange and derivative gains/losses represents the gains/losses 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.

(v) 1H09's non-recurring gains of US\$25.1 million mainly represents Maynilad's reversal of provision for deferred credits following a resolution of new tariff rates with the regulator. 1H08's non-recurring gains of US\$22.4 million mainly include a gain on divestment and dilution of the Group's interest in PLDT of US\$9.8 million.