

REVIEW OF 2001 GOALS

FIRST PACIFIC

- Continue to enhance recurrent profits and cash flow **ACHIEVED**

U.S. dollar contribution from continuing businesses up 13 per cent, despite start-up losses for Infrontier and weaker average exchange rates. Cash flows improving at the operating company level.

- Refinance convertible bonds with long-term debt **PARTIALLY ACHIEVED**

US\$190 million two-year debt in place; longer-term financing still required.

- Continue to consolidate ownership positions in core businesses **NOT ACHIEVED**

No increase in ownership stakes. However, notable operational progress has been achieved in principal investments.

- Seek value enhancing transactions consistent with core business focus **ACHIEVED**

Non-core investments disposed, at premiums to market, to enable repayment of convertible bonds.

- Enhance recurrent cash flows to Head Office **PARTIALLY ACHIEVED**

First dividend received from Indofood in July 2001; steps taken to improve longer-term cash returns at PLDT.

- Finalize the evaluation review of Metrocel and execute conclusions **NOT ACHIEVED**

The Group continues in its efforts to derive value from this investment.

INDOFOOD

- Reorganize operations to create greater definition between branded consumer products and the commodity businesses **PARTIALLY ACHIEVED**

Legal entities that will eventually house the assets, liabilities and operations of Indofood's Flour division have been established.

- Explore opportunities for utilizing substantial free cash flows **ACHIEVED**

US\$200 million of debt repaid; share buy back scheme approved and 227 million shares repurchased by mid-March 2002; proposed dividend payout increased to 30 per cent for year 2001.

- Continue to implement corporate governance initiatives to align Indofood's practices with international best practice **ACHIEVED**

Enhanced disclosure to shareholders in line with international standards; independent commissioners to increase to three at the next AGM.

- Resume dividend payments to shareholders **ACHIEVED**

Indofood paid a 25 per cent dividend payout (Rupiah 18 per share) in respect of 2000, and proposes a 30 per cent payout (approximately Rupiah 25 per share) in 2001.

PLDT

- Continue to grow consolidated revenue and net profit **ACHIEVED**

Consolidated revenues increased 17 per cent; net profit tripled on a significant turnaround in Wireless.

- Maintain momentum for growing cellular subscribers to achieve a total of 5.5 million subscribers by year-end **ACHIEVED**

PLDT group's cellular subscribers numbered 6.4 million.

- Continue 2000 initiatives in respect of revenue diversification and efficiencies **ACHIEVED**

Revenue mix improving, with Wireless and Data now contributing 35 per cent and 6.5 per cent, respectively, of total operating revenues. Reduced cash expenditure; fixed lines per employee improved to 161 (2000: 144).

- Advance ePLDT as a platform for future revenue growth **ACHIEVED**

ePLDT continues to roll out its services, now contributing almost one per cent of total operating revenues. Infocom's operating performance improved, with 40 per cent increase in revenues over 2001.

METRO PACIFIC

- Conclude disposals of remaining non-core assets **NOT ACHIEVED**

Metro Pacific continues to evaluate options for its remaining assets.

- Simplify corporate ownership structure **NOT ACHIEVED**

Progress was dependent on the sale of non-core assets.

- Put long-term financing in place to better match long-term revenue streams **PARTIALLY ACHIEVED**

Achieved in respect of subsidiary Bonifacio Land Corporation. Metro Pacific is currently in discussions with its creditors on overdue amounts.

ESCOTEL

- Achieve cash flow break-even **ACHIEVED**
- Conclude strategic, value-enhancing transactions to broaden geographical presence **NOT ACHIEVED**

Options continue to be evaluated.

INFRONTIER

- Establish the operational infrastructure required to build a sustainable pan-Asian business solutions provider **ACHIEVED**

Infrontier is now operational in six countries, offering supply chain management and wireless solutions to a range of clients.

- Evolve from start-up to develop sustainable revenues to achieve profitability by year-end 2003 **PARTIALLY ACHIEVED**

Commenced commercial operations and established a customer base of thirty organizations with a presence in all six countries of operation. However, initial revenues fell below target.

Note: Berli Jucker and Darya-Varia were sold in December 2001.

2002 GOALS

FIRST PACIFIC

- Enhance recurrent cash flows at Head Office
- Refinance or repay existing two-year loan with longer-term funding
- Conclude value enhancing strategy for the Group's investments in Escotel and Metrocel

INDOFOOD

- Pursue core business strategy to focus on value enhancement
- Improve share price performance
- Maintain dividend payout ratio of 30 per cent
- Complete share buy back program
- Implement employee stock ownership plan

PLDT

- Pursue and complete liability management program
- Improve share price performance
- Smart to manage Cellular ARPU through value-added services

- Develop data and network related operations to become longer-term drivers of value
- Build and strengthen the operations and financial position of ePLDT

METRO PACIFIC

- Conclude debt reduction program
- Conclude the merger of First e-Bank

ESCOTEL

- Retain market leadership in view of anticipated competition
- Maximize network availability and utilization
- Grow revenues and EBITDA to achieve full break-even

INFRONTIER

- Develop sustainable revenues to achieve profitability by year-end 2003
- Attain cash flow break-even by year-end 2002