

# 2002 GOALS: HALF-YEAR REVIEW

## FIRST PACIFIC

- **Enhance recurrent cash flows at Head Office.**

In progress. Cost saving measures implemented. Proceeds from the proposed transaction with the Gokongwei Group will be invested in cash flow enhancing assets.

- **Refinance or repay existing two-year loan with longer term funding.**

In progress. Proceeds from the proposed transaction with the Gokongwei Group will be applied to repaying debt.

- **Conclude value-enhancing strategy for the Group's investments in Escotel and Metrocel.**

In progress. Weaker telecom sector sentiment and regional tensions have hampered definitive progress with regards to Escotel. Accordingly, First Pacific continues to focus on developing Escotel's operations. Initiatives with regards to Metrocel are on-going, pending agreement on implementing an in principle plan.

- **Improve share price performance.**

Not achieved. Share price has declined by 28 per cent year to date.

- **Smart to manage Cellular ARPU through value-added services.**

In progress. Smart continues to develop innovative services, complemented by the launch of the 64K Super SIM Card to maximize the use of such services.

- **Develop data and network related operations to become longer-term drivers of value.**

In progress. First half results up, portending improved annual results.

- **Build and strengthen the operations and financial position of ePLDT.**

In progress. PLDT expects call center revenues to become increasingly significant.

## INDOFOOD

- **Pursue core business strategy to focus on value enhancement.**

In progress. First half recorded strong growth in revenues for principal divisions.

- **Improve share price performance.**

Achieved. Share price has improved by more than 50 per cent year to date.

- **Maintain dividend payout ratio of 30 per cent.**

Achieved. 30 per cent payout for year 2001.

- **Complete share buy back programme.**

In progress. By 8 August 2002, 554.9 million shares had been repurchased, representing 6.1 per cent of Indofood's issued and paid-up capital.

- **Implement employee stock ownership plan.**

Achieved. The 2002 implementation phase, representing 50 per cent of the programme, was completed in May 2002.

## METRO PACIFIC

- **Conclude debt reduction programme.**

In progress.

- **Conclude the merger of First e-Bank.**

In progress. Negotiations are on-going.

## ESCOTEL

- **Retain market leadership in view of anticipated competition.**

Achieved. Continues to hold market-leading positions in all three circles.

- **Maximize network availability and utilization.**

In progress. Discussions are on-going with Escotel's equipment suppliers, with a view toward enhancing the network to accommodate future subscriber growth.

- **Grow revenues and EBITDA to achieve full break-even.**

Achieved. Escotel has enhanced EBITDA and reported its first profit contribution in the period to 30 June 2002.

## PLDT

- **Pursue and complete liability management programme.**

In progress. Half of the US\$1.3 billion of debt that matures between 2002 and 2004 is to be refinanced by new debt and notes; remaining to be settled out of internal free cash flows and dividends from Smart.