

Goals

Review of 2003 goals

FIRST PACIFIC

- ▶ Reduce costs and increase recurrent cash flows at Head Office
Achieved. Overhead expenses have declined by 4.4 per cent and Indofood dividend increased by 17.5 per cent.
- ▶ Refinance or repay US\$100 million debt, which matures in December 2003, with longer-term funding
Achieved. Successfully refinanced by issuing a US\$115 million three-year bond in July 2003.

PLDT

- ▶ Improve share price performance
Achieved. Share price increased more than 2.5 times from Pesos 270 at 31 December 2002 to Pesos 970 at 31 December 2003.
- ▶ Generate sufficient free cash flow at the PLDT level and increase dividend payout from Smart, to enable PLDT to further reduce debts
Achieved. Free cash flow at the PLDT level improved 24.5 per cent to Pesos 11.5 billion (US\$211.5 million) including Pesos 6.2 billion (US\$114.0 million) dividends from Smart (representing 100 per cent of its 2002 net income) in 2003. PLDT company alone reduced debts by US\$180 million in 2003.
- ▶ Smart to increase overall level of revenues, EBITDA and profits
Achieved. Smart reported record earnings in 2003. Smart's revenues, EBITDA and profits improved by 51.0 per cent to Pesos 49.9 billion (US\$0.9 billion), by 77.1 per cent to Pesos 31.8 billion (US\$0.6 billion) and by 161.5 per cent to Pesos 16.1 billion (US\$0.3 billion), respectively.

INDOFOOD

- ▶ Strengthen cash flows
Achieved. Operating cash flows improved significantly, increased to Rupiah 1.5 trillion (US\$0.2 billion) from negative Rupiah 0.3 trillion (US\$27.2 million).
- ▶ Build and develop brands
In progress. Continue to further strengthening the existing brands.
- ▶ Complete the second phase (114.5 million shares) of the employee stock ownership program
Partially achieved. The second phase was 51 per cent subscribed by the employees with 58.4 million new shares issued in May 2003.
- ▶ Improve share price performance
Achieved. Share price increased by 33 per cent to Rupiah 800 per share during the year.
- ▶ Maintain dividend payout of 30 per cent
Achieved. Thirty per cent payout in respect of 2002 earnings.

METRO PACIFIC

- ▶ Conclude debt reduction program
Substantially achieved. Successfully repaid, reached agreements in principle or advanced discussions for approximately 94 per cent, or Pesos 12.1 billion (US\$218.1 million), of the outstanding debts at parent company level.
- ▶ Conclude Banco de Oro's purchase of First e-Bank's banking business, as well as certain assets and liabilities
Achieved. The transfer of First e-Bank's banking business was completed and First e-Bank was renamed Prime Media Holdings, Inc.
- ▶ Improve profitability at Landco and Nenaco
Substantially achieved. Metro Pacific and subsidiary management continue to work together to improve operational and financial performance.

Goals for 2004

FIRST PACIFIC

- ▶ Continue to explore value-enhancing and expansion opportunities in the region, primarily on telecom and consumer food products
- ▶ Further strengthening the corporate governance practices
- ▶ Conclude disposal of interest in Escotel

PLDT

- ▶ Sustain earnings growth momentum of PLDT Group driven by Smart, stability of PLDT Fixed Line and improved profits of ePLDT
- ▶ Continue to maximize cash flows for debt reduction
- ▶ Be in a position to restore dividends to common shareholders in 2005

INDOFOOD

- ▶ Maintain market leadership position
- ▶ Continue to focus on branded products, grow revenue through domestic, regional and international business development
- ▶ Redevelop business strategy with reorganized management teams

METRO PACIFIC

- ▶ Substantially complete development plans for Metro Pacific's property portfolio, in particular the 10-hectare property in the Bonifacio Global City
- ▶ Enhance and expand Landco offerings while improving profitability