

GOALS

REVIEW OF 2004 GOALS

First Pacific

- Continue to explore value-enhancing and expansion opportunities in the region, primarily in telecoms and consumer food products
In progress. Actively seeking and evaluating investments and expanding opportunities in line with the Company's principal strategic objectives in the region.
- Further strengthening corporate governance practices
Achieved. Mr. Graham Pickles has been appointed as an Independent Non-executive Director and Chairman of the Audit Committee. First Pacific Board approved the adoption of the Code on Corporate Governance Practices and has undertaken a comprehensive Group wide review designed to elicit detailed information in relation to all connected or potentially connected and continuing connected transactions involving First Pacific or its subsidiary companies.
- Conclude disposal of interest in Escotel
Achieved. The disposal was completed on 10 June 2004 and recorded a net gain on disposal of US\$17.1 million.

PLDT

- Sustain earnings growth momentum of the PLDT Group driven by Smart, stability of PLDT's Fixed Line business and improved profits at ePLDT
Achieved. Net profits of the Wireless and Fixed Line segments improved by Pesos 17.7 billion (US\$315 million) and Pesos 8.5 billion (US\$151

million), respectively, while ePLDT's loss widened by Pesos 309 million (US\$6 million) to Pesos 693 million (US\$12 million) and resulted from making a one-off impairment provision. Overall, PLDT reported record high consolidated net income of Pesos 28 billion (US\$500 million).

- Continue to maximize cash flows for debt reduction
Achieved. Consolidated free cash flow improved by 65 per cent to Pesos 37.3 billion (US\$665 million). Fixed Line repaid US\$500 million of debt which was 43 per cent ahead of target.
- Be in a position to restore dividends to common shareholders in 2005
Achieved. Declared common dividend of Pesos 14 per share to be paid on 12 May 2005, representing 10 per cent of the normalized net income attributable to common shareholders for the year ended 31 December 2004.

Indofood

- Maintain market leadership position
Achieved. Noodles, flour and edible oils and fats divisions maintained their market leadership positions, remained the principal revenue contributors and accounted for 85 per cent of the consolidated sales of Rupiah 17.9 trillion (US\$2.0 billion).
- Continue to focus on branded products, increase revenue through domestic, regional and international business development
Achieved. Sales volume of branded cooking oils increased by 7 per cent to 310 thousand

tons. Indofood was able to sustain consolidated net sales of Rupiah 17.9 trillion (US\$2.0 billion) in a fiercely competitive environment.

- Redevelop business strategy with reorganized management teams
Achieved. A reorganized management team lead by Anthoni Salim, President Director and CEO, developed strategies to improve Indofood's operations by streamlining supply, value and process chains, to strengthen its distribution networks and to leverage strong brands to maintain market leadership and to accelerate organic growth.

Metro Pacific

- Substantially complete development plans for Metro Pacific's property portfolio, in particular the 10-hectare property in the Bonifacio Global City
Alternatively achieved. The 10-hectare property in the Bonifacio Global City was used to settle Pesos 2.1 billion (US\$37 million) principal debt owed to Metropolitan Bank and Trust Company, which in turn strengthened the balance sheet and significantly reduced interest expenses going forward.
- Enhance and expand Landco offerings while improving profitability
Achieved. Terrazas de Punta Fuego, Leisure Farms and Ponderosa projects recorded strong sales performance. Profit improved by 26 per cent to Pesos 73 million (US\$1.3 million).

GOALS FOR 2005

First Pacific

- Improve share price performance
- Continue to evaluate value-enhancing opportunities in the region that have potential to provide synergies with the existing operations principally in the telecommunications, consumer food products, property and infrastructure sectors
- Raise funds and financing for expansion opportunities
- Continue to enhance recurrent profits and cash flow
- Pay dividends to shareholders in respect of the 2005 financial year, subject to continued strong performance by PLDT and Indofood
- Continue to strengthen corporate governance practices

PLDT

- Continue to reduce debts by US\$500 million and increase dividends to common shareholders to a minimum of 15 per cent of 2005 earnings per share
- Maintain market leadership by introducing more product innovations
- Commence the upgrade to an IP-based network and increase broadband capabilities
- Develop bundled products and services across the Fixed Line, Wireless and Information and Communications Technology business groups

Indofood

- Continue to maintain market leadership position
- To enhance shareholders' value through separately listing the Bogasari flour division
- Continue to focus on implementing Indofood's

business strategy, cut costs, increase distribution efficiency, as well as streamline product lines and business processes

- Manage foreign currency exposure by reducing foreign currency borrowings
- Explore expansion opportunities in the Asian consumer food products industry and leverage potential synergies with Indofood

Metro Pacific

- Continue to explore investment opportunities in property and infrastructure sectors
- Complete debt reduction program and significantly reduce contingent liabilities
- Position Landco for new growth by participating in provincial shopping centers and hotel management businesses
- Implement the rehabilitation plan for Nenaco

First Pacific