

## 20 CONDENSED INTERIM FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT

For the six months ended 30 June US\$ millions		(Unaudited)	
		2005	2004 (Restated) <sup>(i)</sup>
	<i>Notes</i>		
<b>TURNOVER</b>	2	<b>942.5</b>	1,002.0
Cost of sales		<b>(702.7)</b>	(756.7)
<b>GROSS PROFIT</b>		<b>239.8</b>	245.3
Distribution costs		<b>(81.7)</b>	(90.2)
Administrative expenses		<b>(57.3)</b>	(64.4)
Other operating expenses, net		<b>(6.3)</b>	(35.4)
Net borrowing costs	3	<b>(59.2)</b>	(55.4)
Share of profits less losses of associated companies		<b>71.1</b>	49.9
<b>PROFIT BEFORE TAXATION</b>	4	<b>106.4</b>	49.8
Taxation	5	<b>(20.4)</b>	(10.6)
<b>PROFIT FROM CONTINUING OPERATIONS</b>		<b>86.0</b>	39.2
Profit from a discontinued operation	6	<b>—</b>	18.8
<b>PROFIT FOR THE PERIOD</b>		<b>86.0</b>	58.0
<b>ATTRIBUTABLE TO:</b>			
Equity holders of the parent	7	<b>60.8</b>	51.5
Minority interest		<b>25.2</b>	6.5
		<b>86.0</b>	58.0
<b>PER SHARE DATA (U.S. CENTS)</b>	8		
Basic earnings			
— Continuing operations		<b>1.91</b>	1.03
— A discontinued operation		<b>N/A</b>	0.59
— Total		<b>1.91</b>	1.62
Diluted earnings			
— Continuing operations		<b>1.74</b>	N/A
— A discontinued operation		<b>N/A</b>	N/A
— Total		<b>1.74</b>	N/A
Dividend	9	<b>0.13</b>	—

N/A: Not applicable

(i) Refer to Note 1.

The accompanying notes form an integral part of these Condensed Interim Financial Statements.

## CONDENSED CONSOLIDATED BALANCE SHEET

		(Unaudited)	
US\$ millions	Notes	At 30 June 2005	At 31 December 2004 (Restated) <sup>(i)</sup>
<b>NON-CURRENT ASSETS</b>			
Property and equipment	11	626.8	647.4
Plantations		164.3	147.4
Associated companies	12	296.4	168.9
Long-term receivables and prepayments		136.7	251.6
Goodwill		40.0	36.5
Prepaid land premiums		40.7	41.0
Available-for-sale assets		4.4	11.5
Deferred tax assets		6.0	5.8
Restricted cash	16(d)	4.7	4.7
		<b>1,320.0</b>	<b>1,314.8</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		257.7	186.6
Restricted cash	16(d)	—	4.5
Available-for-sale assets		42.6	21.4
Accounts receivable, other receivables and prepayments	13	286.9	360.0
Inventories		291.5	281.4
		<b>878.7</b>	<b>853.9</b>
<b>CURRENT LIABILITIES</b>			
Accounts payable, other payables and accruals	14	278.3	282.4
Short-term borrowings		243.6	288.9
Provision for taxation		16.2	26.2
		<b>538.1</b>	<b>597.5</b>
<b>NET CURRENT ASSETS</b>			
		<b>340.6</b>	<b>256.4</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>1,660.6</b>	<b>1,571.2</b>
<b>EQUITY</b>			
Issued share capital		31.9	31.9
Other reserves		899.8	902.8
Accumulated losses		(614.4)	(707.3)
Equity attributable to equity holders of the parent		317.3	227.4
Minority interest		343.0	363.7
<b>TOTAL EQUITY</b>		<b>660.3</b>	<b>591.1</b>
<b>NON-CURRENT LIABILITIES</b>			
Loan capital and long-term borrowings		762.7	761.2
Deferred liabilities and provisions	15	96.7	107.1
Deferred tax liabilities		116.6	111.8
Derivative liability		24.3	—
		<b>1,000.3</b>	<b>980.1</b>
		<b>1,660.6</b>	<b>1,571.2</b>

(i) Refer to Note 1.

The accompanying notes form an integral part of these Condensed Interim Financial Statements.

On behalf of the Board of Directors

**MANUEL V. PANGILINAN**

Managing Director and Chief Executive Officer

31 August 2005

## 22 CONDENSED INTERIM FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US\$ millions	Issued share capital	Share premium	Share options issued	Unrealized gains on available-for-sale assets	Unrealized losses on cash flow hedges	Exchange reserve	Accumulated losses	Equity attributable to equity holders of the parent	Minority interest	(Unaudited) Total equity
Balance at 1 January 2004, as previously reported	31.9	958.2	—	—	—	(3.4)	(935.6)	51.1	376.7	427.8
Prior year adjustments	—	—	—	—	—	—	(61.0)	(61.0)	(1.1)	(62.1)
As restated <sup>(i)</sup>	31.9	958.2	—	—	—	(3.4)	(996.6)	(9.9)	375.6	365.7
Changes in equity for 2004:										
Exchange differences on translating foreign operations	—	—	—	—	—	(29.0)	—	(29.0)	(35.8)	(64.8)
Disposal of an associated company	—	—	—	—	—	(33.7)	163.4	129.7	—	129.7
Dilution of interest in a subsidiary company	—	—	—	—	—	—	0.1	0.1	—	0.1
Amortization of cost of share options	—	—	0.6	—	—	—	—	0.6	—	0.6
Change in attributable interests	—	—	—	—	—	—	—	—	(1.2)	(1.2)
Net income recognized directly in equity	—	—	0.6	—	—	(62.7)	163.5	101.4	(37.0)	64.4
Net profit for the period, as restated	—	—	—	—	—	—	51.5	51.5	6.5	58.0
Total recognized income and expense for the period	—	—	0.6	—	—	(62.7)	215.0	152.9	(30.5)	122.4
Dividend	—	—	—	—	—	—	—	—	(23.8)	(23.8)
<b>BALANCE AT 30 JUNE 2004 (RESTATED)<sup>(i)</sup></b>	<b>31.9</b>	<b>958.2</b>	<b>0.6</b>	<b>—</b>	<b>—</b>	<b>(66.1)</b>	<b>(781.6)</b>	<b>143.0</b>	<b>321.3</b>	<b>464.3</b>
Balance at 31 December 2004, as previously reported	31.9	958.2	—	—	—	(59.8)	(635.7)	294.6	365.1	<b>659.7</b>
Prior year adjustments	—	—	4.4	—	—	—	(71.6)	(67.2)	(1.4)	<b>(68.6)</b>
As restated — Note 1	31.9	958.2	4.4	—	—	(59.8)	(707.3)	227.4	363.7	<b>591.1</b>
Adjustments for adoption of HKAS39 <sup>(i)</sup>	—	—	—	1.7	—	—	32.1	33.8	—	<b>33.8</b>
Balance at 1 January 2005, as restated	31.9	958.2	4.4	1.7	—	(59.8)	(675.2)	261.2	363.7	<b>624.9</b>
Changes in equity for 2005:										
Exchange differences on translating foreign operations	—	—	—	—	—	(6.8)	—	(6.8)	(14.9)	<b>(21.7)</b>
Dilution of interest in an associated company	—	—	—	—	—	0.2	—	0.2	—	<b>0.2</b>
Amortization of cost of share options	—	—	3.4	—	—	—	—	3.4	—	<b>3.4</b>
Unrealized gains on available-for-sale assets	—	—	—	0.7	—	—	—	0.7	—	<b>0.7</b>
Unrealized losses on cash flow hedges	—	—	—	—	(2.2)	—	—	(2.2)	—	<b>(2.2)</b>
Change in attributable interests	—	—	—	—	—	—	—	—	(1.6)	<b>(1.6)</b>
Net loss recognized directly in equity	—	—	3.4	0.7	(2.2)	(6.6)	—	(4.7)	(16.5)	<b>(21.2)</b>
Net profit for the period	—	—	—	—	—	—	60.8	60.8	25.2	<b>86.0</b>
Total recognized income and expense for the period	—	—	3.4	0.7	(2.2)	(6.6)	60.8	56.1	8.7	<b>64.8</b>
Dividend	—	—	—	—	—	—	—	—	(29.4)	<b>(29.4)</b>
<b>BALANCE AT 30 JUNE 2005</b>	<b>31.9</b>	<b>958.2</b>	<b>7.8</b>	<b>2.4</b>	<b>(2.2)</b>	<b>(66.4)</b>	<b>(614.4)</b>	<b>317.3</b>	<b>343.0</b>	<b>660.3</b>

(i) Refer to Note 1.

The accompanying notes form an integral part of these Condensed Interim Financial Statements.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June US\$ millions		(Unaudited)	
		2005	2004 (Restated) <sup>(i)</sup>
	Notes		
<b>PROFIT BEFORE TAXATION</b>		<b>106.4</b>	49.8
Adjustments for:			
Interest expenses		<b>64.6</b>	62.4
Depreciation		<b>32.7</b>	28.0
Foreign exchange and derivative losses, net		<b>24.3</b>	31.6
Decrease in long-term receivables and prepayments		<b>1.3</b>	11.8
Amortization of goodwill		—	0.5
Gains on sale of property and equipment		—	(1.0)
Payments in respect of deferred liabilities and provisions		—	(14.0)
Share of profits less losses of associated companies		<b>(71.1)</b>	(49.9)
(Gain)/loss on changes in fair value of plantations		<b>(8.5)</b>	14.0
Interest income		<b>(5.4)</b>	(7.0)
Gain on dilution of interest in an associated company		<b>(3.0)</b>	—
Others		<b>8.4</b>	9.9
Operating profit before working capital changes		<b>149.7</b>	136.1
Decrease in working capital <sup>(ii)</sup>		<b>23.0</b>	62.4
Net cash generated from operations		<b>172.7</b>	198.5
Interest received		<b>4.8</b>	9.7
Interest paid		<b>(53.8)</b>	(60.1)
Tax paid		<b>(37.5)</b>	(23.1)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>86.2</b>	125.0
Proceeds from termination of derivative transactions		<b>96.3</b>	—
Dividend received from an associated company		<b>10.0</b>	—
Sale of businesses, property and equipment and others		<b>2.2</b>	52.5
Acquisitions of subsidiary companies	16(a)	<b>1.0</b>	—
Increased investment in an associated company	16(b)	<b>(28.2)</b>	—
Purchases of property and equipment and others		<b>(23.6)</b>	(82.9)
Acquisitions of available-for-sale assets		<b>(22.5)</b>	—
Acquisition of an associated company	16(c)	<b>(15.0)</b>	—
Loans (to)/repaid by associated companies		<b>(0.2)</b>	0.5
Continuing operations		<b>20.0</b>	(29.9)
A discontinued operation		—	15.0
<b>NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES</b>		<b>20.0</b>	(14.9)
Net borrowings repaid		<b>(8.8)</b>	(66.0)
Shares issued to minority interest by a subsidiary company		—	0.1
Dividends paid to minority interest by a subsidiary company		<b>(21.7)</b>	(11.4)
<b>NET CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		<b>(30.5)</b>	(77.3)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>75.7</b>	32.8
Cash and cash equivalents at 1 January		<b>186.6</b>	233.3
Exchange translation		<b>(4.6)</b>	(18.3)
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>		<b>257.7</b>	247.8
<b>REPRESENTING</b>			
Cash and cash equivalents		<b>257.7</b>	247.8

(i) Refer to Note 1.

(ii) Changes in working capital are stated excluding movements due to acquisition and disposal of subsidiary companies.

The accompanying notes form an integral part of these Condensed Interim Financial Statements.