

Condensed Interim Financial Statements

Condensed Consolidated Profit and Loss Statement

For the six months ended 30 June		(Unaudited)	
US\$ millions	Notes	2006	2005
Turnover	2	1,136.5	942.5
Cost of sales		(851.2)	(702.7)
Gross Profit		285.3	239.8
Gain on dilutions and divestments		17.3	3.0
Distribution costs		(95.8)	(81.7)
Administrative expenses		(65.6)	(57.3)
Other operating expenses, net		(13.8)	(9.3)
Net borrowing costs	3	(58.7)	(59.2)
Share of profits less losses of associated companies		68.2	71.1
Profit Before Taxation	4	136.9	106.4
Taxation	5	(39.6)	(20.4)
Profit for the Period		97.3	86.0
Attributable to:			
Equity holders of the parent	6	72.2	60.8
Minority interest		25.1	25.2
		97.3	86.0
Ordinary Share Dividend	7		
U.S. 0.13 cent (2005: U.S. 0.13 cent) per share		4.1	4.1
Earnings Per Share Attributable to			
Equity Holders of the Parent (U.S. cents)	8		
Basic		2.26	1.91
Diluted		2.23	1.74

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

Condensed Consolidated Balance Sheet

US\$ millions	Notes	(Unaudited)	
		At 30 June 2006	At 31 December 2005
Non-current Assets			
Property and equipment	10	740.2	622.9
Plantations		234.4	169.0
Associated companies	11	418.8	381.7
Financial assets at fair value through profit or loss	12	70.4	—
Accounts receivable, other receivables and prepayments	13	15.8	11.7
Goodwill		40.9	32.7
Prepaid land premiums		34.2	34.5
Available-for-sale assets		4.6	2.7
Deferred tax assets		17.0	15.4
Other non-current assets		114.4	130.8
		1,690.7	1,401.4
Current Assets			
Cash and cash equivalents		309.8	296.0
Restricted cash	17(d)	4.5	4.7
Available-for-sale assets		53.8	52.4
Accounts receivable, other receivables and prepayments	13	263.9	286.7
Inventories		299.9	303.0
Non-current assets held for sale		2.3	2.9
		934.2	945.7
Current Liabilities			
Accounts payable, other payables and accruals	14	296.7	278.6
Short-term borrowings		422.1	345.0
Provision for taxation		15.5	11.2
Current portion of deferred liabilities and provisions	15	5.9	15.3
		740.2	650.1
Net Current Assets		194.0	295.6
Total Assets Less Current Liabilities		1,884.7	1,697.0
Equity			
Issued share capital		31.9	31.9
Other reserves		928.0	927.9
Accumulated losses		(513.0)	(577.0)
Equity attributable to equity holders of the parent		446.9	382.8
Minority interest		404.2	323.9
Total Equity		851.1	706.7
Non-current Liabilities			
Long-term borrowings		732.5	744.2
Deferred liabilities and provisions	15	98.6	92.7
Deferred tax liabilities		163.3	114.1
Derivative liability	16	39.2	39.3
		1,033.6	990.3
		1,884.7	1,697.0

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On behalf of the Board of Directors

MANUEL V. PANGILINAN

Managing Director and Chief Executive Officer

7 September 2006

Condensed Interim Financial Statements

Condensed Consolidated Statement of Changes in Equity

US\$ millions	Equity attributable to equity holders of the parent								Minority interest	(Unaudited) Total equity
	Issued capital	Share premium	Share options issued	Unrealized gains on available-for-sale assets	Unrealized (losses)/gains on cash flow hedges	Exchange reserve	Accumulated losses	Total		
Balance at 1 January 2005	31.9	958.2	4.4	1.7	-	(59.8)	(675.2)	261.2	363.7	624.9
Changes in equity for 2005:										
Exchange differences on translating foreign operations	-	-	-	-	-	(6.8)	-	(6.8)	(14.9)	(21.7)
Unrealized gains on available-for-sale assets	-	-	-	0.7	-	-	-	0.7	-	0.7
Unrealized losses on cash flow hedges	-	-	-	-	(2.2)	-	-	(2.2)	-	(2.2)
Net income and expense recognized directly in equity	-	-	-	0.7	(2.2)	(6.8)	-	(8.3)	(14.9)	(23.2)
Net profit for the period	-	-	-	-	-	-	60.8	60.8	25.2	86.0
Total recognized income and expense for the period	-	-	-	0.7	(2.2)	(6.8)	60.8	52.5	10.3	62.8
Dilution of interest in an associated company	-	-	-	-	-	0.2	-	0.2	-	0.2
Change in attributable interests	-	-	-	-	-	-	-	-	(1.6)	(1.6)
Dividends declared and paid to minority shareholders	-	-	-	-	-	-	-	-	(29.4)	(29.4)
Equity-settled share option arrangements	-	-	3.4	-	-	-	-	3.4	-	3.4
Balance at 30 June 2005	31.9	958.2	7.8	2.4	(2.2)	(66.4)	(614.4)	317.3	343.0	660.3
Balance at 1 January 2006	31.9	959.1	9.3	6.4	4.0	(50.9)	(577.0)	382.8	323.9	706.7
Changes in equity for 2006:										
Exchange differences on translating foreign operations	-	-	-	-	-	6.4	-	6.4	16.3	22.7
Unrealized gains on available-for-sale assets	-	-	-	1.3	-	-	-	1.3	1.3	2.6
Unrealized losses on cash flow hedges	-	-	-	-	(10.0)	-	-	(10.0)	-	(10.0)
Net income and expense recognized directly in equity	-	-	-	1.3	(10.0)	6.4	-	(2.3)	17.6	15.3
Net profit for the period	-	-	-	-	-	-	72.2	72.2	25.1	97.3
Total recognized income and expense for the period	-	-	-	1.3	(10.0)	6.4	72.2	69.9	42.7	112.6
Dilution and divestment of interest in an associated company	-	-	-	-	-	0.4	-	0.4	-	0.4
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	35.9	35.9
Shares issued to minority interest by a subsidiary company	-	-	-	-	-	-	-	-	2.5	2.5
Change in attributable interests	-	-	-	-	-	-	-	-	1.5	1.5
Dividends declared to minority shareholders	-	-	-	-	-	-	-	-	(2.3)	(2.3)
Issue of shares upon the exercise of share options	-	0.2	(0.1)	-	-	-	-	0.1	-	0.1
Equity-settled share option arrangements	-	-	1.9	-	-	-	-	1.9	-	1.9
Dividends	-	-	-	-	-	-	(8.2)	(8.2)	-	(8.2)
Balance at 30 June 2006	31.9	959.3	11.1	7.7	(6.0)	(44.1)	(513.0)	446.9	404.2	851.1

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Condensed Consolidated Cash Flow Statement

For the six months ended 30 June		(Unaudited)	
US\$ millions	Notes	2006	2005
Profit Before Taxation		136.9	106.4
Adjustments for:			
Interest expenses		68.3	64.6
Depreciation		31.5	32.7
Decrease/(increase) in other non-current assets		23.0	(4.3)
Decrease in accounts receivables, other receivables and prepayment (Non-current)		3.9	5.6
Equity-settled share option expense		1.4	3.4
Recognition of prepaid land premiums		1.4	1.1
Loss on changes in fair value of non-current assets held for sale		0.6	–
Share of profits less losses of associated companies		(68.2)	(71.1)
Gain on changes in fair value of plantations		(30.0)	(8.5)
Gain on dilution of interest in an associated company		(10.2)	(3.0)
Interest income		(9.6)	(5.4)
Gain on divestment of interest in an associated company		(7.1)	–
Gains on sale of property and equipment		(0.7)	–
Dividend income from financial assets at fair value through profit or loss		(0.5)	–
Foreign exchange and derivative (gains)/losses, net		(0.4)	24.3
Dividend income from available-for-sale assets		–	(1.3)
Others		13.1	5.2
Operating profit before working capital changes		153.4	149.7
Decrease in working capital ⁽ⁱ⁾		18.4	23.0
Net cash generated from operations		171.8	172.7
Interest received		7.8	4.8
Interest paid		(55.2)	(53.8)
Tax paid		(15.8)	(37.5)
Net Cash Inflow from Operating Activities		108.6	86.2
Dividend received from an associated company		23.3	10.0
Proceeds from sale of property and equipment and others		6.3	2.2
Dividend received from financial assets at fair value through profit or loss		0.5	–
Acquisition of assets designated as financial assets at fair value through profit or loss	17(a)	(66.5)	–
Acquisition of subsidiary companies	17(b)	(31.7)	1.0
Purchase of property and equipment and others		(27.2)	(23.6)
Increased investment in an associated company	17(c)	(6.1)	(28.2)
Loans to associated companies		(1.1)	(0.2)
Acquisitions of available-for-sale assets		(0.3)	(22.5)
Proceeds from termination of derivative transactions		–	96.3
Acquisition of an associated company		–	(15.0)
Net Cash (Outflow)/Inflow from Investing Activities		(102.8)	20.0
Net borrowings raised/(repaid)		9.2	(8.8)
Shares issued to minority interest by a subsidiary company		2.5	–
Decrease in restricted cash		0.2	–
Issue of shares upon the exercise of share options		0.1	–
Dividend paid to shareholders		(8.2)	–
Dividends paid to minority shareholders by a subsidiary company		–	(21.7)
Net Cash Inflow/(Outflow) from Financing Activities		3.8	(30.5)
Net Increase in Cash and Cash Equivalents		9.6	75.7
Cash and cash equivalents at 1 January		296.0	186.6
Exchange translation		4.2	(4.6)
Cash and Cash Equivalents at 30 June		309.8	257.7
Representing			
Cash and cash equivalents		309.8	257.7

(i) 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.