

Thursday, 17 April 2003

FIRST PACIFIC RETURNS TO PROFIT IN 2002; LAROUGE LOAN REPAID

First Pacific returns to profit in 2002

First Pacific today reported an attributable profit for 2002 of US\$40.1 million (HK\$312.8 million). The Group's turnover remained broadly unchanged at US\$1,892.3 million (HK\$14,759.9 million) (2001: US\$1,851.7 million; HK\$14,443.3 million) reflecting improved underlying performances, offset by business disposals.

First Pacific's continuing business interests improved their performance in 2002, recording profit contributions totaling US\$67.9 million (HK\$529.6 million) (2001: US\$63.8 million; HK\$497.6 million), an increase of six per cent. Corporate overheads declined 27.4 per cent, to US\$9.0 million (HK\$70.2 million), as cost cutting initiatives took effect, and net interest expense more than halved to US\$6.3 million (HK\$49.1 million) (2001: US\$14.7 million; HK\$114.7 million) following the Company's repayment of its convertible bonds in March 2002.

Recurring profit improved to US\$51.1 million (HK\$398.6 million), from US\$44.6 million (HK\$347.9 million) in 2001, and the Group recorded lower foreign exchange losses on its unhedged borrowings, largely due to a stronger rupiah. Absent the loss on disposals and asset impairment provisions of 2001, First Pacific returned to profit, recording an attributable profit for 2002 of US\$40.1 million (HK\$312.8 million) (2001: US\$1.8 billion; HK\$14.0 billion attributable loss).

Larouge loan repaid

Today, First Pacific was repaid the US\$90.0 million (HK\$702.0 million) of principal on the Larouge B.V. (Larouge) loan. Larouge, a wholly-owned subsidiary of First Pacific, extended the loan to Metro Pacific in April 2001.

Larouge sold and assigned the outstanding loan to Greenfield Development Corporation and Ayala Land Inc. (collectively, the GA Group). In part settlement with the GA Group, Metro Pacific assigned to the GA Group the 50.4 per cent interest in Bonifacio Land Corporation that had previously secured the Larouge loan.

An amount approximating Pesos 700.0 million (US\$13.2 million; HK\$102.7 million), representing Larouge's cost of funds in respect of the Larouge loan, remains outstanding and constitutes an unsecured debt, repayable on demand, owed by Metro Pacific to Larouge.

Commenting, Manuel V. Pangilinan, Executive Chairman of First Pacific said: “Operationally, the Group returned solid growth, despite the effects of disposals and regional risk concerns. In addition, tangible progress was made in addressing debt-related issues across the Group: First Pacific repaid its US\$350 million convertible bonds; PLDT made headway in terming out its near term debt; Indofood secured competitive financing to replace existing debt; and just today, the Larouge loan was repaid, reducing First Pacific’s debt to around US\$100 million.

“At First Pacific our management focus is on charting the Company’s future strategy. This centers on three primary objectives: stability in First Pacific’s financial position; clarity in First Pacific’s underlying principles and strategic direction; cohesion in First Pacific’s internal relationships. We anticipate achieving these objectives through developing sustainable growth and value through our two core regional investments, Indofood and PLDT, and I look forward to unveiling further details on the final plan, and its implementation, in due course.”

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Attached are First Pacific’s consolidated profit and loss statement, consolidated balance sheet, and contribution summary. A comprehensive analysis of First Pacific’s 2002 results will be posted to First Pacific’s website (www.firstpacco.com), and First Pacific’s annual report will be issued by 30 April, 2003.

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FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December	2002 US\$m	2001 US\$m
TURNOVER	1,892.3	1,851.7
Cost of sales	(1,420.9)	(1,362.3)
GROSS PROFIT	471.4	489.4
Provision for investments and others	-	(2,165.4)
Loss on disposal of discontinued operations	-	(72.9)
Distribution costs	(140.1)	(142.0)
Administrative expenses	(121.2)	(150.3)
Other operating expenses	(4.5)	(17.7)
Other operating income	11.4	17.1
OPERATING PROFIT/(LOSS)	217.0	(2,041.8)
Share of profits less losses of associated companies	32.6	11.8
Net borrowing costs	(109.0)	(103.6)
PROFIT/(LOSS) BEFORE TAXATION	140.6	(2,133.6)
Taxation	(56.2)	(61.4)
PROFIT/(LOSS) AFTER TAXATION	84.4	(2,195.0)
Outside interests	(44.3)	398.0
PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	40.1	(1,797.0)
BASIC EARNINGS/(LOSS) PER SHARE (U.S. CENTS)	1.27	(57.23)

**FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED BALANCE SHEET**

As at 31 December	2002 US\$m	2001 US\$m
NON-CURRENT ASSETS		
Property and equipment	1,009.3	840.2
Associated companies	(24.5)	(23.6)
Long-term receivables and prepayments	274.9	176.3
Goodwill	19.3	-
	1,279.0	992.9
CURRENT ASSETS		
Cash and bank balances	203.3	310.1
Pledged deposits	22.9	41.0
Short-term investments	42.8	11.5
Accounts receivable, other receivables and prepayments	389.0	328.7
Inventories	376.1	361.5
	1,034.1	1,052.8
CURRENT LIABILITIES		
Accounts payable, other payables and accruals	455.2	514.0
Short-term borrowings	531.7	750.2
Provision for taxation	26.6	23.1
	1,013.5	1,287.3
NET CURRENT ASSETS/(LIABILITIES)	20.6	(234.5)
TOTAL ASSETS LESS CURRENT LIABILITIES	1,299.6	758.4
EQUITY CAPITAL AND RESERVES		
Issued capital	31.9	31.4
Reserves	(103.1)	(222.6)
Shareholders' deficit	(71.2)	(191.2)
OUTSIDE INTERESTS	424.1	392.2
NON-CURRENT LIABILITIES		
Loan capital and long-term borrowings	757.2	391.4
Deferred liabilities and provisions	118.9	130.0
Deferred taxation	70.6	36.0
	946.7	557.4
	1,299.6	758.4

**FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY**

	Turnover		Contribution to Group profit/(loss) ⁽ⁱ⁾	
	2002 US\$m	2001 US\$m	2002 US\$m	2001 US\$m
Indofood	1,777.3	1,414.9	37.7	48.1
PLDT ⁽ⁱⁱ⁾	-	-	48.8	42.8
Metro Pacific	114.6	134.4	(18.7)	(20.9)
Escotel ⁽ⁱⁱ⁾	-	-	0.1	(6.2)
FROM CONTINUING BUSINESSES	1,891.9	1,549.3	67.9	63.8
FROM DISPOSED BUSINESSES ⁽ⁱⁱⁱ⁾	0.4	302.4	(2.3)	8.7
FROM OPERATIONS	1,892.3	1,851.7	65.6	72.5
Corporate overhead			(9.0)	(12.4)
Interest expense			(15.4)	(24.0)
Interest income			9.1	9.3
Other income/(expenses)			0.8	(0.8)
RECURRING PROFIT			51.1	44.6
Foreign exchange losses			(11.0)	(22.4)
Loss on disposal and provision for investments			-	(1,819.2)
PROFIT/(LOSS) ATTRIBUTABLE TO ORDINARY SHAREHOLDERS			40.1	(1,797.0)

(i) After taxation and outside interests, where appropriate.

(ii) Associated companies.

(iii) Represents Infrontier in 2002, and Infrontier, Berli Jucker, Darya-Varia and Savills plc in 2001. Effective 30 April 2002, First Pacific reduced its interest in Infrontier to 19.0 per cent. Infrontier is now accounted for as a long-term investment.