

2nd February 1998

FIRST PACIFIC SAYS SAN MIGUEL DISCUSSIONS HAVE CEASED

First Pacific Company Limited announced today that discussions with various parties regarding the acquisition of a substantial stake in San Miguel Corporation have ceased.

These discussions, as stated at the time of First Pacific's announcement on 10th January, were not progressing, and First Pacific has concluded that satisfactory agreement cannot now be reached.

First Pacific disclosed last month that it had acquired a two per cent stake in San Miguel for less than US\$70 million and was engaged in amicable discussions to enlarge this holding. Despite the cessation of these discussions, the company intends for the time being to retain this holding, which it continues to believe is a sound investment.