



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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**METRO PACIFIC REPORTS 1ST QUARTER PROFIT;
RECAPITALIZATION PLAN ON TRACK**

The attached press release was released today in Manila by Metro Pacific Corporation, in which the First Pacific Group holds an economic interest of 75.5 per cent.

Metro Pacific is a Manila, Philippines-based holding company listed on the Philippine Stock Exchange. It is currently undergoing a program of recapitalization and reorganization which is expected to be completed during the third quarter of 2006. Further information on Metro Pacific can be found at www.metropacific.com.

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thinking ahead

FOR IMMEDIATE RELEASE

METRO PACIFIC REPORTS 1ST QUARTER PROFIT; RECAPITALIZATION PLAN ON TRACK

MANILA, PHILIPPINES 8TH MAY 2006 – Metro Pacific Corporation (“Metro Pacific” or the “Company”) (PSE: MPC) today reported an IAS-adjusted Net Profit After Tax of Pesos 23.2 million for the quarter ended 31ST March 2006, compared with a Net Loss of Pesos 84.4 million for the same period in 2005. This improvement is attributed principally to higher gross profit contributions from the Company’s two subsidiaries and the reversal of an impairment provision against prepaid taxes at the parent Company level.

Metro Pacific’s consolidated revenues increased by 8 per cent for the first quarter of 2006 to Pesos 755.4 million from Pesos 698.3 million for the same period last year. Consolidated cost of sales fell 7 per cent to Pesos 625.7 million from Pesos 671.2 million in 2005. Financing charges also decreased 23 per cent to Pesos 33.5 million for the first quarter of 2006 compared with Pesos 43.5 million reported for the first quarter of 2005. Operating expenses of Pesos 143.2 million were reported, an increase of 41 per cent from the same period in 2005. An exceptional gain of Pesos 58.8 million was recorded during the first quarter of 2006, resulting from the reversal of a provision made against certain assets as the Company projects to utilize the benefits of those assets as future income and profits grow.

Operationally, both Landco Pacific Corporation (“Landco”) and Negros Navigation Company (“Nenaco”) performed within expectations during the quarter.

Metro Pacific To Implement Reverse Stock Split, Transfer of Landco to MPIC

Pursuant to the Company’s reorganization and recapitalization plan (the “Plan”) as disclosed on 27th March 2006, the Board of Directors (the “Board”) approved today the amount of the decrease in the authorized capital of Metro Pacific, which decrease was previously approved in principle by the Board, to wit, from Pesos 30 billion to Pesos 1.5 billion divided into 1.45 billion common shares, 49,875 million Series “1” preferred shares and 125,000 Series “2” preferred shares, all with a par value of Pesos 1.0 per share. This equates into a consolidation of approximately 20 Metro Pacific shares for every 1 Metro Pacific share and is expected to result in the consolidated shares having a book value that approximates its par value of Pesos 1.0 per share.

Post consolidation, the outstanding capital stock of Metro Pacific of 19,053,473,157 common shares and 2.5 million Series “2” preferred shares, will be decreased to 952,673,658 common shares and 125,000 Series “2” preferred shares.

Metro Pacific emphasizes that this step is necessary and required in order to eliminate its accumulated retained deficit that resulted from the past six (6) years of losses. The 20:1 exchange ratio is expected to result in a reduction surplus which will be used to eliminate prior years’ deficits. Under the Plan, the post-consolidation shares of Metro Pacific are anticipated to be exchanged for Metro Pacific Investments Corporation (“MPIC”) shares on an equal, one for one (1:1) basis. Such exchange will be made pursuant to an exchange offer to be made by MPIC and which shall be disclosed in due course.

The Board also approved today the consideration for the sale of Metro Pacific's entire 51 per cent shareholding in Landco to MPIC pursuant to the Plan previously announced. The sale consideration is in the amount of Pesos 667.7 million payable in cash, following a third-party valuation of Landco conducted by Punongbayan and Araullo, a member company of Grant Thornton International. The study valued Landco at Pesos 1.3 billion, which represents a 29 per cent premium over the net book value of Landco as of 31st December 2005. Landco is currently preparing for an accelerated growth plan, which seeks to increase its size and business activity over the next five (5) years. It is envisaged that MPIC's future business activity will not be limited to real estate, especially as several promising investment opportunities are presently under consideration.

Comment: Meeting Commitments

"With our recently concluded debt workout and the improving prospects of our businesses, we are determined to build a strong platform for MPIC – a new company that can raise substantial capital, make significant investments, and become an engine for long-term value creation. In the next couple of weeks we will launch an investor education website at www.mpic.com.ph where both experienced and casual investors can study each facet of our reorganization and recapitalization plan and build further confidence in an emergent MPIC," said Mr. Jose Ma. K. Lim, Metro Pacific President and CEO.

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METRO PACIFIC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME / (LOSS)
(Unaudited)

For the periods ended 31 March (In thousand pesos)	2006	2005*
Revenues	755,415	698,271
Cost of sales	(625,717)	(671,188)
Gross Profit	129,698	27,083
Operating expenses	(143,216)	(101,855)
Equity in net profits of affiliated companies	4,204	1,020
Financing charges, net	(33,516)	(43,484)
Other income, net	61,434	49,296
Income / (loss) before taxation	18,604	(67,939)
Taxation	9,491	(2,386)
Net income / (loss) for the period	28,095	(70,325)
Attributable to:		
Equity holders of the parent	23,158	(84,361)
Outside interests	4,938	14,036
	28,095	(70,325)
Basic earning / (loss) per share (in centavos)	0.12	(0.45)
Basic weighted average number of common shares in issue (in thousands)	18,603,473	18,603,473

* First quarter 2005 results were restated to conform with accounting pronouncements which were adopted by the Company beginning January 2005.

METRO PACIFIC CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at (Amounts in thousand pesos)	31 March 2006	31 December 2005	31 March 2005*
ASSETS			
Current assets			
Cash and cash equivalents	221,611	239,239	298,165
Receivables - net	1,295,823	1,222,231	1,347,105
Real estate for sale - net	1,652,989	1,567,057	2,053,086
Due from related parties - net	178,401	222,657	344,835
Available-for-sale financial assets	572,810	637,544	-
Non-current assets held for sale	151,507	151,507	-
Prepayments and other current assets - net	306,280	265,495	206,873
Total Current Assets	4,379,420	4,305,730	4,250,063
Noncurrent Assets			
Investments in associates - at equity	809,565	847,882	866,613
Available-for-sale financial assets	210,120	210,120	971,142
Property and equipment - net	1,693,970	1,790,573	1,982,260
Long-term receivables - net of current portion	460,089	514,595	531,435
Deferred tax assets	151,553	152,847	106,942
Other noncurrent assets	239,518	245,838	328,139
Total Noncurrent Assets	3,564,815	3,761,855	4,786,531
TOTAL ASSETS	7,944,235	8,067,585	9,036,594
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current liabilities			
Loans payable	656,799	718,054	710,192
Trade payable	606,203	609,682	614,095
Accrued expenses and other current liabilities	1,546,133	1,587,190	2,006,380
Income tax payable	33,450	32,758	32,543
Due to related parties	1,061,903	1,060,308	251,697
Provisions	576,251	631,398	-
Current portion of long-term debts	304,859	282,268	344,426
Current portion of other long-term liabilities and provisions	135,204	151,061	219,143
Total Current Liabilities	4,920,803	5,072,719	4,178,476
Noncurrent Liabilities			
Provisions	-	-	814,323
Deferred tax liabilities	355,180	364,913	367,977
Due to a related party	16,458	17,083	810,654
Long-term debts - net of current portion	1,351,089	1,394,275	1,479,970
Other long-term liabilities - net of current portion	405,480	351,045	703,211
Total Noncurrent Liabilities	2,128,207	2,127,316	4,176,135
Total Liabilities	7,049,009	7,200,035	8,354,611
Total Equity			
Share capital	19,055,974	19,055,974	18,884,873
Additional paid-in capital	9,690,385	9,690,384	9,691,241
Change in fair value of available-for-sale financial assets	21,153	21,153	20,974
Deposit for future stock subscription	-	-	-
Treasury stock	(1,033,000)	(1,033,000)	(1,033,000)
Deficit	(27,459,054)	(27,482,212)	(27,536,144)
Total equity attributable to the equity holders of the parent	275,458	252,299	27,944
Outside interests	619,768	615,251	654,039
Total Stockholders' Equity	895,226	867,550	681,983
TOTAL LIABILITIES AND EQUITY	7,944,235	8,067,585	9,036,594

* March 2005 results were restated to conform with accounting pronouncements which were adopted by the Company beginning January 2005.