



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

2001 INTERIM RESULTS OF METRO PACIFIC CORPORATION

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

(Unaudited)

For the period ended 30 June (In thousands Pesos)	Six months		Three Months	
	2001	2000	2001	2000
Revenues	4,406,336	5,825,644	1,439,063	2,281,156
Cost of sales	(3,264,576)	(3,814,249)	(952,044)	(1,589,468)
Operating expenses	(568,348)	(512,057)	(325,089)	(251,353)
Operating profit	573,412	1,499,338	161,930	440,335
Equity in net losses of affiliated companies	(216,601)	(124,654)	(109,563)	(39,971)
Financing charges, net	(966,410)	(563,768)	(648,625)	(296,393)
(Loss)/profit before other income	(609,599)	810,916	(596,258)	103,971
Other income/(expense), net	(325,675)	(138,559)	(526,825)	(84,962)
Profit before taxation	(935,274)	672,357	(1,123,083)	19,009
Taxation	(123,244)	(418,320)	271,230	110,922
(Loss)/income from continuing operations	(1,058,518)	254,037	(851,853)	129,931
Loss from discontinued operations	(1,750)	(299,901)	(1,750)	85,998
Net loss before outside interests	(1,060,268)	(45,864)	(853,603)	215,929
Outside interests	(27,398)	(557,496)	(72,053)	(185,087)
Net loss for the period	(1,087,666)	(603,360)	(925,656)	30,842
Retained earnings				
Beginning of period	6,941,959	4,781,231	6,761,949	4,146,012
Dividends accrued on preferred shares	(36,000)	(33,017)	(18,000)	(32,000)
End of period	5,818,293	4,144,854	5,818,293	4,144,854
Earnings per share (in centavos)				
Basic	(6.04)	(3.42)	(5.07)	(0.01)
Weighted average number of shares in issue				
Basic	18,603,473	18,598,898	18,603,473	18,598,898

CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at (In thousands Pesos)	30 June 2001	31 December 2000	30 June 2000
ASSETS			
Current assets			
Cash and cash equivalents	1,387,318	1,560,407	1,640,180
Receivables	6,733,270	6,786,668	7,433,240
Due from affiliated companies	1,053,558	2,262,678	784,065
Inventories	180,963	202,899	565,406
Development properties held for sale	9,201,814	6,614,775	2,548,420
Prepayments and other current assets	5,841,638	4,379,639	4,410,327
Deferred income tax asset -net	0	115,729	395,631
Total current assets	24,398,561	21,922,795	17,777,269
Long-term receivables	2,216,118	1,692,054	1,511,256
Investments in affiliated companies	2,979,710	2,884,751	10,106,786
Development properties	54,018,490	57,465,132	56,228,202
Property, plant and equipment	6,250,163	5,887,615	6,589,305
Goodwill	13,174	19,997	121,835
Other assets	3,636,225	4,574,589	4,631,353
Total assets	93,512,441	94,446,933	96,966,006
LIABILITIES AND EQUITY			
Current liabilities			
Loans and notes payable	10,780,964	4,533,891	7,954,943
Current portion of long-term debts	637,273	7,576,253	3,210,864
Current portion of long-term liabilities and provisions	1,371,774	1,884,604	1,372,501
Accounts payable and accrued expenses	4,492,990	4,946,088	3,735,466
Deferred tax liability - net	2,371	0	0
Income tax payable	22,460	4,603	11,882
Total current liabilities	17,307,832	18,945,439	16,285,656
Long-term debts	6,901,432	4,327,272	12,635,131
Long-term liabilities and provisions	3,756,781	2,912,311	2,111,531
Equity			
Stockholders' equity			
Capital stock	18,606,694	18,602,120	18,602,120
Additional paid-in capital	10,411,914	10,407,065	10,407,144
Treasury stock	(1,033,000)	(1,033,000)	(1,033,000)
Retained earnings	5,818,293	6,941,959	4,144,854
Outside interests	31,742,495	33,343,767	33,812,570
Total equity	65,546,396	68,261,911	65,933,688
Total liabilities and equity	93,512,441	94,446,933	96,966,006

CONSOLIDATED CASH FLOW STATEMENT
(Unaudited)

For the period ended June 30
(In thousands Pesos)

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income for the period	(1,087,666)	(603,360)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	550,769	645,687
Provision for deferred tax	117,284	413,522
Reversal of provision for possible lot returns	(233,980)	-
Unrealized foreign exchange loss - net	265,599	116,812
(Gain)/loss on disposal of fixed assets	(1,467)	1,038
Loss/(gain) on sale of investment in affiliated companies	1,750	(61,649)
Equity in net loss of affiliated companies	216,601	494,623
Equity of outside interests	27,398	559,408
Change in working capital, net	(746,055)	(1,448,523)
Net cash (used in)/provided by operating activities	(889,767)	117,558
CASH FLOWS FROM INVESTING ACTIVITIES:		
Return of escrow funds relating to disposal	-	(99,791)
Purchase of property, plant and equipment	(664,890)	(150,182)
Proceeds from sale of investment in affiliated companies	1,483,329	-
Proceeds from disposal of property, plant and equipment	37,725	5,852
Investments in and advances to affiliated companies	(150,051)	(120,056)
(Increase)/decrease in long-term notes receivable	(610,304)	336,730
Increase in development properties	(442,974)	(699,127)
Decrease in other and intangible assets	64,508	378,662
Net cash used in investing activities	(282,657)	(347,912)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment of preferred cash dividends	(36,000)	(37,017)
Issue of shares to outside interests by a subsidiary	-	19,342
Increase/(decrease) in loans and notes payable	5,616,180	(442,570)
(Decrease)/Increase in long-term debts	(3,632,947)	1,297,399
Decrease in long-term liabilities and provisions	(947,898)	(1,790,120)
Net cash provided by /(used in) financing activities	999,335	(952,966)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(173,089)	(1,183,320)
CASH AND CASH EQUIVALENTS		
Beginning of year	1,560,407	2,823,500
End of period	1,387,318	1,640,180

METRO PACIFIC CORPORATION (MPC) today reported unaudited consolidated operating income of Pesos 573 million for the first half of the year compared to Pesos 1.50 billion for the same period in 2000.

The decline is primarily the result of a Pesos 1.42 billion reduction in consolidated revenues following the completion of the Big Delta in the Bonifacio Global City in April 2000 and the resultant full recognition of revenues in respect of the 1996 land sales of Fort Bonifacio Development Corporation (FBDC). Partially offsetting this were increased sales of Pacific Plaza Towers units and a 14 per cent reduction in consolidated cost of sales.

The decline in consolidated net operating income, coupled with higher financing charges incurred due to reduced capitalization of interest, foreign exchange losses due to the peso depreciation and increased losses from affiliated companies, have resulted in MPC reporting an unaudited consolidated net loss of Pesos 1.09 billion for the first semester of 2001.

Commenting on MPC's first half results, Ricardo S. Pascua, President and CEO of MPC, said: "With no significant land sales since those of 1996, the decline in revenues and net operating income is in line with expectations. However, I am pleased to note that a small land sale was effected in June, and I am confident that additional land sales will be recorded before the end of the year. In addition, a significant achievement of the first half was the successful refinancing of Bonifacio Land Corporation's (BLC) debt, such that debt issues at the BLC level have now been addressed. MPC's management will continue to pursue strategic options to better align MPC's debt to its revenue streams, including the proposed auction of the Northern CBD area, which together with other on-going initiatives are expected to realize significant cash proceeds.

"Momentum on the Bonifacio Global City continues with our first business residents at the Hatchasia GlobalCity Centre due to locate later this month, and the recent signing of a significant land lease with St Luke's Medical Center. In a move to further position MPC as a property-focused company, the board agreed to dividend Negros Navigation to MPC shareholders. Looking ahead, MPC will stay focused on securing optimal transactions, during these difficult times in the property market, to ensure that the project continues to evolve as the premier central business district in the Philippines."

OPERATIONAL REVIEW

For the first half of 2001, FBDC reported net earnings of Pesos 339 million, an increase of 294 per cent from the net earnings of Pesos 86 million for the first quarter of 2001.

Consolidated revenues for the first semester of 2001 declined by 66 per cent to Pesos 1.03 billion, from Pesos 2.99 billion for the same period last year. This reflects the completion of Big Delta in April 2000. In June 2001, FBDC concluded the sale of a 2,173 square meter lot of land, located in the City's e-square IT Park, at a price of Pesos 261 million. Further land sales are expected to be concluded within the year.

FBDC's Bonifacio Ridge Phase 1 composed of a twin tower medium-rise residential development, continues to attract buyers and contributed Pesos 181 million of revenues in the first half. By the end of June the project was 31 per cent complete and was officially topped-out on 2 July 2001, at which time 70 per cent of the development's 288 units were sold.

In order to encourage critical mass, as well as to generate short and medium term cash flows, FBDC continues to identify interim land use opportunities by offering building leases, which average five years, and land leases, which range between 25 and 50 years, to City locators.

The S&R Price's first outlet in the Philippines opened at its 32nd Street location in April, and continues to draw crowds of shoppers. The finishing touches are being made to The Hatchasia GlobalCity Centre, with the first business tenants moving in later this month. The gas and retail plaza, Bonifacio StopOver, is 85 per cent complete with the retail outlets and Shell gas station scheduled to open in September. In July, St. Luke's Medical Center, the Philippines' foremost provider of medical services, signed a 50-year extendable long-term lease arrangement for a 1.6-hectare property along 32nd Street. St Luke's will build a medical complex consisting of a 500-bed hospital and offices for 300 physicians, offering specialist medical care and facilities including a cancer institute and a heart center.

Over the next few months, five new bar and restaurant outlets - Tamasha, Gourdos, The Butcher & The Grill, Koo Caf* and Pier One - will open within The Fort entertainment complex. Also, negotiations are on-going to open a range of additional entertainment facilities over the next twelve months including a performing arts centre and state-of-the-art cinema complex.

PACIFIC PLAZA TOWERS (PPT), Metro Pacific's signature residential development in the Bonifacio Global City, reported an operating profit of Pesos 446 million for the first half of 2001, up 62 per cent from the Pesos 275 million for the same period last year. This reflects the sale of an additional 62 units, contributing revenues of Pesos 1.86 billion, representing a 35 per cent increase against the Pesos 1.38 billion recorded for the same period last year.

PPT welcomed its first residents in February and 42 units are presently occupied. As of end of June 2001, 283 units of the development's 393 units had been sold, of which 152 units have already been turned over to buyers. The remaining units continue to attract strong interest from prospective buyers and are expected to generate healthy revenues in the second half of the year.

LANDCO posted consolidated revenues of Pesos 211 million and contributed an operating profit before financing charges of Pesos 45 million for the semester ended June 2001. Revenues were principally derived from the sale of Punta Fuego lots and club shares, memorial lots at Landco's Forest Lake Memorial Parks, and lots in the first-home subdivisions of Stonecrest and Waterwood Park. Against the comparative period last year, consolidated revenues decreased by 21 per cent while operating profits decreased by 42 per cent. The decline is attributable mainly to the fully sold-out lot inventories at Punta Fuego and Ridgewood Park, as well as longer payment terms being offered to enhance the affordability of Landco's products to their respective markets. Landco plans to launch four new projects this year to enhance medium-term revenue and income streams.

NEGROS NAVIGATION (Nenaco) posted revenues of Pesos 1.30 billion for the six-month period ended June 2001, an increase of 5.7 per cent over the Pesos 1.23 billion achieved for the same period last year. Industry volumes for both freight and passenger showed a marked contraction of 11 per cent and 28 per cent, respectively, however rate increases offset these declines. Management's efforts to streamline the Company's operations resulted in a 40 per cent improvement in operating profit to Pesos 134 million, compared to the Pesos 95 million recorded for the same period last year.

Having overseen the turnaround of Nenaco, the MPC board has decided to dividend its interest in this entity to the shareholders of Metro Pacific. This dividend, which is subject to the approvals of MPC's and Nenaco's creditors, and the Securities and Exchange Commission's approval of Nenaco's quasi-reorganization and capital increase, will further position MPC as a company focused on property.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Executive Chairman

15 August 2001

"Please also refer to the published version of this announcement in the SCMP-Classified"