FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

2002 Results – Audited

FINANCIAL HIGHLIGHTS

- Turnover of US$1,892.3 million (HK$14,759.9 million) broadly unchanged, reflecting an improvement in underlying performance, offset by the effects of business disposals.
- Gross profit margin decreased to 24.9 per cent in 2002, from 26.4 per cent in 2001, mainly reflecting increased raw material costs.
- Operating profit of US$217.0 million (HK$1,692.6 million) was recorded for 2002, compared with an operating loss of US$2,041.8 million (HK$15,926.0 million) for 2001. Included in 2001 were losses on asset disposals and impairment provisions against investments.
- Profit attributable to ordinary shareholders for 2002 of US$40.1 million (HK$312.8 million), a turnaround against 2001's loss of US$1,797.0 million (HK$14,016.6 million).
- Excluding the effects of foreign exchange, losses on asset disposals and impairment provisions against investments, net profit increased by 14.6 per cent to US$51.1 million (HK$398.6 million).
- Earnings per share of US1.27 cents (HK9.91 cents) was recorded for 2002, compared with a loss per share of US57.23 cents (HK446.39 cents) recorded for 2001.
- Consolidated gearing ratio improved to 3.01 times at 31 December 2002, compared with 3.93 times at 31 December 2001.
- The Directors do not recommend the payment of a final dividend for 2002 (2001: Nil).

2002 ANNUAL RESULTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Turnover – *Note 1*	**1,892.3**	1,851.7	**14,759.9**	14,443.3
Cost of sales	**(1,420.9)**	(1,362.3)	**(11,083.0)**	(10,626.0)
Gross profit	**471.4**	489.4	**3,676.9**	3,817.3
Provision for investments and others	**–**	(2,165.4)	**–**	(16,890.1)
Loss on disposal of discontinued operations	**–**	(72.9)	**–**	(568.6)
Distribution costs	**(140.1)**	(142.0)	**(1,092.7)**	(1,107.6)
Administrative expenses	**(121.2)**	(150.3)	**(945.4)**	(1,172.3)
Other operating expenses	**(4.5)**	(17.7)	**(35.1)**	(138.1)
Other operating income	**11.4**	17.1	**88.9**	133.4
Operating profit/(loss) – *Note 2*	**217.0**	(2,041.8)	**1,692.6**	(15,926.0)
Share of profits less losses of associated companies	**32.6**	11.8	**254.3**	92.0
Net borrowing costs – *Note 3*	**(109.0)**	(103.6)	**(850.2)**	(808.1)
Profit/(loss) before taxation	**140.6**	(2,133.6)	**1,096.7**	(16,642.1)
Taxation – *Note 4*	**(56.2)**	(61.4)	**(438.4)**	(478.9)
Profit/(loss) after taxation	**84.4**	(2,195.0)	**658.3**	(17,121.0)
Outside interests	**(44.3)**	398.0	**(345.5)**	3,104.4
Profit/(loss) attributable to ordinary shareholders – *Note 5*	**40.1**	(1,797.0)	**312.8**	(14,016.6)

	2002 US¢	2001 US¢	**2002* HK¢**	2001* HK¢
Basic earnings/(loss) per share – *Note 6*	**1.27**	(57.23)	**9.91**	(446.39)

CONSOLIDATED BALANCE SHEET

As at 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Non-current assets				
Property and equipment	**1,009.3**	840.2	**7,872.5**	6,553.6
Associated companies	**(24.5)**	(23.6)	**(191.1)**	(184.1)
Long-term receivables and prepayments	**274.9**	176.3	**2,144.3**	1,375.1
Goodwill	**19.3**	–	**150.5**	–
	1,279.0	992.9	**9,976.2**	7,744.6
Current assets				
Cash and bank balances	**203.3**	310.1	**1,585.7**	2,418.8
Pledged deposits	**22.9**	41.0	**178.6**	319.8
Short-term investments	**42.8**	11.5	**333.8**	89.7
Accounts receivable, other receivables and prepayments – *Note 7*	**389.0**	328.7	**3,034.3**	2,563.8
Inventories	**376.1**	361.5	**2,933.6**	2,819.7
	1,034.1	1,052.8	**8,066.0**	8,211.8
Current liabilities				
Accounts payable, other payables and accruals – *Note 8*	**455.2**	514.0	**3,550.6**	4,009.2
Short-term borrowings	**531.7**	750.2	**4,147.2**	5,851.5
Provision for taxation	**26.6**	23.1	**207.5**	180.2
	1,013.5	1,287.3	**7,905.3**	10,040.9
Net current assets/(liabilities)	**20.6**	(234.5)	**160.7**	(1,829.1)
Total assets less current liabilities	**1,299.6**	758.4	**10,136.9**	5,915.5
Equity capital and reserves				
Issued capital	**31.9**	31.4	**248.8**	244.9
Reserves	**(103.1)**	(222.6)	**(804.2)**	(1,736.3)
Shareholders' deficit	**(71.2)**	(191.2)	**(555.4)**	(1,491.4)

Outside interests	**424.1**	392.2	**3,308.0**	3,059.2
Non-current liabilities				
Loan capital and long-term borrowings	**757.2**	391.4	**5,906.2**	3,052.9
Deferred liabilities and provisions	**118.9**	130.0	**927.4**	1,014.0
Deferred taxation	**70.6**	36.0	**550.7**	280.8
	946.7	557.4	**7,384.3**	4,347.7
	1,299.6	758.4	**10,136.9**	5,915.5

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' DEFICIT

	Issued capital US$m	Share premium US$m	Property revaluation reserve US$m	Exchange reserve US$m	Revenue reserve US$m	Total US$m
Balance at 1 January 2001	31.4	908.7	1.3	(332.5)	(239.4)	369.5
Net losses not recognized in the profit and loss statement – Exchange translation	–	–	–	(14.9)	–	(14.9)
Transfer to profit and loss statement	–	–	–	264.0	874.0	1,138.0
Disposal and divestment of interests in subsidiary and associated companies	–	–	(1.3)	63.2	55.3	117.2
Net loss for the year	–	–	–	–	(1,797.0)	(1,797.0)
Dividends	–	–	–	–	(4.0)	(4.0)
Balance at 31 December 2001	31.4	908.7	–	(20.2)	(1,111.1)	**(191.2)**
Shares issued upon conversion of a Convertible Note	0.5	49.5	–	–	–	**50.0**
Net gains not recognized in the profit and loss statement – Exchange translation	–	–	–	20.1	–	**20.1**
Dilution of interests in a subsidiary and an associated company	–	–	–	0.4	9.4	**9.8**
Net profit for the year	–	–	–	–	40.1	**40.1**
Balance at 31 December 2002	**31.9**	**958.2**	**–**	**0.3**	**(1,061.6)**	**(71.2)**

	Issued capital HK$m*	Share premium HK$m*	Property revaluation reserve HK$m*	Exchange reserve HK$m*	Revenue reserve HK$m*	Total HK$m*
Balance at 1 January 2001	244.9	7,087.9	10.1	(2,593.5)	(1,867.3)	2,882.1
Net losses not recognized in the profit and loss statement – Exchange translation	–	–	–	(116.2)	–	(116.2)
Transfer to profit and loss statement	–	–	–	2,059.2	6,817.2	8,876.4
Disposal and divestment of interests in subsidiary and associated companies	–	–	(10.1)	492.9	431.3	914.1
Net loss for the year	–	–	–	–	(14,016.6)	(14,016.6)
Dividends	–	–	–	–	(31.2)	(31.2)
Balance at 31 December 2001	244.9	7,087.9	–	(157.6)	(8,666.6)	**(1,491.4)**
Shares issued upon conversion of a Convertible Note	3.9	386.1	–	–	–	**390.0**
Net gains not recognized in the profit and loss statement – Exchange translation	–	–	–	156.8	–	**156.8**
Dilution of interests in a subsidiary and an associated company	–	–	–	3.1	73.3	**76.4**
Net profit for the year	–	–	–	–	312.8	**312.8**
Balance at 31 December 2002	**248.8**	**7,474.0**	**–**	**2.3**	**(8,280.5)**	**(555.4)**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December	2002 US$m	2001 US$m	2002* HK$m	2001* HK$m
Operating profit/(loss)	**217.0**	(2,041.8)	**1,692.6**	(15,926.0)
Provision for investments and others	**–**	2,165.4	**–**	16,890.1
Loss on disposal of discontinued operations	**–**	72.9	**–**	568.6
Foreign exchange (gains)/losses, net	**(10.7)**	15.2	**(83.5)**	118.6
Loss on dilution of interests in a subsidiary and an associated company	**4.2**	6.7	**32.8**	52.3
Depreciation	**47.0**	60.5	**366.6**	471.9
Dividend income	**–**	(0.1)	**–**	(0.8)
Payments in respect of deferred liabilities and provisions	**(6.9)**	(28.4)	**(53.8)**	(221.5)
Loss on sale of property and equipment	**0.7**	2.1	**5.5**	16.4
Increase in long-term receivables and prepayments	**(28.4)**	(45.8)	**(221.5)**	(357.3)
Decrease in pledged deposits	**23.3**	14.1	**181.7**	110.0
Increase in accounts receivable, other receivables and prepayments	**(64.5)**	(1.4)	**(503.1)**	(10.9)
Increase in inventories	**(73.4)**	(13.3)	**(572.5)**	(103.8)
Increase in accounts payable, other payables and accruals	**0.6**	62.9	**4.7**	490.6
Others	**(16.6)**	(12.1)	**(129.5)**	(94.4)
Net cash inflow generated from operations+	**92.3**	256.9	**720.0**	2,003.8
Interest received	**21.9**	30.1	**170.8**	234.7
Interest paid	**(114.7)**	(139.3)	**(894.7)**	(1,086.5)
Tax paid	**(23.5)**	(31.0)	**(183.3)**	(241.8)
Net cash (outflow)/inflow from operating activities	**(24.0)**	116.7	**(187.2)**	910.2
Purchase of property and equipment	**(87.2)**	(132.4)	**(680.1)**	(1,032.7)
Purchase of short-term investments	**(28.5)**	(13.5)	**(222.3)**	(105.3)
Sale of property and equipment	**8.0**	18.8	**62.4**	146.6
Disposals of				
– subsidiary companies	**(6.7)**	129.4	**(52.3)**	1,009.3
– associated companies	**–**	48.2	**–**	376.0
– short-term investments	**–**	19.0	**–**	148.2
Loans repaid by/(to) associated companies	**7.3**	(4.3)	**56.9**	(33.5)
Dividends received from associated companies	**–**	2.7	**–**	21.1
Net cash (outflow)/inflow from investing activities	**(107.1)**	67.9	**(835.4)**	529.7
Proceeds of new borrowings	**886.9**	340.4	**6,917.8**	2,655.1
Borrowings repaid	**(809.4)**	(549.3)	**(6,313.3)**	(4,284.5)
Payment in connection with the shares repurchased by a subsidiary company	**(71.6)**	(7.5)	**(558.5)**	(58.5)
Shares issued to outside interests by a subsidiary company	**20.4**	–	**159.1**	–
Dividends paid to				
– outside interests by a subsidiary company	**(13.2)**	(8.6)	**(102.9)**	(67.1)
– shareholders	**–**	(4.0)	**–**	(31.2)
Net cash inflow/(outflow) from financing activities	**13.1**	(229.0)	**102.2**	(1,786.2)
Decrease in cash and cash equivalents	**(118.0)**	(44.4)	**(920.4)**	(346.3)
Cash and cash equivalents at 1 January	**310.1**	360.6	**2,418.8**	2,812.7
Exchange translation	**11.2**	(6.1)	**87.3**	(47.6)
Cash and cash equivalents at 31 December	**203.3**	310.1	**1,585.7**	2,418.8
Representing				
Cash and bank balances	**203.3**	310.1	**1,585.7**	2,418.8

\+ *Changes in working capital are stated excluding movements due to acquisitions and disposals of subsidiary companies.*

Notes:–

1. **Segmental information**

Segmental information, relating to the Group's business and geographic interests, follows. Analysis by business segment is the Group's primary reporting format as this is more relevant to the Group when making operational and financial decisions.

By principal business activities – 2002

	Consumer US$m	Telecom–munications US$m	Property US$m	Discontinued operations^ US$m	Head Office US$m	**2002 Total US$m**	**2002* Total HK$m**
Profit and loss							
Segment revenue – turnover	1,777.3	–	114.6	0.4	–	**1,892.3**	**14,759.9**
Segment results/operating profit	217.8	(0.4)	10.2	(2.3)	(8.3)	**217.0**	**1,692.6**
Share of profits less losses of associated companies	(0.1)	33.6	(0.9)	–	–	**32.6**	**254.3**
Net borrowing costs						**(109.0)**	**(850.2)**
Profit before taxation						**140.6**	**1,096.7**
Taxation						**(56.2)**	**(438.4)**
Profit after taxation						**84.4**	**658.3**
Outside interests						**(44.3)**	**(345.5)**
Profit attributable to ordinary shareholders						**40.1**	**312.8**
Assets and liabilities							
Segment assets	1,663.0	–	594.7	–	37.1	**2,294.8**	**17,899.5**
Associated companies	2.6	(56.0)	28.9	–	–	**(24.5)**	**(191.1)**
Unallocated assets						**42.8**	**333.8**
Total assets						**2,313.1**	**18,042.2**
Segment liabilities	285.2	–	224.0	–	64.9	**574.1**	**4,478.0**
Unallocated liabilities						**1,386.1**	**10,811.6**
Total liabilities						**1,960.2**	**15,289.6**
Other information							
Capital expenditure	73.0	–	19.2	–	–	**92.2**	**719.2**
Depreciation and amortization	44.0	–	3.4	–	–	**47.4**	**369.7**
Other non-cash expenses	5.6	0.4	–	–	–	**6.0**	**46.8**

By principal geographical market – 2002

	Indonesia US$m	The Philippines US$m	India US$m	Discontinued operations^ US$m	Head Office US$m	**2002 Total US$m**	**2002* Total HK$m**
Segment revenue – turnover	1,777.3	114.6	–	0.4	–	**1,892.3**	**14,759.9**
Segment assets	1,663.0	594.7	–	–	37.1	**2,294.8**	**17,899.5**
Associated companies	2.6	109.3	(136.4)	–	–	**(24.5)**	**(191.1)**
Unallocated assets						**42.8**	**333.8**
Total assets						**2,313.1**	**18,042.2**
Capital expenditure	73.0	19.2	–	–	–	**92.2**	**719.2**

^ *Represents Infrontier.*

By principal business activities – 2001

	Consumer US$m	Telecom-munications US$m	Property US$m	Discontinued operations# US$m	Head Office US$m	2001 Total US$m	2001* Total HK$m
Profit and loss							
Segment revenue – turnover	1,414.9	–	134.4	302.4	–	1,851.7	14,443.3
Segment results/operating loss##	(104.4)	(565.8)	(1,201.1)	(57.0)	(113.5)	(2,041.8)	(15,926.0)
Share of profits less losses of associated companies	(0.6)	9.5	(0.6)	3.5	–	11.8	92.0
Net borrowing costs						(103.6)	(808.1)
Loss before taxation						(2,133.6)	(16,642.1)
Taxation						(61.4)	(478.9)
Loss after taxation						(2,195.0)	(17,121.0)
Outside interests						398.0	3,104.4
Loss attributable to ordinary shareholders						(1,797.0)	(14,016.6)

Assets and liabilities							
Segment assets	1,196.7	–	637.6	5.3	218.2	2,057.8	16,050.8
Associated companies	2.4	(75.7)	49.7	–	–	(23.6)	(184.1)
Unallocated assets						11.5	89.7
Total assets						2,045.7	15,956.4
Segment liabilities	260.8	–	215.2	1.5	166.5	644.0	5,023.2
Unallocated liabilities						1,200.7	9,365.4
Total liabilities						1,844.7	14,388.6
Other information							
Capital expenditure	76.1	–	61.8	10.3	–	148.2	1,156.0
Impairment charge	299.6	565.8	1,188.5	–	100.0	2,153.9	16,800.4
Depreciation	34.4	–	8.7	17.3	0.1	60.5	471.9
Other non-cash expenses	1.5	–	6.0	0.1	–	7.6	59.3

By principal geographical market – 2001

	Indonesia US$m	The Philippines US$m	India US$m	Discontinued operations# US$m	Head Office US$m	2001 Total US$m	2001* Total HK$m
Segment revenue – turnover	1,414.9	134.4	–	302.4	–	1,851.7	14,443.3
Segment assets	1,196.7	637.6	–	5.3	218.2	2,057.8	16,050.8
Associated companies	2.4	103.3	(129.3)	–	–	(23.6)	(184.1)
Unallocated assets						11.5	89.7
Total assets						2,045.7	15,956.4
Capital expenditure	76.1	61.8	–	10.3	–	148.2	1,156.0

Represents Infrontier, Berli Jucker, Darya-Varia and Savills plc.

Balance included provision for investments and others of US$2,165.4 million (HK$16,890.1 million) and loss on disposal of discontinued operations of US$72.9 million (HK$568.6 million).

2. Operating profit/(loss)

For the year ended 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Operating profit/(loss) is stated after (charging)/crediting				
Cost of inventories	**(1,139.2)**	(1,254.9)	**(8,885.8)**	(9,788.2)
Depreciation	**(47.0)**	(60.5)	**(366.6)**	(471.9)
Operating lease rentals				
– Land and buildings	**(9.6)**	(7.4)	**(74.9)**	(57.7)
– Hire of plant and equipment	**(1.0)**	(1.1)	**(7.8)**	(8.6)
– Other	**–**	(0.3)	**–**	(2.3)
Loss on dilution of interests in a subsidiary and an associated company	**(4.2)**	(6.7)	**(32.8)**	(52.3)
Doubtful debt provisions	**(1.8)**	(7.6)	**(14.0)**	(59.3)
Loss on sale of property and equipment	**(0.7)**	(2.1)	**(5.5)**	(16.4)
Auditors' remuneration				
– Audit services	**(1.1)**	(1.1)	**(8.6)**	(8.6)
– Other services	**(0.1)**	(0.5)	**(0.8)**	(3.9)
Unrealized (losses)/gains on short-term investments	**(0.9)**	0.5	**(7.0)**	3.9
Amortization of goodwill (included in other operating expenses)	**(0.4)**	–	**(3.1)**	–
Net exchange gains/(losses) on monetary items	**10.7**	(15.2)	**83.5**	(118.6)
Dividends from unlisted investments	**–**	0.1	**–**	0.8

3. Net borrowing costs

For the year ended 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Loan capital	**3.0**	11.1	**23.4**	86.6
Bank loans and other loans	**124.2**	108.2	**968.8**	844.0
Total interest expense	**127.2**	119.3	**992.2**	930.6
Other borrowing costs	**3.7**	20.4	**28.8**	159.1
Total borrowing costs	**130.9**	139.7	**1,021.0**	1,089.7
Less borrowing costs capitalized	**–**	(9.8)	**–**	(76.5)
Less interest income	**(21.9)**	(26.3)	**(170.8)**	(205.1)
Net borrowing costs	**109.0**	103.6	**850.2**	808.1

4. Taxation

No Hong Kong profits taxation (2001: Nil) has been provided as the Group had no estimated assessable profits in Hong Kong for the year. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company's subsidiary and associated companies operate.

For the year ended 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Subsidiary companies				
Current taxation – Overseas	**26.5**	35.5	**206.7**	276.9
Deferred taxation – Overseas	**23.4**	14.0	**182.5**	109.2
Subtotal	**49.9**	49.5	**389.2**	386.1
Associated companies				
Current taxation – Overseas	**2.8**	4.9	**21.9**	38.2
Deferred taxation – Overseas	**3.5**	7.0	**27.3**	54.6
Subtotal	**6.3**	11.9	**49.2**	92.8
Total	**56.2**	61.4	**438.4**	478.9

The effective tax rate for 2002 was 37.5 per cent. In 2001, excluding non-taxable business disposals and impairment provisions, the effective tax rate was 38.0 per cent.

5. Profit/(loss) attributable to ordinary shareholders

Profit/(loss) attributable to ordinary shareholders includes exchange losses and gains that arose primarily on the translation of the unhedged U.S. dollar denominated borrowings of PLDT and Indofood.

Analysis of exchange (losses)/gains

For the year ended 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Exchange (losses)/gains				
– Subsidiary companies	**10.7**	(15.2)	**83.5**	(118.6)
– Associated companies	**(20.4)**	(19.8)	**(159.2)**	(154.4)
Subtotal	**(9.7)**	(35.0)	**(75.7)**	(273.0)
Attributable to taxation and outside interests	**(1.3)**	12.6	**(10.1)**	98.3
Total	**(11.0)**	(22.4)	**(85.8)**	(174.7)

Exchange (losses)/gains, net of taxation and outside interests, by principal operating company are set out below.

For the year ended 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
PLDT	**(12.0)**	(12.3)	**(93.6)**	(95.9)
Indofood	**3.8**	(2.8)	**29.6**	(21.8)
Others	**(2.8)**	(7.3)	**(21.8)**	(57.0)
Total	**(11.0)**	(22.4)	**(85.8)**	(174.7)

Included within the profit/(loss) attributable to ordinary shareholders is a loss of US$0.3 million (HK$2.3 million) (2001: US$589.1 million; HK$4,595.0 million) attributable to the Company.

6. Basic earnings/(loss) per share

For the year ended 31 December	**2002 U.S.**	2001 U.S.	**2002* HK**	2001* HK
Basic earnings/(loss) per share is based on				
– profit/(loss) attributable to ordinary shareholders of ($m)	**40.1**	(1,797.0)	**312.8**	(14,016.6)
– and an average number of shares in issue of (millions)	**3,152.2**	3,139.8	**3,152.2**	3,139.8
resulting in earnings/(loss) per share of (cents)	**1.27**	(57.23)	**9.91**	(446.39)

No diluted earnings/(loss) per share for the years ended 31 December 2002 and 2001 have been presented as the outstanding convertible bonds, convertible notes and convertible preferred shares of the Company, a subsidiary and an associated company have anti-dilutive effects on the basic earnings/(loss) per share for these years. In addition, no diluting events existed in respect of the outstanding share options of the Company, a subsidiary and an associated company during these years.

7. Accounts receivable, other receivables and prepayments

Included in accounts receivable, other receivables and prepayments are trade receivables of US$201.1 million (HK$1,568.6 million) (2001: US$169.0 million; HK$1,318.2 million), with an ageing profile as below.

At 31 December	**2002 US$m**	2001 US$m	**2002* HK$m**	2001* HK$m
Less than 30 days	**160.3**	144.2	**1,250.4**	1,124.7
31-60 days	**11.8**	7.7	**92.0**	60.1
61-90 days	**8.3**	4.2	**64.7**	32.8
Over 90 days	**20.7**	12.9	**161.5**	100.6
Total	**201.1**	169.0	**1,568.6**	1,318.2

Indofood allows sub-distributors/wholesalers 60 days of credit, and other customers between 15-60 days of credit. Metro Pacific collects contract receivables by installments over periods ranging from two to 10 years.

8. Accounts payable, other payables and accruals

Included in accounts payable, other payables and accruals are trade payables of US$175.6 million (HK$1,369.7 million) (2001: US$182.3 million; HK$1,421.9 million), with an ageing profile as below.

At 31 December	2002 US$m	2001 US$m	2002* HK$m	2001* HK$m
Less than 30 days	**129.0**	100.7	**1,006.2**	785.5
31-60 days	**11.9**	28.7	**92.8**	223.9
61-90 days	**25.1**	14.6	**195.8**	113.8
Over 90 days	**9.6**	38.3	**74.9**	298.7
Total	**175.6**	182.3	**1,369.7**	1,421.9

9. Contingent liabilities

At 31 December	2002 US$m	2001 US$m	2002* HK$m	2001* HK$m
Guarantees for credit facilities given to				
– an associated company	**92.6**	100.1	**722.3**	780.8
– others	**–**	2.6	**–**	20.3
Total	**92.6**	102.7	**722.3**	801.1

Guarantees in respect of an associated company relates to credit facilities extended to Escotel, which are guaranteed by Escotel's shareholders on a pro-rata basis. The US$92.6 million (HK$722.3 million) (2001: US$100.1 million; HK$780.8 million) guarantee represents the Group's 49 per cent share of Escotel's borrowings.

The non-compliance of certain financial ratios under certain of Escotel's loan facilities may provide a basis for the lenders to accelerate the credit facilities which may then enable the lenders to access the guarantees provided by Escotel's shareholders. In the event that such guarantees are called upon by the lenders, they will become unsecured and short-term debts of the Company. However, Escotel's loan principal and interest payments remain current as at and subsequent to 31 December 2002.

10. Employee Information

For the year ended 31 December	2002 US$m	2001 US$m	2002* HK$m	2001* HK$m
Employee remuneration (including Directors' remuneration)	**151.1**	159.4	**1,178.6**	1,243.3

Number of employees	2002	2001
At 31 December	**44,820**	48,046
Average for the year	**46,422**	52,252

Remuneration of Executive Directors is determined by the Executive Chairman who is advised by compensation and benefits consultants. The Executive Chairman's remuneration is subject to review of the Non-executive Directors representing the major shareholder. The fees and emoluments of Non-executive Directors are determined by the Executive Chairman based on the recommendations from compensation and benefits consultants.

11. Subsequent events

A) On 23 November 2002, Metro Pacific entered into an agreement with Greenfield Development Corporation and Ayala Land Inc., which anticipated the sale and assignment by Larouge B.V. (Larouge), a wholly-owned subsidiary company of the Company, of its US$90.0 million (HK$702.0 million) loan (the Larouge Loan) to Metro Pacific and its 50.4 per cent pledged interest in Bonifacio Land Corporation (BLC), a 72.9 per cent owned subsidiary company of Metro Pacific, for a consideration of US$90.0 million (HK$702.0 million) (the Transaction). The Larouge Loan was extended by Larouge to Metro Pacific in April 2001 and became due and payable on 31 October 2001, which date was extended by First Pacific to 31 December 2001, but remained unpaid.

On 8 February 2003, Larouge entered into an assignment agreement with Evergreen Holdings Inc., Ayala Land Inc. and Greenfield Development Corporation, which provided for the transfer of the Larouge Loan as part of the Transaction. The closing of the Transaction required the fulfillment or waiver of various conditions precedent.

On the same date, Larouge also entered into an agreement with Metro Pacific which provided that the interest payable under the Larouge Loan would be re-calculated based on Larouge's actual cost of funds, up to the closing of the Transaction, approximating Pesos 700 million (US$13.2 million; HK$102.7 million), which resulted in approximately US$20.1 million (HK$156.8 million) of interest payable being waived by Larouge upon the closing of the Transaction.

On 19 March 2003, the proposed Transaction was unanimously approved by the Company's independent shareholders at a Special General Meeting.

On 17 April 2003, the Transaction was formally completed and US$90 million cash was received. The proceeds will be used to partially repay the Company's US$187.4 million (HK$1,461.7 million) bank loan. After this partial repayment, the Company will have approximately US$100.0 million (HK$780.0 million) of outstanding bank loan, which it intends to refinance within the next six months prior to its maturity in December 2003.

As a consequence of the Larouge Loan Transaction, Metro Pacific's interest in BLC has declined to 22.5 per cent from 72.9 per cent. Accordingly, BLC, which was a subsidiary company of the Group, will now be accounted for as an associated company. A pro forma consolidated balance sheet, as if the Transaction had been completed on 31 December 2002, follows.

	Actual	Disposal of 50.4 per cent BLC by Metro Pacific	Repayment of the Company debt	**Pro forma**	**Pro forma**
	US$m	US$m	US$m	**US$m**	**HK$m***
Non-current assets					
Property and equipment	**1,009.3**	(337.3)	–	**672.0**	**5,241.6**
Associated companies	**(24.5)**	13.6	–	**(10.9)**	**(85.0)**
Other non-current assets	**294.2**	(28.1)	–	**266.1**	**2,075.6**
	1,279.0	(351.8)	–	**927.2**	**7,232.2**
Current assets					
Cash and bank balances (including pledged deposits)	**226.2**	76.4	(90.0)	**212.6**	**1,658.3**
Other current assets	**807.9**	(68.1)	–	**739.8**	**5,770.4**
	1,034.1	8.3	(90.0)	**952.4**	**7,428.7**
Current liabilities	**1,013.5**	(111.4)	(90.0)	**812.1**	**6,334.4**
Net current assets	**20.6**	119.7	–	**140.3**	**1,094.3**
Total assets less current liabilities	**1,299.6**	(232.1)	–	**1,067.5**	**8,326.5**
Shareholders' deficit	**(71.2)**	–	–	**(71.2)**	**(555.4)**
Outside interests	**424.1**	(145.0)	–	**279.1**	**2,177.0**
Non-current liabilities	**946.7**	(87.1)	–	**859.6**	**6,704.9**
	1,299.6	(232.1)	–	**1,067.5**	**8,326.5**

B) On 7 February 2003, the Company's Board of Directors approved the cancellation of all the outstanding share options of the Company, which were granted to its Executive Directors and senior executives under the Non-Qualified Stock Option Plan and the Incentive Stock Option Plan (which expired on 16 June 1999 and was replaced by the existing share option scheme) and the existing share option scheme (which has been suspended by the Company, pending amendments to reconcile this plan's provisions with Chapter 17 of the Listing Rules), during the period between December 1996 and August 2000, at exercise prices ranging from HK$5.38 to HK$9.47. As a result, there are no outstanding options under the Company's share option scheme at the date of this results announcement.

C) On 21 March 2003, Asia Link B.V., a wholly-owned subsidiary company of the Company, exchanged its 35.0 per cent interest in Metrosel for 14.6 per cent interest in PT Mobile-8 Telecom (Mobile-8). Mobile-8, through its subsidiary companies, Metrosel and Komselindo, plans to build and operate a CDMA cellular telephone network and provide mobile telephone services in most of Indonesia.

12. Comparative figures

Due to the adoption of certain new and revised Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants during 2002, the presentation of certain items and balances in the Financial Statements have been revised to comply with the new requirements. Accordingly, certain comparative figures have been reclassified to conform with the current year's presentation.

* *The Company maintains its accounts and reports to its shareholders in United States dollars. The figures shown in Hong Kong dollars are for illustration only and are based on a fixed exchange rate of 7.8 Hong Kong dollars to one United States dollar.*

REVIEW OF OPERATIONS

Below is an analysis of results by individual company.

Contribution Summary

	Turnover		**Contribution to Group profit/(loss)[i]**	
	2002	2001	**2002**	2001
	US$m	US$m	**US$m**	US$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.

During the year, the Group's turnover remained broadly unchanged at US$1,892.3 million (2001: US$1,851.7 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 (2001: US$63.8 million), an increase of six per cent. Corporate overhead declined 27.4 per cent, to US$9.0 million, as cost cutting initiatives took effect, and net interest expense more than halved to US$6.3 million (2001: US$14.7 million) with the repayment of the Company's convertible bonds in March 2002. Recurring profit improved to US$51.1 million, from US$44.6 million in 2001, and the Group recorded lower foreign exchange losses on its unhedged borrowings, largely due to a stronger rupiah. Absent the asset impairment provisions of 2001, First Pacific returned to profit, recording an attributable profit for 2002 of US$40.1 million.

The Group's operating results are denominated in local currencies – principally the rupiah, peso and rupee – which are translated and consolidated to provide the Group's U.S. dollar denominated results. The performance of these currencies, against the U.S. dollar, is summarized below.

Exchange rates against the U.S. dollar **At/For the year ended 31 December**	**2002**	2001	One year change
Closing			
Rupiah	**8,950**	10,400	+16.2%
Peso	**53.18**	51.60	–3.0%
Rupee	**47.94**	48.25	+0.6%
Average			
Rupiah	**9,265**	10,294	+11.1%
Peso	**51.64**	51.04	–1.2%
Rupee	**48.58**	47.24	–2.8%

The Group recorded US$11.0 million of exchange losses on its unhedged U.S. dollar denominated loans. This largely reflects losses due to a weaker peso, partly offset by gains arising on a stronger rupiah.

Indofood

PT Indofood Sukses Makmur Tbk (Indofood) is the leading processed-foods group in Indonesia. Noodles, Flour and Edible Oils & Fats are the principal businesses of Indofood, and it also has interests in Distribution, Food Seasonings, Baby Foods and Snack Foods businesses.

Indofood's operations are denominated in rupiah, which averaged Rupiah 9,265 (2001: 10,294) to the U.S. dollar, and its financial results are prepared under Indonesian GAAP and reported in rupiah. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Accordingly, certain adjustments need to be made to Indofood's reported rupiah results to ensure compliance with Hong Kong GAAP. An analysis of these adjustments follows.

	2002 Rupiah mln	2001 Rupiah mln
Net income under Indonesian GAAP	**802,633**	746,330
Differing accounting treatments[(i)]		
– Foreign exchange accounting	**54,434**	54,434
– Others	**(3,415)**	(27,642)
Adjusted net income under Hong Kong GAAP	**853,652**	773,122
Foreign exchange[(ii)]	**(151,318)**	258,695
Indofood's net income as reported by First Pacific	**702,334**	1,031,817
	US$ mln	US$ mln
Translated into U.S. dollars at prevailing average rates of 2002: Rupiah 9,265 and 2001: Rupiah 10,294	**75.8**	100.2
Contribution to First Pacific Group profit, at an average shareholding of 2002: 49.8% and 2001: 48.0%[(iii)]	**37.7**	48.1

(i) Differences in accounting treatment under Indonesian GAAP, compared with Hong Kong GAAP. The principal adjustment is:

- *Foreign exchange accounting: The adjustment relates to the reversal of the amortization of foreign exchange losses that were previously capitalized by Indofood on certain fixed assets under construction.*

(ii) To illustrate the underlying operational results and profit contribution, exchange differences (net of related tax) are excluded and presented separately.

(iii) As a consequence of Indofood's share buy back program, First Pacific's shareholding in Indofood increased to 51.9 per cent by 31 December 2002. First Pacific's average shareholding during 2002 was 49.8 per cent.

An analysis of Indofood's contribution to the First Pacific Group, adjusted for Hong Kong GAAP and translated into U.S. dollars, follows.

	Turnover			**Profit**		
US$ millions	**2002**	2001	% change	**2002**	2001	% change
Noodles	**624.5**	509.3	+22.6	**111.1**	104.4	+6.4
Flour	**639.7**	515.8	+24.0	**38.2**	44.2	–13.6
Edible Oils & Fats	**616.6**	411.9	+49.7	**43.6**	37.4	+16.6
Others	**253.5**	235.4	+7.7	**11.5**	17.3	–33.5
Inter-segment elimination	**(357.0)**	(257.5)	–38.6	**–**	–	–
Total	**1,777.3**	1,414.9	+25.6			
Operating profit				**204.4**	203.3	+0.5
Share of profits less losses of associates				**(0.1)**	(0.6)	+83.3
Net borrowing costs				**(68.5)**	(45.3)	–51.2
Profit before taxation				**135.8**	157.4	–13.7
Taxation				**(47.4)**	(45.3)	–4.6
Profit after taxation				**88.4**	112.1	–21.1
Outside interests				**(50.7)**	(64.0)	+20.8
Contribution to Group profit				**37.7**	48.1	–21.6

Indofood recorded a contribution of US$37.7 million (2001: US$48.1 million) to the Group, down 22 per cent year on year. The decline was largely attributable to increased borrowing costs, due to higher levels of debt to finance working capital, and a stronger rupiah that led to exchange gains being reported in 2002. To illustrate the underlying operational results, exchange differences are excluded and presented separately.

A concerted and focused marketing drive, as well as the launch of new products (for example, the more than 50 regional flavors range), underpinned the strong growth in **Noodles**, sales of which reached 9.8 billion (2001: 9.0 billion) packs in 2002. The average selling price per pack was marginally higher at Rupiah 557 (U.S. 6.0 cents), and rupiah denominated sales increased by 10 per cent to Rupiah 5.8 trillion (US$624.5 million). Sales are principally to the domestic market, with two per cent (2001: two per cent) of volumes exported. Higher production costs had the effect of eroding Noodles' rupiah gross margin to 31 per cent (2001: 32 per cent), while increased operating expenses, including selling and promotion expenses, contributed to the rupiah operating margin declining to 17 per cent (2001: 19 per cent).

Flour recorded improved year on year revenues, up 12 per cent in rupiah terms to Rupiah 5.9 trillion (US$639.7 million). This was achieved through a mix of increased sales volumes (up nine per cent to 2.3 million tons) and a five per cent increase in the average selling price to Rupiah 2,373 (U.S. 25.6 cents) per kilogram. The increase in selling price was not sufficient to offset the effects of increased wheat and fuel prices such that Flour's rupiah gross margin declined to 14 per cent (2001: 15 per cent). Selling and promotion expenses, in support of the Flour division's sales drive, eroded the rupiah operating margin to seven per cent (2001: eight per cent).

Edible Oils & Fats recorded strong revenue growth, up 35 per cent to Rupiah 5.7 trillion (US$616.6 million). Cooking Oil & Fats, Trading and Plantation sales revenues were up 25 per cent, 41 per cent and 37 per cent, respectively, with increased sales volumes and higher average selling prices contributing to this growth. However, this was insufficient to fully offset the significant increase in the cost of crude palm oil and copra and, accordingly, the rupiah gross margins of Cooking Oil & Fats and Trading declined to six per cent (2001: 15 per cent) and four per cent (2001: five per cent), respectively. Plantation's rupiah margins improved to 57 per cent (2001: 52 per cent) gross, and 44 per cent (2001: 41 per cent) operating.

Others represents the collective results of Indofood's Distribution, Food Seasonings, Baby Foods, Snack Foods and Other business interests. The performance of Others was largely affected by a decline in Distribution's sales revenues, as well as increased competition in the Snack Foods market. Notwithstanding this, the remaining businesses recorded stronger sales revenues, through volume and price increases, such that the rupiah gross margin for Others remained unchanged at 29 per cent. However, this was insufficient to offset higher selling and promotion expenses, which resulted in a lower rupiah operating margin of four per cent (2001: seven per cent).

During 2002, Indofood raised a two-year US$100.0 million loan facility, repayable on an installment basis, and various short to medium term rupiah denominated borrowings totaling approximately Rupiah 2.0 trillion (US$223.5 million) for working capital and capital expenditure purposes. In addition, US$280.0 million of five-year Euro bonds were issued and used to replace existing debt. Approximately US$422.4 million of debt, comprising Rupiah 685.6 billion (US$76.6 million) debt and US$345.8 million, was repaid during 2002.

Indofood's share buy back program was completed on schedule on 30 November 2002, with 915.6 million shares having been repurchased at an average price of approximately Rupiah 807. Similarly, progress was also made with the employee stock ownership program (ESOP). This program covers 457.8 million shares, representing five per cent of Indofood's issued and paid-up share capital, and is being implemented in stages through to May 2004. The first stage, representing 50 per cent of the ESOP, was completed on schedule in May 2002. The second and third stages, each representing 25 per cent of the ESOP, are to be completed in May 2003 and May 2004, respectively.

Indofood plans to continue to focus on its operational strengths in **2003**, with a particular focus on accelerating organic growth. Capital expenditure and debt will continue to be managed to ensure that these remain at optimal levels.

Further information on Indofood can be found at www.indofood.co.id

PLDT

Philippine Long Distance Telephone Company (PLDT) is the largest and most diversified telecommunications company in the Philippines. Its businesses are organized into three main segments: Wireless (principally through wholly-owned subsidiary Smart Communications (Smart)), Fixed Line (principally through PLDT), and Information and Communications Technology (principally through wholly-owned subsidiary ePLDT).

PLDT's operations are principally denominated in pesos, which averaged Pesos 51.64 (2001: 51.04) to the U.S. dollar, and its financial results are prepared under Philippine GAAP and reported in pesos. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Accordingly, certain adjustments need to be made to PLDT's reported peso results to ensure compliance with Hong Kong GAAP. An analysis of these adjustments follows.

	2002 Pesos mln	2001 Pesos mln
Net income under Philippine GAAP[(i)]	**3,118**	3,418
Preference dividends[(ii)]	**(1,683)**	(1,670)
Net income attributable to common shareholders	**1,435**	1,748
Differing accounting treatments[(iii)]		
– Foreign exchange accounting	**(146)**	(164)
– Fair values on acquisition	**3,475**	3,670
– Reversal of provision for Piltel	**4,110**	600
– Others	**(1,377)**	220
Intragroup items[(iv)]	**275**	275
Adjusted net income under Hong Kong GAAP	**7,772**	6,349
Foreign exchange[(v)]	**2,546**	2,564
PLDT's net income as reported by First Pacific	**10,318**	8,913

	US$ mln	US$ mln
Translated into U.S. dollars at prevailing average rates of 2002: Pesos 51.64 and 2001: Pesos 51.04	**200.0**	174.6
Contribution to First Pacific Group profit, at an average shareholding of 2002: 24.4% and 2001: 24.5%	**48.8**	42.8

(i) PLDT has restated its net income for 2001 from Pesos 3,418 million to Pesos 2,828 million after changing the revenue recognition policy for prepaid cards from sale to usage. As First Pacific has already adjusted for this in prior years' GAAP adjustments, no further adjustment is required.

(ii) First Pacific presents net income after the deduction of preference dividends.

(iii) Differences in accounting treatment under Philippine GAAP, compared with Hong Kong GAAP. The principal adjustments include:

- *Foreign exchange accounting: Under Philippine GAAP, PLDT is permitted to capitalize and amortize exchange differences. Hong Kong GAAP requires the recognition of such differences, even though unrealized, in the profit and loss statement. The adjustment reverses the amortization of PLDT's capitalized foreign exchange differences, as the originating exchange difference has already been written off by First Pacific.*
- *Fair values on acquisition: First Pacific made certain fair value adjustments at the time of its acquisition of PLDT, such that certain PLDT assets are held at different values in First Pacific's accounts. Accordingly, the adjustment reverses the depreciation on assets that First Pacific has already written down.*
- *Reversal of provision for Piltel: PLDT made full provision against its investment, under the Letter of Support arrangement, in Piltel preference shares. As First Pacific has already made full provision for this, the adjustment reverses PLDT's provision.*

(iv) These are standard consolidation adjustments to ensure that transactions between Group companies are eliminated to present the Group as a single economic entity.

(v) To illustrate the underlying operational results and profit contribution, exchange differences (net of related tax) are excluded and presented separately.

An analysis of PLDT's contribution to the First Pacific Group, adjusted for Hong Kong GAAP and translated into U.S. dollars, follows.

	Turnover			**Profit**		
US$millions	**2002**	2001	% change	**2002**	2001	% change
Fixed Line	**881.5**	918.4	–4.0	**372.4**	395.7	–5.9
Wireless	**652.8**	513.9	+27.0	**181.4**	110.3	+64.5
ICT*	**18.2**	9.2	+97.8	**(10.4)**	(6.1)	–70.5
Total	**1,552.5**	1,441.5	+7.7			
Operating profit				**543.4**	499.9	+8.7
Share of profits less losses of associates				**(1.0)**	0.8	–
Net borrowing costs				**(262.1)**	(267.9)	+2.2
Profit before taxation				**280.3**	232.8	+20.4
Taxation				**(49.0)**	(47.5)	–3.2
Profit after taxation				**231.3**	185.3	+24.8
Outside interests				**0.4**	19.4	–97.9
Profit for the year				**231.7**	204.7	+13.2
Preference share dividends				**(31.7)**	(30.1)	–5.3
Profit attributable to ordinary shareholders				**200.0**	174.6	+14.5
Average shareholding (%)				**24.4**	24.5	–
Contribution to Group profit				**48.8**	42.8	+14.0

* *Information and Communications Technology*

PLDT recorded a contribution of US$48.8 million (2001: US$42.8 million) to the Group, up 14 per cent year on year.

PLDT's year on year growth was underpinned by its **Wireless** business, which now accounts for 42 per cent of PLDT's peso revenues. Smart and Piltel grew their joint subscriber base by 2.2 million subscribers in 2002 to end the year with 8.6 million subscribers, equating to 57 per cent market share. On a stand-alone basis, Smart closed the year as the market leader with 6.8 million (2001: 4.6 million) GSM subscribers, or 45 per cent of the market.

Revenues from Wireless voice services increased by 41 per cent to Pesos 17.4 billion (US$336.9 million) (2001: Pesos 12.3 billion; US$241.0 million), representing 53 per cent of Smart's cellular revenues. Revenues from Wireless data services likewise grew by 82 per cent to Pesos 12.2 billion (US$236.3 million) (2001: Pesos 6.7 billion; US$131.3 million), accounting for 37 per cent of cellular revenues. Short Messaging Service (SMS) remains the largest contributor to Wireless data service revenues, with 16.5 billion outbound messages handled over 2002, up one-third year on year. Outbound SMS activity exceeded thirty-one thousand messages every minute. In tandem with growing its subscriber base and subscriber revenues, Smart has focused on paring back subscriber acquisition costs while minimising product subsidies. Smart's net income for 2002 improved by 74 per cent to Pesos 6.1 billion (US$118.1 million) (2001: Pesos 3.5 billion; US$67.8 million), despite incurring a depreciation charge of Pesos 3.1 billion (US$60.0 million) on the closing of Smart's analog network. In December 2002, Smart paid its first cash dividend - Pesos 1.54 billion (US$29.8 million) – to PLDT.

Smart's dividend was utilised in the debt liability management program that has been central to the 2002 activities of PLDT's **Fixed Line** business. Phase One of this program, which raised US$644 million to term out debt obligations that mature between 2002 and 2004, was completed in September 2002 and, in tandem, a number of cost cutting initiatives freed up cash flow for debt-related activities. These included reducing capital expenditure by 28 per cent to Pesos 6.9 billion (US$133.6 million), cash operating expenses by four per cent to Pesos 15.7 billion (US$304.0 million), and significantly curtailing investments in subsidiaries and affiliates (2002: Pesos 2.2 billion (US$42.6 million); 2001: Pesos 4.4 billion (US$86.2 million)). Operationally, the stability of the Fixed Line's local exchange revenues and the expansion of data and other network services have offset pressure on the national and international long distance businesses. National long distance revenues have suffered through the increased substitution of wireless services, and International revenues are down due to lower direct dialling and settlement rates.

Revenue from the **Information and Communications Technology (ICT)** businesses continues to grow, with ePLDT's call centre businesses recording significant growth year on year such that these now account for almost one third of total ICT revenues.

In **2003**, PLDT will continue its debt liability management activities and, to this end, will seek to enhance operational cash inflows. It is anticipated that debt maturities in 2003 and 2004 will be funded through internal free cash flows and dividends from Smart. Wireless will grow through Smart's innovative data services products, with a view to maintaining subscribers and improving margins.

Further information on PLDT can be found at www.pldt.com.ph

METRO PACIFIC

Metro Pacific Corporation (Metro Pacific) is based and separately listed in Manila and principally holds interests in property developers Bonifacio Land Corporation (BLC), Pacific Plaza Towers and Landco Pacific Corporation (Landco). It also holds an interest in Negros Navigation Company (Nenaco), a shipping enterprise.

Metro Pacific's operations are denominated in pesos, which averaged Pesos 51.64 (2001: 51.04) to the U.S. dollar, and its financial results are prepared under Philippine GAAP and reported in pesos. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Accordingly, certain adjustments need to be made to Metro Pacific's reported peso results to ensure compliance with Hong Kong GAAP. An analysis of these adjustments follows.

	2002 Pesos mln	2001 Pesos mln
Net loss under Philippine GAAP	**(11,713)**	(23,211)
Differing accounting treatments[(i)]		
– Reversal of impairment provision	**8,706**	20,918
– Others	**1,802**	696
Adjusted net loss under Hong Kong GAAP	**(1,205)**	(1,597)
Foreign exchange[(ii)]	**8**	273
Metro Pacific's net loss as reported by First Pacific	**(1,197)**	(1,324)

	US$ mln	US$ mln
Translated into U.S. dollars at prevailing average rates of 2002: Pesos 51.64 and 2001: Pesos 51.04	(23.2)	(25.9)
Contribution to First Pacific Group profit, at an average shareholding of 2002: 80.6% and 2001: 80.6%	(18.7)	(20.9)

(i) Differences in accounting under Philippine GAAP, compared with Hong Kong GAAP. Principal adjustments include:
- *Reversal of impairment provision: Adjustment to reverse Metro Pacific's 2002 impairment provision of Pesos 8.7 billion (2001: Pesos 20.9 billion) in respect of its investment in BLC. First Pacific has, through its 2001 impairment provisions, already fully provided against this asset.*
- *Others: The 2002 adjustment includes the one-off release of a Pesos 0.8 billion Group level provision relating to Metro Pacific's loss on a property disposal.*

(ii) To illustrate the underlying operational results and profit contributions, exchange differences (net of related tax) are excluded and presented separately.

An analysis of Metro Pacific's contribution to the First Pacific Group, adjusted for Hong Kong GAAP and translated into U.S. dollars, follows.

	Turnover			Profit		
US$millions	**2002**	2001	% change	**2002**	2001	% change
Property						
BLC	**51.6**	25.5	+102.4	**2.9**	(4.6)	–
Pacific Plaza Towers	**4.4**	50.8	–91.3	**(0.6)**	5.1	–
Landco	**12.6**	10.9	+15.6	**2.1**	3.0	–30.0
Subtotal	**68.6**	87.2	–21.3	**4.4**	3.5	+25.7
Nenaco	**46.0**	47.2	–2.5	**7.3**	4.9	+49.0
Corporate overhead	**–**	–	–	**(1.1)**	(4.6)	+76.1
Total	**114.6**	134.4	–14.7			
Operating profit				**10.6**	3.8	+178.9
Share of profits less losses of associates				**(0.9)**	(0.6)	–50.0
Net borrowing costs				**(35.2)**	(42.5)	+17.2
Loss before taxation				**(25.5)**	(39.3)	+35.1
Taxation				**2.1**	4.6	–54.3
Loss after taxation				**(23.4)**	(34.7)	+32.6
Outside interests				**4.7**	13.8	–65.9
Group share of loss				**(18.7)**	(20.9)	+10.5

Metro Pacific contributed a loss of US$18.7 million in 2002, an improvement on 2001's loss of US$20.9 million.

BLC's operating results improved, reflecting the sale of the five-hectare 'Compound' land, as well as an improved performance by Fort Bonifacio Development Corporation. However, this was offset by weaker operational results, due to the depressed property market, and increased operating expenses. **Pacific Plaza Towers** sold four units in 2002, compared with 73 units in 2001, which included a bulk sale transaction. As at end 2002, 297 of the development's 393 units had been sold. **Landco's** turnover improved as sizeable, high margin real estate projects were sold-out. However increased operating costs eroded operating profits. **Nenaco** achieved a turnaround from years of net losses, made possible by management initiatives to diversify revenue streams, cut costs, and improve operational efficiencies. Progress was made with the disposal of First e-Bank, and it is anticipated that Banco de Oro's purchase of First e-Bank's banking business, as well as certain assets and liabilities, will be completed during the second quarter of 2003.

Throughout 2002, Metro Pacific effected an aggressive and comprehensive debt reduction and restructuring program. By year-end 2002, Metro Pacific had concluded agreements, and reached agreements in principle, for the repayment, reduction or restructuring of approximately Pesos 8.7 billion (US$163.6 million) of Metro Pacific debt.

In November 2002, in a significant advancement of Metro Pacific's debt reduction initiatives, Metro Pacific entered into an agreement with Greenfield Development Corporation and Ayala Land Inc. (collectively the GA Group), whereby the GA Group would repay the Larouge Loan (in the principal amount of US$90.0 million) in exchange for a 50.4 per cent interest in BLC owned by Metro Pacific. Metro Pacific would also receive property and other assets, valued at approximately Pesos 3.8 billion (US$71.5 million), as repayment for prior advances to BLC. The transaction was formally completed on 17 April 2003 and, as a consequence of this transaction, Metro Pacific's interest in BLC declined to 22.5 per cent from 72.9 per cent. Metro Pacific intends to apply the property and other assets to Metro Pacific's debt reduction and restructuring efforts.

In **2003**, Metro Pacific will focus on further reducing or restructuring its debt, while seeking improved profitability at subsidiaries Landco and Nenaco.

Further information on Metro Pacific can be found at www.metropacific.com

ESCOTEL

Escotel Mobile Communications Limited (Escotel) is a GSM cellular telephone services provider based in New Delhi that commenced operations in 1996. Escotel operates in three circles: Uttar Pradesh (West), Haryana and Kerala.

Escotel's operations are denominated and reported in rupees, which averaged Rupees 48.58 (2001: 47.24) to the U.S. dollar. An analysis of Escotel's contribution to the First Pacific Group is detailed below.

	Turnover			**Profit**		
US$millions	**2002**	2001	% change	**2002**	2001	% change
Cellular	**70.6**	53.5	+32.0			
Operating profit				**23.5**	16.1	+46.0
Net borrowing costs				**(23.3)**	(28.7)	+18.8
Profit/(loss) for the year				**0.2**	(12.6)	–
Average shareholding (%)				**49.0**	49.0	–
Group share of profit/ (loss)				**0.1**	(6.2)	–

Escotel returned its first profit in 2002, contributing US$0.1 million (2001: US$6.2 million loss) to the Group. In rupee terms, cellular revenues reached Rupees 3.4 billion (US$70.6 million) (2001: Rupees 2.5 billion; US$53.5 million) reflecting robust growth in Escotel's subscribers to 568,510 (2001: 441,504), partially offset by reduced ARPUs. Blended ARPUs declined to Rupees 452 (US$9.3) (2001: Rupees 532; US$11.3) as subscriber growth was largely within the prepaid sector.

Regulatory changes, within the Indian telecoms industry, have had the effect of significantly increasing competition. Despite this, Escotel continues to retain market leadership in its three circles, garnering 71 per cent of Uttar Pradesh (West), 49 per cent of Haryana and 46 per cent of Kerela. In addition, a recent independent survey of Indian mobile users conferred a number of accolades on Escotel, including being ranked No. 1 Circle Operator (out-performing BPL, Idea, Bharti and Hutchison) and No. 2 Operator in India (second to RPG).

In **2003**, Escotel will, through network enhancements and targeted subscriber growth, continue to fend off competition and to retain its market leadership positions.

Further information on Escotel can be found at www.escotelmobile.com

FINANCIAL REVIEW

Liquidity And Financial Resources

CONSOLIDATED NET DEBT AND GEARING BY OPERATING COMPANY

	Net debt(i) 2002 US$m	**Net assets/ (liabilities) 2002 US$m**	**Gearing(ii) 2002 times**	Net debt(i) 2001 US$m	Net assets/ (liabilities) 2001 US$m	Gearing(ii) 2001 times
Head Office	**152.1**	**726.5**	**0.15x**	83.3	693.5	0.09x
Indofood	**676.9**	**463.8**	**1.46x**	442.5	318.6	1.39x
Metro Pacific	**233.7**	**139.0**	**1.68x**	264.6	188.7	1.40x
Disposed business(iii)	**–**	**–**	**–**	0.1	(14.0)	–
Consolidated before goodwill reserve	**1,062.7**	**1,329.3**	**0.80x**	790.5	1,186.8	0.67x
Goodwill reserve	**–**	**(976.4)**	**–**	–	(985.8)	–
Consolidated after goodwill reserve	**1,062.7**	**352.9**	**3.01x**	790.5	201.0	3.93x
ASSOCIATED COMPANIES						
PLDT	**2,964.7**	**1,678.4**	**1.77x**	3,321.1	1,733.5	1.92x
Escotel	**183.8**	**(36.3)**	**–**	182.4	(22.7)	–

(i) Includes pledged deposits and excludes inter-company debt.
(ii) Calculated as net debt divided by net assets.
(iii) Represents Infrontier.

- Head Office's gearing increased as a result of repaying the convertible bonds, including US$82.5 million of redemption premium that was previously classified within accruals.
- Indofood's gearing increased mainly because of increased borrowings for working capital and capital expenditure requirements.
- Metro Pacific's gearing increased mainly because of losses for the year, which resulted in a decline in net assets.
- PLDT's gearing declined as profits increased net assets, and free cash flows reduced net debts.

The maturity profile of consolidated debt follows. The lengthening of the debt maturity profile principally reflects a lengthening of the profile of Indofood's debt. In particular, Indofood's short-term debts were replaced through a US$100 million two-year term loan and US$280 million of five-year Euro-bonds.

MATURITY PROFILE OF CONSOLIDATED DEBT

	2002 US$m	2001 US$m
Within one year	**531.7**	750.2
One to two years	**106.7**	86.0
Two to five years	**586.2**	285.1
Over five years	**64.3**	20.3
Total	**1,288.9**	1,141.6

The maturity profile of the borrowings of the Group's associated companies follows. The lengthening of the debt maturity profile of PLDT primarily reflects the results of its liability management program.

MATURITY PROFILE OF ASSOCIATED COMPANIES' DEBT

	PLDT		**Escotel**	
	2002 US$m	2001 US$m	**2002 US$m**	2001 US$m
Within one year	**374.9**	548.7	**30.6**	8.5
One to two years	**470.7**	687.0	**54.6**	28.3
Two to five years	**1,416.6**	1,292.9	**100.1**	149.0
Over five years	**907.0**	869.5	**–**	–
Total	**3,169.2**	3,398.1	**185.3**	185.8

CHARGES ON GROUP ASSETS

At 31 December 2002, certain bank loans were secured on the Group's property and equipment, accounts receivables and inventories equating to a net book value of US$95.0 million (2001: US$163.7 million). The Head Office's US$187.4 million bank loan, repayable on 31 December 2003, is secured on the Group's interests in Indofood, PLDT and Metro Pacific of 51.9 per cent, 15.8 per cent and 80.6 per cent, respectively.

Financial Risk Management

FOREIGN CURRENCY RISK

A) Company risk

As the US$187.4 million Head Office bank loan was denominated in HK dollars (which is pegged to the U.S. dollar at a fixed exchange rate) at 31 December 2002, foreign currency risk relates mainly to the receipt of cash dividends and to the translation of non-U.S. dollar denominated investments in subsidiary and associated companies.

The Company actively reviews the potential benefits of hedging based on forecast dividend flows. However, the Company does not actively seek to hedge risks arising on the translation of foreign currency denominated investments, due to the non-cash nature of such investments and the high costs associated with such hedging. Accordingly, First Pacific is exposed to the impact of foreign currency fluctuations on the translated U.S. dollar value of its foreign currency denominated investments.

With the exception of Escotel and the Head Office, the principal components of the Company's adjusted net asset value (NAV) relate to investments denominated in rupiah or peso. Accordingly, any depreciation of these currencies, against their respective 31 December 2002 exchange rates, would have a negative impact on the Company's NAV in U.S. dollar terms.

The following table illustrates the estimated impact on the Company's adjusted NAV for a one per cent depreciation of the rupiah and peso against the U.S. dollar.

Company	Effect on adjusted NAV(i) US$m	Effect on adjusted NAV per share HK cents
Indofood	(2.95)	(0.72)
PLDT	(2.09)	(0.51)
Metro Pacific	(0.45)	(0.11)
Total(ii)	(5.49)	(1.34)

(i) Adjusted NAV is based on quoted share prices applied to the Company's economic interest.
(ii) The NAV of the Group's investment in Escotel is based on its historic U.S. dollar cost and, accordingly, any depreciation of the rupee would not affect the Company's adjusted NAV.

B) Group risk

The Group's operating results are denominated in local currencies – principally the rupiah, peso and rupee – which are translated and consolidated to give the Group's results in U.S. dollars.

CONSOLIDATED NET DEBT BY CURRENCY

First Pacific's policy is for each operating entity to borrow in local currency where possible. However, it is often necessary for companies to borrow in U.S. dollars, which results in the risk of a translation impact on local currency results. A summary of consolidated net debt by currency follows.

	US$ US$m	Peso US$m	Rupiah US$m	HK$ US$m	Yen US$m	Rupee US$m	**Total US$m**
Total borrowings	462.7	251.1	387.7	187.4	–	–	**1,288.9**
Cash and bank balances(i)	(56.5)	(13.6)	(151.5)	(4.6)	–	–	**(226.2)**
Net debt	**406.2**	**237.5**	**236.2**	**182.8**	**–**	**–**	**1,062.7**
Representing:							
Head Office	(30.5)	(0.2)	–	182.8	–	–	**152.1**
Indofood	440.7	–	236.2	–	–	–	**676.9**
Metro Pacific(ii)	(4.0)	237.7	–	–	–	–	**233.7**
Net debt	**406.2**	**237.5**	**236.2**	**182.8**	**–**	**–**	**1,062.7**
ASSOCIATED COMPANIES							
PLDT	2,867.1	(117.3)	–	–	214.9	–	**2,964.7**
Escotel	74.0	–	–	–	–	109.8	**183.8**

(i) Includes pledged deposits.
(ii) Excludes Head Office inter-company loan of US$90.0 million.

As a result of unhedged U.S. dollar net debt, the Group's results are sensitive to fluctuations in U.S. dollar exchange rates. The following table illustrates the estimated impact on the Group's reported profitability for a one per cent depreciation in the principal operating currencies of subsidiary and associated companies. This does not reflect the indirect impact of fluctuating exchange rates on input costs at the operating company level.

	Total US$ exposure US$m	Hedged amount(i) US$m	Unhedged amount(i) US$m	Profit impact of 1% currency depreciation US$m	**Group profit impact(ii) US$m**
PLDT	2,867.1	(638.7)	2,228.4	(22.3)	**(3.7)**
Metro Pacific(iii)	86.0	–	86.0	(0.9)	**(0.5)**
Total Philippines	**2,953.1**	**(638.7)**	**2,314.4**	**(23.2)**	**(4.2)**
Indofood (Indonesia)	440.7	(310.0)	130.7	(1.3)	**(0.5)**
Escotel (India)	74.0	(42.0)	32.0	(0.3)	**(0.1)**
Head Office(iv)	(30.5)	–	(30.5)	–	**–**
Total	**3,437.3**	**(990.7)**	**2,446.6**	**(24.8)**	**(4.8)**

(i) Excludes the impact of "natural hedges".
(ii) Net of tax effect.
(iii) Includes Head Office inter-company loan of US$90.0 million.
(iv) As the Group reports its results in U.S. dollars, unhedged HK dollar debt at the Head Office does not give rise to any significant exchange exposure.

INTEREST RATE RISK

The Company and its operating entities are exposed to changes in interest rates to the extent that they impact the cost of variable interest rate borrowings. An analysis of this follows, together with details for associated companies.

CONSOLIDATED

	Fixed interest rate borrowings US$m	Variable interest rate borrowings US$m	Cash and bank balances[i] US$m	**Net debt US$m**
Head Office	–	187.4	(35.3)	**152.1**
Indofood	418.9	431.6	(173.6)	**676.9**
Metro Pacific[ii]	103.9	147.1	(17.3)	**233.7**
Consolidated	**522.8**	**766.1**	**(226.2)**	**1,062.7**
ASSOCIATED COMPANIES				
PLDT	2,106.1	1,063.1	(204.5)	**2,964.7**
Escotel	139.3	46.0	(1.5)	**183.8**

(i) Includes pledged deposits.
(ii) Excludes Head Office inter-company loan of US$90.0 million.

The following table illustrates the estimated impact on the Group's reported profitability for a one per cent increase in average annual interest rates.

	Variable interest rate borrowings US$m	Profit impact of 1% increase in interest rates US$m	**Group profit impact[i] US$m**
Head Office	187.4	(1.9)	**(1.9)**
Indofood	431.6	(4.3)	**(1.6)**
Metro Pacific	147.1	(1.5)	**(0.8)**
PLDT	1,063.1	(10.6)	**(1.8)**
Escotel	46.0	(0.5)	**(0.1)**
Total	1,875.2	(18.8)	**(6.2)**

(i) Net of tax effect.

Adjusted NAV Per Share

The underlying worth of the Group, assessed by computing the adjusted NAV of each business as determined by its quoted share price (or in cases where a company is not listed, its book carrying cost), follows.

	Basis	**Adjusted NAV 31 December 2002 US$m**	2001 US$m
Indofood	*(i)*	**294.7**	264.2
PLDT	*(i)*	**209.3**	333.6
Metro Pacific	*(i)*	**45.1**	87.2
Escotel	*(ii)*	**63.0**	63.0
HEAD OFFICE			
– Net debt		**(152.1)**	(83.3)
– Redemption premium on bonds		**–**	(84.6)
– Receivable	*(iii)*	**90.0**	90.0
Total valuation	*(iv)*	**550.0**	670.1
Number of ordinary shares in issue (millions)		**3,186.0**	3,139.8
Value per share			
– U.S. dollar		**0.17**	0.21
– HK dollars		**1.35**	1.66
Company's closing share price (HK$)		**0.70**	0.96
Share price discount to HK$ value per share (%)		**48.1**	42.2

(i) *Adjusted NAV is based on quoted share prices applied to the Company's economic interest.*
(ii) *Adjusted NAV is based on investment cost.*
(iii) *Represents the inter-company loan to Metro Pacific.*
(iv) *No value has been attributed to the Group's investments in Infrontier and Metrosel.*

REVIEW OF 2002 GOALS

First Pacific

- Enhance recurrent cash flows at Head Office
  Achieved. Cost saving measures have been implemented; dividend inflow has improved.

- Refinance or repay existing two-year loan with longer-term funding
  Not achieved. The Gokongwei transaction was not concluded. However, debt to reduce to approximately US$100.0 million following the repayment of the Larouge Loan principal.

- Conclude value enhancing strategy for the Group's investments in Escotel and Metrosel
  Partially achieved. Weaker telecom sector sentiment, regional tensions and an unpredictable business environment have hampered definitive progress with regards to Escotel. The Company has exchanged its 35.0 per cent interest in Metrosel for a 14.6 per cent interest in PT Mobile-8 Telecom, which is to operate a CDMA network in most of Indonesia.

Indofood

- Pursue core business strategy to focus on value enhancement
  Achieved. Marketing focus on the promotion of higher margin products; sales volumes and revenues improved.

- Improve share price performance
  Not achieved. Declined by four per cent to close 2002 at Rupiah 600.

- Maintain dividend payout ratio of 30 per cent
  Achieved. 30 per cent payout in respect of 2001 earnings.

- Complete share buy back program
  Achieved. By 30 November 2002, Indofood had completed the buy back of 915.6 million shares, representing 10 per cent of its issued and paid-up capital.

- Implement employee stock ownership plan
  Achieved. 228.9 million shares were issued in May 2002, completing the first phase.

PLDT

- Pursue and complete liability management program
  Achieved. Refinanced US$644 million of 2002 to 2004 maturing debts, and reduced debt by US$127 million from internal free cash flows and dividends from Smart of Pesos 1.54 billion (US$29.8 million).

- Improve share price performance
  Not achieved. Declined by 35 per cent to close 2002 at Pesos 270.

- Smart to manage Cellular ARPUs through value added services
  Achieved. Stable ARPUs recorded, coupled with a 40 per cent growth in prepaid subscribers.

- Develop data and network related operations to become longer-term drivers of value
  Achieved. Data and network peso revenues are up 15 per cent, now contributing 12 per cent of Fixed Line's total revenues .

- Build and strengthen the operations and financial position of ePLDT
  Partially achieved. Peso revenues increased by 101 per cent, but the start-up nature of ePLDT's operations resulted in an increased operating loss of Pesos 483 million (US$9.4 million).

Metro Pacific

- Conclude debt reduction program
  In progress. Through an aggressive and comprehensive debt reduction and restructuring program, Metro Pacific addressed US$163.6 million of debt by year end 2002. On 17 April 2003, US$90 million repaid to Larouge.

- Conclude the merger of First e-Bank
  In progress. Local commercial bank, Banco de Oro, agreed to assume First e-Bank's banking business, as well as certain assets and liabilities. This transaction was approved by First e-Bank shareholders in December 2002, and is anticipated to close during the second quarter of 2003.

Escotel

- Retain market leadership in view of anticipated competition
  Achieved. Continues to hold market-leading positions in all three circles.

- Maximize network availability and utilization
  In progress. Escotel's efforts to enhance its network were compromised by the decision of Escotel's existing equipment supplier, Lucent, to exit the GSM equipment supply business. Escotel is currently in the process of securing a new vendor.

- Grow revenues and EBITDA to achieve full break-even
  Achieved. Escotel has enhanced EBITDA and reported its first profit contribution.

GOALS FOR 2003

FIRST PACIFIC

- Enhance recurrent cash flows at Head Office

- Refinance or repay debt, which matures in December 2003, with longer-term funding

Indofood

- Strengthen cash flows

- Build and develop brands

- Complete the second phase (114.5 million shares) of the employee stock ownership program

- Improve share price performance

- Maintain dividend payout of 30 per cent

PLDT

- Improve share price performance

- Generate sufficient free cash flow at the PLDT level and increase dividend payout from Smart to enable PLDT to further reduce debts

- Smart to increase overall level of revenues, EBITDA and profits

Metro Pacific

- Conclude debt reduction program

- Conclude the Banco de Oro's purchase of First e-Bank's banking business, and certain assets and liabilities

- Improve profitability at Landco and Nenaco

Escotel

- Maximize network availability and utilization upon the appointment of new equipment supplier

- Grow subscriber base and retain market leadership in all three circles

- Continue to grow EBITDA

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 25 September 2002, the Company issued 46,220,238 shares at HK$8.4 per share upon the conversion of a US$50 million Convertible Note, at a fixed exchange rate of HK$7.765: US$1.

Except as described above, neither the Company, nor any of its subsidiary companies, has made any purchase, sale or redemption of any of the Company's listed securities during the year.

In January 2002, the Group repurchased and canceled US$117.3 million of the two per cent 2002 convertible bonds for a total consideration of US$157.5 million. The remaining convertible bonds totaling US$130.5 million were redeemed at a total consideration of US$176.3 million on 27 March 2002.

During the year, Indofood repurchased approximately 790.2 million common shares from the market at an average price of approximately Rupiah 840 per share.

On 15 May 2002, under its employee stock ownership program, Indofood granted 457,800 options to qualified employees to purchase 228.9 million common shares at an exercise price of Rupiah 825 per share. The options were fully exercised by the employees on 15 May 2002 and Indofood issued 228.9 million new common shares.

Except as described or referred to above, there has been no issue, redemption or conversion of any convertible securities or options in issue by the Company's subsidiary companies during the year.

COMPLIANCE WITH CODE OF BEST PRACTICE

The Company has complied throughout the year with the Company's Code of Best Practice, which incorporates the items set out in Appendix 14 of the Rules Governing the Listing of Securities (the Listing Rules) issued by The Stock Exchange of Hong Kong Limited (the Stock Exchange).

In compliance with the additional requirement of the Stock Exchange to its Code of Best Practice, the Company in 1998 established an Audit Committee, which is currently composed of two Independent Non-executive Directors. Reporting to the Board of Directors, the Audit Committee reviews matters within the purview of audit, such as Financial Statements and internal control, to protect the interests of the Company's shareholders. The Audit Committee meets regularly with the Company's external auditors to discuss the audit process and accounting issues.

DETAILED RESULTS ANNOUNCEMENT

A detailed results announcement containing all the information required by the Listing Rules paragraphs 45(1) to 45(3) of Appendix 16 will be published on the Stock Exchange's website in due course.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for 2002 (2001: Nil).

ANNUAL REPORT

The 2002 Annual Report will be sent to shareholders on or before 30 April 2003.

On behalf of the Board of Directors
Manuel V. Pangilinan
Executive Chairman

17 April 2003