NEWS RELEASE

FIRST PACIFIC
FIRST PACIFIC COMPANY LIMITED
(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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FIRST PACIFIC REPORTS 2005 NET PROFIT US$103 MILLION; FINAL DIVIDEND HK 2 CENTS PER SHARE RECOMMENDED

- Profit contribution from continuing businesses increased by 9.4% to US$154.3 million (HK$1,203.5 million)
- Adjusted net asset value per share increased by 35% to US54 cents (HK$4.21)
- Core profit improved by 0.3 % to US$117.2 million (HK$914.2 million)
- Reported profit declined by 16.9% to US$103.0 million (HK$803.4 million) due to non-recurring charges
- Total equity increased by 19.6% to US$706.7 million (HK$5,512.3 million)
- Final dividend of US0.26 cent (HK2.00 cents) per share recommended
- Consolidated gearing ratio improved to 1.12 times from 1.45 times

Hong Kong, 31st March 2006 – First Pacific Company Limited ("First Pacific" or "the Company") (HKSE: 00142) today announced that its full year 2005 profit contribution from continuing businesses increased by 9.4 per cent to US$154.3 million (HK$1,203.5 million). Adjusted net asset value per share as at 31st December 2005 rose by 35 per cent to US54 cents (HK$4.21) compared with year end 2004, principally reflecting the 35 per cent increase in PLDT's share price during the year. Subsequent to year-end 2005, PLDT's share price has risen by a further 5 per cent to-date. Total equity increased by 19.6 per cent to US$706.7 million (HK$5,512.3 million), reflecting mainly the net profit contribution for the year. First Pacific's Board of Directors has recommended a final dividend of HK 2.00 cents per share, bringing total dividend for 2005 to HK 3.00 cents per share.

Core profit, which excludes the effects of revaluation of financial instruments, foreign exchange differences, and non-recurring items, increased slightly by 0.3 per cent to US$117.2 million (HK$914.2 million), from US$116.8 million (HK$911.0 million) for 2004. The increase resulted from the continued strong performance of PLDT, partially offset by the lower performance of Indofood. Reported profit declined by 16.9 per cent to US$103.0 million (HK$803.4 million) reflecting a US$25.4 million (HK$198.1 million) non-cash loss on revaluation of an option embedded within the US$199 million Exchangeable Notes issued in January 2005 (the Exchangeable Notes) and higher interest expenses. Basic earnings per share decreased by 17.0 per cent to US3.23 cents (HK25.19 cents) from US3.89 cents (HK30.34 cents) for 2004.

Turnover was US$1,986.1 million (HK$15,491.6 million), down by 3.3 per cent compared with US$2,054.6 million (HK$16,025.9 million) recorded in 2004, resulting from the Indonesian rupiah's depreciation during the year despite a 4.7 per cent growth in rupiah turnover recorded by Indofood. The consolidated gearing ratio improved to 1.12 times as at 31st December 2005 (31st December 2004: 1.45 times), reflecting lower consolidated debt level and increased total equity. At 31st December 2005, the Head Office level gearing ratio marginally increased to 0.11 times (31st December 2004: 0.10 times) resulting from the issue of the Exchangeable Notes, additional purchase of PLDT shares during the year, and the investment in Level Up. At the Head Office, net interest expense increased by 61.1 per cent to US$20.3 million (HK$158.3 million) principally reflecting the accretion of interest expenses on the Exchangeable Notes.

Manuel V. Pangilinan, First Pacific's Managing Director and Chief Executive Officer, commented: "I am delighted to report that our operations have made progress in enhancing their profitability, particularly PLDT. Its share price had increased by over 89 per cent over the last two years and this has stimulated First Pacific's share price to increase by 78 per cent for the same period. PLDT reported its best ever results in 2005 and is now the most profitable corporation in the Philippines. The key to PLDT's outstanding performance is its unremitting commitment to innovation – offering new, value-added services and products to its customers.

"First Pacific was able to maintain the same level of core profit despite the challenging operating environment. Reported net profit was reduced in 2005 due to non-cash losses attributable to the revaluation of an embedded option liability in the Exchangeable Notes. However, such revaluation loss has been more than offset economically by the increase in value of the PLDT shares underlying the Exchangeable Notes. The foundation and prospects of our operating companies is strong, and will become stronger because of new developments arising in the course of 2006. PLDT is expected to continue to deliver growth in profitability and cash flows and progress in its deleveraging program. Indofood is implementing its operational efficiency enhancement initiatives. Metro Pacific has recently announced its reorganization and recapitalization plan which on implementation will enable it to rebuild its future and capitalize on the property development and infrastructure opportunities in the Philippines. We will continue to build on their strong base, develop their potential, and add value by leveraging group-wide expertise and experience.

"When announcing the 2005 interim results, we indicated our intention to increase the dividend payout. I am very pleased that strong dividend streams from PLDT have enabled us to recommend a final dividend of HK 2.00 cents per share, bringing the total dividend for 2005 to HK 3.00 cents per share, a payout ratio of approximately 10 per cent of our core profit. The dividend payments are in line with the indication we made to our shareholders in the early part of the year, and our ultimate goal remains to return value to our shareholders."

Review of Operations

Philippine Long Distance Telephone Company (PLDT) reported another historic high net profit in 2005. It contributed a core profitability of US$132.2 million to First Pacific in 2005, an increase of 12.9 per cent over the US$117.1 million performance in 2004. In peso terms, PLDT's consolidated core net income before foreign exchange and derivative gains increased by 8.9 per cent to Pesos 31.3 billion (US$568.3 million). PLDT's highly profitable wireless business and its stable fixed line operation enabled it to improve its free cash flows by 37.3 per cent in peso terms, to Pesos 51.2 billion (US$931.8 million) in 2005. This has allowed PLDT to raise its total dividend for 2005 to Pesos 70 (US$1.27) per share (representing a payout ratio of 40 per cent of 2005 core earnings), and reduce consolidated debts by US$713 million, significantly ahead of the original target of US$500 million. The PLDT Group's consolidated debt balance has been reduced to a nominal value of US$2.1 billion compared with almost US$3.8 billion as at the end of 2002. Net debt on a consolidated basis stood at approximately US$1.6 billion as at year-end. At the end of 2005, its debt to EBITDA and debt to free cash flow ratios improved to 1.4 times and 2.2 times respectively.

The PLDT Group's wireless segment was the key driver for 2005's strong performance. Its network now covers over 99 per cent of the total population. Total cellular subscriber base as at the end of the year grew by 1.2 million (net of churn), to 20.4 million, representing a market share of 59 per cent. The entry of DoCoMo as a strategic partner and the launch of 3G services in the Philippines early this year further enriched PLDT's service portfolio and further strengthened its position as market leader.

The PLDT Group continues to upgrade its network which will enable it to offer a growing range of innovative value-added and broadband services with network infrastructure now capable of cheaper and faster transmission of voice, video and data. This will be part of the blueprint for its growth in the future. PLDT plans to increase its dividend payout to at least 50 per cent of its 2006 core earnings and reduce debts further by US$300 million.

PT Indofood Sukses Makmur Tbk's (Indofood) performance in 2005 was adversely affected by the unfavorable macroeconomic climate, weak currency, increased fuel costs and more intense competition in the food sector in Indonesia. As a result, Indofood's contribution to First Pacific's core profitability reduced by 11.4 per cent to US$29.6 million. Consolidated revenue in U.S. dollar terms reduced slightly to US$1,923.4 million, although revenue in Rupiah terms increased by 4.7 per cent to Rupiah 18.8 trillion. Gross margin decreased to 23.6 per cent reflecting higher raw materials costs resulting from a 5.5 per cent depreciation of the rupiah and lower profit margins for products of the Noodles and Plantation divisions. Indofood's net income declined to Rupiah 124.0 billion (US$12.7 million) from the restated Rupiah 386.9 billion (US$43.1 million) in 2004 due principally to one-off charges (before tax) of Rupiah 287.4 billion (US$ 29.5 million) due to the unwinding of the Principal Only Swap contracts of US$250 million and certain headcount rationalization program of Rupiah 203.7 billion (US$20.9 million). Net interest costs decreased to Rupiah 811.9 billion (US$83.2 million) as a result of the early redemption of its Eurobonds. During 2005, Indofood reduced debts by Rupiah 1.1 trillion (US$111.9 million). Total outstanding debt balance stood at Rupiah 6.8 trillion (US$691.8 million) as at 31st December 2005.

On 2nd March 2006, Indofood obtained a favorable ruling from the UK court to provide it a basis to redeem its Eurobonds at par, whose outstanding balance stands currently at US$143.7 million. Indofood will use internal funds and incremental debt to finance the redemption.

Indofood will continue to streamline its supply and value chains, leveraging its existing strong brands and distribution network to strengthen its leading market position, and re-engineer company business strategies and processes.

Metro Pacific Corporation (Metro Pacific) contributed a loss of US$6.0 million in 2005, a significant improvement from its 2004 loss contribution of US$9.4 million. This reflects principally the significant reduction in operating losses of its shipping subsidiary Negros Navigation Company and the improved performance of its real estate operation, Landco Pacific Corporation (Landco). Metro Pacific recorded a net income of Pesos 194 million (US$3.5 million) from a net loss of Pesos 242 million (US$4.3 million) for 2004 reflecting stable business operations and agreed one-time adjustments made to amounts owed to certain creditors. Revenues in peso terms declined by 4.7 per cent to Pesos 3.5 billion (US$62.7 million). Operating expenses reduced by 25.8 per cent to Pesos 632.4 million (US$11.5 million) as a result of strict cost management and financing charges declined by 71.1 per cent to Pesos 130.7 million (US$2.4 million) from Pesos 452.0 million (US$8.1 million) reflecting much reduced debts from debt settlement agreements with various creditors.

On 27th March 2006, Metro Pacific announced a reorganization and recapitalization plan to strengthen its capital base and reposition the company for new growth. The plan involves a reduction in capital by way of a reverse stock split of Metro Pacific shares to eliminate the deficit in Retained Earnings, a share swap of Metro Pacific shares for shares in a new corporate holding company, Metro Pacific Investments Corporation (MPIC), the listing of MPIC on the Philippine Stock Exchange and the simultaneous withdrawal of the Metro Pacific listing, and a Rights Issue expected to raise Pesos 2.7 billion (US$50.9 million) in new capital. Upon completion, First Pacific and Ashmore Global Special Situations Funds 2 Limited and/or other funds managed by Ashmore Investment Management Limited would be MPIC's principal shareholders. MPIC will directly own a majority of Landco and Metro

Pacific. Landco will be able to accelerate the diversification of its market reach and expansion in the property in the Philippines. It will also actively seek investment opportunities, particularly in the infrastructure sector.

Level Up! International Holdings Pte. Ltd. (Level Up) contributed a loss of US$1.5 million to First Pacific, arising principally from the start up costs in its Brazilian and Indian operations. Its Philippines operation has achieved a market share of approximately 80 per cent of paying subscribers. In February 2006, ePLDT acquired 60 per cent interest in Level Up's operation in the Philippines and plans to merge it with its online games operation netGames by the first quarter of 2007. Level Up's game portfolio includes Ragnarok, Rose Online and RF Online. New games to be introduced in 2006 include Free Style Online, Gunz and Grand Chase.

Level Up is developing into a multi-game publisher with a diversified portfolio of games and multiple revenue sources. The company will focus on building upon its leadership position in the Philippine, Brazilian and Indian markets in order to leverage its multi-country economies of scale. In addition, Level Up continues to strengthen its relationships with leading game developers and publishers to ensure continuing access to good content.

Outlook for 2006

Pangilinan concluded: "Early this year, we have introduced DoCoMo and Ashmore as strategic partners to PLDT and Metro Pacific respectively. This strengthens the foundation for growth and financial prospects for both PLDT and Metro Pacific. At Indofood, the ongoing operational efficiency enhancement and reorganization processes have improved its capabilities in the consumer food industry in Indonesia. Indofood needs to adjust constantly to the changing operating and market environments in order to improve its competitive position.

"The incoming year 2006 marks the 25th anniversary of First Pacific. It has been an incredible journey for us. We believe that openness, willingness to face challenges, and proactive innovation are essential elements for business effectiveness. Looking ahead, we will allocate our capital more effectively in the different segments of our business in order to enhance further the Group's profits, and value for shareholders."

Further information and analysis

Attached are First Pacific's Consolidated Profit and Loss Statement, Consolidated Balance Sheet and Contribution Summary. Further information, including: Discussion and analysis of First Pacific's individual operations; review of 2005 goals and goals for 2006; and financial analysis, is available under the "News, Announcements and Circulars" section of First Pacific's corporate website at www.firstpacco.com. The 2005 Annual Report will be mailed to shareholders and will be available on www.firstpacco.com around mid-April 2006.

Corporate Profile

First Pacific is a Hong Kong-based investment and management company with operations located in Southeast Asia. Its principal business interests relate to Telecommunications and Consumer Food Products. Listed in Hong Kong (Stock code: 00142), First Pacific's shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY).

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FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December US$ millions	**2005**	2004 (Restated)
TURNOVER	**1,986.1**	2,054.6
Cost of sales	**(1,511.7)**	(1,536.1)
GROSS PROFIT	**474.4**	518.5
(Loss)/gain on dilutions and divestments, net	**(6.3)**	8.0
Distribution costs	**(175.0)**	(172.2)
Administrative expenses	**(128.3)**	(126.7)
Other operating expenses, net	**(29.8)**	(20.3)
Net borrowing costs	**(107.3)**	(111.9)
Share of profits less losses of associated companies	**137.7**	85.9
PROFIT BEFORE TAXATION	**165.4**	181.3
Taxation	**(26.6)**	(31.9)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS	**138.8**	149.4
Profit for the year from a discontinued operation	**-**	18.8
PROFIT FOR THE YEAR	**138.8**	168.2
ATTRIBUTABLE TO:		
Equity holders of the parent	**103.0**	123.9
Minority interest	**35.8**	44.3
	138.8	168.2
ORDINARY SHARE DIVIDENDS		
Interim – U.S. 0.13 cent (2004: Nil) per share	**4.1**	-
Proposed final – U.S. 0.26 cent (2004: Nil) per share	**8.2**	-
TOTAL	**12.3**	-
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (U.S. CENTS)		
Basic		
- For profit from continuing operations	**3.23**	3.30
- For profit from a discontinued operation	**-**	0.59
- For profit for the year	**3.23**	3.89
Diluted		
- For profit from continuing operations	**3.17**	N/A
- For profit from a discontinued operation	**-**	N/A
- For profit for the year	**3.17**	N/A

N/A: Not applicable

FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED BALANCE SHEET

At 31 December US$ millions	**2005**	2004 (Restated)
NON-CURRENT ASSETS		
Property and equipment	**622.9**	647.4
Plantations	**169.0**	147.4
Associated companies	**381.7**	168.9
Accounts receivable, other receivables and prepayments	**11.7**	9.2
Goodwill	**32.7**	36.5
Prepaid land premiums	**34.5**	41.0
Available-for-sale assets/long-term investments	**2.7**	11.5
Deferred tax assets	**15.4**	5.8
Restricted cash	**-**	4.7
Other non-current assets	**130.8**	242.4
	1,401.4	1,314.8
CURRENT ASSETS		
Cash and cash equivalents	**296.0**	186.6
Restricted cash	**4.7**	4.5
Available-for-sale assets/short-term investments	**52.4**	21.4
Accounts receivable, other receivables and prepayments	**286.7**	360.0
Inventories	**303.0**	281.4
Non-current assets held for sale	**2.9**	-
	945.7	853.9
CURRENT LIABILITIES		
Accounts payable, other payables and accruals	**278.6**	264.3
Short-term borrowings	**345.0**	288.9
Provision for taxation	**11.2**	26.2
Current portion of deferred liabilities and provisions	**15.3**	18.1
	650.1	597.5
NET CURRENT ASSETS	**295.6**	256.4
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,697.0**	1,571.2
EQUITY		
Issued share capital	**31.9**	31.9
Other reserves	**927.9**	902.8
Accumulated losses	**(577.0)**	(707.3)
Equity attributable to equity holders of the parent	**382.8**	227.4
Minority interest	**323.9**	363.7
TOTAL EQUITY	**706.7**	591.1
NON-CURRENT LIABILITIES		
Long-term borrowings	**744.2**	761.2
Deferred liabilities and provisions	**92.7**	107.1
Deferred tax liabilities	**114.1**	111.8
Derivative liability	**39.3**	-
	990.3	980.1
	1,697.0	1,571.2

FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY

	Turnover		Contribution to Group profit[i]	
For the year ended 31 December	**2005**	2004	**2005**	2004
US$ millions				(Restated)[ii]
PLDT[iii]	**-**	-	**132.2**	117.1
Indofood	**1,923.4**	1,995.8	**29.6**	33.4
Metro Pacific	**62.7**	58.8	**(6.0)**	(9.4)
Level Up[iii]	**-**	-	**(1.5)**	-
From continuing businesses	**1,986.1**	2,054.6	**154.3**	141.1
From a discontinued operation[iv]	**-**	-	**-**	1.9
FROM OPERATIONS	**1,986.1**	2,054.6	**154.3**	143.0
Head Office items:				
- Corporate overhead			**(11.5)**	(10.0)
- Net interest expense			**(20.3)**	(12.6)
- Other expenses			**(5.3)**	(3.6)
RECURRING PROFIT			**117.2**	116.8
Foreign exchange and derivative losses			**(18.5)**	(15.9)
Non-recurring items[v]			**4.3**	23.0
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			**103.0**	123.9

(i) After taxation and minority interest, where appropriate.
(ii) The Group has restated its 2004 profit attributable to equity holders of the parent from US$134.5 million to US$123.9 million following the adoption of Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants which became effective on 1 January 2005.
(iii) Associated companies.
(iv) Represents Escotel.
(v) 2005's non-recurring gains of US$4.3 million mainly comprise goodwill compensation received by Indofood in connection to the establishment of a joint venture entity of US$4.8 million, Metro Pacific's agreed one-time adjustments made to amounts owed to certain creditors, partly offset by a loss on dilution of the Group's 1.4 per cent interest in PLDT of US$6.3 million, whereas 2004's non-recurring gains of US$23.0 million mainly comprise gain on disposal of 49 per cent interest in Escotel (US$17.1 million).