Metro Pacific Corporation

PRESS RELEASE

Metro Pacific Reports First Half Results

Metro Pacific Corporation (MPC) reported today unaudited consolidated operating income, which now substantially relates to the company's property businesses, of Pesos 1.50 billion for the first half of the year compared to Pesos 1.17 billion for the same period in 1999. Consolidated revenues for the first semester of this year, net of discontinued operations, were recorded at Pesos 5.83 billion, a 21% increase over consolidated revenues of Pesos 4.80 billion for the same period last year. Fort Bonifacio Development Corporation (FBDC), Pacific Plaza Towers and Negros Navigation Company (Nenaco), all contributed higher revenues. All 1999 figures have been restated to reflect the deconsolidation of discontinued consumer, packaging and telecommunications businesses, thereby making 1999 figures comparable to 2000 data.

As a consequence of Pesos 30.8 million of net earnings recorded during the second quarter of this year, the Pesos 634.2 million loss recorded in the first quarter was reduced to a consolidated net loss of Pesos 603.4 million for the six months to 30 June 2000. Consolidated net earnings for the same period in the previous year were Pesos 2.5 billion, reflecting substantial extraordinary gains of Pesos 2.7 billion from the partial divestment of Smart Communications, Inc. to Japan's Nippon Telegraph and Telephone Corporation (NTT); the sale of Metro Bottled Water to La Tondeña Distillers Inc;, and the reversal of a portion of the provisions recorded in 1998 for possible lot returns in FBDC.

The year-to-date result in the current year were adversely affected by increased negative contributions from associated companies, foreign exchange losses as a consequence of the depreciation of the peso, a one-time tax charge by FBDC, and the effect of certain operations discontinued now, in particular the recognition in the first quarter of losses reported by Smart Communications, Inc. (Smart). MPC's interest in Smart was exchanged for an 8% interest in Philippine Long Distance Telephone Company (PLDT) on 24 March 2000. However, MPC has not recorded any contribution from PLDT for the second quarter given its current intention to transfer its interest in PLDT as part of its on-going asset rationalization program.

As at 30 June 2000, consolidated assets were Pesos 97.0 billion (31 December 1999: Pesos 99.9 billion) and consolidated debt was Pesos 23.8 billion (31 December 1999: Pesos 22.4 billion) due to the effects of the peso's depreciation and funding requirements of Pacific Plaza Towers.

Operational Review
FBDC, which is 55% owned by MPC's 66%-owned Bonifacio Land Corporation, delivered Pesos 1 billion earnings in the first semester of the year from consolidated revenues of Pesos 2.9 billion. FBDC completed its 57-hectare Big Delta project, the first phase of development of the Bonifacio Global City, and development continues on the Expanded Big Delta which consists of 54 hectares designed to provide an additional 2.4 million square meters of development density. Also completed early this year was the Kalayaan flyover, a new access point to the Bonifacio Global City from the Makati Central Business District, which was opened to the public last 15 July 2000.

FBDC also started the construction of Bonifacio Ridge, its first residential condominium project, initially with two 18-storey towers. It launched its PEZA registered, 25-hectare IT zone known as "E-square", which will house an IT Center, incubator offices, convention halls and residential facilities, among others. The company has also announced a 60,000- square meter expansion of its retail and entertainment center that will include a shopping mall, recreation centers, and other related developments.

Landco Pacific Corporation, registered an operating profit of Pesos 78 million from revenues of Pesos 266 million in the first six months of the year. The company is engaged in the development of world class resorts and high-end residential developments outside of Metro Manila, notable among which are Punta Fuego in Nasugbu, and Canyon Woods in Tagaytay. Landco is also in the process of developing a master plan for the Costa de Madera beach resort in San Juan, Batangas.

Pacific Plaza Towers yielded revenues of Pesos 1.4 billion and an operating profit of Peso 275 million for the first half of the year. The revenues were generated on cumulative sales of 212 units, based on current year completion of 12.8%. The revenue results are more than twice the Pesos 669 million reported last year on cumulative sales of 163 units. The company expects to complete construction of the two towers before the end of this year.

As a result of increases in freight and passenger revenues, Nenaco generated Pesos 1.2 billion in revenues during the first six months of the year, slightly better than its Pesos 1.1 billion revenues for the same period last year. With the increase in revenues and the continuing cost reduction program, Nenaco has pared down its losses to Pesos 113 million for the first half of the year from Pesos 263 million for the same period last year.

Ricardo S. Pascua, MPC president and chief executive officer, in a press statement, said, "The Company continues to refocus its activities on property development and will pursue vigorously its disposal of non-core assets. The consolidation of MPC's PLDT shares into First Pacific Company, and our latest divestment of Metrovet to Agribrands Animal Health Care, has brought us significantly closer to achieving our ultimate objective of becoming a premier property company. In addition, these divestment initiatives will not only reduce the company's debt levels, but will also appreciably improve the company's earnings in the coming years."

15 August 2000

METRO PACIFIC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Unaudited)

For the period ended 30 June	Six months		Three months	
(In thousands)	**2000**	**1999***	**2000**	**1999***
Revenues	5,825,644	4,795,551	2,281,156	2,869,356
Cost of sales	(3,814,249)	(3,067,319)	(1,589,468)	(1,815,471)
Operating expenses	(512,057)	(558,155)	(251,352)	(246,264)
Operating profit	1,499,338	1,170,077	440,336	807,621
Equity in net earnings of affiliated companies	(124,654)	(106,578)	(39,971)	(51,271)
Financing charges, net	(563,768)	(504,495)	(296,393)	(251,579)
Profit before other income	810,916	559,004	103,972	504,771
Other income/(expense), net	(138,559)	256,899	(84,964)	412,990
Profit before taxation	672,357	815,903	19,008	917,761
Taxation	(418,320)	(164,820)	110,922	(64,696)
Income from continuing operations	254,037	651,083	129,930	853,065
Loss from discontinued operations	(299,901)	2,500,633	85,998	(22,794)
Net income before outside interests	(45,864)	3,151,716	215,928	830,271
Outside interests	(557,496)	(662,342)	(185,086)	(394,946)
Net income for the period	(603,360)	2,489,374	30,842	435,325
Retained earnings				
Beginning of period	4,781,231	2,413,387	4,146,012	4,467,436
Dividends accrued on preferred shares	(33,017)		(32,000)	
End of period	4,144,854	4,902,761	4,144,854	4,902,761
(Loss)/earnings per share (in centavos)				
Basic	(3.42)	14.33	(0.01)	2.48
Diluted	(3.34)	14.06	(0.01)	2.43
Weighted average number of shares in issue				
Basic	18,598,898	17,377,379	18,598,898	17,584,642
Diluted	19,066,069	17,703,977	19,066,069	17,918,009

Note: 1999 figures have been restated to be comparable with 2000 data, involving the deconsolidation of discontinued consumer products, packaging and telecommunications businesses.

METRO PACIFIC CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at (In thousands)	30 June 2000	31 December 1999	30 June* 1999
ASSETS			
Current assets			
Cash and cash equivalents	1,640,180	2,823,500	4,412,840
Receivables	7,433,240	6,719,925	6,016,585
Due from affiliated companies	784,065	792,709	515,084
Inventories	565,406	607,189	704,596
Development properties held for sale	2,548,420	2,997,845	2,887,005
Prepayments and other current assets	4,410,327	4,300,942	810,514
Deferred income tax asset	395,631	785,356	826,736
Total current assets	17,777,269	19,027,466	16,173,360
Long-term receivables	1,511,256	1,826,393	5,234,083
Investments in affiliated companies	10,106,786	10,114,853	9,191,887
Development properties	56,228,202	57,031,054	73,277,437
Property, plant and equipment	6,589,305	6,852,269	4,811,459
Goodwill	121,835	127,861	387,163
Other assets	4,631,353	4,885,538	6,266,968
Total assets	96,966,006	99,865,434	115,342,357
LIABILITIES AND EQUITY			
Current liabilities			
Loans and notes payable	7,954,943	8,400,399	7,035,056
Current portion of long-term debts	2,740,987	802,765	828,969
Current portion of long-term liabilities and provisions	1,372,501	2,377,935	2,131,812
Accounts payable and accrued expenses	3,735,466	4,341,265	2,927,601
Income tax payable	11,882	18,698	31,742
Total current liabilities	15,815,779	15,941,062	12,955,180
Long-term debts	12,635,131	12,677,942	12,827,901
Long-term liabilities and provisions	2,111,531	4,821,669	15,740,435
Long term advances	469,877	469,877	469,877
Equity			
Stockholders' equity			
Capital stock	18,602,120	18,602,120	17,721,105
Additional paid-in capital	10,407,144	10,407,348	8,834,181
Deposit on future stock subscription	-	-	1,769,410
Treasury stock	(1,033,000)	(1,033,000)	(1,033,000)
Retained earnings	4,144,854	4,781,231	4,902,761
Outside interests	33,812,570	33,197,185	41,154,507
Total equity	65,933,688	65,954,884	73,348,964
Total liabilities and equity	96,966,006	99,865,434	115,342,357

* *June 1999 figures have been restated to be comparable with 2000 data, involving the deconsolidation of Metrolab following its sale in July 1999.*