NEWS RELEASE

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

GROUP CORPORATE COMMUNICATIONS

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INTERIM RECURRING PROFIT RISE 28% TO US$69 MILLION; REPORTED PROFIT UP 19% TO US$72 MILLION; INDOFOOD AND PLDT PERFORMANCE CONTINUE TO IMPROVE

- Recurring profit up by 28.0% to US$69.0 million (HK$538.2 million)
- Profit attributable to ordinary shareholders increased by 18.8% to US$72.2 million (HK$563.2 million)
- Profit contribution from operations increased by 20.8% to US$87.7 million (HK$684.1 million)
- Equity attributable to ordinary shareholders increased by 16.7% to US$446.9 million (HK$3,485.8 million)
- Consolidated gearing ratio improved to 0.99x from 1.12x
- Adjusted net asset value per share as at 30th June 2006 stood at US54 cents (HK$4.21)
- Interim dividend of HK1.00 cent (US0.13 cent) per share declared

Hong Kong, 7th September 2006 – First Pacific Company Limited ("First Pacific" or "the Company") (HKSE: 00142) today announced that first half 2006 recurring profit, which excludes the effects of revaluation of derivatives, foreign exchange differences and non-recurring items, significantly increased by 28.0 per cent to US$69.0 million (HK$538.2 million), from US$53.9 million (HK$420.4 million) in the first half of 2005, was contributed by the continued improvement in the operating results of PLDT and Indofood, as well as strengthened average exchange rates of peso and rupiah.

Profit attributable to ordinary shareholders increased by 18.8 per cent to US$72.2 million (HK$563.2 million) from US$60.8 million (HK$474.2 million) for the same period of 2005, and basic earnings per share increased to US2.26 cents (HK17.63 cents) from US1.91 cents (HK14.90 cents). Profit contribution from operations increased by 20.8% to US$87.7 million (HK$684.1 million) from US$72.6 million (HK$566.3 million). This growth reflected PLDT's sustained performance and Indofood's improved operating performance.

Turnover grew by 20.6 per cent to US$1,136.5 million (HK$8,864.7 million) from US$942.5 million (HK$7,351.5 million) reflecting an increase in Indofood's turnover and a strengthened rupiah exchange rate.

Equity attributable to ordinary shareholders increased by 16.7 per cent to US$446.9 million (HK$3,485.8 million) as at 30th June 2006, compared with US$382.8 million (HK$2,985.8 million) as at 31st December 2005, resulting from improved profit contributions from PLDT and Indofood.

The consolidated gearing ratio improved to 0.99x as at 30th June 2006 (31st December 2005: 1.12x), reflecting stronger consolidated total equity. At 30th June 2006, the Head Office level gearing ratio was 0.16x (31st December 2005: 0.11x) due to an increase in net debt.

At the Head Office, net interest expense increased by 14.0 per cent to US$11.4 million (HK$88.9 million) reflecting a higher average debt balance as a bank loan of US$50.0 million (HK$390.0 million) was drawn down in November 2005 to finance additional purchases of PLDT shares coupled with the increased accretion of interest expenses in relation to the Exchangeable Notes due in 2010.

First Pacific's Board of Directors has declared an interim dividend of HK 1.00 cent (US0.13 cent) per share, payable on or about 27 October 2006 for shareholders of record as at 29 September 2006.

Manuel V. Pangilinan, First Pacific's Managing Director and Chief Executive Officer, commented: "Our two principal investments - PLDT and Indofood - remain very strong, achieving a 28 per cent growth in core earnings for the first half of this year. We are pleased that over the last year, PLDT's reputation of being an industry innovator and consumer-focused company has grown; Indofood has demonstrated its capacity to improve its operating performance, Metro Pacific's reorganization and recapitalization program is on track and Level Up has made progress in enlarging its revenue base and in various marketing initiatives."

Review of Operations

Philippine Long Distance Telephone Company ("PLDT") contributed a recurring profit of US$66.5 million in the first half of 2006 represented a 13 per cent improvement over the same period in 2005. In peso terms, consolidated core earnings before foreign exchange and derivative losses, deferred tax assets and additional depreciation increased by 11 per cent to Pesos 15.2 billion (US$291.7 million) contributed from higher revenues from both Wireless and Fixed Line data services. With the combined effect of revenue growth and continued management of cash costs, EBITDA improved by 7 per cent to Pesos 40.4 billion (US$775.3 million) and EBITDA margin increased to 67 per cent from 64 per cent of service revenues.

PLDT's consolidated free cash flow stood at Pesos 17.4 billion (US$333.9 million) despite a 77 per cent increase in consolidated capital expenditure to Pesos 12.4 billion (US$238.0 million) as a result of the ongoing upgrade and expansion of its fixed line and cellular network facilities. Its strong free cash flow enabled it to reduce debt by US$269 million during the period, to declare an interim dividend of Pesos 50 (US$1) per common share and to raise the dividend payout target to 60 per cent from 50 per cent of the core earnings.

Smart and Piltel's *Talk 'N Text* combined GSM subscriber base grew by 2.1 million during the period to 22.5 million represented approximately 59 per cent of the cellular market in the Philippines. Smart's 3G network currently is the widest 3G network in the Philippines and enables video calling in 142 Philippine's cities and international video calling to 13 countries. Smart is in the process of transforming itself from a cellular company into a multi-service wireless communications provider.

The ongoing upgrade to Next Generation Network is expected to increase PLDT's network capabilities and efficiency, as well as reduce operating costs. Going forward, PLDT expects its revenue mix to shift from voice to data as it continues to upgrade its networks to support the growth in broadband and other data services.

PT Indofood Sukses Makmur Tbk ("Indofood") contributed a recurring profit of US$23.8 million in the first half of 2006 representing a 53.5 per cent improvement over the same period in 2005. In rupiah terms, consolidated sales increased by 17.8 per cent to Rupiah 10,142 billion (US$1,104.7 million) contributed from strong volume growth in most business groups despite weak consumer purchasing power. Due to higher fuel-related and raw material costs, consolidated operating expenses were up by 9.3 per cent to Rupiah 1,371.4 billion (US$149.4 million) and gross margin decreased to 22.7 per cent (1H05: 24.9 per cent). Net income significantly increased to Rupiah 267.8 billion (US$29.2 million) (1H05: Rupiah 14.5 billion; US$1.5 million) reflecting improved sales and foreign exchange gain of Rupiah 50.2 billion (US$5.5 million) (1H05: foreign exchange loss of Rupiah 445.1 billion; US$47.1 million). Net interest costs slightly declined to Rupiah 414.1 billion (US$45.1 million) (1H05: Rupiah 427.3 billion; US$45.3 million) reflecting the lower average outstanding balance of the Eurobonds due in 2007 as a result of early redemptions made in 2005 and 2006. Debt to equity ratio stood at 1.58x (31 December 2005: 1.59x) and net gearing ratio improved to 1.18x (31 December 2005: 1.36x).

Indofood's continued implementation of its marketing and reengineering strategies are having a positive effect. Its major products remain market leaders in their respective segments in Indonesia and reported strong volume growth. Management plans to extend the success of the stock point distribution system by increasing the stock points. The ongoing improvement in its supply chains, operating systems and procedures, and manpower rationalization will further enhance Indofood's operational effectiveness and capability.

On 23 August 2006, Indofood announced the proposed listing of its oil palm plantations and edible oils and fats ("EOF") businesses through a reverse takeover of a Singapore listed company ISG Asia Limited ("ISG"). According to the proposal, Indofood agreed to sell its EOF businesses valued at approximately S$392.7 million (US$249.0 million) to ISG for an exchange of 9.982 billion new ISG shares; ISG is to be renamed Indofood Agri Resources Limited; and thereafter to issue additional new shares to raise funds for the expansion of its EOF business group. The proposal is subject to respective shareholders and regulatory authorities' approval.

Metro Pacific Corporation/Metro Pacific Investments Corporation ("Metro Pacific/MPIC") contributed a recurring loss of US$1.4 million in the first half of 2006 representing a 27 per cent deterioration over the same period in 2005. At Metro Pacific/MPIC level, a loss of Pesos 446.0 million (US$8.6 million) was reported which was largely a reflection of two non-recurring items; a vessel write down and a provision made against an affiliated real estate investment. Consolidated revenues stood at Pesos 1.7 billion (US$31.8 million) reflecting higher revenues from Landco Pacific Corporation ("Landco Pacific") offset by lower revenues from Negros Navigation Co., Inc. due to over-capacity in the Philippines domestic shipping industry. Operating expenses increased by 49.2 per cent to Pesos 333.4 million (US$6.4 million) largely reflecting pre-development activities in relation to Landco Pacific's new and expansion projects.

In March 2006, Metro Pacific commenced its reorganization and recapitalization plan to strengthen its capital position in preparation for new growth. The first stage of the plan - migrating Metro Pacific's 51.0 per cent owned subsidiary, Landco, Inc., to a newly established investment company MPIC - was completed in April 2006. Metro Pacific is now in the process of consolidating its common shares. MPIC plans to announce details of its tender offer to Metro Pacific shareholders in September 2006, and thereafter effect the delisting of Metro Pacific and a listing of MPIC in November this year.

Level Up! International Holdings Pte. Ltd. ("Level Up") contributed a recurring loss of US$1.2 million (2Q05: post acquisition recurring loss of US$0.6 million) in the first half of 2006. The Group also recorded a non-recurring gain of US$1.8 million arising from the disposal of 60 per cent interest in Level Up! Philippines to ePLDT in April 2006.

Level Up's market share of paying subscribers in the Philippines is stable at approximately 80 per cent. The subscriber base in Brazil and India remains flat pending the launch of new games in the second half of 2006. In addition to the popular Ragnarok, Level Up plans to launch new games Gunz, Grand Chase and RF Online in Brazil, and Gunz in India in the second half of 2006. It continues to expand its distribution network by establishing alliances with leading consumer brands, media and retailers.

Outlook

Mr. Pangilinan said: "The Board has declared an interim dividend of HK1 cent (US0.13 cent) per share; the same as last period. The Board will review the dividend payout ratio for the full year, based on the results of PLDT and Indofood which are expected to continue to be strong. The active management of our investments continues to deliver enhanced value to our investors. We are actively considering new investment opportunities which can expand our portfolio beyond our two principal businesses of PLDT and Indofood, and improve further the returns to our investors."

Further information and analysis

Attached are the First Pacific's Condensed Consolidated Interim Financial Statements and Contribution Summary. Further information - including discussion and analysis of First Pacific's individual operations; half-year review of the 2006 goals; and financial analysis - are available under the "News, Announcements and Circulars" section of First Pacific's corporate website at www.firstpacco.com. The 2006 Interim Report will be mailed to shareholders and will be available on www.firstpacco.com before the end of September 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
CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT - UNAUDITED

For the six months ended 30 June US$ millions	**2006**	2005
TURNOVER	**1,136.5**	942.5
Cost of sales	**(851.2)**	(702.7)
GROSS PROFIT	**285.3**	239.8
Gain on dilutions and divestments	**17.3**	3.0
Distribution costs	**(95.8)**	(81.7)
Administrative expenses	**(65.6)**	(57.3)
Other operating expenses, net	**(13.8)**	(9.3)
Net borrowing costs	**(58.7)**	(59.2)
Share of profits less losses of associated companies	**68.2**	71.1
PROFIT BEFORE TAXATION	**136.9**	106.4
Taxation	**(39.6)**	(20.4)
PROFIT FOR THE PERIOD	**97.3**	86.0
ATTRIBUTABLE TO:		
Equity holders of the parent	**72.2**	60.8
Minority interest	**25.1**	25.2
	97.3	86.0
ORDINARY SHARE DIVIDENDS		
U.S. 0.13 cent (2005: U.S. 0.13 cent) per share	**4.1**	4.1
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT (U.S. CENTS)		
Basic	**2.26**	1.91
Diluted	**2.23**	1.74

FIRST PACIFIC COMPANY LIMITED

CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

US$ millions	**At 30 June 2006**	At 31 December 2005
NON-CURRENT ASSETS		
Property and equipment	**740.2**	622.9
Plantations	**234.4**	169.0
Associated companies	**418.8**	381.7
Financial assets at fair value through profit or loss	**70.4**	-
Accounts receivable, other receivables and prepayments	**15.8**	11.7
Goodwill	**40.9**	32.7
Prepaid land premiums	**34.2**	34.5
Available-for-sale assets	**4.6**	2.7
Deferred tax assets	**17.0**	15.4
Other non-current assets	**114.4**	130.8
	1,690.7	1,401.4
CURRENT ASSETS		
Cash and cash equivalents	**309.8**	296.0
Restricted cash	**4.5**	4.7
Available-for-sale assets	**53.8**	52.4
Accounts receivable, other receivables and prepayments	**263.9**	286.7
Inventories	**299.9**	303.0
Non-current assets held for sale	**2.3**	2.9
	934.2	945.7
CURRENT LIABILITIES		
Accounts payable, other payables and accruals	**296.7**	278.6
Short-term borrowings	**422.1**	345.0
Provision for taxation	**15.5**	11.2
Current portion of deferred liabilities and provisions	**5.9**	15.3
	740.2	650.1
NET CURRENT ASSETS	**194.0**	295.6
TOTAL ASSETS LESS CURRENT LIABILITIES	**1,884.7**	1,697.0
EQUITY		
Issued share capital	**31.9**	31.9
Other reserves	**928.0**	927.9
Accumulated losses	**(513.0)**	(577.0)
Equity attributable to equity holders of the parent	**446.9**	382.8
Minority interest	**404.2**	323.9
TOTAL EQUITY	**851.1**	706.7
NON-CURRENT LIABILITIES		
Long-term borrowings	**732.5**	744.2
Deferred liabilities and provisions	**98.6**	92.7
Deferred tax liabilities	**163.3**	114.1
Derivative liability	**39.2**	39.3
	1,033.6	990.3
	1,884.7	1,697.0

FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY

For the six months ended 30 June US$ millions	Turnover **2006**	 2005	Contribution to Group profit[(i)] **2006**	 2005
PLDT[(ii)]	**-**	-	**66.5**	58.8
Indofood	**1,104.7**	911.6	**23.8**	15.5
Metro Pacific/MPIC	**31.8**	30.9	**(1.4)**	(1.1)
Level Up[(ii)]	**-**	-	**(1.2)**	(0.6)
FROM OPERATIONS	**1,136.5**	942.5	**87.7**	72.6
Head Office items:				
- Corporate overhead			**(6.4)**	(5.3)
- Net interest expense			**(11.4)**	(10.0)
- Other expenses			**(0.9)**	(3.4)
RECURRING PROFIT			**69.0**	53.9
Foreign exchange and derivative losses[(iii)]			**(3.7)**	(7.7)
Non-recurring items[(iv)]			**6.9**	14.6
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			**72.2**	60.8

(i) After taxation and minority interest, where appropriate.
(ii) Associated companies.
(iii) 1H06's foreign exchange and derivative losses include a US$2.1 million (1H05: US$10.4 million) loss on revaluation of option element embedded in Head Office's Exchangeable Notes, a US$3.3 million (1H05: Nil) loss on changes in the fair value of 1.1 per cent PLDT shares acquired by the Group in 2006 and designated as financial assets at fair value through profit or loss and US$1.7 million (1H05: US$2.7 million) gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated borrowings.
(iv) 1H06's non-recurring gains of US$6.9 million mainly comprise a gain on dilution upon conversion of PLDT's convertible preference shares of US$10.2 million and a gain on divestment of the Group's interest in PLDT of US$7.1 million on settlement of certain Head Office's Exchangeable Notes with PLDT shares. 1H05's non-recurring gains of US$14.6 million mainly comprised goodwill compensation received by Indofood in connection with the establishment of a joint venture entity of US$5.0 million, a gain on dilution of the Group's interest in PLDT of US$3.0 million and Metro Pacific's adjustments made to amounts owed to Pacific Plaza Towers contractor and others.