

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Thursday, 23 December 2004

**METRO PACIFIC LAUNCHES RECAPITALIZATION EFFORT;
ANNOUNCES SUBSTANTIAL DEBT REDUCTION**

The attached press release was released today in Manila by Metro Pacific Corporation, in which the First Pacific Group holds an economic interest of 75.5 per cent.

Metro Pacific is based and listed in Manila. Its business portfolio includes property concerns Landco Pacific Corporation, Pacific Plaza Towers, shipping unit Negros Navigation Company and a participation in Metro Strategic Infrastructure Holdings Inc. Further information on Metro Pacific can be found at www.metropacific.com.

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METRO PACIFIC CORPORATION

FOR IMMEDIATE RELEASE

METRO PACIFIC LAUNCHES RECAPITALIZATION EFFORT; ANNOUNCES SUBSTANTIAL DEBT REDUCTION

MAKATI, PHILIPPINES, 23RD DECEMBER 2004 - Metro Pacific Corporation (“Metro Pacific”) (PSE: MPC) today announced its first effort at recapitalization in several years, designed to rebuild the financial resources required for future growth.

Metro Pacific said that it will issue Series I-C Preferred Shares with a par value of One Peso (P1.00) per share and convertible into common shares on a one-for-one basis. For each preferred share issued, this translates into a conversion price of One Peso (P1.00) per common share. The issue size of the Series I-C Preferred Shares is expected to be Pesos 450 million, and will be subscribed in full by First Pacific Company Limited (“FPC”) and by entities related to FPC. The relevant subscription agreements are expected to be signed by year-end 2004. Closing will be contingent on, amongst others, procurement of the relevant regulatory approvals.

In a related matter, Metro Pacific also today announced that it has retired Pesos 2.1 billion in principal debts owed to Metropolitan Bank and Trust Company (“MetroBank”) resulting from the foreclosure by MetroBank of a 10.4 hectare property in the northern portion of the Bonifacio Global City. In addition, twelve (12) condominium units owned by Metro Pacific at its Pacific Plaza Towers project were used to settle Pesos 0.3 billion in past due interest and penalties related to the Metrobank debts.

Upon completion of this transaction, and in line with various debt reduction agreements that are now in various stages of closing, Metro Pacific anticipates that its parent company bank debts will be reduced to an aggregate amount of no more than Pesos 350 million by early 2005. This is a substantial and significant reduction from the Pesos 11.7 billion bank debts outstanding at the parent company level three (3) years ago.

As reference, Metro Pacific had announced in December 2001, with a further explanatory note in February 2002, that it entered into a self-administered and voluntary debt reduction and corporate rehabilitation program. The basis for this program relied upon the use of Metro Pacific's property portfolio to retire certain debts through "dacion-en-pago" arrangements and to effect the sale of certain properties for debt repayment.

Metro Pacific closes 2004 and enters 2005 confident that the arduous efforts it has taken in recent years have advanced Metro Pacific's business transformation, and will increase its ability to capitalize upon new growth opportunities as and when these become available. As is its normal practice, Metro Pacific will make full and accurate disclosures regarding these and other initiatives as material events should warrant.

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