

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Monday, 1 March 2004

**FIRST PACIFIC PROFIT DOUBLED IN 2003; OPERATIONS REPORTED
ENCOURAGING RESULTS**

First Pacific today reported an attributable profit for 2003 of US\$81.5 million (HK\$635.7 million) representing approximately a 100 per cent increase over the 2002 attributable profit of US\$40.1 million (HK\$312.8 million), principally reflecting the significantly improved underlying performance of PLDT and certain non-recurring gains of US\$10.4 million (HK\$81.1 million) (2002: Nil). The Group's turnover increased 14.2 per cent to US\$2,161.8 million (HK\$16,862.0 million) (2002: US\$1,892.3 million; HK\$14,759.9 million) reflecting an improvement in Indofood's sales performance and the appreciation of the rupiah.

Recurring profit for 2003 increased substantially to US\$88.4 million (HK\$689.5 million), from US\$51.1 million (HK\$398.6 million) in 2002. The Group recorded higher foreign exchange losses in 2003 of US\$17.3 million (HK\$134.9 million) (2002: US\$11.0 million; HK\$85.8 million) on its unhedged foreign currency borrowings, largely due to a weaker peso. The Group also recorded a non-recurring gains of US\$10.4 million (HK\$81.1 million) (2002: Nil), which comprise gains of US\$16.8 million (HK\$131.0 million) realized by Metro Pacific from various debt reduction and restructuring exercises, partly offset by PLDT's manpower reduction costs of US\$6.4 million (HK\$49.9 million).

“At the 31 December 2003, the Group performance resulted in positive shareholders' equity of US\$10.7 million (HK\$83.5 million) compared with a deficit of US\$71.2 million (HK\$555.4 million) at the end of 2002. We remain committed to the rebuilding of equity value for the long term,” commented Manuel V. Pangilinan, Managing Director and CEO of First Pacific.

Disposal of Escotel in progress

On 15 January 2004, First Pacific entered into a legally binding agreement with Idea Cellular Limited in respect of the sale of First Pacific's entire 49 per cent interest in Escotel Mobile Communications Limited for a consideration of Rupees 700 million (US\$15.4 million; HK\$119.9 million).

Upon completion of this transaction, First Pacific will record a gain on disposal of approximately US\$20 million (HK\$156 million) in the financial year ending 31 December 2004.

Comments on 2003 Performance and 2004 Outlook

“First Pacific has met the promises it made at the start of last year: to improve our financial stability, and to focus clearly on our core businesses of telecommunications and foods, and enhance performance from both. PLDT has delivered the highest profit ever reported by a Philippine corporate. We see opportunities for increased efficiency and profitability at Indofood, which remains Indonesia’s largest food company. We are pleased with last year’s results,” said Pangilinan.

“Our sale of Escotel is an appropriate asset disposal for First Pacific and offers these immediate benefits: it is a significant step in our cash-generation efforts, obviates the need for us to inject additional funds into Escotel to fund its operation, and allows us to refocus resources on other opportunities offering higher value accretion potential,” added Pangilinan.

“While our attributable profit has doubled last year, the challenge of future new growth remains. Our two core businesses in food and telecommunications will serve as the foundation to do this. We will continue to improve PLDT’s performance and to enhance Indofood’s operations, as well as capture expansion opportunities in the telecommunications and food sectors in the region.” concluded Pangilinan.

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Further information and analysis

Attached are the Group’s consolidated profit and loss statement, consolidated balance sheet, and contribution summary. Further information - including discussion and analysis of the Group’s individual operations; and additional financial analysis - is available under the ‘News & Press Releases’ section of First Pacific’s website at www.firstpacco.com. The Annual Report will be issued around the end of March 2004.

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, First Pacific’s shares also are available in the United States through American Depositary Receipts.

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FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December	2003	2002
US\$ millions		
TURNOVER	2,161.8	1,892.3
Cost of sales	(1,631.7)	(1,420.9)
GROSS PROFIT	530.1	471.4
Distribution costs	(172.3)	(140.1)
Administrative expenses	(138.1)	(121.2)
Other operating income, net	26.7	6.9
OPERATING PROFIT	246.4	217.0
Share of profits less losses of associated companies	65.0	32.6
Net borrowing costs	(115.8)	(109.0)
PROFIT BEFORE TAXATION	195.6	140.6
Taxation	(42.8)	(56.2)
PROFIT AFTER TAXATION	152.8	84.4
Outside interests	(71.3)	(44.3)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	81.5	40.1
BASIC EARNINGS PER SHARE (U.S. CENTS)	2.56	1.27

**FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED BALANCE SHEET**

At 31 December	2003	2002
US\$ millions		
NON-CURRENT ASSETS		
Property and equipment	719.6	1,009.3
Associated companies	8.0	(24.5)
Long-term receivables and prepayments	248.0	265.3
Goodwill	18.3	19.3
Deferred tax assets	7.5	9.6
Restricted cash	4.7	-
	1,006.1	1,279.0
CURRENT ASSETS		
Cash and cash equivalents	233.3	203.3
Restricted cash and pledged deposits	17.6	22.9
Short-term investments	77.0	42.8
Accounts receivable, other receivables and prepayments	430.2	389.0
Inventories	309.6	376.1
	1,067.7	1,034.1
CURRENT LIABILITIES		
Accounts payable, other payables and accruals	379.9	381.2
Short-term borrowings	207.4	605.7
Provision for taxation	36.8	26.6
	624.1	1,013.5
NET CURRENT ASSETS	443.6	20.6
TOTAL ASSETS LESS CURRENT LIABILITIES	1,449.7	1,299.6
EQUITY CAPITAL AND RESERVES		
Issued capital	31.9	31.9
Reserves	(21.2)	(103.1)
Shareholders' equity/(deficit)	10.7	(71.2)
OUTSIDE INTERESTS	319.3	424.1
NON-CURRENT LIABILITIES		
Loan capital and long-term borrowings	955.9	757.2
Deferred liabilities and provisions	88.7	118.9
Deferred tax liabilities	75.1	70.6
	1,119.7	946.7
	1,449.7	1,299.6

FIRST PACIFIC COMPANY LIMITED

CONTRIBUTION SUMMARY

For the year ended 31 December US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2003	2002	2003	2002
PLDT ⁽ⁱⁱ⁾	-	-	76.7	48.8
Indofood	2,090.1	1,777.3	40.2	37.7
Metro Pacific	71.7	114.6	(9.5)	(18.7)
From continuing businesses	2,161.8	1,891.9	107.4	67.8
From discontinuing and disposed businesses⁽ⁱⁱⁱ⁾	-	0.4	0.6	(2.2)
From operations	2,161.8	1,892.3	108.0	65.6
Head Office items:				
- Corporate overhead			(8.6)	(9.0)
- Net interest expense			(7.2)	(6.3)
- Other (expenses)/income			(3.8)	0.8
Recurring profit			88.4	51.1
Foreign exchange losses			(17.3)	(11.0)
Non-recurring items ^(iv)			10.4	-
Profit attributable to ordinary shareholders			81.5	40.1

(i) After taxation and outside interests, where appropriate.

(ii) Associated company.

(iii) Represents Escotel.

(iv) 2003's non-recurring gains of US\$10.4 million (2002: Nil) comprise gains of US\$16.8 million realized by Metro Pacific from various debt reduction and restructuring exercises, partly offset by PLDT's manpower reduction costs of US\$6.4 million.