

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Monday, 18 August 2003

FIRST PACIFIC RECORDS INTERIM PROFIT UP 36.9 PER CENT TO US\$36.7 MILLION; RECURRING PROFIT DOUBLED TO US\$34.8 MILLION

First Pacific today reported a first half 2003 profit attributable to ordinary shareholders of US\$36.7 million (HK\$286.3 million), a 36.9 per cent improvement compared with the first half gain of US\$26.8 million (HK\$209.0 million) for the comparable period.

Turnover of US\$1,008.7 million (HK\$7,867.9 million) improved year on year reflecting improved sales performance at Indofood.

Recurring profit, which excludes the effects of foreign exchange gains, more than doubled to US\$34.8 million (HK\$271.4 million), from US\$15.6 million (HK\$121.7 million) in the first half of 2002. Underpinning this growth were improved contributions from PLDT (up 93.7 per cent) and the reduced losses at Metro Pacific (down 70.9 per cent).

Earnings per share was US1.15 cents (HK8.97 cents) for 2003, compared with US0.85 cent (HK6.63 cents) recorded for 2002.

At the Head Office level, overhead expenses declined 32 per cent to US\$3.4 million (HK\$26.5 million) as cost-cutting measures took effect, and interest expense was reduced by 56.3 per cent to US\$4.2 million (HK\$32.8 million) on lower average debt levels and lower borrowing costs.

In July, 2003 First Pacific successfully refinanced US\$107.4 million (HK\$837.7 million) of secured debt, which was originally due in December of this year, by issuing a US\$115 million (HK\$897.0 million) three-year bonds secured by the Group's 51.5 per cent interest in Indofood.

Net current assets totaled US\$235.6 million (HK\$1,837.7 million) at 30 June 2003, compared with US\$20.6 million (HK\$160.7 million) at 31 December 2002. This strengthened position reflects the successful repayment of debt at the Head Office and refinancing efforts at Indofood.

The consolidated gearing ratio improved to 2.79 times at 30 June 2003 (31 December 2002: 3.01 times), reflecting reduced net debts. At 30 June 2003, the Company gearing ratio was 0.09 time (31 December 2002: 0.15 times).

The Directors do not propose the payment of an interim dividend.

Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific said: "The improvement in net profit is due to the robust performance of PLDT during the period,

as well as a substantial reduction in head office overhead expenses. In addition to the improvement of our business operations, First Pacific also undertook to structurally improve our financial foundation, through the successful refinancing of US\$115.0 million (HK\$897.0 million), and enhanced cost-containment and reduction measures.”

Outlook and comments

“We are certainly proud of the achievements we have made during the first half of 2003, wherein from each of our operating companies to the head office level, the focus for both management and staff has been to improve the financial structure of the First Pacific Group. This reflects a coordinated effort at all levels to attain common financial and operational targets,” said Mr. Pangilinan.

“PLDT and Indofood, have reinforced their market leadership during the first half of the year, and we anticipate continued, robust performance from each of these units. While it is still some time before we can expect material contributions to Group profits from our other businesses, we are heartened by the efforts they have made to reduce debt and improve performance. We believe that 2003 is shaping up to be a fundamental year of progress and evolution for First Pacific, for which we continue to thank our investors, shareholders, creditors and business partners, for their ongoing and full support.” concluded Mr. Pangilinan.

Further information and analysis

Attached are the Group’s Condensed Interim Financial Statements 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 Interim Report will be issued around the end of August 2003.

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 Consumer Food Products and Telecommunications. 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
CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT

Six months ended 30 June	2003 US\$m	2002 US\$m
TURNOVER	1,008.7	899.1
Cost of sales	(768.2)	(676.5)
GROSS PROFIT	240.5	222.6
Distribution costs	(74.0)	(70.2)
Administrative expenses	(68.0)	(47.2)
Other operating income, net	20.8	32.2
OPERATING PROFIT	119.3	137.4
Share of profits less losses of associated companies	38.9	11.0
Net borrowing costs	(60.1)	(51.1)
PROFIT BEFORE TAXATION	98.1	97.3
Taxation	(20.9)	(38.0)
PROFIT AFTER TAXATION	77.2	59.3
Outside interests	(40.5)	(32.5)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	36.7	26.8
BASIC EARNINGS PER SHARE (U.S. cents)	1.15	0.85

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET

	At 30 June 2003 US\$m	At 31 December 2002 US\$m
NON-CURRENT ASSETS		
Property and equipment	730.0	1,009.3
Associated companies	33.2	(24.5)
Long-term receivables, prepayments and deferred tax assets	252.9	274.9
Goodwill	18.8	19.3
	1,034.9	1,279.0
CURRENT ASSETS		
Cash and cash equivalents	238.8	203.3
Pledged deposits	2.2	22.9
Short-term investments	53.9	42.8
Accounts receivable, other receivables and prepayments	368.7	389.0
Inventories	368.4	376.1
	1,032.0	1,034.1
CURRENT LIABILITIES		
Accounts payable, other payables and accruals	467.0	455.2
Short-term borrowings	302.8	531.7
Provision for taxation	26.6	26.6
	796.4	1,013.5
NET CURRENT ASSETS	235.6	20.6
TOTAL ASSETS LESS CURRENT LIABILITIES	1,270.5	1,299.6
EQUITY CAPITAL AND RESERVES		
Issued capital	31.9	31.9
Reserves	(52.7)	(103.1)
Shareholders' deficit	(20.8)	(71.2)
OUTSIDE INTERESTS	333.1	424.1
NON-CURRENT LIABILITIES		
Loan capital and long-term borrowings	808.0	757.2
Deferred liabilities and provisions	84.1	118.9
Deferred taxation	66.1	70.6
	958.2	946.7
	1,270.5	1,299.6

**FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY**

Six months ended 30 June	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2003	2002	2003	2002
	US\$m	US\$m	US\$m	US\$m
PLDT ⁽ⁱⁱ⁾	-	-	33.7	17.4
Indofood	970.7	836.4	14.9	24.8
Metro Pacific	38.0	62.3	(4.4)	(15.1)
Escotel ⁽ⁱⁱ⁾	-	-	(1.1)	0.6
From continuing businesses	1,008.7	898.7	43.1	27.7
From a disposed business ⁽ⁱⁱⁱ⁾	-	0.4	-	(2.3)
FROM OPERATIONS	1,008.7	899.1	43.1	25.4
Corporate overhead			(3.4)	(5.0)
Interest expense			(4.2)	(9.6)
Interest income			2.3	4.8
Other expenses			(3.0)	-
RECURRING PROFIT			34.8	15.6
Foreign exchange gains			1.9	11.2
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS^(iv)			36.7	26.8

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

(ii) Associated companies.

(iii) Represents Infrontier.

(iv) In 1H03, the Group's net non-recurring items were nil, which mainly comprised Metro Pacific's Pesos 0.4 billion (First Pacific's share: US\$6.3 million) gains on dacion transactions and PLDT's Pesos 1.4 billion (First Pacific's share: US\$6.3 million) manpower reduction costs.