

5 March 2001

**FIRST PACIFIC RECORDS 24% RISE IN PROFIT TO US\$89 MILLION,
PROPELLED BY GROWTH IN UNDERLYING BUSINESSES**

First Pacific today reported that profit contributed by its businesses rose by 24 per cent to US\$88.5 million (HK\$690.3 million) from US\$71.6 million (HK\$558.5 million), on solid operational performances from its two major businesses, Indofood, a leading processed-foods group with operations throughout Indonesia, and PLDT, the principal supplier of domestic and international telecommunications services in the Philippines.

Attributable profit declined 63 per cent to US\$51.2 million (HK\$399.3 million) from US\$138.2 million (HK\$1,078.0 million) in 1999, due to lower non-recurring gains arising on the Company's restructuring program and unrealized foreign exchange losses. Similarly, turnover declined to US\$808.9 million (HK\$6.3 billion), reflecting the effects of business disposals.

The Company's earnings per share declined 67 per cent to US1.75 cents (HK13.65 cents), reflecting the decline in non-recurring gains and an eight per cent increase in the number of shares in issue. However, recurring earnings per share, which measures the underlying profitability of the Company's operations, increased nine per cent to US1.74 cents (HK13.57 cents).

A final, per share dividend of HK1.00 cent, or US0.13 cent, was declared, making the full year dividend HK2.00 cents, or US0.26 cent, compared with HK4.00 cents, or US0.52 cent, a year earlier.

Manuel V. Pangilinan, Executive Chairman of First Pacific said: "Despite having to contend with depressed operating environments, overshadowed by political and economic uncertainties, our operating companies have continued to yield improved results. Challenging circumstances have been met head on, and downward trends have been overcome. Over the last three years, disposals have distorted First Pacific's results making comparatives difficult, while volatile regional currencies have continued to detract from operational progress. Therefore, the significance of our contribution and recurring profit growth, to the long-term prospects of First Pacific, should not be overlooked.

"First Pacific has achieved the objectives it set for itself back in January 1998. Having defined the shape of the Group, we are now working on refining and honing our investments to ensure that value is enhanced and growth potential achieved. Even at this nascent stage of the 'new' First Pacific, the boldness of our actions is being vindicated.

"Indofood, faced with entrenched political issues adversely affecting the rupiah, recorded increased sales volumes in all divisions, including record sales of 9 billion packs of instant

noodles. Moreover, it was able to generate sufficient cash to repay some US\$300 million of loans, to internally meet its own funding needs, and has declared a dividend for the first time since 1996.

“Similarly, PLDT contended with a peso that ranged between 39.7 and 52.0 to the US dollar, but still had the vision and determination to forego profits to position itself for growth. Its cellular services now boast 3.5 million subscribers, having grown by more than two million during 2000 alone. Moreover, through effective marketing and unparalleled services, acquisition costs have subsided, with subscriber take-up largely unchanged. During a year in which the Philippines’ economy trended downwards, PLDT has led the Philippines in terms of cellular growth, and, probably, the world in terms of innovation.

“Indeed, all of our businesses have borne difficulties of their own – Metro Pacific contended with a stagnant property market; Berli Jucker saw demand for its glass bottles decline; Darya-Varia absorbed escalating input costs as the rupiah weakened; and Escotel vied with an uncertain regulatory environment – but, all have resolutely responded and all remain buoyant. Moreover, steps have been taken to further strengthen our balance sheet, such that we ended the year with the lowest level of net indebtedness since 1995.

“In summary, it has been a commendable and defining year for First Pacific. Now, with quality assets, a solid balance sheet and a dedicated management team, we have the capability of propelling our own growth. So, while we are still confident of South East Asia’s eventual recovery, First Pacific’s future is no longer dependent upon it.”

The following is a description of performances by each of the Group’s operating companies:

CONSUMER

PT Indofood Sukses Makmur Tbk is the leading processed-foods group in Indonesia. It is based in Jakarta, and is listed on the Jakarta and Surabaya stock exchanges. The principal businesses of Indofood are Instant Noodles, Flour and Edible Oils & Fats, but it also has interests in Snack Foods, Baby Foods, Food Seasonings and Distribution. The First Pacific Group acquired a 40 per cent interest in Indofood in September 1999, and increased this to 48 per cent in December 2000. Further information on Indofood can be found at www.indofood.co.id.

Indofood contributed a profit of US\$55.7 million (1999: US\$16.4 million), reflecting a full year’s contribution in 2000 and positioning Indofood as the largest single contributor to Group profits. Indofood’s total sales revenue increased by 10 per cent to Rupiah 12.7 trillion (US\$1,490.3 million), against Rupiah 11.5 trillion (US\$1,484.4 million) recorded in 1999. All of Indofood’s divisions recorded increased sales volumes. Sales revenues from the Instant Noodles and Flour divisions accounted for more than 60 per cent of Indofood’s total sales revenues, as these divisions recorded notable growth year on year. Instant Noodles returned a record level of sales – 9.0 billion packs – up 11 per cent against 1999’s 8.1 billion packs, and the Flour division, having introduced ‘fighting’ brands in response to cheaper imported flour, finished the year with sales volumes of 2.1 million tons, up 25 per cent year on year.

During a year in which the rupiah declined to 9,650 against the U.S. dollar in December 2000, from 6,975 at the start of 2000, costs of imported U.S. dollar denominated raw materials – principally wheat, packaging materials and fuel oil - increased. This put pressure on the overall gross margin in rupiah terms, which closed the year at 29.4 per cent (1999: 31.9 per

cent). Increased input costs also affected the rupiah operating margin, as did intensive promotion activities in support of increased sales, however these were partly offset by improved cost efficiencies such that the operating margin for the year was 18.9 per cent (1999: 19.8 per cent). Despite this, Indofood maintained a recurring EBITDA of Rupiah 3 trillion (US\$350 million), demonstrating its strong cash generating capacity, and repaid some US\$300 million of U.S. dollar debt during 2000, which led to reduced net financing charges, year on year.

Berli Jucker Public Company, the Group's flagship in Thailand, is based and publicly listed in Bangkok. It focuses on the manufacturing, marketing and distribution of glass, consumer, technical and imaging products. The First Pacific Group holds an attributable interest of 83.5 per cent. Further information on Berli Jucker can be found at www.berlijucker.co.th.

Berli Jucker contributed a profit of US\$9.9 million (1999: US\$15.6 million), reflecting reduced operating profit. Despite a 10.6 per cent increase in sales for its Technical Products and Imaging division, competitive pressure on margins led to flat operational profit from this division. The Packaging & Consumer Products division, which includes Thai Glass and BJC Cellox, recorded lower sales revenues and profits. Demand for whisky bottles was lower in 2000, with 1999 having benefited from demand associated with the liberalization of the Thai whisky market, and demand for beer bottles was reduced as customers increased their second hand bottle usage. Production was also curtailed to allow for scheduled furnace maintenance. BJC Cellox recorded a 37 per cent increase in tissue paper sales, and maintained solid gross margins. However, an increase in running and input costs – fuel oil, pulp and raw materials – eroded the operating profits of this division.

Net finance charges were down 38.6 per cent, following the repayment of US\$47.1 million of loans, and Berli Jucker paid a special interim cash dividend totaling US\$62 million.

PT Darya-Varia Laboratoria, which is based and separately listed in Jakarta, is a leading fully-integrated healthcare company engaged in the manufacture, marketing and distribution of prescription and over-the-counter medicines. The First Pacific Group holds an attributable interest of 89.5 per cent. Further information on Darya-Varia can be found at www.darya-varia.com.

Darya-Varia returned a contribution of US\$5.0 million, down 10.7 per cent against 1999's US\$5.6 million. Darya-Varia's manufacturing and marketing of prescription and over-the-counter products grew over the year, increasing turnover by over two per cent. This was primarily driven by increased sales volumes, with sales of core products increasing by 30 per cent over the year. Darya-Varia's independent Distribution operations returned a year on year increase of 16 per cent in turnover. The gross profit margins for both divisions remained solid as on-going cost controls ensured that operating efficiencies offset the increased cost of imported raw materials as a consequence of the weaker rupiah. Furthermore, despite extensive advertising campaigns to sustain and promote sales of core products, the operating margin improved to 12.1 per cent.

TELECOMMUNICATIONS

Philippine Long Distance Telephone Company is the leading supplier of domestic and international telecommunications services in the Philippines. Actively pursuing a convergence strategy, PLDT is based and listed in Manila, and has ADRs listed on the New

York Stock Exchange and the Pacific Exchange. It has three principal business groups – fixed line, wireless and internet/multi media – providing a comprehensive menu of products and services across the most extensive broadband and integrated networks in the country.

In March 2000, PLDT acquired 100 per cent of Smart Communications, including First Pacific's 50.3 per cent interest. In September 2000, the Group consolidated its interest in PLDT by acquiring Metro Pacific's 8.0 per cent interest. As a consequence of these transactions, the First Pacific Group now holds an attributable interest of 24.6 per cent, and a voting interest of 31.7 per cent. Further information on PLDT can be found at www.pldt.com.ph.

PLDT's contribution grew by 38.4 per cent to US\$25.6 million (1999: US\$18.5 million), as bold initiatives taken to diversify revenues were rewarded. The foregoing of earnings growth in the first half of 2000, in order to rapidly and aggressively expand Smart's GSM cellular service, positioned PLDT's wireless group with 2.7 million GSM subscribers. Moreover, as the level of subscriber subsidies abated in the latter part of 2000, Smart returned to profit from July. With 3.5 million subscribers by year-end, PLDT's wireless group is the largest and fastest growing mobile operator in the Philippines.

The newly reorganized Fixed Line operations, recorded improved returns due to average subscribers increasing to 1,922,769 (1999: 1,759,389). As a consequence of PLDT's early adoption of benchmark international accounting rates, international long distance call volumes grew by 116.9 per cent, however this was insufficient to fully compensate for the decline in rates. National long distance call volumes increased by 14.8 per cent, to 3,255.3 million billed minutes, and growth in Data and other network revenues was driven by the launching of new products and services - including BRAINS, PLDT@ctiveBill, Arcstar - and the opening of I-Gate and VITRO. However, promotional pricing had the effect of reducing the operating margins.

Smart Communications, Inc. contributed a US\$9.0 million loss prior to its second quarter 2000 merger with PLDT. The loss stemmed from substantial subscriber acquisition costs incurred as Smart aggressively rolled out its GSM service.

Escotel Mobile Communications Limited, which is based in New Delhi, provides GSM cellular telephone services in Uttar Pradesh (West), Haryana and Kerala. The First Pacific Group holds an attributable interest of 49.0 per cent. Further information on Escotel can be found at www.escotelmobile.com.

Escotel contributed a loss of US\$11.8 million, marginally better than last year. Revenue grew 65.3 per cent as the company rapidly grew its subscriber base by over 160 per cent to close the year with 286,800 subscribers, from 110,200 at the end of 1999. Despite increased promotional costs and subsidies, operating losses were narrowed through increased subscriber revenues. The take-up of prepaid schemes fueled the rapid growth in subscribers, which resulted in average monthly subscriber revenues declining to US\$15.2, from US\$18.7. However, churn and collection issues are much improved, and the completion of a major debt refinancing exercise to secure long-term funding, will enable Escotel to achieve cash break even in the near future.

PROPERTY

Metro Pacific Corporation, which is based and separately listed in Manila, has interests principally in Property (Bonifacio Land Corporation, Landco Pacific and Pacific Plaza Towers). The First Pacific Group holds an attributable interest of 80.6 per cent. Further information on Metro Pacific can be found at www.metropacific.com.

Metro Pacific returned a loss of US\$6.4 million, against a loss of US\$4.4 million in 1999, reflecting reduced contributions from disposed consumer related businesses, and reduced contributions from its property interests.

Bonifacio Land recorded lower results with the completion of Big Delta, in April 2000, prompting the recognition of the remaining revenues and profits from prior land sales, and no further land sales were booked in 2000. The project continues to progress with the completion of key access routes, the development of Expanded Big Delta and technology zone 'E-Square', and the expansion of retail and entertainment facilities. Development has also commenced on the Bonifacio Ridge residential condominium project which, by year-end, had recorded sales of 136 units. There was continued interest in Pacific Plaza Towers, Metro Pacific's signature residential project in the Bonifacio Global City, with cumulative sales reaching 220 units by year-end (1999: 179 units). However economic conditions, coupled with a subdued property market, put margins under pressure. The prevailing economic conditions and land inventory levels also affected Landco Pacific, the residential resort development subsidiary of Metro Pacific, resulting in a decline in Landco's sales and profits. Losses from associates declined significantly, on an improved performance from First e-Bank, and net finance charges were lower as Metro Pacific repaid debt with proceeds from asset disposals.

Savills plc is a leading international property services company, headquartered and listed in London. The First Pacific Group holds an attributable interest of 19.8 per cent. Further information on Savills can be found at www.fpdsavills.co.uk.

During the year, First Pacific effected a number of transactions to re-position its property services interests, which trade under the brand name FPD Savills, as an international property services group. On 7 April 2000, First Pacific combined the Asian interests of First Pacific Davies Limited with Savills in return for 7.8 million new shares in Savills and US\$28.9 million in cash. As a result, the Group's interest in Savills increased to just under 30.0 per cent. On 30 June 2000, in order to further diversify the Group's property interests, First Pacific sold approximately one third of its Savills interest, to US-company Trammell Crow Company, for US\$22.0 million. This reduced the Group's interest in Savills to 19.8 per cent.

The decline in contribution reflects only one quarter of earnings from First Pacific Davies, as well as the fact that 1999 benefited from Guardforce earnings prior to its disposal in February 1999. Earnings from Savills, itself, improved year on year. The contribution to First Pacific represents earnings from Savills for the 12-month period ended 31 October 2000.

DISPOSED BUSINESSES

First Pacific Bank contributed US\$13.9 million, prior to its disposal in December 2000, and **SPORTathlon** contributed a loss of US\$0.4 million prior to its disposal in June 2000.

Note: Unless stated otherwise, quoted comparatives and margins are based on Hong Kong GAAP adjusted U.S. dollar figures.

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EXCHANGE RATES

Closing	2000	1999	% depreciation
Peso	49.96	40.25	19.4
Rupiah	9,650	6,975	27.7
Baht	43.16	37.35	13.5
Rupee	46.72	43.51	6.9

Average	2000	1999	% depreciation
Peso	44.67	39.26	12.1
Rupiah	8,523	7,780	8.7
Baht	40.43	37.87	6.3
Rupee	45.07	43.10	4.4

TELECOM SUBSCRIBER DATA

		Number of subscribers (in thousands)			
		31 Jan 2001	31 Dec 2000	31 Dec 1999	31 Dec 1998
PLDT/Piltel	-fixed line:	2,016	2,000	1,846	1,673
	-cellular:	693	657	457	377
Smart	-cellular:	3,032	2,858	1,025	791
	-fixed line:	--	--	107	108
Escotel		297	287	110	67
Total		6,038	5,802	3,545	3,016

FIRST PACIFIC COMPANY LIMITED
2000 ANNUAL RESULTS

SEGMENTAL REVIEW OF BUSINESSES

(US\$ millions)	Turnover		Contribution to Group profit ⁽¹⁾	
	2000	1999	2000	1999
Consumer				
Indofood	1,490.3	440.4	55.7	16.4
Berli Jucker	281.3	294.2	9.9	15.6
Darya-Varia	50.5	45.7	5.0	5.6
	1,822.1	780.3	70.6	37.6
Telecommunications				
PLDT	1,334.5	1,184.7	25.6	18.5
Smart	80.5	307.2	(9.0)	13.9
Escotel	35.7	21.6	(11.8)	(12.6)
China telecom ventures	-	-	-	7.6
	1,450.7	1,513.5	4.8	27.4
Property				
Metro Pacific	240.0	317.5	(6.4)	(4.4)
FPDSavills/Savills	37.2	167.4	6.0	7.7
SPORTathlon	5.1	10.3	(0.4)	(0.2)
	282.3	495.2	(0.8)	3.1
Banking				
First Pacific Bank ⁽²⁾	114.3	89.2	13.9	3.5
Subtotal	3,669.4	2,878.2		
Non-consolidated operations	(2,860.5)	(1,646.7)		
Contribution from operations before exchange differences	808.9	1,231.5	88.5	71.6
Corporate overhead			(11.8)	(16.0)
Finance (charges)/income				
- net bank interest			(1.4)	10.5
- convertible bonds ⁽³⁾			(24.3)	(24.7)
Recurring profit before exchange differences			51.0	41.4
Gain on disposal and dilution of shareholdings less provision for investments ⁽⁴⁾			143.7	92.6
Exchange differences			(143.5)	4.2
Profit attributable to ordinary shareholders			51.2	138.2

(1) Contribution to Group profit represents profit after taxation, after outside interests and before gain on disposal and dilution of shareholdings less provision for investments and exchange differences.

(2) Turnover represents net interest income, fees, commissions and other revenues.

(3) Includes US\$5.3 million (1999: US\$5.3 million) of interest expense and US\$19.0 million (1999: US\$19.4 million) of redemption premium.

(4) Gain on disposal and dilution of shareholdings less provision for investments has been adjusted as appropriate for related tax and outside interests.

FIRST PACIFIC COMPANY LIMITED
2000 ANNUAL RESULTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31st December	2000	1999	2000*	1999*
(In millions)	US\$	US\$	HK\$	HK\$
Turnover	808.9	1,231.5	6,309.4	9,605.7
Cost of sales	(507.3)	(690.6)	(3,956.9)	(5,386.7)
Gross profit	301.6	540.9	2,352.5	4,219.0
Gain on disposal and dilution of shareholdings				
less provision for investments	145.5	98.5	1,134.9	768.3
Other operating income	8.6	27.0	67.1	210.6
Distribution costs	(27.9)	(32.4)	(217.6)	(252.7)
Administrative expenses	(160.1)	(214.6)	(1,248.8)	(1,673.9)
Other operating expenses	(58.7)	(167.4)	(457.9)	(1,305.7)
Operating profit	209.0	252.0	1,630.2	1,965.6
Share of profits less losses of associated companies	(84.4)	67.5	(658.4)	526.5
Net borrowing costs	(58.0)	(83.0)	(452.4)	(647.4)
Profit before taxation	66.6	236.5	519.4	1,844.7
Taxation	(9.9)	(48.9)	(77.2)	(381.4)
Profit after taxation	56.7	187.6	442.2	1,463.3
Outside interests	(5.5)	(49.4)	(42.9)	(385.3)
Profit attributable to ordinary shareholders	51.2	138.2	399.3	1,078.0
Ordinary share dividends paid and proposed	(7.7)	(15.0)	(60.0)	(117.0)
Retained profit for the year	43.5	123.2	339.3	961.0

Per share	2000	1999	2000*	1999*
(In cents)	US¢	US¢	HK¢	HK¢
Dividends	0.26	0.52	2.00	4.00
Basic earnings	1.75	5.34	13.65	41.65

CONSOLIDATED STATEMENT OF RECOGNIZED GAINS AND LOSSES

For the year ended 31st December	2000	1999	2000*	1999*
(In millions)	US\$	US\$	HK\$	HK\$
Exchange differences on the translation of the financial statements of foreign entities	(180.3)	(0.9)	(1,406.3)	(7.0)
Realization of property revaluation	24.7	-	192.7	-
Net losses not recognized in the profit and loss statement	(155.6)	(0.9)	(1,213.6)	(7.0)
Profit attributable to ordinary shareholders	51.2	138.2	399.3	1,078.0
Total recognized (losses)/gains for the year	(104.4)	137.3	(814.3)	1,071.0
Goodwill arising on acquisitions during the year	(312.7)	(851.0)	(2,439.1)	(6,637.9)
	(417.1)	(713.7)	(3,253.4)	(5,566.9)

FIRST PACIFIC COMPANY LIMITED
2000 ANNUAL RESULTS

CONSOLIDATED BALANCE SHEET

As at 31st December	2000	1999	2000*	1999*
(In millions)	US\$	US\$	HK\$	HK\$
Assets				
Non-current assets				
Property and equipment	1,464.1	2,605.9	11,420.0	20,326.0
Associated companies	109.1	133.6	851.0	1,042.1
Long-term investments	5.2	17.6	40.6	137.3
Long-term receivables	115.3	147.7	899.3	1,152.0
	1,693.7	2,904.8	13,210.9	22,657.4
Assets, other than property and equipment, attributable to Banking operations	-	2,873.2	-	22,411.0
Current assets				
Cash and bank balances	229.5	280.4	1,790.1	2,187.1
Short-term investments	-	75.0	-	585.0
Accounts receivable and prepayments	344.4	576.9	2,686.3	4,499.8
Inventories	54.8	86.7	427.4	676.3
	628.7	1,019.0	4,903.8	7,948.2
Total assets	2,322.4	6,797.0	18,114.7	53,016.6
Equity and liabilities				
Equity capital and reserves				
Share capital	31.4	29.1	244.9	227.0
Share premium	908.7	849.8	7,087.9	6,628.4
Revenue and other reserves	1,339.3	1,456.7	10,446.5	11,362.3
Shareholders' equity before goodwill reserve	2,279.4	2,335.6	17,779.3	18,217.7
Goodwill reserve	(1,913.9)	(1,744.1)	(14,928.4)	(13,604.0)
Shareholders' equity	365.5	591.5	2,850.9	4,613.7
Outside interests	758.8	1,350.5	5,918.6	10,533.9
Non-current liabilities				
Loan capital and long-term borrowings	434.2	832.1	3,386.7	6,490.4
Deferred liabilities and provisions	215.6	360.8	1,681.7	2,814.2
Deferred taxation	7.7	12.6	60.1	98.3
	657.5	1,205.5	5,128.5	9,402.9
Liabilities attributable to Banking operations	-	2,624.7	-	20,472.7
Current liabilities				
Accounts payable and accruals	215.0	373.9	1,677.0	2,916.4
Short-term borrowings	317.2	631.7	2,474.2	4,927.3
Provision for taxation	4.4	11.7	34.3	91.2
Dividends	4.0	7.5	31.2	58.5
	540.6	1,024.8	4,216.7	7,993.4
Total liabilities	1,198.1	4,855.0	9,345.2	37,869.0
Total equity and liabilities	2,322.4	6,797.0	18,114.7	53,016.6
Shares in issue on 31 December (millions)	3,139.8	2,910.8	3,139.8	2,910.8