

15th November 1999

METRO PACIFIC REPORTS NET INCOME OF PESOS 2.6 BILLION FOR NINE MONTHS

Metro Pacific Corporation announced today that it posted a consolidated net income of Pesos 2.6 billion for the nine month period to September 1999, up 14 times from last year's level of Pesos 172 million. Revenues increased by 5 per cent to Pesos 8.3 billion, primarily as a result of increased sales from Pacific Plaza Towers, the prestigious condominium development in Fort Bonifacio, and Negros Navigation Co., Inc. ("Nenaco"), which was consolidated from mid-1998.

The growth in net income was largely attributable to non-recurring gains following a series of asset disposals since the start of this year. In the first quarter, Metro Pacific made a partial sale of Smart Communications, Inc. to Nippon Telegraph and Telephone Corporation ("NTT") of Japan for Pesos 1.6 billion, while NTT also invested in new shares in Smart. These transactions reduced Metro Pacific's interest in Smart from 52 per cent to 38 per cent. In the second quarter, Metro Pacific sold its 100 per cent stake in Metro Bottled Water Corporation, the manufacturer of Wilkins Distilled Drinking Water, to La Tondena Distillers, Inc. for Pesos 1.2 billion. In the third quarter, Metro Pacific's interest in Metrolab Industries, Inc., the maker of Eskinol, Block and White and other skin-care products, was sold to Sara Lee Philippines, Inc. for Peso 1.02 billion. Both Metro Bottled Water Corp. and Metrolab Industries, Inc. have been classified as discontinued operations and reflected as such in the income statements for the current and prior periods.

Metro Pacific's balance sheet improved further with its ongoing efforts to reduce consolidated debts. Total liabilities dropped 22 per cent to Pesos 40.6 billion, of which only Pesos 20 billion are interest-bearing, a reduction of 23 per cent from its level in the previous year. As of end September 1999, the Company's consolidated debt-to-equity ratio was down to 0.54 from 0.57 as of end June 1999 and 0.71 as of end 1998. This ratio should decrease further in the fourth quarter to approximately 0.42 when the reversal of a liability of Pesos 8.8 billion, associated with a 64-hectare lot in Fort Bonifacio that is to be reallocated by the Government for use in other projects, is expected to be recorded.

During the year, Metro Pacific also issued approximately Pesos 4.1 billion of new equity, the proceeds of which were used primarily for debt reduction. In addition, over Pesos 2 billion of funds were generated from the sale of its two consumer-based subsidiaries.

Philippine Ratings Services Corporation (formerly CIBI Ratings, Inc.) recently maintained the credit rating of Metro Pacific for its commercial papers at PRS-A rating on outstanding long-term commercial paper and PRS 2- on short-term commercial papers ("STCPs"). Metro Pacific has also been issued a license from the Securities and Exchange Commission to sell up to Pesos 2 billion of STCPs. This, combined with other substantial credit lines that are presently available, obviates any possible need for Metro Pacific to issue additional common shares within 1999 or the first half of next year.

Financial data

METRO PACIFIC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Unaudited)

For the period ended 30 September (In thousands)	Nine months		Three months	
	1999	1998	1999	1998
Revenues	8,301,522	7,895,333	2,651,877	2,658,430
Cost of sales	(5,567,268)	(4,902,332)	(1,846,521)	(1,746,732)
Operating expenses	(950,806)	(753,696)	(311,332)	(269,330)
Operating profit	1,783,448	2,239,305	494,024	642,368
Equity in net earnings of affiliated companies	(4,930)	163,668	(12,840)	(5,277)
Financing charges, net	(815,049)	(773,610)	(229,088)	(291,554)
Profit before other income	963,469	1,629,363	252,096	345,537
Other income/(expense), net	2,780,545	(295,042)	44,274	(541,486)
Profit before taxation	3,744,014	1,334,321	296,370	(195,949)
Taxation	(146,353)	103,631	22,665	302,634
Income from continuing operations	3,597,661	1,437,952	319,035	106,685
Loss from discontinued operations	(122,426)	(99,650)	(5,915)	(17,395)
Net income before outside interests	3,475,235	1,338,302	313,120	89,290
Outside interests	(832,271)	(1,165,820)	(159,530)	(34,202)
Net income for the period	2,642,964	172,482	153,590	55,088
Retained earnings				
Beginning of period	2,413,387	2,084,449	4,902,761	2,201,843
Dividends paid	-	-	-	-
End of period	5,056,351	2,256,931	5,056,351	2,256,931
Earnings per share (in centavos)				
Basic	15.00	1.82	0.85	0.36
Fully diluted	14.52	1.73	0.81	0.35
Weighted average number of shares in issue				
Basic	17,624,552	9,478,704	18,118,898	15,461,690
Fully diluted	18,199,135	9,950,142	18,907,242	15,933,128

Note: 1998 figures have been restated to be comparable with 1999 data, involving the deconsolidation of Smart Communications, Inc. consistent with the change in policy described in detail in the 1998 annual report, the deconsolidation of discontinued consumer products business reflected from the third quarter 1999 and the reclassification of certain accounts comparable with the treatment made at yearend 1998.

METRO PACIFIC CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at (In thousands)	30 September 1999	31 December 1998	30 September 1998 *
ASSETS			
Current assets			
Cash and cash equivalents	2,380,358	2,571,590	3,537,970
Receivables	6,259,640	6,016,094	5,506,151
Due from affiliated companies	654,001	831,257	921,963
Inventories	695,016	874,429	1,121,648
Development properties held for sale	2,932,550	2,286,912	5,876,655
Prepayments and other current assets	924,649	1,202,553	2,212,669
Deferred income tax asset	713,772	900,376	306,830
Total current assets	14,559,986	14,683,211	19,483,886
Long-term receivables	5,161,105	6,407,460	9,687,784
Investments in affiliated companies	8,786,657	8,361,160	8,250,736
Development properties	75,002,343	72,732,718	69,247,380
Property, plant and equipment	4,797,968	6,288,273	6,876,213
Goodwill	407,184	467,240	157,312
Other assets	7,317,661	7,257,637	6,693,956
Total assets	116,032,904	116,197,699	120,397,267
LIABILITIES AND EQUITY			
Current liabilities			
Loans and notes payable	7,753,006	7,519,977	10,466,261
Current portion of long-term debts	644,895	718,906	537,039
Current portion of long-term liabilities and provision	2,584,287	2,194,571	2,091,518
Accounts payable and accrued expenses	3,362,446	3,946,142	4,383,459
Income tax payable	9,778	7,167	-
Total current liabilities	14,354,412	14,386,763	17,478,277
Long-term debts	11,618,042	16,147,498	14,932,452
Long-term liabilities and provisions	14,679,712	17,777,114	19,590,128
Equity			
Stockholders' equity			
Capital stock	18,121,400	16,877,664	15,476,691
Additional paid-in capital	9,235,989	8,318,053	9,733,845
Deposit on stock subscriptions	1,665,600	-	-
Retained earnings	5,056,351	2,413,387	2,256,932
Outside interests	41,301,398	40,277,220	40,928,942
Total equity	75,380,738	67,886,324	68,396,410
Total liabilities and equity	116,032,904	116,197,699	120,397,267

* 1998 figures have been restated to be comparable with 1999 data, involving the deconsolidation of Smart Communications, Inc. consistent with the change in policy described in detail in the 1998 annual report.