

**3rd May 1999**

**FIRST PACIFIC'S METRO PACIFIC RECORDS 19-FOLD RISE IN FIRST QUARTER PROFIT TO 2,054 MILLION PESOS**

First Pacific's Philippine flagship, Metro Pacific Corporation, announced today that its first quarter profit rose 19-fold to 2,054 million pesos from 107 million pesos a year earlier, reflecting gains from the disposal of a portion of its interest in Smart Communications to Japan's Nippon Telegraph and Telephone Corp.

Sales rose 11 per cent to 3,072 million pesos, reflecting in part the consolidation of Negros Navigation Co., a domestic shipping line that was acquired in May 1998, and Landco Pacific Corp., a developer of property outside Metro Manila which became a subsidiary in July 1998.

Operating profit declined 7 per cent to 753 million pesos, while financing charges more than doubled to 334 million pesos, due to the effects of consolidating the two units.

Metro Pacific achieved a gain of 2,700 million pesos from the Smart sale, which reduced its stake in the cellular provider to 38 per cent from 52 per cent. This was offset by significant provisions related to restructuring charges and a loss relating to the write-off of a vessel owned by Negros Navigation.

Metro Pacific's President, Napoleon Nazareno, said: "Our first quarter results are likely to be followed by another gain later in the year as Metro Pacific, together with First Pacific, pursues previously stated plans to inject Smart into Philippine Long Distance Telephone Company. The transaction will further crystallize the value of Smart, one of the most valuable investments Metro Pacific has made in its history."

Metro Pacific's total consolidated liabilities decreased to 44,782 million, down 24 per cent from a year earlier and down 7 per cent from year-end 1998. This led to a decline in its consolidated debt-to-equity ratio to 0.62 from 1.11 a year earlier and 0.71 at year-end 1998.

Financial data

**METRO PACIFIC CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS**  
**FOR THE THREE MONTHS ENDED 31 MARCH**  
*(Unaudited)*

In thousand Pesos	1999	1998*
<b>REVENUES</b>	3,071,633	2,758,987
COST OF SALES	1,770,368	1,591,289
OPERATING EXPENSES	548,408	358,143
<b>OPERATING PROFIT</b>	752,857	809,555
EQUITY IN NET EARNINGS OF AFFILIATED COMPANIES	35,996	52,552
FINANCING CHARGES ,net	(333,573)	(150,326)
<b>PROFIT BEFORE OTHER INCOME</b>	455,280	711,781
OTHER INCOME, net	1,972,316	84,221
<b>PROFIT BEFORE TAXATION</b>	2,427,596	796,002
TAXATION	105,359	151,724
<b>NET INCOME BEFORE OUTSIDE INTERESTS</b>	2,322,237	644,278
OUTSIDE INTERESTS	(268,188)	(537,445)
<b>NET INCOME</b>	2,054,049	106,833
RETAINED EARNINGS BEGINNING OF YEAR	2,413,387	2,084,449
<b>RETAINED EARNINGS END OF PERIOD</b>	4,467,436	2,191,282
EARNINGS PER SHARE (in centavos) - BASIC	11.96	2.28
EARNINGS PER SHARE (in centavos) - DILUTED	11.65	1.72

\*1998 figures have been restated to make them comparable with 1999 numbers, reflecting the deconsolidation of Smart Communications, Inc.

**METRO PACIFIC CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
*(Unaudited)*

As at (In thousands)	31 March 1999	31 December 1998	31 March 1998 *
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	2,342,240	2,571,590	3,819,126
Receivables	6,074,709	6,016,094	6,684,671
Due from affiliated companies	844,539	831,257	585,181
Inventories	850,425	874,429	942,041
Development properties held for sale	2,891,558	2,286,912	3,069,896
Prepayments and other current assets	813,736	1,202,553	2,076,374
Deferred income tax asset	956,271	900,376	-
<b>Total current assets</b>	<b>14,773,478</b>	<b>14,683,211</b>	<b>17,177,289</b>
<b>Long-term receivables</b>	<b>6,631,682</b>	<b>6,407,460</b>	<b>7,784,067</b>
<b>Investments in affiliated companies</b>	<b>9,266,406</b>	<b>8,361,160</b>	<b>9,790,523</b>
<b>Development properties</b>	<b>72,410,394</b>	<b>72,732,718</b>	<b>67,261,147</b>
<b>Property, plant and equipment</b>	<b>5,709,448</b>	<b>6,288,273</b>	<b>2,847,875</b>
<b>Goodwill</b>	<b>462,720</b>	<b>467,240</b>	<b>168,545</b>
<b>Other assets</b>	<b>7,253,034</b>	<b>7,257,637</b>	<b>6,164,130</b>
<b>Total assets</b>	<b>116,507,162</b>	<b>116,197,699</b>	<b>111,193,576</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Loans and notes payable	7,821,472	7,519,977	8,489,297
Current portion of long-term debts	601,305	718,906	231,565
Current portion of long-term liabilities and provisions	1,680,552	2,194,571	3,925,997
Accounts payable and accrued expenses	3,603,807	3,946,142	2,725,701
Income tax payable	152,410	7,167	25,757
<b>Total current liabilities</b>	<b>13,859,546</b>	<b>14,386,763</b>	<b>15,398,317</b>
<b>Long-term debts</b>	<b>13,879,369</b>	<b>16,147,498</b>	<b>23,411,673</b>
<b>Long-term liabilities and provisions</b>	<b>17,043,121</b>	<b>17,777,114</b>	<b>19,732,756</b>
<b>Equity</b>			
Stockholders' equity			
Capital stock	17,319,694	16,877,664	4,707,337
Additional paid-in capital	8,569,436	8,318,053	6,653,277
Deposit on stock subscriptions	716,357	-	-
Retained earnings	4,467,436	2,413,387	2,191,283
Outside interests	40,652,203	40,277,220	39,098,933
<b>Total equity</b>	<b>71,725,126</b>	<b>67,886,324</b>	<b>52,650,830</b>
<b>Total liabilities and equity</b>	<b>116,507,162</b>	<b>116,197,699</b>	<b>111,193,576</b>

\*1998 figures have been restated to make them comparable with 1999 numbers, reflecting the deconsolidation of Smart Communications, Inc.