

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Monday, 14 March 2005

FIRST PACIFIC'S STRONG PERFORMANCE CONTINUED IN 2004; PROFITS UP 81.5 PER CENT TO US\$134.5 MILLION

- Profit attributable to ordinary shareholders increased by 81.5% to US\$134.5 million (HK\$1,049.1 million)
- Recurring profit increased by 57.3% to US\$127.4 million (HK\$993.7 million)
- Basic earnings per share increased by 81.1 per cent to US4.22 cents (HK32.92 cents)
- Shareholders' equity increased by nearly 5 times to US\$294.6 million (HK\$2,297.9 million)
- Consolidated gearing ratio improved to 1.29 times from 2.12 times

First Pacific Company Limited ("First Pacific"; HKSE: 00142) today reported an attributable profit for 2004 of US\$134.5 million (HK\$1,049.1 million) representing an 81.5 per cent increase over the 2003 attributable profit of US\$74.1 million (HK\$578.0 million), principally reflecting the sustained excellent performance by PLDT and the gain on disposal of a 49 per cent interest in Escotel Mobile Communications Limited ("Escotel") in India. The Group's turnover decreased slightly to US\$2,054.6 million (HK\$16,025.9 million) (2003: US\$2,161.8 million; HK\$16,862.0 million) reflecting depreciation of the rupiah and fierce competition in Indofood's market environment.

Recurring profit for 2004 increased 57 per cent to US\$127.4 million (HK\$993.7 million), from US\$81.0 million (HK\$631.8 million) in 2003. Foreign exchange losses in 2004 reduced by eight per cent to US\$15.9 million (HK\$124.0 million) (2003: US\$17.3 million; HK\$134.9 million) resulting from the unhedged foreign currency borrowings of Indofood, principally due to the depreciation of the rupiah. The Group also recorded a non-recurring gain of US\$23.0 million (HK\$179.4 million) (2003: US\$10.4 million; HK\$81.1 million), which comprises principally the gain of US\$17.1 million (HK\$133.4 million) realized on the disposal of an interest in Escotel. Interest expenses increased by 34 per cent to US\$12.6 million (HK\$98.3 million) (2003: US\$9.4 million; HK\$73.3 million) reflecting a higher average debt balance at the Head Office level.

The substantial improvement in gearing ratio and increase in shareholders' equity result principally from the profit derived for the year and the net effect of restating the exchange and goodwill reserve of US\$129.7 million (HK\$1,011.7 million) from the disposal of Escotel in India.

Comments on 2004 Performance and 2005 Outlook

Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific said: "I am very pleased to say that 2004 was an encouraging year. All major operating units of First Pacific Group made significant progress in strengthening their businesses, and this was reflected in the substantial increase in net profit, reduction in net debt and a nearly five-fold

increase in shareholders' equity to US\$294.6 million (HK\$2.3 billion) (2003: US\$51.1 million; HK\$398.6 million). PLDT again reported profit contribution in excess of market expectations with another record high result, and met its commitment to resume dividend payments to common shareholders, suspended since April 2001. PLDT's various business divisions remain market leaders and have strong fundamentals and potential for further growth. Indofood was able to sustain its sales level and to improve its gross and operating margins despite of strong competitive pressure. Indofood achieved substantial progress on its business restructuring and debt management programs. Metro Pacific made tremendous progress during the year and is on track to conclude its debt reduction program thereby positioning itself for renewed growth,"

"The business environment for 2005 remains challenging. In addition to focusing on further improving the performance and underlying potential of our principal investments – PLDT, Indofood and Metro Pacific, we will take further steps to broaden the scope of our services and products in order to achieve a sustainable competitive advantage in respective markets. In January this year, we successfully raised funds of US\$199 million from the issue of five-year zero-coupon exchangeable notes which provide us with the financial resources to explore opportunities with significant growth in line with First Pacific's principal strategic objectives in the region," said Pangilinan.

"We have developed a culture of continuous improvement. I believe, being innovative and efficient is key for maintaining market position and motivating future growth. We remain committed to grow our businesses in the region and to build long-term value for our stakeholders. In addition, it is the Board's objective to pay dividends to shareholders in respect of the 2005 financial year, subject to continued strong performance by PLDT and Indofood." concluded Pangilinan.

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Further information and analysis

Attached are the Group's consolidated profit and loss statement, its 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 and posted on www.firstpacco.com before the end of April 2005.

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 (Stock code: 00142), First Pacific's shares also are available in the United States through American Depositary Receipts (ADR code: FPAFY).

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FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED PROFIT AND LOSS STATEMENT

For the year ended 31 December US\$ millions	2004	2003 (Restated)
TURNOVER	2,054.6	2,161.8
Cost of sales	(1,536.1)	(1,657.1)
GROSS PROFIT	518.5	504.7
Gain/(loss) on disposal of a discontinued operation, divestments and dilutions, net	25.1	(3.2)
Distribution costs	(172.2)	(172.3)
Administrative expenses	(121.5)	(138.1)
Other operating (expenses)/income, net	(20.3)	29.9
OPERATING PROFIT	229.6	221.0
Share of profits less losses of associated companies	118.6	65.0
Net borrowing costs	(111.9)	(115.8)
PROFIT BEFORE TAXATION	236.3	170.2
Taxation	(57.3)	(35.2)
PROFIT AFTER TAXATION	179.0	135.0
Outside interests	(44.5)	(60.9)
PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	134.5	74.1
EARNINGS PER SHARE (U.S. CENTS)		
Basic	4.22	2.33
Diluted	4.21	N/A

N/A: Not Applicable

FIRST PACIFIC COMPANY LIMITED
CONSOLIDATED BALANCE SHEET

At 31 December US\$ millions	2004	2003 (Restated)
NON-CURRENT ASSETS		
Property and equipment	664.4	699.3
Plantations	147.4	160.0
Associated companies	234.9	8.0
Long-term receivables and prepayments	269.2	248.0
Goodwill	36.5	18.3
Deferred tax assets	5.8	7.5
Restricted cash	4.7	4.7
	1,362.9	1,145.8
CURRENT ASSETS		
Cash and cash equivalents	186.6	233.3
Restricted cash and pledged deposits	4.5	17.6
Short-term investments	32.9	77.0
Accounts receivable, other receivables and prepayments	360.0	430.2
Inventories	281.4	309.6
	865.4	1,067.7
CURRENT LIABILITIES		
Accounts payable, other payables and accruals	282.4	379.9
Short-term borrowings	288.9	207.4
Provision for taxation	26.2	36.8
	597.5	624.1
NET CURRENT ASSETS	267.9	443.6
TOTAL ASSETS LESS CURRENT LIABILITIES	1,630.8	1,589.4
EQUITY CAPITAL AND RESERVES		
Issued capital	31.9	31.9
Reserves	262.7	19.2
Shareholders' equity	294.6	51.1
OUTSIDE INTERESTS	365.1	376.7
NON-CURRENT LIABILITIES		
Loan capital and long-term borrowings	761.2	955.9
Deferred liabilities and provisions	100.0	88.7
Deferred tax liabilities	109.9	117.0
	971.1	1,161.6
	1,630.8	1,589.4

FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY

For the year ended 31 December US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2004	2003	2004	2003 (Restated) ⁽ⁱⁱ⁾
PLDT ⁽ⁱⁱⁱ⁾	-	-	123.0	76.7
Indofood	1,995.8	2,090.1	33.7	32.8
Metro Pacific	58.8	71.7	(9.4)	(7.3)
From continuing businesses	2,054.6	2,161.8	147.3	102.2
From a discontinued operation ^(iv)	-	-	1.9	0.6
From operations	2,054.6	2,161.8	149.2	102.8
Head Office items:				
- Corporate overhead			(10.0)	(8.6)
- Net interest expense			(12.6)	(9.4)
- Other income/(expenses)			0.8	(3.8)
Recurring profit			127.4	81.0
Foreign exchange losses			(15.9)	(17.3)
Non-recurring items ^(v)			23.0	10.4
Profit attributable to ordinary shareholders			134.5	74.1

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

(ii) The Group has restated its contribution from Indofood for 2003 from US\$40.2 million to US\$32.8 million as a result of its adoption of SSAP36 "Agriculture". Accordingly, the Group's 2003 profit attributable to ordinary shareholders has been restated from 81.5 million to US\$74.1 million.

(iii) Associated company.

(iv) Represents Escotel.

(v) 2004's non-recurring gains of US\$23.0 million mainly comprise gain on disposal of 49 per cent interest in Escotel of US\$17.1 million, gain on disposal of 5.1 per cent interest in Metro Pacific of US\$12.2 million, gains of US\$1.2 million realized by Metro Pacific from various debt reduction and restructuring exercises, partly offset by PLDT's asset impairment provisions and manpower rightsizing costs of US\$4.6 million. 2003's non-recurring gains of US\$10.4 million 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.