

FIRST  
PACIFIC

## FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

### 2002 FIRST QUARTER RESULTS OF METRO PACIFIC CORPORATION

The following is a reproduction of a press release, issued pursuant to paragraph 2 of the Listing Agreement by First Pacific Company Limited for information purpose only, released in the Philippines by Metro Pacific Corporation, a subsidiary of First Pacific Company Limited, in accordance with the requirements of the Philippine Stock Exchange.

#### CONSOLIDATED STATEMENTS OF INCOME AND ACCUMULATED DEFICIT

(Unaudited)

For the period ended 31 March (In thousand pesos)	2002	2001
<b>Revenues</b>	1,688,680	2,967,273
Cost of sales	(1,337,474)	(2,312,532)
Operating expenses	(263,671)	(243,259)
<b>Operating profit</b>	87,535	411,482
Equity in net losses of affiliated companies	(260,766)	(107,038)
Financing charges, net	(432,138)	(317,785)
<b>Loss before other income</b>	(605,369)	(13,341)
Other income, net	3,262	201,150
<b>(Loss)/profit before taxation</b>	(602,107)	187,809
Taxation	(13,289)	(394,474)
<b>Net loss before outside interests</b>	(615,396)	(206,665)
Outside interests	94,051	44,655
<b>Net loss for the period</b>	(521,345)	(162,010)
<b>(Accumulated deficit)/retained earnings</b>		
Beginning of period	(14,330,139)	6,941,959
Dividends accrued on preferred shares*	(28,293)	(18,000)
End of period	(14,879,777)	6,761,949
<b>Loss per share (in centavos)</b>		
Basic	2.95	0.97
<b>Weighted average number of shares in issue</b>		
Basic	18,603,473	18,603,473

\* Including redemption premium

#### CONSOLIDATED BALANCE SHEETS

(Unaudited)

As at (In thousand pesos)	31 March 2002	31 December 2001	31 March 2001
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	847,636	971,821	1,199,715
Receivables	4,513,114	5,173,080	7,860,512
Due from affiliated companies	768,710	1,077,918	1,123,059
Inventories	31,600	68,285	209,596
Development properties	11,639,963	11,957,147	5,239,883
Prepayments and other current assets	5,013,654	4,977,099	4,447,237
Total current assets	22,814,677	24,225,350	20,080,002
<b>Long-term receivables</b>	1,731,748	721,294	1,195,445
<b>Investments in affiliated companies</b>	1,114,617	1,125,659	2,756,418
<b>Development properties</b>	33,648,604	34,279,932	59,051,438
<b>Property and equipment</b>	5,505,031	5,669,208	6,212,790
<b>Other assets</b>	4,148,593	4,442,772	4,537,813
<b>Total assets</b>	68,963,270	70,464,215	93,833,906
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Loans and notes payable	8,757,573	9,571,069	4,745,491
Current portion of long-term debts	2,987,700	2,941,414	6,727,363
Current portion of long-term liabilities and provisions	1,225,549	1,229,696	2,123,071
Accounts payable and accrued expenses	6,564,757	6,209,349	5,665,428
Deferred tax liability, net	176,923	142,565	212,869
Income tax payable	9,469	20,784	23,854
Total current liabilities	19,721,971	20,114,877	19,498,076
<b>Long-term debts</b>	6,016,276	6,022,140	4,137,315
<b>Long-term liabilities and provisions</b>	2,428,332	2,049,878	3,121,951
<b>Equity</b>			
Stockholders' equity			
Capital stock	18,606,694	18,606,694	18,606,694
Additional paid-in capital	10,411,914	10,411,914	10,411,914
Treasury stock	(1,033,000)	(1,033,000)	(1,033,000)
(Accumulated deficit)/retained earnings	(14,879,777)	(14,330,139)	6,761,949
Outside interests	27,690,860	28,621,851	32,329,007
Total equity	40,796,691	42,277,320	67,076,564
<b>Total liabilities and equity</b>	68,963,270	70,464,215	93,833,906

Metro Pacific Corporation ("MPC") today announced consolidated operating profits of P87.5 million (2001: P411.5 million) for the first quarter of 2002. Increased interest and financing charges resulted in an unaudited consolidated net loss of P521.3 million (2001: P162.0 million) on reduced consolidated revenues of P1.7 billion (2001: P3.0 billion). Last year's revenues benefited from a non-recurring transaction.

MPC subsidiaries Landco Pacific Corporation ("Landco") and Negros Navigation Company ("Nenaco") reported net profits of P5.2 million and P4.9 million, respectively.

Consolidated interest expense and financing charges increased from P317.8 million in the first quarter of 2001 to P432.1 million in 2002. This comprised mostly interest costs at the holding companies MPC and Bonifacio Land Corporation ("BLC"), 55% shareholder of Fort Bonifacio Development Corporation ("FBDC"), which offset reductions in financing charges achieved by MPC's subsidiaries. The increased financing costs were largely due to the restructuring of BLC's long term commercial paper at higher rates, and the holding companies' discontinuing the practice of partially capitalizing interest.

Consolidated assets stood at P69.0 billion as of 31 March 2002, financed by shareholder's equity (including minorities) of P40.8 billion and liabilities of P28.2 billion, of which P17.8 billion are interest-bearing.

MPC's total assets as of 31 December 2001 were P70.5 billion. This is higher than the approximately P68.0 billion previously reported, due to a reduction in the asset impairment provisions. Additionally, a transaction initiated last year and concluded in early 2002 resulted in MPC increasing its ownership in BLC from 69.6% on 31 December 2001 to 72.9% as of 31 March 2002.

#### Operational Review

**FBDC** reported a consolidated net loss of P45.5 million for the first quarter of 2002, compared with a net profit of P86.1 million for the same period last year. Revenues were P896.6 million, primarily arising from the sale of an undeveloped 5 hectare lot in the Bonifacio Global City for P2.5 billion. In line with FBDC's practice of recognizing revenues upon receipt of cash payment, only part of the 5 hectare lot sale was recognized in the first quarter. The loss, however, was mainly due to the fact that FBDC accounted for all the related expenses of the sale in the first quarter. FBDC has leased 70% of the second phase of the mid market retail complex Bonifacio Stopover 2, scheduled to open in late 2002, and continues to receive considerable interest from a variety of retail, residential and commercial office developers.

**Pacific Plaza Towers** reported a net loss of P27.6 million on revenues of P103.7 million, compared to a net profit of P237.2 million on revenues of P1.6 billion for the same period in 2001. 2001 revenues included the gains from a significant bulk sale transaction.

**Landco** posted a net profit of P5.2 million compared to a loss of P35.6 million for the same period last year, reflecting a 79% drop in financing charges as well as increased gross margins. Revenues, at P78.1 million (2001: P94.7 million) reflected the continuing weakness in the property market. Notwithstanding this, there has been increased market interest in Landco's ongoing and recently announced provincial development projects.

**Nenaco** posted a net income of P4.9 million, a significant turnaround from a loss of P175.7 million for the same period last year. Though revenues rose modestly to P608.5 million (2001: P599.2 million), the turnaround was largely due to significant reductions in operating expenditures, manpower and interest charges.

**First e-Bank** is currently engaged in merger and direct investment discussions, one of which has been submitted to the Bangko Sentral ng Pilipinas for approval, as is normal in transactions of this nature.

Remarking on MPC's first quarter 2002 results, Chairman Manuel V. Pangilinan said, "It has been a challenging quarter for MPC but, notwithstanding this, both Landco and Nenaco reported improved results, and we anticipate increased interest in the Bonifacio Global City. Finance costs will continue to weigh heavily and, mindful of this, debt reduction remains management's top priority."

By Order of the Board  
**First Pacific Company Limited**  
**Manuel V. Pangilinan**  
Executive Chairman

*Please also refer to the published version of this announcement in South China Morning Post and Hong Kong Economic Times.*