28th February 2000

METRO PACIFIC REPORTS FULL YEAR PROFIT OF PESOS 2.4 BILLION (US$59.7 MILLION)

Metro Pacific Corporation (MPC) reported today unaudited consolidated net earnings of Pesos 2.4 billion (US$59.7 million) for the year ended 31st December 1999, representing a sevenfold increase compared with the Pesos 329 million (US$8.2 million) net earnings for 1998.

The 1999 net earnings were sourced primarily from (a) the gain on partial sale of MPC's interest in Smart Communications, Inc. ("Smart") to Japan's Nippon Telegraph & Telephone (NTT) amounting to Pesos 2.7 billion (US$67.1 million), which brought down MPC's stake in Smart from 52 per cent to 38 per cent, (b) the gains on the sale of Metro Bottled Water Corporation (Pesos 933 million) (US$23.2 million) and Metrolab Industries, Inc. (Pesos 680 million) (US$16.9 million), and (c) a Pesos 325 million (US$8.1 million) reversal of provisions by Fort Bonifacio Development Corporation ("FBDC") for lot returns.

These exceptional items were, however, offset partly by (a) a Pesos 1.4 billion (US$34.8 million) provision against the value of MPC's investments in its subsidiaries and affiliates, (b) a Pesos 119 million (US$3.0 million) provision by Nenaco for the decline in the value of its assets and (c) the Pesos 81 million (US$2.0 million) loss incurred by Nenaco related to the destruction by fire of it's St. Francis vessel.

Consolidated revenues for the year amounted to Pesos 11.6 billion (US$288.2 million), slightly higher than the Pesos 11.3 billion (US$280.7 million) level recorded in the previous year. (The 1998 figures have been restated to be comparable with the 1999 results). Operating profit for 1999 of Pesos 2.2 billion (US$54.7 million) was 21 per cent less than prior year's level of Pesos 2.8 billion (US$69.6 million). Profit before other income but after financing charges declined to Pesos 748 million (US$18.6 million) from Pesos 1.956 billion (US$48.6 million).

The basic earnings per share of 13.25 centavos (US0.33 cent) in 1999 from 2.84 centavos (US0.07cent) in 1998 was computed using on a weighted average number of issued and outstanding shares of 17,868 million in 1999 and 11,563 million in 1998. The fully diluted earnings per share were computed at 13.15 centavos (US0.33 cent) in 1999 from 2.73 centavos in 1998, based on a weighted average number of shares of 18,335 million in 1999 and 12,035 million in 1998.

Total assets decreased from Pesos 116.2 billion (US$2,887.0 million) in 1998 to Pesos 99.4 billion (US$2,469.6 million) in 1999 largely as a result of the reduction in development properties. Total debt reduced to Pesos 33.4 billion (US$829.8 million) at the end of 1999 from Pesos 48.3 billion (US$1,200.0 million) in 1998 as a result of (a) the substantial pay-down on head office debts, (b) the deconsolidation of consumer subsidiaries following their disposal and (c) the cancellation of Pesos 8.8 billion (US$218.6 million) payable to BCDA concerning the return of the 64-hectare property.

Current ratio improved from 1.02 in 1998 to 1.16 in 1999. Debt to equity ratio similarly improved from 0.71 in 1998 to 0.51 in 1999 due to the substantial reduction in total liabilities. Total assets to total debt also increased to 2.97 at year end from 2.40 at the end of the previous year.

PROPERTY DIVISION

FORT BONIFACIO DEVELOPMENT CORPORATION

FBDC, a subsidiary controlled by Bonifacio Land Corporation and developer of the Global City, recorded net earnings of Pesos 2.36 billion (US$58.6 million) for the year, an improvement of 30 per cent over net earnings of Pesos 1.82 billion (US$45.2 million) in 1998. Revenues were booked at Pesos 4.8 billion (US$119.3 million), down 22 per cent compared to the Pesos 6.2 billion (US$154.0 million) registered in the previous year.

The subsidiary has pursued vigorously its development of the Global City as the most modern urban center in East Asia. In January 2000, the company turned over to the Department of Public Works and Highways (DPWH) the Pesos 915 million (US$22.7 million) Kalayaan fly-over that will improve access to the City from the Makati CBD. It has recently acquired the Philippine Export Zone Authority (PEZA) accreditation to develop 27 hectares of its property into an IT Zone, the proclamation of which is expected towards the end of February. The Big Delta, the seat of the Global City's CBD, is due for completion and turnover in April 2000.

In mid January 2000, FBDC also commenced the construction of Bonifacio Ridge, initially a twin-tower residential condominium development consisting of a total of 288 units.

LANDCO PACIFIC CORPORATION

Despite a depressed property market, Landco Pacific Corporation, a 60 per cent owned subsidiary operating in real estate development, consultants and general managers for some of the largest and most respected real estate developers in the country, reported after tax profits of Pesos 21.3 million (US$0.5 million), 107 per cent higher than its earnings of Pesos10.3 million (US$0.3 million) recorded in 1998.

For the year, Landco reported Pesos 600 million (US$14.9 million) revenues, a 26 per cent decline from the prior year's level of Pesos 809 million (US$20.1 million), which were sourced largely from its seaside Punta Fuego Resort development in Batangas. Revenues from the Punta Fuego development consistently exceeded targets. However, other developments contributed less than budgeted results due to the softening real estate prices during the year.

PACIFIC PLAZA TOWERS, INC.

Pacific Plaza Towers, a prestigious 53-storey twin-tower condominium development in the Global City, delivered Pesos 510.2 million (US$12.7 million) in net earnings from net sales of Pesos 2.49 billion in 1999. Gross margins were computed based on a percentage completion of 59.7 per cent as of year-end, translating to a 42.4 per cent incremental percentage completion for 1999. Reservations for the condominium units reached 217 at year's close, 55 per cent of the total 393 units. The residential condominium had topped off both towers in November, one month ahead of schedule, and is still on track for completion in August 2000.

TELECOMMUNICATIONS DIVISION

Smart, the most dominant cellular phone company in the domestic market, yielded net earnings of Pesos 317 million (US$7.9 million) in 1999, a 39 per cent decrease from 1998 earnings of Pesos 519 million (US$12.9 million). The decline in earnings is attributable to lower average revenues per subscriber and the massive costs in launching and promoting its GSM service. Revenues at year-end, however, rose to Pesos 10 billion (US$248.4 million) from prior year's revenues of Pesos 8.1 billion (US$201.2 million), a 23 per cent increase.

Smart's cellular subscriber base is the largest in the market, representing 37 per cent of the national subscriber base of 2.76 million. This translates to 1,025,150 subscribers as of yearend, which includes GSM subscribers of 191,294. Subscribers to its Local Exchange Carrier (LEC) segment totaled to 107,456 as of the same date.

PACKAGING DIVISION

Steniel Manufacturing Corporation (SMC) a 72.6 per cent owned subsidiary involved in the manufacture of corrugated carton packaging products, registered a net income of Pesos 28 million (US$0.7 million) in 1999 compared to the Pesos 146 million (US$3.6 million) net earnings obtained in 1998. Significantly high earnings in 1998 was attributed to the recognition of a non-recurring gain from the sale of Starpack, a former subsidiary engaged in the manufacture of flexible materials packaging. Proceeds from the sale were used to pay off debt that substantially reduced the financing charges of the remaining business. SMC undertook measures to streamline its costs by reducing manpower and wastage levels for paper. In early 1999, it set up a corrugated and converting facility in Davao to be closer to its major markets.

TRANSPORT DIVISION

Negros Navigation (Nenaco), a 55 per cent owned subsidiary providing integrated services in shipping, trucking, warehousing, forwarding and delivery of bulk and break-bulk cargoes, reported a loss of Pesos 777.8 million (US$19.3 million) in 1999 compared with a net loss of Pesos 847.5 million (US$21.1 million) in 1998. Revenues declined to Pesos 2.0 billion (US$49.7 million) from previous year's level of Pesos 2.1 billion (US$52.2 million).

Reduced volume and tonnage, following the de-consolidation of its fast ferry services in 1999 adversely affected Nenaco's results. This was compounded by operational problems in extended and unplanned repairs and maintenance of vessels and the persistent difficulties encountered by its freight division at the Manila terminal. It also lost one of its primary vessels, the St. Francis of Assisi, to an accidental fire in January 1999.

The subsidiary's losses, however, were partly offset by lower financing charges from the issuance of Pesos 1.5 billion (US$37.3 million) in convertible bonds by MPC to certain creditors of the subsidiary and the generally lower average interest rates in 1999.

In terms of contribution to the group, however, revenues increased by 44 per cent, from Pesos 1.4 billion (US$34.8 million) in 1998 to Pesos 2.0 billion (US$49.7 million) in 1999. MPC consolidated full year results in 1999, while it only booked eight months in 1998, commencing from its acquisition of Nenaco in May 1998.

BANKING DIVISION

PDCP Bank, 33 per cent owned by MPC, contributed a loss of a Pesos 401 million (US$10.0 million) due to prudent lending, provisioning and other measures to clean up its balance sheet, as well as an industry wide drop in lending rates. The bank is in the process of repositioning itself as an electronic banking-focused financial institution. It is prepared to go beyond traditional banking services and create income-generating products serving new market needs. The bank is proposing to increase its capital to Pesos 4.4 billion (US$109.3 million) from Pesos 2.5 billion (US$62.1 million) to expand the bank's balance sheet and strengthen its position in the retail banking business.

CONSUMER PRODUCTS AND OTHERS

Divestments from Metro Bottled Water and Metrolab took effect on 1 July and 1 August 1999, respectively. These brought in collective gains on sale of Pesos 1.6 billion (US$39.8 million) for the company. Metrovet, the only remaining subsidiary in the Consumer Products Division and catering to the veterinary and feed additive businesses, yielded gross profits of Pesos 47 million (US$1.2 million) in 1999 compared to Pesos 23 million (US$0.6 million) in 1998. This earnings performance was largely a result of a 112 per cent increase in revenues from traditional products and the successful entry of Merial, a new product to the agribusiness market.

Ricardo S. Pascua, incoming President and Chief Executive Officer, anticipates a better performance for MPC in the coming year. "With an improved economic environment and a more concentrated focus on property development, we expect that MPC will improve its recurring earnings base in the coming year. Our on-going asset rationalization program will also allow us to continue to reduce consolidated debt levels. We believe that these measures will significantly enhance shareholders value," he said.

Note: For illustrative purposes only, US$ equivalents are translated at the 31st December 1999 peso closing rate of Pesos 40.25 = US$1.

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

For the year ended 31 December (in thousands Pesos)	**1999**	**1998**
Revenues	11,596,620	11,265,776
Cost of sales	(8,218,656)	(7,279,731)
Operating expenses	(1,175,870)	(1,208,501)
Operating profit	2,202,094	2,777,544
Equity in net earnings of affiliated companies	(280,356)	184,793
Financing charges, net	(1,174,204)	(1,006,443)
Profit before other income	747,534	1,955,894
Other income/(expense), net	2,291,100	(945,868)
Profit before taxation	3,038,634	1,010,026
Taxation	(77,780)	415,675
Income from continuing operations	2,960,854	1,425,701
Gain/(Loss) from discontinued operations	519,149	(8,632)
Net income before outside interests	3,480,003	1,417,069
Outside interests	(1,076,159)	(1,088,131)
Net income for the period	2,403,844	328,938
Retained earnings		
Beginning of period	2,413,387	2,084,449
Preferred share dividends	(36,000)	-
End of period	4,781,231	2,413,387
Earnings per share (in centavos)		
Basic	13.25	2.84
Fully diluted	13.15	2.73
Weighted average number of shares in issue (in thousands)		
Basic	17,868,139	11,563,282
Fully diluted	18,335,310	12,034,720

Note: 1998 figures have been restated to be comparable with 1999 data, involving the deconsolidation of discontinued consumer products business reflected from the third quarter 1999. Result of discontinued operation includes the gain on disposal of the business

METRO PACIFIC CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited)

As at (in thousands Pesos)	31 December 1999	31 December 1998
ASSETS		
Current assets		
Cash and cash equivalents	2,823,500	2,571,590
Receivables	6,719,925	6,016,094
Due from affiliated companies	322,832	831,257
Inventories	607,189	874,429
Development properties held for sale	2,997,845	2,286,912
Prepayments and other current assets	4,300,942	1,202,553
Deferred income tax asset	785,356	90,376
Total current assets	18,557,589	14,683,211
Long-term receivables	1,826,393	6,407,460
Investments in affiliated companies	10,114,853	8,361,160
Development properties	57,031,054	72,732,718
Property, plant and equipment	6,852,269	6,288,273
Goodwill	127,861	467,240
Other assets	4,885,538	7,257,637
Total assets	99,395,557	116,197,699
LIABILITIES AND EQUITY		
Current liabilities		
Loans and notes payable	8,400,399	7,519,977
Current portion of long-term debts	802,763	718,906
Current portion of long-term liabilities and provisions	2,377,935	2,194,571
Accounts payable	1,137,491	1,874,514
Accrued expenses and other liabilities	3,203,776	2,071,628
Income tax payable	18,698	7,167
Total current liabilities	15,941,062	14,386,763
Long-term debts	12,677,942	16,147,498
Long-term liabilities and provisions	4,821,669	17,777,114
Equity		
Stockholders' equity		
Capital stock	18,602,120	16,877,664
Additional paid-in capital	10,407,348	8,318,053
Retained earnings	4,781,231	2,413,387
Less: Treasury Stock , at cost	(1,033,000)	-
Outside interests	33,197,185	40,277,220
Total equity	65,954,884	67,886,324
Total liabilities and equity	99,395,557	116,197,699