



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00142)

2004 ANNUAL RESULTS OF METRO PACIFIC CORPORATION

The following is a reproduction of a press release, issued pursuant to Chapter 13.09(2) of the Listing Rules 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 years ended 31 December (In thousand pesos)	2004	2003
Revenues	3,298,537	4,010,508
Cost of sales	(2,952,220)	(3,255,486)
Operating expenses	(684,698)	(860,603)
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Operating loss	(338,381)	(105,581)
Share of net losses of associated companies	(7,605)	(20,649)
Financing charges, net	(527,013)	(763,641)
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Loss before other income	(872,999)	(889,871)
Other income, net	631,530	192,510
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Loss before taxation	(241,469)	(697,361)
Taxation	(48,214)	(99,492)
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Loss after taxation	(289,683)	(796,853)
Outside interests	44,908	(41,023)
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Net loss for the year	(244,775)	(837,876)
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Accumulated deficit		
Beginning of the year	(27,045,979)	(26,208,103)
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End of the year	(27,290,754)	(27,045,979)
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Loss per share (in centavos)		
Basic	(1.32)	(4.50)
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Weighted average number of shares in issue (in thousands)		
Basic	18,603,473	18,603,473
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CONSOLIDATED BALANCE SHEETS

(Unaudited)

As at
(In thousand pesos)

**31 December
2004**

**31 December
2003**

ASSETS

Current assets

Cash and cash equivalents	233,599	213,622
Receivables, net	1,643,146	2,189,649
Due from associated companies	5,134	11,373
Inventories, net	29,270	30,931
Development properties	1,962,480	2,381,147
Investment in and advances to Bonifacio Land Corporation, net	1,247,011	3,436,611
Deferred tax asset	1,750	32,210
Prepayments and other current assets	442,894	447,429

5,565,284

8,742,972

Long-term receivables	219,251	134,116
Investments in and advances to associated companies	1,574,083	1,753,297
Property and equipment	2,711,889	3,217,405
Other assets	426,078	349,310

10,496,585

14,197,100

LIABILITIES AND EQUITY

Current liabilities

Loans and notes payable	714,491	1,395,385
Current portion of long-term debts	852,737	2,135,170
Current portion of long-term liabilities and provisions	514,165	445,446
Accounts payable and accrued expenses	4,579,137	5,681,709
Due to related parties	97,404	125,268
Deferred tax liability	9,997	9,997
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Total current liabilities	6,767,931	9,792,975
Long-term debts	1,275,535	2,215,916
Long-term liabilities and provisions	1,593,984	1,262,168
Outside Interests	605,382	706,412
Equity		
Stockholders' equity		
Capital stock	18,884,874	18,605,974
Additional paid-in capital	9,692,634	9,692,634
Treasury stock	(1,033,000)	(1,033,000)
Accumulated deficit	(27,290,755)	(27,045,979)
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Total stockholders' equity	253,753	219,629
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Total liabilities and equity	10,496,585	14,197,100

Metro Pacific Corporation (“Metro Pacific”) (PSE: MPC) today reported an unaudited net loss of Pesos 244.8 million for the year ended 31st December 2004, a significant improvement from the Pesos 837.9 million loss recorded for 2003. The improvement

can be attributed to reduced operating expenses, financing charges and reversals of prior provisions.

Consolidated revenues stood at Pesos 3.3 billion for 2004, compared with Pesos 4.0 billion for 2003. The decline resulted from lower revenues at Negros Navigation Company (“Nenaco”), the effect of the deconsolidation of Bonifacio Land Corporation from Metro Pacific accounts and slightly reduced revenues realized by Landco Pacific Corporation (“Landco”) and Pacific Plaza Towers (“PPT”). Operating expenses declined significantly to Pesos 684.7 million in 2004, compared with Pesos 860.6 million in 2003. Financing charges were similarly reduced, to Pesos 527.0 million in 2004 compared with Pesos 763.6 million in 2003, mainly due to various debt settlement agreements achieved during the course of the year.

Metro Pacific declared itself to be in a self-administered debt workout scenario from late 2001, when its parent company bank debts stood at approximately Pesos 11.7 billion. By the end of 2004 Metro Pacific had achieved debt settlement agreements with various creditors that retired Pesos 10.4 billion of its total debt, leaving debts as at year-end 2004 of approximately Pesos 1.3 billion only – 11.0 percent of the 2001 debt level.

Operations Review

Landco reported a higher net profit of Pesos 73.3 million for 2004 versus Pesos 57.7 million in 2003, despite reduced revenues of Pesos 835.3 million, which reflect the near sell-out of various Landco projects in 2004. In 2003 Landco’s total revenues stood at Pesos 901.6 million. The improvement in net profit is principally attributed to reduced operating expenses which resulted from the absence of asset writedowns and other provisions. Landco is presently engaged in various discussions for offering new sales inventory for ongoing projects such as

Terrazas de Punta Fuego and Leisure Farms, while planning for new growth in its provincial shopping centers and hotel management businesses.

PPT reported a 2004 net loss of Pesos 28.7 million on revenues of Pesos 560.6 million, compared with a net loss of Pesos 119.6 million on revenues of Pesos 668.2 million for the same period in 2003. The reduction in revenues is attributed to lower average per-unit sales prices, as various units were used for debt reduction purposes. PPT has also benefited from reduced operating expenses and reduced one-time charges compared with 2003.

Nenaco reported a loss of Pesos 481.2 million for 2004, resulting from a highly adverse business environment, a period during which revenues reached to Pesos 1.8 billion, compared with Pesos 2.3 billion for 2003. During 2004 Nenaco experienced a fewer number of vessels in service, unscheduled and delayed dry-dockings, and creditor actions that halted operations of various vessels during peak season periods. These events in 2004 caused Nenaco to file a petition for corporate rehabilitation from the Manila Regional Trial Court on 31st March 2004, which was approved by the court on 4th October 2004. In preparation for the petition's filing, Metro Pacific had initiated a special audit of Nenaco accounts, which resulted in Pesos 573.2 million in one-time prior period adjustments charged against Nenaco's retained earnings.

Metro Pacific in 2004 also replaced Nenaco's management, initiated strict cost controls and transparent procurement processes, and initiated proactive efforts to increase Nenaco's revenue opportunities. In December 2004 through a public tender, Metro Pacific purchased 53,541,317 shares of the remaining outstanding capital stock of Nenaco, valued at Pesos 8.6 million, bringing its ownership of Nenaco to 98.96 per cent from 97.1

per cent. Metro Pacific then facilitated the delisting of Nenaco's shares from the Philippine Stock Exchange, for which the delisting was achieved on 8th December 2004.

2005 Outlook

With Metro Pacific's debt reduction program almost completed, management believes a foundation is being built to revitalize its business operations and prepare for renewed growth. It is envisioned that further debt reduction will be realized in the course of 2005, such that Metro Pacific's debt level will stabilize at around Pesos 350.0 million before the end of the year. Metro Pacific has also become increasingly engaged with CITRA Metro Manila Tollways Corporation ("CMMTC"), of which it is a minority investor and for which Metro Pacific President and CEO Jose Ma. K. Lim is concurrent President and CEO. Metro Pacific believes its involvement with infrastructure projects generally, and CMMTC particularly, represent a prime area of future growth for the company.

About Metro Pacific

Metro Pacific Corporation is a Manila, Philippines-based holding firm listed on the Philippine Stock Exchange (PSE: MPC). Metro Pacific's businesses include property concerns Landco Pacific Corporation and Pacific Plaza Towers, and shipping firm Negros Navigation Company. Further information regarding Metro Pacific can be accessed at www.metropacific.com

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Manuel V. Pangilinan
Managing Director and CEO

11th March 2005

As at the date of this announcement, the Board of Directors of First Pacific comprises the following Directors:

Anthoni Salim, *Chairman*
Manuel V. Pangilinan,
Managing Director and CEO

Edward A. Tortorici

Robert C. Nicholson

His Excellency Albert F. del Rosario

Edward K.Y. Chen*, *GBS, CBE, JP*

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles*

David W.C. Tang*,

*OBE, Chevallier de L'Ordre
des Arts et des Lettres*

* *Independent Non-executive Directors*

Please also refer to the published version of this announcement in South China Morning Post.