



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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**METRO PACIFIC ANNOUNCES FIRST HALF 2006 RESULTS;
MPIC RELEASES PRO FORMA FIRST HALF 2006 RESULTS;
REORGANIZATION AND RECAPITALIZATION PROGRAM ON TRACK**

The attached press release was released today in Manila by Metro Pacific Corporation, in which the First Pacific Group holds an economic interest of 76.1 per cent.

Metro Pacific Corporation is a Manila, Philippines-based holding company listed on the Philippine Stock Exchange. It is currently undergoing a program of reorganization and recapitalization which is expected to complete by 2006. Further information on Metro Pacific can be found at www.metropacific.com.

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thinking ahead

FOR IMMEDIATE RELEASE

METRO PACIFIC ANNOUNCES FIRST HALF 2006 RESULTS; MPIC RELEASES PRO FORMA FIRST HALF 2006 RESULTS; REORGANIZATION AND RECAPITALIZATION PROGRAM ON TRACK

MANILA, PHILIPPINES, 23rd August 2006 – Metro Pacific Corporation (“Metro Pacific”) (PSE: MPC) today reported a net loss of Pesos 456.6 million, principally due to non-recurring provisions made in view of the adverse short-term outlook for the Philippine domestic shipping industry and in respect of a particular real estate investment whose prospects are uncertain.

This announcement includes the performance of Landco Pacific Corporation (“Landco”) until 30th April 2006, when Metro Pacific’s entire shareholding in Landco was sold to Metro Pacific Investments Corporation (“MPIC”). Hence, a discussion of MPIC’s pro forma first half 2006 results are also included as the migration of Metro Pacific’s business interests to MPIC progresses.

Non-recurring Items

A provision of Pesos 139 million was made against an unprofitable Negros Navigation Company (“Nenaco”) vessel. Given the present over capacity in the domestic shipping industry and the continued rise in fuel costs, Metro Pacific is reviewing a number of strategic options with respect to its investment in Nenaco. The second provision, for Pesos 258.5 million, was made against an affiliated real estate investment, a company engaged in real estate development in San Juan, Batangas. Metro Pacific believes that while this investment’s long-term prospects are sound, its near-term outlook is challenging.

Reorganization And Recapitalization Plan On Track; MPIC Preparing Tender for Metro Pacific Shares

Under the reorganization and recapitalization plan announced last 27th March 2006, MPIC intends to make a tender offer to the existing minority shareholders of Metro Pacific, to enable those shareholders to migrate to the new and debt-free MPIC. As a result of the provisioning undertaken by Metro Pacific today, Metro Pacific’s parent company Net Asset Value is expected to stand at approximately Pesos 238.2 million, or 25 centavos per share, on a post-consolidation basis of the 1 for 20 Metro Pacific share consolidation. It is thus anticipated that the forthcoming tender by MPIC to the minority shareholders of Metro Pacific will be effected via an exchange ratio of 1 new MPIC share for every 4 Metro Pacific shares outstanding. In addition, it is

anticipated that under the same offer MPIC will offer 3 warrants for every 4 Metro Pacific shares tendered by the minority shareholders. Each warrant will entitle the shareholder to subscribe for its equivalent of 1 common share of MPIC at par value. Detailed terms and conditions for the tender will be announced by MPIC within the next month.

2006 Consolidated First Half Results for Metro Pacific

Metro Pacific reported consolidated lower revenues of Pesos 1.35 billion for the first six months of 2006, resulting from lower revenues at Nenaco for six months and reflecting the operations of Landco only until 30th April 2006. Consolidated revenues compare with the Pesos 1.69 billion revenues reported for the same period in 2005. Consolidated operating expenses stood at Pesos 192.7 million for the period, a decrease from the Pesos 223.5 million reported last year, due to reduced operating costs at Nenaco. Financing charges were reported at Pesos 117.2 million for the first half of 2006, compared with Pesos 108.7 million for the same period in 2005, due to increased interest charges incurred by Nenaco.

2006 Pro Forma First Half Results for MPIC

MPIC's pro forma first half results differ from Metro Pacific's in that it reflects the full six-month results for Landco. As of 30th June 2006 MPIC reported a pro-forma net loss of Pesos 445.9 million for the first six months of 2006, attributable to a provision made against an unprofitable Nenaco vessel and affiliated real estate investment. MPIC reported pro forma consolidated revenues of Pesos 1.66 billion for the period, reflecting reduced Nenaco revenues. Pro forma operating expenses stood at Pesos 333.4 million as Landco accelerated pre-development activities for various new and expansion projects. Pro forma financing charges of Pesos 103.5 million were reported for the first six months of 2006.

Comments

"Our results today reflect our resolve in making the hard choices required to complete Metro Pacific's workout and which will enable the new and debt-free MPIC to emerge with a strong financial foundation. We are appreciative of the sacrifices that our shareholders have undertaken along this journey, and thank them for their continued faith and loyalty," said Jose Ma. K. Lim, Metro Pacific President and CEO.

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METRO PACIFIC CORPORATION
CONSOLIDATED STATEMENTS OF INCOME / (LOSS)
(Unaudited)

For the periods ended 30 June (In thousand pesos)	2006	2005
Revenues	1,351,718	1,694,821
Cost of sales	(1,203,611)	(1,413,919)
Gross Profit	148,107	280,902
Operating expenses	(192,730)	(223,452)
Equity in net profits of affiliated companies	4,343	4,888
Financing charges, net	(117,172)	(108,691)
Other (expense) / income, net	(330,329)	176,795
(Loss) / income before taxation	(487,781)	130,442
Taxation	1,124	(4,419)
Net (loss) / income for the period	(486,657)	126,023
Attributable to:		
Equity holders of the parent	(456,568)	90,888
Outside interests	(30,089)	35,135
	(486,657)	126,023
Basic (loss) / earning per share (in centavos)	(2.43)	0.41
Basic weighted average number of common shares in issue (in thousands)	18,753,473	18,603,473

METRO PACIFIC INVESTMENT CORPORATION
PRO FORMA CONSOLIDATED STATEMENTS OF INCOME / (LOSS)
(Unaudited)

For the periods ended 30 June (In thousand pesos)	2006	2005
Revenues	1,656,236	1,694,821
Cost of sales	(1,296,377)	(1,413,919)
Gross Profit	359,859	280,902
Operating expenses	(333,441)	(223,452)
Equity in net profits of affiliated companies	7,537	4,888
Financing charges, net	(103,525)	(108,691)
Other (expense) / income, net	(345,456)	176,795
(Loss) / income before taxation	(415,026)	130,442
Taxation	(22,380)	(4,419)
Net (loss) / income for the period	(437,406)	126,023
Attributable to:		
Equity holders of the parent	(445,863)	90,888
Outside interests	8,457	35,135
	(437,406)	126,023

METRO PACIFIC CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at (In thousand pesos)	30 June 2006	31 December 2005
ASSETS		
Current assets		
Cash and cash equivalents	42,736	239,239
Receivables - net	370,184	1,222,231
Real estate for sale - net	557,658	1,567,057
Due from related parties - net	306,954	222,657
Available-for-sale financial assets	403,001	637,544
Non-current assets held for sale	123,249	151,507
Prepayments and other current assets - net	245,436	265,495
Total Current Assets	2,049,218	4,305,730
Noncurrent Assets		
Investments in associates - at equity	40,765	760,382
Available-for-sale financial assets	1,345	210,120
Property and equipment - net	1,363,952	1,790,573
Long-term receivables - net of current portion	-	514,595
Deferred tax assets	3,612	152,847
Other noncurrent assets	96,846	333,338
Total Noncurrent Assets	1,506,520	3,761,855
TOTAL ASSETS	3,555,738	8,067,585
LIABILITIES AND EQUITY		
Current liabilities		
Loans payable	453,593	718,054
Trade payable	207,892	609,682
Accrued expenses and other current liabilities	692,453	1,587,190
Income tax payable	1,846	32,758
Due to related parties	76,453	1,060,308
Provisions	382,878	631,398
Current portion of long-term debts	161,837	282,268
Current portion of other long-term liabilities and provisions	57,653	151,061
Total Current Liabilities	2,034,605	5,072,719
Noncurrent Liabilities		
Provisions	-	-
Deferred tax liabilities	282,374	364,913
Due to a related party	15,833	17,083
Long-term debts - net of current portion	1,169,113	1,394,275
Other long-term liabilities - net of current portion	9,632	351,045
Total Noncurrent Liabilities	1,476,952	2,127,316
Total Liabilities	3,511,557	7,200,035
Total Equity		
Share capital	19,055,974	19,055,974
Additional paid-in capital	9,690,385	9,690,384
Change in fair value of available-for-sale financial assets	380	21,153
Other reserve	188,312	-
Treasury stock	(1,033,000)	(1,033,000)
Deficit	(27,938,780)	(27,482,212)
(Deficit) / equity attributable to equity holders of the parent	(36,729)	252,299
Outside interests	80,910	615,251
Total Equity	44,181	867,550
TOTAL LIABILITIES AND EQUITY	3,555,738	8,067,585

METRO PACIFIC INVESTMENTS CORPORATION
PRO FORMA CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at (In thousand pesos)	30 June 2006	31 December 2005
ASSETS		
Current assets		
Cash and cash equivalents	251,306	239,239
Receivables - net	987,384	1,222,231
Real estate for sale - net	1,540,227	1,567,057
Due from related parties - net	249,360	222,657
Available-for-sale financial assets	403,001	637,544
Non-current assets held for sale	123,249	151,507
Prepayments and other current assets - net	368,774	265,495
Total Current Assets	3,923,301	4,305,730
Noncurrent Assets		
Investments in associates - at equity	451,995	760,382
Available-for-sale financial assets	193,131	210,120
Property and equipment - net	1,697,364	1,790,573
Long-term receivables - net of current portion	615,313	514,595
Deferred tax assets	147,542	152,847
Other noncurrent assets	149,677	333,338
Total Noncurrent Assets	3,255,022	3,761,855
TOTAL ASSETS	7,178,323	8,067,585
LIABILITIES AND EQUITY		
Current liabilities		
Loans payable	615,583	718,054
Trade payable	473,420	609,682
Accrued expenses and other current liabilities	1,471,906	1,587,190
Income tax payable	9,497	32,758
Due to related parties	136,436	1,060,308
Provisions	382,878	631,398
Current portion of long-term debts	271,914	282,268
Current portion of other long-term liabilities and provisions	180,273	151,061
Total Current Liabilities	3,541,907	5,072,719
Noncurrent Liabilities		
Provisions	-	-
Deferred tax liabilities	411,678	364,913
Due to a related party	15,833	17,083
Long-term debts - net of current portion	1,345,315	1,394,275
Other long-term liabilities - net of current portion	359,292	351,045
Total Noncurrent Liabilities	2,132,118	2,127,316
Total Liabilities	5,674,025	7,200,035
Total Equity		
Equity attributable to equity holders of the parent	601,850	252,299
Outside interests	902,448	615,251
Total Equity	1,504,298	867,550
TOTAL LIABILITIES AND EQUITY	7,178,323	8,067,585