

**FIRST PACIFIC COMPANY LIMITED**  
**PRESS RELEASE**

**Monday, 23 August 2004**

**METRO PACIFIC CORPORATION REPORTS UNAUDITED NET LOSS OF  
PESOS 5.9 MILLION FOR FIRST HALF 2004**

The attached press release was distributed today by Metro Pacific Corporation, in which the First Pacific Group holds an economic interest of 80.6 per cent.

Metro Pacific is based and listed in Manila. Its property businesses include Landco Pacific Corporation, Pacific Plaza Towers and Costa de Madera Corporation, while its transportation business includes listed shipping subsidiary Negros Navigation Company. Further information on Metro Pacific can be found at [www.metropacific.com](http://www.metropacific.com).

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For further information, please contact:

**Metro Pacific Corporation**

David Nugent

Vice President

Media and Corporate Communications

Tels: (632) 888-0888; 888-0829

## **METRO PACIFIC CORPORATION REPORTS UNAUDITED NET LOSS OF PESOS 5.9 MILLION FOR FIRST HALF 2004**

MANILA, PHILIPPINES, 23<sup>rd</sup> AUGUST 2004 – Metro Pacific Corporation (“Metro Pacific”) (PSE: MPC) today announced an unaudited net loss of Pesos 5.9 million for the first six months of 2004, compared with Pesos 93.9 million profit reported during the same period in 2003. The loss results principally from significant losses at shipping unit Negros Navigation Company (“Nenaco”) for the period, despite higher profits realized at Landco Pacific Corporation (“Landco”).

### **Consolidated Results**

Metro Pacific recorded consolidated net revenues of Pesos 1.6 billion for the first six months of 2004 compared with Pesos 2.0 billion of revenues for the same period in 2003, reflecting the decline in Nenaco revenues and deconsolidation of Bonifacio Land Corporation (“BLC”). Operating expenses were reduced by 16.0 percent, to Pesos 311.7 million versus Pesos 371.0 million in 2003. Financing charges declined by 29.0 percent to Pesos 313.4 million in 2004 compared with Pesos 443.2 million in 2003, reflecting the reduction of debt levels following the conclusion of additional debt settlement agreements, and deconsolidation of BLC. Significant provisions for the current period and for prior years were made at the Nenaco level, against which Metro Pacific reversed Pesos 658.0 million in prior year’s provisions against investments in Nenaco in light of that unit’s prospects under a court approved and administered rehabilitation program. Extraordinary gains of Pesos 249.0 million resulting from successful debt reduction during the period were also booked.

### **Operations Review**

**Landco Pacific Corporation (“Landco”)** reported a net profit of Pesos 32.9 million for the first six months of 2004, a 133.3 percent improvement over the Pesos 14.1 million net profit recorded for the same period last year, reflecting increased sales at the Leisure Farms and Leisure Farms Ponderosa residential farming projects. Consolidated revenues improved to Pesos 401.3 million in 2004 compared with Pesos 305.9 million in 2003, while financing charges reduced to Pesos 8.5 million in 2004 compared with Pesos 15.3 million in 2003.

**Pacific Plaza Towers (“PPT”)** reported a first-half 2004 net loss of Pesos 16.4 million compared with the net profit of Pesos 7.9 million reported in 2003. The reversal in profitability resulted from lower net values realized from the dacion (exchange or sale) of various units for the retirement of certain obligations.

**Nenaco** reported a substantial net loss (excluding prior period adjustments) of Pesos 335.0 million for the first six months of 2004, versus a profit of Pesos 62.7 million in 2003, due to a significant reduction in the number of its vessels in service and from an extended schedule of dry-docking for various vessels. Prior period adjustments to past reported profits have also been made to Nenaco’s accounts due to higher provisions against certain inventories, receivables and other assets, and write-downs of certain vessel and property values.

### **Comments: “Work Continues”**

“While we were disappointed with the extent of the problems at Nenaco, in which substantial provisions have been made, we have been heartened by its prospects for recovery under a court-approved rehabilitation program. Setting that aside, prospects for our core property business are increasingly favorable; Landco continues to expand and interest in our property portfolio is healthy. Our work continues and our efforts redoubled, as we strive to rebuild Metro Pacific,” said President and CEO Jose Ma. Lim.

## **About Metro Pacific**

Metro Pacific Corporation is a Manila, Philippines-based holding firm listed on the Philippine Stock Exchange (PSE: MPC). Metro Pacific's business portfolio includes property concerns Landco Pacific Corporation, Pacific Plaza Towers and Costa de Madera Corp., and listed shipping firm Negros Navigation Company (PSE:NN). Further information regarding Metro Pacific can be accessed at [www.metroacific.com](http://www.metroacific.com)

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## **For Media and Investor Inquiries Contact:**

David Nugent  
Vice President  
Media and Corporate Communications  
Metro Pacific Corporation  
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**METRO PACIFIC CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME AND ACCUMULATED DEFICIT**  
*(Unaudited)*

For the periods ended 30 June (In thousand pesos)	Six months		Three months	
	<b>2004</b>	<b>2003</b>	<b>2004</b>	<b>2003</b>
<b>Revenues</b>	1,603,694	2,037,471	843,623	1,301,599
Cost of sales	(1,430,688)	(1,523,318)	(818,834)	(942,471)
Operating expenses	(311,742)	(370,968)	(181,368)	(227,426)
<b>Operating (loss) / profit</b>	(138,736)	143,185	(156,579)	131,702
Share of net (losses) / profits of associated companies	(3,808)	(60,287)	(46)	18,828
Financing charges, net	(313,401)	(443,234)	(186,859)	(292,346)
<b>Loss before other income</b>	(455,945)	(360,336)	(343,484)	(141,816)
Other income, net	469,016	450,358	342,524	285,136
<b>Profit before taxation</b>	13,071	90,022	(960)	143,320
Taxation	(22,727)	30,041	(16,839)	33,342
<b>Profit after taxation</b>	(9,656)	120,063	(17,799)	176,662
Outside interests	3,795	(26,160)	7,973	(23,729)
<b>Net profit for the period</b>	(5,861)	93,903	(9,826)	152,933
<b>Accumulated deficit</b>				
Beginning of period	(27,045,979)	(26,208,103)	(27,042,015)	(26,267,133)
End of period	(27,051,840)	(26,114,200)	(27,051,841)	(26,114,200)
<b>Earnings/(loss) per share (in centavos)</b>				
Basic	(0.03)	0.50	(0.05)	0.82
<b>Weighted average number of shares in issue (in thousands)</b>				
Basic	18,603,473	18,603,473	18,603,473	18,603,473

**METRO PACIFIC CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

As at (In thousand pesos)	Unaudited 30 June 2004	Audited 31 December 2003	Unaudited 30 June 2003
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	215,751	213,622	308,208
Receivables, net	2,038,617	2,189,649	2,544,882
Due from associated companies	733,383	714,926	557,109
Inventories, net	21,401	30,931	46,663
Development properties	2,282,066	2,381,147	2,895,958
Investment in and advances to Bonifacio Land Corp.	3,265,057	3,436,611	5,099,033
Deferred tax asset	1,341	32,210	89,184
Prepayments and other current assets	395,512	447,429	617,091
Total current assets	8,953,128	9,446,525	12,158,128
<b>Long-term receivables</b>	232,972	134,116	124,342
<b>Investments in associated companies</b>	901,527	1,049,744	810,031
<b>Property and equipment</b>	2,763,642	3,217,405	3,108,320
<b>Other assets</b>	353,878	349,310	600,391
<b>Total assets</b>	13,205,147	14,197,100	16,801,212
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Loans and notes payable	998,977	1,395,385	2,742,458
Current portion of long-term debts	1,870,803	2,135,170	1,784,156
Current portion of long-term liabilities and provisions	403,323	445,446	316,241
Accounts payable and accrued expenses	6,028,557	5,678,350	6,472,915
Due to associated companies	96,022	125,268	93,319
Deferred tax liability	15,769	9,997	17,284
Income tax payable	-	3,359	-
Total current liabilities	9,413,451	9,792,975	11,426,373
<b>Long-term debts</b>	2,236,334	2,215,916	3,068,634
<b>Long-term liabilities and provisions</b>	629,126	1,262,168	444,928
<b>Outside Interests</b>	712,468	706,412	709,869
<b>Equity</b>			
Stockholders' equity			
Capital stock	18,605,974	18,605,974	18,605,974
Additional paid-in capital	9,692,634	9,692,634	9,692,634
Treasury stock	(1,033,000)	(1,033,000)	(1,033,000)
Accumulated deficit	(27,051,840)	(27,045,979)	(26,114,200)
Total stockholders' equity	213,768	219,629	1,151,408
<b>Total liabilities and equity</b>	13,205,147	14,197,100	16,801,212