



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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METRO PACIFIC REPORTS 2005 RESULTS; ANNOUNCES RECAPITALIZATION AND REORGANIZATION PLAN

The attached press release was released today in Manila by Metro Pacific Corporation, in which the First Pacific Group holds an economic interest of 75.5 per cent.

Metro Pacific is a Manila, Philippines-based holding company listed on the Philippine Stock Exchange. Metro Pacific's businesses include property concerns Landco Pacific Corporation and Pacific Plaza Towers, and domestic Philippine shipping firm Negros Navigation Co., Inc. Further information on Metro Pacific can be found at www.metropacific.com.

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Metro Pacific Corporation

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FOR IMMEDIATE RELEASE

METRO PACIFIC REPORTS 2005 RESULTS; ANNOUNCES RECAPITALIZATION AND REORGANIZATION PLAN

MANILA, PHILIPPINES 27TH MARCH 2006 – Metro Pacific Corporation (“Metro Pacific”) (PSE: MPC) today reported an IAS-adjusted Net Profit After Tax of Pesos 194.2 million for the year ended 31ST December 2005, reflecting stable business operations and one-time exceptional gains. The profit is a reversal from the IAS-adjusted restated Net Loss of Pesos 241.9 million reported for 2004.

Metro Pacific’s consolidated revenues for 2005 stood at Pesos 3.5 billion, a slight reduction from the Pesos 3.6 billion reported for 2004. Consolidated operating expenses fell to Pesos 632.3 million in 2005 versus Pesos 851.8 million in 2004. Consolidated financing charges were significantly reduced by 71 per cent, to Pesos 130.7 million, a marked improvement from the Pesos 452 million incurred for the previous year. Metro Pacific’s two operating businesses, Landco Pacific Corporation (“Landco”) and Negros Navigation Company (“Nenaco”) performed in line with expectations. Landco’s audited net profit for 2005 stood at Pesos 62 million, reflecting management’s effort on internal restructuring, and preparing the company for accelerated growth beginning in 2006. During 2005 Landco signed new joint venture agreements to develop more than 1,300 hectares in various parts of the Philippines, which represent a transformational increase in business activity. Nenaco reported a loss of Pesos 126 million for the year, attributable to significant provisioning taken against the carrying costs for certain ships.

As of 31ST December 2005, Metro Pacific had effectively accomplished its multi-year debt reduction and corporate rehabilitation program. From Pesos 11.7 billion at the close of 2001, Metro Pacific has reduced its parent company bank debts to Pesos 732.4 million, of which Pesos 525 million of debts are presently subject to final documentation and are expected to be retired before the close of 2006.

Metro Pacific Investments To Become New Listed Parent

The Board of Directors today approved a comprehensive, three-stage recapitalization and reorganization plan involving Metro Pacific and its various subsidiaries (the “Plan”). The Plan will be effected principally through a newly incorporated investment holding company called Metro Pacific Investments Corporation (“MPIC”). MPIC is intended to emerge as the new, debt-free investment company which will serve as the corporate vehicle to (i) continually expand the real estate business of Metro Pacific through Landco; (ii) raise new capital from existing and new investors; and (iii) make new investments in infrastructure, amongst others.

MPIC will eventually be owned by the existing shareholders of Metro Pacific and by new investors, and will essentially retain the same Board and management of Metro Pacific.

Reorganization and Recapitalization Plan

The first stage of the Plan involves a decrease in the authorized capital stock of Metro Pacific and a consequent reverse stock split. The consolidation ratio of new for old Metro Pacific shares will be determined such that the par value of the Metro Pacific shares will approximate its tangible net asset value per share post consolidation. Subsequently, these consolidated shares will be exchanged for MPIC shares on an equal basis, pursuant to an Exchange Offer described below.

This first stage also includes the sale of Metro Pacific's entire shareholding in Landco to MPIC at fair value, subject to the release of such Landco shares which are currently pledged to certain creditors. It is intended that Landco will comprise the initial core business of MPIC and will receive new capital from MPIC to expand its portfolio of operations. Landco is currently preparing for an accelerated growth plan, which seeks to increase the size and the scope of its business activity over the next five (5) years. It is however envisaged that MPIC will not limit its business solely to real estate, and will be actively pursuing other business opportunities.

The first stage of the Plan is expected to complete by June 2006.

The second stage of the Plan calls for MPIC to offer its shares for all of the outstanding consolidated shares of Metro Pacific, on a one for one (1 for 1) basis, subject to approval by the Securities and Exchange Commission ("SEC") of the registration of the shares of MPIC under the Securities Regulation Code. Concurrent with this exchange offer, MPIC will file an application with the Philippine Stock Exchange ("PSE") to list its shares by way of introduction. It is envisaged that MPIC will then be listed on the PSE simultaneous with the withdrawal of the Metro Pacific listing. At the close of this stage, MPIC will directly own a majority of Landco and of Metro Pacific. Metro Pacific will continue to exist as an unlisted corporate entity and own Nenaco and certain other assets.

The second stage of the Plan is expected to complete by July 2006.

The third, and final, stage of the Plan contemplates MPIC raising new capital in the approximate amount of Pesos 2.7 billion by way of a Rights Issue that will entitle all shareholders for subscription. First Pacific Company Limited and its Philippine affiliates intend to exercise in full its Rights entitlement.

In this regard, an agreement was signed today between the First Pacific Group and the Ashmore Global Special Situations Funds 2 Limited and/or other funds managed by Ashmore Investment Management Limited ("Ashmore"), stating Ashmore's agreement to invest in MPIC by way of the Rights entitlement of the First Pacific Group, subject to a number of conditions precedent including due diligence and the completion of the first and second stages of the Plan, amongst others.

Following completion of the Rights Issue, MPIC will have total capital of Pesos 4.5 billion, excluding any net profits realized this year in the interim. MPIC will also be debt-free at the parent level.

The third stage of the Plan is expected to complete by September 2006.

Financial Advisors

MPIC will appoint a financial advisor with respect to the Plan. Metro Pacific has appointed First Metro Investment Corporation to conduct an independent, third-party fairness valuation of Landco in connection with its sale to MPIC and of the terms of the MPIC-Metro Pacific share exchange.

Metro Pacific Trading Halt

Metro Pacific intends to ask the PSE for a halt in the trading of its shares immediately upon public dissemination of this announcement and the related SEC Form 17-C public disclosure, in order to enable the investing public to study and digest this announcement.

Comments: Promises Made, Promises Kept

“The achievement of Metro Pacific’s debt reduction goals in 2005 is testament to our commitment to keep the promises we made to eliminate Metro Pacific’s debt, a workout that lasted several years and required difficult choices and sacrifice. The announcement of Metro Pacific’s recapitalization plan marks a rebirth for the company, and paves the way for it to eventually become a significant participant in key areas of the Philippine economy once again,” said Manuel V. Pangilinan, Chairman of Metro Pacific.

“Over the past several months, we have sought to craft a plan that would provide a mechanism for the final resolution of Metro Pacific’s remaining obligations. We have also been cognizant of the need to ensure that our existing shareholders have an opportunity to participate in this new growth, and the Plan we have announced today ensures that. The new listed company which will emerge from this process, MPIC, will be an investment vehicle with sound earnings potential, ample cash and the strength to undertake significant growth,” added Jose Ma. K. Lim, President of Metro Pacific.

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

For the years ended 31 December (In thousand pesos)	2005	2004*
Revenues	3,450,078	3,621,527
Cost of sales	(2,991,963)	(3,172,618)
Gross Profit	458,115	448,909
Operating expenses	(632,366)	(851,752)
Equity in net profits of associates	823	9,164
Financing charges, net	(130,711)	(452,028)
Other income, net	604,810	894,914
Income before taxation	300,671	49,207
Taxation	(65,370)	(330,450)
Net income/(loss) for the year	235,301	(281,243)
Attributable to:		
Equity holders of the parent	194,258	(241,869)
Minority interest	41,043	(39,374)
	235,301	(281,243)

*Restated to be comparative with 2005 IAS-compliant presentation

METRO PACIFIC CORPORATION
CONSOLIDATED BALANCE SHEETS

(Audited)

As at (In thousands pesos)	31 December 2005	31 December 2004*
ASSETS		
Current assets		
Cash and cash equivalents	239,239	275,415
Receivables - net	1,405,571	1,719,325
Real estate for sale - net	1,567,057	1,926,337
Due from related parties - net	52,508	592,183
Available-for-sale financial assets	637,544	-
Non-current assets held for sale	151,507	-
Prepayments and other current assets - net	265,495	487,293
Total Current Assets	4,318,921	5,000,553
Noncurrent Assets		
Investments in associates - at equity	760,382	843,507
Available-for-sale financial assets - net of current portion	162,825	1,527,792
Property and equipment - net	1,790,573	2,050,209
Long-term receivables - net of current portion	331,255	201,647
Deferred tax assets	152,847	58,704
Investment property	32,392	-
Other noncurrent assets	348,241	211,619
Total Non-current Assets	3,578,515	4,893,478
TOTAL ASSETS	7,897,436	9,894,031
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Loans payable	718,054	812,669
Trade payable	609,682	660,672
Accrued expenses and other current liabilities	1,587,190	2,236,785
Income tax payable	32,758	40,054
Due to related parties	887,659	97,404
Current portion of :		
Long-term debts	282,268	759,296
Long-term liabilities and provisions	784,959	589,335
Total Current Liabilities	4,902,570	5,196,215
Noncurrent Liabilities		
Provisions	-	814,323
Deferred tax liabilities	364,913	326,208
Long-term debts - net of current portion	1,394,275	1,382,552
Due to related party	-	793,208
Other long-term liabilities - net of current portion	368,128	734,002
Total Noncurrent Liabilities	2,127,316	4,050,293
Total Liabilities	7,029,886	9,246,508
Total Equity		
Share capital	19,055,974	18,605,974
Additional paid-in capital	9,690,384	9,692,634
Deposit for future stock subscription	-	278,900
Treasury stock	(1,033,000)	(1,033,000)
Deficit	(27,482,212)	(27,503,363)
Unrealised gains in available-for-sale financial assets	21,153	-
Equity attributable to the equity holders of the parent	252,299	41,145
Minority interests	615,251	606,378
Total Equity	867,550	647,523
TOTAL LIABILITIES AND EQUITY	7,897,436	9,894,031

*Restated to be comparative with 2005 IAS-compliant presentation