



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

24th Floor, Two Exchange Square, 8 Connaught Place, Hong Kong
Tel: (852) 2842 4388 Email: info@firstpac.com.hk Fax: (852) 2845 9243
http: //www.firstpacco.com

RECURRING PROFIT UP 23% TO US\$84.7 MILLION
REPORTED PROFIT INCREASES 318% TO US\$301.6 MILLION
CONTRIBUTION FROM OPERATIONS RISES 25% TO US\$111.0 MILLION
PLDT SUSTAINS STRONG PERFORMANCE
INDOFOOD IMPROVES OPERATING RESULTS
METRO PACIFIC INVESTMENTS RETURNS TO PROFITABILITY

- Recurring profit improved by 22.8% to US\$84.7 million (HK\$660.7 million)
- Profit attributable to ordinary shareholders increased by 317.7% to US\$301.6 million (HK\$2,352.5 million)
- Profit contribution from operations increased by 24.9% to US\$111.0 million (HK\$865.8 million)
- Turnover increased by 23.7% to US\$1,405.9 million (HK\$10,966.0 million)
- Equity attributable to ordinary shareholders increased by 54.5% to US\$900.4 million (HK\$7,023.1 million)
- Consolidated gearing ratio improved to 0.65x
- Adjusted net asset value per share as at 30th June 2007 stood at US\$1.08 (HK\$8.39)
- Interim dividend of HK2.00 cents (US0.26 cent) per ordinary share declared

Hong Kong, 5th September 2007 – First Pacific Company Limited (“First Pacific” or “the Company”) (HKSE: 00142) today announced that recurring profit, which excludes the effects of revaluation of derivatives, foreign exchange differences and non-recurring items, increased by 22.8 per cent to US\$84.7 million (HK\$660.7 million) reflecting the strong performance and contribution from PLDT, the turnaround at Metro Pacific Investments Corporation (“MPIC”), and a 9 per cent appreciation of the peso during the period. Indofood’s performance comprised improved operating results and a reduced gain in respect of the fair revaluation of its plantation assets.

In the first half of 2007, profit contribution from operations increased by 24.9 per cent to US\$111.0 million (HK\$865.8 million). Turnover showed a significant increase of 23.7 per cent to US\$1,405.9 million (HK\$10,966.0 million) principally reflecting Indofood’s growth in sales for the period.

Basic earnings per share increased by 316.4 per cent to US9.41 cents (HK73.4 cents) from US2.26 cents (HK17.63 cents) as a result of the increase in reported profit during the period. Equity attributable to ordinary shareholders increased by 54.5 per cent to US\$900.4 million (HK\$7,023.1 million) from US\$582.7 million (HK\$4,545.1 million) as at 31 December 2006.

Consolidated gearing ratio improved to 0.65x as at 30th June 2007 (31st December 2006: 0.77x), reflecting the strong underlying performance of the operating companies which translated into an improved consolidated equity position. At 30th June 2007, Head Office level gearing ratio was 0.43x (31st December 2006: 0.16x) resulting from the incremental debt raised to finance the additional PLDT shares and the equity investments made in Maynilad and Makati Medical Center through MPIC.

At the Head Office, net interest expense increased by 58.8 per cent to US\$18.1 million (HK\$141.2 million) reflecting a higher average net debt balance for the period.

First Pacific's Board of Directors have declared an interim dividend of HK 2.00 cents (US0.26 cent) (1H06: HK 1.00 cent; US0.13 cent) per ordinary share, payable on or about 26 October 2007 for shareholders of record as at 25 September 2007.

Manuel V. Pangilinan, First Pacific's Managing Director and Chief Executive Officer, commented: "We are very pleased that our operating companies have continued to perform well in the first half of this year. The Company's recurring profit has grown substantially and Head Office cash flows strengthened. These encouraging results enable us to double our interim dividend.

"PLDT again reported better-than-expected results, its outstanding performance partly supported by election-related activities. PLDT's continued strong fundamentals should see a strong second half year performance.

"During the period, Indofood's turnover grew significantly and its major business groups retained their market leadership positions. However, margins in noodles and flour came under severe pressure from the rise in raw material and fuel costs. IndoAgri is in the process of acquiring approximately 64.4 per cent equity interest in an Indonesian-listed plantation company London Sumatra which, after acquisition, will result in Indofood's plantation landbank increasing to approximately 390,500 hectares and becoming one of the largest plantation companies in Indonesia. MPIC has completed the development of a comprehensive growth and enhanced profit strategy for Maynilad and there are positive developments in the trends of non-revenue water, total billed water volume and total billed customers. Its real estate activities have turned to profitability after last year's loss."

Review of Operations

Philippine Long Distance Telephone Company's ("PLDT") profit contribution to the Group increased by 27.0 per cent to US\$84.6 million, representing 76.0 per cent of First Pacific's aggregate profit contribution from operations of subsidiary and associated companies during the period.

In peso terms, PLDT's consolidated core net income before foreign exchange translation and derivative gains increased by 13 per cent to Pesos 17.2 billion (US\$361.4 million) reflecting an increase in revenues and EBITDA and lower interest expenses which were partially offset by the 9 per cent appreciation of the peso during the period. Reported net income improved by 11 per cent to Pesos 17.0 billion (US\$357.2 million) resulting from higher foreign exchange gains and lower additional depreciation charges, partly offset by higher provision for income taxes.

Consolidated service revenues increased by 11 per cent to Pesos 67.0 billion (US\$1,407.8 million) mainly due to higher revenue contributions from its Wireless and Information and Communications Technology ("ICT") businesses, which were reduced slightly by the lower revenues from the Fixed Line business. Consolidated EBITDA improved by 4 per cent to Pesos 41.8 billion (US\$878.3 million) and EBITDA margin declined to 62 per cent of service revenues as a result of lower Fixed Line and ICT margins.

PLDT's consolidated free cash flow increased considerably to Pesos 24.4 billion (US\$512.7 million) after consolidated capital expenditure of Pesos 10.0 billion (US\$210.1 million) were incurred. PLDT repaid debts of US\$169.0 million in the first six months of 2007 and as at the end of June 2007, PLDT's consolidated debt and net debt were reduced to US\$1.6 billion and US\$0.9 billion respectively.

PLDT declared an interim dividend of Pesos 60 (US\$1.26) per share, representing 70 per cent payout of its core earnings during the period. As a result of its strong fundamentals, its robust free cash position, and favorable prospects in the second half, PLDT also declared a special dividend of Pesos 40 (US\$0.84) per share, bringing total cash dividends payable in September 2007 of Pesos 100 (US\$2.10) per share.

The combined GSM subscriber base of Smart and Piltel's *Talk 'N Text* grew by 2.9 million to 27.1 million (31st December 2006: 24.2 million) representing approximately 56 per cent of the total cellular market in the Philippines. In July, Smart launched the Philippines' first mobile TV service, *myTV*.

PLDT's broadband subscriber base grew by 248,000 to 422,000, of which DSL subscribers increased by 67,000 to 198,000. Smart's wireless broadband service *SmartBro*'s subscribers rose by 88,000 to about 210,000 at the end of the period.

PT Indofood Sukses Makmur Tbk's ("Indofood") contribution to the Group stood at US\$23.8 million, broadly similar to its contribution for the same period last year. This result comprised improved operating results and a reduced fair value gain on revaluation of plantations. In rupiah terms, Indofood reported a 28.5 per cent improvement in core profit on the back of a 21.3 per cent increase in consolidated revenue to Rupiah 12,301.5 billion (US\$1,360.0 million), supported by more effective marketing programs and enhanced stock point distribution system. Noodles, Bogasari, Edible Oils and Fats ("EOF") and Distribution accounted for 95.9 per cent of total revenues.

Consolidated operating expenses increased 15.6 per cent to Rupiah 1,586.3 billion (US\$175.4 million) as a result of increased advertising and promotion spend and employee-related costs. Gross margin decreased to 21.0 per cent principally due to significant increases in wheat and other raw material costs during the period. Net income grew 37.1 per cent to Rupiah 367.2 billion (US\$40.6 million) as a result of improvement in operating income and lower net interest expense. EBIT margin declined to 8.1 per cent from 9.2 per cent. Consolidated net debt was reduced by 35.1 per cent in rupiah terms to Rupiah 3,542.4 billion (US\$ 391.3 million) from Rupiah 5,456.6 billion (US\$604.9 million) as at 31st December 2006 due to new cash arising from the placement of new shares of Indofood Agri Resources Ltd. in Singapore of approximately Rupiah 2,379.9 billion (US\$263.1 million). Net gearing improved to 0.59x from 1.11x as at the end of 2006.

In May, IndoAgri proposed to acquire a 64.4 per cent equity interest in Jakarta- and Surabaya-listed plantation company London Sumatra, for a consideration of approximately Rupiah 5.7 trillion (approximately US\$600.0 million) or Rupiah 6,500 (US\$0.68) per share. The transaction will be funded by bank borrowings, issuance of new IndoAgri shares and internal funds. The related due diligence was completed in August 2007. The transaction is subject to approvals from shareholders of First Pacific, Indofood and IndoAgri and the relevant regulatory bodies which are expected to be completed in November 2007. A tender offer of Rupiah 6,900 (US\$0.73) per share for the remaining 35.6 per cent equity will follow. This transaction is expected to strengthen EOF group's integrated plantation business model. Post acquisition, Indofood's plantation land bank would be increased to approximately 390,500 hectares.

Metro Pacific Investments Corporation ("MPIC") completed during the period its acquisition of an 84.0 per cent interest in Maynilad Water Services Inc. ("Maynilad") through its 50.0 per cent owned jointly-controlled entity, DMCI-MPIC Water Company Inc. and subscribed for Pesos 750 million (US\$16.2 million) five-year Convertible Notes issued by Makati Medical Center ("MMC"). In May 2007, Pesos 120 million (US\$2.6 million) of these Notes were converted into equity, representing 8 per cent ownership interest. Full conversion of the Notes will be equivalent to 33 per cent of the capital of MMC.

MPIC achieved a profit turnaround during the period. Net income reached Pesos 568.0 million (US\$11.9 million) reflecting core income contribution of Pesos 305.3 million (US\$6.4 million) from Maynilad and a significantly improved contribution from Landco of Pesos 56.2 million (US\$1.2 million). Core net income improved to Pesos 165.1 million (US\$3.3 million). During the period, Maynilad's revenue contribution to MPIC reached Pesos 1.72 billion (US\$36.1 million) (last year: Nil). A non-recurring gain representing the excess of fair value of the acquired interest in Maynilad over the acquisition cost has been recognized for the period.

Maynilad has recently signed a settlement agreement with its creditors and a transitional agreement with its regulator, the Metropolitan Waterworks and Sewerage System. It is currently applying for a release from corporate rehabilitation. This release would enable Maynilad to accelerate the execution of its multi-year service improvement program and achieve greater financial flexibility.

Outlook for 2007

Mr. Pangilinan concluded "The solid results in the first half of 2007 provide a strong base for improved operating performance for the year. However, the significant accounting gains from the settlement of the Company's Exchangeable Notes in the first half of 2007 will not be repeated in the second half of the year, as currently only US\$13 million of these Notes remain outstanding. Despite the recent market movements, the economic fundamentals for both the Philippines and Indonesia remain strong. We are confident that PLDT, Indofood and MPIC are on track to reach their performance targets for 2007.

"First Pacific's strategy of continuously improving its existing operating units should secure a promising operating performance for the Group. At the same time, in complementation, we continue to evaluate various opportunities in Asian emerging markets and are quite optimistic that our participation in certain privatizations during the second half of 2007 would result in significant enhancements to our existing portfolio."

Further information and analysis

Attached are the First Pacific's Condensed Consolidated Interim Financial Statements and Contribution Summary. Further information - including discussion and analysis of First Pacific's individual operations; half-year review of the 2007 goals; and financial analysis - are available under the "News, Announcements and Circulars" section of First Pacific's corporate website at www.firstpacco.com. The 2007 Interim Report will be mailed to shareholders and will be available on www.firstpacco.com before the end of September 2007.

Corporate Profile

First Pacific is a Hong Kong-based investment and management company with operations located in Asia. Its principal business interests relate to Telecommunications, Consumer Food Products and Infrastructure. Listed in Hong Kong (Stock code: 00142), First Pacific's shares are also available in the United States through American Depositary Receipts (ADRs code: FPAFY).

* * *

For further information, please contact:

Sara Cheung
Vice President
Group Corporate Communications
First Pacific Company Limited
Tel: (852) 2842 4336

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT - UNAUDITED

For the six months ended 30 June	2007	2006
US\$ millions		
Turnover	1,405.9	1,136.5
Cost of sales	(1,075.7)	(851.2)
Gross Profit	330.2	285.3
Gain on divestments and dilutions	292.2	17.3
Distribution costs	(113.9)	(95.8)
Administrative expenses	(91.6)	(65.6)
Other operating income/(expenses), net	14.6	(13.8)
Net borrowing costs	(69.8)	(58.7)
Share of profits less losses of associated companies	87.3	68.2
Profit Before Taxation	449.0	136.9
Taxation	(55.7)	(39.6)
Profit for the Period	393.3	97.3
Attributable to:		
Equity holders of the parent	301.6	72.2
Minority interest	91.7	25.1
	393.3	97.3
Ordinary Share Dividend		
U.S. 0.26 cent (2006: U.S. 0.13 cent) per share	8.2	4.1
Earnings Per Share Attributable to Equity Holders of the Parent (U.S. cents)		
Basic	9.41	2.26
Diluted	9.20	2.23

FIRST PACIFIC COMPANY LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET - UNAUDITED

	At 30 June 2007	At 31 December 2006
US\$ millions		
Non-current Assets		
Property, plant and equipment	833.0	716.8
Plantations	316.2	275.0
Associated companies	1,001.3	471.0
Intangible assets	249.4	-
Financial assets at fair value through profit or loss	60.2	104.9
Accounts receivable, other receivables and prepayments	71.5	15.9
Goodwill	39.6	34.8
Prepaid land premiums	56.6	45.8
Available-for-sale assets	7.5	4.9
Deferred tax assets	25.8	20.3
Other non-current assets	90.1	106.5
	2,751.2	1,795.9
Current Assets		
Cash and cash equivalents	480.8	327.7
Pledged deposits and restricted cash	108.4	31.3
Available-for-sale assets	64.0	102.1
Accounts receivable, other receivables and prepayments	349.1	259.5
Inventories	434.2	367.4
	1,436.5	1,088.0
Current Liabilities		
Accounts payable, other payables and accruals	377.0	300.5
Short-term borrowings	694.0	508.9
Provision for taxation	19.9	23.1
Current portion of deferred liabilities and provisions	27.0	16.6
Derivative liability	33.0	-
	1,150.9	849.1
Net Current Assets	285.6	238.9
Total Assets Less Current Liabilities	3,036.8	2,034.8
Equity		
Issued share capital	32.1	32.0
Other reserves	1,009.8	975.5
Accumulated losses	(141.5)	(424.8)
Equity attributable to equity holders of the parent	900.4	582.7
Minority interest	689.1	450.1
Total Equity	1,589.5	1,032.8
Non-current Liabilities		
Long-term borrowings	930.6	647.0
Deferred liabilities and provisions	300.5	92.1
Deferred tax liabilities	200.7	163.3
Derivative liability	15.5	99.6
	1,447.3	1,002.0
	3,036.8	2,034.8

**FIRST PACIFIC COMPANY LIMITED
CONTRIBUTION SUMMARY**

For the six months ended 30 June US\$ millions	Turnover		Contribution to Group profit ⁽ⁱ⁾	
	2007	2006	2007	2006
PLDT ⁽ⁱⁱ⁾	-	-	84.6	66.5
Indofood	1,354.6	1,104.7	23.8	23.8
MPIC	51.3	31.8	2.6	(1.4)
From operations	1,405.9	1,136.5	111.0	88.9
Head Office items:				
– Corporate overhead			(7.6)	(6.4)
– Net interest expense			(18.1)	(11.4)
– Other expenses			(0.6)	(2.1)
Recurring profit			84.7	69.0
Foreign exchange and derivative gains/(losses) ⁽ⁱⁱⁱ⁾			0.8	(3.7)
Non-recurring items ^(iv)			216.1	6.9
Profit attributable to equity holders of the parent			301.6	72.2

(i) After taxation and minority interest, where appropriate

(ii) Associated companies

(iii) 1H07's foreign exchange and derivative gains include a US\$8.2 million gain (1H06: a US\$3.3 million loss) on changes in the fair value of certain PLDT shares designated as financial assets at fair value through profit or loss, a US\$5.5 million (1H06: Nil) gain on revaluation of option element embedded in MPIC's convertible bonds and US\$3.0 million (1H06: US\$1.7 million) gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated borrowings and derivative contracts, partly offset by a US\$15.9 million (1H06: US\$2.1 million) loss on revaluation of option element embedded in Head Office's Exchangeable Notes.

(iv) 1H07's non-recurring gains of US\$216.1 million mainly comprise a gain on divestment of the Group's interest in PLDT of US\$153.3 million on settlement of certain Head Office's Exchangeable Notes with PLDT shares, and a gain on dilution of the Group's effective interest in Indofood's oils and plantations businesses of US\$54.4 million. 1H06's non-recurring gains of US\$6.9 million mainly comprise a gain on dilution upon conversion of PLDT's convertible preference shares of US\$10.2 million and a gain on divestment of the Group's interest in PLDT of US\$7.1 million on settlement of certain Head Office's Exchangeable Notes with PLDT shares.