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FIRST
PACIFIC

FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

2003 ANNUAL RESULTS OF METRO PACIFIC CORPORATION

The following is a reproduction of a press release, issued pursuant to paragraph 2 of the Listing Agreement 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 year ended 31 December
(In thousand pesos)

	2003	2002
Revenues	3,730,615	5,875,901
Cost of sales	(3,022,613)	(4,405,428)
Operating expenses	(613,394)	(1,106,888)
Operating profit	94,608	363,585
Share of net profits/(losses) of associated companies	116,663	(46,119)
Financing charges, net	(620,230)	(1,472,090)
Loss before other income/(charges)	(408,959)	(1,154,624)
Other income/(charges), net	541,911	(11,167,659)
Profit/(loss) before taxation	132,952	(12,322,283)
Taxation	(45,682)	(120,782)
Profit/(loss) after taxation	87,270	(12,443,065)
Outside interests	(30,752)	565,101
Net profit/(loss) for the year	56,518	(11,877,964)
Accumulated deficit		
Beginning of year	(26,208,103)	(14,330,139)
End of year	(26,151,585)	(26,208,103)
Earnings/(loss) per share (in centavos)		
Basic	0.30	(63.85)
Weighted average number of shares in issue (in thousands)		
Basic	18,603,473	18,603,473

CONSOLIDATED BALANCE SHEETS (Unaudited)

As at (In thousand pesos)	31 December 2003	31 December 2002
ASSETS		
Current assets		
Cash and cash equivalents	228,890	936,930
Receivables, net	2,403,440	4,962,988
Due from associated companies	540,208	820,325
Inventories, net	30,700	34,354
Development properties	2,597,045	5,204,866
Deferred tax asset	74,829	177,732
Prepayments and other current assets	3,981,496	1,161,032
Total current assets	9,856,608	13,298,227
Long-term receivables	120,111	1,497,324
Investments in associated companies	796,452	976,045
Development properties	-	30,425,815
Property and equipment	2,885,106	3,572,056
Deferred tax asset	64,224	64,224
Other assets	500,524	8,013,666
Total assets	14,223,025	57,847,357
LIABILITIES AND EQUITY		
Current liabilities		
Loans and notes payable	1,345,209	8,309,928
Current portion of long-term debts	1,453,339	4,129,555
Current portion of long-term liabilities and provisions	388,722	404,722
Accounts payable and accrued expenses	5,660,844	7,955,135
Deferred tax liability	9,995	410,901
Income tax payable	56,649	14
Total current liabilities	8,914,758	21,210,255
Long-term debts	2,922,178	5,980,016
Long-term liabilities and provisions	543,179	2,412,752
Outside Interests	728,887	27,186,829
Equity		
Stockholders' equity		
Capital stock	18,605,974	18,605,974
Additional paid-in capital	9,692,634	9,692,634
Treasury stock	(1,033,000)	(1,033,000)
Accumulated deficit	(26,151,585)	(26,208,103)

Metro Pacific Corporation ("Metro Pacific") today announced an unaudited net profit of Pesos 56.5 million for the year ended 31st December 2003, a significant turnaround from the Pesos 11.9 billion loss recorded for 2002. The improvement is attributed to the net other income of Pesos 542 million mostly derived from non-recurring gains relating to the completion of various debt reduction and restructuring exercises.

Metro Pacific's 2002 results had included a non-cash provision of Pesos 8.7 billion that reflected the Group's expected losses from the sale of shares it owned in Bonifacio Land Corporation ("BLC"); an additional Pesos 1.4 billion in non-cash provisions were also made against the carrying values of various property assets, due to the then-depressed nature of the real estate market. With the 17th April 2003 divestment of Metro Pacific's 50.4 percent majority stake in BLC, and subsequent sale of additional shares, Metro Pacific's stake in BLC was reduced to approximately 14.7 percent and BLC was deconsolidated from Group accounts with effect from 1st January 2003.

Consolidated Results

Metro Pacific recorded consolidated net revenues of Pesos 3.7 billion in 2003, compared with revenues of Pesos 5.9 billion for last year, reflecting the deconsolidation of BLC from Group accounts. Operating expenses reduced 44.6 percent to Pesos 613.4 million in 2003 compared with Pesos 1.1 billion in 2002, also reflecting the deconsolidation of BLC. Financing charges reduced 57.9 percent, to Pesos 620.2 million in 2003 versus Pesos 1.5 billion in 2002. Net non-recurring gains of Pesos 541.9 million were recorded in 2003, realized from various debt reduction and restructuring exercises.

Debt Reduction and Restructuring Update

As of 31st December 2003, Metro Pacific had successfully repaid, reached agreements in principle or advanced discussions that address an aggregate of Pesos 12.1 billion in outstanding loans, representing approximately 94.0 percent of Metro Pacific's total debts of Pesos 12.9 billion as at 31st December 2001.

Operations Review

Landco Pacific Corporation ("Landco") reported an 2003 unaudited net profit of Pesos 57.8 million on higher revenues of Pesos 686.6 million, compared with a net profit of Pesos 43.6 million on revenues of Pesos 641.6 million for the same period in 2002, reflecting increased sales. Operating expenses rose 6.8 percent to Pesos 168.3 million in 2003 versus Pesos 158.1 million in 2002, mainly due to the expansion of the Punta Fuego and Leisure Farms residential resort projects. As of 31st December 2003, Terrazas de Punta Fuego achieved unit sales representing 87.0 percent of inventory, outperforming other competing projects in similar categories. For 2004 Landco intends to introduce further expansion of both the Punta Fuego and Leisure Farms brands, increase development of its provincial shopping centers and accelerate strategic landbanking in advance of an anticipated improvement in its primary real estate markets.

Pacific Plaza Towers reported in 2003 a higher loss of Pesos 87.3 million on revenues of Pesos 668.2 million, compared with a loss of Pesos 44.0 million and revenues of Pesos 224.9 million in 2002. 2004 sales outlook is cautiously optimistic as interest in luxury condominium units has risen in recent months.

Negros Navigation Company ("Nenaco") reported an unaudited net profit of Pesos 84.0 million for 2003, a deterioration of 18.2 percent from its 2002 net profit of Pesos 102.7 million. The deterioration in net profit was attributed to higher operating expenses and reduced revenues in the passage and freight business. Nenaco enters 2004 engaged in discussions with a number of parties for possible equity investment and strategic business partnerships.

Comments: "A Transforming Year"

"2003 was a transforming year for Metro Pacific. We proved we could meet the aggressive debt reduction targets we set in late 2001. We may be smaller now - but are better focused - and still possess a stable of high-quality real estate assets such as urban development property in the Bonifacio Global City and in resort areas South of Metro Manila. These and other assets will form the bedrock for Metro Pacific to improve our capitalization and create new revenue streams as we reposition the Group as a leading real estate company," 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.metroPacific.com.

By Order of the Board

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FIRST
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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

2003 Annual Results - Audited

FINANCIAL HIGHLIGHTS

- Revenue increased by 14.2 per cent to US\$1,161.6 million (HK\$16,862.0 million) from US\$1,019.5 million (HK\$14,259.5 million), reflecting an improvement in Indonesia's pulp performance and the appreciation of the rupiah.
- Profit attributable to ordinary shareholders increased by 103.1 per cent to US\$91.5 million (HK\$655.7 million) from US\$44.1 million (HK\$12.8 million).
- Excluding the effects of foreign exchange losses and non-recurring gains, recurring profit increased by 73.0 per cent to US\$88.4 million (HK\$658.5 million) from US\$51.1 million (HK\$159.8 million).
- Basic earnings per share increased by 101.6 per cent to US\$0.56 cents (HK\$7.97 cents) from US\$0.37 cents (HK\$3.91 cents).
- Net debt reduced by 36.1 per cent to US\$907.1 million (HK\$7,080.1 million) at 31 December 2003 from US\$1,136.7 million (HK\$8,866.3 million) at 31 December 2002 as a result of successful debt reduction efforts.
- Consolidated gearing ratio improved to 2.75 times at 31 December 2003, compared with 3.22 times at 31 December 2002.
- The Directors do not recommend the payment of a final dividend for 2003 (2002: nil).

CONSOLIDATED INCOME AND LOSS STATEMENT

For the year ended 31 December

	2003	2002	2001	2000
	US\$'m	US\$'m	US\$'m	US\$'m
Revenue - note 7	1,161.6	1,019.5	1,019.5	1,019.5
Cost of sales	(1,483.7)	(1,212.9)	(1,177.9)	(1,188.9)
Gross profit	(322.1)	(193.4)	(158.4)	(169.4)
Distribution costs	(17.4)	(16.4)	(15.4)	(15.4)
Administrative expenses	(18.1)	(17.2)	(17.2)	(17.2)
Other operating income, net	34.7	34.7	34.7	34.7
Operating profit - note 7	(122.9)	(92.3)	(56.3)	(67.3)
Share of profit from associates	44.8	34.4	34.4	34.4
Net income/(loss) - note 7	(78.1)	(57.9)	(21.9)	(32.9)
Finance income	19.4	14.8	12.5	12.5
Finance cost - note 7	(4.0)	(2.4)	(2.4)	(2.4)
Profit/(loss) before tax	(62.7)	(45.5)	(11.8)	(22.8)
Income tax	(7.2)	(5.8)	(5.8)	(5.8)
Profit/(loss) attributable to ordinary shareholders - note 7	(69.9)	(51.3)	(17.6)	(28.6)

CONSOLIDATED BALANCE SHEET

At 31 December

	2003	2002	2001	2000
	US\$'m	US\$'m	US\$'m	US\$'m
Non-current assets				
Property and equipment	719.4	1,093.3	1,011.3	1,011.3
Intangible intangibles	8.8	14.0	14.0	14.0
Long-term receivables and prepayments	148.8	151.1	149.4	149.4
Goodwill	14.3	19.1	17.7	17.7
Deferred tax assets	1.5	1.6	1.6	1.6
Investment in subsidiaries	0.7	0.7	0.7	0.7
Current assets				
Cost of sales	1,161.6	1,019.5	1,019.5	1,019.5
Inventory	11.6	12.4	12.4	12.4
Other receivables	77.8	41.8	60.4	60.4
Accounts receivable, other receivables and prepayments - note 7	198.1	181.1	171.4	171.4
Investment in subsidiaries	199.8	176.1	176.1	176.1
Current liabilities				
Accounts payable, other payables - note 7	379.9	381.1	396.2	396.2
Short-term borrowings	207.6	865.7	1,011.7	1,011.7
Provisions for liabilities	34.6	36.6	37.1	37.1
Net current assets	45.7	115.3	149.4	149.4
Total assets less current liabilities	1,444.7	1,198.6	1,160.7	1,160.7

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended 31 December

	2003	2002	2001	2000
	US\$'m	US\$'m	US\$'m	US\$'m
Balance at 1 January 2003	31.4	342.7	1,020.9	1,171.0
Share issued upon conversion of 1 convertible note	0.1	49.1	-	50.0
Net profit/(loss) attributable to ordinary shareholders	(69.9)	(51.3)	(17.6)	(28.6)
Share of profit from associates	44.8	34.4	34.4	34.4
Finance income	19.4	14.8	12.5	12.5
Finance cost	(4.0)	(2.4)	(2.4)	(2.4)
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Revenue and operating information

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Revenue	1,161.6	1,019.5	1,019.5	1,019.5
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