

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

**Monday, 17 May 2004**

**METRO PACIFIC REPORTS UNAUDITED FIRST QUARTER 2004 RESULTS;  
RESTATES 2003 AUDITED RESULTS AFTER PROVISIONING TAKEN  
AGAINST NENACO**

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.

In respect of Metro Pacific's 2003 results, it has restated its unaudited profit of Pesos 56.5 million, announced on 1 March 2004, to an audited loss of Pesos 837.9 million. The additional losses include principally Pesos 828.9 million additional asset impairment provision for Nenaco, a shipping subsidiary 97 per cent owned by Metro Pacific, following Nenaco's filing of petition with the Manila Regional Trial Court for a corporate rehabilitation plan on 29 March 2004. First Pacific made a similar asset impairment provision against Nenaco in 2001. Accordingly, such additional provision by Metro Pacific does not have any significant impact to First Pacific's audited 2003 results.

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 ("Nenaco"). Further information on Metro Pacific can be found at [www.metropacific.com](http://www.metropacific.com).

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## METRO PACIFIC CORPORATION

**FOR IMMEDIATE RELEASE**

### **METRO PACIFIC REPORTS UNAUDITED FIRST QUARTER 2004 RESULTS; RESTATES 2003 AUDITED RESULTS AFTER PROVISIONING TAKEN AGAINST NENACO**

MANILA, PHILIPPINES, 17<sup>TH</sup> MAY 2004 – Metro Pacific Corporation (“Metro Pacific”) (PSE: MPC) today reported an unaudited net profit of Pesos 3.9 million for the period ending 31<sup>st</sup> March 2004, an improvement from the Pesos 59 million loss reported during the same period last year. The profit is attributed mainly to the improving profitability of subsidiaries Landco Pacific Corporation (“Landco”) and Pacific Plaza Towers (“PPT”) and reduced financing charges resulting from successful debt reduction exercises. Metro Pacific’s 2003 results included its share in the 2003 first quarter net losses of Bonifacio Land Corporation (“BLC”), which ceased to be a subsidiary and deconsolidated on Metro Pacific accounts upon the sale of a controlling interest to a third-party in April of last year.

Metro Pacific recorded consolidated net revenues of Pesos 760.1 million for the first three months of 2004, a 3.2 percent improvement from the Pesos 735.9 million in revenues reported for the same period last year, reflecting increased sales at Landco Pacific and higher Pacific Plaza unit sales. Operating expenses reduced by 9.0 percent to Pesos 130.4 million in 2004 versus Pesos 143.5 million in 2003, attributed to strict cost reduction measures effected at parent and subsidiary levels. Financing charges reduced by 16.1 percent to Pesos 126.5 million compared with Pesos 150.9 million, due to the successful completion of various debt reduction and restructuring exercises. These exercises, which also included reversals of certain financing charges, resulted in Metro Pacific realizing Pesos 126.5 million in net non-recurring gains during the period. As of 31<sup>st</sup> March 2004, Metro Pacific had successfully repaid, reached agreements in principle or advanced discussions addressing an aggregate of Pesos 12.1 billion in loans, representing 94.0 percent of Metro Pacific’s total parent company bank debt of Pesos 12.9 billion as of 31<sup>st</sup> December 2001.

#### **First Quarter 2004 Operations Review**

**Landco Pacific Corporation (“Landco”)** reported a 79.2 percent improvement in net profit for the first three months of 2004, to Pesos 8.6 million compared with Pesos 4.8 million for the same period last year. First quarter revenues stood at Pesos 157.7 million versus Pesos 132.4 million for the same period in 2003. The improved 2004 performance is due mainly to increased revenues from lot sales at the expanding Punta Fuego and Leisure Farms divisions. At present Landco is preparing for a further expansion of these successful offerings and is in various stages of negotiation and discussion for expansion sites and future landbanking.

Landco also effected the successful resolution of various debt reduction exercises during the first three months of the year, reducing financing charges by 42.9 percent to Pesos 4.4 million compared with Pesos 7.7 million for the same period in 2003. Landco is actively working to further reduce certain medium and long-term debt obligations, the aggregate amount of which stood at Pesos 424.1 million as of 31<sup>st</sup> December 2003.

**Pacific Plaza Towers (“PPT”)** continued to reduce losses, and reported a net loss of Pesos 4.4 million for the first three months of 2004, an 85.3 percent improvement over the first quarter 2003 loss of Pesos 29.9 million. Metro Pacific anticipates that PPT will achieve break-even status sometime during 2004.

**Negros Navigation Company (“Nenaco”)** reported a net loss of Pesos 15.6 million compared with a net profit of Pesos 10.5 million for the same period in 2003. The loss is a result of reduced passengers and cargo carried during the period, due to a reduced number of vessels in service. Metro Pacific is presently reviewing options for a repositioning of Nenaco, in line with its proposed rehabilitation program that is currently before the Manila courts for consideration.

### **2003 Audited Net Loss**

Metro Pacific also announced today an audited net loss of Pesos 837.9 million for the year ended 31<sup>st</sup> December 2003, restating its announcement of 1<sup>st</sup> March 2004 when it reported an unaudited 2003 net profit of Pesos 56.5 million. This follows Nenaco’s 29<sup>th</sup> of March 2004 filing for a petition with the Manila Regional Trial Court for corporate rehabilitation program with prayer for immediate suspension of debt payments. Nenaco has also since submitted restated 2003 audited financial statements that report a net loss. In view of the 10-year rehabilitation timeframe, during which Metro Pacific expects little value enhancement of its investment in Nenaco, it has conservatively decided to make a provision of Pesos 828.9 million against the carrying value of its investment in Nenaco.

### **Comments: “Broader outlook is encouraging”**

“Events at the Nenaco level are a disappointment to those who had believed in recent months that Metro Pacific’s fortunes had finally turned for the better. While there is a degree of short-term pain to be endured as a result of Nenaco, the broader outlook for Metro Pacific is encouraging. Our core real estate business is resilient and we are taking steps towards an eventual strengthening of our financial foundation and preparing for new growth. It is our hope to announce these tangible initiatives sooner than expected,” said Jose Ma. Lim, President and Chief Executive Officer.

### **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 Inc., and listed shipping firm Negros Navigation Company (PSE:NN). Further information regarding Metro Pacific can be accessed at [www.metropacific.com](http://www.metropacific.com)

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**METRO PACIFIC CORPORATION**  
**CONSOLIDATED STATEMENTS OF INCOME AND ACCUMULATED DEFICIT**  
*(Unaudited)*

For the periods ended 31 March (In thousand pesos)	Three months	
	<b>2004</b>	<b>2003</b>
<b>Revenues</b>	760,071	735,872
Cost of sales	(611,853)	(580,847)
Operating expenses	(130,374)	(143,542)
<b>Operating profit</b>	17,843	11,483
Share in net losses of associated companies	(3,763)	(79,115)
Financing charges, net	(126,541)	(150,888)
<b>Loss before other income/(charges)</b>	(112,461)	(218,520)
Other income/(charges), net	126,492	165,222
<b>Profit/(loss) before taxation</b>	14,031	(53,298)
Taxation	(5,888)	(3,301)
<b>Profit/(loss) after taxation</b>	8,143	(56,599)
Outside interests	(4,178)	(2,431)
<b>Net profit/(loss) for the period</b>	3,965	(59,030)
<b>Accumulated deficit</b>		
Beginning of period	(27,045,980)	(26,208,103)
Dividends accrued on preferred shares	-	-
End of period	(27,042,015)	(26,267,133)
<b>Earnings/(loss) per share (in centavos)</b>		
Basic	0.02	(0.32)
<b>Weighted average number of shares in issue (in thousands)</b>		
Basic	18,603,473	18,603,473

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

As at (In thousand pesos)	Unaudited 31 March 2004	Audited 31 December 2003	Unaudited 31 March 2003*
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	176,850	213,622	217,748
Receivables, net	2,210,732	2,189,649	2,072,399
Due from associated companies	724,852	714,926	679,218
Inventories, net	30,715	30,931	41,143
Development properties	2,262,141	2,381,147	2,900,523
Investment in and advances to Bonifacio Land Corp.	3,374,495	3,436,611	10,285,209
Deferred tax asset	31,644	32,210	88,799
Prepayments and other current assets	458,499	447,429	570,647
Total current assets	9,269,928	9,446,525	16,855,685
<b>Long-term receivables</b>	144,742	134,116	127,908
<b>Investments in associated companies</b>	1,045,952	1,049,744	858,938
<b>Development properties</b>	-	-	-
<b>Property and equipment</b>	3,189,538	3,217,405	2,898,178
<b>Other assets</b>	414,992	349,310	620,526
<b>Total assets</b>	14,065,152	14,197,100	21,361,236
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Loans and notes payable	1,250,220	1,395,385	7,652,923
Current portion of long-term debts	2,077,109	2,135,170	1,779,082
Current portion of long-term liabilities and provisions	387,592	445,446	204,920
Accounts payable and accrued expenses	5,800,339	5,678,350	6,390,489
Due to associated companies	124,965	125,268	55,371
Deferred tax liability	51,287	9,997	-
Income tax payable	1,012	3,359	107
Total current liabilities	9,692,524	9,792,975	16,082,892
<b>Long-term debts</b>	2,209,177	2,215,916	3,160,566
<b>Long-term liabilities and provisions</b>	1,213,148	1,262,168	394,482
<b>Outside Interests</b>	726,709	706,412	724,821
<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	(27,042,015)	(27,045,979)	(26,267,134)
Total stockholders' equity	223,593	219,629	998,474
<b>Total liabilities and equity</b>	14,065,152	14,197,100	21,361,236

*\*The March 2003 figures were restated to conform with the balance sheet presentation in connection with the deconsolidation of BLC and FBDC from the Group accounts following the sale of the controlling interest (50.4%) in BLC to third parties on 17th April 2003.*