

GOALS

REVIEW OF 2002 GOALS

FIRST PACIFIC

- Enhance recurrent cash flows at Head Office
Partially achieved. Cost saving measures have been implemented; Indofood dividend inflow has improved.
- Refinance or repay existing two-year loan with longer-term funding
Partially achieved. Debt reduced to approximately US\$100 million following the repayment of the Larouge Loan principal.
- Conclude value enhancing strategy for the Group's investments in Escotel and Metrosel
Partially achieved. Weaker telecom sector sentiment, regional tensions and an unpredictable business environment have hampered definitive progress with regards to Escotel. The Company has exchanged its 35.0 per cent interest in Metrosel for a 14.6 per cent interest in PT Mobile-8 Telecom, which is to operate a CDMA network in most of Indonesia.

INDOFOOD

- Pursue core business strategy to focus on value enhancement
Achieved. Marketing focus on the promotion of higher margin products; sales volumes and revenues improved.
- Improve share price performance
Not achieved. Declined by four per cent to close 2002 at Rupiah 600.
- Maintain dividend payout ratio of 30 per cent
Achieved. 30 per cent payout in respect of 2001 earnings.

- Complete share buy back program
Achieved. By 30 November 2002, Indofood had completed the buy back of 915.6 million shares, representing 10 per cent of its issued and paid-up capital.
- Implement employee stock ownership plan
Achieved. 228.9 million shares were issued in May 2002, completing the first phase.

PLDT

- Pursue and complete liability management program
Achieved. Refinanced US\$644 million of 2002 to 2004 maturing debts, and reduced debt by US\$127 million from internal free cash flows and dividends from Smart of Pesos 1.54 billion (US\$29.8 million).
- Improve share price performance
Not achieved. Declined by 35 per cent to close 2002 at Pesos 270.
- Smart to manage ARPUs through value added services
Achieved. Stable ARPUs recorded, coupled with a 40 per cent growth in prepaid subscribers.
- Develop data and network related operations to become longer-term drivers of value
Achieved. Data and network peso revenues are up 15 per cent, now contributing 12 per cent of Fixed Line's total revenues.
- Build and strengthen the operations and financial position of ePLDT
Partially achieved. Peso revenues increased by 101 per cent, but the start-up nature of ePLDT's operations resulted in an increased operating loss of Pesos 483 million (US\$9.4 million).

METRO PACIFIC

- Conclude debt reduction program
In progress. Through an aggressive and comprehensive debt reduction and restructuring program, Metro Pacific addressed US\$163.6 million of debt by year end 2002. On 17 April 2003, US\$90 million repaid to Larouge.
- Conclude the merger of First e-Bank
In progress. Local commercial bank, Banco de Oro, agreed to assume First e-Bank's banking business, as well as certain assets and liabilities. This transaction was approved by First e-Bank shareholders in December 2002, and is anticipated to close during the second quarter of 2003.

ESCOTEL

- Retain market leadership in view of anticipated competition
Achieved. Continues to hold market-leading positions in all three circles.
- Maximize network availability and utilization
In progress. Escotel's efforts to enhance its network were compromised by the decision of Escotel's existing equipment supplier, Lucent, to exit the GSM equipment supply business. Escotel is currently in the process of securing a new vendor.
- Grow revenues and EBITDA to achieve full break-even
Achieved. Escotel has enhanced EBITDA and reported its first profit contribution.

GOALS FOR 2003

FIRST PACIFIC

- Reduce costs and increase recurrent cash flows at Head Office
- Refinance or repay US\$100 million debt, which matures in December 2003, with longer-term funding

INDOFOOD

- Strengthen cash flows
- Build and develop brands
- Complete the second phase (114.5 million shares) of the employee stock ownership program

- Improve share price performance
- Maintain dividend payout of 30 per cent

PLDT

- Improve share price performance
- Generate sufficient free cash flow at the PLDT level and increase dividend payout from Smart, to enable PLDT to further reduce debts
- Smart to increase overall level of revenues, EBITDA and profits

METRO PACIFIC

- Conclude debt reduction program

- Conclude Banco de Oro's purchase of First e-Bank's banking business, as well as certain assets and liabilities
- Improve profitability at Landco and Nenaco

ESCOTEL

- Maximize network availability and utilization upon the appointment of new equipment supplier
- Grow subscriber base and retain market leadership in all three circles
- Continue to grow EBITDA