

Chairman's Letter



Dear Shareholder:

I am pleased to report to you that 2003 was a year of substantial progress and achievement for First Pacific. We have made significant strides in reducing debt and enhancing profitability across our businesses and as a result our 2003 attributable net profit doubled to US\$81.5 million compared with US\$40.1 million in 2002.

First Pacific's "active management" investment approach was the driver behind our improved performance. At PLDT, where Manny Pangilinan has served as President and CEO concurrent to his roles at First Pacific, his management team has accomplished a singular achievement: proving that when strategically crafted and smartly executed, the convergence business model can work in the telecommunications sector. For 2003 PLDT reported the single largest net profit ever reported by a Philippine corporate.

Indofood continued its substantial market leadership in 2003 – especially in its core noodles business – despite the entry of new competitors for several of its key brands. Upon the announcement by President Director and CEO Eva Hutapea Riyanti in December 2003 to retire at the

upcoming AGM, an Executive Committee was formed to manage Indofood. I have undertaken to chair that committee – like Manny, also in my dual role as Chairman of First Pacific – and intend to further strengthen what already is among Indonesia's strongest companies.

Given our success at reducing debt and the present, enhanced outlook for our primary investments, a solid foundation is being laid for First Pacific to identify and capitalize upon new growth opportunities. Our 23-year history First Pacific is testament to just that: surprising the market by making intelligent investments into undervalued assets and via our direct and proactive management, improving them to where significant shareholder value can be realized.

Despite whatever skepticism may exist I am confident that First Pacific will continue to remain true to that mission, and look forward to reporting our progress in this regard to you next year.

Cordially,

ANTHONI SALIM
Chairman

1 March 2004