

Chairman's Letter



Dear Shareholders,

Last year I remarked on the progress First Pacific has made in strengthening our telecommunications business, while noting the efforts underway to revitalize and re-energize our consumer food operations.

Those efforts are producing the desired results. Last year, PLDT reported another consecutive year of record profits. The First Pacific team at PLDT continues to improve and reinforce First Pacific's underlying contributions: our ability to focus on improving profit drivers, our determination to reduce costs, and our ability to infuse an organization with an entrepreneurial spirit. Combined, those factors enabled the 76-year old PLDT to move with the flexibility and dexterity of a first-mover and small business.

At Indofood, I am determined that the ongoing restructuring and reorganization of its supply, production and distribution lines will result in better efficiencies. Indofood represents a complex array of businesses, using a variety of technologies and sales methodologies - many of which require streamlining, reorganizing and re-engineering. The resulting Indofood will be an organization that is better positioned to hold and grow its dominant market share, offer new products to new markets and better withstand competitive challenges.

At Metro Pacific, the task of reducing debts has been completed and we can now focus on achieving new growth, after so many years of looking inward. Metro Pacific is now on a deliberate search for new investments, a process in which we anticipate making real progress this year.

Again, I point to the quiet transformation occurring across First Pacific which, despite challenges, is taking place. That transformation could not be possible without your continued understanding and support for which, on behalf of the Board, I extend my deepest appreciation.

Cordially,

ANTHONI SALIM

Chairman

31 March 2006