

Chairman's Letter



Dear Shareholder

The transformation that I reported on last year has moved along well, and the year just passed has seen further progress at First Pacific. Our telecommunications business has reported another year of record profits, and our food business has posted much improved results.

The investment in the water business in the Philippines through Metro Pacific Investments Corporation (MPIC), and the introduction of Ashmore Investment Management Limited into MPIC, have enabled First Pacific to participate in future infrastructure opportunities in the Philippines. The successful restructuring and recapitalization of MPIC's predecessor - Metro Pacific Corporation - and the subsequent listing of MPIC in the course of the year has consolidated First Pacific's commitment to this market.

The entrepreneurial and innovative spirit that drives PLDT will be crucial as PLDT enters its next stage of development. The continuous development of new offerings in its traditional business will be complemented by enhanced products, services and solutions from new technology platforms and through its Next Generation Network, as well as additional services through its call center and business process outsourcing businesses.

The significant improvements made to Indofood's distribution network will be further enhanced moving forward, and with the

growth in all Indofood's consumer products, I believe it will contribute to the strengthening of Indofood's leading market position as evidenced in the increasing market share of most of Indofood's product categories. The expansion opportunities for the edible oils and fats business will be addressed as we increase our investments in plantations. This will enable Indofood to generate greater value from its oil palm plantation and refining business.

Notwithstanding the transition phase that First Pacific is currently undergoing, our outlook for 2007 remains positive. I would ask for your continued support, on behalf of the Board, as we continue to search for new investments in this, our part of the world.

Sincerely

A handwritten signature in black ink, appearing to be 'AS'.

ANTHONI SALIM
Chairman

11 April 2007