



CIRCULAR FOR BROKERS NO. 1532-2004

The Philippine Stock Exchange, Inc.

<input checked="" type="checkbox"/>	Disclosures	<input type="checkbox"/>	Stockholders' Meeting	Others: _____
<input type="checkbox"/>	Dividend Notice	<input type="checkbox"/>	SEC / Gov't Issuance	_____
<input type="checkbox"/>	Stock Rights Notice	<input type="checkbox"/>	Transfer Agent's Notice	_____

Date : **April 16, 2004**
 Company : **BACNOTAN CONSOLIDATED INDUSTRIES, INC.**

This is in reference to the news article entitled "Bacnotan incurred a net loss" published in the April 16, 2004 issue of the Philippine Star. The article reported that: "Bacnotan Consolidated Industries Inc. incurred a net loss of P583.82 million last year, a reversal of the P69.6-million profit reported a year earlier due to a combination of factors x x x."

Bacnotan Consolidated Industries, Inc. ("BCI") in its letter dated April 16, 2004, disclosed that:

"This is to confirm the veracity of the information contained in the article published today in Philippine Star in compliance to your letter dated April 16, 2004. x x x"

A copy of BCI's Audited Consolidated Statement of Income for the year ended December 31, 2003 is attached for your reference.

For your information.

(Original Signed)
MA. PAMELA D. QUIZON-LABAYEN
OIC, Disclosure Department

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408

BACNOTAN CONSOLIDATED INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2003	2002	2001
		(As restated - Note 3)	(As restated - Note 3)
	<i>(In Thousands, Except Per Share Data)</i>		
REVENUE (Note 28)			
Sale of goods	P11,327,610	P11,409,371	P7,345,130
Freight	254,020	204,233	-
Sale of real estate	3,127	50,384	22,061
	11,584,757	11,663,988	7,367,191
COST OF SALES, FREIGHT SERVICES AND REAL ESTATE (Notes 22, 25, 26 and 28)	10,041,695	9,627,551	5,848,708
GROSS PROFIT	1,543,062	2,036,437	1,518,483
OTHER OPERATING INCOME (Note 16)	98,648	42,201	10,596
	1,641,710	2,078,638	1,529,079
OPERATING EXPENSES			
General and administrative (Notes 9, 13, 23, 25, 26 and 28)	852,396	999,983	387,572
Selling (Notes 24, 25 and 26)	179,030	261,805	215,554
	1,031,426	1,261,788	603,126
INCOME FROM OPERATIONS	610,284	816,850	925,953
OTHER EXPENSES (INCOME)			
Interest expense and financing charges (Notes 14, 16, 18 and 28)	1,271,000	1,226,597	751,668
Equity in net losses of associates (Note 9)	165,797	285,354	679,209
Foreign exchange losses (gains) - net	225,338	141,789	(193,561)
Interest income	(194,798)	(312,430)	(187,665)
Loss (gain) on equity adjustment of a consolidated subsidiary and an associate	151,175	(537,364)	4,490
Gain on sale of investments in consolidated subsidiaries, associates and other investments - net (Notes 2, 9, 27 and 28)	(109,721)	(596,819)	(5,106)
Others - net	20,979	322,439	(17,152)
	1,529,770	529,566	1,031,883
INCOME (LOSS) BEFORE INCOME TAX, MINORITY INTEREST AND PREACQUISITION LOSSES	(919,486)	287,284	(105,930)
PROVISION FOR (BENEFIT FROM) INCOME TAX (Notes 29 and 31)			
Current	45,817	25,933	15,776
Deferred	(287,779)	(153,758)	(70,046)
	(241,962)	(127,825)	(54,270)
INCOME (LOSS) BEFORE MINORITY INTEREST AND PREACQUISITION LOSSES	(677,524)	415,109	(51,660)
SHARE OF MINORITY INTEREST PREACQUISITION LOSSES (Note 2)	93,706	(678,411)	(74,664)
	-	332,901	-
NET INCOME (LOSS)	(P583,818)	P69,599	(P126,324)
Basic Earnings Per Common Share (Note 33)	(P3.58)	P0.18	(P1.32)

