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**FIRST PACIFIC COMPANY LIMITED**

**第一太平**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

**(Stock Code: 00142)**

### **OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

**Please refer to the attached disclosures filed by Metro Pacific Investments Corporation (“MPIC”) with the Philippine Stock Exchange, in relation to the SEC Form 17-C together with the press release relating to MPIC’s First Quarter Unaudited Financial Results Announcement for the year 2010 and the related financial information.**

**Dated this the 5<sup>th</sup> day of May, 2010**

As at the date of this announcement, the Board of Directors of First Pacific Company Limited comprises the following Directors:

Anthoni Salim, *Chairman*  
Manuel V. Pangilinan, *Managing Director and CEO*  
Edward A. Tortorici  
Robert C. Nicholson  
Ambassador Albert F. del Rosario  
Napoleon L. Nazareno  
Professor Edward K.Y. Chen\*, *GBS, CBE, JP*

Tedy Djuhar  
Sutanto Djuhar  
Ibrahim Risjad  
Benny S. Santoso  
Graham L. Pickles\*  
Sir David W.C. Tang\*, *KBE*  
Jun Tang\*

*\*Independent Non-executive Directors*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. **05 May 2010**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CS200604494**
3. BIR Tax Identification No. **244-520-457-000**
4. **METRO PACIFIC INVESTMENTS CORPORATION**  
Exact name of issuer as specified in its charter
5. **METRO MANILA, PHILIPPINES**  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. **10<sup>th</sup> Floor, MGO BUILDING, LEGAZPI COR. DELA ROSA STREETS, LEGAZPI VILLAGE, MAKATI CITY, METRO MANILA, PHILIPPINES**  
Address of principal office ..... Postal Code
8. **(632) 888-0888**  
Issuer's telephone number, including area code
9. **NA**  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>COMMON SHARES OF STOCK</b>	<b>20,128,154,522*</b>

*\*as reported by the stock transfer agent as of 31<sup>st</sup> December 2009.*

11. Indicate the item numbers reported herein: **Item 9**

**Item 9. Other Items**

During the board meeting held today, the Board of Directors of Metro Pacific Investments Corporation approved the attached press release to announce the Unaudited First Quarter Results of the Company for 2010.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**METRO PACIFIC INVESTMENTS CORPORATION**  
MPIC or Issuer

**05 May 2010**  
Date



.....  
JOSE MA. K. LIM  
PRESIDENT & CEO

**METRO PACIFIC INVESTMENTS CORPORATION  
( “MPIC” )**

- **1Q10 CORE NET INCOME AT ₱ 775 MILLION VS CORE NET INCOME OF ₱ 356 MILLION LAST YEAR, UP 118%**
- **REPORTED NET INCOME ATTRIBUTABLE TO PARENT COMPANY THIS YEAR AT ₱ 650 MILLION VS NET INCOME OF ₱ 552 MILLION LAST YEAR, UP 18%**
- **MPIC’S SHARE OF CORE NET INCOME AT ₱ 1,156 MILLION IN 2010 VS ₱ 604 MILLION IN 2009, UP 91%**
- **NET DEBT TO EQUITY REDUCED FROM 0.31x TO 0.22x AT PARENT COMPANY**
- **MERALCO CORE INCOME AT ₱ 1,980 MILLION**
- **MAYNILAD CORE INCOME AT ₱ 1,128 MILLION**
- **METRO PACIFIC TOLLWAYS CORE INCOME AT ₱ 397 MILLION**
- **CORE INCOME OF HEALTHCARE GROUP AT ₱ 111 MILLION, AGREEMENT TO ACQUIRE 51% OF RIVERSIDE MEDICAL CENTER IN BACOLOD**
- **MANILA NORTH HARBOUR PORT, INC TAKES OVER NORTH HARBOR OPERATIONS**

**MANILA, Philippines, 5<sup>th</sup> May 2010 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI)** today announced consolidated Core Net Income of ₱ 775 million for the first 3 months of 2010, an improvement of 118% from the first quarter Core Net Income of ₱ 356 million for 2009. Core Net Income is after deducting Fair Value Adjustments of ₱ 138 million for the quarter. Consolidated Reported Net Income, which reflects exceptional one-time charges, stood at ₱ 650 million for the first quarter this year compared with ₱ 552 million last year.

The significant improvement in Core Income is attributable to higher contributions from Maynilad Water Services, Inc (“Maynilad”), Metro Pacific Tollways Corporation (“MPTC”) and Manila Electric Company (“Meralco”). Maynilad accounted for ₱ 557 million or 46% of the aggregate net profit contribution from MPIC’s portfolio companies, representing MPIC’s attributable interest in Maynilad’s core income. MPTC contributed ₱ 399 million or 33% of profit from operations while MPIC’s investment in Meralco added ₱ 211 million or 18% of equitized core earnings for the first three months of 2010. The Healthcare group contributed ₱ 39 million or 3% of the total.

“The strong results of Maynilad, MPTC and Meralco are driving this quarter’s earnings growth. Going forward, we will continue to strengthen and enhance the performance of the companies in our investment portfolio,” said **Jose Ma. K. Lim, MPIC President and Chief Executive Officer**. “ We continue to be committed to investing in infrastructure in the country. For the full year, the Group’s portfolio companies, as a whole anticipates investing ₱22 Billion of which we spent ₱ 4.2 Billion in the first quarter, an increase of 122% over 2009.” concluded Lim.

## OPERATIONAL REVIEW

### **MAYNILAD: STRONG PERFORMANCE AND ONGOING EXPANSION**

Maynilad's Core Income stood at ₱ 1,128 million during the first three months. Revenues rose by ₱ 682 million year-on-year or 31%, to ₱ 2,881 million arising from higher billed volume of 12% and improved tariffs effective May 2009. Non-revenue water has significantly declined from its 2009 first quarter average of 62% last year to 57% in the same period this year. Serviced customers for the first quarter rose 8%, from 770,173 to 831,578 billed clients, including 3,000 new customers located in BF Homes, Paranaque.

The approval by MWSS of the extension of Maynilad's Concession Agreement for another 15 years to 2037 will enable Maynilad to plan for the long-term and significantly improve water supply reliability for underserved and unserved parts of the concession area. The extension will also help mitigate the extent of any rate adjustment in water tariffs moving forward.

In order to fast track those projects which can minimize the adverse effects of El Nino on water supply, Maynilad has obtained temporary exemptions on permits to excavate, and has repaired over 10,000 leakages in various sections of Metro Manila. This has enabled Maynilad to recover around 100 million liters per day (MLD) of water supply.

In addition, the Putatan Water Treatment Plant in Muntinlupa will process up to 100 MLD from Laguna de Bay to service an initial 105,000 homes in the Muntinlupa areas of Alabang, Bayanan, Poblacion, Putatan, Tunasan and Ayala Alabang. The project is on schedule for completion by the end of May 2010. Maynilad's newly commissioned Villamor pumping station became operational last 29<sup>th</sup> April. The Villamor facility has a reservoir that can store up to 10 MLD of water and has the capacity to pump water to elevated parts of the southern portion of Maynilad's concession area.

### **MPTC: SUSTAINING RECORD HIGH AVERAGE DAILY TRAFFIC**

MPTC realized Core Income of ₱ 397 million for the first quarter of 2010. The increase in profitability was due to a 6% rise in average daily vehicle entries and longer average journeys. Promotion of the North as a tourist travel destination, election related activities and stable fuel prices contributed to the increase in traffic for the period. Reported Income, which includes exceptional, non-cash provisions relating to certain taxes, stood at ₱ 326 million compared with ₱ 312 million in 2009, an increase of 4%. The attributable profit contribution of MPTC to MPIC for the period amounted to ₱ 399 million versus ₱ 317 million in the first quarter of 2009.

In terms of tollways expansion, construction of Segment 8.1, a 2.7 kilometer stretch of tollroad from Mindanao Avenue to North Luzon Expressway ("NLEX") at Valenzuela, Bulacan is substantially complete and is scheduled to open by May 2010. Segment 9, a 2.4-kilometer expressway connecting NLEX Valenzuela to Balintawak along Mac Arthur Highway was inaugurated last 30<sup>th</sup> April. Construction is scheduled to start in the last quarter this year, assuming the requisite rights-of-way are acquired by the Government by that time. The detailed engineering design of the 5-kilometer Segment 10 connecting Balintawak to the Port Area in Manila, utilizing the PNR line, is in progress and will be completed by the third quarter this year. Finally, MPTC has submitted to the Department of Public Works and Highways an unsolicited proposal last 30<sup>th</sup> April for the Connector Road Project - a 13-kilometer four-lane totally elevated expressway connecting NLEX Port Area (Segment 10, described earlier) to SLEX/Skyway at Buendia Avenue, Makati City.

## **HEALTHCARE: GROWING HOSPITAL CHAIN IN THE COUNTRY**

The Healthcare Group comprising Medical Doctors Inc (“MDI”), owner and operator of the Makati Medical Center, Colinas Verdes Hospital Managers Corporation (“CVHMC”), operator of the Cardinal Santos Medical Center and a wholly-owned subsidiary of MDI, and Davao Doctors Hospital (Clinica Hilario), Inc (“DDH”), owner and operator of Davao Doctors Hospital and Davao Doctors College, reported an aggregate Core Income of ₱ 111 million for the first quarter this year compared with ₱ 126 million last year, a decline of 12%. This decrease in Core Income was primarily caused by MDI’s higher operating expenses arising from an increase in personnel, additional depreciation on MDI’s new building and newly purchased equipment, as well as higher cost of utilities, supplies and contracted services.

Core Net Income at DDH decreased to ₱ 32 million for 2010 versus ₱ 37 million during the prior year, due to lower revenues from Davao Doctors College Inc. The hospital’s Core Income was steady at ₱ 11 million

On 4<sup>th</sup> May 2010, MPIC signed a Share Purchase Agreement with Torre Hermanos Agro-Industrial Enterprises Inc. to acquire a 51% shareholding in Riverside Medical Center Inc. (“RMCI”), the largest hospital in Bacolod City, Negros Occidental with 336 beds. RMCI will be the fourth premiere hospital to join MPIC’s growing nationwide chain, now with an aggregate capacity in excess of 1,300 beds.

## **MANILA NORTH HARBOUR COMMENCES DEVELOPMENT PLANS**

Manila North Harbour Port Inc (“MNHPI”) the joint venture company of Harbour Centre Port Terminal Inc and MPIC formally took over and commenced the development, management, operation and maintenance of the Manila North Harbor for a period of twenty five (25) years. The ceremonial turn over rites led by the Philippine Ports Authority (“PPA”) took place on 12<sup>th</sup> April 2010.

Immediately upon takeover, MNHPI resolved the following issues : (i) the voluntary release of ₱ 100 million as advance payment for the port workers’ past service benefits; (ii) the payment of ₱ 42 million in concession fees to the PPA for the first quarter of 2010; (iii) early delivery of 159 units of port equipment, the number being 30% more than the contracted number of units stipulated by the PPA; and (iv) the absorption of 1,000 port workers together with preparation for the hiring of 5,000 to 10,000 more workers for the project.

The first phase of the port rehabilitation and development will take a year to complete, and will involve the retrofitting of the container yard at the North Harbor Marine slipway, the construction of the rubber-tired gantry crane lanes, and replacement of the paving block to ensure appropriate container stacking capability.

MNHPI incurred a start-up loss of ₱ 63 million for the quarter.

## **THE MERALCO INVESTMENT: RECORDING INITIAL SIGNIFICANT CONTRIBUTIONS**

On 1<sup>st</sup> March 2010, MPIC, Pilipino Telephone Corporation (“Piltel”) and Beacon Electric Asset Holdings, Inc (“Beacon”) entered into an Omnibus Agreement (“OA”) whose aim was to rationalize and consolidate the Group’s various shareholdings in Meralco. Beacon, formerly known as Rightlight Holdings, Inc, is a newly organized special purpose company established for the sole purpose of aggregating the respective shareholdings of MPIC and Piltel in Meralco. Under the OA, MPIC and Piltel have agreed to define their agreement in respect of, amongst other matters, the capitalization, organization, conduct of business and the extent of their

participation in the affairs of Beacon and through Beacon, their respective involvement in Meralco.

Pursuant to this OA, each of MPIC and Piltel has subscribed to 1,156.5 million common shares of Beacon, at a subscription price of ₱ 20 per share or a total of ₱ 23,130 million, giving MPIC and Piltel a 50% share each in the outstanding common shares of Beacon. In addition, MPIC has subscribed to 801 million shares of Beacon's preferred stock at a subscription price of ₱ 10 per share or a total of ₱ 8,010 million.

Concurrently with the subscription in Beacon shares, Beacon agreed to purchase 154.2 million and 163.6 million Meralco shares from Piltel and MPIC, respectively, for a consideration of ₱150 per share, or a total of ₱ 24,540 million for the MPIC Meralco shares and ₱ 23,130 million for the Piltel Meralco shares.

Under the OA, MPIC assigned its right to acquire a call option over 74.7 million common shares of Meralco then held by First Philippine Holdings Corporation ("FPHC"), or the Option Shares, to Beacon. As a result of this assignment, Beacon and FPHC have executed an Option Agreement dated 1<sup>st</sup> March 2010 pursuant to which FPHC granted the Call Option over the Option Shares to Beacon.

The consolidation of the relevant Meralco holdings into Beacon gave Beacon a 28.2% interest in Meralco, making it the single, largest shareholder of Meralco. This also allowed Beacon to access debt financing for additional purchases of Meralco shares, using the Meralco shares it holds as security.

On 30<sup>th</sup> March 2010, Beacon purchased an additional 74.7 million shares from FPHC in exercise of the Call Option described above, at a price of ₱ 300 per share or a total purchase consideration of ₱ 22,410 million. This brought the total ownership of Beacon in Meralco to 34.8% consisting of the following: (i) 74.7 million shares from FPHC upon exercise of the Call Option, representing 6.6% of Meralco's outstanding capital stock; (ii) 163.6 million shares from MPIC, representing 14.5% of Meralco; and (iii) 154.2 million shares from Piltel, representing 13.7% of Meralco.

For the first quarter of 2010, Meralco announced Core Income of ₱ 1,980 million on higher energy sales and increased revenues.

## **OUTLOOK FOR 2010**

"The first quarter results this year reflect a strong pace in revenue and profit growth across-the-board for our portfolio companies which started about a year ago," said **MPIC Chairman Manuel V. Pangilinan**. "On the basis of a strong operating performance of the group during the period, we are quite optimistic that prospects for 2010 remain attractive. On this basis, we are prepared to guide our Core Profitability for the year 2010 at ₱ 3.6 billion before Fair Value Adjustments, and Core Profitability at ₱ 3.0 billion after Fair Value Adjustments are made." concluded **Pangilinan**.

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This press release may contain some “forward-looking statements” that are subject to a number of risks and uncertainties that could affect MPIC’s business and results of operations. Although MPIC believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action or events.

**For further information please contact:**

**David J. Nicol**  
**Chief Finance Officer**  
Tel. +632 888 0802

**Albert W. L. Pulido**  
**VP, Investor Relations**  
Tel: +632 458 1039

**Melody M. Del Rosario**  
**VP, Media & Corp. Comm.**  
Tel +632 888 0888

**About MPIC**

**Metro Pacific Investments Corporation** is a Philippine-based, publicly-listed, investment and management company with holdings in water distribution, tollroads, power distribution, healthcare and port development. Additional information on MPIC can be obtained online at [www.mpic.com.ph](http://www.mpic.com.ph).



**METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Peso Thousands)

<b>For the Three Months Ended 31 March</b>	<b>2010</b>	<b>2009</b>
<b>OPERATING REVENUES</b>		
Water and sewerage services revenue	<b>2,881,007</b>	2,199,334
Toll fees	<b>1,429,902</b>	1,340,594
	<b>4,310,909</b>	3,539,928
<b>COST OF SERVICES</b>	<b>(1,495,983)</b>	(1,366,817)
<b>GROSS PROFIT</b>	<b>2,814,926</b>	2,173,111
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(705,618)</b>	(613,282)
<b>OTHER INCOME AND EXPENSES</b>		
Construction revenue	<b>2,460,049</b>	823,508
Construction cost	<b>(2,445,312)</b>	(805,869)
Share in net earnings of associates and joint ventures – net	<b>235,752</b>	65,632
Foreign exchange (losses) gains – net	<b>(15,573)</b>	520,189
Interest income	<b>208,328</b>	134,542
Interest expenses	<b>(1,184,307)</b>	(917,250)
Other income	-	5,316
Other expenses	<b>(153,056)</b>	(9,385)
	<b>(894,119)</b>	(183,317)
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX</b>	<b>1,215,189</b>	1,376,512
<b>(PROVISION FOR) BENEFIT FROM INCOME TAX</b>		
Current	<b>20,541</b>	(2,158)
Deferred	<b>(43,390)</b>	(302,827)
	<b>(22,849)</b>	(304,985)
<b>INCOME FROM CONTINUING OPERATIONS AFTER INCOME TAX</b>	<b>1,192,340</b>	1,071,527
<b>LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX</b>	-	(37,647)
<b>NET INCOME</b>	<b>1,192,340</b>	1,033,880
<b>Net income (loss) attributable to:</b>		
<b>Owners of Parent Company from:</b>		
Continuing operations	<b>649,872</b>	572,966
Discontinued operations	-	(21,180)
	<b>649,872</b>	551,786
<b>Non-controlling Interests</b>	<b>542,468</b>	482,094
	<b>1,192,340</b>	1,033,880

**EARNINGS PER SHARE****Basic Earnings per Share, Attributable to Owners of  
Parent Company (in centavos)**

Income from continuing operations	<b>3.23</b>	6.95
Loss from discontinued operations	-	(0.26)
	<b>3.23</b>	<b>6.69</b>

**Diluted Earnings per Share, Attributable to Owners of  
Parent Company (in centavos)**

Income from continuing operations	<b>3.23</b>	6.43
Loss from discontinued operations	-	(0.23)
	<b>3.23</b>	<b>6.20</b>

**METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Peso Thousands)

<b>As at</b>	<b>31 March 2010</b>	<b>31 December 2009</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	<b>5,264,980</b>	6,379,731
Short-term deposits	<b>1,620,652</b>	2,433,418
Receivables - net	<b>1,761,982</b>	13,475,300
Advances to contractors and consultants	<b>468,039</b>	527,571
Inventories - at cost	<b>103,063</b>	96,012
Real estate for sale	<b>187,010</b>	187,010
Noncurrent assets held for sale	<b>329,570</b>	329,570
Due from related parties	<b>490,610</b>	501,080
Available-for-sale financial assets	<b>282,787</b>	282,787
Other current assets	<b>1,314,834</b>	1,593,832
<b>Total Current Assets</b>	<b>11,823,527</b>	25,806,311
<b>Noncurrent Assets</b>		
Investments in:		
Associates and joint ventures - at equity	<b>34,804,159</b>	27,370,023
Bonds	<b>400,600</b>	400,600
Goodwill	<b>12,551,750</b>	12,551,750
Due from related parties	<b>65,569</b>	65,569
Service concession assets - net	<b>64,913,066</b>	62,185,407
Property and equipment - net	<b>632,526</b>	634,405
Derivative assets	<b>16,417</b>	39,212
Deferred tax assets	<b>214,992</b>	214,992
Other noncurrent assets	<b>196,536</b>	131,566
<b>Total Noncurrent Assets</b>	<b>113,795,615</b>	103,593,524
	<b>125,619,142</b>	129,399,835

**Noncurrent Liabilities**

Noncurrent portion of:

Provisions	494,636	415,827
Service concession fees payable	8,896,043	9,071,673
Long-term debts	31,125,513	41,828,305
Deferred credits and other long-term liabilities	3,438,094	3,432,643
Due to related parties	6,600,000	-
Derivative liabilities	136,626	44,467
Deferred tax liabilities	2,660,396	2,672,692
<b>Total Noncurrent Liabilities</b>	<b>53,351,308</b>	<b>57,465,607</b>
<b>Total Liabilities</b>	<b>64,184,921</b>	<b>69,124,197</b>
<b>Equity</b>		
Capital stock	20,178,155	20,178,155
Additional paid-in capital	27,859,887	27,860,033
Other reserves	455,610	451,091
Retained earnings	3,535,808	2,885,936
Other comprehensive income reserve	(135,290)	(109,743)
Total equity attributable to owners of the Parent Company	51,894,170	51,265,472
Non-controlling Interests	9,540,051	9,010,166
<b>Total Equity</b>	<b>61,434,221</b>	<b>60,275,638</b>
	<b>125,619,142</b>	<b>129,399,835</b>