



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

24th Floor, Two Exchange Square, 8 Connaught Place, Hong Kong
Tel: (852) 2842 4388 Email: info@firstpacific.com Fax: (852) 2845 9243
<http://www.firstpacific.com>

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**MPIC'S FIRST HALF 2010 CORE NET INCOME UP 169% TO ₱1.93 BILLION
CONSOLIDATED REVENUES ROSE 18% TO ₱8.86 BILLION
REFLECTING STRONG PERFORMANCE FROM HIGH GROWTH PORTFOLIO**

The attached press release was released today in Manila by Metro Pacific Investments Corporation ("MPIC"), in which First Pacific Group holds an economic interest of approximately 55.6%.

MPIC is a Philippine-based, publicly-listed, investment and management company with holdings in water distribution, tollroads, electricity distribution and healthcare. Further information on MPIC can be found at www.mpic.com.ph.

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For further information, please contact MPIC:

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



PRESS RELEASE

FIRST HALF 2010 CORE NET INCOME UP 169% TO ₱1.93 BILLION
CONSOLIDATED REVENUES ROSE 18% TO ₱8.86 BILLION
REFLECTING STRONG PERFORMANCE FROM HIGH GROWTH PORTFOLIO

- 1H10 CORE NET INCOME AT ₱1.93 BILLION VS CORE NET INCOME OF ₱716 MILLION LAST YEAR, UP 169%
- CONSOLIDATED REVENUES ROSE 18% TO ₱8.86 BILLION
- DILUTED CORE NET INCOME PER SHARE AT 9.35 CENTAVOS UP 26% FROM 7.40 CENTAVOS LAST YEAR
- INTERIM DIVIDEND DECLARED OF ₱0.01 CENTAVO PER SHARE VS NIL LAST YEAR
- NET DEBT TO EQUITY RATIO REDUCED FROM 0.31 TIMES AS AT 31 DECEMBER 2009 TO 0.22 TIMES AS AT 30 JUNE 2010 AT PARENT COMPANY
- MAYNILAD CORE NET INCOME AT ₱2.45 BILLION
- METRO PACIFIC TOLLWAYS CORE NET INCOME AT ₱753 MILLION
- MERALCO CORE NET INCOME AT ₱5.81 BILLION
- HEALTHCARE GROUP CORE NET INCOME AT ₱181 MILLION
- MANILA NORTH HARBOUR PORT, INC. DIVESTED

MANILA, Philippines, 4th August 2010 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today announced consolidated core net income of ₱1.93 billion for the six months ended 30 June 2010, an improvement of 169% over core net income of ₱716 million for the first half of 2009 as a result of stronger contributions from most operating companies.

Consolidated reported net income, which reflects a net foreign exchange loss and non-recurring losses of ₱172 million, stood at ₱1.75 billion for the first half this year compared with ₱1.70 billion last year.

The improvement in core net income is attributable to higher contributions from Maynilad Water Services, Inc. (“Maynilad”) as a result of higher billed volume, Metro Pacific Tollways Corporation (“MPTC”) due to higher average daily traffic and Manila Electric Company (“Meralco”) for its first profit contribution. Maynilad accounted for ₱1.28 billion or 46% of the aggregate net profit contribution from MPIC’s portfolio companies, representing MPIC’s attributable interest in Maynilad’s core net income. MPTC contributed ₱761 million or 27% of profit from operations while MPIC’s investment in Meralco added ₱666 million or 24% of equitized core earnings to MPIC’s

profit from operations for the first half of 2010. The Healthcare Group contributed ₱67 million or 3% of the total.

In addition, MPIC divested its shares in Manila North Harbour Port, Inc. to focus on stronger opportunities for growth as the Philippines' premier infrastructure investment management and holding company.

"The performance of Maynilad, MPTC and Meralco in the first half of this year bodes well for the future and demonstrates our relentless focus on improving operational efficiencies, lowering costs and enhancing service to our customers," said Jose Ma. K. Lim, MPIC President and Chief Executive Officer.

The solid financial health of MPIC was underlined by a reduction in the Company's net debt to equity ratio to 0.22 times as at 30 June 2010 from 0.31 times as at 31 December 2009. The decrease in debt was due to a loan payment in the first quarter of 2010.

In a meeting held today, the Board of Directors of MPIC declared a cash dividend of ₱0.01 per common share, payable to stockholders as of the record date of 19 August 2010, with payment date of 16 September 2010.

"In accordance with our longstanding goal to create shareholder value, we are pleased to announce an initial cash dividend to our stockholders based on positive and strong performance from our investments" concluded Lim.

OPERATIONAL REVIEW

MAYNILAD: HIGHER BILLED VOLUME AND EFFECTIVE TARIFF

Non-revenue water ("NRW") significantly declined from its 2009 first half average of 61% to 55% in the same period this year. The number of serviced customers rose 9% to 846,682 billed clients at 30 June 2010 from 777,160 a year earlier. Revenues increased by ₱1.12 billion year-on-year or 24%, to ₱5.86 billion due to a 27% increase in water service revenues and 9% increase in revenues from sewer services. Maynilad's core net income stood at ₱2.45 billion during the first six months, compared with ₱1.31 billion recorded in the same period the prior year.

By the middle of July this year, the water level in Angat Dam had receded to 157.6 meters above sea level, well below the critical level of 180 meters, and marking the lowest water level in the history of the dam. Given the limited water supply from Angat Dam and the significant effect of the 30% raw water reduction on Maynilad's operations, close monitoring of the water supply status was implemented in areas that need necessary system adjustments and rotating water rationing arrangements.

Maynilad is pushing forward with an aggressive NRW reduction program by allocating ₱1.5 billion this year for its NRW diagnostics, active leak repairs and District Metered Areas establishment and maintenance. Maynilad was able to resolve 34,390 leaks compared to only 10,828 leaks during the same period in 2009. The 217% increase in resolved leaks translated to nearly 109 million liters a day (MLD) of recovered water.

Maynilad is the first Asian water utility company to use the state-of-the-art Sahara Mobile leak detection unit. By 2012, Maynilad aims to bring down its NRW level to 40%.

MPTC: SUSTAINING RECORD HIGH AVERAGE DAILY TRAFFIC

Revenues rose 6% to ₱2.92 billion due to a rise in average daily vehicle entries and longer average journeys from stable fuel prices and ongoing campaigns to promote the North as a tourist travel destination. Reported net income, which includes non-recurring, non-cash provisions relating to certain taxes, stood at ₱561 million compared with ₱608 million in the same period in 2009. MPTC realized core net income of ₱753 million for the first half of 2010 versus ₱636 million in the same period last year, an improvement of 18%. The attributable profit contribution of MPTC to MPIC for the first half of 2010 amounted to ₱761 million versus ₱680 million in the first half of 2009.

Segment 8.1, a 2.7 kilometer stretch of toll road from Mindanao Avenue to North Luzon Expressway (“NLEX”) at Valenzuela City opened last June 2010. Segment 9, a 2.4-kilometer expressway connecting NLEX Valenzuela to Balintawak along MacArthur Highway broke ground on April 30, 2010. Construction of Segment 9 is scheduled to start in the last quarter of this year, assuming the requisite rights-of-way are acquired by the Government by that time.

On 5 June 2010, MPTC submitted an original proposal for the Connector road alignment to the Department of Public Works and Highways. The Connector Road Project, is a 13-kilometer, four-lane elevated expressway using a new construction technology that will connect NLEX Port Area to South Luzon Expressway/Skyway at Buendia Avenue, Makati City. It has an estimated cost of ₱17 billion and will start in 2012 after Segments 9 and 10 are completed. The detailed engineering design of the 5-kilometer Segment 10 connecting Balintawak to the Port Area in Manila, utilizing the Philippine National Railways road alignment, is in progress and will be completed by the third quarter of this year.

Last 9 June 2010, Manila North Tollways Corporation received from the Bases Conversion Development Authority (“BCDA”) the Notice of Award for the right to enter into a lease concession agreement for the operation and maintenance of Subic-Clark-Tarlac Expressway (“SCTEX”). The expected integration of NLEX and SCTEX should benefit the motorists travelling from NLEX to SCTEX.

MERALCO INVESTMENT THROUGH BEACON ELECTRIC ASSET HOLDINGS, INC.

The volume of electricity sold by Meralco rose 14% to 14,950 GWh, driven by strong growth in the industrial sector. Revenues rose 35% in the first half of 2010 to ₱127.46 billion due mainly to the volume growth and higher power charges. Meralco engineers drove system loss down to an all-time low of 7.93% compared with 9.05% last year. The overall core net income for the first half increased 82% to ₱5.81 billion.

MPIC has moved to solidify its influence at Meralco, with the appointment of Manuel V. Pangilinan as Chief Executive Officer and Oscar Reyes as Chief Operating Officer from 1 July 2010. The focus for the future at Meralco is to capture a greater share of the electricity business and provide greater service efficiency to all consumers – residential, commercial and industrial. This will be achieved through its relentless pursuit of efficiency as an electricity distributor and entry into the power generation and retail electricity supply.

HEALTHCARE: GROWING THE COUNTRY'S LARGEST PRIVATE HOSPITAL CHAIN

The Hospital Group comprising Makati Medical Center, Cardinal Santos Medical Center, Davao Doctors Hospital Inc. ("DDH"), and the recent addition to the group Riverside Medical Center Inc. ("RMCI") in Bacolod reported an aggregate Core Income of ₱181 million for the first half this year, compared with ₱242 million in the same period last year, a decline of 25%. Aside from the fact that last year's results were unusually high due to the H1N1 virus that hit around the 2nd quarter of last year, the decrease in core income was primarily caused by the reduced enrollees and revenues in the group's 3 nursing college subsidiaries in Davao, Makati, and now Bacolod.

Medical Doctors Inc., owner and operator of Makati Medical Center, incurred higher operating expenses arising from increases in personnel, outsourced manpower services and depreciation on Makati Med's new Annex Building and newly acquired equipment. The same held true with wholly-owned subsidiary Colinas Verdes Hospital Managers Corporation, operator of Cardinal Santos Medical Center, though these additional expenses were offset to some degree by increased earnings due to growth in outpatient revenues and rental income.

Core income at DDH decreased mainly due to lower revenues from its wholly-owned subsidiary Davao Doctors College.

RMCI, the largest hospital in Bacolod and the 4th premiere hospital to join MPIC's growing nationwide hospital chain, was consolidated starting June 1, 2010. With the addition of 321 beds from Riverside Medical Center, the MPIC Hospital Group now has in excess of 1,300 beds making it the largest hospital group in the country, with operations in Luzon, Visayas, and Mindanao.

MANILA NORTH HARBOUR DIVESTMENT

On June 28, 2010, MPIC divested in favor of Harbour Center Port Terminal, Inc. all of its shares of common stock of Manila North Harbour Port, Inc. representing 35% of the outstanding capital stock of the company and exited from the joint venture with full recovery of investment costs.

OUTLOOK FOR 2010

"The positive results for the first half of this year reflect management's commitment to growth through strong operating efficiencies, highly focused customer service and strict cost discipline at our portfolio companies," said MPIC Chairman Manuel V. Pangilinan. "Reflecting our strong operating performance during the period, we are modestly confident in raising our guidance on core profitability for the year 2010 to ₱3.3 billion from earlier figure of ₱3.0 billion," he said.

FORWARD LOOKING STATEMENTS

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

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METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(Amounts in Peso Thousands)

For the six months ended 30 June	2010	2009
OPERATING REVENUES		
Water and sewerage services revenue	5,860,374	4,743,174
Toll fees	2,922,316	2,764,887
Hospital revenue	64,871	-
School revenue	12,107	-
	<u>8,859,668</u>	<u>7,508,061</u>
COST OF SERVICES		
	<u>3,178,411</u>	<u>3,597,711</u>
GROSS PROFIT		
	<u>5,681,257</u>	<u>3,910,350</u>
GENERAL AND ADMINISTRATIVE EXPENSES		
	<u>(1,967,275)</u>	<u>(1,342,662)</u>
OTHER INCOME AND EXPENSES		
Construction revenue	4,760,374	2,256,946
Construction costs	(4,717,971)	(2,234,294)
Share in net earnings of associates and joint ventures - net	553,606	149,796
Foreign exchange gains (losses) – net	(691,797)	97,566
Interest income	325,261	260,227
Interest expenses	(2,249,719)	(1,868,625)
Other income	1,473,823	1,446,722
Other expenses	(334,443)	(700,656)
	<u>(880,866)</u>	<u>(592,318)</u>
INCOME FROM CONTINUING OPERATIONS		
BEFORE INCOME TAX	<u>2,833,116</u>	<u>1,975,370</u>
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	25,501	8,636
Deferred	(259,600)	(1,006,845)
	<u>(234,099)</u>	<u>(998,209)</u>
INCOME FROM CONTINUING OPERATIONS		
AFTER INCOME TAX	<u>3,067,215</u>	<u>2,973,579</u>
INCOME FROM DISCONTINUED		
OPERATIONS, NET OF TAX	<u>-</u>	<u>45,092</u>
NET INCOME	<u>3,067,215</u>	<u>3,018,671</u>
Net income attributable to:		
Owners of Parent Company from:		
Continuing operations	1,753,732	1,625,357
Discontinued operations	-	70,385
	<u>1,753,732</u>	<u>1,695,742</u>
Non-controlling interests	1,313,484	1,322,929
	<u>3,067,216</u>	<u>3,018,671</u>

EARNINGS PER SHARE

Basic Earnings Per Share, Attributable to Owners of Parent Company (in Peso)

Income from continuing operations	0.087	0.184
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Income from discontinued operations	-	0.008
	0.087	0.192

Diluted Earnings Per Share, Attributable to Owners of Parent Company (in Peso)

Income from continuing operations	0.085	0.168
Income from discontinued operations	-	0.007
	0.085	0.175

METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Peso Thousands)

As at	30 June 2010 (Unaudited)	31 December 2009 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	5,872,189	6,379,731
Short-term deposits	79,166	2,433,418
Receivables – net	1,983,870	13,475,300
Advances to contractors and consultants	382,277	527,571
Inventories – at cost	107,864	96,012
Real estate for sale	187,010	187,010
Noncurrent assets held for sale	329,570	329,570
Due from related parties	456,219	501,080
Available-for-sale financial assets	282,787	282,787
Other current assets	1,745,541	1,593,832
Total Current Assets	11,426,493	25,806,311
Noncurrent Assets		
Investments in:		
Associates and joint ventures – at equity	35,026,873	27,370,023
Bonds	400,600	400,600
Goodwill	12,611,907	12,551,750
Due from related parties	-	65,569
Service concession assets – net	66,131,557	62,185,407
Property and equipment - net	1,223,593	634,405
Derivative assets	29,486	39,212
Deferred tax assets	279,308	214,992
Other noncurrent assets	190,960	131,566
Total Noncurrent Assets	115,894,284	103,593,524
	127,320,777	129,399,835

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other current liabilities	7,698,559	7,532,438
Unearned toll revenues	24,044	21,135
Unearned tuition and other school fees	39,846	-
Income tax payable	2,592	10,818
Due to related parties	482,669	429,718

Current portion of:		
Provisions	609,861	555,640
Service concession fees payable	1,594,612	1,208,467
Long-term debts	897,821	958,095
Deferred credits and other long-term liabilities	262,131	942,279
Total Current Liabilities	<u>11,612,135</u>	<u>11,658,590</u>
As at	30 June 2010	31 December 2009
	(Unaudited)	(Audited)
Noncurrent portions of:		
Provisions	365,353	415,827
Service concession fees payable	8,124,463	9,071,673
Long-term debts	31,779,534	41,828,305
Deferred credits and other long-term liabilities	2,660,994	3,432,643
Due to related parties	6,214,817	-
Derivative liabilities	48,313	44,467
Accrued retirement costs	56,237	-
Deferred tax liabilities	2,515,621	2,672,692
Total Noncurrent Liabilities	<u>51,765,332</u>	<u>57,465,607</u>
Total Liabilities	<u>63,377,467</u>	<u>69,124,197</u>
Equity		
Capital stock	20,178,655	20,178,155
Additional paid-in capital	27,860,444	27,860,033
Equity component of convertible notes	400,874	-
Other reserves	455,612	451,091
Retained earnings	4,639,668	2,885,936
Other comprehensive income reserve	(118,398)	(109,743)
Total equity attributable to owners of Parent Company	<u>53,416,855</u>	<u>51,265,472</u>
Non-controlling interests	10,526,455	9,010,166
Total Equity	<u>63,943,310</u>	<u>60,275,638</u>
	<u>127,320,777</u>	<u>129,399,835</u>