

PRESSRELEASE

1H 2013 Core Net Income Up 14% to ₱3.9 Bln *Continuing to Exceed Targets*

- **1H 2013 Core Net Income up 14% to ₱3.9 bln vs ₱3.5 bln in 1H 2012**
- **Reported Net Income attributable to shareholders of the parent company up 7% to ₱3.7 bln vs ₱3.4 bln**
- **Consolidated revenues up 12% to ₱15.3 bln vs ₱13.6 bln**
- **Interim dividend declared up 25% to 1.50 centavos per share**
- **Fully diluted Core Net Income per share up 9% to 15.22 centavos**
- **MPIC Parent net gearing ratio at 5.6% vs 15.1% as of December 31, 2012**
- **MERALCO Core Net Income ₱9.2 bln, Core EBITDA ₱16.1 bln**
- **Maynilad Water Core Net Income ₱4.1 bln, Core EBITDA ₱5.7 bln**
- **Tollways Core Net Income ₱1.0 bln, Core EBITDA ₱2.8 bln**
- **Hospital Group Core Net Income ₱397 mln, Core EBITDA ₱1.3 bln**

MANILA, Philippines, 8th August 2013 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today announced consolidated Core Net Income of ₱3.9 billion for the six months ended 30th June 2013, up 14% over the ₱3.5 billion recorded in the first half of 2012.

Consolidated Reported Net Income attributable to owners of the parent company stood at ₱3.7 billion for the period compared with ₱3.4 billion for the first half of 2012, an improvement of 7%. Non-recurring charges of ₱252 million were recorded, principally reflecting termination costs on the early repayment of various fixed rate borrowings.

The rise in Reported Net Income attributable to owners of the parent company was driven primarily by Metro Pacific Tollways Corporation (“MPTC”), which benefitted from the acquisition of CAVITEX at the start of the year, followed by our hospital group.

The rise in Core Net Income is due mainly to: (i) higher profit contributions from Manila Electric Company (“MERALCO”) and Maynilad Water Services, Inc. (“Maynilad”) due to a combination of tariff progression and slightly higher volumes; (ii) Metro Pacific Tollways Corporations (“MPTC”) benefitting from strong traffic growth, interest savings on the NLEX and profit contribution from the recently acquired CAVITEX and, finally, (iii) cost reduction and higher patient revenues at our hospitals.

In terms of contribution to the Company’s net operating income representing MPIC’s attributable interest in each investee business, Maynilad accounted for ₱2.1 billion or 44% of the aggregate contribution, MERALCO contributed ₱1.4 billion or 30% of the total, while MPTC delivered ₱1.0 billion or 20%. The Hospital group contributed ₱262 million or 6% of the total.

“All our businesses are performing well,” said Jose Ma. K. Lim, MPIC President and Chief Executive Officer. “I am pleased to report that in light of this, the Board of Directors of MPIC declared earlier today an interim cash dividend of 1.50 centavos per common share, an increase of 25% compared with 1.20 centavos in 2012.”

The record date for the interim dividend is 28th August 2013, while the payment date is 20th September 2013.

Operational Review

MERALCO: Efficiency gains and improved availability and reliability of power

Core Net Income for the first half of 2013 rose 2% to ₱9.2 billion compared with the first half of 2012 due to a higher average distribution tariff together with a 4% increase in energy sales to 16,863 gigawatt hours. The volume growth was realized across all customer groups with commercial accounts providing the highest increase as a result of new connections and increased consumption.

The average distribution charge for the first half stood at ₱1.66 per kWh, up from ₱1.50 per kWh in the first half of 2012. Core Net Income growth of just 2% this year reflects the ₱1.6 billion of Local Franchise Tax recoveries MERALCO recorded in the second quarter of 2012.

Capital expenditure for the first half of 2013 amounted to ₱3.7 billion, consisting of new substations designed to decongest critical loads, provide additional capacity for load growth and improve network reliability.

MERALCO continues to outperform all of its regulatory standards for service reliability, such as the System Average Interruption Frequency Index (a measure of how often electricity supplies fail), which improved by 9.4% from a year earlier.

MERALCO PowerGen Corporation, MERALCO's wholly-owned subsidiary, continues to develop Redondo Peninsula Energy, Inc. ("RP Energy"), a project to build a 600 MW power plant in Subic Bay using circulating fluidized bed coal technology, the cleanest of all coal-fired generation technologies. RP Energy continues to work through permitting and related compliance matters towards procuring an Engineering, Procurement and Construction Contract ("EPC") to commence construction of the plant.

Technical specifications for the EPC have been finalized and transmission line and interconnection requirements have been agreed with the National Grid Corporation of the Philippines. In addition to this project, MERALCO PowerGen continues to evaluate further potential generation projects in Luzon to head off forecast power shortages in Southeast Asia's fastest-growing economy.

Equally important to MERALCO's future development is Retail Competition and Open Access, which commenced on June 26, 2013. In just a few months, the MERALCO Retail Electricity Supply organization has made strong progress in attracting customers that have elected to participate in the contestable market.

PacificLight Power, a 2x400 MW combined cycle gas turbine power plant in Jurong Island, Singapore, is MERALCO's first power generation investment outside the Philippines. With an investment of ₱9.0 billion, MERALCO has an effective 28% interest in PacificLight Power, which is scheduled to be operational by the end of 2013.

The first of PacificLight Power's two 400 MW units has been initially "first fired", synchronized with the power grid, and operated at low loads to produce steam from the heat recovery steam generator. The second 400 MW unit is completing construction and pre-commissioning activities.

In June, Standard & Poor's ("S&P") upgraded MERALCO's credit rating to "B" with a "stable" outlook on account of strong demand for electricity and a relatively stable regulatory environment. The rating also reflects S&P's expectation of a steady regulatory regime supporting continuing strong sales and prudent capital expenditures.

MPIC is also seeing a boost in contribution from MERALCO due to the step up in its holdings of preference shares in Beacon Electric Asset Holding, Inc. from ₱8.0 billion to ₱11.6 billion effective from 29th June 2012.

Maynilad and other water projects: Bringing clean water to millions – NRW down to 38.3%

Maynilad, the biggest water utility in the Philippines, saw a 3% increase in the volume of water sold in its concession area in the first half of this year, a rate of growth held back by project delays in Cavite. The increase in water sold was achieved even as Maynilad managed to draw 6% less water from the Angat Dam.

Selling more water while drawing less, as well as lower leakage and theft, resulted in a decline in non-revenue water (“NRW”) to 38.3% by the end of June 2013 from 43.2% a year earlier. The improvement was achieved through Maynilad’s continuing leak repair program, which saw 22,560 leaks repaired in the first half of 2013. The program, coupled with pipe rehabilitation and more efficient management of water pressure and supply, has resulted in the recovery of over 156 million liters per day of water. Maynilad continues to push forward with its ambitious NRW reduction program by allocating ₱2.9 billion in 2013 for NRW diagnostics, leak repairs and the establishment and maintenance of District Metered Areas.

Maynilad now delivers 24-hour water supply to 94.9% of its customers, while 99.6% of customers also receive water pressure of at least seven pounds per square inch, the minimum pressure necessary to provide water to the second floor. The year-earlier percentages were 88% and 96%, respectively. The number of billed customers rose 6% to 1,101,463 by the end of June 2013 from 1,041,980 a year earlier.

Total revenues for the first half rose 11% to ₱8.5 billion from ₱7.7 billion in the first half of 2012 due to the combined effect of the increase in billed volume and an average effective year-on-year effective tariff increase of 7.1%. Maynilad’s Reported Net Income was down by 1% to ₱3.3 billion in the half year, held back by refinancing charges on its fixed rate borrowings. Maynilad’s capital expenditure during the first half of 2013 stood at ₱3.9 billion.

Philhydro, Maynilad’s bulk water supply project in Bulacan, made its first profit contribution to Maynilad during the period.

MetroPac Water Investments Corporation, a wholly-owned subsidiary of MPIC, acquired an economic interest of 20% in Carmen Bulk Water Supply Project in January 2013. The project is a partnership with Manila Water and the Provincial Government of Cebu.

On 15th March 2013, Maynilad acquired a 10% shareholding in Subic Water and Sewerage Co., Inc. (“Subic Water”), which serves 40,000 customers in Olongapo City and the Subic Bay Freeport Zone under a build-operate-transfer scheme. Maynilad has the potential to acquire an additional 70% of Subic Water.

MPTC: Continuing service improvements in Luzon; construction commenced on Harbour Link

MPTC’s Core Net Income of ₱1.0 billion for the first half of 2013 was 27% higher than a year earlier as a result of strong traffic growth and lower interest, a lower effective tax rate and operating costs on the NLEX together with a contribution from CAVITEX beginning on 2nd January 2013. Average daily entries rose 5% on the NLEX and 8% on the CAVITEX in the first half from a year earlier.

Work has begun in earnest on construction of the first stage of the NLEX Harbour Link extension following a ground-breaking ceremony earlier this year. The 8-kilometer road to link NLEX to the North Manila Port will see its first stage open in the second quarter

of next year. Work is proceeding with the Government to begin the resettlement needed to begin construction on the NLEX Citilink project to extend the NLEX by 8 km and connect Mindanao Avenue to Katipunan Avenue and to C5.

Metro Pacific Tollways Development Corporation (MPTDC) is in talks with the Government on how best to execute its proposal to build an elevated expressway that will connect the Northern and Southern toll road systems. The “Connector Road” Project is a planned four-lane elevated expressway to connect the Harbour Link to Southern Luzon. MPTC expects the Connector Road to increase traffic on existing Northern and Southern toll road systems by enabling commercial vehicles to traverse Metro Manila without violating a daytime truck ban and by slashing travel time between the two road systems to no more than 20 minutes from over an hour today.

CAVITEX is a 14-km toll road built in two segments running from Parañaque to Cavite with traffic of 100,000 vehicle entries a day. The business offers significant expansion prospects as a result of the NAIA 2 and CALA expressway projects which aim to connect to CAVITEX, as well as from the recently opened Ternate-Nasugbu tunnel which will substantially reduce the journey time between Batangas and Manila.

The NLEX Harbour Link, Citilink and Connector Road projects together with expansion of the CAVITEX will see MPTC invest approximately ₱41 billion over the next few years to complete construction of this vital road infrastructure. MPTC and MPIC intend to fund this sum using internal resources and external debt.

MNTC continues to await approval of its proposal with the Bases Conversion and Development Authority and the Government, in a series of negotiations since 2010, on turning over management of the Subic Clark Tarlac Expressway (SCTEX). MNTC plans to invest ₱400 million to integrate SCTEX with NLEX to facilitate seamless travel between the two expressways.

Hospitals: The country’s largest private provider of hospital services

Aggregate Core Net Income for the Hospital Group rose 29% to ₱397 million in the first half compared with a year earlier as a result of higher patient revenues, lower losses at our nursing schools, and tighter expense controls.

On June 3, 2013, MPIC completed its acquisition of a 51% equity ownership of De Los Santos Medical Center Inc. (DLSMC) in Quezon City Metro Manila with an authorized capacity of 150 beds. Megaclinic, an ambulatory care center in SM Megamall, is one of its affiliates, and MPIC’s first investment in a non-hospital-based diagnostic center.

On June 24, 2013, MPIC moved another step forward in building its nationwide chain of premier private hospitals with the signing of an Investment Agreement with Tarlac’s largest private hospital, the 200-bed Central Luzon Doctors’ Hospital (CLDH).

Including CLDH the Hospital group will comprise eight full-service hospitals with approximately 2,150 beds in total: Makati Medical Center, Cardinal Santos Medical Center, Our Lady of Lourdes Hospital, Asian Hospital, DLSMC and CLDH in Metro

Manila; Riverside Medical Center in Bacolod; and Davao Doctors Hospital in Mindanao. It is the only hospital group in the country with operations in all three major island groupings in the Philippines.

Other Projects:

The MPIC-Ayala-led Light Rail Manila Consortium has been qualified by the Government to bid for the LRT1 South Extension project and we are currently finalizing our bid.

The Company has formed MPIC-JGS Airport Consortium with JG Summit, Holdings Inc., Aéroports de Lyon – the operator of the third-biggest airport in France, and with EGIS Airport Operations to bid for the Government’s Cebu-Mactan Airport Project. Our consortium has passed the Government’s pre-qualification screening of interested bidders for the project.

The MPIC – Ayala Corporation Consortium in the Automated Fare Collection System (“AFCS”) has been declared qualified to bid for the AFCS project to provide a unified ticketing system for the Metro Rails.

Corporate Governance:

MPIC recently received six awards from Corporate Governance Asia: MPIC as Corporate Governance Icon, Asia’s Best CEO and CFO – Jose Ma. K. Lim and David J. Nicol, respectively – as well as Asia’s Best Investor Relations, Asia’s Best Investor Relations Website and Asia’s Best Corporate Social Responsibility.

Corporate Social Responsibility (“CSR”): Shore it Up for the Environment

The MVP Group of Companies headed by the Foundation and corporate social responsibility arm of MPIC buoyed up the 5th Anniversary of "Shore it Up: Rescue, Restore, Revive" after successfully completing its second leg of a five-series destination target in Puerto Galera.

Aptly themed "5 Destinations, 1 Goal," it aims to revisit its previous program areas to measure the sustainability and impact of Shore it Up's intensified environmental awareness through coastal and underwater cleanups, artificial reef propagation, mangrove planting and alternative livelihood.

Conclusion and Outlook

“Our businesses continue to be focused on service quality and operational efficiency, while growing our core profitability and cash flows,” said MPIC Chairman Manuel V. Pangilinan. “The strong results for the first half of the year also reflect significant improvements in service levels and efficiency gains for all our operating companies.”

Pangilinan also forecast strong full-year earnings. “The outlook for our full year Core Net Income growth looks positive. At this stage we are guiding to ₱7 billion Core Net Income for the full year while being mindful of uncertainties surrounding the Maynilad rate rebasing and pending tariff increases on our Tollways.”

Forward Looking Statements

This press release may contain “forward-looking statements” which 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.

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METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions)

	Unaudited June 30, 2013	Restated* December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents and short-term deposits	P11,896	P9,119
Restricted cash	1,550	1,359
Receivables	7,185	3,608
Due from related parties	224	146
Other current assets	1,996	1,793
Total Current Assets	22,851	16,025
Noncurrent Assets		
Receivables	756	7,332
Due from related parties	70	65
Available-for-sale financial assets	7,465	1,403
Investments and advances	46,234	45,083
Goodwill	18,256	13,155
Service concession assets	93,907	81,870
Property use rights	669	690
Property and equipment	6,405	6,049
Other noncurrent assets	2,545	1,805
Total Noncurrent Assets	176,307	157,452
	P199,158	P173,477
LIABILITIES AND EQUITY		
Current Liabilities		
Note payable	P-	P4,700
Accounts payable and other current liabilities	15,212	13,712
Income tax payable	226	183
Due to related parties	97	97
Current portion of:		
Provisions	4,183	3,670
Service concession fees payable	1,233	688
Long-term debt	4,009	1,847
Total Current Liabilities	24,960	24,897

(Forward)

	Unaudited June 30, 2013	Restated* December 31, 2012
Noncurrent Liabilities		
Noncurrent portion of:		
Provisions	₱342	₱252
Service concession fees payable	7,372	8,026
Long-term debt	49,192	37,068
Deferred credits and other long-term liabilities	5,122	5,398
Deferred tax liabilities	3,702	3,448
Total Noncurrent Liabilities	65,730	54,192
Total Liabilities	90,690	79,089
Equity		
Owners of the Parent Company:		
Capital stock	26,069	24,664
Additional paid-in capital	42,914	38,097
Equity reserves	2,643	707
Retained earnings	18,768	15,701
Other comprehensive income reserve	427	473
Total equity attributable to owners of the Parent Company	90,821	79,642
Non-controlling interest	17,647	14,746
Total Equity	108,468	94,388
	₱199,158	₱173,477

* Restated due to prior year adjustments arising from adoption of the revised Philippine Accounting Standards 19
"Employee Benefits"

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

(Amounts in Millions except Per Share Amounts)

	Six Months ended June 30	
	2013	2012**
OPERATING REVENUES		
Water and sewerage services revenue	₱8,492	₱7,684
Toll fees	4,104	3,421
Hospital revenue	2,637	2,470
School revenue	53	42
	15,286	13,617
COST OF SALES AND SERVICES	(5,630)	(5,273)
GROSS PROFIT	9,656	8,344
General and administrative expenses	(3,020)	(2,656)
Interest expense	(2,233)	(1,859)
Share in net earnings of associates and a joint venture – net	1,235	1,217
Interest income	261	383
Other income and expenses	306	136
INCOME BEFORE INCOME TAX	6,205	5,565
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	518	618
Deferred	(153)	(176)
	365	442
NET INCOME	₱5,840	₱5,123
OTHER COMPREHENSIVE INCOME (OCI)		
Net OCI to be reclassified to profit or loss in subsequent periods	(17)	4
Net OCI not being reclassified to profit or loss in subsequent periods	(124)	-
TOTAL COMPREHENSIVE INCOME	₱5,699	₱5,127
Net Income Attributable to:		
Owners of the Parent Company	₱3,690	₱3,444
Non-controlling interest	2,150	1,679
	₱5,840	₱5,123
Total Comprehensive Income Attributable to:		
Owners of the Parent Company	₱3,545	₱3,447
Non-controlling interest	2,154	1,680
	₱5,699	₱5,127
EARNINGS PER SHARE		
Basic Earnings Per Common Share, Attributable to Owners of the Parent Company	₱14.27	₱13.99
Diluted Earnings Per Common Share, Attributable to Owners of the Parent Company	₱14.24	₱13.96

** Restated for consistency in presentation and classification with 2013 balances