Press Release

Wednesday, 6 November 2013

MPIC 9M 2013 Core Net Income Up 12% to ₱5.6 Bln
Setting Stage for Record Full-Year Earnings

The attached press release was distributed today in Manila by Metro Pacific Investments Corporation ("MPIC"), in which First Pacific Group holds an economic interest of approximately 55.8%.

MPIC (PSE: MPI ; ADR code: MPCIY) is a Philippine-listed investment management and holding company focused on infrastructure development.

Further information on MPIC can be found at www.mpic.com.ph.

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PRESSRELEASE

9M 2013 Core Net Income Up 12% to ₱5.6 Bln

Setting Stage for Record Full-Year Earnings

- **9M 2013 Core Net Income up 12% to ₱5.6 Bln from ₱5.0 Bln in 9M 2012**
- **Reported Net Income attributable to shareholders of the parent up 5% to ₱5.2 Bln**
- **Consolidated revenues up 11% to ₱22.9 Bln vs. ₱20.5 Bln**
- **Diluted Core Net Income per share up 6% to 21.61 centavos**
- **MPIC Parent net gearing ratio 0.8% vs. 15.1% as of December 31,2012**
- **MERALCO Core Net Income ₱13.6 Bln, Core EBITDA ₱24.6 Bln**
- **Maynilad Water Core Net Income ₱5.8 Bln, Core EBITDA ₱8.4 Bln**
- **Tollways Core Net Income ₱1.4 Bln, Core EBITDA ₱4.1 bln**
- **Hospital Group Core Net Income ₱670 Mln, Core EBITDA ₱2.0 Bln**

MANILA, Philippines, 6th November 2013 – Metro Pacific Investments Corporation ("MPIC" or the "Company") (PSE: MPI) today reported consolidated Core Net Income of ₱5.6 billion for the nine months ended 30th September 2013, up 12% over the ₱5.0 billion achieved in the same period last year.

"All our businesses achieved strong growth in profitability for the first nine months of the year, leaving us well placed for a strong 2013 as a whole," said Jose Ma. K. Lim, MPIC President and Chief Executive Officer. "We are currently reviewing the outlook for 2014 and the only restraint on our optimism is concern over regulators' management of water tariffs and road tolls."

The rise in Core Net Income was due mainly to robust earnings growth at Metro Pacific Tollways Corporation (“MPTC”) and more modest progress at Maynilad Water Services, Inc. (“Maynilad”). MPTC benefitted from the acquisition of CAVITEX at the start of the year.

In terms of contribution to the Company’s net operating income, Maynilad accounted for ₱2.9 billion or 43% of the aggregate contribution, MERALCO contributed ₱2.0 billion or 30% of the total, while MPTC delivered ₱1.4 billion or 20% of the total. The Hospital Group contributed ₱436 million or 7% of the total.

Consolidated Reported Net Income attributable to owners of the parent company improved 5% to ₱5.2 billion for the period from ₱5.0 billion a year earlier as non-recurring charges rose to ₱377 million from ₱36 million a year earlier, principally reflecting termination costs on the early repayment of various fixed rate borrowings.

Operational Review

MERALCO: Efficiency Gains and Improved Availability & Reliability of Power

MERALCO’s Core Net Income for the first nine months of the year rose 5% to ₱13.6 billion compared with the same period last year on the strength of a higher average distribution tariff and a 5% increase in energy sales to 25,616 gigawatt hours. The volume growth was buoyed by sustained healthy demand from the commercial and residential segments, which grew by 5.5% and 5.6%, respectively, followed by growth of 3.1% in industrial electricity consumption.

The average distribution charge for the first nine months stood at ₱1.65 per kWh, up from ₱1.53 per kWh in the first nine months of 2012.

Growth in Core Net Income was held back by ₱1.6 billion (net of tax) of Local Franchise Tax recoveries MERALCO recorded in the second quarter of 2012.

Capital expenditure for the first nine months of 2013 rose to ₱6.1 billion from ₱6.0 billion a year earlier and was invested mainly in new substations designed to decongest critical loads, provide additional capacity for load growth and improve network reliability.

Meralco's capex commitment is delivering strong returns. The 12-month moving average system loss fell to just 6.71% as at the end of September 2013. This level is 1.79 percentage points lower than the regulatory cap of 8.5%, and marks the best performance yet achieved in Meralco's 110-year history.

MERALCO continues to build out businesses crucial to growth going forward. The wholly-owned MERALCO PowerGen Corporation ("MGen") continues to develop Redondo Peninsula Energy, Inc., a project to build a 2x300 MW coal-fired power plant in Subic Bay. The plant will employ circulating fluidized bed coal technology, the cleanest of all coal-fired generation technologies. The next step towards this goal is to confirm the validity of the Environmental Compliance Certificate and the Lease Development Agreement.

On 26th June 2013, Retail Competition and Open Access commenced on a voluntary basis, allowing major electricity consumers to shop for the lowest electricity prices. Out of approximately 700 qualified customers in the Meralco franchise area, over 230 customers opted for immediate contestability and of those 151 customers representing 60 percent by volume of electricity consumed signed up with MERALCO's Retail Electricity Supply unit MPower.

In Singapore, PacificLight Power, a 2x400 MW liquefied natural gas plant on Jurong Island, is on track for full commercial operations by early 2014. The first 400 MW unit was synchronized to the local electricity grid on 30th June, 2013 and the second on 30th August, 2013. PacificLight Power is MERALCO's first power generation project outside the Philippines with an effective economic interest of 28% at an investment cost of ₱9.0 billion.

On 29th August 2013, MGen signed a Joint Development Agreement with a wholly-owned subsidiary of Electricity Generating Public Company Limited ("EGCO") of Thailand for the development of a new 460 MW supercritical coal-fired power plant in Mauban, Quezon. MGen's equity in the joint venture company will be 49% with a right to nominate a preferred investor for an additional 2%. Together with EGCO, MGen is selecting a financial advisor for project financing and tendering the Engineering, Procurement and Construction contract for the project.

On 7th October 2013, MGen executed a Share Sale and Purchase Agreement with First Metro Investment Corporation ("FMIC") for the sale by FMIC of 20% equity interest in Global Business Power Corporation ("GBPC") to MGen for a consideration of ₱7.15 billion. GBPC is one of the largest power producers in the Visayas with nine coal and diesel power plants amounting to a total installed capacity of 627 MW with two more projects on the way, an 82 MW plant in Toledo City and a 150 MW expansion in Panay.

Maynilad and Other Water Projects: Bringing Clean Water to Millions of People

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 nine months of this year, a rate of growth held back by ongoing project delays in Cavite. The increase in water sold was achieved even as Maynilad managed to draw 5% less water from the Angat Dam.

Selling more water while drawing less was made possible by reductions in leaks and theft, otherwise known as non-revenue water ("NRW"), which fell to 38.3% of the total as at the end of September 2013 from 42.4% a year earlier. The improvement was achieved on the strength of Maynilad's continuing leak repair program, which saw 32,136 leaks repaired in the first nine months of 2013.

The program, coupled with pipe rehabilitation and more efficient management of water pressure and supply, has resulted in the recovery of over 143 million liters per day of water. Maynilad continues to push forward with its ambitious NRW reduction program by allocating ₱1.7 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 97.5% of its customers, while 99.8% of customers also receive water pressure of at least seven pounds per square inch, the minimum pressure necessary to pump water upstairs from the ground floor. The year-earlier percentages were 95.0% and 99.8%, respectively. The number of billed customers rose 6% to 1,116,109 by the end of September 2013 from 1,056,538 a year earlier.

Total revenues for the first nine months of the year rose 8% to ₱12.6 billion from ₱11.6 billion in the first nine months of 2012 due to the combined effect of the increase in billed volume and an average effective year-on-year tariff increase of 4%. However, Reported Net Income was down 1% to ₱5.0 billion from ₱5.1 billion, held back by refinancing charges on its fixed rate borrowings. Maynilad's capital expenditure during the first nine months of 2013 stood at ₱5.4 billion, up from ₱5.1 billion a year earlier.

Earlier this year, Maynilad submitted its business plan for the determination of its standard rates for the period 2013 to 2017 to the Metropolitan Waterworks and Sewage System ("MWSS"), its regulator. On 12th September 2013, MWSS denied Maynilad's application for an upward adjustment and instead proposed a negative adjustment of 4.82% (or ₱1.46 per cubic meter) to be applied to the 2012 basic tariff implemented in five equal tranches per charging year. Maynilad does not accept the tariff proposal of MWSS and on 4th October it filed a notice of dispute with the Secretariat of the International Chamber of Commerce (ICC) International Court of Arbitration for resolution.

Philhydro, Maynilad's bulk water supply project in Bulacan, made its first profit contribution 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 in 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.

MPTC: Service Improvements Continue as Harbour Link Construction Continues

MPTC's Core Net Income of ₱1.4 billion for the first nine months of 2013 was 29% higher than a year earlier as a result of strong traffic growth and lower tax rates, interest and operating costs on the NLEX as well as the first-ever contribution from CAVITEX, beginning on 2nd January 2013. Average daily entries rose 6% on the NLEX and 9% on the CAVITEX in the first nine months from a year earlier.

Construction continues 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 as soon as 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 kilometer 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 to 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 as little as 20 minutes from over an hour or more today.

CAVITEX is a 14 kilometer toll road built in two segments running from Parañaque to Cavite with average traffic of 100,000 vehicle entries a day. The road 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.

As negotiations with the Government approach their fourth year without resolution, MNTC continues to await the turning-over of management of the Subic Clark Tarlac Expressway (SCTEX) from the Bases Conversion and Development Authority. MNTC plans to invest ₱400 million to integrate SCTEX with NLEX to facilitate seamless travel between the two expressways but cannot move forward until this basic question is settled.

In addition, MPTC continues to await approval of toll rate adjustments which are overdue by as long as a year and a half or more: one for NLEX which was to be effective from 1st January 2013 and a second for R1 of CAVITEX which should have been effective from 1st January 2012.

Hospitals: Largest Private Hospital Group Continues to Grow

Aggregate Core Net Income for the Hospital Group rose 24% to ₱670 million in the first nine months of 2013 compared with the same period last year as a result of higher patient revenues, lower losses at the nursing schools, and tighter expense controls.

On 3rd June 2013, MPIC completed its investment in a 51% equity ownership of De Los Santos Medical Center (DLSMC), a 150-bed hospital in Quezon City, Metro Manila. Included in the transaction is affiliate Megaclinic, a mall-based ambulatory diagnostic and surgical center, marking MPIC's first investment in a non-hospital-based health facility.

On 24th October 2013, MPIC moved another step forward in building its nationwide chain of premier private hospitals with the completion of an investment in 51% of Tarlac's largest private hospital, the 200-bed Central Luzon Doctors' Hospital (CLDH) for a total consideration of ₱188.8 million.

Including CLDH the Hospital Group now comprises 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 and DLSMC in Metro Manila; CLDH in northern Luzon; Riverside Medical Center in the Visayas; and Davao Doctors Hospital in Mindanao. MPIC operates the largest private hospital group in the country with hospitals in all three major island groupings of the Philippines.

Other Projects:

Earlier this year, the bidding for extending Manila's LRT1 light-rail line was declared a "failed bidding process" by the Government which has since advised that the project will be re-launched with modified terms of reference to address private sector concerns.

MPIC has formed the 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. The consortium has passed the Government's pre-qualification screening of interested bidders and is currently finalizing its bid ahead of a submission deadline of 15th November 2013.

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 Manila's Metro Rails. Bid submission is set for 18th November 2013.

Corporate Governance:

Earlier this year, the SEC mandated all publicly listed companies to submit an Annual Corporate Governance Report. MPIC disclosed the said report to the SEC and simultaneously posted it in the Company's website on 1st July 2013.

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"): Deepening its commitment

The MVP Group of Companies headed by the Foundation and corporate social responsibility arm of MPIC, successfully completed in Pangasinan, the fourth leg of its 5-location target for the 5th year mark of Shore it Up (SIU). Around 25,000 volunteers from 14 coastal municipalities participated in the simultaneous coastal cleanup to reinforce the Save the Lingayen Gulf program of Governor Amado Espino, Jr. SIU is the firm's way of responding to the country's environmental concerns, beginning with the major shorelines which are vital to livelihood and tourism.

Last September, MPIC granted a ₱10 Million donation to Mano Amiga Pilipinas to help them acquire a 2,350 sq.m property in Paranaque which will be the site of its new campus. The school will now be able to accommodate at least 780 scholars where MPIC currently supports 30 of them.

Conclusion and Outlook

"Our businesses continue to focus 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 nine months of the year reflect continuing improvements in service levels as well as 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 continuing to guide to in excess of ₱7 billion Core Net Income for the full year. The uncertainties surrounding the Maynilad rate rebasing and pending tariff increases on our Tollways mean we can't at this stage provide reliable pointers for 2014."

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 September 30, 2013	Restated* December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents and short-term deposits	**₱12,855**	₱9,119
Restricted cash	**1,549**	1,359
Receivables	**3,570**	3,608
Due from related parties	**237**	146
Other current assets	**2,791**	1,793
Total Current Assets	**21,002**	16,025
Noncurrent Assets		
Receivables	**756**	7,332
Due from related parties	**73**	65
Available-for-sale financial assets	**1,972**	1,403
Investments and advances	**46,591**	45,083
Goodwill	**18,307**	13,155
Service concession assets	**94,886**	81,870
Property use rights	**659**	690
Property and equipment	**6,563**	6,049
Other noncurrent assets	**2,841**	1,805
Total Noncurrent Assets	**172,648**	157,452
	₱193,650	₱173,477
LIABILITIES AND EQUITY		
Current Liabilities		
Note payable	**₱–**	₱4,700
Accounts payable and other current liabilities	**14,423**	13,712
Income tax payable	**248**	183
Due to related parties	**99**	97
Current portion of:		
Provisions	**4,392**	3,670
Service concession fees payable	**1,523**	688
Long-term debt	**3,754**	1,847
Total Current Liabilities	**24,439**	24,897

(Forward)

	Unaudited September 30, 2013	Restated* December 31, 2012
Noncurrent Liabilities		
Noncurrent portion of:		
Provisions	**₱404**	₱252
Service concession fees payable	**6,978**	8,026
Long-term debt	**42,754**	37,068
Deferred credits and other long-term liabilities	**5,205**	5,398
Deferred tax liabilities	**3,664**	3,448
Total Noncurrent Liabilities	**59,005**	54,192
Total Liabilities	**83,444**	79,089
Equity		
Owners of the Parent Company:		
Capital stock	**26,075**	24,664
Additional paid-in capital	**42,930**	38,097
Equity reserves	**2,630**	707
Retained earnings	**19,924**	15,701
Other comprehensive income reserve	**306**	473
Total equity attributable to owners of the Parent Company	**91,865**	79,642
Non-controlling interest	**18,341**	14,746
Total Equity	**110,206**	94,388
	₱193,650	₱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)

	Nine Months ended September 30	
	2013	2012**
OPERATING REVENUES		
Water and sewerage services revenue	**₱12,598**	₱11,649
Toll fees	**6,038**	4,997
Hospital revenue	**4,151**	3,818
School revenue	**92**	73
	22,879	20,537
COST OF SALES AND SERVICES	**(8,715)**	(8,037)
GROSS PROFIT	**14,164**	12,500
General and administrative expenses	**(4,463)**	(4,189)
Interest expense	**(3,044)**	(2,783)
Share in net earnings of associates and a joint venture – net	**1,869**	1,645
Interest income	**370**	518
Other income and expenses	**32**	328
INCOME BEFORE INCOME TAX	**8,928**	8,019
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**789**	880
Deferred	**(225)**	(362)
	564	518
NET INCOME	**₱8,364**	₱7,501
OTHER COMPREHENSIVE INCOME (OCI)		
Net OCI to be reclassified to profit or loss in subsequent periods	**(139)**	14
Net OCI not being reclassified to profit or loss in subsequent periods	**(124)**	-
TOTAL COMPREHENSIVE INCOME	**₱8,101**	₱7,515
Net Income Attributable to:		
Owners of the Parent Company	**₱5,237**	₱4,989
Non-controlling interest	**3,127**	2,512
	₱8,364	₱7,501
Total Comprehensive Income Attributable to:		
Owners of the Parent Company	**₱4,971**	₱4,999
Non-controlling interest	**3,130**	2,516
	₱8,101	₱7,515
EARNINGS PER SHARE (IN CENTAVOS)		
Basic Earnings Per Common Share, Attributable to Owners of the Parent Company	**₱20.21**	₱20.27
Diluted Earnings Per Common Share, Attributable to Owners of the Parent Company	**₱20.16**	₱20.23

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