# FIRST PACIFIC COMPANY LIMITED

# 第一太平有限公司

*(Incorporated with limited liability under the laws of Bermuda)*
Website: http://www.firstpacific.com
**(Stock Code: 00142)**

## OVERSEAS REGULATORY ANNOUNCEMENT

**Please refer to the attached disclosure 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 audited consolidated financial results for the year ended 31 December 2016.**

**Dated this the 1st day of March, 2017**

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

***Executive Directors:***
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson

***Non-executive Directors:***
Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Ambassador Albert F. del Rosario

***Independent Non-executive Directors:***
Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok
Madeleine Lee Suh Shin

C01158-2017

# 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. Date of Report (Date of earliest event reported)
   Mar 1, 2017
2. SEC Identification Number
   CS200604494
3. BIR Tax Identification No.
   244-520-457-000
4. Exact name of issuer as specified in its charter
   METRO PACIFIC INVESTMENTS CORPORATION
5. Province, country or other jurisdiction of incorporation
   METRO MANILA, PHILIPPINES
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   10th Floor, MGO Building, Legazpi cor. Dela Rosa Streets, Legazpi Village, Makati City, Metro Manila, Philippines
   Postal Code
   0721
8. Issuer's telephone number, including area code
   (632) 888-0888
9. Former name or former address, if changed since last report
   N/A
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 |
|---|---|
| Common shares of stock | 31,528,148,752 |

11. Indicate the item numbers reported herein
    9

# Metro Pacific Investments Corporation

# MPI

## PSE Disclosure Form 4-31 - Press Release

***References: SRC Rule 17 (SEC Form 17-C)***
***Section 4.4 of the Revised Disclosure Rules***

| Subject of the Disclosure |
|---|
| FY 2016 Core Net Income Up 17% to Record P12.1 Bln |
| **Background/Description of the Disclosure** |
| Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today reported consolidated Core Net Income rose 17% to P12.1 billion for the year ended 31st December 2016 from P10.3 billion in 2015 on the back of strong growth at all its operations. |
| **Other Relevant Information** |
| See attached press release. |

**Filed on behalf by:**

| | |
|---|---|
| **Name** | RICARDO III PILARES |
| **Designation** | GROUP LEGAL COUNSEL |

PRESS**RELEASE**

# FY 2016 Core Net Income Up 17% to Record ₱12.1 Bln

*Continuing to Exceed Targets*

- **2016 Core Net Income up 17% to ₱12.1 Bln from ₱10.3 Bln in 2015**
- **Reported Net Income attributable to shareholders up 20% to ₱11.5 Bln**
- **Consolidated revenues up 20% to ₱44.8 Bln vs. ₱37.2 Bln**
- **Fully Diluted Core Net Income per share up 8% to 40.22 centavos**
- **Final dividend per share increased 11% to 6.8 centavos**
- **Full year 2016 payout ratio at 25% of Core Income per share**
- **MPIC Parent gearing ratio of 26.4% vs. 26.9% at year end**
- **MERALCO Core Net Income ₱19.6 Bln, Core EBITDA ₱33.9 Bln**
- **Global Power Core Net Income ₱2.8 Bln, Core EBITDA ₱8.6 Bln**
- **Maynilad Water Core Net Income ₱7.2 Bln, Core EBITDA ₱14.4 Bln**
- **Tollways Core Net Income ₱3.3 Bln, Core EBITDA ₱7.7 Bln**
- **Hospital Group Core Net Income ₱1.8 Bln, Core EBITDA ₱4.3 Bln**
- **Light Rail and Logistics - both new businesses contributed positively to Core Net Income**
- **MPIC Group wide CAPEX for 2016 amounted to ₱40.5 Bln, with a further ₱32.7 Bln invested in acquisitions.**

MANILA, Philippines, 1st March 2017 – Metro Pacific Investments Corporation ("MPIC" or the "Company") (PSE: MPI) today reported a 17% rise in consolidated Core Net Income to ₱12.1 billion for the year ended 31st December 2016 from ₱10.3 billion in 2015 on the back of strong growth at all its operations.

Core Net Income was lifted by: (i) robust traffic growth on each of the roads held by Metro Pacific Tollways Corporation ("MPTC"); (ii) an expanded power portfolio through increased investment in Beacon Electric Asset Holdings Inc. ("Beacon Electric") and Global Business Power Corporation ("Global Power"); (iii) continuing growth in the Hospital Group; (iv) first full-year contribution from Light Rail Manila Corporation ("LRMC"); and (v) a profitable entry into the Logistics sector.

In terms of contribution to the Company's net operating income: Power (distribution and generation) accounted for ₱7.2 billion or 48% of the aggregate contribution; Water (distribution, production and sewerage treatment) contributed ₱3.6 billion or 24% of the total; Tollroads contributed ₱3.5 billion or 23% of the total; the Hospital Group contributed ₱589 million or 4% of the total; and the Rail, Logistics and Systems Group contributed ₱234 million or 1% of the total.

Consolidated Reported Net Income attributable to owners of the parent company rose 20% to ₱11.5 billion in 2016 from ₱9.6 billion in 2015. Non-recurring expense amounted to ₱650 million substantially comprising project expenses and our share in the impairment loss recognized by MERALCO on its investment in PacificLight Power Pte Ltd ("PacificLight"), a Singapore-based power generator and electricity retailer.

"MPIC's group-wide capital expenditure in 2016 was ₱40.5 billion, all of it contributing to the fabric of our nation and enhancing our capacity to serve the public. In addition, we have made an aggregate ₱32.7 billion of investments in our existing businesses and in expanding in to new areas in the course of the year. Our continuing earnings growth reflects significant volume increases for all our businesses, supported by our capital expenditures, together with intense focus on operational efficiencies. In light of this strong performance, your Board of Directors today declared a final dividend for 2016 of 6.8 centavos per share which is 11% higher than the final dividend in 2015. The dividend payout ratio for 2016 is 25% of Core Income per share," said Jose Ma. K. Lim, President and CEO of MPIC.

"Our shareholders are legitimately concerned about the continuing delay in resolving various tariff issues left over from the previous administration. Discussions with the new Administration continue and there is agreement that our capital expenditures are essential and that contracts will be honored. However, I have as yet no timetable for resolution of these issues although the matter looks promising." he said.

Lim said he expected continued strong volume growth this year but it was too early to provide earnings guidance for the full year 2017.

The record date for the final dividend is 30th March 2017. Payment date is 26th April 2017.

## Operational Review

### POWER:

In May last year MPIC deepened its participation in the Philippine power sector with an increase in MPIC's effective ownership in MERALCO through the acquisition of 25% of Beacon Electric and Beacon Electric's acquisition of Global Power. The increase in MPIC's effective ownership in MERALCO, lower debt at Beacon Electric and the earnings from Global Power combined to increase the power business contribution to MPIC for the year by 59% to ₱7.2 billion.

MPIC is now ideally positioned to continue its development of power related services and investments in the Philippines with its combination of distribution, generation and retail electricity sales across Luzon and the Visayas.

### MERALCO

MERALCO's Core Net Income for 2016 rose 4% to ₱19.6 billion mainly due to an 8% increase in electricity consumption and higher interest income. The benefit from increased volume was partially offset by lower distribution tariffs, the absence of the generation and transmission recoveries recorded in 2015 and losses at PacificLight.

The growth in energy sales was driven by strong demand from all customer classes, particularly residential, warmer weather during the first four months of the year and high electricity consumption during the national elections in May.

Notwithstanding the increase in energy sales, total revenues declined slightly to ₱257.2 billion primarily due to lower pass-through generation and other charges owing to significantly lower fuel prices, higher availability of MERALCO's contracted power plants and competitively negotiated Power Supply Agreements ("PSA"). This is good for consumers.

MERALCO spent ₱11.4 billion on capex in 2016 to address critical loading of existing facilities and to accommodate growth in demand and customer connections. MERALCO surpassed the previous year's operating performance for system loss achieving a record best of 6.4% at the end of December 2016, 2.1 percentage points lower than the regulatory cap set by the ERC of 8.5%. This continuous effort to reduce system loss translates to ₱26.9 billion cumulative savings to consumers since 2008.

MERALCO through MERALCO PowerGen Corporation ("MGen") continues to increase the scope of its power projects:

- Redondo Peninsula Energy, Inc. ("RP Energy"), a joint venture of MGen, Therma Luzon, Inc., and Taiwan Cogeneration International Corporation, is awaiting ERC approval of the PSA with MERALCO covering a substantial portion of its first 300 MW capacity coal-fired power plant. The power plant site is ready for construction activities and expected completion by 2020.

- San Buenaventura Power Limited (“SBPL”), a joint venture between MGen and Thailand’s New Growth B.V., is developing a 455 MW (net) supercritical coal-fired power plant in Mauban, Quezon. Construction is proceeding as scheduled with commercial operation due in the first half of 2019. Its full capacity is contracted under an ERC approved PSA.

- Atimonan One Energy Corporation is awaiting review and approval of its PSA from the ERC for it to issue a Notice to Proceed for the Engineering, Procurement and Construction (“EPC”) for its 2x600 MW coal-fired plant in Atimonan, Quezon. The PSA for the entire capacity was contracted by MERALCO.

- MGen has signed joint venture agreements for the St. Raphael 2x350 MW (net) pulverized coal-fired plant with Semirara Mining and Power Corporation and the 4x132 MW Mariveles Power Generation Corporation coal-fired plant with San Miguel Energy Corporation. These ventures are supported by Power Purchase Agreements from MERALCO which are currently pending ERC approval.

*The full text of MERALCO's Earnings Press Release issued on 27th February 2017 is available at http://www.meralco.com.ph.*

**Global Power**

Global Power, in which MPIC holds an effective stake of 47.8%, is the leading power supplier in the Visayas region and Mindoro Island. In 2016, Global Power increased its combined gross maximum capacity by 150 MW to 854 MW comprising 846.5 MW of power supplied to the Visayas grid and 7.5 MW of power supplied in Mindoro.

The new 150 MW coal-fired circulating fluidized bed (“CFB”) plant in Panay is currently undergoing final acceptance. The CFB technology is considered the cleanest available coal plant technology for its size. This expansion project underscores Global Power’s commitment to support economic growth in the Visayas region and the government’s quest for inclusive growth in all areas of the Philippines.

In Luzon, Global Power’s main development project is a 670 MW super critical coal fired plant in Luna, La Union. The EPC selection process is continuing. This project is supported by a 600 MW Power Supply Agreement with MERALCO awaiting ERC approval which itself rests on obtaining an Environmental Clearance Certificate amongst other steps.

The volume of power sold in 2016 amounted to 3,646 GWH, at par with last year’s due to grid capacity constraints in the Visayas preventing full dispatch. Global Power recorded Core Net Income for 2016 of ₱2.8 billion. Since acquisition, Global Power’s contribution to the core income of MPIC amounted to ₱489 million, net of acquisition financing costs.

**WATER:**

MPIC's water business comprises its investments in Maynilad, the biggest water utility in the Philippines, and MetroPac Water Investments Corporation ("MWIC"), the Company's unit focused on business development outside Metro Manila. Our water segment's contribution to Core Net Income amounted to ₱3.6 billion in 2016 attributable substantially to Maynilad.

Together, Maynilad and MWIC currently provide water services to a total of 1,437,223 water connections across the Philippines.

**Maynilad**

Maynilad achieved a 4% increase in volume sold in its concession area in 2016. The number of water connections (or billed customers) rose 4% to 1,312,223 at the end of December 2016 from 1,265,625 in December 2015.

Non-Revenue Water ("NRW") increased slightly to 30.6% as at the end of December 2016 from 29.3% in 2015 reflecting reduced water production in anticipation of El Nino last year. Just nine years ago, when MPIC first invested in Maynilad, NRW was at a staggering 68% and millions of customers had inadequate access to water. Just in 2016, Maynilad repaired 27,936 pipe leaks across its concession area, making possible the recovery of some 10 MLD (million liters per day) of water for its customers.

Maynilad installed 62 kilometers of water pipes in the period, expanding its distribution line to 7,637 kilometers. Drinking water supply and sewerage coverage were increased to 100% and 13% of its population, respectively, while maintaining 24-hour service and average water pressure of over 7 psi at 100%.

Maynilad cleaned a total of 96,594 septic tanks from around 175,045 households in 2016, a 53% increase from 2015. This enabled the company to collect and treat over 168,047 cubic meters of septage, in line with its goal of protecting the environment and supporting public health. Sewerage and sanitation service coverage ratios as of end of December 2016 are at 12.7% and 49.2%, respectively.

Capital expenditure in 2016 amounted to ₱9.5 billion and funded one new waste water treatment facility and pumping station, fourteen reservoirs and two water pressure boosters. For 2017, Maynilad will allot ₱13.2 billion for its water and wastewater infrastructure projects; ₱5.0 billion for sewerage and sanitation programs and ₱8.2 billion for water sources and water loss recovery.

Total revenues in 2016 rose 6% to ₱20.2 billion from ₱19.1 billion in 2015 due to the higher billed volume and inflationary increases in tariff. Core Net Income decreased by 26% to ₱7.2 billion from ₱9.7 billion mainly due to the expiration of Maynilad's income tax holiday in December 2015.

Consolidated billed volume for Maynilad and its subsidiary Philhydro rose 4% to 511.9 MCM from 493.9 MCM.

The matter of the Maynilad tariff implementation remains unresolved as does the related claim on the Republic of the Philippines:

- In 2014, Maynilad received a favorable award in the arbitration of its 2013-2017 water tariff which centered on Corporate Income Taxes being a recoverable expense. The MWSS has still not implemented the awarded tariff increase while indicating they will await clarification from the Supreme Court of the Philippines before proceeding.

- Acting in formal accordance with the provisions of its concession, Maynilad has notified the Republic of the Philippines ("Republic") that it is calling on the Republic's written undertaking to compensate Maynilad for losses arising from delayed implementation of the new tariff. On 27th March 2015, Maynilad served a Notice of Arbitration against the Republic. Hearings on the arbitration completed in December 2016 and we imminently expect resolution in our favor.

Securing compensation and implementation of the tariff adjustment will result in sufficient resources to fund the spending needed to meet agreed-upon service obligations.

**MetroPac Water Investments Corporation ("MWIC")**

MWIC continues to expand its wastewater services and water supply projects outside Metro Manila.

Water projects:

- The challenge period for the Cagayan de Oro 100 MLD bulk water supply project was concluded in January 2017 with no competing bidder. MWIC expects to be awarded the project in the first quarter of 2017. This network currently serves a population of more than 749,000 people with over 88,000 active service connections.

- Laguna Water District Aquatech Resources Corporation commenced operation and management of the distribution network of the Laguna Water District on 1st January 2016. A year after taking-over the distribution operations, NRW averaging 27% pre-take over was reduced to 23% and service connection coverage increased to 53% from 52%.

- Metro Iloilo Bulk Water Supply Corp. ("MIB"), a joint venture with the Metro Iloilo Water District ("MIWD"), commenced operation on 5th July 2016. MIB holds the joint venture project for the supply of up to 170 MLD of bulk treated water to MIWD. Since commencement of operations, MIB successfully increased production volume to 44 MLD as of end-December 2016 from pre-take over production of 38 MLD.

To date, MWIC's operating water projects collectively provide 150 MLD of water in Cebu, Laguna and Iloilo.

Wastewater project:

In June 2016, MWIC completed the acquisition of a controlling stake in Eco-System Technologies International, Inc. ("ESTII"), a leading commercial wastewater specialist. This acquisition allows MPIC to diversify its water sector investment holdings and invest in the high-growth wastewater EPC and O&M market. As of end-December 2016, the company has 109 recurring contracts for the operation and maintenance of sewerage treatment plant (STP) facilities and 115 on-going STP construction projects.

Currently these projects are small relative to Maynilad but MPIC believes there is enormous opportunity in bringing the group's expertise in clean water distribution and wastewater treatment to those communities outside Metro Manila that lack these basic services.

**TOLLROADS:**

MPTC recorded Core Net Income of ₱3.3 billion in 2016, 27% higher than the ₱2.6 billion recorded a year earlier.

The growth in core income was a function of surging traffic growth, cost controls, and first full-year contributions from SCTEX and CII B&R of Vietnam. The continuing expansion and development of major road networks in northern Luzon added to the increase in traffic along NLEX-SCTEX. Average daily entries for 2016 rose 9% on the NLEX, 17% on the SCTEX and 18% on the R1 Extension of CAVITEX compared with 2015 levels.

Outside the Philippines, MPTC's investments in Thailand and Vietnam are performing well. Contribution from Don Muang Tollway Public Company Ltd. ("DMT") of Thailand rose to ₱425 million compared with ₱323 million in 2015 on 12% traffic growth due to lower fuel prices and higher passenger volumes at the Don Muang Airport.

CII B&R of Vietnam contributed ₱134 million to core income in 2016.

Average daily vehicle entries for all three of our domestic tollways system (NLEX, CAVITEX and SCTEX) totaled 405,805; DMT adds a further 96,265 a day; and CII B&R 48,915 a day bringing the overall total traffic on our roads to 550,985 vehicles on average every day.

In the Philippines, MPTC's new projects are gaining traction:

- The ₱19.0 billion construction of the Cavite Laguna Expressway ("CALAx") is set to start early this year with expected completion by 2020. MPTC was awarded the 35-year CALAx concession in 2015.

- The groundbreaking ceremony for the Cebu-Cordova Link Expressway ("CCLEx") is scheduled tomorrow. CCLEx, with project cost of ₱27.9 billion is one of the biggest infrastructure projects outside Metro Manila. The construction of this 8.25-km toll road connecting Cebu City to Mactan Island via Cordova is expected to complete by 2020.

- The Concession agreement for the NLEX-SLEX Connector Road Project (Connector Project) was signed on 24th November 2016. The Connector Project, with an estimated project cost of ₱21.8 billion, is an 8-km elevated toll expressway over the right of way of the Philippine National Railways starting at the junction of the North Luzon Expressway (NLEX) Segment 10 at C-3 Road/5th Avenue in Caloocan City, and seamlessly connecting to the South Luzon Expressway (SLEX) through the Metro Manila Skyway Stage 3 Project in the City of Manila. Once completed, the NLEX-SLEX Connector Road Project will decongest Metro Manila traffic and provide better access to seaports and airports. Construction is expected to commence in 2018 and to complete by 2021.

For existing roads NLEX, SCTEX and CAVITEX, service is focused on meeting traffic growth with further expansion.

The construction work on Segments 2 and 3 of the NLEX Road-Widening Project (with project cost of ₱2.6 billion) is substantially complete while construction continues on Segment 10 of the NLEX Harbour Link (costing ₱10.5 billion). Segment 10, a 5.6-km elevated expressway running from Valenzuela City all the way to C3 in Caloocan City is expected to be completed by the first quarter of 2018.

Construction for the first phase of the C5 Link Expressway is set to start by the first quarter of this year and be completed by 2020. C5 Link Expressway, which is part of the existing CAVITEX network, is a ₱12.7 billion project spanning 7.7 kilometers to link C-5 Road in Taguig to R-1 (Coastal) Expressway.

On 25th October 2016, the Board of Directors of NLEX Corporation (formerly Manila North Tollways Corporation) and Tollways Management Corporation ("TMC") approved the merger between NLEX Corporation and TMC. NLEX Corporation as the surviving corporation will acquire all respective rights, businesses, assets and other properties of TMC as well as all of its debts and liabilities. The merger is expected to be completed by the third quarter of this year.

Under the previous Government administration, sizeable pending tariff adjustments accumulated on all our toll roads through successive failures to raise tariffs. On the NLEX these now amount to 20% for the Open System and 32% for the Closed System; on the CAVITEX they amount to 25% on R1 and 42% on the R1 Extension; and on the SCTEX they amount to 48%. These accumulated tariff adjustments now represent a material shortfall to the cash flow of MPTC and are constraining our ability to finance road construction necessary for continued economic growth.

MPTC's various road construction projects will cost approximately ₱125 billion over the next few years. It is therefore imperative that overdue tariff increases be implemented and we are in dialogue with the new Administration on how to implement these.

**HOSPITALS:**

Metro Pacific Hospital Holdings, Inc. ("MPHHI") saw aggregate Core Net Income surge 34% to ₱1.8 billion in 2016 compared with the same period last year. Of the increase in core net income, 19% is attributable to the contribution from new hospital acquisitions in 2016 while 15% is through organic growth driven by lower interest expense, cost savings from purchasing synergies and increasing patient revenues across the company's existing hospitals.

New hospital acquisitions in 2016 – Manila Doctors Hospital (20% interest acquired on 28th December 2015), Sacred Heart Hospital of Malolos Inc. (51% equity shareholding beginning 7th March 2016), Marikina Valley Medical Center (93% equity shareholding starting 29th July 2016) – contributed ₱253 million to the increase in core income.

The Hospital group's contribution to MPIC's core net income grew 27% to ₱646 million in 2016 from ₱503 million in 2015.

On 31st January 2017, MPHHI infused approximately ₱133.5 million of cash into Delgado Clinic Inc. ("DCI'), owner and operator of the Dr. Jesus C. Delgado Memorial Hospital ("JDMH") via a subscription to preferred shares representing approximately 65% of the total expanded capital stock of DCI. The cash infusion from MPHHI will enable the 68-year-old JDMH to upgrade its equipment and facilities to improve its ability to serve its community.

With JDMH, MPHHI has grown to 13 hospitals with approximately 2,900 beds throughout the country – eight in Metro Manila and five around the country (Davao, Bacolod, Tarlac, Zamboanga, and Bulacan). In addition, MPHHI has also invested in a mall-based diagnostic and surgical center in SM Megamall, and has indirect ownership in two healthcare colleges in Davao and Bacolod.

**RAIL AND TICKETING:**

LRMC has operated the LRT Line 1 ("LRT-1"), since 12th September 2015. Since the handover of LRT-1, LRMC has successfully restored 23 Light Rail Vehicles (LRVs) bringing the total available to 100 by end of December 2016.

LRMC served an average daily ridership of 409,412 in 2016, an improvement of 5% from the average daily ridership of 389,478 recorded in 2015 when LRMC first took over operations. In 2016, the highest recorded daily ridership is approximately 527,000.

LRMC is on track with its rail replacement project. It has finished 45% of the work to replace 32-year old tracks. The rail replacement project covers a total of 26 kilometers of rail tracks, that when completed, will enable the reinstatement of a train running speed of 60 kph to shorten journey times and thereby increase capacity.

LRMC recently inaugurated the improved Doroteo Jose Station which will serve a daily average of 27,000 passengers interconnecting to LRT-2. This station is the pilot for the company's ₱500-million Station Improvement Project, which includes all 20 passenger stations of the existing LRT-1 system.

LRMC is also ready for increased demand that will result from the Common Station Project which was signed on 18th January 2017 by the Department of Transportation ("DOTr"), the Department of Public Works and Highways and relevant rail and mall operators. Subsequent to this signing of the agreement, questions have arisen about the cost allocation for this project between the Government and the private sector. To improve the commuting experience for the public, LRMC has proposed a low cost temporary walk-way connecting LRT-1 and MRT-3 to be used while the cost allocation matter is being resolved.

LRMC contributed ₱278 million to MPIC's Core Income in 2016 reflecting increased ridership as a result of the rehabilitation of LRVs together with operating cost savings and deferred capex spending, some of which are due to government's delay in the acquisition of rights of way. Moving forward, the combination of pending tariff adjustments partly offset by an increasing cost base as operations expand to Cavite, will see profits normalize.

AF Payments Inc. ("AFPI") holds the Automated Fare Collection System ("AFCS") franchise for LRT-1, LRT-2, and MRT-3. Through a contactless payments card known as the "beep™ card", AFPI has created an integrated ticketing system for the light rail lines allowing commuters to switch seamlessly from one line to another. To date, 2.9 million beep™ cards are in circulation and our goal is to continue to expand its usage in public transport, toll roads and retail establishments.

**LOGISTICS:**

On 19th May 2016, MPIC through MetroPac Movers, Inc. ("MMI") invested ₱2.2 billion to acquire the business and assets of a group of logistics service providers including Basic Logistics, Inc. Core income for MMI in 2016 amount to ₱66 million.

On 24th January 2017, MMI announced it signed an agreement to acquire certain assets and business of Ace Logistics, Inc. ("Ace") for an aggregate purchase price of ₱280 million. On its completion, the acquisition will increase MMI's reach and range of service offerings.

On top of this initial investment, MPIC expects to invest an additional ₱2.5 billion in this business over a five-year period to support organic growth. There is strong demand for logistics services and the lightly regulated sector offers the prospect of attractive returns.

**Corporate Social Responsibility ("CSR"):**

MPIC continues with its own CSR initiatives while supporting the various CSR advocacies of the group. Here are some highlights:

- One Meralco Foundation's school electrification program reached its 170th school and has continued to provide power restoration in provinces stricken by typhoons.

- Through the Lingkod Eskwela Program, Maynilad installed a total of 52 drink-wash stations in 46 public schools in 2016.

- MPIC's Shore it Up is in discussion with Cordova's local government for the creation of the first Mangrove Propagation and Information Center (the Mangrove Center) in Visayas. The Mangrove Center will serve as the hub for the protection and propagation of Cordova's 278 hectares of mangroves and will also offer livelihood opportunities through the Mangrove Eco-Guide training program.

- LRMC's Live for the Rivers, a program with government agencies and barangays helped clean-up the Estero de Tripa de Gallina, the longest creek in Metro Manila.

**Conclusion and Outlook**

"We invested over ₱40.5 billion in capex for our infrastructure development in 2016 to enable us to continue providing first class medical care, safe and efficient road and rail transportation, electricity to power homes and businesses, and clean, safe water to improve consumption and sanitation," said MPIC Chairman Manuel V. Pangilinan. In addition, our level of investment in new and existing businesses totaled ₱32.7 billion. In aggregate therefore, our capex and investments for 2016 recorded an unprecedented level of ₱73.2 billion."

"All our businesses are fully focused on service quality and operational efficiency, while at the same time growing our sales and core profitability. The strong results for 2016 reflect our continuing expansion of investment, steady improvements in service levels and some financing efficiencies for our operating companies."

He concluded, "The overwhelming demand for the services we provide, against the backdrop of strong economic growth, underpins our outlook for 2017. While it is too early to give earnings guidance for the year, it is self-evident that returns to shareholders, who have so far supported our extensive level of investment, will depend on the resolution of our long-pending tariff issues."

## 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.

For further information please contact:


| | | |
|---|---|---|
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## METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Peso Millions)

| | December 31 | |
|---|---|---|
| | **2016** | 2015 |
| **ASSETS** | | |
| **Current Assets** | | |
| Cash and cash equivalents and short-term deposits | **₱19,469** | ₱23,936 |
| Restricted cash | **2,432** | 2,414 |
| Receivables | **5,171** | 4,441 |
| Due from related parties | **92** | 137 |
| Other current assets | **4,636** | 3,938 |
| | **31,800** | 34,866 |
| Assets held for sale | **–** | 1,480 |
| Total Current Assets | **31,800** | 36,346 |
| **Noncurrent Assets** | | |
| Restricted cash | **889** | 889 |
| Receivables | **56** | 145 |
| Available-for-sale financial assets | **1,859** | 2,018 |
| Investments and advances | **126,556** | 96,202 |
| Goodwill | **21,004** | 18,308 |
| Service concession assets | **152,693** | 135,760 |
| Property and equipment | **10,480** | 8,016 |
| Property use rights | **554** | 596 |
| Other noncurrent assets | **5,711** | 3,900 |
| Total Noncurrent Assets | **319,802** | 265,834 |
| | **₱351,602** | ₱302,180 |

(Forward)

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

| | December 31 | |
|---|---|---|
| | **2016** | 2015 |
| **LIABILITIES AND EQUITY** | | |
| **Current Liabilities** | | |
| Accounts payable and other current liabilities | **₱14,965** | ₱14,757 |
| Income tax payable | **466** | 417 |
| Due to related parties | **1,713** | 8,550 |
| Current portion of: | | |
| Provisions | **5,229** | 5,475 |
| Service concession fees payable | **874** | 565 |
| Long-term debt | **3,797** | 4,149 |
| Total Current Liabilities | **27,044** | 33,913 |
| **Noncurrent Liabilities** | | |
| Noncurrent portion of: | | |
| Provisions | **239** | 263 |
| Service concession fees payable | **28,000** | 25,188 |
| Long-term debt | **93,219** | 83,433 |
| Due to related parties | **6,726** | – |
| Deferred tax liabilities | **3,925** | 4,610 |
| Other long-term liabilities | **4,368** | 3,996 |
| Total Noncurrent Liabilities | **136,477** | 117,490 |
| Total Liabilities | **163,521** | 151,403 |
| **Equity** | | |
| Owners of the Parent Company: | | |
| Capital stock | **31,619** | 27,935 |
| Additional paid-in capital | **68,438** | 49,980 |
| Treasury shares | **(167)** | – |
| Equity reserves | **6,282** | 6,248 |
| Retained earnings | **43,889** | 35,149 |
| Other comprehensive income reserve | **1,971** | 510 |
| Total equity attributable to owners of the Parent Company | **152,032** | 119,822 |
| Non-controlling interest | **36,049** | 30,955 |
| Total Equity | **188,081** | 150,777 |
| | **₱351,602** | ₱302,180 |

## METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Peso Millions, except Per Share Amounts)

| | Year Ended December 31 | |
|---|---|---|
| | **2016** | 2015 |
| **OPERATING REVENUES** | | |
| Water and sewerage services revenue | **₱20,280** | ₱19,098 |
| Toll fees | **11,902** | 9,691 |
| Hospital revenue | **8,967** | 7,553 |
| Rail revenue | **3,016** | 897 |
| Logistics and other revenue | **655** | – |
| | **44,820** | 37,239 |
| **COST OF SALES AND SERVICES** | **(18,370)** | (14,026) |
| **GROSS PROFIT** | **26,450** | 23,213 |
| General and administrative expenses | **(9,062)** | (8,047) |
| Interest expense | **(5,328)** | (4,925) |
| Share in net earnings of equity method investees | **6,808** | 5,014 |
| Interest income | **417** | 460 |
| Construction revenue and other income | **20,670** | 14,606 |
| Construction costs and other expenses | **(19,018)** | (13,422) |
| **INCOME BEFORE INCOME TAX** | **20,937** | 16,899 |
| **PROVISION FOR INCOME TAX** | | |
| Current | **4,091** | 1,522 |
| Deferred | **67** | 303 |
| | **4,158** | 1,825 |
| **NET INCOME** | **₱16,779** | ₱15,074 |
| **OTHER COMPREHENSIVE INCOME (OCI)** | | |
| Net OCI to be reclassified to profit or loss in subsequent periods | **444** | (222) |
| Net OCI not being reclassified to profit or loss in subsequent periods | **1,024** | (133) |
| | **1,468** | (355) |
| **TOTAL COMPREHENSIVE INCOME** | **₱18,247** | ₱14,719 |
| **Net income attributable to**: | | |
| Owners of the Parent Company | **₱11,456** | ₱9,546 |
| Non-controlling interest | **5,323** | 5,528 |
| | **₱16,779** | ₱15,074 |
| **Total comprehensive income attributable to**: | | |
| Owners of the Parent Company | **₱12,917** | ₱9,220 |
| Non-controlling interest | **5,330** | 5,499 |
| | **₱18,247** | ₱14,719 |
| **EARNINGS PER SHARE** | | |
| Basic Earnings Per Common Share, Attributable to Owners of the Parent Company *(In Centavos)* | **₱38.10** | ₱34.47 |
| Diluted Earnings Per Common Share, Attributable to Owners of the Parent Company *(In Centavos)* | **₱38.06** | ₱34.45 |