



**FIRST PACIFIC COMPANY LIMITED**

(Incorporated in Bermuda with limited liability)

**GROUP CORPORATE COMMUNICATIONS**

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**Monday, 30 June 2008**

**METRO PACIFIC'S PRESS RELEASE**

The attached press release was released today in Manila by Metro Pacific Investments Corporation ("MPIC"), in which the First Pacific Group currently holds an economic interest of approximately 85.6 per cent.

MPIC is a Philippine-based, publicly-listed, investment and management company with holdings in water utility, real estate development and healthcare enterprises. Further information on MPIC is available at [www.mpic.com.ph](http://www.mpic.com.ph).

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## **METRO PACIFIC INVESTMENTS CORPORATION (MPIC)**

- **MPIC has agreed to acquire from Ashmore Funds and First Pacific an additional interest in Maynilad for US\$197 million, raising MPIC's attributable interest in Maynilad to 51%**
- **Authorized capital stock increased from Pesos 4.6 billion to Pesos 12.0 billion**
- **Stockholders' equity to rise by Pesos 9.7 billion, from Pesos 3.3 billion, to Pesos 13.0 billion**
- **Aggregate common shares outstanding to grow by 5.7 billion shares, from 1.3 billion shares to 7.0 billion shares**
- **Voting preferred shares structure created as a means for increased shareholder investments**

**MANILA, PHILIPPINES, 30<sup>th</sup> June 2008 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) announced that, at its 2008 Annual Shareholders' Meeting held today, its shareholders have approved the increase in its authorized capital stock from Pesos 4.6 billion divided into 4.6 billion common shares with a par value of Peso 1.00 each to Pesos 12.0 billion, divided into 11.95 billion common shares, with a par value of 1.00 Peso each and 5 billion preferred shares with a par value of one centavo each. The increase in MPIC's capital stock of Pesos 7.40 billion is divided into 7.35 billion common shares at Peso 1 par and 5.00 billion preferred shares at Pesos 0.01 par.**

This increase in its authorized capital stock lays the foundation for future fundraising activities and the creation of voting preferred shares will allow for increased foreign participation in the Company. The voting preferred shares can only be issued to Philippine nationals.

### **Other Shareholder Approvals**

MPIC's shareholders also ratified and reconfirmed the Board's approval for the application by Metro Pacific Holdings Inc. (“MPHI”) to convert its Convertible Debt into 1.89 billion common shares. It will be recalled that the shareholders had previously approved such conversion and issuance during the 2007 Annual Shareholders' Meeting. The shareholders likewise approved the use of such subscription for the increase in MPIC's Authorized Capital, approved the Stock Subscription by MPHI of up to 3.79 billion shares at Pesos 2.00 per share for the acquisition of Bidco Convertible Notes held by First Pacific (representing 10.3% equity interest in Bidco) and the acquisition of 34.0% interest in Davao Doctors, and to fund the acquisition of Ashmore's 24.1% economic interest in Bidco.

Shareholders also voted to elect to MPIC's 11-man Board the following: Manuel V. Pangilinan as Chairman, MPIC CEO Jose Ma. K. Lim, Ambassador Albert F. Del Rosario, Augusto P. Palisoc, Jr., Alfred A. Xerez-Burgos, Jr., Antonio A. Picazo, Amado R. Santiago III, Richard N. Ferrer as Directors, and former Chief Justice Artemio V. Panganiban, Edward S. Go, and Eric O. Recto as Independent Directors. SGV was re-appointed as Independent Auditors.

### **Stake in Maynilad Increased to 51%**

MPIC also announced today that it has entered into agreements with certain funds managed by Ashmore Investment Management LTD. (“Ashmore Funds”) and a subsidiary of First Pacific Company Limited (“First Pacific”) for the acquisition of their interests in the DMCI-MPIC Water Company (“Bidco”), the consortium which secured the concession of Maynilad Water Services Inc. (Maynilad) by way of public bidding in 2006. Ashmore has a 24.1% interest in Bidco, and First Pacific, 10.3%.

These acquisitions, which are expected to close in July, bring MPIC's total equity interest in Bidco to 55%, resulting in a 51% attributable economic interest in Maynilad. D.M. Consunji Inc. remains the only partner in Bidco with a 45% ownership.

In the first three (3) months of 2008, Maynilad doubled its reported Core Net Income to Pesos 611.7 million compared with Pesos 316.0 million for the same period last year. This 94% increase for the period is attributable to improvements in Maynilad's key performance indicators across-the-board: total billed volume reached 71.7 million cubic meters (m<sup>3</sup>) for the first quarter this year, up 5.0% from the 68.3 million m<sup>3</sup> billed for the same period last year; total number of billed customers also improved, rising 3% to 710,450 from 687,207 customers at the end of the first quarter last year.

"I am also pleased to report that Maynilad exited from a court-administered rehabilitation last February – ramping up the aggressive, wide-ranging expansion and facilities improvement in line with the company's strategic goals. Considered one of the fastest loan settlements by companies recovering from financial crisis, Maynilad has prepaid the utility firm's US\$ 232 million total outstanding debts to local and foreign banks. With restrictions lifted, and having been cleared of all debts, Maynilad has stepped up its extensive capital expenditure projects designed to improve service levels as part of the company's goal to provide safe, reliable 24-hour water supplies to businesses and households," **MPIC President Jose Ma. K. Lim** said in his address to shareholders.

"With Maynilad poised to implement its service improvement program which will raise the service quality within its west zone concession as well as grow its customer base, Maynilad will deliver greater profits this year and the years to come. The acquisition of First Pacific's and Ashmore Fund's stake will also allow MPIC to consolidate a proportionately greater share of Maynilad's profits," said **MPIC Chairman Manuel V. Pangilinan**.

### **Growth in the Healthcare Portfolio**

Makati Medical, after two consecutive years of profitability, is expected to deliver increased revenues when its new 14-level Annex building is inaugurated in August this year. The renovated Makati Medical promises to be the standard of the local healthcare industry – blending comfort and aesthetics with state-of-the-art medical facilities. The Annex will likewise showcase the most advanced operating theaters and delivery rooms, and Makati Medical's Centers of Excellence: the Aesthetic Center, the Bone Marrow Transplant Unit, the Oncology Ambulatory Infusion Unit, the Home Care and Hospice Center, the newly opened Dermatopathology unit -- the first of its kind in Southeast Asia -- manned by experts in both dermatology and pathology to provide holistic treatment of skin diseases.

MPIC also recently completed its acquisition of 34% of Davao Doctors Hospital Inc. ("Davao Doctors"), one of the leading hospitals in the Mindanao area. With Davao Doctors having 250 beds and Makati Medical 580, MPIC now has an interest in a total of 830 hospital beds in the Philippines, making it one of the largest healthcare providers in the Philippines. MPIC is also in discussion with other healthcare institutions, the investments in which are central to MPIC's vision of building a nationwide system of first-rate healthcare institutions. Approximately 500 more beds are expected to be aggregated under MPIC's healthcare portfolio by year-end, bringing the total number of beds to more than 1,300.

### **Outlook for 2008**

In his closing remarks, Mr. Pangilinan indicated that MPIC's shareholders' equity would increase 2.4 times during the year from Pesos 5.4 billion as at the end of 2007 to approximately Pesos 13.0 billion in 2008, an increase of Pesos 7.6 billion. Accordingly, MPIC's outstanding shares will more than double – from 3.2 billion shares in 2007 to 7.0 billion shares in 2008. Significantly, MPIC's net asset value per share is expected to improve 11% -- from 1.66 Pesos per share to 1.84 Pesos per share.

"First, it is important that our financial position continues to be on a firm footing – with our companies delivering robust recurring profits, and showing strong cash flows. Additionally, the recent growth in MPIC's portfolio is funded by equity, and the Company is presently debt-free. Second, MPIC will ensure that its operating companies will improve its capabilities – such as the service and facility improvement

programs in Makati Medical and Maynilad. Third, today we passed resolutions that will allow more and increased local and foreign investment in your company, enabling us to maintain the pace of investment in existing and new businesses. Fourth, MPIC will be actively but carefully considering new opportunities – in infrastructure, healthcare, agriculture, and mining,” said Pangilinan in his remarks.

“These four points highlight one fact: that from last year’s ‘thinking ahead,’ your company is now ‘moving ahead’ – ahead to healthy operating companies that deliver strong recurring incomes. Ahead to new investments that will raise our income and cash flow. Ahead towards becoming more profitable,” concluded Pangilinan.

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## **About MPIC**

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*This press release may contain some statements which can be considered as “forward-looking statements” which are subject to a number of risks and uncertainties that could affect MPIC’s business and results from 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.*