



FIRST PACIFIC COMPANY LIMITED

Press Release

Wednesday, 9 November 2011

MPIC 9M 2011 CONSOLIDATED CORE NET INCOME AT P3.95 BILLION VS P2.94 BILLION LAST YEAR, UP 34%
9M 2011 CONSOLIDATED REPORTED NET INCOME, EXCLUDING NONCONTROLLING INTEREST, AT P3.44 BILLION VS P2.59 BILLION LAST YEAR, UP 33%
FULLY DILUTED CORE NET INCOME PER SHARE AT 17.68 CENTAVOS, UP 21% FROM 14.58 CENTAVOS LAST YEAR
THE PARENT COMPANY HAS CHANGED FROM A NET DEBT POSITION AT 31ST DECEMBER 2010 (WITH A NET GEARING RATIO OF 0.23 TIMES) TO A NET CASH POSITION AT 30TH SEPTEMBER 2011
CONSOLIDATED REVENUES UP 19% TO P16.06 BILLION
MERALCO CORE NET INCOME AT P11.66 BILLION, CORE EBITDA P21.63 BILLION
MAYNILAD CORE NET INCOME AT P4.49 BILLION, CORE EBITDA P6.84 BILLION
METRO PACIFIC TOLLWAYS CORE NET INCOME AT P1.05 BILLION, CORE EBITDA P3.09 BILLION
HOSPITAL GROUP CORE NET INCOME AT P409 MILLION, CORE EBITDA P1.18 BILLION

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 59.1%.

MPIC is a Philippine-based, publicly-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

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- **HOSPITAL GROUP CORE NET INCOME AT ₱409 MILLION, CORE EBITDA ₱1.18 BILLION**

MANILA, Philippines, 9th November 2011 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today announced Consolidated Core Net Income of ₱3.95 billion for the nine months ended 30th September 2011, an improvement of 34% over the Core Net Income of ₱2.94 billion for the first nine months of 2010.

Consolidated Reported Net Income attributable to owners of the parent company, which reflects a net foreign exchange loss and non-recurring losses of ₱508 million, stood at ₱3.44 billion for the first nine months of this year compared with ₱2.59 billion last year, an improvement of 33%.

The rise in Core Net Income is attributable to higher profit from Maynilad Water Services, Inc. (“Maynilad”) as a result of higher billed volume and tariffs, from Manila Electric Company (“Meralco”) due to higher tariffs, and a strong performance across the Hospital Group. The contribution from Metro Pacific Tollways Corporation (“MPTC”) declined slightly following the expiry of its income tax holiday at the end of 2010. However, on a pre-tax basis, income rose by 21%.

Maynilad accounted for ₱2.32 billion or 47% of the aggregate Core Net Income contribution from MPIC’s portfolio companies, representing MPIC’s attributable interest in Maynilad’s Core Net Income. Meralco contributed ₱1.45 billion or 29%. MPTC added ₱1.04 billion or 21% of Core Net Income. MPIC’s investments in the Hospital Group contributed ₱166 million or 3% of the total.

“All our companies, including MPTC on a pre-tax basis, have achieved strong growth in profitability during the first nine months of 2011 and the outlook for the year as a whole is equally positive. I am encouraged by the recent upturn, in the fourth quarter to date, of billed electricity volume by Meralco.” said Jose Ma. K. Lim, MPIC President and Chief Executive Officer.

“As our investment in Asian Hospital demonstrates, we continue to pursue new opportunities.” he said. “The equity raising we undertook in July 2011 means we are well placed to fund these from our existing capital base, I am hopeful there will be further positive news about new investments in the near future.”

OPERATIONAL REVIEW

MERALCO: FOCUSING ON SERVICE EFFICIENCY TO ALL CONSUMERS

The volume of electricity sold by Meralco during the first nine months of 2011 was flat compared with a year ago at 22,725 gigawatt hours as cooler weather tempered residential demand. Further, economic consequences of the March 2011 earthquake in Japan and the onset of typhoons earlier in the year resulted in slower growth in industrial and commercial electricity demand. Distribution and other revenues rose 14% in 2011 to ₱42.65 billion due mainly to higher distribution tariffs. Core Net Income for the first nine months of the year increased 27% to ₱11.66 billion. The recently-completed rate rebasing applicable to the 3rd Regulatory Period resulted in Meralco’s distribution tariff declining modestly in the third quarter of the year. The full year Core Net Income outlook for Meralco shows good progress versus 2010, with guidance on Core Net Income being set for ₱14.5 billion for the full year.

Capital expenditure for the year to date amounted to ₱4.72 billion, with electric capital projects accounting for 96% of the total, in support of increased volumes of new service applications, improvement of distribution facilities and replacement of meters and transformers.

The continued institutionalization of loss reduction initiatives, including improved pilferage management and expanded partnerships with local government units, resulted in system loss declining to an all-time low of 7.43% from 7.78% a year earlier.

Two other significant measures of service reliability were also improved with the Interruption Frequency Rate declining by 19.3% and Cumulative Interruption Time down by 19.9%.

Meralco is committed to reinvest its profits to capture a greater share of the overall power business and improve service efficiency to all consumers. This will be achieved through its continuing capital expenditure program on its electricity distribution network and entry into power generation and Retail Electricity Supply (RES) when Open Access becomes effective. Meralco recently announced the formation of a joint venture with Aboitiz Power and Taiwan Cogeneration to develop an aggregate 600MW coal fired base load plant in Subic Zambales. The first 300MW line is expected to be commissioned in the first quarter of 2015. The second 300MW is planned to be commissioned six months later. Evaluation of further potential generation projects is proceeding steadily. The requisite investment for all these projects can be funded without recourse to additional equity from Meralco shareholders.

MAYNILAD: 24-HOUR SUPPLY AND INCREASED WATER PRESSURE TO MORE THAN A MILLION HOUSEHOLDS

Maynilad increased the volume of water sold to its customers by 8% in the first nine months of 2011 as its five-year ₱36 billion capital expenditure program from 2008 to 2012 continued to deliver returns. The increase in water sold was achieved despite a year-on-year reduction of 3% in water drawn from Angat Dam by Maynilad. This was partly mitigated by increased supply volumes from Maynilad's Putatan water treatment plant in southern Metro Manila.

Non Revenue Water ("NRW") resulting from leakage and theft declined to 46.5% as at the end of September 2011 from 53.5% at the end of September 2010 as a result of the continuing leak repairs program. Maynilad repaired 30,049 leaks in the first nine months of the year compared with 29,278 leaks a year earlier. This program, coupled with pipe rehabilitation and more efficient pressure and supply management, has resulted in the recovery of over 142 million liters per day ("MLD") of water compared with the average NRW for the first nine months of 2010. Maynilad continues to push forward with its ambitious NRW reduction program by allocating ₱2.6 billion this year for NRW diagnostics, leak repairs and the establishment and maintenance of District Metered Areas.

The Putatan water treatment facility in Muntinlupa, Rizal is a ₱1.8 billion project which came on stream in July last year with an initial production of 25 MLD and with a maximum capacity of 100 MLD. For the year to date, the plant has produced an average of 85 MLD. The facility is a vital part of Maynilad's plan to develop alternative sources of water to serve Maynilad customers in the southern part of Metro Manila.

Total revenues for the first nine months of 2011 grew 15% to ₱10.17 billion from ₱8.85 billion last year due to the combined effect of the 8% increase in billed volume coupled with a basic tariff increase of 7.6% implemented halfway through the first quarter of 2011. Maynilad's Core Net Income stood at ₱4.49 billion for the nine months, compared with ₱3.54 billion recorded in the same period of 2010.

Maynilad now delivers 24-hour water supply to 82% of its customers, while 95% of its customers also enjoy water pressure of at least seven pounds per square inch, the minimum pressure necessary to lift piped water to the second floor of a house, from 64% and 78%, respectively, a year ago. The number of serviced customers rose 11% to 973,455 billed clients at September 2011 from 874,527 a year earlier. Maynilad is expected to reach one million billed customers by year-end.

Maynilad's capital expenditure for the first nine months of the year stood at ₱6.1 billion. Maynilad plans to raise this to ₱9 billion for the full year as it accelerates projects to improve service delivery and coverage in its concession.

MPTC: JOINING NORTH AND SOUTH THROUGH THE HARBOUR LINK AND CONNECTOR ROADS

MPTC's pre-tax Core Net Income rose by 21% for the first nine months of 2011 as revenues for the period rose 11% to P4.81 billion due mainly to tariff increases. Average daily entries to our road system slightly decreased for the period compared with the same period last year due to the high price of oil and the earlier arrival of typhoons. On Segment 8.1, a 2.7-kilometer stretch of toll road from Mindanao Avenue to the North Luzon Expressway ("NLEX") at Valenzuela City, which opened in June 2010, average daily

vehicle entries reached 10,475 in the nine months to 30th September 2011. MPTC's Core Net Income of P1.05 billion for the first nine months of the year versus P1.09 billion in the same period last year declined by 4%, reflecting the expiry of its income tax holiday at the end of 2010.

MPTC's Harbour Link project to connect the NLEX to the port area of Manila has been divided into two parts, "Segment 9" and "Segment 10", to allow construction to begin as soon as possible. Government is working on securing the Right of Way access for Segment 9, at present 18% of the needed lots have been acquired, and construction is expected to start sometime in 2012 with completion of the entire project targeted for 2014. The Harbour Link will allow commercial vehicles 24-hour access to the Port Area and NLEX, thus promoting commercial traffic by overcoming the current truck ban at peak times of day. It will also reduce travel time for motorists accessing NLEX from Western Metro Manila.

Metro Pacific Tollways Development Corporation ("MPTDC") has received confirmation of its Original Proponent status for the Connector Road Project ("Connector Road"), a 13.5-kilometer, four-lane elevated expressway using new construction technology to connect the Harbour Link to South Luzon Expressway/Skyway at Buendia Avenue, Makati City. This will bring together the Northern and Southern toll road systems for the first time. Detailed engineering drawing and design are underway ahead of the Swiss Challenge for the project and the expected awarding of the project in 2012. The Company 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 the aforementioned truck ban, and slashing travel time between systems to no more than 20 minutes from over an hour today.

The Harbour Link and Connector Road projects will see MPTC invest approximately ₱32 billion to complete construction. MPTC and MPIC intend to fund this sum from internal sources and debt. For its part, the Government is estimated to invest approximately P6 billion to secure the Right of Way access for the Harbour Link and Connector Road.

The revised agreement on the takeover of the Subic-Clark-Tarlac Expressway ("SCTEX") concession has now been signed with the Bases Conversion and Development Authority and formal handover is set this quarter. MPTC plans to invest ₱325 million to integrate SCTEX with NLEX to facilitate seamless travel between the two expressways.

HOSPITALS: GROWING THE COUNTRY'S LARGEST PRIVATE CHAIN

Aggregate Core Net Income for the Hospital Group for the first nine months of 2011 reached ₱409 million, up 16% from 2010, reflecting strong performances of the group and the benefit of investments made in the Riverside Medical Center in Bacolod and Our Lady of Lourdes Hospital in Sta. Mesa Manila last year. Particularly strong progress was achieved by Cardinal Santos Medical Center and Davao Doctors Hospital in growing its out-patient services.

Our Lady of Lourdes Hospital recently renovated the interior and façade of the hospital, including doctors' clinics. It has also invested in new digital diagnostic machines and a state-of-the-art Eye Center.

Last November 4, MPIC completed its acquisition of 100% of the shares of Colinas Verdes Hospital Managers Corporation (CVHMC), operator of the Cardinal Santos Medical Center, making CVHMC a direct wholly-owned subsidiary of MPIC.

Last November 4, MPIC also entered into an agreement to acquire a majority interest in Asian Hospital Inc., a 219-bed tertiary hospital located in Filinvest Corporate City in Alabang, Muntinlupa.

Following on from above, the Hospital Group will comprise six full-service tertiary hospitals with approximately 1,800 beds: Makati Medical Center, Cardinal Santos Medical Center, Our Lady of Lourdes Hospital and Asian Hospital in Metro Manila; Riverside Medical Center Inc. in Bacolod; and Davao Doctors Hospital Inc. in Davao.

MRT 3: AN OPPORTUNITY TO IMPROVE SERVICE AND RELIABILITY

MPIC continues to seek ways to contribute to the improvement of the country's infrastructure. In this vein, the Company is continuing its discussions with the leadership at DOTC regarding its proposal to improve the operations and reliability, and increase the capacity, of the MRT system in the nation's capital.

OUTLOOK FOR THE FULL YEAR 2011

"The positive results for the first nine months of this year were driven by continuing strong operating efficiencies, highly focused customer service and strict cost discipline at all our portfolio companies," said MPIC Chairman Manuel V. Pangilinan. "Reflecting our strong operating results during the period and with greater visibility on full year results,, we are guiding our core profitability for the year 2011 higher to ₱5.0 billion," he concluded.

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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.

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METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Millions)

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P18,362	P4,942
Short-term deposits	-	6
Restricted cash	1,226	844
Receivables - net	2,645	2,381
Advances to contractors and consultants	396	288
Inventories - at cost	160	159
Real estate for sale	187	187
Due from related parties	410	439
Derivative assets	-	3
Available-for-sale financial assets	495	546
Other current assets – net	602	1,477
Total Current Assets	24,483	11,272
Noncurrent Assets		
Investments in and advances to associates and a joint venture	35,779	34,872
Receivables - net	597	675
Goodwill	12,749	12,751
Due from related parties	74	66
Service concession assets - net	74,470	69,348
Property and equipment - net	1,572	1,423
Derivative assets	32	32
Available-for-sale financial assets	731	513
Deferred tax assets	519	275
Other noncurrent assets	837	149
Total Noncurrent Assets	127,360	120,104
	P151,843	P131,376
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities	P8,150	P7,711
Unearned toll revenues	34	31
Unearned tuition and other school fees	8	29
Income tax payable	118	31
Derivative liabilities	-	212
Due to related parties	367	470
Current portion of:		
Provisions	2,623	2,188
Service concession fees payable	692	1,179
Long-term debts	872	2,954
Deferred credits and other long-term liabilities	14	-
Total Current Liabilities	12,878	14,805

(Forward)

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Noncurrent Liabilities		
Noncurrent portion of:		
Provisions	P333	P308
Service concession fees payable	7,885	7,951
Long-term debts	38,857	29,569
Deferred credits and other long-term liabilities	4,332	4,162
Due to related parties	-	6,314
Derivative liabilities	86	-
Accrued retirement costs	252	50
Deferred tax liabilities	2,819	2,938
Total Noncurrent Liabilities	54,564	51,292
Total Liabilities	P67,442	P66,097
Equity		
Capital stock	P24,643	P20,205
Additional paid-in capital	38,330	27,508
Deposit for future stock subscriptions	-	12
Other reserves	379	629
Retained earnings	8,839	5,954
Other comprehensive income reserve	(100)	(90)
Total equity attributable to owners of the Parent Company	72,091	54,218
Noncontrolling interest	12,310	11,061
Total Equity	84,401	65,279
	P151,843	P131,376

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

	Nine Months Ended September 30	
	2011 (Unaudited)	2010 (Unaudited)
OPERATING REVENUES		
Water and sewerage services revenue	P10,171	P8,851
Toll fees	4,810	4,342
Hospital revenue	1,010	307
School revenue	72	45
	16,063	13,545
COST OF SERVICES		
	(6,238)	(4,895)
GROSS PROFIT		
	9,825	8,650
GENERAL AND ADMINISTRATIVE EXPENSES		
	(2,819)	(2,624)
OTHER INCOME AND EXPENSES		
Construction revenue	6,323	7,136
Construction costs	(6,216)	(7,077)
Interest expense	(2,727)	(3,332)
Foreign exchange gains - net	957	961
Interest income	475	423
Share in net earnings of associates and joint ventures - net	1,068	831
Other income	768	1,169
Other expenses	(1,740)	(1,619)
	(1,092)	(1,508)
INCOME BEFORE INCOME TAX		
	5,914	4,518
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	589	77
Deferred	(267)	54
	322	131
NET INCOME		
	P5,592	P4,387
Net Income Attributable to:		
Owners of the Parent Company	P3,438	P2,594
Noncontrolling interest	2,154	1,793
	P5,592	P4,387
EARNINGS PER SHARE (IN CENTAVOS)		
Basic Earnings Per Share, Attributable to Owners of the Parent Company		
	P15.78	P12.87
Diluted Earnings Per Share, Attributable to Owners of the Parent Company		
	P15.40	P12.86