

PRESSRELEASE

9M 2012 Core Net Income Up 27% to ₱5.03 Bln

High-Growth Portfolio Continues to Exceed Targets

- **9M 2012 Core Net Income up 27% to ₱5.03 bln vs ₱3.95 bln in 2011**
- **Reported Net Income attributable to owners of the parent company up 45% to ₱4.99 bln vs ₱3.44 bln**
- **Fully diluted Core Net Income per share up 15% to 20.37 centavos**
- **Consolidated revenues up 28% to ₱20.54 bln vs ₱16.06 bln**
- **MERALCO Core Net Income ₱12.89 bln, Core EBITDA ₱21.72 bln**
- **Maynilad Water Core Net Income ₱5.09 bln, Core EBITDA ₱7.77 bln**
- **Tollways Core Net Income ₱1.11 bln, Core EBITDA ₱3.26 bln**
- **Hospital Group Core Net Income ₱537 mln, Core EBITDA ₱1.70 bln**

MANILA, Philippines, 7th November 2012 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today announced consolidated Core Net Income of ₱5.03 billion for the nine months ended 30th September 2012, up 27% over the ₱3.95 billion recorded for the same period in 2011. Every one of its four mainstream businesses delivered strong growth.

Consolidated Reported Net Income attributable to owners of the parent company stood at ₱4.99 billion for the nine months of 2012 compared with ₱3.44 billion for the same period in 2011, an improvement of 45%. A loss of ₱36 million for non-recurring charges in the period has been reflected.

The rise in Core Net Income is due mainly to: (i) higher profit contributions from Manila Electric Company (“MERALCO”) reflecting increased volumes of power sold; (ii) growth at Maynilad Water Services, Inc. (“Maynilad”) due to higher billed volumes; (iii) traffic growth and interest and expense savings at Metro Pacific Tollways Corporation (“MPTC”); and (iv) the benefit from investments in the Hospital group made in 2011. Lower interest costs at MPIC parent company also contributed to this improvement.

In terms of contribution to MPIC's net operating income representing MPIC's attributable interest in each investee company, Maynilad accounted for ₱2.65 billion or 44% of the aggregate contribution. MERALCO contributed ₱1.94 billion or 32%, while MPTC delivered ₱1.08 billion or 18%. The Hospital group contributed ₱346 million or 6% of the total.

"All our businesses achieved strong growth in profitability for the first nine months of the year. We are well placed for a strong 2012 as a whole. A higher tempo of execution on our investment expansion agenda will help drive better performance in 2013." said Jose Ma. K. Lim, MPIC President and Chief Executive Officer.

Operational Review

MERALCO: Strong volume growth and efficiency gains together with commitment to bring improved power availability and reliability to Luzon

Core Net Income during the first nine months of the year increased by 11% to ₱12.89 billion compared with the same period in the previous year due mainly to an 8% increase in energy sales to 24,448 gigawatt hours and regulatory recoveries. The double-digit sales increase is the result of several factors. The robust domestic economy was largely unaffected by Eurozone woes, allowing increased household purchasing power in an environment of lower inflation. Growth in new property developments brought new customer connections and slightly warmer temperatures than a year earlier resulted in greater use of air conditioning. This strength in sales volumes helped offset lower distribution tariff and other revenues.

The 8% growth in energy sales came despite the number of weather disturbances and holidays during the third quarter. There was an estimated 73 GWh of unserved energy attributed to the forced outages due to the Southwest Monsoon or "Habagat" (triggered by Tropical Storm "Haiku") and to Typhoon "Gener" (international codename "Saola") and an additional 6GWh reduction because of the two holidays in August. Billed customers grew to 5.2 million, with the addition of over 130,000 new customer accounts since the start of the year.

The growth in volume of power sold includes power distributed to the Clark Freeport Zone and power sold to self-generating customers and the Cavite Ecozone, which opted to shift to the Meralco service. The average distribution charge stood at ₱1.53 per kWh, reflecting the combined effect of the 2012 1st half industrial-dominated volume and the slightly higher Maximum Average Price (MAP) starting July 1, 2012.

Capital expenditure during the first nine months of 2012 amounted to ₱5.87 billion, consisting of new substations designed to decongest critical loads, provide additional capacity for load growth and improve network reliability.

System loss declined to a record low of 7.19% from 7.43% a year earlier. Such improvement is mainly due to the continuing refinement of loss reduction initiatives. The

steady decline of electricity theft resulting from Government-initiated resettlement programs was crucial to the record-setting system loss performance.

Two other significant measures of service reliability also improved with System Average Interruption Frequency Index (a measure of how often electricity supplies fail) declining by 23.5% and Customer and System Average Interruption Duration Index (a measure of how long such breakdowns last) down by 9.7% and 16%, respectively.

MERALCO PowerGen Corporation, MERALCO's wholly-owned subsidiary, remains committed to meeting its commercial operations date of 2016 for Redondo Peninsula Energy, Inc (RP Energy). This project is a 600 MW circulating fluidized coal-fired power generation, the cleanest of all coal-fired generation technologies, and a crucial step towards increasing the availability and reliability of electricity supplies to the fast-growing domestic economy. RP Energy is awaiting the issuance of its Environmental Clearance Certificate by the Department of Environment and Natural Resources (DENR), expected by year-end, as well as the resolution of a Writ of Kalikasan filed by certain advocate groups. In the meantime, development activities are continuing with the aim of bringing the first 300MW plant into commercial operations by early 2016 and the next 300MW six months after.

Technical specifications for the Engineering, Procurement and Construction Contract have been finalized with the contract expected to be awarded before March 2013. Transmission and interconnection arrangements with National Grid Corporation of the Philippines are expected to be concluded later this year.

Evaluation of further potential generation projects is proceeding steadily. Financing for these projects can be provided without recourse to additional equity from MERALCO shareholders.

With the anticipated commencement of Open Access and Retail Competition (OARC), as announced by the Department of Energy (DOE), the MERALCO Retail Electricity Supply (RES) organization continues to align its initiatives with milestone dates of DOE for OARC. The DOE has recently indicated that OARC shall begin in June 2013. In preparation, MERALCO is in the process of implementing an Energy Trading and Risk Management System.

MPIC is also seeing a boost in contribution from MERALCO after increasing its attributable economic interest to 24.0% as of 30th September 2012, compared with 19.4% a year ago.

Maynilad: Bringing fresh water to millions of people

Maynilad increased the volume of water sold to its customers by 8% during the first nine months of 2012 as its five-year ₱36 billion capital expenditure-program continued to deliver results and returns. The increase in water sold was achieved even as Maynilad managed to draw 2% less water from the Angat Dam than a year earlier.

Selling more water while drawing less, as well as lower leakage and theft, has reflected in a decline of non-revenue water (NRW), to 42.4% by the end of September 2012 from 46.5% a year earlier. This was achieved through Maynilad's continuing leak repairs program, which saw 34,474 leaks repaired during the first nine months of 2012. This program, coupled with pipe rehabilitation and more efficient management of water pressure and supply, has resulted in the recovery of over 131 million liters per day (MLD) of water. Maynilad continues to push forward with its ambitious NRW reduction program by allocating ₱1.5 billion in 2012 for NRW diagnostics, leak repairs and the establishment and maintenance of District Metered Areas.

With its improved water distribution system, Maynilad now delivers 24-hour water supply to 95% of its customers, while 99.8% of its customers also enjoy water pressure of at least seven pounds per square inch, the minimum pressure necessary to provide water to the second floor. The year-earlier numbers were 82% and 95%, respectively. The number of billed customers rose 9% to 1,056,538 billed clients at the end of September 2012 from 973,455 a year earlier.

During the first nine months of 2012, Maynilad committed to spend ₱751 million to improve and expand its wastewater services.

Total revenues during the first nine months grew 15% to ₱11.65 billion from ₱10.17 billion in 2011 due to the combined effect of the 8% increase in billed volume and an average year-on-year effective tariff increase of 7%. Maynilad's Core Net Income increased by 13% to ₱5.09 billion from ₱4.49 billion a year ago. Maynilad's capital expenditure during the nine months of 2012 stood at ₱5.10 billion.

MPTC: Continuing service improvements, environmental development and community outreach

MPTC's Core Net Income of ₱1.11 billion during the first nine months of 2012 was 6% higher than Core Net Income of ₱1.05 billion a year earlier, as a result of traffic growth and lower operating costs. Average daily entries to our road system increased by 2% during the first nine months of 2012 compared with the same period in 2011, despite the 12% imposition of value-added tax on toll rates starting October 2011.

MPTC (through its subsidiary, MNTC) was awarded the rights to the Subic Clark Tarlac Expressway (SCTEX) in an agreement with the Bases Conversion Development Authority (BCDA) dated 9th June, 2010. This agreement was renegotiated thereafter and a revised agreement on the assumption of the SCTEX concession signed with BCDA in July 2011. Whilst not so far completed, MNTC continues to coordinate with BCDA and the Government to attempt to close the turnover of management of SCTEX. MPTC plans to invest ₱400 million to integrate SCTEX with NLEX to facilitate seamless travel between the two expressways.

MPTC's Harbour Link project to connect the NLEX to the port area of Manila is divided into two parts, Segment 9 and Segment 10 (the "Harbour Link"). The Government is securing the right of way access for Segment 9, with 40% of the needed lots acquired so far, ahead of construction starting at the end of this year and completion of Segment

9 towards the close of 2013. Segment 10 to open up by the end of 2015 - depending on the completion by Government of the required Rights-of-Way and the corresponding start date of its construction. The Harbour Link will allow commercial vehicles 24-hour access to Manila's Port Area from the NLEX, in contrast with the current ban at peak times of day. The Harbour Link will also reduce travel time for motorists accessing NLEX from Western Metro Manila.

President Aquino had announced the approval of the implementation of two elevated expressways that will connect the Northern and Southern toll road systems. Metro Pacific Tollways Development Corporation's Connector Road Project, a four-lane elevated expressway, will connect the Harbour Link to Southern Luzon. Detailed engineering drawing and design are largely complete in preparation for the Swiss Challenge and expected award of the project in late 2012. 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 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 resources and external debt. For its part, the Government is estimated to invest approximately ₱6 billion to secure the right of way access for the Harbour Link and Connector Road.

Hospitals: The country's largest private chain serving customers from all economic backgrounds

Aggregate Core Net Income for the Hospital Group during the first nine months of 2012 rose 31% to ₱537 million, reflecting the benefit of investments made in the Asian Hospital and an increased shareholding in Cardinal Santos starting November last year.

The Hospital group now comprises six full-service hospitals with approximately 1,800 beds in total: Makati Medical Center, Cardinal Santos Medical Center, Our Lady of Lourdes Hospital and Asian Hospital in Metro Manila; Riverside Medical Center in Bacolod; and Davao Doctors Hospital in Mindanao.

Light Rail Transit: A bid to improve service and reliability

MPIC continues to seek ways to help improve the country's infrastructure. In this vein, the Company has been in continuing discussion with the Department of Transportation and Communications on its proposal to improve the operations and reliability of the Metro Rail Transit system in the nation's capital. On 24th April, 2012 MPIC and Ayala Corporation signed a memorandum of agreement to form a strategic partnership to jointly pursue and develop light rail projects in the greater Metro Manila area. The partnership aims initially to bid for the light rail transit projects identified under the government's Public Private Partnership Program, commencing with Light Rail Transit 1 (LRT1) and its Extension.

The MPIC-Ayala consortium has signed up with a global rail operator as its technical partner for LRT1, as required by the Government. The LRT1 South Extension project is being pursued by the Government through a competitive bidding under the Private-Public-Partnership (PPP) mode. On 22nd October 2012, the MPIC-Ayala partnership hurdled the Government's first pre-qualification screening of interested bidders for the LRT1 South Extension project. The Government's timeline for the bid submission is first quarter of 2013.

Corporate Social Responsibility (“CSR”): Implementing programs designed to improve lives and benefit communities

MPIC, together with all its subsidiaries and associated companies maintain active CSR programs as part of our culture of giving back to those communities in which we invest and serve. There are a number of ongoing themes to our CSR programs, which include extensive commitments in the areas of education, sports, calamity relief operations and the environment. During the third quarter MPIC sponsored an extensive coastal clean up with the “Shore it up” program. Recent initiatives at MPTC have included mural painting along the NLEX, relief operations for the victims of typhoons Habagat and Gener, and summer reading programs and tree planting along the SCTEX and in the Marikina Watershed – the latter in collaboration with Maynilad Water and the PLDT-Smart Foundation. Each of our hospitals has its own programs: medical missions and assisting public hospitals. Asian Hospital has recently supported families of breast cancer sufferers; to date 3,000 families nationwide have been helped. In 2013, Asian will expand its reach to cover the elderly in a community in Southern Tagalog.

Conclusion and Outlook

“All our businesses are focused on service quality while growing our sales and core profitability to improve the lives of all our customers - whether providing excellent medical care, offering safe and rapid road transportation, delivering electricity to power homes and businesses, or piping water to improve consumption and sanitation,” said MPIC Chairman Manuel V. Pangilinan. “The strong results for the nine months to September 2012 reflect significant service level improvements and efficiency gains for all our operating companies. Accordingly, our full year earnings outlook is encouraging, and gives us the comfort for maintaining our Core Net Income guidance for the year at ₱6.3 billion. The Philippines continues to be MPIC's main market for the foreseeable future, where we will continue to invest for the good of MPIC, and the good of our people”.

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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, 2012	Audited December 31, 2011
ASSETS		
Current Assets		
Cash and cash equivalents and short-term deposits	P9,190	P15,126
Restricted cash	1,245	1,915
Receivables	3,327	2,949
Due from related parties	326	373
Other current assets	1,706	2,356
Total Current Assets	15,794	22,719
Noncurrent Assets		
Receivables	754	957
Due from related parties	73	65
Available-for-sale financial assets	1,344	1,386
Investments in associates and a joint venture	44,384	36,738
Goodwill	13,505	13,069
Service concession assets	80,179	76,824
Property use rights	732	765
Property and equipment	6,194	5,863
Other noncurrent assets	1,965	1,787
Total Noncurrent Assets	149,130	137,454
	P164,924	P160,173

LIABILITIES AND EQUITY

Current Liabilities		
Accounts payable and other current liabilities	P11,684	P11,677
Income tax payable	212	76
Due to related parties	122	122
Payable to non-controlling interest	-	1,299
Current portion of:		
Provisions	3,442	2,989
Service concession fees payable	735	792
Long-term debt	1,360	1,594
Total Current Liabilities	17,555	18,549

(Forward)

	Unaudited September 30, 2012	Audited December 31, 2011
Noncurrent Liabilities		
Noncurrent portion of:		
Provisions	P350	P190
Service concession fees payable	8,058	8,033
Long-term debt	37,430	38,429
Deferred credits and other long-term liabilities	6,049	5,552
Deferred tax liabilities	2,998	2,990
Total Noncurrent Liabilities	54,885	55,194
Total Liabilities	P72,440	P73,743
Equity		
Owners of the Parent Company:		
Capital stock	P24,650	P24,643
Additional paid-in capital	38,071	38,056
Equity reserves	713	706
Retained earnings	14,780	10,460
Other comprehensive income reserve	(92)	(102)
Total equity attributable to owners of the Parent Company	78,122	73,763
Non-controlling interest	14,362	12,667
Total Equity	92,484	86,430
	P164,924	P160,173

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

	For the Nine Months Ended September 30	
	2012	2011
OPERATING REVENUES		
Water and sewerage services revenue	₱11,649	₱10,171
Toll fees	4,997	4,810
Hospital revenue	3,818	1,010
School revenue	73	72
	20,537	16,063
COST OF SALES AND SERVICES	(7,704)	(6,238)
GROSS PROFIT	12,833	9,825
GENERAL AND ADMINISTRATIVE EXPENSES	(4,522)	(2,819)
OTHER INCOME AND EXPENSES		
Construction revenue	4,928	6,323
Construction costs	(4,851)	(6,216)
Interest expense	(2,783)	(2,727)
Share in net earnings of associates and a joint venture - net	1,645	1,068
Foreign exchange gains - net	830	957
Interest income	518	475
Dividend income	561	280
Other income	356	488
Other expenses	(1,496)	(1,740)
	(292)	(1,092)
INCOME BEFORE INCOME TAX	8,019	5,914
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	880	589
Deferred	(362)	(267)
	518	322
NET INCOME	₱7,501	₱5,592
Net Income Attributable to:		
Owners of the Parent Company	₱4,989	₱3,438
Non-controlling interest	2,512	2,154
	₱7,501	₱5,592
EARNINGS PER SHARE (IN CENTAVOS)		
Basic Earnings Per Share, Attributable to Owners of the Parent Company	₱20.27	₱15.78
Diluted Earnings Per Share, Attributable to Owners of the Parent Company	₱20.23	₱15.40