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NENACO UNIT MERGES WITH PARKVIEW-ABOITIZ VENTURE TO FORM PHILIPPINES' LARGEST FAST-FERRY OPERATION

Negros Navigation Co. (Nenaco), the Philippine shipping arm of First Pacific Company Limited, has agreed to merge its "Sea Angels" catamaran business with the "Supercats" operation that is jointly owned by the Hong Kong Parkview Group and Aboitiz Transport System, Inc. (ATSI) of the Philippines, to form the country's largest fast-ferry operation.

The enlarged business will operate 12 catamaran vessels carrying more than four million passengers each year and have annual revenues in excess of Pesos 1 billion.

The business is to be 50 per cent owned by Nenaco and 25 per cent owned each by ATSI and Parkview. Its activities will focus on the Visayas region, where it will have a dominant market share of routes between such cities as Bacalod, Iloilo, Cebu and Batangas, as well as other provincial towns that are under-served by domestic airlines.

Under the terms of the merger, Nenaco will contribute its five ships plus cash of US\$6.2 million, while the Supercat venture will contribute seven ships.

First Pacific's Managing Director Manuel V. Pangilinan said: "This enlarged operation brings together the two pioneers in the Philippines' fast-ferry business to create the dominant player in an industry that is vital in an archipelago such as the Philippines. This transaction is reflective of the First Pacific Group's stated strategy of seeking to consolidate the industries in which it operates to create larger entities with commanding market shares."

George Wong, Chairman of the Hong Kong Parkview Group, said: "We are delighted to have formed this venture with the First Pacific Group, which will build on the strength of our existing partnership with the Aboitiz family. We will continue to seek opportunities for the expansion of our fast-ferry operations in other areas."