



**FIRST PACIFIC COMPANY LIMITED**

(Incorporated in Bermuda with limited liability)

**GROUP CORPORATE COMMUNICATIONS**

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**Tuesday, 25 March 2008**

**2007 RESULTS SIGNIFY TURNAROUND FOR MPIC  
FULL YEAR 2007 CORE NET INCOME OF P194.9 MILLION VS  
LOSS OF P25.4 MILLION IN 2006  
REPORTED NET INCOME OF P167.9 MILLION (AUDITED) VS  
LOSS OF P685.9 MILLION LAST YEAR**

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 94 per cent.

MPIC is a Philippine-based, publicly listed, investment and management company with holdings in a water utility, a real estate development and a healthcare enterprise. 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)**

**2007 RESULTS SIGNIFY TURNAROUND FOR MPIC**  
**FULL YEAR 2007 CORE NET INCOME OF P194.9 MILLION VS**  
**LOSS OF P25.4 MILLION IN 2006**  
**REPORTED NET INCOME OF P167.9 MILLION (AUDITED) VS**  
**LOSS OF P685.9 MILLION LAST YEAR**

- Core net income of P194.9 million for the full year 2007 vs. full year core net loss of P25.4 million in 2006
- Reported net income of P167.9 million vs. net loss of P685.9 million last year
- Contribution from operations at P277.5 million compared with a contribution of P32.5 million last year, an improvement of 754%
- Maynilad core net income contribution at P679.9 million
- Landco core net income contribution at P139.4 million vs. P16.7 million in 2006
- Makati Medical contribution at P10.8 million, representing 7.5% equitized income for seven months in 2007

**MANILA, PHILIPPINES, 25th March 2008** – Metro Pacific Investments Corporation (“MPIC”) (PSE: MPI) today reported core net income of Pesos 194.9 million for the year 2007, compared with a core net loss of Pesos 25.4 million last year. Together with non-recurring loss of Pesos 27.0 million, reported net income stood at Pesos 167.9 million for this year, against a net loss of Pesos 685.9 million for 2006.

The considerable improvement in net income for the year is largely attributed to the strong showing of MPIC’s two operating companies, **Maynilad Water Services, Inc. (“Maynilad”)** and **Landco Pacific Corporation (“Landco”)**. Maynilad reported net income of Pesos 1.25 billion for 2007 and contributed Pesos 679.9 million to MPIC’s core net income for the year, representing MPIC’s attributable share of Maynilad’s core net income. Landco’s results for the year showed a net income of Pesos 261.2 million compared with a loss of Pesos 12.9 million last year. Landco provided Pesos 139.4 million in core net income contribution to MPIC, compared with Pesos 16.7 million in 2006. **Medical Doctors Inc. (“MDI” or “Makati Medical”)** for its part contributed Pesos 10.8 million, reflecting MPIC’s 7.5% equitized income in MDI.

“Returning to profitability is a significant milestone for MPIC. Several years ago, we began a determined effort to rebuild the Company, with a view to becoming again a major corporation in our country. The return to financial health of MPIC is a consequence of that intense focus and effort: this now allows MPIC to pursue growth opportunities in a very active way.” said **MPIC Chairman Manuel V. Pangilinan**.

**Maynilad: Continued Improvement in Performance Indicators**

Maynilad reported net income of Pesos 1.25 billion for 2007 compared with Pesos 1.00 billion last year, an improvement of 25.0%. The increase in net income for the year can be attributed to improvements in Maynilad’s key performance indicators across-the-board. Specifically, non-revenue water has been reduced to an average of 66% for 2007, from a 2006 average of 68%. Total volume of billed water also improved significantly, rising 9% to 286 million cubic meters for 2007 from 262 million cubic meters last year. Total billed customers increased to 703,519 as of end this year, compared with 677,985 as of end 2006, a growth of 4%.

Maynilad's core net income contribution to MPIC was reduced by financing charges and operating expenses incurred by DMCI-MPIC parent company amounting to Pesos 1.10 billion. The financing charges relate to the US\$192 million loans availed from First Pacific Company Limited and Ashmore Investment Management Limited to fund the cash deposit securing the Stand-by Letters of Credit required for the acquisition of Maynilad. These were partially offset by financing income from the same cash deposits. MPIC's share in DMCI-MPIC's financing and operating expense charges was Pesos 550.5 million.

"The recent exit of Maynilad from its court-administered rehabilitation will allow it to make significant investments in its system improvement initiatives in the short to medium term, foremost among which is the reduction of non-revenue water," said **Jose Ma. K. Lim, MPIC's President and CEO**.

Maynilad's core net income contribution from operations, net of financing charges and transaction expenses incurred by DMCI-MPIC, was Pesos 129.4 million, representing 46.6% of MPIC's total contribution from operations of Pesos 277.5 million.

The acquisition of Maynilad was completed in January 2007 and is being equity accounted by MPIC.

### **Landco: The Leader in Leisure Estates**

Landco's net income for the year stood at Pesos 261.2 million versus last year's net loss of Pesos 12.9 million as revenues jumped 191% to Pesos 2.08 billion from last year's Pesos 712.4 million. The success of its residential resort projects -- the Ponderosa Leisure Farms, Amara en Terrazas, Playa Calatagan, Leisure Farms, Terrazas de Punta Fuego and Montelago -- contributed significantly to the increase in revenues.

With the launch and marketing of new projects in the year just concluded, Landco's operating expenses rose to Pesos 884.2 million from last year's Pesos 695.8 million, an increase of 27.1%. Net financing income in 2007 increased to Pesos 171.4 million compared with Pesos 135.0 million in 2006. This improvement principally came from the accretion of significantly higher levels of installment receivables.

Landco's core net income contribution was Pesos 139.4 million representing 50.2% of MPIC's total contribution from operations for the year.

### **Medical Doctors Inc.: The Healthcare Leader Builds Its Future**

MDI, which owns and operates the Makati Medical Center, recorded net income of Pesos 268.5 million in 2007, up 20.3% from its 2006 net income of Pesos 223.1 million. Both its hospital services and educational services posted significant increases in their gross revenue contribution. Hospital services raised its gross revenue contribution 10.9% to Pesos 2.94 billion in 2007 from Pesos 2.65 billion in 2006. Educational services revenue increased 13.0% to Pesos 83.5 million, from Pesos 73.9 million.

In May 2007, MPIC subscribed to Pesos 750.0 million in Subordinated Convertible Notes issued by MDI. On 7<sup>th</sup> June 2007, MPIC converted Pesos 120.0 million of such Subordinated Convertible Notes into common shares of MDI, representing a 7.5% equity ownership in MDI. The balance of the Notes outstanding was converted in full in January 2008. In aggregate, MPIC now owns 33.45% of MDI.

Makati Medical is currently in the midst of its multi-year Facilities Improvement Program ("FIP"), financed by the issuance of these Subordinated Convertible Notes aggregating Pesos 961.0 million and by internal cash resources. This redevelopment, renovation, expansion and upgrade program will establish Makati Medical as an international-standard healthcare facility and further enhance its ability to attract and retain the country's most-respected medical practitioners and technicians.

The on-going FIP involves the construction of a new building that will house its treatment and diagnostic centers, thereby freeing up space in the existing building to provide additional patients' room and doctors' offices. The FIP also involves the renovation of the existing buildings.

Despite the renovation work ongoing within the existing hospital, and the construction work in what was formerly the adjacent open parking lot, Makati Medical continues to maintain its occupancy rate and provide the high standard of healthcare services it is renowned for.

### **Outlook for 2008**

According to Mr. Lim “The financing charges at the DMCI-MPIC level attenuated indeed the income contribution of Maynilad to MPIC. That said, these same financing charges are non-recurring in nature, and it can be expected that the contribution from DMCI-MPIC in 2008 will show an improvement from 2007. We should expect Landco and Makati Medical to better their performance in 2008.”

“Now that MPIC is once again profitable, the focus of the Company can be redirected towards identifying and pursuing opportunities in the areas of natural resources, infrastructure, healthcare and hotel business. Growth in our investment portfolio as well as in contribution from Maynilad, Landco, and Makati Medical should raise MPIC’s core net income in 2008 compared with 2007. We look forward to a more exciting and active year for MPIC.” concluded Mr. 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.*