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## **FIRST PACIFIC COMPANY LIMITED**

**第一太平有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

### **OVERSEAS REGULATORY ANNOUNCEMENT**

**Please refer to the attached disclosure filed by Metro Pacific Investments Corporation (“MPIC”) with the Philippine Stock Exchange, in relation to the SEC Form 17-C together with the press release relating to MPIC’s unaudited consolidated financial results for the nine months ended 30 September 2016.**

**Dated this the 8<sup>th</sup> day of November, 2016**

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

***Non-executive Directors:***

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

***Independent Non-executive Directors:***

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. **8 November 2016**  
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CS200604494**
3. BIR Tax Identification No. **244-520-457-000**
4. **METRO PACIFIC INVESTMENTS CORPORATION**  
Exact name of issuer as specified in its charter
5. **METRO MANILA, PHILIPPINES**  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. **10<sup>th</sup> Floor, MGO BUILDING, LEGAZPI COR. DELA ROSA STREETS, LEGAZPI VILLAGE, MAKATI CITY, METRO MANILA, PHILIPPINES**  
.....  
Address of principal office Postal Code
8. **(632) 888-0888**  
Issuer's telephone number, including area code
9. **NA**  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>COMMON SHARES OF STOCK</b>	<b>31,503,478,752*</b>

*\*as reported by the stock transfer agent as of 31 October 2016.*

11. Indicate the item numbers reported herein: **Item 9**

**Item 9. Other Items**

Please see attached press release.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**METRO PACIFIC INVESTMENTS CORPORATION**  
MPIC or Issuer

**8 November 2016**  
Date



.....  
**RICARDO M. PILARES III**  
General Counsel/Assistant Vice President - Legal  
Compliance Officer



## PRESSRELEASE

### **9M 2016 Core Net Income Up 13% to ₱9.3 Bln** *Setting the Stage for Record Full-Year Earnings*

- **9M 2016 Core Net Income up 13% to ₱9.3 Bln from ₱8.2 Bln in 9M 2015**
- **Reported Net Income attributable to shareholders up 22% to ₱9.5 Bln**
- **Consolidated revenues up 23% to ₱33.1 Bln vs. ₱27.0 Bln**
- **Fully Diluted Core Net Income per share up 5% to 31.36 centavos**
- **MPIC Parent gearing ratio of 24.4% vs. 26.9% at year end**
- **MERALCO Core Net Income ₱15.0 Bln, Core EBITDA ₱26.2 Bln**
- **GBPC Core Net Income ₱1.9 Bln, Core EBITDA ₱6.2 Bln**
- **Maynilad Water Core Net Income ₱5.4 Bln, Core EBITDA ₱11.1 Bln**
- **Tollways Core Net Income ₱2.4 Bln, Core EBITDA ₱5.6 Bln**
- **Hospital Group Core Net Income ₱1.3 Bln, Core EBITDA ₱3.2 Bln**
- **Light Rail Manila (LRT1) Core Net Income ₱424 Mln, Core EBITDA ₱557 Mln**

MANILA, Philippines, 8 November 2016 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today reported a 13% rise in consolidated Core Net Income to ₱9.3 billion for the nine (9) months ended 30<sup>th</sup> September 2016 from ₱8.2 billion in the same period last year on the back of strong growth at all its operations.

Core Net Income was lifted by: (i) robust traffic growth on all the roads held by Metro Pacific Tollways Corporation (“MPTC”); (ii) an expanded power portfolio through increased investment in Beacon Electric Asset Holdings Inc. (“Beacon Electric”) and Global Business Power Corporation (“Global Power”); and (iii) continuing growth in the Hospital Group.

In terms of contribution to the Company's net operating income: Power (distribution and generation) accounted for ₱5.7 billion or 49% of the aggregate contribution; Water (distribution, production and sewerage treatment) contributed ₱2.7 billion or 23% of the total; Tollroads contributed ₱2.6 billion or 23% of the total; the Hospital Group contributed ₱443 million or 4% of the total; and the Rail and Systems Group contributed ₱135 million or 1% of the total.

Consolidated Reported Net Income attributable to owners of the parent company improved 22% to ₱9.5 billion during the first nine months of 2016 from ₱7.8 billion a year earlier. Non-recurring income amounted to ₱196 million following a reassessment of future deferred taxes and discharge from certain guaranty undertakings.

"Our continuing earnings growth reflects significant volume increases for all our businesses together with our intense focus on operational efficiencies which have been achieved as a result of years of elevated capital expenditures. As such, while our earnings progress is encouraging our core annualized return on equity of 9.2%, which reflects our ₱149 billion of shareholders' funds invested, requires further improvement." said Jose Ma. K. Lim, President and CEO of MPIC. "Discussions with the new Administration on resolving some of our overdue tariff increases are ongoing. I am hopeful we will have more to report soon."

Lim went on to say, "I expect continued volume growth for the rest of the year from all our businesses. We have seen encouraging post-acquisition performance at Global Power which offers us immediate attractive cash returns and solid medium term prospects."

## **Operational Review**

### **POWER:**

In May of this year MPIC deepened its participation in the Philippine power sector with the increase in MPIC's effective ownership in MERALCO through the acquisition of 25% of Beacon Electric and Beacon Electric's acquisition of Global Power Corporation ("Global Power"). The increase in MPIC's effective ownership in MERALCO, lower debt at Beacon Electric and the contribution from Global Power combined to increase the power business contribution to MPIC for the period by 46% to ₱5.7 billion.

MPIC is now ideally positioned to continue its development of power related services and investments in the Philippines with its combination of distribution, generation and retail electricity sales offerings across Luzon and the Visayas.

### **MERALCO**

MERALCO's Core Net Income for the first nine months of 2016 decreased by 5% to ₱15.0 billion as an increase in electricity consumption was offset by lower distribution tariffs and the absence of the Generation and Transmission recoveries recorded in 2015.

Energy sales rose 9.5% driven by strong demand from all customer classes, particularly residential, warmer weather during the first four months of the year and high consumption during the national elections in May.

Notwithstanding the increase in energy sales, total revenues declined 1% to ₱195.2 billion primarily due to lower pass-through generation and other charges as a result of significantly lower fuel prices, higher availability of MERALCO's contracted power plants and competitively negotiated Power Supply Agreements ("PSA"). This is good for consumers.

During the year, the Energy Regulatory Commission ("ERC") approved ₱15.4 billion and ₱8.7 billion of capital expenditures for the 1<sup>st</sup> and 2<sup>nd</sup> Regulatory Year capex of the 4<sup>th</sup> Regulatory Period, respectively. This will enable MERALCO to undertake much needed capex for load and customer growth, system reliability, power quality and efficiency of the distribution system and support to the National Government's PPP projects. MERALCO spent ₱7.5 billion on capex for the first nine months of 2016 on projects addressing critical loading of existing facilities and accommodating growth in demand and customer connections. MERALCO also remains equally focused on surpassing the previous year's operating performance with the 12-month moving average system loss at a record best of 6.4% at the end of September 2016, 2.1 percentage points lower than the regulatory cap set by the ERC of 8.5%.

MERALCO through MERALCO PowerGen Corporation ("MGen") continues to increase the scope of its power projects:

- Redondo Peninsula Energy, Inc. ("RP Energy"), a joint venture of MGen, Therma Luzon, Inc., and Taiwan Cogeneration International Corporation, is awaiting ERC approval of the PSA covering a substantial portion of its first 300 MW capacity.
- San Buenaventura Power Limited ("SBPL"), a joint venture between MGen and Thailand's New Growth B.V., is developing a 455 MW (net) supercritical coal-fired power plant in Mauban, Quezon. Construction activities are proceeding as scheduled with commercial operation beginning by 2019.
- Atimonan One Energy Corporation is awaiting review and approval of its PSA by the ERC for it to issue a Notice to Proceed for the Engineering, Procurement and Construction ("EPC") for its 2x600 MW coal-fired plant in Atimonan, Quezon. The PSA is scheduled for hearing at the ERC on 14<sup>th</sup> November 2016. The PSA for the entire capacity was contracted by MERALCO.
- Global Power, in which MERALCO owns 14%, is awaiting ERC's approval of the PSA covering 70MW of its 150W coal-fired facility in Iloilo City. Commercial operation is expected by the end of 2016.

- MGen has signed joint venture agreements for the St. Raphael 2x350 MW (net) pulverized coal-fired plant with Semirara Mining and Power Corporation and the 4x132 MW Mariveles Power Generation Corporation coal-fired plant with San Miguel Energy Corporation.

*The full text of MERALCO's Earnings Press Release issued on 24<sup>th</sup> October 2016 is available at <http://www.meralco.com.ph>.*

## **Global Power**

Global Power is the leading power supplier in the Visayas region and Mindoro Island, with a current combined gross maximum capacity of 704 MW comprising 696.5 MW of power supplied to the Visayas grid and 7.5 MW of power supplied within Mindoro.

Global Power is set to increase its generating capacity to 854 MW through a 150 MW expansion project expected to commence commercial operations later this month. This 150 MW power plant has been successfully synchronized to the Visayas grid and is now undergoing final testing.

In Luzon, Global Power's main development project is a 670 MW super critical coal fired plant in La Union, Pangasinan. This power project is supported by a 600 MW Power Supply Agreement with MERALCO awaiting ERC approval.

Volume of power sold for the first nine months of 2016 was at 2,691 GWH, unchanged from last year due to grid capacity constraints in Visayas preventing full dispatch. Core Income growth of 12% was achieved through a significant improvement in operating routines leading to reduced plant outages and consequently lower purchases from WESM to source power obligations to customers. Since acquisition, Global Power's contribution to the core income of MPIC amounted to ₱263 million, net of financing costs.

## **WATER:**

MPIC's water business comprises its investments in Maynilad, the biggest water utility in the Philippines, and MetroPac Water Investments Corporation ("MWIC"), the Company's unit focused on business development outside Metro Manila.

Our water segment's contribution to Core Net Income amounted to ₱2.7 billion for the first nine months of 2016 attributable substantially to Maynilad.

Together, Maynilad and MWIC currently provide water services to a total of 1,426,619 water connections across the Philippines.

## Maynilad

Maynilad achieved a 4% increase in volume sold in its concession area for the first nine months of 2016. The number of water connections (or billed customers) rose 4% to 1,301,619 at the end of September 2016 from 1,247,204 in September 2015.

Non-Revenue Water (“NRW”) increased slightly to 30.6% as at the end of September 2016 from 29.4% at end-September 2015 reflecting reduced water production in anticipation of El Nino last year. Just nine years ago, when MPIC first invested in Maynilad, NRW was at a staggering 68% and millions of customers had inadequate access to water. Just in the first nine months of 2016, Maynilad repaired 22,304 pipe leaks across its concession area, making possible the recovery of some 35.79 MLD (million liters per day) of water for the use of its customers.

Maynilad installed 82 kilometers of water pipes in the period, expanding its distribution line to 7,653 kilometers. Maynilad increased drinking water supply and sewerage coverage to 94% and 14% of its population, respectively, while maintaining 24-hour service and average water pressure of over 7 psi at 100%. Capital expenditure for the first nine months of 2016 amounted to ₱6,027 billion and funded one new waste water treatment facility, four pumping stations, five reservoirs and two water pressure boosters. This year, Maynilad has allocated ₱13.6 billion for water and wastewater infrastructure projects; ₱11.5 billion of this is allocated to drinking water infrastructure and the NRW reduction program. The remainder will be allocated to wastewater management projects in Cavite, Muntinlupa, Quezon City and Valenzuela.

Total revenues for the first nine months of 2016 rose 7% to ₱15.2 billion from ₱14.2 billion in the first nine months of 2015 due to the higher billed volume and inflationary increases in tariff. Core Net Income decreased by 25% to ₱5.4 billion from ₱7.2 billion mainly due to the expiration of Maynilad’s income tax holiday in December 2015.

Consolidated billed volume for Maynilad and its subsidiary Philhydro rose 4% to 384.0 MCM from 369.9 MCM.

The matter of the Maynilad tariff implementation remains unresolved as does the related claim on the Republic of the Philippines:

- In 2014, Maynilad received a favorable award in the arbitration of its 2013-2017 water tariff which centered on Corporate Income Taxes being a recoverable expense. The MWSS has still not implemented the awarded tariff increase while indicating they will await clarification from the Supreme Court of the Philippines before proceeding.
- Acting in formal accordance with the provisions of its concession, Maynilad has notified the Republic of the Philippines (“Republic”) that it is calling on the Republic’s written undertaking to compensate Maynilad for losses arising from delayed implementation of the new tariff. On 27<sup>th</sup> March 2015 Maynilad served a Notice of Arbitration against the Republic. Hearings on the arbitration will begin in December 2016 with expected resolution by first quarter of 2017.



Securing compensation and implementation of the tariff adjustment will result in sufficient resources to fund the expenditures needed to meet agreed-upon service obligations.

### **MetroPac Water Investments Corporation (“MWIC”)**

MWIC continues to expand its wastewater services and water supply projects outside Metro Manila.

#### Water projects:

- On June 20, 2016, MWIC received original proponent status for the Cagayan de Oro 100 MLD bulk water supply project. This network currently serves a population of more than 749,000 with over 88,000 active service connections. The challenge period is expected to be conducted by this month.
- Laguna Water District Aquatech Resources Corporation (“LARC”) commenced operation and management of the distribution network of the Laguna Water District on 1<sup>st</sup> January 2016. In just nine months, NRW averaging 27% pre-take over was reduced to 23% and service connection coverage from 52% to 53%.
- Metro Iloilo Bulk Water Supply Corp. (“MIB”), a joint venture with the Metro Iloilo Water District (“MIWD”), commenced operation 5<sup>th</sup> July 2016. MIB holds the joint venture project for the supply of up to 170 MLD of bulk treated water to MIWD and the rehabilitation, expansion, operation, and maintenance of certain water facilities. Since commencement of operations, MIB successfully increased production volume to approximately 44 MLD, an increase of 16% from pre-take over production of 38 MLD and intends to raise production to up 55 MLD by end of 2017.

To date, MWIC’s operating water projects collectively provide 140 MLD of water in Cebu, Laguna and Iloilo.

#### Wastewater project:

In June 2016, MWIC completed the acquisition of a controlling stake in Eco-System Technologies International, Inc. (“ESTII”), a leading commercial wastewater specialist. This acquisition allows MPIC to diversify its water sector investment holdings and invest in the high-growth wastewater EPC and O&M market.

Currently these projects are small relative to Maynilad but MPIC believes there is significant opportunity in bringing the group’s expertise in clean water distribution and wastewater treatment to those communities outside Metro Manila who lack this fundamental service.

## **TOLLROADS:**

MPTC, which holds the concessions for our domestic tollways system (NLEX, CAVITEX and SCTEX) and the group's investments in foreign toll roads (CII B&R of Vietnam and Don Muang Tollway Public Company Ltd. ("DMT") of Thailand), recorded Core Net Income of ₱2.4 billion for the first nine months of 2016, 20% higher than the ₱2.0 billion recorded last year.

The growth in core income was a function of surging traffic growth, cost controls, and new contributions from SCTEX and CII B&R. The continuing expansion and development of major road networks in northern Luzon added to the increase of traffic along NLEX-SCTEX. Average daily entries rose 9% on the NLEX, 16% on the SCTEX and 14% on the R1 Extension of CAVITEX compared with same period last year.

Outside the Philippines, MPTC's investments in Thailand and Vietnam are performing well. Contribution from DMT, in which the group owns a 29.5% equity interest, rose to ₱292 million compared with ₱204 million a year earlier on 15% traffic growth due to lower fuel prices and higher passenger volumes at the Don Muang Airport.

CII B&R, in which MPTC owns a 44.9% equity interest, contributed ₱83 million to core income during the first nine months of 2016.

Average daily vehicle entries for all three of our domestic tollways system (NLEX, CAVITEX and SCTEX) totaled 400,809; DMT adds a further 95,476 a day; and CII B&R 48,960 a day bringing the overall total traffic on our roads to 545,245 vehicles per day.

In the Philippines, MPTC's new projects are gaining traction:

- The Department of Public Works and Highways ("DPWH") continues to secure rights of way for the Cavite Laguna Expressway ("CALAx") with construction beginning as early as next year. MPTC was awarded the 35-year CALAx concession in 2015.
- In April 2016, MPTC signed a joint venture agreement with the City of Cebu and Municipality of Cordova to build the ₱27.9 billion Cebu-Cordova link expressway. The 8.25-km toll road will connect Cebu City to Mactan Island via Cordova. The joint venture, Cebu Cordova Link Expressway Corporation ("CCLEC") was incorporated on 8<sup>th</sup> August 2016 and the Concession agreement was signed on October 3, 2016 and construction is set to start in the second half of 2017 and expected to be completed by 2020.
- On September 19, 2016, MPTDC and its subsidiary MNTC, the original proponents for the NLEX-SLEX Connector Road Project (Connector Project) received the Notice of Award for the project from the DPWH. The Connector Project, with an estimated project cost of ₱21.8 billion, is an 8-km elevated toll expressway over the right of way of the Philippine National Railways starting at the junction of the North Luzon Expressway (NLEX) Segment 10 at C-3 Road/5th Avenue in Caloocan City, and seamlessly connecting to the South Luzon

Expressway (SLEX) through the Metro Manila Skyway Stage 3 Project in the City of Manila. Once completed, the NLEX-SLEX Connector Road Project will decongest Metro Manila traffic and provide better access to seaports and airports. MNTC received Notice of Compliance with all pre-requisite conditions from DPWH on 26<sup>th</sup> October 2016 and signing of the Concession agreement is expected in November.

For existing roads NLEX, SCTEX and CAVITEX, service is focused on meeting traffic growth with further expansion.

Construction continues on Segments 2 and 3 of the NLEX Road-Widening Project (with project cost of ₱2.6 billion) and Segment 10 of the NLEX Harbour Link (costing ₱10.5 billion). MNTC has completed 40% and 82% construction work on Segment 2 and 3, respectively. Segment 10 of the NLEX Harbour Link, a 5.6-km elevated expressway running from Valenzuela City all the way to C3 in Caloocan City is expected to be completed by second half of 2017.

Acquisition of the rights of way for the C5 Link Expressway continues. C5 Link Expressway, which is part of the existing CAVITEX network, is a ₱12.7 billion project spanning 7.6 kilometers to link C-5 Road in Taguig to R-1 (Coastal) Expressway. Construction is expected to start by the first quarter of 2017 upon approval of the final engineering design.

Under the previous Government administration, sizeable pending tariff adjustments accumulated for the NLEX and the CAVITEX through successive failures to raise tariffs since 2012. NLEX has accumulated a 15% increase that should have been implemented in January 2015, representing two cycles since 2013. CAVITEX is owed a 25% increase on R1 pending since January 2015, representing two cycles since 2012, and a 16% increase on R1 Extension owned since January 2014. These accumulated tariff adjustments are constraining MPTC's ability to finance road construction necessary for continued economic growth and are not in accordance with the respective concession agreements.

MPTC's various road construction projects will cost approximately ₱132 billion over the next few years. It is therefore imperative that overdue tariff increases be implemented to enable these projects to be appropriately funded for the good of the nation. We are in constructive dialogue with the new Administration and anticipate an agreement on resolution before the end of the year.

## **HOSPITALS:**

Metro Pacific Hospital Holdings, Inc. ("MPHHI") saw aggregate Core Net Income surge 41% to ₱1,333 million in the first nine months of 2016 compared with the same period last year. Of the increase in core net income, 19% pertains to the contribution from new hospital acquisitions in 2016 and organic growth of 22% is driven by lower interest expense, cost savings from purchasing synergies and increasing patient revenues

across the company's existing hospitals.

New hospital acquisitions – Manila Doctors Hospital (20% interest acquired on 28<sup>th</sup> December 2015), Sacred Heart Hospital of Malolos Inc. (51% equity shareholding beginning 7<sup>th</sup> March 2016), Marikina Valley Medical Center (93% equity shareholding starting 29<sup>th</sup> July 2016) – contributed ₱177 million to the increase in core income.

Contribution to MPIC's core net income grew 39% from ₱319 million in the first nine months of 2015 to ₱443 million in the first nine months of 2016.

MPHHI has grown to 12 hospitals with approximately 2,800 beds throughout the country – seven in Metro Manila and five around the country (Davao, Bacolod, Tarlac, Zamboanga, and Bulacan). In addition, MPHHI has also invested in a mall-based diagnostic and surgical center in SM Megamall, and has indirect ownership in two healthcare colleges in Davao and Bacolod.

## **RAIL AND TICKETING:**

Light Rail Manila Corporation (“LRMC”), in which MPIC holds an effective stake of 55%, has operated the LRT Line 1 (“LRT1”), since 12<sup>th</sup> September 2015.

LRMC served an average daily ridership of 404,307 for the first nine months of 2016, an improvement of 7% from the average daily ridership of 377,491 recorded in September 2015 when LRMC first took over operations. It should be noted that out of the 100 Light Rail Vehicles (LRVs) committed to be delivered to LRMC upon takeover, only 77 were in safe operating condition. Since the handover of the LRT1, LRMC has successfully restored a further 15 LRV's bringing the total available to 92 by end of September 2016.

On 11<sup>th</sup> February 2016, LRMC signed a ₱24 billion loan facility and the EPC agreement for the LRT1 Cavite Extension. Of the loan facility, ₱15.3 billion is allocated for the Cavite Extension and the remaining ₱8.7 billion for the rehabilitation of the existing LRT1 system. LRMC recently commenced the installation of new rails from Baclaran to 5<sup>th</sup> Avenue stations. This project covers 21 kilometers of rail tracks on the northbound route and 5 kilometers on the southbound route, that when completed, will enable the reinstatement of a train running speed of 60 kph to shorten journey times and increase transport capacity for passengers. The replaced rails will also increase the lifespan of the LRVs, reduce wear and tear of the rolling stock, and improve the reliability of the whole light rail system.

Improvements continue on the LRT-1 passenger stations with the goal of enhancing accessibility, safety and security of commuters. The station improvement project covering all 20 passenger stations of the existing LRT Line 1 system is expected to be completed by the second half of 2017.

AF Payments Inc. (“AFPI”), in which MPIC has a 20% stake, holds the Automated Fare Collection System (“AFCS”) franchise for LRT1, LRT2, and MRT3. Through a contactless payments card known as the “beep™ card”, AFPI has created an integrated

ticketing system for the light rail lines allowing commuters to switch seamlessly from one line to another. To date, 2.5 million beep™ cards are in circulation and our goal is to continue to expand its usage in public transport, toll roads and retail establishments.

## **LOGISTICS:**

On 19<sup>th</sup> May 2016, MPIC through MetroPac Movers, Inc. (“MMI”) invested ₱2.2 billion to acquire the business and assets of a group of logistics service providers including Basic Logistics, Inc.

On top of this initial investment, MPIC expects to invest an additional ₱3 billion in this business over a five-year period to support organic growth. There is strong demand for logistics services and the sector, which is broadly unregulated, offers the prospect of attractive returns. Already the business is winning new contracts and executing well for existing customers.

## **Corporate Social Responsibility (“CSR”):**

Shore It Up through MPIC Foundation held a full marathon in Del Carmen, Siargao – home to a 4,000 hectare contiguous mangrove forest. Now in its fourth year, the weekend program has brought about a 95% reduction of mangrove cutting and an 85% average survival rate on 800 hectares of mangroves planted. The Mangrove Protection & Information center in Del Carmen has become a major tourist destination generating income for the local community with an average of 100 foreign and local tourists per day.

## **Conclusion and Outlook**

“All our businesses are fully focused on service quality and operational efficiency, while at the same time growing our sales and core profitability to improve the lives of all our customers - providing first class medical care, offering safe and efficient road and rail transportation, delivering electricity to power homes and businesses, and piping clean, safe water to improve consumption and sanitation,” said MPIC Chairman Manuel V. Pangilinan. “The strong results during the first nine months of the year reflect our ongoing expansion of investment, continuing improvements in service levels and efficiency as well as financial gains for our operating companies.”

He said, “I am hopeful we will soon see some progress on resolution of our past regulatory issues which would further increase funds for investments and contribute to an acceptable return on our shareholders’ funds. At this stage we are guiding to full year Core Net Income of ₱11.7 billion up from ₱11.5 billion guidance at the half year.”

## **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 Peso Millions)

	<b>Unaudited September 30, 2016</b>	Audited December 31, 2015
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents and short-term deposits	<b>₱21,842</b>	₱23,936
Restricted cash	<b>2,326</b>	2,414
Receivables	<b>4,837</b>	4,441
Due from related parties	<b>100</b>	137
Other current assets	<b>4,140</b>	3,938
	<b>33,245</b>	34,866
Assets held for sale	<b>1,058</b>	1,480
<b>Total Current Assets</b>	<b>34,303</b>	36,346
<b>Noncurrent Assets</b>		
Restricted cash	<b>889</b>	889
Receivables	<b>56</b>	145
Available-for-sale financial assets	<b>2,111</b>	2,018
Investments and advances	<b>122,887</b>	96,202
Goodwill	<b>20,988</b>	18,308
Service concession assets	<b>144,679</b>	135,760
Property and equipment	<b>9,877</b>	8,016
Property use rights	<b>564</b>	596
Other noncurrent assets	<b>5,691</b>	3,900
<b>Total Noncurrent Assets</b>	<b>307,742</b>	265,834
	<b>₱342,045</b>	₱302,180

(Forward)

**METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Amounts in Peso Millions)

	Unaudited September 30, 2016	Audited December 31, 2015
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities	P15,595	P14,757
Income tax payable	496	417
Due to related parties	1,764	8,550
Current portion of:		
Provisions	4,764	5,475
Service concession fees payable	406	565
Long-term debt	3,557	4,149
<b>Total Current Liabilities</b>	<b>26,582</b>	<b>33,913</b>
<b>Noncurrent Liabilities</b>		
Noncurrent portion of:		
Provisions	336	263
Service concession fees payable	25,696	25,188
Long-term debt	90,611	83,433
Due to related parties	6,583	-
Deferred tax liabilities	3,500	4,610
Other long-term liabilities	4,109	3,996
<b>Total Noncurrent Liabilities</b>	<b>130,835</b>	<b>117,490</b>
<b>Total Liabilities</b>	<b>157,417</b>	<b>151,403</b>
<b>Equity</b>		
Owners of the Parent Company:		
Capital stock	31,617	27,935
Additional paid-in capital	68,431	49,980
Treasury shares	(167)	-
Equity reserves	6,269	6,248
Retained earnings	41,913	35,149
Other comprehensive income reserve	1,243	510
<b>Total equity attributable to owners of the     Parent Company</b>	<b>149,306</b>	<b>119,822</b>
Non-controlling interest	35,322	30,955
<b>Total Equity</b>	<b>184,628</b>	<b>150,777</b>
	<b>P342,045</b>	<b>P302,180</b>



**METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

(Amounts in Peso Millions, except Per Share Amounts)

	<b>Nine Months Ended September 30</b>	
	<b>2016</b>	<b>2015</b>
<b>OPERATING REVENUES</b>		
Water and sewerage services revenue	<b>₱15,336</b>	₱14,243
Toll fees	<b>8,794</b>	6,971
Hospital revenue	<b>6,556</b>	5,594
Rail revenue	<b>2,224</b>	151
Warehousing	<b>229</b>	-
	<b>33,139</b>	26,959
<b>COST OF SALES AND SERVICES</b>	<b>(13,412)</b>	(9,871)
<b>GROSS PROFIT</b>	<b>19,727</b>	17,088
General and administrative expenses	<b>(6,575)</b>	(5,667)
Interest expense	<b>(4,182)</b>	(3,699)
Share in net earnings of equity method investees	<b>5,423</b>	4,140
Interest income	<b>306</b>	413
Construction revenue and other income	<b>12,680</b>	10,092
Construction costs and other expenses	<b>(10,928)</b>	(9,530)
<b>INCOME BEFORE INCOME TAX</b>	<b>16,451</b>	12,837
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>		
Current	<b>3,121</b>	1,080
Deferred	<b>(384)</b>	(84)
	<b>2,737</b>	996
<b>NET INCOME</b>	<b>₱13,714</b>	₱11,841
<b>OTHER COMPREHENSIVE INCOME (OCI)</b>		
Net OCI to be reclassified to profit or loss in subsequent periods	<b>746</b>	(108)
Net OCI not being reclassified to profit or loss in subsequent periods	<b>-</b>	-
	<b>746</b>	(108)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱14,460</b>	₱11,733
<b>Net income attributable to:</b>		
Owners of the Parent Company	<b>₱9,480</b>	₱7,794
Non-controlling interest	<b>4,234</b>	4,047
	<b>₱13,714</b>	₱11,841
<b>Total comprehensive income attributable to:</b>		
Owners of the Parent Company	<b>₱10,213</b>	₱7,695
Non-controlling interest	<b>4,247</b>	4,038
	<b>₱14,460</b>	₱11,733
<b>EARNINGS PER SHARE</b>		
Basic Earnings Per Common Share, Attributable to Owners of the Parent Company <i>(In Centavos)</i>	<b>₱32.05</b>	₱28.22
Diluted Earnings Per Common Share, Attributable to Owners of the Parent Company <i>(In Centavos)</i>	<b>₱32.02</b>	₱28.20