



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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METRO PACIFIC INVESTMENTS CORPORATION

**FIRST HALF 2008 CORE NET INCOME OF PESOS 24.5 MILLION VS
RESTATED CORE NET LOSS OF PESOS 43.9 MILLION FOR FIRST HALF 2007**

**REPORTED NET INCOME FOR THE PERIOD OF PESOS 361.5 MILLION VS
RESTATED NET INCOME OF PESOS 359.1 MILLION LAST YEAR**

**MAYNILAD CORE NET INCOME FOR THE PERIOD AT PESOS 1.21 BILLION VS
PESOS 775.1 MILLION LAST YEAR, AN IMPROVEMENT OF 56%**

REMAINING SHAREHOLDER ADVANCES CONVERTED INTO EQUITY

The attached press release was released today in Manila by Metro Pacific Investments Corporation (“MPIC”), in which through an affiliate First Pacific Group has an equity interest.

MPIC is a Philippine-based, publicly-listed, investment and management company with holdings in water utility, real estate development and healthcare enterprises. Further information on MPIC is available at www.mpic.com.ph.

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REMAINING SHAREHOLDER ADVANCES CONVERTED INTO EQUITY

MAKATI CITY, PHILIPPINES, 14th AUGUST 2008 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI) today reported Core Net Income of Pesos 24.5 million for the first half of 2008, a significant improvement from the restated Core Net Loss of Pesos 43.9 million for the same period last year. Including non-recurring gains (net of non-recurring losses), Reported Net Income reached Pesos 361.5 million for the period, against a restated Net Income of Pesos 359.1 million for the first half of 2007. The 2007 numbers are being restated to reflect the impact of the International Financial Reporting Interpretation Committee’s Interpretation 12 -- also known as “IFRIC 12” or “Service Concession Arrangements” -- on the water concession company accounts, which is being adopted for the first time this year.

The substantial improvement in Core Net Income for the period is attributable to the robust performance of **Maynilad Water Services, Inc. (“Maynilad”)** and the contribution of **Medical Doctors Inc. (“MDI”)**. Maynilad’s Core Net Income of Pesos 1.21 billion for the first six months of 2008 contributed Pesos 507.5 million for the period, representing MPIC’s net attributable equity interest in Maynilad as of 30th June 2008. MDI contributed Pesos 35.5 million while **Davao Doctors Hospital (“DDH”)** stood at Pesos 1.4 million, representing MPIC’s equity interest in it for only one (1) month. **Landco Pacific Corporation’s (“Landco”)** results for the first half showed a Core Net Income of Pesos 17.9 million, a significant decline compared with Pesos 110.3 million last year. Landco provided Pesos 9.1 million of Core Net Income to MPIC, compared with a Core Net Income contribution of Pesos 56.2 million attributable to it in the first half of 2007.

Non-recurring income of Pesos 337.0 million was recognized during the period, arising principally from the gain recognized from the conversion of the MDI Convertible Notes (“Notes”) held by MPIC. The gain represents the excess of the net fair value of MDI when it was acquired compared with the acquisition cost of the Notes. MPIC also recognized a gain from the sale of assets held by its subsidiaries. These were partially offset by foreign exchange losses from foreign currency denominated liabilities.

“MPIC’s profitability continues to gain momentum after the turnaround year of 2007, built on the significant contribution of Maynilad. When the acquisition of Manila North Luzon Tollways Corporation (“MNTC”) is completed in the 4th quarter of this year, we will have a balanced portfolio of investments that serves as a cornerstone for the future growth of our core businesses: utilities, infrastructure, and healthcare,” said **MPIC President and CEO Jose Maria K. Lim**.

Maynilad: Exceeding Expectations

The investment in **Maynilad** was completed in January 2007, after the consortium company, **DMCI-MPIC Water Company (“DMWC”)** won the bid in December 2006. In July of this year, MPIC completed the acquisition of the interests of **Ashmore Investment Management PLC (“Ashmore”)** and **First Pacific Company Limited (“First Pacific”)** in DMWC through the purchase of their convertible notes. Upon conversion, this will raise MPIC’s stake in DMWC to 55.0% and in Maynilad to 51.0% on a fully-diluted basis.

For the first six months of 2008, Maynilad contributed Pesos 507.5 million to MPIC’s Core Net Income, buoyed by lower Non-Revenue Water (“NRW”) and an increase in New Connections, in addition to improvements across Maynilad’s other performance indicators. NRW improved to 63.8% in June 2008 from 65.1% in June 2007, with total volume of billed water growing 6.0% to 149.29 million cubic meters from 141.03 million cubic meters in the same period last year. Total billed customers also increased to 725,054 as of end-June compared with 703,519 as of year-end 2007.

Earnings attributable to MPIC were reduced by financing charges and operating expenses incurred at the DMWC level for the period amounting to Pesos 222.5 million. The financing charges relate to the US\$192.0 million loans availed from affiliates of First Pacific and Ashmore to fund the Standby Letters of Credit (SBLC) required for the acquisition of Maynilad. The amount of US\$152.0 million was repaid on 12th May 2008 while the balance will be converted into equity.

Healthcare: Expanding Our Commitment

In May 2007, MPIC subscribed to Pesos 750.0 million out of a total Pesos 961.0 million in Convertible Subordinated Notes issued by **MDI**. MDI operates and manages the **Makati Medical Center (“Makati Med”)**. These Notes were offered by MDI to fund the construction of a new medical building and to upgrade its existing hospital facilities and equipment at Makati Med. MPIC has converted into equity all of the Notes it holds, equivalent to 33% equity ownership in MDI.

MDI’s gross revenues and Core Net Income for the first half of 2008 grew by 8.0% and 1.5%, respectively, versus the same period in 2007.

Throughout the rest of 2008, Makati Med will continue its multi-year Facilities Improvement Program. This redevelopment, renovation, expansion and upgrade program is intended to position Makati Med as an international-standard healthcare facility. In spite of the on-going renovation work within the existing hospital premises, and the construction work in what was formerly the adjacent open parking lot, Makati Med is expected to maintain the high standard of healthcare service it has become known for.

In May of this year, MPIC acquired 34% of Davao Doctors Hospital for approximately Pesos 498.0 million. Incorporated in 1966, DDH is the largest private hospital in Davao City with 250 beds and considered the best medical facility in Mindanao. DDH has a wholly-owned subsidiary, Davao Doctors College Inc., which started in 1975 and is now a leading center of academic excellence among the Higher Educational Institutions in Davao offering courses in nursing, radiologic technology, physical therapy, optometry, hotel & restaurant management and general education with an enrollment of approximately 4,000 students.

DDH is being equity accounted by MPIC for the first time this June, and contributed Pesos 1.4 million for this one (1) month.

Beginning 15th August 2008, MPIC and MDI, through a wholly-owned subsidiary Colinas Verdes Hospital Managers Corporation, will manage and operate the **Cardinal Santos Medical Center (“CSMC”)** on behalf of the Roman Catholic Archbishop of Manila (“RCAM”) for an interim period of six (6) months under an Interim Operating Agreement. This interim period is meant to prepare the basis for the selection of a long-term operator for CSMC by the RCAM.

CSMC is a 212-bed tertiary hospital situated in a three-hectare property along Wilson Street, San Juan City. The hospital land and most of the buildings are owned by the RCAM. In August 1988, the RCAM, then represented by the late Jaime Cardinal Sin, entered into a Joint Apostolate Agreement (“JAA”) with Hospital Managers Inc. to operate the CSMC for an initial period of ten (10) years, and later renewed for an additional ten (10) years. The JAA expired on 31st July 2008.

Landco: Pace of Construction to Pick Up in the Second Half

Landco reported Core Net Income of Pesos 17.9 million in the first six months of 2008 versus a Core Net Income of Pesos 110.3 million last year. The weakening in Core Net Income is attributed to the 21% decline in Revenue Recognized from real estate sold to Pesos 786.1 million in the first six months of 2008 from Pesos 992.3 million in the same period 2007. Though Landco’s sales for the first half of 2008 improved 91% to Pesos 2.71 billion from Pesos 1.42 billion in 2007, delays in construction for the period impacted negatively on its ability to recognize those revenues. Cost of Sales and Expenses rose by 6% to Pesos 889.1 million in the first half of 2008 from Pesos 838.4 million in the first half of 2007. The increase in Cost and Expenses is due mainly to higher costs of materials and marketing expenses related to the launching of new projects. Financing expense for the period was Pesos 1.0 million compared with financing income of Pesos 47.6 million last year.

Landco expects its pace of development to increase in the 2nd half of the year, allowing a higher level of Revenue Recognized for this period.

Acquisition of MNTC

Last 7th August, MPIC’s Board of Directors approved the purchase of an effective 67.1% ownership interest in MNTC, the concession holder of the North Luzon Expressway (“NLEX”), held by First Philippine Holdings Corporation (“FPH”) and Benpres Holdings Corporation (“Benpres”) through First Philippine Infrastructure Incorporated (“FPII”).

MNTC was granted the Supplemental Toll Operating Agreement in June 1998 to finance, design, construct, operate and maintain the toll roads, toll facilities and other facilities generating toll-related income, in respect of the NLEX. MNTC has the right to (i) operate and manage the existing 83.7 km NLEX and the 8.5 km Subic-Tipo Expressway; (ii) build-out, operate and manage Phase 2, which is the continuation of the missing link of C5 that would extend up to the Manila Port Area, crossing the NLEX near the Valenzuela interchange, and will decongest the traffic ingress into the Balintawak stretch of the NLEX.

Additionally, MPIC shall have the right to operate and manage -- through the Consortium of EGIS, FPH and Tollways Management Corporation -- the 65.8 km Subic-Clark-Tarlac Expressway direct link between Subic Bay Free Port and Clark Economic Zone, as well as to acquire a 34% interest in the Private Infradev Corporation which was awarded the concession to extend the NLEX another 88.5 kilometers from Tarlac to Rosario, La Union by 2013.

Capital Structure: Conversion of Remaining and Outstanding Advances

Following the conversion of shareholder advances made with respect to the acquisition of an attributable economic interest of 51.0% in Maynilad on a fully-diluted basis, which conversion was approved during MPIC's 2008 Annual Shareholders' Meeting last June, MPIC's Board of Directors has approved the further stock subscription of Metro Pacific Holdings Incorporated ("MPHI") of up to 900 million shares at an issue price of 2.00 Pesos per share. The proceeds will be used to retire a loan of US\$ 40.0 million which was used to finance in part the increased stake in Maynilad. The additional share issuance will further strengthen the Company's Balance Sheet and enhance its capacity for further growth.

After the issuance of shares to MPHI, MPIC will be debt-free and will have 7.9 billion shares outstanding at a Net Asset Value of Pesos 2.55 per share.

2008 Outlook

"The first half numbers clearly indicate that MPIC is on a strong financial footing. Our companies, led by Maynilad, are evidencing the ability to deliver healthy, sustainable profits" said **MPIC Chairman Manuel V. Pangilinan**.

"The MNTC acquisition will enable the Company to have a balanced and sizeable portfolio of investments which can deliver robust profits for the long-term on a sustainable basis. MPIC will continue to consider opportunities in its core sectors of infrastructure and healthcare, as well as in growth segments such as mining – but with continuing emphasis on managing and improving the efficiencies of its existing investee companies," Pangilinan continued.

"The second half of 2008 will show a marked improvement in profitability from the first half, on the back of sustained strong performance of Maynilad, the first time consolidation of our healthcare investments in MDI and DDH, and improved performance of Landco," concluded Pangilinan.

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METRO PACIFIC INVESTMENTS CORPORATION
CONSOLIDATED STATEMENTS OF INCOME / (LOSS)
(Unaudited)

For the six months periods ended (Amounts in Thousands)	June 30, 2008	
	2008	2007*
Revenues and other income		
Revenue from real estate sold	786,133	1,012,690
Interest income	47,639	124,980
Share in net earnings of associates	67,539	10,192
Share in net earnings of a joint venture	-	1,287,051
Other income	586,593	1,363,333
	1,487,904	3,798,246
Cost and expenses		
Cost of real estate sold	(444,457)	(487,716)
General and administrative expenses	(358,238)	(424,289)
Interest expense	(123,938)	(1,650,449)
Share in net losses of associates	(20,432)	(397)
Share in net losses of a joint venture	(234,219)	-
Other expenses	(35,370)	(677,431)
	(1,216,654)	(3,240,282)
Income before taxation	271,250	557,964
Provision for income tax	130,089	(80,550)
Net income for the period	401,339	477,414
Attributable to:		
Equity holders of the parent	361,521	359,152
Minority interests	39,818	118,262
	401,339	477,414
Basic earning per share (in centavos)	26.92	29.13
Diluted Earning per share (in centavos)	N/A	27.55
Basic weighted average number of common shares in issue (in thousands)	1,342,919	1,232,890

* Restated due to adoption of IFRIC 12 and treatment of the joint venture from proportionate consolidation to equity accounting method

**METRO PACIFIC INVESTMENTS CORPORATION
CONSOLIDATED BALANCE SHEETS**

As at (Amounts in Thousands)	June 30, 2008 (Unaudited)	December 31, 2007 (Restated) *
ASSETS		
Current assets		
Cash and cash equivalents	413,573	248,082
Receivables - net	2,902,802	2,642,714
Real estate for sale	2,130,248	1,867,554
Due from related parties	4,298,611	218,974
Available-for-sale financial assets	402,964	402,964
Other current assets	281,143	209,119
Total current assets	10,429,341	5,589,407
Noncurrent Assets		
Long-term receivables	164,481	722,707
Investments in associates - at equity	1,950,268	582,920
Investments in a joint venture	4,487,330	4,721,549
Available-for-sale financial assets	140,751	154,028
Property and equipment - net	276,857	258,904
Investment properties	41,261	42,604
Deferred tax assets	271,259	210,082
Other noncurrent assets	171,991	112,489
Total noncurrent assets	7,504,198	6,805,283
TOTAL ASSETS	17,933,539	12,394,690
LIABILITIES AND EQUITY		
Current liabilities		
Loans and notes payable	6,563,893	635,108
Accounts payable and other current liabilities	3,330,126	2,973,138
Income tax payable	7,944	4,026
Due to related parties	689,714	280,498
Provisions	461,476	461,476
Current portion of long-term debts	516,158	3,938,212
Total current liabilities	11,569,311	8,292,458
Noncurrent liabilities		
Long-term debts - net of current portion	423,138	409,025
Accrued retirement costs	48,045	43,124
Deferred tax liabilities	175,487	324,925
Total noncurrent liabilities	646,670	777,074
TOTAL LIABILITIES	12,215,981	9,069,532
Equity		
Capital stock	1,342,918	1,342,918
Other reserves	2,307,889	2,307,889
Change in fair value of available-for-sale financial assets	3,477	14,060
Loss on capital transaction	(11,836)	(11,836)
Deposit for future stock subscription	2,029,854	-
Deficit	(931,740)	(1,293,261)
Total equity attributable to equity holders of the parent	4,740,562	2,359,770
Minority interests	976,996	965,388
TOTAL EQUITY	5,717,558	3,325,158
TOTAL LIABILITIES AND EQUITY	17,933,539	12,394,690
* Restated due to adoption of IFRIC 12		

This press release may contain some statements which constitute "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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