



**FIRST PACIFIC COMPANY LIMITED**

**第一太平**

*(Incorporated with limited liability under the laws of Bermuda)  
Website: <http://www.firstpacco.com>*

**(Stock Code: 00142)**

**OVERSEAS REGULATORY ANNOUNCEMENT**

*(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.)*

**Please refer to the attached press release of Metro Pacific Investments Corporation (in which the First Pacific Group holds an economic interest of approximately 92%) in relation its Unaudited Financial Results for the nine month period ended 30<sup>th</sup> September, 2007.**

**Dated this 13<sup>th</sup> day of November, 2007**

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

Anthoni Salim, *Chairman*  
Manuel V. Pangilinan, *Managing Director and CEO*  
Edward A. Tortorici  
Robert C. Nicholson  
Albert F. del Rosario  
Edward K.Y. Chen\*, *GBS, CBE, JP*

Tedy Djuhar  
Sutanto Djuhar  
Ibrahim Risjad  
Benny S. Santoso  
Graham L. Pickles\*  
David W.C. Tang\*, *OBE,  
Chevalier de L'Ordre des Arts et  
des Lettres*

*\* Independent Non-executive Directors*

**METRO PACIFIC INVESTMENTS CORPORATION****NINE MONTHS 2007 CORE NET INCOME OF P142.4 MILLION VS  
RESTATED NET LOSS OF P60.8 MILLION IN 2006**  
**REPORTED NET INCOME OF P235.6 MILLION VS RESTATED NET LOSS OF  
P590.9 MILLION LAST YEAR**  
**MAYNILAD NET INCOME IMPROVES BY 15% TO P1.140 BILLION**  
**LANDCO NET INCOME RISES TO P135.4 MILLION**

- Core Net Income of Pesos 142.4 million for the nine month period ended 30<sup>th</sup> September 2007 against a restated Core Net Loss of Pesos 60.8 million for the same period last year.
- Reported Net Income for the period of Pesos 235.6 million versus last year's restated reported Net Loss of Pesos 590.9 million.
- Maynilad Net Profit for the period at Pesos 1.140 billion versus Pesos 992.3 million last year, up 15%
- Landco Net Profit of Pesos 135.4 million versus a restated loss of Pesos 113.9 million last year.

**MANILA CITY, PHILIPPINES, 13 NOVEMBER 2007 – Metro Pacific Investments Corporation (“MPIC”) (PSE: MPI)** today reported core net income of Pesos 142.4 million for the first three quarters of 2007, compared with a restated core net loss of Pesos 60.8 million for the same period last year. Together with non-recurring income of Pesos 93.2 million, reported net income stood at Pesos 235.6 million for the period, against a restated net loss of Pesos 590.9 million for 2006.

The significant turnaround in core net income for the period is mainly due 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 1.140 billion in the first three quarters of 2007 and contributed Pesos 453.5 million of core net income to MPIC for the period, representing MPIC's net attributable equity interest in Maynilad. Landco's results for the first nine months showed a net income of Pesos 135.4 million compared with a restated loss of Pesos 113.9 million last year. Landco provided Pesos 69.7 million in profit contribution to MPIC, compared with a loss of Pesos 58.1 million in 2006.

“Maynilad continues to improve in spite of delays in exiting its court-administered rehabilitation program. We are eagerly awaiting the ruling of the rehab judge to allow us to roll-out the 26 billion Pesos in network improvements that will in turn allow Maynilad's revenues to improve dramatically.” stated **Jose Ma. K. Lim, MPIC's President and Chief Executive Officer.**

“Landco is experiencing brisk sales of Tribeca, its first Metro Manila Project, and together with the continued strong uptake of its residential resort and hometown developments, will contribute significantly to MPIC's core net income on an ongoing basis. We foresee improved performance for both Maynilad and Landco for the balance of the year,” stated **Lim.**

**Maynilad: Continued Improvement in Performance Indicators**

**Maynilad** reported net income of Pesos 1.140 billion for the period compared with Pesos 992.3 million last year. This result is net of additional tax provisions amounting to Pesos 110.9 million which have been accrued starting August this year. The increase in net income for the period can be attributed to the improvement in Maynilad's key performance indicators across-the-board. Specifically, non-revenue water has been reduced to 66% as of end-September 2007, from a 2006 average of 68%. Total volume of billed water also improved significantly, rising 10% to 214.4 million cubic meters for the first 3 quarters of 2007 from 195.6 million cubic meters in the same period last year. Total billed customers also increased to 700,060 as of end-September this year, compared with 662,305 as of end-September last year, a growth of 6%.

Maynilad's contribution to MPIC was reduced by financing charges and operating expenses incurred by DMCI-MPIC parent company amounting to Pesos 459.5 million. 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 proportionate share in DMCI-MPIC's financing and operating expense charges was Pesos 229.7 million.

On a net basis, Maynilad's contribution from operations to MPIC's core net income was P453.5 million.

The acquisition of Maynilad was completed in January 2007 and is proportionally consolidated by MPIC only this year.

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

**Landco's** net income for the period stood at Pesos 135.4 million versus last year's restated loss of P113.9 million as revenues jumped 177% to Pesos 1.318 billion from last year's Pesos 476.6 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 of new projects during the year, Landco's operating expenses rose to Pesos 553.8 million from last year's Pesos 462.2 million. On the other hand, net financing income for the period was Pesos 87.2 million compared with only Pesos 2.4 million last year. This increase came mainly from the accretion of significantly higher levels of installment receivables.

Landco's reported numbers last year were restated to reflect the change in revenue recognition policy from the installment method to percentage of completion.

Landco's net contribution to MPIC's core net income for the period was Pesos 69.0 million.

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

In May of this year, MPIC subscribed to Pesos 750.0 million in Convertible Subordinated Notes issued by Medical Doctors Inc. ("MDI"), which owns and operates the Makati Medical Center ("Makati Medical"). On June 7 2007, MPIC converted Pesos 120.0 million of such Convertible Notes into common shares of MDI, representing an 8% equity ownership in MDI. When the Notes are fully converted, MPIC will own approximately 33% of MDI.

Makati Medical is currently in the midst of its multi-year Facilities Improvement Program, financed by the issuance of these 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 improve further its competitive and brand equity position. 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 the high standard of healthcare it has become known for.

#### **Outlook for 2007**

"With Maynilad on track to reduce its non-revenue water down to around 59% by year-end, Landco looking to realize about Pesos 200 million in net income for the year, and Makati Medical expected to report another record year of profitability, 2007 looks to be the turnaround year for Metro Pacific," said **Manuel V. Pangilinan, MPIC's Chairman.**

“We will continue to consider investments in infrastructure and healthcare, as well as look into opportunities in tourism and natural resources. For the coming years, one could say that the business of MPIC will be oriented towards ‘back to basics’, resource-based activities,” concluded **Pangilinan**.

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### **About MPIC**

**Metro Pacific Investments Corporation** is a Philippine-based, publicly-listed, investment and management company with holdings in water utility, real estate development and healthcare enterprises. Additional information on MPIC can be obtained online at [www.mpic.com.ph](http://www.mpic.com.ph).

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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.*

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

| For the periods ended 30 September<br>(Amounts in Thousands, Except Per Share Amounts)   | Nine Months        |                    |
|--|--------------------|--------------------|
|  | 2007               | 2006               |
| <b>Revenues and other income</b>   |                    |                    |
| Revenue from real estate sold  | 1,338,840          | 862,263            |
| Revenue from water and sewer services  | 2,826,476          | -                  |
| Interest income  | 479,374            | 107,701            |
| Share in net earnings of associates  | 33,636             | 44,479             |
| Other income   | 3,681,416          | 365,933            |
|  | <b>8,359,742</b>   | <b>1,380,376</b>   |
| <b>Cost and expenses</b>   |                    |                    |
| Cost of real estate sold   | (667,932)          | (448,614)          |
| Cost of services   | (1,367,475)        | -                  |
| General and administrative expenses  | (1,191,647)        | (547,331)          |
| Interest expense   | (3,854,706)        | (86,488)           |
| Share in net losses of associates  | (7,006)            | (30,161)           |
| Other expenses   | (724,662)          | (832,904)          |
|  | <b>(7,813,427)</b> | <b>(1,945,498)</b> |
| <b>Income / (loss) before income tax</b>   | <b>546,315</b>     | <b>(565,122)</b>   |
| Provision for income tax   | 107,819            | 68,441             |
| <b>Net income / (loss) for the period</b>  | <b>438,496</b>     | <b>(633,563)</b>   |
| Attributable to:   |                    |                    |
| <b>Equity holders of the parent</b>  | <b>235,619</b>     | <b>(590,897)</b>   |
| Outside interests  | 202,877            | (42,666)           |
|  | <b>438,496</b>     | <b>(633,563)</b>   |
| <b>Basic weighted average number of common *<br/>shares in issue (in thousands)</b>  | <b>1,236,675</b>   | <b>766,767</b>     |
| <b>Basic weighted average number of common shares in issue on<br/>full conversion of Warrants and Convertible<br/>notes in DMCI-MPIC</b> | <b>1,308,719</b>   | n/a                |
| <b>Basic earning / (loss) per share (in centavos) *</b>  | <b>19.05</b>       | <b>(77.06)</b>     |
| <b>Diluted earning / (loss) per share (in centavos)</b>  | <b>(8.82)</b>      | n/a                |