



**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 relation to its Unaudited Financial Results for the first quarter of 2008.**

**Dated this 7th day of May, 2008**

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  
Ambassador Albert F. del Rosario  
Napoleon L. Nazareno  
Prof. Edward K.Y. Chen\*, *GBS, CBE, JP*

Tedy Djuhar  
Sutanto Djuhar  
Ibrahim Risjad  
Benny S. Santoso  
Graham L. Pickles\*  
Sir David W.C. Tang\*, *KBE*

*\* Independent Non-executive Directors*

**METRO PACIFIC INVESTMENTS CORPORATION (MPIC)****1<sup>ST</sup> QUARTER 2008 CORE NET INCOME OF PESOS 59.4 MILLION VS. RESTATED  
CORE NET INCOME OF PESOS 1.0 MILLION LAST YEAR  
REPORTED NET INCOME AT PESOS 138.5 MILLION VS. RESTATED NET  
INCOME OF PESOS 1.52 BILLION INCLUSIVE OF SIGNIFICANT NON-  
RECURRING GAINS  
CONTRIBUTION FROM OPERATIONS AT PESOS 80.7 MILLION VS. RESTATED  
CONTRIBUTION FROM OPERATIONS OF PESOS 24.7 MILLION**

- Consolidated Core Net Income at Pesos 59.4 million for the first quarter of 2008, versus restated Core Net Income of Pesos 1.0 million in 2007
- Reported Net Income of Pesos 138.5 million, lower than last year's restated reported Net Income due to non-recurring gains being lower this year by Pesos 1.44 billion
- Contribution from operations improved from a restated income of Pesos 24.7 million in 2007 to Pesos 80.7 million in 2008, an improvement of approximately Pesos 56.0 million for the quarterly period
- All operating companies showed significant improvement in their operating and financial results
- Maynilad Core Net Income up 93.6% for the quarter, from Pesos 316.0 million last year to Pesos 611.7 million this year
- Landco Core Net Income rose 78.0%, from Pesos 23.6 million to Pesos 42.0 million
- Makati Medical Core Net Income improved by 14.6%, from Pesos 64.5 million to Pesos 73.9 million

**MANILA, PHILIPPINES, 6th May 2008 – Metro Pacific Investments Corporation (“MPIC”) (PSE: MPI)** today reported Core Net Income of Pesos 59.4 million for the first three months of 2008, compared with a restated Core Net Income of Pesos 1.0 million for the 1<sup>st</sup> quarter of 2007. Together with non-recurring gains of Pesos 79.1 million arising largely from the recognition of the excess of MPIC's share of the net fair value of **Medical Doctors, Inc. (“MDI”)** over its conversion price as income, reported Net Income stood at Pesos 138.5 million for the first three months this year, against a restated reported Net Income of Pesos 1.52 billion for the same period in 2007. Last year's numbers were restated to reflect mainly the recognition of the final amount of the excess of the net fair value of **Maynilad Water Services, Inc. (“Maynilad”)** over its acquisition cost as income.

The improvement in Core Net Income for the period is largely attributable to the strong showing of Maynilad and **Landco Pacific Corporation (“Landco”)** and the continued good performance of MDI, which owns and operates the **Makati Medical Center (“MMC or Makati Medical”)**. MDI's income was equitized to MPIC starting May 2007.

Maynilad reported a Core Net Income of Pesos 611.7 million for the first three months of 2008 and contributed Pesos 256.9 million to MPIC's Core Net Income, representing the share attributable to MPIC. Landco's results for the same period showed a Core Net Income of Pesos 42.0 million compared with Pesos 23.6 million for the same period last year, and provided Pesos 21.4 million in Core Net Income contribution to MPIC, compared with a Core Net Income contribution of Pesos 12.0 million in 2007. **MDI** for its part contributed Pesos 20.8 million, reflecting MPIC's 33.5% equitized income in MDI.

### **Maynilad: Accelerating Growth and Improvement of Services**

Maynilad reported Core Net Income of Pesos 611.7 million for the first three months in 2008 compared with Pesos 316.0 million for the same period last year. The increase in Core Net Income for the period is attributable to improvements in Maynilad's key performance indicators across-the-board. Total billed volume reached 71.7 million cubic meters (m<sup>3</sup>) for the first quarter this year, up 5.0% from 68.3 million m<sup>3</sup> billed over the same period last year. Total number of billed customers also improved, rising 3% to 710,450 customers from 687,207 at the end of the first quarter last year.

Maynilad's contribution to MPIC was attenuated by financing charges and operating expenses and other group level adjustments recorded at the DMCI-MPIC parent company, amounting to Pesos 436.8 million. The financing charges relate to the US\$240 million loans availed from banks to fund the refinancing activities of Maynilad and for expenses arising from certain standby letters of credit aggregating US\$192 million to fund Maynilad's capital expenditure requirements. MPIC's proportionate share for the period in DMCI-MPIC's financing and operating expense charges and other group level adjustments was Pesos 218.4 million.

Maynilad's contribution from operations, net of financing and operating expenses and other group level adjustments, stood at Pesos 38.5 million, representing 47.7% of MPIC's total contribution from operations during the quarter.

Maynilad also recently secured from creditor banks a US\$365.0 million financing package fund its capital expenditure requirement in the next twelve (12) months and for general refinancing purposes.

"The closing of the financing package completes Maynilad's immediate fund raising initiatives. These initiatives allowed it to exit from court-administered rehabilitation as well as to continue making significant investments in its system improvement initiatives in the short to medium term. Foremost among these system improvement initiatives is the reduction of non-revenue water, which will have an immediate impact on Maynilad's revenue performance," said **Jose Ma. K. Lim, MPIC's President and CEO**.

### **Landco: In the Forefront of Leisure Development**

Landco's net income for the period improved 78.0% to Pesos 42.0 million versus last year's income of Pesos 23.6 million as revenues climbed 108.8% to Pesos 463.9 million from last year's Pesos 222.1 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 -- and the first time contribution of its flagship urban community project, Tribeca, contributed significantly to the increase in revenues.

Landco's operating expenses rose to Pesos 216.8 million from last year's Pesos 128.8 million, an increase of 68.3% due principally to marketing expenses related to the launching of new projects

Landco's contribution to MPIC's operating income for the year was Pesos 21.4 million representing 26.5% MPIC's total contribution from operations for the period.

### **Medical Doctors, Inc.: Gearing Up for High Quality Hospital Care**

MDI, which owns and operates the Makati Medical Center, recorded Core Net Income of Pesos 73.9 million in the first quarter of 2008, up 14.6% from its 2007 Core Net Income of Pesos 64.5 million. Both its hospital

services and educational services posted significant increases in gross revenue contribution. Hospital services raised its gross revenue contribution by 7.8% to Pesos 757.5 million in the first quarter of 2008 from Pesos 702.6 million in 2007. Educational services revenue increased 11.6% to Pesos 24.0 million, from Pesos 21.5 million.

In January of this year, MPIC converted the remaining Pesos 630.0 million of Subordinated Convertible Notes of MDI into equivalent common shares. In aggregate, MPIC now owns 33.5% of the MDI's expanded capital, allowing MPIC to equity account the same percentage share of MDI's net income starting 2008.

### **Outlook for 2008**

“With MPIC's current investment portfolio performing steadily, we will for the remainder of the year be keen on pursuing opportunities to expand our investments in the healthcare and infrastructure sector, as well as new segments such as agriculture, biofuels, hospitality, and mining. These initiatives are intended to provide MPIC with an investment portfolio balanced across industries that present exciting upsides,” said **Mr Lim**.

“The improvement in Maynilad's key performance indicators brings with it a commensurate improvement in its profit contribution to MPIC. As well, we are already relieved of the financing charges incurred in that acquisition, which will allow us to enjoy a significantly improved share of Maynilad's net income. Together with the continued strong performance of Landco and Makati Med, we expect MPIC's profit performance to be ahead of its 2007 number. We look forward to an improved core net income this year,” concluded **M V Pangilinan, MPIC Chairman**.

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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.*