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**FIRST PACIFIC COMPANY LIMITED**

**第一太平**

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

Website: <http://www.firstpacific.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 disclosures 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<sup>th</sup> September 2010.**

**Dated this the 10<sup>th</sup> day of November, 2010**

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  
Professor Edward K.Y. Chen\*, *GBS, CBE, JP*

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

*\*Independent Non-executive Directors*

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. **10 November 2010**  
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>20,154,839,522*</b>

*\*as reported by the stock transfer agent as of 31<sup>st</sup> October 2010.*

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

**Item 9 (Other Items)**

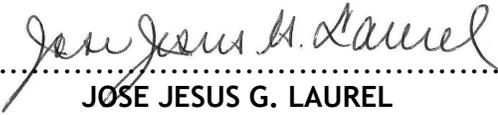
Please see attached press release.

**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

**10 November 2010**  
Date

  
.....  
**JOSE JESUS G. LAUREL**  
Compliance/Corporate Governance Officer

## **NINE MONTHS 2010 CORE NET INCOME UP 142% TO ₱2.94 BILLION ON HIGHER REVENUES *STRONG PERFORMANCE FROM HIGH GROWTH PORTFOLIO***

- **9M 2010 CORE NET INCOME AT ₱2.94 BILLION VS CORE NET INCOME OF ₱1.21 BILLION LAST YEAR, UP 142%**
- **CONSOLIDATED REVENUES UP 15% TO ₱14 BILLION**
- **FULLY DILUTED CORE NET INCOME PER SHARE AT 14.58 CENTAVOS, UP 13% FROM 12.85 CENTAVOS LAST YEAR**
- **NET DEBT TO EQUITY RATIO REDUCED FROM 0.31 TIMES AS AT 31<sup>ST</sup> DECEMBER 2009 TO 0.23 TIMES AS AT 30<sup>TH</sup> SEPTEMBER 2010 AT PARENT COMPANY**
- **MERALCO CORE NET INCOME AT ₱9.15 BILLION, CORE EBITDA ₱16.3 BILLION**
- **MAYNILAD CORE NET INCOME AT ₱3.54 BILLION, CORE EBITDA ₱5.7 BILLION**
- **METRO PACIFIC TOLLWAYS CORE NET INCOME AT ₱1.09 BILLION, CORE EBITDA ₱2.7 BILLION**
- **HOSPITAL GROUP CORE NET INCOME AT ₱341 MILLION, CORE EBITDA ₱941 MILLION**

**MANILA, Philippines, 10<sup>th</sup> November 2010 – Metro Pacific Investments Corporation (“MPIC” or the “Company”) (PSE: MPI)** today announced consolidated core net income of ₱2.94 billion for the nine months ended 30<sup>th</sup> September 2010, an improvement of 142% over core net income of ₱1.21 billion for the first nine months of 2009 as a result of the inclusion of Meralco and stronger contributions from most operating companies.

Consolidated reported net income, which reflects net foreign exchange gain and other non-recurring losses of ₱347 million, stood at ₱2.59 billion for the first nine months this year, compared with ₱2.09 billion last year, an increase of 24%.

The improvement in core net income is attributable to higher profit contributions from Maynilad Water Services, Inc. (“Maynilad”) as a result of higher billed volume, Metro Pacific Tollways Corporation (“MPTC”) due to higher average daily traffic and Manila Electric Company (“Meralco”) for its first profit contribution. Maynilad accounted for ₱1.80 billion or 43% of the aggregate net profit contribution from MPIC’s portfolio companies, representing MPIC’s attributable interest in Maynilad’s core net income. MPTC contributed ₱1.10 billion or 27% of profit from operations while MPIC’s investment in Meralco added ₱1.15 billion or 27% of equitized core earnings to MPIC’s

profit from operations for the first nine months of 2010. The Hospital Group contributed ₱125 million or 3% of the total.

“The performance of Maynilad, MPTC and Meralco in the first nine months of this year reflects our focus on driving improved customer services, achieving operational efficiencies and lowering costs,” said Jose Ma. K. Lim, MPIC President and Chief Executive Officer.

The solid financial health of MPIC was underlined by a reduction in the Company’s net debt to equity ratio to 0.23 times as at 30 September 2010 from 0.31 times as at 31<sup>st</sup> December 2009. The decrease in debt was due to a loan payment made in the first quarter of 2010.

## **OPERATIONAL REVIEW**

### **MERALCO INVESTMENT THROUGH BEACON ELECTRIC ASSET HOLDINGS, INC.**

The volume of electricity sold by Meralco rose 11% to 22,660 GWh, driven by strong growth in the industrial sector. Revenues rose 32% in the first nine months of 2010 to ₱188.90 billion due mainly to the volume growth and higher power charges. The overall core net income for the first nine months of the year increased 80% to ₱9.15 billion.

Meralco engineers drove system loss down to a 36 year low of 7.78% compared with 8.81% last year. The growth of energy sales to the industrial sector has contributed to the significant improvement in Meralco’s system loss performance. Large industrial customers are served at the primary distribution voltage-level, thereby reducing technical losses, which accounts for the bulk of total system loss. Meralco is institutionalizing loss-reduction initiatives, improving pilferage management and expanding its partnership with local government units as part of system loss management in high density residential areas.

Meralco continues to invest in its franchise. Capital expenditures for the nine months ended 30<sup>th</sup> September 2010 amounted to Pesos 5.1 billion, with electric capital projects accounting for 85% of the total, consisting largely of expenditures for expansion, improvement of distribution facilities and purchase of meters and transformers.

The focus for the future at Meralco is to capture a greater share of the electricity business and provide greater service efficiency to all consumers – residential, commercial and industrial. This will be achieved through its relentless pursuit of efficiency as an electricity distributor and entry into power generation and retail electricity supply. Meralco has announced it is initially targeting 1,500MW of generating capacity in conjunction with various partners. Meralco can fund this investment without recourse to its shareholders.

### **MAYNILAD: HIGHER BILLED VOLUME DESPITE WATER SHORTAGE**

Through most of 2010, the water level at Angat Dam has been at its lowest level ever. As of 31<sup>st</sup> October 2010 the water level was 185.49 meters above sea level, more than 25 meters lower than the 210.54 meters recorded a year earlier. As a consequence of this shortage, Maynilad has received 7% less water so far this year than last year. Nevertheless, Maynilad has been able to increase the volume of water supplied to its customers by 7% largely as a result of continuing success in reducing non revenue water (“NRW”) resulting from leakage and theft.

NRW declined to 54% from 60% for the same period last year. Maynilad continues to push forward with an aggressive NRW reduction program by allocating ₱1.4 billion this year for its NRW diagnostics, leak repairs and establishment and maintenance of District Metered Areas. Maynilad was able to repair and resolve 52,181 leaks compared with only 21,156 leaks during the same period in 2009. The resolved leaks in 2010 translate to nearly 204 million liters a day (MLD) of recovered water.

Maynilad aims to bring down its NRW level to 40% by 2012 by employing several state-of-the-art technologies. For its primary pipes, it uses Sahara Mobile in-pipe leak detection units and has recently added AquaScan, a non-invasive sonar technology. For its secondary and tertiary pipe network, Maynilad works with one of the premier NRW reduction experts in the world, Miya Water, and has reduced NRW in those areas it has surveyed to 30%.

The Putatan water treatment facility came on-stream in July 2010 with an initial production capacity of 25MLD. This has since been built up to 100MLD.

The number of serviced customers rose 10% to 874,527 billed clients at 30<sup>th</sup> September 2010 from 793,410 a year earlier.

Revenues increased by ₱1.12 billion year-on-year or 15%, to ₱8.85 billion due to an 18% increase in water service revenues and 3% increase in revenues from sewer services. Maynilad's core net income stood at ₱3.54 billion during the first nine months, compared with ₱2.33 billion recorded in the same period in the prior year.

### **MPTC: CONTINUING RECORD HIGH AVERAGE DAILY TRAFFIC**

MPTC is continuing to invest in the development of its tollroad network and the alleviation of traffic issues in central Luzon.

Segment 8.1, a 2.7 kilometer stretch of toll road from Mindanao Avenue to North Luzon Expressway ("NLEX") at Valenzuela City opened last June and is already achieving an average of 8,289 entries a day. This has helped decongest the Balintawak entry point.

Segments 9 & 10, collectively called the Harbour Link, which will connect NLEX to the Port Area of Manila, are being actively developed and are expected to complete by 2014. Completion will allow 24-hour access to the Port Area to and from NLEX thus promoting commercial traffic, reducing travel times for motorists accessing NLEX from Western Metro Manila, and possibly eliminating the truck ban as far as northbound traffic is concerned.

Construction of Segment 9, the first 2.4-kilometers of the planned extension of NLEX to MacArthur Highway, is now scheduled to start in the 4<sup>th</sup> quarter of 2011.

The detailed engineering design of Segment 10, the final 5 kilometers extending NLEX from the MacArthur Highway to the Port Area by utilizing the Philippine National Railways road alignment, is now almost complete with construction scheduled to start in the 2<sup>nd</sup> quarter of 2012.

The Connector Road Project is the culmination of the goal to connect the Northern and Southern toll road systems. The company expects increased commercial traffic as commercial vehicles can now traverse Metro Manila without violating the truck ban, and improved convenience for all

motorists as travel time between the Northern and Southern toll road systems should be reduced to no more than 20 minutes.

The Connector Road is a 13-kilometer, four-lane elevated expressway using a new construction technology that will connect the Harbour Link to South Luzon Expressway/Skyway at Buendia Avenue, Makati City. It is now undergoing detailed engineering drawing and design.

The Harbour Link and Connector projects will see MPTC invest a total of ₱25 billion to complete construction, all of which MPTC and MPIC can fund from internal sources. In addition, Government will invest a further ₱7.7 billion to secure the Rights of Way access that are needed to enable construction of each project to commence.

The take-over of the Subic-Clark-Tarlac Expressway ("SCTEX") concession is expected by the 1<sup>st</sup> quarter of 2011. Once integrated with NLEX, motorists traveling from NLEX to SCTEX would enjoy a seamless travel to Northern Luzon.

Revenues for the year to date rose 7% to ₱4.34 billion due to a rise in average daily vehicle entries and longer average journeys attributed to ongoing campaigns to promote the North as a tourist travel destination. Reported net income, which includes non-recurring, non-cash provisions relating to certain taxes, stood at ₱849 million compared with ₱835 million in the same period in 2009. MPTC realized core net income of ₱1.09 billion for the first nine months of 2010 versus ₱895 million in the same period last year, an improvement of 22%. The attributable core income contribution of MPTC to MPIC for the first nine months of 2010 amounted to ₱1,107 million versus ₱948 million in the first half of 2009.

## **HOSPITALS: GROWING THE COUNTRY'S LARGEST PRIVATE CHAIN**

Following the signing of the long-term lease agreement to operate Our Lady of Lourdes Hospital in Metro Manila on 26<sup>th</sup> October 2010, the Hospital Group now has 5 hospitals and a total bed capacity of 1,600. Investments in equipment, facilities and personnel continue across the portfolio as part of MPIC's overall objective of enhancing in-patient and out-patient services to customers.

Aggregate core income for the first nine months of this year was ₱341 million, a 19% decline compared with 2009. The earnings decline reflects the poor performance of the nursing schools across the group at Makati Medical, at Davao Doctors College, and at Riverside College in Bacolod due to lower enrollees in these schools. Metro Manila hospital operations also suffered due to the ongoing investments being made to upgrade facilities and equipment, lower patient admissions compared to the unusually high admissions in 2009 due to the H1N1 virus, and the loss of tax deductions on senior citizen discounts per new government regulations.

The Hospital Group now comprises: Makati Medical Center, Cardinal Santos Medical Center, and Our Lady of Lourdes Hospital in Metro Manila; Davao Doctors Hospital Inc; and Riverside Medical Center Inc in Bacolod.

## **OUTLOOK FOR 2010**

“The positive results for the first nine months of this year show that we are reaping the benefits of the investments made by the Company over the past two-plus years and the very hard work of management and staff at MPIC and its operating units during this time,” said MPIC Chairman Manuel V. Pangilinan. “Considering our strong operating performance during the period, we are again prepared to raise our guidance on core profitability for the full year 2010 to P3.5 billion from the earlier figure of P3.3 billion,” he said.

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### **FORWARD LOOKING STATEMENTS**

This press release may contain some “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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**METRO PACIFIC INVESTMENTS CORPORATION AND  
SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF INCOME**

*(Amounts in Thousands except Per Share Amounts)*

	Nine months ended September 30	
	2010	2009
	(Unaudited)	
<b>OPERATING REVENUES</b>		
Water and sewerage services revenue	P 8,850,751	P7,718,208
Toll fees	4,342,338	4,072,871
Hospital revenue	306,839	-
School revenue	44,918	-
	<b>13,544,846</b>	11,791,079
<b>COST OF SERVICES</b>	<b>(4,894,431)</b>	<b>(5,452,962)</b>
<b>GROSS PROFIT</b>	<b>8,650,415</b>	6,338,117
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(2,881,673)</b>	<b>(2,136,797)</b>
<b>OTHER INCOME AND EXPENSES</b>		
Construction revenue	7,135,617	3,657,607
Construction cost	(7,077,193)	(3,650,192)
Share in net earnings of associates and joint ventures – net	830,754	237,443
Foreign exchange (losses) gains - net	(888,721)	2,637
Interest income	422,715	421,611
Interest expenses	(3,331,818)	(2,824,463)
Other income	2,093,914	1,443,907
Other expenses	(436,488)	(862,353)
	<b>(1,251,220)</b>	<b>(1,573,803)</b>
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX</b>	<b>4,517,522</b>	2,627,517
<b>(PROVISION FOR) BENEFIT FROM INCOME TAX</b>		
Current	(76,688)	(10,425)
Deferred	(53,947)	1,152,170
	<b>(130,635)</b>	1,141,745
<b>INCOME FROM CONTINUING OPERATIONS AFTER INCOME TAX</b>	<b>4,386,887</b>	3,769,262
<b>INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX</b>	-	45,092
<b>NET INCOME</b>	<b>P4,386,887</b>	<b>P3,814,354</b>

(Forward)

**METRO PACIFIC INVESTMENTS CORPORATION AND  
SUBSIDIARIES**

**INTERIM CONSOLIDATED STATEMENTS OF INCOME**

*(Amounts in Thousands except Per Share Amounts)*

	Nine months ended September 30	
	2010	2009
	(Unaudited)	
<b>Net income (loss) attributable to:</b>		
<b>Owners of Parent Company from:</b>		
Continuing operations	P 2,594,287	P2,016,085
Discontinued operations	-	70,385
	<b>2,594,287</b>	<b>2,086,470</b>
<b>Non-controlling Interests</b>	<b>1,792,600</b>	<b>1,727,884</b>
	<b>P 4,386,887</b>	<b>P3,814,354</b>

**EARNINGS PER SHARE (in centavos)**

**Basic (Loss) Earnings Per Share, Attributable to Owners of Parent Company**

Income from continuing operations	12.87	21.41
Loss from discontinued operations	-	0.75
	<b>12.87</b>	<b>22.16</b>

**Diluted (Loss) Earnings Per Shares, Attributable to Owners of Parent Company**

Income from continuing operations	12.86	21.34
Loss from discontinued operations	-	0.75
	<b>12.86</b>	<b>22.09</b>

**METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF FINANCIAL POSITION***(Amounts in Thousands)*

	September 30, 2010 (Unaudited)	December 31, 2009 (Audited)
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	P 5,196,596	P6,379,731
Short-term deposits	31,915	2,433,418
Receivables - net	1,929,028	13,475,300
Advances to contractors and consultants	397,031	527,571
Inventories - at cost	133,870	96,012
Real estate for sale	187,010	187,010
Noncurrent assets held for sale	-	329,570
Due from related parties	421,956	501,080
Available-for-sale financial assets	466,954	282,787
Other current assets	1,844,400	1,593,832
<b>Total Current Assets</b>	<b>10,608,760</b>	<b>25,806,311</b>
<b>Noncurrent Assets</b>		
Investments in:		
Associates & joint ventures - at equity	35,292,850	27,370,023
Bonds	6,985	400,600
Goodwill	12,611,907	12,551,750
Due from related parties	74,652	65,569
Notes Receivable - net	703,917	
Service concession assets – net	67,952,492	62,185,407
Property and equipment - net	1,223,643	634,405
Derivative assets	8,937	39,212
Deferred tax assets	487,795	214,992
Other noncurrent assets	609,047	131,566
<b>Total Noncurrent Assets</b>	<b>118,972,225</b>	<b>103,593,524</b>
	<b>P 129,580,985</b>	<b>P129,399,835</b>

**LIABILITIES AND EQUITY****Current Liabilities**

Accounts payable and other current liabilities	P 8,961,630	P7,532,438
Unearned toll revenues	35,580	21,135
Unearned tuition and other school fees	10,778	-
Income tax payable	18,710	10,818
Current portion of:		
Provisions	531,240	555,640
Service concession fees payable	1,143,730	1,208,467
Long-term debts	1,380,598	958,095
Due to related parties	403,341	429,718
Deferred credits & other long-term liabilities	-	942,279
<b>Total Current Liabilities</b>	<b>12,485,607</b>	<b>11,658,590</b>

**METRO PACIFIC INVESTMENTS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Amounts in Thousands)*

	September 30, 2010 <i>(Unaudited)</i>	December 31, 2009 <i>(Audited)</i>
<b>Noncurrent Liabilities</b>		
Noncurrent portion of:		
Provisions	₱ 380,729	₱415,827
Service concession fees payable	7,752,533	9,071,673
Long-term debts	31,142,289	41,828,305
Due to related parties	6,263,509	-
Deferred credits & other long-term liabilities	3,442,808	3,432,643
Derivative liabilities	165,140	44,467
Accrued retirement costs	75,014	-
Deferred tax liabilities	3,030,810	2,672,692
<b>Total Noncurrent Liabilities</b>	<b>52,252,832</b>	<b>57,465,607</b>
<b>Total Liabilities</b>	<b>64,738,439</b>	<b>69,124,197</b>
<b>Equity</b>		
Capital stock	20,188,955	20,178,155
Additional paid-in capital	27,475,773	27,860,033
Equity component of convertible notes	400,874	-
Other reserves	481,946	451,091
Retained earnings	5,676,838	2,885,936
Other comprehensive income reserve	(128,746)	(109,743)
Total equity attributable to owners of the Parent Company	<b>54,095,640</b>	<b>51,265,472</b>
<b>Non-controlling interests</b>	<b>10,746,906</b>	<b>9,010,166</b>
<b>Total Equity</b>	<b>64,842,546</b>	<b>60,275,638</b>
	<b>₱129,580,985</b>	<b>₱129,399,835</b>