



Manabat Sanagustin & Co., CPAs

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Newsletter

Infrastructure, Government & Healthcare

May 6, 2010 to May 19, 2010



This industry update from Manabat Sanagustin & Co. CPAs is a biweekly collection of the latest news and developments from the country's Infrastructure, Government & Healthcare segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business (LOB), interesting and useful.

Negotiations with SMC-backed group on Clark airport OKd

Clark airport authorities approved on Monday the recommendation of its joint venture selection committee to enter into negotiations with a consortium of companies backed by diversifying conglomerate San Miguel Corp. to develop the country's next international gateway. The BusinessMirror learned that Clark International Airport Corp. (CIAC) will enter into negotiations with the Philco Aero Group for the development of Diosdado Macapagal International Airport (DMIA) Terminal Two in Clark Free Port, Pampanga. An individual privy to negotiations said that five of eight CIAC board members voted in favor of Philco Aero. Based on the rules for unsolicited offers for DMIA Terminal Two, the selection of Philco Aero for negotiations makes its proposal the "best offer" for the project. Malaysian consortium Bristeel Overseas Ventures Inc. is among those interested in developing the airport expansion. Philco Aero will still need to negotiate with CIAC for "best" financial terms before being awarded an original proponent status. After this, the original proponent would also be subjected to a competitive challenge or Swiss challenge. The Philco Aero group is majority controlled by Filipino firm Penson and Co. while foreign partners include South Korea-based Posco Engineering and Construction Co., Samil PricewaterhouseCoopers and Korea Development Bank. The Clark civil aviation complex encompasses 2,367 hectares within the 4,400-hectare Clark Freeport Zone where DMIA is located.
http://www.businessmirror.com.ph/index.php?option=com_content&view=article&id=25325:negotiations-with-smc-backed-group-on-clark-airport-okd&catid=24:companies&Itemid=59

Manila Water makes a move Down Under

Ayala-led Manila Water Co. Inc. is entering the Australian market through a consortium of international partners. In a filing to the stock exchange on Tuesday, Manila Water said it is part of a group that will acquire United Utilities Australia Pty. Ltd. (UUA), a subsidiary of United Utilities Plc., for \$225 million. Manila Water said it will own 12.7 percent of the venture, which also counts as partners Mitsubishi Corp., the Innovation Network Corp. of Japan and JGC Corp. UUA is composed of companies operating in Australia that own and operate 35 water treatment plants, 22 wastewater treatment facilities, nine reuse schemes and four desalination plants. "Given its proven track record, the company will contribute significantly to the expertise and experience of the existing UUA Group across provision of operations and maintenance and asset management services," said Manila Water in a statement. Ayala Corp. recently hiked its ownership in Manila

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MIAA needs new terminal, eyes Nayong Pilipino as extension

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Water to 43.3 percent after acquiring the stake of UUA. The company's expansion to Australia is in line with Manila Water's aggressive strategy to grow outside the country. The company holds the concession to provide water services to Metro Manila's east zone and also has a presence in Laguna and Boracay Island.

http://www.businessmirror.com.ph/index.php?option=com_content&view=article&id=25066:manila-water-makes-a-move-down-under&catid=24:companies&Itemid=59

DPWH forms anti-truck overloading unit to curb damage to national roads

The Department of Public Works and Highways (DPWH) has created an Anti-Truck Overloading Enforcement Oversight Unit (ATOEOU) to address the damage to national road network caused by overloaded trucks and extend the lifespan of roads. DPWH Secretary Victor Domingo said that in order for the government to save its limited funds, it is important to preserve and prevent the early deterioration of the country's national road network. "Truck overloading is a major issue in the Philippine road sector. If left unresolved, the problems of higher road maintenance costs, reduced lifespan of existing road pavements and rougher roads will continue to worsen which will lead higher user cost for all types of vehicles," Domingo added. The new Anti-Truck Overloading unit is responsible for the supervision of DPWH weighbridge stations and mobile enforcement teams.

<http://www.mb.com.ph/articles/256472/dpwh-forms-antitruck-overloading-unit-curb-damage-national-roads>

MPTDC offers to build tollway to connect NLEX and SLEX

The Department of Public Works and Highways has acknowledged the receipt of an unsolicited proposal for a new tollway connecting the north and south expressways submitted by Metro Pacific Tollways Development Corporation (MPTDC). MPTDC, a wholly-owned subsidiary of Metro Pacific Tollways Corporation, proposed a new expressway that will link the North Luzon Expressway with the South Luzon Expressway. The new Connector Project involves the construction of a 13.2-kilometer elevated road via the PNR tracks within the Manila Central Business District, from the end of NLEX at C3 to the beginning of Skyway 1 at Buendia.

The Connector will support more efficient movement of people and goods through congested urban areas; reduce travel time between NLEX and SLEX to 20 minutes; provide unrestricted travel flow from the ports to Southern, Central and Northern Luzon; and connect vital international airports and seaports. "The Connector Road will serve as the centerpiece of an increasingly integrated expressway network for Luzon. The alignment proposed for this Connector Project is expected to minimize construction cost, right of way and acquisition costs, negative environmental impacts, and social and economic disturbances, while accelerating the pace of project execution" said MPTC and MPTDC Chairman Manuel V. Pangilinan.

<http://www.mb.com.ph/articles/256596/mptdc-offers-build-tollway-connect-nlex-and-slex>

MWC allots P1.2 billion for Laguna, Boracay water supply

Manila Water is investing P1.2 billion over the next three years for the improvement of the water distribution systems in Laguna and Boracay. In an interview with reporters, MWC chief finance officer Luis Juan Oreta said they are spending P200 million a year each for their water distribution systems in Boracay and Laguna for the next three years. Oreta said Manila Water, through Laguna Water Company Inc. (a new subsidiary and joint venture with the Provincial Government of Laguna) is targeting to make 360,000 connections in five years for Laguna although they have only made 1,200 new connections so far. He said only about 20 percent or 120,000 households are connected to their water distribution system in Laguna out of the 600,000 households. Overall target is to connect 80 percent or 480,000 by the fifth year.

The joint venture is developing and operating the water supply system of the city of Sta. Rosa and the municipalities of Biñan and Cabuyao in Laguna province.

<http://www.mb.com.ph/articles/256600/mwc-allots-p12-billion-laguna-boracay-water-supply>

MIAA needs new terminal, eyes Nayong Pilipino as extension

The Manila International Airport Authority (MIAA) needs to build another terminal and plans to take back the 36-hectare property it has given to Nayong Pilipino to be converted into an extension of Ninoy Aquino International Airport (NAIA) Terminal 2 and cargo center via a Build-Operate-Transfer (BOT) scheme with the private sector, MIAA General Manager Melvin Matibag told reporters this week. "We hope we will get back the land," he noted. Under Presidential Decree 37 which created Nayong Pilipino in 1972, MIAA donated the land to showcase the Philippines. But now, the GM is studying the decree. "We want to see if we can take it back for airport operations." MIAA's three terminals handled a total of 24 million passengers in 2009. It is capable of handling 32.5 million but it needs to expand soon, according to the GM.

Last year, NAIA Terminal 1 handled 4 million passengers and is already at full capacity. NAIA T2

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can accommodate 8 to 9 million domestic and international passengers and is also at full capacity. NAIA T3, which can accommodate 13 million international passengers, has handled 8.8 million passengers from Cebu Pacific Air (CEB). MIAA's three international airports handle 90 percent of international travel, with the 10 percent balance being divided among other airports located in the country's commercial hubs, such as Cebu, Davao, Clark and Ilocos.
<http://www.mb.com.ph/articles/256953/miaa-needs-new-terminal-eyes-nayong-pilipino-extension>

Philippine Stock Exchange Weekly Top Gainers May 11 - 14, 2010

Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 Week	4 Weeks	
1	Central Azucara de Terlac	13.00	52.94	52.94	2,092
2	Euro-Med Laboratories Philippines, Inc.	1.58	49.06	-7.06	2
3	Metro Pacific Tollways Corporation	1.20	17.65	13.21	7
4	Swift Foods, Inc.	0.1950	30.00	25.81	15,777
5	Omico Foundation	0.0110	29.41	29.41	26,611
6	JG Summit Holdings, Inc.	12.0000	27.66	21.21	230,044
7	RFM Corporation	0.99	25.32	41.43	47,694
8	Vulcan Industrial & Mining	0.93	24.00	82.35	2,971
9	First Gen Corporation	11.50	21.05	12.20	990,297
10	Aboitiz Equity Ventures	18.75	20.97	22.95	385,672

Philippine Stock Exchange Weekly Top Gainers May 11 - 14, 2010

PER, EPS & BPV

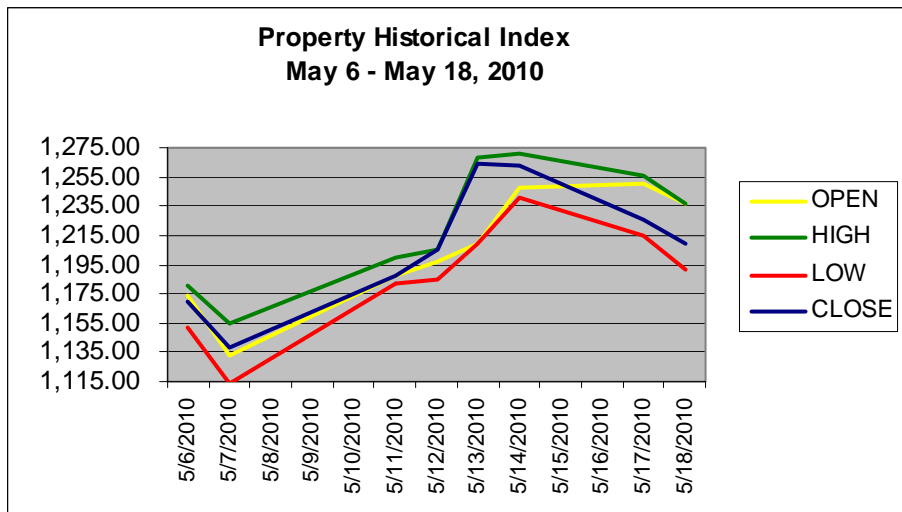
Rank	Stock	PER	EPS	PBV
1	Central Azucara de Terlac	8.73	1.49	0.42
2	Euro-Med Laboratories Philippines, Inc.	18.22	0.09	1.43
3	Metro Pacific Tollways Corporation	59.92	0.12	5.73
4	Swift Foods, Inc.	-1.13	-0.17	1.13
5	Omico Foundation	54.49	0.0002	1.26
6	JG Summit Holdings, Inc.	9.54	1.26	0.98
7	RFM Corporation	8.59	0.12	0.61
8	Vulcan Industrial & Mining	-305.43	-0.003	0.86
9	First Gen Corporation	21.36	0.54	0.95
10	Aboitiz Equity Ventures	12.46	1.50	2.32

Source: Philippine Stock Exchange, Weekly Market Watch,

Philippine Stock Exchange Index Composition for Property As of TUE MAY 18, 2010 12:10:00 PM

SECURITY NAME	PRICE	OUTSTANDING SHARES	FREE FLOAT LEVEL	FREE FLOAT - ADJUSTED MARKET CAPITALIZATION	% WT
AYALA LAND, INC.	13.75	12,963,002,441	46.0 %	81,990,990,439.32	44.09
BELLE CORPORATION	1.90	6,350,899,542	81.0 %	9,774,034,395.14	5.26
A BROWN COMPANY, INC.	3.30	1,309,926,933	21.0 %	907,779,364.57	0.49
CYBER BAY CORPORATION	0.65	6,160,000,000	39.0 %	1,561,560,000.00	0.84
EMPIRE EAST LAND HOLDINGS, INC.	0.43	10,495,236,253	40.0 %	1,805,180,635.52	0.97
FILINVEST LAND, INC.	0.95	24,249,759,506	45.0 %	10,366,772,188.82	5.57
MEGAWORLD CORPORATION	1.28	25,637,783,626	40.0 %	13,126,545,216.51	7.06

Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices



Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices

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