



## **Press Release**

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**Reference: Benjamin R. Lopez ([brlopez@fphc.com](mailto:brlopez@fphc.com))**

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During the First Philippine Holdings Corporation (First Holdings) board meeting held today, the offers of TriRatna Holdings Corporation (TriRatna) and the counter offer of Metro Pacific Investments Corporation (MPIC) for the company's shares in Manila Electric Company (MERALCO) were taken up. MPIC exercised its right of first refusal and matched the TriRatna offer for a Meralco valuation of PhP300/share.

The transaction between MPIC and First Holdings follows the process in the Investment and Cooperation Agreement between the two parties signed last March 2009. There will be a short-term loan by MPIC to First Holdings (or its wholly-owned subsidiaries) in the amount of approximately PhP11.20B. The Loan will be evidenced by a promissory note which will mature on 31 March 2010 and will have an interest of 5% per annum. The loan will be secured by Meralco and First Gen shares. There will be a Call Option granted to MPIC by First Holdings on 74,700,000 common shares of Meralco or approximately 6.7% of the outstanding common shares of Meralco. The Call Option shall be exercisable at any time from the date that the Call Option is granted until 31 March 2010.

Oscar M. Lopez, Chairman and CEO of First Holdings, stated "We are very happy with the agreement reached with Mr. Pangilinan's group. It reflects a valuation that shows the strong growth prospects of Meralco. The proceeds, no doubt, will allow First Holdings to pursue its new directions and further establish itself in the country as the premier renewable energy provider."

The adviser to the transaction was Evercore Partners.