COVER SHEET

| | | | | | | | | | | | | | | | | | | | | | | A | S | | | | | 0 | | | 6 | 9 |
|---------|-----------------------|--------|------------|------|----------|----|---|-------|------------|------|-------|-------|------|-------|--------|------|-----------|----------|------|------|-----|------|-------|--|--|-------|-------|----------------|------------|-------|-------------|----|
| | | | | | | | | | | | | | | | | | | | | | | | | S | EC I | Regis | trati | on N | umb | er | | |
| В | E | N | P | R | E | S | | H | 0 | L | D | I | N | G | S | | C | 0 | R | P | 0 | R | A | Т | I | 0 | N | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | [| | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Γ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | Ī |
| | | | | | | | | | | | | | | | | | | <u> </u> | | | | | | <u>. </u> | | | | I | | | | Ħ |
| Ь. | <u> </u> | L | | I | | | | | | | ((| Com | pany | 's Fu | ill N | ame) |) | | | | | | | L | . | I | L | <u> </u> | | | | ш |
| 4 | t | h | | F | l | 0 | 0 | Г | , | | В | e | n | p | r | e | S | | В | u | i | ı | d | i | n | g | , | | | | | |
| M | e | г | а | 1 | c | 0 | | A | v | e | n | u | e | , | | P | a | s | i | g | | С | i | t | у | | | | | | | Ī |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | П |
| Γ | | | | | | | | | | | | | | | | | | | | | | | | | | | | <u> </u> | | | | H |
| L | | | | | <u> </u> | | | (I | Busir | 1658 | Addı | ress: | No. | Stree | t Cit | y/To | wn/l | Provi | nce) | | | | | | <u>. </u> | l | | <u>ــــ</u> ـا | | | | |
| Salv | r ad o (Con | | | | na | | | | | | | | | | | | | | | (Cot | | 91(| | | Num | her | | | | | | |
| 1 Mo | 2 onth (Fise | cal Y | D_{ℓ} | | | | | | | | | | i | 2 | (For | | I ype) | S | | | | | | | | | | Mo (A | nth Mou | al Me | Do cetin | |
| | | | | | | | | | (| Seco | ondar | ry Li | cens | е Туј | pe, II | ГАрј | plical | ble) | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | ary | | | | |
| Dep | t. Ro | quiri. | ng th | is D | oc. | | | | | | | | | | | | | | | | | | A | | | | | Vurnt | | | п | |
| | 10 | 0,54 | 1 | | | | | | | | | | | | | | | | | | | 1 | 2875 | | iai A Iliot | | nt of | Bon U | S\$4 | | illio | ın |
| Tota | l No | | | hold | lers | | | | | | | | | | | | | | | | į | | | mes | | | | | | reig | | |
| | | | | | | | | 1 | · Γο be | acc | отр | lishe | d by | SEC | Per | onn | el co | псеп | ned | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | l | | Fi | le N | umb | er | | | | | | | | _ | LC | U | | | | | | | | | | | | | | | | |
| | | | | | nent 1 | | | | | | | | | | Casi | | | | | | | | | | | | | | | | | |
| | | | | | - 1 | ш | | | | | | | | | CHS | ncı | | | | | | | | | | | | | | | | |
| T A N | 4 P S | | | | | | | | | | | | | | | Rei | mark | s: P1 | case | use | BLA | .CK: | ink f | or sc | anni | ng p | urpo | ses. | | | | |

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement Pursuant to Section 17.1 (b) of the Securities Regulation Code

| 1. | Check the appropriate box: () Preliminary Information (X) Definitive Information | | |
|------------|--|--|----------------------|
| 2. | Name of the Registrant as sp BENPRES HOLDINGS COR | | |
| 3. | Province, country or other jui METRO MANILA, PHILIPPI | risdiction on incorporation or organization NES | |
| 4. | SEC Identification Number: | AS093-04369 | |
| 5. | BIR Tax Identification Code: | 002-825-058 | |
| 6. | Address of principal office: | 4 TH FLOOR, BENPRES BUILDING EXCHANGE ROAD CORNER MERALCO A PASIG CITY 1605 | AVENUE |
| 7 . | Registrant's telephone includ | ling area code: (632) 910-3040 | |
| 8. | Date, time and place of the n | neeting of security holders: | |
| | Date - June 10, 2010 Time - 8:00 AM Place - Meralco Thea Meralco Aver Pasig City | | |
| 9. | Approximate date on which to first to be sent or given to see | | |
| 10. | Securities pursuant to section amount of debt is applicable | ons 4 and 8 of the SRC: (information on only to corporate registrants): | number of shares and |
| | Title of Each Class | Subscribed and Outstanding (No. of shares) | (Pesos) |
| | Common shares | 4,581,544,408 | 4,581,544,408 |
| | Long-term Commercial Pape | rs | 875 million |
| 11. | Are any or all of the registran | t's securities listed on the Philippine Stock E | xchange |
| | Yes (x) Common shares | No () | |



May 11, 2010

Securities and Exchange Commission

Money Market Operations Department SEC Building, EDSA near Ortigas Avenue Mandaluyong City

Attention:

Ms. Justina F. Callangan

Director - Corporate Finance Department

Gentlemen:

We hereby submit the Form 20-IS, Definitive Information Statement of Benpres Holdings Corporation in compliance with SRC Rule 20.

Based on SEC's letter dated May 4, 2010, which provided a list of prescribed amendments to the Preliminary Information Statement of the Company submitted last April 29, 2010, we made the following revisions:

Notice of ASM - Agenda to include (1) Ratification of the Acts of the Board and of Management and

(2) Amendment of Articles of Incorporation Changing Corporate Name to

"Lopez Holdings Corporation"

Page 9 - Proposed Amendment to the Articles of Incorporation

Pages 2 & 3 - Use the same cut-off date (April 27, 2010) for both security ownership tables under

Control and Compensation Committee

Page 7 - Indentify the Chairman and members of the Nomination Committee

Page 13 & 14 - Attached copy of Certificate of Qualification of all independent directors pursuant to the

October 20, 2006 Notice of the Commission

Page 4 - Mr. Augusto Almeda Lopez is no longer an executive officer of the Company

Page 22 - Interim financial statements will be made available during the Annual Stockholders'

Meeting on June 10, 2010

Page 17 - Share price information and shareholders as of the latest practicable trading date

(April 27, 2010)

We hope you find everything in order.

Respectfully yours,

Enrique I. Quiason Corporate Secretary

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To: All Stockholders of Benpres Holdings Corporation

Please be advised that the annual meeting of the stockholders of Benpres Holdings Corporation will be held on **Thursday**, **June 10**, **2010** at 8:00 a.m. at Meralco Theater, Meralco Avenue, Ortigas Center, Pasig City, to discuss the following:

AGENDA

- 1. Call to Order
- 2. Proof of Service of Notice
- 3. Certification of Quorum
- 4. Approval of Minutes of June 11, 2009 Annual Stockholders' Meeting
- 5. Report of the President
- 6. Approval of the Audited Financial Statements
- 7. Ratification of the Acts of the Board and of Management
- 8. Election of Directors for Ensuing Year
- 9. Appointment of External Auditor
- 10. Amendment of Articles of Incorporation Changing Corporate Name to Lopez Holdings Corporation
- 11. Other Business
- 12. Adjournment

For purposes of the meeting, only stockholders of record as of April 27, 2010 are entitled to attend and vote in the said meeting.

Copies of the minutes of Annual Stockholders' Meeting held on June 11, 2009 will be available upon request.

Should you be unable to attend the meeting in person, you may execute the necessary proxy and have it delivered to the undersigned at P.O. Box No. 13951, Ortigas Center Post Office, 1600 Pasig, Metro Manila. Under the by-laws, proxies must be received not later than June 1, 2010

For your convenience in registering your attendance, please have available some form of identification such as passport, driver's license or voter's I.D.

By order of the Board of Directors

Enrique I. Quiason Corporate Secretary

PROXY

KNOW ALL MEN BY THESE PRESENTS:

| constitute Chairman under the the stock purposes | es n o e n kho | and f the i ame o lders | appo meeti of the of th | oints ing, a unde e Co | s Pro ersign rporat | xy to ed in | repres | sent the | e und the t | dersigne Corpora or post | or indication at concernation | in h vot any | nis inca e all the and al | apacity e shar I regul | or n es owr ar and | ned by or special r | dance, r registe meeting: | the red s of |
|--|-------------------------|----------------------------------|----------------------------------|---------------------------------|-------------------------------|----------------|--------|-----------|----------------|--------------------------------|---|--------------------|---------------------------------|------------------------------|--------------------------|------------------------|---------------------------------|--------------------|
| until with in instand | dra | wn by | / the | unde | rsigne | d thr | ough r | notice ir | n writ | ing to th | ne Seci | | | | | ntinue to , but sha | | |
| | | | | | | | l have | | eunto | signed | l these | е р | resents | this | | | day | of |
| | | | | | | | | (Prin | nted f | Name of | Stocki | nold | er and | Signat | ure) | | | |
| | | | | | | | | | | | (Addre | ss) | | | | | | |

BENPRES HOLDINGS CORPORATION INFORMATION STATEMENT

This Information Statement is dated May 20, 2010 and is being furnished to stockholders of record of Benpres Holdings Corporation as of April 27, 2010 in connection with the Annual Stockholders' Meeting.

MANAGEMENT IS NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND MANAGEMENT. A PROXY.

However, if a shareholder on record as of April 27, 2010 is unable to attend the Annual Stockholders' Meeting of Benpres Holdings Corporation on June 10, 2010 and would like to be represented by a proxy, kindly accomplish the proxy form attached and submit the accomplished proxy form addressed to the Corporate Secretary of Benpres Holdings Corporation at 4/F Benpres Bldg., Meralco Ave. corner Exchange Rd., Ortigas Center, Pasig City not later than June 1, 2010. The proxy form need not be notarized.

A. General Information

Date, Time and Place of Meeting of Security Holders

Date - June 10, 2010 Time - 8:00 AM

Place - Meralco Theater

Meralco Avenue, Ortigas Center

Pasig City

Principal Office - 4th Floor, Benpres Building

Meralco Avenue, Pasig City 1605

Approximate date on which the Information Statement is first to be sent or given to security holders is May 20, 2010

Dissenter's Right of Appraisal

A stockholder has a right to dissent and demand payment of the fair value of his share:

- (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence;
- (ii) in case any sale, lease mortgage or disposition of all or substantially all the corporate property assets; and
- (iii) in case of merger or consolidation.

The Company is not aware of any action or matter to be taken up at the Annual Stockholders' Meeting that will give rise to the exercise by a shareholder of the right of appraisal.

However, if any time after the Information statement has been sent out, an action which may give rise to the right of appraisal is proposed at the meeting, any shareholder who wishes to exercise such right and who voted against the proposed action must make a written demand within 30 days after the date of the meeting or when the vote was taken for the payment of fair market value of his share. Upon payment, he must surrender his

certificate of stock. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer or associate of directors and officers has any substantial interest, direct or indirect, in any matter to be acted upon during the Annual Stockholders' Meeting, other than the election to office of the nominees.

The Company has not received any information than an officer, director or stockholder intends to oppose any action to be taken at he Annual Stockholders' Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

- (a) The Company has 4,581,544,408 common shares subscribed and outstanding as of March 31, 2010. Each stockholder shall be entitled to one vote for each share of common stock held as of the established record date.
- (b) All stockholders of record as of April 27, 2010 are entitled to notice and to vote at the Annual Stockholders' Meeting.
- (c) With respect to the election of directors, the stockholders may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many vote as the number of directors to be elected or he may distribute them on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.
- (d) Pursuant to Article I, Section 5 of the By-Laws of the Company, a quorum of any meeting of the stockholders shall consist of a majority of the subscribed capital stock of the Company represented in person or by proxy, and a majority of such quorum shall decide any question that may come before the meeting, except in those several matters in which the laws of the Philippines require the affirmative vote of a greater proportion.
 - Voting upon all questions at all meetings of the stockholders shall be by shares of stock. One share has one vote. The stockholders may vote at all meetings the number of shares registered in their respective names either in person or by proxy duly represented to the Secretary for inspection and record.
- (e) As of April 27, 2010, the Company knows of no beneficial owner or voting trust holder of 5% or more among the stockholders except as set forth below:

| (1) Title of Class | (2) Name and address of Record Owner and Relationship with the Company | (3) Name and Address of Beneficial Owner and Relationship with the Record Holder | (4) Cittzenship | (5) No. of Shares | (6) Parcent Class |
|--------------------|---|--|--------------------|-------------------|-------------------------|
| Common | Lopez, Inc. 5 th Floor, Benpres Building Exchange Road Pasig City* is the majority owner of the Issuer | Lopez, Inc., 5 th Floor, Benpres Building, Exchange Road, Pasig City, is both the record and beneficial owner | Filipino | 2,411,585,715 | 52.6% |

| Common | PCD Nominee | PCD Nominee | Filipino | 1,370,868,709 | 29.9% |
|--------|-------------------|-------------------|----------|---------------|--------|
| | Corp. c/o PCD | Corp. c/o PCD | | | |
| | Nominee, | Nominee, | | | |
| | Makati City | Makati City | | | |
| Common | PCD Nominee | PCD Nominee | Foreign | 520,522,619 | |
| | Corp. PSE Center, | Corp. PSE | | | 11.4** |
| | Ayala Avenue, | Center, Ayala | | | |
| | Makati City | Ave., Makati City | | | |

^{*} Lopez, Inc. is the holding company of the Lopez family. It is owned by the respective holding companies of the families of Oscar M. Lopez, Manuel M. Lopez, Presentacion L. Psinakis, and Eugenio Lopez III and his siblings.

Mr. Oscar M. Lopez, chairman and chief executive officer, is authorized to vote for the shares of Lopez, Inc.

Name and Address of the record and beneficial owner of more than 5% under PCD Nominee:

The Hongkong and Shanghai Banking Corp. Ltd. (HSBC) HSBC Securities Services 12/F, The Enterprise Center, Tower I, 6766 Ayala Avenue, cor. Paseo de Roxas, Makati City

- (f) There are no arrangements which have resulted in a change in control of the registrant during the periods covered by this Information Statement.
- (g) Security Ownership of Management as at April 27, 2010:

| (1) Title of | Egy) Nation interfelm | (6) Ministration and Cross | 9#49 <mark>(4)</mark> 9## | (5) Rescent |
|--------------|-----------------------|---|---------------------------|-------------|
| Class | owner | of beneficial ownership | Citizenship | owner of |
| | | and a supplication of the | 100 | Class |
| Common | Oscar M. Lopez | 8,611,991 (direct) | Filipino | 0.19% |
| " | _ | 7,457,025 (indirect) | Filipino | 0.16% |
| u | Manuel M. Lopez | 7,090,460 (direct) | Filipino | 0.15% |
| " | | 10,985,000 (indirect) | Filipino | 0.24% |
| 44 | Eugenio Lopez III | 16,829 (direct) | Filipino | -% |
| " | Felipe B. Alfonso | 1 (direct) | Filipino | -% |
| " | Washington Z. Sycip | 1 (direct) | Filipino | -% |
| 4 | Cesar E.A. Virata | 1 (direct) | Filipino | -% |
| « | Angel S. Ong | 1 (direct) | Filipino | -% |
| | Perla R. Catahan | 10,000 (direct) | Filipino | -% |
| " | Enrique I. Quiason | 67,317 (direct) | Filipino | -% |
| u . | Pedro A. Chanco III | 7,712 (direct) | Filipino | -% |
| и | Arthur de Guia | 621,000 (direct) | Filipino | -% |
| « | Elpidio L. Ibanez | 1,834,217 (direct) | Filipino | 0.04% |
| u . | Federico R. Lopez | 2,857 (direct) | Filipino | -% |
| " | _ | 2,000 (indirect) | Filipino | -% |
| u | Salvador G. Tirona | _ | Filipino | -% |
| и | Nestor J. Padilla | _ | Filipino | -% |
| и | Cielito R.A. Diokno | | Filipino | -% |
| и | Maria Amina O. Amado | _ | Filipino | -% |
| и | Other directors and | | | |
| | officers | 2,392,416 (direct) | Filipino | 0.04% |
| | All directors and | | | |

^{**} HSBC is the beneficial owner and Ms. Jocelyn Tan, AVP – Corporate Action, is authorized to vote for the 5.91% shares of PCD Nominee Corporation.

| 4 | executive officers | | | |
|---|--------------------|---------------------|----------|-------|
| | as a group | 39,098,828 (direct) | Filipino | 0.69% |

(h) Voting Trust Holders of 5% or More

The Company is not aware of persons holding more than 5% of the outstanding common shares under a voting trust or similar agreement.

Changes in Control

The Company is not aware of any arrangement which have resulted in a change in control of the Company during the period covered by this report. The Company is not aware of the existence of any voting trust arrangement among shareholders.

(i) Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No director, officer or associate of directors and officer has any substantial interest, direct or indirect, in any matter to be acted upon during the Annual Stockholder's Meeting, other than the election to office of the nominees.

The Company has not received any information that an officer, director or stockholder intends to oppose any action to be taken at the Annual Stockholders' Meeting.

Directors and Executive/Corporate Officers

(a) The directors of the Company have a term of one year and are elected annually. The present directors and officers of the Company are as follows:

Mr. Oscar M. Lopez, Chairman

Mr. Manuel M. Lopez

Mr. Eugenio Lopez, III

Mr. Angel S. Ong

Mr. Felipe B. Alfonso

Mr. Washington Sycip (independent)

Mr. Cesar E.A Virata (independent)

Executive / Corporate Officers:

Oscar M. Lopez Chairman and Chief Executive Officer

Manuel M. Lopez Vice Chairman of the Board

Angel S. Ong President and Chief Operating Officer

Eugenio L. Lopez III Treasurer

Elpidio L. Ibañez Chief of Staff with rank of Executive Vice President

Federico R. Lopez EVP – Regulatory Management Felipe B. Alfonso EVP – Human Resource Development

Salvador G. Tirona SVP – Chief Finance Officer

Perla R. Catahan Group Comptroller with rank of EVP
Pedro A. Chanco III SVP – Corporate Communications
Nestor J. Padilla SVP – Property Development

Arthur De Guia SVP – Manufacturing and Portfolio Investments

Cielito R. A. Diokno Vice-President, Human Resources

Enrique I. Quiason Corporate Secretary
Maria Amina O. Amado Compliance Officer

| Oscar M. Lopez | Oscar M. Lopez (aged 80) has chaired the company's board since inception and |
|----------------|--|
| Chairman | served as president from 1999 until 2004. He has been chief executive officer of |
| | Benpres since 1999. He received a Bachelor of Arts degree from Harvard College |
| | and a Masters degree in Public Administration from Harvard University. He is |
| | chairman and chief executive officer of FPHC (since 1986), chairman of Lopez, Inc. |
| | (since 1999) and chairman of among others, Bayan and SkyCable. He is vice |

| | chairman of the board of Rockwell Land and is a director of ABS-CBN. He attended the seminar, Corporate Governance for Directors of SGV & Co. He owns 8,611,911 Benpres shares. |
|--|--|
| Manuel M. Lopez | Manuel M. Lopez (aged 67) has been a director of the company since inception. He is a holder of a Bachelor of Science degree in Business Administration and attended the Program for Management Development at the Harvard Business School. He is the chairman of Meralco and Rockwell Land, and is a director of among others, FPHC and Lopez, Inc. He was president of Meralco from 1986 to June 2001. He attended the two-day Briefing on Corporate Good Governance Risk Management of the Knowledge Institute of SGV & Co. He owns 7,090,460 Benpres shares |
| Eugenio Lopez III | Eugenio Lopez III (aged 57) has been director and treasurer of the company since inception. He received a Bachelor of Arts degree in Political Science from Bowdoin College and a Masters degree in Business Administration from the Harvard Business School. He has been chairman and chief executive officer of ABS-CBN since 1997, and is president and director of SkyCable, and vice chairman of the board of Bayan, among others. He was president of ABS-CBN from 1993 to 1997. He attended the 4th Corporate Governance Scorecard for Publicly Listed Corporations in the Philippines of the Institute of Corporate Directors. He owns 16,829 Benpres shares. |
| Angel S. Ong | Angel S. Ong (aged 60) was elected director and president and chief operating officer in 2004. He was the Company's EVP-Chief Financial Officer from 2001 to 2004 and Vice President for Finance from 1998-2000. He received his Bachelor of Science in Commerce degree from the Philippine College of Commerce and a Masters degree in Business Administration from the University of the Philippines. He is a director of ABS-CBN, among others. He attended the five-day Professional Directors' Program of the Institute of Corporate Directors. He owns one Benpres share. |
| Felipe B. Alfonso | Felipe B. Alfonso (aged 72) has been a director of the company since 1996. He has been EVP-Human Resource Development since January 2001. He received a Bachelor of Laws degree from the Ateneo de Manila University and a Masters degree in Business Administration from New York University. He has been co-vice chairman of the board of trustees of the Asian Institute of Management (AIM) since September 1999. He was AIM president from June 1990 to 1999. He attended the Corporate Governance Course of the Executive Education & Life Long Learning Center of AIM. He owns one Benpres share. |
| Washington Z. Sycip (Independent Director) | Washington Z. SyCip (aged 87) has been a director of the company since 1996. He is an independent director. He received a Bachelor of Science degree in Commerce from the University of Sto. Tomas and a Master of Science degree in Commerce from Columbia University. He is chairman of the board of trustees and board of governors of the Asian Institute of Management, and Honorary Chairman of Euro-Asia Centre, INSEAD of France. He is also a member of the Board of Overseers of the Columbia University Graduate School of Business, and a board member of the Joseph H. Louder Institute of Management and International Studies, University of Pennsylvania. He underwent the Mandatory Accreditation Programme of the Research Institute of Investment Analysts Malaysia. He owns one Benpres share. |
| Cesar E.A. Virata (Independent Director) Elected: July 9, 2009 | Cesar E.A. Virata (aged 79) was elected director of the company in July 2009. He is an independent director. He graduated in 1952 from the University of the Philippines with Bachelor of Science degrees in Mechanical Engineering and in Business Administration (cum laude). He received his Masters degree in Business Administration major in Industrial Management in 1953 from the University of Pennsylvania. Former Prime Minister of the Philippines (1981-1986) and Chairman of the Committee on Finance of the Batasang Pambansa (1978-1986), he is now chairman and president of the C. Virata and Associates, Inc. Management Consultants, director and corporate vice chairman of Rizal Commercial Banking Corporation, and concurrently serves as director and/or chairman of such organizations as RCBC Savings Bank, Inc., RCBC Capital Corporation, Malayan Insurance Company, Inc., Great Life Financial Assurance Corporation, BusinessWorld Publishing Corporation, Mapua Institute of Technology, and AY Foundation, Inc., among others. He attended the seminar, Corporate Governance for Bank Directors, Bank Chairmen & CEOs of the Institute of Corporate Directors and the Bangko Sentral ng Pilipinas. He owns one Benpres share. |

| Elpidio L. Ibañez | Elpidio L. Ibañez (aged 59) has been chief of staff of the company since January |
|---------------------|--|
| CIPIOIO L. IDANEZ | 2001. He received his Bachelor of Arts degree in Economics from the Ateneo de |
| | Manila University and a Masters degree in Business Administration from the |
| | University of the Philippines. He is a member of the board, president and COO of |
| | FPHC (since 1994), and a director of various FPHC subsidiaries and affiliates. |
| Federico R. Lopez | Federico R. Lopez (aged 48) has been EVP – Regulatory Management for the |
| r ederato IX. Eopoz | company since January 2001. He is vice-president of FPHC (since September 1992), |
| | president of First Generation Holdings Corporation (since May 2002), president of |
| | First Gas Holdings Corporation, and a member of the board of directors of various |
| | FPHC subsidiaries. |
| Salvador G. Tirona | Salvador G. Tirona (aged 55) joined the Company as Chief Finance Officer (CFO) in |
| Carraco. C. Fricha | September 2005. He was formerly a director and the CFO of Bayan. In 2003, he |
| | played a critical and strategic role as CFO of Maynilad Water Services, Inc., |
| | particularly in implementing its rehabilitation plan. He holds a Bachelor degree in |
| | Economics from the University of Ateneo de Manila and a Master of Business |
| | Administration from the same university. |
| Perla R. Catahan | Perla R. Catahan (aged 56) has been EVP - Group Comptroller effective July 2006. |
| | She holds a Bachelor of Science in Commerce major in Accounting from Philippine |
| | College of Commerce and a Master of Business Management from Asian Institute of |
| | Management. She is vice president and comptroller of FPHC and a member of the |
| | board and comptroller of directors of various FPHC subsidiaries. |
| Pedro A. Chanco III | Pedro A. Chanco III (aged 60) has been SVP-Corporate Communications since |
| | January 2001. He was vice president for group public relations from 1995-2000. He |
| | holds a Bachelor's degree in Journalism from the University of the Philippines and |
| | completed the Senior Business Economic Program of the University of Asia and the |
| | Pacific. |
| Nestor J. Padilla | Nestor J. Padilla (aged 55) has been SVP - Property Development since January |
| | 2001. He received his Bachelor of Science degree in Business Management from the |
| | Ateneo de Manila University. He has been president and CEO of Rockwell Land since |
| | 1995. He is a member of the board of trustees of the Rockwell Land Condominium |
| | Corporation and is a director of the Rockwell Club. |
| Arthur A. De Guia | Arthur A. DeGuia (aged 58) has been SVP – Manufacturing and Portfolio Investments |
| | since January 2001. His degrees include a Bachelor of Science in Electrical |
| | Engineering from the Mapua Institute of Technology, a Master of Engineering in |
| | Industrial Management from the Asian Institute of Thailand, and a Doctor of |
| | Philosophy in Industrial |
| | Engineering from the University of California (Berkeley). He has also |
| | been Managing Director of FPHC since 1997. |
| Cielito R.A. Diokno | Cielito R.A. Diokno (aged 55) has been with the company since 1997. She received |
| | her Bachelor of Science degree in Psychology from the University of the Philippines. |
| Enrique I. Quiason | Enrique I. Quiason (aged 49) has been the corporate secretary of the company since |
| | inception. He received his Bachelor of Science degree in Business Economics and |
| | Bachelor of Laws degree from the University of the Philippines, and Master of Laws |
| | degree in Securities Regulation from Georgetown University. He is a senior partner of |
| | the Quiason Makalintal Barot Torres & Ibarra Law Office. He is the corporate |
| | secretary of FPHC, Rockwell Land, Bayan, SkyCable, Griffin Sierra Travel, and |
| | Lopez, Inc. He is also assistant corporate secretary of ABS-CBN. |
| Ma. Amina O. Amado | Maria Amina O. Amado (aged 46) has been the Compliance Officer of the Company |
| | since 2006. She has been the Assistant Vice President of Benpres since 2005, and |
| | has been its Assistant Corporate Secretary since 1994. She is also the Corporate |
| | Secretary and Assistant Corporate Secretary of various Benpres subsidiaries and |
| | affiliates. She graduated with an A.B. Political Science degree in 1984 and a Bachelor |
| | of Laws degree in 1989 from the University of the Philippines. She completed the |
| | academic requirements for the Executive Masters in Business Administration program |
| | of the Asian Institute of Management. |

The Directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers are appointed or elected annually by the Board of Directors at its first meeting following the Annual Meeting of Stockholders, each to hold office until a successor shall have been appointed.

(b) Family Relationships

There are no other family relationships among the directors and officers listed above except for the following: Messrs. Oscar M. Lopez and Manuel M. Lopez are brothers; Mr. Eugenio Lopez III is the nephew of Mr. Oscar and Manuel Lopez; Mr. Federico R. Lopez is the nephew of Mr. Manuel M. Lopez and the son of Mr. Oscar M. Lopez.

(c) Involvement of Directors and Executive Officers in Certain Legal Proceedings

With respect to the last five years and up to the date of this Information Statement, the Company is not aware of (i) any bankruptcy proceedings filed by or against any business of which a director, person nominated to become a director, executive officer, or control person of the Company is party of which any of their property is subject, (ii) any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, of any of its director, person nominated to become a director, executive officer, or control person, (iii) any order, judgment, or decree not subsequently reversed, superseded, or vacated, by any court of competent jurisdiction, domestic, or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting the involvement of a director, person nominated to become a director, executive officer, or control person of the Company in any type of business, securities, commodities, or banking activities, nor (iv) any findings by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, that any of its director, person nominated to become a director, executive officer, or control person has violated a securities or commodities law.

(d) Certain Relationships and Related Transactions

There have been no material transactions during the past two years, nor is any material transactions presently proposed, to which any director, executive officer of the Company or security holder of more than 10% of the Company's voting securities, any relative or spouse of any director or executive officer or owner of more than 10% of the Company's voting securities had or is to have direct or indirect material interest.

Lopez, Inc. is the registered and beneficial owner of 52.6% of the voting stock of the Company, as of April 27, 2010.

- (e) No person who is not an executive officer is expected by the Company to make a significant financial contribution to the business
- (f) No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of the Company because of a disagreement with the Company on matters relating to the Company's operations, policies and practices.

Nominees for Election of Directors

As of April 27, 2010, the Company received nominations for the following as members of the Board of Directors for the ensuing year (2010-2011):

Mr. Oscar M. Lopez, Chairman

Mr. Manuel M. Lopez

Mr. Eugenio Lopez, III

Mr. Felipe B. Alfonso

Mr. Salvador G. Tirona

Mr. Washington Sycip (independent)

Mr. Cesar E.A. Virata (independent)

Messrs. SyCip and Virata are independent directors. The Company's two independent directors have one (1) share of the stock of the Company each in their respective names, are both college graduates and possess

integrity, probity and assiduousness. They are persons who, apart from their fees as directors of the Company, are independent of management and free from any business or other relationship which could, or could reasonably, be perceived to materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company. Mr. SyCip and Mr. Virata: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last five (5) years; (v) are not retained as professional advisers by the Company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through their firms; and (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arms length and are immaterial or insignificant. They do not possess any of the disqualifications enumerated under Article 3E of the Revised Code of Corporate Governance and SEC Memorandum Circular No. 6, Series of 2009.

All the directors, including the independent directors, were nominated by Lopez, Inc. The independent directors are independent of management and free from any business or other relationship with Lopez, Inc. The Nominations and Elections Committee passed upon the qualifications of the directors. The Chairman of the Nominations and Elections Committee is Mr. Oscar M. Lopez, and its members are Mr. Washington Z. Sycip and Mr. Cesar E. A. Virata. The stockholders of the Company has adopted SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) at the stockholders meeting held on June 7, 2004 and has delegated the authority to the Board the amendment of the by-laws to incorporate such rules. Compliance therewith has been made pending application with SEC in June 2010.

Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last two fiscal years and to be paid in the ensuing fiscal year to the Company's Chief Executive Officer and four other most highly compensated executive officers follows (in million Php):

| | | | | <u>Total Annual</u> |
|----------------------------|-------|--------|-------|---------------------|
| Chief Executive Officer | Year | Salary | Bonus | Compensation |
| and four most highly | 2008 | 24.67 | 15.43 | 40.10 |
| compensated executive | 2009 | 27.75 | 10.58 | 38.33 |
| officers* | 2010E | 31.91 | 16.20 | 48.11 |
| All officers and directors | 2008 | 37.00 | 17.40 | 54.40 |
| as a group unnamed | 2009 | 40.33 | 14.67 | 55.00 |
| - ' | 2010E | 46.38 | 18.27 | 64.65 |

*Note: The CEO and four most highly compensated executive officers of the Company are Oscar M. Lopez, Eugenio Lopez III, Angel S. Ong, Cielito R.A. Diokno &/or Salvador G. Tirona, Manuel M. Lopez.

- The directors receive standard per diems of P10,000 for each board meeting. There are no other arrangements for compensation either by way of payments for committee participation or consulting contracts.
- There are no other arrangements or consulting contracts on which any director is compensated, whether directly or indirectly.
- 3) There are no existing employment contracts with executive officers. There are no arrangements for compensation to be received from the Company in the event of a resignation, retirement or termination of the executive officer's employment or a change of control of the Company. There are no outstanding warrants or stock options held by any of the Company's executives.

Appointment of External Auditors

The accounting firm of Sycip Gorres Velayo & Co. (SGV) has been the Company's Independent Public Accountants for the last sixteen (16) years. Representatives of SGV will be present during the annual meeting and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed.

Pursuant to SRC Rule 68(3)(b)(iv) (Rotation of External Auditors), the Company has not engaged an SGV partner for more than five years. Mr. Gemilo J. San Pedro was assigned as partner for the Company in 2009.

There was no event in the past sixteen (16) years where SGV had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The Independent Public Accountants, SGV, are willing to stand for re-election.

The audit fees billed for the last two (2) fiscal years for professional services rendered by the external auditor amounted to P950,000 for 2009 and P850,000 for 2008.

SGV was engaged by Benpres solely to audit its annual financial statements. It was not engaged to provide any other (non-audit) services for Benpres in 2009.

The Audit Committee, composed of Sen. Cesar E.A. Virata, as Chairman, Mr. Washingto Z. Sycip and Mr. Manuel M. Lopez, has the function of, among other things, reviewing the performance of the external auditor and exercising final approval on the appointment or discharge of external auditors as well as reviewing and approving audit-related and permitted non-audit services to be rendered by external auditors. Upon recommendation of as the Audit Committee, the Board of Directors will again nominate SGV for re-appointment for the succeeding taxable year.

Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Financial and Other Information

The registrant's audited consolidated financial statements for the calendar year ended December 31, 2008 as well as the Management's discussion and analysis and plan of operations for the same period are provided for in the Annual Report. The Annual Report will be distributed to the stockholders for approval/ratification.

D. OTHER MATTERS

Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting held on June 11, 2009 shall be submitted to the stockholders for approval. The minutes of the said meeting contain discussions of the following items:

- Approval of Minutes of June 12, 2008 Annual Stockholders' Meeting
- Report of the President
- Approval of the Audited Financial Statements
- Election of Directors for Ensuing Year
- Appointment of External Auditor
- Other Business
- Adjournment

Also to be submitted for approval or ratification is the annual report and the audited financial statements for the year 2009.

With respect to the ratification of the Acts of the Board, and of Management for the past year and up to the date of the meeting, these cover items entered into in the ordinary course of business with those of significance having been covered by the proper disclosures such as: the election of corporate officers, membership in board committees, designation of authorized signatories, debt buy-back, sale of assets, opening of accounts, and includes the 2008 reports of the Chairman and President and the 2008 audited financial statements.

Proposed Amendment to the Articles of Incorporation

The Board of Directors approved, in its meeting on May 6, 2010, the proposed amendment to the First Article of the Amended Articles of Incorporation changing the corporate name from Benpres Holdings Corporation to Lopez Holdings Corporation. The amendment reads as follows:

"FIRST: That the name of the said corporation shall be:

LOPEZ HOLDINGS CORPORATION

hereinafter called the "Corporation".

The change in corporate name is intended to identify the Company more clearly as part of the Lopez Group, known for generations in Philippine business for the practice of enduring values – pioneering entrepreneurial spirit, business excellence, nationalism, team work, strong work ethic, integrity, social justice, and concern for employee welfare and wellness.

Benpres was taken from the names Benito and Presentacion, parents of the late Eugenio H. Lopez, Sr. who founded the modern day Lopez Group. A 2009 TNS survey, supervised by ABS-CBN Research, showed that the public distinctly associated the Lopez family with helping people and communities, as well as with delivering quality products and services. However, the same survey showed that the name 'Benpres' had little affinity with the Lopez Group.

Voting Procedures

Vote Required

A quorum for any meeting of stockholders shall consist of the majority of the outstanding capital stock of the Corporation, and a majority of such quorum shall decide any question in the meeting except those matters which the Corporation Code requires a greater proportion of affirmative vote.

Regarding the election of members of the Board of Directors, nominees who receive the highest number of votes shall be declared elected pursuant to Section 24 of the Corporation Code of the Philippines. Likewise, the nominee – for the Company's external auditor – who receives the highest number of votes shall be declared elected.

The manner of voting is non-cumulative, except as to the election of directors and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.

The Method by which the votes will be counted

In the election of directors, the top seven (7) nominees with the most number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected all the shares present or represented at the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots. On the election of directors, each stockholder may vote such number of shares for as many person (s) as there are directors to be elected or he may cumulate such shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as may candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

The manner of voting is non-cumulative, except as to the election of directors and each stockholder shall have one vote for each share entitled to vote and registered in his name. Unless a motion is duly made and seconded, voting shall be made viva voce and counted manually by the Corporate Secretary. Voting shall be

done by balloting upon motion duly made and seconded and the transfer agent shall count and canvass the ballots.

Other than the nominees' election as directors, no director, executive officer, nominee or associate of the nominees has any substantial interest, direct or indirect by security holdings or otherwise in any way of the matters to be taken upon during the meeting.

Upon the written request of a stockholder, the Company undertakes to furnish the said stockholder a copy of the Company's annual report on SEC Form 17-A free of charge. Such written request shall be directed to the Corporate Secretary, Benpres Holdings Corporation, 4th Floor, Benpres Building, Meralco Avenue, 1605 Pasig City. At the discretion of management, a charge may be made for exhibits, provided that such charge is limited to reasonable expenses incurred by the Company in furnishing such exhibits.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on May 11, 2010.

BENPRES HOLDINGS CORPORATION

By:

ENRIQUE I. QUIASON Corporate Secretary

SECRETARY'S CERTIFICATION

ENRIQUE I. QUIASON, of legal age, Filipino, being the duly elected and qualified Secretary of BENPRES HOLDINGS CORPORATION (the "Corporation"), a corporation duly organized and existing under Philippine law, with office address at the 4TH floor Benpres Building, Meralco Avenue, Pasig City, hereby certifies, to the attendance of the Directors of the Corporation in regular and special meetings of the Board of Directors held for the fiscal year from January 1, 2009 and ending on December 31, 2009, as follows:

- 1. Oscar M. Lopez attended twelve out of twelve board meetings
- 2. Manuel M. Lopez attended eleven out of twelve board meetings
- 3. Eugenio Lopez III attended seven out of twelve board meetings .
- 4. Angel S. Ong attended nine out of twelve board meetings
- 5. Washington Z. Sycip attended eight out of twelve board meetings
- 6. Felipe B. Alfonso attended ten out of twelve board meetings
- 7. Cesar E.A. Virata 1 attended aix out of six board meetings
- 8. Vicente T. Paterno² attended four out of six board meetings

IN WITNESS WHEREOF, I have hereunto set my hand this 21st day of January, 2010 at Pasig City, Metro Manila.

> ENRIQUE I. QUIASON Secretary -

Chairman

REPUBLIC OF THE PHILIPPINES) PASIG CITY)S.S.

Subscribed and sworn to before me this 21st day of January, 2010 at Pasig City, Metro Manila, affiant personally known to me and exhibiting to me his Passport No. XX3587386, expires on April 27, 2014, issued at Manila, Philippines and with SSS No. 03-1539111-6 as his competent evidence of identity.

Book No. Series of 2010

D IN THE CITY OF PASIG, TAGUEG AND IN AND IN THE MUNICIPALITY OF PATEROS UNTIL DECEMBER 31, 2010 PTR NO. \$410922; \$/8/09; PASIG CTTY
TBP NO. 788229; 4/16/09; RSM
BOLL NO. \$7017/APPOINTMENT NO. 173 (2009-2016)
21/F Robinsons-Equitable Tower

4 ADB AVE. COT. Povede St.

¹⁶⁰⁵ Origins Center, Pasin City

1 Mr. Vicente T. Paterno has been replaced by Mr. Casar E.A. Virate on July 9, 2009.

² Elected on July 9, 2009

CERTIFICATION OF INDEPENDENT DIRECTORS

I, WASHINGTON Z. SYCIP, American, of legal age and a resident of 60 Cambridge Circle, North Forbes Park, Makati City, Philippines, after having duly sworn to in accordance with law do hereby declare that:

1. I am an independent director of Benpres Holdings Corporation

2. I am affiliated with the following companies or organizations.

| Company/Organization | Position/Relationship | Period of Service |
|-----------------------|-----------------------|-------------------|
| (Please see attached) | | |
| | | |
| | | |
| | | |

- 3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Benpres Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
- 4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
- 5. I shall inform the corporate secretary of <u>Benpres Holdings Corporation</u> of any changes in the abovementioned information within five days from its occurrence.

Done this 20 day of July 2009 at Makati City.

WASHINGTON Z. SYCIP

SUBSCRIBED AND SWORN to before me this JUL 2009 at Makari City, affiant exhibiting to me his Community Tax Certificate no. 12354611 issued at Makari City on January 13, 2009.

Doc. No. 4

Page No. Book No. CXX

Series of 2009.

Defence .

TO CAMO 4-579-066

PT: Av . 532 40 49 - B - DI - 05 - 05 - 35 ROURS . 75 4 43 9 - DI - 05 - 09 - 3 F

TELE NO. 11-00/5473

JOHN EXPLIED UN DEC JOH

A B I A CONTROL OF THE PROPERTY OF A STATE O

I. CESAR E. A. VIRATA, of legal age, Filipino with residence address at 105 Palm One Serendra, 11th Street, Global City, Taguig City, after having been duly swom to in accordance with law do hereby declare that:

- 1. I am an independent director of Benpres Holdings Corporation;
- 2. I am affiliated with the following companies or organizations:

| Company/Organization | Position/Relationship | Period of Service | , |
|---|--|-------------------|-----------------|
| C. Virata & Associates, Inc., Management Consultants | President & Principal Consultant | 1986 - present | Q |
| Rizal Commercial Banking Corporation (RCBC) | Vice Chairman & Non- Executive Director | 1995 - present | |
| Malayan Insurance Company, Inc. | Non-Executive Director | 2005 - present | |
| Bankard, Inc. | Vice Chairman & Non- Executive Director | 2001 - present | |
| RCBC Capital Corporation | Non-Executive Director | | |
| RCBC Realty Corporation | Non-Executive Director | 1998 - present | |
| RCBC Forex Broker Corporation | Chairman & Non-Executive Director | 1999 – present | eg _n |
| Great Life Financial Assurance Corporation | Non-Executive Director | 1997 – present | 1 |
| RCBC International Finance Ltd., Hongkong | Non-Executive Director | 2002 – present | 8 |
| Business World Publishing Corp. | Director (Independent) | . ~ | W 7 |
| Belle Corporation | Director (Independent) | 1996 – present 🖋 | T) |
| Mapua Institute of Technology | Trustee | 1999 - present | ZY' |
| Coastal Road Corporation | Non-Executive Director | 2004 - present | - 1 |
| RCBC Savings Bank | Non-Executive Director | 1999 - present | J |
| Niyog Property Holdings, Inc. | Non-Executive Director | 2005 present | |
| Luisita Industrial Park | Non-Executive Director | 1999 - present | |
| RCBC Land, Inc. | Chairman & Non-Executive Director | 1999 present | - |
| Belle Corporation | Director (Independent) | 1996 - present | |
| City and Land Developers, Inc. | Director (Independent) | 2009 | |

- 3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Benpres Holdings Corporation, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations;
- 4, I shall faithfully and difigently comply with my duties and responsibilities as independent director under the Securities Regulation Code; and
- 5. I shall inform the corporate secretary of Benpres Holdings Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this JUL day of July 2009, at Pasig City

CESAR E. A. VIRATA Affiant

JUL 2 3 2009 --

day of July 2009 at MAKATI CITY SUBSCRIBED AND SWORN to before me this affiant exhibited to me his Community Tax Certificate No. 16757686 issued on January 28, 2009 at Quezon City, and his Passport no. XX2739426.

Doc. No. 1703; Page No. A.F. Book No. 7

Business

The Company

Benpres was incorporated in 1993 by the Lopez family to serve as the holding company for investments in major development sectors such as broadcasting and cable; telecommunications; power generation and distribution; and banking. It added to its portfolio, investments in other basic service sectors but has since sold its interest in banking, toll roads, information technology, property development and health care delivery.

Specifically, the Company disposed of its equity interest in an associate involved in real estate development in August 2009 and roads and tollways business in November 2008 (see Note 12b of the consolidated financial statements attached and incorporated herein by reference).

No new businesses were developed in the last three years.

Please refer to Exhibit 1 on page 18 summarizing the list of the subsidiaries and direct associates of the registrant including their principal activities, and effective % of ownership.

Benpres investments in water distribution and in telecommunication declined in value following the Asian financial contagion in 1997. In 2002, it declared a standstill on \$560M in direct and contingent obligations. Its exit from Maynilad Water Services Inc. in 2005, and subsequent buyback of debt funded from the sale of non-core assets, pared down the debt to \$65 million as of end-2009.

Benpres Holdings Corporation significantly reduced outstanding obligations in 2009 with the settlement of its debt to its biggest creditor, Avenue Capital Group. The settlement with Avenue Capital Group was funded from the sale of the company's interests in First Philippine Infrastructure Inc., Rockwell Land Corporation (Rockwell Land) and shares of Digital Telecommunications Philippines Inc. (Digitel).

As a result of lower debt levels as well as one-time gains, Benpres posted a net income attributable to equity holders of the parent of P11,901 billion in 2009. This is 4x the P2.927 billion net income attributable to equity holders of the parent in 2008.

Benpres booked a one-time gain of P7.5 billion from the extinguishment of debt. The principal amounts settled with the Avenue Capital Group amounted to US\$252 million and P467 million.

Benpres also benefited from substantial equity in net earnings as associate First Philippine Holdings Corporation (FPHC) registered gains on the partial sale of its interest in Meralco.

Synergy in Media and Communications

In the media and communications group, ABS-CBN Corporation (ABS-CBN) reaped the fruits of building a strong organization focused on attaining synergy, rationalizing its cost structure, and strengthening its public service offerings.

ABS-CBN consolidated associate Sky Cable Corporation (SkyCable) into its operations leading to seamless cooperation and greater synergy between multimedia content development and multiplatform distribution. Better performance is expected in 2010 with new offerings that will ride on the combined strengths of ABS-CBN, SkyCable and sister company Bayan Telecommunications, Inc. (Bayan), counted among the country's leading broadband service providers.

ABS-CBN posted a core net income of P1.787 billion in 2009, 37 percent higher than its net income of P1.307 billion in 2008. After PFRS (Philippine Financial Reporting Standards) 3 adjustments relating to the consolidation of SkyCable amounting to P85 million, the reported net income of ABS-CBN amounted to P1.702 billion or 23 percent more year-on-year (YoY).

The media conglomerate's revenue diversification of the company improved as consumer sales, including SkyCable, grew 18 percent YoY to P10.387 billion, contributing 42 per cent to consolidated revenues. Consolidated advertising revenues of P14.463 billion contributed 58 percent as it grew 7 percent YoY. Consolidated revenues

totaled P24.85 billion and was 11 percent better than the 2009 figure of P22.308 billion. Comparative financial results include the contributions of SkyCable for the full year 2009 versus three quarters in 2008.

Listening to the voice of Filipino audiences worldwide allowed ABS-CBN to expand global coverage and stay on top of national television ratings throughout the year. TNS National Urban Philippines TV Audience Ratings showed ABS-CBN maintaining its lead with strong, story-driven primetime offerings that balance original Filipino productions with adaptations of international hit series. TNS data show that 14 of the top 15 programs in 2009 were on ABS-CBN. TNS is a global market research company with headquarters in London and operations in 34 countries including China, the biggest market in the world.

Strong programming helped ABS-CBN Global deliver double-digit growth, as subscription revenues grew by 15 per cent year-on-year despite economic slowdown in most of its major markets. ABS-CBN Global's International Sales and Distribution continued to be the premier source of Philippine programming in North America, Europe, Australia, Asia Pacific, and Africa.

Earnings before interest, taxes, depreciation and amortization (EBITDA) of P6.513 billion was 7 percent higher than the 2008 EBITDA of P6.108 billion and translated into a 2009 EBITDA margin of 26 percent.

The ground-breaking Boto Mo Ipatrol Mo: Ako ang Simula, launched one year before the 2010 national and local elections, signed up over 60,000 citizen-journalists or boto-patrollers who were subsequently trained by the News and Current Affairs group in news reporting. Thousands of citizen-journalist leads, reports and coverage in terms of photos, text and video sent by email or mobile phone attest to the credibility and reach of ABS-CBN.

ABS-CBN continues to face many challenges, among them telephone companies moving into content creation and distribution, and competitors strengthening their own programming. However, the organization is ready to meet competition head-on by creating even more relevant and compelling content, containing cost, improving margins especially for its direct sales businesses, and gaining more viewers among Filipinos overseas. Group synergy and public service remain to be key components of its strategy for business leadership.

In 2009, SkyCable was relaunched as an information and communications provider, offering high-speed cable broadband under the brand Sky Broadband, low-cost international calling with Sky Voice, while innovating on its SkyCable service with the first prepaid cable service and the first to offer High Definition content with SkyCable HD. SkyCable was the first and only provider that delivered voice, Internet and a diverse selection of compelling content to enrich and uplift the communication, entertainment and information needs of the Filipino family.

Broadband revenues saw an increase of 91 percent over last year as subscriber count doubled to 24,000 year-onyear.

To improve service delivery while further countering the problem of illegal connection, SkyCable started to roll-out aggressively its Digital Addressable Box or Digibox to existing customers. With the Digibox, SkyCable customers could enjoy clearer cable TV viewing and gain access to additional digital channels. New customers received the Digibox to take advantage of its digital features.

To widen its reach, SkyCable launched its low-priced postpaid package, SkyCable280, which offers 22 essential channels for only P280 per month. Since SkyCable 280 customers also received the Digibox, they could add more channels on an a la carte basis with over 30 channels to choose from.

Meanwhile, Bayan posted total revenues of P6.63 billion, or a 5 percent increase over the P6.32 billion realized in 2008. Bayan achieved a 26 percent EBITDA growth to P2.26 billion in 2009 from P1.76 billion the previous year. This led to P264 million in operating income, from a loss of P222 million in 2008. The company's net loss shrank by 35 percent to P505 million from P777 million YoY.

Bayan's data business, which includes DSL and other corporate data services, grew by 28 percent in 2009 to P3.05 billion from P2.39 billion in 2008. Data business revenues account for about half of Bayan's total revenue. Bayan's DSL business grew by 27 percent over the previous year at P1.19 billion, with subscribers close to 100,000 by yearend.

The wireless landline business was flat, growing by 1 percent to P1.51 billion. Subscriber base stood at about 200,000 at the end of 2009.

In terms of its debt obligations under the rehab plan, Bayan paid a total of P1.42 billion in 2009 for both principal and interest. This brings the company's total debt-related payments to more than P5.92 billion since the rehab plan was implemented in July 2004.

As part of its service commitment to customers, Bayan Business, the corporate solutions arm of Bayan, set quality benchmarks across the industry by obtaining ISO 9001:2000 certification. The ISO certification inspired Bayan to continue innovating as it pursued a dynamic vision for network business communications. TVU, an ISO-accredited certification body, found Bayan Business compliant in the Eight Quality Management Principles that form ISO 9001:2000, which include leadership, continual improvement and mutually beneficial supplier relationship. This not only solidified Bayan's position as a leading provider of voice and data solutions, but also assured customers and suppliers that they could stay competitive with the help of world-class technology. The ISO 9001:2000 represents a set of standards formulated by the International Standards Organization, a network of standards institutes spanning 157 countries. It is the definitive guide for determining whether a quality process system can deliver products and services that meet customer needs.

Pushing further synergy, SkyCable and Bayan piloted a video-on-demand service branded as iWantV in February 2010. The service is provided as an online portal that offers catch-up viewing. It allows subscribers to watch their favorite ABS-CBN shows at their own time anytime. SkyCable and Bayan are confident that innovative initiatives, coupled with the increased penetration of digital cable and cable broadband, and its unique position of having access to the latest and must-view content particularly ABS-CBN, would strengthen further its competitive footing in the information and communications space.

Refocusing the FPHC portfolio

On July 14, 2009, FPHC completed the sale of 223 million Meralco common shares, or approximately 20 per cent of the latter's outstanding common stock, for P20.07 billion or P90 per share. The transaction was made pursuant to an investment and cooperation agreement signed between FPHC and Metro Pacific Investments Corporation (MPIC) on March 12, 2009 wherein both parties also agreed on certain corporate governance principles, such as the nomination of directors to the Meralco board. Among other provisions, the parties are bound to exercise voting rights as a block to give full effect to the cooperation arrangement in all matters brought to the shareholders.

FPHC's one-time net gain from the Meralco sale amounted to P7.2 billion. As a result, FPHC posted a net income attributable to equity holders of the parent amounting to P8.510 billion, or 7x the P1.192 billion the previous year.

Proceeds of the sale were used to pre-pay certain debt obligations. FPHC paid down 50 per cent of its floating rate corporate notes totaling approximately P6.9 billion in late July 2009. The notes were originally due on October 2012 for the dollar tranche and October 2014 for the peso tranche.

FPHC continued to pay semi-annual cash dividends in favor of holders of its P4.3 billion-Series "B" perpetual preferred shares, in accordance with the terms and conditions of the shares. The FPHC board approved dividend payouts in February and July 2009 totaling P375 million. The preferred shares were listed on the Philippine Stock Exchange (PSE) on April 30, 2008 and the dividend rate was fixed at 8.7231 per cent for five years, with dividends payable in arrears semiannually.

In August 2009, FPHC acquired the 24.5 per cent stake of Benpres in Rockwell Land for P1.5 billion. Being related parties, FPHC and Benpres secured a fairness opinion from a third party for the transaction. As a result of the acquisition, FPHC now owns 49 per cent of Rockwell, while Meralco owns the remaining 51 per cent.

In the interim, MPIC gave First Philippine Utilities Corporation (FPUC), a wholly owned FPHC subsidiary, an P11.2 billion short-term loan covered by a promissory note which matures on June 30, 2010. The loan bears an interest rate of 5% per annum and is secured by Meralco and First Gen Corporation shares held by FPUC.

Part of the loan proceeds were used to fund additional investments in First Philec Solar Corporation (FPSC), and to subscribe to the 1:1.756 stock rights offering of FPHC's principal associate, First Gen Corporation (First Gen). The rights offering was completed in January 2010.

FPHC paid P10 billion for First Gen shares offered at P7 each. First Gen owns natural gas pioneers First Gas Corporation and FGP Corporation, and controls geothermal energy pioneer Energy Development Corporation

(EDC). FPHC also invested in FPSC, a joint venture between associate First Philec Corporation and SunPower Corporation (U.S.), which slices wafers for solar power systems marketed globally.

FPHC's recurring net income (RNI) of P1.3 billion outperformed last year's restated bottom line of P1.2 billion. Total revenues reached P58.9 billion from P60.2 billion. First Gen contributed 82 percent of revenues.

The refocusing of the FPHC portfolio allows the company to support First Gen's thrust toward sustainable power generation through the efficient use of clean indigenous fuels, as well as the development of renewable energy sources. Because environmental protection and regeneration and energy efficiency and safety are recognized as vital for sustainability, power produced by First Gen remains to be the most environment-friendly in the country.

First Gen's 2,887.4 megawatts account for about 19 percent of the country's total installed capacity. Its plants serve all three Philippine grids - Luzon, Visayas and Mindanao.

First Gen utilizes mainly indigenous, clean and renewable energy, except for its Bauang Power Plant which uses bunker fuel. Its Santa Rita and San Lorenzo plants use natural gas while water runs the Pantabangan-Masiway and Agusan mini-hydro plants. EDC, meanwhile, is the country's largest geothermal producer and recognized globally for its expertise in sustainable geothermal energy development.

EDC's core net income rose 26 percent to P7.38 billion in 2009, from P5.83 billion in 2008, the significant improvement was attributed to higher total revenues from steam and electricity sale and drilling services, more favorable exchange rates, and the impact of the Renewable Energy Law on accounting treatment. First Gen has an economic interest of 40 percent in EDC.

As of end-2009, FPHC held a 13.23 percent stake in Meralco. It maintains a strategic presence in Meralco as it retains a 6.6 percent stake in the electric utility, after the call option was exercised by MPIC in March 2010. Under the investment and cooperation agreement, FPHC will continue to be entitled to one seat in Meralco's 11-member board of directors for as long as its interest does not fall below 5 percent.

FPHC's heightened support for investments in manufacturing, particularly for FPSC in solar systems, means it will be able to ride the global wave toward renewable energy. FPSC enjoys an enviable position among SunPower suppliers and has used FPHC's additional investments to increase capacity as well as to enhance competitiveness through the rigorous application of leading edge business excellence tools and financial discipline.

Leading the Way Forward

As Benpres achieved significant debt reduction in 2009, its stronger balance sheet provides an opportunity to improve its value to shareholders, creditors and associated companies. From a previously defensive position, a growth-oriented mode lends support for its investees in the power sector through FPHC and in the media and communications sector led by ABS-CBN. The focus of FPHC associate First Gen remains to be developing clean, indigenous or renewable energy sources, while the direction for media and communication is to synergistically expand services and reach more Filipinos globally.

CORPORATE SOCIAL RESPONSIBILITY

A 2009 TNS survey, commissioned by Benpres Holdings Corporation Group Public Relations and supervised by ABS-CBN Research, showed that the public distinctly associated the Lopez family with helping people and communities, as well as with delivering quality products and services. The study aimed to establish how the Lopezes, principal shareholders of the corporation, are perceived by the general public and special sectors, namely businessmen, government officials, and opinion makers that include media and the academe.

Similar to a number of prominent families in the country, the Lopezes are strongly associated with being a "provider of quality products." However, according to service provider TNS, the Lopezes are differentiated for their concern for people and being "in the service of the Filipino." This translates also to the perception that the business is "not run purely for profit." Most mentions of their concern for people were about their donations to foundations, charities and institutions, and the general description, "help the poor."

Among CSR projects, Bantay Bata 163, a project of ABS-CBN Foundation, Inc., is the most popular among all sectors, and is strongly associated with either ABS-CBN Corporation or the Lopez family.

Going forward, Benpres will invest in CSR projects that are consistent with its vision to improve the lives of Filipinos. The company will raise support for educational and livelihood programs evaluated to be sustainable, with a measurable impact, and capable of being replicated across communities.

Lopez Group Foundation, Inc.

Lopez Group Foundation Inc. (LGFI), established in 2004 as the coordinative hub for Corporate Social Responsibility (CSR) initiatives of the Lopez Group, continued to create group-wide synergy in its members' various CSR programs.

It signed a memorandum of agreement with the USAID-Private Sector Mobilization for Family Health (PRISM) for the third phase of their partnership for the training of trainors and implementation of the family planning and reproductive health program in the workplace. Companies participating in the PRISM family health program administered by LGFI are ABS-CBN Corporation, Bayan Telecommunications, Inc., Sky Cable Corporation, Rockwell Land Corporation, First Balfour, Inc., First Sumiden Circuits, Inc., Energy Development Corporation, and Meralco.

ABS-CBN Foundation, Inc.

As it celebrated its 20th year in 2009, ABS-CBN Foundation Inc. (AFI) proved its mettle and extended its track record for successful and sustainable interventions as its fully functioning programs continued to make life better and the future brighter for Filipino children and their families.

Under AFI's innovative and resolute stewardship, eMedia, *Bantay Bata* 163, *Sagip Kapamilya*,The Children's Village, *Bantay Kalikasan*, ABS-CBN Bayan Foundation, *BayaniJuan* (BnJ) and *Kapit Bisig Para sa Ilog Pasig* (KBPIP) continue to champion the wise use of available resources in favor of human development.

Even before typhoon *Ondoy* caused massive flooding in Metro Manila and suburbs particularly east and south of the capital, the AFI co-led KBPIP had been relocating informal dwellers to create sufficient easement, widen and deepen the metro's waterways.

BayaniJuan sa Calauan is a 107-hectare resettlement project of the National Housing Authority that supports the work of KBPIP. The AFI co-managed site brings together different sectors to make BnJ in Calauan, Laguna a sustainable community with homes, livelihood opportunities, educational facilities, and health services for those relocated.

Sagip Kapamilya (SK) extended help to more than 9,000 families in the Bicol region that were displaced by the flooding and landslides triggered by Typhoon Dante in May 2009. With typhoons Ondoy and Pepeng in September to October 2009, SK received cash donations of P217.7 million and disbursed P74.7 million for relief operations. The remaining P143 million was earmarked for rehabilitation. SK also received P182.7 million worth of in-kind donations and distributed all goods for relief by yearend.

A total of 688,533 families (approximately 3.4 million individuals) received relief and rehabilitation assistance, including 34,230 patients served by medical missions. The innovative *Kapamilya Shower-Libre Ligo*, which provided free water and toiletries for baths taken in a roving shower-van, served 3,384 persons for 12 weeks.

Knowledge Channel Foundation, Inc.

KNOWLEDGE Channel Foundation Inc. (KCFI) marked its 10th year of service to the Filipino youth in 2009, by signing a memorandum of agreement with the Department of Education (DepEd) to renew their 10-year partnership for the nationwide development of basic education tools through the Knowledge Channel (KCh). The agreement was formalized during the 1st Knowledge Channel Stakeholders Awards in November 2009, where beneficiaries and partners who have shown outstanding support to Knowledge Channel were recognized.

KCh, is the first and only all-educational channel in the Philippines with curriculum-based and life skills programming accessible primarily to the public basic educational system. By end-2009, KCh was already available to 2.9 million elementary and high school students in nearly 2,000 schools across the Philippines through satellite, cable TV, and new media.

In its bid to keep up with trends in technology and learning for the development of the nation and its children, KCFI announced its objective of connecting 8,000 more schools to KCh in the next 10 years, to be made possible through an online version that all the widens learning opportunities as internet access increases.

KCh Online, launched in (month) 2009, extends student learning anytime, anywhere by enabling them to watching educational videos and playing games and exercises on KCh Online. Teachers also have the opportunity to interact with their students as facilitators of learning, and enhance their teaching approaches through the website.

Market for Registrant's Common Equity and Related Stockholder Matters

Market Information

Benpres common stock principally trades on the Philippine Stock Exchange.

| | | Stock Prices |
|----------------|------------------|--------------|
| | <u>High</u> | <u>Low</u> |
| 2010 | _ - - | |
| April 27, 2010 | P3.50 | P3.45 |
| First Quarter | 3.65 | 2.65 |
| 2009 | | |
| First Quarter | P1.34 | P1.02 |
| Second Quarter | 2.22 | 1.12 |
| Third Quarter | 3.80 | 1.96 |
| Fourth Quarter | 4.10 | 3.35 |
| 2008 | | |
| First Quarter | P4.55 | P2.34 |
| Second Quarter | 2.85 | 1.04 |
| Third Quarter | 1.64 | 0.97 |
| Fourth Quarter | 1.40 | 0.96 |
| 2007 | | |
| First Quarter | P4.40 | P2.20 |
| Second Quarter | 5.30 | 3.40 |
| Third Quarter | 5.70 | 3.30 |
| Fourth Quarter | 4.80 | 3.65 |

Shareholder Information

The number of shareholders of record as of April 27, 2010 was 10,541. Common shares outstanding as of April 27, 2010 were 4,581,544,408.

Top 20 stockholders as of April 27, 2010:

| | Names | No. of Shares | % |
|---|---------------------------------------|---------------|--------|
| 1 | Lopez, Inc. | 2,411,585,715 | 52.64% |
| 2 | PCD Nominee Corp. | 1,370,868,709 | 27.77% |
| 3 | PCD Nominee Corp. | 520,522,619 | 13.46% |
| 4 | Paul Gerard B. Del Rosario | 85,351,000 | 1.86% |
| 5 | Croslo Holdings Corporation | 11,512,687 | 0.25% |
| 6 | Manuel M. Lopez &/or Ma. Teresa Lopez | 10,985,000 | 0.24% |
| 7 | Oscar M. Lopez | 8,597,182 | 0.19% |
| 8 | Lucio Yan | 7,450,000 | 0.16% |

| 9 | Ma. Consuelo R. Lopez | 7,292,225 | 0.16% |
|----|--|-----------|-------|
| 10 | Siao Tick Chong | 7,128,500 | 0.16% |
| 11 | Manuel M. Lopez | 7,089,114 | 0.15% |
| 12 | Andrew Ramon L. Montelibano | 6,089,604 | 0.13% |
| 13 | Albert N. Enriquez | 5,000,000 | 0.11% |
| 14 | Lopez Inc. | 3,894,830 | 0.09% |
| 15 | Cora Ng Or | 3,800,000 | 0.08% |
| 16 | Jordana Eden Montelibano | 3,561,901 | 0.08% |
| 17 | Raphaela L. Gana | 2,700,000 | 0.06% |
| 18 | Quality Investment & Sec. Corp. A/C#017003 | 2,683,000 | 0.06% |
| 19 | Lao Bun Thiam &/or Janet Dy Lao | 2,280,000 | 0.05% |
| 20 | Elpidio Ibanez | 1,834,217 | 0.04% |

Dividend Information

The Company is authorized to pay dividends on the shares in cash, in additional shares, in kind, or in a combination of the foregoing. Dividends paid in cash are subject to approval by the Board and no stockholder approval is required. Dividends paid in the form of additional shares are subject to approval by the Board and holders of at least two-thirds of the outstanding capital stock of the Company. Holders of outstanding Shares on a dividend record date for such Shares will be entitled to the full dividend declared without regard to any subsequent transfer of such Shares.

There were no dividends declared for years 2009, 2008 and 2007.

As of December 31, 2009, Deficit (negative retained earnings) at the Parent Company level restricts the ability to pay dividends on common equity.

There were no sales of unregistered securities.

Management Discussion and Analysis of Results of Operations and Financial Condition

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Company that is incorporated to this Annual Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards.

Key Performance Indicators

As a holding company, Benpres receives revenues from asset sales and dividends from investees. Hence, the key performance indicator with the most direct impact on Benpres is the net income of investees. In 2009, 2008 and 2007, the financial performance of investees was within expectations. It received a total of P823 million dividends in 2009 from investees ABS-CBN Broadcasting Corporation (ABS-CBN), First Philippine Holdings Corporation and Rockwell Land Corporation (Rockwell Land). In August 2009, Benpres sold its stake in Rockwell Land and shares of Digitel, which were part of its portfolio in 2008. While in 2008, it received a total of P945 million dividends from investees ABS-CBN, First Philippine Infrastructure Development Corporation (FPIDC)/First Philippine Infrastructure, Inc. (FPII), and Rockwell Land.

Results of Operations of Benpres Holdings Corporation (Benpres) and its Subsidiaries for the year ended December 31, 2009 compared with December 31, 2008

Benpres Holdings Corporation (Benpres) posted consolidated revenues of P24.849 billion in 2009, 11 percent more than 2008 consolidated revenues of P22.307 billion. Net income attributable to equity holders of the Parent reached to P11.901 billion or 4x the P2.920 billion the previous year, while net income grew 3.6x to P12.694 billion from P3.506 billion. The bottomline results were primarily due to a P7.522 billion-gain on the extinguishment and acquisition of debt as Benpres bought back the equivalent of P12,615 billion in principal debt. The buyback led to the reversal of accrued interest and financing charges, and lower debt levels resulted in lower finance costs (-15 percent) year-on-year (YoY) and higher interest income (+93 percent).

Also contributing to the higher net income was the company's share in earnings of First Philippine Holdings Corporation (FPHC), which substantially increased because of the sale of its 20 percent ownership (common stock) in Meralco. Equity in net earnings of associates rose 6x to P4.198 billion from P650 million YoY, as FPHC reported a P8.957 million gain on the sale of a portion of its shares in Meralco. First Holdings sold 223 million Meralco shares in 2009 for P20.07 billion. It sold an additional 74.7 million Meralco shares, or 6.6 percent of Meralco, in March 2010 for P22.41 billion.

Gain on sale of investments decreased by 92 percent to P277 million on the sale in 2009 of company's stakes in Rockwell Land and Digitel. This compares with a gain on sale of P3.337 billion from the sale in 2008 of its interests in First Philippine Infrastructure Development Corporation and Professional Services, Inc. (The Medical City).

Airtime (+7 percent) and Sales and services (+19 percent), Sale of goods (+2 percent) and License fees (no change YoY) represent ABS-CBN Broadcasting Corporation (ABS-CBN) revenues consolidated into Benpres. General and administrative expenses (+17 percent), Cost of sales and services (+18 percent), Production costs (+2 percent), and Agency commissions, incentives and co-producers' share (+5 percent) also reflect ABS-CBN accounts.

Associates

ABS-CBN's net income remained strong at P1.759 billion, from P1.389 billion in 2008. Consolidated revenues were up by 11 percent YoY to P24.849 billion from P22.307 billion. Despite weak TV adspend, ABS-CBN's airtime revenues were flat, shedding just 7 percent year-on-year to P14.463 from P13.511 billion.

First Philippine Holdings Corporation (FPHC) registered consolidated revenues of P58,873 billion in 2009. This is slightly lower/higher than the P60.52 billion in consolidated revenues the previous year. Net income attributable to equity holders of the Parent was at P8.5 billion, higher by 614 percent from P1.2 billion in 2008.

Bayan Telecommunications, Inc. (Bayan) had total revenues of P6.63 billion, 5 percent higher than P6.32 billion the previous year. Earnings before interest, taxes, depreciation and amortization or EBITDA increased by 26 percent to P2.22 billion from 1.76 billion. Operating income recovered to P222 million from a loss of P222 million in 2008. Net loss decreased by 82 percent to P451 million from P2,528 million, while Bayan remained current on its restructured debt obligations. Bayan paid P452 million in principal and interest in 2009, bringing total debt payments to P4.67 billion since July 2004 when its rehabilitation plan was approved by the Court.

<u>Liquidity and Capital Resources of Benpres (Consolidated) for the year ended December 31, 2009 compared with December 31, 2008</u>

As of December 31, 2009, the company's total assets stood at P54.031 billion, 3 percent lower than P55.677 billion as of end-2008. Current assets decreased by 30 percent to P12.415 billion from P17.791 billion, the P5.31 billion-Notes receivable (-100 percent) and P583 million-Available-for-sale (AFS) investments-current (-100 percent) were used to buy back debt. Cash and cash equivalents rose by 5 percent with ABS-CBN incurring new debt. Trade and other receivables (+12 percent), Program rights and other intangible assets (-34 percent), Inventories (-25 percent) and Other current assets-net (+24 percent) represent ABS-CBN assets consolidated into Benpres.

Noncurrent assets increased by 10 percent to P41.616 billion from P37.886 billion, with most items representing ABS-CBN accounts as follows: Investments in and advances to associates (+22 percent); Property and equipment (no change); Goodwill (+11 percent); Program rights and other intangibles (+16 percent); Deferred tax assets (+6 percent); AFS-investments-noncurrent (+27 percent); Investment properties (-5 percent); and Other noncurrent assets (no change).

Estimated liabilities from guarantees and commitments (-100 percent) was extinguished with the buyback of debt in 2009 from the Avenue Asia Group and Current portion of interest-bearing loans and borrowings-current decreased by 66 percent for the same reason. Income tax payable surged by 44 percent with improved incomes of both ABS-CBN and Benpres.

Trade and other payables decreased by 19 percent to P10.127 billion. Of this amount, P2.507 billion accounts for the accrual of interest on Benpres's remaining obligations (lower debt) based on contracted rates. The rest of the item or P7.620 billion represents ABS-CBN trade and other payables. Also ABS-CBN accounts are the following

items: Interest-bearing loans and borrowings-net of current portion (+10 percent); Accrued pension obligation (no change); Deferred tax liabilities (-19 percent); and Other noncurrent liabilities (+50 percent).

Total stockholders' equity at yearend increased by 78 percent to P29.628 billion from P16.623 billion. Unrealized gain on fair value adjustments of AFS investments (-80 percent), Share in equity adjustment from translation (-18 percent) and Share in unrealized gain on fair value of AFS investments (-50 percent) represent accounts of associates FPHC (for First Gen Corporation) and ABS-CBN (for SkyCable) consolidated into Benpres.

Retained earnings grew 4x to P15.640 billion from P3.739 billion, given the net income posted in 2009.

In 2009, Benpres voluntarily made payments on its direct and contingent obligations that are covered in its proposed Balance Sheet Management Plan (BSMP). Pending agreement with its creditors on the BSMP, the company offered to make payments semi-annually based on the following rates:

- (a) At 6-month LIBOR plus a spread of 1.0% on all of its US dollar obligations but shall not exceed 6% p.a.; and
- (b) At the 6-month PDST-F rate plus a spread of 1.0% on all of its peso obligations but shall not exceed 9% p.a.

As of December 31, 2009, Benpres has US\$45 million and P875 billion in direct obligations.

| | At Dec 31, 2009 | | At Dec 31, 2008 | |
|------------------------------------|-----------------|------|-----------------|------|
| (In Millions) | PhP | US\$ | PhP | US\$ |
| Direct Obligations | • | • | • | |
| Long-term Commercial Papers (LTCP) | 875 | | 1,514 | |
| Eurobond 7.875% Notes | | 45 | | 150 |
| Contingent Obligations | | | - | • |
| BayanTel | | 0 | | 167 |

Results of Operations of Benpres Holdings Corporation (Benpres) and its Subsidiaries for the year ended December 31, 2008 compared with December 31, 2007

Benpres

Benpres Holdings Corporation (Benpres) registered consolidated revenues of P22.31 billion in 2008, 12 % better than P19.94 billion in 2007. Net income, however, decreased by 41% to P3.51 billion from P5.93 billion the previous year. Net income attributable to the equity holders of the Parent amounted to P2.92 billion (-45%) compared to P5.37 billion in 2007.

Airtime (-1%), Sales and services (+56%), Sale of goods (+17%) and License fees (-100%) represent ABS-CBN Broadcasting Corporation (ABS-CBN) revenues while General and administrative expenses (+23%), Cost of sales and services (+52%), Production costs (-3%), Agency commissions, incentives and co-producers' share (-2%), and Other income (-100%) reflect primarily ABS-CBN accounts.

Foreign exchange losses amounted to P2.21 billion, versus the previous year's foreign exchange gains of P3.24 billion. The peso depreciated against the dollar in 2008, closing the year at P47.52, from P41.28 at the end of 2007 and P49.03 at the end of 2006.

Equity in net earnings of associates plunged by 77% to P650.00 million from 2007's P2.84 billion, as First Philippine Holdings Corporation (First Holdings) posted a 73% decline in profits on the back of high finance costs related to its higher debt levels during the year, as well as foreign exchange losses.

Gain on sale of investment in an associate (+100%) of P3.33 billion represents the sale of the company's 49% stake in FPIDC.

Generally low interest rates paid on debt in 2008 accounted for the decrease in Finance costs (-4%), and increase in interest income (+11%).

Associates

ABS-CBN's net income remained strong at P1.39 billion, 9% up from P1.27 billion in 2007. Consolidated revenues were up by 12% YoY to P22.31 billion from P19.94 billion. Despite weak TV adspend, ABS-CBN's airtime revenues were flat, shedding just 1% year-on-year to P13.51 from P13.60 billion.

First Philippine Holdings Corporation (FPHC) registered consolidated revenues of P78.57 billion in 2008. This is slightly higher than the P55.00 billion in consolidated revenues the previous year. Net income attributable to equity holders of the Parent was at P1.19 billion, lower by 73 % from P4.48 billion in 2007.

Bayan Telecommunications, Inc. (Bayan) had total revenues of P6.32 billion, 15% higher than P5.52 billion the previous year. Earnings before interest, taxes, depreciation and amortization or EBITDA decreased by 75% to P1.10 billion YoY from P4.37 billion. Revenue growth was driven by an 11% gain in voice services to P3.8 from P3.37 billion, with a 123% hike for Bayan Wireless Landline.

Sky Cable Corporation (SkyCable) posted a 37% decline in net profits YoY to P112 million from P178 million (before Deferred Income Tax Set-up of P376 million), mainly driven by higher financing costs and due also to significant investments in deploying its digital platform which affected its depreciation expenses. Consolidated EBITDA, however, grew to P911 million from P874 million.

Rockwell Land Corporation revenues were flat at P3.51 billion, up by 1% from P3.47 billion the previous year. This was attributed to a strong growth in residential condominium sales which accounted for 80% of total revenues. The balance was contributed by retail and cinema operations. Net income increased by 27% YoY to P603 million from P476 million. Total assets grew by 1%.

<u>Liquidity and Capital Resources of Benpres (Consolidated) for the year ended December 31, 2008 compared with December 31, 2007</u>

As of December 31, 2008, the company's total assets stood at P55.68 billion, 15% higher than P48.35 billion as of end-2007. Current assets increased by 57 % to P17.79 billion from P11.36 billion, as Cash and cash equivalents rose by 43% with ABS-CBN incurring new debt. Notes receivables of P5.31 billion accounts for Benpres's investment in Red Vulcan papers. Red Vulcan holds shares in Energy Development Corporation on behalf of First Holdings associate First Gen. Trade and other receivables (+2%), Program rights and other intangible assets (+43 %) and Other current assets (-29%) represent ABS-CBN assets consolidated into Benpres.

Noncurrent assets increased by 2% to P37.89 billion from P36.99 billion, with most items representing ABS-CBN accounts as follows: Long-term receivables (-100%); Property and equipment (+53%); Goodwill (15x); Program rights and other intangibles (+30%); Deferred tax assets (3x); and Other noncurrent assets (+58%). Investments in and advances to associates-net decreased by 25% to P14.27 billion from P18.98 billion with the sale of Benpres's stakes in Professional Services, Inc. (The Medical City) and FPIDC during the year.

Trade and other payables added 15% to P12.48 billion. Of this amount, P5.86 billion accounts fir the accrual of interest on Benpres's obligations based on contracted rates on principal debt, a 14% increase from P4.52 billion in 2007. The rest of the item or P6.62 billion represents ABS-CBN trade and other payables. Also ABS-CBN accounts are the following items: Income tax payable (9x); Interest-bearing loans and borrowings-net of current portion (+54%); Accrued pension obligation (+98%); Deferred tax liabilities (+100%); and Other noncurrent laiabilities (4x).

Interest-bearing loans and borrowings increased by 27%, representing unrealized foreign exchange losses, as the principal debt was revalued at a less favorable peso-dollar rate as of end-2008.

Total stockholders' equity at yearend increased by 3% to P16.62 billion from P16.15 billion. Unrealized gain on fair value adjustments of available-for-sale (AFS) investments fell by 65% with the decline in the market value of Digitel stock to P0.96 per share as of end-2008 from P1.84 per share as of end-2007. Share in equity adjustment from translation (+61%) and Share in unrealized gain on fair value of AFS investments (-70%) represent accounts of associates FPHC (for First Gen Corporation) and ABS-CBN, respectively, consolidated into Benpres.

Retained earnings grew by 4.6x to P3.746 billion from P819 million, given the net income posted in 2008.

In 2008, Benpres voluntarily made payments on its direct and contingent obligations that are covered in its proposed Balance Sheet Management Plan (BSMP), pending agreement with its creditors (see Note 1b of the consolidated Financial Statements, attached and incorporated herein by reference).

Interim Financial Statements for the period ended March 31, 2010

The Company's first quarter 2010 financial and operating results are not yet available at the date of this information statement. The Company undertakes to submit its first quarter 2010 financial and operating results to the Securities and Exchange Commission through SEC Form 17-Q on or before May 17, 2010. The first quarter 2010 results will be made available during the Annual Stockholders' Meeting on June 10, 2010.

Financial Statements

The consolidated financial statements of the company are incorporated herein by reference. The schedules listed in the accompanying Index to Supplementary Schedules are filed as part of this Form 17-A.

Changes in and Disagreements With Accountants on Accounting and Financial Disclosure
There are no changes in and disagreements with the external auditors on accounting and financial disclosures.

Compliance with Leading Practice on Corporate Governance

The Company has adopted a Manual of Corporate Governance to institutionalize corporate governance principles. A Compliance Officer has been appointed who reports to the Board of Directors and monitors compliance of corporate governance matters. The Board of Directors has created an Audit Committee, a Nomination Committee, a Risk Management Committee and a Compensation and Remuneration Committee in accordance with its Manual of Corporate Governance.

The Board, management, employees, and shareholders believe that good corporate governance is a necessary component of sound strategic business management and improves the economic and commercial prosperity of the corporation and its stockholders.

The Audit Committee checks all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements. It performs oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management. It consists of three Board members, two of whom are independent directors. The internal audit group of an affiliate serves as internal auditor of Benpres.

There were no deviations from the Manual of Corporate Governance reported during the year. The Company pursues initiatives to improve corporate governance of the Company such as risk management and improvement of internal auditing processes.



BENPRES HOLDINGS CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Benpres Holdings Corporation is responsible for all information and representations contained in the consolidated financial statements as of and for the years ended December 31, 2009 and 2008. The financial statements have been prepared in conformity with generally accepted accounting principles and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality.

In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the company's audit committee and to its external auditors: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process, and report financial data; (ii) material weaknesses in the internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors reviews the consolidated financial statements before such statements are approved and submitted to the stockholders of the Company. SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, have examined the consolidated financial statements of the Company in accordance with generally accepted auditing standards in the Philippines and have expressed their opinion on the fairness of presentation upon completion of such examination, in their report to the Board of Directors and stockholders.

| | | - | 3 |
|-----------|---------|---------|-----|
| OSCAR | M. LO | PEZ | 0 |
| Chairmar | of the | e Board | and |
| Chief Exe | ecutive | Officer | |

ANGEL S. ONG
President and Chief Operating Officer

SALVADOR G. TIRONA Chief Rinance Officer

REPUBLIC OF THE PHILIPPINES)

AMLA)s.s.

APR 1 5 2010

Comm. Exg. Dec. 31, 2010

SUBSCRIBED AND SWORN TO before me this _ Community Tax Certificate as follows:

_, to the above affiants exhibiting to me their

| | Name | CTC# | Date Issued | Place |
|---|--|----------|---|------------------|
| Osca | ar M. Lopez | 31120546 | February 18, 2010 | Pasig City |
| Ange | el S. Ong | 29781766 | February 5, 2010 | Mandaluyong City |
| Salva | ador G. Tirona | 29781765 | February 5, 2010 | Mandaluyong City |
| Doc. No. Page No. Book No. Series of | 7,32 1,3 1,3 1,4 1,4 1,4 1,4 1,4 1,4 1,4 1,4 1,4 1,4 | | PTRO 0235224 - MG. 1/03 LUNE 70 VA / MGLL# 26 TENN 70 VA / MGLL# 26 | 2010 |