COVER SHEET

A S 0 9 3 0 0 4 3 6 9
SEC Registration Number

BENPRES HOLDINGS CORPORATION

(Company's Full Name)

4th Floor, Benpres Building, Meralco Avenue, Pasig City

(Business Address: No. Street City/Town/Province)

Salvador G. Tirona	**910-3040**
(Contact Person)	(Company Telephone Number)

1 2 *Month* / **3 1** *Day*	**20-IS**	*Month* / *Day*
(Fiscal Year)	(Form Type)	(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

12,843	**₱2,012,397,073**	**US$150,000,000**
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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 Statement
   (**X**) Definitive Information Statement

2. Name of the Registrant as specified in its charter:
   BENPRES HOLDINGS CORPORATION

3. Province, country or other jurisdiction on incorporation or organization
   METRO MANILA, PHILIPPINES

4. SEC Identification Number: **AS093-04369**

5. BIR Tax Identification Code: **002-825-058**

6. Address of principal office: **4TH FLOOR, BENPRES BUILDING**
   EXCHANGE ROAD CORNER MERALCO AVENUE
   PASIG CITY 1605

7. Registrant's telephone including area code: **(632) 910-3040**

8. Date, time and place of the meeting of security holders:

   Date - **June 9, 2006**
   Time - **8:00 AM**
   Place - **Meralco Theater**
   Meralco Avenue, Ortigas Center
   Pasig City

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **May 19, 2006**

10. Securities pursuant to sections 4 and 8 of the SRC: (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	**Subscribed and Outstanding (No. of shares)**	**(Pesos)**
Common shares	4,581,544,408	4,581,544,408
Long-term Commercial Papers		2,000,000,000

11. Are any or all of the registrant's securities listed on the Philippine Stock Exchange

    Yes (**x**) *Common shares* No ( )

May 19, 2006

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 **Friday, June 9, 2006** 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 9, 2005 Annual Stockholders' Meeting
5. Report of the President
6. Approval of the Audited Financial Statements
7. Election of Directors for Ensuing Year
8. Appointment of External Auditor
9. Amendment of the Articles of Incorporation and By-laws to reduce the number of directors from eight to seven directors
10. Amendment of the By-laws to change the date of the annual stockholders meeting from the last Wednesday of May to the second Thursday of June of each year
11. Other Business
12. Adjournment

For purposes of the meeting, only stockholders of record as of May 11, 2006 are entitled to attend and vote in the said meeting.

Copies of the minutes of Annual Stockholders' Meeting held on June 9, 2005 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 May 30, 2006.

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

BENPRES HOLDINGS CORPORATION
INFORMATION STATEMENT

This Information Statement is dated May 19, 2006 and is being furnished to stockholders of record of Benpres Holdings Corporation as of May 11, 2006 in connection with the Annual Stockholders' Meeting.

WE ARE NOT ASKING YOU FOR A PROXY AND

YOU ARE REQUESTED NOT TO SEND US A PROXY.

A. General Information

Date, Time and Place of Meeting of Security Holders

Date	-	June 9, 2006
Time	-	8:00 AM
Place	-	Meralco Theater Meralco Avenue, Ortigas Center Pasig City
Principal Office	-	4th Floor, Benpres Building Meralco Avenue, Pasig City 1605

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 shares subscribed and outstanding as of May 11, 2006. Each stockholder shall be entitled to one vote for each share of stock held as of the established record date.

(b) All stockholders of record as of May 11, 2006 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 total 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 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 presented to the Secretary for inspection and record.

(e) As of May 5, 2006 the Company knows of no beneficial owner or voting trust holder of 5% or more among the stockholders except as set forth below:

Title of Class	(2) Name and Address Record Owner and Relationship with the Issuer	(3) Name of Beneficial Owner and relationship with Record Owner	(4) Citizenship	(5) Amount and Nature of Record/Beneficial of Ownership (Indicate by "r" or "b")	(6) Percent Class
Common	Lopez, Inc. 5th Floor, Benpres Building, Exchange Road cor. Meralco Avenue, Pasig City (The Issuer is the subsidiary of Lopez, Inc.)	Lopez, Inc. (*Oscar M. Lopez, Chairman of the Board and President of Lopez, Inc. is authorized to vote on behalf of Lopez, Inc.*	Filipino	2,577,671,962 r* and "b"	56%

* *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 and Presentacion L. Psinakis.*

(2) Name and Address of the record and beneficial owner of more than 5%:

Lopez, Inc.
5th Floor, Benpres Building
Exchange Road corner Meralco Avenue
Pasig 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 March 31, 2006:

(1) Title of Class	(2) Name of record or beneficial owner	(3) Amount and nature of record/beneficial ownership	r or b	(4) Citizenship	(5) Percent owner of class
Common	Oscar M. Lopez	8,611,991 (sole voting)	r/b	Filipino	0.19%
Common	Manuel M. Lopez	7,090,460 (sole voting)	r/b	Filipino	0.15%
Common	Manuel M. Lopez &/or Teresa Lopez	10,985,000 (sole voting)	r/b	Filipino	0.24%
Common	Eugenio Lopez III	2,326,042 (sole voting)	r/b	Filipino	0.05%
Common	Elpidio Ibañez	1,834,217 (sole voting)	r/b	Filipino	0.04%
Common	Rommel S. Duran	1,724,138 (sole voting)	r/b	Filipino	0.04%
Common	Arthur A. de Guia	621,000 (sole voting)	r/b	Filipino	0.01%
Common	All directors and executive officers as a group	33,192,848 (sole voting)	r/b	Filipino	0.72%

(h) 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. Felipe B. Alfonso
Mr. Eugenio Lopez, III
Mr. Manuel M. Lopez
Mr. Angel S. Ong
Mr. Washington Sycip (*independent)*
Mr. Vicente T. Paterno *(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
Peter D. Garrucho, Jr.	EVP – Power Generation
Augusto Almeda Lopez	General Counsel with rank of EVP
Federico R. Lopez	EVP – Regulatory Management
Felipe B. Alfonso	EVP – Human Resource Development
Salvador G. Tirona	Chief Finance Officer
Rommel S. Duran	Group Comptroller with rank of EVP
Pedro A. Chanco III	Senior Vice-President – 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

Oscar M. Lopez Oscar M. Lopez (aged 76) assumed the presidency in 1999 and has chaired the company's board since inception. 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 and president of Lopez, Inc. (since 1999) and chairman of among others, FPIDC, MNTC, MWSI, Sierra Tours, BayanTel, Sky Vision and RCPI. He is vice chairman of the board at Rockwell Land and is a director of ABS-CBN.

Manuel M. Lopez Manuel M. Lopez (aged 64) 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, chairman of the board at Rockwell Land, and is a director of among others, ABS-CBN, MNTC, Sierra Tours, FPIDC, FPHC, BayanTel, Sky Vision and Lopez, Inc. He was president of Meralco from 1986 to June 2001.

Eugenio Lopez III Eugenio Lopez III (aged 54) 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, president and director of Sky Vision, vice chairman of the board at BayanTel and vice chairman and president of RCPI, among others. He was president of ABS-CBN from 1993 to 1997.

Washington Z. Sycip Washington Z. SyCip (aged 84) has been a director of the company since 1996. He is the 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.

Vicente T. Paterno Vicente T. Paterno (aged 80) was elected as an independent *director* of the company in February 2004. Mr. Paterno resigned on October 6, 2005 to become a member of the Philippine Consultative Commission to Propose Revisions to the 1987 Constitution. He was re-elected to the Board on March 9, 2006. He received a Bachelor of Science degree in Mechanical Engineering from the University of the Philippines and a Masters degree in Business Administration (with distinction) from Harvard University. He is the founding chairman of Philippine Seven Corporation and chairman of Phil-Seven Holdings Corporation.

Felipe B. Alfonso Felipe B. Alfonso (aged 69) 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 is currently vice chairman of Meralco.

Angel S. Ong Angel S. Ong (aged 56) 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. Mr. Ong 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. Prior to joining the Company, he was vice president for finance of BayanTel.

Elpidio L. Ibañez Elpidio L. Ibañez (aged 55) has been chief of staff of the company since January 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.

Peter D. Garrucho, Jr. Peter D. Garrucho, Jr. (aged 61) has been EVP – Power Generation Sector since 2001. He has been Managing Director of the Energy Group under FPHC since 1994. He is also the chairman and president of Scandinavian Motors Corp. and the president of First Generation Holdings Corp., First Private Power Corp., Bauang Private Corporation, Bauang Private Power Corp. and First Gas Holdings Corp. He was formerly Secretary of Trade and Industry (January 1991 to February 1992) and likewise served as Acting Executive Secretary in the Office of the President of the Philippines (July to August 1992).

Augusto Almeda Lopez Augusto Almeda Lopez (aged 77) has been EVP – General Counsel since January 2001. He received his Bachelor of Laws degree from the University of the Philippines and completed the Advanced Management Program of Harvard University. He is vice-chairman of ABS-CBN (since 1986) and FPHC and director for various subsidiaries of the Lopez Group.

Federico R. Lopez Federico R. Lopez (aged 44) has been EVP – Regulatory Management for the 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 51) joined the Company as Chief Finance Officer (CFO) in September 2005. He was formerly a director and the CFO of BayanTel. 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.

Rommel S. Duran Rommel S. Duran (aged 61) has been EVP – Group Comptroller since January 2001. He holds a Bachelor of Laws degree from the University of the East and a Bachelor of Science degree in Commerce from Letran College. He is vice president and general manager of Lopez, Inc., where he first served as assistant comptroller in 1968.

Pedro A. Chanco III Pedro A. Chanco III (aged 56) 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 51) 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. DeGuia	Arthur A. DeGuia (aged 54) 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.
Enrique I. Quiason	Enrique I. Quiason (aged 45) has been the corporate secretary of the company since inception. He received his Bachelor of Science degree in Business Economics and a Bachelor of Laws degree from the University of the Philippines, and a 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, FPIDC, MNTC, Rockwell Land, BayanTel, Sky Vision, RCPI, Sierra Tours, and Lopez, Inc. He is also assistant corporate secretary of ABS-CBN.
Cielito R.A. Diokno	Cielito R.A. Diokno (aged 51) has been with the company since 1997. She received her Bachelor of Science degree in Psychology from the University of the Philippines.

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; and Mr. Steve Psinakis is the brother-in-law of Mr. Oscar and Manuel Lopez.

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

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 56.26% of the voting stock of the Company, as of May 5, 2006.

(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 May 5, 2006, the Company received nominations for the following as members of the Board of Directors for the ensuing year (2006-2007):

Mr. Oscar M. Lopez, Chairman
Mr. Felipe B. Alfonso
Mr. Eugenio Lopez, III
Mr. Manuel M. Lopez
Mr. Angel S. Ong
Mr. Washington Sycip (*independent)*
Mr. Vicente T. Paterno *(independent)*

The Board of Directors proposed the reduction of the number of directors from eight (8) to seven (7) directors. The proposed amendments to the Articles of Incorporation and By-laws will be submitted to the stockholders at this annual stockholders' meeting.

Messrs. SyCip and Paterno are independent directors. The Company's two independent directors have at least 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. Paterno: (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 Section II (5) of the Code of Corporate Governance and Section II (D) of SEC Memorandum Circular No. 16, Series of 2002.

All the directors, including the independent directors, were nominated by Lopez, Inc. The Company has adopted SRC Rule 38 (Requirements on Nomination and Election of Independent Directors) and compliance therewith has been made.

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):

Chief Executive Officer	Year	Salary	Bonus	Total Annual Compensation
and four most highly	2004	21.94	3.83	25.77
compensated executive	2005	22.83	3.87	26.70
officers*	2006E	25.11	4.23	29.34
All officers and directors	2004	31.97	5.23	37.20
as a group unnamed	2005	34.32	5.22	39.54
	2006E	37.75	5.74	43.49

**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 & Jorge A. Lichauco.*

1) 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.

2) 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 twelve (12) 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 Memorandum Circular No. 8, Series of 2003 (Rotation of External Auditors), the Company has not engaged an SGV partner for more than five years. Ms. Vivian Cruz Ruiz has been assigned as partner for the Company since 2003.

There was no event in the past twelve (12) 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.

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, 2005 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.

A copy of the registrant's annual report will be provided free of charge upon written request addressed to:

Mr. Salvador G. Tirona
Chief Finance Officer
4th Floor, Benpres Building
Meralco Avenue, Pasig City 1605

D. OTHER MATTERS

Action with Respect to Reports

The minutes of the previous Annual Stockholders' Meeting held on June 9, 2005 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 7, 2004 Annual Stockholders' Meeting
- Report of the President
- Approval of the Audited Financial Statements
- Election of Directors for Ensuing Year
- Appointment of External Auditor

Also to be submitted for approval or ratification is the annual report and the audited financial statements for the year ending December 31, 2005.

Amendment of the Articles of Incorporation and By-laws

An amendment of Article VI of the articles of incorporation to decrease the number of directors from eight to seven will be proposed to the stockholders for approval and ratification. A conforming amendment to Article II, Section 1 of the amended by-laws will also be proposed.

An amendment of Article I, Section 1 will also be proposed to change the date of the annual meeting of the stockholders from the last Wednesday of May of each year to the second Thursday of June of each year.

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 amendment of the articles of incorporation requires the vote of the owners of at least two-thirds of the outstanding capital stock of the Company. The amendment of the by-laws require the vote of owners of at least a majority of the outstanding capital stock of the Company.

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 eight (8) 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.

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto authorized.

BENPRES HOLDINGS CORPORATION

By:

________________________________ May 16, 2006

ENRIQUE I. QUIASON Date

Corporate Secretary

Market for Registrant's Common Equity and Related Stockholder Matters

Market Information

Benpres common stock principally trades on the Philippine Stock Exchange.

Stock Prices

	High	Low
2006		
First Quarter	P1.24	P0.92
2005		
First Quarter	P1.42	P0.67
Second Quarter	1.18	0.91
Third Quarter	1.22	0.90
Fourth Quarter	1.16	0.97
2004		
First Quarter	P0.76	P0.48
Second Quarter	0.65	0.49
Third Quarter	0.62	0.48
Fourth Quarter	0.73	0.53
2003		
First Quarter	P0.31	P0.11
Second Quarter	0.60	0.185
Third Quarter	0.85	0.54
Fourth Quarter	0.64	0.43

Shareholder Information

The number of shareholders of record as of March 31, 2006 was 12,843. Common shares outstanding as of March 31, 2006 were 4,581,544,408.

Top 20 stockholders as of March 31, 2006:

	Names	No. of Shares	%
1	Lopez, Inc.	2,575,872,402	56.22%
2	PCD Nominee Corp.	1,235,112,469	26.96%
3	PCD Nominee Corp.	389,257,010	8.50%
4	Florante &/or Andresito &/or Jose Vicente Aguila	50,000,000	1.09%
5	Gilbert Martires	16,100,000	0.35%
6	Teresita A. Dela Cruz	13,995,000	0.31%
7	Manuel M. Lopez &/or Ma. Teresa Lopez	10,985,000	0.24%
8	Oscar M. Lopez	8,597,182	0.19%
9	Eduardo L. De Guzman	8,436,000	0.18%
10	Lucio Yan	7,450,000	0.16%
11	Siao Tick Chong	7,128,500	0.16%
12	Manuel M. Lopez	7,089,114	0.15%
13	Alan L. Montelibano	6,629,604	0.14%
14	Sim Chi Tat &/or Conching Tan Sim	6,174,220	0.13%
15	Andrew Ramon L. Montelibano	6,089,604	0.13%
16	Lopez Inc.	5,660,590	0.12%
17	Rito Carlos L. Pena	5,000,307	0.11%

18	Albert N. Enriquez	5,000,000	0.11%
19	Angel Tan	4,500,000	0.10%
20	Cora Ng Or	3,800,000	0.08%

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 2005, 2004 and 2003.

There were no restrictions that limit the ability to pay dividends on common equity.

There were no sales of unregistered securities or exempt securities There were also no issuance of securities through an exempt transaction.

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 GAAP.

Results of Operations of Benpres Holdings Corporation (Benpres) and its Subsidiaries for the year ended December 31, 2005 compared with December 31, 2004

Benpres

Benpres registered consolidated revenues of P17.047 billion in 2005, 8.1% higher than the restated consolidated revenues of P15.772 billion in 2004. Airtime (+7%), sales and services (+9%) and license fees of P1.6 billion from none the previous year reflect the operations of ABS-CBN Broadcasting Corporation (ABS-CBN).

Provisions for the decline in the value of investments at equity and advances soared by 7.2x to P2.319 billion as Benpres recognized an impairment loss of P2 billion on its investments in cable. The provision for losses of P320 million in 2004 was only for the foreign exchange effect on estimated liabilities from guarantees and commitments. General and administrative expenses increased by 71% to P5.959 billion, the bulk of which came from increases in depreciation and amortization (+178%), advertising and promotions (+198%) and other expenses (+68%) which are essentially ABS-CBN accounts. Cost of sales and services (-25%) is an ABS-CBN account. Interest and financing charges increased by 20%, attributable to higher interest rates on debt.

Equity in net earnings of associates increased by 63% due to the robust performances of First Philippine Holdings Corporation (FPHC) and First Philippine Infrastructure Development Corporation (FPIDC) through which Benpres holds Manila North Tollways Corporation (MNTC).

Benpres booked a reversal of accumulated losses in the amount of P1.089 billion, the effect of a reversal of accumulated equity in net losses from its investment in Maynilad Water. Meanwhile, a loss on dilution of equity interest of P492 million resulted from the reduction of Benpres's equity interest in FPHC by 2% and FPIDC from 62% as of end-2004 to 49% as of end-2005.

Interest income improved by 50% to P297 million as interest rates improved in 2005. Foreign exchange income amounted to P840 million from a loss of P269 million as the peso appreciated against the dollar in 2005, closing the year at P53.09 compared to P56.28 at the end of 2004.

All of the above foregoing factors contributed to a net income of P1.139 billion versus a net loss of P1.830 billion the previous year. Net income attributable to the equity holders of the parent amounted to P732 million for the year 2005.

Associates
ABS-CBN registered total consolidated revenues of P17 billion, an 8% increase from the previous year's P15.77 billion. Total expenses increases by 12% to P16.6 billion from P14.7 billion. With expense growth of 12% outpacing revenue growth of 8%, net income ended 62% lower at P288 million from P750 million in 2004. EBITDA (earnings before interest, taxes, depreciation and amortization) was down by 10% to P3.6 billion with EBITDA margin at 21% compared to 25% the prior year.

FPHC posted consolidated revenues of P55.5 billion, an increase of 36% from P40.8 billion the previous year. Net income attributable to equity holders was at P4.9 billion, higher by 28% from P3.8 billion the previous year. FPHC's performance is attributable to the commercial operations of MNTC beginning February 2005 and the continued robustness of First Gen Corporation (First Gen) as an independent producer. Meanwhile, Meralco reported a net loss of P411 million in 2005, 80% smaller than 2004's restated net loss of P2.03 billion. Meralco set aside P5.9 billion as provision for probable losses, which is management's best estimate of such losses up to the end of 2005, in the event of a final and executory adverse decision on its unbundling case before the Supreme Court.

MNTC began commercial operations of the new North Luzon Expressway on February 10, 2005. Vehicle traffic fell below the project consultant's projections, largely attributed to the twin increases in gasoline prices and in the toll fees. Nonetheless, MNTC delivered strong financial results.

BayanTel's total revenues reached P5.22 billion, 3% below the previous year's. Long distance revenues experienced a 13% decline as competition brought rates down to commodity levels. However, this was mitigated by stable LEC revenues and the robust performance of data services, which grew 1% and 16%, respectively. 2005 EBITDA of P2.17 billion was 1% higher than in 2004.

SkyCable in Metro Manila reduced its monthly operating expenses by 24% through a three-point cost reduction plan: (1) renegotiating programming contracts down to more sustainable levels, (2) optimizing manpower count by rationalizing the organizational structure and (3) implementing tight operating expense management processes.

Rockwell Land registered slightly lower consolidated revenues at P2.55 billion, mainly due to lower revenue recognition of condominium sales, as revenues from The Manansala tapered off. This was partially offset with the start of the revenue recognition of Joya. Total revenues recognized from condominium sales amounted to P1.49 billion, 30% lower than P2.13 billion in 2004. Net income improved by 21% year-on-year to P288.5 million.

Liquidity and Capital Resources of Benpres (Parent Company Only) for the year ended December 31, 2005 compared with December 31, 2004

As of December 31, 2005, the company's total assets stood at P13.894 billion, 27% lower than total assets as of end-2004 of P19.087 billion. The decline is attributable to the 21% drop in investments in associates after the exit from Maynilad and the 57% decline in other noncurrent assets as a result of an impairment loss in Benpres's investment in cable.

Cash and cash equivalents decreased by 33% to P589 million from P879 million, after voluntary prepayments were made based on its proposed Balance Sheet Management Plan (BSMP). In 2005, Benpres voluntarily made payments on its direct and contingent obligations that are covered in the BSMP. Pending agreement with its creditors on the BSMP, the company offered to make payments semi-annually based on the following rates:

(a) At LIBOR plus a spread of 1.0% on all of its US dollar obligations; and
(b) At the 182-day Philippine Treasury Bill rate plus a spread of 1.0% on all of its peso obligations.

As of December 31, 2005, Benpres had US$360 million and P2.0 billion in direct and contingent obligations, as shown below:

	At Dec 31, 2005		At Dec 31, 2004	
(In Millions)	PhP	US$	PhP	US$
Direct Obligations				
Long-term Commercial Papers (LTCP)	2,000.0		2,000.0	
Eurobond 7.875% Notes		150.0		150.0
Contingent Obligations				
Maynilad Water			1,421.8	118.1
BayanTel		210.0		210.0

The contingent obligations were reduced by US$118 million and P1.4 billion following the exit from Maynilad.

Results of Operations of Benpres Holdings Corporation (Benpres) and its Subsidiaries for the year ended December 31, 2004 compared with December 31, 2003 (as previously filed)

<u>Benpres</u>
Benpres registered consolidated revenues of P3.905 billion in 2004, 22% lower than the P5.006 billion posted in 2003. There was a 46% decline in Foreign Currency Differential Adjustment (FCDA) due to a reclassification of Maynilad charges. The sale of Customer Contact Center, Inc. in July 2003 resulted in the zeroing out of sales and services in 2004.

Provisions for the decline in the value of investments at equity and advances went down by 80% as the 2003 provisions of P1.6 billion included investments in both Maynilad and BayanTel. The provision for losses of P320 million in 2004 was only for the foreign exchange effect on estimated liabilities from guarantees and commitments. No additional provisioning was made in 2004 as the remaining recoverable value of investment in BayanTel remains at P1.669 billion. Contracted services decreased by 75%, accounting for 88% of the P846 million contraction in general and administrative expenses.

In 2004, equity in net earnings of associates also declined by 19% due to the decrease in net income of FPHC. Accretion of earnings on Notes increased to P173 million from P33 million due to an improvement in Beyond Cable's net income.

Interest and financing charges increased by 63% representing penalty charges due to default in the payment of outstanding debt. The deterioration in the peso-dollar rate from P55.438 in December 2003 to P56.28 in December 2004 also resulted in an increase in the peso value dollar-denominated debt.

All of the above foregoing factors contributed to a decrease in net loss by 28% at P1.364 billion versus P1.905 billion the previous year.

<u>Associates</u>
ABS-CBN registered total consolidated revenues of P17.57 billion, a 7% increase from the previous year's P12.64 billion. Consolidated cost and operating expenses were up 16% to P12.05 billion from P10.39 billion. Total cash operating expenses increased by 19%. Production cost and cost of sales and services increased by 19% and 22%, respectively, while general and administrative costs increased by 16%, driven by personnel costs and ABS-CBN Global's expansion into new territories. Net income was 25% lower at P758 million from P1.008 billion in 2003. Resulting net income margin stood at 6% from 8% the previous year.

FPHC posted consolidated revenues of P38.89 billion, up 3.8% from P38.42 billion the previous year. Consolidated cost and expenses for the period increased by 4.5% to P30.16 billion from P28.86 billion. Income from operations was likewise flat, up by only 1.7% to PhP9.7 billion from P9.6 billion in 2003. FPHC booked an equity in net losses of associates in the amount of P467 million, largely as a result of provisions made by associate utility, Meralco, for probable losses should the Supreme Court rule against an increase in electricity rates. Net income of P3.31 billion or P6.035 per share, down 14% from P3.84 billion the previous year.

On September 9, 2004, in compliance with an August 6, 2004 Order by the Rehabilitation Court, Maynilad submitted a revised rehabilitation plan based on full draw of its US$120 million-performance bond. On September 29, 2004, the Rehabilitation Court ruled that there is merit to the Petition for Rehabilitation and referred the Petition, Annexes and September 2004 Rehabilitation Plan to the Receiver for evaluation. On December 17, 2004, MWSS sent a notice to Maynilad to draw on the US$120-million bond and a new average all-in tariff of P30.19 per cubic meter was published. On December 20, 2004, the Rehabilitation Receiver submitted its "Report and Recommendation" to the Rehabilitation Court, recommending approval of the September 2004 Rehabilitation Plan provided that Maynilad and its shareholders, the bank creditors, and MWSS execute implementing agreements on December 31, 2004. Otherwise, Maynilad should be ordered to submit a revised rehabilitation plan.

On January 1, 2005, Maynilad started implementing the rebased tariff rate of P30.19 per cubic meter. On January 14, 2005, MWSS sent a demand for the full US$120 million-performance bond. On January 20, 2005, MWSS received the entire proceeds of the US$120 million-performance bond. Meanwhile, Maynilad and its shareholders, the bank creditors, and MWSS failed to execute the implementing agreements that would give effect to the September 2004 Rehabilitation Plan. As a consequence, the Rehabilitation Court, in a hearing conducted on

January 31, 2005 on the Rehabilitation Receiver's Report and Recommendation, ordered Maynilad to submit a "Modified Rehabilitation Plan."
Maynilad is continuing its discussions with MWSS, bank creditors and shareholders to reach an agreement on the terms of restructuring of outstanding bank loans.

The Manila North Tollways Corporation conducted a comprehensive communications program in 2004 to gain public acceptance of the new toll rates. The North Luzon Expressway project was completed within the timetable (February 2005) set with Leighton Contractors (Asia) Limited, the contractor, and five months ahead of the July 2005 deadline set under the agreement with the government.

On June 28, 2004, the Pasig Regional Trial Court (RTC), Branch 158 approved the financial rehabilitation of BayanTel based on sustainable debt level of US$325 million, payable over 19 years. The decision penned by RTC Judge Rodolfo R. Bonifacio said the remainder of BayanTel's debt may be converted to another appropriate instrument that shall not be a financial burden to the company. It also mandated BayanTel to treat all creditors equally. Some of BayanTel's creditors including the petitioner and majority of its secured creditors have appealed the lower court decision.

In July 2004, creditors of Sky Vision Corp., Central CATV Inc., and Philippine Home Cable Holdings Inc. signed a debt restructuring agreement (DRA) giving the cable operators seven years to pay for total debts of P2.5 billion pesos. Debt restructured amounted to P1.166 billion for SKYCable and P1.350 billion for Home Cable. Beyond Cable Holdings, Inc., which houses Benpres's cable investments, also received US$30 million in fresh funds through a Note subscribed to by ABS-CBN. The Note, a non-current receivable of ABS-CBN, bears interest and gives the subscriber the opportunity to convert to equity at a significant discount to a third party valuation or a public offering price.

The Manansala and Joya condominium towers anchored Rockwell Land's strong performance in 2004. By yearend, the Manansala was 98% sold and accounted for P1.8 billion (67%) of consolidated revenue. The company posted a 21% revenue growth to P2.7 billion and income after tax was P245 million. EBITDA improved by 28% at P776 million.

Liquidity and Capital Resources of Benpres (Parent Company Only) for the year ended December 31, 2004 compared with December 31, 2003

As of December 31, 2004, the company's total assets stood at P30.195 billion, 4% higher than total assets as of end-2003 of P29.010 billion.

Cash and cash equivalents decreased by 15% to P879 million from P1.040 billion, after voluntary prepayments were made based on its proposed Balance Sheet Management Plan (BSMP).

In 2004, Benpres voluntarily made payments on its direct and contingent obligations that are covered in the BSMP (excluding contingent obligations in Maynilad which the latter continues to service). Pending agreement with its creditors on the BSMP, the company offered to make payments semi-annually based on the following rates:

(c) At LIBOR plus a spread of 1.0% on all of its US dollar obligations; and
(d) At the 182-day Philippine Treasury Bill rate plus a spread of 1.0% on all of its peso obligations.

As of December 31, 2004, Benpres had US$478 million and PhP3,422 million in direct and contingent obligations, as shown below:

	At Dec 31, 2004		At Dec 31, 2003	
(In Millions)	PhP	US$	PhP	US$
Direct Obligations				
Long-term Commercial Papers (LTCP)	2,000.0		2,000.0	
Eurobond 7.875% Notes		150.0		150.0
Contingent Obligations				
Maynilad Water	1,421.8	118.1	1,421.8	118.1
BayanTel		210.0		210.0

These direct and contingent obligations were unchanged from their balances as of December 31, 2003.

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.

Audit and Audit Related Fees

Fees for services rendered by the external auditors of the Company for the last two fiscal years are as follows:

Year	Audit Fees	Tax Fees	All Other Fees
2004	P600,000	-	-
2005	P600,000	-	-

The Audit Committee reviews the scope, coverage, and results of the external audit and submits the results to the Board of Directors for approval.

Compliance with Leading Practice on Corporate Governance

The Board of Directors of the Issuer has adopted a Manual of Corporate Governance to institutionalize corporate governance principles. The Issuer has appointed a Compliance Officer who reports to the Board of Directors. The Compliance Officer, through a self-evaluation system., measures and monitors the compliance of the Board of Directors and management with the adopted Manual of Corporate Governance. The Compliance Officer was also tasked to propose changes to improve the Manual of Corporate Governance. The Company continues to pursue initiatives to improve corporate governance of the Company such as risk management, crisis management, the improvement of internal auditing processes.

The Board of Directors has created an Audit Committee in accordance with its Manual of Corporate Governance.

There were no deviations from the Manual of Corporate Governance reported during the year.

Business

The Company

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

No new businesses were developed in the last three years.

Please refer to Exhibit 1 on page 23 summarizing the list of the subsidiaries and direct affiliates of the registrant including their principal activities, total revenues and net income.

POWER

In 2005, First Philippine Holdings Corporation (FPHC) posted consolidated revenues of P55.5 billion, an increase of 36% from P40.8 billion the previous year.

Net income attributable to equity holders was at P4.9 billion, higher by 28% from P3.8 billion the previous year. FPHC's sterling performance stems from the twin values created from the commercial operations of Manila North Tollways Corporation beginning February 2005 and the continued robustness of First Gen Corporation (First Gen) as an independent producer of clean, earth-friendly energy for electricity.

As stated in the chairman's message, FPHC's new mandate is to grow its manufacturing portfolio to provide the company with a strategic third stream of strong and stable revenues. In pursuit of this goal, FPHC organized First Philec, a holding company that will focus on developing its manufacturing activities in the electrical and electronic sectors to core business proportions.

Power Generation

First Gen Corporation's consolidated revenues increased by 25% to US$827.74 million from US$661.53 million the previous year. The increase was primarily due to the increase in its plants' net dependable capacity (NDC), improved dispatch, and higher fuel prices. The NDC of Santa Rita increased from 996MW in 2004 to 1,000MW in 2005, and from 502MW to 503MW for San Lorenzo. Dispatch was also significantly higher in 2005 with both plants averaging 77% compared to the previous year's 65% and 58%, for Santa Rita and San Lorenzo, respectively. Although fuel is a pass-through risk fully assumed by Meralco and does not affect the net income of First Gen, the increase in fuel prices, brought mainly by the surging oil prices in the international market, also contributed to the increase in revenues.

In addition to the increases in dispatch and capacity, the US$5.1 million income from the settlement of the arbitration case (Tranche 2) with Siemens augmented First Gen's net income. In November 2005, the arbitral tribunal ruled that First Gen's subsidiary, First Gas Power Corporation (FGPC), is entitled to liquidated damages amounting to USD99 million as a result of the delays incurred by Siemens in constructing the Santa Rita power plant. Thus, the financial position of First Gen is stronger after US$94 million of payables were written-off as a consequence of the Tranche 2 ruling against Siemens.

In February 2006, First Gen listed in the Philippine Stock Exchange, grossing P9.0 billion (including the greenshoe) in the initial public offering (IPO) of its shares. IPO proceeds will fund First Gen's strategic objective of expanding its business through the acquisition of existing plants, the building of new plants or engaging in what is called greenfield projects, as well as exploring the potential of renewable sources of energy.

Another positive development is the favorable settlement of the dispute with the subsidiaries' gas sellers or the Malampaya consortium. In March 2006, First Gen's operating companies FGPC and FGP Corp., agreed with the gas sellers to a combined US$83 million write-off in gas take-or-pay obligations. The remaining gas take-or-pay obligations are pass-through to Meralco, which is expected to pay the obligation on a quarterly basis until 2009.

Last year, First Gen shifted its financial reporting to the US dollar, the company's functional currency. This is in accordance with Philippine Accounting Standards which took effect January 1, 2005.

Power Distribution

Meralco reported a net loss of P350 million in 2005, 81% smaller than 2004's restated net loss of P1.03 billion. The company continued to provide for probable losses in the event of a final and executory adverse decision on its unbundling case before the Supreme Court.

Meralco's tariffs were unbundled in June 2003, as required by the Electric Power Industry Reform Act of 2001. The unbundled rates approved by ERC resulted in a total average increase of P0.17 per kilowatt-hour (kWh) over May 2003 levels. This consists of an P0.0835 hike in generation and transmission charges and an P0.0865 rate adjustment for the company, its first since 1994.

Meralco set aside P5.9 billion as provision for probable losses, which is management's best estimate of such losses up to the end of 2005 should the Supreme Court rule with finality against Meralco. It had set aside P9.82 billion as provision for probable losses in 2004.

In addition, the adoption of the Philippine Financial Reporting Standards/Philippine Accounting Standards affected the reported financial position, financial performance and cash flows of Meralco.

Revenues increased by 15% to P174.27 billion from P151.61 billion, while total expenses increased by 14% to P175.99 billion from P154.70 billion.

Energy sales were flat, up by a slight 0.6%. Sales to commercial users rose by 3.6% but residential sales contracted by 2.2%. Industrial sales were likewise flat, nudging 0.2% higher.

Despite regulatory setbacks, Meralco's system performance continued to improve, with 14.69% and 18.87% improvements in system reliability and availability, respectively. Meralco's customer satisfaction index (CSI) continued to improve as well, registering better ratings in all market segments. Meralco scored an overall CSI of 7.17 in 2005 or 4.4% higher than 6.87 in 2004.

COMMUNICATIONS

Media

In 2005, ABS-CBN Broadcasting Corporation (ABS-CBN) gross revenues increased by 8% to P17 billion, from P15.77 billion the year before. The strong performance of its international operations continued to drive the business, as airtime revenues declined by 7% to P10.3 billion from P11 billion in 2004. Net sales and services grew 9% to P5 billion from P4.7 billion, led by ABS-CBN Global which saw its total international subscriber base growing by 30% year-on-year. This translates to 2.0 million viewers worldwide by end-2005.

License fees amounting to P1.6 billion were booked in 2005, representing revenues from the initial phase of the migration of existing direct-to-home (DTH) subscribers to DirecTV's platform, as well as take-up of new subscribers. DirecTV is one of the leading DTH system providers in the U.S. Under an agreement, DirecTV will have the exclusive right to air The Filipino Channel or TFC package on its DTH platform. In return, DirecTV will pay license fees to ABS-CBN based on the number of subscribers who will avail of the service during the migration period.

Total expenses increased by 12% to P16.6 billion from P14.7 billion. Cash operating expenses went up by 13% while non-cash operating expenses, primarily depreciation and amortization, grew by 11%. These expenses include non-recurring charges in the amount of P1.4 billion related to the migration of DTH subscribers in the U.S., as well as expenses related to the employee reduction program or Special Separation Package (SSP) implemented beginning July 2005. Around 400 employees or approximately 20% of ABS-CBN headcount availed of the SSP. Without these non-recurring items, total expenses went up by only 3%.

With expense growth of 12% outpacing revenue growth of 8%, net income ended 62% lower at P288 million from P750 million in 2004. EBITDA (earnings before interest, taxes, depreciation and amortization) was down by 10% to P3.6 billion with EBITDA margin at 21% compared to 25% the prior year.

To strengthen its programming, ABS-CBN has been innovating with new show concepts led by the groundbreaking *Pinoy Big Brother*, a joint production with Dutch content provider Endemol that has counterpart shows in 46 countries. The News and Current Affairs Group was also reorganized with veteran international journalist Maria Ressa as head. A Standards and Ethics Manual was adopted to guide all ABS-CBN news personnel in their coverage, in a committed effort to raise performance to world-class standards.

Cable

2005 saw SkyCable focusing on improving and strengthening the fundamentals of the business with the goal of turning income positive by 2007. The company accomplished several milestones setting the stage for full financial recovery.

First, SkyCable in Metro Manila reduced its monthly operating expenses by 24% through a three-point cost reduction plan: (1) renegotiating programming contracts down to more sustainable levels, (2) optimizing manpower count by rationalizing the organizational structure and (3) implementing tight operating expense management processes.

Second, to address significant disconnections, the company focused on driving quality sales which reduced the monthly churn rate from a high of 5% to its current levels of 2%. The focus on quality subscribers also improved cash flow with monthly collections growing by as much as 20% within the year.

Third, from a net cash deficit of Php50.0m in January 2005, the company's Metro Manila operations turned cash neutral by the end of the year.

Fourth, the company's provincial operations instituted a series of strategic price increases and tight cost management initiatives.

Overall, these milestones contributed to achieving positive consolidated (Metro Manila and provincial operations including Pilipino Cable Corporation) EBITDA of P507.2 million in 2005, its highest ever.

Fully acknowledging the widespread problem of illegal connections, the company initiated in 2005 extensive, coordinated efforts to enforce local ordinances on cable theft. Its Illegal Connection Drives involved local law enforcers, media and legal teams to clean-up targeted areas. Criminal cases have been filed against repeat offenders and convictions are hoped for in mid-2006.

Finally, together with the Philippine Cable TV Association, the company intensified its lobby for the Cable Bill, which makes the theft of cable TV signal a criminal offense. As of this printing, the Bill is already on final reading at the House of Representatives.

To drive future growth, SkyCable made a significant investment in digital signal encryption. This investment will enable the company to:

1) test the impact of signal encryption in reducing the number of illegal customers and increasing the number of paying subscribers,

2) test launch prepaid cable TV services and

3) launch a premium tier cable TV service, SkyCable Platinum, with the objective of generating higher Average Revenues Per Unit (ARPU).

The company is hoping to achieve full-year profitability in 2007 and, depending on a successful implementation of the digital encryption program, is hoping to set the stage for future revenue growth as well.

Telecom

BayanTel continued to show promise, despite falling short of its targets for revenue and EBITDA in 2005. Total revenues reached P5.22 billion, 3% below the previous year's. Long distance revenues experienced a 13% decline as competition brought rates down to commodity levels. However, this was mitigated by stable LEC revenues and the robust performance of data services, which grew 1% and 16%, respectively. 2005 EBITDA of P2.17 billion was 1% higher than in 2004.

BayanTel continued to show strength in data services with DSL customers doubling to over 11,000 year-on-year. Revenues from Internet and traditional data services grew by 34% and 9%, respectively, from 2004. This signaled an accelerating demand for data services not only from the corporate sector but also from the residential and small and mid-size businesses as well. Meanwhile, growth in BayanTel's LEC (local exchange carrier) customer base continued with subscribers totaling 279,000 as of end-2005.

The company also received better satisfaction ratings from its customers. Voice customers gave BayanTel a significantly higher rating of 84% in 2005 versus 77% in the previous year. For data customers, tracking of satisfaction ratings was initiated in the first half of 2005. The first half survey resulted in a 63% rating while the second half reading resulted in a 75% rating. BayanTel considers this as a breakthrough performance, considering it was achieved in a narrow period of just six months.

BayanTel spent the year deliberately improving its capability to offer and develop new products and services. It launched VoIP (Voice over Internet Protocol) in July 2005 and significantly reduced the cost of providing DSL. The savings were passed on to customers. It also prepared for the launch of its Wireless Local Loop project, which began selling under the brand name SPAN starting February 2006.

INFRASTRUCTURE

Tollways

Commercial operations of the new North Luzon Expressway by the Manila North Tollways Corporation commenced on February 10, 2005. Vehicle traffic fell below the project consultant's projections, largely attributed to the twin increases in gasoline prices and in the toll fees. Nonetheless, MNTC delivered strong financial results. MNTC and its operator and affiliate, Tollways Management Corporation, gave motorists a completely new travel experience. Motorists now enjoy shorter, more predictable travel time and the comfort of wide, smoothly paved roads.

Comely toll tellers man 147 new fully computerized toll booths and toll lanes in four toll plazas greeted surprised motorists with their captivating smiles. A total of 138 new lane kilometers were constructed, along with the upgraded 295 lane kilometers, while 25 permanent exit stations were widened.

Not visible to motorists are other top-of-the-line service facilities, including 14 cameras strategically located along the world-class expressway that allow a central control room round-the-clock monitoring of traffic flow, as well as dispatching emergency response teams at short notice. In addition, there are message signages apprising motorists with up-to-the minute traffic situation updates, and over 100 call boxes stationed along the North Luzon Expressway (NLE) that distressed motorists can use for prompt assistance.

All these improvements spell convenient, seamless and safe travel for the NLE users under parameters that conform to international design standards for expressways.

The rehabilitated North Luzon Expressway cut travel time from Balintawak to Sta. Ines (Mabalacat, Pampanga) by 50%, giving rise to more economic zones in Central Luzon such as First Clarkway Industrial park in San Simon, Pampanga, Hermosa Economic Zone in Hermosa, Bataan, Palayan City Agri-Industrial Center in Palayan City, Nueva Ecija and PNOC Petrochemical Industrial Estate II in Mariveles, Bataan.

The mothballed Clark Expo in Mabalacat, Pampanga, was also recently revived with a trade exposition featuring some 100 exhibitors. Heightened business activity created an estimated 34,000 additional jobs, as the Diosdado Macapagal International Airport sprang to life with a substantial increase in flight frequencies resulting in another 60 percent rise in passenger and cargo traffic. Inspired by these developments, the local government of Pampanga approved a new local investment bill meant to attract more investors to the province.

OTHER INVESTMENTS

Rockwell Land Corporation

All 618 units of The Manansala were delivered six months ahead of schedule to the delight of the newest residents of Rockwell Center. The Manansala was the first residential development to be marketed in the unexplored U.S. market. Rockwell Land Corporation was first in bringing its products to roadshows in key cities in the U.S., selling to the Filipino investor market. Its success in this new market caught the attention of competing Philippine developers who followed suit.

Rockwell Land Corporation launched Joya Lofts and Flats in 2004, becoming the first to introduce the Loft design to the local market. The pioneering concept was again picked up by competitors who began selling similarly designed offerings.

By the end of 2005, Joya was 92% sold with construction in full swing and ahead of schedule.

Rockwell Land registered slightly lower consolidated revenues at P2.55 billion, mainly due to lower revenue recognition of condominium sales, as revenues from The Manansala tapered off. This was partially offset with the start of the revenue recognition of Joya. Total revenues recognized from condominium sales amounted to P1.49 billion, 30% lower than P2.13 billion in 2004. Meanwhile, retail revenues grew 6% year-on-year on account of an increase in rental income. The cash flows provided by the full payment of buyers with the handover of The Manansala and the brisk sales take-up of Joya enabled the significant pay-off of debts in the second of half of 2005 from the P2 billion mark down to P806 million, yielding a healthy debt-to-equity ratio of 0.8x. As a result, net income improved by 21% year-on-year to P288.5 million.

With only three spaces left for development inside Rockwell Center, Rockwell Land is now pursuing opportunities in key locations in Metro Manila, through potential joint venture with landowners. These projects, which aim to cater to the middle market residential segment, are targeted to be launched in the next two years and will capitalize on the Rockwell brand. The company is also looking into developing residential leisure projects outside of Metro Manila in tourism destinations such as Tagaytay, Baguio and Batangas. The planned developments will be situated in high-end exclusive locations and will continue to carry Rockwell's top quality seal. These projects aim to meet client demand for a wider range of Rockwell products and services, and will be the company's focus in the next five years.

Professional Services, Inc. (The Medical City)

The Medical City posted a 37% increase in gross revenues and a 41% improvement in gross profit. Operating income also increased by 29% while net income amounted to P55.1 million or 19% less than 2004 figures brought about by total interest expense of P220 million on total outstanding loans of P2.4 billion as of December 31, 2004.

Admissions increased by 20% to 37,070, evidence of The Medical City's articulated mission to place "Patients on Center Stage" and to give "Service of Greater Worth."

CORPORATE SOCIAL RESPONSIBILITY

ABS-CBN Foundation, Inc. and ABS-CBN Bayan Foundation

ABS-CBN Foundation, Inc. (AFI) pursues "a better world for our children" through a range of programs designed to enable Filipino children to achieve their full potential.

In 2005, AFI's Bantay Bata 163 received and acted upon 25,467 calls in 2005 of which 6,735 were counseled through phone. An average of 6 children are rescued per month and provided with shelter. The Children's Village in Norzagaray, Bulacan housed 123 children while 1,294 children received medical assistance and 149 received legal assistance. Scholarships were given to 297 children – most of which were rescued by Bantay Bata and reintegrated with their families. Bantay Bata 163 received the Gold Quill of Excellence in the Communication Management for Economic, Social and Environmental Category from the International Association of Business Communication in March 2005. A major development in 2005 was the activation of hotline 163 nationwide. Previously available only in Manila and Davao, it enables the reporting and intervention in child abuse cases all over the country.

E-Media (education through multi-media) persevered in its pioneering work of producing educational programs for young viewers. Stocked with awards for its *Sine'skwela*, *Hirayamanawari, Bayani*, *MathTinik*, and *Epol/Apple*, its latest show *Art Jam*, a show that inspires children's creativity by using everyday materials, won the 2005 Golden Dove Award as Best TV Children's Program by the Kapisanan ng mga Brodkasters ng Pilipinas and the Anak TV Seal from the Southeast Asian Foundation. 953 schools received E-Media educational TV packages and 600 teachers from 356 schools were trained in TV-assisted instruction.

Bantay Kalikasan, AFI's environmental arm, envisions a responsibly protected and preserved Philippine environment. By December 2005, it had successfully reforested 1,344 hectares of the 1,500 hectares earmarked for rehabilitation at the La Mesa Watershed. Working toward self-sufficiency, Bantay Kalikasan continues to administer operations of the La Mesa Eco Park, an alternative eco-friendly leisure park within the watershed. Two mini-projects were also launched in 2005: the BK Coinbank and the La Mesa Ecomart, a shop offering purely organic products.

Bantay Baterya, BK's junk lead-acid battery recovery and recycling project, effectively expanded its operations nationwide. Launched in October 2000, battery donations have increased by 50% each year. As of end-2005, it had received a total donation of 1,280 tons of junk batteries from more than 86 partner-companies, mostly industry leaders.

As of June 2005, Sagip Kapamilya raised P95.7 million in cash and P63.4 million in kind from 10,000 individual and corporate donors for the victims of the four destructive typhoons or 2004. Through partnerships with the National Disaster Coordinating Committee, Gawad Kalinga, Ateneo de Manila University, Department of Social Welfare and Development, local government units, and other non-government organizations, Sagip Kapamilya used the entrusted funds to bring relief to 86,603 families (as of June 2005). Roads were cleared amd the program is now focusing efforts in rehabilitating Northern Quezon province with poverty alleviation programs such as capital and technical assistance for family-based livelihood, support to community-based health and shelter programs, and sustainable agro-forestry development. A total of 7,614 people (1,269 families) in the three municipalities have started putting up the initial 11 family-based livelihood projects intended to increase their productivity and income by at least 30% above local poverty threshold.

Meanwhile, the microfinance activities of ABS-CBN Bayan Foundation, Inc. served a cumulative 44,776 clients as of December 2005 with repayment rate of 97%. Barangay Leadership and Business Development Trainings were given to 1,089 barangay members and Leadership Trainings were conducted for 772 micro-finance clients.

Knowledge Channel Foundation, Inc.

The Knowledge Channel Foundation, Inc. (KCFI) is committed to bring quality education to all Filipinos by using television as an effective and efficient teaching tool. Its flagship all-educational channel, the Knowledge Channel (KCh), is now viewed by more than 3 million cable television users in 59 provinces nationwide. As of January 2006, the channel is available to 2.7 million students in 1,688 public schools in 44 provinces nationwide.

Now on its second year, Project TEAM-Mindanao or Television Education for the Advancement of Muslim Mindanao, provided Knowledge Channel to 66 public schools in the ARMM (Autonomous Region of Muslim Mindanao) and produced 30 episodes of livelihood and advocacy programs for out-of-school youth. By the end of its third year, TEAMM targets to connect 150 public schools in the region.

2005 was a year of recognition and citation for KCFI and its president, Rina Lopez Bautista with eight awards conferred by various organizations. Lopez Bautista was conferred the IABC's CEO Excel Award of Excellence and the Peace Award for Literary by the Rotary International of Quezon City. A first for the country, SkyCable bagged the Asian CSR Award for Education for pioneering the Knowledge Channel while on the homefront, KCFI received CMMA's SERVIAM Award. A fundraising project, *Lakad Mo, Pangarap Ko* won the Anvil Award of Merit and IABC's Gold Quill Award of Excellence. Recently, TEAM Mindanao bagged the Lopez Group Achievement Award for Public Responsibility.

Lakad Mo, Pangarap Ko 2 Nationwide Na 'To was held in November 2005 and was participated in by more than 8,000 walkers from three key areas, namely, Metro Manila, Metro Cebu and Davao. This year's walkathon was in partnership with the Department of Education, Department of Tourism and the Lopez Group of Companies.

Lopez Group Foundation

The Lopez Group Foundation, Inc. (LFGI) published the first-ever consolidated corporate social responsibility (CSR) initiatives in the Lopez Group with BRIDGES, which showed the history of philanthropy in the Lopez Family, and the various programs and projects of the Foundation's member companies. BRIDGES strengthened internal and external communications on CSR efforts in the Lopez Group, allowing for regular interaction and coordinated support for members' programs.

In October 2005, LGFI obtained PCNC (Philippine Council for Non-Government Organization Certification) Accreditation and nurtured partner relations with CSR networks and associations both locally and abroad.

LGFI recently acquired a grant for installing a Family Planning program in the workplace that five Lopez companies will design and implement. As the hub for coordination, LGFI is assisting in group-wide events and programs such as the 105th birth anniversary celebration of Eugenio Lopez Sr., in relation to the theme of bridging the legacy of nationalism, entrepreneurship and public service to the third generation Lopezes.

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, 2005 and 2004. 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.

OSCAR M. LOPEZ
Chairman of the Board and
Chief Executive Officer

SALVADOR G. TIRONA
Chief Finance Officer

REPUBLIC OF THE PHILIPPINES)
) S. S.

SUBSCRIBED AND SWORN TO before me this __________, to the above affiants exhibiting to me their Community Tax Certificate as follows:

Name	CTC #	Date Issued	Place
Oscar M. Lopez	21829773	January 31, 2006	Pasig City
Salvador G. Tirona	21384949	February 07, 2006	MandaluyongCity

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