

Press Release
09 August 2017

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MEGAWIDE POISED TO BREACH PHP2-BILLION NET INCOME FOR 2017
2nd Quarter Construction Revenues up 11% year-on-year

Diversified engineering company Megawide Construction Corporation's (MWIDE) construction business revenues for the 2nd quarter of 2017 jumped 11% to PhP4.1 billion compared to the PhP3.7 billion for the same period in 2016.

According to Megawide President Edgar Saavedra, the company remains strong as 2nd quarter numbers are in line with 2017 full year guidance and boosts the company's traction towards achieving the 2017 construction net income target of PhP1.16 billion which is 14% higher compared to the 2016 net income of PhP1.02 billion.

He added, *"On a consolidated basis that includes the earnings contribution from Megawide's airport operations business, the company should breach the PhP2.0 billion mark for full year net income. This is definitely a milestone as we celebrate the company's 20th anniversary."*

Order book backlog stands at PhP33.7 billion as of 30 June 2017 providing earnings visibility for the next two years. New contracts include the Edades Suites of Rockwell Land Corp., BGC 5th Avenue Apartments of Fort Bonifacio Development Corporation, and the Delta Project and Next Gen Zen 3 Zenith Foods Plant Expansion under Zenith Foods Corporation.

Underlining the positive impact of Megawide's decision to diversify from its core construction business, Megawide's airport operations business remains strong with a double digit increase in passenger throughput and air traffic volume. As a result, 1st half 2017 earnings contribution from airport operations jumped 15% at PhP550.92 million compared to the same period in 2016 at PhP480.87 million. Airport operations business now accounts to 48% of the total business of the Group.

Saavedra explained, *"Airport passenger traffic increased by 14% for the first 6-months of the year compared to the same period last year. This is led by an increase in domestic passenger traffic by 6% while international passenger traffic grew by 36%. Air traffic volume already increased by 17% for domestic flights and 37% for international flights while awaiting for completion and operation of the expansion project."*

The construction of Mactan-Cebu International Airport's new passenger Terminal 2 is in full swing and is expected to be completed on schedule in June next year. This will bring the airport's capacity to a total of 12.5 million passengers per annum. In 2017, the company was

able to bring in 22 major international and domestic airlines serving 33 domestic and 16 international destinations.

Megawide took over operations of the Mactan-Cebu International Airport in November 2014 through GMR Megawide Cebu Airport Corporation (GMCAC).

Apart from MCI's Terminal 2, Megawide is also scheduled to deliver in 2018 the Southwest Integrated Transport System (SWITS) Terminal, the country's first intermodal hub. The SWITS facility is located in Paranaque City. Both these two PPP projects expect a boost in predictable recurring income over the medium to long-term period based on their concession contracts.

The company is also actively participating in the government's flagship Build, Build, Build program leveraging on its inherent advantage as the only local company capable of providing both engineering, procurement, and construction (EPC) services and operation & maintenance (O&M) of vital transportation infrastructures.

"We take pride in our unique position given our vast EPC expertise bolstered by Megawide's distinct experience in being the O&M for an international airport", Saavedra said.

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ABOUT MEGAWIDE

Megawide Construction Corporation is among the country's leading contractors for residential, office, and mixed-use developments. A Philippine company and publicly-listed since 2011, Megawide is transforming from a pure construction firm into a diverse engineering and infrastructure company, with projects such as Mactan-Cebu International Airport and the Southwest Terminal of the country's first Integrated Transport System. In 2012, the company established Megawide Corporate Foundation, Inc. as its medium for Corporate Social Responsibility, focusing on engineering education, livelihood and environmental awareness.