

BCDA

BASES CONVERSION

DEVELOPMENT AUTHORITY



A LEGACY OF RESPONSIBLE STEWARDSHIP

ANNUAL REPORT 2000



BASES CONVERSION AND
DEVELOPMENT AUTHORITY

VISION

The best managed government enterprise creating and maintaining globally competitive and sustainable growth centers with the participation of affected communities and private sector.

MISSION

To effect sustainable development through globally competitive and environment-friendly facilities in the Clark and Subic reservations and their extensions, and Morong in Bataan, that enhances the productivity and ingenuity of the Filipino, in partnership with the private sector and in consultation with affected communities.

A LEGACY OF RESPONSIBLE STEWARDSHIP

Chairman's Report



Since its inception in 1992, the Bases Conversion Development Authority (BCDA) has sought to carry out its mandate to generate revenues for the government through the viable disposition of former baselands and other government assets. We had been entrusted with a vital mission: that of holding in stewardship sizable tracts of government property - patrimony over which we have a responsibility to put to good use.

When we first started out on this mission to either privatize or convert these lands into sustainable centers of business and industry, many questions were raised. Throughout the cycle of economic uncertainties and changes in political climate, BCDA has consistently fulfilled its mission, thanks to the competent administration of its succession of leaders and the commitment of its dedicated staff. Now, almost 10 years later, we see the fruits of our labors.

Taking our cue from President Gloria Macapagal-Arroyo's call for unity, we believe it timely for BCDA to pay tribute to its past chairmen, to the men and women who have contributed to the success of its undertakings.

From 1992, when then President Fidel V. Ramos created BCDA, our organization has been at the forefront of the government's privatization efforts. With able leadership and management, the BCDA has turned over a total of P25.894 billion to the nation's coffers.

It has forged strategic partnerships with the private sector to implement master plans for sustainable growth centers and communities of the future. It has attracted investments worth P241 billion by developing Special Economic Zones in former base lands. It has spurred local economies in host communities where its conversion projects are located. It has improved transport infrastructure to facilitate the influx of progress to the countryside. It has generated over 50,000 jobs in direct employment and livelihood opportunities in communities influenced by its projects. It has implemented socialized urban housing projects and relocation programs for affected communities and involved itself in health care, education, livelihood, cooperatives and other social development activities.



Institutional Area. To enhance the Global City's total urban development, BCDA has earmarked a total of 30 hectares as an institutional area. In 2000, BCDA realized P300 million from an advanced lease payment for the four-hectare Manila Japanese School compound which formally opened April 2001.

From other locators in this area, the government is assured of a yearly lease income of P10 million from the British School Manila which will start operating in late 2001, and P21 million from the International School Manila which is scheduled to open in 2002. Negotiations are underway with other prospective locators, including the one-hectare Victory Leadership Institute and Casa Montessori International pre-school.



Bonifacio Information Technology Special Economic Zone (BITSEZ). To foster Filipino expertise and technical skills in the field of information technology (IT), BCDA has master planned some 119 hectares within Fort Bonifacio as a special economic zone for IT-related businesses.

Envisioned to lead the country into the international IT market, BITSEZ will consist of a 25-hectare Software Techno Park for software and IT entrepreneurs. A feasibility study for the 25-hectare Software Techno Park has been submitted for possible Overseas Development Assistance (ODA) funding.



Heritage Park. Last year, BCDA signed an agreement with the Development Bank of the Philippines for the underwriting and issuance of the reserve tranche of Heritage Park Investment Certificates worth more than P782 million. Operation of Phase 1 of the Heritage Park project started in the first quarter of 2001. Plans have been made for the re-development of the terrasolements. The remaining 5.5-hectare lot is being readied for disposition by 2001.



Villamor Air Base. BCDA is master planning its properties in this former Air Force base for development and eventual disposition to complement the Philippine Air Force retention area and NAIA Terminal III Project. In 1997, a lease agreement with the Manila International Airport Authority was signed for the use of a 63.4-hectare lot which is now being developed as the site of the new NAIA Passenger Terminal III. To complement this facility, BCDA has set aside portions of Villamor Air Base for airport-related development including a businessman's hotel.



Investments



BCDA paves the way for the entry of investments that will generate employment and development in the countryside, by formulating Master Development and Business Plans for Special Economic Zones in Clark, Poro Point and John Hay in consultation with affected communities and private sector.

Clark Special Economic Zone (CSEZ). From June 1998 to November 2000, Clark Development Corporation (CDC), a subsidiary of BCDA, approved 129 new investment projects from foreign and local investors that will infuse a projected P7.7 billion in investment revenue in the next five years. Since 1993, Clark has registered a total of 270 investment projects classified into 111 industrial, 58

CDC also generated P790 million in revenues from leases, operations from joint venture utility firms, and other miscellaneous fees and charges from June 1998 to October 2000. Income from joint ventures and private investments includes operations at Mimosa Casino, and utility companies Clark Danum, Balas and Clark Electric. Regular income from leases primarily come from duty-free shops and industrial locators.

All these developments have translated to the direct employment of 21,982 workers within Clark SEZ. In the next five years, the number of jobs inside Clark is expected to reach 65,687.

in Growth

commercial, 60 service-oriented, 13 aviation-related, 9 tourism, 3 housing and 12 utility establishments. As part of the plan to establish the CSEZ as a center for backroom operations in the country, the CDC is now host to IT companies such as America Online, Cyber City Teleservices and SIV Information Systems to attract investments for web-based help desks, call centers and firms involved in e-commerce.

CDC monitored and recorded \$1.07 billion in exports from Clark-based firms from June 1998 to November 2000, with the top three sectors being electronics (\$621 million), garments (\$321 million), and furniture (\$33.7 million).

BCDA will push for the transformation of Clark Special Economic Zone into a highly urbanized aerotropolis of the future. The airport complex, in the short term, is focusing on locating cargo, courier and aircraft maintenance services.

Some of the 36 infrastructure projects, facilities improvement, renovation and utility works started in 1999 were completed last year. The year 2000 also saw the opening of the 910-lineal meter Sacobia Bridge connecting Clark's Main Zone to its subzone in Sacobia Valley.

In terms of telecommunications infrastructure, Clark Telecommunications launched in 2000 an expansion of its fiber optic cable system, installing 22 km of underground cables from Clark to





San Fernando. This will connect Clark locators to utilize the Digital Fiber Optic Network for faster voice and data transmissions worldwide.

Subic Bay Freeport and Special Economic Zone (SBFSEZ).

For the year 2000, Subic Freeport's gains in the areas of revenue collection, export income, investment generation and employment surpassed the previous year's achievements.

In 2000, the Freeport generated a total revenue of P2.3 billion. Increased economic activity in the region drove revenue collection on importations beyond the targets set by the Bureau of Customs (BOC) and Bureau of Internal Revenue (BIR). BOC cash collections reached P1.530 billion as against the target of P1.44 billion, while BIR collections totaled P580.9 million, up by 11.37% from 1999. Government collections on the five-percent tax imposed on gross income of Subic Bay Freeport enterprises amounted to P554.52 million, up by 9.27% from 1999.

The export industry remains a major performer at the Freeport. In terms of export value, the Freeport continues to breach the \$1 billion mark for the second consecutive year, totaling \$1.185 billion or a 9% increase from 1999 figures. With a resumption of the Taipei-Manila air connection in late 2000, an even more vigorous export performance is anticipated for the year 2001.

As of end of 2000, the Freeport netted \$3.082 billion in investments or an increase of 8.66% from 1999. It also attracted P5.25 billion in new lease agreements. Subic secured the entry of new major companies as well as expansion of existing ones particularly



in the Japanese Technopark and the Taiwanese Industrial Park. Other major existing locators such as Federal Express, Brand Rex, Koryo Subic, Aparri Electronics, and Active Alliance Inc. all expanded operations last year.

Envisioning Subic as a major IT player in Asia, the Subic Bay Metropolitan Authority (SBMA) formed strategic partnerships with some of the world's leading IT proponents, Oracle Systems Inc. and Pacific Technology International.

Overall, these gains were clearly reflected in the large increase of employed workers within the Freeport with 13,614 new hires from January to December 2000 bringing the total employment at Subic Bay to 30,139.

Aside from its business and industrial components, the Freeport also improved its recreational facilities last year.

The Subic Bay Marine Exploratorium Inc. began development of its theme park at the Kamayan Wharf last year. Initial operations highlighted an interactive "edutainment" show featuring dolphins, whales and sea lions. Located in the natural environment of the open sea, the theme park shall also feature a natural aquarium, a wildlife sanctuary, and other tourism-related facilities.

The Subic Bay Arts Center (SUBAC), formerly Lowry Hall Station Theater, opened its doors to the public in May last year with an arts festival offering free presentations from different performing arts groups like PETA, Repertory Philippines, Trumpets and others.



John Hay Special Economic Zone (JHSEZ). The year 2000 saw the completion of Phase 1 of the development of Club John Hay into a world-class, family-oriented and environment-friendly integrated tourism complex. Set amidst the rolling pine-covered hills of Baguio City, the 18-hole, par 69 championship golf course officially opened in April 1999. Construction wrapped up on the first batch as well as 20 of the second batch of country homes within the wooded highland compound. The remaining cabins are set for completion by 2001.

As part of John Hay-Poro Point Development Corporation's (JPDC) commitment to the surrounding communities, a total of P50 million in funds was allocated in 2000 to finance several infrastructure projects identified by the local community in Baguio: concreting and widening of roads, construction of barangay halls, erosion control and drainage projects.

Poro Point Special Economic and Freeport Zone (PPSEFZ). Towards the end of 1999, BCDA and its subsidiary, John Hay-Poro Point Development Corporation (JPDC), formed a joint venture with Bulk Handlers, Inc. for the development and operation of the San Fernando Seaport and its adjoining industrial areas. The venture ensures the government a minimum annual income of P50 million plus a percentage of port revenues.

To enhance access and facilitate operations at the seaport, work was undertaken to widen and upgrade Pennsylvania Avenue, the 3.2-kilometer major access road to Poro Point from the National Highway. The 51-meter extension of Pier 2 was also completed.

To prepare for the launching of regular flights at the San Fernando Airport, JPDC undertook the following renovation works: runway asphalt sealing, lighting of the terminal, repair of perimeter fence and apron canal, concreting of roadway to the fire station, and repainting of the airport building. Equipment for commercial airport operations were also purchased.



With the completion of major renovation work on the airport, JPDC launched the first regular commercial air services for the Manila-San Fernando-Manila route in 1999: Golden Passage Air began regular chartered flights in August while Asian Spirit re-established its commercial flights in September.

Bataan Technology Park (BTP). Envisioned as an eco-tourism and industrial complex, Bataan Technology Park is being jointly developed by the BCDA and SBMA. Under the Estate Management Agreement signed by both parties in May 1999, SBMA serves as the manager and developer of BTP, with cost of development shared between the two.

Some 100 hectares of BTP have been set aside for the development of an Agri-Aqua Technology Park, an agricultural complex under the auspices of the Bataan Center for Innovative Science and Technology Inc. (BCISTI) that is expected to complement and assist in the further development of the local agricultural sector.

To increase the viability of the eco-industrial complex, BCDA has constructed the 4.22-km SBMA-BTP Backdoor Road to enable BTP locators to access and avail of the seaport and airport facilities at Subic. The road is 50% completed and will be usable by the first quarter of 2001.





Progressive Change with
Infrastructure Development

Clark-Subic
Toll Road

Bridging

Subic

Clark

Angeles

MacArthur High
Future Light Rail
North Luzon
Toll Road

Basco AFB

Proposed Hermosa
Industrial Estate

China
Sea





BCDA lays the foundations for progress to reach the countryside by developing infrastructure and transport network projects such as the Subic-Clark-Tarlac Toll Road, Clark Aviation Complex and the Manila-Clark Rapid Railway system.

Subic-Clark Alliance Development Project (SCAD). BCDA has aligned the long-term development objectives of its two flagship Special Economic Zones in Central Luzon - Clark and Subic. Dubbed the Subic-Clark Alliance Development Project, it aims to synergize the efforts of the two zones in developing a world-class, multi-modal logistics hub and industrial corridor in



Air Cargo Hub Development Study, were also completed last year. The private sector has been invited to participate in the full development of the airport complex.

In December 1999, the Department of Transportation and Communications (DOTC) mandated the inclusion of Clark as an airport serving Manila for all cargo operations to and from specific areas. Negotiations are now underway with DOTC and the Department of Tourism to declare Clark as another gateway to the Philippines.

Manila-Clark Rapid Railway System (MCRRS). BCDA has laid the framework for a 100-km rail line that will link Metro Manila

from the Bonifacio Global City to Central and Northern Luzon via the CSEZ in Pampanga. The North Luzon Railways Corporation (NorthRail) has been tasked with the planning, construction, management and operation of the MCRRS.

Progress

the region. This alliance will enable the two SEZs to share resources, infrastructure and facilities - in particular the airport in Clark and the seaport in Subic.

An essential component of the Subic-Clark Alliance is the Subic-Clark-Tarlac Toll Road - an 89.3-km artery that will link the special economic zones in Subic and Clark to the agri-industrial center of Tarlac. This will create a new economic corridor in Central Luzon for the convergence of all goods, people and services. At the same time, it will also relieve some of the congestion from Metro Manila. The Implementation Plan for the P18.73-billion road project has already been approved by the National Economic Development Authority for implementation.

Clark Aviation Complex. BCDA envisions the Clark International Airport as the next aviation and cargo center of the country. To support this vision, CIAC undertook improvements last year that included the widening of taxiways, waterproofing of the interim passenger terminal, and the installation of airport equipment such as the rotating beacon and the transient voltage surge suppressor. A Master Facility Development Plan and Full Feasibility Study for the Clark International Airport, as well as an

Improved access to the Bonifacio Global City. One of the major infrastructure links to the Global City is the Buendia-Kalayaan-EDSA Flyover. Completed in 2000, this P950-million artery effectively connects the Bonifacio Global City to the surrounding municipalities of Taguig and Pateros, as well as with the Makati Central Business District. This symbol of successful public-private sector partnership was inaugurated in January 2000 and has been opened to traffic since then.

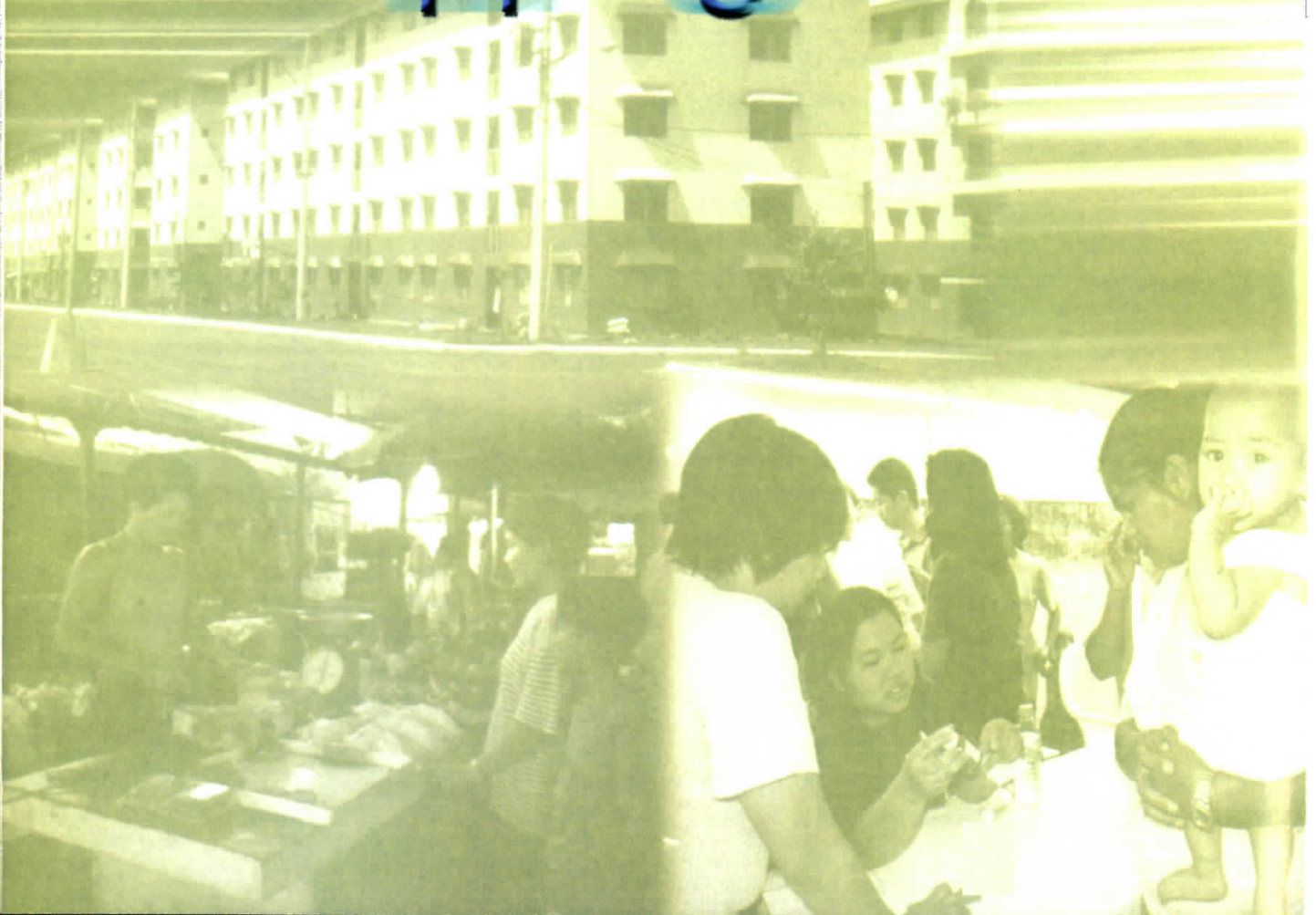
For 2001 to 2002, BCDA has prepared the C-5 Upper Sampaguita Interchanges, Sampaguita Bridge Retrofit, Sampaguita East Off-Ramp and On-Ramp, Kalayaan Avenue/Bonifacio Drainage Outfall, and the Kalayaan Avenue/Bonifacio Drive Interchange for implementation and completion.





CENTENNIAL VILLAGE
A Community

Stepping Stones



BCDA opens new channels for the underprivileged to improve their quality of life by initiating social development projects such as housing and livelihood programs for the marginalized, as well as community-oriented projects designed to extend the benefits of development to those who need it most.

Housing and relocation. The most visible and important social component of BCDA's philosophy of responsible stewardship is the implementation of socialized urban housing programs for the families affected by its activities.

To date, BCDA has implemented socialized housing and relocation projects not only for affected families but also for members of the Armed Forces of the Philippines and the Philippine National Police. BCDA also introduced a land-based relocation



- Lupang Katuparan - 48-hectare land-based relocation program divided into 4 areas; 1,131 families relocated.

For the benefit of families affected by the NorthRail Project, the NorthRail entered into an Omnibus Memorandum of

to a Better life

scheme to answer the demand of relocatees to have their own plot of land - with BCDA developing the site and offering funding for the beneficiaries to build their own housing units.

A total of over 5,000 families have been awarded housing units or homelots in these sites:

- Philippine Centennial Village - 7.3-hectare medium-rise housing community located along C-5 Road, West Bicutan in Taguig; 1,140 units constructed; 689 units occupied; 388 units allotted to the PNP.
- Pamayanang Diego Silang - 24.6-hectare medium-rise housing community located along C-5 Road, Ususan, Taguig; 2,880 units constructed; 586 units occupied; 2,250 units allotted to the PNP.
- Philippine Army Village - 100 hectares located in Camp O'Donnell, Capas, Tarlac; 700 lots subdivided; 150 housing units constructed and allotted to the Philippine Army.
- Villamor Air Base Airmen's Village - 53 hectares located in Villamor Air Base, Pasay City; 807 homelots awarded.



Agreement with concerned government agencies for the provision of adequate and affordable housing for the approximately 17,000 displaced households. NorthRail also entered into a MOA with Home Mutual Development Fund (HMDF) for the provision of house and lot packages for the affected families.



Some 369 families have availed of these house and lot packages offered by the HMDF under an asset swap arrangement with the BCDA. These housing packages are targeted for the families residing alongside the segment of the Philippine National Railway in Caloocan City.

To date, BCDA has released P60.8 million under a memorandum of understanding with the Province of Bulacan for a relocation project in Norzagaray for affected families on the railroad right-of-way of the NorthRail Project.

In the Bataan Technology Park, assistance and compensation packages totaling P15 million have been awarded to about 146 families residing within the BTP Complex. Each package consisted of disturbance compensation for crops and other plants, rice fields, houses and other structures. In addition, an area of 1.5 hectares of BTP land has been set aside as a relocation site for the 74 qualified affected families.



Employment, livelihood and community programs.

Aside from the employment generated by its Special Economic Zones, BCDA has set up Labor Centers within its SEZs to screen applicants from neighboring localities for its manpower database. This service addresses the personnel requirements of prospective locators and developer/contractors, while at the same time ensuring that a major percentage of workers employed in these industrial zones come from the surrounding areas.

In Taguig, BCDA also makes provisions for livelihood programs through Task Force Hanapbuhay to assist relocated families to get back on their feet. Livelihood and multi-purpose cooperatives have been established to provide credit and technical assistance to qualified members. Leadership seminars, skills trainings, and other support activities help ensure the continuity and sustainability of these community projects.

Aside from the communities directly affected by its development projects, BCDA also ensures that peripheral communities reap the benefits of economic expansion. Baguio's Panagbenga Flower Festival is a good example. The yearly festival highlights the role of the small-scale but labor-intensive flower industry; it is also a showcase of the arts and culture of the region. Organized and supported jointly by BCDA and JPDC through a foundation, Panagbenga has significantly increased tourism opportunities and revenues not only for the City of Pines but also to outlying communities.





Medical missions and relief operations. Pursuing its social concerns further, BCDA reaches out to the communities in its areas of stewardship, participating actively in preserving the health and physical welfare of its members.

In November 2000, a 26-member medical team from SBMA conducted a medical mission in the flood-affected areas of Taguig. During the BCDA-sponsored mission, the team treated some 606 adults and children, dispensed free medicine, and referred emergency or sensitive cases to nearby health centers for appropriate treatment.

BCDA also donated an electrocardiogram (ECG) machine and 45 brand new wheelchairs to the Philippine Army Hospital in Fort Bonifacio.

When floodwaters inundated the communities in Taguig and nearby towns in September 2000, BCDA came to the rescue with a relief operation conducted in partnership with the municipal government.

BCDA will be embarking on a more responsive social development thrust to assist indigenous peoples and marginalized communities in the Clark subzone and John Hay reservation.



Financial Statements

BALANCE SHEET (In million pesos)

	1995	1996	1997	1998	1999	2000
ASSETS						
CURRENT ASSETS						
Cash and Cash Equivalent	3,108	2,205	4,102	1,992	1,314	1,251
Receivables	21,751	18,482	241	928	1,527	2,047
Inventories	1,071	1,300	1,331	2,006	1,715	1,594
Other Current Assets				167	211	188
Total Current Assets	25,930	21,987	5,674	5,093	4,767	5,080
INVESTMENTS	32,906	35,072	36,241	36,598	28,835	30,122
PROPERTY AND EQUIPMENT	4,879	4,959	39,839	40,722	41,618	43,466
OTHER ASSETS	2	3	11,153	10,704	57	58
TOTAL ASSETS	63,717	62,021	92,907	93,117	75,277	78,726
LIABILITIES AND CAPITAL						
Current Liabilities						
Accounts Payable	1,238	1,377	483	214	882	1,227
Trust Liabilities	482	1,200	2,719	1,097	1,139	622
Total Current Liabilities	1,720	2,577	3,202	1,311	2,021	1,849
Long-Term Liabilities	19,600	15,486	8,815	8,815		
Deferred Revenues				799	498	1,263
Total Liabilities	21,320	18,063	12,017	10,925	2,519	3,112
Capital						
Paid-up Capital	42,148	43,018	77,996	78,530	67,712	69,656
Contingent Capital	1	1	1	1	1	1
Donated Capital	1	1	1	1	1	1
Retained Earnings	247	938	2,892	3,660	5,044	5,956
Total Capital	42,397	43,958	80,890	82,192	72,758	75,614
TOTAL LIABILITIES AND CAPITAL	63,717	62,021	92,907	93,117	75,277	78,726

Balance Sheet Analysis

As of 31 December 2000, total assets amounted to P78.726 billion or 4.6% higher than last year's P75.277 billion. The salient features of the audited balance sheet are as follows:

1. Receivables increased by P520 million or 34% mainly due to the additional sale of condominium units in the Pacific Plaza Towers project as well as an increase in collectibles from the subsidiaries.
2. Inventories declined by P121 million as a result of the sale of condominium units in the Pacific Plaza Towers project and sale of housing units at Centennial Village and Pamayanang Diego Silang to qualified beneficiaries.
3. Investments increased by P1.287 billion primarily due to the P918 million equity share in the net income of BCDA subsidiaries and affiliates, and the release of P369 million equity contributions to its subsidiaries.
4. Property and Equipment increased by P1.848 billion due to the booking of properties in various Metro Manila camps, site development works in Fort Bonifacio, and the release of additional share in the construction of the EDSA-Kalayaan Flyover.
5. Payables rose by P345 million due to BCDA's share in the development cost of the Pacific Plaza Towers project and outstanding obligations to contractors in the site development and infrastructure projects.
6. Trust Liabilities decreased by P517 million as a result of the reclassification of the P356-million lease payment for John Hay properties to Capital account, payment of P121 million bid bond and related interests to Manuela Corporation, release of P27 million DPWH funds for the construction of the Subic-Bataan Backdoor Road Project, P8 million for the construction of the Philippine Army quarters, and P5 million for the refund of retention fees to contractors.
7. Deferred revenues increased by P765 million due primarily to the receipt of advance rental from Ayala Land, Inc. and Manila Japanese School.
8. Paid-up Capital increased by P1.944 billion due to the additional booking of land in various Metro Manila camps, the BCDA share in the lease of John Hay properties, and the value of transferred Philippine Refugee Processing Center (PRPC) properties.

Financial Statements

STATEMENT OF INCOME AND RETAINED EARNINGS (In million pesos)

	1995	1996	1997	1998	1999	2000
REVENUES						
Interest Income	358	391	444	472	163	112
Joint Venture Income				61	225	308
Seaport/Airport Income			49	55	69	2
Lease/Miscellaneous Income	1	1	2	3	30	71
TOTAL REVENUES	359	392	495	591	487	493
EXPENDITURES						
Personal Services	14	23	46	66	73	94
Maintenance & Other Operating Expenses	1,044	250	339	429	484	490
TOTAL EXPENDITURES	1,058	273	385	495	557	584
Net Income (Loss) from Operations	(699)	119	110	96	(70)	(91)
Other Income (Expenses)						
Subsidy from the National Government	930	534	1,387			
Equity in net income of subsidiaries/affiliates			498	686	1,502	918
Interest Expense						(8)
Net Income Before Tax	231	653	1,995	782	1,432	819
Provision for Income Tax				(2)	(6)	(8)
NET INCOME	231	653	1,995	780	1,426	811
Retained Earnings, Beginning	19	247	938	2,892	3,659	5,044
Prior Period Adjustments	(3)	38	18	18	7	100
Cash dividends			(59)	(31)	(48)	-
Retained Earnings, End	247	938	2,892	3,659	5,044	5,955

Income Statement Analysis

For the calendar year 2000, BCDA's total revenues amounted to P493 million or 1.2% higher than the previous year's level of P487 million. Income from joint venture with Pacific Plaza Tower Inc. rose from P225 million to P308 million. Likewise, lease income increased due to the receipt of P50 million from CJH Development Corporation. BCDA, however, failed to receive the minimum guaranteed revenue of P50 million from Poro Point Industrial Corporation, hence the decline in seaport income. The 31.3% decline in interest income is attributable to the decrease in volume of investible funds and in the interest rates being offered.

Total expenditures for the 12-month period amounted to P584 million or 4.8% more than last year's level of P557 million. Personal services significantly increased due to the full implementation of the company reorganization including the payment of separation benefits. Although most of the maintenance and other operating expenses declined, taxes, duties and fees rose from P53 million to P142 million as a result of the payment of taxes related to land swap agreement and the titling of some properties in the name of BCDA.

Cumulative losses from operations amounted to P91 million or 30% higher than last year's losses of P70 million. The increment was a result of the minimal 1.2% increase in revenues as against the 4.8% increase in expenditures, as stipulated above.

BCDA's recorded net income of P811 million is 43% lower than last year's income of P1,426 billion. This is mainly attributable to the 39% decrease in equity share in net income of subsidiaries/affiliates, i.e., from P1,502 billion in 1999 to P918 million in year 2000.

BCDA recorded retained earnings of P5,955 billion by the end of the year 2000, showing an increase of 18% from that of P5,044 billion in 1999. Comprising the retained earnings are the following: P2.85 billion subsidy from the National Government as BCDA's share of sales proceeds, P3.6 billion equity share in net income of subsidiaries and affiliates, and P495 million accumulated loss from operations and prior period adjustments.



Rogelio L. Singson
Chairman & President
BCDA



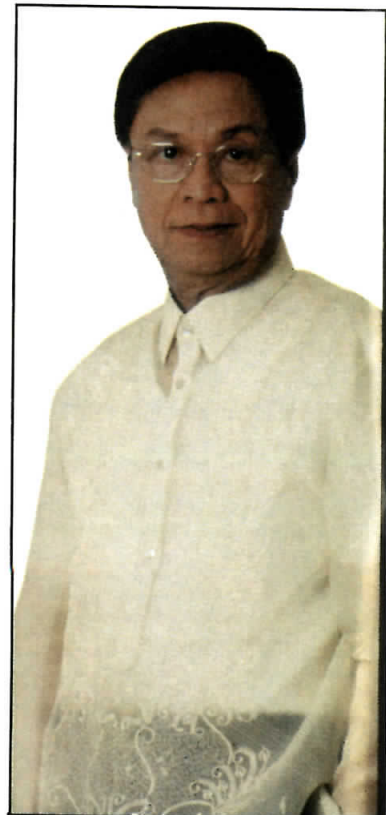
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Benjamin P. Abella
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Jose Fernando B. Camus
Director



Felix D. Carao Jr.
Director

Board of Directors



Roberto A. Flores
Director



Cesar M. Jorge
Director



Roberto S. Montellano
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Isaac S. Puno III
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DR. EMMANUEL Y. ANGELES
President
Clark Development Corporation
Clark International Airport
Corporation

FORTUNATO U. ABAT
President
John Hay-Poro Point
Development Corporation



John Hay-Poro Point Development Corporation

Fortunato U. Abat
President (as of Feb. 2001)

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Investor's Haven



Investors setting up their business in the special economic and freeport zones of SUBIC, CLARK, JOHN HAY, PORO POINT or MORONG enjoy government-guaranteed incentives such as:

- 5% levy on Gross Income Earned (GIE) in lieu of all national and local taxes and duties
- tax and duty-free importation of capital goods, machinery, raw materials, supplies and finished goods
- management of the zone as a separate customs territory, ensuring free flow of articles within the zone
- unlimited purchase and consumption of tax and duty-free consumer goods within the zone
- liberalized banking rules/no foreign exchange controls
- businesses within the zones may be 100% foreign-owned
- security and infrastructure of a special economic and freeport zone.

The SUBIC BAY FREEPORT AND SPECIAL ECONOMIC ZONE, with excellent seaport facilities, is ideal for light-to-medium and high-tech industries.

The CLARK SPECIAL ECONOMIC ZONE, future site of a world-class international civil aviation complex, is best suited for the establishment of industrial, commercial, tourism and trade centers.

The JOHN HAY SPECIAL ECONOMIC ZONE and PORO POINT SPECIAL ECONOMIC AND FREEPORT ZONE provide the ultimate in tourism facilities as they combine the exotic pleasure of John Hay's mountain haven and Poro Point's waterfront resort with an industrial and tourism complex along the finest coastlines of Northern Philippines.

The MORONG SPECIAL ECONOMIC ZONE is being developed into an agro-industrial zone to complement Subic.

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