

Office of the President

BCDA
Bases Conversion and Development Authority

A CATALYST FOR TRANSFORMATION

2009 ANNUAL REPORT





COVER STORY

In its 17 years of existence, the Bases Conversion and Development Authority (BCDA) has been a veritable agent of change—a catalyst for transformation—whose mandate is to convert baselands into icons of urban development. This it has done with a steadfastness and focus that are the hallmarks of great leaders the world over.

The theme for this year's annual report revolves around BCDA's sterling record as one of the country's prime movers of change as seen in the transformation of once uneventful idle pieces of property into towering, bustling hubs of commerce and residence.

BCDA is committed to fulfill its pivotal role of being an instrument for progress, through its prudent yet dynamic and direction-setting asset management, and the delivery of world-class infrastructure that assures the rise of opportunities for investment and employment.

CONTENTS

- 01** Message from Her Excellency Gloria Macapagal-Arroyo
- 02** Message from the Chairman
- 04** Message from the President and Chief Executive Officer
- 06** Converting Baselands into Central Economic Districts
BCDA's Asset Disposition Program
- 14** Changing the Landscape of the Luzon Urban Beltway
The Subic-Clark-Tarlac Expressway
- 20** Creating Nerve Centers of Socio-Economic Growth
Freeports and Special Economic Zones
- 28** Caring for Communities and the Environment
Corporate Social Responsibility
- 32** Transforming Our Future
- 34** Financial Statements
- 38** Board of Directors
- 40** Top Management & Officers
- 40** Management Directory
- 41** Subsidiaries & Affiliates
- 41** Acknowledgments



MESSAGE FROM HER EXCELLENCY GLORIA MACAPAGAL-ARROYO PRESIDENT, REPUBLIC OF THE PHILIPPINES



GLORIA MACAPAGAL-ARROYO
President
Republic of the Philippines

Warmest congratulations to the management and staff of the Bases Conversion and Development Authority (BCDA) as you present your 2009 Annual Report with the theme “A Catalyst for Transformation.”

Indeed, the BCDA has assumed a transformational, catalytic role in our life as a nation ever since its creation in 1992 through Republic Act No. 7227, which was signed into law by the late President Corazon Aquino.

The opening of the Clark South, Porac and Floridablanca Interchanges in 2009 marked the full completion of the Subic-Clark-Tarlac Expressway (SCTEX). Clearly the centerpiece project of the BCDA, the SCTEX has paved the way for a seamless connection between the freeport zones of Clark and Subic, and the Central and Northern Luzon’s tourist spots located in the Luzon Urban Beltway super-region.

In my first State of the Nation Address in 2001, I said we have the competitive edge in tourism because of the natural wonders of our country and the warmth of our people. I also said we will provide roads to those wonders, and the means to take the tourists there. At that time, the global tourists knew us only for Boracay, Palawan, and Cebu.

Today, we are closer to realizing our vision of Clark and Subic as Asia’s logistics hub; Camp John Hay in Baguio and Poro Point in La Union as integrated tourism estates; Bonifacio Global City and Newport City as 21st century economic districts—all thanks to the BCDA.

I am proud of the BCDA’s achievements these past nine years which form part of my administration’s legacy to the Filipino people.

Again, Congratulations and Mabuhay!

MESSAGE FROM THE CHAIRMAN

2009 was another banner year for the Bases Conversion and Development Authority (BCDA). Despite the global economic slowdown which began during the previous year, BCDA continued to grow and mature into a potent force in the development of the country's former baselands.

This annual report focuses on the pivotal role of BCDA as a major catalyst for national transformation. During the past year, we maintained a low profile as we went about the business of running a government agency. But 17 years from the passage of the BCDA Charter, we believe it is time for us to make known BCDA's outstanding projects that have become illustrative models worthy of replication all over the world.

This Chair was invited as an expert speaker at the 2009 International Conference on Unlocking Urban Land Values for Public-Private Partnerships for Infrastructure Finance. The Conference was sponsored by the Brookings Institution, the oldest and most venerable economic and political think-tank based in Washington DC, USA. In a forum, with representations from Asian Development Bank and World Bank officials, we proudly reported on BCDA's major achievements in almost two decades of its operations.

The Subic-Clark-Tarlac Expressway (SCTEX) demonstrates a success story in Philippine infrastructure and exemplifies the Philippine government's will to spread development outside Metro Manila. Financed by a concessional loan from the Japanese government, the construction of the SCTEX, a world-class 94-kilometer four-lane expressway, was completed in record time of less than three years, and ensures the complementary development of Subic and Clark. The Diosdado Macapagal International Airport in Clark and the deep-water seaport in Subic will form the backbone of an international logistics hub serving Asia-Pacific and the rest of the world.

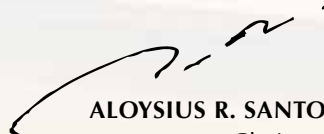
Over the years, the Clark Freeport and Special Economic Zone has created a critical mass of tourism, light industrial, business processing services, aviation-related and logistics-related businesses in Central Luzon. This resulted in more than 58,000 jobs in the zone as of end-2009. Foreign and local investors poured in an equivalent of more than Php70 billion, not as yet including the USD1.5 billion investment of giant American I.T. firm, Texas Instruments. In 2009, Clark International Airport Corporation signed an agreement with Kuwait and Gulf Link (KGL), which has started the development of 167 hectares for a global logistics hub with committed investments of at least USD1 billion.

Further north in the Poro Point Special Economic Zone, Thunderbird Resorts has invested more than Php1.2 billion in the 65.5-hectare tourism complex. Recognizing the opportunities, BCDA invested more than Php500 million in the upgrading of the San Fernando Airport located in La Union.

The John Hay Special Economic Zone in Baguio has evolved from a purely tourism-oriented development to an ecologically inspired mix-use and services-related area. Camp John Hay now offers not only world-class hospitality-service facilities but also business process outsourcing services of several technohubs led by Ayala Land Inc. (ALI), whose investments are projected to reach Php3.9 billion upon full build-out. ALI's trailblazing 12-hectare concept integrates ethnic design, local culture and modern elements into a state-of-the-art but environmentally-conscious technology core.

BCDA's success is anchored on sound development principles: private sector-led; based on consultation with stakeholders; sustainability; maximization of asset values; policy of stability and continuity. President Gloria Macapagal-Arroyo's national development framework provided us the directions, including the issuance of National Economic and Development Authority (NEDA) Guidelines on Joint Ventures authorizing efficient procedures for public-private partnerships via competitive selection, negotiations and the so-called Swiss Challenge.

The achievements of BCDA are products of the collective efforts of its Board and its Management and BCDA's public and private sector partners, as well as the national leadership. Each and every completed project over the years is testament to the dedication and perseverance of the driving force behind BCDA— its people.



ALOYSIUS R. SANTOS
Chairman



Prime office and residential spaces at the Bonifacio Global City



The Venetian Mall at McKinley Hill

“Seventeen years from the passage of the BCDA Charter, we believe it's time to make known BCDA's outstanding projects that have become illustrative models worthy of replication all over the world.”

MESSAGE FROM THE PRESIDENT AND CHIEF EXECUTIVE OFFICER



The Bases Conversion and Development Authority (BCDA) continued to flourish in 2009 while many parts of the world suffered a slowdown in the first half of the year. Indeed, BCDA's resilience is exemplified in the saying: When the going gets tough, the tough gets going.

The twin developments of Bonifacio and Villamor showed considerable success in spite of the cyclical highs and lows in real estate markets. As of December 2009, total disposition proceeds from Metro Manila camps reached Php46.697 billion, with Php17.624 billion or 44 percent going to the modernization and replication program of the Armed Forces of the Philippines. The rest of the proceeds went to other beneficiaries which are statutorily mandated under the BCDA charter, like the National Shelter Program, higher education, judiciary reforms, and public infrastructure, among others.

Revenues are projected to increase in the next five years by at least an additional Php60 billion with the disposition of Bonifacio South, a 93-hectare area which includes the JUSMAG and Philippine Navy areas.

Partnership with leading private developers is the essential ingredient for BCDA's outstanding achievements in revenue generation from the development of these converted military camps. The tandem of Ayala Land Inc. (ALI) and the Campos Group taking the lead in Fort Bonifacio Development Corporation (FBDC) provides the credibility and track record in the take-off of Bonifacio Global City as the new premier mix-use district. The aggressive investment program of Megaworld Corporation in its joint ventures (JVs) with BCDA for the rest of Bonifacio and Villamor offers diverse and alternative choices for clients in terms of real estate products, thereby expanding the revenue base from these properties.

On the other hand, BCDA ensured sustainable development in these two former baselands by optimizing capital values and investments and by undertaking long-term and responsible masterplanning. In Fort Bonifacio alone, some 2.9 million square meters of gross floor area are expected to be built in the next three years. Total investments in the acquisition of land, horizontal and vertical developments, utilities and infrastructure as well as the purchase by third parties of condominium units in Bonifacio and Villamor are estimated at USD5 billion, while jobs generated have reached more than 60,000. This is seen to accelerate over time as multiplier effects of construction and take-up of offices and commercial spaces are fully realized.

Since I assumed the helm of BCDA's leadership in 2004, the transformation of Bonifacio Global City into a premier central business district has taken place at a rapid pace. At that time, there were only 25 buildings in the area commonly called "The Fort" compared to the 77 buildings at the end of 2009, with another 56 ongoing vertical developments. It now hosts world-class landmarks like St. Luke's Medical Center, one of the country's leading health institutions with its state-of-the-art medical facilities, and Bonifacio High Street, a unique mix-use linear development. Soon to start construction is the Mind Museum, a modern, highly interactive science exhibition center which is poised to become one of the best in the world.

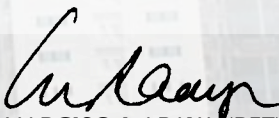
Further, Newport City at the former Villamor Air Base is emerging as the country's leading urban integrated tourism resort complex with a strong I.T. component and aviation-linked businesses. The partnership between Megaworld and Genting Berhad Group of Malaysia resulted in the 2009 opening of Resorts World Manila, a gaming and entertainment hub. The five-star Marriott Hotel also opened in 2009, complementing the world-class facilities of Resorts World Manila. Construction of the six-star Maxims Hotel and several residential and office condominiums across the Ninoy Aquino International Airport Terminal 3 (NAIA3) are still ongoing. Newport City is envisioned to become the country's first 24/7 leisure complex by 2012.

In 2009, BCDA's financial performance strengthened as the combined net cash inflow from operating and investment activities reached Php1.826 billion—representing an increase of almost Php800 million from the previous year's Php1.034 billion. A large percentage of the gross revenues for the year was attributable to the 231 percent increase in SCTEX toll collections from Php155 million to Php513 million. On the other hand, Lease Income increased to Php468 million from Php283 million primarily due to the rent of the Station Square East, Institutional Areas, and other prime lots in Fort Bonifacio and the former Villamor Air Base. Further, income from joint ventures forged with real estate leaders ALI and Megaworld, comprised 25 percent of gross revenues and totaled Php459 million.

Our Asset Disposition Program (ADP) secured gross proceeds of Php5.504 billion by end-2009, increasing by almost Php1.5 billion over the year-ago level of Php4 billion. In Fort Bonifacio, gross proceeds from the disposition of the Northern Central Business District (NCBD) Lots and North Bonifacio Lots totaled Php2.2 billion and Php1 billion, respectively. Several real estate companies expressed interest and participated in the bidding of the 34.5-hectare JUSMAG property at Bonifacio South in the last quarter of 2009.

Further, plans are underway to move developments forward through the integration of Villamor and Bonifacio with the Makati Central Business District via the proposed Bus Rapid Transit (BRT) system. A public transportation system using dedicated bus lanes to provide faster and more efficient services, the BRT aims to approach the service quality of rail transit while enjoying the flexibility and cost savings attributed to bus transit.

These past five years have been very fulfilling for me as CEO of BCDA, and I know it has been an exhilarating achievement for those who have been with the agency since its inception in 1992. I congratulate all the men and women of BCDA for transforming our organization into a world-class institution that is now benchmarked among the best in the public and private sectors.


GEN NARCISO L. ABAYA (RET)

President and Chief Executive Officer



The Marriott Hotel at the Newport City, a fast-emerging urban integrated tourism hub



Bonifacio Global City, the country's premier central economic district

“Since I assumed the helm of BCDA's leadership starting 2004, the transformation of Bonifacio Global City into a premier central business district has taken place at a rapid pace. At that time, there were only 25 buildings in the area commonly called “The Fort” compared to the 77 buildings at the end of 2009, with another 56 ongoing vertical developments.”



BCDA'S ASSET
DISPOSITION
PROGRAM

CONVERTING BASELANDS INTO

*Central Economic
Districts*



The transformation of former Metro Manila camps into new premier mix-use districts—the biggest two of which are Fort Bonifacio and Villamor Air Base—showed considerable success in 2009. BCDA ensured sustainable development in these districts by optimizing capital values and investments, and by undertaking long-term and responsible masterplanning. BCDA's sound partnerships with leading private developers assured revenues for the country, bringing in more business and employment opportunities.

As the global recession raged in 2009, BCDA was able to register disposition proceeds amounting to Php5.504 billion from its Asset Disposition Program (ADP) by way of sale, and joint venture (JV) contracts.



Tourists experience first-class accommodations at the Marriott.



The Newport City's Residential Resort is envisioned to house 16 medium-rise buildings.

Newport City, right across the new international passenger terminal, is emerging as the country's premier urban integrated tourism resort complex with a strong I.T. component and airport-related businesses.



One of Asia's newest tourist spots, the 7.8-hectare Resorts World Manila.



Maxims Hotel, first of its kind in the country.



One of the community facilities replicated by Megaworld is the Philippine State College of Aeronautics.

NEWPORT CITY

BCDA and Megaworld Corporation (Megaworld) are jointly developing the 25-hectare Newport City in Villamor Air Base as an integrated tourism estate across the Ninoy Aquino International Airport Terminal 3 (NAIA3). In 2009, the Resorts World Manila entertainment complex and the five-star, 342-room Marriott Hotel Manila opened in Newport City. International cruise line operator Star Cruises also inaugurated its new building in front of NAIA3.

Scheduled for completion in 2010 are the six-star, luxury, all-suites Maxims Hotel and the 10-storey luxury condominium complex called Palmtree Villas. Maxims will be the country's first all-suites hotel, with personal butler service in its 172 suites, three private villas and one presidential suite.

Newport City, right across the new international passenger terminal, is emerging as the country's premiere urban integrated tourism resort complex with a strong I.T. (information technology) component and airport-related businesses.

Combined revenues since 2003 for the Newport City reached a total of Php503.903 million. On the other hand, total projected investments until 2012 is Php35.589 billion. Also in Villamor, revenues from the lease of the area of NAIA3 to the Manila International Airport Authority reached Php609 million.

A total of Php831.829 million in the form of replicated Philippine Air Force (PAF) and community facilities were advanced by Megaworld, consistent with the rise of this new international gateway in Villamor Air Base. Of this amount, Php617.197 million was used for the replication of military facilities, which included the PAF General Hospital, the PAF Aerospace Museum, and the Concessionaires Building, while Php214.631 million were advanced for the replication of three schools and barangay facilities.



The Philippine Air Force General Hospital, one of Megaworld's replicated facilities at the former Villamor Air Base in Pasay City.

BONIFACIO GLOBAL CITY

The take-off of Bonifacio Global City as the new premier mix-use district in Metro Manila has been attributed to BCDA's collaboration with Ayala Land Inc. (ALI) and the Campos Group's Evergreen Holdings since 2003, when the ALI-Campos consortium took over the 55 percent controlling interest in Fort Bonifacio Development Corporation (FBDC).

This collaboration established the credibility and track record of BCDA as a reliable partner of leading private developers in successfully generating revenues from and in the development of former military camps. Despite the 2008 financial crisis, the transformation of the Bonifacio Global City into a prime bustling hub of commerce and development continued following more partnerships with well-established developers such as Megaworld, the Rufino-Dupasquier Net Group, among others.

By end-2009, cumulative revenues generated for the lease of the area of Market! Market! to ALI yielded the biggest proceeds at Php1.901 billion. On the other hand, Serendra, another ALI development, yielded the biggest in JV proceeds at Php1.790 billion.

In November, BCDA and FBDC signed a Supplemental Implementing Agreement for the JV development of the 8.5-hectare Northern Central Business District (NCBD) within Bonifacio Global City. A total of Php2.2 billion was advanced by the FBDC for the development of the 8.5-hectare NCBD property in the form of deposit on redemption of preferred shares which were issued to BCDA representing the property and the future proceeds of its development.

Among the new structures inaugurated in 2009 were the dining and retail strip called the Forbes Town Road at the five-hectare township development Forbes Town Center, the state-of-the-art car showroom of Lexus Manila, Inc., STI Education Center at the Campus Gateway, one of the country's largest private educational networks, and the Singapore Chancery.



Quality health care at the new St. Luke's Medical Center



Prime office and residential spaces



Convenience of travel at the Bonifacio Global City



Forbes Town Center



Bonifacio High Street

Bonifacio Global City is projected to house a total floor area of 2.9 million square meters in 2012. By then, it is projected to surpass the Ortigas CBD and equal the Makati CBD in terms of number of residential units.



Bonifacio Global City, the country's newest hub of commerce is a sight to behold at night.



British School Manila, one of the institutions strengthening the international character of Bonifacio.



The 22-storey Net Square building by the Net Group, is home to information technology and multinational firms.

Ongoing projects include the massive St. Luke's Medical Center-Global City, the six-star Shangri-La at the Fort, and ALI's expansion retail mall called Bonifacio High Street Central adjoining Bonifacio High Street.

Soon to rise in a 12,500-square meter prime lot is the Mind Museum, a highly-interactive science exhibition center. The Mind Museum complements the strong institutional and international character of Bonifacio brought about by the presence of the International School, the British School and the Manila Japanese School and, soon, the Singapore Chancery. Other future developments are the 1.2-hectare mix use complex called the Net Metropolis by the Net Group, and the residential condominium towers of ALI and Shangri-La.

Bonifacio Global City is projected to house a total floor area of 2.9 million square meters by 2012. By then, it is projected to surpass the Ortigas Central Business District (CBD) and equal the Makati CBD in terms of number of residential units.

Total investments in the acquisition of land, horizontal and vertical developments, utilities and infrastructure as well as the purchase by third parties of condominium units in Bonifacio and Villamor are estimated at USD5 billion (exchange rate of Php46 : USD1). Concomitantly, jobs generated from investments in these former military camps have reached more than 60,000 and are seen to accelerate over time as the multiplier effect of construction and take-up of offices and commercial areas are fully realized.

NORTH BONIFACIO

A major accomplishment of BCDA in 2009 was the disposition and privatization of the 8.38-hectare North Bonifacio Lots. Megaworld was declared the winning private sector partner for the development of the area. The JV agreement between BCDA and Megaworld was signed on 3 November 2009.

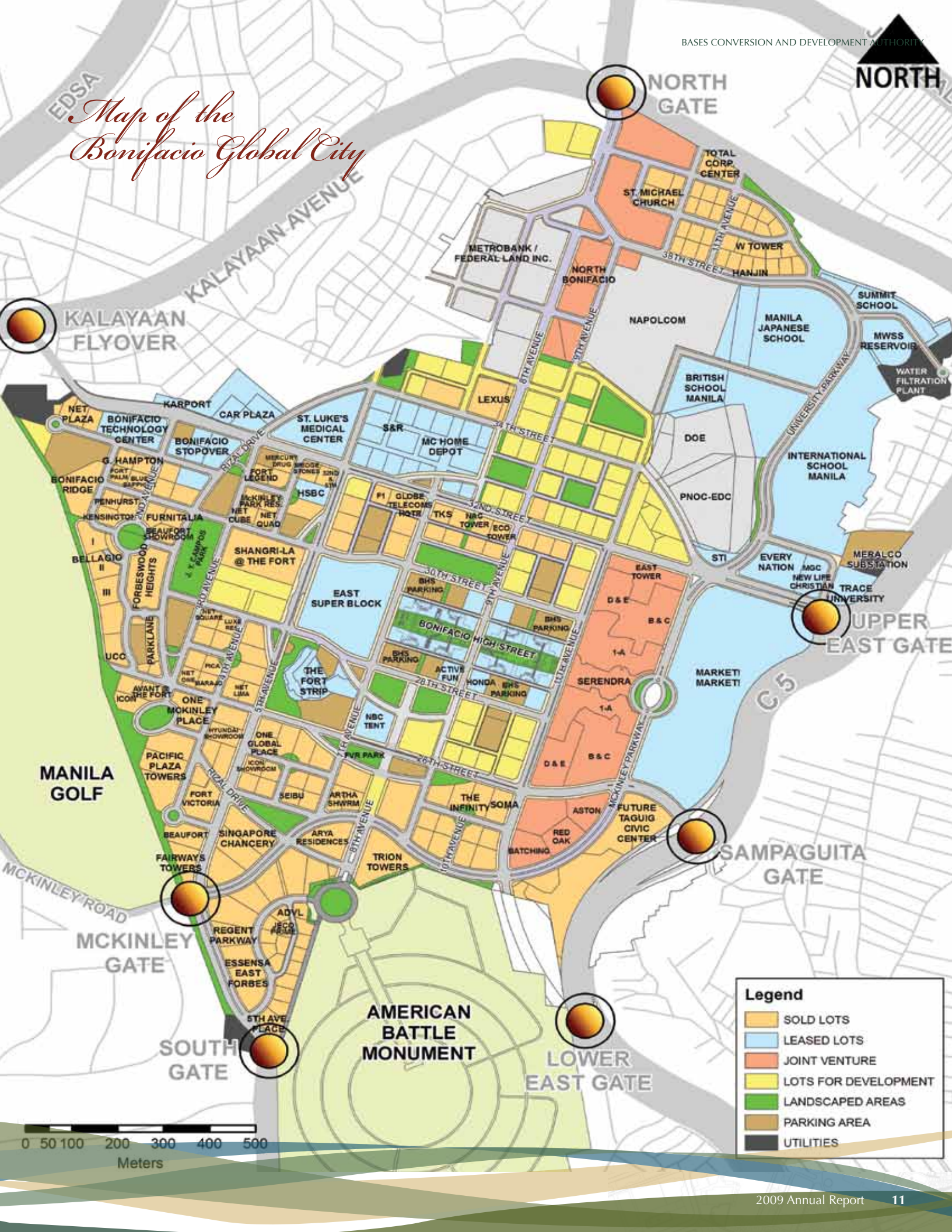
Under the competitive challenge procedure of the JV Guidelines issued by the National Economic and Development Authority (NEDA), the resulting present value of cash inflows to BCDA of the Megaworld offer was Php37,603.69 per square meter or a total of Php3.151 billion. Megaworld also committed Php15.6 billion in investments for the development of the property into a mix-use complex with predominantly residential uses.

BONIFACIO SOUTH

The masterplanning of the 120-hectare Bonifacio South properties went into full swing in 2009. Consultants—the consortium of Filipinas Dravo Corporation and Parsons Brinckerhoff Philippines, Inc.—crafted the Master Development Plan (MDP) after the conduct of an open competitive bidding procedure in March 2009. The consultants submitted the draft final MDP in June, which covered land use, development densities, road networks, indicative development costs, and indicative pricing of the property. The BCDA Board approved the Plan in December 2009.



Map of the Bonifacio Global City



Legend

- SOLD LOTS
- LEASED LOTS
- JOINT VENTURE
- LOTS FOR DEVELOPMENT
- LANDSCAPED AREAS
- PARKING AREA
- UTILITIES



By 2010, McKinley Hill is projected to showcase over 270,000 square meters of office space, 4,713 condominium units, and 482 residential lots.



Romanticism, theme in Megaworld's newest residential developments.



One of the best township developments is Megaworld's McKinley Hill Village.

To be developed are nine parcels of adjoining properties south of the Bonifacio Global City, six of which are owned by BCDA covering 93 hectares, namely: the areas formerly used by the Joint US Military Army Group (JUSMAG), Security Services Unit (SSU), Army Support Command (ASCom), Philippine Marines Corps (PMC), Bonifacio Naval Station (BNS), and the area being occupied by the Navy Officers Village Association, Inc. (NOVAI). The three non-BCDA properties are portions of the Philippine Army Depot and Dental Dispensary, National Mapping and Resource Information Authority (NAMRIA), and the Consular Area in Fort Bonifacio.

Disposition will only cover the six BCDA properties, but the non-BCDA properties were included in the MDP to ensure the seamless development of Bonifacio South.

BCDA conducted the disposition of the JUSMAG property following the guidelines and procedures for Joint Ventures as prescribed by NEDA, with the bidding process officially starting in December. Results were expected to be known within the first quarter of 2010.

MCKINLEY HILL

The 50-hectare McKinley Hill showcases both residential and office developments in a community setting right outside the Bonifacio Global City. Among these residential projects are the subdivision known as McKinley Hill Village, the mid-rise condominium buildings called Garden Villas, and the Italian-themed Tuscany Private Estates, among others. It also hosts the Philippine Economic Zone Authority (PEZA)-accredited CyberPark, where the recently completed high-rise 18 and 20 Upper McKinley Road buildings offer Business Process Outsourcing companies prime office spaces covering a total of 17,142 square meters. By 2010, McKinley Hill is projected to showcase over 270,000 square meters of office space, 4,713 condominium units, and 482 residential lots.



The Venetian Mall

Also located within the CyberPark are the headquarters of the Philippine Chamber of Commerce and Industry, and the grand Venetian Mall, which will soon feature a man-made Grand Canal where guests can take an exhilarating gondola ride as they experience Venice's romanticism and architecture. The presence of the British, Korean and Qatar Embassies further strengthens the international character of the zone.

This joint venture project with the Alliance Global Group, Inc. guarantees BCDA a revenue share of Php1.77 billion for 15 years. Since 2003, revenues generated from the disposition of the 50-hectare McKinley Hill totaled Php1.522 billion. At present, investments have already reached USD300 million and are projected to reach up to USD740 million by 2012.

HERITAGE PARK

In 2009, the BCDA Board has approved the engagement of the services of First Mandaluyong Property Network, Inc., Garden of Memories Memorial Parks and Chapels, and Rosehills Memorial Management (Phils.) Incorporated as brokers for the disposition of the BCDA-held inventory of Heritage Park Investment Certificates (HPICs) representing memorial products in Area 2 of The Heritage Park along Bayani Road in Taguig City.

The sale of HPICs in 2009 yielded revenues amounting to Php33.567 million which is 98 percent above the targeted amount of Php18 million. BCDA expects to generate more revenues from this prime memorial park development with the launch of the Pavilion Terraces, the North Terraces and the Angel's Touch Columbarium.

The Pavilion Terraces is strategically located at the base of The Pavilion, a Chinese architecture-inspired columbarium structure. It can accommodate mausoleums and above-ground crypts. The North Terraces, located near the park's man-made lagoon, has similar inventories as the Pavilion Terraces and offers prime headstone lawn lots. The Angel's Touch Columbarium, a granite-finished structure in Area 2 of the park, features 128 companion niches.

INFRASTRUCTURE DEVELOPMENT

There are plans to connect the Makati CBD with Bonifacio Global City, Newport City and NAIA3 via the Bus Rapid Transit (BRT) system. As of September 2009, Parsons Brinckerhoff Philippines, Inc., the transport consultant, submitted the final draft of the feasibility study. Financing arrangements for the project are being explored.

The BRT is a mass transit system that adopts the rapidity and performance of the existing MRT and LRT systems but instead of rail vehicles, it makes use of buses and combines the reliability of rail with the versatility of conventional buses.

By end-2009, ongoing projects in the Bonifacio Global City include the construction of 8th Avenue; the detailed engineering design for the construction of BCDA's remaining infrastructure works within the area; and the re-design of the South Luna Ramps, an off-site infrastructure development that will decongest traffic in and provide motorists another access to Fort Bonifacio.



The Philippine Chamber of Commerce and Industry finds a new home at the Cyberpark.



Business Process Outsourcing companies are located at 18 and 20 Upper McKinley Road.



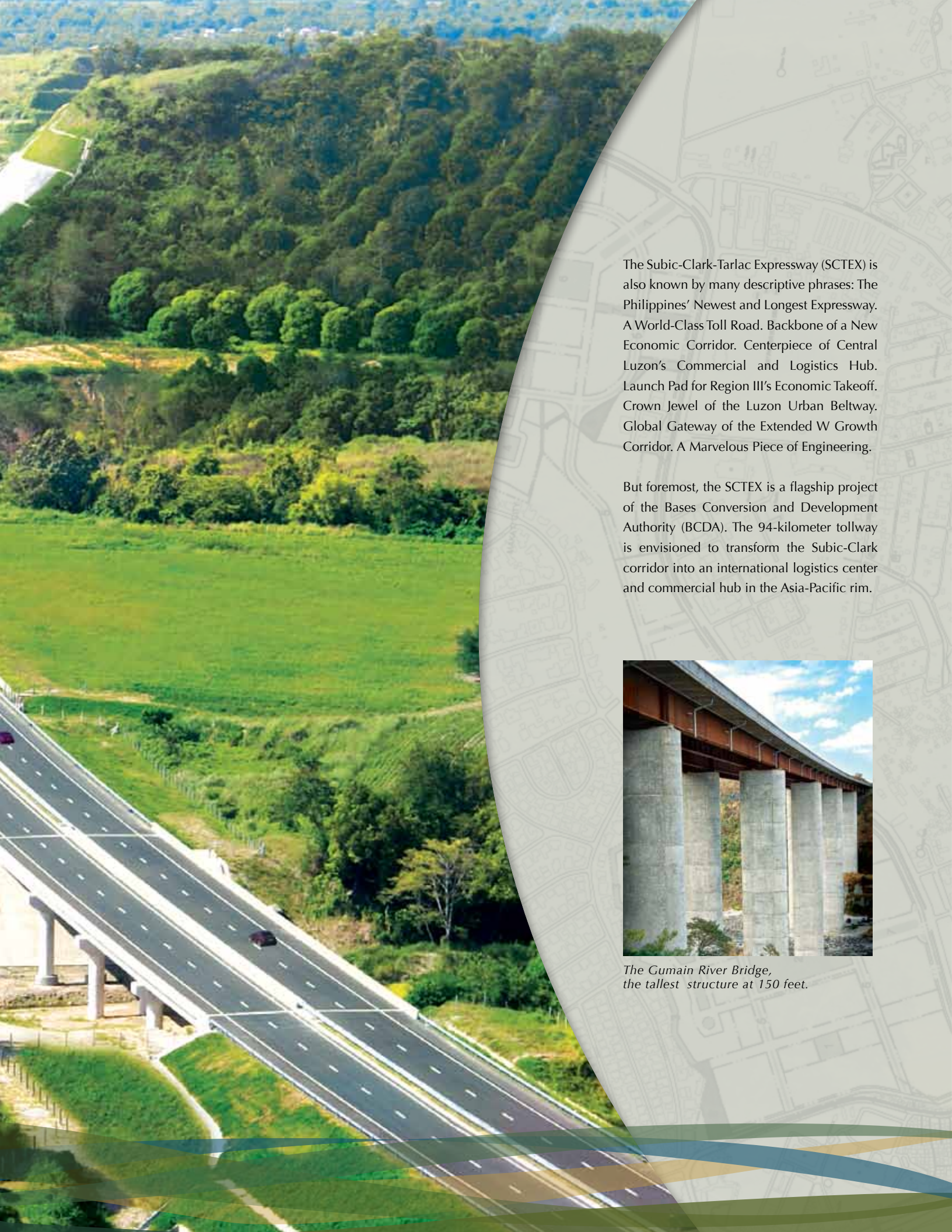
The Pavilion, and the North Terraces are among Heritage Park's memorial products.



THE SUBIC-CLARK-TARLAC
EXPRESSWAY

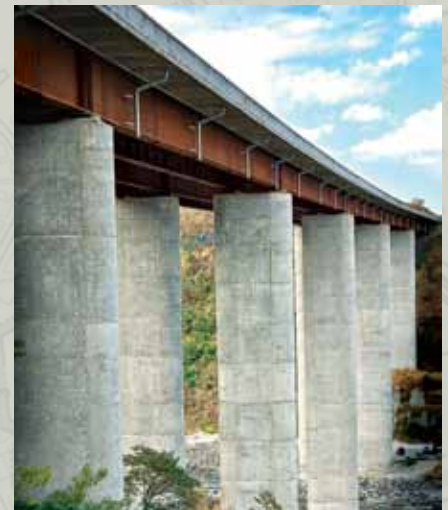
CHANGING THE LANDSCAPE OF THE

*Luzon Urban
Beltway*



The Subic-Clark-Tarlac Expressway (SCTEX) is also known by many descriptive phrases: The Philippines' Newest and Longest Expressway. A World-Class Toll Road. Backbone of a New Economic Corridor. Centerpiece of Central Luzon's Commercial and Logistics Hub. Launch Pad for Region III's Economic Takeoff. Crown Jewel of the Luzon Urban Beltway. Global Gateway of the Extended W Growth Corridor. A Marvelous Piece of Engineering.

But foremost, the SCTEX is a flagship project of the Bases Conversion and Development Authority (BCDA). The 94-kilometer tollway is envisioned to transform the Subic-Clark corridor into an international logistics center and commercial hub in the Asia-Pacific rim.



The Gumain River Bridge, the tallest structure at 150 feet.



The Porac Toll Plaza



Additional signages are installed along the entire carriageway to guide motorists.



The Dinalupihan Interchange



The new Floridablanca Interchange, ready for commercial operation in January 2010.

THREE ADDITIONAL INTERCHANGES

In March 2008, BCDA completed in less than three years the original project components of the SCTEX. These consist of 54 underpasses, 30 minor bridges, eight overpasses, four major bridges, 14 toll plazas, and nine interchanges. These interchanges are the Tipo and Dinalupihan Interchanges in Bataan; the Mabalacat, Clark North, Spur North Luzon Expressway (NLEX), and Dolores Interchanges in Pampanga; and the Concepcion, Tarlac City, and San Miguel Interchanges in Tarlac. Additional works were implemented in 2009 resulting to the completion of three more interchanges (Clark South, Porac and Floridablanca)—bringing up to 12 the number of interchanges opened to the public.

Completed in April is the Clark South Interchange, which now serves as the entry and exit point to and from the main zone of the Clark Freeport Zone and the SCTEX. It is located outside the Yokohama manufacturing facility and between the Porac and Mabalacat Interchanges. The new Panday Pira Access Road leading to the Clark North Interchange became operational soon after its completion on 20 December 2009.

On the other hand, both the Porac and Floridablanca Interchanges were completed in July. The trumpet-type Porac Interchange was opened in November allowing for a seamless connection between Manila, Porac and the two major freeport zones in Subic and Clark. Its opening is expected to boost the town's tourism and agri-business sector.

Meanwhile, the Floridablanca Interchange has been scheduled for opening in January 2010. Floridablanca, the second largest rice-producing town of Pampanga that is also noted for its sugar farms, will have a more efficient way of transporting its produce through the new interchange. It also offers convenience to residents of Angeles and Mabalacat, as it provides better access to nearby municipalities. Upon its opening, motorists will have an alternative route to the old Porac-Floridablanca-Dinalupihan local road.

Seamless travel between the Subic Freeport Zone, Clark Freeport Zone and Tarlac's Central Techno Park is now a reality because of the SCTEX. Travel time has been reduced to 40 minutes between Clark and Subic, and 25 minutes between Clark and Tarlac City.

COMPLETION IN RECORD TIME

The Japan International Cooperation Agency (JICA), the Japanese agency which provided the loan to finance the civil works and consultancy/project management services for the SCTEX, has cited BCDA for completing the project in record time despite challenges faced in the acquisition of land for the right-of-way.

From project approval by the National Economic and Development Authority (NEDA) in 1999 and the loan signing with the Japanese Government in September 2001, to the conduct of detailed engineering design from July 2002 to July 2003, until the bidding of the civil works from July 2003 to March 2005, BCDA has constantly and consistently adhered to rules, regulations and processes required by government as well as the funding agency, ensuring transparency and regularity in project preparation and implementation.

Within this policy and legal framework, BCDA has fulfilled and is continuously fulfilling its mandate of providing economic opportunities to Central and Northern Luzon and to the country in general.

From signing of the civil works contract with the Japanese contractors in March 2005, wherein the contract start date was set on 21 April 2005, BCDA completed construction of the SCTEX in record time of less than three years. On 20 December 2007, BCDA tapped the consortium of First Philippine Holdings Corporation, Egis Road Operation, and Tollways Management Corporation as Interim Service Provider for the operations and maintenance of the SCTEX.

The Subic-Clark segment was completed on 16 March 2008 and the Clark-Tarlac segment on 02 April 2008. At exactly 12:01 a.m. on 28 April 2008, the first motorist bound for Subic passed the SCTEX, heralding the start of commercial operations of the world-class expressway. The remaining portion of the Clark-Tarlac segment was opened for commercial operations on 25 July 2008, a few months later, under the commitment of the BCDA to construct overpasses and service roads in Concepcion, Tarlac. Due to value engineering instituted during construction, BCDA was able to reduce the civil works cost by Php940 million.

PRIVATIZING THE SCTEX

In September, the BCDA issued an invitation to prospective partners for the privatization of the SCTEX. According to the terms of reference, the winning bidder will enter into a concession or lease agreement with the BCDA for the management, operations and maintenance of the tollway on an “as is, where is” basis for a period of 33.5 years until 2043. The private sector partner or concessionaire will be responsible for the operational funding requirements in running the country’s longest tollway, including insurance, periodic maintenance, and emergency works, which will be covered by a performance bond.

The private sector partner will also provide management services, toll collection, traffic safety and security management, toll road maintenance including greenery and landscaping, and other related services. BCDA will receive a semi-annual concession fee from the winning bidder amounting to either the peso equivalent of the JICA debt service requirement, or 20 percent of audited gross revenues, whichever is higher. The payments of the concession fees 10 days prior to the due dates of the JICA debt service payments are secured by a rolling letter of credit to be maintained by the private sector partner.

A pre-bid conference was held in November with six bidders in attendance. The deadline for submission of bids was originally set on 04 December 2009 but was extended to 04 January 2010. The issuance of Notice of Award, contract signing, and issuance of Notice to Proceed are expected to be accomplished by mid-2010.

BAN ON BILLBOARDS AND GRASS BURNING

A vigorous information and education campaign regarding the hazards posed by grassfires to motorists was initiated by the SCTEX Community Relations Office in the communities along the entire stretch of the 94-kilometer tollway.

The campaign is being executed through meetings and dialogues with the farmers and local barangay leaders. It seeks to apprise the villagers of the dangers posed to motorists by haphazardly setting off grassfires, as well as educate them on how to go about their farm chores more responsibly.



Friendly, courteous tellers man the booths 24/7.

STATION	Class 1	Class 2	Class 3
Subic	66	129	193
Clark	64	124	188
Clark South	32	62	94
Clark North	32	62	94
Concepcion	64	124	188
San Miguel	93	186	280
Tarlac			

Toll rates for Class 1 vehicles start at Php2 per kilometer.



More buses bound for North and Central Luzon provinces take the SCTEX for faster travel.



The speed limit is 100 kilometers per hour.



This way to the new Clark South Interchange.



A portion of the Clark North Interchange in Pampanga.



A view of the sunset at the Mabalacat Toll Plaza.

Smoke generated by grassfires results in thick impaired visibility. While BCDA recognizes this age-old practice of burning wastes as part of post-harvest processes, BCDA appeals for safer ways of disposing them.

Collaboration among pertinent government agencies, such as the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR), is being eyed as an effective way to educate farmers on safer methods of disposing agricultural wastes without endangering the lives and properties of other people.

Meanwhile, efforts are underway to ban the construction of commercial billboards along the SCTEX. A move to establish a policy prohibiting the installation of billboards along the SCTEX was spearheaded by members of the Subic-Clark Alliance for Development Council (SCADC).

The ban on billboards and grass burning will help ensure the safety of motorists as well as preserve the expressway's reputation as one of the most scenic in the country.

THE JOURNEY AND THE DESTINATION

Rediscovering the North

In the Philippine context, “north” often refers to the four contiguous regions lying to the north of Metro Manila—Ilocos (Region I), Cagayan Valley (Region II), Cordillera Administrative Region (CAR) and Central Luzon (Region III). Nowadays, going north is faster and more convenient, thanks to the SCTEX and its seamless connection with the North Luzon Expressway (NLEX) via the NLEX spur road in Mabalacat, Pampanga.

Commuters and motorists going to Pangasinan, La Union, Baguio and the rest of Northern Luzon realize time savings of 1.5 hours by passing through the Clark-Tarlac segment of the SCTEX. Visitors who stay in Subic can take a 40-minute trip from Mabalacat via the tollway to attend events in Angeles City and return the same day.

Aside from the reduced travel time, using the SCTEX generates savings in fuel and vehicle maintenance costs, thereby giving more opportunities for trading and business trips as well as passing on cost savings to consumers in terms of lower retail prices.

Among the major events that benefited from the full operation of the SCTEX are the 21st Philippine Advertising Congress at the Subic Bay Exhibition and Convention Center held November 2009, and the Panagbenga Flower Festival in Baguio City held every February.

The SCTEX also supports the North Philippines Visitors Bureau's campaign called “Rediscover the North,” which aims to promote the best tourist destinations, products and services in north Philippines.

Such events are expected to highlight the strengths and potentials of the four regions north of Metro Manila.

Summer & Holy Week Exodus

Through the SCTEX, destinations in Central and Northern Luzon are getting closer to people from the Metro. Vacation-bound travelers traditionally swell in number for out-of-town trips or nostalgic hometown visits, resulting in peak traffic volumes in the expressway.

This augurs well for the transformation of Northern and Central Luzon into favorite tourist destinations. Through the expressway, land travel within the region is reduced to 4-5 hours instead of the former average of 6-8 hours.

The Department of Tourism (DOT) figures show that Subic and Clark welcomed the largest share in visitors, drawing in 550,452 tourists with domestic travelers totalling 399,224 and foreign guests, 151,228. This shows a slight increase in visitors compared to 530,802 in 2008. DOT attributes this to the presence of a variety of tourism facilities like world-class hotels and resorts, and the seamless travel between the NLEX and the SCTEX.

From the Subic-Tipo Interchange to the Tarlac Interchange, tourists can explore destinations in the provinces of Bataan, Zambales, Olongapo, Pampanga and Tarlac. The Subic Bay Freeport Zone, the eco-tourism hot spot of the Philippines, is home to popular family destinations in Subic including the Ocean Adventure Park; the Zoobic Safari, the only tiger safari in the country; and the Tree Top Adventure Park, which features tours that involve flying up to 100 feet high through a series of motorized cable rides.

Water buffs will enjoy the modern recreational facilities of Fontana Leisure Park in Clark, while beach lovers will revel in the white sand and clear water beaches of Zambales such as Potipot Island in Candelaria and Capones Island in San Antonio.

On the other hand, history buffs will be captivated by the rustic charms of the Capones Lighthouse, also located in Capones Island in Zambales.

With the accessibility of these destinations via the SCTEX, the number of vehicles using the toll road rose to 7,089,863 in 2009, a 209 percent increase from the 2,294,758 vehicles in 2008. This resulted in cumulative toll revenues of Php497.17 million, up by 198 percent from 2008 levels.



Fontana Water Park in Clark



The Lighthouse Marina offers one of the best accommodations for Subic visitors.



Tourist attractions in Subic include the Ocean Adventure, Tree Top Adventure, El Kabayo and the Zoobic Safari.

A photograph of a modern campus with a large sign in the foreground that reads "TEXAS INSTRUMENTS". The sign features a gold outline of the state of Texas. Behind the sign is a large, multi-story building with a mix of orange and teal facades. The sky is blue with scattered white clouds. The overall scene is bright and professional.

FREERPORTS AND
ECOZONES

CREATING NERVE CENTERS OF

*Socio-Economic
Growth*



With their unique and distinct features, the BCDA-administered freeports and special economic zones remained to be among the country's prime investment locations this year—helping sustain the country's socio-economic and tourism progress.

Helping keep the economy afloat were BCDA's four freeports, namely, the Clark Freeport and Special Economic Zone in Pampanga, the John Hay Special Economic Zone in Baguio City, the Poro Point Freeport Zone in La Union, and the Bataan Technology Park in Morong.

The subsidiaries managing these freeports—namely the Clark Development Corporation (CDC), Clark International Airport Corporation (CIAC), John Hay Management Corporation (JHMC), Poro Point Management Corporation (PPMC) and Bataan Technology Park, Inc. (BTPI), respectively—continued to offer opportunities for investment and tourism to the local and international communities and, in effect, guaranteed employment to thousands of Filipinos.

Easily accessible via the Subic-Clark-Tarlac Expressway (SCTEX), these economic growth centers in Central and Northern Luzon have proven to be major drivers in steering the nation towards socio-economic development.



As of end-2009, the giant American I.T. firm, Texas Instruments, has already invested USD300 million in its Clark facility. Total investments are expected to reach USD1.5 billion.



Locators in Clark include iQor, Inc., CyberCity Teleservices, Ltd., Zoocobia Fun Zoo, Paradise Ranch Leisure Park and Wildlife Sanctuary, and the Fontana Leisure Park Resort.



Cebu Pacific is one of the airlines which have made the Diosdado Macapagal International Airport a hub for budget airlines.

CLARK FREEPORT AND SPECIAL ECONOMIC ZONE

In 2009, the effects of the global recession did not spare the Clark Freeport Zone. Economic indicators such as investments, import-export earnings, employment, and revenues posted mixed results during the year.

BCDA subsidiary Clark Development Corporation (CDC) generated revenues of Php921.24 million compared to Php871.72 million in 2008. Taxes and duties remitted to the national government, however, declined by 6 percent to Php1.74 billion in 2009 from the year-ago level of Php1.85 billion.

Employment grew by a modest 0.4 percent to 58,023 from 57,790 the previous year. Exports dipped by six percent to USD890.95 million from USD949.95 million in 2008, while imports increased by 19.2 percent to USD1.11 billion in 2009 from USD927.61 million a year ago. The dip in the level of net exports was due to the decision of a number of aviation-related enterprises to import airplane and helicopter units, along with aircraft parts (e.g., Airbus 320-232, Boeing DC 9-83) to avail of lower prices in the global market.

Cumulative actual investments by Clark locators reached Php78.8 billion, (inclusive of the initial USD300 million investments by Texas Instruments) as of December 2009. Meanwhile, operational firms by year-end numbered 426.

Within the 2,500-hectare Clark Civil Aviation Complex (CCAC), which includes the Diosdado Macapagal International Airport (DMIA), a total of 95 locators have established businesses as of end-2009. These locators had a combined actual investment amounting to Php20.8 billion and employed a total of 5,862 workers.

BCDA subsidiary Clark International Airport Corporation (CIAC), which operates the CCAC-DMIA, had 397 employees in 2009.

Considered to be the country's leading hub of regional and domestic budget airlines, DMIA is host to Air Asia of Malaysia, Asiana Airlines of Korea, Tiger Airways of Singapore, and Filipino-owned carriers Cebu Pacific Airways, Spirit of Manila Airlines, and Zest Air. Statistics on the DMIA's international passenger traffic showed 285,926 arrivals and 273,011 departures in 2009 via 2,565 and 2,569 flights, respectively.

Further, the DMIA also serves as an alternative airport for Overseas Filipino Workers going home to Central and Northern Luzon.

Total tourist arrivals in Clark numbered 969,015 from January to December 2009, a 24.8 percent increase from 776,254 visitors during the corresponding year-ago figure. Domestic and international airport arrivals reached 336,861 compared to 265,241 in 2008, while visitors attending educational tours and events more than doubled from 148,000 to 362,127 in 2009. However, hotel occupancy dropped to 270,027 from 363,000 in 2008.

DMIA was honored as the "Most Promising Upstart Airport" by *anna.aero* or Airline Network News & Analysis, a web magazine and an international publication based in the United Kingdom that covers the global airport developments and airline industry and produces a weekly newsletter from the United Kingdom network news. The recognition was bestowed to the CIAC delegation during the 15th World Routes Development Forum held in Beijing, China in September 2009.

Guam International Airport board chairman Martin Gerber also cited the impressive developments at the CCAC-DMIA when he visited the Clark Freeport Zone in October 2009. CIAC officials briefed Mr. Gerber on the construction of the estimated Php5 billion DMIA Passenger Terminal 2 and the expansion of the DMIA Passenger Terminal 1 at a projected cost of Php308 million. The latter was awarded to A.G. Araja Construction and Development Corporation in November 2009.

Other significant developments in 2009 include the awarding of the bid for the former Expo Pilipino site to Australian Institute Training Management Group; the signing of a memorandum of agreement with the Civil Aviation Authority of the Philippines adjusting the obstacle limitation surface and allowing higher buildable areas in Clark; the completion of Phases 1 & 2 of the Clark Power Infrastructure Project amounting to Php1.7 billion; the completion of the final draft report for the Clark Traffic Study; and the harmonization of business processes between Clark and Subic.

A memorandum of understanding was also signed by CDC with the Philippine Economic Zone Authority (PEZA) for the administration of tax incentives in the Clark Special Economic Zone (CSEZ), which includes the so-called New Frontier or Clark Subzone at Sacobia Valley. Portions of Angeles City, Mabalacat and Porac in Pampanga and Capas and Bamban in Tarlac are also included in the CSEZ, thereby spreading benefits of the tax and duty incentives to municipalities adjacent to Clark Freeport Zone and Subzone.



The Mimosa Leisure Estate



Hotel Stotsenberg



Asiana Greenville Resort



The expansion of the DMIA Terminal 1 is expected to increase passenger traffic in the country.



The 18-hole golf course designed by Jack Nicklaus.



The new library at the historical Bell House.



Camp John Hay is the perfect setting for family vacations with its cool breeze and forest reserves.

JOHN HAY SPECIAL ECONOMIC ZONE

As a world-class eco-tourism destination, the John Hay Special Economic Zone (JHSEZ) offers prime accommodations and varied leisure facilities amid a lush and well-maintained forest reserve.

BCDA subsidiary John Hay Management Corporation (JHMC) generated total revenues of Php28.28 million in 2009. Management supervision and trusteeship fees amounted to Php13.01 million, while rental income reached Php12.04 million, with the balance coming from ecozone and miscellaneous incomes.

Tourist arrivals totaled 111,861 based on occupancies of Camp John Hay Manor, Mile-Hi Inn and AIM Igorot Lodge within JHSEZ; 89 percent of it was registered by The Manor. This figure is bound to rise, following the conclusion of a lease agreement with Tree Top Adventure Philippines, which will launch a sprawling adventure theme park within JHSEZ by 2010. Also ongoing is the construction of the 366-unit Suites at the site of the former 19th Tee Restaurant beside the Manor.

As of end-2009, a total of 813 workers were employed within the JHSEZ with 96 percent, or 778 employees, coming from the BLIST (Baguio, La Trinidad, Itogon, Sablan and Tuba) area. This figure goes beyond the mandated 85 percent requirement of the local government.

One remarkable accomplishment that will accelerate the growth of Camp John Hay as a business enterprise and a tourism destination is the sublease agreement between Camp John Hay Development Corporation (CJHDevCo) and Ayala Land, Inc. (ALI), with BCDA's consent, and for which JHMC acts as administrator and regulator.

ALI's biggest development at the JHSEZ is the construction of a business process outsourcing (BPO) technohub consisting of eight buildings that will each accommodate



The five-star Manor Hotel

3,000 BPO employees. The trailblazing 12-hectare development by ALI integrates ethnic design, local culture and modern elements into a state-of-the-art but environment-friendly technology core. Investments in the Ayala Technohub are expected to reach Php3.9 billion upon full build-out.

The ALI project includes the creation of an Eco Village right where the present Filling Station is located. The Eco Village will house restaurants, shops and a cultural center. It is envisioned as a convergence area where *al fresco* dining and regular shows will be held. ALI will also develop within Camp John Hay a “pedestrianized” mall with shops to be connected by walkways to allow walking instead of riding.

All these structures are designed with the environment in mind and executed with American-inspired architecture to complement the Camp John Hay ambiance.

BATAAN TECHNOLOGY PARK

Formerly the site of the Philippine Refugee Processing Center (PRPC) from 1980-1994, the Morong Special Economic Zone (MSEZ) remains to be one of the most historical destinations in our country.

Established by the Philippine government and the United Nations High Commissioner for Refugees as a second asylum camp for Vietnam War refugees uprooted by the Indo-China conflicts, the site captures vividly Filipino culture, values and national pride as showcased before the international community. During those times, the country not only offered humanitarian help but also dignity, hope and new beginnings to some 400,000 refugees from Vietnam, Laos and Cambodia.

Now renamed Bataan Technology Park (BTP), the area is envisioned as an alternative eco-tourism and leisure-retirement destination, a corporate training center, and an eco-technology park or “technopolis” for light to medium, “environment-friendly” industries.

Among the new developments is the Green Ridge View Park, an area overlooking a scenic view of rolling terrain of lush hills and mountains. It features a log cabin-style cottage, a view deck, gazebos, a guest house, an open garden, conference building facilities, a clubhouse, children’s playground and physical fitness and sports facilities. The BTP offers a respite for family and friends from the busy city life, a restful-leisure alternative to urban living where one enjoys tranquil nature and relaxed ambiance.

These, plus the newly refurbished accommodations coupled with the construction of the Pavilion and a swimming pool, make BTP a “one-stop” facility for seminars, team-building activities, conferences, outdoor sports and other business and social functions. The completion of the SCTEX has not only shortened travel time to BTP but provided easier access to Bataan’s rich history as documented in its museum, its Indo-Chinese shrines and monuments, and other historical and leisure destinations in the province. Adjacent to the Subic Bay Freeport Zone and within easy driving distance from the Clark



The Bataan Museum and Archives



The Park offers facilities for outdoor recreation and team-building.



Affordable accommodations amidst lush greenery

The thrust of Poro Point Freeport Zone to become a commercial, light industrial and tourism hub in Northern Luzon was boosted by the completion of the upgraded San Fernando Airport in February 2009.



BCDA invested Php500 million for the upgrade of the San Fernando Airport in La Union.

Freeport & Special Economic Zone, BTP offers the best location for nature lovers as well as for history and culture enthusiasts.

At the same time, BTPI has turned itself into a model for true corporate governance with its judicious use of funds under a limited corporate operating budget. Against such odds it was able to transform the former PRPC building, facilities, and utilities into its present state and capabilities, earning the government considerable savings.

Looking ahead, BTPI will continue to harness the area's great potentials as an eco-tourism and leisure destination, a retirement haven, a corporate training center and a business and manufacturing area for small and medium industries. It will thus continue to generate job and business opportunities, which will redound to socio-economic development and the well-being of the people of Morong and those of adjoining municipalities.

PORO POINT FREEPORT ZONE

The thrust of Poro Point Freeport Zone to become a commercial, light industrial and tourism hub in Northern Luzon was boosted by the completion of the upgraded San Fernando Airport in February 2009. BCDA invested more than Php500 million in the upgrading of the airport so it could accommodate larger aircrafts such as the Airbus 320 and Boeing 737. South East Asian Airline (SEAIR) will start domestic operations in the airport in April 2010 with three flights weekly from Manila to Poro Point and vice-versa.

At the Thunderbird Resorts-Poro Point Hotel and Golf Course, construction of the Poro Point Beach Club and the hotel swimming pool was completed in 2009.



The 65.5-hectare tourism complex by Thunderbird Resorts features a world-class hotel with a Santorini-inspired architecture.



The Poro Point Seaport is a center for trade and investments in the zone.

Expansion of the entertainment and leisure complex is ongoing to accommodate the increasing number of visitors to the casino area. This development establishes the town of San Fernando as an urban destination in the province of La Union. To date, Thunderbird Resorts has invested more than Php1.2 billion in the 65.5-hectare complex featuring architecture inspired by resorts in Santorini, Greece.

As of December 2009, total number of employment in the Poro Point Freeport Zone reached 1,224 personnel, while total actual investments amounted to Php702.06 million.

BCDA subsidiary Poro Point Management Corporation (PPMC) generated total revenues amounting to Php91.52 million in 2009, a modest 5.4 percent increase from Php86.60 million in the previous year. Of the Php91.52 million, revenues in the San Fernando Airport stood at Php2.24 million or 254.43 percent higher than 2008 levels. Lease rentals and the one percent gross revenues from Thunderbird's gaming operations contributed to the bulk of 2009 earnings.

Total importations coursed through the San Fernando Seaport amounted to a combined USD1.269 million for direct importations and imported articles. On the other hand, local purchases amounted to Php42.86 million.

Further, the Leading Edge International Academy, a pilot school leasing 1,600 square meters within the zone, is now in full operations. On 22 October 2008, the said institution was granted approval by the Bureau of Immigration to accept foreign students.



Thunderbird Resorts in Poro Point continues to draw in tourists with the completion of its beach club and swimming pool.



The Leading Edge International Academy, a pilot school strategically located near San Fernando Airport

CORPORATE
SOCIAL
RESPONSIBILITY

CARING FOR
Communities
AND THE *Environment*



Over 20,000 seedlings consisting of 30 native tree species are being nurtured by the BCDA in its plant nurseries in Clark and Bataan.

THE GREENING OF SCTEX

Travelling along the length and breadth of the SCTEX is a feast for the senses. The breathtaking landscapes, smooth road surfaces and low noise levels amid sceneries unobstructed by billboards make motorists and commuters feel they are traversing a First World highway.

Transportation systems have traditionally been designed for traffic mobility and driver safety. In the 21st century, however, road systems and roadsides are increasingly designed to address a variety of other factors such as aesthetic, environmental and community interests. The new approach to transportation planning is known as Context Sensitive Design. It recognizes community values, emphasizing roadside vegetation and green spaces as valued features of transportation corridors.

Along this context, BCDA has undertaken the “Greening SCTEX” program starting July 2008 with the planting of 1,000 seedlings of *Narra*—the Philippine national tree—at the Clark North Interchange. This was followed by the planting of 300 *Balacat* tree seedlings donated by the Recycling Foundation, Inc. at the Dolores Interchange.

Under the greening program, all trees for planting must be of native species to Filipinize the expressway and promote an enjoyable, stress-free and safe journey for motorists plying the toll road. BCDA intends to plant a total of 50,000 trees along the SCTEX by 2013. Its ultimate goal is to create a veritable “heritage tree museum” that will serve as a model for future Philippine infrastructure projects.

In 2009, a total of 14,892 seedlings and wildlings were planted along the 94-kilometer stretch by the BCDA, through its SCTEX Greening and Environment Management Office. At the rate of greening operations, BCDA is likely to overshoot its target of 50,000 trees planted in five years.



BCDA employees spearhead a series of greening activities, following the program launch in 2008.



The Knights of Columbus participated in BCDA's "Greening SCTEX" program.



Hog fattening, a livelihood project by the SCTEX Community Relations Unit in Tarlac.

To sustain its greening program, BCDA maintains two plant nurseries in Clark and in Bataan where over 20,000 seedlings consisting of 30 native tree species are being nurtured. *Banaba, Bitao, Ilang-Ilang, Molave, Amuguis, Bagras* and *Narra* were among the species included in the variety of trees planted. Despite the difficulties involved in sourcing seedlings, the greening team was able to gather seedlings such as *Bani, Kamagong, Mulawin, Tangile,* and *Tui* in the forests of Morong and Orani in Bataan, among others. The team plans to explore other forests in Zambales and Bataan to source wildlings.

Other significant components of the program are the partnerships forged with non-government organizations and other groups in Central Luzon to help preserve the ecosystem. In November, members of the Knights of Columbus of the Holy Rosary Parish in Angeles City planted seedlings at the Clark Logistics Interchange.

Greening the SCTEX will not only add to its aesthetic value but more significantly, it will help minimize greenhouse gases and other pollutants emitted by vehicles on the road. Travellers will notice the greening more visibly when the trees are fully grown in five to 10 years. The expressway will then be both an economic growth gateway and a lush environmental corridor.

SOCIALIZED HOUSING

As a major contributor to the National Shelter Program (NSP) of the Philippine government, BCDA has a mandate to allot 12 percent of its asset disposition proceeds to the NSP.

BCDA's resettlement and housing programs have benefited thousands of residents affected by the conversion and disposition of former baselands in Metro Manila, Central Luzon and Northern Luzon. Ongoing socialized housing initiatives include the Scout Barrio Housing Project in Baguio City; Villamor Airbase Housing Project in Pasay City; Seaside Square Socialized Housing Project in Parañaque City; Camp Atienza Socialized Housing Project in Quezon City and relocation sites in Taguig City such as Pamayanang Diego Silang, Villa Kalayaan, Lupang Katuparan, Philippine Centennial Village, the Bonifacio Housing and Information Technology Park area, the Northside Strip Housing Project and the Pabahay 2000 in General Trias, Cavite.



Pamayanang Diego Silang in Taguig

STAKEHOLDER ENGAGEMENT

Aligned with the Social Development Program for qualified SCTEX project-affected people is BCDA's assistance to qualified residents in Concepcion, Tarlac in forming the *Sama-Sama* Forever Multipurpose Cooperative. The cooperative's main livelihood project is hog fattening, of which the first production cycle was started in 2008.

BCDA, through the Land Bank of the Philippines (LBP), provided the seed money amounting to Php5 million to mobilize the said project. Also, the LBP, in cooperation with the SCTEX Program Management Office (PMO) for Operational Support Services and the Cooperative Development Authority, organized skills training in cooperative and financial management for members.

The second and third production cycles of the project were successfully carried out in September to December 2009. The project yielded gross sales of Php1.184 million with beneficiaries gaining a net profit of Php117,514.14. There was a notable improvement in the implementation of the third cycle as it proved to be more profitable for the hog raisers. Both activities succeeded in improving the capability of beneficiaries as cooperative members.

In December, the SCTEX PMO and the Tollways Management Corporation (TMC) conducted a joint outreach program for an aeta community in Porac, Pampanga.

HEALTH CARE

Three medical missions and one dental mission were facilitated by BCDA in 2009 for SCTEX-affected communities. In celebration of the National Dental Health Week in February and in coordination with the Filipino-Chinese Dental Foundation, Inc., SCTEX personnel went on a dental mission to Barangay Planas in Porac, Pampanga to provide consultation, treatment and medicine to 140 residents.

In August, 672 beneficiaries from four barangays in Dinalupihan, Bataan availed of free medicine and consultation during the medical mission in Barangay New San Jose assisted by medical teams from the Air Force City Hospital in Tarlac City. Another medical mission was conducted at the Floridablanca Resettlement Center in Pampanga in September with a total of 795 beneficiaries. In November, 902 patients from two barangays in Tarlac City and another two in La Paz, Tarlac benefited from the medical mission in Barangay Amucaon in Tarlac City.

DISASTER RELIEF

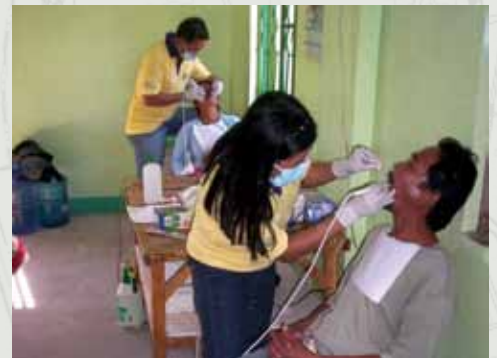
In 2009, several super-typhoons caused massive loss of lives and destruction of crops and properties in many parts of Luzon, including those under the BCDA's jurisdiction.

During the relief and rescue operations at the height of Typhoons *Ondoy* and *Pepeng*, BCDA granted free access in SCTEX for vehicles involved in the said operations to expedite delivery of relief goods and much needed assistance to calamity-stricken communities.

Also, medicines were donated to the People's Organization for Relief and Rehabilitation in La Paz to help flood victims of the supertyphoons. Further, BCDA responded to the request of local government units in Dinalupihan and Hermosa, Bataan for rice donations in the aftermath of Typhoons *Labuyo* and *Maring*. At least 100 sacks of rice were donated to the two municipalities.



Medical Mission in Tarlac.



Dental Mission in Porac.



The SCTEX PMO and TMC Joint Outreach Program for an aeta community.



Disaster relief for victims of Ondoy and Pepeng.

TRANSFORMING OUR FUTURE



1992



2000



2005



2009

Bonifacio Global City

1992: President Corason Cojuangco-Aquino signs on March 13, 1992 Republic Act 7227 or the Bases Conversion and Development Act of 1992.

1995: The “Deal of the Century” takes place when BCDA enters into a joint venture with the Metro Pacific Consortium for the privatization of 150 hectares of Fort Bonifacio realizing Php30.4 billion. This creates the Fort Bonifacio Development Corporation (FBDC), the largest corporation registered with the Securities and Exchange Commission at the time.

2003: Ayala Land Inc. (ALI) and the Campos Group’s Evergreen Holdings, take over 55 percent controlling interest in FBDC. Bonifacio Global City takes off as a premier economic district in Metro Manila; 24 vertical developments rise in 2004.

2009: Bonifacio Global City now hosts 77 buildings, with another 56 ongoing vertical developments which include the St. Luke’s Medical Center and the six-star Shangri-La Hotel.

The presence of ALI, Megaworld, the Rufino-Dupasquier Net Group, among other top developers, generates over Php70 billion in investments. Offices and retail areas in Market! Market!, Serendra and Bonifacio High Street employ around 20,000 workers.

2012: Bonifacio Global City is projected to house a total floor area of 2.9 million square meters of gross floor area by 2012. It is envisioned to surpass the Ortigas Central Business District (CBD) and equal the Makati CBD in terms of number of residential units.



2005



2008



2009



2009

Subic-Clark-Tarlac Expressway

2001: BCDA enters into a loan agreement with the Japan Bank for International Cooperation (JBIC) for the funding of the Subic-Clark-Tarlac Expressway (SCTEX). The loan accounted for 85 percent of the project cost of Php27.123 billion, with BCDA funding the local equity.

2005: Groundbreaking of the 93.77-kilometer Subic-Clark-Tarlac Expressway on April 4, 2005.

2008 : SCTEX is completed and starts commercial operations on April 28, 2008. With the SCTEX, land travel within the Central and Northern Luzon region is reduced to 4-5 hours instead of an average of 6-8 hours.

2009: Three additional interchanges—Porac, Clark South and Floridablanca—are constructed, providing improved accessibility and convenience to motorists. SCTEX now features: eight overpasses; 12 interchanges; 54 underpasses; four major bridges; 351 drainage culverts; 30 minor bridges; and, 14 toll plazas.

The number of vehicles using the toll road rises to 7,089,863, a 209 percent increase from the 2,294,758 vehicles in 2008, resulting into cumulative toll revenues of Php497.17 million, up by 198 percent from 2008 levels.

Department of Tourism (DOT) figures show that Subic and Clark welcomed the largest share of visitors in the region, drawing in 550,452 (domestic-399,224 and Foreign-151,228) compared to 530,802 in 2008. DOT attributes this to the presence of a variety of tourism facilities like world-class hotels and resorts, and the seamless travel between the North Luzon Expressway and the SCTEX.

Since 1993, BCDA has generated a total of Php46.697 billion from the disposition of Metro Manila camps. Of this, Php17.624 billion or 44 percent was remitted to the Armed Forces of the Philippines (AFP); while Php6.850 billion was utilized for the conversion of ecozones and construction of infrastructure projects such as the SCTEX. Investments in Bonifacio and Villamor are estimated at USD5 billion. Jobs generated have reached more than 60,000.



2003

2009

2003

2009

McKinley Hill

Newport City

2003: BCDA partners with Alliance Global Group, Inc. for the development of the 25-hectare Lawton Parkway in Fort Bonifacio. Advance paid to BCDA for the joint venture amounted to Php942 million.

2009: McKinley Hill now employs over 20,000 with investments already reaching USD300 million. It is host to McKinley Hill Village and CyberPark, headquarters of the Philippine Chamber of Commerce and Industry, the grand Venetian Mall, and the British and Korean Embassies.

2010-2012: McKinley Hill is projected to showcase over 270,000 square meters of office space, 4,713 condominium units, and 482 residential lots by 2010. Investments are projected to reach USD800 million by 2012.

2003: BCDA partners with Megaworld Corporation for the development of the 24.5-hectare Villamor Gateway Center; Megaworld advances Php624 million replication expenses for affected Philippine Air Force facilities.

2008: Megaworld brings in foreign investments by partnering with Genting Berhad Group to develop the tourism and recreation component of Newport City.

2009: Newport City now showcases the six-star all-suites Maxims Hotel, the five-star Marriott Hotel and Resorts World Manila. Combined revenues of BCDA from Newport City total Php503.903 million.



2007

2009

2009

2009

Special Economic Zones—Clark, Poro Point and John Hay

1993 Clark Development Corporation, through Executive Order (EO) No. 80, and John Hay Development Corporation, through E.O. 103, are created as BCDA subsidiaries to manage Clark Air Base and Camp John Hay—with an initial equity investment of Php25.5 million and Php30 million, respectively. Wallace Air Station and its contiguous areas are created as the Poro Point Special Economic and Freeport Zone by virtue of Presidential Proclamation No. 216.

2007: Republic Act 9399 and 9400 are signed into law on March 20, 2007—according locators in Clark, Poro Point, Bataan and John Hay tax amnesty and tax incentives.

2009 The Clark Freeport Zone creates 58,000 jobs—16 percent higher than 2008; generates revenues totalling Php921.24 million compared to Php871.72 million in 2008. Cumulative investments reach over Php70 billion, which is inclusive of the USD300 million from Texas Instruments. Operational firms number 426.

2009: The Diosdado Macapagal International Airport is now a hub for budget airlines servicing Asian destinations like Korea, Hongkong, Bangkok, and Singapore. Ongoing is the the development of 167 hectares into a global logistics hub by Kuwait and Gulf Link with committed investments of at least USD1 billion.

2009: The Poro Point Freeport Zone hosts investments from Thunderbird Resorts totalling more than Php1.2 billion; BCDA invests more than Php500 million in upgrading San Fernando Airport to accommodate larger aircrafts.

2009: Camp John Hay, home to world-class accommodations, is now the new site of a business technohub of Ayala Land, Inc. (ALI). Initial investments by ALI are projected at Php356 million and this is expected to reach Php3.9 billion upon full build-out.

FINANCIAL STATEMENTS

Foreword to the Financial Statements

By virtue of the laws governing the sharing of asset disposition proceeds, BCDA follows a unique accounting and business model which is not easily discernible from the traditional financial statements' presentation. Depending on the applicable law (Republic Act [RA] No. 7227, as amended by RA No. 7917 or EO No. 309), BCDA distributes from 50 percent to 72 percent of the net proceeds from its asset disposition activities to the different beneficiaries stated in the applicable law, but chiefly to the Armed Forces of the Philippines (AFP) for its modernization program. The remaining BCDA share is used to fund the conversion and viable development of the former U.S. military baselands undertaken by its subsidiaries or by BCDA itself, such as financing partly the construction and maintenance of the SCTEX.

As a further complication, RA 7227 provides that BCDA records its share in the disposition proceeds as additional paid-up capital from the National Government if the asset disposition activity is an outright sale. If the transaction is a lease or joint venture other than sale, such share is recorded as revenue in its Income Statement. In view of this, the Income Statement of BCDA reflects only a small portion of the disposition activities of BCDA, while the rest have to be reflected in terms of the changes in the Equity in the Balance Sheet and the Statement of Cash Flows.

Thus, BCDA's success in achieving its mandates is better gleaned from the cash it has generated from its disposition activities which amounted to Php5.5 billion and around Php4 billion in 2009 and 2008, respectively. An Asset Disposition Report for the period 1993-2009 is included in this report to complement the discussions under each of the financial statements presented herein.

Parent Company Balance Sheets*

December 31, 2009 and 2008

	2009	2008 (as restated)
ASSETS		
Current Assets		
Cash and Cash Equivalent	Php 3,464,993,909	Php 2,138,963,290
Short-term investments	4,072,998,459	2,943,234,752
Receivables	3,145,529,959	2,909,382,197
Inventories	2,970,938,251	3,122,008,740
Prepayments and other current assets	319,710,903	2,315,000,475
Total Current Assets	13,974,171,481	13,428,589,454
Non-Current Assets		
Investments in and advances to subsidiaries/affiliates	22,902,172,167	23,989,220,339
Other Investments	6,424,928,557	323,584,391
Property and equipment-net	70,368,481,468	63,116,174,427
Other non-current assets	1,750,465,751	1,729,861,345
Total Non-Current Assets	101,446,047,943	89,158,840,502
TOTAL ASSETS	Php 115,420,219,424	Php 102,587,429,956
LIABILITIES AND EQUITY		
Current Liabilities		
Payables	P1,276,062,689	P 436,065,929
Inter-agency payables	3,661,359,344	4,028,169,146
Intra-agency payables	2,518,933,215	251,607,572
Total Current Liabilities	7,456,355,248	4,715,842,647
Non-Current Liabilities		
Loan Payable	26,986,361,735	23,618,893,855
Deferred Credits and other long-term liabilities	8,060,525,953	8,381,610,581
Total Non-Current Liabilities	35,046,887,688	32,000,504,436
TOTAL LIABILITIES	42,503,242,936	36,716,347,083
EQUITY	72,916,976,488	65,871,082,873
TOTAL LIABILITIES AND EQUITY	Php 115,420,219,424	Php 102,587,429,956

*The financial statements presented are only for the BCDA as Parent Company and do not include the financial circumstances of its subsidiaries.
P46.78:\$1 (as of December 31, 2009)

CY 2009: Financial Condition

Total assets of BCDA increased by Php12.8 billion from Php102.6 billion in 2008 to Php115.4 billion in 2009. Such increase was primarily attributed to the additional capitalized construction cost of the Subic-Clark-Tarlac Expressway (SCTEX) Project. *Other Investments* increased considerably from Php323 million in 2008 to Php6.4 billion this year due to booking of joint venture investment in Newport City.

Total liabilities grew by Php5.8 billion, from Php36.7 billion to Php42.5 billion, due to the increase in loan drawdowns from Japan International

Cooperation Agency (JICA) to finance the SCTEX Project. Increase in *intra-agency payables* was attributable to the recording of deposit for future redemption of FBDC shares. There was also a considerable increase of Php840 million in *payables* this year due mainly to the bidbond/security deposits on disposition activity.

Total Equity grew to Php72.9 billion from Php65.9 billion in 2008, resulting mainly from increases in the assessed values of BCDA's properties in Metro Manila Camps.

Parent Company Statements of Income

For the Years Ended December 31, 2009 and 2008

	2009	2008 (As restated)
REVENUES		
Share from income from joint venture operations	Php 459,031,343	Php 1,049,883,969
Lease Income	468,234,866	283,415,436
SCTEX toll collection	513,484,385	155,127,424
Income from subsidiaries/affiliates	383,974,560	409,767,738
Miscellaneous income	9,179,417	6,259,002
TOTAL REVENUES	1,833,904,571	1,904,453,569
CASH EXPENSES		
Personal Services	184,196,849	158,521,324
Maintenance and Other Operating Expenses (MOOE)	1,079,472,113	1,098,723,388
TOTAL CASH OPERATING EXPENSES	1,263,668,962	1,257,244,712
INCOME BEFORE OTHER INCOME (EXPENSES) & NON-CASH ITEMS	570,235,609	647,208,857
OTHER INCOME (EXPENSES) & NON-CASH ITEMS		
Depreciation	(1,333,220,994)	(733,269,678)
Bad Debts	(1,460,056)	(1,217,552)
Gain (Loss) on foreign exchange*	782,697,370	(6,598,410,291)
Impairment Loss **	(300,000,000)	(10,500,000)
Others***	290,615,093	3,248,143
INCOME (LOSS) BEFORE INCOME TAX	8,867,022	(6,692,940,521)
INCOME TAX	-	(29,893,717)
NET INCOME (LOSS)	Php 8,867,022	Php (6,722,834,238)

* The gain on foreign exchange transactions represents the difference in the closing rates of the Japanese Yen vs. Philippine Peso from ¥1.9153 last year to ¥1.9767 this year for the JBC loan drawdown used for the SCTEX Project. Any gain or loss on translation does not involve actual cash transaction but is recognized in the Profit & Loss Statement in compliance with the provision of International Accounting Standard No. 21.

** Impairment loss pertains particularly to the difference in the carrying amount of Investment in EXPOCORP against its recoverable amount which was recognized pursuant to International Accounting Standard No. 36.

***Others include Financial Expenses, Government Subsidy, Interest Income, Gain on valuation of Assets and Loss on disposal of properties.

CY 2009: Results of Operations

For this year, total revenues generated by BCDA amounted to Php1.8 billion, a decline of four percent as compared to the previous year's revenues of Php1.9 billion. *Income from joint venture operations* (Serendra, McKinley Hill, Seaport/ Casino, Newport City) comprised 25 percent of gross revenues and totaled Php459 million. On the other hand, revenues from *Lease Income* increased to Php468 million from Php283 million in 2008 primarily due to the variable rent earned from Station Square East. Moreover, revenues from SCTEX toll collections increased by Php358 million to Php513 million or 231 percent increase as compared to the previous year's collections of Php155 million.

Cash operating expenses of Php1.3 billion in 2009 was almost flat compared to 2008. *Personal Services* totaled Php184 million, a 16 percent increase from Php158 million in 2008. The increase in depreciation to Php1.333 billion resulted from full year depreciation of SCTEX's construction cost.

This year's *taxes, insurance premiums and other fees* increased to Php86 million from Php61 million in 2008, while *donations and subsidies* decreased from Php504 million to Php267 million. *Advertising and promotion* decreased as well from Php67 million to Php44 million.

Income before non-cash and other income/expense items amounted to Php570 million in 2009, compared to Php647 million in 2008. After considering all *other income and expenses*, BCDA registered Php8.9 million net income, a significant improvement from Php6.7 billion net loss in 2008. Both years were affected by the unrealized foreign exchange gain (2009) and loss (2008) due to Philippine Peso translation of Japanese Yen loan used for the SCTEX project and recognition of depreciation in 2008 and 2009.

FINANCIAL STATEMENTS

Parent Company Statements of Cash Flows

For the Years Ended December 31, 2009 and 2008

	2009	2008 (As restated)
CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES		
Net cash from operating and investing activities	Php 1,826,199,267	Php 1,034,408,658
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash used in financing activities	(490,883,950)	(971,870,432)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(9,284,698)	19,652,409
NET INCREASE IN CASH AND CASH EQUIVALENT	1,326,030,619	82,190,635
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,138,963,290	2,056,772,655
CASH AND CASH EQUIVALENTS AT END OF YEAR	Php 3,464,993,909	Php 2,138,963,290

CY 2009: Cash Flows

The combined net cash from *operating and investing activities* in 2009 amounted to Php1.826 billion or an increase of almost Php800 million from the previous year.

The significant cash inflows came from disposition of transferred properties totaling Php983 million, proceeds from joint venture projects amounting to Php596 million, SCTEX toll collections of Php513 million and receipts of deposit on future redemption and redemption of FBDC shares which amounted to Php2.2 billion and Php1 billion, respectively. On the other hand, cash was largely used for remittance to the Bureau of Treasury for the share of various beneficiaries and for the AFP Modernization Program

which totaled Php1.6 billion, payments made to suppliers/creditors of Php617 million, and payment for operations and maintenance of SCTEX amounting to Php240 million.

Net cash used in *financing activities* totaled Php491 million, resulting primarily from payment of financing charges of Php239 million and dividend remittance to the Bureau of Treasury of Php217 million.

Consequently, *Cash and Cash Equivalents* increased by Php1.3 billion to Php3.5 billion in 2009 from the ending balance of Php2.1 billion in 2008.

Parent Company Statements of Changes in Equity

For the Years Ended December 31, 2009 and 2008

	2009	2008 (as restated)
CAPITAL		
Beginning Balance	Php 67,698,137,932	Php 69,327,388,764
Increase in Assessed Value	7,867,045,418	-
Share in Disposition Proceeds	139,187,219	1,359,280,522
Other Equity Adjustments	(752,432,619)	(2,988,531,354)
Ending Balance	74,951,937,950	67,698,137,932
DONATED CAPITAL	1,137,658	1,137,658
RETAINED EARNINGS		
Beginning Balance	(1,828,192,717)	4,935,840,683
Net Income (Loss)	8,867,022	(6,722,834,238)
Dividend Remittance to the Bureau of Treasury	(216,773,424)	(41,199,162)
Ending Balance	(2,036,099,119)	(1,828,192,717)
TOTAL	Php 72,916,976,489	Php 65,871,082,873

In 2009, the most significant change in Equity was the increase of Php7.8 billion in the assessed value of land assets ready for disposition. Also, dividend remitted to the Bureau of Treasury increased to Php217 million in 2009 from Php41 million in 2008.

ASSET DISPOSITION REPORT

Now on its 17th year, BCDA has continued to manifest its strength as a reliable business partner of the private sector, resulting in the rise of new central business districts in Metro Manila's former military camps. Preparations are now underway for the disposition of the remaining areas in Fort Bonifacio through joint venture mode, as well as areas along the SCTEX alignment, which will bring in more business and employment opportunities.

Disposition Proceeds from BCDA's Asset Disposition Program

Since 1993, BCDA has generated a total of Php46.697 billion from the disposition of Metro Manila camps. Of this amount, 83 percent or Php38.930 billion was derived from the sale of properties, the bulk of which was the sale of a large portion of Bonifacio Global City to Fort Bonifacio Development Corporation (FBDC). Proceeds from joint ventures reached 10 percent equivalent to Php4.472 billion. Lease proceeds amounted to Php3.295 billion.

Disposition proceeds in 2009 increased to Php5.504 billion, 41 percent higher than the previous year's Php4 billion. The sale of former baselands yielded Php3.510 billion or 64 percent of the total. Revenues derived from joint venture projects with realty giants such as Ayala Land, Inc. and Megaworld Corporation amounting to Php1.585 billion made up 29 percent, while leases amounting to Php0.409 billion comprised seven percent.

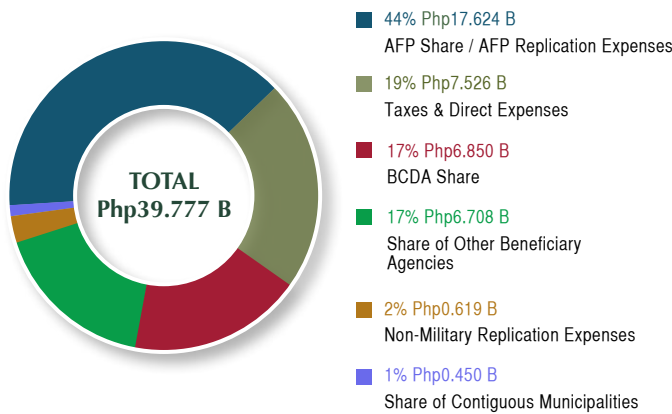
Distribution of Disposition Proceeds

Bulk of the proceeds from the disposition of Metro Manila baselands is remitted to the Bureau of Treasury for the account of the beneficiary government agencies enumerated in the BCDA charter.

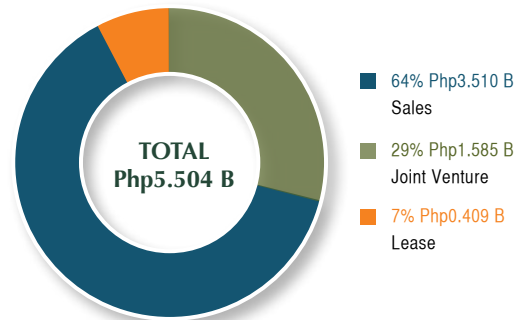
For the period of 1993 and 2009, the Armed Forces of the Philippines (AFP) has received 44 percent of the BCDA's disposition proceeds, or Php17.624 billion. Of this amount, Php8.128 billion has been allotted for the AFP Modernization Program, and Php9.496 billion for the replication of military facilities affected by BCDA's development projects.

BCDA's share amounting to Php6.850 billion was utilized for the conversion of former U.S. military baselands and the construction of major infrastructure projects such as the Subic-Clark-Tarlac Expressway and upgrading of Poro Point airport. The rest of the disposition proceeds was allocated to the following: taxes and direct expenses related to the disposition, Php7.526 billion; share of other government beneficiary agencies, Php6.708 billion; non-military replication expenses, Php0.619 billion; and share of contiguous municipalities, Php0.450 billion.

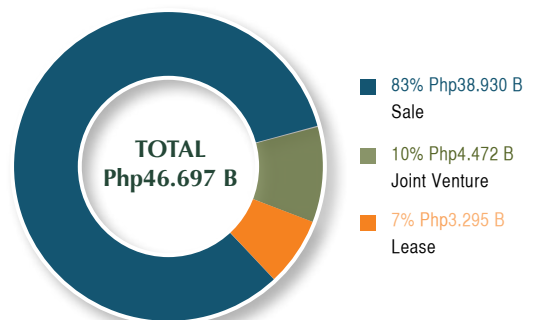
DISTRIBUTION OF DISPOSITION PROCEEDS FOR THE PERIOD OF 1993-2009



MODES OF DISPOSITION FOR THE PERIOD OF JANUARY-DECEMBER 2009



MODES OF DISPOSITION FOR THE PERIOD OF 1993-2009



BOARD OF DIRECTORS



ALOYSIUS R. SANTOS
Chairman

Chairman - Bases Conversion and Development Authority (BCDA) since November 2006
Chairman - BCDA Management and Holdings, Inc.
Chairman - Heritage Park Management Corporation
Vice-Chairman - Fort Bonifacio Development Corporation
Director - John Hay Management Corporation
Adviser to the Board - Clark International Airport Corporation

Aside from his involvement with BCDA, Mr. Santos is a renowned businessman. He is Vice-Chairman of Guidance Management Corporation, a Department of Energy grantee of a 627-sq. km. service area for geothermal development at Kalinga-Apayao, and Executive Committee Member of Global Restaurant Concepts, Inc. (California Pizza Kitchen Philippine Franchisee and P.F. Chang Restaurant Country Franchisee).

He was Vice Chairman of Diner's Club (Phils.). He was an MBA professorial lecturer in Finance at the Ateneo de Manila University from 1980 to 2005 and the De La Salle University from 1973 to 1993. He graduated with a Masters in Business Management at the Asian Institute of Management in 1971 and he has undergraduate degrees from Loyola University of Los Angeles, California and De La Salle College, Manila.



GEN NARCISO L ABAYA (RET)
President and CEO

President and Chief Executive Officer and Vice Chairman - Bases Conversion and Development Authority (BCDA) since November 2004
Vice-Chairman - BCDA Management and Holdings, Inc.
Vice-Chairman - Clark Development Corporation
Director - John Hay Management Corporation
Director - Fort Bonifacio Development Corporation
Adviser to the Board - Clark International Airport Corporation

Prior to his appointment in BCDA, Gen. Abaya served a successful career in the Armed Forces of the Philippines (AFP), culminating with his appointment as AFP Chief of Staff in April 2003 to his retirement in October 2004. He is a distinguished graduate of the US Military Academy at West Point, New York (Class of 1971), and holds a Master in Civil Engineering from Lehigh University in Bethlehem, Pennsylvania, USA. He topped the Civil Engineering Board Examination in February 1974. He finished his Master in Business Administration at the University of the Philippines, where he graduated with honors in 1980.



ISAAC S. PUNO III

Executive Vice President and Director - Bases Conversion and Development Authority since February 1996
President and Chief Executive Officer - BCDA Management and Holdings, Inc.
Director - Fort Bonifacio Development Corporation
Director - Bonifacio Estate Services Corporation
Director - Heritage Park Management Corporation
Director - Rosehills Memorial Management (Phils.) Inc.

Mr. Puno is also the Program Director and head of the Operations and Maintenance Project Management Office of the Subic-Clark-Tarlac Expressway (SCTEX) Project, the country's longest and most modern tollway.

He finished his Master in Business Administration and his Bachelor of Arts degree, major in Economics, from the University of the Philippines in 1976 and 1972, respectively.



RAFAEL JULIAN V. AZANZA

Director - Bases Conversion and Development Authority since May 2001, and Chairman of the BCDA Board's Audit Committee
Director - BCDA Management and Holdings, Inc. (BMHI), also serving as Treasurer of BMHI
Director - Fort Bonifacio Development Corporation
Director - Bonifacio Water Corporation
Director - Bonifacio Gas Corporation

Professor Azanza is a faculty member of the Asian Institute of Management (AIM). He is also presently the Chairman of the Leukemic Indigents Fund Endowment. For years he was a Trustee, then Chairman, of the Dr. Fe del Mundo Medical Center and General Hospital. He holds a Master in Business Administration, major in finance, from the Harvard Business School (1971) and has undertaken doctoral work at the University of the Philippines.



ALVIN P. CAPINO

Director - Bases Conversion and Development Authority since May 2001
Director - BCDA Management and Holdings, Inc.
Director - Bataan Technology Park, Inc.
Director - North Luzon Railways Corporation
Adviser to the Board - Fort Bonifacio Development Corporation

Mr. Capino is a career journalist. He presently writes a bi-weekly political column, *Counterpoint*, for the *Manila Standard Today* and he is one of the hosts and commentators of the daily radio program *Karambola* over DWIZ 882 kHz. He has previously been a columnist and senior reporter for broadsheets *Philippine Daily Globe* and *Today*. He has also been a contributor to *Observer Magazine* and *Philippine Free Press*. He has also worked as political commentator/host in radio stations DZRH, Radio Veritas and DWWW. Other positions he has held include: Chairman and Director of Poro Point Management Corporation and Director of Bonifacio Gas Corporation. He is a graduate of the Ateneo de Manila University where he holds an AB Political Science degree.



GIL E. DIVINAGRACIA

Director - Bases Conversion and Development Authority since June 2009
Director - BCDA Management and Holdings, Inc. since June 2009

Dr. Divinagracia is President and Chairman of the Board of The Optical Shop, Inc. Aside from this, he is Chairman of the Board of Medgen Laboratories, MG Prime Pharmaceuticals, SPEX-American Eye Center; and also President of Eyecare Products, Inc.

A third placer in the 1976 Optometry Board Exam, he has been recognized since by reputable organizations for his contribution in the field of Optometry. Among his awards are as Outstanding Professional in the Field of Optometry (2005) given by the Professional Regulation Commission; and Outstanding Alumnus (1997) given by Centro Escolar University.

He is an active member of Rotary International District 3780, where he is a Past District Governor and District Trainer for Rotary Year 2009-2012.



MAXIMO L. SANGIL

Director - Bases Conversion and Development Authority since November 2009
Director - BCDA Management and Holdings, Inc. since November 2009

Mr. Sangil is a Director of the Clark Development Corporation and a former Director of the Clark International Airport Corporation. From 1988 to 1998, he was a member of the City Council of Angeles and briefly served as City Mayor in 1998.

A veteran journalist who has made a name in the local print and broadcast media, he currently hosts *Talakayan* aired over 95.1 RW, CLTV36 and other cable carriers. He was a reporter of the *Philippine Daily Inquirer*, *Philippine Daily Star* and *Philippine Daily Express* and a radio commentator of DWGV-FM for 10 years. He was formerly a columnist of *SunStar Pampanga* among other Central Luzon newspapers, an editor of the *Angeles Observer* and a consultant to the Philippine Journal Group of Companies.

A past president of the Rotary Club of Angeles, he was recognized as the Most Outstanding Rotarian in 2002 (Rotary District 3790) and Outstanding Club President in 2005.

He has authored the book *Somewhere in Central Luzon* and is currently working on more books.



GERARD R. SENO

Director - Bases Conversion and Development Authority since May 2001
Director - BCDA Management and Holdings, Inc. Director - Bataan Technology Park, Inc. Director - Fort Bonifacio Development Corporation

Mr. Seno is a labor rights advocate. He currently holds the following positions: Vice-President of the Associated Labor Unions for Banking & Allied Industry; Vice-President of the Associated Labor Unions for Building & Construction Industry; Vice President and member of the Board of Directors of the Trade Union Congress of the Philippines and Vice-President of the International Metalworkers Federation-Philippine Council; Vice-Chairman of the Associated Multi-Purpose Cooperative, Inc.; Labor Representative of the Bank Industry Tripartite Council, the Hotel and Restaurant Tripartite Consultative Board and the Construction Industry Tripartite Council; member of the Board of Trustees of the Sugar Industry Foundation, Inc.; and, member of the Tripartite Industrial Peace Council.

He graduated with Bachelor of Laws and Bachelor of Science in Business Administration degrees from the University of San Carlos, Cebu City in 1986 and 1981, respectively.



RENATO C. VALENCIA

Director - Bases Conversion and Development Authority since September 2004
Director - Fort Bonifacio Development Corporation Director - BCDA Management and Holdings, Inc. since September 2004

Mr. Valencia is a former President and CEO of the Social Security System and a former Chairman and CEO of Union Bank of the Philippines. He sits as an independent director in several listed companies.

He finished his Master in Business Management at the Asian Institute of Management in 1971 and his Bachelor of Science degree at the Philippine Military Academy in 1963.



TOP MANAGEMENT & OFFICERS



GEN NARCISO L. ABAYA (RET)
President and CEO

ISAAC S. PUNO III
Executive Vice President
and SCTEX Program Director



From Left:

ATTY. REGINA SALVE R. LAPUZ
General Counsel

ELEANOR L. ATIENZA
Vice President for Corporate Services

VICTOR V. ZABLAN
Vice President for Finance

AILEEN ANUNCIACION R. ZOSA
Vice President for Business
Development and OIC for Operations

MANAGEMENT DIRECTORY

OFFICE OF THE CHAIRMAN

ALOYSIUS R. SANTOS
Chairman
Tel/Fax No. (632) 816-0936

Internal Audit Service Office
MA. LINA P. OCAMPO
Officer-In-Charge
Tel. No. (632) 816-0938

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PATRICK ROEHL C. FRANCISCO
Head Executive Assistant

Corporate Planning Services Department
EDUARDO G. POLICARPIO, JR.
Department Manager
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Technology Department**
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LEILANI BARLONGAY-MACASAIT
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ISAAC S. PUNO III
Executive Vice President
Tel/Fax No. (632) 816-0964

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Officer-In-Charge
Tel/Fax No. (632) 816-1083

JOEL V. BERINGUELA
Department Manager

PLANNING & BUSINESS DEVELOPMENT GROUP

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Project Manager
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Land & Assets Development Department
DEAN J. SANTIAGO
Project Manager
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Department Manager
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Financial Management Services Department
ERLEDA S. SAN JUAN
Department Manager
Tel/Fax No. (632) 818-4683

Treasury & Investments Department
NORMA S. PABUSTAN
Department Manager
Tel/Fax No. (632) 816-1076

OPERATIONS GROUP

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