



*Initial Public Offering – Information Brief*

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Offer Shares	<p>Maximum of 344,930,900 common shares with a par value of P1.00 per share, broken down as follows:</p> <ul style="list-style-type: none"> <li>180,910,900 to 219,930,900 shares - to be re-issued out of the Company's treasury common stock (Primary Offer)</li> <li>Up to 125,000,000 shares - to be offered by the Selling Shareholders composed of FGHC International, AIDEC and Sumitomo Netherlands (Secondary Offer).</li> </ul>
Offer Price	<b>P51.00 to P62.00 per Offer Share</b>
Over-allotment Option	Option granted by the Company to the Stabilizing Agent, UBS AG, exercisable within 30 days from the Listing Date, to purchase additional common shares comprising up to 15% of the Offer Shares to cover over-allotments, if any.
Eligible Subscribers	Any natural person of legal age residing in the Philippines regardless of nationality, or any corporation, association, partnership, trust account, fund or entity residing in and organized under the laws of the Philippines and/or licensed to do business in the Philippines, regardless of nationality, subject to the right of First Gen to reject and application or reduce the number of offer shares applied for subscription or purchase if the same will cause the Company to be in breach of the Philippine ownership requirement under relevant Philippine laws.
Minimum Subscription	100 shares; in multiples of 100 shares thereafter
Use of Proceeds	Proceeds of the primary offer will be used for improvements to existing facilities, investments in capacity expansion, which may include potential acquisitions of power generation facilities and the development of Greenfield projects. A portion of the net proceeds will also be used by the Company for general corporate purposes, including working capital and investments.
Foreign Ownership	Limited to a maximum of 40.0% of the Company's issued and outstanding capital stock entitled to vote
Tentative Timetable	<p>Domestic Offer Period – January 31 to February 6, 2006</p> <p>Listing Date – February 10, 2006</p>

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Important Notice: This report is for information purposes only and is not an offer or solicitation for the purchase or sale of any security. This report does not constitute or contain investment advice. The information contained herein has been obtained from sources believed to be reliable, and its accuracy and completeness is not guaranteed. No representation or warranty, expressed or implied, is made as to the fairness, accuracy, completeness or correctness of the information and opinions contained herein.

## The Issuer

Formerly First Generation Holdings Corporation, First Gen Corporation (First Gen or the Company) is the primary holding company for the power generation and energy-related businesses of the Lopez Group. First Gen is the largest Filipino-owned and –controlled Independent Power Producer (IPP) in the Philippines, with installed capacity of 1,727 MW. It holds interest in four operating power generation projects:

<u>Project</u>	<u>Company's Economic Interest</u>	<u>Installed Capacity (MW)</u>	<u>Offtaker</u>	<u>Fuel</u>	<u>Revenue for 2004 (in Pmillions)</u>	<u>Expiration of Relevant Offtake Agreement</u>
Santa Rita	60.00%	1,000	Meralco	Natural Gas/ Liquid Fuel	25,087	2025
San Lorenzo	60.00%	500	Meralco	Natural Gas/ Liquid Fuel	11,842	2027
Buang	37.30%	225	NPC	Diesel/ Bunker	2,951 <sup>(1)</sup>	2010
Agusan Mini-Hydro	100.00%	1.6	CEPALCO	Hydro	n/a <sup>(2)</sup>	- <sup>(3)</sup>

**Notes:**

(1) The Company's equity in the net earnings of BPPC was P390 million in 2004

(2) Agusan Mini-Hydro was acquired by the Company on March 29, 2005

(3) Long-term offtake agreement is still being negotiated with CEPALCO. Current offtake is governed by a memorandum of agreement that is renewable on a quarterly basis

In addition to its existing operations, the Company is also in the process of evaluating a number of investment opportunities, including Greenfield projects as well as acquiring power generation facilities from both the private sector and as part of the Government's privatisation plan.

As of September 30, 2005, the Company's outstanding common shares were 88.4% beneficially owned by FPHC, with AIDEC FG Power Corporation Limited (7.75%) and Sumitomo Netherlands (3.81%) holding the remaining common shares.

Below is the list of First Gen's board of directors:

Oscar M. Lopez	Chairman of the Board
Peter D. Garrucho, Jr.	Vice Chairman of the Board and CEO
Steve E. Psinakis	Director
Federico R. Lopez	Director, President and COO
Elpidio L. Ibanez	Director
Tony Tan Caktiong	Independent Director
Cezar P. Consing	Independent Director
Francis Giles B. Puno	Director, Senior Vice President and CFO
Richard B. Tantoco	Director and Senior Vice President

## Financial Highlights

<i>(in Php millions, except per share data and percentages)</i>	<i>As of and for the year ended December 31</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
<i>Revenues</i>	<i>22,117</i>	<i>36,435</i>	<i>37,040</i>
<i>Operating Costs and Expenses</i>	<i>12,652</i>	<i>23,275</i>	<i>24,227</i>
<i>EBITDA</i>	<i>9,465</i>	<i>13,160</i>	<i>12,813</i>
<i>Net Income*</i>	<i>3,218</i>	<i>5,328</i>	<i>4,960</i>
<i>Current Assets</i>	<i>17,190</i>	<i>16,428</i>	<i>17,688</i>
<i>Non-Current Assets</i>	<i>62,436</i>	<i>62,159</i>	<i>65,713</i>
<i>Total Assets</i>	<i>79,626</i>	<i>78,587</i>	<i>83,401</i>
<i>Current Liabilities</i>	<i>14,311</i>	<i>12,727</i>	<i>12,974</i>
<i>Non-Current Liabilities</i>	<i>47,540</i>	<i>48,754</i>	<i>49,586</i>
<i>Minority Interests</i>	<i>6,195</i>	<i>5,986</i>	<i>6,994</i>
<i>Stockholders' Equity</i>	<i>11,580</i>	<i>11,120</i>	<i>13,847</i>
<i>Return on Average Equity (%)</i>	<i>27.6</i>	<i>46.9</i>	<i>39.7</i>
<i>Earnings Per Common Share</i>	<i>7.1</i>	<i>11.8</i>	<i>11.0</i>
<i>Book Value Per Common Share</i>	<i>18.7</i>	<i>18.4</i>	<i>24.4</i>

\* In 2004, First Gen was ranked 21<sup>st</sup> in terms of net income according to Business World.

## Summary Investment Considerations

- The generation subsidiaries and BPPC, which operate the Company's principal power generation facilities, have all developed a contractual framework that helps to provide them with predictable long-term cash flows. In particular, the generation subsidiaries have entered into 25-year PPAs with Meralco and a 22-year gas supply agreement with the gas sellers. These agreements contain pass-through provisions which generally protect the generation subsidiaries from external factors, such as foreign exchange rate fluctuations and changes in gas prices.
- The Company believes it is currently in sound financial condition, with strong debt service capabilities, which enhances its ability to implement its proposed expansion strategy. This is evidenced by its ability to secure more than US\$ 1 billion in aggregate in limited recourse financing for the Santa Rita and San Lorenzo Projects, of which US\$ 204 million had been repaid as of September 30, 2005, as well as to issue the Bonds which were rated "Aaa" by Philippine Rating Services Corporation, its highest possible credit rating.
- The Company's majority shareholder, FPHC, is one of the oldest and largest conglomerates in the Philippines, with interests in, amongst others, toll roads and power generation and distribution, including a 17.7% effective ownership interest in Meralco. FPHC is one of the core holding companies of the Lopez Group, which allows the Company to draw on its extensive business network, local business knowledge, relationships and pool of experienced managers and technical personnel.

## First Gen

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- Through the development of the Santa Rita and San Lorenzo plants, the Company has developed relationships with a number of internationally recognized project partners, including subsidiaries or affiliates of BG Group plc of the United Kingdom, Siemens AG of Germany, Royal Dutch Shell plc of the United Kingdom and the Netherlands, Chevron Corp. of the United States and PNOG Exploration Corporation of the Philippines. The Company believes that these relationships will help enhance its abilities with regard to future projects.
- Company's growth into a leading Philippine IPP has been driven by its development of greenfield projects. By developing these projects, the Company has acquired the expertise necessary to assess the suitability of future projects, as well as the credibility and leverage to negotiate competitive terms for project agreements and financing arrangements in connection with future development projects and acquisitions.
- Substantially all of the Company's power generation facilities are located in the Southwestern Luzon region of the Philippines and linked to the Luzon Grid. According to the DOE, as of December 31, 2004, approximately 78.2% of the total installed generating capacity in the Philippines was located in the Luzon Grid. As one of the largest IPPs in the Luzon Grid, the Company believes it is ideally positioned to take advantage of the area's continued economic development.
- Santa Rita and San Lorenzo, which commenced commercial operations in 2000 and 2002, respectively, are in the early stages of their useful lifespan and are among the most efficient in the Philippines.
- The following are possible risks for consideration:
  1. Payments by a single offtaker, Meralco, to the generation subsidiaries account for most of the Company's revenues. If Meralco experiences financial difficulties and is unable to meet its payment obligations, the Company may be materially and adversely affected.
  2. The generation subsidiaries and BPPC are parties to certain disputes and legal proceedings and may, as a result, incur substantial costs and liabilities in relation thereto.
  3. FPHC, which controls the Company, effectively owns 17.7% of Meralco and there may be a conflict of interest in dealings between the Company and its subsidiaries and Meralco.
  4. If either of the generation subsidiaries breaches certain material provisions of its respective PPA, Meralco may purchase their respective power generation facilities at a price that could be substantially below market value.
  5. Increased competition in the power industry, including competition resulting from legislative, regulatory and industry restructuring efforts, could have a significant adverse impact on the Company's operations and financial performance.
  6. The generation subsidiaries are required to "take or pay" for natural gas regardless of whether Meralco has paid the generation subsidiaries under their respective PPAs.