

PHILIPPINE DAILY INQUIRER

BUSINESS

Philcomsat eyes revival of businesses

By Paolo G. Montecillo

SEQUESTERED LISTED FIRM Philcomsat Holdings Corp. is considering to revive its various business segments in 2010 after a decade of dormancy.

In a briefing yesterday, singer-businessman and Philcomsat president Ramon "RJ" Jacinto said the company planned to triple its capital stock to P3 billion from the current P1 billion to accommodate the entry of interested investors.

Among Philcomsat's potential revenue streams include earnings from property development, tourism and the company's return to the telecommunications.

"We can now say that we have a solid company. We have a substantial amount of cash and no liabilities," Jacinto said.

He said the company has about P400 million in cash that could be used for the revival of the company's businesses. "We want to have about half a billion in cash by the end of the year," he said.

Part of the amount would be funded by the subscription to new shares by existing shareholders. The company may also raise funds by seeking the lifting of the ban on the trading of Philcomsat shares imposed by the Securities and Exchange Commission, "hopefully before the year ends," company officials said.

The company's assets include a satellite uplink equipment in Pinugay, Rizal. This facility also sits on a 700-

hectare lot, which company officials said could be developed and sold.

Other assets with the potential to make money for the company included 2.5 hectares of land in Ayala Alabang, a 2.9-hectare property in Pasig City and a large unit at a high-rise in Makati City.

For the first quarter of the year, Jacinto said Philcomsat posted a net income of P5.7 million, mostly from earnings from the company's "conservative" investments in financial markets.

Control of Philcomsat, which is a pioneer in satellite communications in the country, was the subject of a protracted legal battle between the different families which founded the company and the Presidential Commission on Good Government (PCGG).

In an ongoing court case, Philcomsat is asking the Makati regional trial court to hold accountable the Ayala-led Bank of the Philippine Islands (BPI) for the loss of about P100 million of the former's assets.

The dispute arose from Philcomsat's claims that BPI authorized large deposits to be withdrawn by directors who had been elected in 2004 under allegedly questionable circumstances.

"We're trying to hold [BPI] responsible for the release of these funds. This was a well-publicized case and there were big amounts of money involved. Maybe [BPI president Aurelio Montinola III] should have taken better care of the accounts," Jacinto said.