



Euro-Med Laboratories Phil., Inc.

08 July 2008

PHILIPPINE STOCK EXCHANGE

Disclosure Department
PSE Center
Exchange Road
Ortigas Center, Pasig City

Attention : **Atty. Pete M. Malabanan**
Head - Disclosure Department

Re : **News Article : "BOI APPROVES INCENTIVES FOR ₱1.3B EURO-MED EXPANSION"**

Gentlemen :

With reference to the news article that appeared today in the Manila Bulletin regarding the BOI approval with income tax holiday and other incentives for our fuel cell project; please be advised that as of the time of this disclosure, we have not yet received official notification from the BOI regarding the project's approval.

We are looking into the matter and will disclose any official information received.

Thank you.

Very truly yours,


JANICE R. ONG
Corporate Secretary

Bol approves incentives for ₱1.3-B Euro-Med expansion

By BERNIE CAHILES-MAGKILAT

Filipino-owned EuroMed Laboratories Philippines Inc., (Euro-Med) is investing ₱1.324 billion for the installation and operation of a stationary fuel cell with a power generating capacity of 400 kilowatts to supply part of the pharmaceutical firm's electricity requirement.

The Board of Investments has already approved the project on a pioneer status based on the magnitude of the investments entitling the company to

income tax holiday incentives, preferential duty on the importation of its capital equipment, among other perks.

The project is listed in the 2007 Investments Priorities Plan under the Bol's RED (retention, expansion, diversification) program.

The new power plant will supply between 25 to 30 percent of the company's average electrical load. It is expected to start commercial operation in June 2010 employing 979 people.

The company's laboratory facili-

ties are along Aguinaldo Highway in Dasmariñas, Cavite.

Euro-Med, a 99 percent Filipino-owned corporation is primarily engaged in the manufacture of pharmaceutical products and specializes in the production of intravenous fluids. Euro-Med has decided to venture into power generation to reduce its dependence on commercial fuels.

With this project, the firm expects to save at least ₱48 million annually in power and fuel consumption.

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Bol approves...

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The fuel cell will use compressed natural gas (CNG) or hydrogen and combine it with oxygen from the air for the generation of electricity.

According to the Fuel Cell 2000, the main emission or byproduct of the fuel cell is water.

Although there are other gas emissions, these emissions are well within the required environmental parameters and are substantially less than other conventional power generation methods.

Based on measured data, a fuel cell power plant may create less than one ounce of pollution per 1,000-KWH of electricity produced, compared to the 25 pounds of pollutants for conventional combustion generating systems.

Since the technology will only utilize CNG and hydrogen to produce electricity, a decrease on fossil fuel importation is expected and in the process, reducing dependence on said energy resource.

Based on the firm's study, the fuel cell technology is one of the most efficient and environment friendly energy sources. Fuel cell power plants are so low in emissions that some areas of the United States have exempted them from air permit requirements. Moreover, fuel cells are also very quiet, thereby reducing incidences of noise pollution and other externalities.

The publicly-listed company was incorporated on January 29, 1988 and started commercial production in 1991 upon the approval by the Bureau of Food and Drugs.

The company is primarily engaged in the manufacture of pharmaceutical products such as large and small volume parenterals and other solutions. EURO also manufactures sterile water for injection, and other solutions such as ophthalmic, inhalation, irrigation and dialysis.

It is also an exclusive distributor of the Limulus Amebocyte Lysate test in the Philippines, and Abbotts' Venisystem products and receptal liners.