

## IFC has agreed to restructure its investment in Mariwasa Manufacturing

Manila, August 20th, 2007— IFC has agreed to restructure its investment in Mariwasa Manufacturing, the largest ceramic tile maker in the Philippines, as part of its commitment to help the local tile industry.

IFC led a group of lenders in negotiations with company owners to agree on a debt-restructuring deal that includes a new shareholder and management structure as well as focused marketing strategies.

Following the signing of the agreement, Surasak Kraiwitthaicharoen, President of Mariwasa Siam Ceramics, thanked IFC for its leadership in the negotiations with various creditors. He pledged to focus more energy on improving the company's profitability and financial stability by growing the business in the domestic market, as well as overseas. With its revised strategy, the company also plans to tap other markets, including Guam, Indonesia, Japan, Saipan, Singapore, South Africa, and Thailand.

IFC invested \$14.5 million in Mariwasa in 1999. The company defaulted in 2003 amid increased competition, slowing demand, spiraling electricity costs, and loss of market share to imported ceramic tiles.

"The Philippine tile industry is still domestically oriented. With cheaper imports and better availability of alternatives to ceramic tiles, there is a need for more strategic choices in terms of management and markets," said IFC Acting Country Manager Jesse Ang. "With IFC's renewed support, we hope to enhance Mariwasa's efficiency and its ability to find niche markets. This will also contribute to the sector's competitiveness."

About IFC

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments. IFC's vision is that poor people have the opportunity to escape poverty and improve their lives. In FY06, IFC committed \$8.3 billion, including syndications, to 284 investments in 66 developing countries. For more information, please visit [www.ifc.org](http://www.ifc.org).

#### IFC in the Philippines

IFC has been investing in the Philippines for more than 40 years and established an office in Manila in 1977. As of July 2007, the country ranked 17th among IFC's exposures worldwide, with about \$420 million in 27 projects. To complement its growing investments, IFC is also expanding its advisory services to include public-private partnerships and supporting the development of small and medium enterprises. IFC has established an advisory services facility with funding from Australia and Canada. IFC is focusing on Mindanao and in 2006 opened an office in Davao City.