

An aerial night photograph of a large, modern building with a distinctive tower on its roof. The building's facade is illuminated with warm lights, and its windows show interior activity. The surrounding city is visible in the background, with other buildings and streets lit up. A long, curved road with light trails from traffic leads towards the building. The sky is a deep blue, suggesting dusk or dawn.

FINANCIAL AND OPERATING RESULTS

Investors and Analysts Briefing
Quarter Ended March 31, 2018

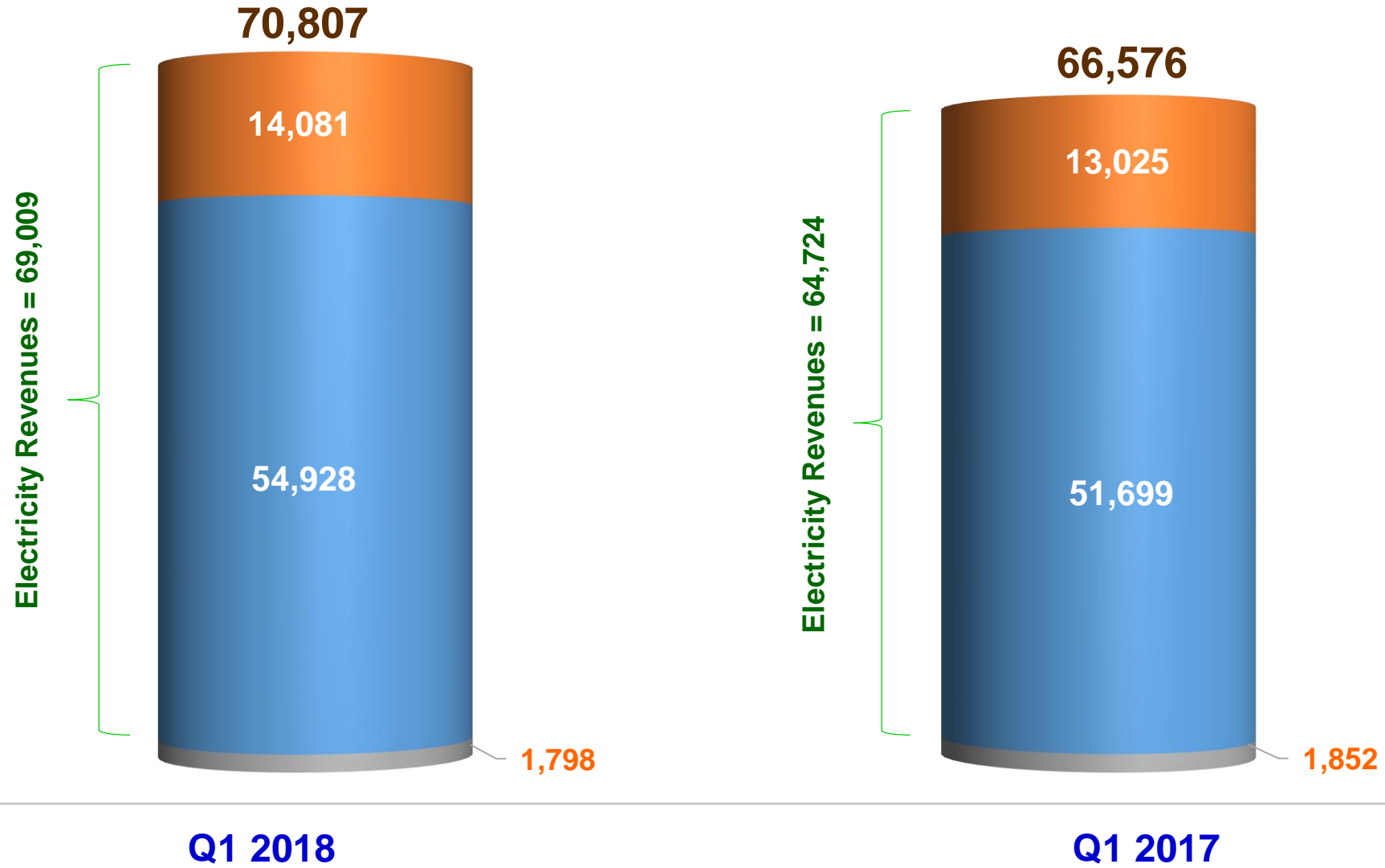
April 30, 2018

FINANCIAL HIGHLIGHTS

Q1 2018



Consolidated Revenues (in Million PhP)



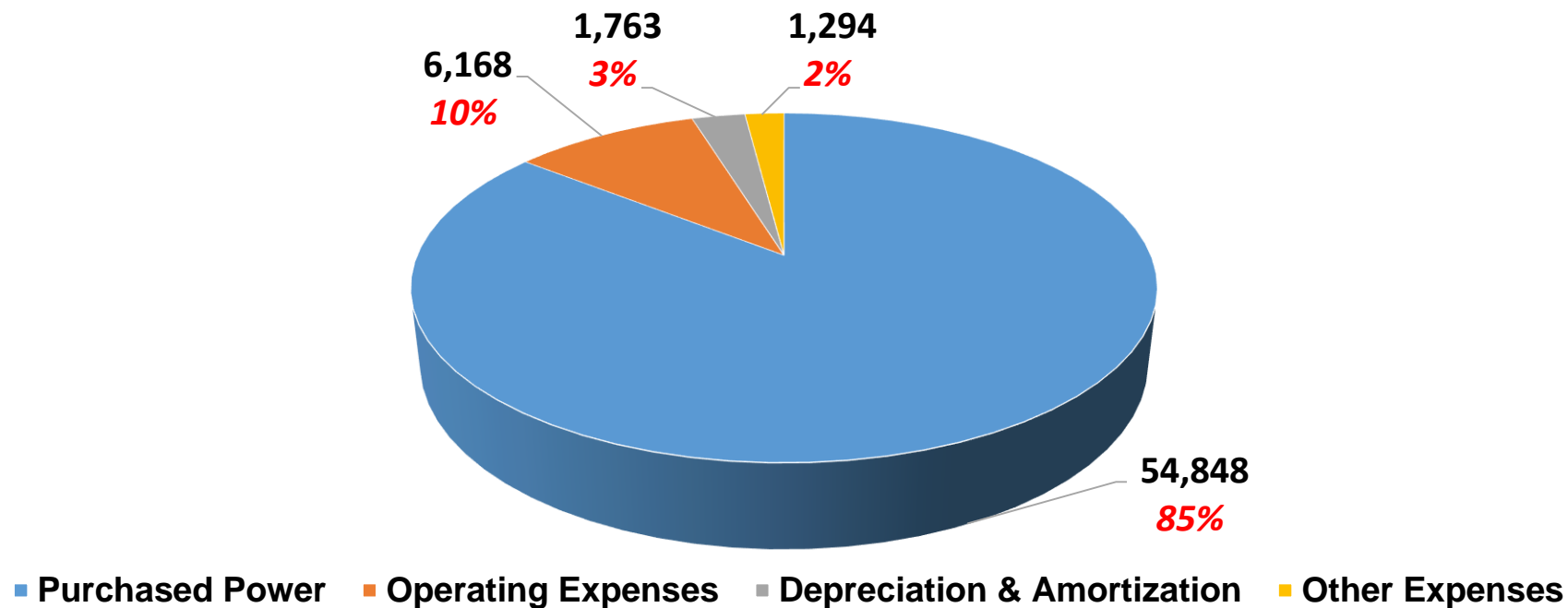
■ Distribution revenues

■ Generation and other pass-through charges

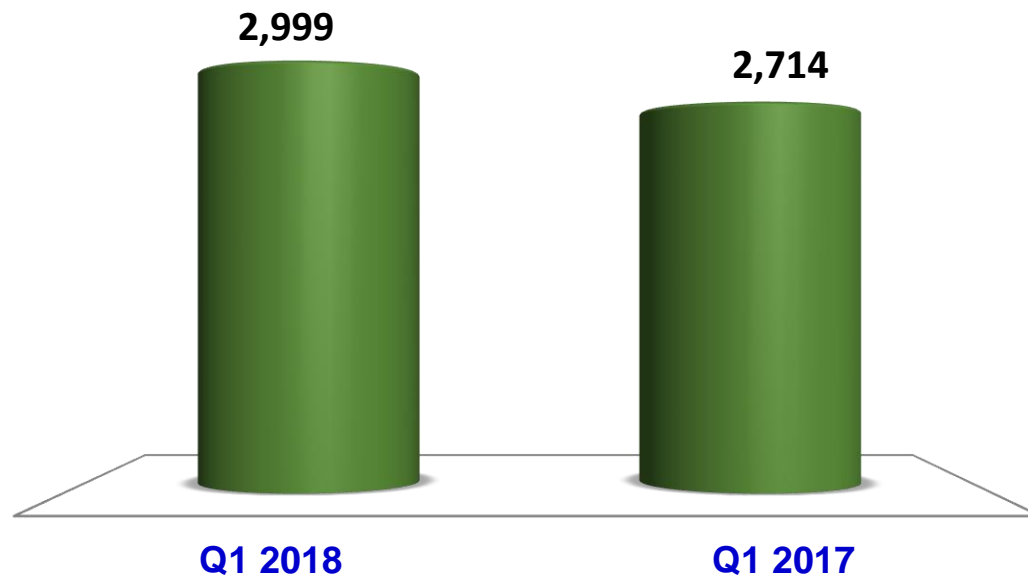
■ Non-electricity revenues

Costs and Expenses/Capital Expenditures (in Million PhP)

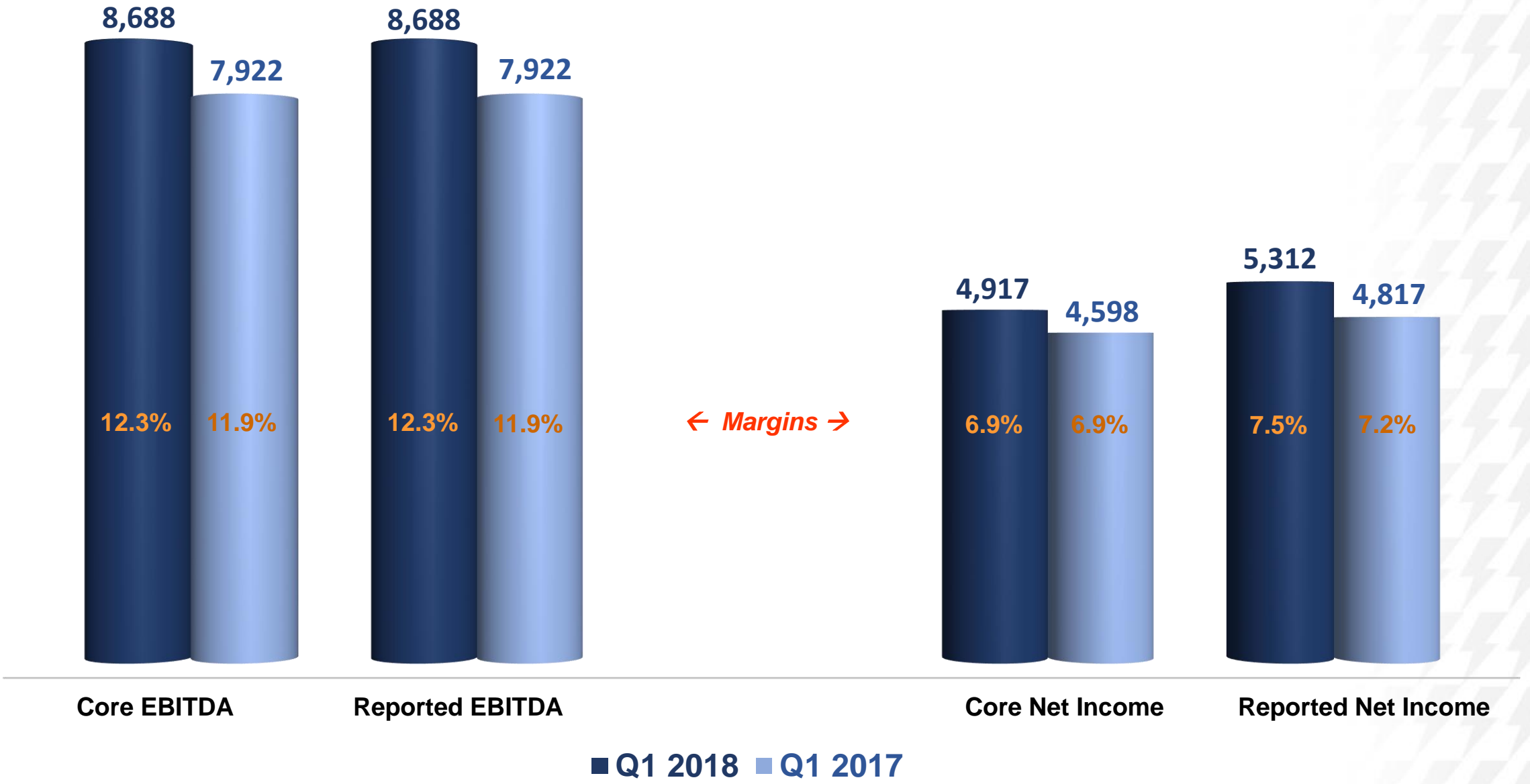
Costs and Expenses



Capital Expenditures



Consolidated EBITDA and Net Income (in Million PhP)

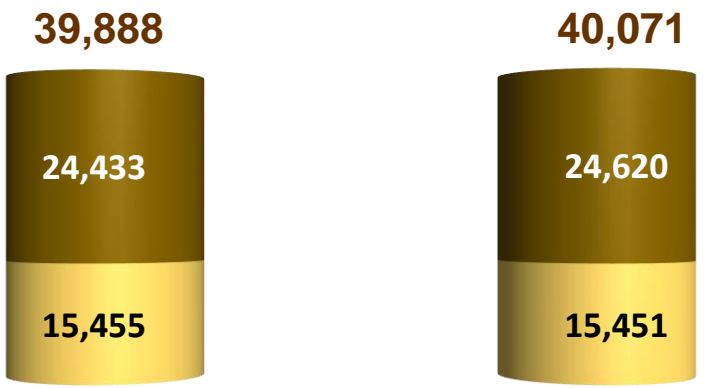


Core and Reported Earnings Per Share (in PhP)



Credit and Debt Profile

TOTAL DEBT (in Million PhP)

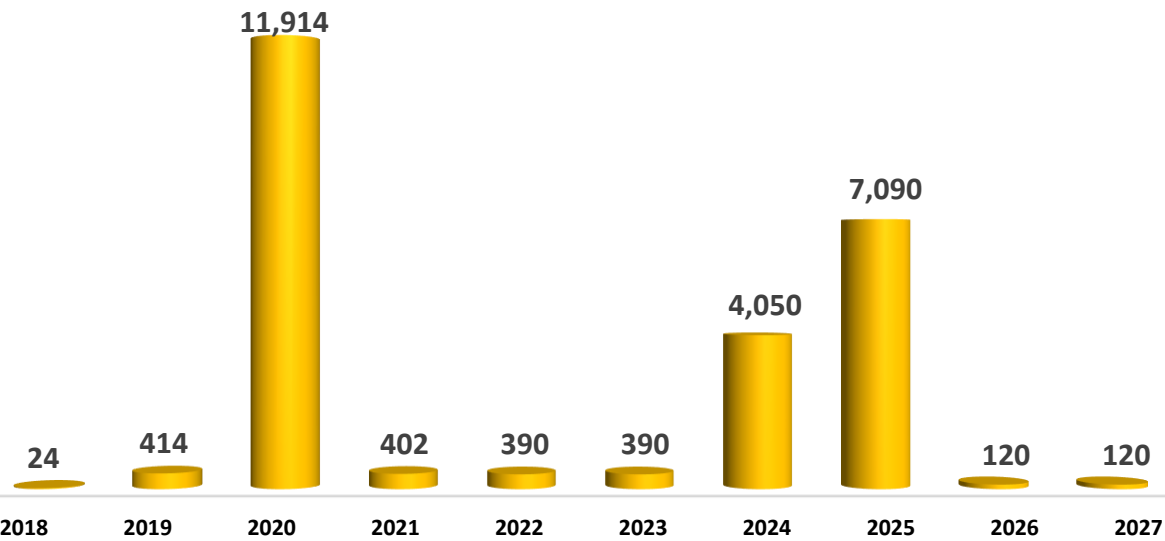


Q1 2018

Q1 2017

■ Current Portion ■ Non-current Portion

LONG-TERM DEBT REPAYMENT SCHEDULE (in Million PhP)



(in Million PhP, Except Ratios)

Q1 2018

Q1 2017

Cash	51,905	49,430
Gross Debt	39,888	40,071
Net Debt	(12,017)	(9,359)
Gross Debt/EBITDA	1.15	1.26
Net Debt/EBITDA	(0.35)	(0.30)
Gearing Ratio	(0.17)	(0.14)
Interest Expense	682	371

OPERATIONS REPORT

Performance ended March 2018



MERALCO

Operating Highlights

1Q 2018

Energy
Sales

↑8.9%*
10,145 GWh

Customer
Count

↑4.8%*
6.40 million

Peak
Demand

↑4.0%*
6,838 MW

Net System
Input (NSI)

↑8.0%*
10,767 GWh

Ave. Retail
Rates

↑7.9%*
P8.46/kWh

S-Factor
& GSL**

Sustained
Service
Improvement

Business
Updates



*vs. same period, previous year

**For GSL, RY2018 Period (July 1, 2017-June 30, 2018); compared with past levels (in the absence of 4RP standards/ reset)

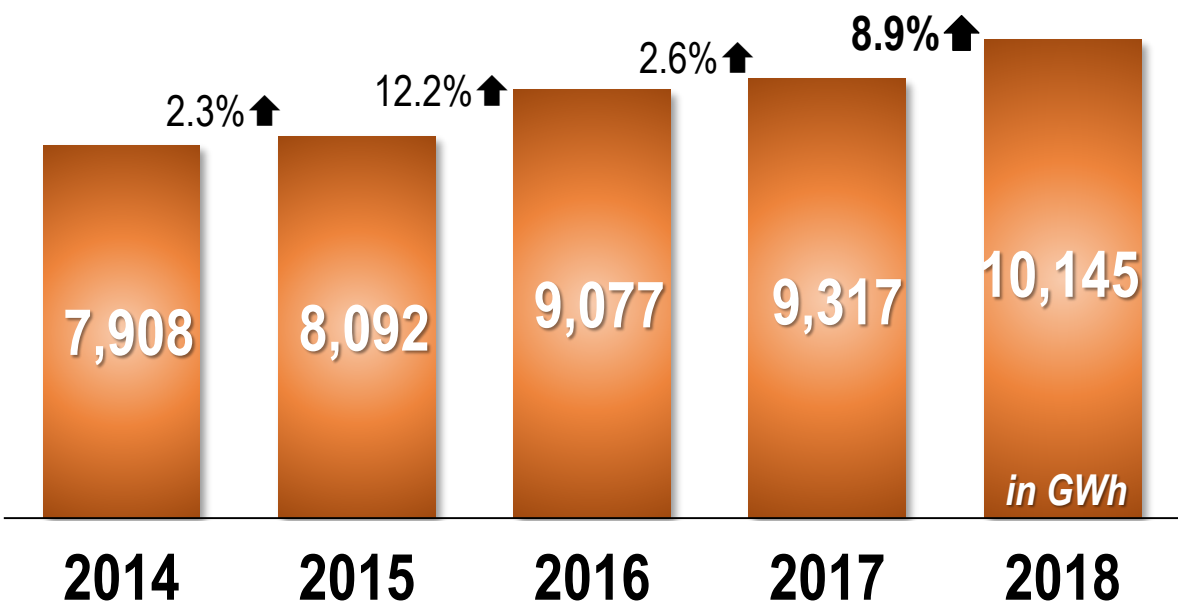
Details

1Q
2018

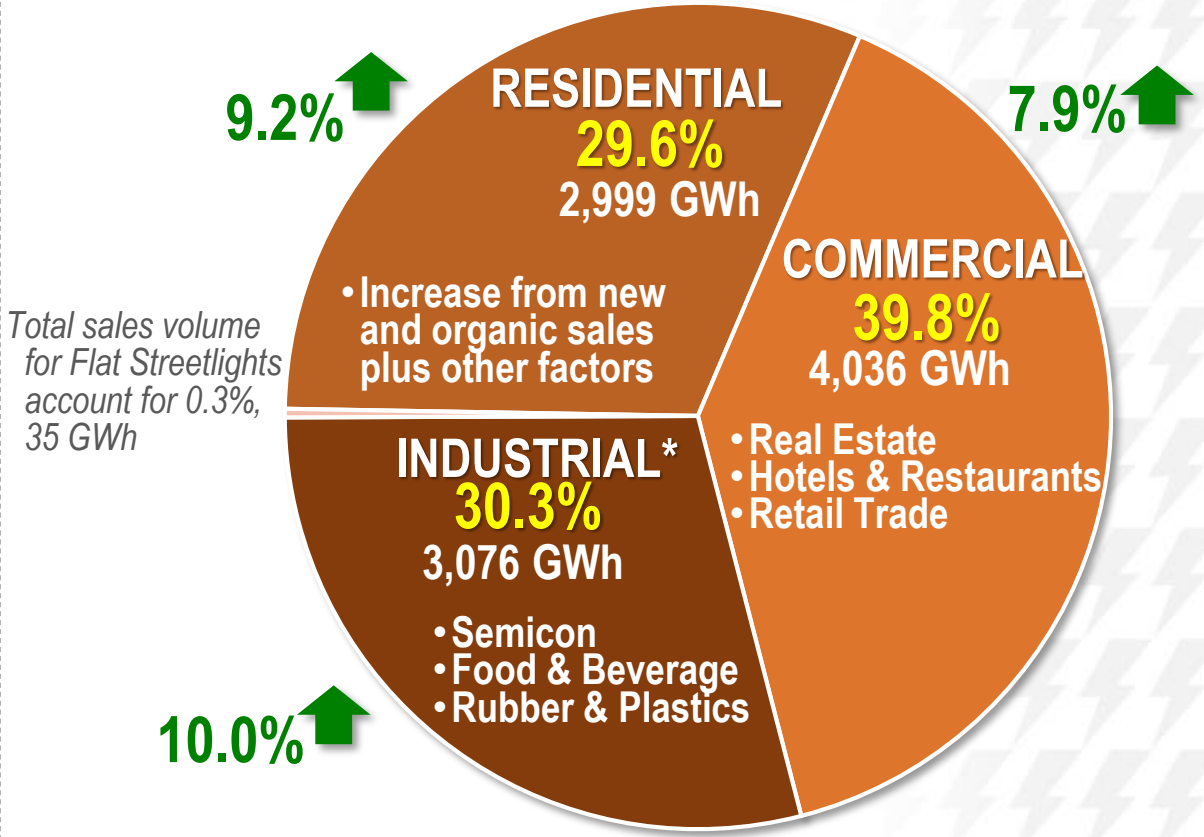


Energy Sales: 1Q 2018

➤ Up 8.9% vs. 2017 (+828 GWh)

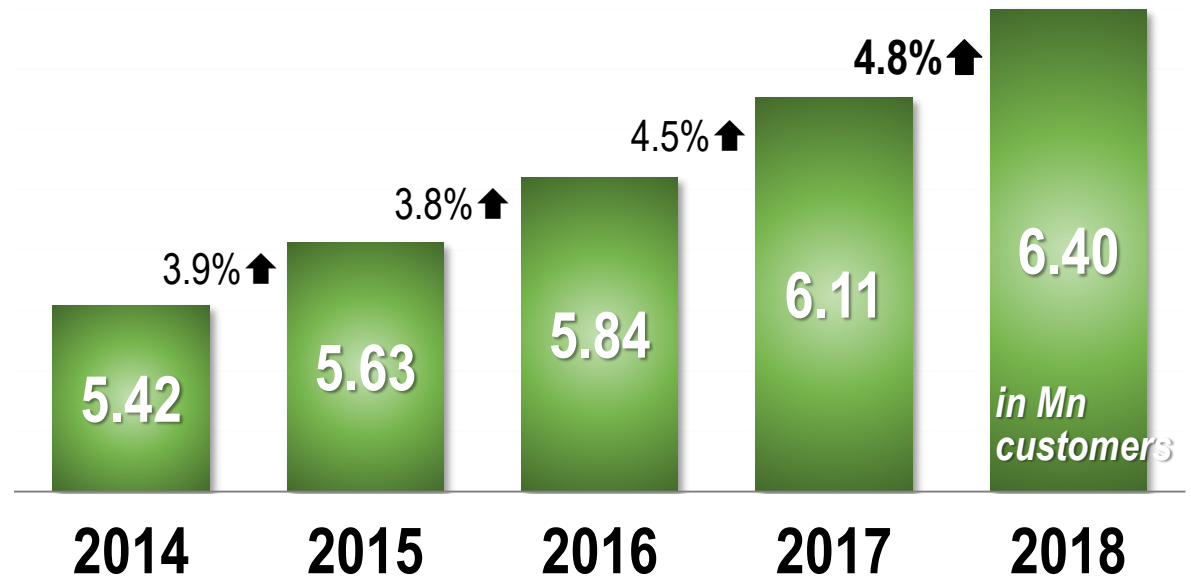


Share / Δ for 1Q 2018:

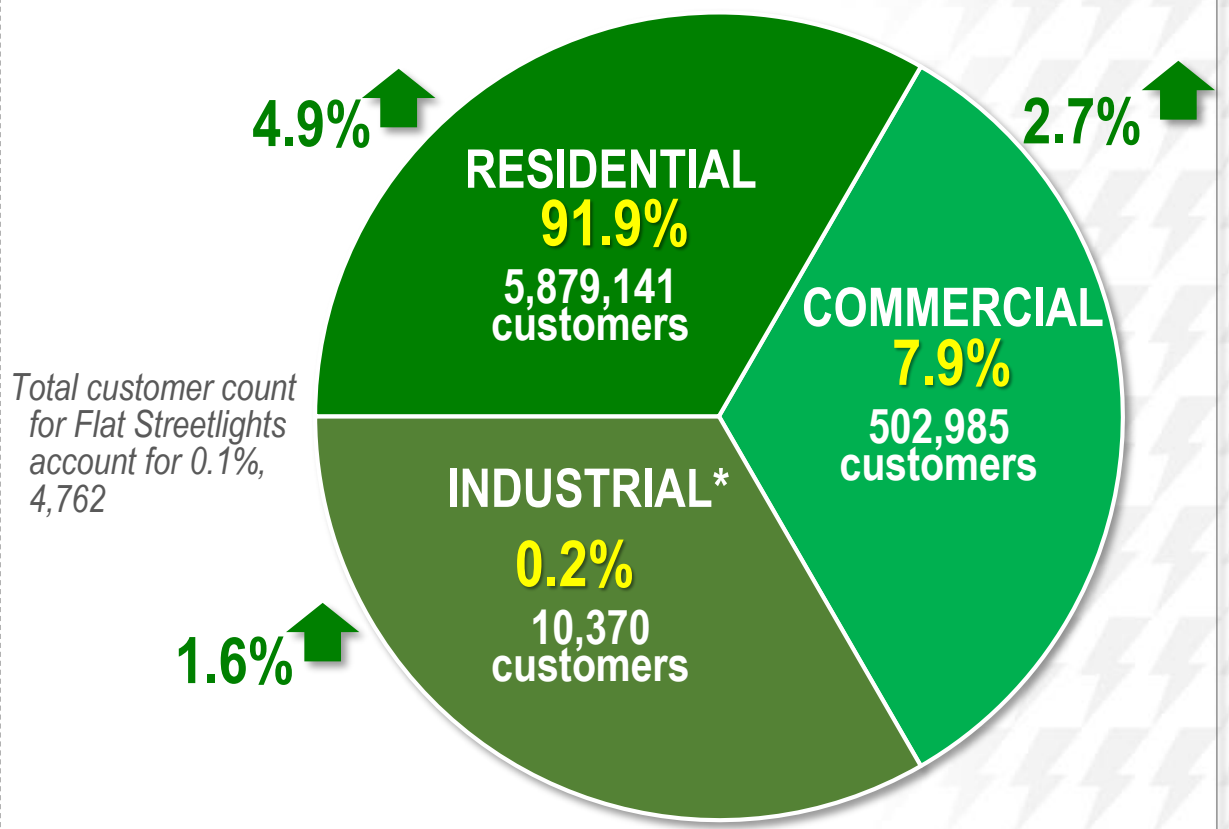


Customer Count: 1Q 2018

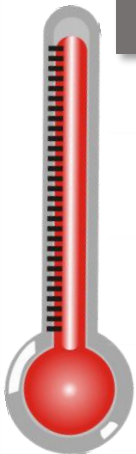
➤ Up 4.8% vs. 2017 (+290,210 customers)



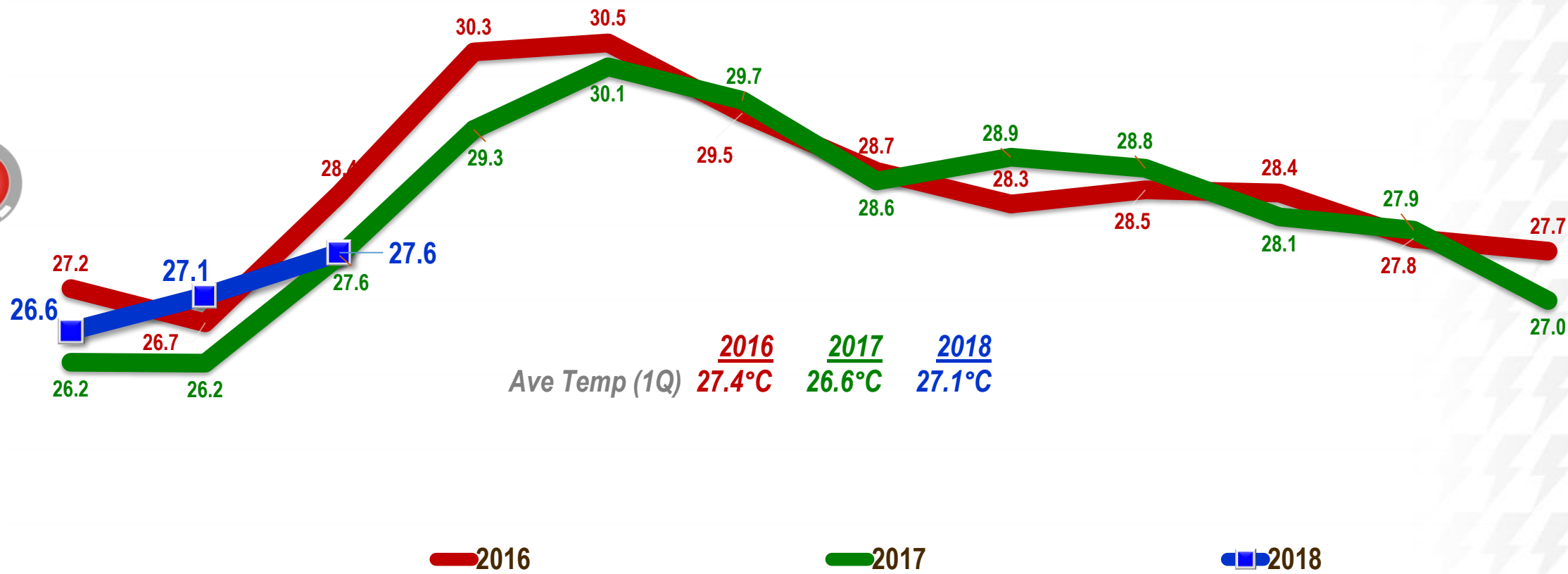
Share / Δ for 1Q 2018:



Ave. Temperature(°C): 1Q 2018



➤ Ave. Temp for same period in 2018 continues to be higher vs. 2017

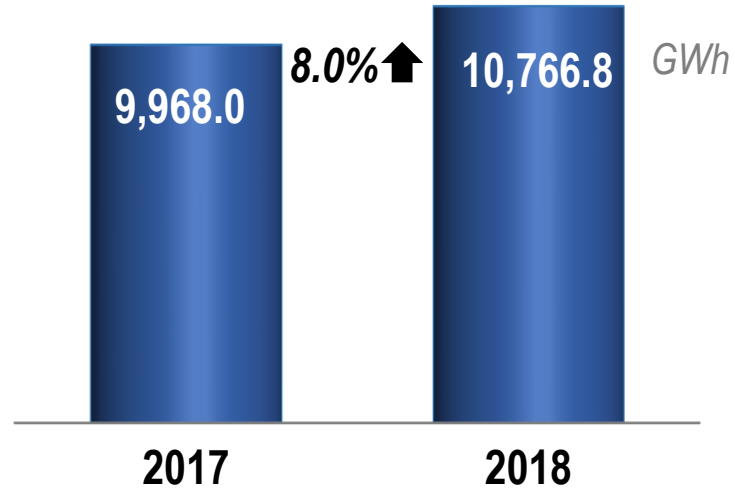


Ave Max Temp (1Q)	2016	2017	2018
	34.0°C	33.7°C	33.9°C



NSI*: 1Q 2018

➤ Up 8.0% at 10,767 GWh



*Net System Input (NSI) includes:

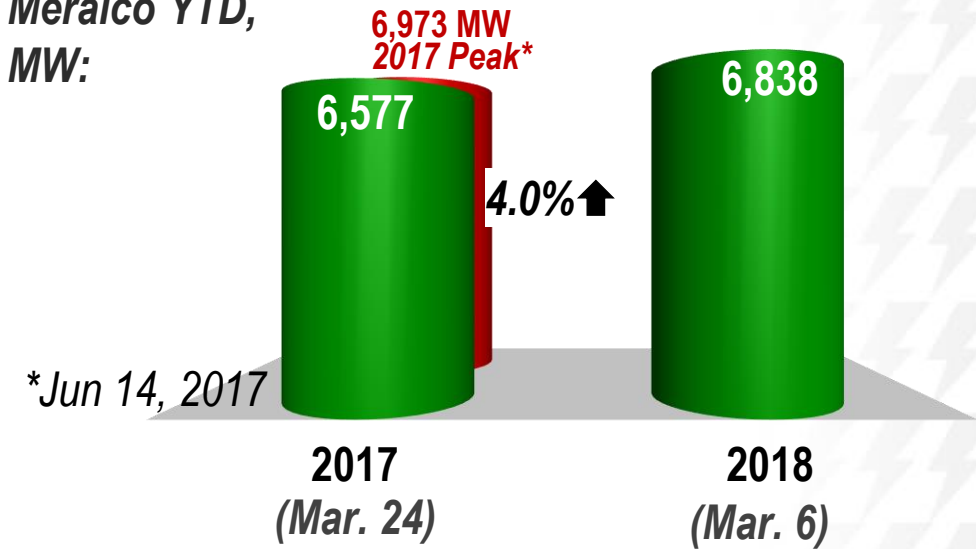
- Power purchases of D.U. (for Captive Customers), its Local RES (for Contestable Customers)
- Other RESs (for Contestable Customers including SDC)
- Volumes for CEZ, Sunpower, Cocomchem Agro-Industrial Park (CAIP)
- Export Energy from Net Metering customers

CONSOLIDATED

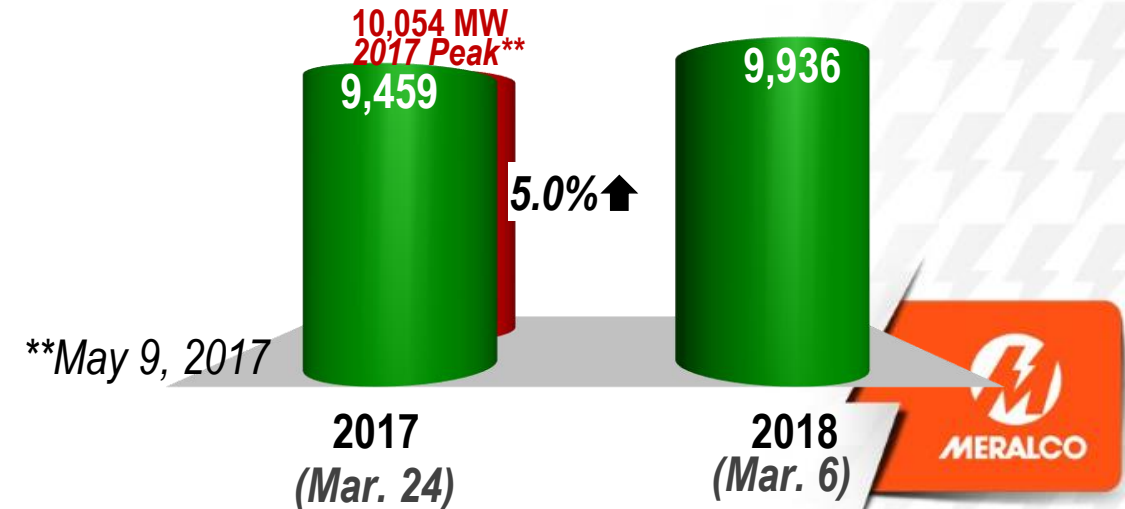
Peak Demand: 1Q 2018

➤ Meralco Peak Demand of 6,838 MW , 4.0% up

Meralco YTD,
MW:

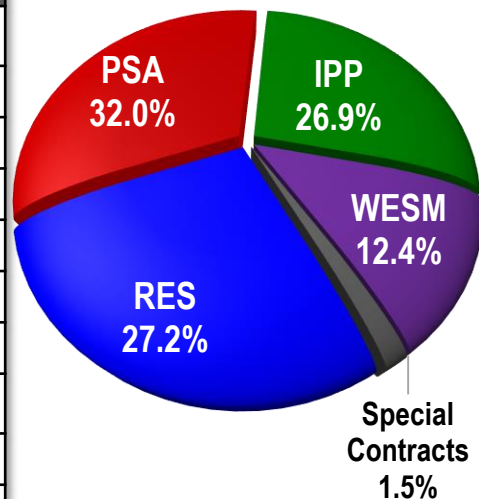


Luzon YTD Peak Demand, MW:



Energy Sources: 1Q 2018

SOURCE	1Q 2018	
	GWh	Share
PSAs-Total	3,444.7	32.0%
SEM-Calaca	248.0	2.3%
MPPC-Masinloc	392.7	3.6%
TLI-Pagbilao	488.2	4.5%
SMEC-Sual + CEDC	698.4	6.5%
SPPC-Ilijan	1,462.6	13.6%
Others*	154.8	1.4%
IPPs-Total	2,899.8	26.9%
QPPL-Mauban	287.6	2.7%
Sta. Rita	1,707.2	15.9%
San Lorenzo	905.0	8.4%
WESM	1,337.8	12.4%
Special Contracts**	159.4	1.5%
RESSs***	2,925.0	27.2%
TOTAL SOURCE (NSI Equivalent)	10,766.8	100%



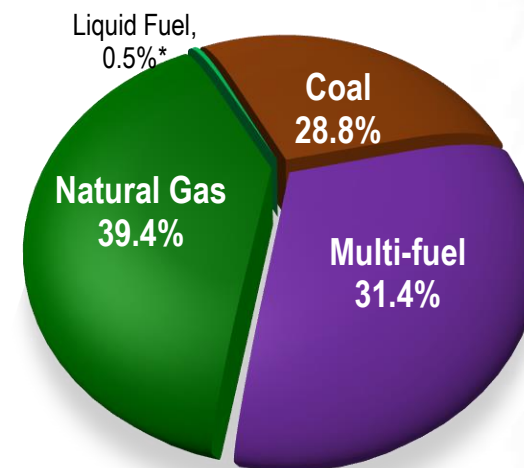
*Include volumes from TMO, PEDC, Philpodeco and Net Metering contracts

**Include volumes for Cavite Economic Zone (CEZ), Sunpower and Coccochem Agro-Industrial Park (CAIP)

***Include volumes for MPower and Other Retail Electricity Suppliers

CONSOLIDATED

Fuel Mix: 1Q 2018



TYPE OF FUEL	1Q 2018	
	GWh	Share
Natural Gas	4,239.5	39.4%
Liquid Fuel*	48.9	0.5%
Coal	3,099.8	28.8%
Multi-fuel**	3,378.5	31.4%
TOTAL FUEL MIX (NSI Equivalent)	10,766.8	100.0%

*Replacement due to SPEX gas restriction (Feb 25-27 & Mar 10-12) and other testing activities (Jan 28, Feb 16-17).

**Coal, Hydro, Biomass, Geothermal, et. al.; includes also WESM, CAIP, Other RESS

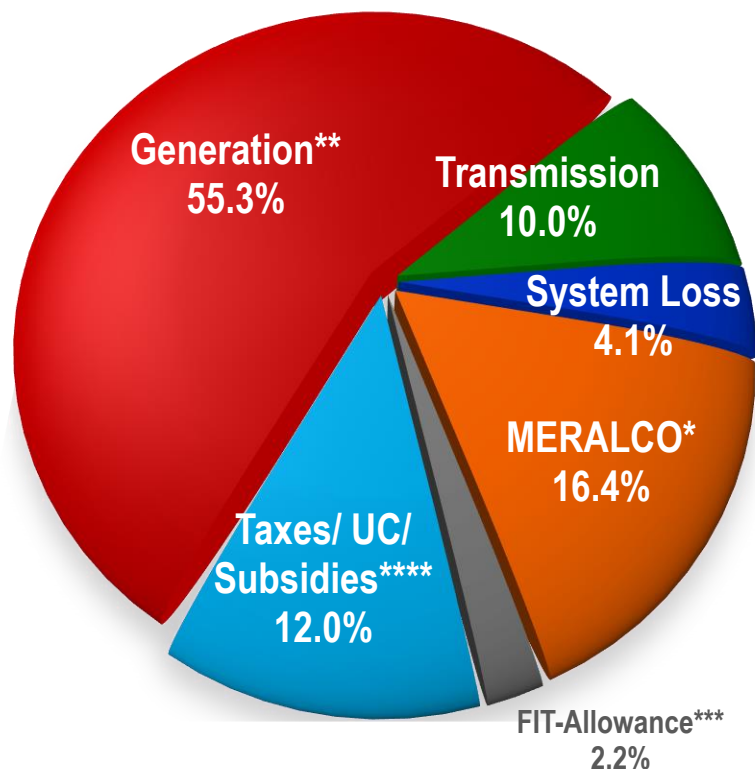


Average Retail Rates: 1Q 2018

(Reflects Generator Wheeling adjustments)

➤ 7.9% higher than 2017 average rates (+62¢/kWh); mainly due to **Generation, Taxes, SL and FIT-All charges**

- For 2018, Generation Charge is largest component in customer's bill at 55.3%; Meralco 16.4%; NGCP 10.0%



BILL COMPONENT	1Q 2017 Overall Ave, P/kWh	1Q 2018 Overall Ave, P/kWh	Δ P/kWh
Generation Charge*	4.21	4.68	0.46
Distribution Charge** (MERALCO)	1.41	1.39	-0.02
Transmission Charge** (NGCP)	0.86	0.85	-0.01
System Loss Charge**	0.33	0.35	0.02
Taxes, Univ Charge**	0.91	1.02	0.10
FIT-All***	0.12	0.18	0.06
TOTAL <i>(includes generator wheeling customers who are only charged Distribution, Supply, and Metering charges)</i>	7.84	8.46	0.62 <i>(7.9% ↑)</i>

*Generation Retail Rate applies to customers supplied by Meralco only

**Other Charges are based on total captive and contestable customers in Meralco Franchise Area

***Excludes contestable customers and Cavite Ecozone (CEZ)- started February 2015



System Loss Performance: March 2018, 12-MMA

➤ 12-MMA ending March 2018 returned to all-time low of 5.91%

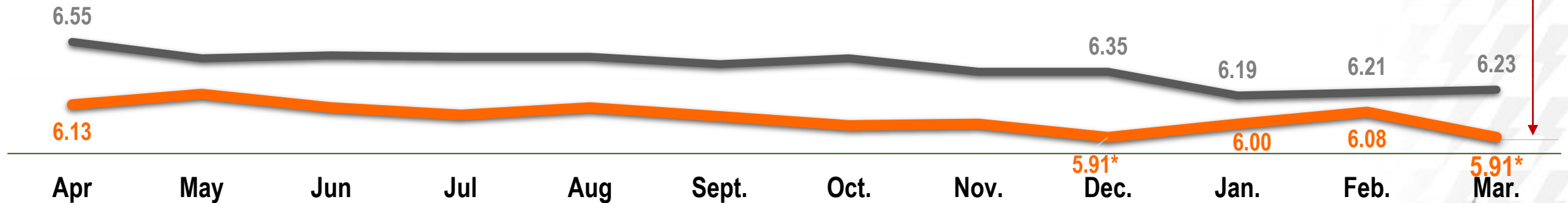
- Improved by 5.1% vs. March 2017's 6.23%
- Lower by 2.59% pts. vs. SL cap of 8.50%

8.5%

SL CAP, 2010-PRESENT

— Apr 2016 - Mar 2017

— Apr 2017 - Mar 2018



2.59%

* Official ERC-filed Meralco System Loss, in percent, which excludes Clark Electric Distribution Corp. (CEDC)'s 12MMA system loss ending March 2018 of 2.37% and March 2017 of 3.12%



* All-time low in 115 years

S-Factor & GSL Performance: 1Q 2018 & RY2018 (for GSL)

➤ **Sustained service improvements** vs. past levels*

SAIFI, Forced and PAI (Times)

TARGET LEVEL	REWARDS (<6.98)	DEADBAND (6.98 – 8.24)	PENALTY (>8.24)
1Q 2018 ACTUAL	0.311		

Ave. Time to Process App. (Days)

TARGET LEVEL	REWARDS (<7.91)	DEADBAND (7.91 – 12.28)	PENALTY (>12.28)
1Q 2018 ACTUAL	3.080		

SAIDI, Pre-arranged (Minutes)

TARGET LEVEL	REWARDS (<126.57)	DEADBAND (126.57 – 198.40)	PENALTY (>198.40)
1Q 2018 ACTUAL	15.419		

Ave. Time to Connect (Days)

TARGET LEVEL	REWARDS (<3.56)	DEADBAND (3.56 – 5.77)	PENALTY (>5.77)
1Q 2018 ACTUAL	2.170		

CAIDI, Forced and PAI (Minutes)

TARGET LEVEL	REWARDS (<144.40)	DEADBAND (144.40 – 168.72)	PENALTY (>168.72)
1Q 2018 ACTUAL	103.598		

Call Center performance (Secs.)

TARGET LEVEL	REWARDS (<13.56)	DEADBAND (13.56 – 21.03)	PENALTY (>21.03)
1Q 2018 ACTUAL	3.880		

Prob. of Voltage Level (% not falling within limits)

TARGET LEVEL	REWARDS (<0.86)	DEADBAND (0.86 – 1.44)	PENALTY (>1.44)
1Q 2018 ACTUAL	0.00		

System Loss (%) -12MMA

TARGET LEVEL	REWARDS (≤ 8.50)	DEADBAND (>8.50)
2018 ACTUAL	5.91	

GSL1 : Customer experiencing a cumulative duration of sustained service interruptions in a Regulatory Year that exceeds the threshold

RY2018 NO. OF INCIDENTS ALLOWED	(CEILING) 373,658 Customers
RY2018 ACTUAL ***	0

GSL2 : Customer experiencing a total number of sustained interruption in a Regulatory Year that exceeds the threshold

RY2018 NO. OF INCIDENTS ALLOWED	(CEILING) 18,989 Customers
RY2018 ACTUAL ***	0

GSL3: Restoration of supply to a customer after a fault on the secondary distribution network taking longer that the threshold time

RY2018 NO. OF INCIDENTS ALLOWED	(CEILING) 234,439 Incidents
RY2018 ACTUAL ***	137

GSL4 : Connection not provided on the day agreed with the customer

RY2018 NO. OF INCIDENTS ALLOWED	(CEILING) 163,995 Days Delay
RY2018 ACTUAL ***	72,978

Note: All actual performances are indicative

*Based on 3RP Targets (4RP standards not yet available).

**With exclusions

*** July 1, 2017 – June 30, 2018

Business Updates & Other Events of Interest

1Q
2018



Business Updates: Strengthening the Core Business: CapEx Projects (for Enhanced Capacity & Power Quality)

Expansion of Balibago 115 kV-34.5 kV Substation (2nd Bank) (RY2018)

Completed: March 26, 2018



- Aims to provide additional capacity and relieve the critical loading of Balibago Bank No. 1, and to improve the reliability and lower system loss of the existing Balibago feeders
- Will benefit our customers in Sta. Rosa, Cabuyao and Biñan in Laguna

Inst'n of 34.5 kV Metalclad Switchgear at NGCP-San Jose Substation (RY2016)

Completed : March 29, 2018



- Aims to unload the critical loading of the adjacent Camarin Bank No. 1, and to improve the reliability and lower system loss of the over-extended Camarin Feeders
- Will benefit customers in San Jose del Monte, Norzagaray, and Sta. Maria in Bulacan as well as the nearby portions of Caloocan City

Expansion of Sta. Maria 115 kV-34.5 kV Substation (3rd Bank) (RY2017)

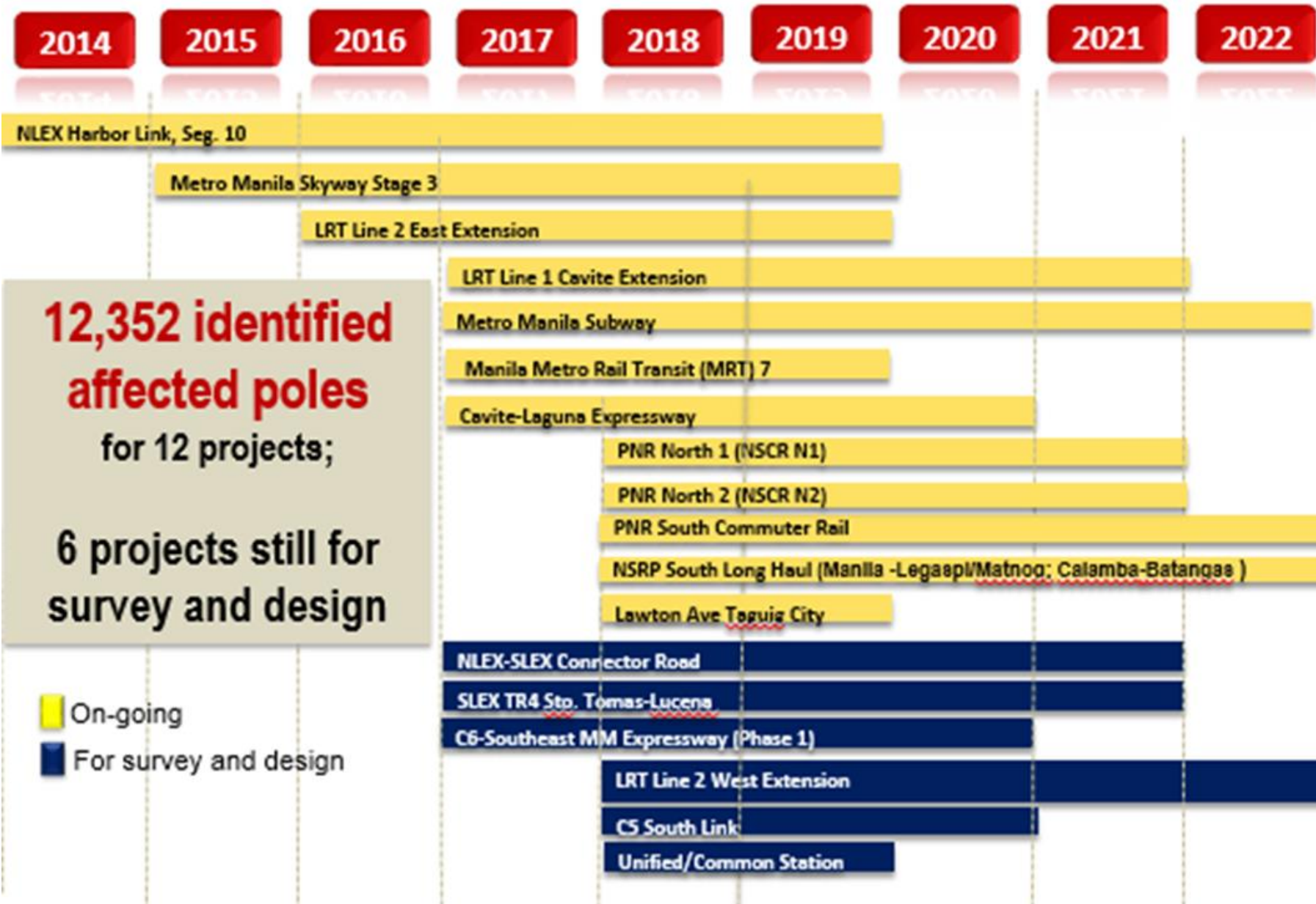
Completed: April 15, 2018



- Aims to relieve the critical loading of Sta. Maria Bank No. 2, and to provide switching flexibility, improve voltage regulation, and lower system loss in the area
- Will benefit our customers in Sta. Maria, Bocaue, Malolos, Balagtas, Guiguinto, Pandi, San Jose del Monte, Angat, and Norzagaray in Bulacan.

Business Updates: Support to Govt. Priority Projs. (Reloc, Reloc, Reloc)

(Update on "BUILD, BUILD, BUILD!")



12,352 identified affected poles for 12 projects;

6 projects still for survey and design

■ On-going
■ For survey and design



Business Updates: Support to Govt. Priority Projs. (Reloc, Reloc, Reloc)

(STATUS OF 46 DOE- SITIO ELECTRIFICATION PROJECTS (DOE E.R. 1-94))

as of March 31, 2018

No.	MOA No.	Area / Province	No. of Sitio Projects	No. of Household	Duration of Project Construction (Days)	Status Update
1	2017EF-005	Bulacan (Norzagaray)	3	121	90	2 projects under construction
2	2017EF-003	Bulacan	4	461	90	3 projects under construction
3	2017EF-001	Batangas	7	493	90	6 projects under construction 1 project completed
4	2017EF-004	Laguna	17	518	150	13 projects under construction 4 projects completed
5	2017EF-002	Quezon	14	687	150	10 projects under construction 4 projects completed
6	2017EF-006	Rizal	1	100	90	Conducted preparatory work for project construction
Total			46	2,380		9 completed; 37 on-going



Information campaign at Brgy. Inaon, Pulilan, Bulacan by Baliwag Business Center



Line works at Sitio Ilaya, Brgy. Antipolo, San Pascual, Batangas



Primary and Secondary Line Stringing at Brgy. Del Valle, San Antonio, Quezon



Pole Dressing at Sitio, Kabaisan, Brgy. Kulapi, Lucban, Quezon

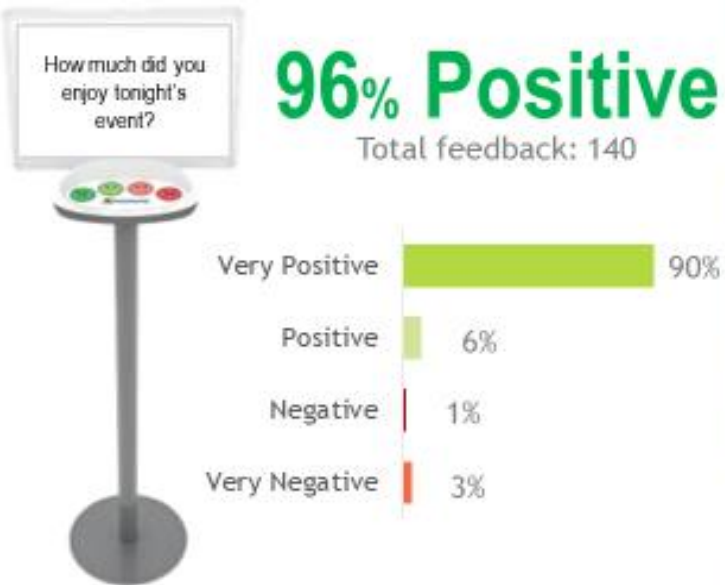
Business Updates: Significant Events/ Customer Initiatives & Programs



WELCOMING OUR
BRIGHTEST FUTURE,
TODAY

MARCH 8, 2018
GRAND BALLROOM, SHANGRI-LA AT THE FORT BGC
ATTENDED BY 433 GUESTS

On-site survey showed 96% positive feedback from customers



THE LUMINARIES

Click on the links to view the Corporate **Commercial** and **Industrial** Luminaries videos

Dear Valued Corporate Partner:

Thank you for joining us in celebrating this year's Luminaries and for making the Awards Night a success.

We would be delighted to receive your feedback.

[Quick Survey](#)

Relive the Luminaries moments.

[See Photos](#)

VICTOR S. GENUINO
Vice President and Head,
Corporate Business Group

MERALCO
CORPORATE

Business Updates: Significant Events/ Customer Initiatives & Programs



Philippine National Police
12 February 2018



Highlights:

- Implement energy efficiency measures in police stations, i.e., preventive maintenance, proper use of ACU
- HQ to study Net Metering
- 50 Attendees: Logistics officers from various PNP units
- 90% Satisfaction rating among attendees



Cold Chain Association of the Philippines (CCAP)
22 March 2018



Highlights:

Meralco's UED discussed:

- Impact of TRAIN law on electricity costs
- Updates on EPIRA law
- Updates on systems loss reduction

While BIZ presented the offerings of Meralco Biz Partners (POP, Channel Partnership Program)

Business Updates: Significant Events/ Customer Initiatives & Programs

MERALCO HOME & MICROBIZ PARTNERS

ENERGIZING PARTNERSHIP PROGRAMS (EPP)

Bay, Laguna March 12

- Community Electrification
- Upgrade of electrical facilities
- Power Up forums
- EMC Conversion

Ternate, Cavite March 5

- Streetlight projects
- Extension of electrical facilities
- Brigada Eskwela
- CSR programs.
- Power-Up Forums

Sariaya, Quezon March 22

- Job fair
- RAISE projects for 39 barangays = 2,083 HH

STRATEGIC PLANNING



Luisiana, Sta. Cruz, and Victoria, Laguna March 26

★ Highlights:

- Community Electrification- DOE project
- Solar Project amounting to Php 2.2M for Municipal Hall Building (LUISIANA)
- Ongoing Relocation Site
- Brigada Eskwela
- Meralco as part of CLUP committee
- Solar Project for Municipal Hall Building (VICTORIA)

STRATEGIC PLANNING



Tiaong, Quezon March 19

★ Highlights:

- Additional Secondary Wires for the 13 PCAs - with budget already as per LGU
- Membership in the Municipal Disaster Risk Reduction Management Office
- Participation in the Mais Festival this June 2018
- Brigada Eskwela in selected schools of Tiaong, Quezon
- Relocation of Poles along Maharlika Highway and Maintenance of sagging wires

Business Updates: Significant Events/ Customer Initiatives & Programs



BRIGHT IDEAS FOR RESIDENTIAL CUSTOMERS

Educate customers on appliances / gadgets and technologies; Tie up with manufacturers to encourage customers to use



WHIRLPOOL Intellifresh Ref: 7 day guaranteed freshness, fast ice making, low energy cost

- a. Oct 2017 – Mar 2018
- b. P9.15/ day cost to operate
- c. Communicated via
 - a. Bill ad (801-2000kWh)
 - b. Bill insert (2001 kWh up)
 - c. Gate banners
 - d. Meralco FB page



PHILIPS partnership

- a. Appliance highlights
- b. Feb – Apr 2018
- c. Communicated via
 - Bill ad (2,001kWh up)
 - Bill insert (801-2000kWh)
 - Gate banner
 - Meralco FB

Appliance	Cost per use		SRP	Discount
Steam Iron	P2.93	per hour	P8,995	P1,799
Pressurized Steam Generator	P4.36	per hour	P18,995	P3,799
Rice / multi cooker	P2.69	per use = 32 min	P5,995	P1,199
Pressure cooker	P5.25	per use = 52 min	P8,995	P1,799



Business Updates: Significant Events/ Customer Initiatives & Programs

MERALCO ADVISORY RATES INFO CAMPAIGN



For typical Residential customer consuming 200 kWh, increase of P0.97/kWh due to increase in generation charge. To make payments more manageable, Meralco only charged an increase of P0.85/kWh for March.



TV
August 11

Radio
August 12

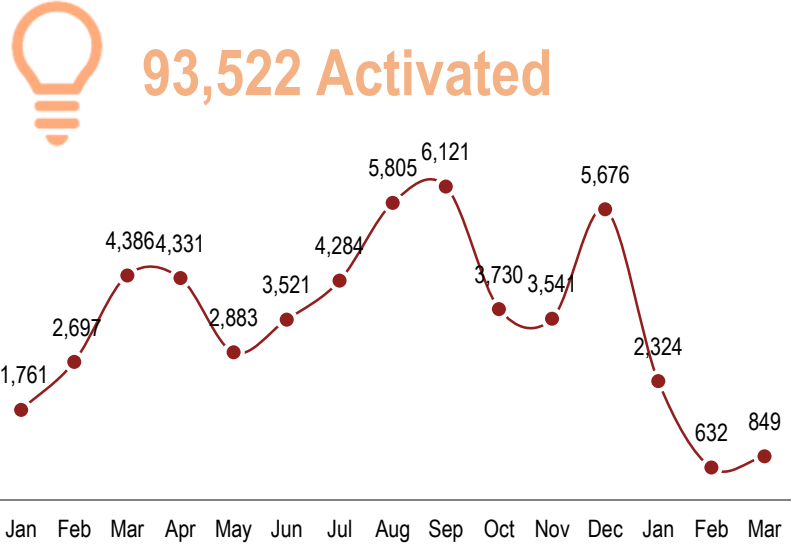
Email
Aug 12: email to CBG customers

Digital

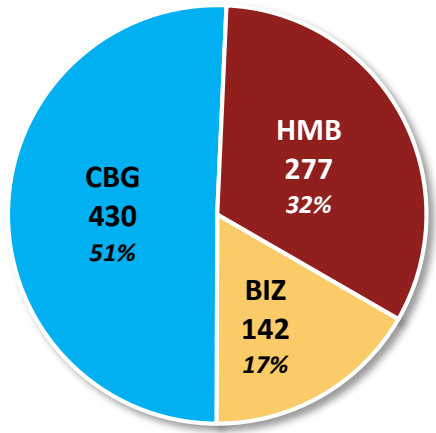
Engagement Rates:
FB: 6.27%
Twitter: 0.39%

Engagement rate = (# of replies + retweets) / (# of reach)
Industry standard: 0.35% (FB) and 0.70% (Twitter)

KURYENTE LOAD PREPAID ELECTRICITY SUSTAINED LOW KEY AND TARGETED INFO CAMPAIGN



849 customers have been activated by Mar 2018



POWER IDEAS CUSTOMER PROGRAMS EVolution to a cleaner future



Mitsubishi, DENR, DTI, MServ, & Meralco

- February 15, 2018
- Unveiling of DENR EV power station, one of 3 power station projects
- DENR Central Office, Quezon City
- Feature articles appeared in websites of TopGear Philippines and NewsBytes Philippines

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PROJECT UPDATES

30 April 2018

San Buenaventura Power Limited Co. (SBPL)

29

455MW (net) Supercritical Coal-Fired Power Plant in Mauban, Quezon

- Construction of the country's first super-critical coal-fired power project is now on its 28th month and is expected to be completed in mid-2019.



Boiler, Control Building, STG & Transformer



SWFGD Aeration, Intake Structure, Water Treatment and Electrical Control Building



Atimonan One Energy, Inc. (A1E)

30

2x600 MW Ultra Supercritical Coal-Fired Power Plant in Atimonan, Quezon

- The PSA with Meralco was submitted to the ERC in April 2016. Public hearings, Technical Working Group (TWG) review and assessment of the tariff already completed.
 - A1E is focused on securing approval of the PSA. Project economics and timeline can only be sustained if financial close is achieved within Q3 2018 and start of project construction shortly afterwards.
- Evaluation of the EPC bids from contractors is essentially concluded; negotiations to finalize agreements with the preferred contractor are ongoing.
- Signed mandate Letter in place for up to Php107.5B from a group of 8 local banks.

Atimonan One Energy, Inc. (A1E)

31

2x600 MW Ultra Supercritical Coal-Fired Power Plant in Atimonan, Quezon

- A1E has an executed Connection Agreement with the NGCP and an ERC-approved transmission line (from Atimonan Power Plant site to the New Pagbilao Substation).
 - A Memorandum of Understanding with MIESCOR for the construction of the transmission line is also in place.
- The project is classified as a Committed Project by the DOE; has secured DENR's Environmental Compliance Certificate (ECC) and has been issued Certificate of Registration as a Preferred Pioneer Enterprise by the Board of Investments (BOI).
- The project is a key component in ensuring the country has sufficient, cost-competitive and highly efficient power capacity for the future.

Atimonan One Energy, Inc. (A1E)

32

2x600 MW Ultra Supercritical Coal-Fired Power Plant in Atimonan, Quezon

- MGen established a Joint Venture with the Electricity Supply Board of Ireland (ESBI), a leading third party service provider in O&M services worldwide, that will allow for a transfer of skills and expertise to A1E/MGen over the life of the JV.
- Regular CSR activities are in place for the benefit and development of the affected communities and the LGU.
- A1E is also facilitating proper municipal planning so that there will be a blueprint of programs/plans for the municipality to execute when the incentives and taxes from the project materialize.
- Construction of a 1.6-km access road to the project site has been completed and turned over to the provincial government.



Redondo Peninsula Energy, Inc. (RP Energy)

33

2x300 MW CFB Coal-Fired Power Plant in Subic, Zambales

- 225-MW Power Supply Agreement (PSA) with Meralco submitted to ERC for approval in April 2016. Public hearings, Technical Working Group (TWG) review and assessment of the PSA and the tariff, and other processes completed in end-April 2017. The ERC did not resolve the application at the end of 2017.
 - This restricted RP Energy's ability to issue an NTP to the EPC Contractor; and led to the Company's inability to achieve financial close.
 - The Company still awaits the final ERC resolution on the application.
- RP Energy is implementing activities to preserve the condition of the project site in fulfillment of its obligations to the Subic Bay Metropolitan Authority.
- RPE remains committed to the execution of the project. RPE is classified as a Committed Project by the DOE, has the Environmental Compliance Certificate (ECC) from DENR and approved and registered by BOI as a Preferred Non-Pioneer Enterprise.



St. Raphael Power Generation Corporation (SRPGC)

34

2x350 MW Pulverized Coal-Fired Power Plant in Calaca, Batangas

- MGen and Semirara Mining and Power Corp. entered a Joint Venture Agreement for a 50-50 stake in the planned 2x350 MW coal power plant in Calaca, Batangas in 2016.
- A PSA was signed by SRPGC and Meralco in April 2016 for 400 MW of the capacity of the plant. The PSA is awaiting approval by the ERC.
- An Environmental Compliance Certificate (ECC) for the project is already secured.
- Grid Impact Study for the proposed transmission line interconnection already approved by the NGCP.
- Development activities for the project are ongoing.

Other Investments

35

GLOBAL BUSINESS POWER CORPORATION (GBPC)

- MGen holds 14% equity interest in GBPC, the largest independent power producer in the Visayas with an existing portfolio totaling 854 MW (coal and diesel plants).
 - GBPC has a 50% interest in Alsons Thermal Energy Corporation (ATEC).
 - ATEC holds a 75% interest in a 105-MW net CFB plant in Maasim, Sarangani that started operations in 2016; Another 105-MW CFB unit is currently under construction and targeted to be completed by 2019.

PACIFICLIGHT POWER PTE LTD (PLP)

- PLP has been operating a 2x400 MW natural gas facility in Jurong Island, Singapore since February 2014. The facility supplies electricity to industrial and retail customers in Singapore.
- MGen holds an effective 28% equity interest in PLP.



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