

FINANCIAL AND OPERATING RESULTS



Investors and Analysts Briefing
Quarter Ended March 31, 2016

April 25, 2016



OPERATIONS REPORT

Performance ended
March 2016



Investors Briefing
April 25, 2016

1Q 2016 Operating Highlights

↑12.2*

+985 GWh

Energy Sales

↑3.8%*

+215,530
customers

Customer
Count

↑12.4%*

+684 MW

Meralco
Peak Demand

↑12.2%*

+1,060 GWh

Net System
Input

↓14.7%**

P7.58/kWh

Ave. Retail
Rates

Within
Regulatory
Limits

S-Factor
& GSL***

Business
Updates

*vs. same period, previous year

**vs. 4Q 2015 Ave. Rates

***RY2016 Period (July 1, 2015-June 30, 2016)

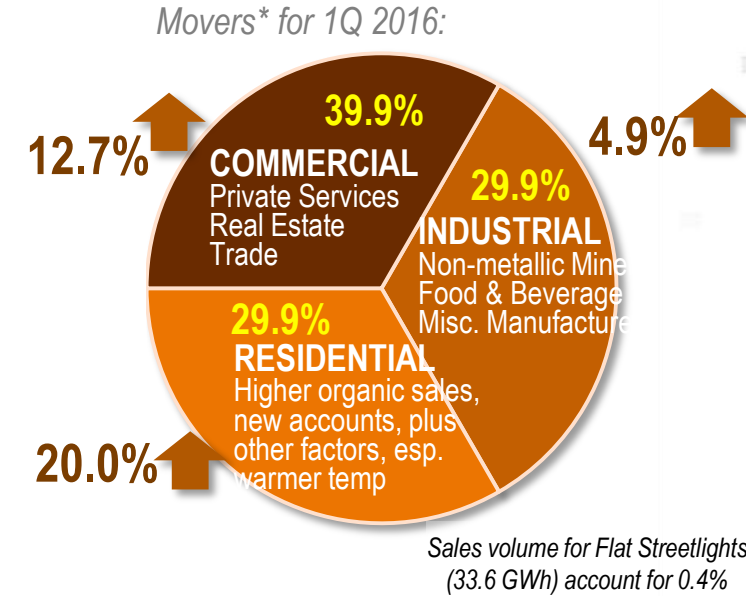
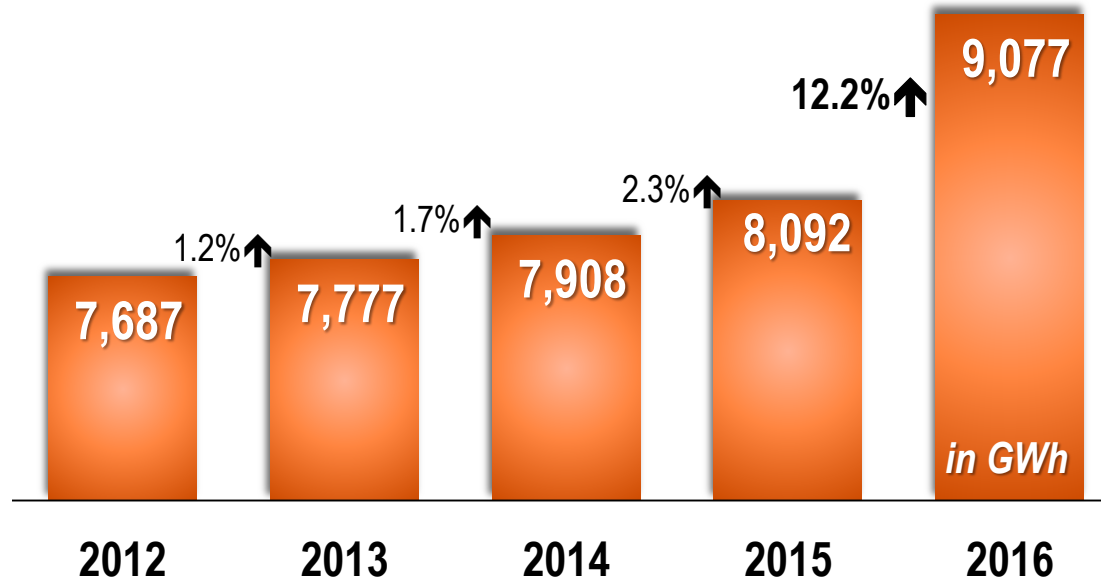


Details



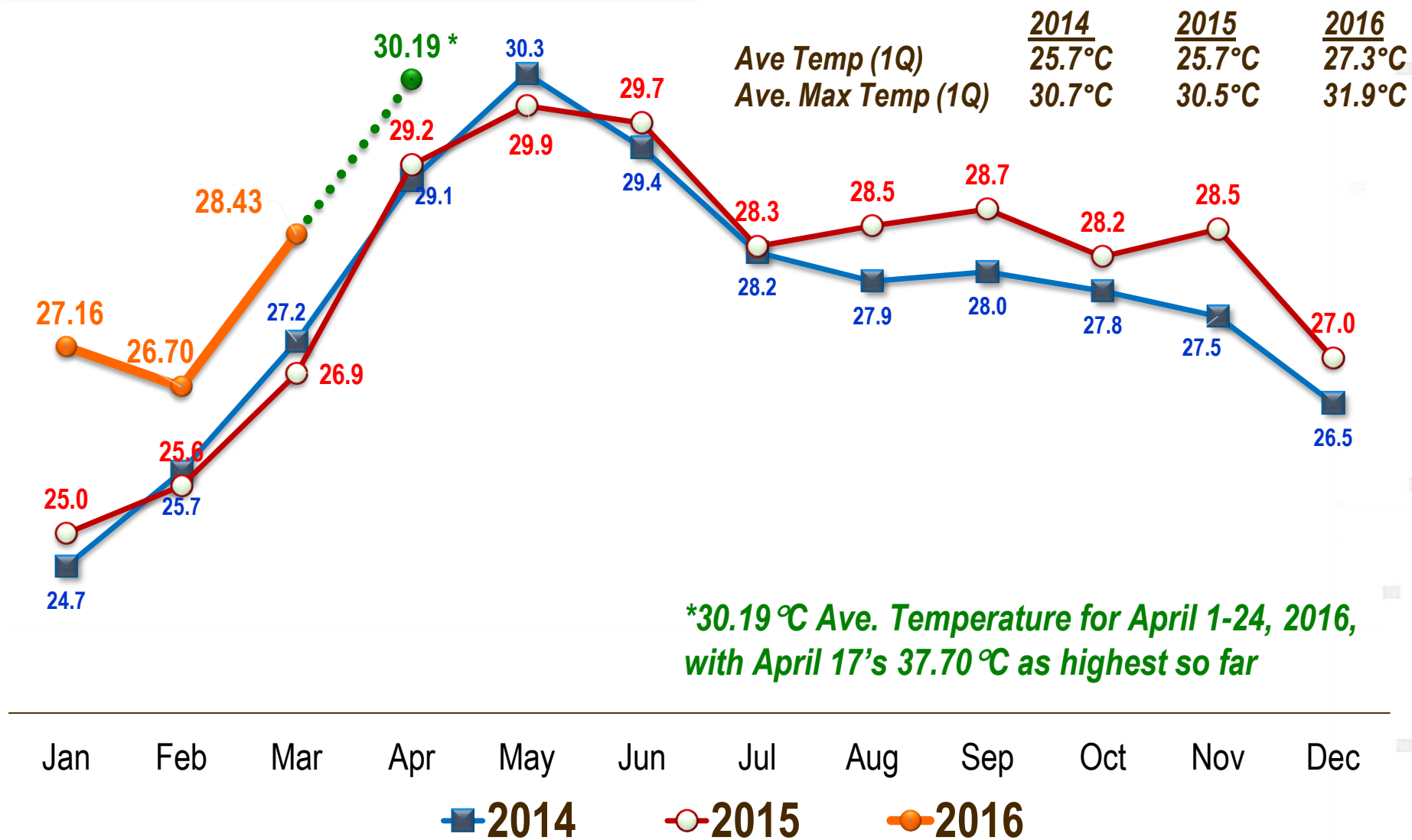
Energy Sales: 1Q 2016

➤ Up 12.2% vs. 2015 (+985 GWh)



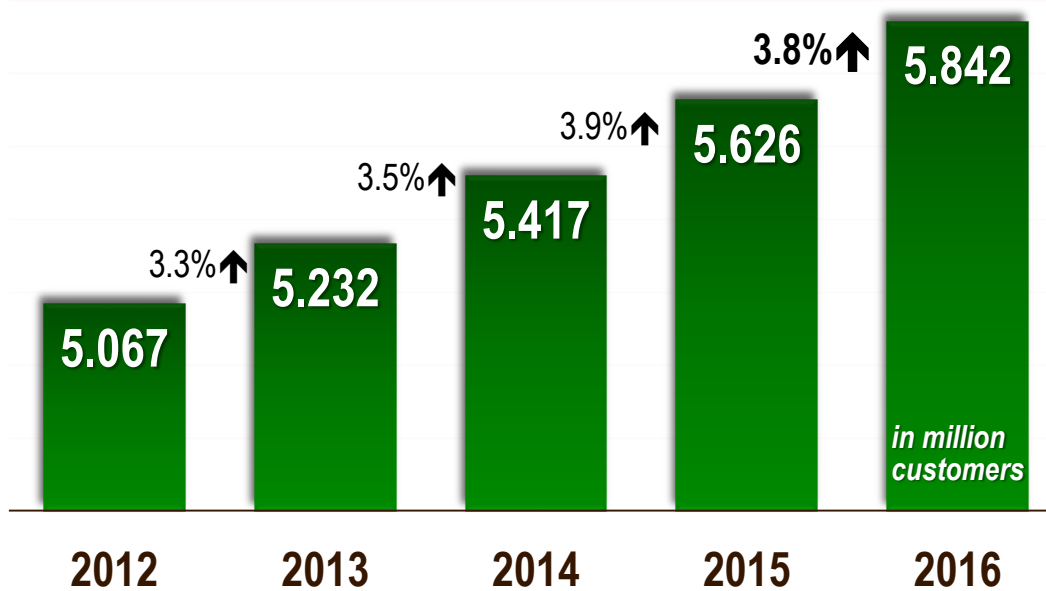
Ave. Temperature(°C) monitoring

➤ Warmer temperature vs. same period in 2015/ 2014

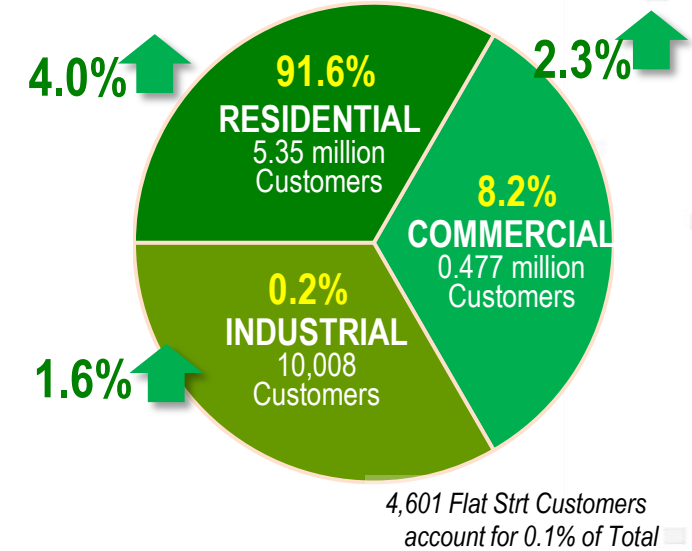


Customer Count: Mar. 2016

➤ Up 3.8% vs. 2015 (+215,530 Customers)

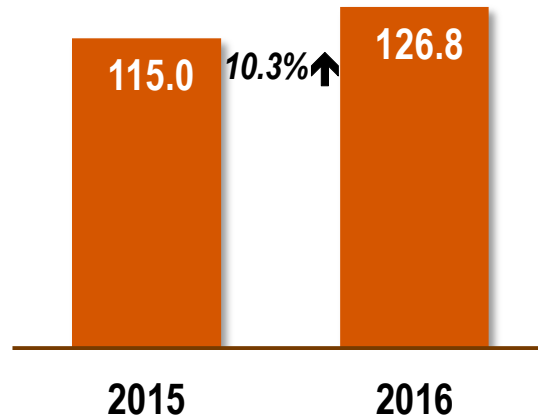


Segment share for 1Q 2016:



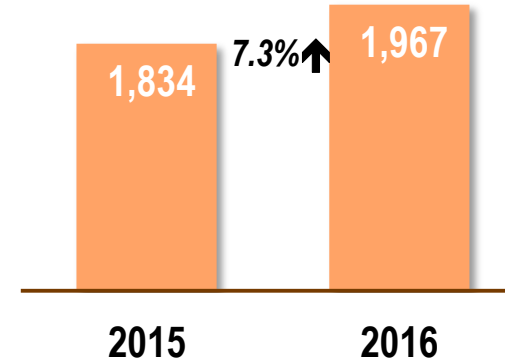
Clark Electric (CEDC): 1Q 2016

Energy Sales, GWh

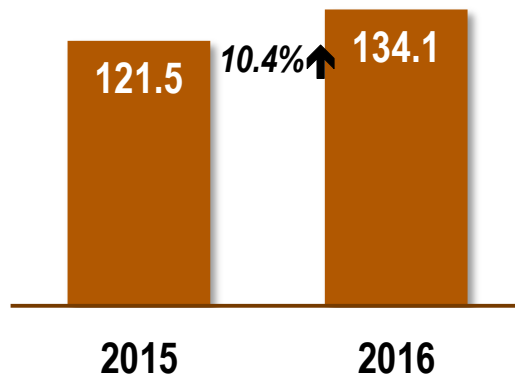


CEDC's top 5 sales contributors for Mar. 2016 include Phoenix Semiconductor Philippines Corp. (PSPC), Yokohama, SN Aboitiz Power, Premier Central (SM Clark), and Nanox Phils. II

Customer Count



NSI, GWh



2016	Sales, Share	Count, Share
Commercial	39.6%	55.6%
Industrial	59.4%	6.9%
Residential	0.8%	34.4%

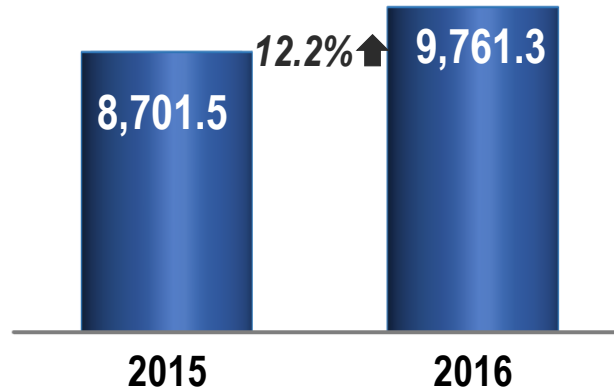
Flat Streetlights' sales and count shares account for 0.2% and 3.2%, respectively.



NSI: 1Q 2016

➤ NSI up by 12.2% vs. Mar. 2015 (+1,059.8 GWh)

March 2016 YTD, GWh:



NSI includes:

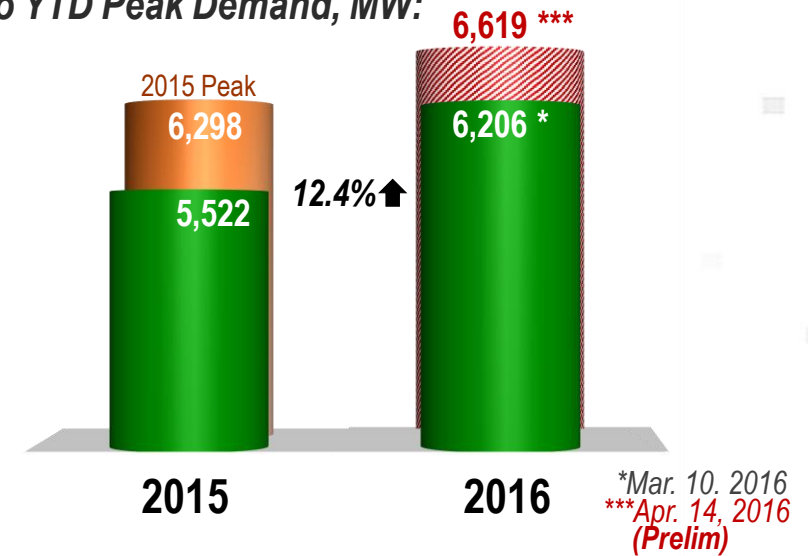
- Power purchases of D.U. (for Captive Customers), its Local RES (for Contestable Customers)
- Other RESs (for Contestable Customers including SDC)
- Volumes for CEZ, Sunpower, Cocochem Agro-Industrial Park (CAIP)
- Export Energy from Net Metering customers

CONSOLIDATED

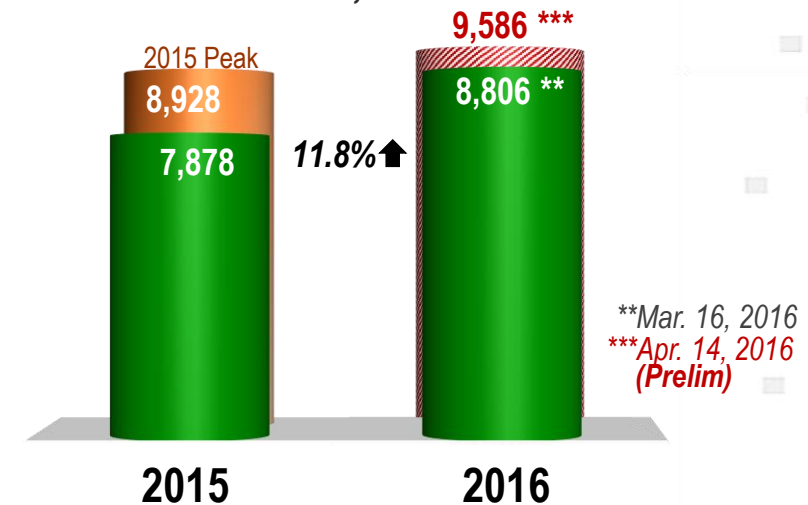
Peak Demand: 1Q 2016

➤ Meralco Peak Demand of 6,206 MW, 12.4% Up vs. 2015

Meralco YTD Peak Demand, MW:

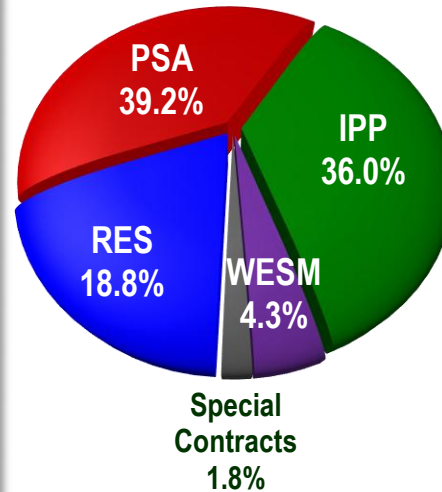


Luzon YTD Peak Demand, MW:



Power Sources: 1Q 2016

SOURCE	Mar. 2016	
	GWh	Share
PSAs-Total	3,823.0	39.2%
SEM-Calaca	182.0	1.9%
MPPC-Masinloc	550.3	5.6%
TLI-Pagbilao	504.4	5.2%
SMEC-Sual	794.2	8.1%
SPPC-Ilijan	1,727.6	17.7%
Others*	64.6	0.7%
IPPs-Total	3,512.4	36.0%
QPPL-Mauban	666.6	6.8%
Sta. Rita	1,829.9	18.8%
San Lorenzo	1,016.0	10.4%
WESM	417.8	4.3%
Special Contracts**	175.1	1.8%
RESs***	1,832.9	18.8%
TOTAL SOURCE (NSI Equivalent)	9,761.3	100.0%



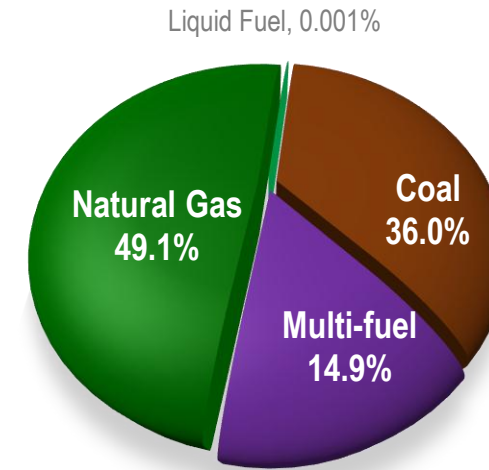
*Includes volumes from TMO, Philpodeco, Net Metering and Embedded Solar

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

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

Note: WESM purchase at 4.3% of Total NSI and 5.4% of Captive volume

Fuel Mix: 1Q 2016



TYPE OF FUEL	Mar. 2016	
	GWh	Share
Natural Gas	4,794.0	49.1%
Coal	3,510.4	36.0%
Multi-fuel**	1,456.8	14.9%
TOTAL FUEL MIX (NSI Equivalent)	9,761.3	100.0%

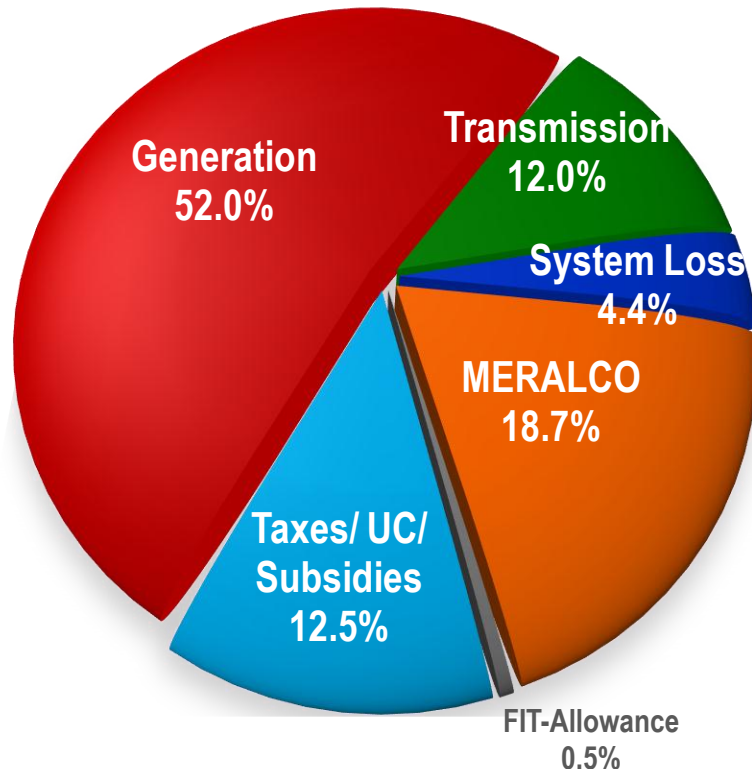
*Replacement due to Fuel Oil System Rectification (Feb 16)

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

Average Retail Rate: 1Q 2016

➤ 14.7% lower (-P1.31/kWh) than 1Q 2015 average rates

- Except FIT-All, all components decreased
- Generation Charge, largest component in customer's bill, 52.0%; Meralco 18.7%; NGCP 12.0%



BILL COMPONENT	1Q 2015 Overall Ave, P/kWh	1Q 2016 Overall Ave, P/kWh	△ P/kWh
Generation Charge*	4.93	3.94	-0.99
Distribution Charge** (MERALCO)	1.55	1.42	-0.14
Transmission Charge** (NGCP)	0.95	0.91	-0.04
System Loss Charge**	0.40	0.33	-0.07
Taxes, Univ Charge**	1.03	0.95	-0.09
FIT-All***	0.03	0.04	0.01
TOTAL	8.89	7.58	1.31 (14.7% ↓)

*Generation Retail Rate (applies to captive customers only)

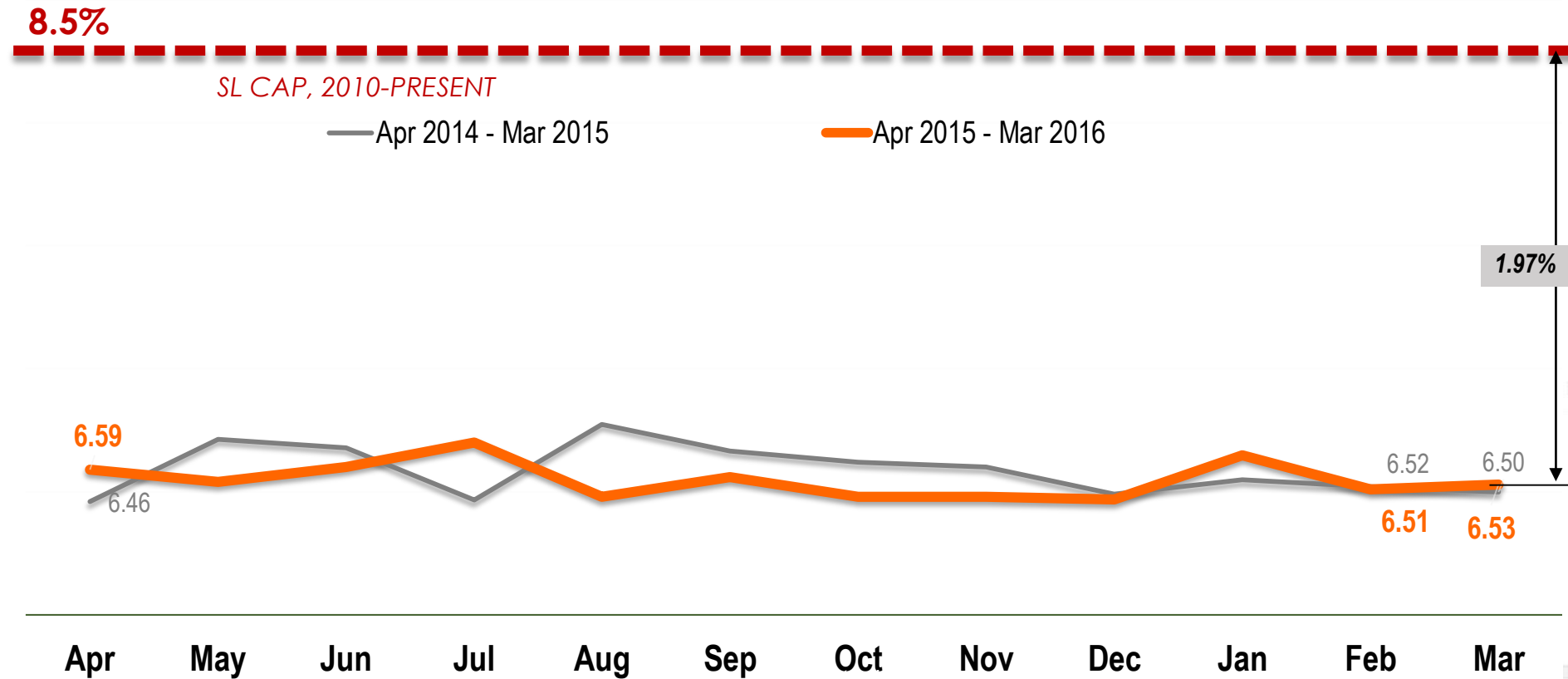
**Other Charges are based on total captive and contestable customers in Meralco Franchise Area

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

System Loss Performance: Mar. 2016, 12-MMA

➤ 12-MMA ending Mar. 2016 at 6.53%

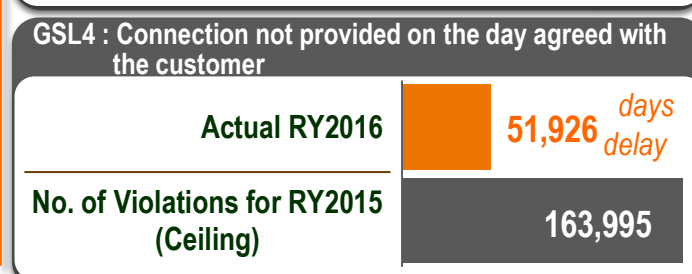
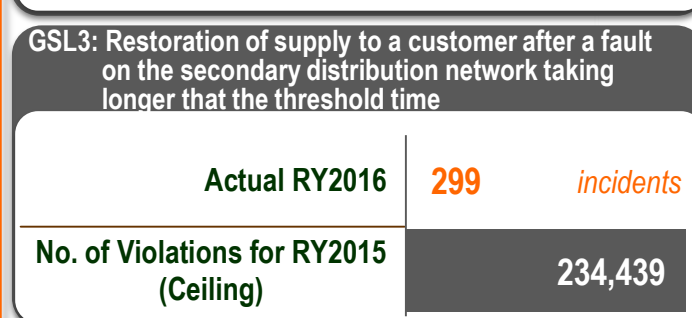
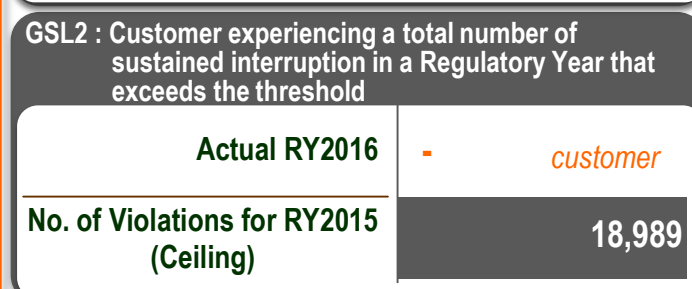
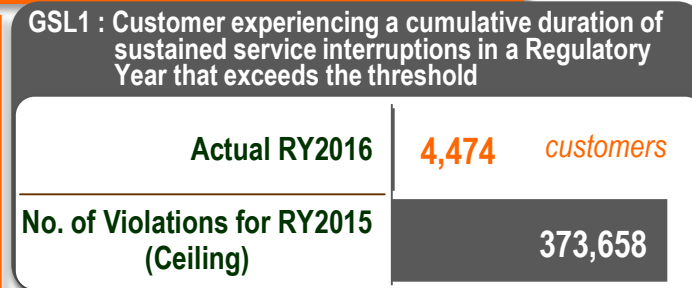
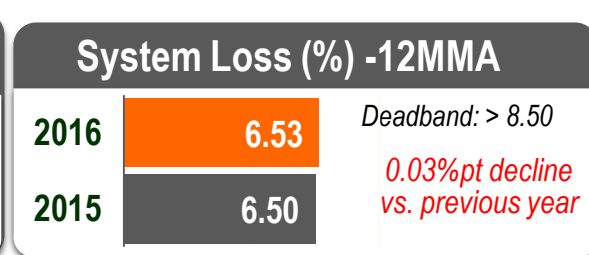
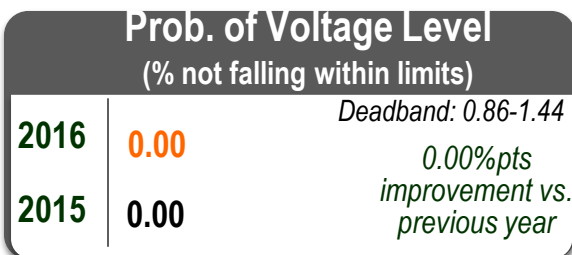
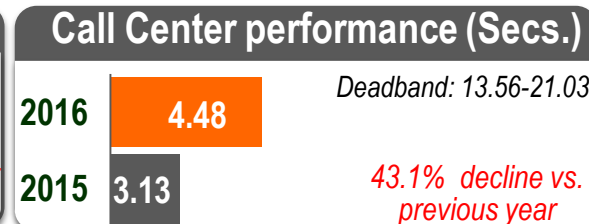
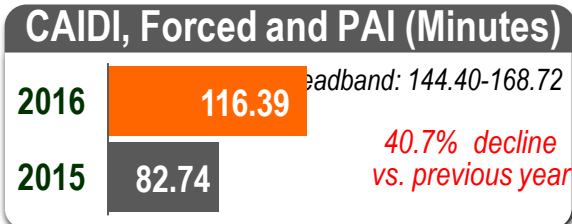
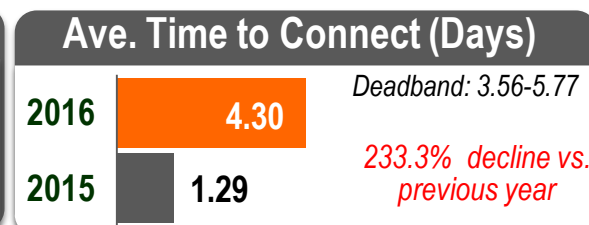
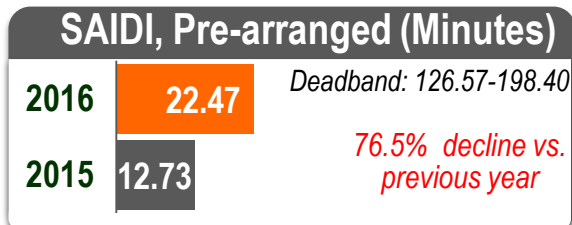
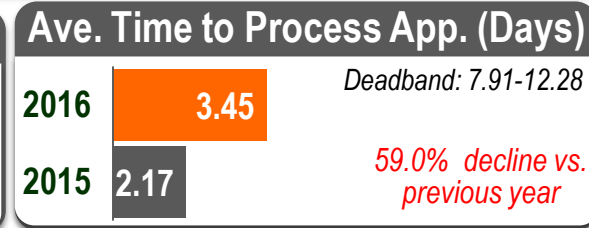
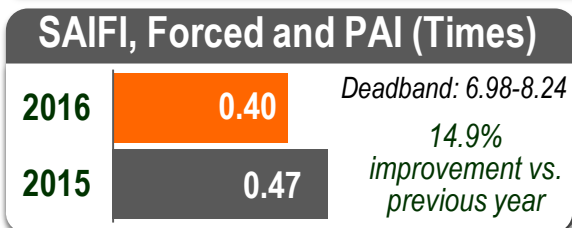
- Higher (declined) by 0.03%pt vs. March 2015's 6.50%
- Lower by 1.97% vs. SL cap of 8.5%



• Official ERC-filed Meralco System Loss, in percent which excludes Clark Electric Distribution Corp. (CEDC)'s 12MMA system loss ending Mar 2016 of 3.93% and Mar 2015 of 4.25%

S-Factor & GSL Performance: 1Q 2016 & RY2016 (for GSL)

➤ Except for Ave. Time to Connect (Deadband), all S-Factor indicators well within rewards range;
All GSL performances are well within set limits



Business Updates & Other Events of Interest



2016 National Election Meralco Preparation Update

92% completed

DISTRIBUTION AND SUPPLY



- ❑ **92%*** of Sub-transmission and Distribution Facilities serving the Polling and Canvassing centers are inspected.

**100% complete by April 30, 2016*

- ❑ **100%** of Canvassing and Polling centers' services and loadside facilities are inspected.



Canvassing & Polling Centers

100% completed

Pre-Election: November 1, 2015 – May 8, 2016

National Election: **May 9, 2016**

General Alert: **May 8 (2200H)–May 10 (0600H)**

Post Election: May 10, 2016 – onwards

Count of Election Centers

2,741 Polling Centers

132 Canvassing Centers

2,873 = TOTAL

Count of Circuits with

Polling/Canvassing centers – 444 (62%)

Area	Crew Complement	
North	172	
Central	254	
South	255	
STS	75	
Total	756	

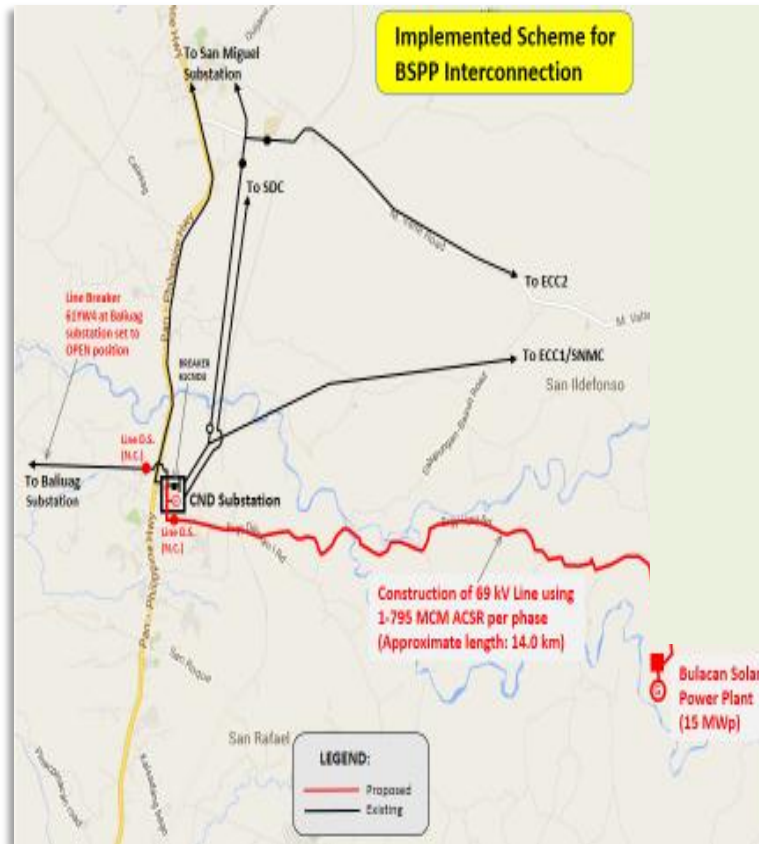
Area	Generator Count	Floodlight Count
North	57	114
Central	93	186
South	84	168
Total	234	468

Business Updates: Strengthening the Core Business

CAPITAL PROJECTS

❖ INTERCONNECTION OF BULACAN SOLAR POWER PLANT (BSPP) 15 MW

Commissioned March 10, 2016



Business Updates: Strengthening the Core Business

CAPITAL PROJECTS

❖ COMMISSIONED EMBEDDED SOLAR GENERATION

Bulacan Solar Power Plant (BSPP) – (15 MW)
Location: San Ildefonso, Bulacan
Date Commissioned: Mar. 10, 2016



Valenzuela Solar Energy– (9 MW)
Location: Isla and Rincon, Valenzuela City
Date Commissioned : Feb. 9, 2016



SOLNRG Inc.– (0.96 MW)
Location: Solaire Resorts and Casino, Pque City
Date Commissioned : Mar. 10, 2016



Solar Powered Agri-Rural Communities Corporation (SPARC)– (3.82 MW)
Location: San Rafael, Bulacan
Date Commissioned: Mar. 15, 2016



CW Marketing and Dev't. Corp. (CW Home Depot) – (1.676 MW)
Location: Sta. Rosa, Laguna
Date Commissioned: Mar. 12, 2016



Customer	Voltage	Capacity (in MW)
Valenzuela Solar Energy	34.5 kV	9
SOLNRG Inc.	34.5 kV	0.96
Bulacan Solar Power Plant (BSPP)	69 kV	15
CW Marketing and Development Corp. (CW Home Depot)	34.5 kV	1.676
Solar Powered Agri-Rural Communities Corporation (SPARC)	13.8 kV	3.82
Total		30.46

Business Updates: Strengthening the Core Business

CAPITAL PROJECTS

❖ EXPANSION OF BAGBAGUIN SUBSTATION (2nd Bank)

April 13, 2016



- Will address forecasted critical loading (85%) of Bagbaguin Bank No.1 this year
- Provides additional capacity to meet increasing demand of customers in **Bagbaguin and Paso de Blas in Valenzuela City**



Business Updates: Strengthening the Core Business

SIGNIFICANT EVENTS/ INITIATIVES / SOLUTIONS & PROGRAMS



March 3: Conducted prepaid welcome presentation for Greatwin owners Mr & Mrs. Chuabio (BIZ customer) Greatwin property, mixed use (resi/commercial building) P. Sanchez, Tondo Manila



March 21: ERC PR Tour in Baseco



Announcement on site, DECA Tower's construction at Boni, EDSA



23,215

ACTIVATED
As of Mar 31



Business Updates: Strengthening the Core Business

SIGNIFICANT EVENTS/ INITIATIVES / SOLUTIONS & PROGRAMS

The LUMINARIES 2016



- To create awareness for Meralco products, services and partnership initiatives that will definitely help government and business customers.
- “As always, a very entertaining night. I like the Meralco lobby setup because I was able to network and talk to many people” – Manny Blas

SUSTAINING PROGRAMS

POWER UP
FORUM SERIES

BIZ *

9 Mar ; Pasig Room, Meralco
Cold Chain Association of the Philippines



CBG*: RCOA forum

29 Mar ; Multi Purpose Hall, Meralco



*BIZ – for Small, Medium-sized Enterprises group
CBG- Corporate Business Group



Business Updates: Strengthening the Core Business

SIGNIFICANT EVENTS/ INITIATIVES / SOLUTIONS & PROGRAMS

Energizing Partnership

Energizing Partnerships

MERALCO and the City of Dasmariñas

January 2016



MOU with Dasmariñas, Cavite

ERC Visit



Customer Engagements

News for aspiring Meralco Entrepreneurs!

Do you have a winning business concept in mind? DTI has Negosyo Centers across the country that can help entrepreneurs like you avail of business registration assistance, business advisory services and for some cases get help for access to grants and other forms of financial assistance, shared facilities and equipment through national government agencies (NGAs).



DTI Undersecretary Jerry Maglino & Meralco representative



Meralco Biz Partners recently sealed the deal with DTI forming a collaboration to be present at Negosyo Centers, SME Roving Academies and other DTI activities. This paves the way for closer customer engagement and opportunities for excellent customer service.

Negosyo Centers all over the country shall promote ease of doing business and facilitate access to government services for MSME's.



January 14, 2016 MOA Signing between Meralco and DTI

The Negosyo Centers are made possible with RA 10644, also known as the Go Negosyo Act authored by Senator Bam Aquino. This law brings government services closer to Micro, Small and Medium Enterprises (MSME's) through the establishment of Negosyo Centers in all provinces and cities in cooperation with the Department of Trade and Industry.

DTI – MERALCO MOA signing

MERALCO ADVISORY

Ito ang inyong monthly Meralco Advisory!

MARCH 2016 RATES
Residential Consumption of 200kWh

Category	Rate	Change
GENERATION	0.17	↓
TRANSMISSION	0.03	↑
DISTRIBUTION	0.00	NO CHANGE
TAXES	0.02	↓
OTHERS	0.03	↓

P0.19
PER KILOWATT HOUR

Wala pong pagbabago sa distribution charge na tanging napupunta sa Meralco.

maaaring daluyan ng kuryente na nakamamatay!



ILP Activation

(APRIL 15, 2016)

DOE STATEMENT

Written by Media Group

Hits: 124



17 April 2016

The Department of Energy (DOE) expresses its appreciation to the National Grid Corporation of the Philippines (NGCP), Manila Electric Company (MERALCO) and the participants of the Interruptible Load Program (ILP) for their cooperation in hurdling a critical power supply situation in Luzon on 15 April 2016.

Under the ILP, big load customers of Distribution Utilities and Electric Cooperatives registered in the program run their stand-by generation sets in times of energy supply deficiency to prevent power outages.

The ILP was implemented in the MERALCO area on April 15 to stabilize the power supply situation following the "red alert" notice of NGCP from the period of 1p.m. to 3p.m. last Friday.

With ILP, the peak demand was arrested at a lower level of 9,416 MW. A total of 247 MW of power was deloaded from 121 participants, so an estimated 290,000 customers in Metro Manila and nearby provinces were spared of rotating brownouts.

The high and increasing heat index triggered the unusual rise in demand for power, where Luzon alone reached around 9,700 megawatts (MW) breaching historical records.

In this line, the DOE earnestly calls on the cooperation of electricity consumers to be efficient users not only during the summer period, but all throughout the year. Historically, power consumption spikes during hot summer months as more consumers spend time in their homes and use cooling equipment to make them feel comfortable.



51

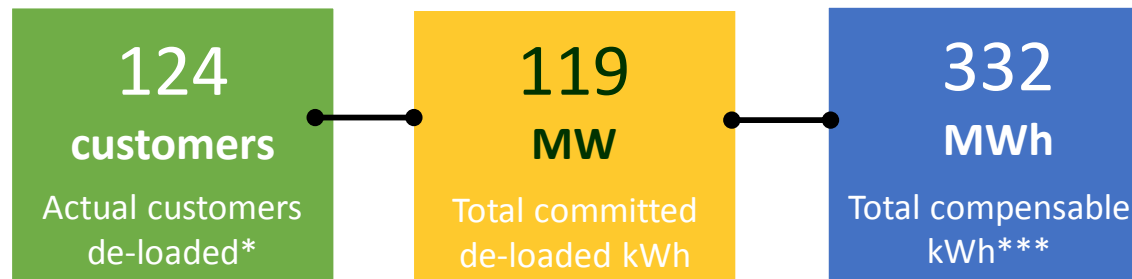


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Source: <http://www.doe.gov.ph/news-events/news/press-releases/2949-doe-statement-ngcp-meralco-ilp>

HIGHLIGHTS



*Out of the total 153 participants advised by Call Center

*** inclusive of 1 hour each before and after the 1-4 PM ILP de-loading schedule.





THANK YOU

Performance ended
March 2016

MERALCO ORANGE TAG

Cost kada gamit, alamin sa isang tingin.



The Meralco Orange Tag empowers you
to make informed decisions when buying
and using your appliances.
It's easy. Alamin sa isang tingin.



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PROJECT UPDATES

As of April 2016



San Buenaventura Power Limited Co. (SBPL)

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

- Construction of the project is already ongoing, with commercial operations targeted in 2019.
 - The consortium of South Korea's Daelim Industrial Co. Ltd. And Japan's Mitsubishi Corporation was tapped as the engineering, procurement and construction contractor (EPC) for the project.
 - The Notice-to-Proceed (NTP) was issued on 08 December 2015.
 - A groundbreaking ceremony was held on 10 December 2015
- Power Supply Agreement with Meralco
 - SBPL accepted on 30 May 2015 the Energy Regulatory Commission approval for the Power Sales Agreement (PSA) between Meralco and SBPL.
- Financing
 - Financial Close was achieved on 01 December 2015.
 - The Company signed the P42.15-Billion Project Finance Agreement with a consortium of local banks on 08 October 2015. A ceremonial signing was held on 27 November 2016.



San Buenaventura Power Limited Co. (SBPL)

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

■ Recognition

- The Company on 03 February 2016 was awarded the “Asia Pacific Power Deal of the Year” for 2015 by Thomson Reuters Project Finance International.
- SBPL was recognized after it closed a landmark P42.15-billion funding, which is the Philippines’ largest all-peso project finance facility to date.



Redondo Peninsula Energy, Inc. (RP Energy)

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

- Engineering, Procurement and Construction (EPC) Contract
 - Currently negotiating the EPC Contract for Phase 1 (300 MW Project)
 - Will also include an option for a second 300 MW unit, which is targeted to proceed 12 months after Phase 1
- Construction
 - Targeted start of construction for Phase 1 is Q4 2016
 - Expected commercial operation is late 2019
- Off-takers
 - Power supply will be sold to Meralco and Aboitiz Energy Solutions, Inc. (AESI) under separate agreements.
 - RPE signed PSA with AESI on April 21, 2016.
- Site Lease
 - Amended plant site lease agreement and transmission line right-of-way lease agreement with Subic Bay Metropolitan Authority (SBMA) signed on 23 February 2016



Redondo Peninsula Energy, Inc. (RP Energy) 2x300-MW CFB Coal-Fired Power Plant in Subic, Zambales

- Interconnection
 - The Energy Regulatory Commission (ERC) approved on 22 May 2015 the transmission line interconnection from the RPE Site to Hermosa Substation.
 - Rights-of-way for the transmission line from the plant to the existing transmission line at Hanjin secured. No interconnection risk for Phase I.
 - Interconnection for Phase I (300 MW) is secured.
- Board of Investments (BOI)
 - BOI to issue a Certificate of Registration upon RP Energy's acceptance of the terms and conditions required by the BOI relevant to the Approved Project.



Atimonan One Energy, Inc. (A1E)

2 x 600-MW Supercritical Coal-Fired Power Plant in Atimonan, Quezon

■ Permits

- The Environmental Compliance Certificate (ECC) was issued by the Department of Environment and Natural Resources (DENR) on 13 October 2015.
- Certificate of Land Use Conversion for the project site was received in March 2016, hence full control of the project area to be completed by mid-2016.
- All permits now in place for the construction of the resettlement site; notice to proceed expected to be issued within April 2016.

■ Engineering, Procurement and Construction (“EPC”)

- Bids have been received from four potential EPC Contractors in late 2015. These are currently under assessment.
- Awarding of EPC contract targeted by the third quarter of 2016.

■ Construction

- Site preparation targeted to start in mid 2017.
- Target completion of Unit 1 is late 2021.



Global Business Power Corporation (GBPC)

- MGen holds a 22% equity interest in GBPC, the largest independent power producer in the Visayas.
- GBPC owns a power generation portfolio totaling 854 MW.
 - 702 MW coal plants in the Visayas (552 MW in operations and 150 MW under construction)
 - 144.5 MW diesel plants in the Visayas
 - 7.5 MW diesel plant in Mindoro
- Panay Energy Development Corporation's (PEDC), a subsidiary of GBPC, is building its 3rd power plant unit (PEDC 3). It is a 1 x 150 MW CFB coal-fired facility in Iloilo City.
 - The power plant is expected to start commercial operations in the third quarter of 2016.



PacificLight Power Pte. Ltd. (PLP)

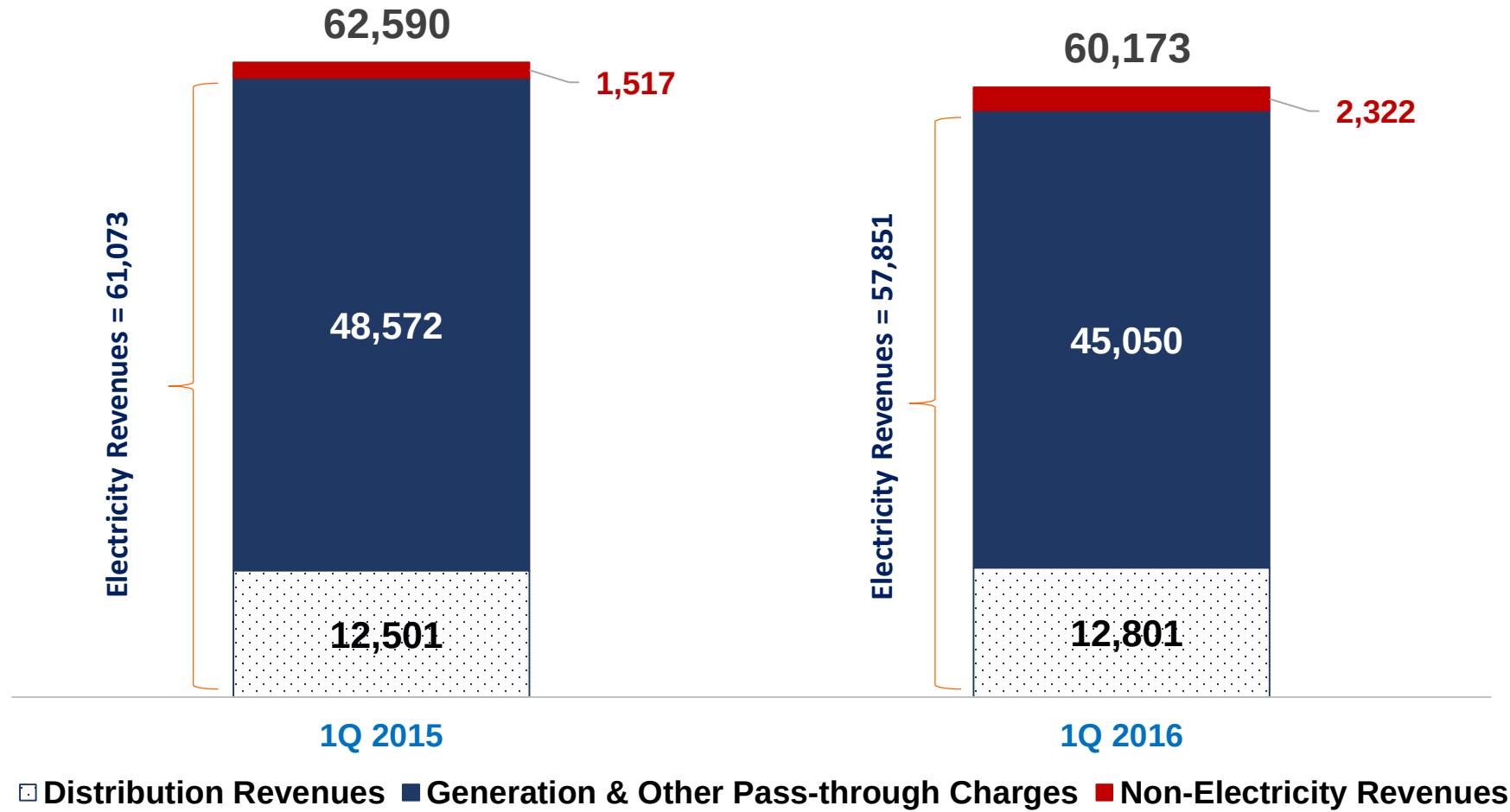
2x400MW LNG Combined Cycle Facility in Jurong Island, Singapore

- PLP has been operating the 800MW natural gas facility since February 2014.
- Through PacificLight Energy Ptd Ltd (PLE), the Company supplies electricity to industrial and retail customers in Singapore.
- PLE is the first Singapore power retailer to introduce a hybrid energy solution in partnership with global solar solutions provider, Renewable Energy Corporation (REC).
 - Known as the “PLEdge to RECharge Green Energy Programme,” the program provides consumers with cost-competitive choices while protecting the environment through the adoption of solar energy together with energy generated from natural gas.

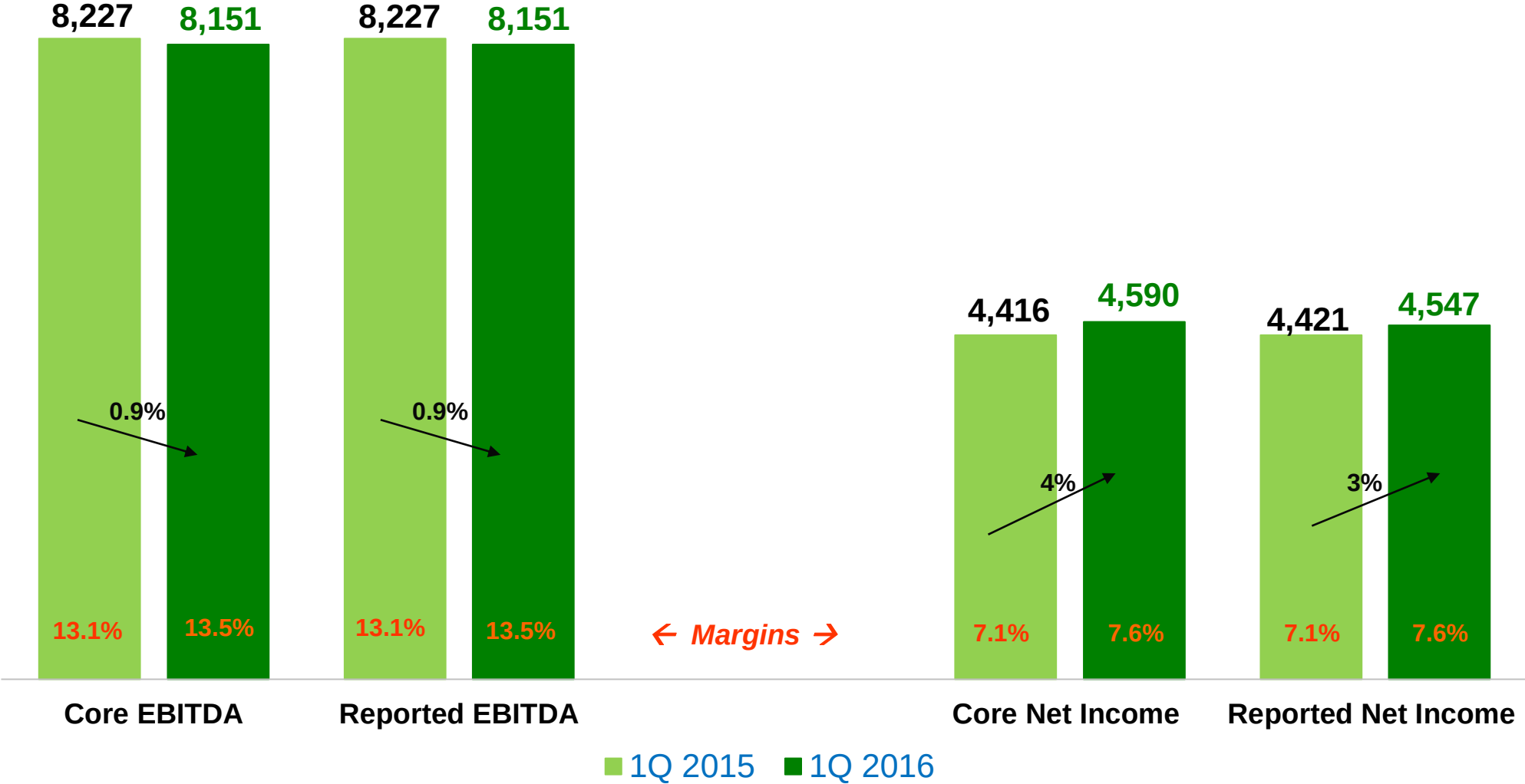
1Q 2016 FINANCIAL HIGHLIGHTS



Consolidated Revenues (in Million PhP)

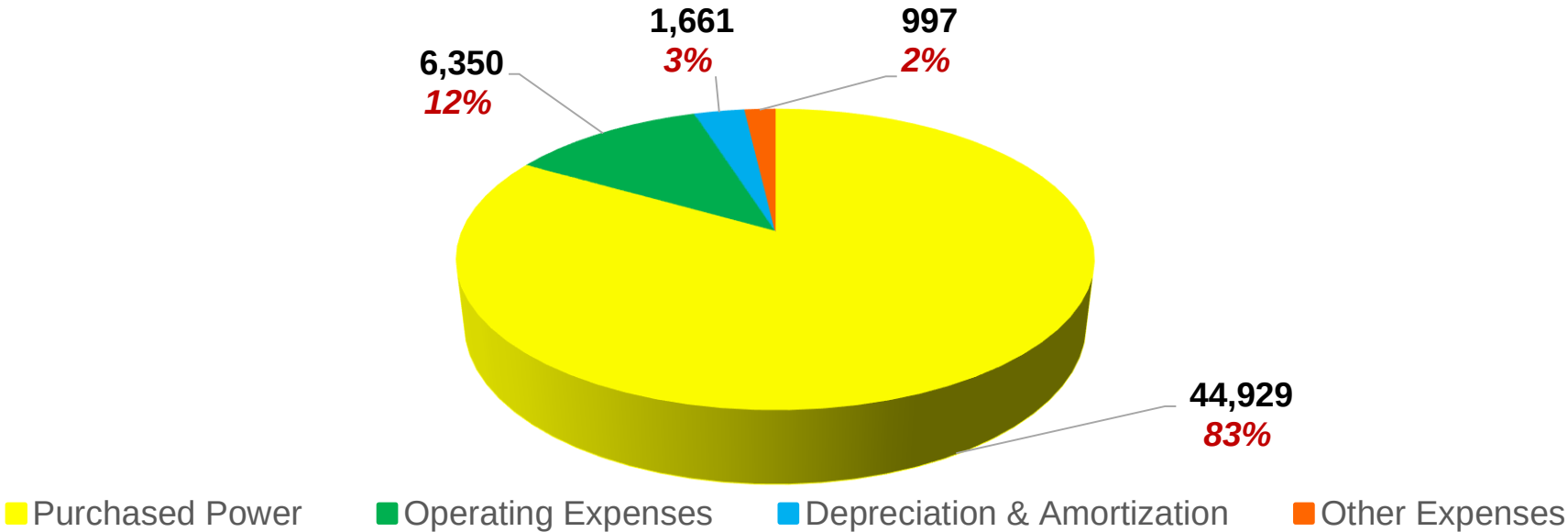


Consolidated EBITDA and Net Income (in Million PhP)

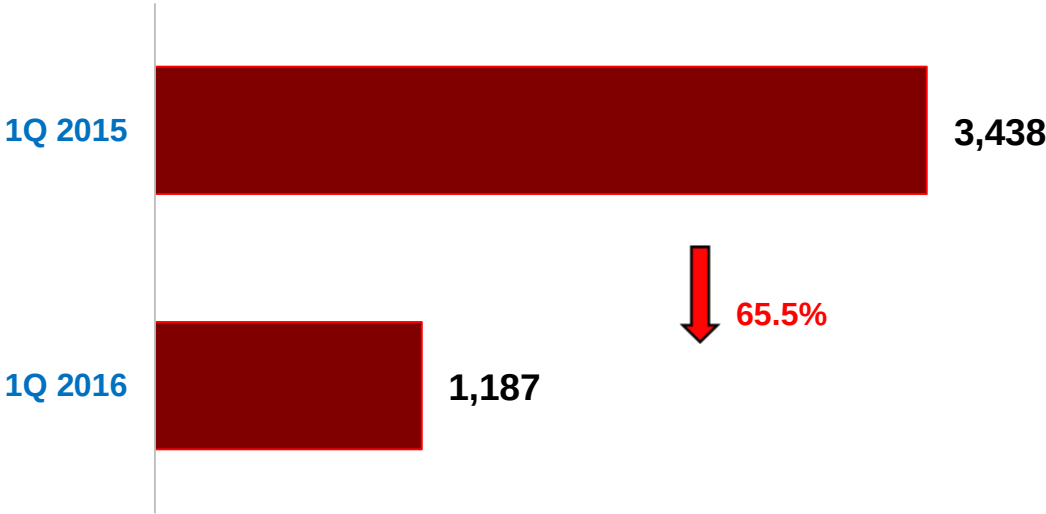


Costs and Expenses/Capital Expenditures (P mn)

Costs and Expenses

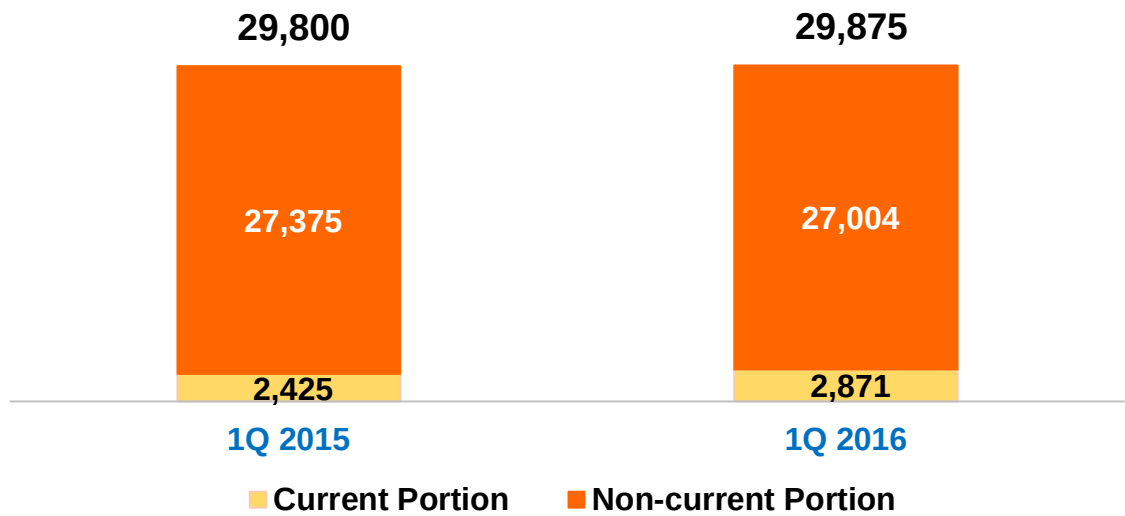


Capital Expenditures

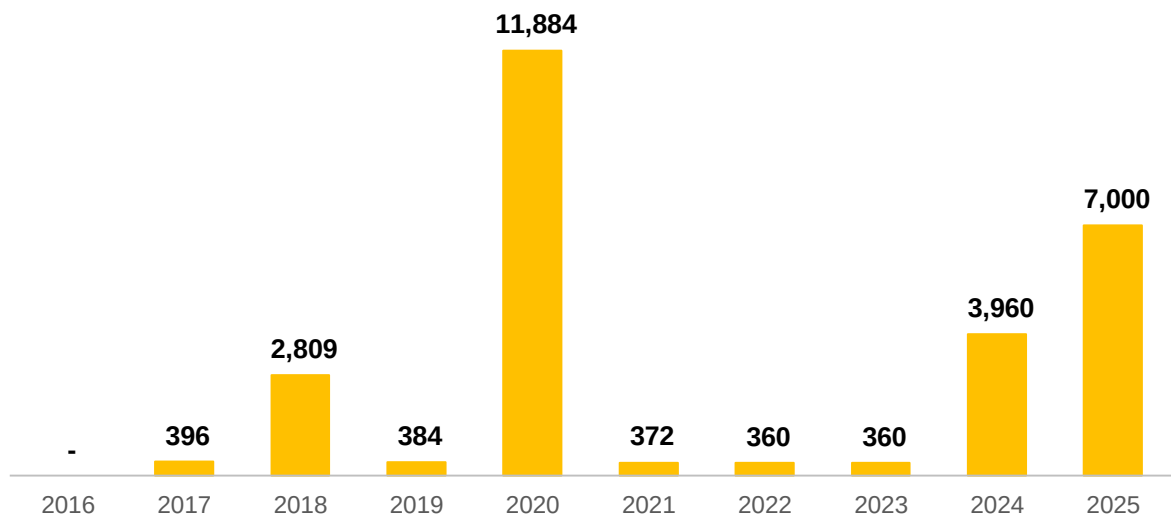


Credit and Debt Profile

TOTAL DEBT (in ₱ mn)



LT LOAN REPAYMENT SCHEDULE (in Million PhP)

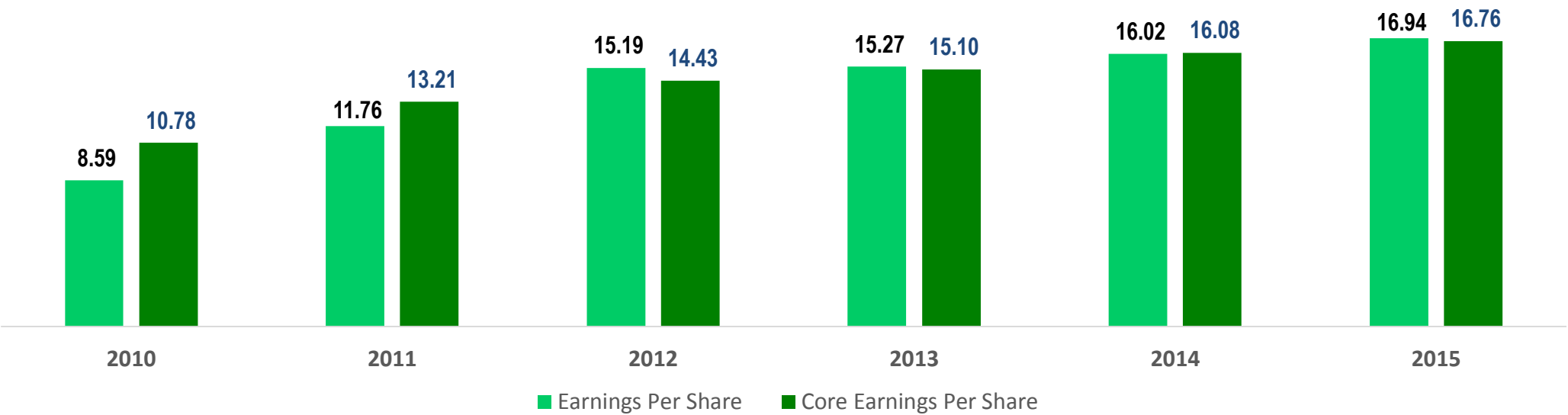


(in ₱ mn except ratios)	1Q 2015	1Q 2016
Cash	64,437	45,949
Gross Debt	29,800	29,875
Net Debt	(34,637)	(16,074)
Gross Debt/EBITDA	0.91	0.92
Net Debt/EBITDA	(1.05)	(0.49)
Gearing Ratio	(0.47)	(0.22)
Interest Expense	294	313

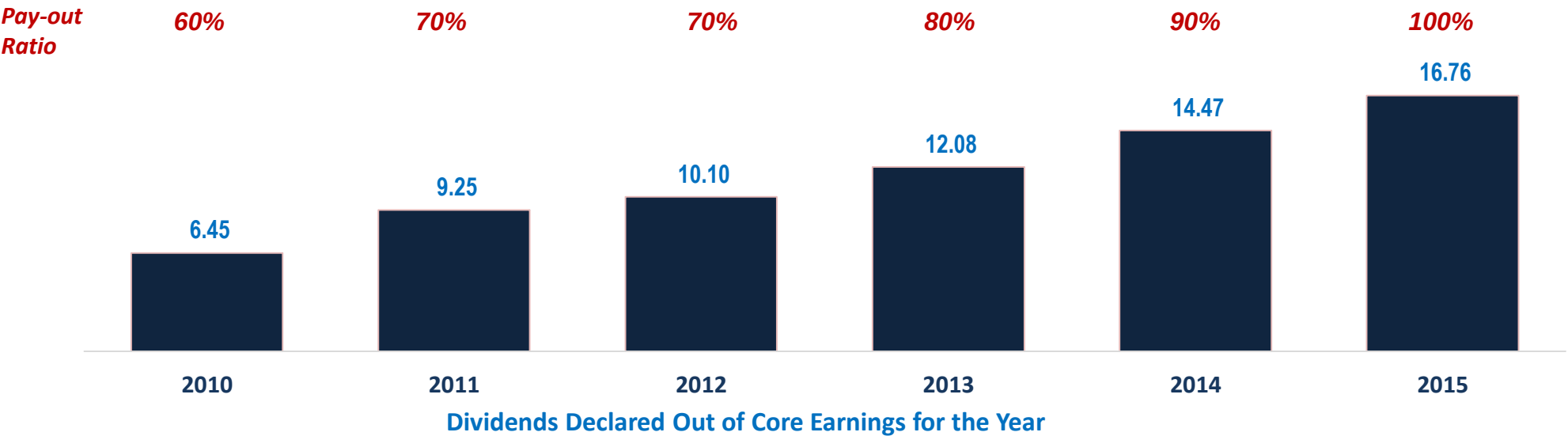


Earnings per Share and Cash Dividends

REPORTED AND CORE EARNINGS PER SHARE (in P)



DIVIDENDS DECLARED OUT OF CORE EARNINGS FOR THE YEAR (in P/share) AND PAYOUT RATIO



Cautionary Statements

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