



Financial and Operating Results



Investors and Analysts Briefing
Year Ended December 31, 2015

February 26, 2016



MERALCO

One Meralco's Assistance to Mindoro and Sorsogon Provinces after "Nona"



OPERATIONS REPORT

Performance ended December, 2015

MEDIA & INVESTORS' BRIEFING

February 26, 2016

2015FY Highlights



5.6%↑

Growing Energy Sales



3.8%↑

Expanding Customer Base



2.9%↑

Rising Peak Demand



5.8%↑

Higher Net System Input



**18.1%
Meralco**

Ave. Customer Bill



**74.2% IPPs/PSAs
5.0% WESM**

NSI Sources



**41.7% Gas
37.9%+ Coal**

NSI Fuel Mix



“OUTPERFORMS”

Operational Excellence &
Customer Service



4Q HIGHLIGHTS

Business Updates & Events of Interest

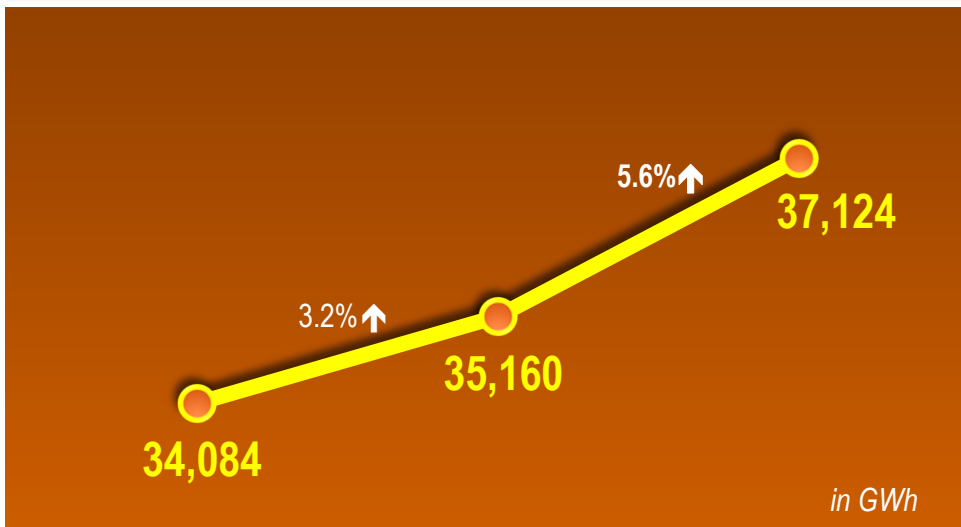


Details



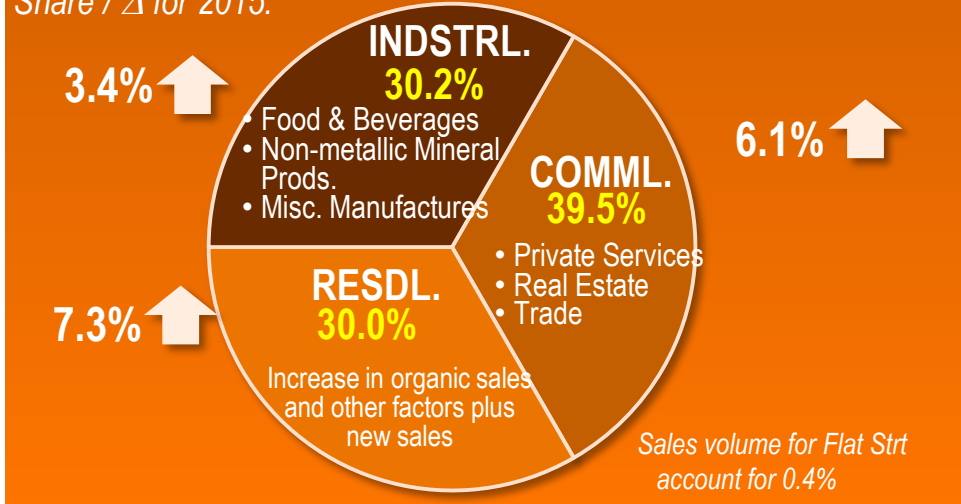
Energy Sales: 2015FY

□ Exceptional Sales growth, up 5.6% vs. 2014 (+1,964 GWh)



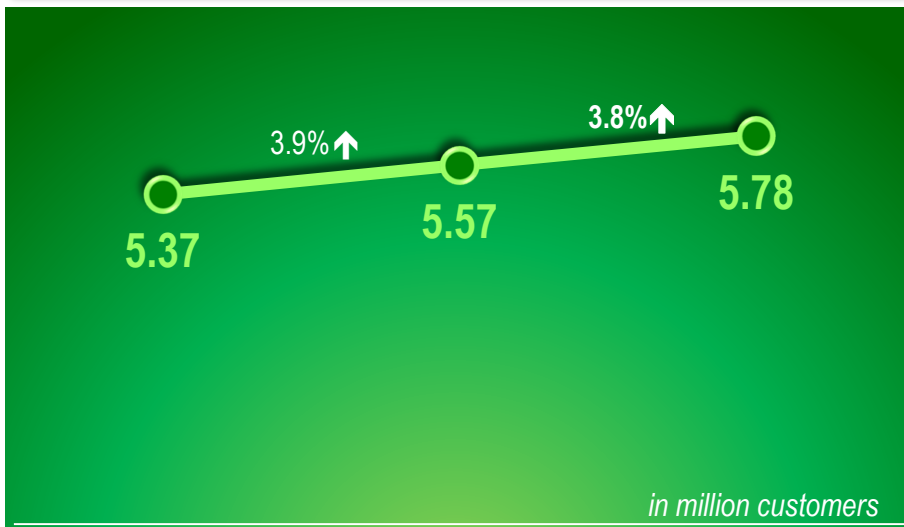
in GWh

Share / Δ for 2015:



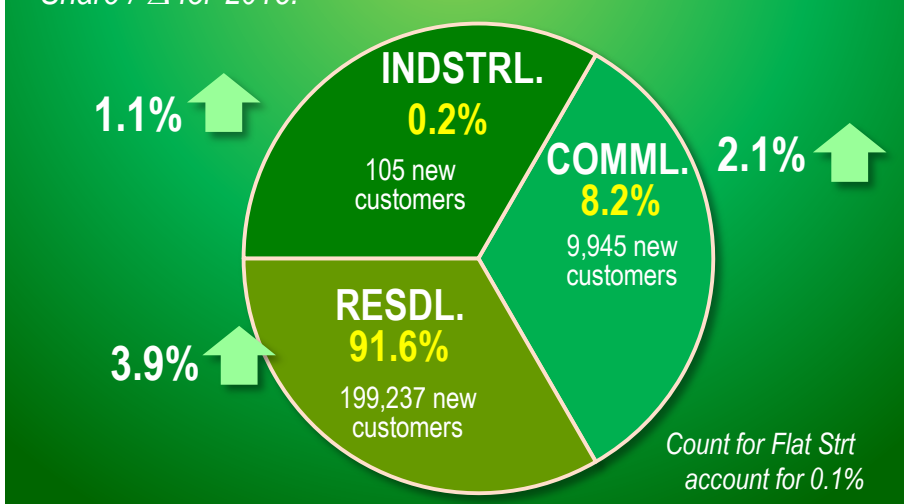
Customer Count: 2015FY

□ Up 3.8% vs. 2014 (+209,343 new customers)

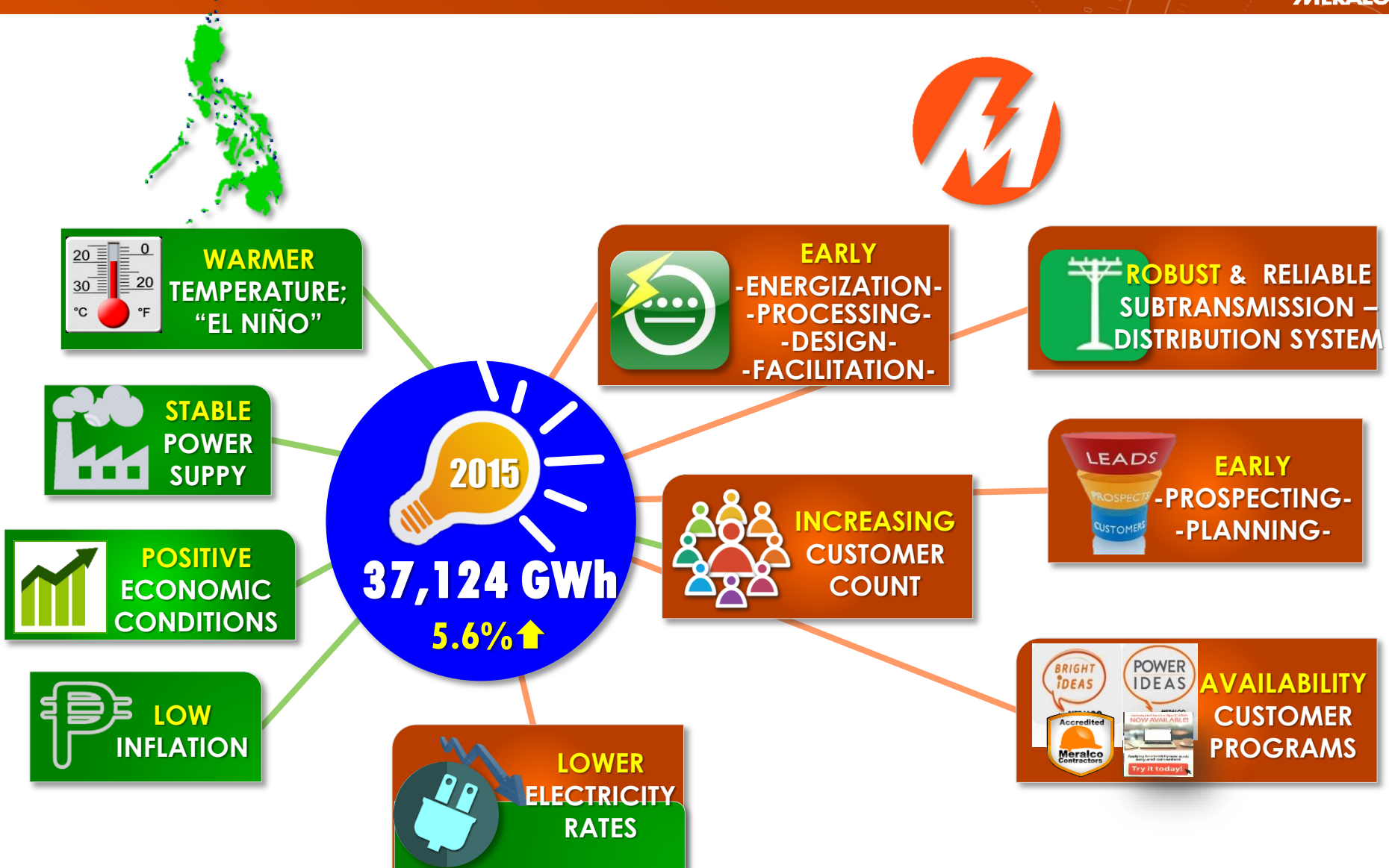


in million customers

Share / Δ for 2015:



Record Energy Sales in 2015



Rising Peak Demand: 2015FY

□ Meralco Peak Demand **up 2.9%** vs. 2014

MERALCO PEAK, in MW



*August 18, 2015

2013

2014

2015

LUZON PEAK, in MW



**May 21, 2015

2013

2014

2015

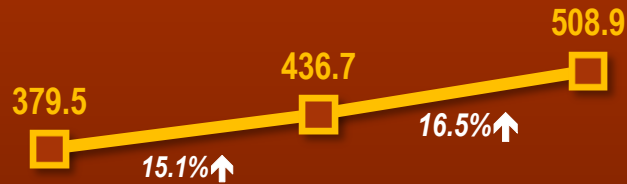
Clark Electric (CEDC): 2015FY



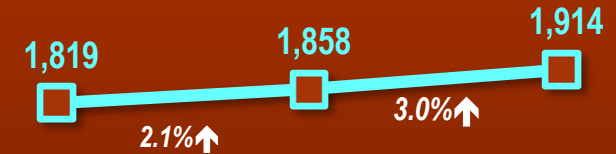
MERALCO

Strong growth in Energy Sales and NSI vs. 2014

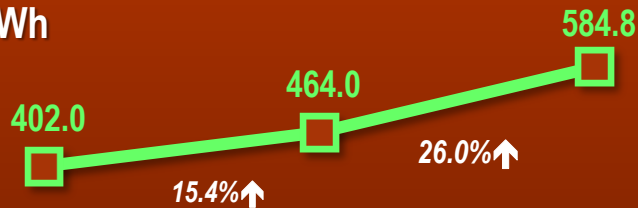
ENERGY SALES, GWh



CUSTOMER COUNT



NSI, GWh



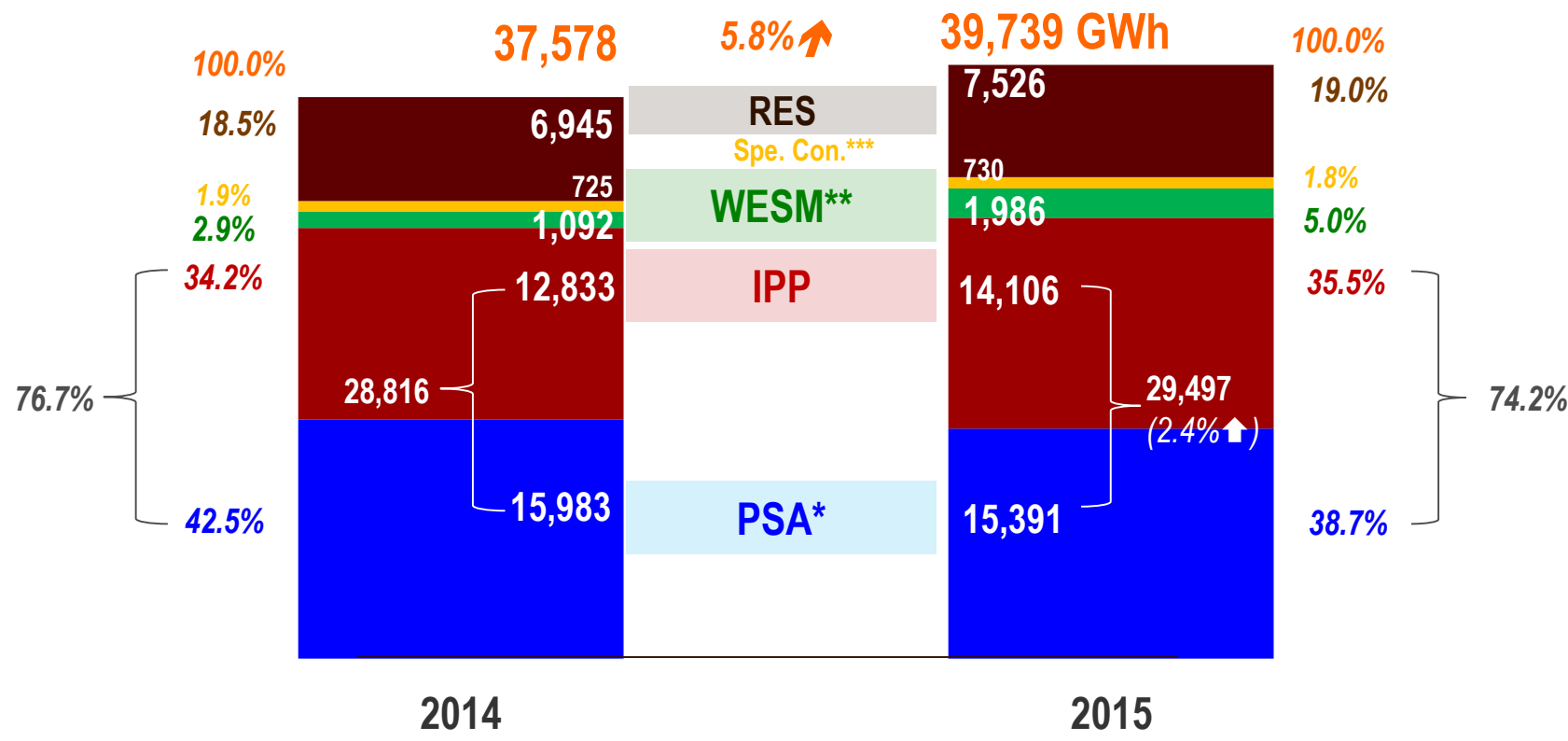
2015	Sales, Share	Count, Share
Commercial	37.3%	55.7%
Industrial	61.8%	6.9%
Residential	0.8%	34.1%

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



Power Sources: 2015FY

Contracted Supply (PSAs and IPPs) delivered more energy totaling 29,497 GWh, or 2.4% increase, in spite of increase in power plant outages

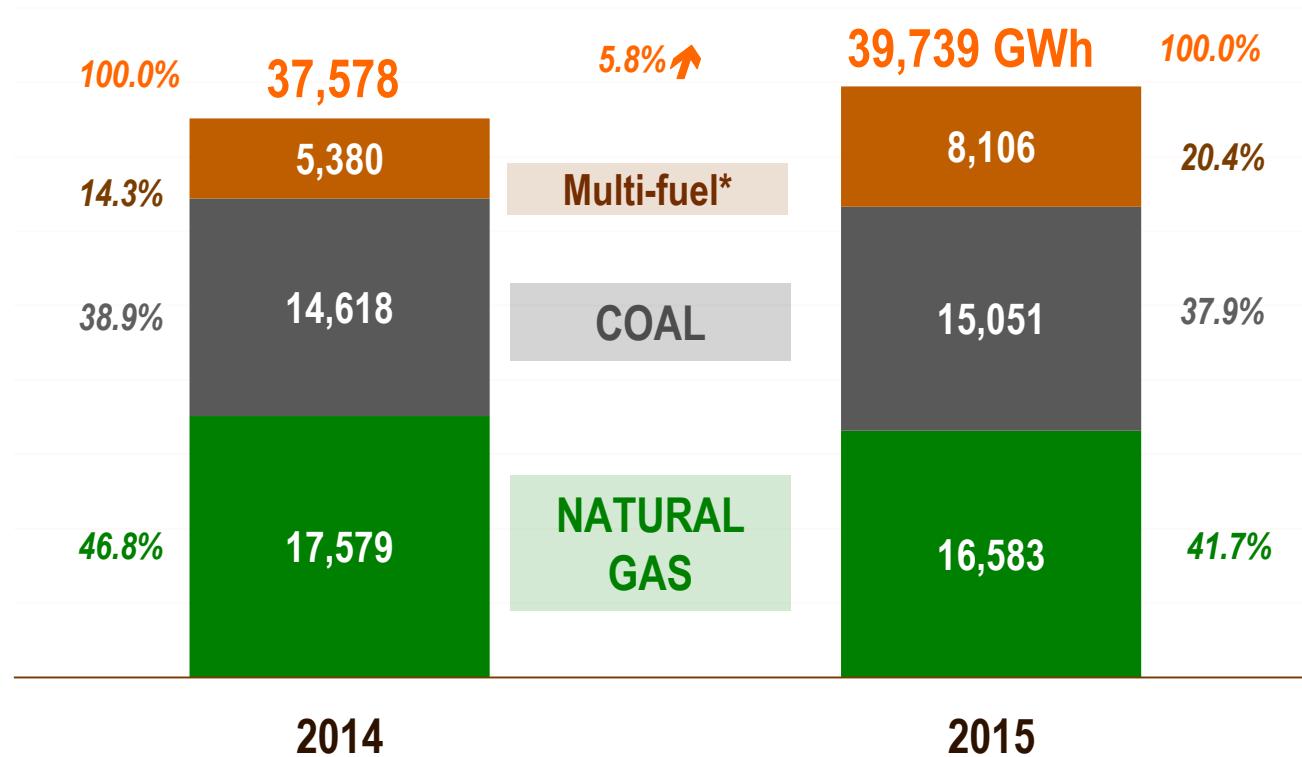


*Includes PSAs of Parent volumes plus Montalban Methane Power Corp., Bacavalley Energy Inc., Pangea, IPSAs, TMO, and Net Metering
**WESM volume of Parent
***Includes volumes for Cavite Economic Zone (CEZ), Sunpower and Cocomchem Agro-Industrial Park (CAIP)
RES includes MPower and Other RESs

Power Fuel Mix: 2015FY



□ 41.7% of NSI, sourced from Nat. Gas-fired plants, 37.9% from Coal-fired and 20.7% from hydro, geothermal as well as coal



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

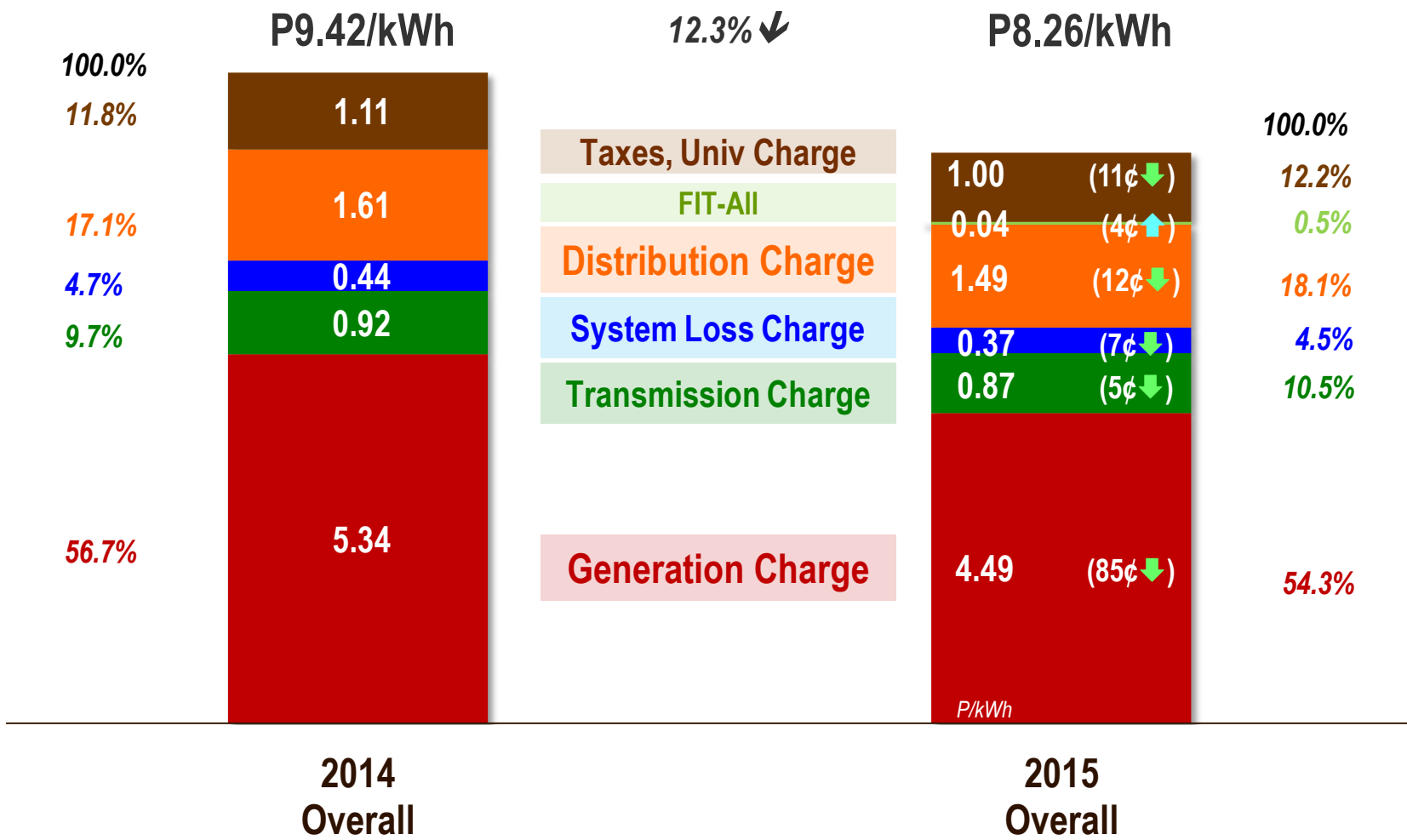
CONSOLIDATED



MERALCO

Average Retail Rate: 2015FY

- 12.3% lower than 2014 average rates (-P1.16/kWh); all bill components, except FIT-All, reduced charges
- For 2015, Generation Charge, largest component in customer's bill, 54.3%; Meralco 18.1%; NGCP 12.2%

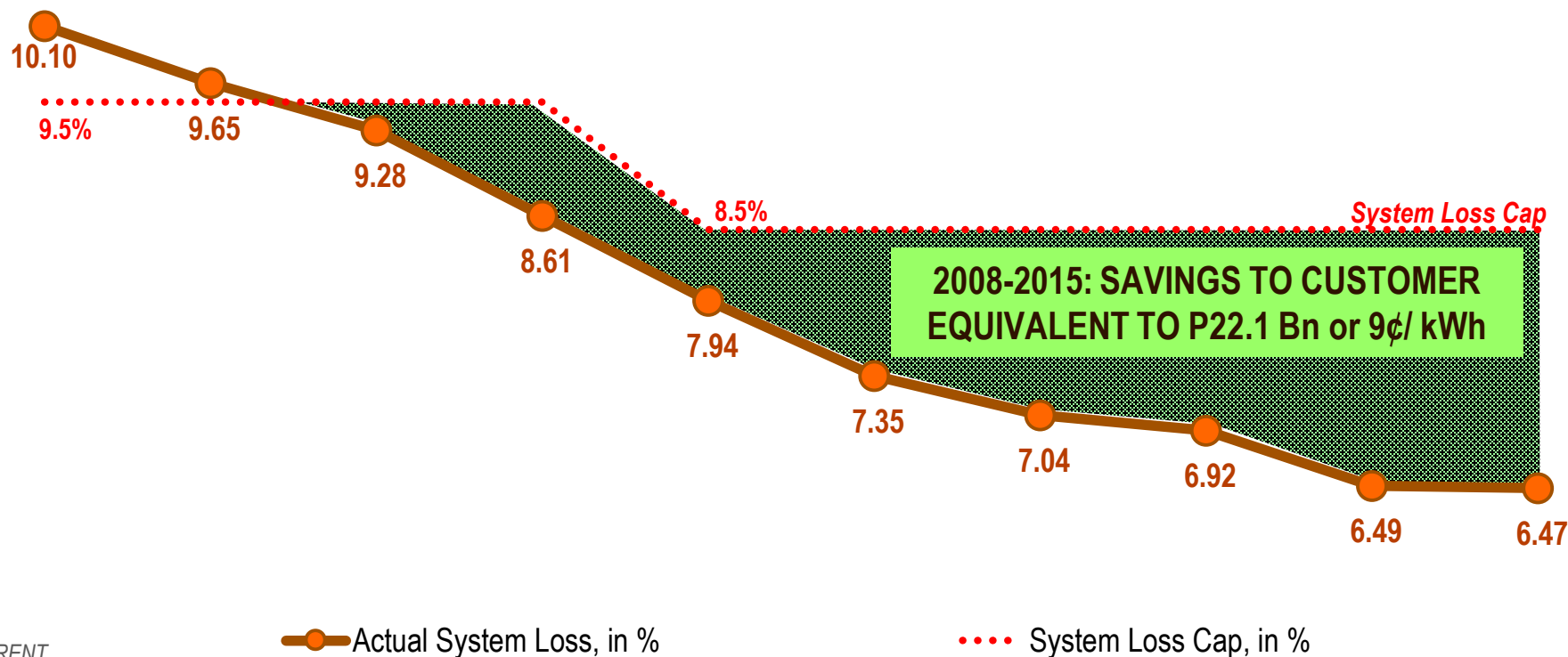


*Generation Retail Rate (applies to captive customers only)
 **Other Charges are based on total captive and contestable customers in Meralco Franchise Area

System Loss Performance: 2015FY

12-MMA Dec 2015 at **ALL-TIME BEST** of 6.47%

- Improved by 0.02%pts vs. 2014's 6.49%
- Customer savings of P4.5Bn or 12¢/kWh in 2015



PARENT

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015

• Official ERC-filed Meralco System Loss, in percent which excludes Clark Electric Distribution Corp. (CEDC)'s 12MMA system loss ending Dec 2015 of 4.16% / Dec 2014 of 4.37%

* Pilferage recoveries are returned to customers as generation charge discount

**For 2013, the pricing used for Nov and Dec was based on the regulated WESM prices in accordance with the ERC Order in Case No. 2014-021 MC dated March 3, 2014

S-Factor Performance: 2015FY



■ All indicators well within **REWARDS*** range

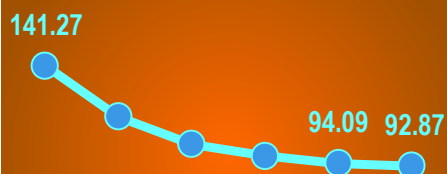
SAIFI, Forced & PAI
(Times)



2015 vs. 2010: 0.37x (improvement)

2010 '11 '12 '13 '14 2015

CAIDI, Forced & PAI
(Minutes)



2015 vs. 2010: 0.66x (improvement)

2010 '11 '12 '13 '14 2015

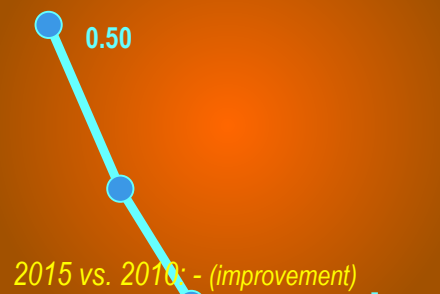
SAIDI, PAI
(Minutes)



2015 vs. 2010: 0.62x (improvement)

2010 '11 '12 '13 '14 2015

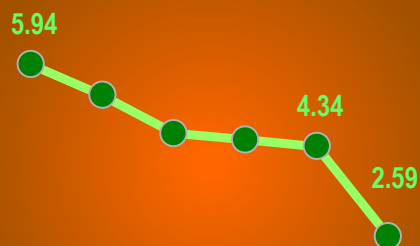
Prob. of Voltage
Violations (% not
falling w/in limits)



2015 vs. 2010: - (improvement)

2010 '11 '12 '13 '14 2015

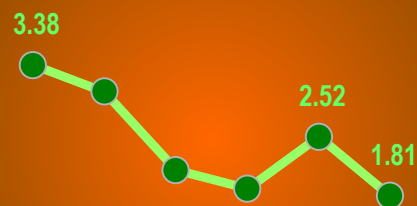
Ave. Time to Process
App. (Days)



2015 vs. 2010: 0.44x (improvement)

2010 '11 '12 '13 '14 2015

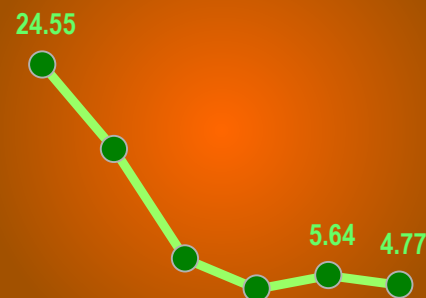
Ave. Time to Connect
(Days)



2015 vs. 2010: 0.54x (improvement)

2010 '11 '12 '13 '14 2015

Call Center
Performance (Seconds)



2015 vs. 2010: 0.19x (improvement)

2010 '11 '12 '13 '14 2015

System Loss, (%) -
12MMA



2015 vs. 2010: 0.81x (improvement)

2010 '11 '12 '13 '14 2015

*ERC-imposed performance band
PARENT

RY2016 GSL Performance: July – December 2015

☐ All GSL performances are **WELL WITHIN** set limits

GSL INDICATORS	REGULATORY STANDARDS No. of Violations per Year (Reward Ceiling)	Jul – Dec 2014 (3RP / RY 2015)*	Jul – Dec 2015 (3RP / RY 2016)*	REMARKS
GSL 1	373,658 customers	605	100	OUTPERFORMS
GSL 2	18,989 customers	0	0	OUTPERFORMS
GSL 3	234,439 incidents	1,040	300	OUTPERFORMS
GSL 4	163,995 days delay	23,606	26,967	OUTPERFORMS

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

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

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

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

*1st Half of Regulatory Year or 6-month performance out of 12 months

Customer Satisfaction Index: 2015FY



**OPERATING
PERFORMANCE &
CUSTOMER
SERVICE**

**CUSTOMER
ENGAGEMENTS**

TOUCHPOINTS

**CUSTOMER
PROGRAMS**

**PRODUCTS &
SERVICES**

Record Productivity: 2015FY



*Includes seconded employees

2015 4Q Business Updates & Other Events of Interest



Completed Major Electric Capital Projects 4Q 2015

Uprating of LIIP-Balibago 115 kV Line in Sta. Rosa, Laguna **Completed Dec. 11, 2015**



Uprating of Dasmariñas-FCIE 115 kV Line **Completed Dec. 27, 2015**



Installation of 34.5 kV Metalclad Switchgear at LIIP Substation **Completed Dec. 13, 2015**



Replacement of Transformer Bank No. 2 at Mandaluyong Substation **Completed Dec. 18, 2015**



Completed Major Electric Capital Projects 4Q 2015



P1.2Bn PAGCOR-1 Substation Inaugurated Completed Nov. 11, 2015



- Technologically-advanced power infrastructure in the country – largest integrated and fully-automated Gas Insulated Substation (GIS).
- Will serve whole PAGCOR Entertainment City (Solaire Resort and Casino, City of Dreams, Manila Bay Resort and Resort World Bayshore)

"Maraming salamat sa Meralco and to all the investors who believed in the vision of PAGCOR's Entertainment City and its potential of bringing inclusive growth to the Philippines. A huge factor in attracting the right investors to a venture of this magnitude was securing the commitment of various stakeholders, such as Meralco."

- PAGCOR Chairman Cristino Naguiat, guest of honor

Eagle Cement 69 kV Line 2 Interconnection Project Commissioned on November 10, 2015



Relocation of MERALCO Facilities Affected by Skyway Stage 3 Project

- 30 (P172M) of the current 37 (P784M) relocation projects were already billed
- 10 out of the 12 paid relocation projects amounting to around P44M were already completed





MERALCO

Meralco's Brand of 'Malasakit' & 'Makabayan'

MINDORO & SORSOGON Electric Distribution System Repairs & Recovery – Typhoon “Nona”
December 18-31, 2015



**145 MEN
37 VEHICLES**

**20,000
MANHOURS**



**VITAL
INSTALLATIONS
REENERGIZED**

**DISASTER
RELIEF**

 Chiz Escudero @SayChiz · 27 Dec 2015
Maraming maraming salamat po @lamMVP at @meralco - mula po sa
lahat sa Sorsogon at Bicol!!!! 🙏🙏🙏🙏🙏🙏🙏🙏🙏🙏



Customer Programs & Engagements Highlights 4Q 2015

MERALCO

PRODUCTS, SERVICES AND SOLUTIONS

PRES Kuryente Load



PowerLab



Automated Service Application



PROGRAMS

Meralco Advisory



Orange Tag



AMC



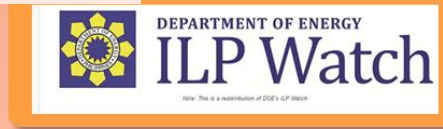
Power & Bright Ideas



Segment Awareness



ILP Watch



PARTNERSHIPS, ENGAGEMENTS AND TOUCHPOINTS

Energizing Partnerships



Luminaries



Power Club



Facebook & Twitter



Website and Microsites



Core Business Recognition 4Q 2015

Meralco named Finalist in Platts Global Energy Awards

CRS Head & SVP AS Panlilio represented Meralco in NY



- Meralco named Finalist in two categories
 - Rising Star Award citing Mr. AS Panlilio
 - Breakthrough Solution of the Year for Prepaid Service dubbed "Kuryente Load"

...we have been recognized along with the great energy companies globally....and truly proud moments for Meralco -ASP

Meralco in top 50 ASEAN Publicly-Listed Companies

ASEAN Corporate Governance Conference and Awards ceremony at Manila Polo Club



- Highlights Meralco's commitment to good corporate governance
- Joined other PLCs - Philex Mining, Globe, Ayala Land, Ayala Corporation, PLDT, Aboitiz Equity Ventures, BDO, SM Prime, Manila Water and GT Capital, were recognized as part of the Top 50 ASEAN PLCs.

Core Business Recognition 4Q 2015



Meralco Orange Fit Wellness Program

- Fostering a healthier, happier workplace
- Company's investment and dedication in enhancing its employees' quality of life.
 - *Was also recognized by People Management Association of the Phils. (PMAP) as its People Program of the Year. Met the organization's high standards of relevant, unique, innovative and cutting-edge program .*



Meralco's Brand of 'Malasakit' & 'Makabayan'



ENERGY
THAT BUILDS
THE NATION

48,697
FAMILIES BENEFITING
FROM ONE MERALCO
FOUNDATION
PROGRAMS



5,993
HOUSEHOLDS
ENERGIZED
THROUGH
RAISE



50
PUBLIC SCHOOLS
ENERGIZED

14,171
STUDENTS IMPROVED
LEARNING



30,400
ESTIMATED HOUSEHOLDS
BENEFITING FROM POWER
RESTORATION

Meralco's Brand of 'Malasakit' & 'Makabayan'



89
COMMUNITY
PROJECTS WITH
BCs & SECTORS



249
PARTNER
ORGANIZATIONS



29,739
VOLUNTEER
HOURS RENDERED
BY EMPLOYEES



2,045
YOUTH DEVELOP-
MENT PROGRAM
PARTICIPANTS



Regulatory Updates

FY 2015

INVESTORS' BRIEFING

February 26, 2016

Outline of the updates

- Implementation of Performance-Based Regulation (PBR)
- ERC confirmation of prior period pass-through charges
- Price and Offer Caps in the Wholesale Electricity Spot Market (WESM)
- Feed-In Tariff (FIT) Allowance implementation
- Interruptible Load Program (ILP) Regulations

Provisional-approval of Interim Average Rate (Distribution, Supply, Metering)

Average of 3RP Smoothed MAPs	1.5822
Less: 2RP under- recovery	(0.1883)
Less: Efficiency Carry-over*	(0.0129)
Interim Average Rate	1.3810

* Additional reduction made by the
ERC not part of this application

RY 2015 MAP	1.5562
Interim Average Rate	1.3810
Rate Reduction	0.1752
% Reduction	11.3%

- Group A DUs (Dagupan Electric, Cagayan Electric Light & Power, and Meralco) completed the 3rd Regulatory Period (3RP) on June 30, 2015
- Interim Rate was proposed while awaiting 4RP reset process
- Filed on June 11, 2015 and provisionally-approved on July 10, 2015
- Evidentiary hearings are on-going

ERC Confirmation of Prior Period Pass-through Charges



- Last June 1, 2015 ERC resolved the following:
 - **Case No. 2010-135 RC** – Recovery of the refunded GRAM 2 amount from January 2007 to September 2010
 - **Case No. 2011-010 CF** – Recovery of net under-recoveries in pass-through charges from June 2003 to Dec 2010
 - **Case No. 2012-139 CF** – Recovery of net under-recoveries in pass-through charges from January to December 2011

Bill Component	2 nd GRAM (2010-135 RC)	Jun 2003 -Dec 2010 Confirmation Filing (2011-010 CF)	Jan - Dec 2011 Confirmation Filing (2012-139 CF)	TOTAL
Generation	944.12*	1,146.94	1,693.73	3,784.79
Transmission		(110.61)	255.01	144.40
System Loss		(136.81)	(452.69)	(589.50)
Lifeline		9.17	39.13	48.30
TOTAL	944.12	908.69	1,535.18	3,387.99

*In Php million. *Includes carrying charge of P197.8 million*

Primary Offer Cap and Secondary Price Cap in the Wholesale Electricity Spot Market (WESM)



- Dec. 15, 2014 - ERC promulgated Resolution No. 20, Series of 2014, imposing a secondary price cap of Php6,245/MWh
- Dec. 17, 2015 - WESM Tripartite Committee issued Joint Resolution No. 3, Series of 2015 entitled “A Resolution Setting the Offer Price Cap and Offer Price Floor in the Wholesale Electricity Spot Market (WESM) Effective 01 January 2016”

WESM Secondary Price Cap	
Price Cap	Php6,245/MWh
168-hour (7-day) Threshold	Php9,000/MWh
Effective	January 9, 2015

WESM Primary Offer Cap and Floor	
Offer Price Cap	Php32,000/MWh
Offer Price Floor	– Php10,000/MWh
Effective	January 1, 2016

Feed-in-Tariff (FIT) Allowance implementation

FIT-Allowance is a uniform charge in peso per kWh (Php/kWh) billed to all on-grid electricity consumers nationwide. The FIT-All charge forms part of a Fund which will be used to pay the FIT-eligible developers of Renewable Energy-based power plants.

Date	Event
October 2014	ERC provisionally approved a FIT-Allowance of <u>Php0.0406/kWh</u>
February 2015	Meralco began collecting the FIT-All charge from its customers
March 27, 2015	New Solar FIT Rate of Php8.69/kWh (from Php9.68/kWh) ERC issued Resolution No. 06, Series of 2015, entitled “ <i>Resolution Adopting the New Solar Feed-in-Tariff (FIT) Rate</i> ”, in response to DOE’s increasing the installation target for solar from 50MW to 500MW valid until March 15, 2016.
Oct. 6, 2015	New Wind FIT Rate of Php7.40/kWh (from Php8.53/kWh) ERC issued Resolution No. 14, Series of 2015, entitled “ <i>Resolution Adopting the Wind Feed-in-Tariff (Wind-FIT2) Rate</i> ”, applicable to three wind projects with an aggregate capacity of 144MW, in response to DOE’s increasing the installation target for wind from 200MW to 400MW
Dec. 22, 2015	TRANSCO filed an application for the approval of a new FIT-All of <u>Php0.1025/kWh</u> . ERC has yet to release an Order on the request for provisional approval.

Interruptible Load Program (ILP)

Under the ILP, a customer may voluntarily reduce its load requirement from the grid usually by shifting its requirement to its generator set.

Date	Event
Feb. 18 and Mar. 6, 2015	Meralco conducted ILP Dry Run Exercises in preparation for the summer season, as directed by the DOE.
April 6, 2015	ERC amended the ILP Rules (Resolution No. 5, Series of 2015) • Allowed participation of contestable customers, locators in economic & freeport zones, direct connects • Removal of cap on maintenance cost • Recovery of DU-administered ILP from all wheeling load customers • Compensation & recovery of DoE-initiated dry runs
June 1, 2015	DOE issued Department Circular No. DC2015-06-0003 entitled <i>“Providing the Interim Manner for Declaring Bilateral Contract Quantities (BCQ) in the Wholesale Electricity Spot Market (WESM) and Directing the Philippine Electricity Market Corporation (PEMC) to Establish Necessary Protocols to Complement the Interruptible Load Program (ILP)”</i> • Facilitated participation of contestable customers in ILP

By end-October 2015, there were 422 services with an equivalent deloading capacity of 827MW enrolled in the ILP within the Meralco area.



Meralco PowerGen Corporation (MGen)

Updates as of 26 February 2016

San Buenaventura Power Limited Co. (SBPL)

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

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

- Construction
 - 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. Completion targeted in 2019.



San Buenaventura Power Limited (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” 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

- Environmental Case
 - RP Energy received the Supreme Court's decision dated 03 February 2015, denying the Writ of Kalikasan case filed against its planned power project.
 - The high court upheld the validity of the Environment Compliance Certificate (ECC) and its first two amendments, as well as the Lease and Development Agreement of RP Energy with Subic Bay Metropolitan Authority (SBMA).
- Interconnection
 - The Energy Regulatory Commission ("ERC") approved on 22 May 2015 RP Energy's application for the RPE to Castillejos 230-kV transmission line.

Redondo Peninsula Energy, Inc. (RP Energy)

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

- Off-takers
 - RP Energy will negotiate a PSA with Subic Enerzone and Meralco for the sale of electricity generated from the power station.
 - The Company will also study the possibility of supplying electricity to surrounding electric cooperatives.
- Construction
 - RP Energy targets to start project construction within 2016.
 - Expected commercial operation is late 2019.



Atimonan One Energy, Inc. (A1E)

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

- **Permits**
 - The Certificate of Non-Overlap in favor of A1E was secured from the National Commission on Indigenous People (“NCIP”) on 26 May 2015
 - 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 resettlement site was received on 05 January 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 the fourth quarter of 2016.
 - Target completion of Unit 1 is early 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 Compant supplies electricity to industrial and retail customers in Singapore.
- In March 2015, PLE was awarded two awards under the Singapore Outstanding Entrepreneur Award in recognition of its entrepreneurial spirit and customer service.
- In June 2015, PLE was named Singapore's "SME of the Year," recognizing its excellent services and continuous improvements.



PacificLight Power Pte. Ltd. (PLP)

2x400MW LNG Combined Cycle Facility in Jurong Island, Singapore



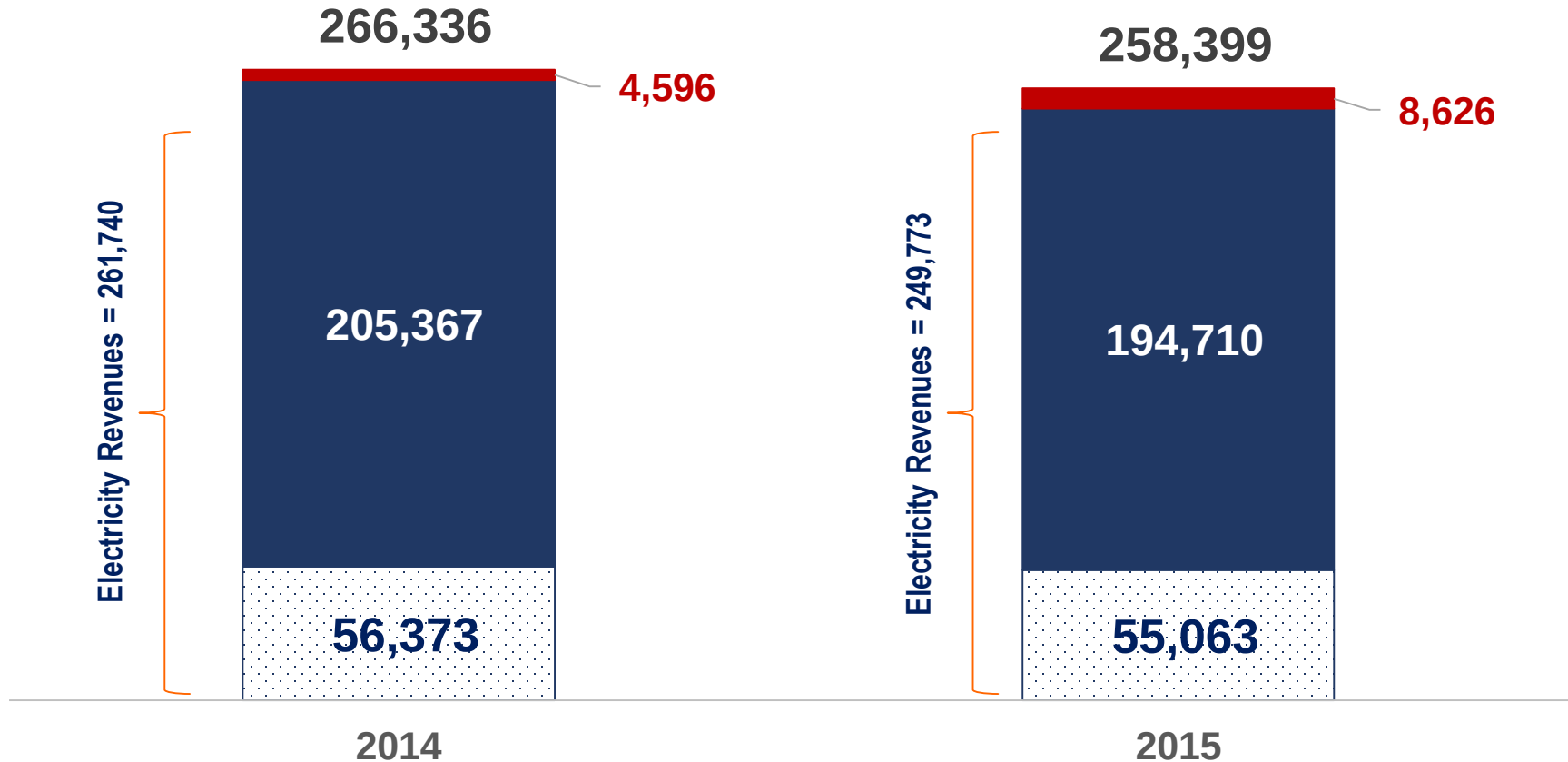
- PLE is the first Singapore power retailer to introduce a hybrid energy solution in partnership with global solar solutions provider, Renewable Energy Corporation (REC).
 - Known as the “PLEdge to RECharge Green Energy Programme,” the program provides consumers with cost-competitive choices while protecting the environment through the adoption of solar energy together with energy generated from natural gas.



Financial Highlights

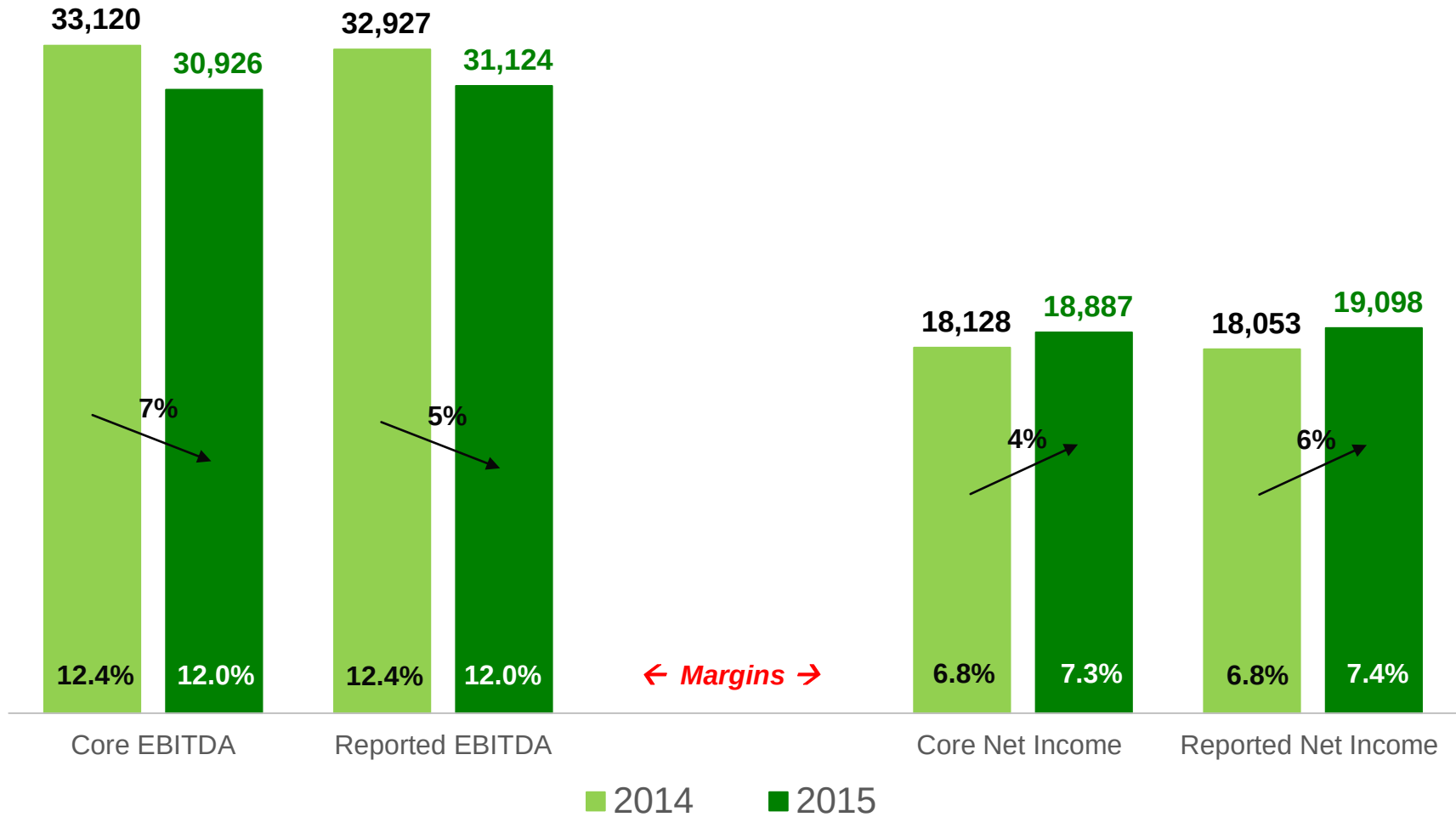
FY 2015

Consolidated Revenues (in Million PhP)



□ Distribution Revenues ■ Generation & Other Pass-through Charges ■ Non-Electricity Revenues

Consolidated EBITDA and Net Income (in Million PhP)

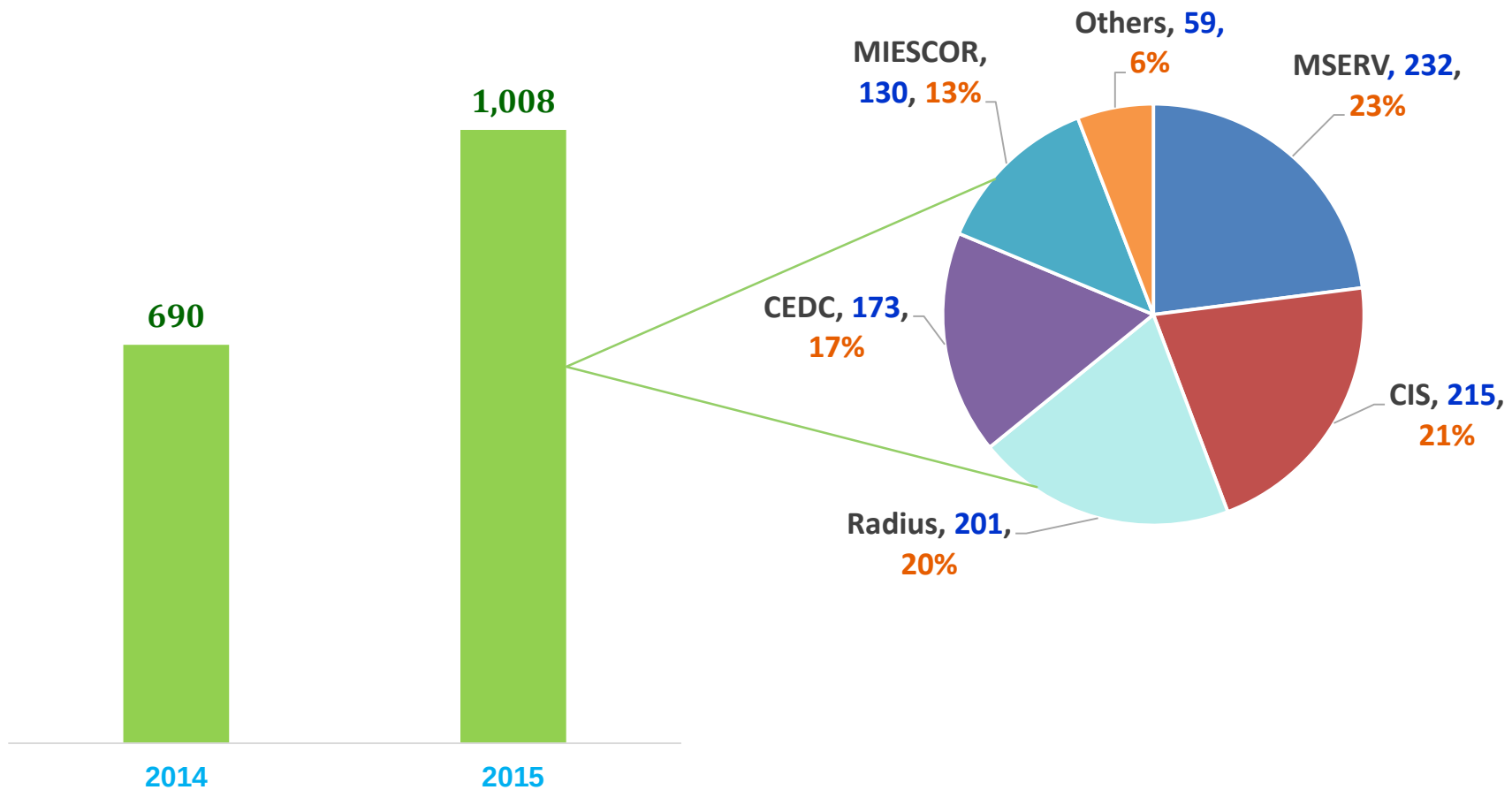


Meralco Subsidiaries



	Company	MER Stake	Description
Power	 Clark Electric Distribution Corporation	65%	A DU in the Clark Economic Zone, a 320 km ² airport-driven urban center and location of high-end IT-enabled industries aviation and logistics enterprises, tourism and other sectors.
	 Meralco PowerGen Corporation	100%	A corporation organized to develop highly competitive and reliable power plants with aspirations of building up to 3,000 MW of power generation capacity.
Services	 Meralco Industrial Engineering Services Corporation	99%	A contractor-specialist engaged in engineering, construction and maintenance activities related to power generation, transmission and distribution, as well as water resources and telecommunications.
	 Radius Telecoms, Inc.	100%	A data connectivity solutions provider which operates a fiber-based telecommunications infrastructure, expanding to more than 2,000 kilometers across the Meralco franchise area.
	 CIS Bayad Center, Inc.	100%	A bills payment collection service operating nationwide, accepting payments for a wide range of companies including banks, telecoms, utilities, cable television among others.
	 Lighthouse Overseas Insurance, Ltd.	100%	A non-life insurance company that serves to reinsure MERALCO's major catastrophic risk exposure.
	 Republic Surety and Insurance Company Inc.	100%	An insurance company licensed to write all lines of non-life insurance and surety, both on a direct and reinsurance business.
	 Meralco Energy, Inc.	100%	A corporation that provides beyond the meter energy services to MERALCO's key accounts, covering energy efficiency services, power quality solutions, innovative systems in advanced metering infrastructure.

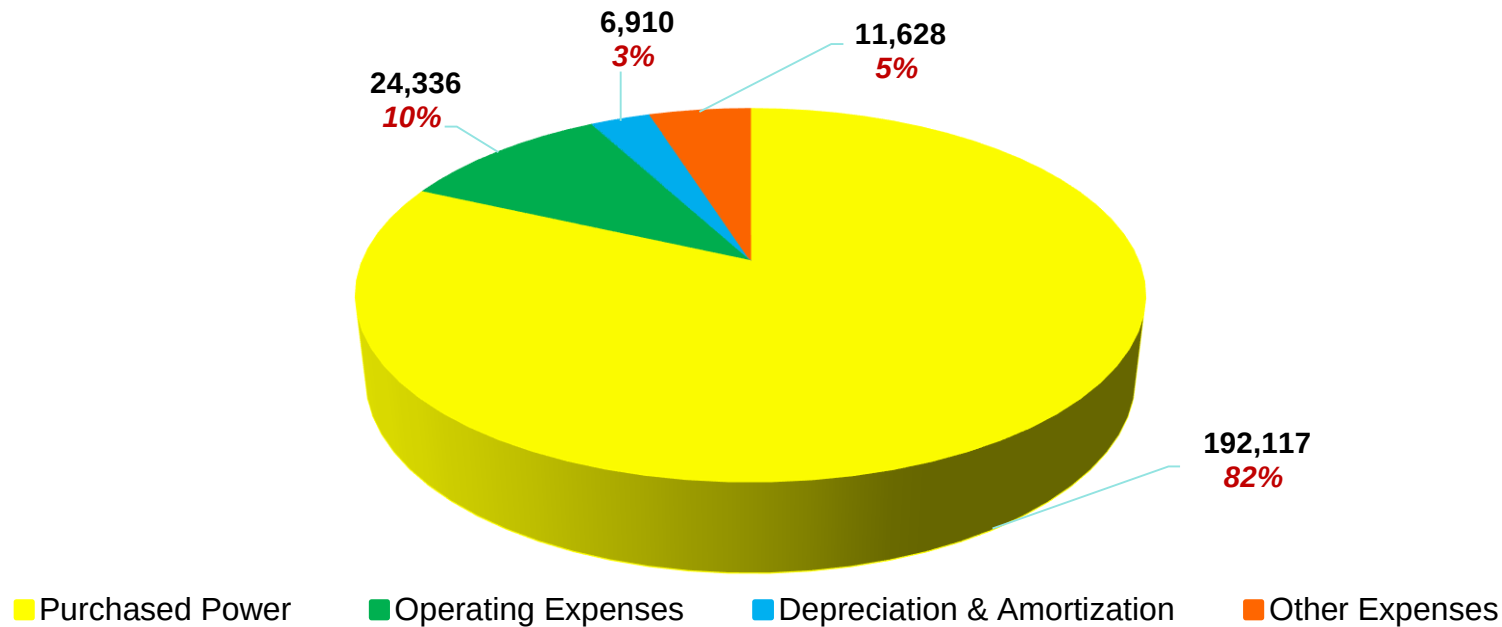
Subsidiaries Contribution (in Million PhP)



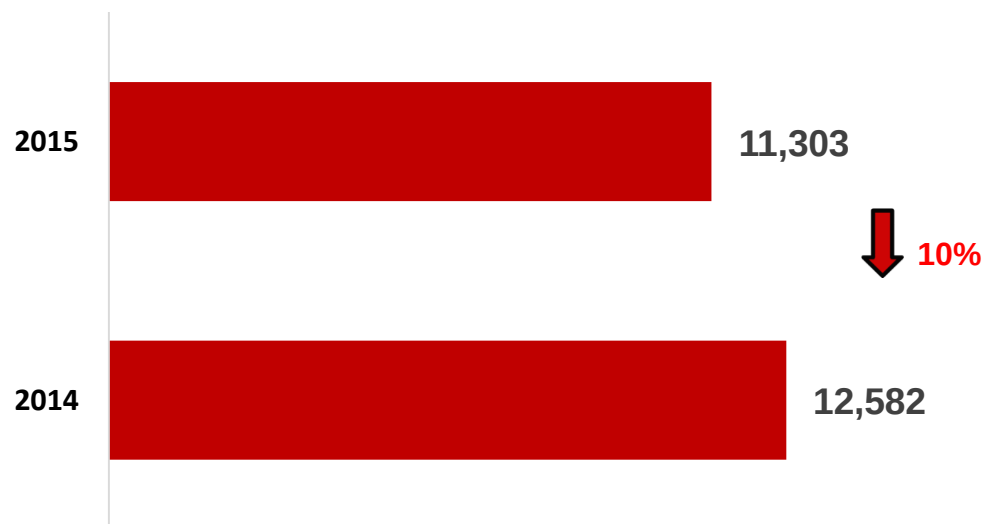
Costs and Expenses/Capital Expenditures (₱ mn)



Costs and Expenses



Capital Expenditures



Other Significant Transactions



Indra Philippines Inc.

- Meralco sold its 84,012 common shares of stock in Indra Philippines Inc. to Metro Pacific Investments Corp. for P326.5 mn.
- The sale represents 24.95% of the outstanding capital stock of Indra and reduced Meralco's stake to 24.95%.



Pampanga II Electric Cooperative (PELCO II)

- Meralco entered into a joint venture, Comstech Integration Alliance, Inc. ("Comstech") to provide management and technical services to Pampanga Electric Cooperative II ("PELCO II"), under a Technical Services Agreement.
- PELCO II covers seven major municipalities in the province of Pampanga with an aggregate annual consumption of about 380 GWh.



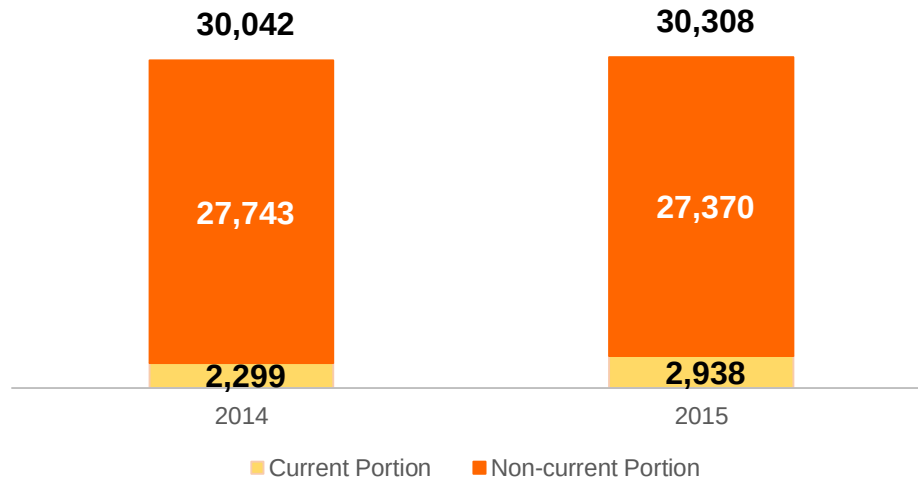
Cavite Economic Zone (CEZ)

- Concession Agreement with the Philippine Economic Zone Authority for the Cavite Economic Zone ("CEZ"),
- 332 hectares of prime distribution area with aggregate annual consumption of close to 480 GWh.

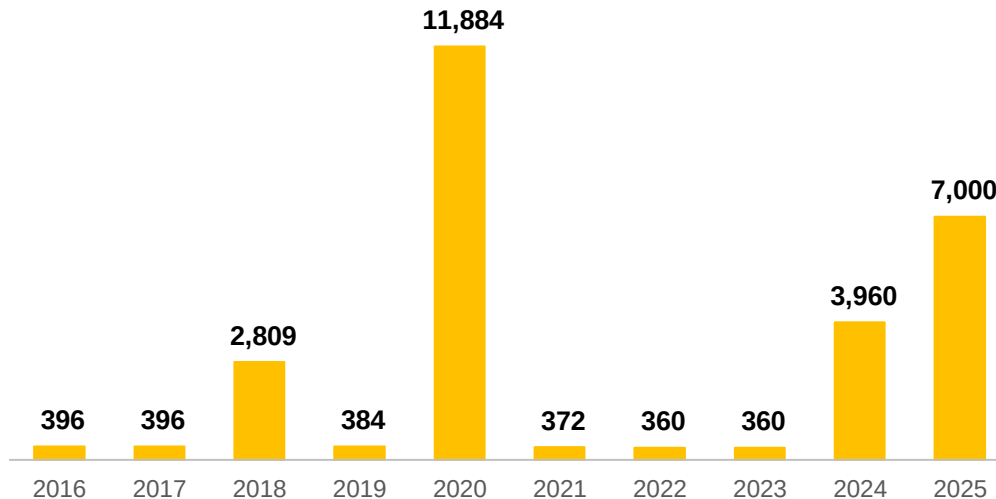
Credit and Debt Profile



GROSS DEBT (in Million PhP)



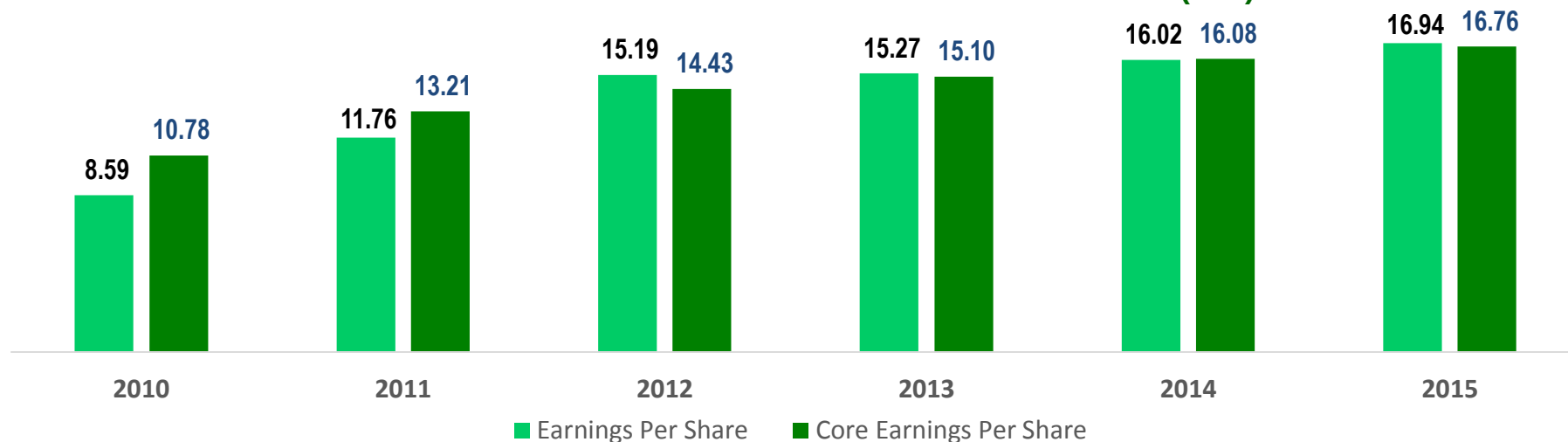
LT LOAN REPAYMENT SCHEDULE (in Million PhP)



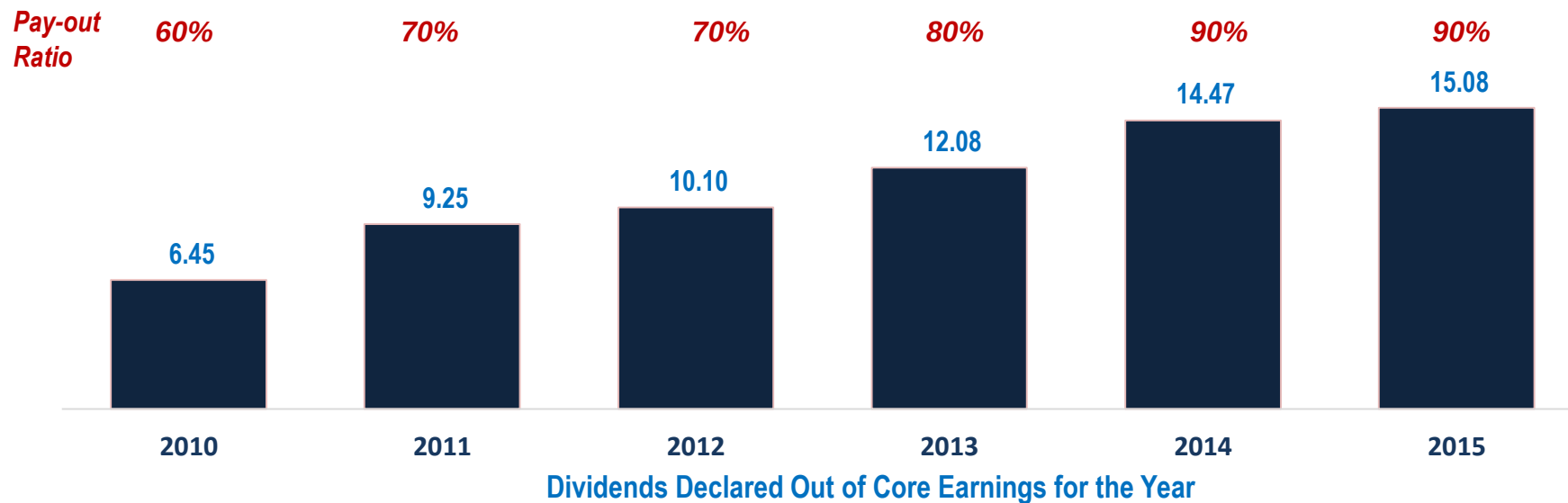
(in Million PhP except ratios)	2014	2015
Cash	69,469	50,840
Gross Debt	30,042	30,308
Net Debt	(39,427)	(20,532)
Gross Debt/EBITDA	0.91	0.97
Net Debt/EBITDA	(1.20)	(0.66)
Gearing Ratio	(0.50)	(0.26)
Interest Expense	1,439	1,216

Earnings per Share and Cash Dividends

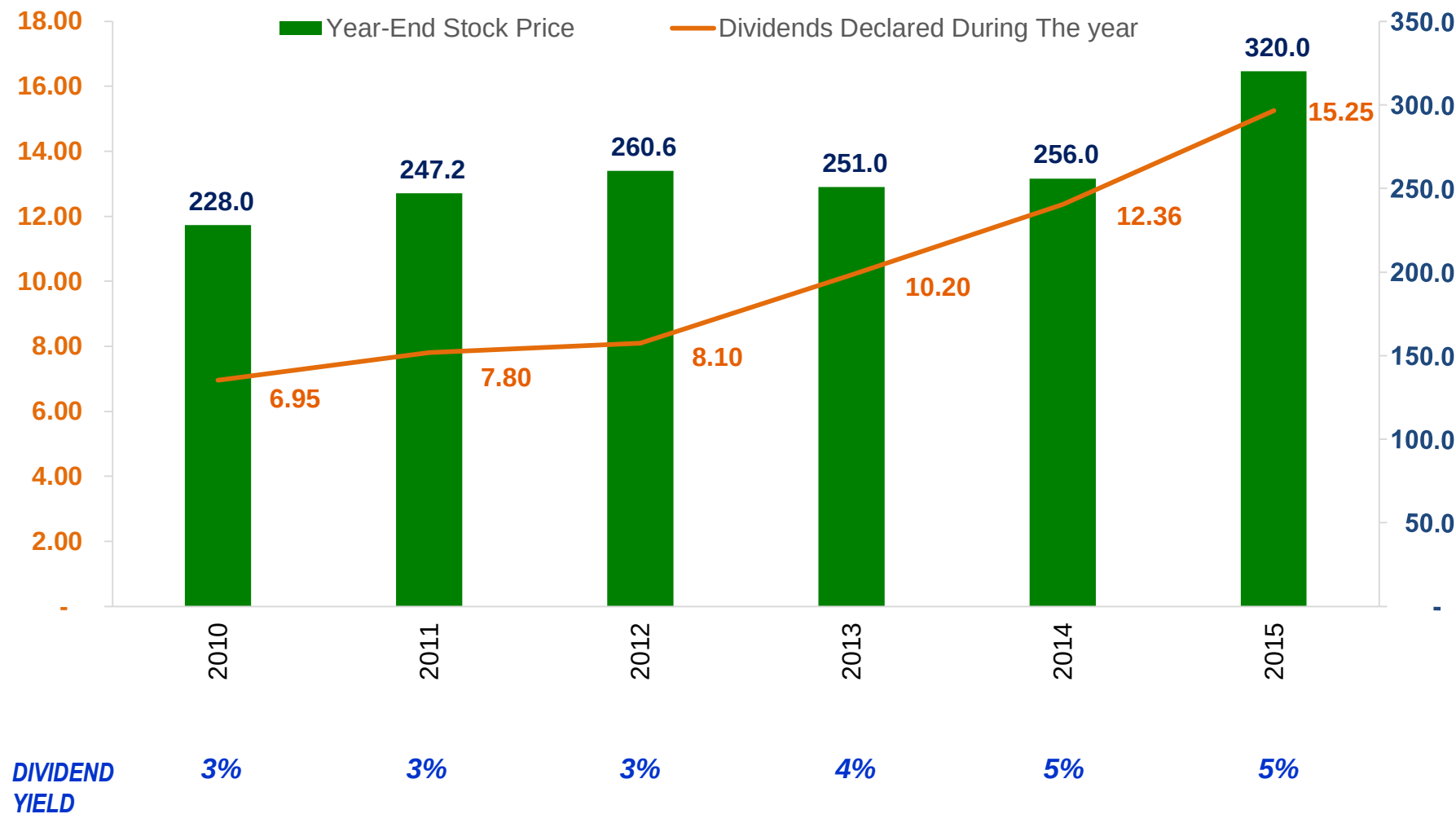
REPORTED AND CORE EARNINGS PER SHARE (in P)



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



Dividend Yield



Cautionary Statements



This presentation is prepared for the participants of the **MERALCO Investors and Analysts Briefing & Teleconference** held on **February 26, 2016**. This presentation has consequential limitations and is not a comprehensive discussion about **Manila Electric Company and Subsidiaries (MERALCO)**. The same materials are restricted to the participants and may only be used in conjunction with the meeting held on such date.

The information contained herein should not be quoted in whole or in part without prior consent of **MERALCO**. No responsibility to any third party is accepted as the presentation has not been prepared for and is not intended for any other purpose.

Accordingly, **MERALCO** makes no representation or assurance that any projected results based on the use of these information will be realized. Investors and analysts should not place undue reliance on these information, though presumed correct at the time of the presentation. These information are exposed to various risks and competitive uncertainties and contingencies which are beyond **MERALCO's** control.



One Meralco's Assistance to Mindoro and Sorsogon Provinces after "Nona"



THANK YOU

Investors and Analysts Briefing

February 26, 2016