

FINANCIAL AND OPERATING RESULTS



Investors and Analysts Briefing
Year Ended December 31, 2016

February 27, 2017



OPERATIONS REPORT

Performance ended December 2016



MERALCO

Operating Highlights

Energy
Sales

↑8.1%*
40,142 GWh

Customer
Count

↑4.4%*
6.04 million

Peak
Demand

↑7.1%*
6,748 MW

Net System
Input (NSI)

↑8.0%*
42,866 GWh

NSI
Sources

69.3% IPP/PSA*
10.5% WESM
18.5% RES
1.8% Sp. Con.

Ave. Retail
Rates

↓9.2%*
P7.50/kWh

S-Factor
& GSL**

Sustained
Service
Improvement

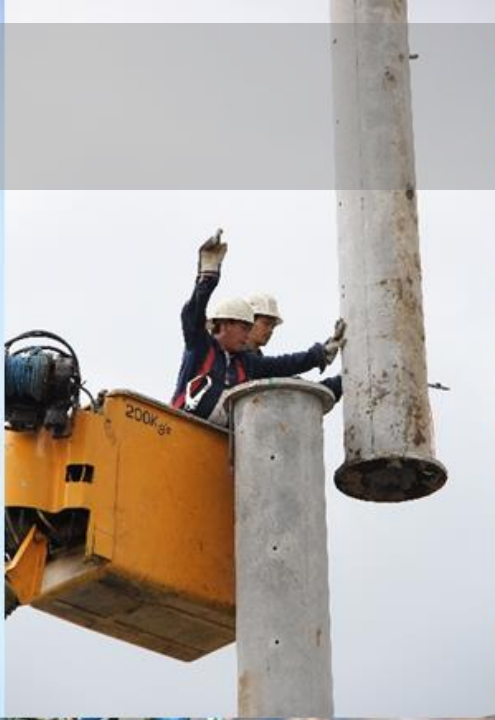
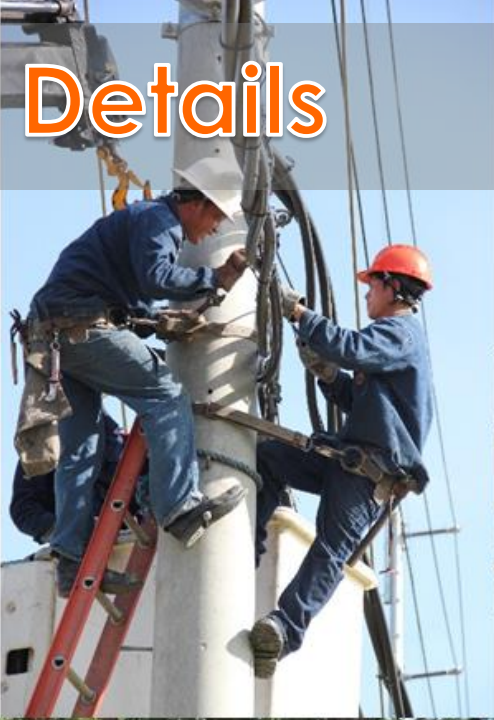
Business
Updates

FY
2016



*vs. same period, previous year

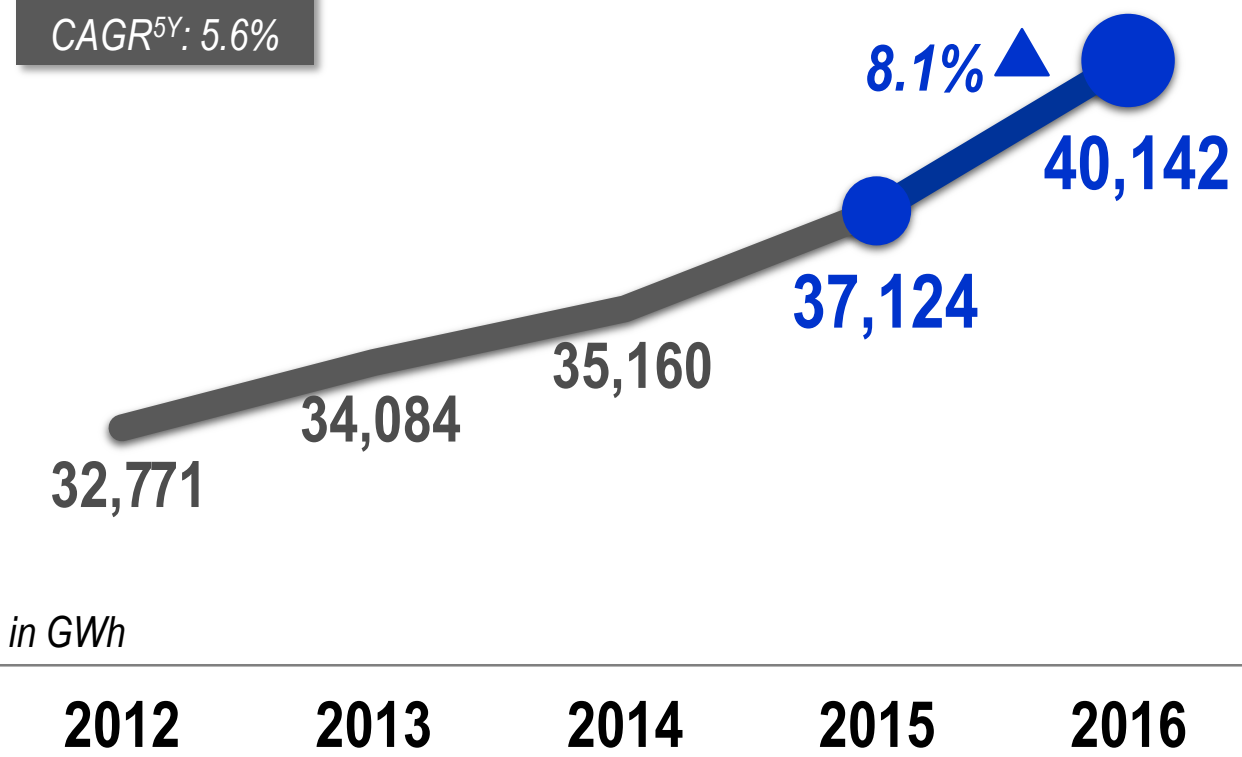
**Compared with past levels (in the absence of 4RP standards/ reset)



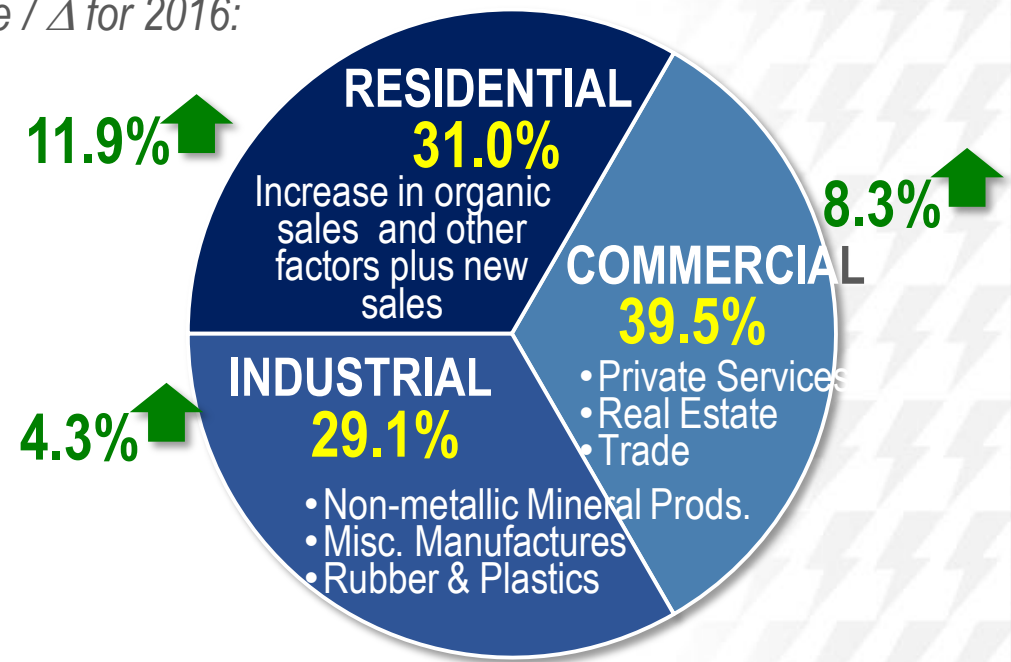
Energy Sales: 2016FY

▪ Exceptional Sales growth, up 8.1% vs. 2015 (+3,018 GWh)

CAGR^{10Y}: 4.8%
CAGR^{5Y}: 5.6%



Share / Δ for 2016:



Increase in organic sales and other factors plus new sales

- Private Services
- Real Estate
- Trade

- Non-metallic Mineral Prods.
- Misc. Manufactures
- Rubber & Plastics

Sales volume for Flat Streetlight account for 0.3%

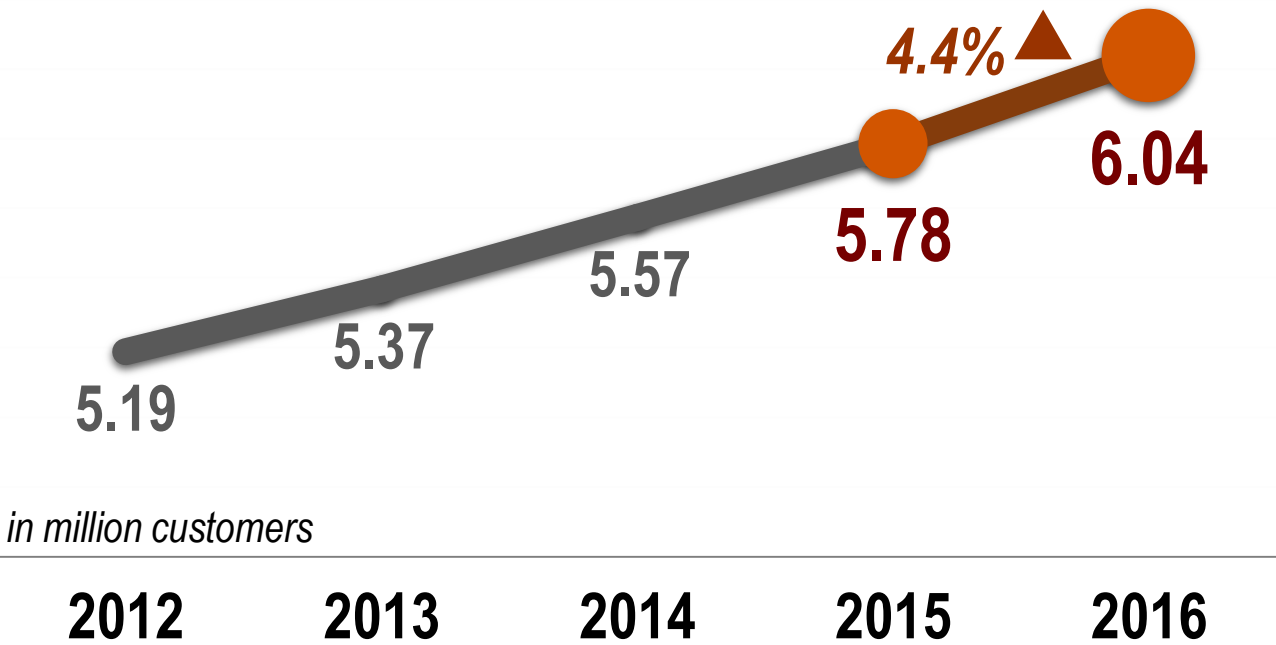
Note: Growth movers apply to GP customers under Industrial and Commercial segments.



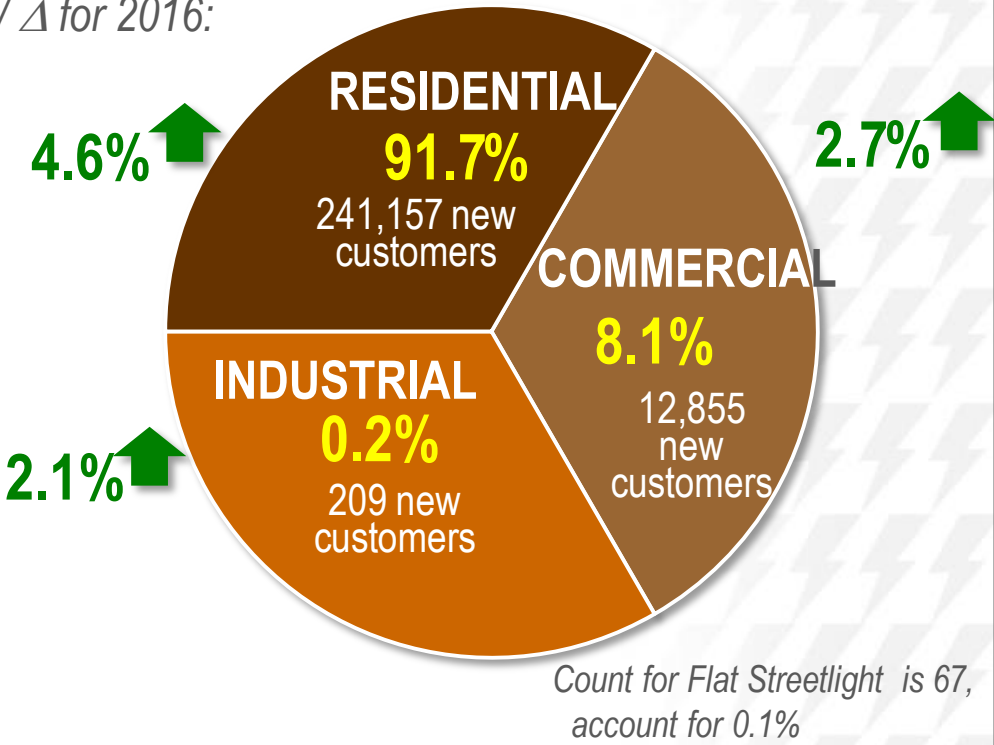
Customer Count: 2016FY

■ Up 4.4% vs. 2015 (+ 254,288 new customers)

CAGR^{10Y}: 3.2%
CAGR^{5Y}: 3.7%



Share / Δ for 2016:



Sales & Customer Drivers: 2016FY



WARMER
TEMPERATURE;
“EL NIÑO”



EARLY
-ENERGIZATION-
-PROCESSING-
-DESIGN-
-FACILITATION-



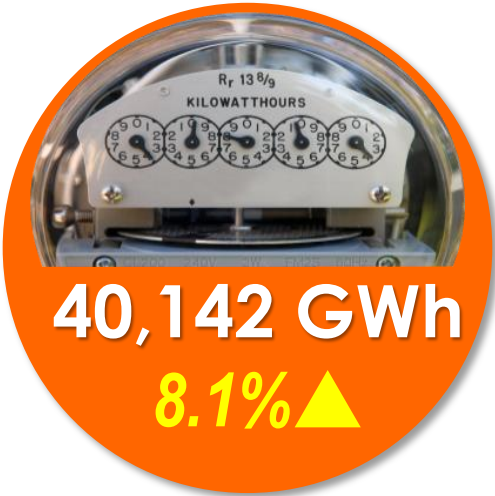
ELECTION
YEAR



EXPANDING
CUSTOMER
BASE



LOW
INFLATION



ROBUST & RELIABLE
SUBTRANSMISSION –
DISTRIBUTION SYSTEM



POSITIVE
ECONOMIC
CONDITION



STABLE
POWER
SUPPLY



EARLY
-PROSPECTING-
-PLANNING-



LOWER
ELECTRICITY
RATES

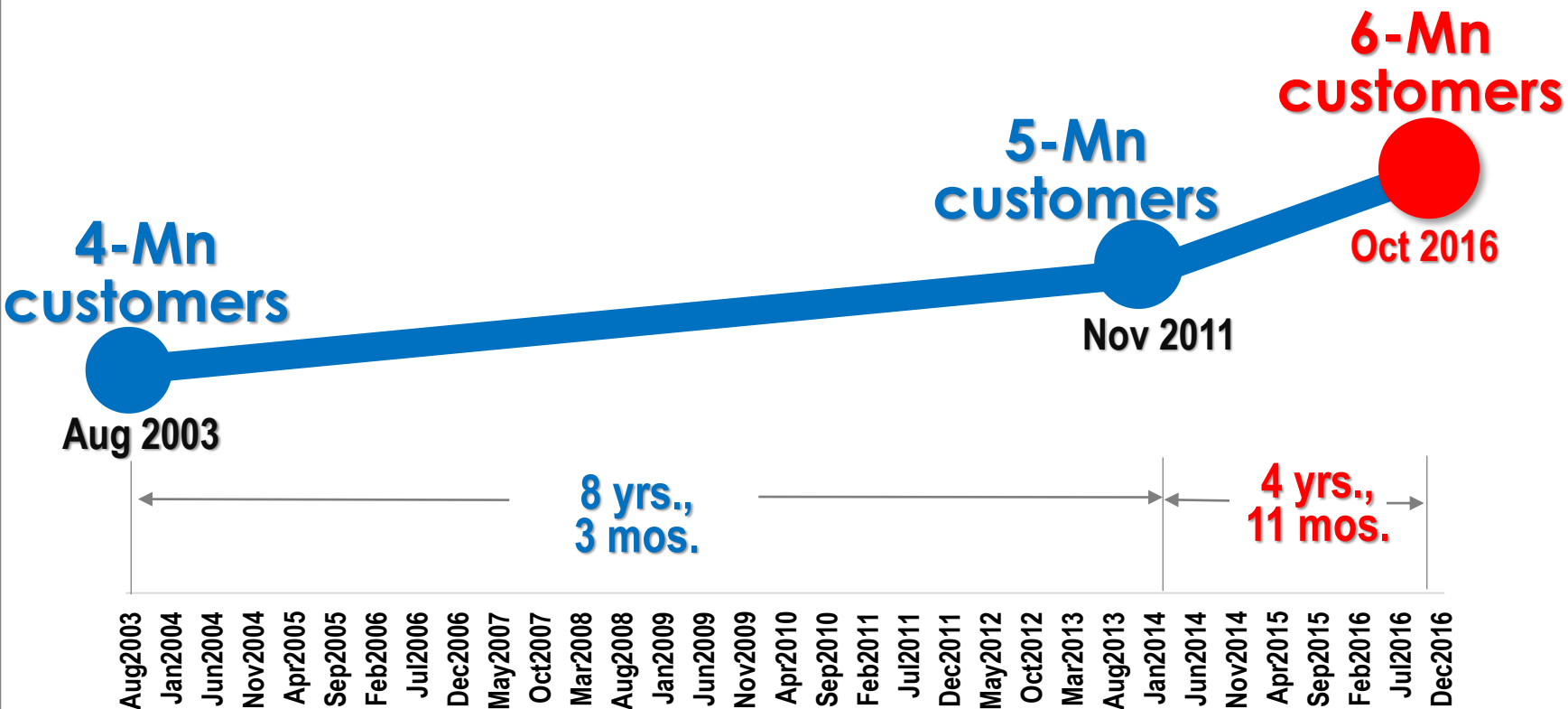


AVAILABILITY
CUSTOMER
PROGRAMS



Record Customer Count: 2016FY

■ We reached a significant milestone, as our customer base grew...



España Grand Residences is 1 of the 6 buildings in the pipeline they will convert to prepaid (100% occupancy rate)

A BRIGHTER TOMORROW FOR SIX MILLION MERALCO CUSTOMERS

"We're surprised to find out that Meralco has so many customers!" Engr. Cesar Tan, Executive Vice President and Chief Finance Officer of property developer First Golden Achievers, exclaimed when he found out that his company helped Meralco reach a key milestone.

One hundred and twelve years into the power business, the country's largest utility provider now has six million customers. Meralco reached the six million mark when property developer First Golden Achievers, working closely with Meralco Biz Partners, installed the innovative Prepaid Retail Electricity Service in their property, España Grand Residences, this month.

Led by EVP Engr. Tan, the company is the development arm of Best Builders Corporation, a group of engineers, contractors, and consultants that has planned, designed, and built residential, industrial, and commercial properties for almost three decades.

Engr. Tan believes there is one thing that sets a business apart from its competitors: the use of new, innovative technology. This belief powered the success of the España Grand Residences, one of the first buildings in the building Sampaloc area to offer prepaid electricity for its unit owners and tenants, composed mostly of young families and students.

The prepaid electricity technology finally makes it possible for Filipino subscribers to enjoy more flexibility in the way they consume and pay for energy through a system that they are already very familiar with, Meralco's electricity "load" can be bought, in different denominations, from hundreds of loading stations, Bayad Centers, and Meralco Business Centers, after which it only takes a few simple, convenient steps to top up the account.

"Prepaid Electricity is enabled through an integrated system of smart meters, communication platforms and meter data collection/management system called the Advanced Metering Infrastructure (AMI) which we hope to roll out to all customers with the help of Energy Regulatory Commission," said Alfredo Panillo, Meralco SVP and Head of Customer Retail Services and Corporate Communications.

Aside from prepaid subscriptions, AMI can also be used to detect power outages instantly and to enable customers to take full, remote control of the account for increased flexibility and efficiency.

More than the technology and tailor-fit power solutions for businesses, Meralco is steadily rolling out, Engr. Tan and his partners cite the company's efforts to constantly improve customer experience as the reason they are looking forward to working with Meralco Biz Partners for future development projects.

One of his partners, Mr. Rudy Niu, President and Co-owner of España Grand Residences had this to say: "We have been in the property development business for over ten years and we are amazed with the customer experience with Meralco Biz Partners." Mr. Niu continues, "They sit down and talk with us and our tenants to help us understand how their new products and services work."

"We really appreciate the way they accommodate us and listen to our concerns," added Engr. Tan. "If we have an issue, we just call them up and they respond right away."

Meralco is equally honored to work with forward-thinking customers such as the leaders of First Golden Achievers.

"We are glad to be part of First Golden Achievers' continuous growth as a real estate developer," Panillo concluded. "They are more than our six millionth customer—Engr. Tan and his partners serve as our inspiration to develop and deploy power solutions that light our customers' paths toward success and a brighter tomorrow."



MERALCO CELEBRATES 6 MILLION CUSTOMERS

A PARTNERSHIP LIT BY A VISION

"At Meralco, we envision a bright tomorrow. It's a dream that we share with Cesar Tan, our six millionth customer, the co-owner and Executive Vice President of España Grand Residences. Mr. Tan wants to revolutionize condominium living with modern accommodations and smart services.

Meralco Biz Partners equipped his building, the first of many to come, with the Meralco Prepaid Electricity Service, an ideal solution for the students who are his tenants.

These customer relationships are at the very heart of what we do at Meralco. We try to find innovative solutions because we know that every household and business where we are present is lit by a dream of a better life.

Today these dreams are six million strong, illuminating a brighter future for us all."

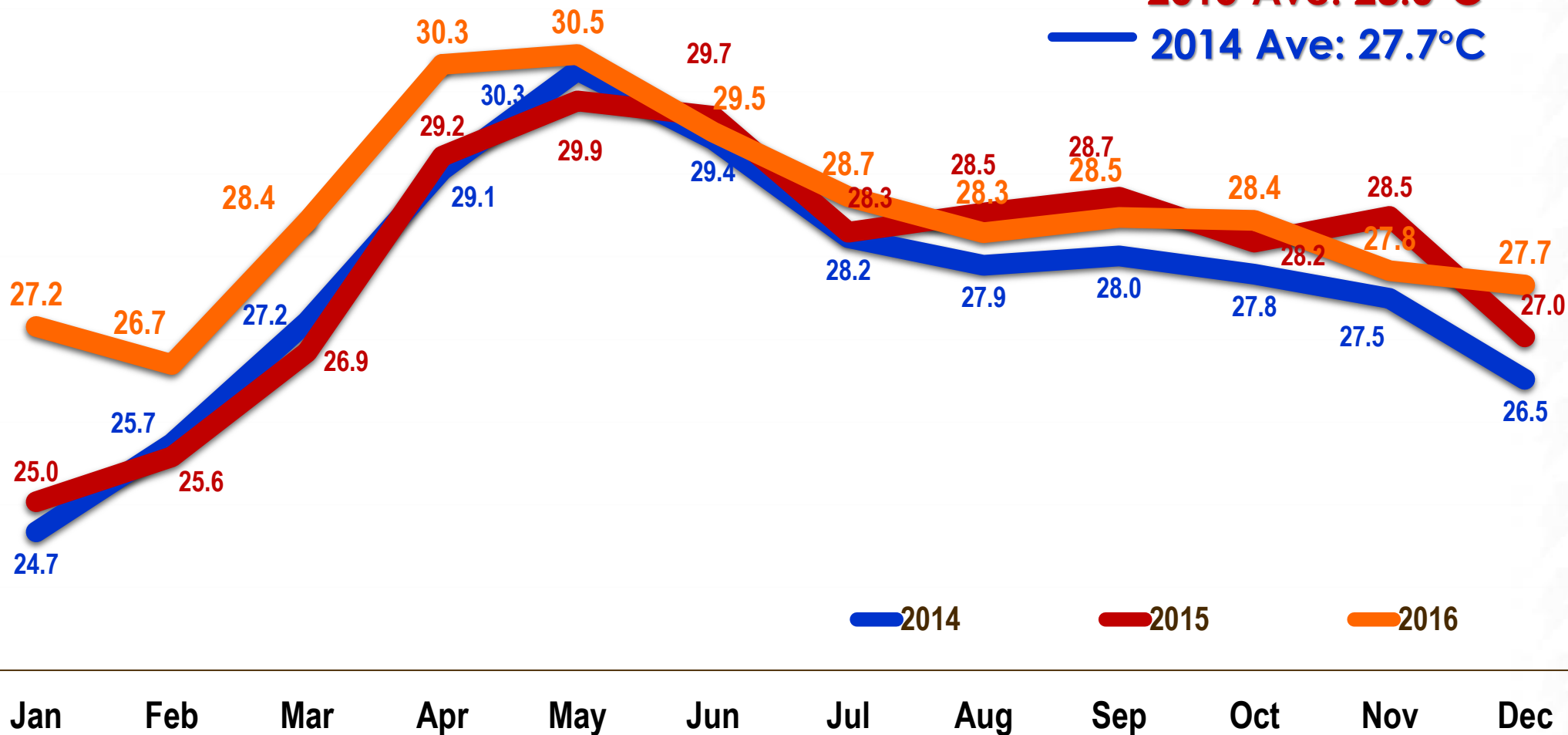
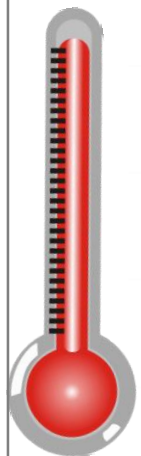
— ALFREDO S. PANILLO
SVP and Head of Customer Retail Services and Corporate Communications



Ave. Temperature(°C): 2016FY

■ Warmer temperature mostly in 1st half of 2016 vs. 2015

— 2016 Ave: 28.5°C
— 2015 Ave: 28.0°C
— 2014 Ave: 27.7°C

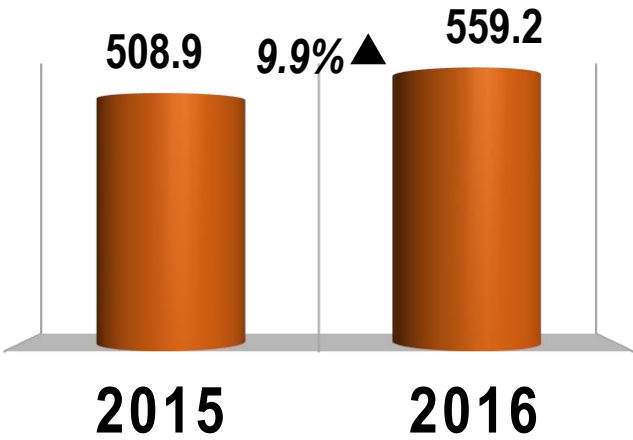


Ave Max Temp 2014 2015 2016
34.4°C 34.7°C 34.90°C



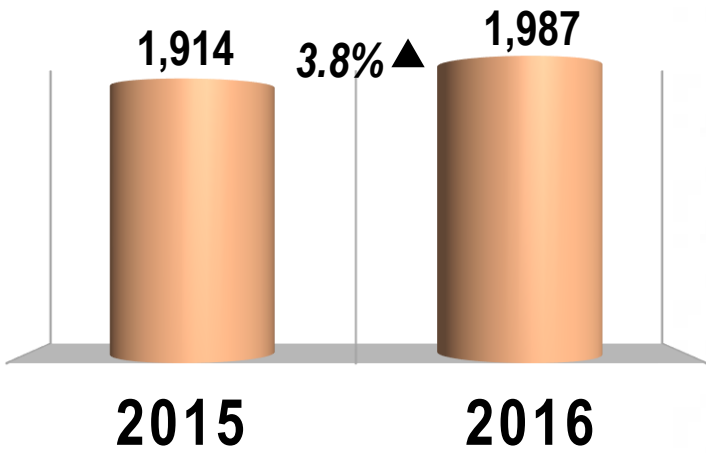
Clark Electric (CEDC): 2016FY

ENERGY SALES, in GWh

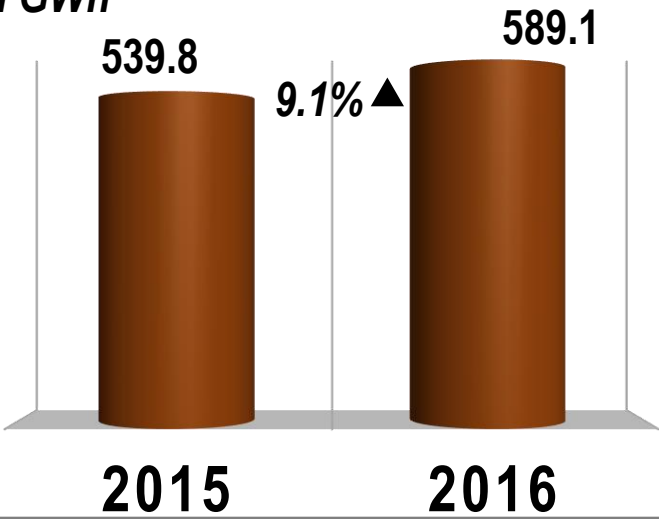


CEDC's top 5 sales contributors for December 2016 include Phoenix Semiconductor Philippines Corp. (PSPC), Yokohama, SN Aboitiz Power, Premier Central (SM Clark), and SMK Electronics Corp. Phils.

CUSTOMER COUNT



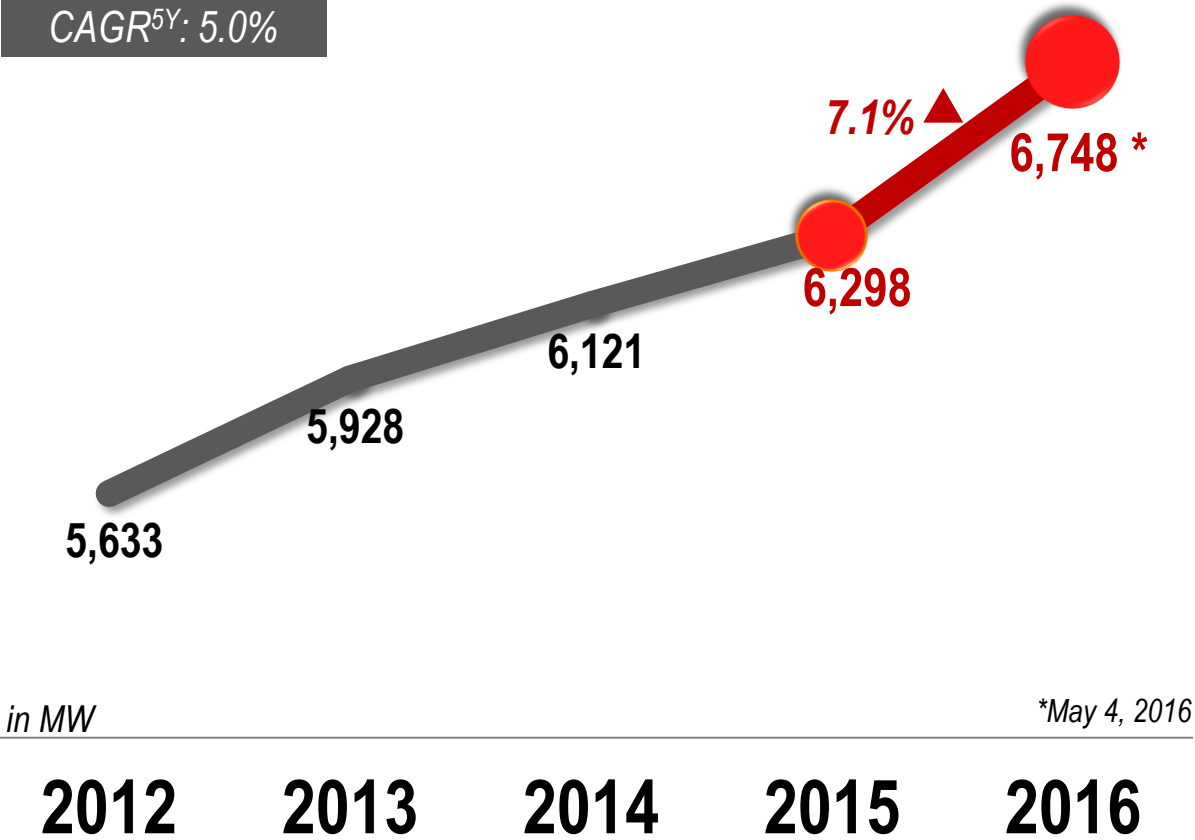
NSI, in GWh



Meralco Peak Demand: 2016FY

■ Meralco Peak Demand up 7.1% at 6,748 MW.

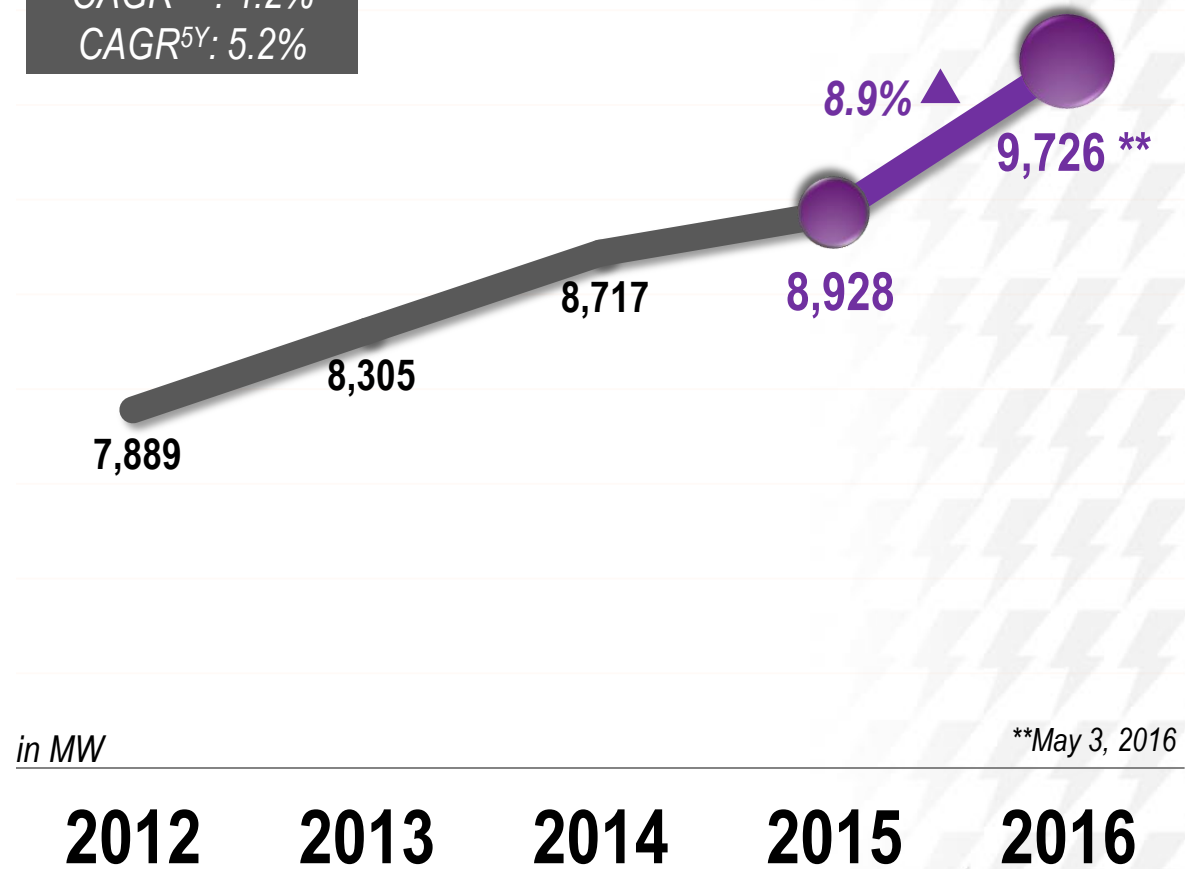
CAGR^{10Y}: 4.0%
CAGR^{5Y}: 5.0%



Luzon Peak Demand: 2016FY

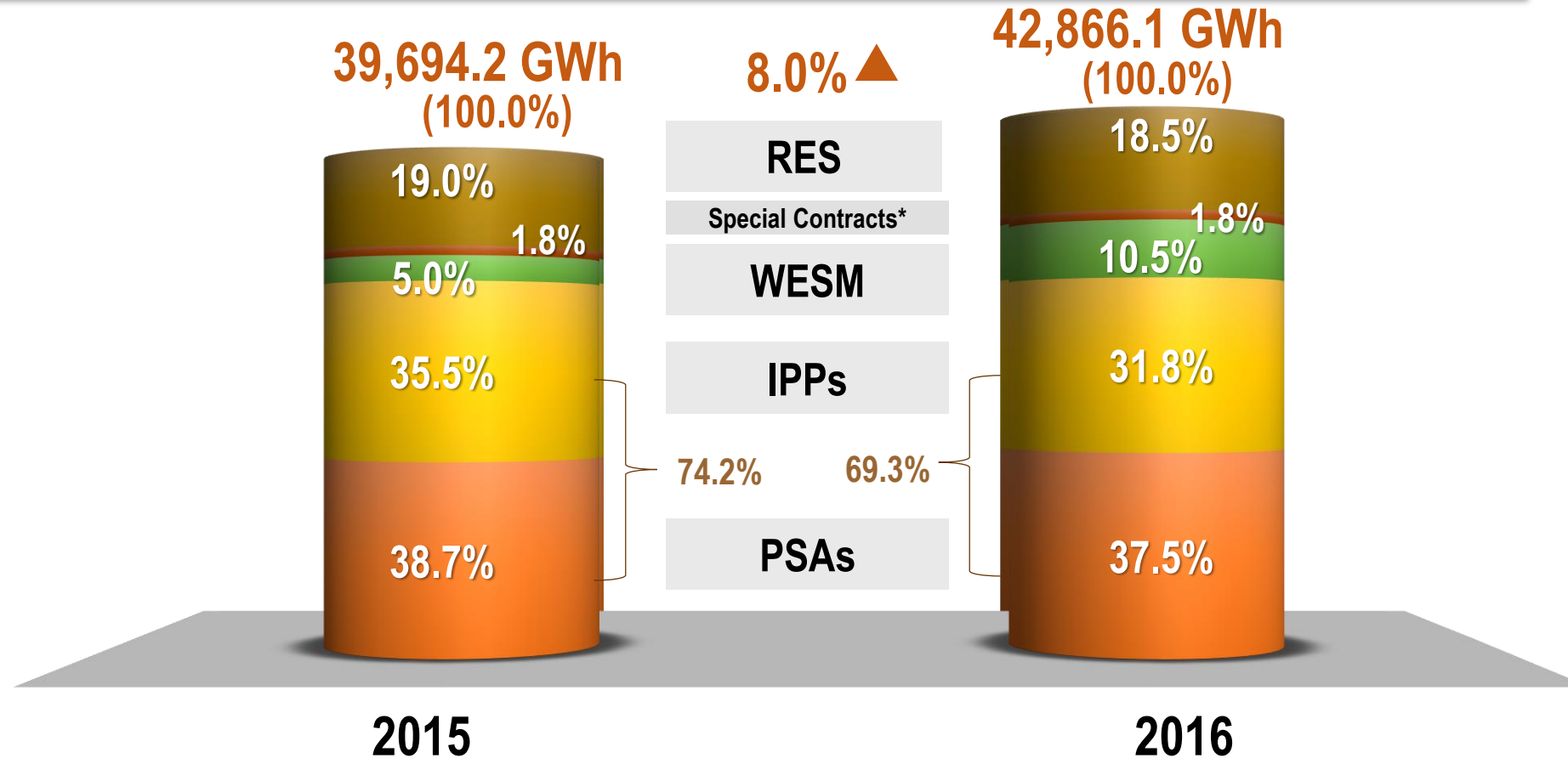
■ Up 8.9% at 6,748 MW.

CAGR^{10Y}: 4.2%
CAGR^{5Y}: 5.2%



Energy Sources: 2016FY

Contracted supply contracts (PSAs and IPPs) delivered 69% of total volume in 2016 in spite of power plant outages



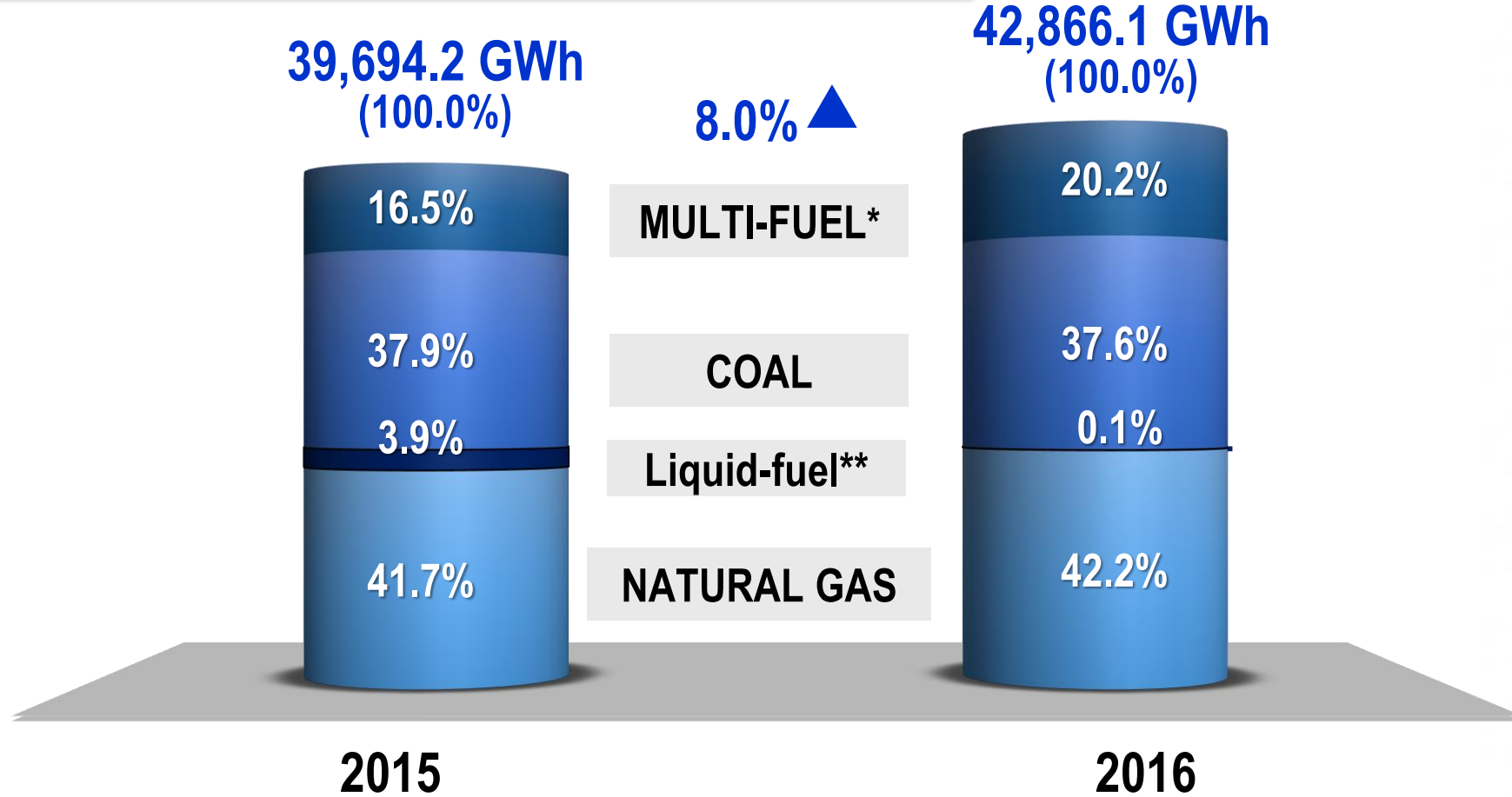
*Includes volumes of CEDC, Cavite Economic Zone (CEZ), Sunpower and Coccochem Agro-Industrial Park (CAIP)

CONSOLIDATED



Power Fuel Mix: 2016FY

■ Natural Gas provided 42.2% of fuel sources while Coal 37.6% with balance, multi-fuel



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

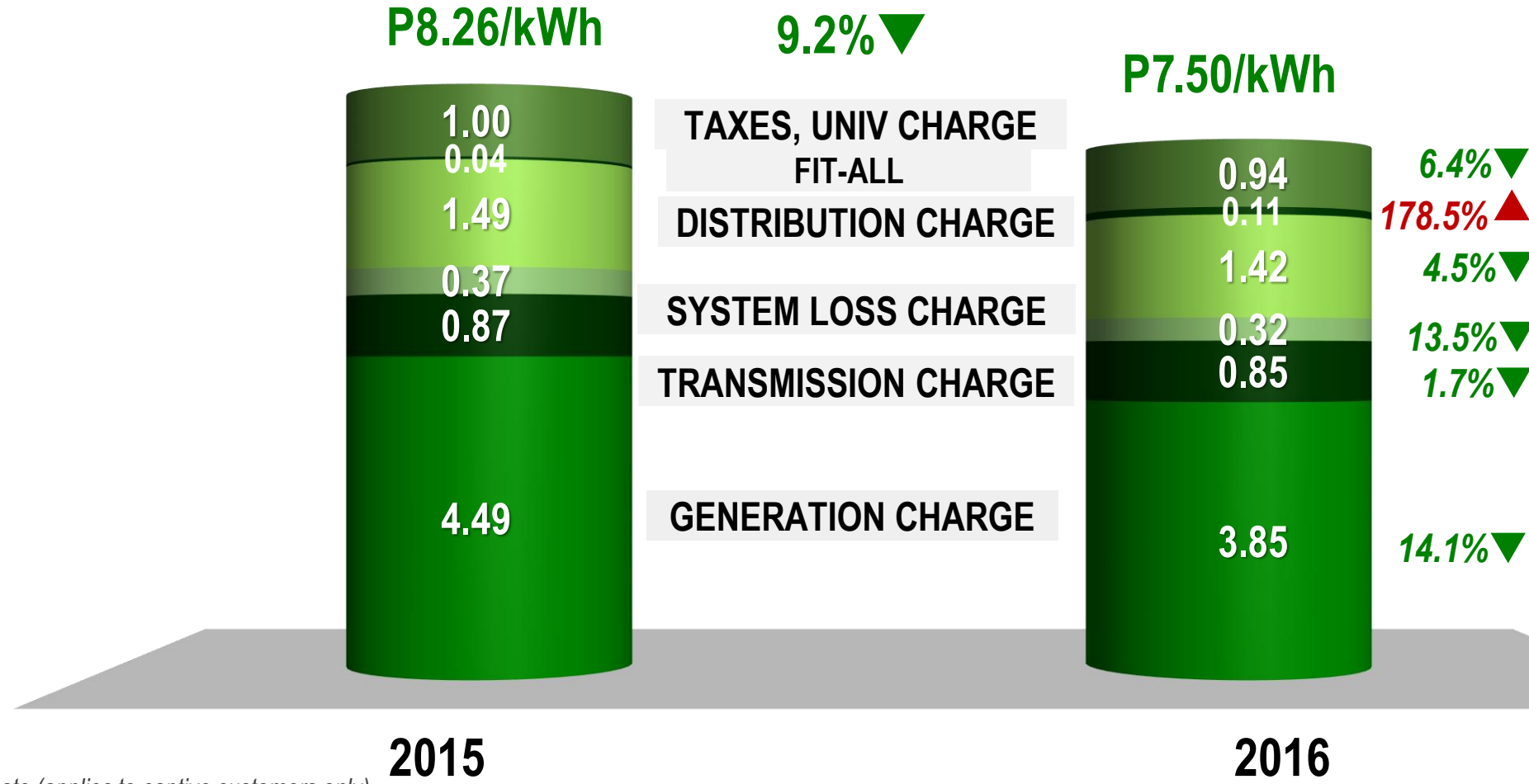
**Used as substitute during unavailability of Malampaya gas supply or plant maintenance (Sta. Rita, San Lorenzo and Ilijan)

CONSOLIDATED



Average Retail Rates: 2016FY

- 9.2% lower than 2015 average rates (-P0.76/kWh); all bill components, except FIT-All, reduced charges
- For 2016, Generation Charge, largest component in customer's bill, 51.4%; Meralco 19.0%; NGCP 11.4%



2015

2016



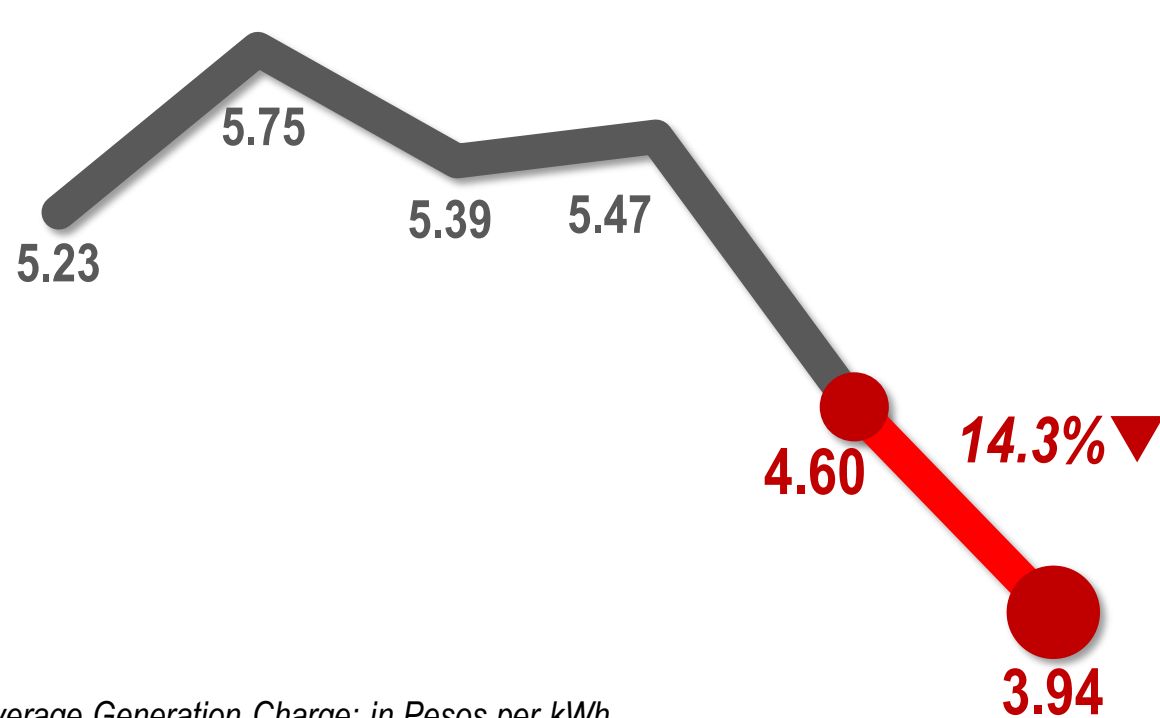
*Generation Retail Rate (applies to captive customers only)

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

“Containing the Customer Bill”

Generation Charge*

Monthly generation charges in 2016 are lowest since 2004 (or in the last 13 years)

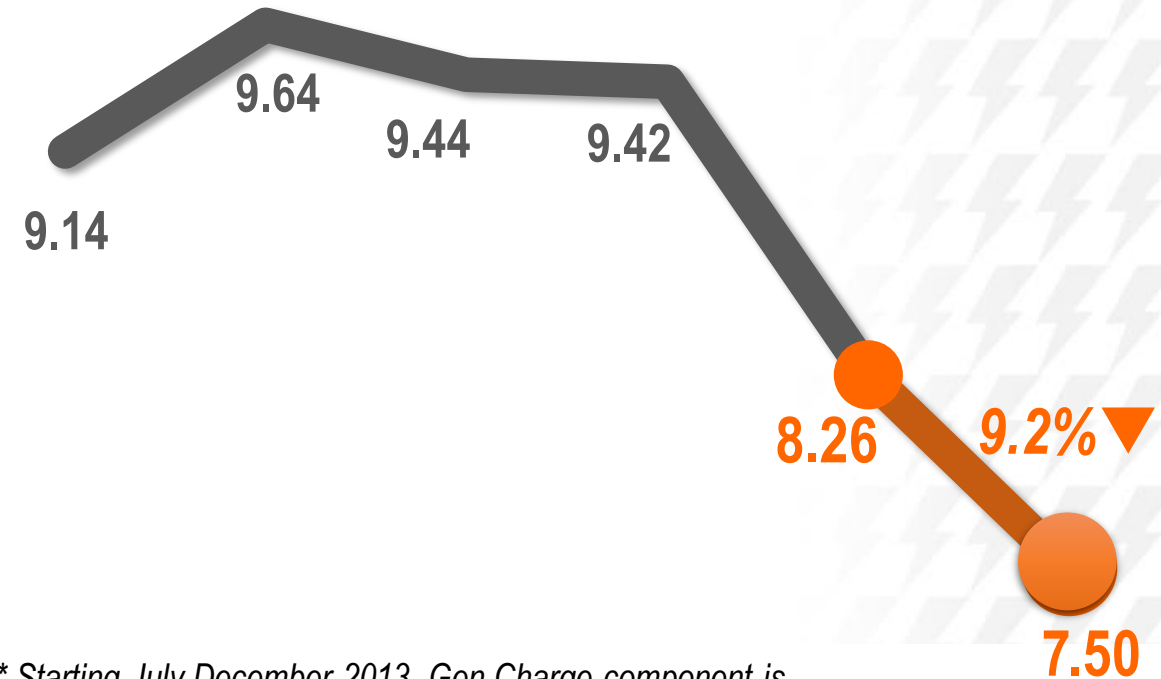


*Average Generation Charge; in Pesos per kWh

2011 2012 2013 2014 2015 2016

Average Retail Rates**

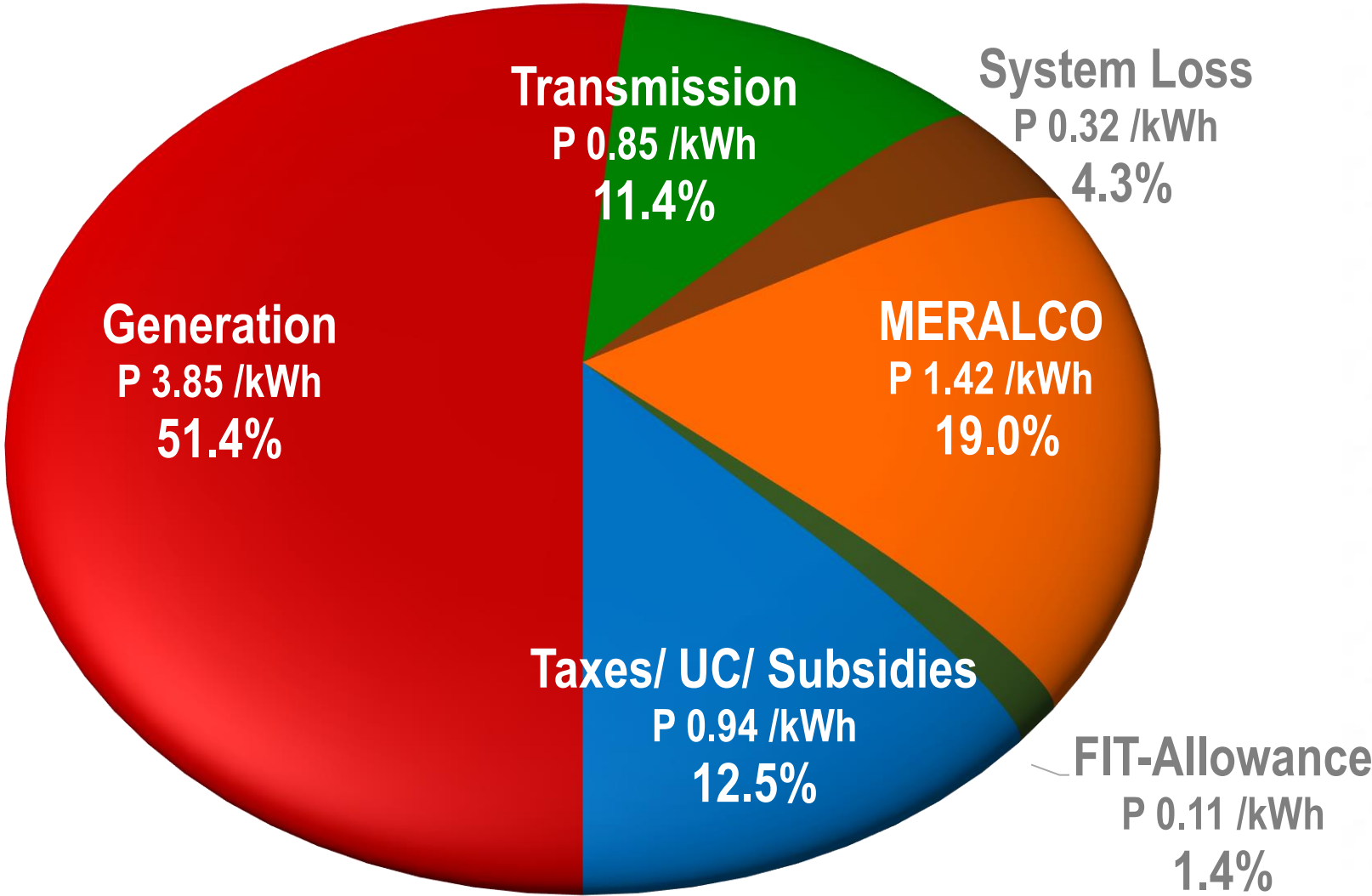
Average Retail Rates in 2016 are lowest since 2010 (or in the last 7 years)



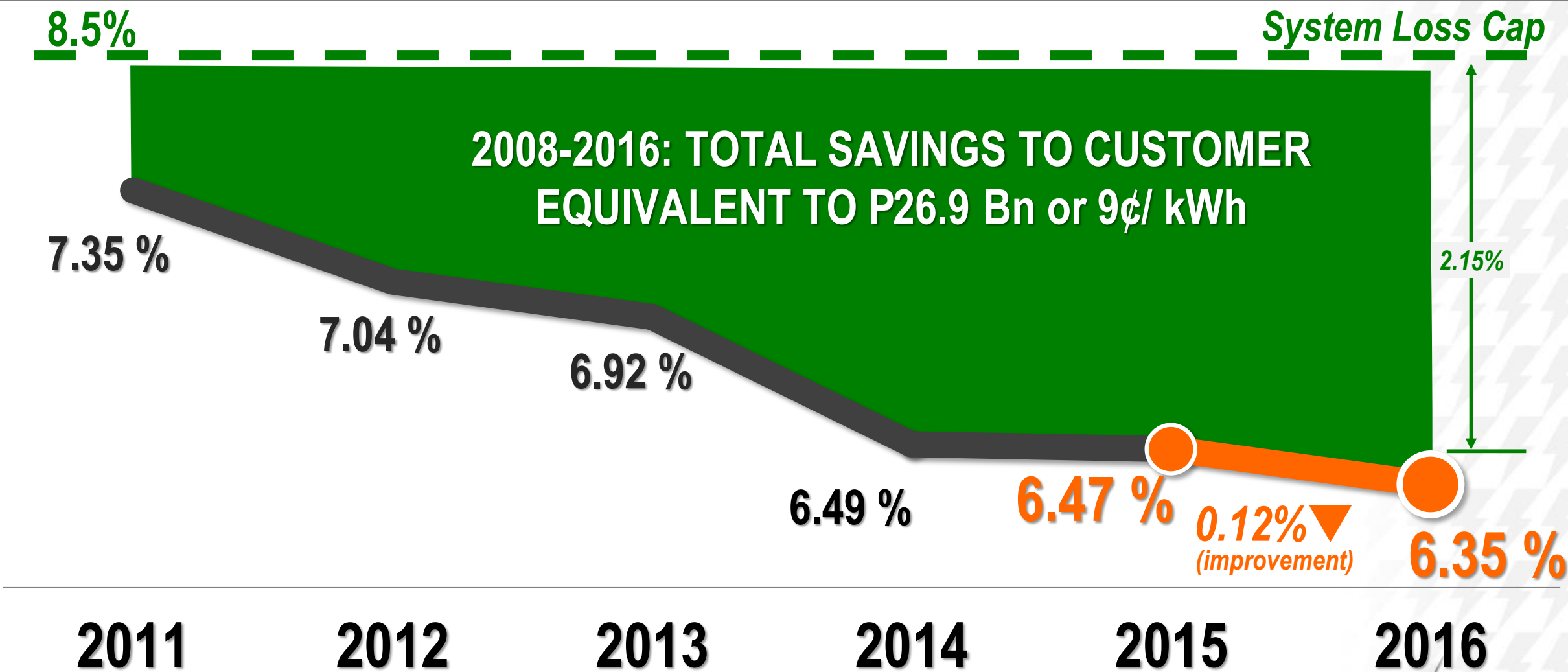
** Starting July December 2013, Gen Charge component is applicable for Captive Customers only; in Pesos per kWh

2011 2012 2013 2014 2015 2016

Overall Average Rates Bill Components: 2016FY



“Record System Loss Performance”



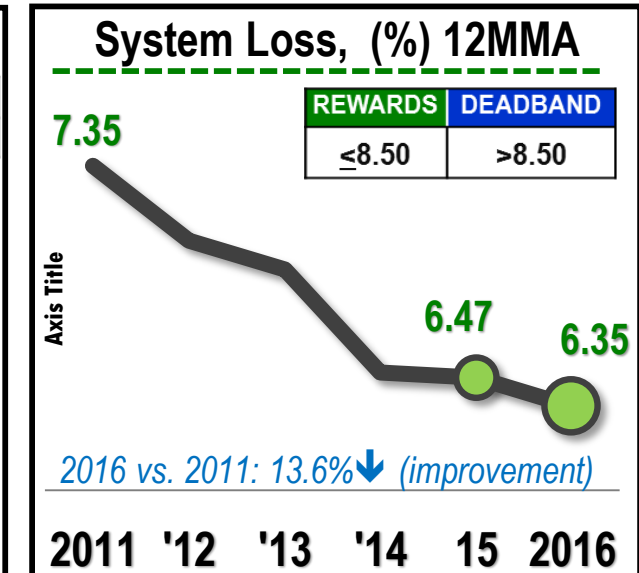
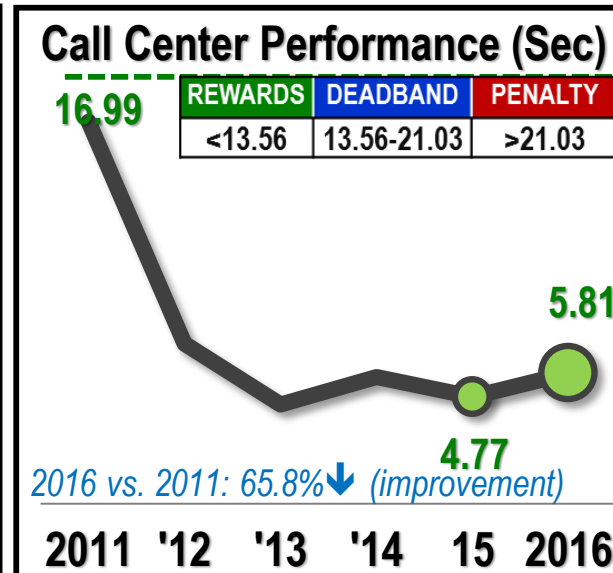
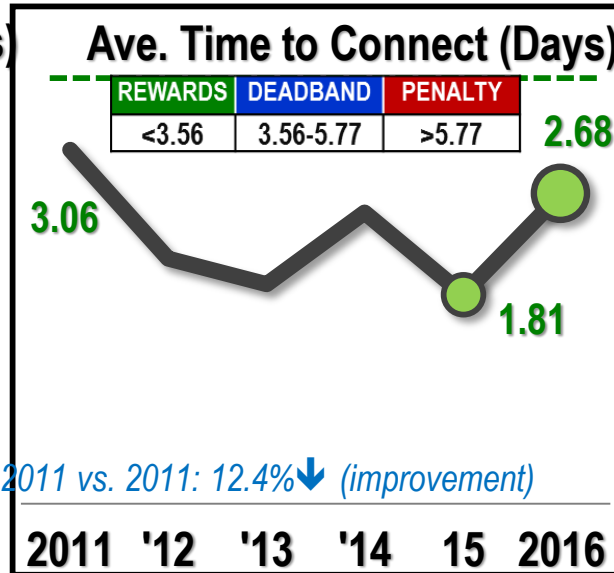
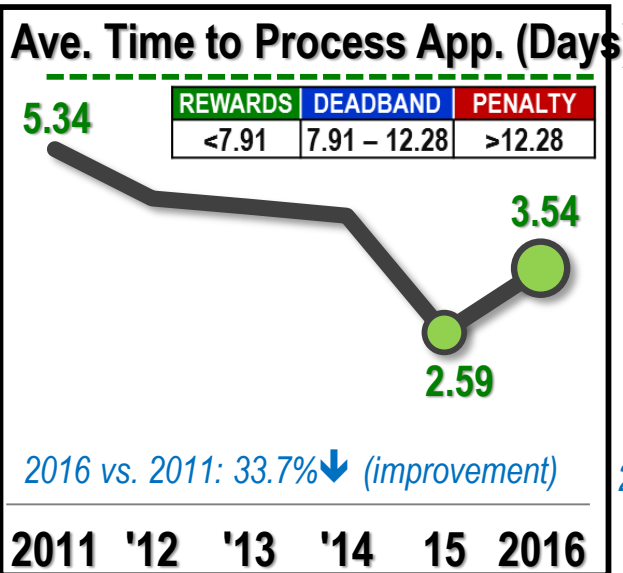
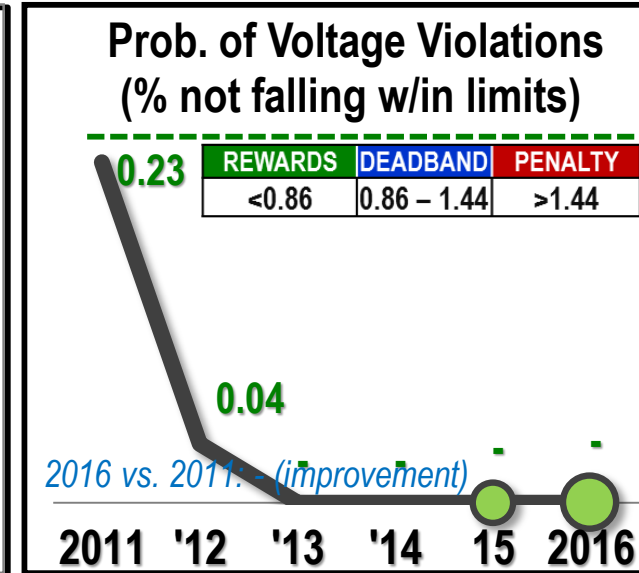
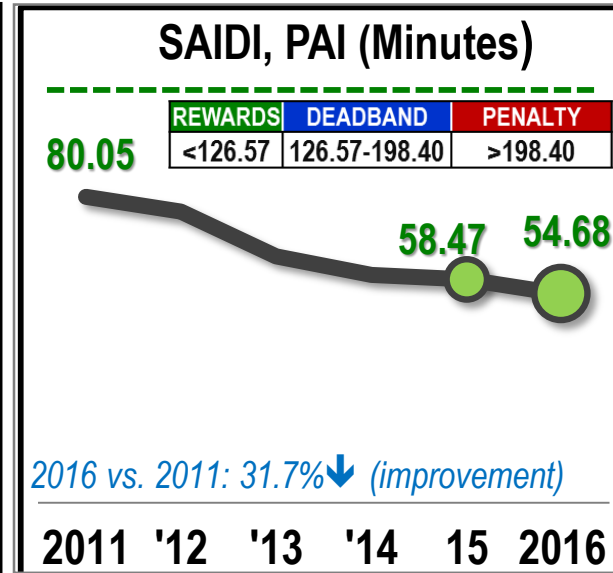
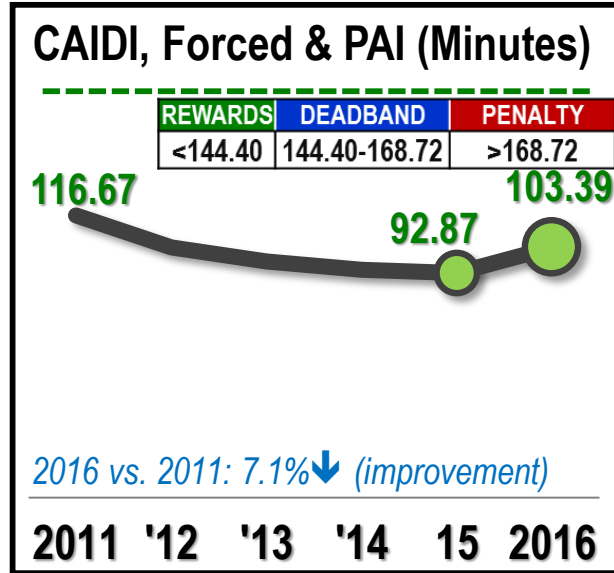
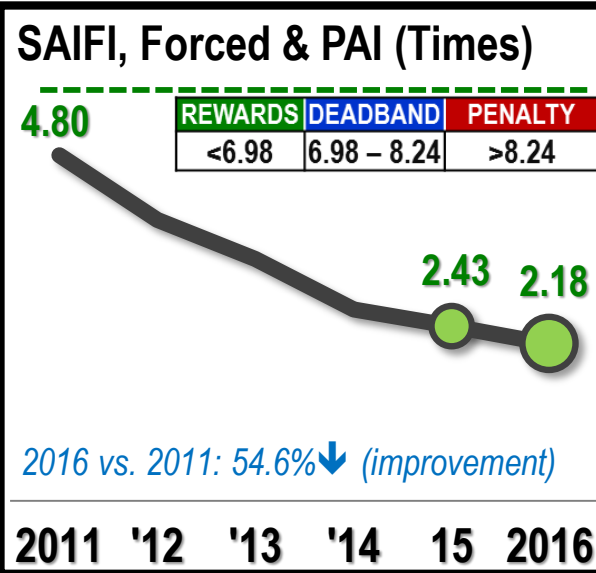
• Official ERC-filed Meralco System Loss, in percent which excludes Clark Electric Distribution Corp. (CEDC)'s 12MMA system loss ending Dec 2016 of 3.59% / Dec 2015 of 4.01%

• Pilferage recoveries are returned to customers as generation charge discount



Operating Performance: 2016FY

▪ Sustained service improvements vs. past levels*



GSL* Performance: July - December 2016

▪ Sustained service improvements vs. past levels*

GSL INDICATORS	REGULATORY STANDARDS No. of Violations per Year (Reward Ceiling)	Jul– Dec 2015 (3RP / RY 2016)	Jul– Dec 2016 (3RP / RY 2017)	REMARKS
GSL 1	373,658 customers	100	2,290	INDICATIVE SAVINGS
GSL 2	18,989 customers	0	0	INDICATIVE SAVINGS
GSL 3	234,439 incidents	449	430	INDICATIVE SAVINGS
GSL 4	163,995 days delay	26,816	30,766	INDICATIVE SAVINGS

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



*Guaranteed Service Level (GSL) for 1st Half of Regulatory Year or 6-month performance out of 12 months; *In the absence of 4RP standards/ reset

Business Updates & Other Events of Interest



Business Updates: Significant Events/ Customer Initiatives & Programs

Interim Power Supply Agreements

- To mitigate the impact to consumers of the scheduled SPEX-Malampaya 20-day outage*
- Subject to approval of ERC

SIGNING DATE	IPSA COUNTERPARTY	ASSOCIATED POWER PLANT / LOCATION		FUEL	TERM	CONTRACT DURATION	CONTRACTED CAPACITY (MW)	CONTRACTED ENERGY
Jan 24, 2017 (for the original IPSA)	Strategic Power Dev't Corp. (SPDC)	345 MW San Roque Hydroelectric Power Plant	San Roque, San Miguel, Pangasinan	Hydro	20 Days	Jan 28 to Feb 16, 2017	(None; nominal = 100 to 150 MW)	1,700 MWh/ Day
Jan 26, 2017 (for the IPSA extension)	Panay Power Corporation (PPC)	72 MW bunker-oil fired ¹ Iloilo 1 Unit Power Plant	Brgy. Ingore, La Paz, Iloilo City	Bunker Oil	1 Year Extension	Feb 26, 2017 to Feb 25, 2018	45 MW	(none)
Jan 26, 2017 (for the IPSA extension)	Toledo Power Company (TPC)	40 MW bunker-oil fired ¹ Carmeh Power Plant	Carnen, Toledo City, Cebu	Bunker Oil	1 Year Extension	Feb 26, 2017 to Feb 25, 2018	28 MW	(none)

Maintenance activities, which lasted **from January 28 to February 16, include repair of the sub-sea facilities, upgrades on the platform and maintenance on the onshore plant.*



Business Updates: Significant Events/ Customer Initiatives & Programs

Solar Power Supply Agreements

- Further augment power supply to meet higher customer requirements
- Subject to approval of ERC

With Solar Philippines



With Powersource First Bulacan Solar JV



Combined Capacity
100 MW

Rates at max. of
P5.39/kWh, much lower
than FIT of P8.69/kWh



Business Updates: Significant Events/ Customer Initiatives & Programs

Philippines' First R & D and Training Facility

➤ October 3, 2016 - Breaksground at Meralco Center



Ceremonial groundbreaking of 2-storey structure of Power Tech, which will serve as a facility that will rapidly accelerate competency development of both Meralco engineers and other industry players; provides test-bed for Smart Grid and as a testing area for new equipment and devices.



Business Updates: **Major Capital Projects 2016FY**

Increased substation capacity by 531 MVA and circuit length by 67 km

8

SUBSTATION PROJECTS (P1.90 B)

Expansion of **Bagbaguin** (1-83 MVA, Apr. 13)

Expansion of **Masinag** (1-83 MVA, May 26)

Dev't of **Sitio Gitna 115 kV Switching Station** (Jun. 8)

Development of **Banawe** (1-83 MVA, Jun. 29)

Expansion of **CPIP** (1-83 MVA, Dec. 12)

Expansion of **Tabang** (1-33 MVA, Dec. 15)

Expansion of **Cubao** (1-83 MVA, Dec. 15)

Development of **Dila** (1-83 MVA, Dec. 18)



1

SUBTRANSMISSION LINE PROJECTS (P77M)

Const. of **Tabang– Calumpit 69 kV Line** (Jul. 29)

1

OTHER SIGNIFICANT PROJECTS (P66M)

Inst'n of **34.5 kV Metal-clad Switchgear at Dasma Subst** (Sep. 9)

2

RESIDUAL PROJECTS– PCA

Bulacan Solar Power Plant Interconnection Project (Mar. 10)

Pagasa Steel Corp. Interconnection Project (May 24)



26

RESIDUAL PROJECTS - SR

POLES RELOCATED DUE TO PPP & DPWH-PROJS.

Relocation of **260** poles affected by **PPP** Projects

Relocation of **543** poles affected by **DPWH** projects



Note: Costs shown are as per approved or as filed with the ERC

Business Updates: Storm Hardening Accomplishments 2016FY

3,943

POLE REPLACEMENT AND RELOCATION

Replacement of ageing poles

Replacement of defective and hazardous poles

21,719

RE-INSULATION AND CONDUCTOR SHIELDING

Reconductoring to covered conductor and spun cable (no. of spans)

Replacement of bare primary lead wire with covered primary lead wire (no. of DTs)

Conversion of wood/steel crossarms to fiberglass crossarms (pieces)

26,551

LIGHTNING PROTECTION IMPROVEMENT PROGRAM

Installation/replacement of surge arresters (pieces)

Correction of pole grounding (no. of poles)

231

SECTIONALIZING AND FAULT MAPPING

Installation of circuit reclosers (pieces)

2,922

FOREIGN ATTACHMENT MANAGEMENT

Correction of low-sagging telecom wires (number of spans)

Removal of idle telecom cable loops attached to poles



Notes

1. Large focus on re-insulation and conductor shielding
2. Intensified installation of automatic circuit reclosers in support to Distribution Automation projects

Business Updates: One Meralco Power Restoration Assistance 2016F

3

TYPHOONS

*Ferdie (Sept 21-29); Lawin (Oct 27-Nov 12);
Nina (Dec 29, 2016 – Jan 11, 2017)*

8

PROVINCES

(all in Luzon; farthest is Batanes)

93

DAYS ASSISTANCE

(From Sept 21, 2016 to Jan 11, 2017)

47

VEHICLES

(One Meralco)

229

PERSONNEL

(One Meralco)



Business Updates: Significant Events/ Customer Initiatives & Programs



Leading Collaboration and Growth in East Asia and Western Pacific

- Meralco presented in the 21st Conference of Electric Power Supply Industry (CEPSI) organized by Association of Electric Power Supply Industry of East Asia and Western Pacific (AESIEAP), held in Bangkok, Thailand.
 - *Meralco to host the CEO Conference in 2019 and CEPSI in 2020*
 - *Mr. Oscar Reyes has been elected by the council as the VP of AESIEAP as well as the chairman of AESIEAP Philippines*
- Attended by more than 1200 energy practitioners representing more than 20 countries across the globe.
- Topics related to energy sustainability and security through technical sessions in which 7 Meralco employees have presented best practices.
- CEPSI is the biggest biennial event organized by AESIEAP that serves as the platform for exchanging timely ideas and experiences, and a venue to strengthen ties with other utilities and utility players



Meralco holds FIRST K-LIGTAS AWARDS

- K-Ligtas (Kuryenteng Ligtas) Awards, the country's first award-giving body that honors organizations, businesses, and individuals that uphold excellence in their practice of electrical safety and promotion of safety in workplace.



- SMX Convention Center, Pasay City, in conjunction with 41st National Annual Convention of IIEE.
 - Winners include Nestle Philippines, Inc. Cabuyao Plant, in the K-Ligtas Industrial Business category; Crimson Hotel for Commercial Business category; BAG Electronics, Inc., SME Business category, and; Pasay City, received the K-Ligtas award under the LGU City category.



Meralco Receives AWARD OF EXCELLENCE from Safety Organization of the Philippines, Inc. - Industrial Safety Division



- In recognition of the **MERALCO OPERATING CENTER's** achievement of 7.5 Million Safe Man-Hours continuously without Lost Time Accident (LTA) since January 2014 to September 2016
 - The highest award level given by Safety Organization of the Philippines, Inc. (SOPHI)
 - Given Nov 7, 2016 at 49th National Industrial Safety Convention at SMX, SMX Aura Premier, BGC, Taguig City

Business Updates: Customer Initiatives & Programs



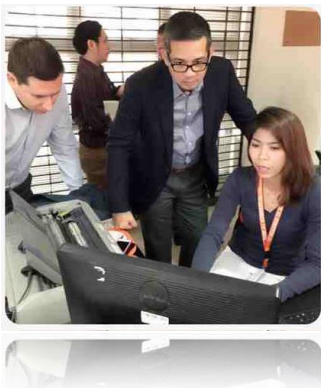
Program that aims to improve customer experience (CX) throughout different customer journeys/ moments that matter (Join, Pay, Ask, Need Repair) with an integrated set of solutions (Platform, Process/ Policy, People/ Partners)

2016 – Decision & Preparation **2017 – Execution**

Together w/ support from CTAT/CPMO-SBDO/CORP STRAT- HR- CLO

- ▶ Completed & presented CXTP business case & strategy
- ▶ Crafted execution plan (per journey) RFP & Project governance
- ▶ Finalized solution and vendor assessment (SF & Accenture)
- ▶ Conducted roadshows with key stakeholders

- ▶ Expanded “Click” pilot (Online Service Application) to 8 BCs [5 NEW in 2016]



KEY STATS

43,501

SA CASES
PROCESSED

10.51

PROCESSING
TIME (DAYS)

Batch 1:

Pasig, Makati, Mandaluyong,

Batch 2:

Angono, Cainta, Marikina, Taguig, Masinag

▶ BC Transformation



- *Started roadshows to key stakeholders*

▶ CIS Transformation



- *Utility best practice alignment*
- *ERC filings*



Business Updates: Products, Services and Solutions



Reached 40,000 target milestone

40,982



Mandaluyong was added to the coverage area which includes Manila, Angono, Cainta, Taytay and Binangonan Rizal, parts of Pasig, San Juan, Novaliches, Caloocan, San Jose del Monte Bulacan and Gen. Trias Cavite.

LGUs, developers cite advantages

Meralco tops 40,000 prepaid electricity customers in 2016

Meralco celebrated a significant milestone of having installed over 40,000 Prepaid Retail Electricity Service (PRES) meters in 2016 as a major power benefit, an exclusive appreciation effort held at the Peninsula Manila last December.

The utility listed guests for their appreciation gathering. These were top-level executives from large and emerging property developers and local government officials who have integrated PRES into their business strategies as part of their local government units.

Meralco's executive management then detailed trigger plans in the coming years.

Advocates at Pen Hills with General Manager Antonio Bello

Headlining the event along with Meralco President and CEO Oscar S. Reyes, Meralco Senior Vice President and Head of Customer Retail Services and Corporate Communications Adolfo S. Peralta visited during a presentation that the company's objective is to serve 3.3 million customers with its Advanced Metering Infrastructure (AMI) program by 2024.

"This is part of our initiative on customer connectivity and the application of the Smart Grid infrastructure which right now covers Manila, Pasig, Mandaluyong and portions of San Juan, Calabarzon, Parañaque, Novaliches, Rizal, Cainta and Bulacan," said Peralta, "we have added that the service would soon be available in Manila."

"Before, our residents would consume more electricity than they could afford. But we created a mindset where they learned how to budget and be responsible consumers," said General Manager Bello.

This innovation has also found an audience with condominium builders with developments along Manila's University Belt as it addresses the needs of the student population and parents looking to manage their children's expenses.

Ateneo and Meralco President Oscar Reyes and Meralco President Adolfo Peralta

Other top realtors who have adopted the technology in their condominiums are S&B Development Corp. Vice President of Property Development Erickson Calaga, Alvaro and Anissa Land Corp. President Robert Lee, BPO Holdings Inc. General Manager for North Luzon Dennis Lim, Greenview Property Management Corp. President and Operations Head Criselda Garcia, and Touchpoint International Builders under Joseph Lim.

With a 90% customer satisfaction rating, reception for prepaid service for excellent expectations and prices that it indeed improves lives, livelihoods, and standard of living.

"From the beginning, we wanted customers to see us as a service of service. We truly care for their interests," said Reyes. "Our appreciation with the prepaid service is a great affirmation of what we are trying to do."

Ateneo and Meralco President Oscar Reyes and Meralco President Adolfo Peralta

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RESIDENTIAL
Postpaid CSI



RESIDENTIAL
Prepaid CSI

Comparing the same residential customers from the same period, PRES customers provided even higher satisfaction scores (2 sig. points higher)



2017 AMI TOTAL TARGET:
205,000





Worked closely with the regulator for better understanding of customer programs and innovation projects

Powerlab Visit

Feb 11, 2016



AMI Demo

Aug 11, 2016



Business Updates: Programs to delight our customers

MERALCO CORPORATE
PARTNERS

CSI

8.27

8.34

We aimed to strengthen our claim as the total energy solutions partner...

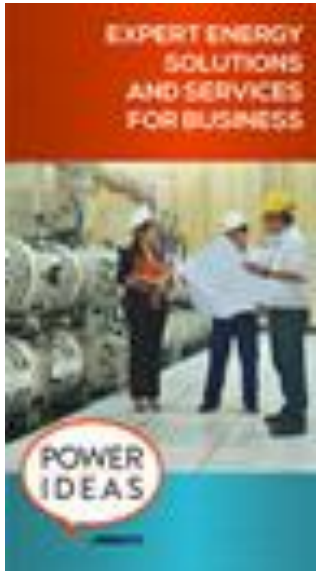


Power Up Forum

- 4 Special forums: 2 for RCOA, 2 for ILP
- 24 Regular forums: 790 attendees
- 4 Finance forums:
 - 320 executives from 170 companies
 - Companies enrolled to ADA: 7
 - Pending for ADA enrollment : 7



Power Ideas



Video case studies
(PQ & EE)

Power Club



3 issues released

Customer Strategic Planning



10 sessions conducted

Customer Engagements

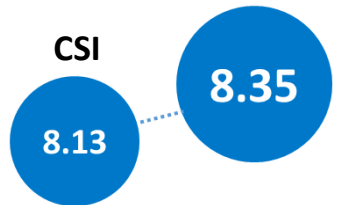
- POWERCLUB GOLF



Business Updates: Programs to delight our customers



Sustained awareness on Meralco BIZ Partners & solutions



Sa tulong ng Meralco Biz Partners, you can save up to 37% on electricity bills. So dial 16210 now!

by enrolling in Meralco's Peak / Off-Peak Program (POP) and shifting 100% of your operating time to off-peak hours.

Meralco Biz Partners can help ensure a better future for your family as it offers ways to make business operations more efficient and profitable.

POWER IDEAS
Power Ideas that help businesses earn more, save on operating expenses and create better value for customers through energy efficiency, innovation and special rates program that help save as much as 37%.

Accredited Meralco Contractors
who provide safe, hassle-free, value for money service and electricity right when you need it.

Meralco Business Consultancy
Free business consultancy services where we can right-size your electrical load to reduce your electric bill. We can also optimize your operations and let you learn how to save when we review your Power Factor.

SAN REY FARM

Power Up Forums



Mounted 9 PUFs for various industries, averaging 64 attendees per event, kicked off with a Chinese New Year luncheon.

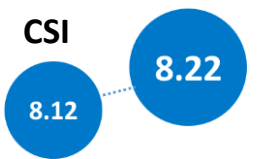
Trade Activations



Sustained visibility and engagement for customers in select trade events to increase awareness for the segment and gain traction on warm leads.



Business Updates: Programs to delight our customers



Increase engagement/
partnerships with LGUs and
focus on improving customer
experience

- 37 LGUs signed in Total since Dec 2014
- 14 LGUs signed in 2016
- 8.44 LGUs CSI (Inc. by 2 sig pts. 8.05 in 2015)

Energizing Partnerships Program



Energizing the Tiger City's bold plans for the future



Mandaluyong City - the Philippines' own Tiger City - is the first local government unit (LGU) engaged by MERALCO in 2014 for the Energizing Partnerships Program.

Meralco levels up its partnership with the City of Mandaluyong two years later with a Strategic Planning session, which is another first between Meralco and its LGU partners.

During the session, attendees focused on the city's top three priorities: provision of housing for marginalized sectors, infrastructure development

In photo are (L-R) Meralco VP & Head of South Business Area Ferdie Geluz, Mandaluyong City Councilor Charisse Abalos-Vargas, Meralco First VP & Head of Networks Ronnie Aperocho, Meralco SVP & Head of Customer Retail Services and Corporate Communications Al Panlilio, Mandaluyong City Mayor Carmelita "Menchie" Abalos, Meralco Mandaluyong Business Center Head Maita David, Mandaluyong City Planning Officer Engr. Arman Comandao, Meralco AVP & Head of Central Business Area Development

Orange Tag & Bright Ideas



Sustained awareness with consistent TV & Social Media push

Partnered w/ 11 major appliance brands in 2016 (Philips, Panasonic, Carrier, LG, Condura, etc.)



CXIS

1st ever Customer Experience Innovation Summit (CXIS) to recognize & award exemplary efforts in customer service delivery as well as continue to instill customer-centricity in the org.



2016 INTERNATIONAL AWARDS



KURYENTE LOAD



SALBABOTE



SUMMER CRISIS



**2015 ANNUAL
REPORTS**



ORANGE TAG



MAVERICK OF THE YEAR



ELECTRIFICATION



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PROJECT UPDATES

27 February 2017



San Buenaventura Power Limited Co. (SBPL)

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

- Construction of the power project is now on its 15th month and on schedule for commercial operations in 2019.



San Buenaventura Power Limited Co. (SBPL)

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

- A 20-year Power Supply Agreement (“PSA”) with Meralco was approved by the Energy Regulatory Commission (“ERC”).
- The P42.15-billion financing was secured in 2015 following the signing of a Project Finance Agreement with a consortium of local banks.



Redondo Peninsula Energy, Inc. (RP Energy)

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

- Power plant site is ready for major construction activities starting off with first phase which is targeted to be completed in 2020. The second phase shall follow within 12 months.
- Power supply agreements (PSA) for the first 300 MW have been signed with Meralco (225 MW) and Aboitiz Energy Solutions, Inc. (AESI) (75 MW) in April 2016
 - The PSA with Meralco is pending approval by the ERC



Redondo Peninsula Energy, Inc. (RP Energy)

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

- RP Energy executed contracts with Doosan Heavy Industries & Construction Co. Ltd. and Azul Torre Construction, Inc. for engineering, procurement and construction of the power plant.



- The company signed a project finance loan agreements with three (3) local banks for P31.5 billion.

Atimonan One Energy, Inc. (A1E)

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

- In April 2016, A1E signed a PSA with Meralco for the full output of the plant. The PSA is still subject to the ERC's approval.



Atimonan One Energy, Inc. (A1E)

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

- Construction and turnover of resettlement site for the affected families are expected to be completed in March 2017.
- Evaluation of the engineering, procurement and construction (“EPC”) bids received from contractor is ongoing
- Site preparation works are targeted to start in mid-2017. Expected completion of Unit 1 is in late 2021.

St. Raphael Power Generation Corporation (SRPGC)

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 plant in Calaca Batangas in 2016.
- A Power Supply Agreement (PSA) was signed by SRPGC and Meralco in April 2016 for 400 MW capacity of the plant.
 - The PSA is pending approval by the ERC
 - SRPGC is also looking for other off-takers for the remaining capacity
- Development activities for the project are ongoing.



Other Investments

43

PROJECTS IN OPERATION

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).

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.

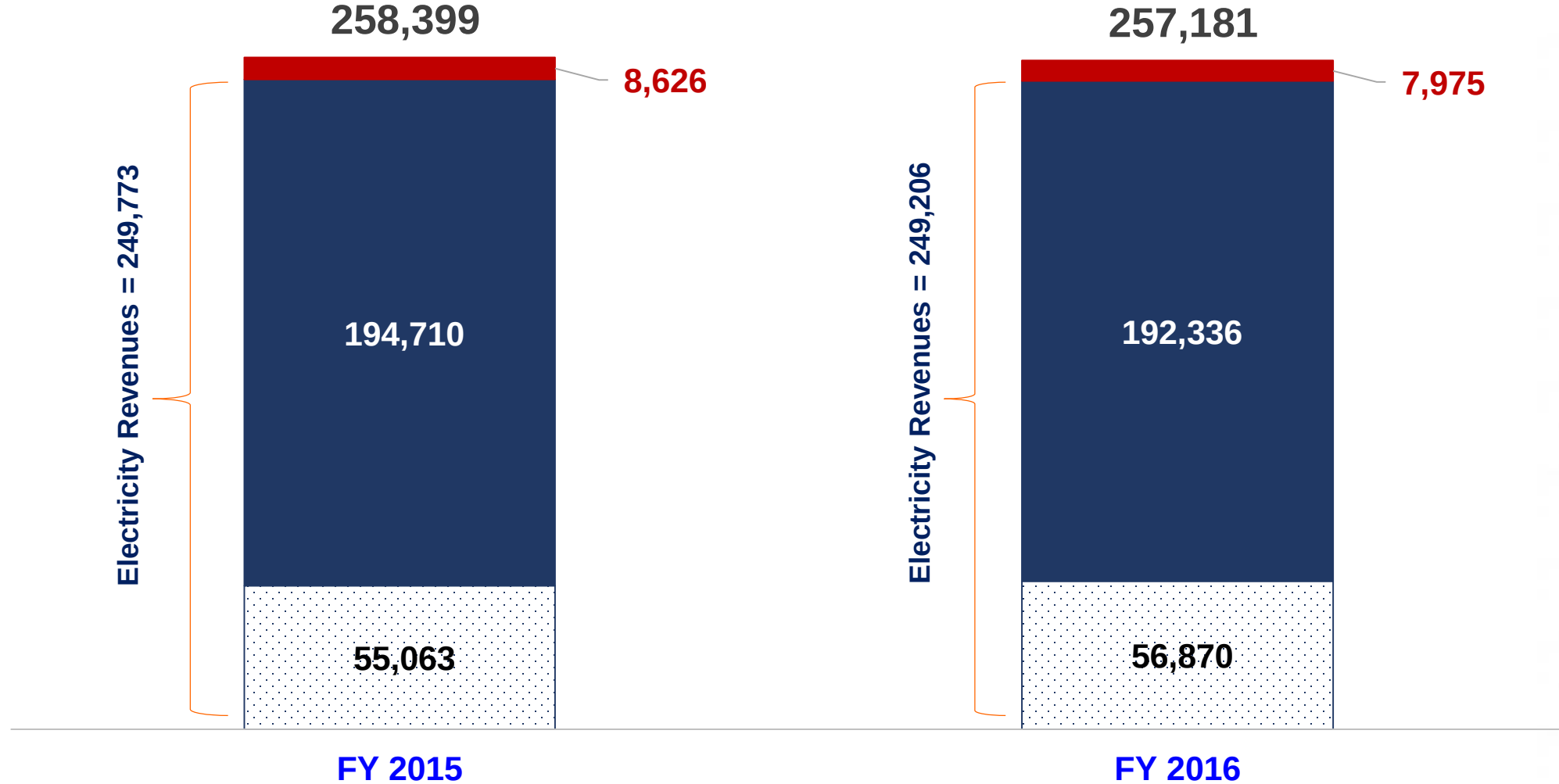


FINANCIAL HIGHLIGHTS

FY 2016



Consolidated Revenues (in Million PhP)

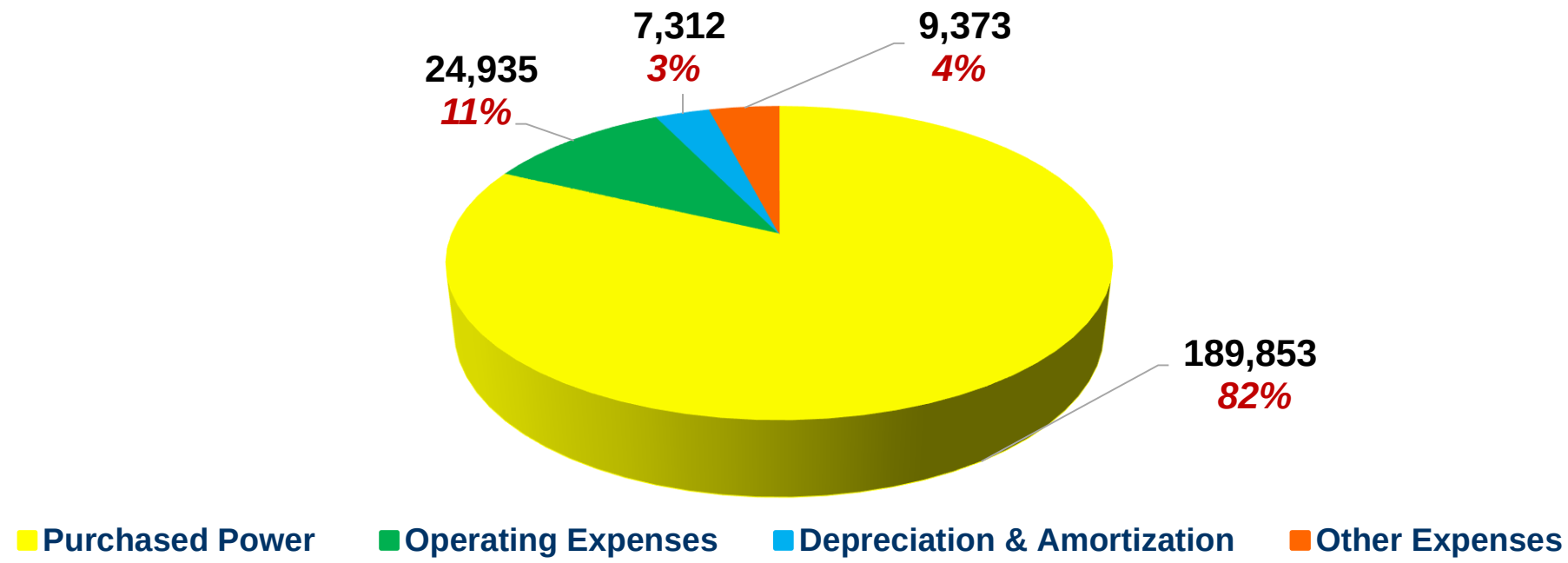


□ Distribution Revenues ■ Generation & Other Pass-through Charges ■ Non-Electricity Revenues



Costs and Expenses/Capital Expenditures (in Million PhP)

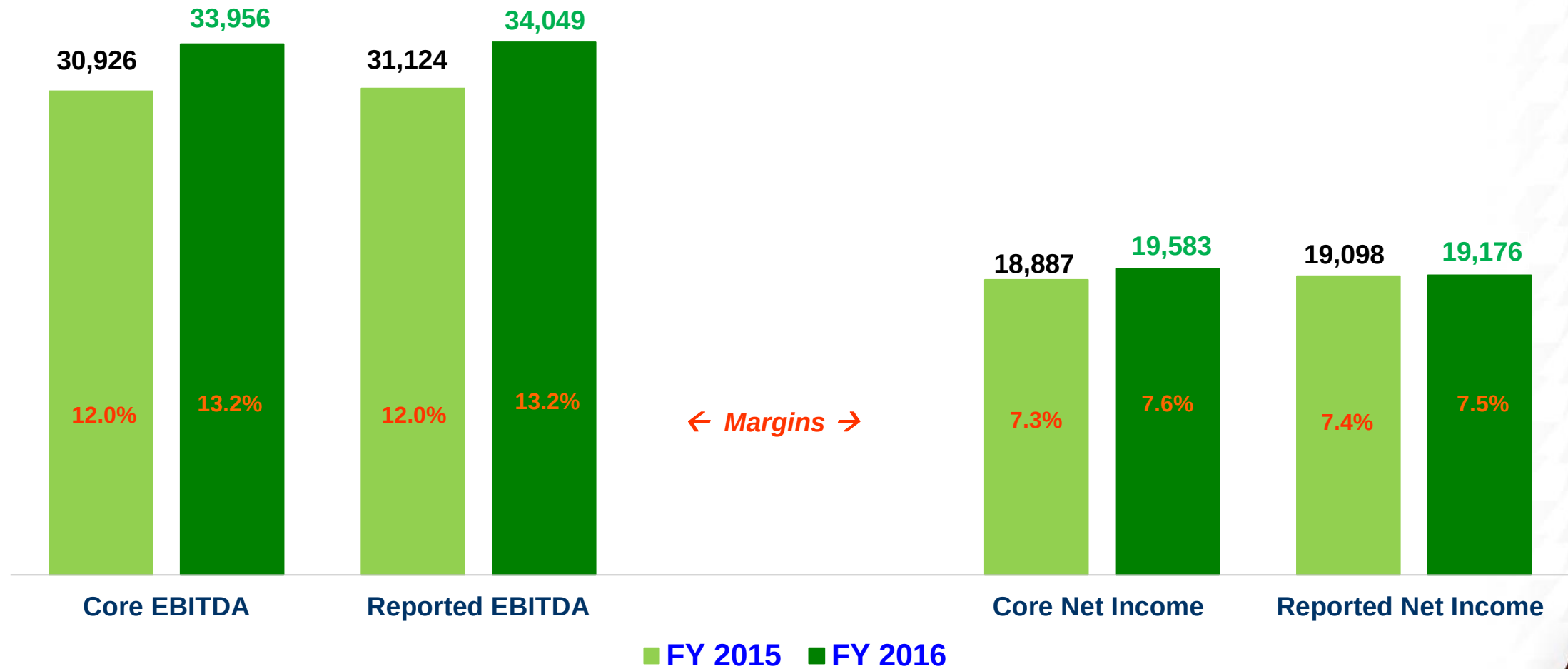
Costs and Expenses



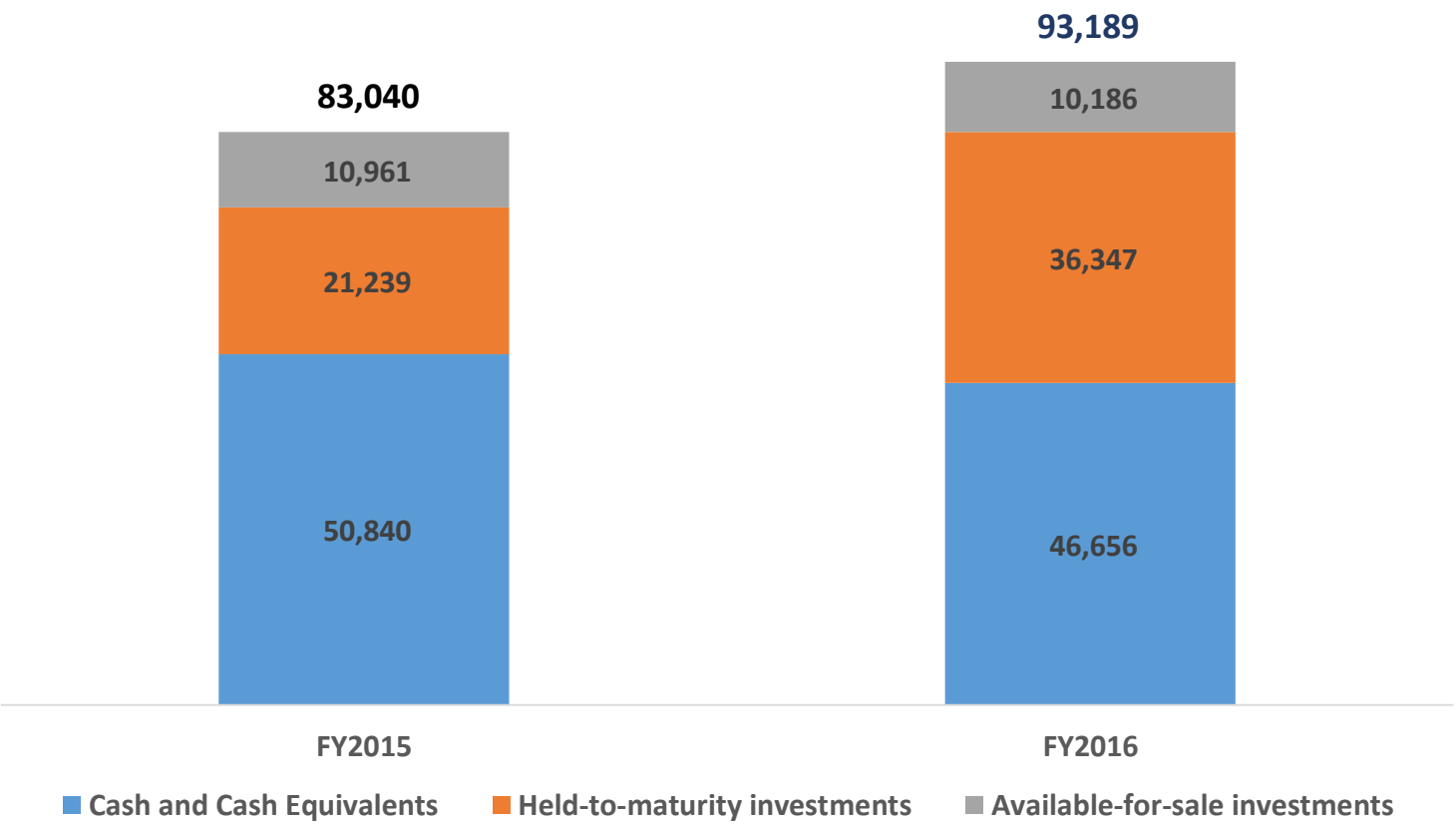
Capital Expenditures



Consolidated EBITDA and Net Income (in Million PhP)

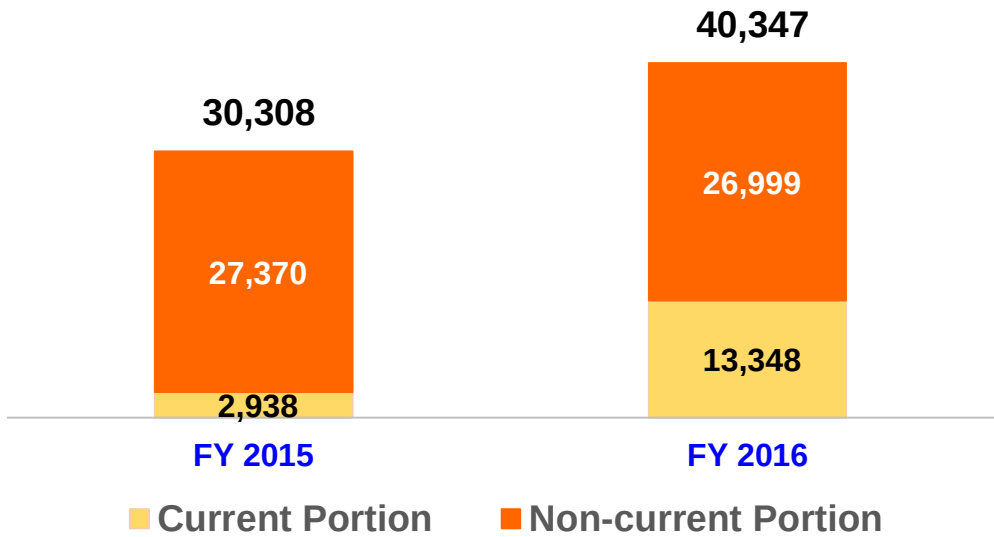


Cash & Cash Equivalents, Available-for-Sale and Held-to-Maturity Investments

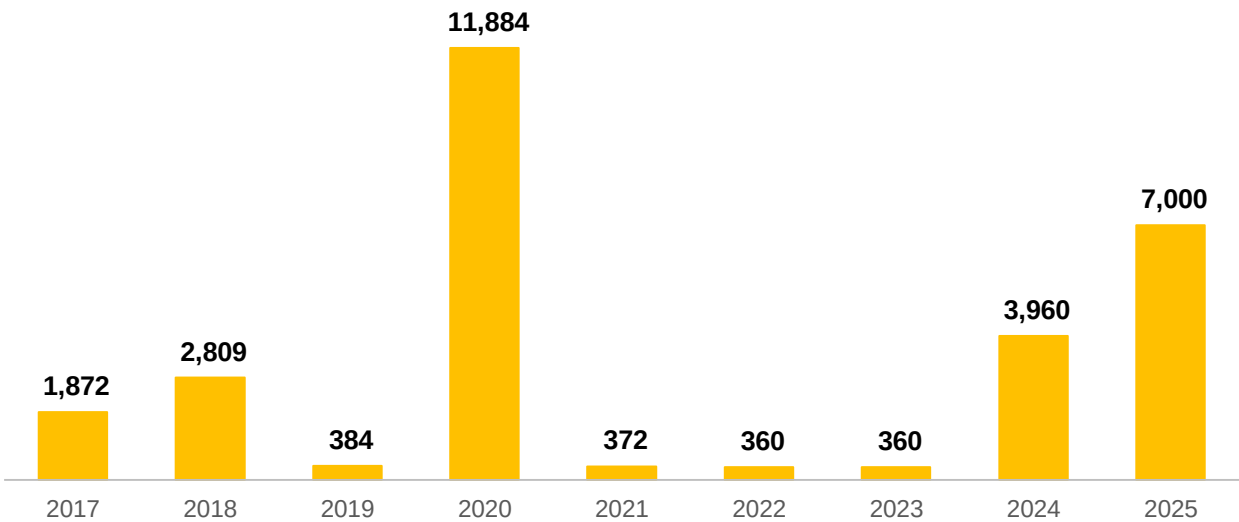


Credit and Debt Profile

TOTAL DEBT (in Million PhP)



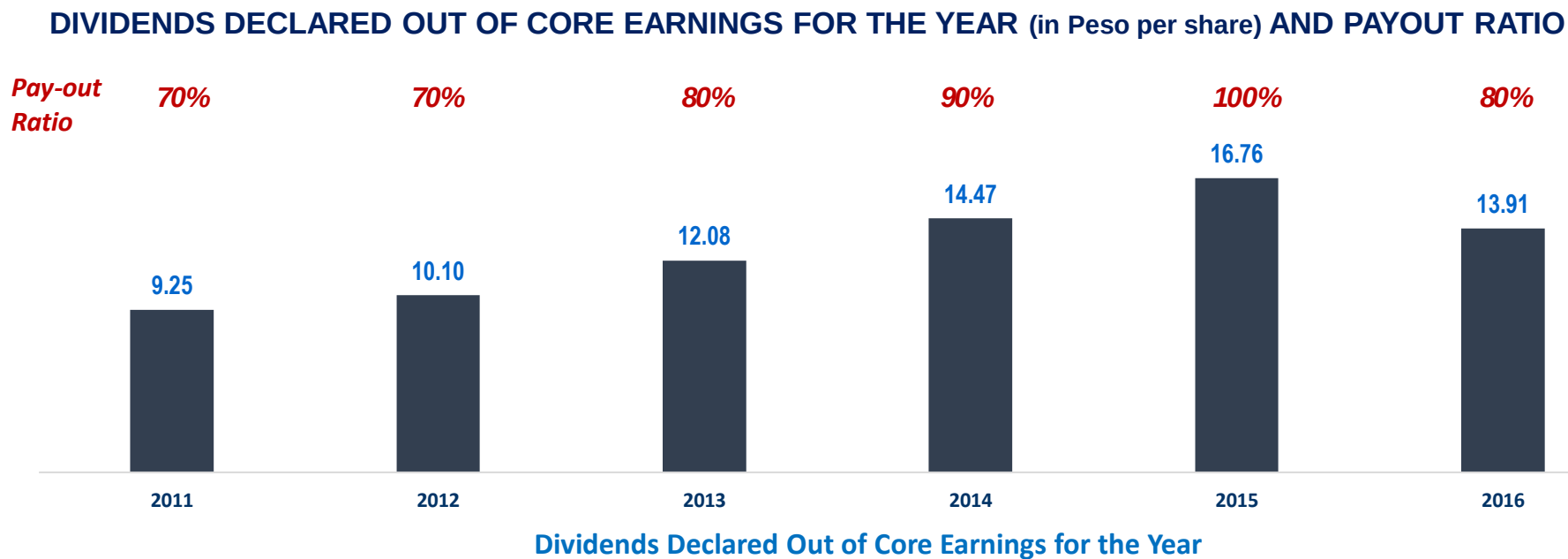
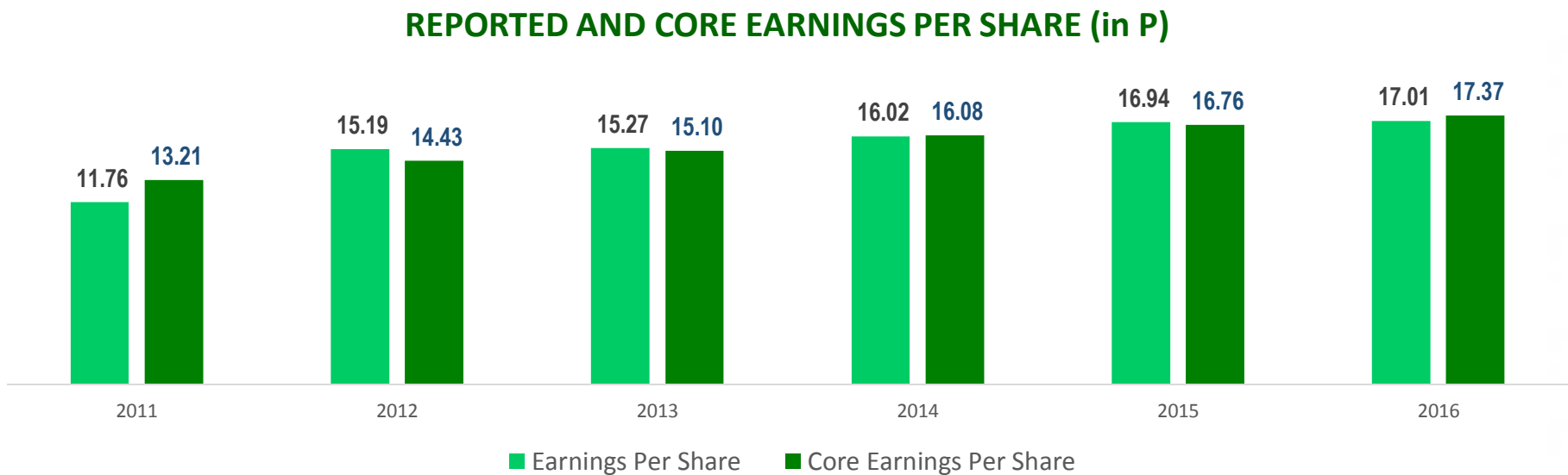
LOAN REPAYMENT SCHEDULE (in Million PhP)



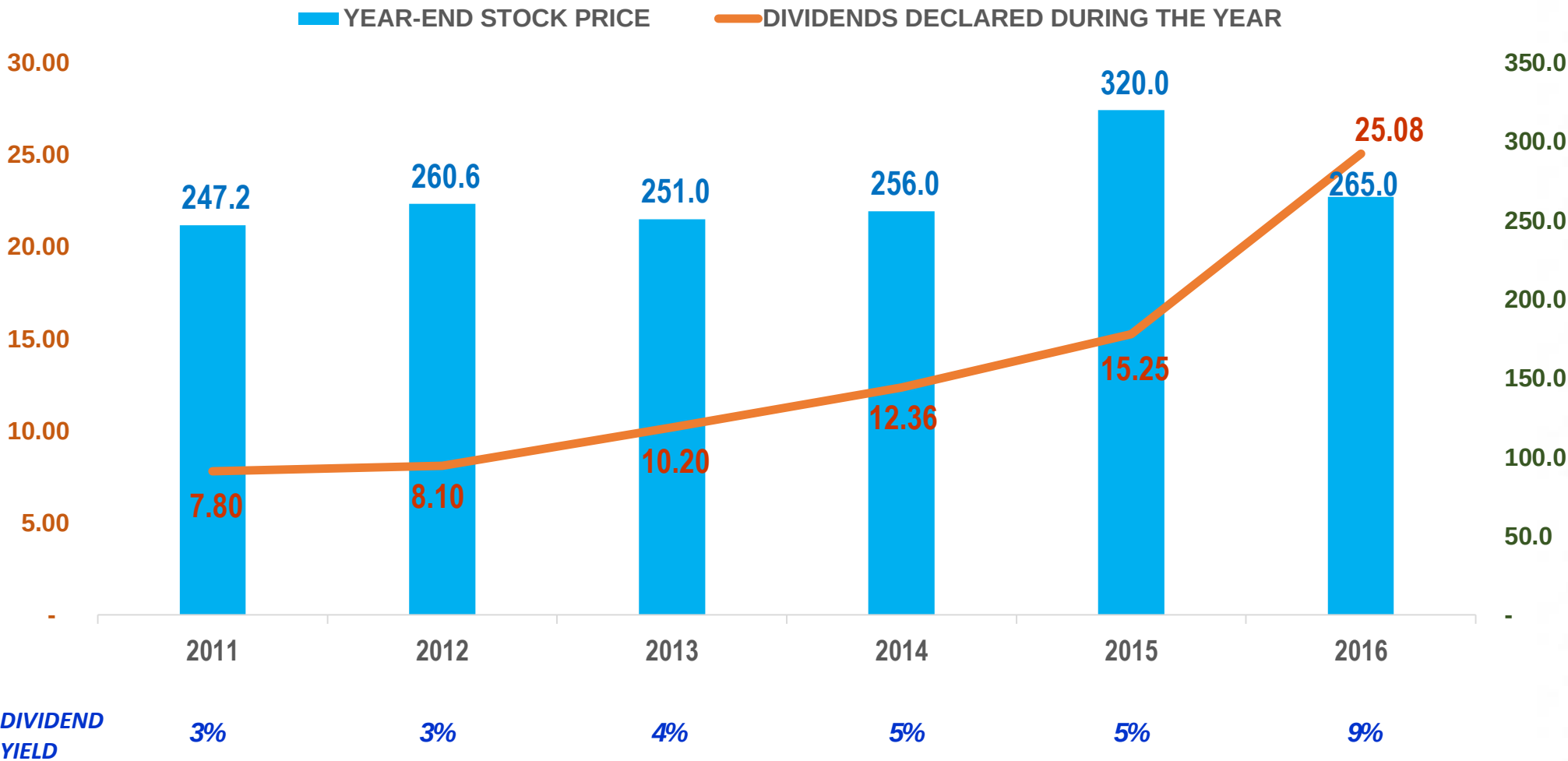
(in Million PhP, Except Ratios)	FY 2015	FY 2016
Cash	50,840	46,656
Gross Debt	30,308	40,347
Net Debt	(20,532)	(6,309)
Gross Debt/EBITDA	0.97	1.18
Net Debt/EBITDA	(0.66)	(0.19)
Gearing Ratio	(0.26)	(0.08)
Interest Expense	1,216	1,343



Earnings per Share and Cash Dividends



Dividend Yield



Cautionary Statements

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