



Financial and Operating Results



Investors and Analysts Briefing
Half Year Ended June 30, 2015

July 27, 2015

Operations Report

1H 2015

1H 2015 Operating Highlights

↑2.6%*

17,753 GWh

HIGHEST EVER SALES

**Energy Sales
1H 2015**

↑3.8%*

5.683 million

ALL-TIME HIGH

**Customer Count
1H 2015**

↑2.2%*

6,257 MW

ALL-TIME HIGH

**Peak Demand
1H 2015**

↑3.2%*

19,154 GWh

**NSI
1H 2015**

↓9.1%*

P8.89/kWh

Gen.Ch. 54.5%

Dist. Ch. 18.0%

**Ave. Retail Rates
1H 2015**

**Within
Regulatory Limits**

S-Factor & GSL
1H 2015**

**Business
Updates**

1H 2015



*vs. same period, previous year

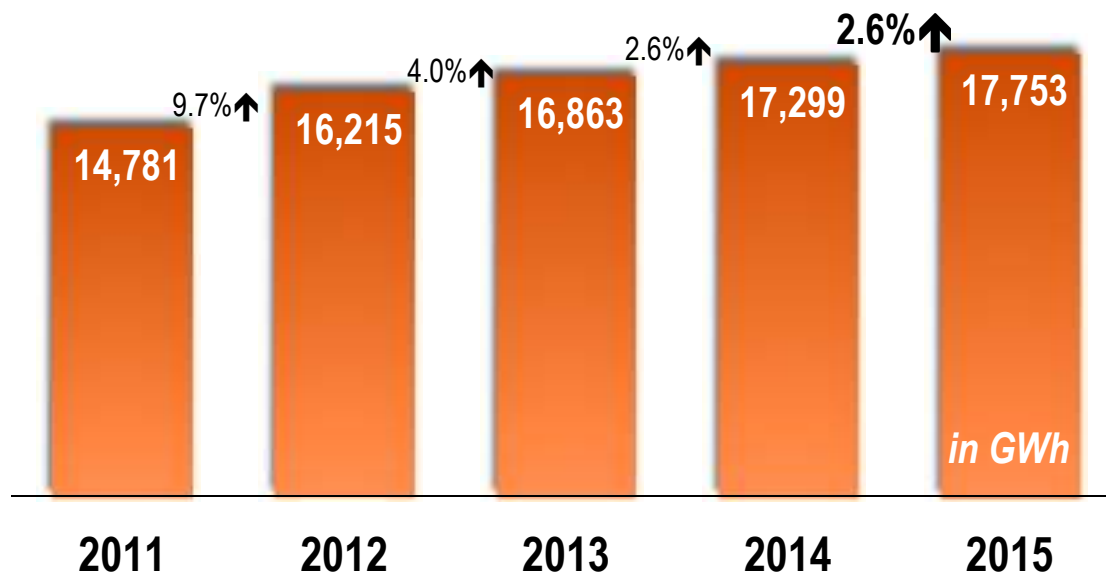
**RY2015 Period (July 1, 2014-June 30, 2015)

DETAILS

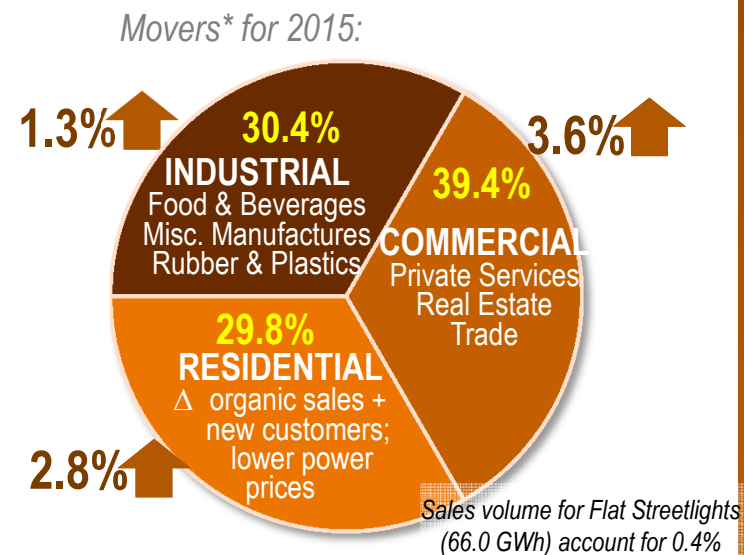


Energy Sales, 1H 2015

Up 2.6% vs. 2014 (+454.0 GWh)



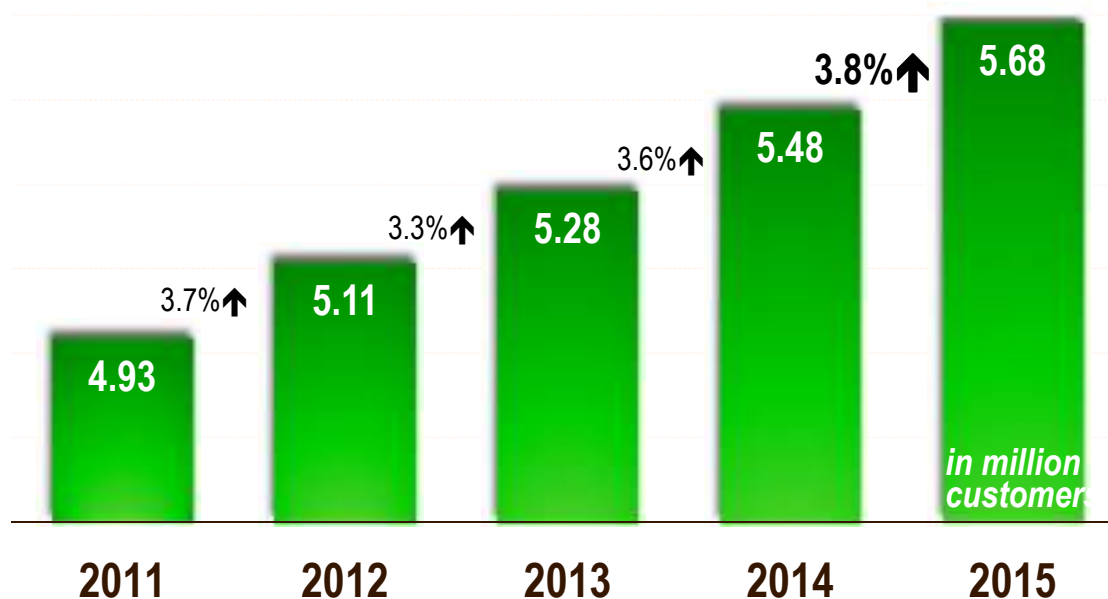
CAGR 2011-2015, 4.69%
CAGR 2012-2015, 3.07%



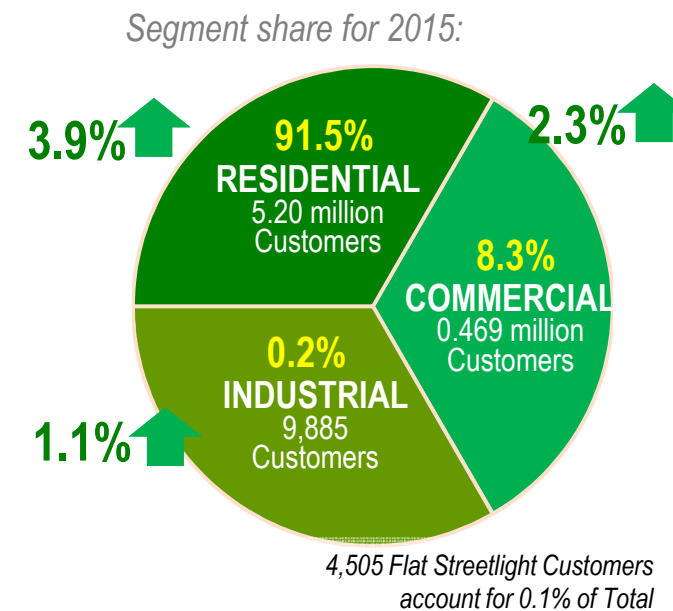
*Applies to GP customers under Industrial and Commercial segments.

Customer Count, 1H 2015

Up 3.8% vs. 2014 (+207,107 new customers)

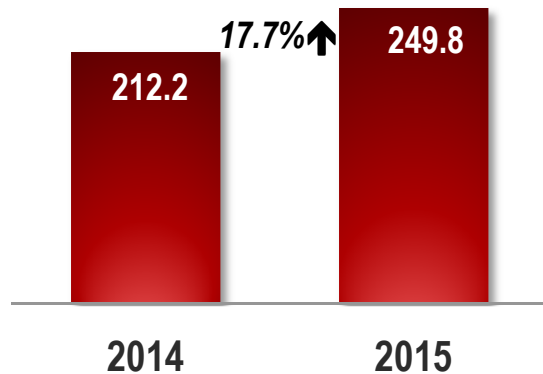


CAGR 2011-2015, 3.60%
CAGR 2012-2015, 3.59%



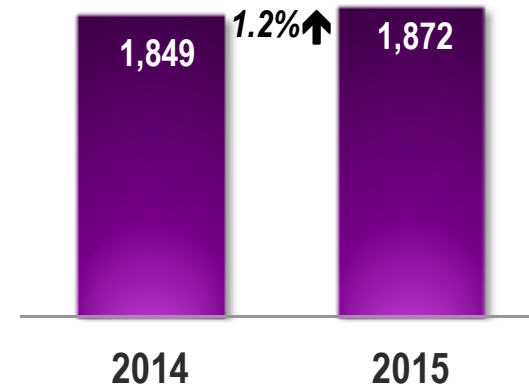
Clark Electric (CEDC), 1H 2015

Energy Sales, GWh

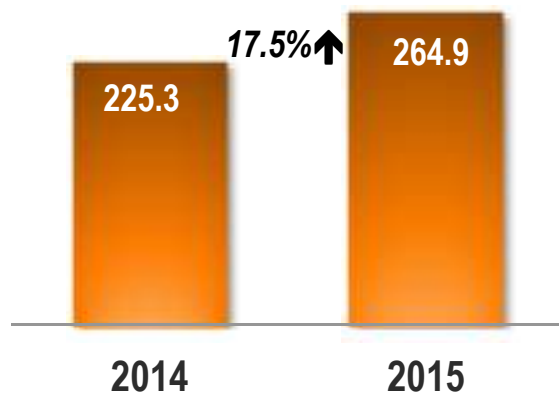


CEDC's top 5 sales contributors for June 2015 include Phoenix Semiconductor Philippines Corp. (PSPC), Yokohama, SN Aboitiz Power, Premier Central (SM Clark), and Nanox Phils

Customer Count



NSI, GWh



2015	Sales, Share	Count, Share
Commercial	36.9%	55.5%
Industrial	62.1%	6.9%
Residential	0.8%	34.3%

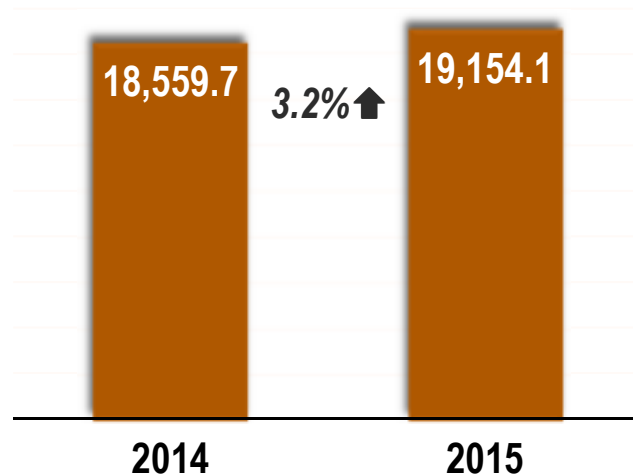
Flat Streetlights' sales and count shares account for 0.2% and 3.3%, respectively.



NSI, 1H 2015

□ Up 3.2% vs. 2014 (+594.4 GWh)

June 2015 YTD, GWh:



NSI includes:

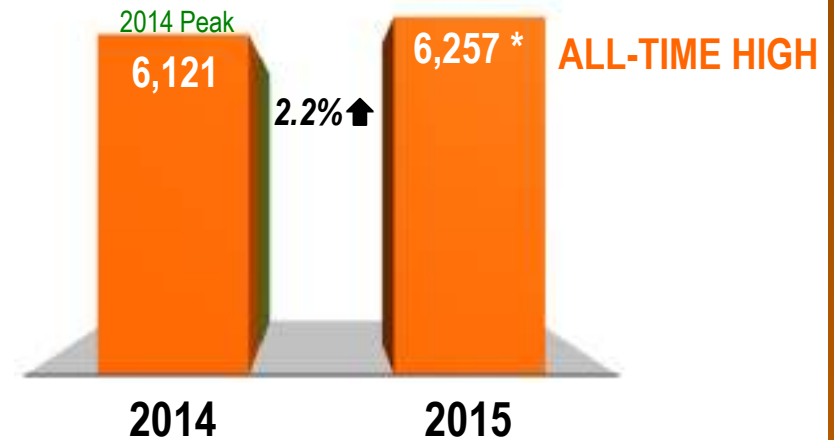
- Power purchases of D.U. (for Captive Customers), its Local RES (for Contestable Customers);
- Other RESs (for Contestable Customers including SDC)
- Volumes for CEZ, Sunpower, Coccochem Agro-Industrial Park (CAIP)
- Export Energy from Net Metering customers

CONSOLIDATED

Peak Demand, 1H 2015

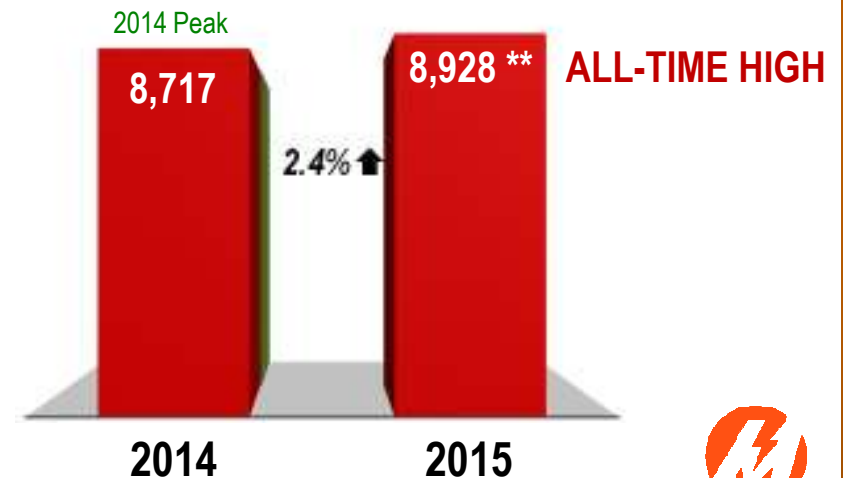
□ Meralco Peak Demand 6,257 MW, 2.2% Up vs. 2014

Meralco YTD Peak Demand, MW:



*June 3, 2015

Luzon YTD Peak Demand, MW:



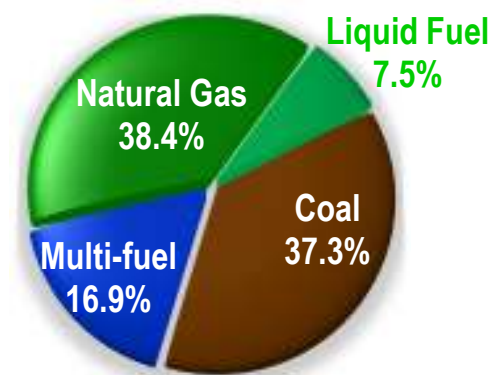
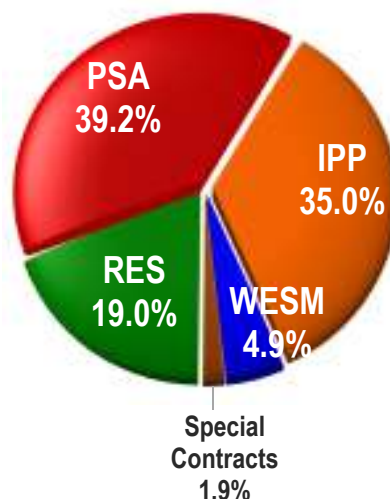
**May 21, 2015



MERALCO

Power Sources & Fuel Mix, 1H 2015

SOURCE	GWh	Share
PSAs-Total	7,512.9	39.2%
SEM-Calaca	976.5	5.1%
MPPC-Masinloc	952.1	5.0%
TLI-Pagbilao	806.6	4.2%
SMEC-Sual + CEDC	1,494.7	7.8%
SPPC-Ilijan	2,975.0	15.5%
Others*	308.0	1.6%
IPPs-Total	6,709.9	35.0%
QPPL-Mauban	1,261.1	6.6%
Sta. Rita	3,637.9	19.0%
San Lorenzo	1,810.8	9.5%
WESM	941.4	4.9%
Special Contracts**	356.1	1.9%
RESS***	3,633.9	19.0%
TOTAL SOURCE (NSI Equivalent)	19,154.1	100.0%



TYPE OF FUEL	GWh	Share
Natural Gas	7,352.4	38.4%
Liquid Fuel*	1,431.4	7.5%
Coal	7,139.7	37.3%
Multi-fuel**	3,230.6	16.9%
TOTAL FUEL MIX (NSI Equivalent)	19,154.1	100.0%

*Used as substitute to Nat Gas due to Malampaya Shutdown / Restriction

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

*Includes volumes from TMO, IPSAs, Montalban Methane Power Corp., Bacavalley Energy Inc., Pangea Philpodeco and Net Metering

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

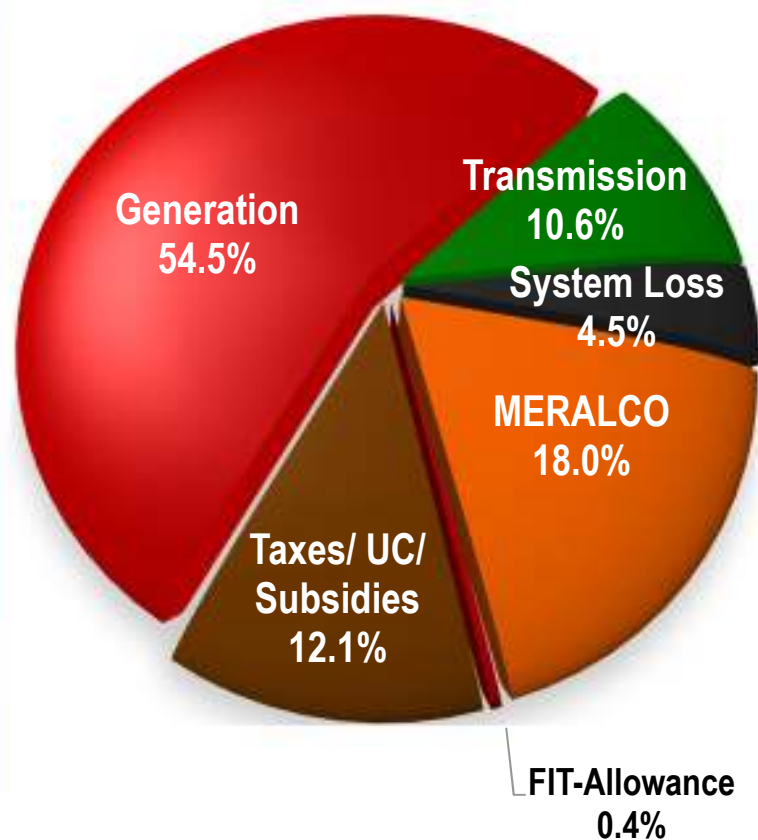
***Includes volumes for MPower and Other Retail Electricity Suppliers

Note: WESM purchase at 4.9% of Total NSI and 6.2% of Captive volume



Average Retail Rate, 1H 2015

- 9.1% lower vs. 2014 (-89¢/kWh)
- Generation Charge, largest component in customer's bill, 54.5%; Meralco 18.0%; NGCP 10.6%



BILL COMPONENT	1H 2014 Overall Ave, P/kWh	1H 2015 Overall Ave, P/kWh	Δ
Generation Charge*	5.54	4.83	-0.71
Distribution Charge** (MERALCO)	1.67	1.59	-0.08
Transmission Charge** (NGCP)	0.94	0.93	-0.01
System Loss Charge**	0.46	0.40	-0.06
Taxes, Univ. Charge**	1.13	1.07	-0.06
FIT-All***	-	0.03	0.03
TOTAL	9.75	8.85 ↓	-0.89 (9.1% ↓)

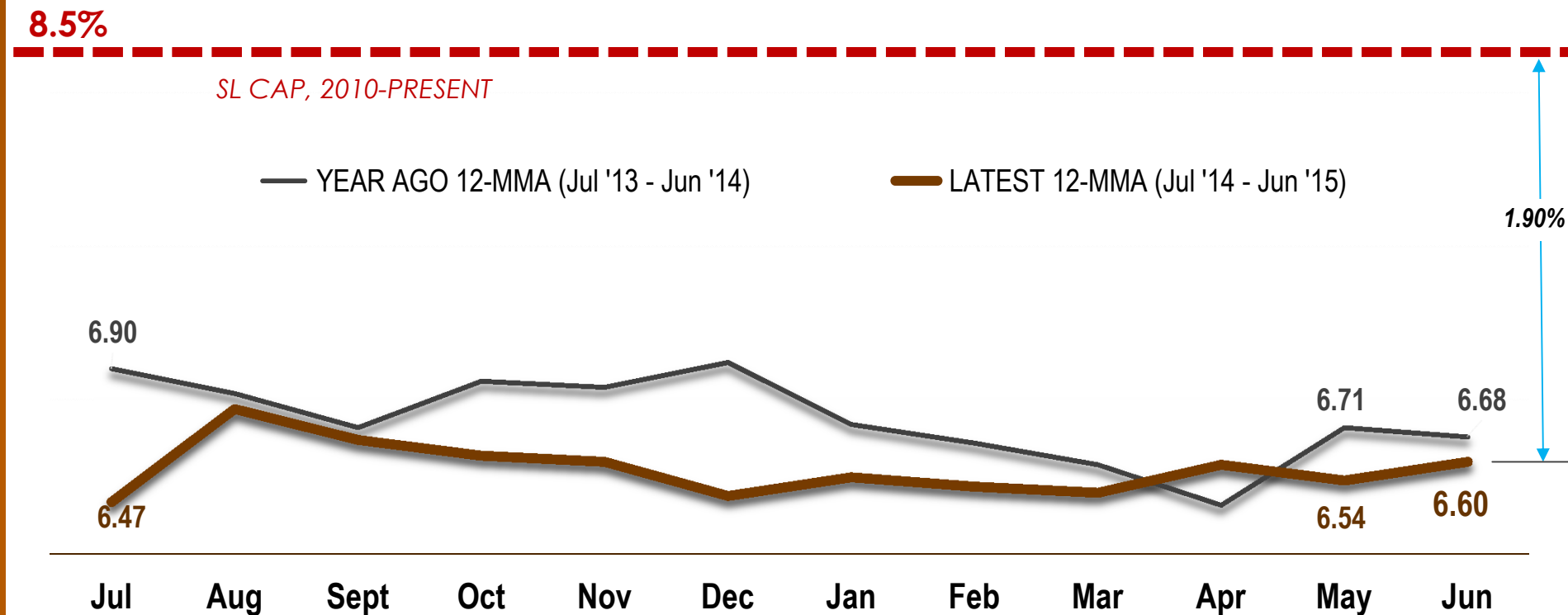
*Generation Retail Rate (applies to captive customers only)

**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, as of June 2015 (12-MMA)

- 12-MMA ending **June 2015 at 6.60%**
 - Improved by 0.08%pts vs. June 2014's 6.68%
 - Lower by 1.90% 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 June 2015 of 4.09% and June 2014 of 4.41%



S-Factor & GSL Performance, 1H 2015 & RY2015 (for GSL)

□ All S-Factor indicators **well within rewards range**; all GSL performances **are well within set limits**

SAIFI, Forced and PAI (Times)

2015	1.13	Deadband: 6.98-8.24
2014	1.32	14.4% improvement vs. previous year

Ave. Time to Process App. (Days)

2015	2.30	Deadband: 7.91-12.28
2014	5.84	60.6% improvement vs. previous year

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

Actual RY2015	2,717 customers
No. of Violations for RY2015 (Ceiling)	373,658

CAIDI, Forced and PAI (Minutes)

2015	91.77	Deadband: 144.40-168.72
2014	91.31	0.5% decline vs. previous year

Ave. Time to Connect (Days)

2015	1.34	Deadband: 3.56-5.77
2014	3.31	59.5% improvement vs. previous year

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

Actual RY2015	- customer
No. of Violations for RY2015 (Ceiling)	18,989

SAIDI, Pre-arranged (Minutes)

2015	26.23	Deadband: 126.57-198.40
2014	27.60	5.0% improvement vs. previous year

Call Center performance (Secs.)

2015	4.62	Deadband: 13.56-21.03
2014	6.92	33.2% improvement vs. previous year

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

Actual RY2015	1,307 incidents
No. of Violations for RY2015 (Ceiling)	234,439

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

2015	0.00	Deadband: 0.86-1.44
2014	0.00	0.00%pts improvement vs. previous year

System Loss (%) -12MMA

2015	6.60	Deadband: > 8.50
2014	6.68	0.08%pts improvement vs. previous year

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

Actual RY2015	44,086 days delay
No. of Violations for RY2015 (Ceiling)	163,995



OTHER BUSINESS HIGHLIGHTS



Business Updates: Strengthening the Core Business

Capital Projects

Modernization of System Control Center

Completion: April 15, 2015; Inauguration: May 11, 2015

Before



Inauguration



After



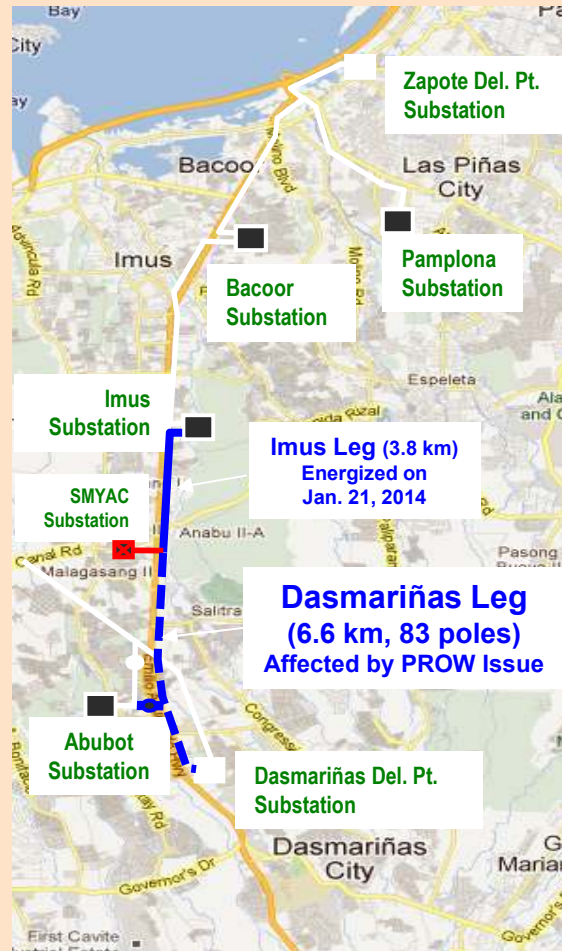
“Envisioning the Nerve Center of the Future”

Business Updates: Strengthening the Core Business

Capital Projects

Commissioning of Dasmariñas-Imus 115 kV Line (Dasma Leg)

April 19, 2015



Meeting w/ Cong. Barzaga and his Brgy. Captains

Details

- Installation of 83 subtransmission poles along Aguinaldo Highway from NGCP's Dasmariñas Subst. to Meralco's Imus Subst.
- Stringing of 2-795 MCM ASCR conductors per phase with total circuit length of 6.6 kms

Benefits

- Provides much needed 115 kV link between NGCP's Dasmariñas and Zapote Delivery Point Substations
- Enhances operational flexibility and improves the reliability of the subtransmission system in Cavite and nearby cities in Metro Manila

Business Updates: Strengthening the Core Business

Capital Projects

Expansion of Tutuban Substation (3rd Bank)

June 26, 2015



New 34.5 kV GIS Switchgear



New 115 kV GIS Switchgear



New 83 MVA Power Transformer Bank

Details

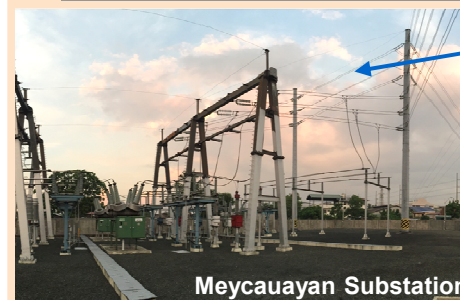
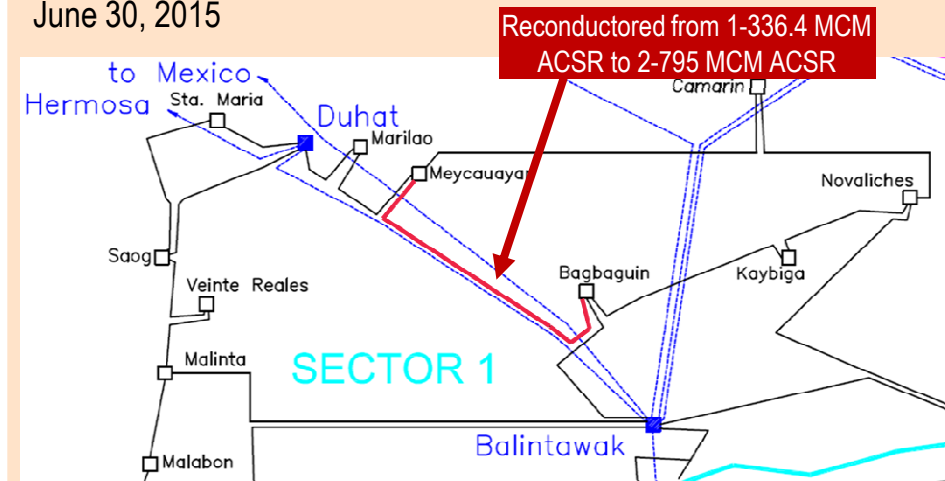
Installation of a 3rd, 83 MVA power transformer bank and associated protection and control equipment

Benefits

Boosts the system capacity and reliability in Binondo, Tondo, Sta. Cruz, Quiapo, Sampaloc and Paco, Manila

Uprating of Meycauayan-Bagbaguin 115 kV Line

June 30, 2015



Meycauayan Substation



Uprated Line

Northbound

Along NLEX

Details

Uprating of 7 km portion of 115 kV lines from 1-336.4 MCM ACSR to 2-795 MCM ACSR per phase from Meycauayan S/S to Bagbaguin S/S involving 120 poles

Benefit

Improves the system reliability of Sector 1 of Meralco's sub-transmission system, benefitting parts of QC, Caloocan City and Bulacan

Business Updates: Strengthening the Core Business

Capital Projects

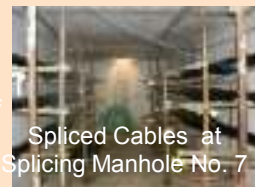
Development of PAGCOR-1 GIS Substation

Target Commissioning: September 2015

PAGCOR-1 Substation Building



Ongoing Cable Pulling for 34.5kV UG Feeders



Substation:

- Installation and assembly of all major substation equipment are completed
- Configuration, setting, integration and testing of protection and substation automation system are ongoing
- Termination works of 115 kV UG power cables for 115 kV GIS at substation is completed.

115 kV UG Sub-transmission Lines:

- DMCI's civil works for the 115 kV UG ducts resumed on June 30, after the approval of Belle and ABPEA on the road elevation plans. ETC is 2nd week of August 2015.
- Pulling and splicing works of 115 kV UG power cables are ongoing (27 splices and 36 terminations)

34.5 kV UG Distribution Feeders:

- Feeders 2, 4, 6 and 7 are scheduled to be energized by August 2015 since these will serve the existing customers (Belle, Maynilad & Solaire)
- Feeders 1, 3, 5 and 8 are intended to serve Tigers and Travellers, whose facilities are scheduled to be completed by 2016 and onwards

Construction of Batangas City-Bolbok-Simlong 69 kV Line



JG Summit's Metering Facilities

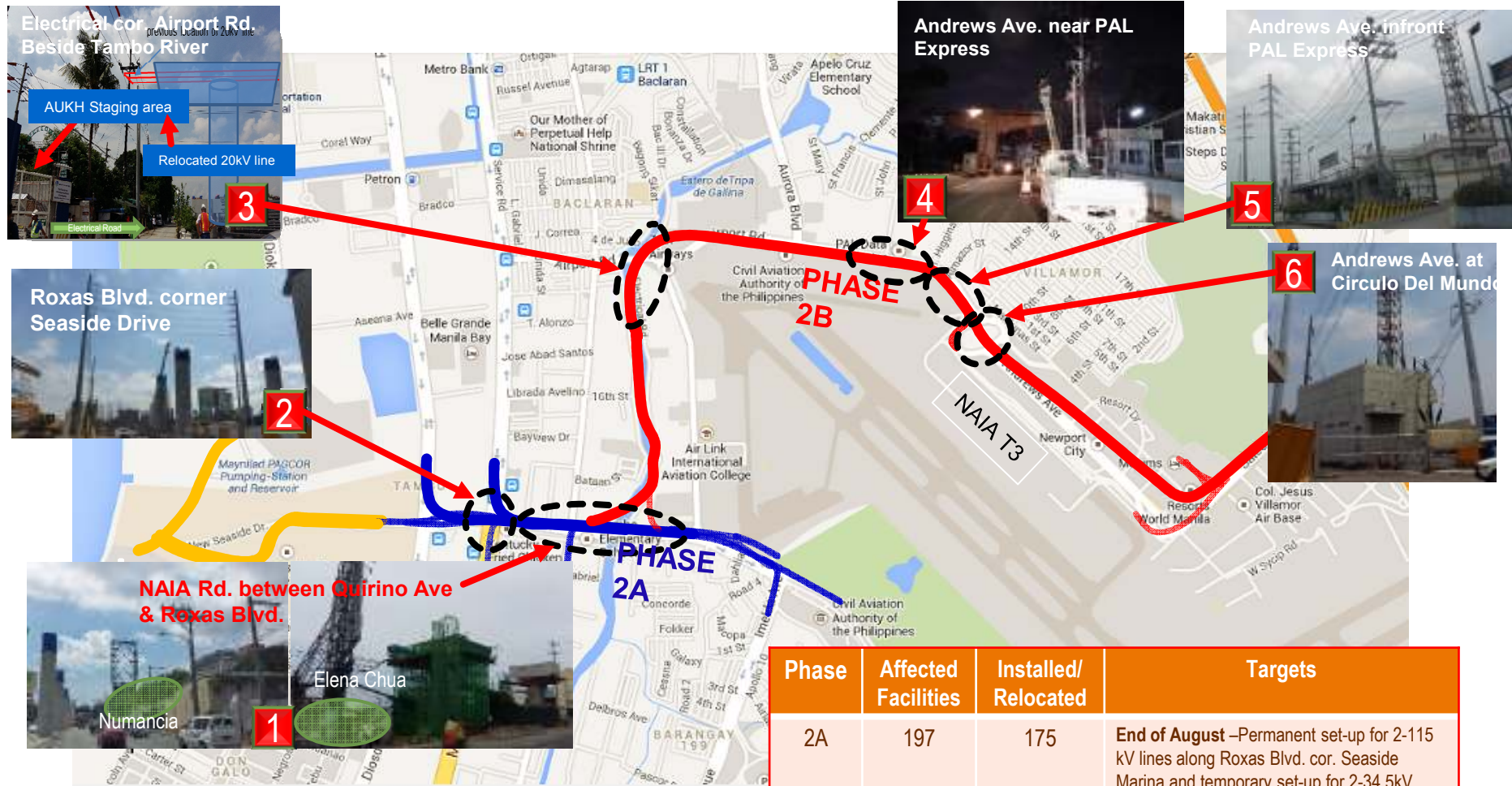


- All line works were completed by Meralco last March 20, 2015 (248 poles and 14.1 km of lines)
- Soak testing was successfully completed on April 23, 2015.

Business Updates: Strengthening the Core Business

Capital Projects

Relocation of MERALCO Facilities Affected by NAIA Expressway Project



Phase	Affected Facilities	Installed/ Relocated	Targets
2A	197	175	End of August –Permanent set-up for 2-115 kV lines along Roxas Blvd. cor. Seaside Marina and temporary set-up for 2-34.5kV lines along NAIA Road at Elena Chua property
2B	143	123	End of September – Relocation works at Corazon Cruz area near BAC 1-11
Total	340	298	

Business Updates: Strengthening the Core Business

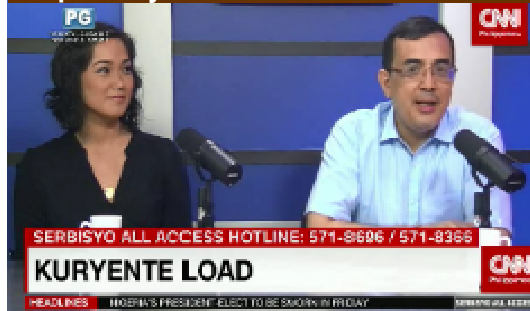
Significant Events / Initiatives

SOLUTIONS / PRES

Preparatory Activities/ with ERC



Preparatory Activities/ with Media



Kuryente Load Caravan



NHA goes for Prepaid Electricity



7,273
ACTIVATED

*Exceeded
7,000
target!!!*

Business Updates: Strengthening the Core Business

Significant Events

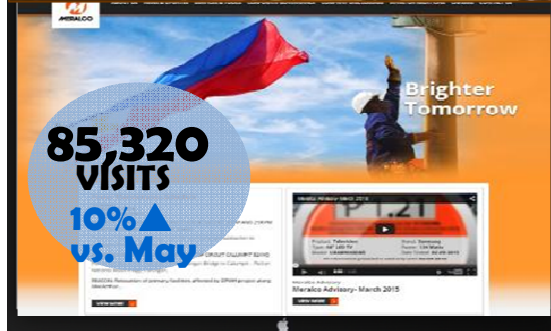
COMMS/ CUSTOMER ENGAGEMENTS/ PROGRAMS



Congressman Umali lauds Meralco's energy efficiency initiatives

Congressman Reynaldo V. Umali, chairman of the House Committee on Energy and co-chairman of the Joint Congressional Power Commission

Committee on Energy and co-chairman of the JCPC, all matters directly relating to development and utilization of energy are the congressman's



Successfully hurdled Summer 2015 Power Supply Crisis

3 Pillars of Meralco's Support

DETAILS

New IPSAs / PSA (~524 MW)



ILP Advocacy (~820 MW)



Energy Savings & Efficiency Measures



*819.96 MW signed out of the committed 923.14 MW, as of April 21, 2015

MGen Updates

1H 2015

San Buenaventura Power Limited

455-MW (net) Coal-Fired Power Plant, 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 is targeting Financial Close and Final Notice-To-Proceed for the Project before the end of the 3rd quarter of 2015.
- Construction
 - Awarded the Engineering, Procurement and Construction ("EPC") to a consortium of reputable Korean and Japanese contractor and equipment supplier.
 - Site preparation contract was awarded to SC Megaworld Development Corporation.
 - Site preparation works are on-going.
- Target completion in early 2019.

Redondo Peninsula Energy

Up to 600-MW Coal-Fired Power Plant, Subic

- RP Energy is actively pursuing the completion of all remaining development activities to allow the Project to achieve financial close and commence construction of the power plant.
- Evaluating 300MW vs. 600MW transmission options and risks.
- Target commencement of construction in the 1st quarter of 2016.
- Target completion in 2H 2019.

Atimonan One Energy

2 x 600-MW PC Coal-Fired Power Plant, Quezon

- Regulatory
 - Public Consultation held in May 2015 with strong show of support from LGU and local stakeholders as, as part of the ECC process.
 - ECC expected to be released in the 3rd quarter of 2015.
 - Certificate of Non-Overlap (CNO) already issued by the National Commission on Indigenous Peoples (NCIP).
- Engineering, Procurement and Construction (EPC)
 - EPC tender process has now commenced. Tender responses expected later this year, with selection of preferred EPC contractor in 2016.
- Interconnection
 - Grid Impact Studies completed; Facility Study ongoing and expected to be approved by the 4th quarter of 2015.
- On-site works targeted to start in mid-2016.
- Target completion of Unit 1 in late 2020.

Global Business Power Corporation (GBPC)

- GBPC's Toledo Power Corporation completed construction of its 1 x 82-MW CFB coal-fired power plant expansion. Achieved commercial operation in Dec 2014.
 - The capacity services the Visayas grid through power supply agreements (PSA) with electric cooperatives and private corporations.
- GBPC's Panay Energy Development Corporation has completed 51.2% as of 14 July 2015 of the 150-MW coal-fired power plant being constructed beside its two (2) operating coal power plants. Commercial operations date is expected in the 3rd quarter of 2016.

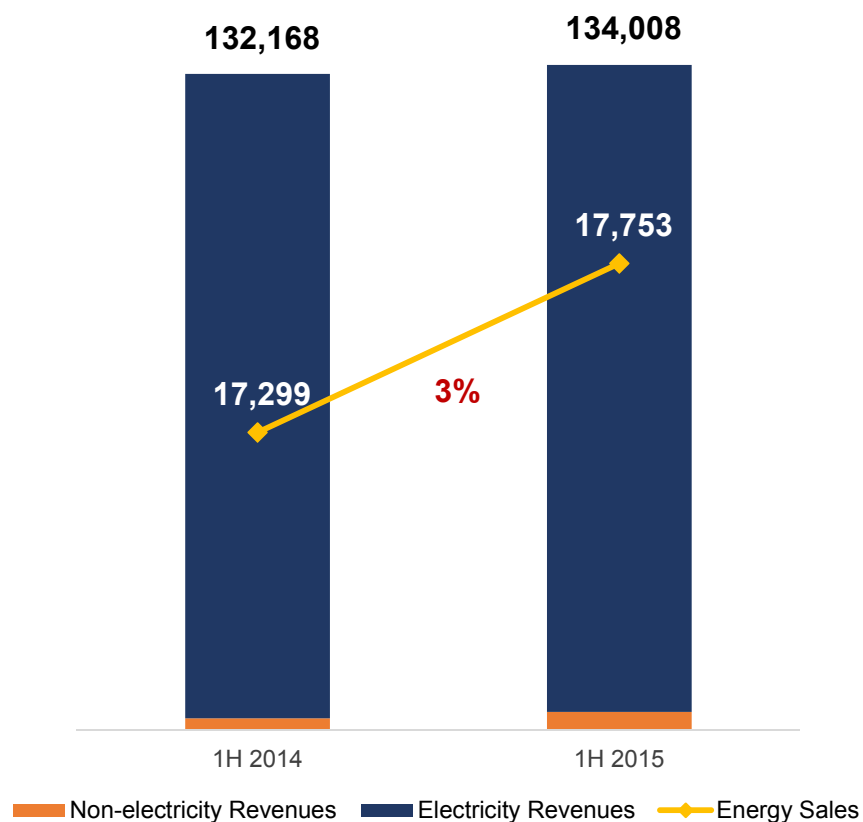
Financial Highlights

1H 2015

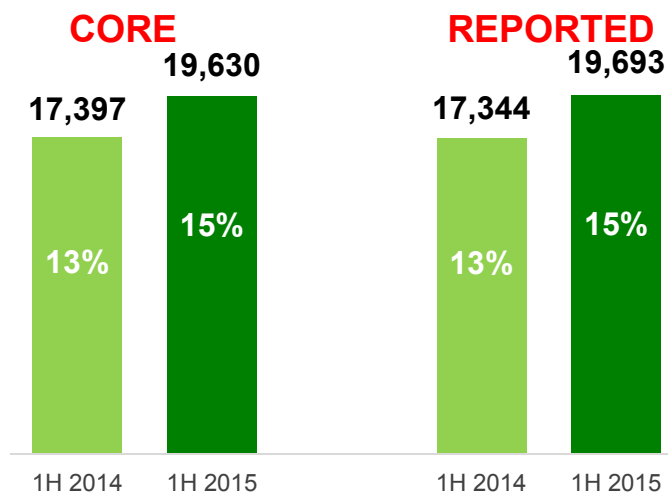
Revenues, EBITDA and Net Income



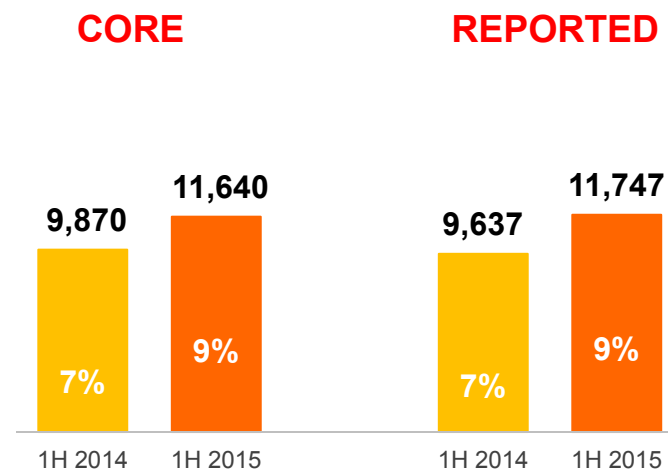
CONSOLIDATED REVENUES (in ₱ mn) & ENERGY SALES (in GWh)



EBITDA (in ₱ mn) AND MARGINS



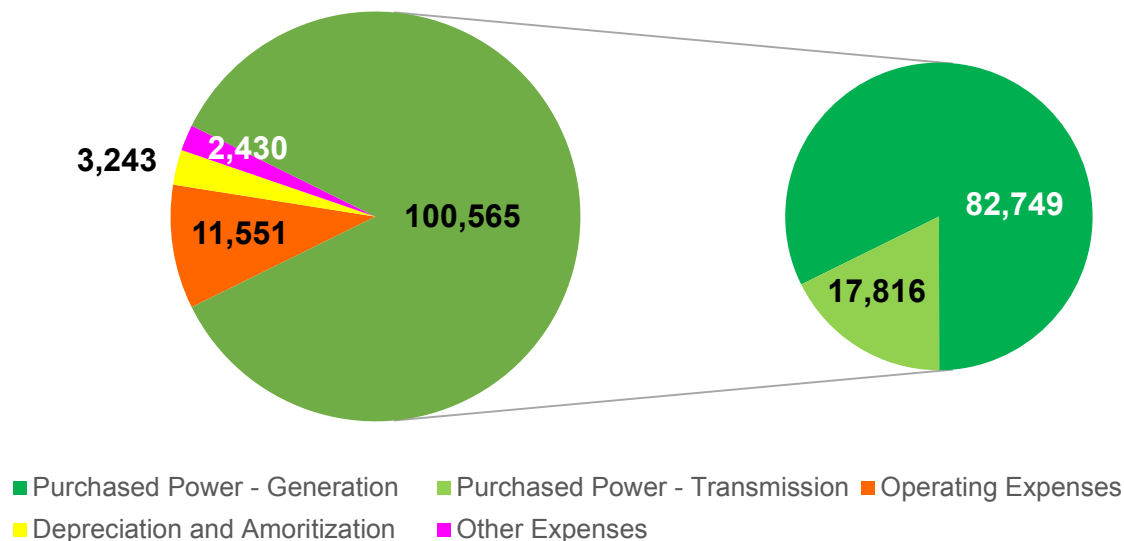
NET INCOME (in ₱ mn) AND MARGINS



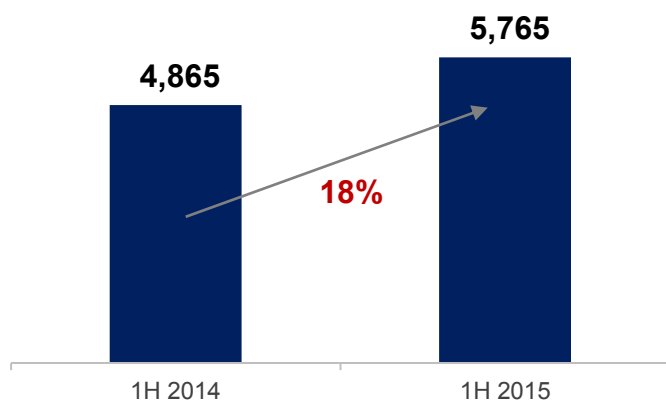
Costs and Expenses



TOTAL COSTS & EXPENSES (in ₱ mn)



CAPITAL EXPENDITURES (in ₱ mn)



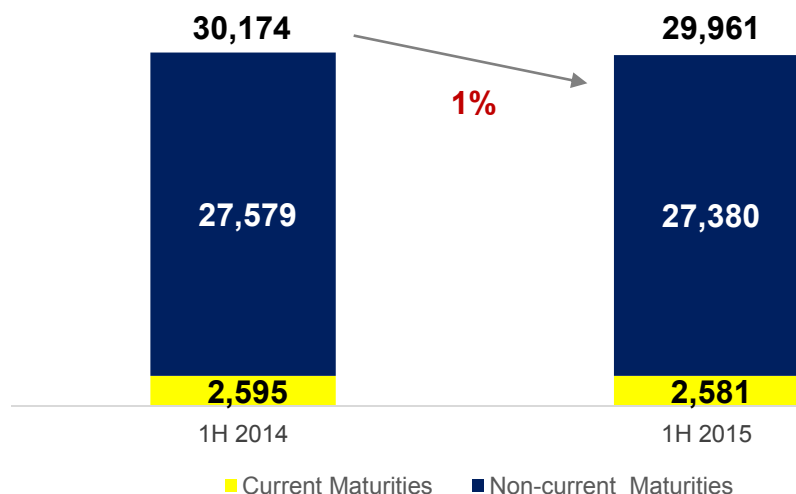
MAJOR CAPITAL PROJECTS IN 1H 2015:

- Modernization of System Control Center;
- Commissioning of Dasmarinas – Imus 115 kV Line;
- Expansion of Tutuban Substation;
- Uprating of Meycauayan – Bagbaguin 115 kV Line;
- Development of Pagcor-1 Substation;
- Construction of Batangas City – Bolbok – Simlong 69 kV Line;
- Relocation of Meralco Facilities Affected by NAIA Expressway Project.

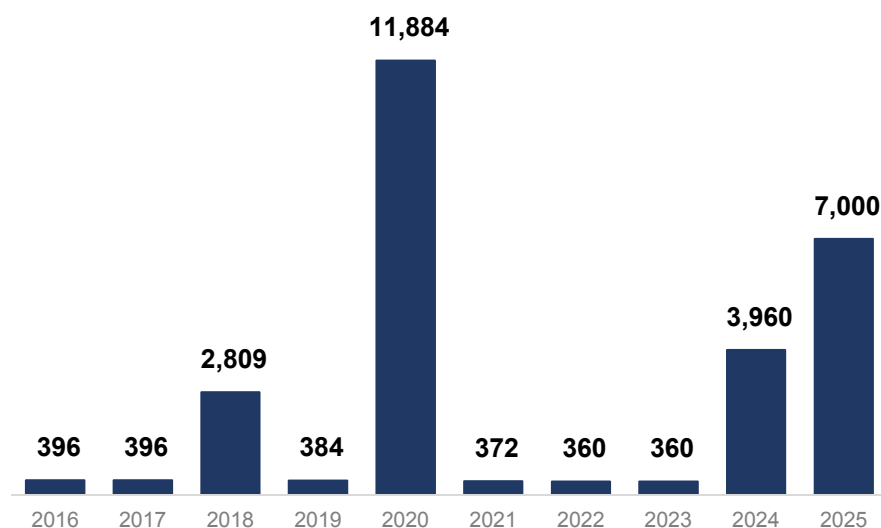
Credit and Debt Profile



TOTAL DEBT (in ₱ mn)



DEBT REPAYMENT SCHEDULE (in ₱ mn)



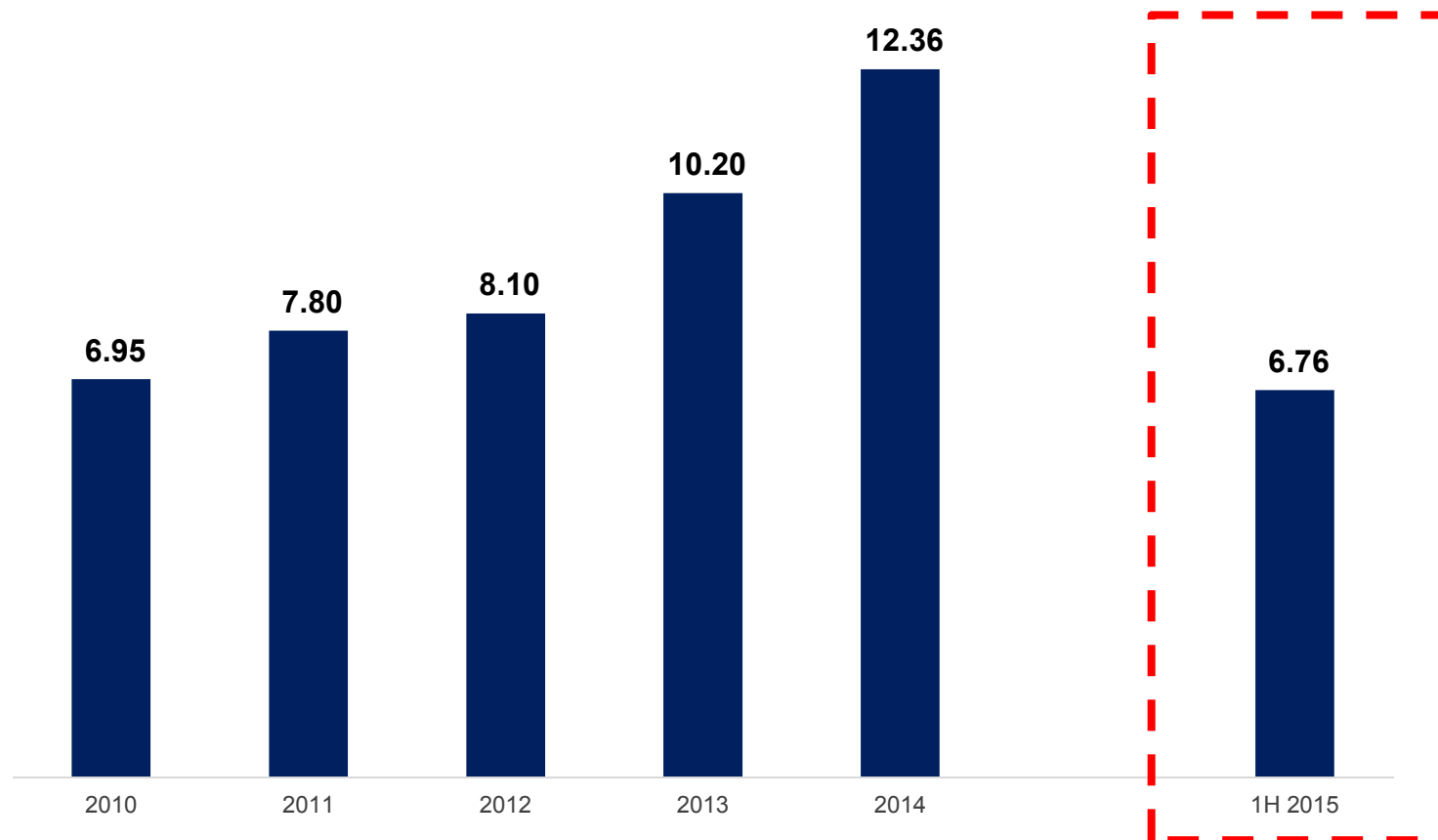
(in ₱ mn except ratios)

	1H 2014	1H 2015
Cash	67,053	53,637
Total Debt	30,174	29,961
Net Debt	(36,880)	(23,676)
Total Debt/EBITDA	0.87	0.76
Net Debt/EBITDA	(1.06)	(0.60)
Gearing Ratio	(0.48)	(0.29)
Interest Expense	839	602

Dividend History



CASH DIVIDENDS PER SHARE



Cautionary Statements



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