2013 OPERATING HIGHLIGHTS

4.0%  
Growth in Energy Sales

3.4%  
Expansion of Customer Base

5.2%  
Growth in Peak Demand

ALL-TIME BEST
Distribution System and Customer Service Performance

Reliability  Availability  Power Quality
Speed to Energize New Customers  System Loss  Call Center Performance
2013 OPERATING HIGHLIGHTS

5.3% WESM Dependence Reduced

45.1% Gas / 40.4% Coal Net System Input Fuel Mix

57.1% Generation / 17.5% Distribution Average Customer Bill Components
2013 OPERATING HIGHLIGHTS

OTHER BUSINESS HIGHLIGHTS

• Completed Electric Capital Projects
• Super Typhoon ‘Yolanda’: Impact & Restoration Assistance to Affected DU’s and Communities
  • Retail Bond Offering
• 2013 PSE Bell Award for Corporate Governance
• Securing Opportunities in New Markets
• Other Business Updates – MGen, New Offerings
Energy Sales, 2013

Up 4.0% vs. 2012 at all-time record of 34,084 GWh

CAGR: 5.5%

Details:

- Industrial
- Commercial
- Residential

Share of Sales*:

- Industrial: 39.0%
- Commercial: 30.0%
- Residential: 30.6%

Major movers of 2013:

- Electrical Machinery (semicon) ↑
- Food and Beverages ↑
- Rubber & Plastics ↑
- Real Estate (condominiums, BPO office space) ↑
- Private Services (hotels, malls, hospitals) ↑
- Trade ↑
- Customer additions and benign inflation ↑

*Sales volume for Flat Streetlights (129 GWh) account for 0.4%
Customer Count, 2013

- Up 3.4% vs. 2012 to 5.37 million customers
- Total of 178,473 new customers in 2013, majority Residential

Details:

<table>
<thead>
<tr>
<th>Year</th>
<th>Residential</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4.70</td>
<td>3.1%</td>
</tr>
<tr>
<td>2010</td>
<td>4.85</td>
<td>3.7%</td>
</tr>
<tr>
<td>2011</td>
<td>5.03</td>
<td>3.2%</td>
</tr>
<tr>
<td>2012</td>
<td>5.19</td>
<td>3.4%</td>
</tr>
<tr>
<td>2013</td>
<td>5.37</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

CAGR: 3.4%

New Customers:

- Residential: +166,212
- Commercial: +12,310
- Industrial: -82

*Industrial (9,707) and Flat Streetlights (4,482) account for 0.3% of the total

*178,473 new customers in 2013 (net, additions less terminations)
Clark Electric (CEDC), 2013

Energy Sales, GWh

- 2009: 241 GWh, CAGR: 12.1%
- 2010: 271 GWh, 12.4%
- 2011: 278 GWh, 2.6%
- 2012: 300 GWh, 7.9%
- 2013: 380 GWh, 26.7%

Customer Count

- 2009: 1,521, CAGR: 4.6%
- 2010: 1,611, 5.9%
- 2011: 1,724, 7.0%
- 2012: 1,734, 0.6%
- 2013: 1,819, 4.9%

2013

<table>
<thead>
<tr>
<th></th>
<th>Sales, Share</th>
<th>Count, Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>40.5%</td>
<td>57.5%</td>
</tr>
<tr>
<td>Industrial</td>
<td>58.1%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Residential</td>
<td>1.1%</td>
<td>32.9%</td>
</tr>
</tbody>
</table>

Flat Streetlights' sales and count shares account for 0.3% and 3.2%, respectively.
CONSOLIDATED NSI, in GWh:

<table>
<thead>
<tr>
<th>Year</th>
<th>NSI (GWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>35,304</td>
</tr>
<tr>
<td>2013</td>
<td>36,673</td>
</tr>
</tbody>
</table>

CONSOLIDATED NSI up 3.9% vs. 2012 (+1,369 GWh)

Meralco peak demand of 5,928 MW, all-time high

Meralco YTD Peak Demand, MW:

<table>
<thead>
<tr>
<th>Year</th>
<th>Peak Demand (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5,633</td>
</tr>
<tr>
<td>2013</td>
<td>5,928**</td>
</tr>
</tbody>
</table>

Luzon YTD Peak Demand, MW:

<table>
<thead>
<tr>
<th>Year</th>
<th>Peak Demand (MW)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>7,889</td>
</tr>
<tr>
<td>2013</td>
<td>8,305**</td>
</tr>
</tbody>
</table>

*2013 NSI data for Parent 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)

**Occurred May 8, 2013
Power Supply Sourcing*, 2013

2013 Sourcing

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>2013</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PSAs-Total</strong></td>
<td>18,436.5</td>
<td>50.3%</td>
</tr>
<tr>
<td>SEM-Calaca</td>
<td>2,521.7</td>
<td>6.9%</td>
</tr>
<tr>
<td>MPPC-Masinloc</td>
<td>2,606.1</td>
<td>7.1%</td>
</tr>
<tr>
<td>TLI-Pagbilao</td>
<td>2,092.5</td>
<td>5.7%</td>
</tr>
<tr>
<td>SMEC-Sual</td>
<td>3,172.6</td>
<td>8.7%</td>
</tr>
<tr>
<td>SPPC-Ilijan</td>
<td>7,075.8</td>
<td>19.3%</td>
</tr>
<tr>
<td>TMO-Navotas</td>
<td>54.4</td>
<td>0.1%</td>
</tr>
<tr>
<td>Others-Renewables**</td>
<td>913.4</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>IPPs-Total</strong></td>
<td>13,100.0</td>
<td>35.7%</td>
</tr>
<tr>
<td>Sta. Rita</td>
<td>7,532.3</td>
<td>20.5%</td>
</tr>
<tr>
<td>San Lorenzo</td>
<td>2,746.2</td>
<td>7.5%</td>
</tr>
<tr>
<td>QPPL</td>
<td>2,821.5</td>
<td>7.7%</td>
</tr>
<tr>
<td><strong>WESM</strong></td>
<td>1,948.9</td>
<td>5.3%</td>
</tr>
<tr>
<td><strong>RES</strong></td>
<td>2,711.4</td>
<td>7.4%</td>
</tr>
<tr>
<td>Special Contracts</td>
<td>475.8</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>TOTAL POWER SOURCED (NSI)</strong></td>
<td>36,672.6</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

*Based on total Captive and Contestable Customers in Meralco Franchise Area

**Includes volumes of Montalban Methane Power Corp., Bacavalley Energy Inc., Pangea and others

CONSOLIDATED
Indigenous Natural Gas and Coal were the main fuels for power generation

2013 Mix

- **Nat Gas**: 45.1%
- **Coal**: 40.4%
- **Multi-fuel***: 10.3%
- **Oil**: 4.1%

### SOURCE 2013

<table>
<thead>
<tr>
<th>SOURCE</th>
<th>2013</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Gas*</td>
<td>16,538.7</td>
<td>45.1%</td>
</tr>
<tr>
<td>Coal</td>
<td>14,826.2</td>
<td>40.4%</td>
</tr>
<tr>
<td>Oil</td>
<td>1,519.7</td>
<td>4.1%</td>
</tr>
<tr>
<td>Oil for Natural Gas plants**</td>
<td>1,024.4</td>
<td>2.8%</td>
</tr>
<tr>
<td>Other Oil</td>
<td>495.3</td>
<td>1.4%</td>
</tr>
<tr>
<td>Multi-fuel***</td>
<td>3,788.0</td>
<td>10.3%</td>
</tr>
</tbody>
</table>

**TOTAL POWER SOURCED (NSI)** 36,672.6 100.0%

* If no Malampaya shutdown, Nat Gas would have provided about 47.9%

**Volume sourced from these plants during Malampaya shutdown (Nov. 11 – Dec. 10, 2013)

***Coal, Hydro, Geothermal, Biomasss, et. al.
**Ave. Retail Rate, 2013**

*Generation Charge, largest component in customer’s bill, 57.1%; Meralco 17.5%; NGCP 9.1%

**Share of All customers**

<table>
<thead>
<tr>
<th>BILL COMPONENT</th>
<th>2013 Overall Ave, P/kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generation Charge*</td>
<td>5.39</td>
</tr>
<tr>
<td>Distribution Charge**</td>
<td>1.66</td>
</tr>
<tr>
<td>(MERALCO)</td>
<td></td>
</tr>
<tr>
<td>Transmission Charge**</td>
<td>0.86</td>
</tr>
<tr>
<td>(NGCP)</td>
<td></td>
</tr>
<tr>
<td>System Loss Charge**</td>
<td>0.46</td>
</tr>
<tr>
<td>Taxes, Univ Charge**</td>
<td>1.08</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9.45</strong></td>
</tr>
</tbody>
</table>

*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, 2013

12-MMA ending December 2013 at 6.92%
- Record best
- Improved by 0.12%pts vs. December 2012’s 7.04%

SAVINGS TO CUSTOMER*
2008: P0.37 Bn
2009: 1.37
2010: 1.14
2011: 2.40
2012: 3.44
2013: 3.87**
Total: P12.59 Bn (or equivalent to 7.02¢/kWh)

**For 2013, the pricing for December used was the true cost of purchased power (P9.107/kWh).
Using the billed amount due to SC-TRO, savings is P3.82B in 2013, totaling P12.54B or 7.0¢/kWh for 2008-13)
## S-Factor Performance, 2013

All indicators well within rewards range; vs. 2012, all indicators improved

*ERC-imposed performance band

<table>
<thead>
<tr>
<th>S-FACTOR INDICATOR</th>
<th>REGULATORY STANDARDS (Deadband)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAIFI, Forced and PAI (Times)</td>
<td>6.98 - 8.24</td>
<td>7.28</td>
<td>6.52</td>
<td>4.80</td>
<td>3.90</td>
<td>3.36</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>CAIDI, Forced and PAI (Times)</td>
<td>144.40 – 168.72</td>
<td>144.61</td>
<td>141.27</td>
<td>116.67</td>
<td>103.30</td>
<td>97.65</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>SAIDI, Pre-arranged (Minutes)</td>
<td>126.57 – 198.40</td>
<td>144.60</td>
<td>93.81</td>
<td>80.05</td>
<td>76.15</td>
<td>64.49</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>Prob. of Voltage Violations (% not falling w/in limits)</td>
<td>0.86 – 1.44</td>
<td>0.75</td>
<td>0.50</td>
<td>0.23</td>
<td>0.04</td>
<td>0.00</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>Ave. Time to Process App. (Days)</td>
<td>7.91 – 12.28</td>
<td>8.18</td>
<td>5.94</td>
<td>5.34</td>
<td>4.60</td>
<td>4.47</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>Ave. Time to Connect (Days)</td>
<td>3.56 – 5.77</td>
<td>3.42</td>
<td>3.38</td>
<td>3.06</td>
<td>2.12</td>
<td>1.90</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>Call Center Performance (Seconds)</td>
<td>13.56 – 21.03</td>
<td>25.79</td>
<td>24.55</td>
<td>16.99</td>
<td>7.12*</td>
<td>4.42</td>
<td>BEST RECORD</td>
</tr>
<tr>
<td>System Loss (%) -12MMA</td>
<td>&gt; 8.50</td>
<td>8.61</td>
<td>7.94</td>
<td>7.35</td>
<td>7.04</td>
<td>6.92</td>
<td>BEST RECORD</td>
</tr>
</tbody>
</table>

*net of Habagat
# RY 2014 GSL Performance: Jul-Dec ‘13

All GSL performances are well within set limits

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GSL 1</td>
<td>373,658 customers</td>
<td>71,392</td>
<td>27,808</td>
<td>12,295</td>
<td>7,655</td>
<td>INDICATIVE SAVINGS</td>
</tr>
<tr>
<td>GSL 2</td>
<td>18,989 customers</td>
<td>32</td>
<td>117</td>
<td>0</td>
<td>0</td>
<td>INDICATIVE SAVINGS</td>
</tr>
<tr>
<td>GSL 3</td>
<td>234,439 incidents</td>
<td>64,929</td>
<td>28,582</td>
<td>10,676</td>
<td>4,763</td>
<td>INDICATIVE SAVINGS</td>
</tr>
<tr>
<td>GSL 4</td>
<td>163,995 days delay</td>
<td>61,571</td>
<td>52,146</td>
<td>14,491</td>
<td>18,444</td>
<td>INDICATIVE SAVINGS</td>
</tr>
</tbody>
</table>

**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 that 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*
Other Business Highlights
Completed Major ECPs

Uprating of Balibago-Canlubang 115 kV Line

- Completed Nov 25, 2013
- Reconductoring of Balibago-Canlubang 115 kV line from 1-795 to 2-795 MCM ACSR
- Increases line capacity and improves system reliability in the cities of Sta. Rosa, Cabuyao and Calamba in Laguna, and Sto. Tomas, Batangas
- Benefitting industrial parks:
  - Laguna Technopark, Inc. (LTI)
  - Laguna International Industrial Park (LIIP)
  - Carmelray Industrial Parks 1 & 2 (CIP 1 & 2)
  - Light Industry and Science Parks 1 & 2 (LISP 1 & 2)
  - First Philippine Industrial Park (FPIP)

Commissioning of new CIP2-FPIP 115 kV Line

- Completed Nov 30, 2013
- The new line serves as additional source (second feed) to FPIP Substation
- Benefitting major customers:
  - Sunpower
  - Ibiden
  - Philippine Manufacturing Co. of Murata
  - Brothers Philippines
  - B/E Aerospace
  - NEC Tokin
  - Philip Morris
  - Honda
  - Canon
  - Nestle Philippines
  - Strategic Silicon Services
  - Hysonic Philippines
Completed Major ECPs

Commissioning of Filinvest 115 kV-34.5 kV GIS Substation, Alabang, Muntinlupa City

- Completed Dec 12, 2013
- The new GIS substation provides additional capacity to meet the increasing power requirements of Filinvest City in Alabang, Muntinlupa City.
- Addresses the critical loading of adjacent Ayala-Alabang and Gardner substations, which also serve the area.
- Benefitting customers:
  - Asian Hospital
  - Festival Mall
  - Entrata Towers
  - Civic Prime, among others.

Hillcrest Second 83 MVA Bank, in Brgy. Oranbo, Pasig City

- Dec. 14, 2013
- Provides additional capacity to meet the growing power demands in Pasig-Mandaluyong area, and addresses the critical loading of Hillcrest and Taguig Substations
- Benefitting customers: Capitol Commons, Greenfield Dev’t Corp. (Unilab), SM Light Residences, TV5 Media Center, Christ’s Commission Foundation Ministries, The Grove, Woodlands, Estancia Mall, Tiendesitas, and the City Govt. of Pasig, among others.

Dasmariñas-Imus 115 kV Line (Imus Leg) in Cavite

- Dec. 27, 2013
- Will initially serve the 115 kV service of SMC Yamamura (8.2 MW) in Imus City, which was connected to MERALCO 115 kV system. Energized on January 21, 2014
- Will eventually provide a second 115 kV source (coming from Dasmariñas Substation) for Bacoor and Imus Substations, which are currently sourced from Zapote Substation.
Impact on Meralco of Super Typhoon Yolanda

- Category 5 storm and considered as 4<sup>th</sup> strongest storm recorded in the world
- Max. sustained winds of 315 kph with gustiness of 379 kph
- Affected mostly southern franchise of Meralco including Rizal province

### Circuits Affected

<table>
<thead>
<tr>
<th>Circuits Affected</th>
<th>76 circuits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustained Interruption Events</td>
<td>51</td>
</tr>
<tr>
<td>Momentary Interruption Events</td>
<td>91</td>
</tr>
<tr>
<td>Customers Affected (8% of 5.3M customers)</td>
<td>421,956</td>
</tr>
<tr>
<td>Total Damage (Poles, Wires, DTs)</td>
<td>PhP4.76M</td>
</tr>
<tr>
<td>Unserved Energy (Nov. 8-9)</td>
<td>8.71 GWh</td>
</tr>
</tbody>
</table>
‘Reaching Out Beyond Our Borders’

Typhoon Yolanda path

Meralco Franchise Area

Map of the Philippines showing the path of Typhoon Yolanda and the Meralco Franchise Area.
Restoration assistance to Luzon & Visayas DUs

Cabanatuan City

Panay Island

Restored a total of 128 km of distribution lines
### Restoration assistance to Luzon & Visayas DUs

#### CABANATUAN CITY
- **Duration:** Oct. 18-22, (5 Days)
- **58 personnel**
- **14 vehicles**
- Replaced 35 poles
- Corrected 8 leaning poles
- Stringing of 4 spans of primary wires
- Reconnected 10 detached primary wires

#### LEYTE
- **Duration:** Nov. 25-Dec 27, (32 Days) and Jan. 29-Feb. 25, 2014, (28 Days)
- **126 personnel**
- **26 vehicles**
- Replaced 508 poles
- Corrected 343 leaning poles
- Stringing of 742 spans of primary wires
- Reconnected 263 detached primary wires
- Installed 43 distribution transformers
- Reconnected 338 detached secondary wires

#### PANAY
- **Duration:** Nov. 16-30, (14 Days)
- **61 personnel**
- **16 vehicles**
- Replaced 423 poles
- Corrected 111 leaning poles
- Stringing of 308 spans of primary wires
- Reconnected 168 detached primary wires
- Installed 10 distribution transformers
- Reconnected 40 detached secondary wires

Restored a total of 128 km of distribution lines
Rebuilding Support for ‘Yolanda’ affected communities

IMMEDIATE RELIEF OPERATIONS

12,538 Families that received relief goods
508 Employee-volunteers who packed goods and participated in “9Mornings”
P6.7M Raised and donated by Employees via “One Day To Give”

IMMEDIATE POWER RESTORATION

218 Meralco personnel* deployed to help in power restoration
25,484 Restored households in Leyte**
P20.5M Estimated cost Meralco incurred in its restoration efforts in Leyte and Panay

SUSTAINABLE COMMUNITY RECOVERY & REHABILITATION

9 Schools*** to be rehabilitated by One Meralco Foundation
9 Parishes*** recipient of donations for repair of damaged churches
10 Boats to be donated to fishing families in Ormoc

*Includes all Meralco personnel- Lines, Medical, Security, etc.
**Report of LeyeCo 2 & LeyeCo 5, as of February 23, 2014
***in Capiz, Aklan, Iloilo, Leyte, Eastern Samar
First Ever Retail Bond Offering Successfully Launched

Meralco Completes Retail Bond Offering

• BOND
  7YNC5, 12YNC10

• ACTUAL ISSUE SIZE
  P15B plus overallotment of P3.5B

• INTEREST
  7Y (2020) 4.375%
  12Y (2025) 4.875%
Meralco receives 2013 PSE Bell Award for Corporate Governance

- Nov. 19, 2013
- Meralco, a Philippine Stock Exchange (PSE) Bell Awardee, a recognition of listed companies and trading participants that adhere to exemplary corporate governance standards and practices
- The annual event aims to raise standards of corporate governance and promote global best stock market practices.

- Meralco subsidiary, Meridian Atlantic Light Company, Ltd., starts distribution utility services with handover of the management of Ibadan and Yola EDCs Nov 1
- IBEDC is the largest Nigerian electricity distribution company in number of customers and energy sales. YEDC is largest in service area
- Operations are under Technical Services Agreement with a Nigerian investment company (Integrated Energy Distribution and Marketing or IEDM)
New JV Company with 40% MGen Participation Acquired Majority Interest in Power Plant in Singapore

- On 28 March 2013, FPM Power Holdings Limited, a 40-60 joint venture company between MGEN and First Pacific Co. Limited, acquired a 70% stake in GMR Energy Singapore (now PacificLight Power Co. Ltd.), owner of an 800-MW LNG-fired power plant in Jurong Island, Singapore. The remaining 30% stake is held by Petronas of Malaysia.

-Commissioning of the 2 power generating units were completed in Dec 2013 and Jan 2014, respectively. Both units have commenced commercial operations.
Joint Development Agreement signed 29 Aug 2013 between New Growth BV and MGEN for the development of a 460-MW (net) supercritical coal-fired power plant in Mauban, Quezon. New Growth is a wholly-owned subsidiary of Electricity Generating Public Company Limited of Thailand, partly-owned by Electricity Generating Authority of Thailand.

Shareholders Agreement signed on 15 Nov 2013 providing MGEN 51% Equity Interest.

Development activities underway.

Engineering, Procurement and Construction (EPC) bids received 29 Nov 2013 from 3 consortia formed by established Korean and Japanese companies.

Financial Advisor identified. Indicative financing proposals received from local and international banks.

Target Financial Close and EPC Notice to Proceed in Q3 2014

Target commissioning by 2017.
Global Business Power Corporation (GBPC)

- On 22 Oct 2013, MGEN acquired 20% interest in GBPC. Other shareholders include GT Capital Holdings, First Metro Investment Corporation and ORIX Corporation.

- GBPC is the largest Independent Power Producer in the Visayas Region with 627 MW of gross capacity (556 MW net) in operation.
  - 410 MW (gross) coal-fired power plants and 217 MW (gross) diesel power plants
  - 82 MW (gross) coal-fired power plant under construction in Cebu; expected to be in commercial operation in late-2014
  - 150-MW (gross) coal-fired power plant in Panay to start construction in 1Q 2014; expected to be in commercial operation in 2016
On 30 Jan 2013, the Court of Appeals (CA) denied Writ of Kalikasan case filed against RPE. However, the original Environmental Compliance Certificate issued by the Department of Environment and Natural Resources (DENR) and the Lease and Development Agreement between RPE and the Subic Bay Metropolitan Authority (SBMA) were declared invalid due to supposed procedural and documentation lapses during the process of their issuance.

Motions for Reconsideration filed by Writ of Kalikasan petitioners as well as by DENR, SBMA and RPE were denied by the CA on 22 May 2013.

All the parties separately appealed the CA decision to the Supreme Court for review.

On 18 Dec 2013, RPE filed a Manifestation submitting its “Petition for Review on Certiorari” for resolution of the Court.
Other Business Updates

Prepaid Retail Electricity Service (PRES)

- Technical Pilot in Angono, Rizal (2013)
- Activated KLoad top-up centers (Meralco Business Centers, Bayad Center, Sari-sari stores, Generika)
- Started commercial pilot for 2,000 customers in Taytay and Angono, Rizal (Jan. 2014)
- Commercial launch scheduled Q4 2014-2015 for balance of 38,000 meters*

* Based on number of meters approved for 3rd Regulatory Period
Other Business Updates

Electric Vehicle (EV)

- Launched Meralco eVehicle Power Station in the Meralco Compound *(July 20, 2013)*
- Continuing preparations for the EV charging infrastructure requirements as support to the DOE-ADB 100,000 eTrikes Project
- Piloting EV implementations and projects with:
  - eBike Sharing in the Meralco Head Office
  - eMotorcycles with Meralco BCs, Sectors and customers in the fastfood industry
  - eShuttles in prospective location / accounts
Meralco hosted the 3rd Philippine EV Summit organized by Electric Vehicle Alliance (EVA)

Feb 27-28, 2014 at Meralco Multipurpose Hall

- Keynote speaker Sen. Paolo Benigno Aquino IV announced 2 EV bills in the Senate (SBN 2151 and SBN 2150) to provide fiscal and non-fiscal incentives to EV industry players and users.

- Key EV government partners DOE, DTI, LTO and DOST presented their respective programs and policies to benefit the EV industry.

- Update from DOE and ADB on the announcement of winners of 3,000 eTrikes by March 2014, and an additional 17,000 units for bidding before end of 2014.

- More than 500 attendees from the Philippines, Japan, Taiwan, Singapore, Australia, China and Austria, as well as 27 exhibitors of different EV models and types.
Manila Electric Company

FY2013 Financial Results

March 17, 2014
Lopez Building, Meralco Compound, Ortigas Avenue
Revenues

In Million Pesos

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>285,270</td>
</tr>
<tr>
<td>Distribution Revenues</td>
<td>50,892</td>
</tr>
</tbody>
</table>

- 5% increase in Distribution Revenues
- 10% increase in Distribution Revenues
EBITDA and Net Income

In Million Pesos (except Sales Volume which is in GWh)

EBITDA

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EBITDA</td>
<td>Core EBITDA</td>
</tr>
<tr>
<td>27,690</td>
<td>30,845</td>
</tr>
<tr>
<td>26,846</td>
<td>30,682</td>
</tr>
</tbody>
</table>

Net Income

<table>
<thead>
<tr>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated Reported Net Income</td>
<td>Consolidated Core Net Income</td>
</tr>
<tr>
<td>17,117</td>
<td>17,211</td>
</tr>
<tr>
<td>16,265</td>
<td>17,023</td>
</tr>
<tr>
<td>32,771</td>
<td>34,084</td>
</tr>
</tbody>
</table>

Growth rates:
- EBITDA: 11% (FY 2012 to FY 2013)
- Net Income: 15% (FY 2012 to FY 2013)
Costs and Expenses

In Million Pesos

Purchased Power Cost

<table>
<thead>
<tr>
<th>Year</th>
<th>Generation</th>
<th>Transmission</th>
<th>Purchased Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>198,596</td>
<td>33,472</td>
<td>35,176</td>
</tr>
<tr>
<td>FY 2013</td>
<td>206,509</td>
<td>31,689</td>
<td>35,503</td>
</tr>
</tbody>
</table>

Operating & Maintenance Cost

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>18,689</td>
<td>18,775</td>
</tr>
</tbody>
</table>

Depreciation & Amortization

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
<th>FY 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>5,576</td>
<td>6,118</td>
</tr>
</tbody>
</table>
Receivables and Payables

Revenues vs. Receivables

Purchased Power vs. Payables

*Unbilled Receivables relating to the November and December 2013 generation charges.

**Deferred Payments relating to the November and December 2013 generation charges.
Total approved capex for Third Regulatory Period is P36.3 Bn.

July 2011 – December 2013 actual capex: P21.8 Bn

Capex balance: P14.5 Bn

Additional capex approved for Special Projects: P2.4 Bn
Credit Rating

STANDARD & POOR'S
RATINGS SERVICES

B-; negative
(February 2005)

B-; stable
(December 2007)

B; positive
(October 2009)

B+; stable
(November 2010)

B+; stable
(November 2011)

BB-; stable
(November 2012)

BB; stable
(June 2013)
Credit Profile

Cash, Total Debt and Net Debt

<table>
<thead>
<tr>
<th>Year</th>
<th>Cash</th>
<th>Total Debt</th>
<th>Net Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>60,500</td>
<td>24,613</td>
<td>(35,887)</td>
</tr>
<tr>
<td>2013</td>
<td>59,851</td>
<td>33,591</td>
<td>(26,260)</td>
</tr>
</tbody>
</table>

EBIT and Interest Expense

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>Interest Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>22,114</td>
<td>1,528</td>
</tr>
<tr>
<td>2013</td>
<td>24,564</td>
<td>1,479</td>
</tr>
</tbody>
</table>

Interest Rates

- Long-term: 8.10%, 7.70%, 5.60%
- Short-term: 3.30%, 4.70%

Ratios

- Debt to EBITDA: 0.89, 1.09
- Net Debt to EBITDA: (0.53), (0.35)
- Gearing Ratio: (1.30), (0.86)
Meralco issued an Php18.5 Bn Peso Fixed Rate Bond in December 2013.

<table>
<thead>
<tr>
<th>Face Value</th>
<th>Interest Rate</th>
<th>Tenor</th>
<th>Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Php11.5 Bn</td>
<td>4.375%</td>
<td>7 years</td>
<td>Non-call 5</td>
</tr>
<tr>
<td>Php7.0 Bn</td>
<td>4.875%</td>
<td>12 years</td>
<td>Non-call 10</td>
</tr>
</tbody>
</table>

Proceeds will be used for the refinancing of certain facilities including principal repayments, accrued interest, prepayment penalties and other financing costs.
Debt Profile

In Million Pesos

**Ending Debt Balance**
- **Long-term Debt**
  - 24,612 (2012)
  - 33,591 (2013)
- **Short-term Debt**
  - 2,359 (2012)
  - 1,787 (2013)
- **Current Maturities**
  - 1,787 (2012)
  - 1,814 (2013)

**Debt Repayment Schedule**
- **Long-term Debt**
  - 9,460 (2014)
  - - (2018)
  - 11,500 (2020)
  - 7,000 (2021, 2022, 2023, 2024, 2025)
- **Notes Payable**
  - - (2014, 2015)
  - 1,814 (2016)
  - 1,562 (2017)
  - - (2018)
  - - (2019)
  - - (2020)
  - - (2021)
  - - (2022)
  - - (2023)
  - - (2024)
  - 7,000 (2025)
- **Preferred Shares**
  - - (2025)

**Year-End Loan Balance**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20,963</td>
<td>20,950</td>
<td>20,938</td>
<td>20,925</td>
<td>18,500</td>
<td>18,500</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
<td>-</td>
</tr>
</tbody>
</table>
Summary

• **Solid FY 2013 results.**
  - Sustained energy sales growth across all customer classes.
  - Setting highs in operating and customer service performance.
  - Increasing value to shareholders with the Company’s strong dividend payout.

• **Robust opportunities for investments.**
  - Continuous improvement of the core distribution infrastructure.
  - Strategic investments in power generation, mainly focused on building up to 3,000 MW of domestic capacity to provide cost-competitive power within the franchise area.

• **Strong balance sheet.**
Cautionary Statements

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Thank You