

OFFICIAL STATEMENT
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MERALCO LISTS THE LARGEST CORPORATE BOND ISSUANCE FOR 2013



From left: First Metro Investment Corporation (FMIC) President & CEO Roberto Juanchito T. Dispo, Bank of the Philippine Islands (BPI) President & CEO Cezar P. Consing, FMIC Chairman Francisco C. Sebastian, Rizal Commercial Banking Corporation (RCBC) President & CEO Lorenzo V. Tan, Meralco CFO Betty C. Siy-Yap, Meralco Chairman Manuel V. Pangilinan, Meralco President & CEO Oscar S. Reyes, Securities & Exchange Commission (SEC) Chairperson Teresita J. Herbosa, Philippine Dealing & Exchange Corp. (PDEX) Chairman and CEO Cesar B. Crisol, BPI Capital Corporation Senior Managing Director Cecilia L. Tan, Meralco First Vice President, Treasurer and Head of Investment Management Rafael L. Andrada, PDS Group Executive Director Antonino A. Nakpil.

Makati, Philippines, 12 December 2013, Thursday - The Philippine corporate bond market gathered together to celebrate another important event and close a remarkable year with the listing of Manila Electric Company (Meralco) PhP18.5 Billion Fixed Rate Putable Bonds due 2020 and 2025 on the Philippine Dealing & Exchange Corp. (PDEX).

Meralco formally joined the ranks of PDEX's expanding community of corporate issuers. This maiden listing of Meralco was warmly met at the primary market, with investor demand driving an increase from PhP15.0 Billion to PhP 18.50 Billion in the last hours. At this level, Meralco's two fixed-rate seven and twelve year bonds due 2020 and 2025 form the largest Philippine corporate bond issuance entering the organized market this year.

Adding more credibility to the event is the presence of Honorable Securities and Exchange Commission (SEC) Chairperson Teresita J. Herbosa, Meralco Chairman of the Board Manuel V. Pangilinan, and Meralco President & CEO Oscar S. Reyes who all shared a few words.

"We join the Philippine fixed income market community in welcoming Meralco, our country's largest electric power distribution company and a new issuer into this flourishing and robust marketplace. This is truly an exciting time for the market and I share the optimism of Mr. Crisol since PDEX was formally recognized as an SRO in July 2006. It has successfully provided a centralized and efficient infrastructure for trading securities, ensuring price discovery and transparency, and more importantly investor protection. With the listing today, one more viable option has been added to our investor's growing menu of investment alternatives," remarked Honorable SEC Chairperson Herbosa.

For his part, Meralco Chairman Manuel V. Pangilinan said, "This is a momentous occasion being Meralco's first-ever

bond issue. It seems little late, but not a few bankers say this is probably the right time. After 110 years in operations, we should get it right. We're issuing the bonds at the time when we do not have real need for the money. It's a good exercise preparing for rainy days."

Meralco's listed securities, the P11.5-billion seven-year bonds and P7-billion 12-year bonds, carry a fixed interest rate of 4.3750% and 4.8750% per annum respectively. Meralco Bonds allow investors additional liquidity options two years before maturity date, with an ability to exercise a put option built into the bond. Philippine Rating Services Corporation gave the highest PRS Aaa rating to Meralco bonds, reflecting the obligor's extremely strong capacity to meet its financial commitments on the obligation.

Representatives from the issue's underwriters and PDEX trading participants were also in attendance, including Bank of the Philippine Islands (BPI) President & CEO Cezar P. Consing, BPI Capital Corporation Senior Managing Director Cecilia L. Tan, First Metro Investment Corporation (FMIC) Chairman Francisco C. Sebastian, FMIC President Roberto Juanchito T. Dispo, and Rizal Commercial Banking Corporation (RCBC) President & CEO Lorenzo V. Tan.

PDEX Chairman & CEO Cesar B. Crisol said in his welcome remarks, "We are proud to cap this year with this event which brings the year-to-date total of new listings to PhP 83.5 Billion, and the total level of tradable corporate debt instruments to PHP 344.5 Billion issued by 21 companies, with 59 securities being traded. This marks a 24% growth in the Outstanding Issue Size of Listed Corporate Bonds from last year. Such figures only reinforce our view that with the listing of Meralco bonds for public trading - "ang liwanag ng bukas" ng Philippine capital market." #