



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

March 30, 2020

MS. JANET A. ENCARNACION

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8751 Paseo de Roxas, Makati City 1226

Gentlemen:

We reply to your letter dated March 30, 2020 (received thru EDGE Submission System at 08:57 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco expects sales to drop in March” posted in philSTAR.com on March 30, 2020. The article reported in part that:

“MANILA, Philippines — Manila Electric Co. (Meralco) expects a drop in sales in March due to significantly lower demand as the Philippine government placed Luzon under enhanced community quarantine, according to Meralco first vice president and head of customer retail services and corporate communications Victor Genuino.

‘(We’re) finalizing the numbers, but we see a big decline in demand, particularly from the commercial and industrial sectors since the start of the quarantine period,’ he said.

....

While the residential sector drove last year's sales volume growth, Genuino said it cannot make up the lost energy demand alone during the quarantine period.

....

Earlier, Meralco president and CEO Ray Espinosa said the company registered gains in terms of sales in the first two months despite the coronavirus scare.

....

For this year, Meralco was banking on the residential and property sector to continue to propel Meralco's sales and income.

...."

With reference to the said news article, we would like to confirm the statements attributed to our Mr. Victor S. Genuino, First Vice President and Head, Customer Retail Services and Corporate Communications, on the decline in demand for power from the industrial and commercial customer segments during Enhanced Community Quarantine period.

We also would like to iterate the disclosure we made last March 16, 2020 on the possible effects of the ongoing Enhanced Community Quarantine on the Company's operations and financial condition, which is quoted herein as follows:

"The Company is also foreseeing the following potential impacts of COVID-19 in its operations:

- Efficient operation and maintenance services of equipment may be affected in case of delay of delivery of some essential materials/parts that are sourced from China

- Reduction in the demand from the commercial and industrial sectors which may be partially offset by the demand from residential customers as a direct consequence of the NCR wide Community Quarantine.

Please be assured that the Company is doing its best to continue to provide efficient and stable electricity service within its franchise area. Other than visiting our business centers, Customers may also reach the Company for any service concerns through social media sites, website, hotline to avoid exposure to COVID-19. "

Thank you.



WILLIAM S. PAMINTUAN

Senior Vice President
Assistant Corporate Secretary &
Information Disclosure Officer