

June 24, 2013

S&P upgrades Meralco Credit and Risk Ratings

Standard & Poor's (S&P) Ratings Services upgraded Meralco's long-term corporate credit rating to "BB" from "BB-" and its assessment of Meralco's financial risk profile to "significant" from "aggressive."

S&P finds the Company's outlook as stable. The improvement in ratings is attributed to S&P's expectation that Meralco's cash flows will improve within the next two years, based on S&P's forecast of robust sales, a stable regulatory framework in the country, which will enable Meralco to fully recover all pass-through charges on time and incur lower imputed debt.

In addition, Meralco's execution of its planned capital spending and the risks associated with its power generation business expansion, as well as its cash flow management, play key roles in affecting the Company's credit and risk ratings within the next 1-2 years.

The S&P improved ratings validates the Company's commitment to give value and protect its stakeholders' interests, leading to positive contribution to the country's economic progress.