



## PRESSRELEASE

# **MPIC rationalizes its investments in the Power sector, increases its economic interest in MERALCO from 41.2% to 45.5% and Global Business Power from 47.8% to 62.4%**

**MANILA, Philippines, 14<sup>th</sup> June 2017 – Metro Pacific Investments Corporation (“MPIC”) and PLDT Communications and Energy Ventures (“PCEV”) today announced that they had entered into a Sale and Purchase Agreement for MPIC to acquire a further 25% interest in Beacon Electric Asset Holdings (“Beacon Electric”), which owns 35% of Manila Electric Company (“MERALCO”) and 56% of Global Business Power Corporation (“Global Power”), for an aggregate purchase price of P21.8 billion. This purchase consideration is to be settled as to ₱12.0 billion in cash and the balance of ₱9.8 billion over the next four (4) years. In order to fund the investment, MPIC completed an overnight placing of 4.5% of its directly held MERALCO shares for an aggregate consideration of ₱12.67 billion.**

Upon completion MPIC will continue to own a direct 10.5% interest in MERALCO and, through its 100% interest in Beacon, a further 35.0% - thereby taking its effective ownership interest in MERALCO from 41.2% to 45.5% and in Global Power to 56% directly and 6.4% indirectly (through MERALCO). PCEV will no longer have any direct interest in Beacon, or any indirect interest in MERALCO or Global Power.

Jose Ma. K. Lim, CEO of MPIC commented, "I am pleased to announce this rationalization and simplification of our power investments. The acquisition of PCEV's remaining 25% in Beacon, at what I consider to be a very attractive entry price, means that for the first time we have no minority partner in our power portfolio holding company."

Lim went on to say "We are now free to accelerate our rate of participation in the Philippine power sector building on our nationwide presence as we embrace distribution, thermal generation, renewables and energy from waste. The transactions announced today are also immediately accretive to earnings."

As this is a related party transaction, the PLDT and PCEV directors who are also on MPIC's Board recused themselves on the decision process at a Special MPIC Board meeting held for this purpose. The transaction has also been reviewed by MPIC's Audit Committee, in accordance with MPIC's internal policies.

MPIC is the Philippines' largest infrastructure investment management and holding company.

MERALCO is the biggest electricity distributor in the Philippines.

Global Power is the leading power supplier in Visayas with 852 MW of coal and diesel powered generating capacity at present. On June 3<sup>rd</sup> 2017, MPIC and Global Power announced that Global Power had entered into an agreement with Alsons Consolidated Resources, Inc. (ACR) to acquire 50% of ACR's coal generation portfolio holding company in Mindanao, subject to fulfillment of certain conditions.

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### **Forward Looking Statements**

This press release may contain “forward-looking statements” which are subject to a number of risks and uncertainties that could affect MPIC’s business and results of operations. Although MPIC believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action or events.

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