



Investors and Analysts' Briefing
FY 2010 Financial and Operating Results
GZV Hall, Bldg. 5 Ft. Bonifacio, Taguig City
March 17, 2011



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PRESENTATION OUTLINE

RECENT MAJOR DEVELOPMENTS

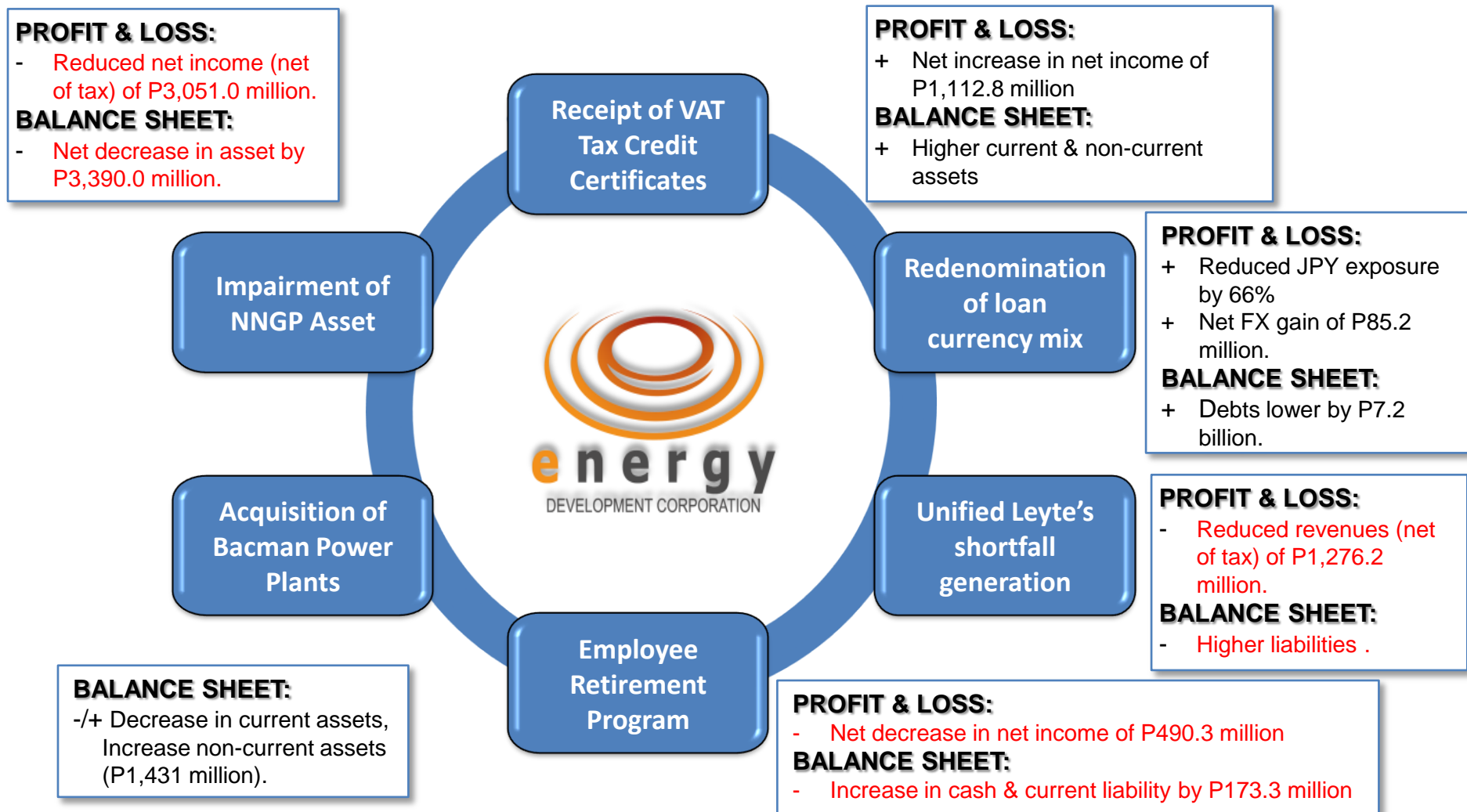
FY 2010 FINANCIALS

BEYOND 2010

QUESTION & ANSWER



MAJOR DEVELOPMENTS DURING FY 2010 ...



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RECENT MAJOR DEVELOPMENTS

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QUESTION & ANSWER



CONSOLIDATED NET INCOME AND EBITDA INCREASED BY 31% AND 28%, RESPECTIVELY

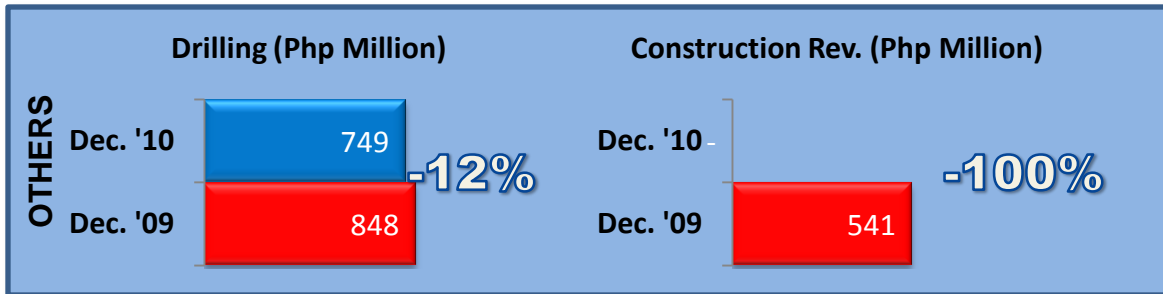
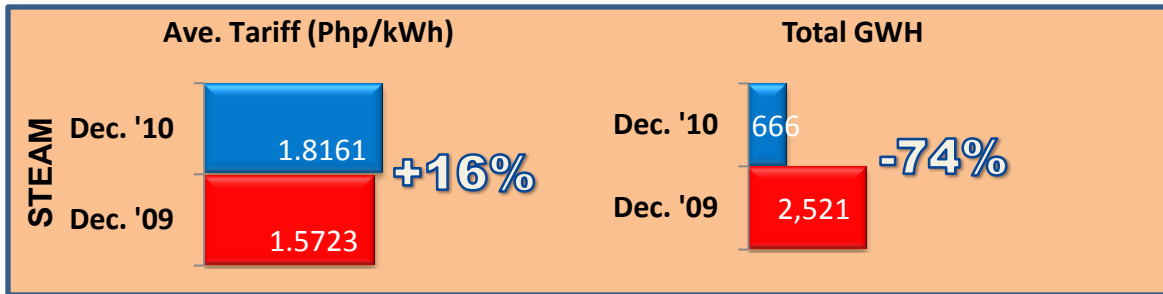
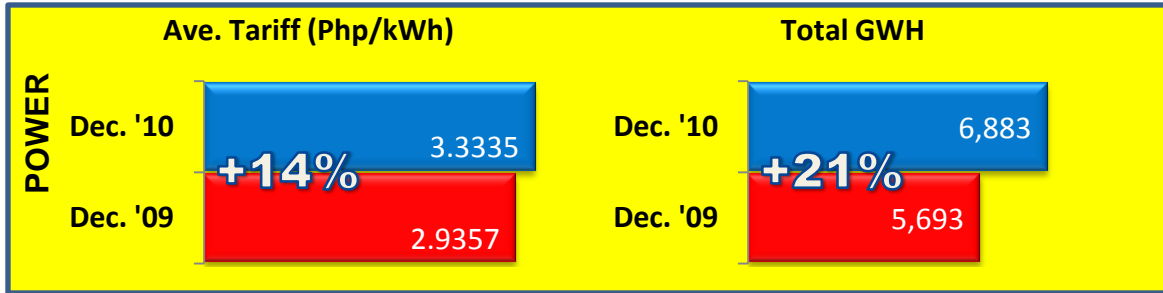
INCOME STATEMENT (Amounts in PHP Million except for the ratios)	DEC . 2010	DEC. 2009	DIFFERENCE	
			Amount	%
Revenues	24,902	22,067	2,835	+13%
Operating Expenses	18,448	13,317	5,131	+38%
Net Financial Expenses	3,361	2,484	877	+35%
Foreign Exchange Gains (Loss)	(14)	1,291	(1,305)	-101%
Other Income (Charges)	2,093	(290)	2,383	+822%
Provision for Current and Deferred Income Taxes	777	1,189	(412)	-35%
One-time Write-down of Deferred Tax Asset ("DTA"), an effect of RE Law	0	2,721	(2,721)	-100%
Net Income	4,395	3,357	1,038	+31%
Net Income Attributable to Equity Holders of the Parent	4,116	3,311	804	+24%
Recurring Net Income (RNI)	7,238	7,276	(38)	-1%
RNI Attributable to Equity Holders of the Parent	6,838	7,156	(318)	-4%
EBITDA	13,748	10,712	3,036	28%
Financial Ratios (Consolidated):				
Current Ratio*	1.97x	1.82x		
Debt-to-Equity Ratio	1.28x	1.57x		
Net Debt-to-EBITDA Ratio	2.56x	3.38x		

*Exclusive of Miyazawa II

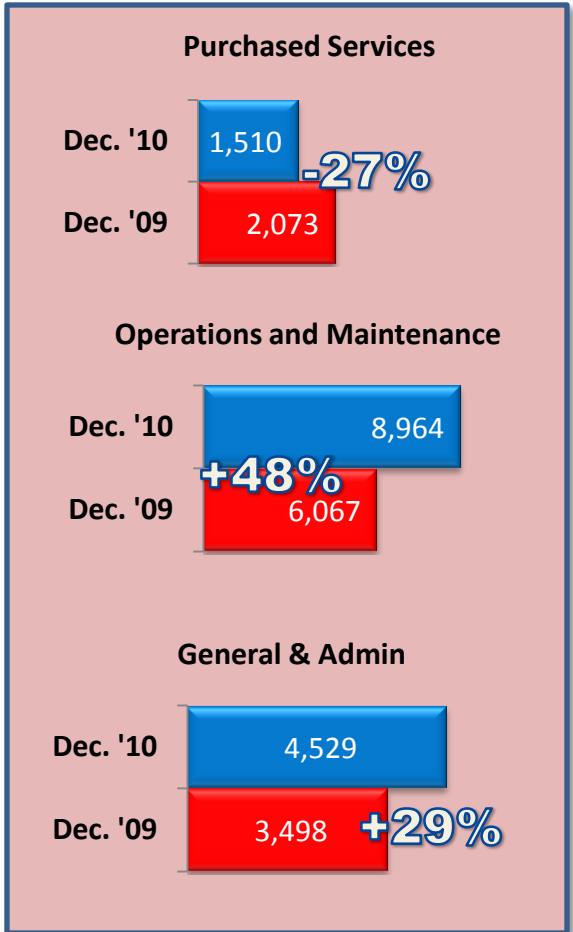


RISE IN ELECTRICITY TARIFF AND VOLUME DROVE GROWTH IN COMPANY REVENUES

REVENUES

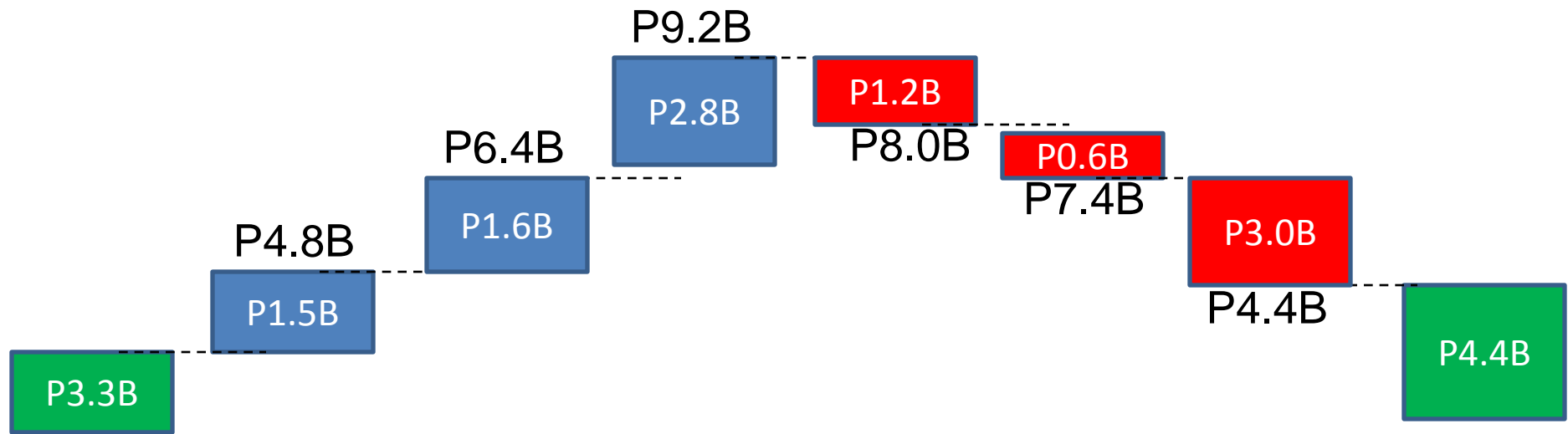


MAJOR EXPENSES (Php Million)





CONSOLIDATED NET INCOME HAS IMPROVED DUE TO HIGHER CONTRIBUTION FROM GCGI INTEGRATED AND FGHYDRO, TCCs COLLECTIONS & LOWER TAX BUT OFFSET BY UL SHORTFALL AND NNGP PROVISION FOR IMPAIRMENT



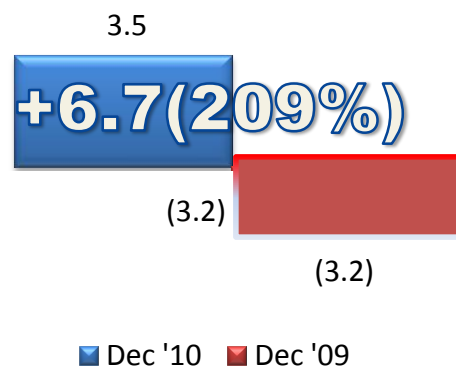
Net Income Dec 2009	Higher income from FGHPC & GCGI Integrated	Higher Other Income due mainly to TCC collections	Lower tax due mainly to DTA write down in 2009	Lower Revenue mainly due to UL shortfall generation	Higher Opex due to mainly to increase in depreciation	NNGP Provision for Impairment	Net Income Dec 2010
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INCOME STATEMENT (Amounts in PHP Million except for the ratios)	DEC .	DEC.	DIFFERENCE	
	2010	2009	Amount	%
Recurring Net Income (RNI)	7,238	7,276	(38)	-1%

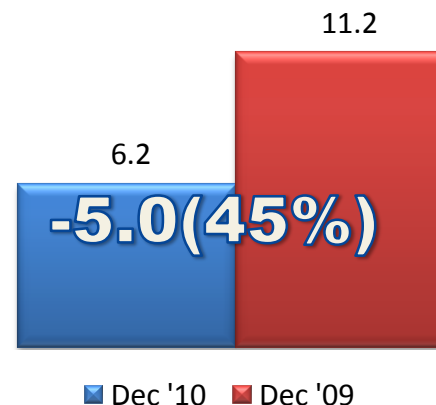


CASH AND CASH EQUIVALENTS DECREASED WITH THE SETTLEMENT OF LOANS AND ACQUISITION OF BACMAN POWER PLANTS PARTIALLY OFFSET BY NEW LOANS AVAILMENT

Free Cash Flow*



Cash & Cash Equivalents



Amounts in PHP Billion

* Operating cash flow minus investing cash flow

Increase in Free Cash Flow due to:

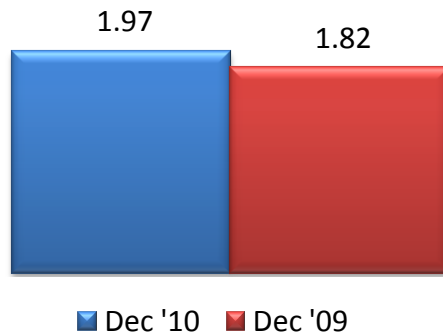
- Higher addition to PPE in 2010 with the acquisition of Bacman Power Plants and other capital expenditures	(3.8)
- Proceeds from sale of FB properties in 2009	(1.4)
- Acquisition of Palinpinon-Tongonan Geothermal Power Plants in 2009	10.2
- Increase in internal cash generation	1.7
Total	6.7

Movements in Cash & Cash Equivalents:

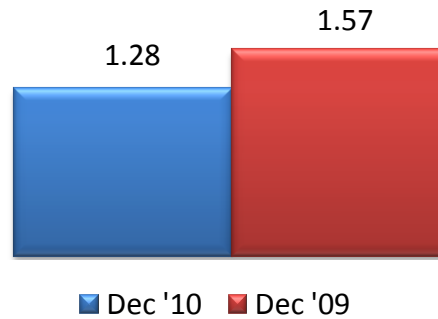
- Settlement of Miya II and PNOC on-lent loans, PSALM's staple financing on FG Hydro's acquisition of PAHEP-MAHEP and regular amortization	(19.8)
- Rehabilitation of power plants and cost of new wells	(5.8)
- Cash dividends paid by the parent company	(2.5)
- Acquisition of Bac-man power plants	(1.3)
- Internal cash generation	10.9
- Proceeds from club loan facility and long-term peso loans	13.5
Total	(5.0)

DEBT RATIOS IMPROVE ON ACCOUNT MAINLY OF HIGHER EBITDA AND SETTLEMENT OF MIYAZAWA II

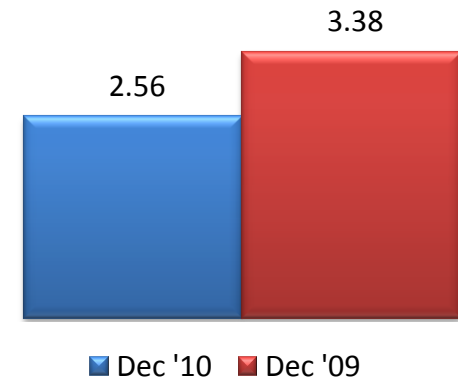
Current Ratio*



Debt-to-Equity



Net Debt-to-EBITDA



Increase is mainly due to the refinancing with long-term loan of the PNOC on-lent loans paid in 2010.

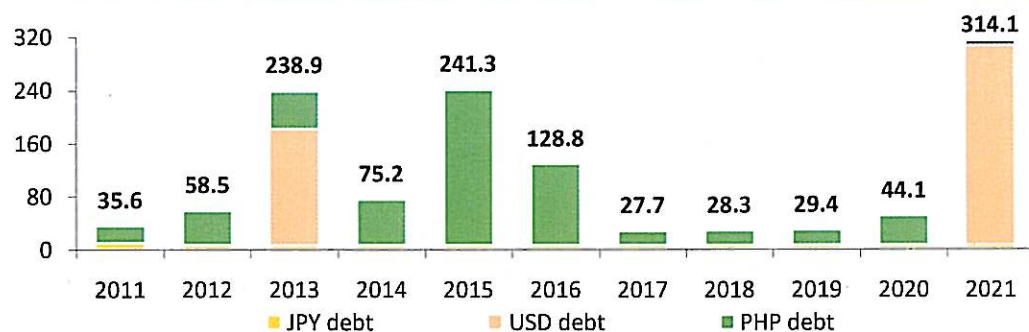
Decrease mainly due to higher equity on account of higher net income and net reduction of long-term debts

Decrease is mainly due to higher EBITDA brought about by higher electricity revenues

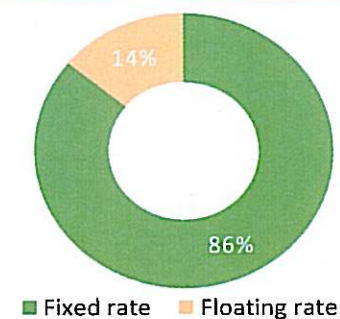
** Excluding Miyazawa II.*

EDC actively manages its balance sheet ...

Debt maturity profile ⁽¹⁾

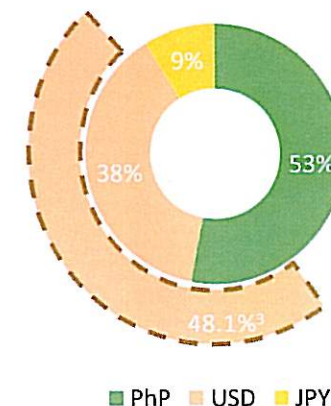


By structure ⁽¹⁾



Creditor / Type	Currency	Outstanding amount (mm)	Repayment	Original Tenor (Yrs)	Maturity
JBIC	JPY	415.4	Amortizing	30.0	2011
JBIC	JPY	108.0	Amortizing	30.0	2012
JBIC	JPY	47.2	Amortizing	30.0	2023
JBIC	JPY	226.4	Amortizing	30.0	2024
JBIC	JPY	8,391.6	Amortizing	30.0	2027
Club Loan	USD	175.0	Bullet	3.0	2013
Reg S Bonds	USD	300.0	Bullet	10.0	2021
PHP FXCN	PhP	8,342.6	Amortizing	5.0 – 7.0	2014 -16
PHP SEC Registered	PhP	12,000.0	Bullet	5.5 – 7.0	2015-16
Local Banks ⁽²⁾	PhP	5,000.0	Amortizing	10.0	2020
IFC Loan	PhP	4,100.0	Amortizing	15.0	2023

By currency ⁽¹⁾



⁽¹⁾ USD mm, as of 20 January 2011

⁽²⁾ Borrower is FG Hydro

⁽³⁾ 48.1% of revenue is linked to the USD

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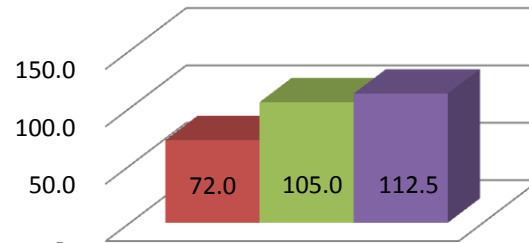
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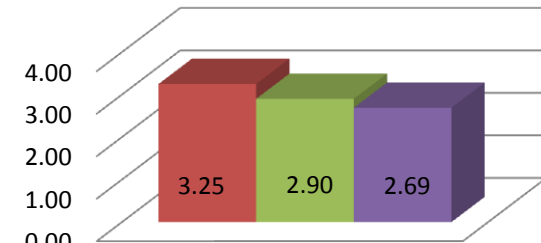
SIGNIFICANT IMPROVEMENTS HAVE BEEN MADE IN THE PERFORMANCE OF THE GREEN CORE PLANTS ...

Tongonan I



Gross Capability, MW

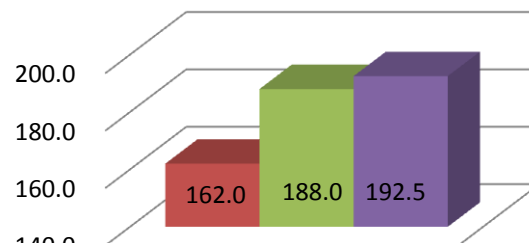
■ Pre-Rehab ■ Current ■ Target



Plant Steam Rate, kg/sec per MW

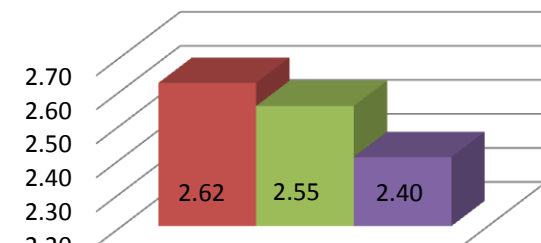
■ Pre-Rehab ■ Current ■ Target

Palinpinon I & II



Gross Capability, MW

■ Pre-Rehab ■ Current ■ Target



Plant Steam Rate, kg/sec per MW

■ Pre-Rehab ■ Current ■ Target

Additionally, GCGI will only have five customers remaining under the old NPC contract prices starting 2011 ...



ON SEPT 3, THE BACMAN PLANT WAS SUCCESSFULLY TURNED-OVER BY PSALM TO BACMAN GEOTHERMAL, INC. (BGI)



Early re-commissioning of the Bacman Power Plants is programmed by Q2-2011 (75 MW) and by Q4-2011 (55 MW) and will start contributing revenues to the Company.

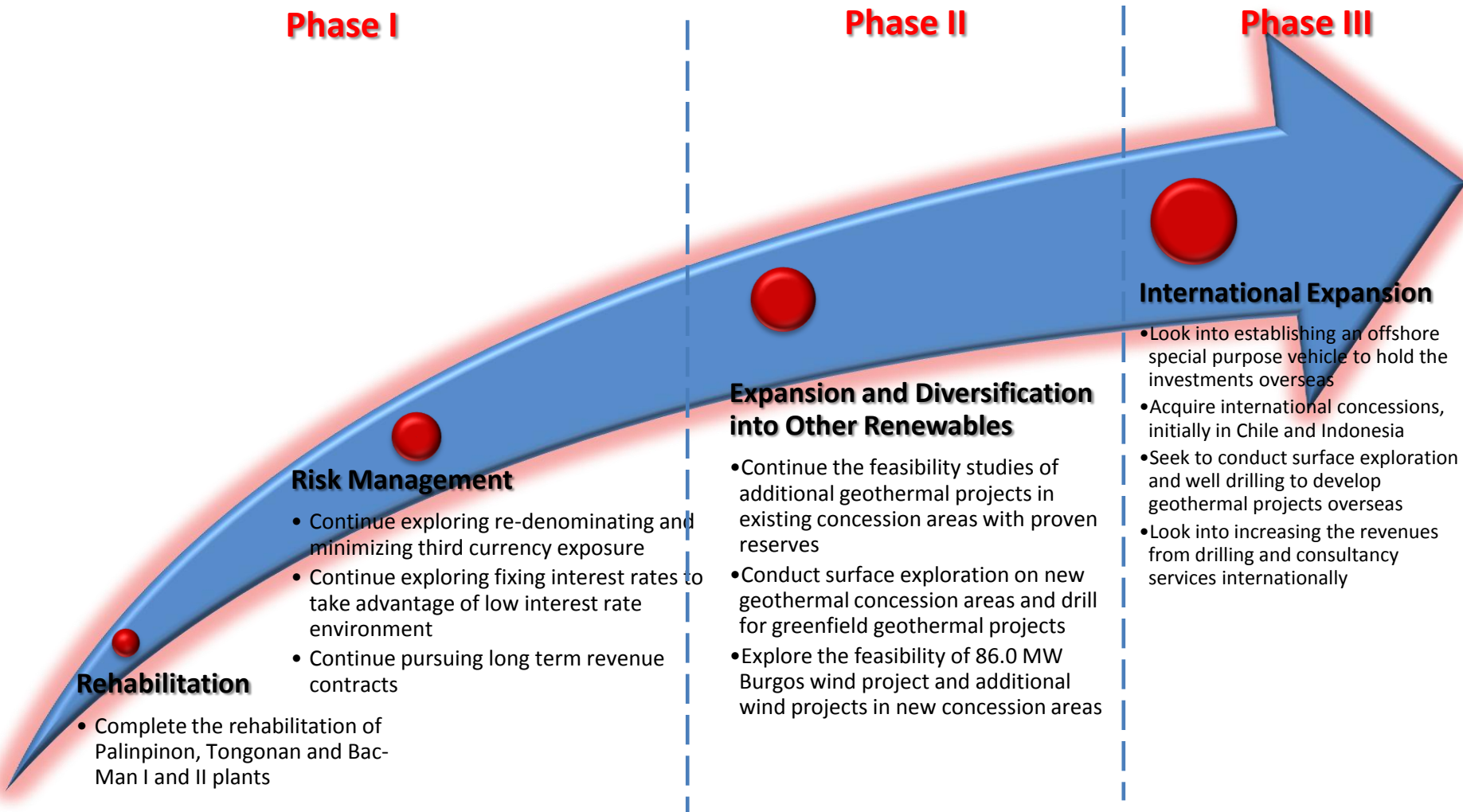
GEOHERMAL IS A VIABLE ENERGY RESOURCE AVAILABLE IN COUNTRIES SITUATED IN THE “PACIFIC RING OF FIRE”



Country	Potential (MWe)	Number of Sites	Developed (MWe)
Latin America			
Chile	3,350	120	None
Nicaragua	2,270	13	87
Costa Rica	1,990	15	183
Peru	1,410	12	None
El Salvador	1,450	7	214
Asia			
Indonesia	27,000	256	1,050
New Zealand	3,600	22	584
Africa			
Kenya	4,000	20	163
Sub-total	45,070	465	2,281

- In Chile, EDC applied for 13 sites via direct applications (September 2010) and participated in the tender process for another 5 geothermal concession areas (November 2010)
- In Indonesia, EDC is assessing 16 priority sites in Sumatra, Java and North Sulawesi

EDC AIMS TO MAINTAIN ITS GLOBAL LEADERSHIP IN RENEWABLE ENERGY ...



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e n e r g y
DEVELOPMENT CORPORATION

END OF PRESENTATION

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