



Energy Development Corporation
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February 28, 2018

JOSE VALERIANO B. ZUÑO III
OIC-HEAD, Disclosures Department
The Philippine Stock Exchange, Inc.
PSE Tower, 28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Dear Mr. Zuño:

In compliance with the disclosure requirements of the Exchange, we submit the attached press release entitled “EDC Reports Attributable Recurring Net Income of Php8.8Bn for 2017”.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ryan Z. Velasco", is positioned above the printed name.

Ryan Z. Velasco
Head of Investor Relations
& Corporate Information Officer

cc: **ERIKA GRACE C. ALULOD**
Head – Issuer Compliance and Disclosure Department (ICDD)
Philippine Dealing & Exchange Corp.



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Press Release
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EDC Reports Attributable Recurring Net Income of Php8.8Bn for 2017

Energy Development Corporation (EDC), the country's largest geothermal and wind energy company, posted consolidated revenues of Php 33.3Bn and recurring net income attributable (RNIA) to equity holders of the Parent of Php 8.8Bn for 2017. Revenues and RNIA dropped by 3% and 4%, respectively, due to the strong 6.5 magnitude earthquake that hit Leyte island on July 2017, and Typhoon Urduja that struck in late December 2017. Although the company was able to restore 40% of its pre-earthquake Leyte capacity within 10 days last July, and the rest in the succeeding months, it still saw revenues from its largest business unit fall by Php 0.8Bn.

"Our Leyte unit, which generated almost 45% of our revenues in 2016, was on track for a record year last year until it got struck by two major calamities", EDC Chief Financial Officer (CFO) Nestor Vasay stated. "Despite the initial shock from the earthquake last July and from Urduja last December, our team worked hard to successfully restore much-needed electricity to our countrymen in the Visayas region", Vasay added.

Meanwhile, EDC's Bacman business unit delivered an additional Php 0.9Bn in revenues on account of higher contracted volume, to negate the lower generation volume of its Palinpinon power plants. Its Burgos wind farm, the largest in the country, also built on its strong 2016 performance to post its highest volume (16% higher in 2017) since it was commissioned in 2014.

"We have been able to fully contract our Bacman and Nasulo power plants, thus reducing our exposure to the spot market. We also bought back close to USD 90 million of our dollar bonds last year to help reduce our foreign exchange exposure," Vasay noted. "For 2018, we will continue to manage some of these key risks, and will continue to work on our power plant optimization and other efficiency programs."

For the full year 2017, the Company's financial position remained strong with a cash balance of Php 11.7Bn. It maintained a comfortable gearing level with consolidated debt to equity of 1.11x and consolidated net debt to EBITDA of 2.79x.