



Energy Development Corporation
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May 8, 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 “Typhoon Urduja pulls down EDC 1Q 2018 revenues by 15%; Leyte recovery underway”

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ryan Z. Velasco", is written over a light blue horizontal line.

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

cc: **KATHLENE ANNE F. FAMADICO**
OIC – Issuer Compliance and Disclosure Department (ICDD)
Philippine Dealing & Exchange Corp.



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Press Release

May 8, 2018

Typhoon Urduja pulls down EDC 1Q 2018 revenues by 15%; Leyte recovery underway

Energy Development Corporation (EDC), the country's largest geothermal and wind energy company, reported that consolidated revenues for the first three months of 2018 declined by 15% at Php8.18Bn from Php9.61Bn during the same period in 2017. Its consolidated recurring net income attributable to equity holders (RNIA) of the Parent for the period stood at Php1.81Bn, down 44% from the Php3.25Bn posted the previous year

"Our results for the first quarter was dominated by the impact of Typhoon Urduja that hit Leyte island, site of our biggest business unit, in December", stated EDC Chief Financial Officer Nestor Vasay. "Generation volume was lower by about 40% in Leyte compared to 1Q of 2017, and we continued to incur recovery expenses. However, we are now at 90% of the return-to-service activities in Leyte, and is targeting to complete our program by the 3rd quarter," Vasay added.

"Though our financial predictability initiatives took a step-back due to the two natural calamities that hit us last year, our stable financial footing allowed us to continue making the necessary investments on plant resiliency, operational reliability, and efficiency. We are confident that our activities fleet-wide to increase our operational efficiency and to mitigate our key risks - particularly in contracting our capacity -- will help us off-set some of the foregone revenues from the impact of last year's earthquake and Typhoon Urduja," Vasay noted.

Meanwhile, EDC's Bacman Business Unit recorded a 10% increase in its revenues (Php 0.96Bn vs. 0.87Bn), largely driven by its efforts to fully contract its capacity. Lower operating expenses were also recorded in some of EDC's business units, while its wind farm continued to generally track its record performance last year.

Inclusive of non-recurring items, consolidated net income attributable to equity holders of the Parent stood at Php1.34Bn, lower than the Php3.09Bn in the first quarter of 2017. The decline was primarily driven by lower revenues, partially offset by higher insurance proceeds and lower interest expense this period.

Though net income for the first three months of 2018 was down 54% to Php1.50 billion from Php3.26 billion in 2017, the Company's financial position remained strong with cash balance of Php 14.27Bn. It maintained a comfortable gearing level with consolidated debt to equity of 1.08 times to 1 and consolidated net debt to EBITDA of 3.01 times to 1.