

Mactan Electric Company, Inc.  
Attachment I (Regulatory Financial Statements)  
SCHEDULE "I"

Regulatory Year	2009 Forecast	2010 Forecast	2011 Forecast	2012 Forecast	2013 Forecast
<i>General Inputs &amp; Assumptions</i>					
Receivables	10%	of revenue			
Fixed amount of Inventory	5%	of revenue			
Fixed amount of investments	-	(assumed fixed for the regulatory period)			
Other assets	86,335,146.00	(assumed fixed for the regulatory period)			
Stockholders Equity (end 2007)	74,756,840.00	(assumed fixed for the regulatory period)			
Reserves (general)	95,000,000.00	(assumed fixed for the regulatory period)			
Fixed amount of short-term liabilities	12%	of revenue			
Fixed amount of other liabilities	333,234,094.72	(Use this figure to balance initial balance sheet)			
% of post-tax profit used for dividends payable	30%	(assumed fixed for the regulatory period)			
Related business revenue	342,600.00	(assumed fixed for the regulatory period)			
Tax losses to carry forward from 2007	(1,126,665.29)				
Retained earnings (end 2007)	150,809,640.00				
Cash position at end of 2007 regulatory year	111,506,652.00				

<b>Balance Sheet</b>					
	2,009.00	2010	2011	2012	2013
<b>Assets</b>					
Fixed Assets (RAB)	793,330,713.13	872,039,637	926,081,245	922,787,800	916,867,721
Cash	111,506,652.00	65,159,662	70,011,760	166,241,073	305,817,892
Receivables	30,195,207.05	38,787,246	50,026,349	64,897,344	83,813,922
Inventory	7,548,801.76	9,696,812	12,506,587	16,224,336	20,953,481
Investments	-	-	-	-	-
Other assets	86,335,146.00	86,335,146	86,335,146	86,335,146	86,335,146
<b>Total Assets</b>	<b>1,028,916,519.95</b>	<b>1,072,018,503</b>	<b>1,144,961,087</b>	<b>1,256,485,700</b>	<b>1,413,788,161</b>
<b>Stockholders Equity and Liabilities</b>					
Stockholders Equity	74,756,840.00	74,756,840	74,756,840	74,756,840	74,756,840
Retained Earnings	150,809,640.00	170,380,881	206,189,911	296,850,913	443,843,203
Reserves (general)	95,000,000.00	95,000,000	95,000,000	95,000,000	95,000,000
Reserves (Assets used over normal lives)	-	666,011	1,187,234	1,709,910	2,743,178

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Payables	18,117,124.23	23,272,348	30,015,809	38,938,407	50,288,353
Long Term Debt	356,998,821.00	374,708,329	404,577,198	415,995,535	413,922,492
Other short-term liabilities	333,234,094.72	333,234,095	333,234,095	333,234,095	333,234,095
<b>Total Stockholders Equity and Liabilities</b>	<b>1,028,916,519.95</b>	<b>1,072,018,503</b>	<b>1,144,961,087</b>	<b>1,256,485,700</b>	<b>1,413,788,161</b>
Check - out of balance	-	-	-	-	-

Total Assets - (Total Liabilities + Equity) = 0

<b>Income Statement</b>					
Sales	150,633,435.27	193,593,632	249,789,144	324,144,122	418,727,011
Related Business Revenue	342,600.00	342,600	342,600	342,600	342,600
Operating Expenses					
Operation	(9,381,581.65)	(9,236,843)	(10,827,615)	(12,675,245)	(14,846,949)
Maintenance	(6,076,918.35)	(6,389,757)	(7,453,667)	(8,689,174)	(10,071,740)
Consumer accounts	(15,530,689.58)	(13,677,587)	(12,138,716)	(12,394,416)	(13,734,865)
Administrative & general	(37,632,537.29)	(45,515,976)	(46,959,710)	(51,454,390)	(66,319,856)
WESM compliance	-	-	-	-	-
Other taxes, levies & duties	(59,482,422.22)	(21,320,507)	(23,228,617)	(25,665,944)	(28,862,758)
<b>EBITDA</b>	<b>22,871,886.18</b>	<b>97,795,562</b>	<b>149,523,419</b>	<b>213,607,553</b>	<b>285,233,442</b>
Depreciation of RAB	(36,637,605.48)	(43,329,125)	(46,331,660)	(49,285,461)	(50,269,354)
<b>EBIT</b>	<b>(13,765,719.29)</b>	<b>54,466,438</b>	<b>103,191,759</b>	<b>164,322,092</b>	<b>234,964,089</b>
Interest on cash/investments	11,150,665.00	11,150,665	6,515,966	7,001,176	16,624,107
Interest expense on borrowings	(35,878,382.00)	(37,658,187)	(40,660,008)	(41,807,551)	(41,599,210)
<b>Profit before Tax</b>	<b>(38,493,436.29)</b>	<b>27,958,916</b>	<b>69,047,717</b>	<b>129,515,717</b>	<b>209,988,986</b>
Tax losses carried forward	1,126,665.29	(37,366,771)	(9,407,855)	-	-
<b>Net taxable income</b>	<b>(37,366,771.00)</b>	<b>(9,407,855)</b>	<b>59,639,862</b>	<b>129,515,717</b>	<b>209,988,986</b>
Income Tax calculated	-	-	(17,891,958)	-	-
<b>Profit after Tax</b>	<b>(38,493,436.29)</b>	<b>27,958,916</b>	<b>51,155,759</b>	<b>129,515,717</b>	<b>209,988,986</b>
Dividends Payable	11,548,031.00	(8,387,675)	(15,346,728)	(38,854,715)	(62,996,696)
<b>Retained profit at year end</b>	<b>(26,945,405.29)</b>	<b>19,571,241</b>	<b>35,809,031</b>	<b>90,661,002</b>	<b>146,992,290</b>
<b>EBIT margin</b>	<b>(0.09)</b>	<b>28%</b>	<b>41%</b>	<b>51%</b>	<b>56%</b>

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Net profit margin	(0.26)	14%	20%	40%	50%
Return on investment		5.1%	8.0%	16.2%	23.7%
<b>Cash-flow Statement</b>					
<b>Cash flow from Operating Activities</b>					
EBIT		54,466,438	103,191,759	164,322,092	234,964,089
Add back depreciation		43,329,125	46,331,660	49,285,461	50,269,354
Change in reserves		-	-	-	-
Change in other liabilities		-	-	-	-
Change in working capital		(5,584,826)	(7,305,417)	(9,666,147)	(12,295,776)
Operating Income	-	92,210,737	142,218,002	203,941,406	272,937,667
Net Interest Paid		(26,507,522)	(34,144,042)	(34,806,375)	(24,975,103)
Income Tax Paid		-	(17,891,958)	-	-
<b>Net cash provided by Operating Activities</b>	-	65,703,215	90,182,002	169,135,031	247,962,564
<b>Cash flow from Investing Activities</b>					
Additions to Plant		(121,372,037)	(99,852,045)	(45,469,340)	(43,316,006)
Change in investments		-	-	-	-
<b>Cash flows from Investing Activities</b>	-	(121,372,037)	(99,852,045)	(45,469,340)	(43,316,006)
<b>Cash flow from Financing Activities</b>					
Proceeds from issuance of stock	-	-	-	-	-
Dividends paid		(8,387,675)	(15,346,728)	(38,854,715)	(62,996,696)
Change of Long Term Debt		17,709,508	29,868,869	11,418,337	(2,073,043)
<b>Cash flows from Financing Activities</b>	-	9,321,833	14,522,141	(27,436,378)	(65,069,739)
<b>Net Cash Flows for the Year</b>	-	<b>(46,346,990)</b>	<b>4,852,098</b>	<b>96,229,313</b>	<b>139,576,819</b>
Add cash at the Start of the Year	-	111,506,652	65,159,662	70,011,760	166,241,073
<b>Cash at the end of the Year</b>	<b>111,506,652.00</b>	<b>65,159,662</b>	<b>70,011,760</b>	<b>166,241,073</b>	<b>305,817,892</b>

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