



*First Gen*

**Annual Stockholders' Meeting**

**09 May 2007**



# Events and Accomplishments That Shaped Your Company in 2006



## FIRST GEN IPO

IN 2006, FIRST GEN BECAME THE FIRST 'PURE PLAY' POWER GENERATION COMPANY TO BE LISTED ON THE PSE

### First Gen IPO



<i>Proceeds</i>	P9.1 billion (~US\$173 million)
<i>Free Float</i>	24% of common shares at P47/share
<i>Investors</i>	80% foreign 20% domestic
<i>International Underwriters</i>	UBS AG and CLSA Limited
<i>Domestic Underwriters</i>	ATR Kim Eng Capital Partners, Inc and BDO Capital & Investment Corporation

# Shareholding Structure and Contractual Arrangements



60.00%



40.00%



100.00%



EPC Contract  
O&M Agreement



Shared Facilities Agreement  
Land Use Rights Agreement

PPA

GSPA

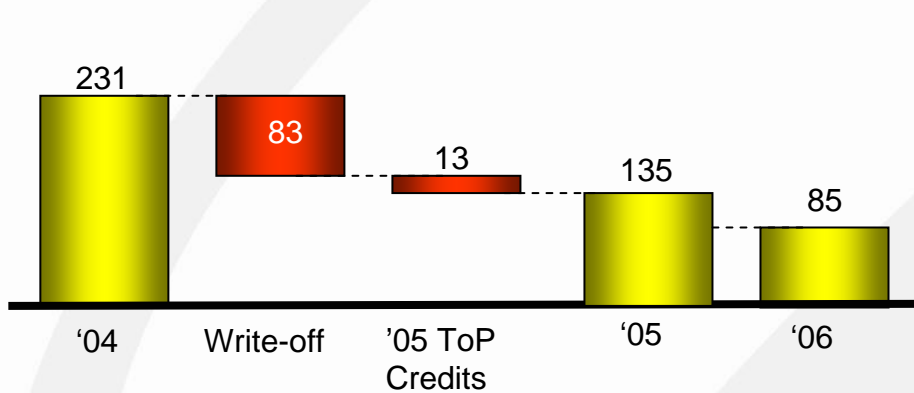




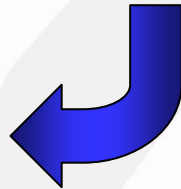
## DISPUTE RESOLUTION

**THE RESOLUTION OF THE DISPUTES POSITIVELY IMPACTED FIRST GEN'S FINANCIALS. THE COMPANY'S BALANCE SHEET IS STRONGER THAN EVER.**

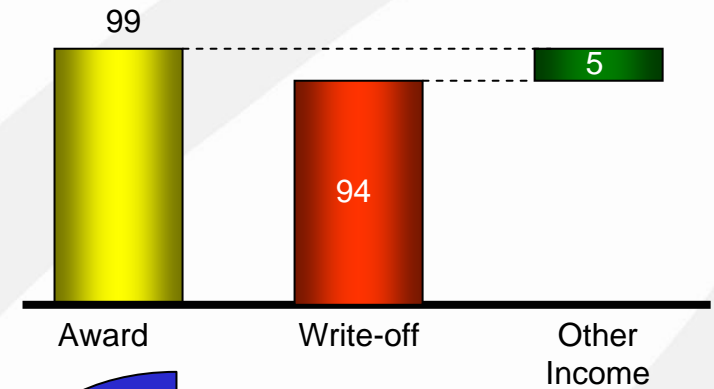
**Gas Take-or-Pay  
(US\$ million)**



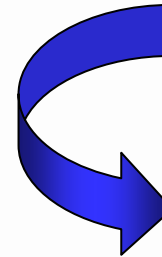
- **Payments made on a quarterly basis from 2006 until 2009.**
- **Gas ToP from 2002 – 2004 banked and recoverable until 2014**
- **Meralco paid down US\$50 million in 2006**



**Siemens Arbitration  
(US\$ million)**



- **Written-off in the accounts payable section.**
- **Reduced Property, Plant and Equipment by the same amount.**
- **~US\$84 million of loan proceeds account used to prepay debt**







# Pantabangan Hydroelectric Plant - 100 MW





## Masiway Hydroelectric Plant - 12 MW







## FY 2006 OTHER GROWTH INITIATIVES

# FIRST GEN ACTIVELY WORKED ON OTHER GROWTH INITIATIVES LAST YEAR

Growth Initiative	Major Steps
PSALM Assets	<p>First Gen bid for the 360MW Magat Hydroelectric Plant. The Company's bid price was US\$420 million in contrast to AEV's, the highest bidder, US\$530 million – a 26% premium.</p> <p>Earlier in the year, the Company was also a bidder in the 600MW Calaca privatization. Our bid at US\$176 million was about US\$16 million higher than DMCI's, one of the plant's coal suppliers. Both bids, however, did not meet the reserve price.</p>
Private Acquisitions	<p>First Gen formed a consortium with TEPCO and Marubeni for the purchase of Mirant's Philippine assets. The Company, however, chose not to participate prior to the bid submission.</p> <p>–First Gen was invited by the consortium to be part of the 400MW Pagbilao expansion</p>
550MW San Gabriel Power Plant	<p>The ability to successfully develop San Gabriel hinges on the commitment of the Gas Sellers to provide additional supply. The ball is in the Gas Seller's court.</p>





# FY 2006 MOVEMENTS IN KEY VALUE DRIVERS

## THE GAS PLANTS ACHIEVING “ALL-TIME HIGH” DISPATCH RATES

Value Drivers	NDC	Dispatch	Availability	Reliability
Santa Rita	<p>958 Guarantee</p> <p>'05 '06</p>	<p>'05 '06</p>	<p>90% 97%</p> <p>Target '06</p>	<p>94% 100%</p> <p>Target '06</p>
San Lorenzo	<p>487 Guarantee</p> <p>'05 '06</p>	<p>'05 '06</p>	<p>90% 96%</p> <p>Target '06</p>	<p>94% 99%</p> <p>Target '06</p>

The highest in the Luzon Grid



**FY 2006 MOVEMENTS IN KEY VALUE DRIVERS**  
**PMHC'S CAPACITY UTILIZATION AVERAGED 72% SINCE ITS TAKEOVER AND BAUANG'S DISPATCH INCREASED TO 8%**

Value Drivers	NDC	Dispatch	Availability	Reliability
PMHC	<p>102 112 '05 '06</p>	<p>n/a 72% '05 '06</p>	<p>90% 97% Target '06</p>	<p>94% 100% Target '06</p>
Bauang	<p>215 Guarantee 238 238 '05 '06</p>	<p>2% 8% '05 '06</p>	<p>97% 96% Target '06</p>	<p>96% 96% Target '06</p>



## FY 2006 FINANCIAL HIGHLIGHTS

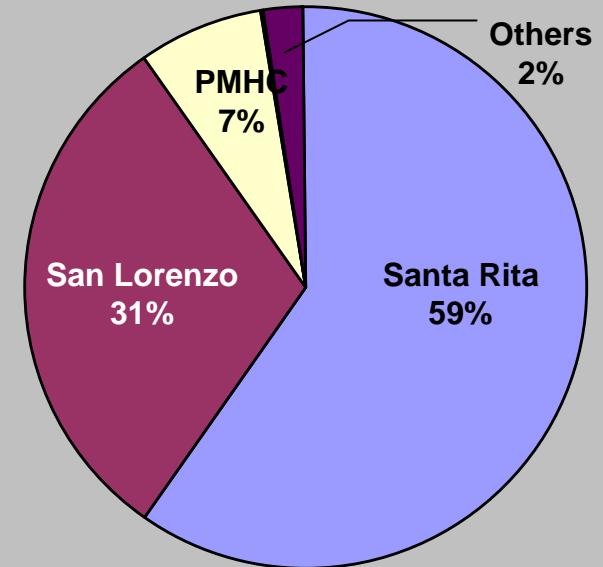
# FIRST GEN'S FIVE POWER PLANT PORTFOLIO CONTINUES TO EXHIBIT STRONG PERFORMANCE

	Santa Rita	San Lorenzo	PMHC <sup>^</sup>	Agusan	Bauang*
Revenues	683	334	13	1	53
Net Income	92	48	7	0	25
Net Income to First Gen	55	29	7	0	9

<sup>^</sup>PMHC, started commercial operations only on 18 Nov 06.

\*Bauang is an affiliate and therefore not consolidated into First Gen.

CONTRIBUTION TO FGEN NET INCOME





## FY 2006 FINANCIAL HIGHLIGHTS

# NET INCOME UP 7%, AT US\$93 MILLION, ON ACCOUNT OF PANTABANGAN-MASIWAY'S OPERATIONS AND LOWER EXPENSES

Headline	2006	2005	Difference
Revenues	992	828	164 (+20%)
EBITDA	275	261	14 (+5%)
Net Income	93	87	6 (+7%)
Total Assets	1,732	1,482	250 (+17%)
Total Liabilities	1,026	1,026	-
Stockholders' Equity (including Minority Interest)	706	457	249 (+55%)
Current Ratio	2.2x	2.0x	
Liabilities-to-Total Equity Ratio	1.4x	2.2x	
Liabilities-to-EBITDA Ratio	3.7x	3.9x	

Note: Amounts in US\$ million, unless otherwise specified.





## Q1 2007 FINANCIAL RESULTS

**NET INCOME WAS ALSO UP QUARTER-ON-QUARTER AT US\$34 MILLION DUE MAINLY TO THE OPERATIONS OF PMHC, HIGHER INTEREST AND OTHER INCOME**

Headline	Q1 2007	Q1 2006	Difference
Revenues	264	217	47 (+22%)
EBITDA	86	69	17 (+25%)
Net Income	34	25	8 (+33%)
Total Assets	1,720	1,694	25 (+2%)
Total Liabilities	961	1,041	-80 (-8%)
Stockholders' Equity (including Minority Interest)	759	654	105 (+16%)
Current Ratio	2.8x	2.6x	
Liabilities-to-Total Equity Ratio	1.3x	1.6x	

Note: Amounts in US\$ million, unless otherwise specified.



**END OF PRESENTATION**

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