

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**  
**STATEMENT OF CASH FLOWS**

For the period ended 31 December 2015

(With comparative figures for the year ended 31 December 2014)

(In Philippine Peso)

|                                                                    | 2015                    | 2014                    |
|--------------------------------------------------------------------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |                         |                         |
| Proceeds from privatization activities                             |                         |                         |
| Collection of IPPA generation payments                             | 35,375,031,112          | 30,972,498,224          |
| Collection of IPPA monthly payments                                | 29,865,534,561          | 26,361,238,350          |
| Collection of concession for transmission assets                   | 4,605,610,255           | 4,605,610,255           |
| Collection of VAT from IPPA                                        | 2,830,493,878           | 3,447,358,303           |
| Proceeds from sale of generation assets                            | 420,000,000             | 20,125,486,985          |
| Consent fee from Pagbilao                                          | -                       | 144,000,000             |
| Collection of power receivables                                    | 32,871,122,743          | 46,136,575,146          |
| Universal charge for stranded contract cost                        | 12,651,779,000          | 11,700,828,000          |
| Proceeds from the forfeited SPPC performance bond                  | 2,839,717,749           |                         |
| Receipt of interest income from placements/deposits                | 276,991,630             | 393,898,750             |
| Receipt of performance bonds/bid security                          | 4,420,793               | 151,621,986             |
| Subsidy from NG - VAT deficiency                                   | -                       | 7,282,049,993           |
| Receipt of PUC Escrow Fund from TransCo                            | -                       | 520,702,687             |
| Other receipts & income                                            | 103,142,349             | 697,013,370             |
| Payment of operating expenses                                      |                         |                         |
| Fuel                                                               | (26,046,560,107)        | (39,409,851,804)        |
| Purchased power                                                    | (34,457,554,459)        | (31,114,998,869)        |
| Remittance to BIR - withholding taxes                              | (3,427,347,129)         | (3,617,542,901)         |
| Transfer of fund to NPC for OMA working fund                       | (3,035,299,494)         | (2,186,917,989)         |
| Other operating expenses                                           | (439,527,354)           | (1,428,831,658)         |
| Payment of real property tax, transfer tax, documentary stamps     | (244,142,476)           | (255,171,685)           |
| Remittance of statutory deductions (personnel related)             | (51,705,057)            | (56,085,548)            |
| Restricted fund from the forfeited SPPC performance bond           | (2,839,717,749)         |                         |
| Utilization of subsidy for VAT deficiency                          | -                       | (7,282,049,993)         |
| Remittance to BIR for the 2013 VAT Assessment on IPPA transactions | -                       | (6,282,297,077)         |
| Transfer of fund to TransCo                                        | (165,930,000)           | (445,476,000)           |
| Refund of performance bonds/contract retention                     | (94,379,268)            | (93,077,954)            |
| Net cash provided by operating activities                          | 51,041,680,977          | 60,366,580,571          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |                         |                         |
| Receipt from the terminated collateral deposit                     | -                       | 930,483,390             |
| Restricted Fund with the Bureau of Treasury                        | 6,045,089,181           | (6,948,701,914)         |
| Capital expenditures                                               | (620,831,118)           | (636,476,254)           |
| Net cash provided (used) by investing activities                   | 5,424,258,063           | (6,654,694,778)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |                         |                         |
| Remittance from DENR/NIA re Advances for SRMPP                     | 5,120,000,000           | 6,858,000,000           |
| NG advances for Casecanan HEP and debt service, net                | 365,900,797             | 2,261,733,394           |
| Payment of lease obligation - BOT plants                           | (26,356,874,551)        | (31,828,291,344)        |
| Payment of principal debt                                          | (22,719,850,536)        | (17,135,127,083)        |
| Prepayment of principal debt                                       | (6,320,107,832)         | (12,418,128,705)        |
| Payment of interest                                                |                         |                         |
| To creditors                                                       | (20,197,746,312)        | (22,237,556,076)        |
| To BIR (GRT, EWT and Final withholding tax)                        | (2,773,715,069)         | (3,750,334,564)         |
| Bond swap premium - principal only swap                            | (381,701,367)           | (369,017,019)           |
| Payment of assumed REP loans from NEA                              | -                       | (45,605,950)            |
| Payment to BTr                                                     |                         |                         |
| Guaranty Fee                                                       | (1,500,000,000)         | (1,500,000,000)         |
| Dividends                                                          | (112,929,389)           | (1,000,000,000)         |
| Payment of guaranty fee - ADB                                      | (83,449,509)            | (87,998,108)            |
| Other loan-related expenses                                        | (1,031,007,077)         | (123,273,464)           |
| Net cash used by financing activities                              | (75,991,480,845)        | (81,375,598,919)        |
| <b>EFFECT OF FOREIGN EXCHANGE CHANGES ON CASH AND CASH</b>         | <b>39,408,832</b>       | <b>(6,230,688)</b>      |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                   | <b>(19,486,132,973)</b> | <b>(27,669,943,814)</b> |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>              | <b>56,472,579,385</b>   | <b>84,142,523,199</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>                    | <b>36,986,446,412</b>   | <b>56,472,579,385</b>   |

See accompanying Notes to Financial Statements.