



October 27, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA Greenhills,
Mandaluyong City, Metro Manila

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Director, Markets and Securities Regulation Department

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

ATTENTION : **MS. JANET ENCARNACION**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **MS. VINA VANESSA S. SALONGA**
Head - Issuer Compliance and Disclosures Department

Gentlemen:

We submit for your files the SEC Form 17-C (Current Report) of Aboitiz Power Corporation.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By

A handwritten signature in black ink, appearing to read 'M. Jasmine S. Oporto', is written over a light blue horizontal line.


M. JASMINE S. OPORTO

Corporate Secretary

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **October 27, 2015**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134** 3. BIR TIN **200-652-460-000**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines** 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code
8. **(02) 886-2800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|--|---|
| Common Stock ₱1 Par Value | 7,358,604,307 |
| Amount of Debt Outstanding (As of September 30, 2015) | ₱107,890,157,000.00 |

11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation (AboitizPower or the Company) recorded a 2% year-on-year (YoY) decrease in its consolidated net income for the third quarter of 2015, from ₱4.3 billion (bn) to ₱4.2 bn. The Company registered a ₱663 million (mn) non-recurring loss (versus last year's loss of ₱532mn) during the quarter. This was mostly due to the revaluation of consolidated dollar-denominated liabilities and placements resulting from the movements in the peso-dollar exchange rates. Without the one-off, AboitizPower's core net income for the third quarter of 2015 increased by 1% to ₱4.8 bn.

On a year-to-date (YTD) basis, AboitizPower's bottomline performance recorded an 8% YoY decrease, from ₱13.2bn to ₱12.2 bn. This translated to earnings per share of ₱1.66. For the period, the Company registered a non-recurring loss of ₱805mn (versus last year's loss of ₱209mn). This was mostly due to the revaluation of consolidated dollar-denominated loans and placements. Adjusting for this one-off, the Company's core net income for the first nine months of 2015 amounted to ₱13.0 bn, down by 3% YoY.

Business Segments

Power Generation

For the quarter ending September 30, 2015, the power generation business recorded an income contribution of ₱3.1 bn, 4% lower as compared to the same period last year. The decline in earnings was mainly attributable to Tiwi-Makban plants' lower output brought about by the lower available steam flow and Therma Marine, Inc.'s higher operating expense. When adjusted for non-recurring items, the generation group's core net income increased by 2% to ₱3.8 bn.

On a YTD basis, the generation business accounted for 78% of earnings contributions from AboitizPower's business segments, recording an income share of ₱9.5 bn for the first nine months of 2015, down by 12% YoY. The decline is attributed to the lower sales registered by Tiwi-Makban plants due to the aforementioned decline in steam flow; the full-year impact of the Wholesale Electricity Spot Market (WESM) special payment agreement and the unrealized forex loss of Therma Luzon, Inc. due to the revaluation of its liabilities. The income contribution of the generation group should have been higher if not for the expiration of Magat plant's income tax holiday. Netting-out one-off items, the income contribution of AboitizPower's generation business amounted to ₱10.4 bn for the period, which was 6% lower than last year.

For the first nine months of 2015, AboitizPower's attributable net generation rose by 9% YoY, from 8,395 GWh to 9,161 GWh, as electricity sold through bilateral contracts, which made up 90% of total energy sold during the period, expanded by 16% to 8,254 GWh. On the other hand, spot market sales decreased by 28% from 1,266 GWh to 907 GWh. In terms of capacity, higher sales through bilateral contracts and ancillary services resulted to a 5% YoY increase in AboitizPower's attributable sales from 1,782 MW to 1,866 MW. Meanwhile, ancillary sales improved by 38% due to better water levels during the first nine months of 2015 as compared to the same period last year.

In line with the Company's ongoing capacity expansion program, Unit 1 of Davao Coal, with a net sellable capacity of 130 MW, began commercial operations last September 18, 2015. Unit 2, on the other hand, is expected to be commissioned within the first half of 2016. Meanwhile, construction has also begun for the Company's 59 MW Negros Solar Energy Project. Furthermore, AboitizPower recently disclosed that it entered into agreements to explore and develop a potential 2x55 MW geothermal plant with PT Medco Power Indonesia in East Java Province, Indonesia, and a potential 127 MW hydropower generation project with SN Power AS and PT Energi Infranasantara along the Lariang River in Central Sulawesi, Indonesia. SN Aboitiz Power-Magat, Inc. also signed a Memorandum of Agreement with the National Irrigation Administration (NIA) for the construction of an 8.5 MW hydroelectric power plant along the Maris Main (South) Canal in Magat.

Power Distribution

On the other hand, the power distribution group registered a 12% YoY decrease in its income contribution for the third quarter of 2015, from ₱1.0 bn to ₱906 mn. The decline was due to the need to run Davao Light & Power Company, Inc.'s (Davao Light) embedded plant during the period. AboitizPower's attributable electricity sales for the period was at 1,208 GWh, increasing by 3% from 1,177 GWh a year ago. The growth in sales was driven mainly by the residential segment.

The power distribution group's earnings share for the first nine months of 2015 increased by 6%, from ₱2.5 bn to ₱2.6 bn. Spearheaded by a 9% growth in industrial sales, total attributable electricity sales increased by 7% YoY, from 3,299 GWh to 3,546 GWh. Meanwhile, the group's gross margin during the period decreased by 3%YoY from ₱1.68 per kWh to ₱1.64 per kWh. The decline mostly came from Davao Light as it incurred higher direct cost due to the lag in recovery of pass through charges and the additional cost for running its embedded plant during the period.

Financial Condition

As of September 30, 2015, the Company's total consolidated assets amounted to ₱229.8 bn, 6% higher than the year-end 2014 level of ₱216.8 bn mainly due to the growth in PPE and higher cash. The Company's consolidated Cash and Cash Equivalents was at ₱45.8 bn, while total consolidated interest-bearing loans was at ₱107.9 bn. Equity Attributable to Equity Holders of the Parent was largely unchanged at ₱92.2 bn from year-end 2014. As of September 30, 2015, the Company's current ratio was at 3.2x (versus year-end 2014's 3.4x), while net debt-to-equity ratio was at 0.6x (versus year-end 2014's 0.6x).

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary

Dated: October 27, 2015

PRESS RELEASE

27 Oct 2015

AboitizPower earns P12 billion net income in first nine months

Aboitiz Power Corporation (AboitizPower) recorded an 8% year-on-year (YoY) decrease on its consolidated net income, from P13.2 billion to P12.2 billion from January to September this year. This translated to earnings per share of P1.66. The revaluation of consolidated dollar-denominated loans and placements resulted to a non-recurring loss of P805 million (versus last year's loss of P209 million).

Adjusting for this one-off, the Company's core net income for the first nine months of 2015 amounted to P13 billion, down by 3% YoY.

Business Segments

Power Generation

AboitizPower's generation arm recorded an income share of P9.5 billion or 78% of earnings contributions from the Company's business segments for the period in review, down by 12% YoY.

The decline is attributed to the lower sales registered by Tiwi-Makban plants due to the decline in steam flow; the full-year impact of the Wholesale Electricity Spot Market special payment agreement and the unrealized forex loss of Therma Luzon, Inc. due to the revaluation of its liabilities. The generation group's income contribution should have been higher if not for the expiration of Magat plant's income tax holiday.

Netting-out one-off items, its income contribution amounted to P10.4 billion for the period, which was 6% lower than last year.

As of end-September, AboitizPower's attributable net generation rose by 9% YoY, from 8,395 GWh to 9,161 GWh, as electricity sold through bilateral contracts, which made up 90% of total energy sold during the period, expanded by 16% to 8,254 GWh. On the other hand, spot market sales decreased by 28% from 1,266 GWh to 907 GWh.

In terms of capacity, AboitizPower's attributable sales increased by 5% YoY sales from 1,782 MW to 1,866 MW, thanks to higher sales through bilateral contracts and ancillary services. Meanwhile, improving water levels boosted ancillary sales by 38%.

As part of the Company's ongoing capacity expansion program, Unit 1 of Davao Coal, with a net sellable capacity of 130 MW, began commercial operations last September 18 while Unit 2 is expected to be commissioned within the first half of 2016. Construction has also commenced for the Company's 59-MW Negros Solar Energy Project.

"The country's rapidly unfolding growth story fuels our commitment to provide the Philippines with reliable, ample, and reasonably priced power with the least impact on our environment and our host communities. The launch of the first unit of our Therma South baseload plant in Davao and our solar venture with SunEdison in Negros Occidental align with our efforts to boost our portfolio nationwide

with a balanced mix of renewable and non-renewable energy sources,” said AboitizPower President and Chief Operating Officer Antonio R. Moraza.

AboitizPower recently disclosed that it entered into agreements to explore and develop a potential 2x55 MW geothermal plant with PT Medco Power Indonesia in East Java Province, Indonesia and a potential 127 MW hydropower generation project with SN Power AS and PT Energi Infranasantara along the Lariang River in Central Sulawesi, Indonesia.

“We will continue to pursue development and other suitable opportunities, both nationally and abroad. Our hydro and geothermal exploratory activities in Indonesia are strategic opportunities to leverage on our expertise and expand overseas via greenfield development and acquisition,” Moraza stressed.

SN Aboitiz Power-Magat, Inc. also signed a Memorandum of Agreement with the National Irrigation Administration (NIA) for the construction of an 8.5 MW hydroelectric power plant along the Maris Main (South) Canal in Magat.

Power Distribution

The power distribution group’s earnings share for the first nine months of 2015 increased by 6%, from P2.5 billion to P2.6 billion.

Spearheaded by a 9% growth in industrial sales, total attributable electricity sales increased by 7% YoY, from 3,299 GWh to 3,546 GWh. The group’s gross margin during the period, however, decreased by 3% YoY from P1.68 per kWh to P1.64 per kWh. The drop mostly came from Davao Light & Power Company, Inc., which incurred higher direct cost due to the lag in recovery of pass through charges and the additional cost for running its embedded plant during the period.

About AboitizPower

AboitizPower is the holding company of the Aboitiz Group's investments in power generation, distribution, retail, and power services. It is a major producer of Cleanergy, its brand for clean and renewable energy in the Philippines with several hydroelectric and geothermal assets in its generation portfolio, and also has fossil-fired power plants located across the country. The company owns distribution utilities that operate in high-growth areas in Luzon, Visayas, and Mindanao.

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For further queries on this Press Release, please contact:

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