

July 27, 2016

*via facsimile (632) 584-5593 and by hand*  
**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

*via PSE EDGE*  
**PHILIPPINE STOCK EXCHANGE, INC.**  
3rd Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue, Makati City

ATTENTION : **MR. JOSE VALERIANO B. ZUÑO III**  
OIC – Head, Disclosure Department

*via electronic mail*  
**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:


Attached is the SEC Form 17-C (Current Report) of Aboitiz Power Corporation filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

**ABOITIZ POWER CORPORATION**  
By:



**M. JASMINE S. OPORTO**  
Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

( Company's Full Name )

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

(Business Address: No. Street City / Town / Province )

M. JASMINE S. OPORTO

Contact Person

02- 886-2729

Company Telephone Number

Contact Person

1 2 3 1

Month Day Fiscal Year

1 7 - C

FORM TYPE

3rd Monday of May

0 5 1 6

Month Day Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

\_\_\_\_\_

Cashier


STAMPS

Remarks = Pls. use black ink for scanning purposes

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. July 27, 2016  
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. 32<sup>nd</sup> 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<br>Outstanding and Amount of Debt Outstanding |
|--|--|
| <u>Common Stock ₱1 Par Value</u>                         | <u>7,358,604,307</u>   |
| <u>Amount of Debt Outstanding (As of March 31, 2016)</u> | <u>₱129,282,958,000.00</u>   |
11. Indicate the item numbers reported herein: 9

**Item 9: Other Events**

Aboitiz Power Corporation (AboitizPower or the "Company") recorded a 34% year-on-year (YoY) increase in its consolidated net income for the second quarter of 2016, from ₱3.7 billion (bn) to ₱4.9 bn. The revaluation of consolidated dollar-denominated assets and liabilities resulted to an unrealized forex exchange losses of ₱313 million (mn) non-recurring loss (versus last year's loss of ₱154 mn). The parent recognized non-recurring gains totaling ₱201 mn during the period. Without the one-offs, AboitizPower's core net income for the second quarter of 2016 amounted to ₱5.1 bn, which is 32% higher YoY.

On a year-to-date (YTD) basis, AboitizPower's bottomline performance recorded a 24% YoY increase, from ₱8.0 bn to ₱10.0 bn. This translated to earnings per share of ₱1.35. The revaluation of consolidated dollar-denominated assets and liabilities resulted to a non-recurring loss of ₱70 mn

(versus last year's loss of ₱142 mn). Adjusting for the forex losses and the one-offs recognized by the parent in the second quarter, the Company's core net income for the first semester of 2016 amounted to ₱9.8 bn, up by 20% YoY.

## **Business Segments**

### *Power Generation*

For the quarter ending June 30, 2016, the power generation business group recorded an income contribution of ₱3.9 bn, 38% higher compared to the same period last year. When adjusted for non-recurring items, the group registered a 41% YoY increase in its core net income, from ₱3.0 bn to ₱4.3 bn. The growth in recurring earnings was mainly due to the new contributions from Therma South, Inc. (TSI). The stronger performance of SN Aboitiz Power – Magat, Inc. (SN Aboitiz Power – Magat) due to better water inflows also contributed to the increase.

On a YTD basis, the power generation business group accounted for 82% of earnings contributions from AboitizPower's business segments, recording an income share of ₱8.1 bn for the first semester of 2016, up 27% YoY. Netting out one-off items, AboitizPower's generation business amounted to ₱8.2 bn for the period, 25% higher than last year.

As of semester end, AboitizPower's attributable capacity sales rose by 13% YoY from 1,795 MW to 2,020 MW. TSI's new capacity contribution primarily accounts for the increase in capacity. SN Aboitiz Power – Magat dam's better water inflow, particularly in June, further augmented capacity sales. Consequently, attributable energy sold grew by 21% YoY, from 5,709 GWh to 6,889 GWh. Bilateral sales made up 93% of the total volume sold, which expanded by 28% to 6,414 GWh. Spot sales decreased by 31% YoY from 685 GWh to 475 GWh. Higher dam elevation at the start of the year and better than expected water inflows allowed SN Aboitiz Power – Magat to realize 23% higher ancillary sales volume despite El Niño.

In the first six months of 2016, the group's average price for its energy sales decreased by 9% YoY. This was mainly due to the 7% decrease in the average selling price of the group's bilateral sales as fuel costs continued to decline. On the other hand, the average rate for ancillary services was also down by 6% YoY.

Last June, AboitizPower acquired the remaining 50% interest in East Asia Utilities Corporation. This increased the Company's attributable net sellable capacity to 2,576 MW. In early July 2016, AboitizPower acquired Aseagas Corporation, an 8.8 MW biomass plant in Lian, Batangas from Aboitiz Equity Ventures, Inc. The biomass plant is expected to be commissioned within the year.

For the second quarter of 2016, the power distribution business group registered a 2% YoY growth in its income contribution, from ₱916 mn to ₱932 mn. AboitizPower's attributable electricity sales for the quarter ending June 30, 2016 was at 1,311 GWh, increased by 7% from 1,227 GWh a year ago. The growth in sales was observed across all customer segments during the period.

The power distribution group's earnings share for the first semester of 2016 grew by 3%, from ₱1.7 bn to ₱1.8 bn. Total attributable electricity sales increased by 7% YoY, from 2,338 GWh to 2,512 GWh. The increase in volume sold came from Visayan Electric Co., Inc., Davao Light & Power Company, Inc. (Davao Light) and San Fernando Electric Light & Power Co., Inc. Meanwhile, the group's gross margin per kWh during the period declined to ₱1.50 per kWh from ₱1.57 per kWh a year ago. This was mainly due to Davao Lights' under-recoveries as a result of a shift in supply mix.

## Financial Condition

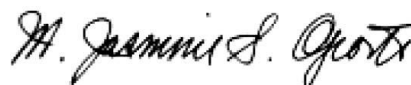
As of June 30, 2016, the Company's total consolidated assets amounted to ₱262.0 bn, 8% higher than the year-end 2015 level of ₱242.5 bn. The Company's consolidated Cash and Cash Equivalents was at ₱56.7 bn, while total consolidated interest-bearing loans was at ₱131.6 bn. Equity Attributable to Equity Holders of the Parent decreased by 2% to ₱95.2 bn from year-end 2015. As of June 30, 2016, the Company's current ratio was at 2.9x (versus year-end 2015's 3.1x), while net debt-to-equity ratio was at 0.8x (versus year-end 2015'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: July 27, 2016

**PRESS RELEASE**  
**27 July 2016**

## **AboitizPower first semester net income up by 24%**

Aboitiz Power Corporation's (AboitizPower or the "Company") first half bottomline performance recorded a 24% year-on-year (YoY) increase, from ₱8 billion to ₱10 billion. This translated to earnings per share of ₱1.35. The revaluation of consolidated dollar-denominated assets and liabilities resulted to a non-recurring loss of ₱70 million (versus last year's loss of ₱142 million). Adjusting for the foreign exchange losses and the one-offs recognized by the parent in the second quarter, the Company's core net income for the first semester of 2016 amounted to ₱9.8 billion, up by 20% YoY.

"Together with our partners, our net sellable capacity has grown to 3,350 MW. We are pursuing more projects – baseload, solar, biomass, hydro and geothermal – that will allow us to strengthen our balanced mix portfolio," Antonio R. Moraza, AboitizPower President and Chief Operating Officer, said.

"We believe that it is important to provide this balanced mix of energy to support the needs of our country with adequate, reliable and competitively priced power," Moraza added.

### ***Power Generation***

On a year-to-date basis, the generation business group accounted for 82% of earnings contributions from AboitizPower's business segments, recording an income share of ₱8.1 billion for the first semester of 2016, up 27% YoY. Netting out one-off items, AboitizPower's generation business amounted to ₱8.2 billion for the period, 25% higher than last year.

As of semester-end, AboitizPower's attributable capacity sales rose by 13% YoY from 1,795 megawatts (MW) to 2,020 MW. Therma South, Inc.'s new capacity contribution primarily accounts for the increase in capacity. Magat Dam's better water inflow, particularly in June, further augmented capacity sales. Consequently, attributable energy sold grew by 21% YoY, from 5,709 gigawatt-hours (GWh) to 6,889 GWh. Bilateral sales made up 93% of the total volume sold, which expanded by 28% to 6,414 GWh. Spot sales decreased by 31% YoY from 685 GWh to 475 GWh. Higher dam elevation at the start of the year and better than expected water inflows allowed SN Aboitiz Power – Magat, Inc. to realize 23% higher ancillary sales volume despite El Niño.

### ***Power Distribution***

The power distribution group's earnings share for the first semester of 2016 grew by 3%, from ₱1.7 billion to ₱1.8 billion. Total attributable electricity sales increased by 7% YoY, from 2,338 GWh to 2,512 GWh. The increase in volume sold came from Visayan Electric Co., Inc., Davao Light & Power Co., Inc. (Davao Light), and San Fernando Electric Light and Power Co. Meanwhile, the group's gross margin during the period declined to ₱1.50 per kilowatt-hour (kWh) from ₱1.57 per kWh a year ago. This was mainly due to Davao Light's under-recoveries as a result of a shift in supply mix.

### ***About AboitizPower***

AboitizPower is the holding company for the Aboitiz Group's investments in power generation, distribution, and retail electricity services.

The Company is one of the largest power producers in the Philippines with a right-mix portfolio of assets located across the country. It is a major producer of Cleanergy, its brand for clean and renewable energy with several hydroelectric and geothermal power generation facilities. It also has various fossil-fired power plants in its generation portfolio to support the baseload and peak energy demands of the country.

The Company also owns distribution utilities that operate in high-growth areas in Luzon, Visayas, and Mindanao, including the second and third largest private utilities in the country.

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For further queries on this Press Release, please contact:

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