

October 26, 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.

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Cashier

STAMPS

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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 26, 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 Outstanding and Amount of Debt Outstanding
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<u>Common Stock ₱1 Par Value</u>	<u>7,358,604,307</u>
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<u>Amount of Debt Outstanding (As of June 30, 2016)</u>	<u>₱131,578,090,000.00</u>
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11. Indicate the item numbers reported herein: 9

**Item 9: Other Events**

Aboitiz Power Corporation (AboitizPower or the "Company") recorded a 23% year-on-year (YoY) increase in its consolidated net income for the third quarter of 2016, from ₱4.2 billion (bn) to ₱5.1 bn. The Company registered a ₱232 million (mn) non-recurring loss (versus last year's loss of ₱663 mn) 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 2016 increased by 11% to ₱5.4 bn.

On a year-to-date (YTD) basis, AboitizPower's bottomline performance recorded a 24% YoY increase, from ₱12.2 bn to ₱15.1 bn. This translated to earnings per share of ₱2.05. For the period,

the Company registered a non-recurring loss of ₱102 mn mostly coming from revaluation of consolidated dollar-denominated loans and placements net of recognized gain on acquisition (versus last year's loss of ₱805 mn). Adjusting for non-core items, the Company's core net income for the first nine months of 2016 amounted to ₱15.2 bn, up by 17% YoY.

## **Business Segments**

### *Power Generation*

For the quarter ending September 30, 2016, the power generation business group recorded an income contribution of ₱3.9 bn, 26% higher compared to the same period last year. The growth was driven by higher contributions by Davao Coal and Pagbilao Coal. When adjusted for non-recurring items, the group's core net income increased by 12% to ₱4.3 bn.

On a YTD basis, the generation business accounted for 80% of earnings contributions from AboitizPower's business segments, recording an income share of ₱12.0 bn for the first nine months of 2016, up 26% YoY. The growth was largely driven by Davao Coal's new contribution. Netting-out one-off items, the income contribution of AboitizPower's generation business amounted to ₱12.5 bn for the period, which was 20% higher than last year.

For the first nine months of 2016, AboitizPower's attributable net energy sold grew by 13% YoY, from 9,161 GWh to 10,308 GWh, as electricity sold through bilateral contracts, which made up 92% of total energy sold during the period, expanded by 15% to 9,501 GWh. On the other hand, spot market sales decreased by 11% from 907 GWh to 807 GWh. In terms of capacity, higher sales through bilateral contracts and ancillary services resulted to a 9% YoY increase in AboitizPower's attributable sales from 1,866 MW to 2,026 MW. Meanwhile, ancillary sales remained unchanged.

In October 2016, the Company disclosed that Therma Power, Inc. finalized the purchase and sale agreements for the acquisition of The Blackstone Group L.P.'s effective partnership interests in GNPowder Mariveles Coal Plant Ltd. Co. (604-MW) and GNPowder Dinginin Ltd. Co. (2x668-MW). The transaction is still subject to the Philippine Competition Commission's approval. Also in the same month, Redondo Peninsula Energy, Inc. also signed a construction contract with Azul Torre, and a supply contract with Doosan Heavy Industries, for the construction of 2x300 MW coal-fired power plant in Subic. This project's Unit 1 is expected to come online by 2020. Meanwhile, works are ongoing for Pagbilao, Cebu Coal, Manolo Fortich, Aseagas and Maris Mini Hydro.

### *Power Distribution*

On the other hand, the power distribution group registered a 25% YoY increase in its income contribution for the third quarter of 2016, from ₱906 mn to ₱1.1 bn. The growth was primarily driven by higher contributions from Davao Light & Power Company, Inc. due to better margins during the period. AboitizPower's attributable electricity sales for the period was at 1,307 GWh, increasing by 8% from 1,208 GWh a year ago. The growth in sales was recorded across all customer segments.

The power distribution group's earnings share for the first nine months of 2016 increased by 11%, from ₱2.6 bn to ₱2.9 bn. Total attributable electricity sales increased by 8% YoY, from 3,546 GWh to 3,818 GWh. Meanwhile, the group's gross margin during the period decreased by 3% YoY from ₱1.64 per kWh to ₱1.59 per kWh. The decline mostly came from the under-recoveries as a result of a shift in supply mix.

### *Financial Condition*

As of September 30, 2016, the Company's total consolidated assets amounted to ₱281.0 bn, 16% higher than the year-end 2015 level of ₱242.5 bn mainly due to the growth in property, plant and

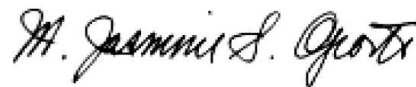
equipment and higher cash. The Company's consolidated Cash and Cash Equivalents was at ₱65.7 bn, while total consolidated interest-bearing loans was at ₱147.7 bn. Equity Attributable to Equity Holders of the Parent increased by 3% to ₱100.3 bn from year-end 2015. As of September 30, 2016, the Company's current ratio was at 3.1x (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:

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto". The signature is written in a cursive style with a large initial "M".

**M. JASMINE S. OPORTO**

Corporate Secretary

Dated: October 26, 2016

**PRESS RELEASE**  
**26 October 2016**

## **AboitizPower boosts nine-month profit by 24% to P15 billion**

Aboitiz Power Corporation (AboitizPower or the “Company”) recorded a 24% YoY (year-on-year) increase in its nine-month bottomline performance, from P12.2 billion to P15.1 billion. This translated to earnings per share of P2.05.

For the period, the Company registered a non-recurring loss of P102 million mostly coming from the revaluation of consolidated dollar-denominated loans and placements net of recognized gain on acquisition (versus last year’s loss of P805 million). Adjusting for non-core items, the Company’s core net income for the first nine months of 2016 amounted to P15.2 billion, up by 17% YoY.

AboitizPower’s profit increase was fueled by a higher income contribution from the Company’s power generation business group, led by Therma South, Inc.’s (Therma South) thermal power plant in Davao City.

“We recognize the importance of providing baseload capacity--such as our Therma South and Pagbilao thermal power plants-- in ensuring reliable and affordable power for our consumers. In addition, we continue to employ new and more efficient technologies, operating our power plants at par with government standards as part of our commitment to a responsible power generation process,” said Antonio R. Moraza, AboitizPower President and Chief Operating Officer.

### ***Power Generation***

On a YTD (year-to-date) basis, the generation business group accounted for 80% of earnings contributions from AboitizPower’s business segments, recording an income share of P12 billion, up 26% YoY. The growth was largely driven by Therma South’s new contribution. Netting out one-off items, the income contribution of AboitizPower’s generation business group amounted to P12.5 billion for the period, which was 20% higher than last year.

For the first nine months of 2016, AboitizPower’s attributable net energy sold by 13% YoY, from 9,161 GWh (gigawatt-hours) to 10,308 GWh, as electricity sold through bilateral contracts, which made up 92% of total energy sold during the period, expanded by 15% to 9,501 GWh. On the other hand, spot market sales decreased by 11% from 907 GWh to 807 GWh. In terms of capacity, higher sales through bilateral contracts and ancillary services resulted to a 9% YoY increase in AboitizPower’s attributable sales from 1,866 MW to 2,026 MW. Meanwhile, ancillary sales remained unchanged.

In October 2016, the company disclosed that Therma Power, Inc. finalized the purchase and sale agreements for the acquisition of The Blackstone Group L.P.’s effective partnership interests in GNPowder Mariveles Coal Plant Ltd. Co. (604-MW) and GNPowder Dinginin Ltd. Co. (2x668-MW). The transaction is still subject to the Philippine Competition Commission’s approval.

Also in the same month, RP Energy also signed a construction contract with Azul Torre and a supply contract with Doosan Heavy Industries for the construction of 2x300 MW thermal power plant in Subic. This project’s Unit 1 is expected to come online by 2020. Meanwhile, works are ongoing for Pagbilao Unit 3, Cebu Coal, Manolo Fortich, Aseagas, and Maris Mini Hydro.

“We are optimistic that we will realize our target of 4,000 MW capacity by 2020, from renewable and thermal sources. We will continue to strive for a balanced-mix portfolio to provide ample power when needed at a reasonable cost, keeping in mind our responsibility to the environment and to our host communities,” Moraza said.

### ***Power Distribution***

The power distribution group’s earnings share increased by 11%, from ₱2.6 billion to ₱2.9 billion. Total attributable electricity sales increased by 8% YoY, from 3,546 GWh to 3,818 GWh. Meanwhile, the group’s gross margin during the period decreased by 3% YoY from ₱1.64 per kWh (kilowatt-hour) to ₱1.59 per kWh. The decline mostly came from the 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:

**THET R. MESIAS**

**Corporate Branding and Communication**

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