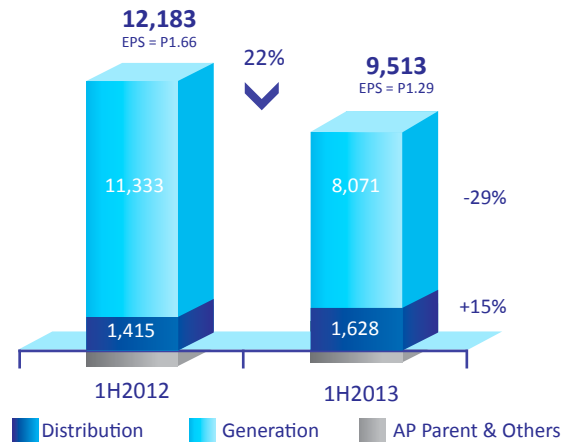


Net Income

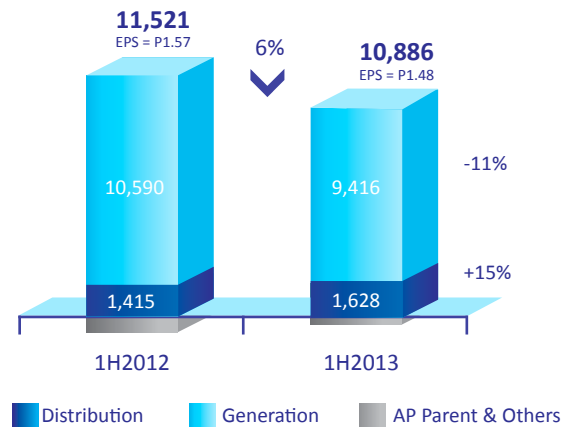
In mn Pesos



- AP's consolidated net income recorded a 22% decrease for the first semester of 2013. This was attributable to the weak performance of the Generation segment due to the drop in ancillary volumes as an effect of the lower acceptance rate by the National Grid Corporation of the Philippines. The FX losses recognized during the period also contributed to the decline.

Core Net Income

In mn Pesos

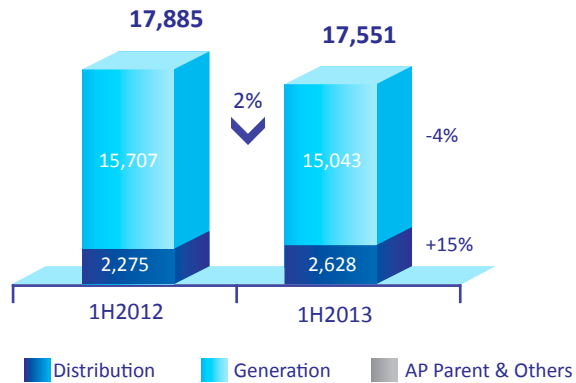


- Non-recurring loss was registered for the period amounting to P1,373 mn, vis-à-vis last year's gain of P622 mn
 - 1H2013 one-off's include net FX loss resulting from the revaluation of consolidated dollar loans and placements. In addition, AP realized a one-time non-recurring expense due to the prepayment of debt.
 - 1H2012 one-off's include net FX gains resulting from the revaluation of consolidated dollar liabilities and placements, gains on share redemption made by associates, reimbursement of steam supplier's opex and debt prepayment cost at Parent level.

Non-Recurring Items (in Pm)	1H2012	1H2013
FX gains/(loss)	945	(1,280)
Gain on redemption	14	-
Fuel cost adjustment	(238)	-
Debt prepayment costs	(59)	(93)
	<u>662</u>	<u>(1,373)</u>

Beneficial EBITDA

In mn Pesos



- The decline is attributable to the weaker performance by the generation unit.
- Beneficial Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the summation of the proportionate share of AP in the EBITDA of its subsidiaries and associate companies.

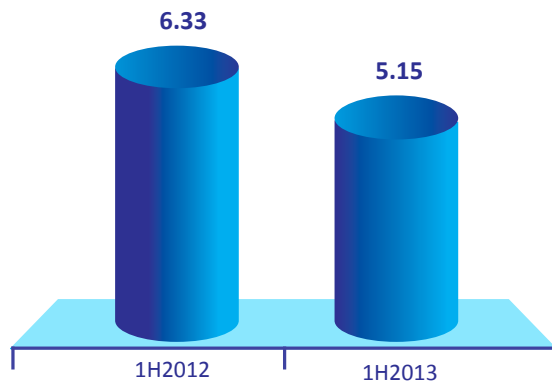


Irian 1 hydro power plant

Result of Operations – Generation

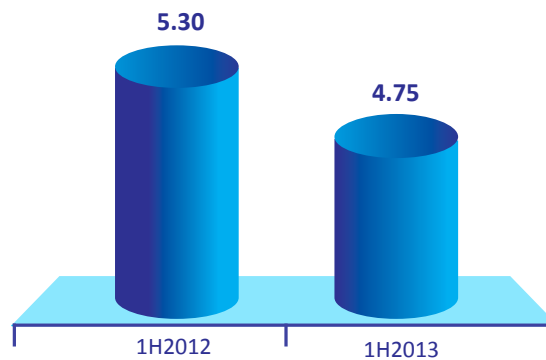
Average Selling Price for Spot Market Transactions

P/kWh



Average Selling Price for Contracted Capacity

P/kWh

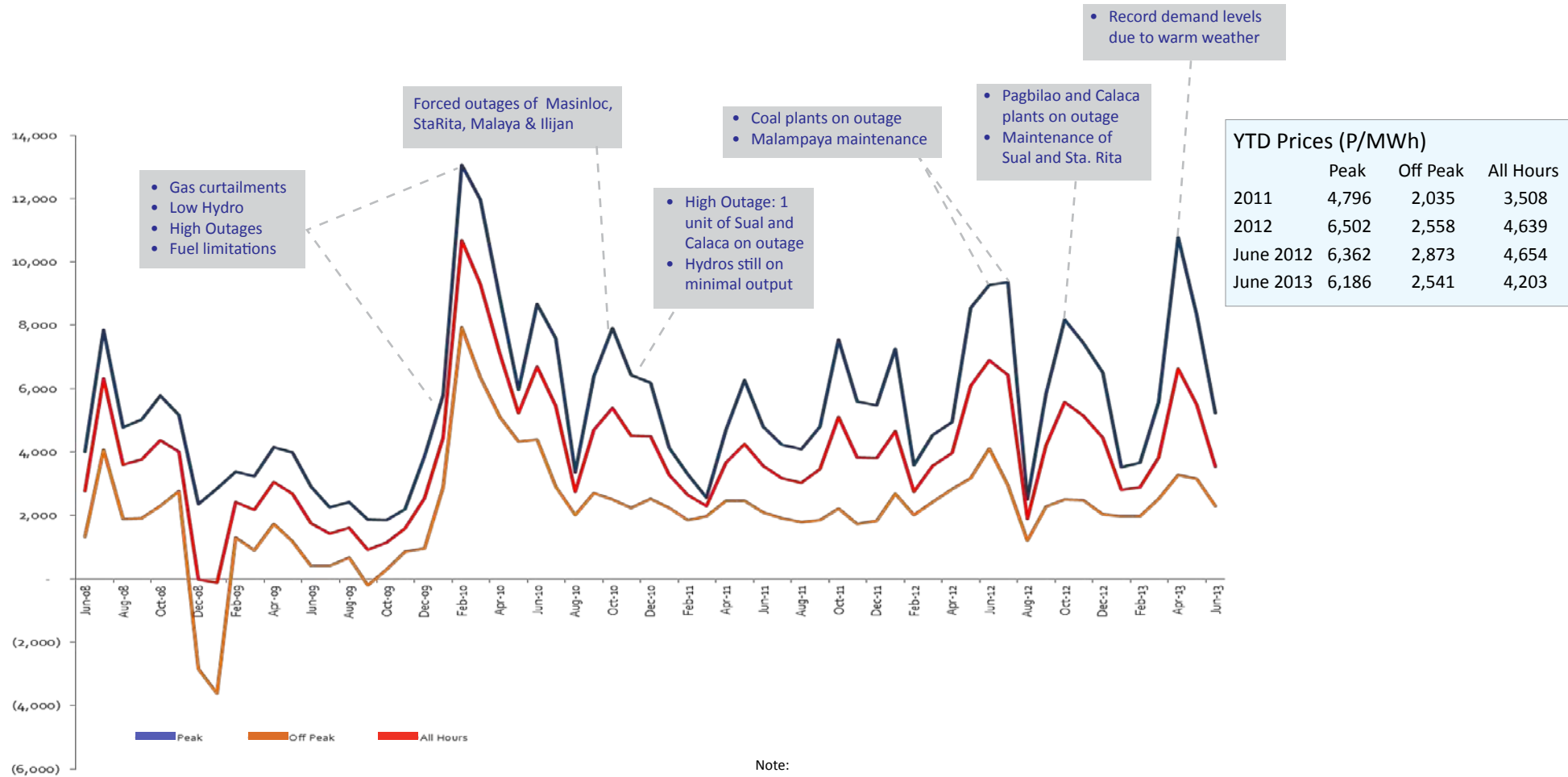


- Average selling price was down by 11% YoY, from P5.42/kWh to P4.83/kWh, due to the 19% and 10% YoY drop in the average selling price of electricity at the Wholesale Electricity Spot Market (WESM) and average selling price under bilateral contracts, respectively.

Result of Operations – Generation

WESM Prices - Luzon Grid (P/MWh)

Monthly Time Weighted Average Prices



Note:

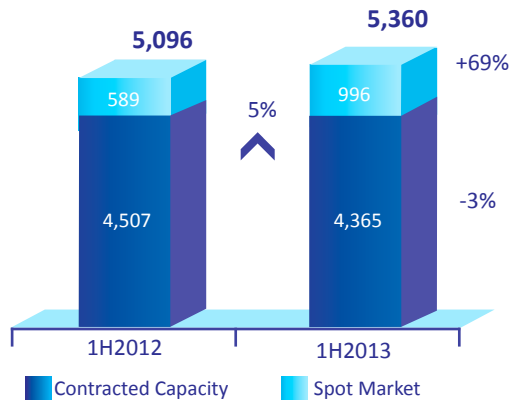
1. Calculated based on raw data provided by WESM as of June 2013. July 26 – October 25, 2008 prices are reflective of NPC TOU rates.

Source: WESM, SNAP

Result of Operations – Generation

Energy Sales

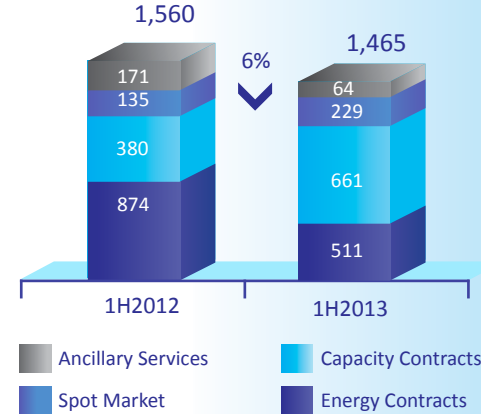
in GWh



- Net generation for the first semester of the year rose by 5% YoY mainly due to the increase in demand brought about by the hotter weather during the summer months.
- Energy sales through bilaterals declined by 3% YoY. This was partly due to the conversion of a number of expiring power supply agreements from energy-based contracts to capacity-based type contracts.
- Meanwhile, the 69% jump in spot market sales is attributable to APRI's increased sales to the spot market. APRI's exposure to the spot should remain at heightened levels until AP concludes its negotiations with Chevron.

Capacity Sales

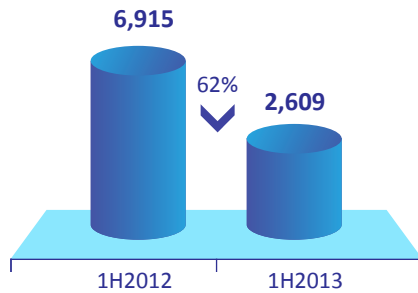
in MW



- Capacity sales have come down mainly because of the lower acceptances in Ancillary Services.

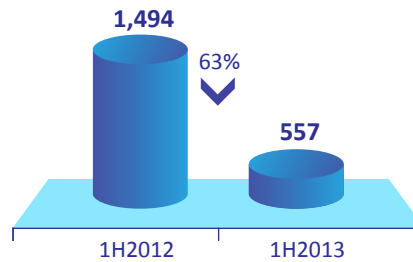
Ancillary Revenues

At 100%, in mn Pesos



Accepted/Billed Capacity

At 100%, in GW/h



Ancillary services revenue declines

- Lower acceptance rate by the grid operator continues to lower revenues from ancillary services.

Other Developments - Generation

Ongoing Brownfield Developments

- **Rehabilitation of 100-MW Binga hydro**
 - Rehabilitation of SNAP commenced in 2011.
 - Rehabilitation of the first, second and third units were completed in December 2011, July 2012 and January 2013, respectively, adding 15 MW to the total capacity.
 - Works on the fourth unit has been completed last July 2013.
 - Completion of all four units will result to an enhanced generation capacity, reaching 120 MW.
 - AboitizPower has an effective stake of 50% in this facility.
- **300 MW Coal-fired Project in Toledo City, Cebu**
 - Therma Visayas, Inc. ("TSI"), a wholly owned subsidiary of AboitizPower, is developing a 2x150 MW (net) coal-fired power project in Toledo City.
 - The project site was acquired in December 2011.
 - The Environmental clearance was issued in May 2013.
- **300 MW Coal-fired Power Plant in Davao**
 - A project of wholly owned subsidiary, Therma South, Inc. (TSI), which involves the construction and operation of 2x150MW coal-fired power plant in Davao, the biggest load center in the island of Mindanao.
 - The project broke ground in 2012. The first generating unit (150 MW) is expected to be completed 34 months after (or March 2015), with the second unit (150MW) to follow 3 months later (or June 2015).
- **7 MW Tudaya 1 Hydro Power Plant Project**
 - In the third quarter of 2012, Hedcor Sibulan, Inc. started the construction of Tudaya 1 which is located upstream of the existing Sibulan A pondage.
 - Almost 50% complete, it is scheduled to be finished in the first quarter of 2014.
 - The energy to be produced will be sold to Davao Light through the power supply agreement signed in 2007.

Green/Brownfield Developments Moving Forward

- **600 MW Coal-fired Power Plant in Subic**
 - Project by Redondo Peninsula Energy, Inc. (RP Energy), a JV among Meralco PowerGen Corporation (MPGC), Aboitiz subsidiary Therma Power, Inc. (TPI) and Taiwan Cogeneration International Corporation (TCIC).
 - Involves the construction and operation of a 2x300 MW (net) circulating-fluidized-bed coal-fired power plant.
 - Commercial operation is estimated to begin in early 2017.
 - AboitizPower, through TPI will have an equity interest of 25% in RP Energy.
- **6.6 MW Tudaya 2 Hydro Power Plant Project**
 - AP's wholly owned subsidiary Hedcor Tudaya, Inc. has started the construction of Tudaya 2 located downstream of the existing Sibulan B.
 - The project, which commenced construction in the third quarter of 2012, is already 90% complete.
 - The project is estimated to be completed by the first quarter of 2014.



Tiwi geothermal power plant

Other Developments - Generation

Green/Brownfield Developments Moving Forward

- **14 MW Sabangan Hydro Power Plant Project**
 - A project of Hedcor Sabangan, Inc., this involves the construction of a run-of-river hydropower plant facility to be located in Mt. Province in Northern Luzon.
 - The project was granted all the permits and licenses in the first quarter of 2013.
 - The construction commenced in May 2013 and will take approximately 24 months to finish.

- **12 MW Hedcor Tamugan Hydro Power Plant Project**
 - In 2010, wholly owned subsidiary Hedcor Tamugan, Inc., has reached an agreement with the Davao City Water District on the use of the Tamugan river.
 - Originally planned as a 27.5 MW run-of-river facility, Hedcor Tamugan submitted a new proposal, which involves the construction of a 12 MW hydropower facility.
 - Currently, Hedcor Tamugan is waiting for the approval from the Davao City council.
 - Once approval and permits are secured, the two-year construction period will commence.

- **400 MW Coal-fired Power Plant in Pagbilao, Quezon**
 - In September 2011, AP signed a Memorandum of Understanding with Marubeni Corporation to formalize their intention to jointly develop, construct and operate a coal-fired power plant with a capacity of 400 MW (net).
 - The unit will be located within the premises of the existing 735 MW (net) Pagbilao coal-fired plant.
 - Commercial operations of the first generating unit are targeted within the year 2017.

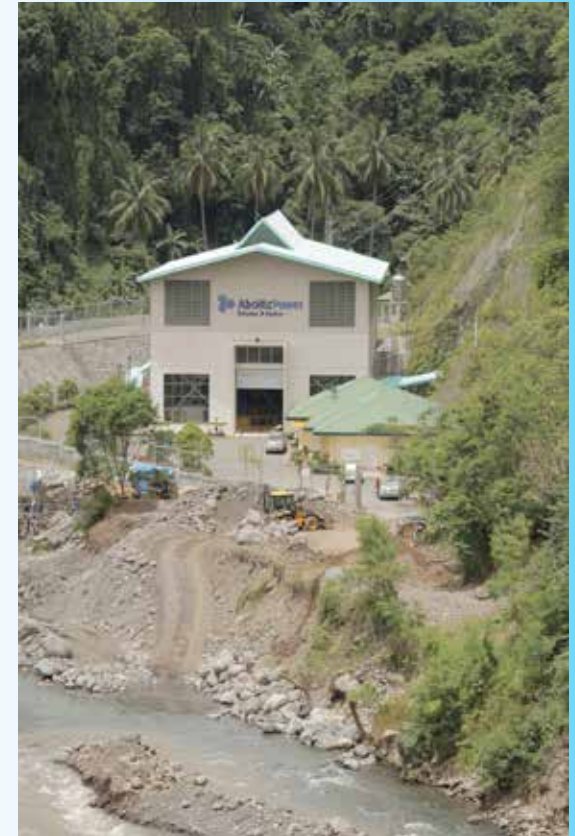
- **150 MW Coal-fired Power Plant in Misamis Oriental**
 - On June 28, 2010, AP and its partners in STEAG State Power, Inc., owner of the 232 MW coal plant located at

Misamis Oriental, firmed up their collective intention to develop a third unit of approximately 120 MW capacity adjacent to the existing facility.

- Shareholdings in the new corporation to be established for the planned additional capacity will be of the same proportion.
 - Certain essential facilities, such as the jetty, coal handling facilities and stockyards and the 138-kV interconnection with the Mindanao Grid are to be shared with the existing facilities.
 - Majority control of SPI has since changed, so the development of a third unit is being reevaluated.
-
- **Other Hydro Power Plant Developments**
 - 100%-owned subsidiary Hedcor, Inc. (Hedcor) is conducting feasibility studies for potential hydropower projects located in Luzon, Visayas and Mindanao. Based on current findings, Hedcor sees the potential of building 10 to 50 MW plants in the identified areas. When the projects pass the evaluation stage and once permits are secured, the two-year construction period for the hydropower plant facilities will commence.
 - The SN Aboitiz Power Group (SNAP Group) is in the process of evaluating several hydropower plant projects. A Brownfield project is being evaluated for its Magat hydropower plant, which involves the construction of a pumped storage that could potentially increase its capacity by at least 90 MW. The SNAP Group is likewise evaluating several Greenfield hydropower plant projects that have at least 70 MW of potential capacity each.

Participation in the Government's Privatization Program for its Power Assets

- AboitizPower continues to closely evaluate the investment viability of the remaining power generation assets that PSALM intends to auction off.
- AboitizPower is also keen on participating in PSALM's public auction for the Independent Power Producer (IPP) Administrator contracts, which involves the transfer of the management and control of total energy output of power plants under contract with NPC to the IPP



Result of Operations – Distribution

Attributable Electricity Sales

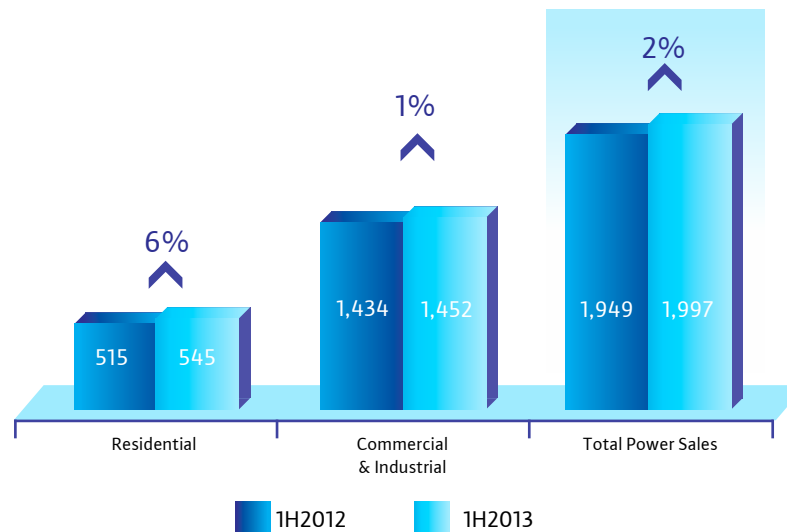
In GWh



Electricity Sales, by Customer Type

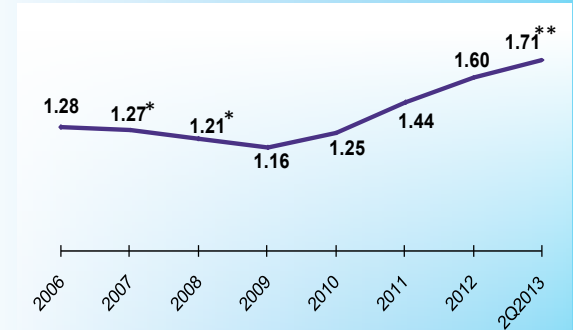
In GWh

Growth led by the residential and commercial sectors, posting a YoY growth of 6% and 4%, respectively.



GROSS MARGIN

P/kWh



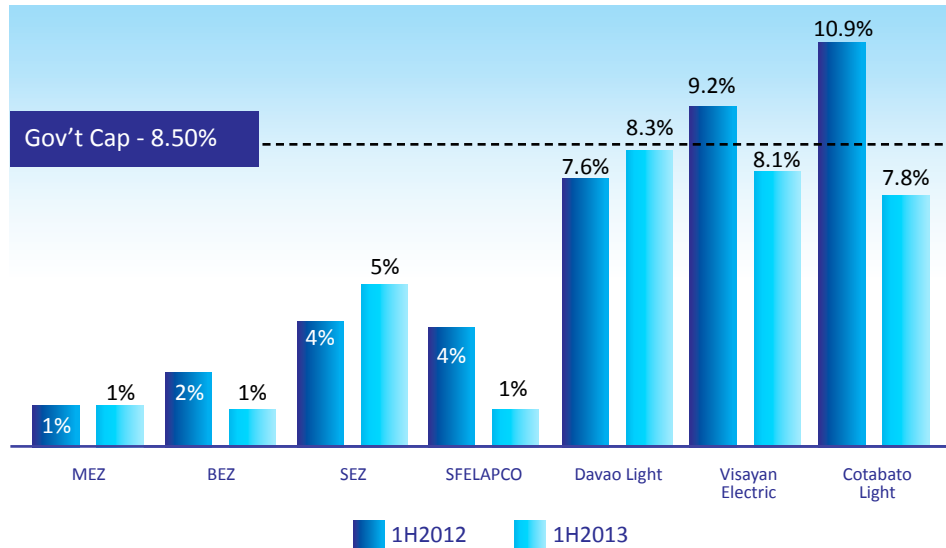
* Adjusted for timing of transmission charge recovery

** Year-to-date

- The approved adjustments under the Performance Based Regulation (PBR) scheme and the continued improvement in the system loss level of both Visayan Electric Company and Cotabato Light & Power Company led to an enhanced gross margin for the group.

Result of Operations – Distribution

SYSTEMS LOSS



- System loss levels improvement of both Cotabato Light and Visayan Electric, registering reductions of 1.1 and 3.1 percentage points, respectively.
- All distribution units are now within the regulator-imposed cap on systems loss levels of 8.5%.

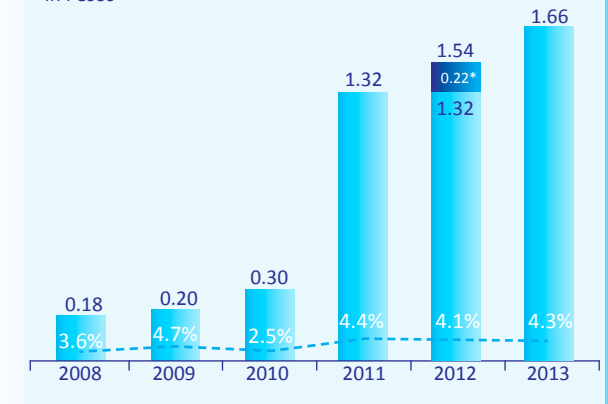
Performance-Based Regulation (PBR)

Cotabato Light	Davao Light and Visayan Electric	SFELAPCO and Subic Enerzone
<p>Supposed to start with its Third Regulatory Period on April 1, 2013. But due to the absence of the Position Paper, the reset process is delayed. For the meantime, CLPC shall file an annual rate adjustment application for regulatory year 2014. The filing is targeted to be done in August 2013.</p>	<p>VECO and DLPC recently received approvals for the annual rate adjustment application for the Fourth Regulatory Year (July 1, 2013 to June 30, 2014). The new rates have been implemented in the July 2013 billings.</p>	<p>Entered their Second Regulatory Year from October 1, 2012 to September 30, 2013, SEZC was able to implement the new rate schedule starting February 2013 while SFELAPCO implemented its tariffs beginning April 2013. Filing for the Third Regulatory Year is scheduled this August.</p>

Dividends

- On November 28, 2012, AboitizPower revised its dividend policy consisting of a dividend payout ratio of 50% of the previous year's consolidated net income. Previously, AboitizPower's dividend payout ratio was 1/3 of previous year's net earnings.
- On the same day, a special cash dividend of P0.22 per share was declared for all shareholders of record as of Dec. 13, 2012, payable on January 2013.
- On March 5, 2013, AboitizPower declared a dividend of P1.66 per share to all shareholders of record as of March 19, 2012, payable on April 15, 2013.

AboitizPower's Dividend History in Pesos



Legend: ■ Dividend per share, --- Dividend yield

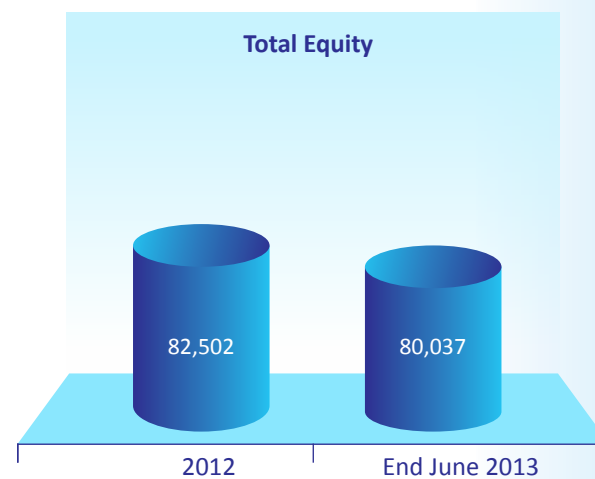
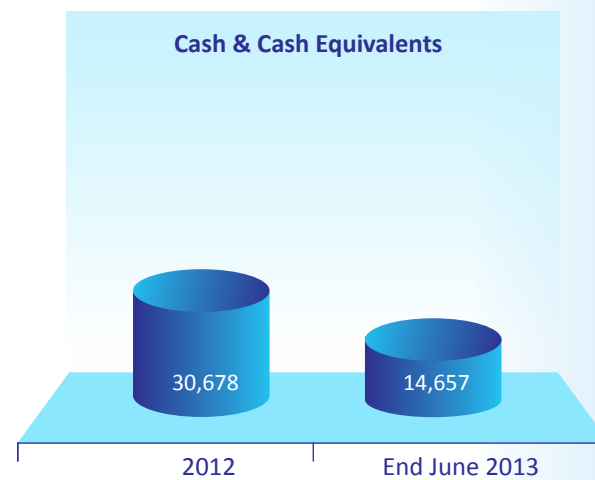
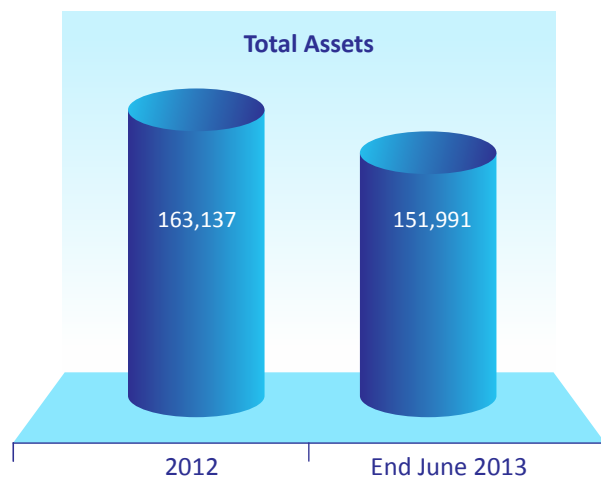
* Special cash dividend

Note: Dividend yields are based on closing prices as of date of dividend declaration.

Financial Condition

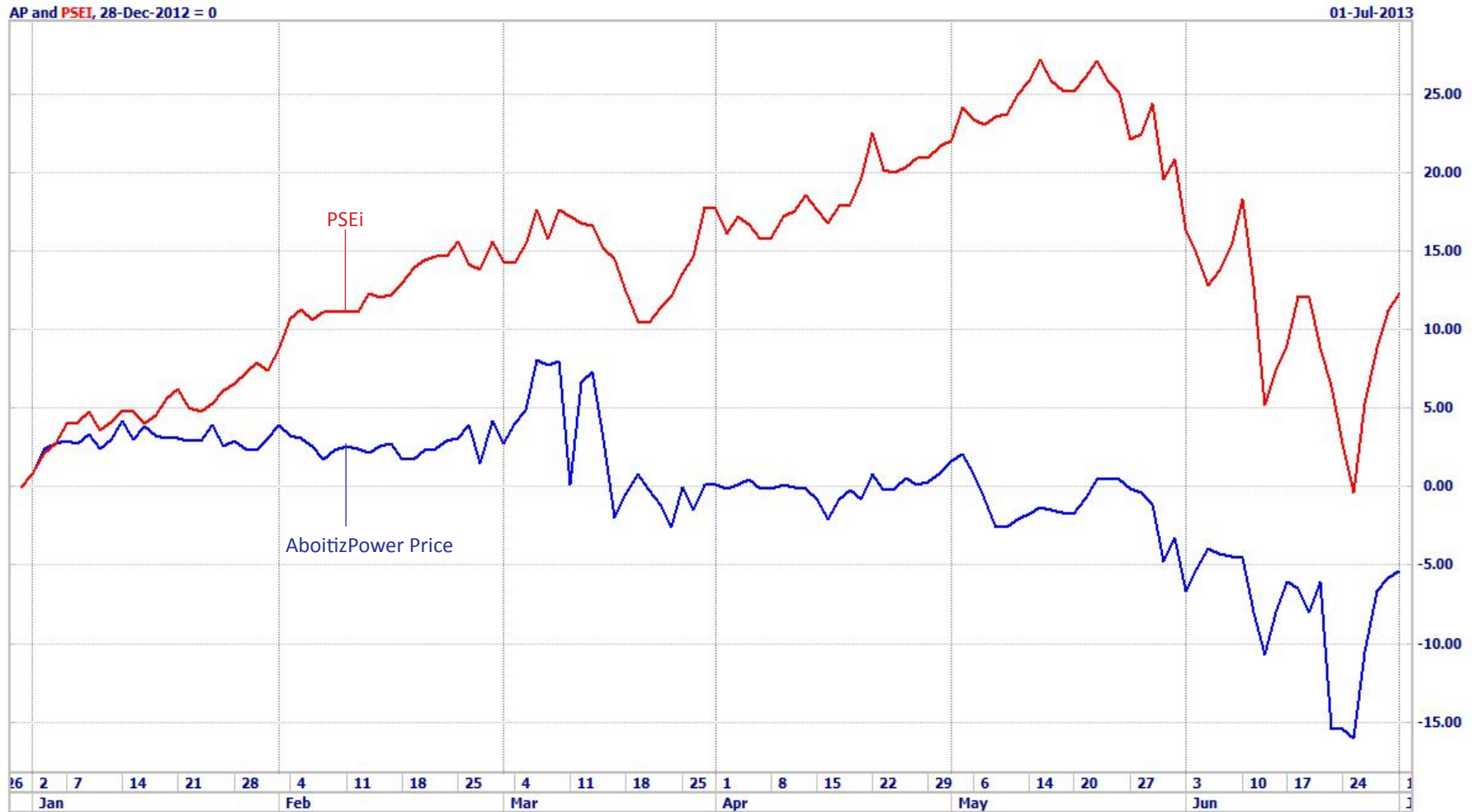
In mn Pesos

Consolidated Figures



Stock Price Performance

YTD June 2013



AboitizPower Growth -6%

PSEi Growth 11%