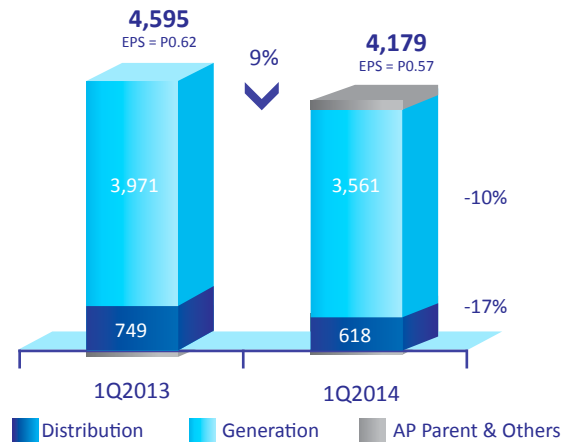


Net Income

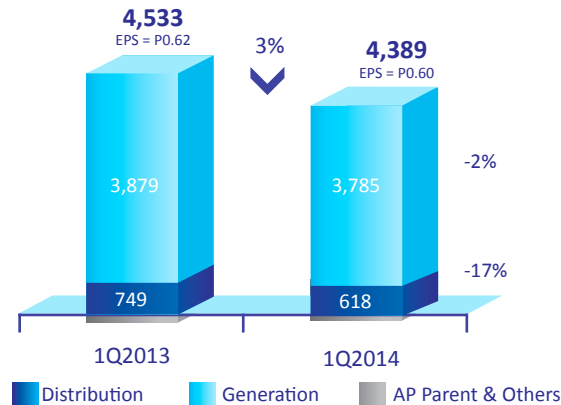
In P Million



- AP's consolidated net income recorded a 9% decrease for the first three months of 2014. The Generation segment's net income contribution dropped by 10% due to the increase in steam cost as a result of the shift to the Geothermal Resource Sales Contract ("GRSC") and the expiration of the income tax holiday of Pagbilao Plant. Meanwhile, the Distribution segment registered an 18% YoY earnings decline.

Core Net Income

In P Million



Non-recurring loss for the period amounted to P211 mn, vis-à-vis last year's gain of P62 mn

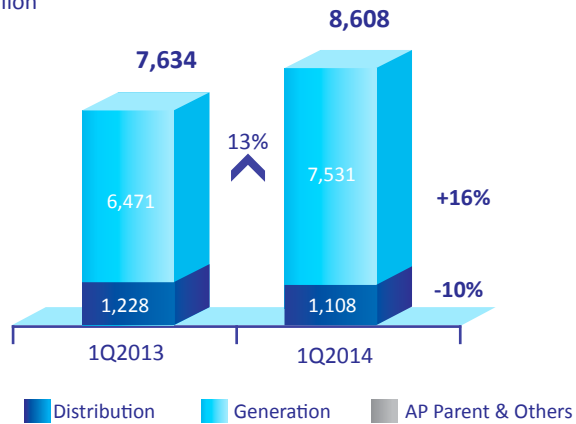
- 1Q2014 one-off include net FX losses resulting from the revaluation of consolidated dollar loans and placements.
- 1Q2013 one-offs include net FX gains resulting from the revaluation of consolidated dollar loans and placements. However, AP realized a one-time non-recurring expense due to the prepayment of debt

Non-Recurring Items

	1Q2013	1Q2014
AP Parent	(31)	12
AP - Gen	92	(223)
	62	(211)

Beneficial EBITDA

In P Million



- Beneficial EBITDA for the first three months of 2014 grew by 13% to P8.6 billion. The EBITDA from the generation business stood 16% higher than last year mainly as a result of the improved performance of Pagbilao as it registered a significant increase in its capacity sold factor. This helped offset the lower margins of APRI as a result of the implementation of GRSC.
- 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.

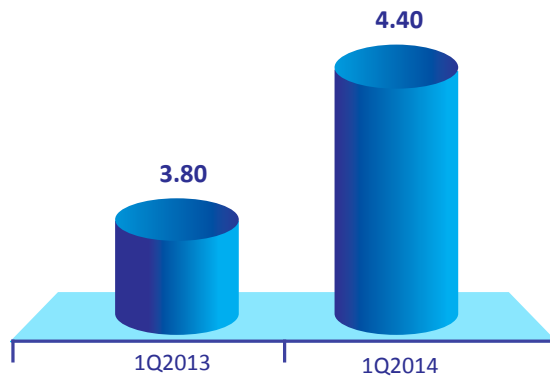


Irian 1 hydro power plant

Result of Operations – Generation

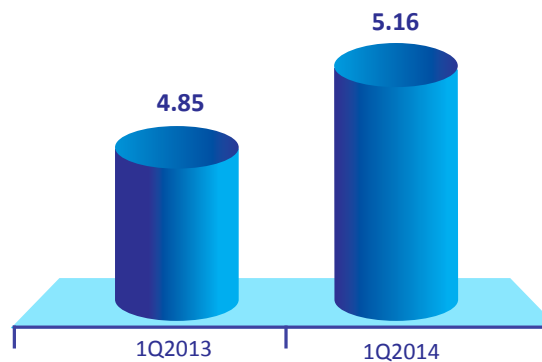
Average Selling Price for Spot Market Transactions

P/kWh



Average Selling Price for Contracted Capacity

P/kWh



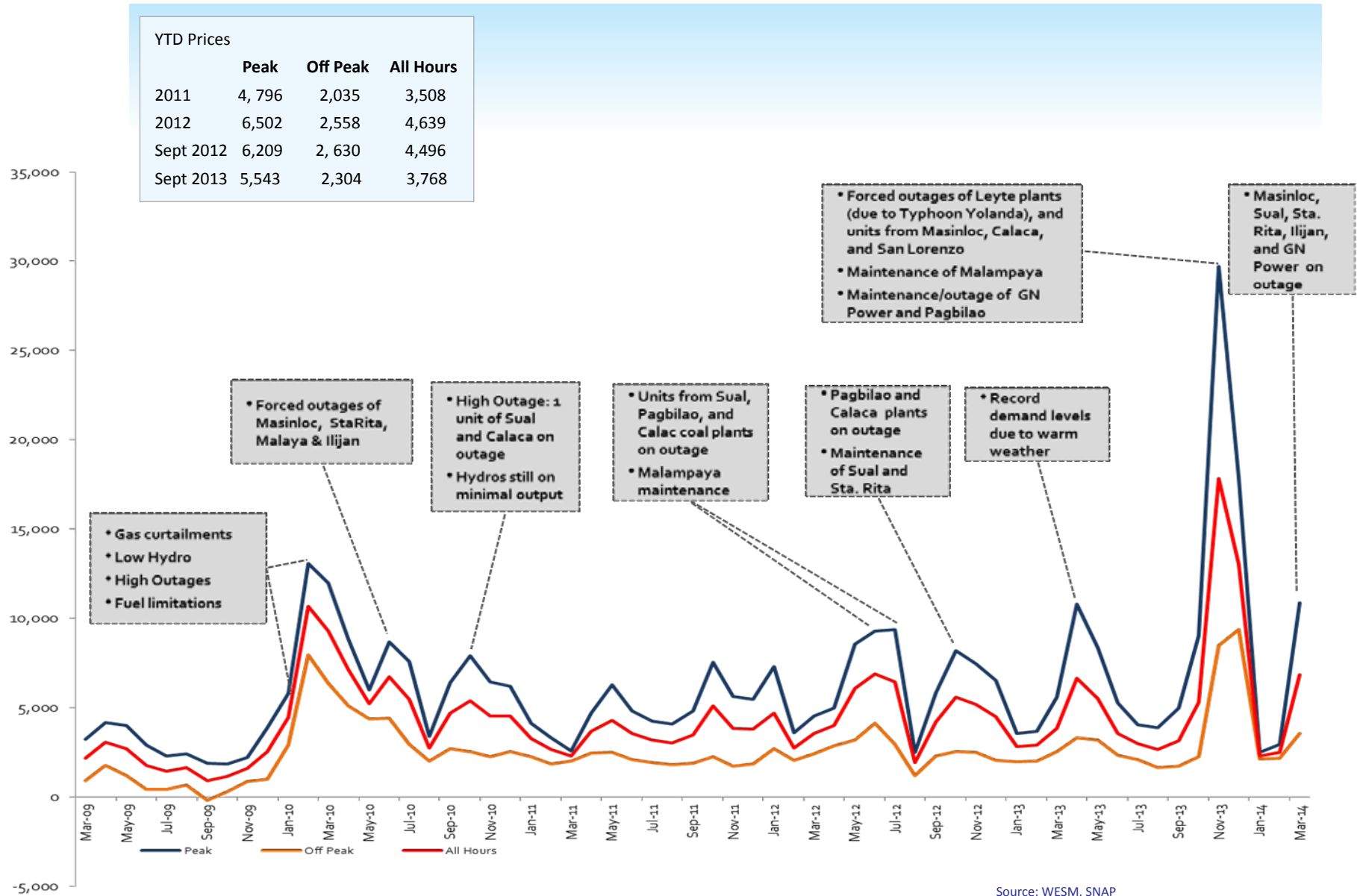
Average selling price was up 8% YoY, from P4.63/kWh to P5.02/kWh due to the following:

- Increase in average selling price for bilateral contracts due to the Company's dollar-linked contracts and the entry of the Company's oil-fired barges in Navotas.
- Increase in the average selling price for transactions in the Wholesale Electricity Spot Market as a result of the higher demand brought about by the entry of the summer season and the outages of several baseload plants towards the latter part of March.

Result of Operations – Power Group Generation

WESM Prices - Luzon Grid (P/MWh)

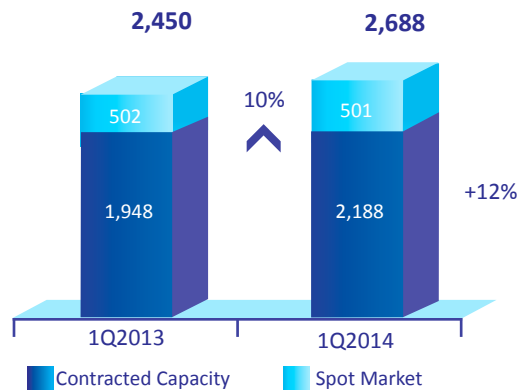
Monthly Time Weighted Average Prices



Source: WESM, SNAP

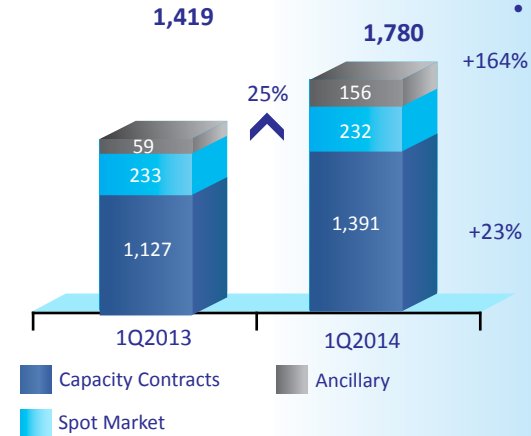
Result of Operations – Power Group Generation

Energy Sales



- Energy sales increased mostly due to higher contracted and operating levels of Pagbilao with contestable customers through the Open Access regime.

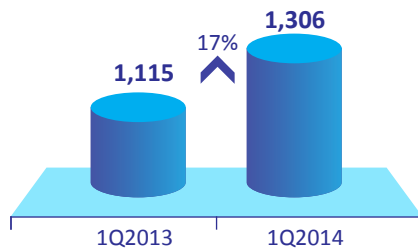
Capacity Sales



- Capacity sales stood 25% higher YoY as a result of increase in ancillary volumes as well as higher contracted levels by the generation group.

Ancillary Revenues

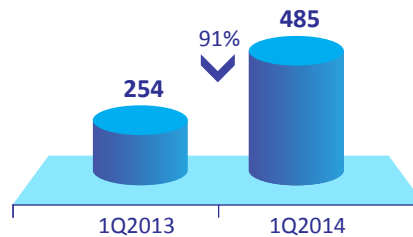
At 100%, in P million



Higher ancillary sales volumes offsets lower rates

Accepted/Billed Capacity

At 100%, in GW/h



- Despite the drop in the average selling price brought about by the new ASPA, revenues soared 17% YoY due to higher sales volumes.



Other Developments - Generation

Greenfield and Brownfield Developments

- **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. Commissioning and testing of the first unit is expected to begin during the fourth quarter of 2014. The Facility is expected to become fully operational within the first half of 2015.
- **300 MW(net) 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.
- **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.
- **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).
 - Commercial operation is estimated to begin in early 2017.
 - AboitizPower, through TPI will have an equity interest of 25% in RP Energy.
- **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 (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.
- **68 MW Manolo Fortich Hydro Power Plant Project**
 - A project of Hedcor Bukidnon, Inc., this Involves the construction of a run-of-river hydropower plant facility to be located in Mt. Province (Northern Luzon)
 - Currently completing the permits and licenses until end of May 2014, after which a 24-month construction period will follow.
- **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,



Other Developments - Generation

Greenfield and Brownfield Developments

Hedcor Tamugan submitted a new proposal, which involves the construction of an 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.

- **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 20 to 60 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 continuing its focus on growth through Greenfield development with new opportunities being sought and 380 MW of projects undergoing feasibility studies. Further, SNAP secured renewable energy service contracts (RESC) from the DOE for a twin mini-hydro facility project along the Maris Canal, one at the Ramon, Isabela while the other at the Alfonso Lista, Ifugao.

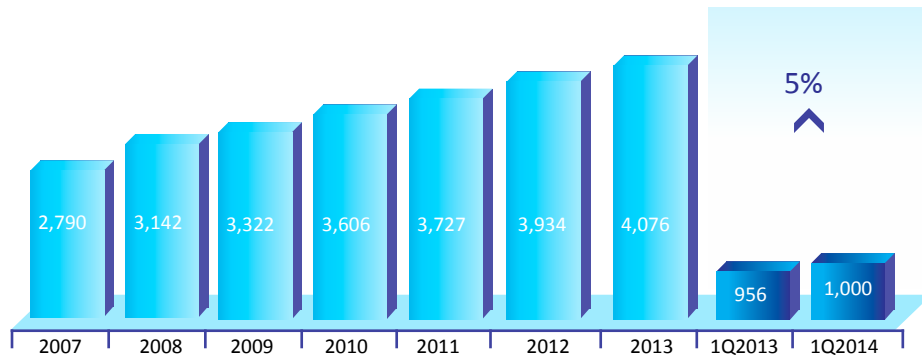
Participation in the Government's Privatization Program for its Power Assets

- AboitizPower continues to closely evaluate the investment viability of the remaining power generation assets that PSALM intends to auction off.
- AP 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 administrators.



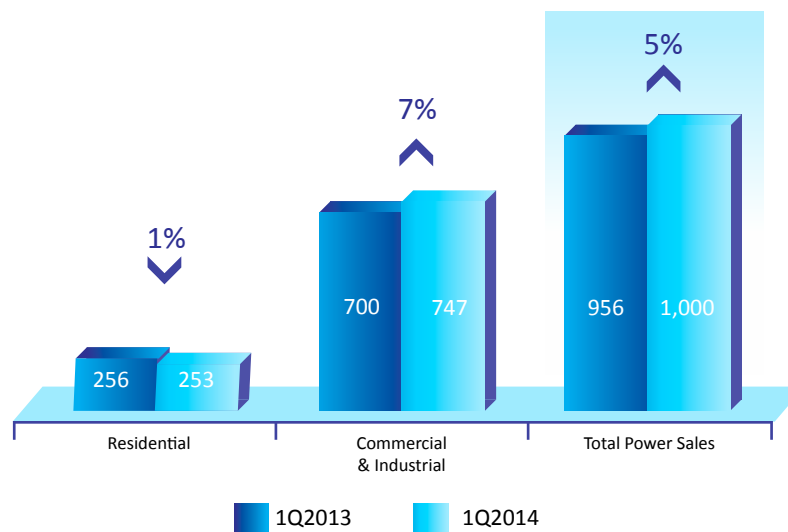
Result of Operations – Distribution

Attributable electricity sales
In GWh



Electricity Sales, by Customer Type
In GWh

The growth was mainly driven by the resurgence in industrial consumption particularly in Davao Light's franchise area as its customer hit by the Typhoon Pablo in December 2012 has normalized operations. Further, Holcim was added to Davao Lights customer base.



GROSS MARGIN

P/kWh

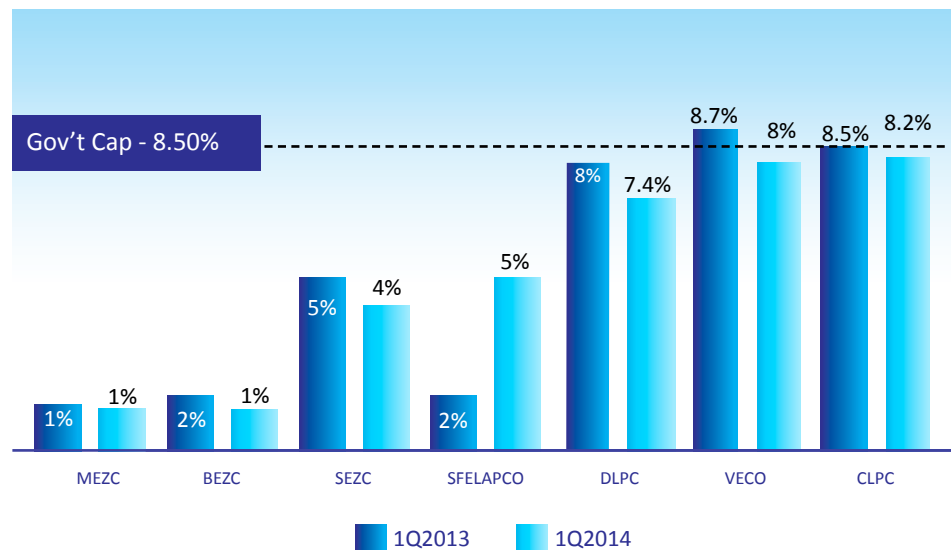


- The group's year-to-date gross margin on a per kWh basis declined from P1.63 of the first quarter of 2013 to P1.53 for the same period this year.
- The decrease was due to the higher direct costs registered by the distribution group during the quarter brought about by the lag in the recovery of VECO's cost of purchased power as well as the additional costs incurred by Davao Light and Cotabato Light due to the running of their embedded plants to cover for the energy shortfall in the Mindanao grid during the period.

* Year-to-date

Result of Operations – Distribution

SYSTEMS LOSS



- All distribution units are within the regulator-imposed cap on system loss levels of 8.5%.

Performance-Based Regulation (PBR)

Cotabato Light	Davao Light and Visayan Electric	SFELAPCO and Subic Enerzone
<p>A reset process should have been initiated 18 months prior to the start of the 3rd Regulatory Period. However, there has been a delay due to the issuance of an Issues Paper on the implementation of PBR. This paper aims to revisit various matters relating to the reset process.</p>	<p>In March 2013, VECO & DLP filed their rate translation application for the Fourth Regulatory Year from July 1, 2013 to June 30, 2014. VECO implemented the new rates in the July 2013 billings while Davao Light implemented their new rates in the August 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 scheduled starting January 2013 while SFELAPCO implemented its tariffs beginning April 2013. Consequently, the under-recoveries resulted from the lag were included in its rate filings in the third regulatory year, which is under ERC's review.</p>

Dividends

- On March 11, 2014, AP declared a dividend of P1.26 per share to all shareholders of record as of March 25, 2014, payable on April 22, 2014.
- On the same day, a special cash dividend of P0.40 per share was declared for all shareholders of record as of March 25, 2014, payable on April 22, 2014.
- On November 28, 2012, AP revised its dividend policy consisting of a dividend payout ratio of 50% of the previous year's consolidated net income. Previously, AP's dividend payout ratio was 1/3 of previous year's net earnings.

AboitizPower's Dividend History in Pesos

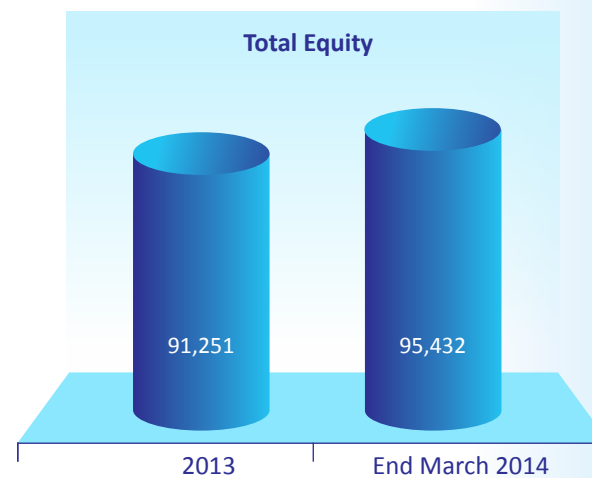
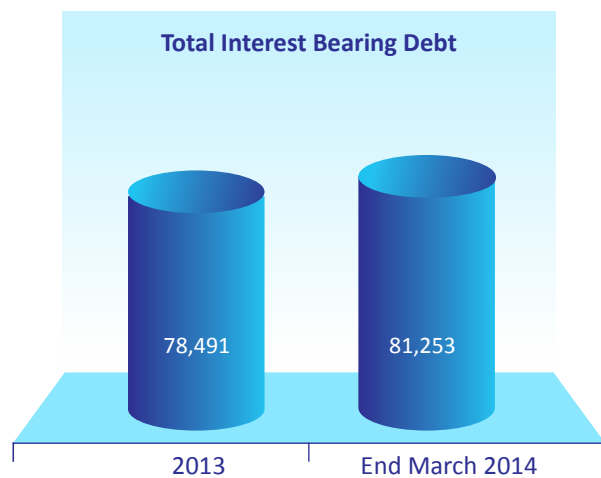
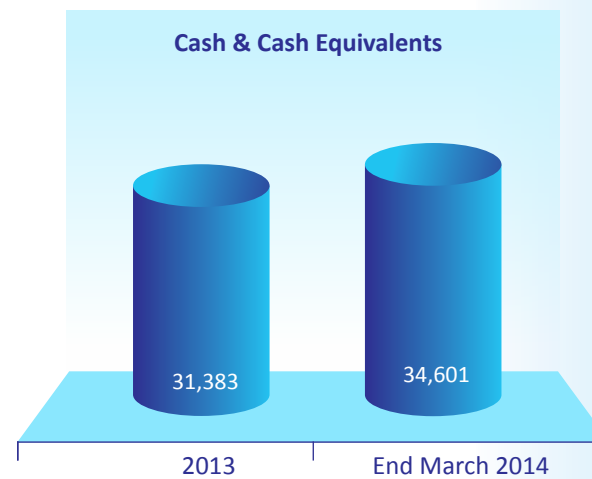
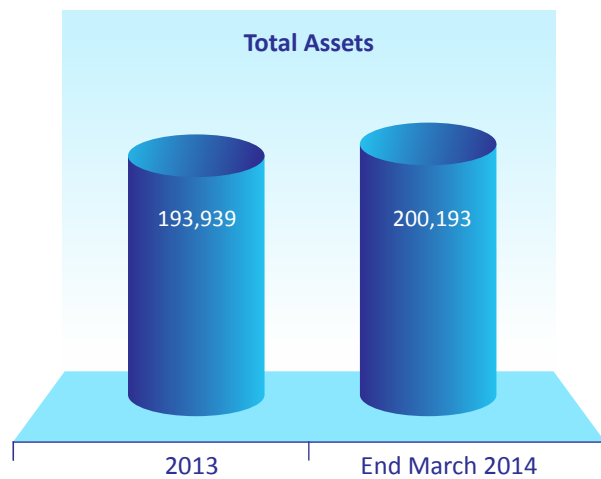


Note: Dividend yields are based on closing prices as of date of dividend declaration.

Financial Condition

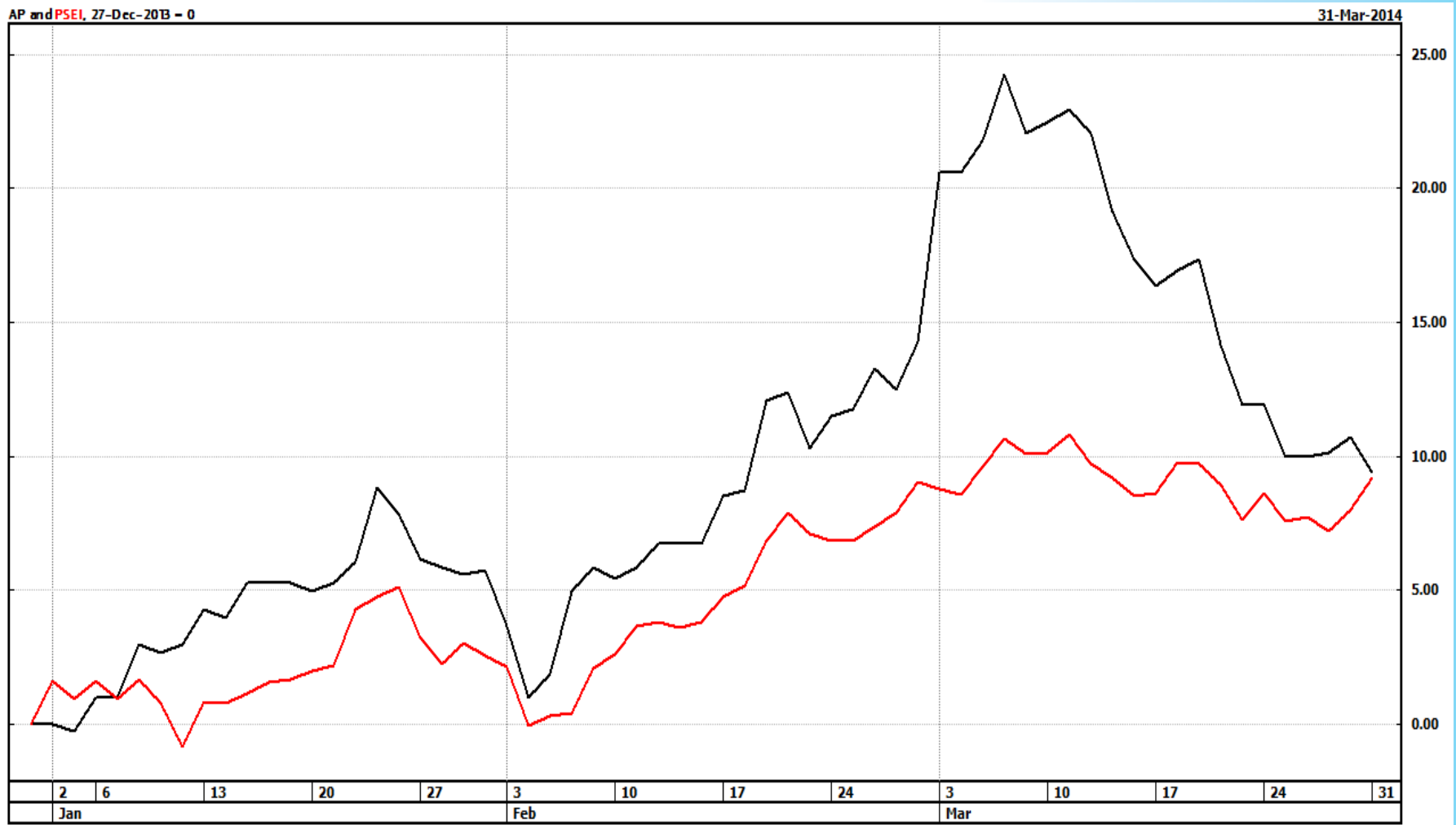
In P Million

Consolidated Figures



Share Price Performance

YTD March 2014



■ PSEi price PSEi +9%
■ AboitizPower price AboitizPower +9%