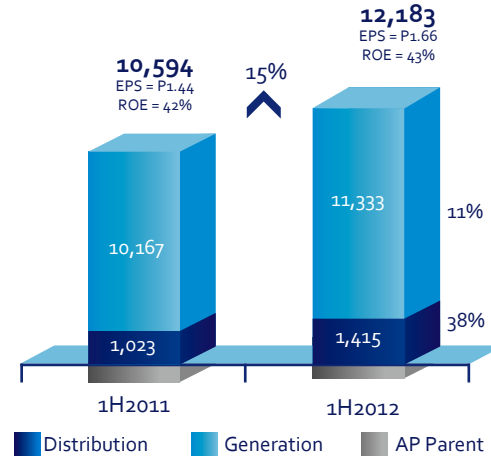


Net Income

In mn Pesos

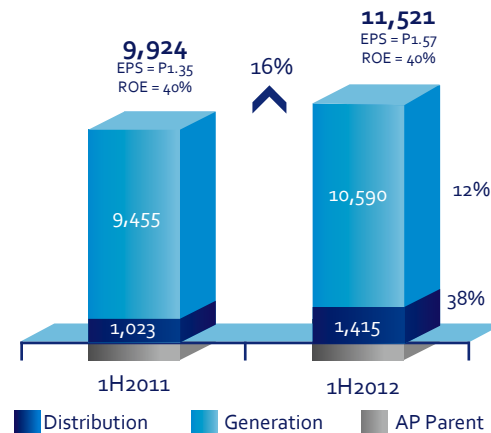


- Robust growth in power sales, coupled with higher average selling price, resulted to an 11% YoY expansion for the generation group's income contribution
 - Accounted for 89% of total earnings contributions from all business segments

- Surge in distribution group's earnings resulted from volume and margin expansions

Core Net Income

In mn Pesos



- Non-recurring gain for the period amounted to P662 mn, vis-à-vis last year's P670 mn

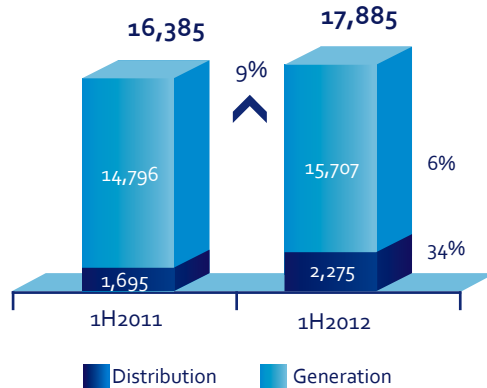
- 1H2012 one-offs include net FX gains resulting from the revaluation of consolidated dollar liabilities and placements, gains on share redemption made by associates, reimbursement of steam supplier's opex and debt prepayment cost at Parent level.
- 1H2011 one-offs include FX net gains resulting from the revaluation of consolidated dollar liabilities and placements, a subsidiary's topline adjustment involving 2010 revenues due to a favorable ruling on a Motion for Reconsideration filed with the industry regulator involving its tariff structure, and an associate company's recovered costs relating to its fuel importation

Non-Recurring Items (in mn Pesos)

	1H2011	1H2012
FX gain (loss) - Parent	(41)	(36)
FX gain (loss) - Generation	184	981
Therma Marine revenue adjustment	348	
STEAG cost reimbursement	179	
Gain on share redemption - Parent		14
Debt prepayment cost - Parent		(59)
APRI steam cost adjustment		(238)
	<u>670</u>	<u>662</u>

Beneficial EBITDA

In mn Pesos

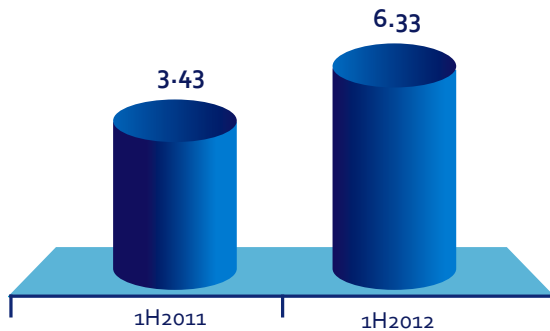


- Beneficial Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the summation of the proportionate share of AboitizPower in the EBITDA of its subsidiaries and associate companies

Result of Operations – Generation

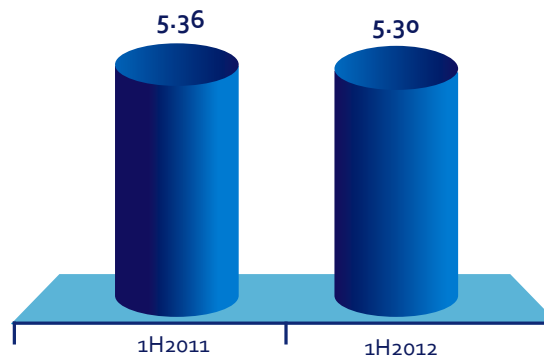
Average Selling Price for Spot Market Transactions

P/kWh



Average Selling Price for Contracted Capacity

P/kWh

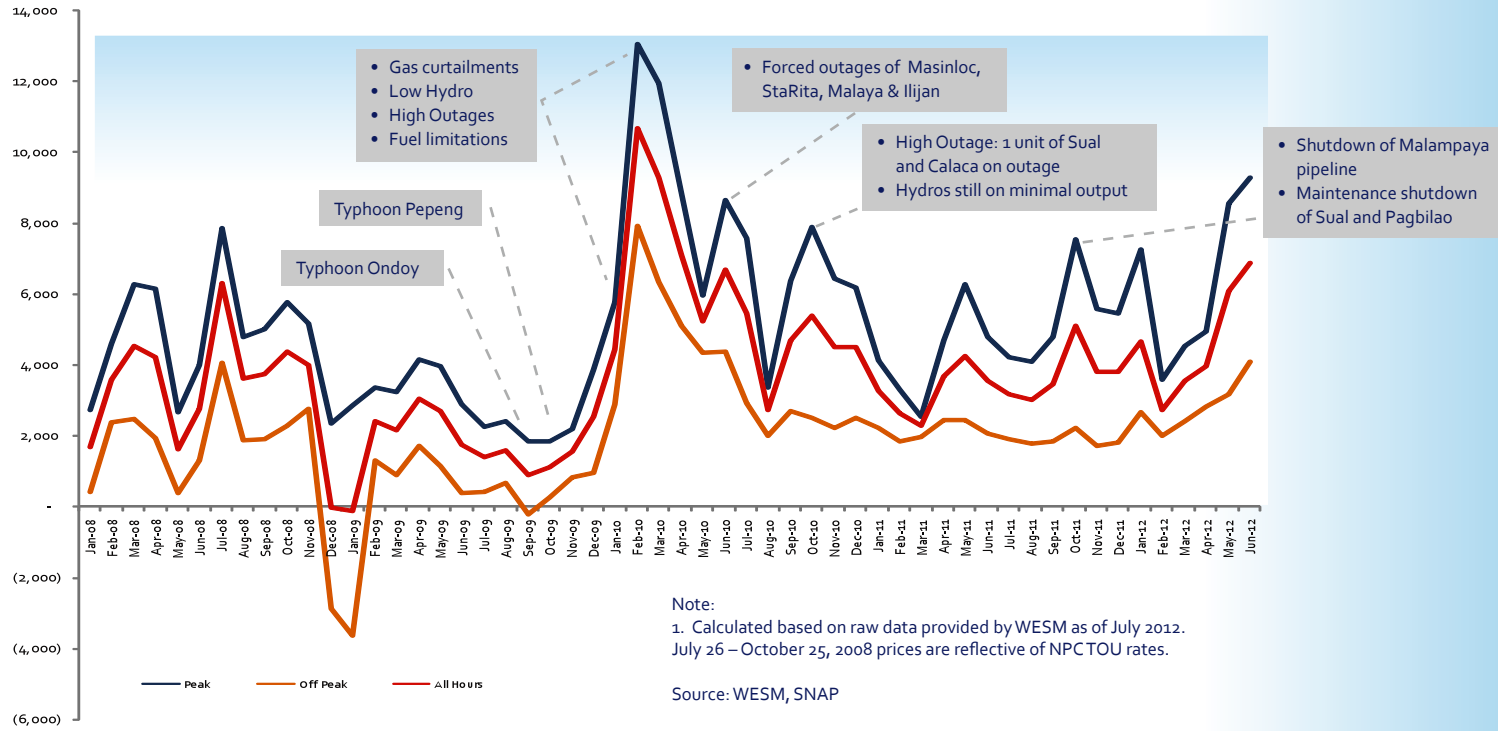


- Average selling price was up 7% YoY, from P5.08/kWh to P5.42/kWh, largely due to the 85% YoY rise in average selling price of electricity at the Wholesale Electricity Spot Market (WESM)
 - Supply conditions were tight given higher outage levels
 - Strong demand during the period with hotter climate as one of the factors leading to a 5% YoY growth in the Luzon Grid's peak demand

Result of Operations – Generation

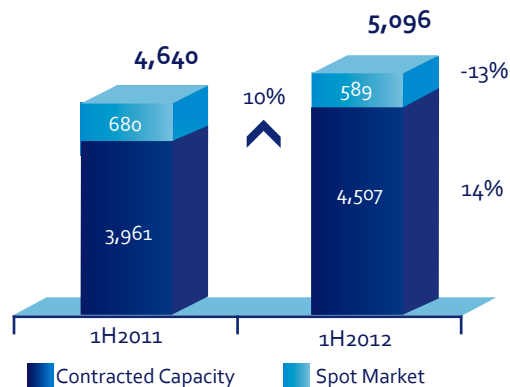
WESM Prices - Luzon Grid (P/MWh)

Monthly Time Weighted Average Prices



Energy Sales

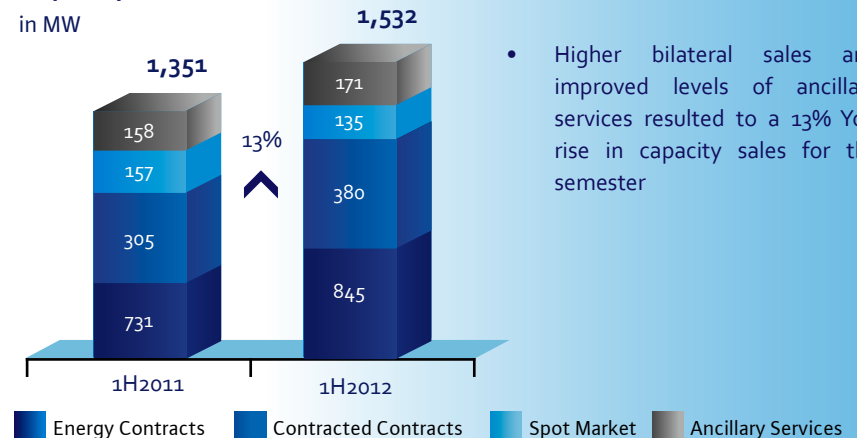
in GWh



- Luzon Grid recorded a 5% YoY expansion in its recorded peak demand, with the hotter climate as one of the factors pushing up demand level to almost 7,800 MW
- Bilaterals taking up more space in the sales portfolio. 14% YoY growth fueled the expansion in AboitizPower's total attributable net generation for the quarter

Capacity Sales

in MW

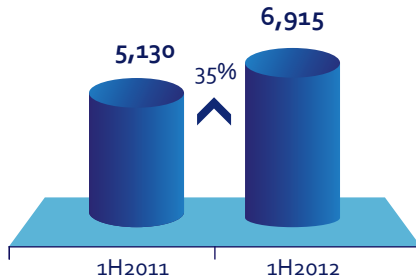


- Higher bilateral sales and improved levels of ancillary services resulted to a 13% YoY rise in capacity sales for the semester

Result of Operations – Generation

Ancillary Revenues

At 100%, in mn Pesos

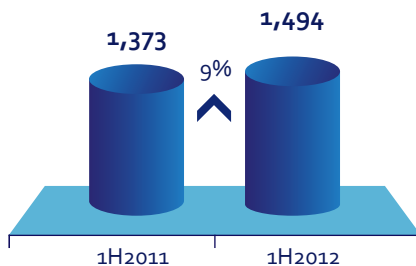


Ancillary services remain as a good revenue source

- Higher spot prices at the WESM, coupled with improved acceptance levels, resulted to robust growth in revenues from ancillary services
- Increased level of nominated capacities by Magat fueled the accepted capacity for ancillary services for the semester, countering decline in Binga's given ongoing rehabilitation works
- Storage capacities of both Magat and Binga hydro facilities were maximized to ensure capability of providing much needed back up power for the Luzon Grid
- Consequent to topline improvement resulting from ancillary services, the combined income contribution of these assets grew by 75% YoY

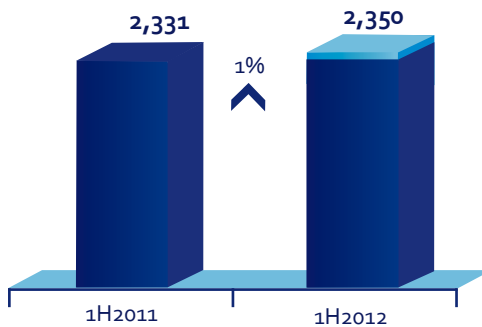
Accepted/Billed Capacity

At 100%, in GW/h



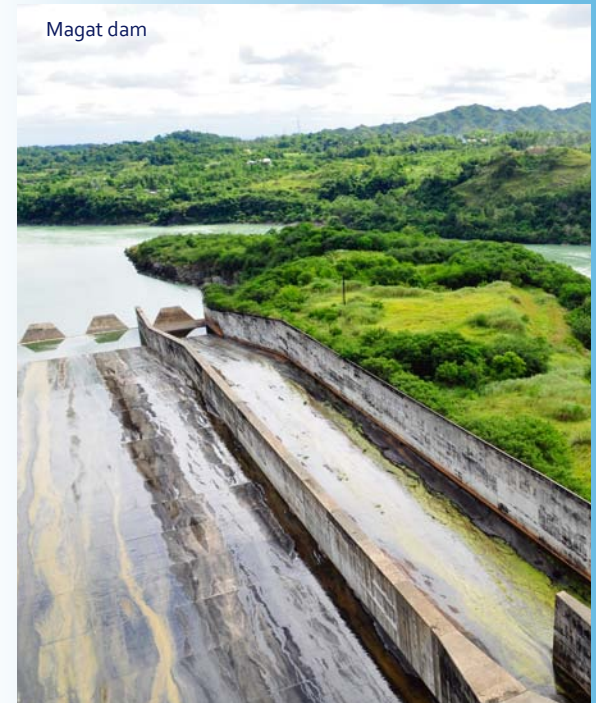
Attributable Capacity

in MW



Attributable capacity as of end-June 2012 slightly increased from 2,331 megawatts (MW) to 2,350 MW

- Completion of the Ambuklao (all 3 units) and Binga (1 of 4 units) rehabilitation programs
- Completion of the 4-MW Irisan hydro Greenfield project



Other Developments - Generation

Ongoing Brownfield Developments

- **Rehabilitation of Binga Hydro Power Plant**
 - Commenced in 2011, performing works on at least one unit per year
 - Completed first unit in December 2011, adding 5 MW to total capacity
 - Rehab works on the second unit are underway with target commercial operations by third quarter 2012. Works to commence on the third and fourth units thereafter
 - Completion of all four units will result to an enhanced generation capacity, reaching 120 MW
- **Rehabilitation of the Tiwi-Makban Geothermal Plants**
 - Several units are undergoing rehabilitation/refurbishment. Enhancements in the plants' availability rate are expected following the completion of the refurbishment, rehabilitation and resource improvements
 - Completion will be in stages, with Tiwi plants estimated to be finished by the third quarter of 2012, while Makban plants by first quarter of 2013
- **Rehabilitation of the Navotas Power Barges**
 - In May 2011, Therma Mobile, Inc., a wholly owned subsidiary of AboitizPower, acquired 242 MW four (4) barge-mounted floating power plants including their respective operating facilities
 - Upon turnover, rehabilitation works on existing facilities commenced with completion by the fourth quarter of 2011 for 123 MW and the balance estimated within 2012

effective stake at ~25%

- Involves the construction and operation of 2x300 MW coal-fired power plant in the Subic Bay Freeport Zone (the Subic Coal Project)
 - Commercial operation of the first unit of the Subic Coal Project is estimated to commence in 2Q2016, with the second unit to follow 4 to 6 months thereafter
- **300 MW Coal-fired Power Plant in Davao**
 - A project of wholly owned subsidiary, Therma South, Inc., which involves the construction and operation of 2x150 MW coal-fired power plant in Davao, the biggest load center in the island of Mindanao
 - Groundbreaking took place in June 2012. Completion of first generating unit is expected to be after 34 months, with the second unit to follow in 3 months
 - **13.2 MW Sabangan Hydro Power Plant Project**
 - A project of Hedcor Sabangan, Inc.
 - Involves the construction and operation of a run-of-river hydropower plant facility to be located in Mt. Province (Northern Luzon)
 - With environmental clearance. Engineering and design are underway
 - Target groundbreaking is by first quarter of 2013, with construction estimated to be completed after a 2-year period
 - **13.7 MW Tudaya 1 and 2 Hydro Power Plant Project**
 - Involves the construction and operation of run-of-river power plants to be located in the upper and downstream sections of the existing Sibulan hydropower plant, tapping the same water resource, which are the Sibulan and Baroring rivers
 - Combined capacity at 13.7 MW
 - With environmental clearance and endorsement by local communities
 - Target groundbreaking is by third quarter of 2012, with construction estimated to be completed in 22 months



Green/Brownfield Developments Moving Forward

- **600 MW Coal-fired Power Plant in Subic**
 - Project by Redondo Peninsula Energy, Inc., a JV with Meralco PowerGen Corporation and Taiwan Cogeneration International Corporation. AboitizPower's

Other Developments - Generation

Green/Brownfield Developments Moving Forward

- **11.5 MW Tamugan Hydro Power Plant Project**
 - In 2010, wholly owned subsidiary Hedcor Tamugan, Inc. (Hedcor Tamugan) 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 an 11.5-MW hydropower facility. Hedcor Tamugan is waiting for the Davao City council to approve the project. 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, AboitizPower 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
 - To be located within the premises of the existing 700 MW Pagbilao coal-fired plant
 - Terms and conditions of the JV still to be finalized
- **150 MW Coal-fired Power Plant in Misamis Oriental**
 - On June 28, 2010, AboitizPower 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 150 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

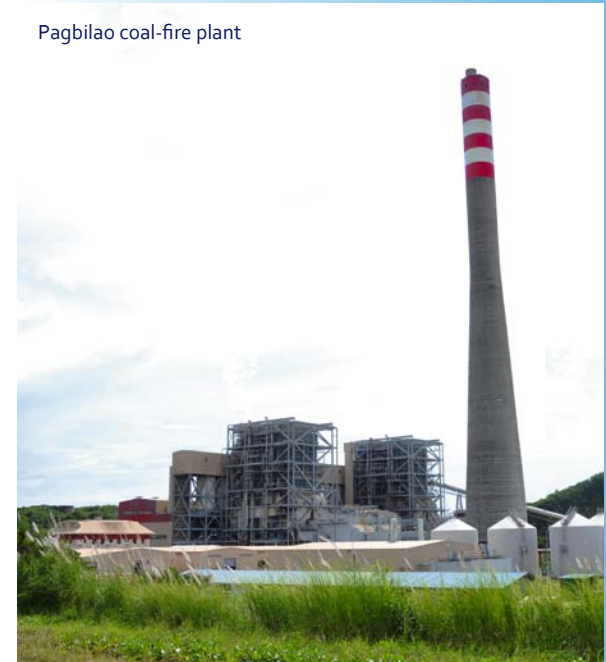
- **Other Hydro Power Plant Developments**

- 100%-owned subsidiary Hedcor, Inc. (Hedcor) is conducting feasibility studies for potential hydropower projects located in both Luzon and Mindanao. Based on current findings, Hedcor sees the potential of building 5 MW to 50 MW plants in the identified areas. The feasibility studies are expected to be completed in two years. Once permits are secured, another two years will be needed for the actual construction of the hydro facilities
- 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 facility 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. To date, more than 70% of the identified generation assets of NPC in the islands of Luzon and Visayas have been privatized
- 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 administrators

Pagbilao coal-fire plant

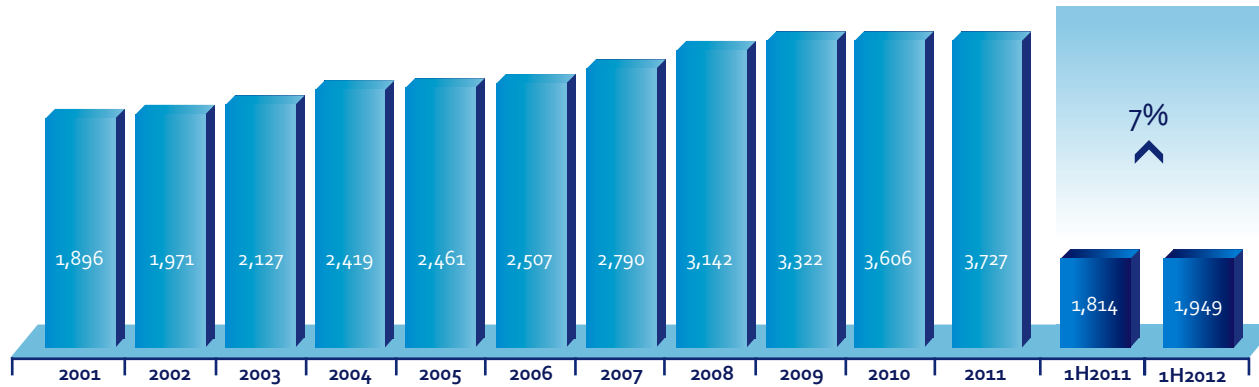


Sibulan hydroelectric power plant

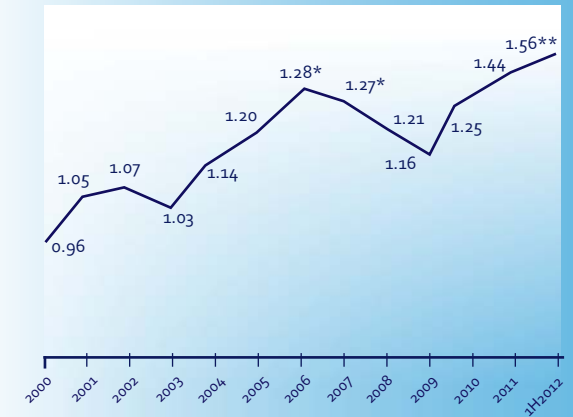


Result of Operations – Distribution

Attributable electricity sales
In GWh

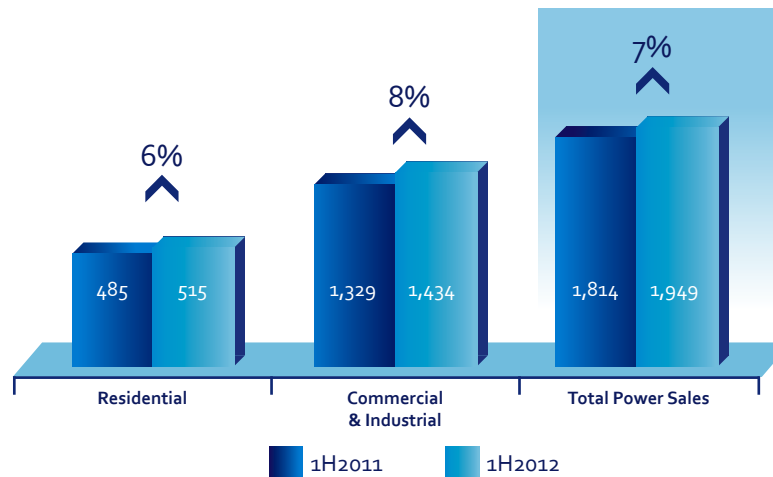


GROSS MARGIN
P/kWh



* Adjusted for timing of transmission charge recovery
** 12 month average

Electricity Sales, by Customer Type
In GWh

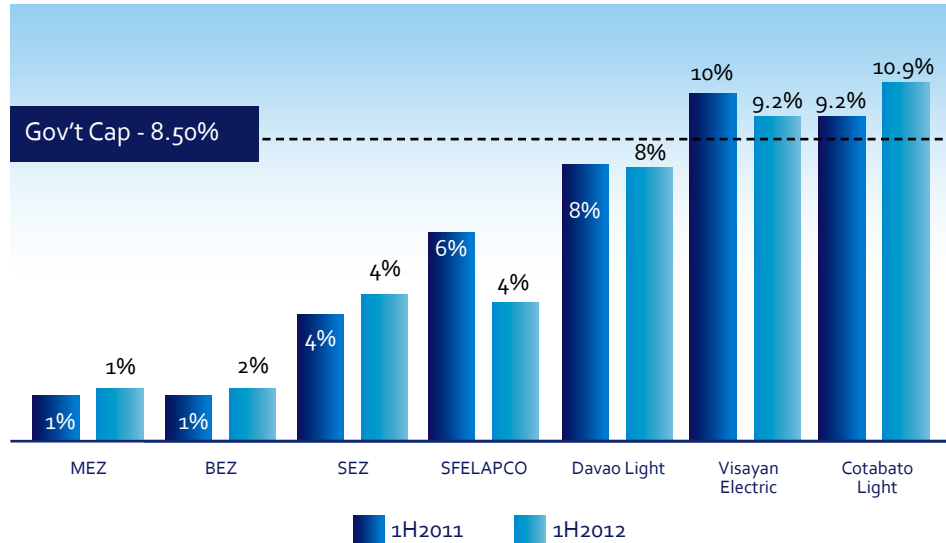


Growth led by the non-residential sector, particularly the industrials with YoY growth of 9%

- Implementation of the utilities' approved tariffs under the Performance Based Regulation (PBR) scheme led to an enhanced gross margin for the group
- Subic Enerzone and San Fernando Electric were the last distribution utilities of AboitizPower that shifted to PBR, which took place in October 2011. Implementation of approved rates commenced in January 2012 and March 2012 for Subic Enerzone and San Fernando Electric, respectively.

Result of Operations – Distribution

SYSTEMS LOSS



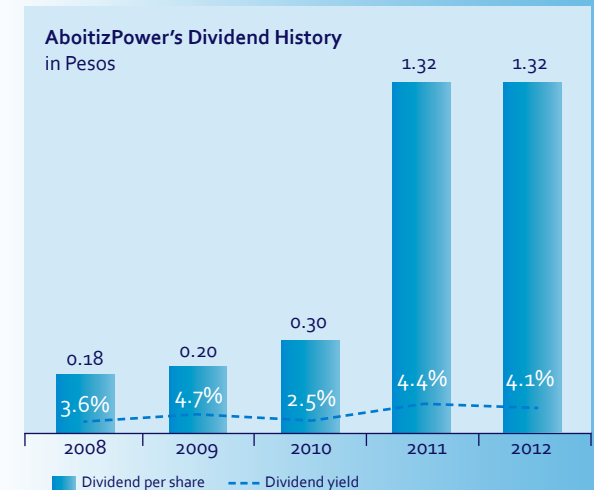
- Pilferage remains as the main cause of Cotabato Light's and Visayan Electric's high systems losses

Performance-Based Regulation (PBR)

Cotabato Light	Davao Light and Visayan Electric	SFELAPCO and Subic Enerzone
Entered its fourth regulatory year on April 1, 2012. Currently undergoing reset process in preparation for its second 4-year regulatory period.	Implemented PBR approved rate structures in August 2010. Currently in the second year of their 4-year regulatory period.	Entered 4-year regulatory period on October 1, 2011. Subic Enerzone implemented its approved rate structure in January 2012, while SFELAPCO in March 2012. All under-recoveries from October 2011 shall be recouped in the succeeding regulatory year.

Dividends

- Internal dividend policy is to payout 1/3 of previous year's net earnings
- On March 1, 2012, AboitizPower declared a dividend of P1.32 per share, which translated to more than 1/3 of 2011 net earnings
 - Paid out over P9.7 billion in dividends on April 3, 2012

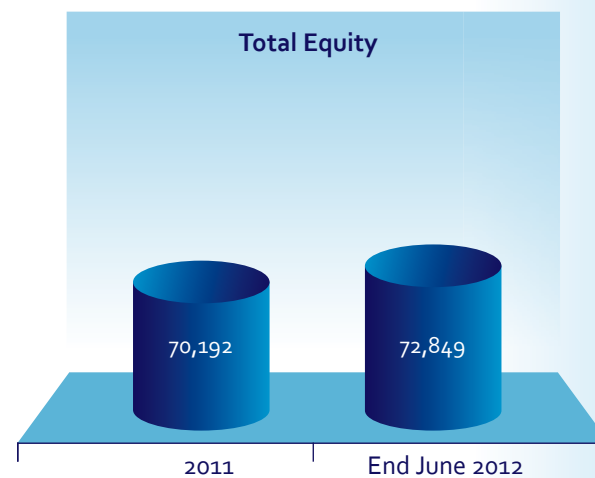
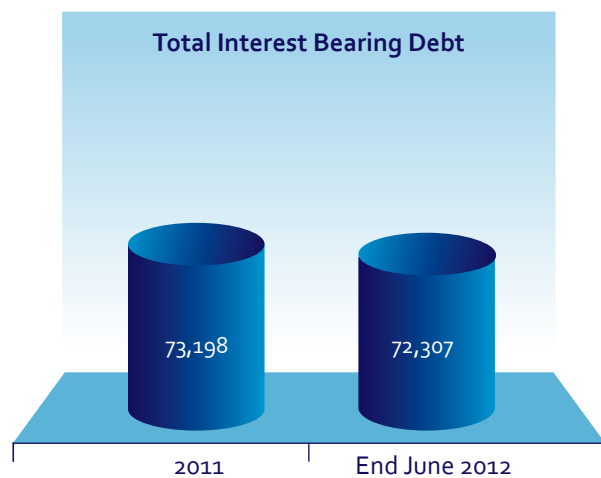
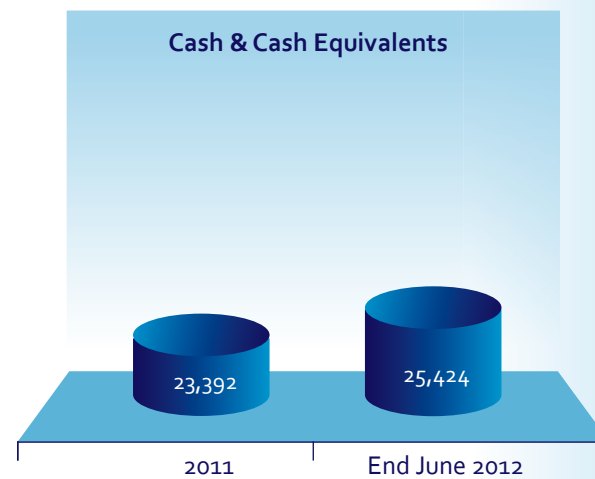
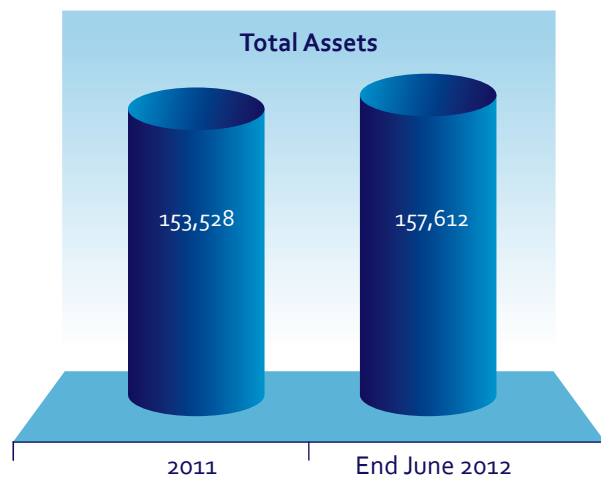


Note: Dividend yields are based on closing prices as of date of dividend declaration.

Financial Condition

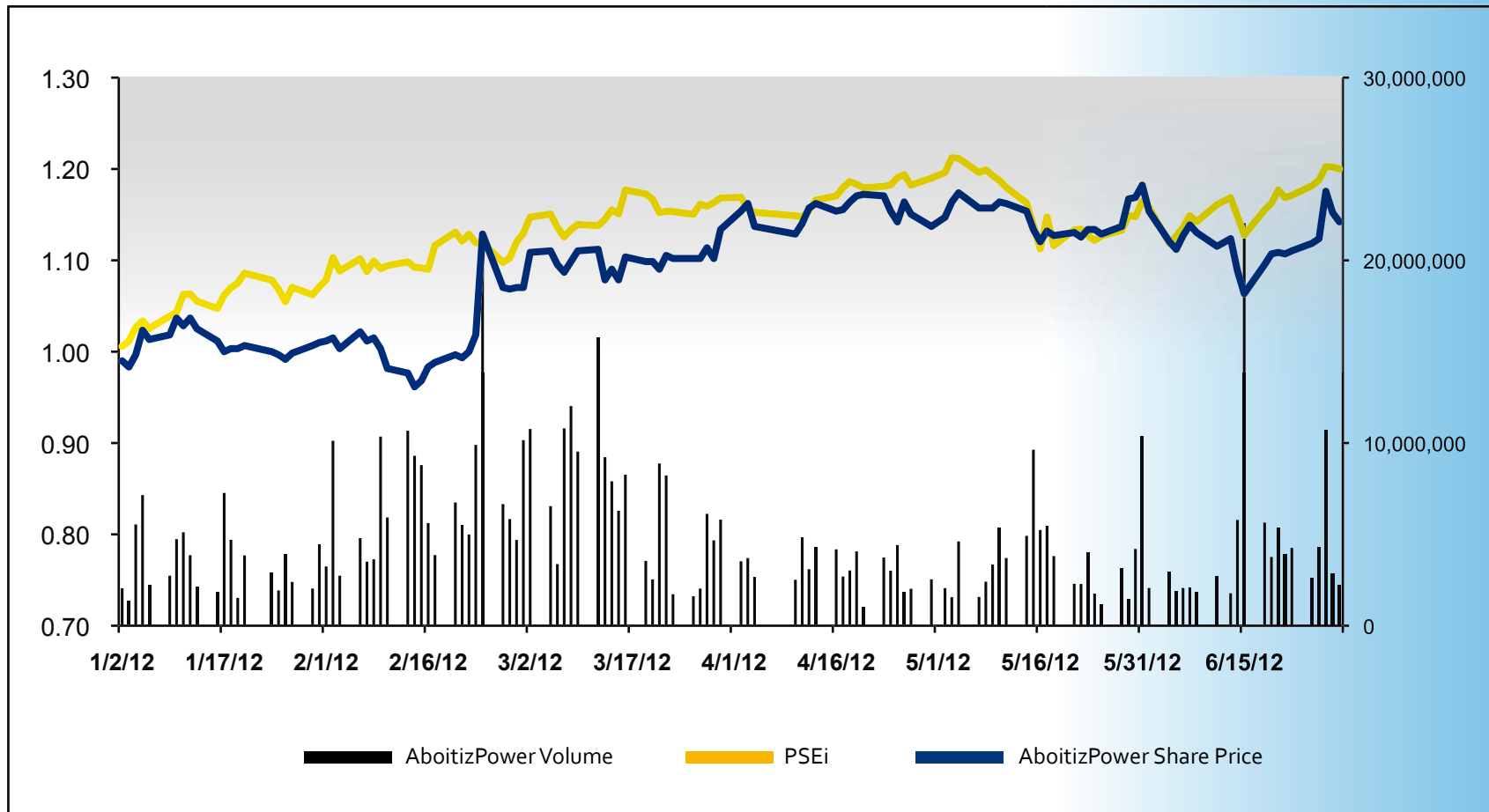
In mn Pesos

Consolidated Figures



Stock Price Performance

YTD June 2012



AP Growth 14%
PSE Growth 20%