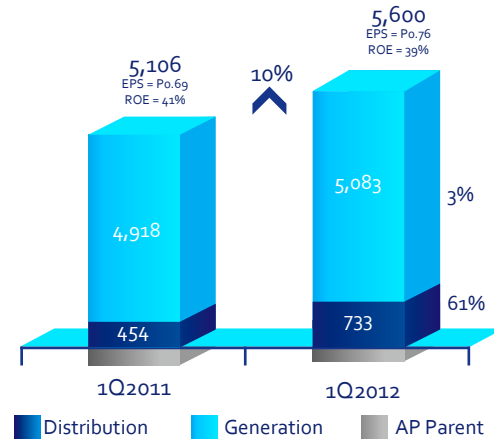


Outlook

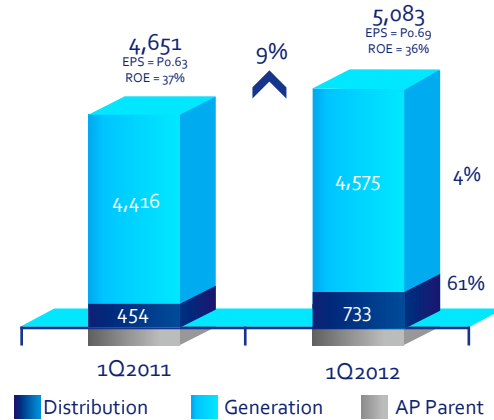
Net Income

In mn Pesos



Core Net Income

In mn Pesos



- Improved topline performance resulted to higher income contribution by the generation business

- Higher average selling price and net generation level for the quarter accounted for the 3% YoY increase in the group's income contribution
- Income share at 87% of total earnings contributions from the business segments

- Volume and margin expansion bolstered the distribution group's profit performance

- Non-recurring gain for the period amounted to P517 mn, vis-à-vis last year's P455 mn

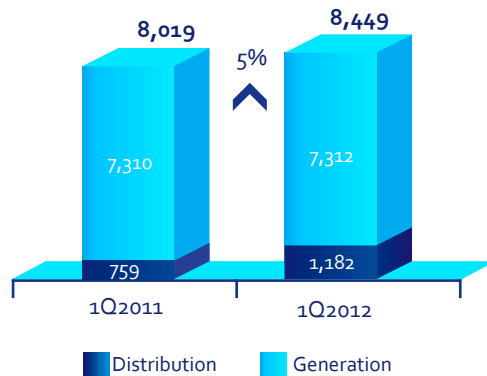
- 1Q2012 one-off's include net FX gains resulting from the revaluation of consolidated dollar loans and placements and booked gains arising from associates' share redemption
- 1Q2011 one-off's include net FX gains resulting from the revaluation of consolidated dollar loans and placements and a subsidiary's topline adjustment involving 2010 revenues due to a favorable ruling on a Motion for Reconsideration filed with the industry regulator involving its tariff structure.

Non-Recurring Items (in Pm)

	1Q2011	1Q2012
FX gain (loss) - Parent	(47)	(5)
FX gain (loss) - Generation	154	508
Therma Marine revenue adjustment	348	-
Gain on share redemption	-	14
	<u>455</u>	<u>517</u>

Beneficial EBITDA

In mn Pesos

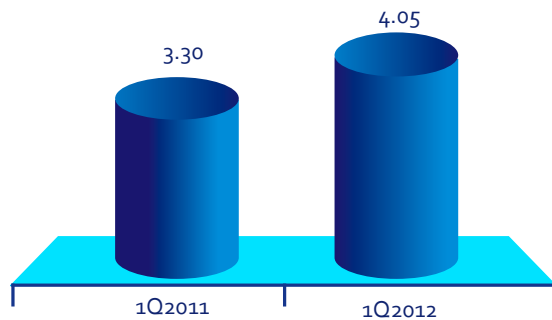


- Distribution business drove cash generation up during the quarter
- Beneficial Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the summation of the proportionate share of AP in the EBITDA of its subsidiaries and associate companies

Result of Operations – Generation

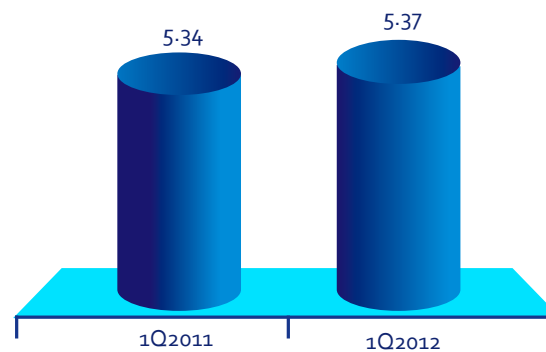
Average Selling Price for Spot Market Transactions

P/kWh



Average Selling Price for Contracted Capacity

P/kWh

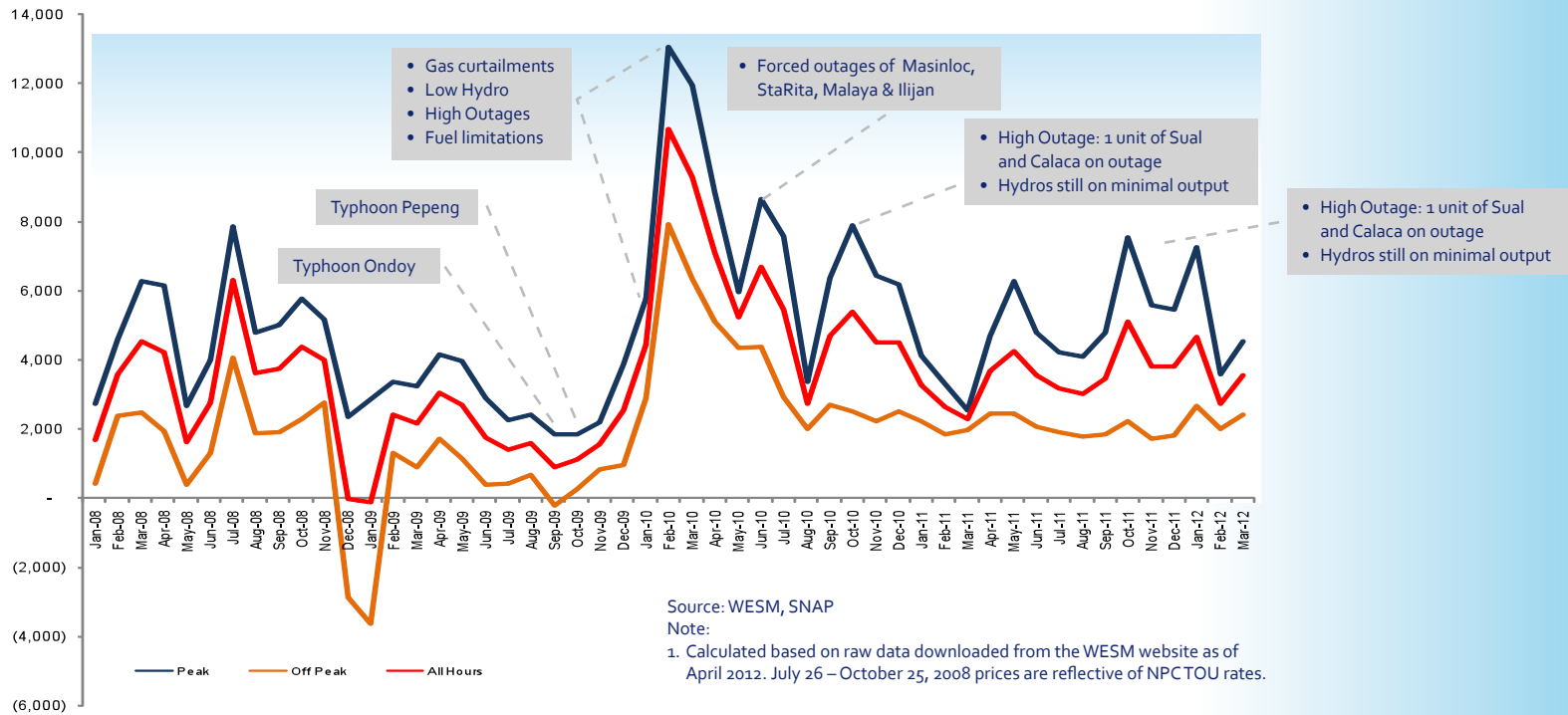


- Average selling price was up 5% YoY, from P5.00/kWh to P5.23/kWh
- Largely due to the 23% YoY rise in average selling price for transactions in the Wholesale Electricity Spot Market

Result of Operations – Generation

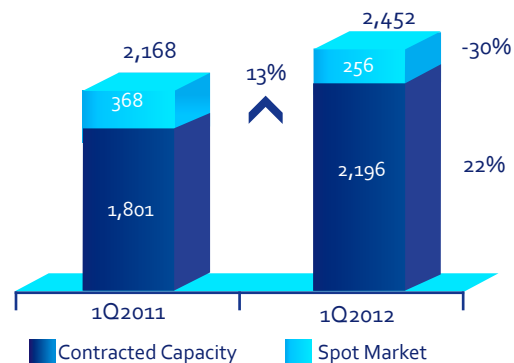
WESM Prices - Luzon Grid (P/MWh)

Monthly Time Weighted Average Prices



Energy Sales

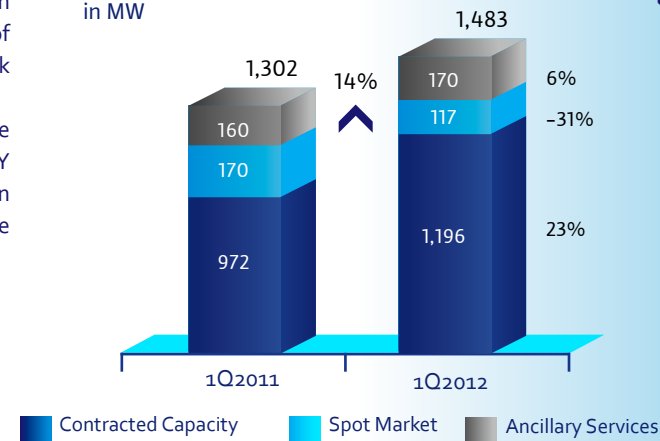
in GWh



- Hotter climate that prevailed in January-March 2012 was one of the reasons for demand to pick up during the first quarter
- Bilaterals taking up more space in the sales portfolio. 22% YoY growth fueled the expansion in AboitizPower's total attributable net generation for the quarter

Capacity Sales

in MW

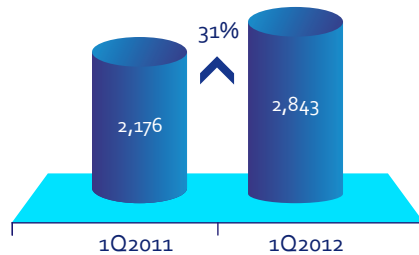


- Higher bilateral sales and improved levels of ancillary services resulted to a 14% YoY rise in capacity sales for the quarter

Result of Operations – Generation

Ancillary Revenues

At 100%, in mn Pesos

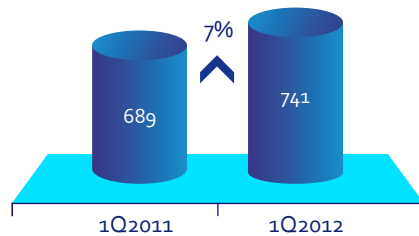


Ancillary services remain as a good revenue source

- Higher nominated capacities by Magat fueled the accepted capacity for ancillary services for the quarter
- 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 51% YoY

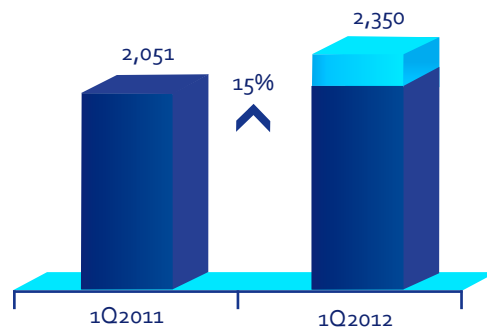
Accepted/Billed Capacity

At 100%, in GW/h



Attributable Capacity

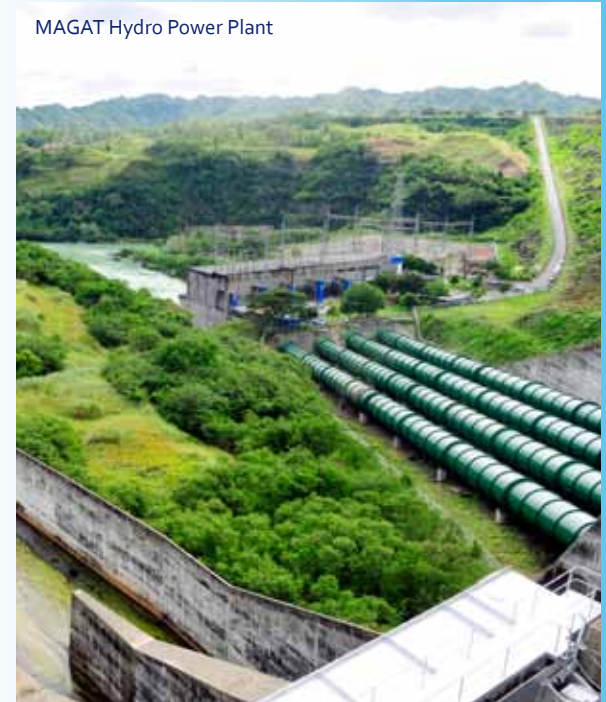
in MW



Attributable capacity as of end-1Q2012 was up 15% YoY to 2,350 MW

- Increased stake, from 50% to 100%, in the 70-MW Bakun hydro
- Acquisition of the 242-MW Navotas power barges
- Completion of: (1) the Ambuklao and Binga (1 unit) rehabilitation programs; and (2) the 4-MW Irian hydro Greenfield project

MAGAT Hydro Power Plant



Spill way of Bakun AC



Other Developments - Generation

Ongoing Brownfield Developments

- **Rehabilitation of Binga hydro**
 - Commenced in 2011, performing works on at least one unit per year.
 - Completed first unit in December 2011, adding 5 MW to total capacity
 - Currently working on the second unit 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
- **Tiwi-Makban rehabilitation project**
 - 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 AP, 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
- **300 MW Coal-fired Power Plant in Davao**
 - Involves the construction and operation of a 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 2H2015, with the second unit to follow 6 months thereafter
- **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 fourth quarter of 2012, 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. Awaiting water permits and finalization of RE contract.
 - Target groundbreaking is by second quarter of 2012, with construction estimated to be completed in 22 months



Ambuklao Dam



Navotas barge

Green/Brownfield Developments Moving Forward

- **600 MW Coal-fired Power Plant in Subic**
 - Project by Redondo Peninsula Energy, Inc. (RP Energy), a JV with Meralco PowerGen Corporation and Taiwan Cogeneration International Corporation (TCIC). AP's effective stake at ~25%

Other Developments - Generation

Green/Brownfield Developments Moving Forward

- **11.5 MW 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 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, 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
 - 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, 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 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

- The Company 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.
- 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.

Pagbilao coal-fire plant

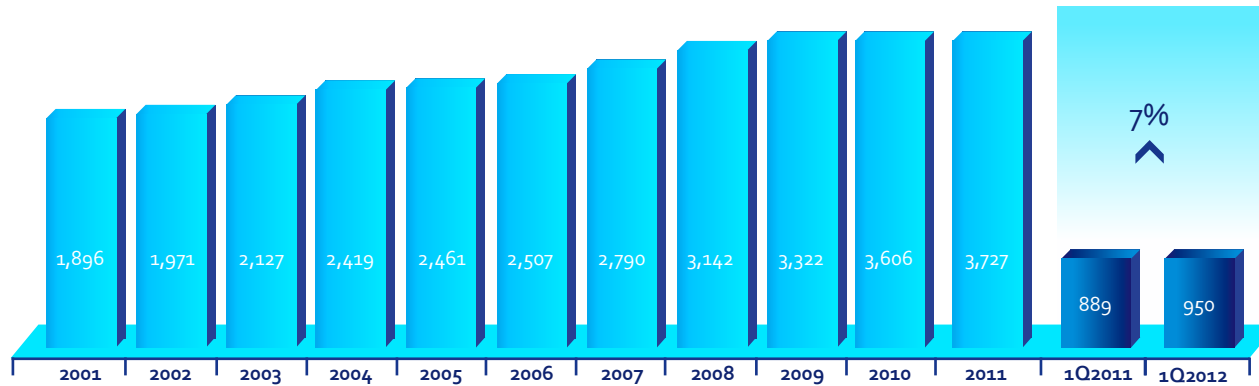


STEAG



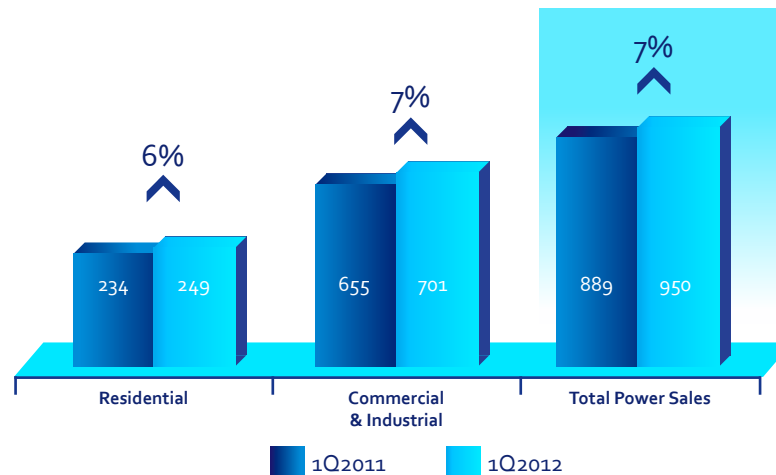
Result of Operations – Distribution

Attributable electricity sales
In GWh



- 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.

Electricity Sales, by Customer Type
In GWh



Growth led by the non-residential sector, particularly the industrials with YoY growth of 8%

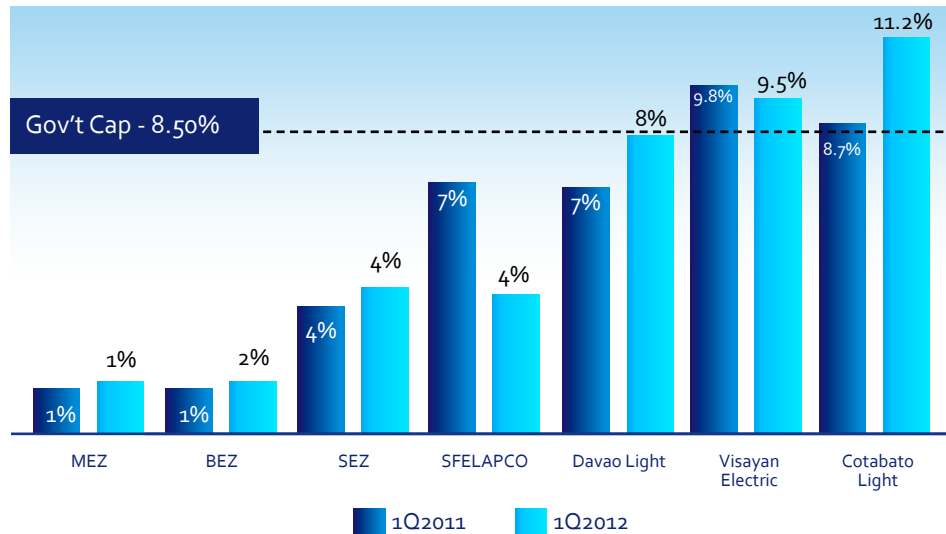
GROSS MARGIN
P/kWh



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

Result of Operations – Distribution

SYSTEMS LOSS



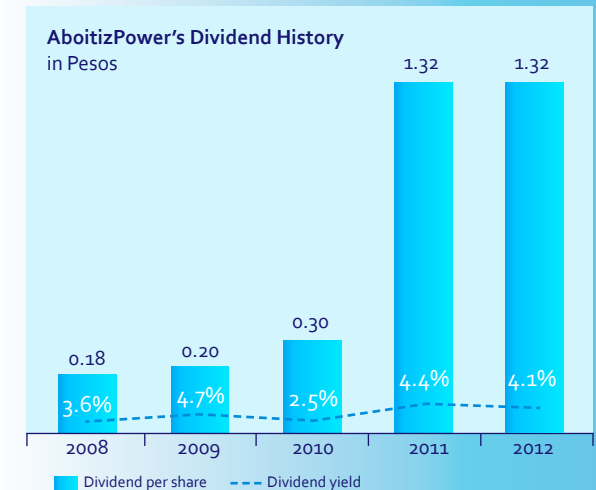
- Pilferage remains as the main cause of Cotabato Light's and Visayan Electric's high systems losses

Performance-Based Regulation

Cotabato Light	Davao Light and Visayan Electric	SFELAPCO and Subic EnerZone
Entered its fourth regulatory year on April 1, 2012.	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

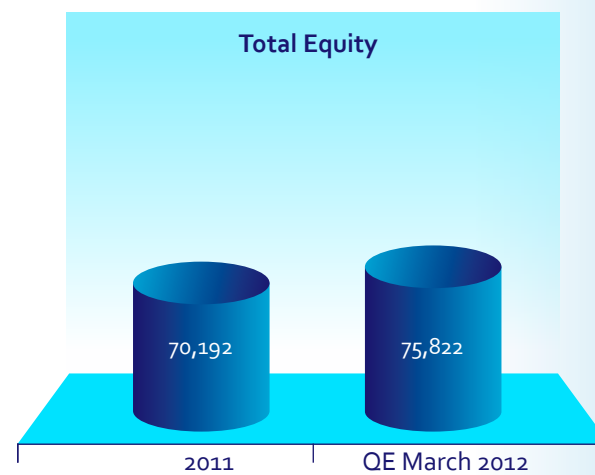
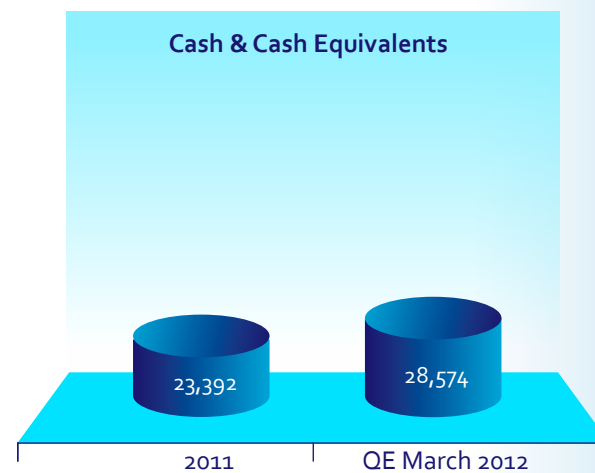
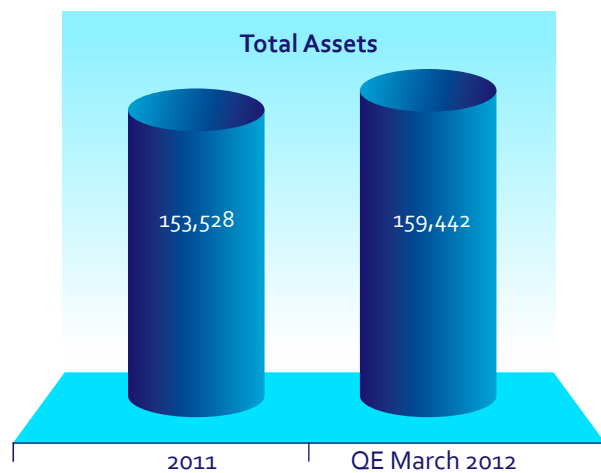
- Internal dividend policy is to payout 1/3 of previous year's net earnings
- On March 1, 2012, AP declared a dividend of P1.32 per share, which translated to more than 1/3 of 2011 net earnings
 - Paid out over P9.7 billion in dividends on April 3, 2012



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

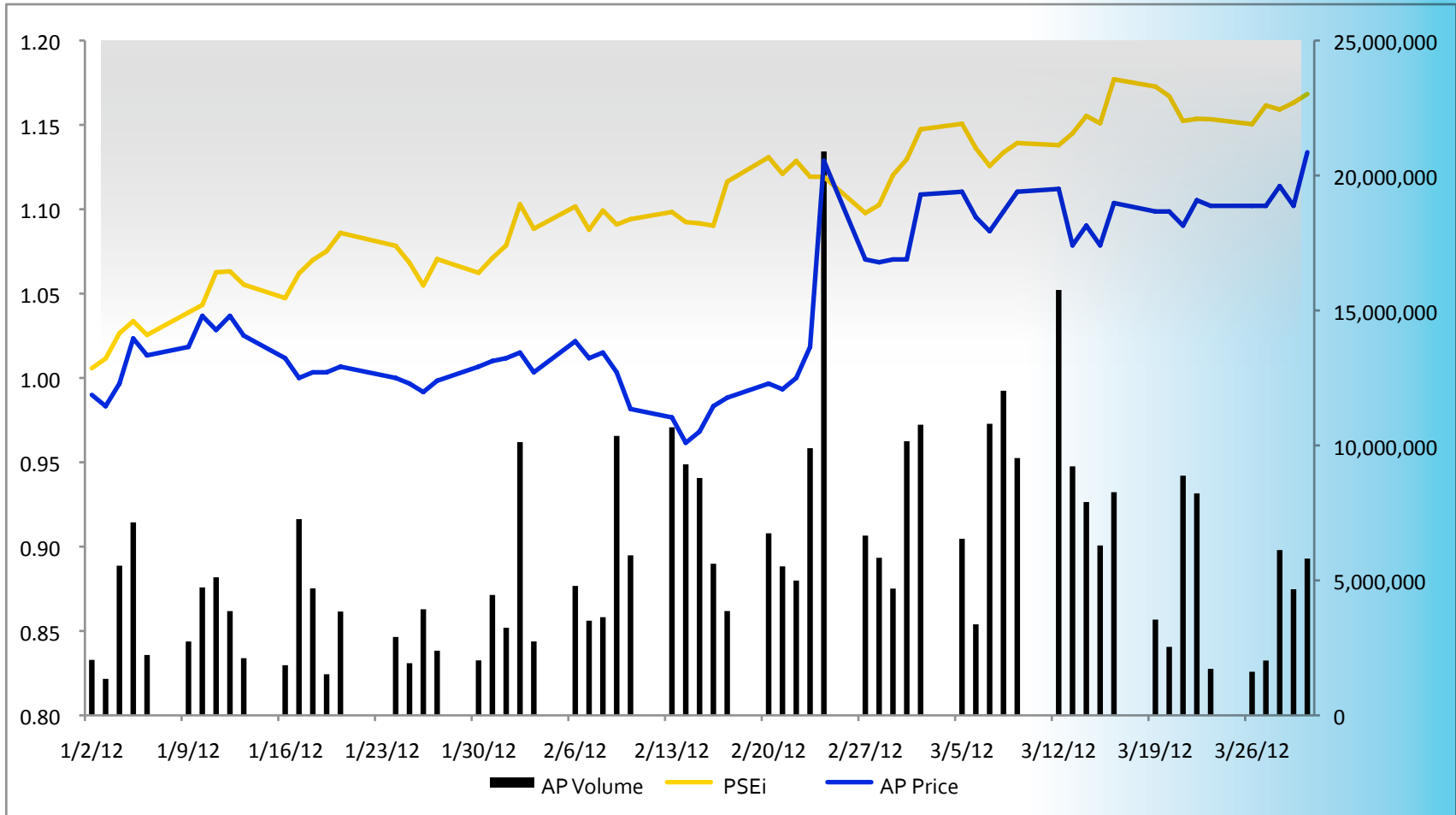
Financial Condition

Consolidated Figures, In mn Pesos



Stock Price Performance

YTD March 2012



AP Growth 13%
PSE Growth 17%