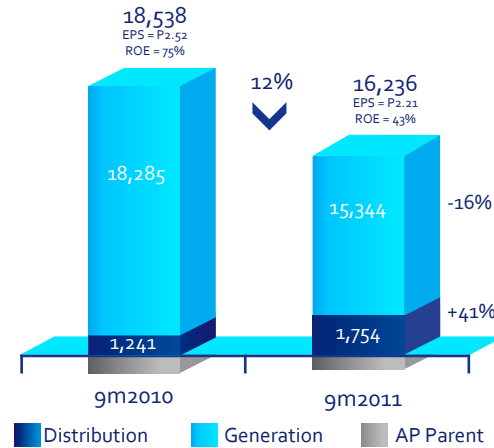


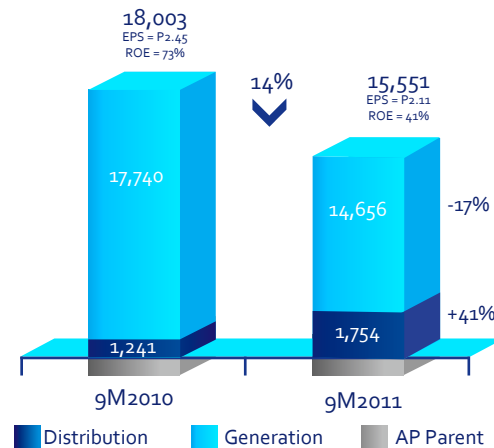
## Net Income

In mn Pesos



## Core Net Income

In mn Pesos



- Lower income contribution of the generation group mainly accounted for the decline in AboitizPower's YTD September 2011 earnings

- The group recorded a 16% YoY reduction in income contribution as the overall average selling price declined, coupled with the reduced net generation for the period and a margin squeeze in one of AboitizPower's subsidiaries due to increase in fuel cost.
- Income share at 90% of total earnings contributions from the business segments

- Strong showing of the distribution business was due to margin enhancements and increased electricity sales for the period

- Non-recurring gain for the period amounted to P685 mn, vis-à-vis last year's P536 mn

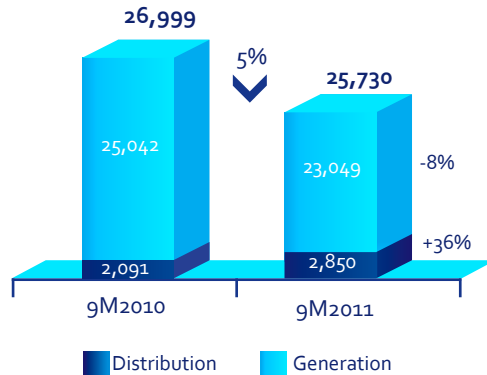
- YTD September 2011 one-off's include net FX losses resulting from the revaluation of consolidated dollar loans and placements, a subsidiary's topline adjustment involving 2010 revenues due to a favorable ruling by the industry regulator involving its tariff structure for its ancillary services contract, an associate company's recovered costs relating to its fuel importation and a subsidiary's cost reversal relating to its IPPA contract
- One-off's in 2010 include net FX gains, which were due to the revaluation of consolidated dollar loans and placements, and an associate company's refinancing cost

### Non-Recurring Items (in mn Pesos)

	gM2010	gM2011
FX gain (loss) - Parent	(9)	(3)
FX gain (loss) - Generation	943	(34)
STEAG Refinancing Cost	(398)	-
Therma Marine Revenue Adjustment	-	348
STEAG Cost Reimbursement	-	179
Therma Luzon Cost Reversal	-	194
	<u>536</u>	<u>685</u>

## Beneficial EBITDA

In mn Pesos

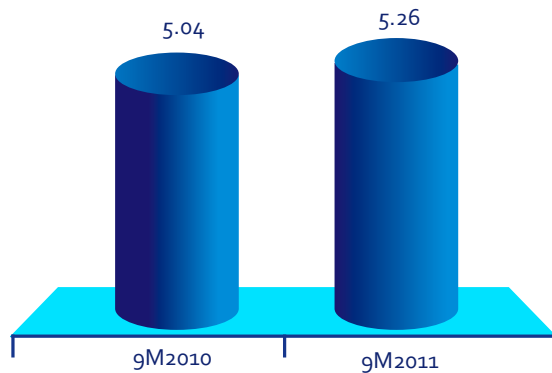


- Decline was mainly accounted for by the weaker results of the generation group
- Beneficial Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the summation of the proportionate share of AboitizPower in the EBITDA of its subsidiaries and associate companies

## Result of Operations – Generation

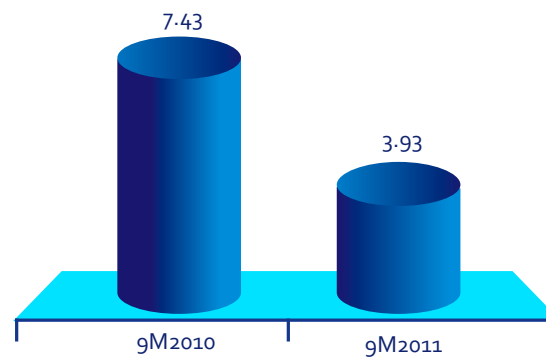
### Average Selling Price for Contracted Capacity

P/kWh



### Average Selling Price for Spot Market Transactions

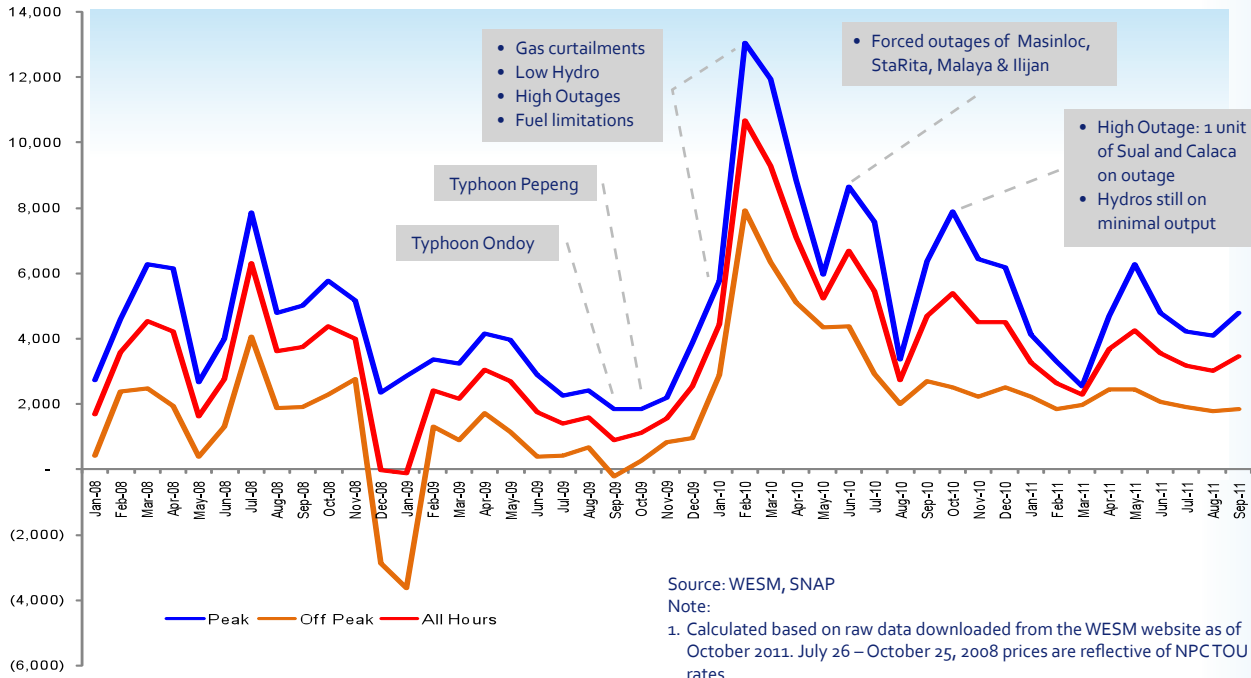
P/kWh



- Average selling price was down by 10% YoY, from P5.62/kWh to P5.03/kWh, largely due to the softening of the spot market prices
- AboitizPower recorded a 47% YoY decline in its average selling price for its transactions in the Wholesale Electricity Spot Market. This was on the back of a flat growth in demand for the period in review, coupled with the improved supply with YoY improvements in outage levels for Luzon-based plants.

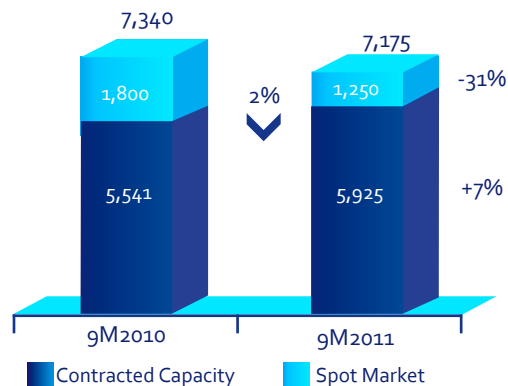
## Result of Operations – Generation

**WESM Prices - Luzon Grid (P/MWh)**  
Monthly Time Weighted Average Prices



### Attributable Power Sales

in GWh

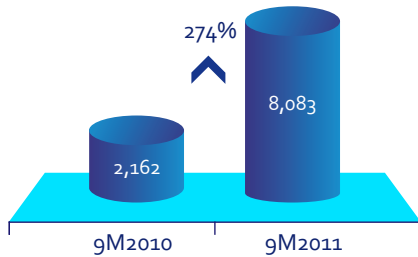


- Reduced transactions in the spot market, brought about by low prices resulted to a 2% contraction in total power sales for the period
- Increased contracted capacity tempered adverse impact to bottomline performance

## Result of Operations – Generation

### Ancillary Revenues

At 100%, in mn Pesos

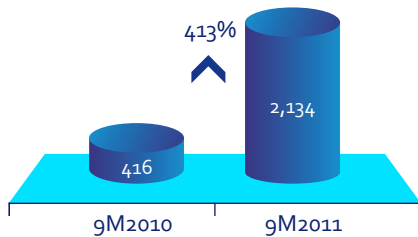


Boost from revenues generated by merchant hydro assets providing ancillary services

- Volume expansion of 413% YoY due to higher acceptance of both Magat's and Binga's nominated capacity (note: Binga's contract with NGCP only took effect in 3Q2010)
- Improved water levels of both Magat and Binga, versus 2010, enhanced capability of providing ancillary services

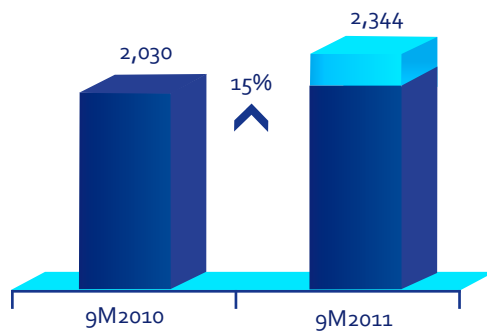
### Accepted/Billed Capacity

At 100%, in GW/h



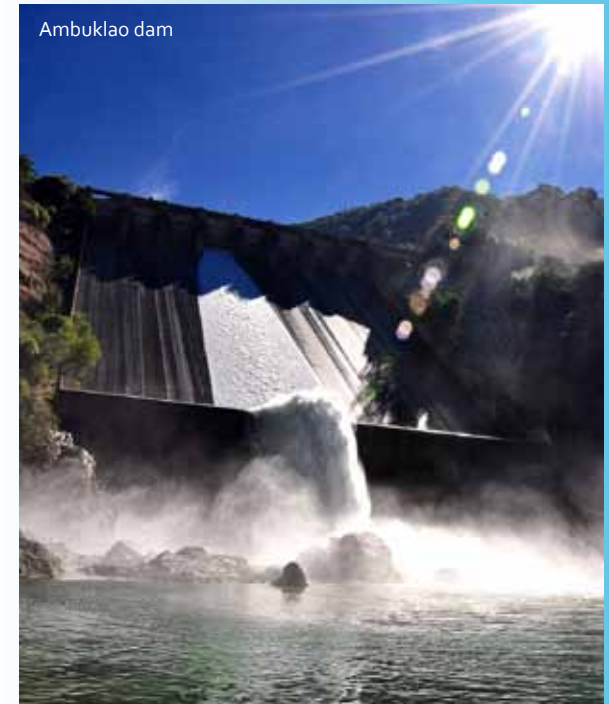
### Attributable Capacity

in MW



Attributable capacity as of end-September 2011 was up 15% YoY to 2,344 MW

- Completion of the third 82MW unit of 26%-owned Cebu Energy Development Corporation's 246 MW coal-fired power plant in Cebu
- Assumption of full ownership and control of Luzon Hydro (resulted to additional attributable capacity of 35 MW)
- Acquisition of the 242 MW Navotas power barges
- Completion of the rehabilitation of the Ambuklao hydropower facility (additional attributable capacity of 15 MW)



Ambuklao dam



Spill way of Bakun AC

## Other Developments - Generation

### Brownfield Developments

- **Rehabilitation of Binga hydro**
  - Commenced in 2011, performing works on one unit per year. Completion of all four units is expected by 2014, which should enhance generating capacity by 20%, to 120 MW.
- **Tiwi-Makban rehabilitation project**
  - Several units are undergoing rehabilitation/refurbishment. Once completed, generation capacity and plant availability are expected to improve. The Tiwi-Makban geothermal power plants reached a combined peak generation capacity of 467 MW. After rehab, combined with improvements in the steam field and fluid gathering systems, the successful completion of reservoir enhancements and the re-commissioning of heat recovery plants, AboitizPower reckons that generation capacity could increase to ~480 MW in 2012
- **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 estimated by the fourth quarter of 2011 for 123 MW and the first semester of 2012 for 119 MW.
- **300 MW Coal-fired Power Plant in Davao**
  - A 2x150MW coal-fired power plant in Davao, which is the biggest load center in the island of Mindanao.
  - Exercised option to purchase the project site in August 2011
  - Obtained Environmental Compliance Certificate (ECC) in September 2011
  - Once other permits and approvals are obtained, in addition to the ECC, construction will commence with completion 36 months after
- **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
- **600 MW Coal-fired Power Plant in Subic**
  - Project by Redondo Peninsula Energy, Inc. (RP Energy), a JV started by AboitizPower and Taiwan Cogeneration International Corporation (TCIC)
  - Involves 2x300 MW coal-fired power plant in the Subic Bay Freeport Zone (the Subic Coal Project)
  - In June 2011, Meralco PowerGen Corporation (MPGC) announced its decision to acquire an ownership interest in the project. In July 2011, a shareholders' agreement was entered into where MPGC took a controlling interest in RP Energy, while AboitizPower and TCIC to own remaining stake equally
  - Commercial operation of the first unit of the Subic Coal Project is estimated to commence in 1Q2015, with the second unit to follow 4-6 months thereafter



Ambuklao turbines

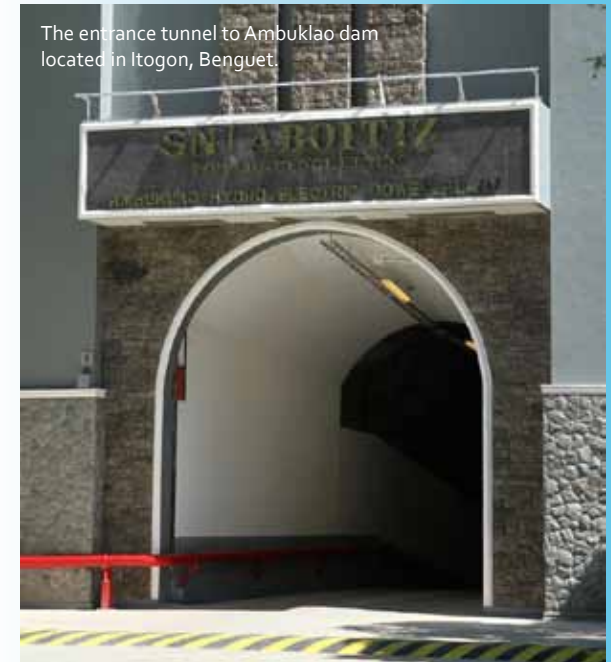


Navotas barge

## Other Developments - Generation

### Greenfield Developments Moving Forward

- **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.
- **11.5 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 (DCWD) 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 City council to approve the project. Once approval and permits are secured, the two-year construction period will commence.
- **13.6 MW Tudaya 1 and 2 Hydro Power Plant Project**
  - Involves construction of run-of-river power plants to be located in the upper and downstream sections of the existing Sibulan hydropower plants, tapping the same water resource, which are the Sibulan and Baroring rivers.
  - Combined capacity at 13.6 MW
  - Issued an ECC and with local communities' endorsement
  - Pending issuance of water permit and finalization of RE contract, target groundbreaking is by fourth quarter of 2011, with construction estimated to be completed in 20 months.
- **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 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.

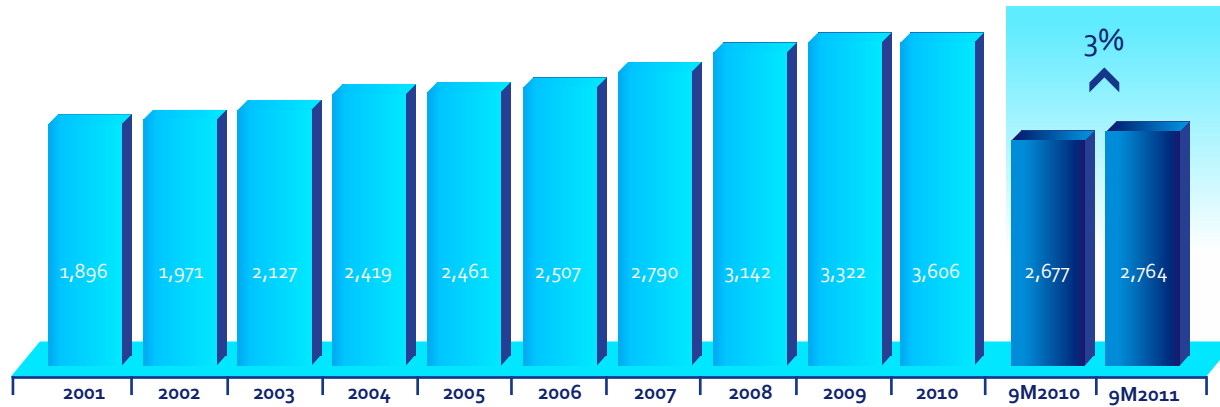


### Participation in the Government's Privatization Program for its Power Assets

- 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.
- 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.

## Result of Operations – Distribution

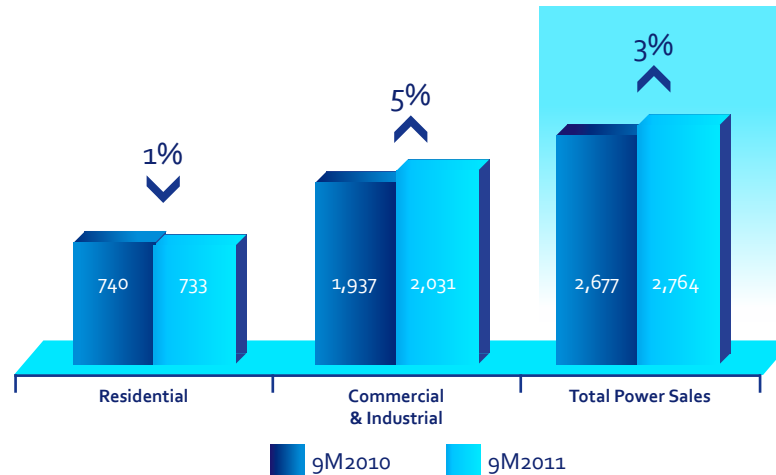
Attributable electricity sales  
In GWh



Implementation of the approved rate structures under the Performance Based Regulation tariff setting scheme by AboitizPower's distribution utilities, i.e. Cotabato Light (in its 3rd year), Davao Light and Visayan Electric (both in their 2nd year), coupled with reduced operating expenses of Davao Light, resulted to margin improvement for the period

- Davao Light's operating expenses declined YoY as operation of its back-up power plant was not required during the period given the improved power supply situation in Mindanao

Electricity Sales, by Customer Type  
In GWh



Growth led by the non-residential sector, particularly the industrials with YoY growth of 6%

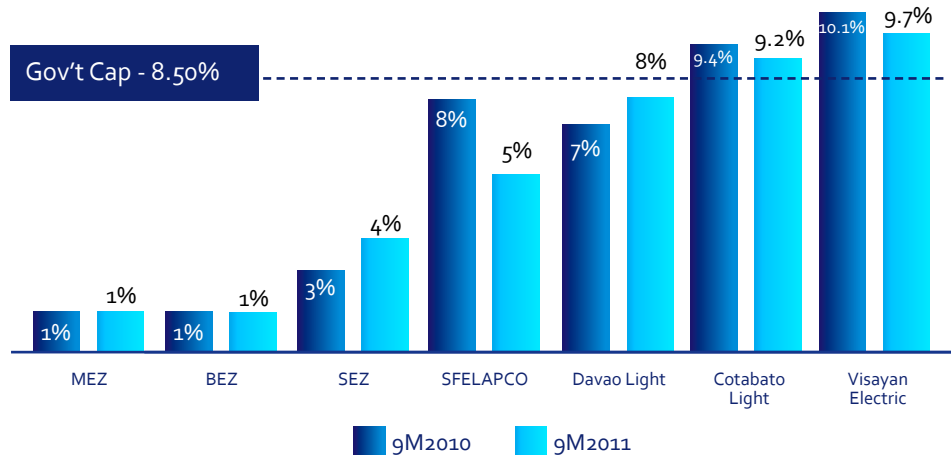
GROSS MARGIN  
P/kWh



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

## Result of Operations – Distribution

### SYSTEMS LOSS

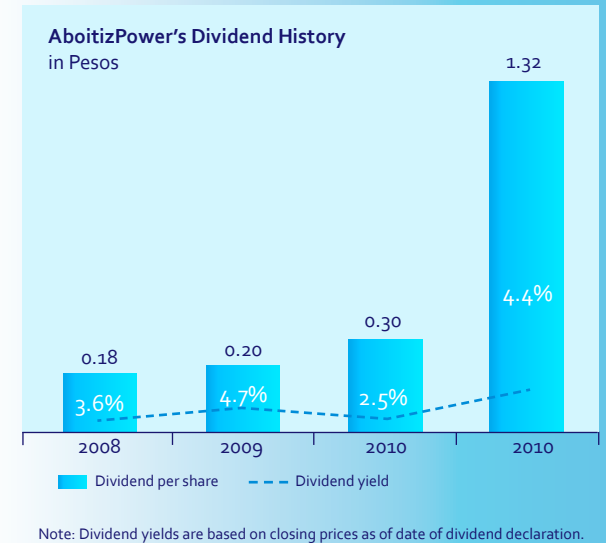


- Pilferage remains as the main cause of Cotabato Light's and Visayan Electric's high systems losses, albeit at improved levels versus last year given management initiatives implemented to address the problem

Performance-Based Regulation		
<p><b>Cotabato Light</b></p> <p>Entered its third regulatory year on April 1, 2011.</p>	<p><b>Davao Light and Visayan Electric</b></p> <p>Shifted to PBR in August 2010. Currently in their second regulatory year, with implementation of approved rate structure in August 2011.</p>	<p><b>SFELAPCO and Subic EnerZone</b></p> <p>Expected to enter their 4-year regulatory period by October 1, 2011.</p>

### Dividends

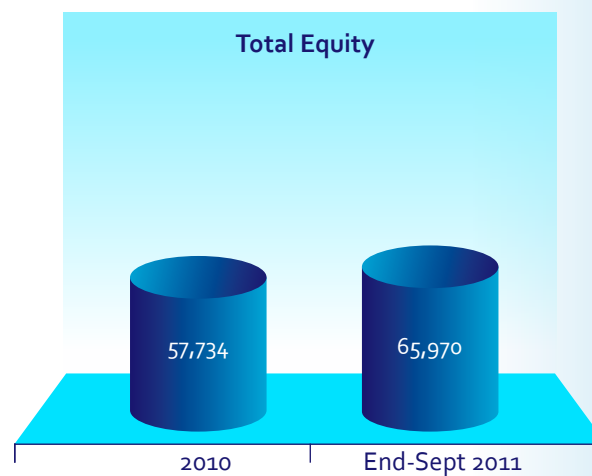
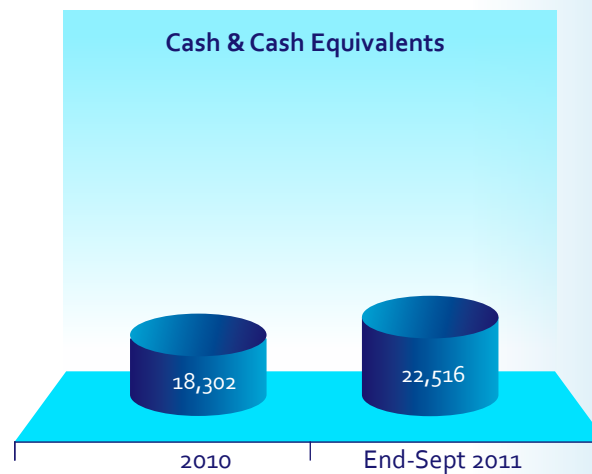
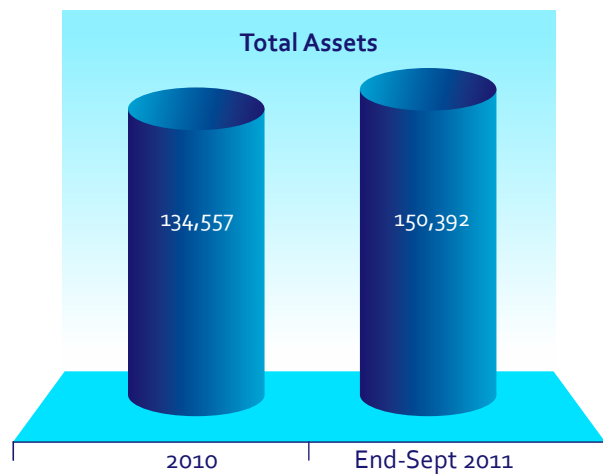
- Internal dividend policy is to payout 1/3 of previous year's net earnings
- On March 3, 2011, AboitizPower declared a dividend of P1.32 per share
  - Up 340% YoY
  - 2008-2011 CAGR of 94%





## Financial Condition

Consolidated Figures, In mn Pesos



## Stock Price Performance

YTD September 30, 2011

