

COVER SHEET

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S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

(Company's Full Name)

3 2 N D S T R E E T , B O N I F A C I O G L O B A L
C I T Y , T A G U I G C I T Y , M E T R O M A N I L A
P H I L I P P I N E S

(Business Address: No. Street City / Town / Province)

M. JASMINE S. OPORTO

Contact Person

02- 886-2800

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

3rd Monday of May

0 5 1 9

Month Day

Annual Meeting

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

X

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **March 11, 2014**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134**
3. BIR TIN **200-652-460**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation
6. 
Industry Classification Code
7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code
8. **(02) 793-2800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of September 30, 2013)
Common Stock ₱1 Par Value	7,358,604,307
Amount of Debt Outstanding	₱58,377,422,000.00
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation ("AboitizPower or the "Company") recorded a decline of 29% YoY in its consolidated net income for the quarter ending December 31, 2013, from ₱6.0 billion (bn) to ₱4.3 bn. The movements in the peso-dollar exchange rate resulted to a ₱23.3 million ("n) non-recurring loss (versus last year's gain of ₱208.3 mn) due to the net effect of the revaluation of consolidated dollar-denominated liabilities and placements and the step acquisition of a subsidiary net of impairment losses. Without the one-off loss, AboitizPower's core net income for the fourth quarter of 2013 amounted to ₱4.3 bn, which is 26% lower YoY.

On a year-to-date (YTD) basis, AboitizPower's bottomline performance recorded a 24% YoY decrease, from ₱24.4 bn to ₱18.6 bn. This translated to earnings per share of ₱2.53. The Company registered a non-recurring loss of ₱1,547.2 mn (versus last year's gain of ₱705.1 mn) during the year. This was due to the net effect of the revaluation of consolidated dollar-denominated loans and placements, the realization of a non-recurring expense due to the prepayment of debt earlier in the year, and a gain amounting to ₱415.8 mn due to the step

acquisition of a subsidiary net of impairment losses. Adjusting for these one-offs, the Company's core net income for 2013 amounted to ₱20.1 bn, down by 15% YoY.

Business Segments

Power Generation

For the quarter ending December 31, 2013, the power generation business recorded an income contribution of ₱3.1 bn, 44% lower as compared to the same period last year. When adjusted for non-recurring items, the group registered a 32% YoY decrease in its core net income, from ₱5.3 bn to ₱3.6 bn. The adverse impact on earnings was mainly attributable to the lower margins registered by the Pagbilao plant and the higher fuel cost brought about by the implementation of the Geothermal Resource Supply Contract (GRSC) for the Tiwi-Makban plants.

On a full-year basis, the generation business accounted for 83% of earnings contributions from AboitizPower's business segments, recording an income share of ₱15.2 bn for 2013, down 33% YoY. Netting out one-off items, AboitizPower's generation business generated ₱17.2 bn for the period, which was 21% lower than last year.

The group's average price for its power decreased by 3% YoY in 2013. This was mainly due to the 7% YoY decrease in the average selling price of the group's bilateral contracts. On the other hand, average spot market prices increased by 9% during the same period.

On the other hand, AboitizPower's attributable net generation for the period in review grew by 3% YoY, from 10,660 GWh to 10,949 GWh on the back of a 37% increase in spot sales from 1,398 GWh to 1,914 GWh. Meanwhile, power sales through bilateral contracts for the period declined by 2% from 9,261 GWh to 9,035 GWh.

The year 2013 saw the successful implementation of AboitizPower's strategy to shift the bulk of its contracts from energy-based contracts to capacity-based contracts. In general, the latter are essentially de-risked contracts since these provide a fixed capacity fee payment for the Company covering capital recovery and operation and maintenance costs; allows for the full pass-through of fuel costs, which make up a significant portion of the Company's operating costs; and includes provisions for inflation-related adjustments and where applicable, forex adjustments on these costs. The combination of these features allows the Company to minimize revenue to cost mismatches. As such, the shift to capacity-based contracts will allow AboitizPower to benefit from more stable and predictable cash flows and minimize volatility in the Company's cash flow generation. As of the end of 2013, the bulk of the group's capacity has already been contracted, with only 11% of its capacity exposed to spot, down by 15 percentage points from a year ago.

On a capacity basis, the Company's attributable sales increased by 3% YoY from 1,547 MW to 1,590 MW with bilateral capacity and spot market sales making up for the decline in ancillary and bilateral energy sales. Ancillary volumes dropped by 35% during the year as a result of the lower acceptance rate by the NGCP.

Power Distribution

For the period October to December 2013, the power distribution group registered a 30% YoY increase in its income contribution, from ₱615.2 mn to ₱798.2 mn. AboitizPower's attributable electricity sales for the quarter increased by 5% to 1,052 GWh from 1,000 GWh a year ago. The strong performance of the distribution group can be attributed to the increase in sales across all customer classes, with the residential and industrial segments registering notable sales growth of 4% and 7% respectively.

Expansions in volumes and margins resulted to a 15% YoY growth in the power distribution group's earnings share for 2013, from ₱2.8 bn to ₱3.2 bn. Total attributable electricity sales

increased by 4% YoY, from 3,934 GWh to 4,076 GWh. The residential segment spearheaded the growth in sales with a 5% YoY expansion in volume sales, while commercial and industrial accounts both registered YoY growth of 3%. The group's year-to-date gross margin on a per kWh basis increased to ₱1.77 from ₱1.60 a year ago. This was due to the improvement in the systems loss levels of the distribution utilities, which were mostly maintained within the government-imposed cap of 8.5%. Approved adjustments under PBR also helped support the increase in gross margins.

Financial Condition

As of December 31, 2013, the Company's total consolidated assets amounted to ₱193.9 bn, 19% higher than the year-end 2012 level of ₱163.1 bn. The Company's consolidated Cash and Cash Equivalents was at ₱31.4 bn, while total consolidated interest-bearing liabilities was at ₱78.5 bn. Equity Attributable to Equity Holders of the Parent increased by 8% to ₱87.7 bn from the year-end 2012 level. As of December 31, 2013, the Company's current ratio was at 2.9x (versus year-end 2012's 2.7x), while net debt-to-equity ratio was at 0.5x (versus year-end 2012's 0.4x). Note that 2012 figures have been restated to reflect adjustments resulting from the retro-active adoption of revised Philippine Accounting Standards 19 (Employee Benefits).

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary

Date: March 11, 2014