

March 8, 2018

SECURITIES AND EXCHANGE COMMISSION

Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Markets and Securities Regulation Department

via PSE EDGE

PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street cor. 5th Avenue,
Bonifacio Global City, Taguig City

ATTENTION : **MR. JOSE VALERIANO B. ZUÑO III**
OIC –Head, Disclosure Department

via electronic mail

PHILIPPINE DEALING & EXCHANGE CORP.
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **MS. ERIKA GRACE C. ALULOD**
Head - Issuer Compliance and Disclosures Department

Gentlemen:

Attached is the SEC Form 17-C (Current Report) of Aboitiz Power Corporation filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION

By:



MAILENE M. DE LA TORRE
Assistant Corporate Secretary

COVER SHEET

C 1 9 9 8 0 0 1 3 4

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)

MANUEL ALBERTO R. COLAYCO

Contact Person

02- 886-2338

Company Telephone Number

Contact Person

1 2 3 1

Month Day
Fiscal Year

1 7 - C

FORM TYPE

3rd Monday of

0 5 2 1

Month Day
Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

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 8, 2018**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134** 3. BIR TIN **200-652-460-000**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Philippines** 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code
8. **(02) 886-2800**
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 |
|--|---|
| Common Stock ₱1 Par Value | 7,358,604,307 |
| Amount of Debt Outstanding (As of September 30, 2017) | ₱222,237,327,000.00 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation ("AboitizPower" or the "Company") recorded for the fourth quarter of 2017 a 5% year-on-year (YoY) decrease in its consolidated net income, from ₱4.9 billion (bn) to ₱4.7 bn. Asset impairment costs, partially offset by foreign exchange gains recognized on the restatement of dollar-denominated debt and a one-off recognition of lower interest expense from an acquired loan, resulted to a ₱1.2 bn non-recurring loss during this period (versus a non-recurring loss of ₱510 million (mn) during the fourth quarter of 2016). Without these one-off adjustments, AboitizPower's core net income for the fourth quarter of 2017 was ₱5.9 bn, which was 8% higher YoY. The Company's consolidated earnings before interest, tax, depreciation and amortization (EBITDA) for the fourth quarter of 2017 grew by 27% YoY, from ₱9.6 bn to ₱12.3 bn.

On a full-year basis, AboitizPower's net income for 2017 increased by 2% to ₱20.4 bn. The Company recognized non-recurring losses of ₱2.9 bn (versus 2016's non-recurring loss of ₱611 mn), primarily due

to asset impairment costs related to Aseagas Corporation (“Aseagas”) and debt prepayment costs on GNPowder-Mariveles Coal Plant Ltd Co.’s (“GNPowder-Mariveles”) loan, partially offset by a one-off recognition of lower interest expense from an acquired loan. Without these one-off adjustments, the Company’s core net income grew 13% in 2017, from ₱20.6 bn to ₱23.3 bn. The Company’s consolidated EBITDA grew from ₱38.1 bn to ₱47.7 bn, a 25% YoY increase, driven by the fresh contribution of GNPowder-Mariveles to the coal group, and higher contributions from the hydro group.

Business Segments

Power Generation

For the quarter ending December 31, 2017, the power generation business’ consolidated EBITDA increased by 20% to ₱9.6 bn compared to ₱7.9 bn in 2016, as the Company took up fresh contributions from GNPowder-Mariveles as well as higher EBITDA contributions from its hydro units. Taking into account interest expense and depreciation consolidated by the Company from GNPowder-Mariveles, core net income during the 4th quarter of 2017 stood at ₱4.9 bn, 3% higher versus the same period last year. Non-recurring losses of ₱2.1 bn during this period (versus last year’s non-recurring loss of ₱663 mn) from Aseagas’ impairment costs were partially offset by a one-off recognition of lower interest expense from an acquired loan, as well as foreign exchange gains recognized on the restatement of dollar-denominated debt. The foregoing brought the net income contribution of the generation business to ₱2.8 bn during the fourth quarter of 2017, 31% lower than the ₱4.1 bn for the same period in 2016.

On a full year basis, the generation business recorded a consolidated EBITDA share of ₱38.8 bn, up 27% YoY, accounting for 83% of the EBITDA contributions from AboitizPower’s business segments. This was driven by the fresh contribution from GNPowder-Mariveles and higher EBITDA of the hydro group as generation increased resulting from higher water inflows during the year. At the core net income level, the generation business grew 19% YoY from ₱17.0 bn to ₱20.2 bn. Non-recurring charges relating to impairment costs, prepayment charges on GNPowder-Mariveles’s loan upon refinancing and the one-off recognition of lower interest expense from an acquired loan, brought AboitizPower’s generation business net income contribution to ₱17.1 bn for 2017.

AboitizPower’s capacity sold during 2017 increased by 41% YoY, from 2,223 megawatt (MW) to 3,124 MW, mainly driven by the additional capacities from GNPowder-Mariveles, higher generation of its hydro units, and more capacities contracted.

Power Distribution

Fourth quarter 2017 consolidated EBITDA for the distribution business increased by 54% compared to the same period in 2016, from ₱1.4 bn to ₱2.2 bn. This was due to a combination of adequate power supply, better supply mix, and recoveries on purchased power costs. Net income contribution increased by 62% compared to the same period in 2016, from ₱757 mn to ₱1.2 bn.

On a full year basis, EBITDA for the distribution business increased by 14% YoY, rising from ₱6.8 bn to ₱7.8 bn. Net income contribution in 2017 increased by 16% YoY to ₱4.3 bn.

The group’s gross margin on a per kWh basis increased to ₱1.73 during 2017 from ₱1.59 for 2016. The improved margins came from adequate power supply, better supply mix, and recoveries on purchased power costs.

AboitizPower’s attributable sales in the distribution group for 2017 was at 5,288 GWh, registering a 4% increase from 2016.

Financial Condition

As of December 31, 2017, the Company’s total consolidated assets amounted to ₱361.7 bn, 2% higher than the year-end 2016 level of ₱354.8 bn. The Company’s consolidated Cash and Cash Equivalents

was at ₱35.7 bn, while total consolidated interest-bearing liabilities was at ₱206.0 bn. Compared to year-end 2016, Equity Attributable to Equity Holders of the Parent increased to ₱115.4 bn. As of December 31, 2017, the Company's current ratio was at 1.4x (compared to year-end 2016's 2.3x), while net debt-to-equity ratio was at 1.4x (compared to year-end 2016's 1.5x).

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:



Mailene M. de la Torre
Assistant Corporate Secretary

Dated: March 8, 2018