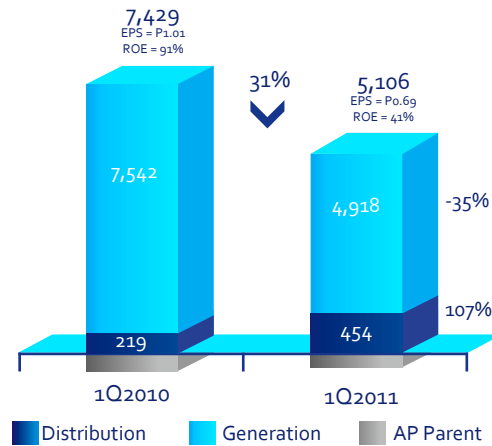


Net Income

In mn Pesos



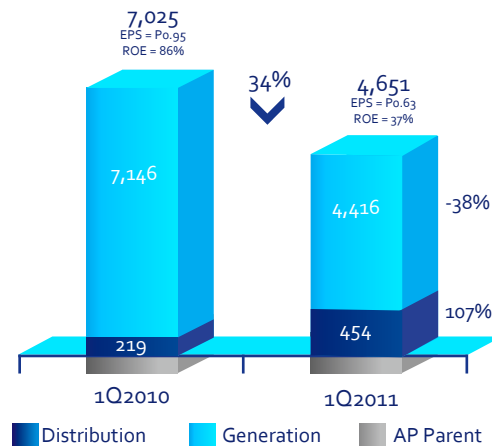
- Weaker results of the generation group mainly accounted for the decline in AboitizPower's 1Q 2011 earnings

- Lower average selling price, the decline in net generation for the period and a margin squeeze in one of AboitizPower's subsidiaries due to increase in fuel cost accounted for the 35% Year-on-year (YoY) reduction in the group's income contribution.
- Accounted for 91% of total income contributions from the business segments.

- Robust bottomline performance of the distribution business was due to sales volume expansion and margin enhancements for the period

Core Net Income

In mn Pesos



- Non-recurring gain for the period amounted to P455 million (mn), vis-à-vis last year's P404 mn

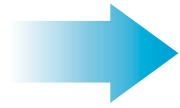
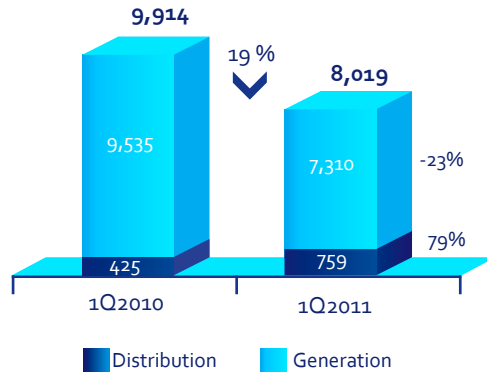
- 1Q2011 one-off's include net FX gains resulting from the revaluation of consolidated dollar loans and placements and a subsidiary's topline adjustment involving 2010 revenue due to a favorable ruling on a Motion for Reconsideration filed with the industry regulator involving its tariff structure.
- Net FX gains in 1Q2010 was due to the revaluation of consolidated dollar loans and placements.

Non-Recurring Items (in mn Pesos)

	1Q2010	1Q2011
FX gains/(loss) - Parent	7	(47)
FX gains/(loss) - Generation	397	154
Therma Marine revenue adjustment	-	348
	<u>404</u>	<u>455</u>

Beneficial EBITDA

In mn Pesos

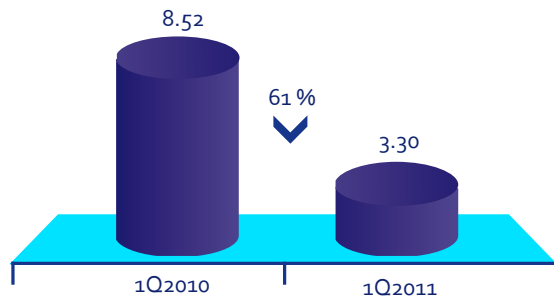


- Decline was mainly accounted for by the weaker results of the generation group
- Beneficial Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the summation of the proportionate share of AboitizPower in the EBITDA of its subsidiaries and associate companies

Result of Operations – Generation

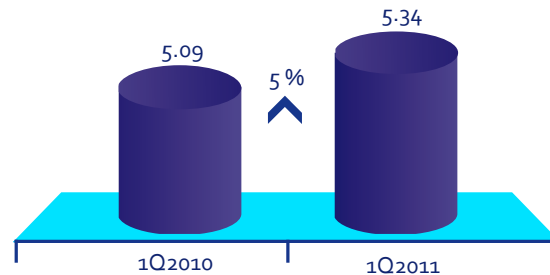
Average Selling Price for Spot Market Transaction

P/kWh



Average Selling Price for Contracted Capacity

P/kWh

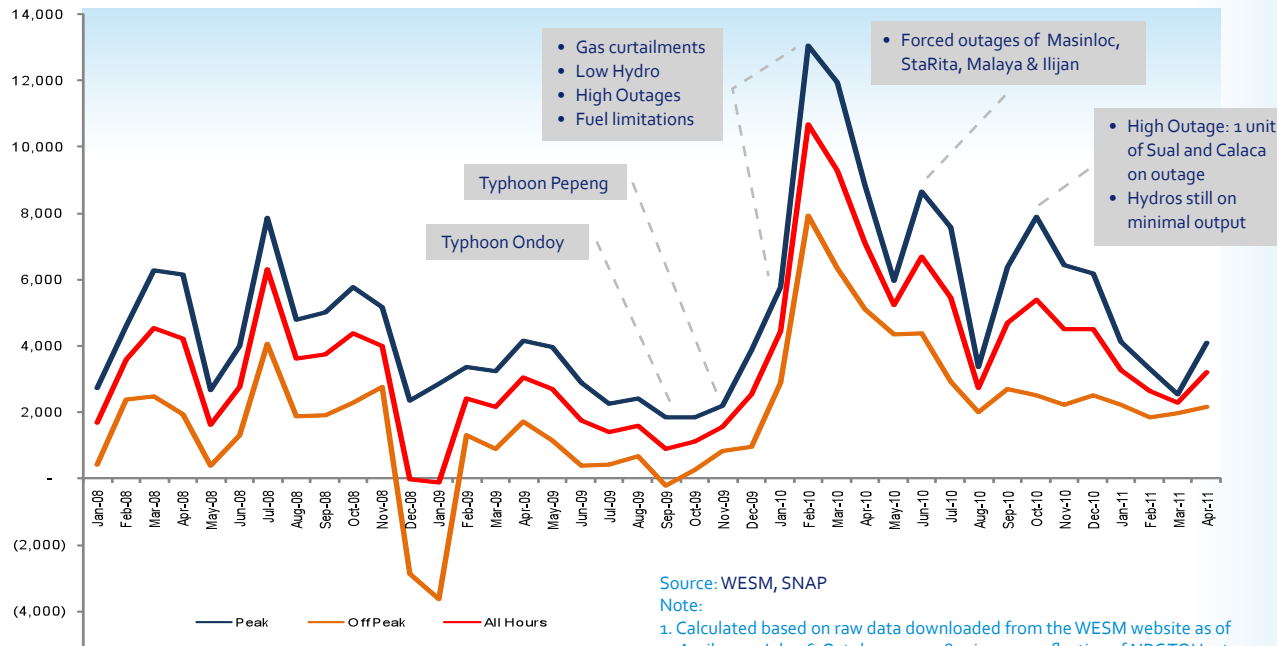


- Average selling price was down by 19% YoY, from P6.15/kWh to P5.00/kWh
 - Largely due to the softening of the spot market prices. AboitizPower recorded a 61% YoY decline in its average selling price for its transactions in the Wholesale Electricity Spot Market.
 - Partially offset by a 5% YoY increase in average selling prices for bilateral contracts



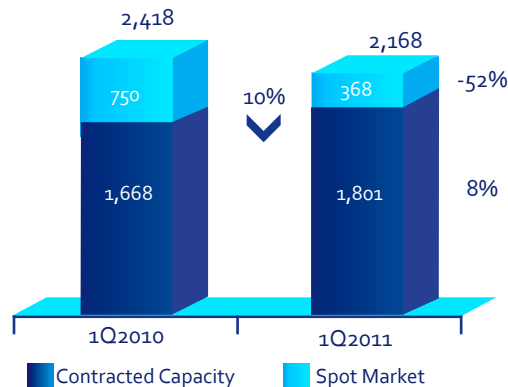
Result of Operations – Generation

WESM PRICES (P/MWh)
Monthly Time Weighted Average Prices



Attributable Power Sales

in GWh

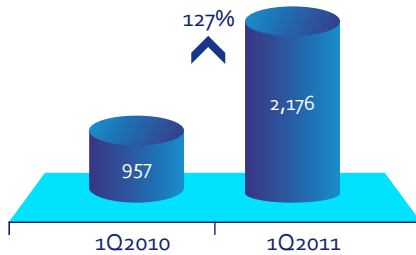


- Cooler climate that prevailed in January-March 2011 resulted to a contraction in electricity demand, accounting for the 10% drop in AboitizPower's attributable net generation
- Reduced exposure to the spot market through increase in contracted capacity tempered adverse impact of lower spot market prices to bottomline performance

Result of Operations – Generation

Ancillary Revenues

At 100%, in mn Pesos

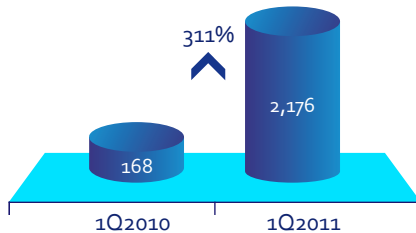


Boost from revenues generated by merchant hydro assets providing ancillary services

- Volume expansion of 311% YoY due to higher acceptance of Magat's nominated capacity and the fresh contribution of Binga, as implementation of its contract with NGCP only took effect in 3Q2010.
- Storage capacities of both Magat and Binga hydro facilities were close to full during the quarter, thus enhancing its capability of providing ancillary services.
- Consequent to topline improvement resulting from ancillary services, the combined income contribution of these assets grew by 244% YoY, from P278 mn to P956 mn.

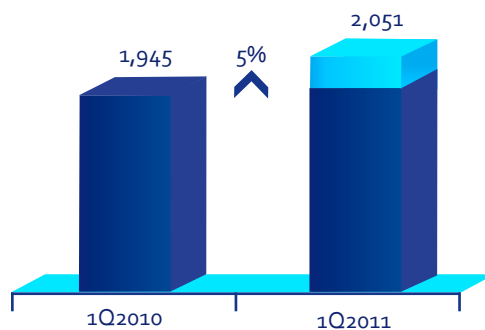
Accepted/Billed Capacity

At 100%, in GWh



Attributable Capacity

in MW



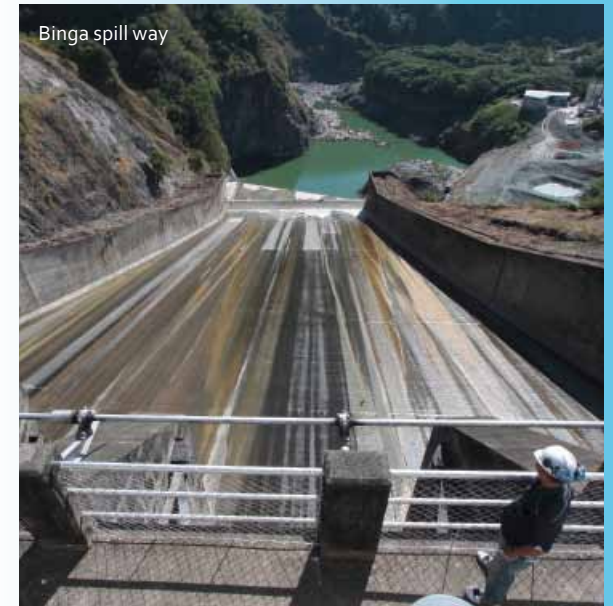
Attributable capacity as of the end of 1Q2011 was over 2,050 MW, up 5% YoY

- Completion of Greenfield projects
 - 100%-owned Hedcor Sibulan's 42.5 MW hydropower plant in Davao
 - 26%-owned Cebu Energy Development Corporation's 246 MW coal-fired power plant in Cebu

Magat dam



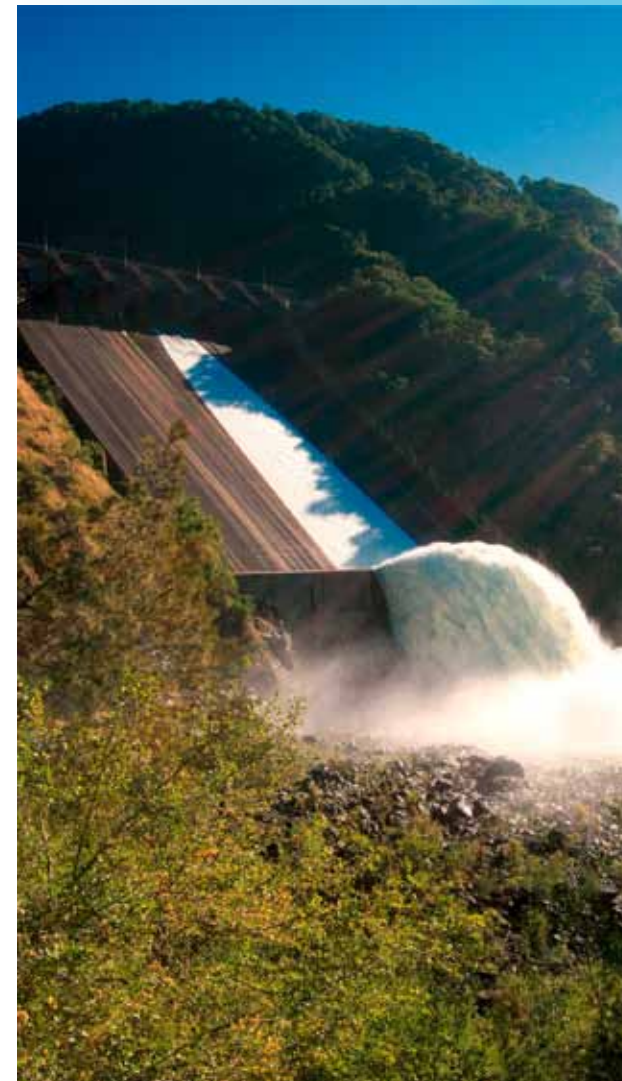
Binga spill way



Other Developments - Generation

Brown/Greenfield Developments Moving Forward

- **Ambuklao rehabilitation project**
 - Works are expected to be completed by 3Q 2011 when all three units are operating.
 - After rehab, Ambuklao plant will have a capacity of 105 MW of renewable energy that will significantly augment power supply in the Luzon Grid.
- **Rehabilitation of Binga hydro**
 - To commence 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. At present, the Tiwi-Makban geothermal power plants have a combined estimated generation capacity of 467 MW, which is based on the plants' peak generation in 2009. After rehab, AP reckons that generation capacity could increase to ~484 MW, which takes into account current steam supply and decline rates.
 - Completion will be in stages, with Tiwi plants estimated to be finished by second quarter of 2011, while Makban plants by first quarter of 2012.
- **300 MW Coal-fired Power Plant in Subic**
 - After revisiting the power demand and supply situation in the Luzon Grid, 50%-owned Redondo Peninsula Energy, Inc. (RPEnergy) has decided to pursue its 300 MW coal-fired power plant project in the Subic Bay Freeport Zone. After re-evaluating the project, RPEnergy is contemplating of increasing the planned generating capacity of the Subic Coal Project to 600 MW. The company is in talks with prospective turnkey contractors for the Engineering, Procurement and Construction contract for the project. Construction period is estimated at 36 months.
- **300 MW Coal-fired Power Plant in Davao**
 - AboitizPower is planning to put up a 2x150 MW coal-fired power plant in Davao, which is the biggest load center in the island of Mindanao. The company is in the process of obtaining the necessary permits and government clearances. AboitizPower has already identified a location in Davao and has successfully negotiated a lease with an option to purchase. The company has engaged engineering and environmental consultants that have initiated physical and environmental data collection. Once completed, together with all the necessary permits and approvals, construction is expected to be completed in 36 months.



Other Developments - Generation

Brown/Greenfield Developments Moving Forward

- **150 MW Coal-fired Power Plant 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 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**
 - The project involves the construction 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 13.6 MW.
 - Currently working on obtaining the water permits and environmental clearances
 - Target groundbreaking is by third 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 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.



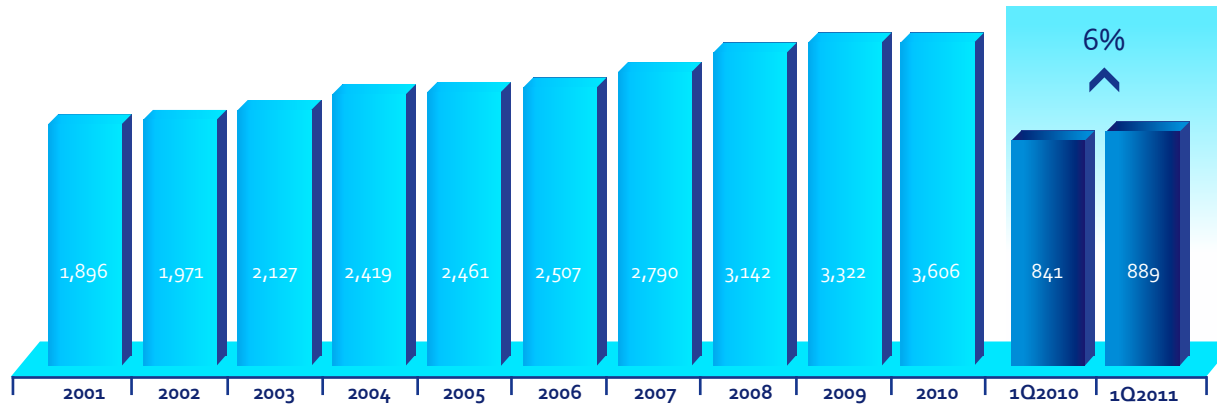
Participation in the Government's Privatization Program for its Power Assets

- 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

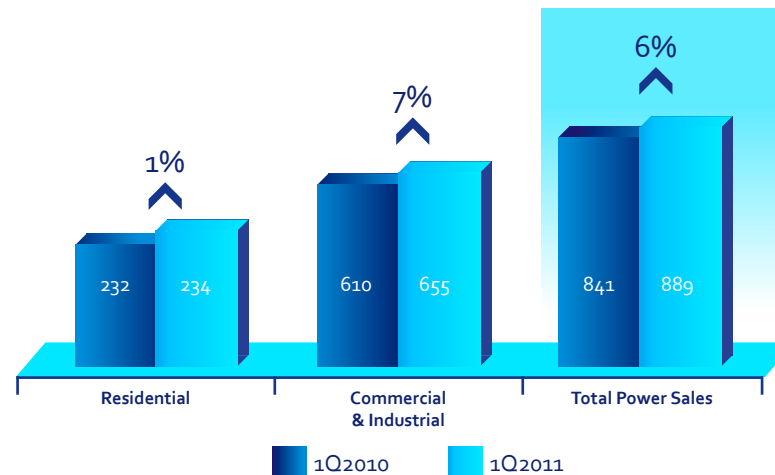


- Shift to Performance Based Regulation scheme by Davao Light & Power Co. (Davao Light) and Visayan Electric Co. (VECO) in August 2010, coupled with reduced operating expenses of Davao Light, resulted to margin improvement for the quarter

- Davao Light's operating expenses declined YoY as operation of its back-up power plant was not required during the quarter 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 9%

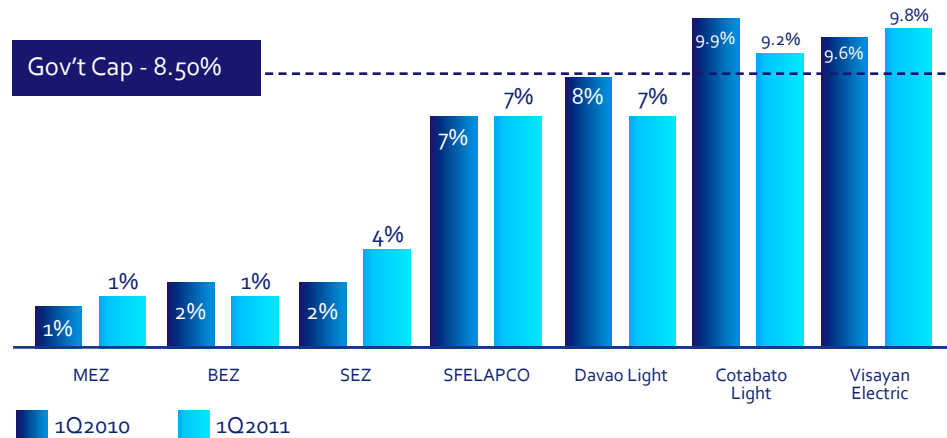
GROSS MARGIN
P/kWh



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

Result of Operations – Distribution

SYSTEMS LOSS



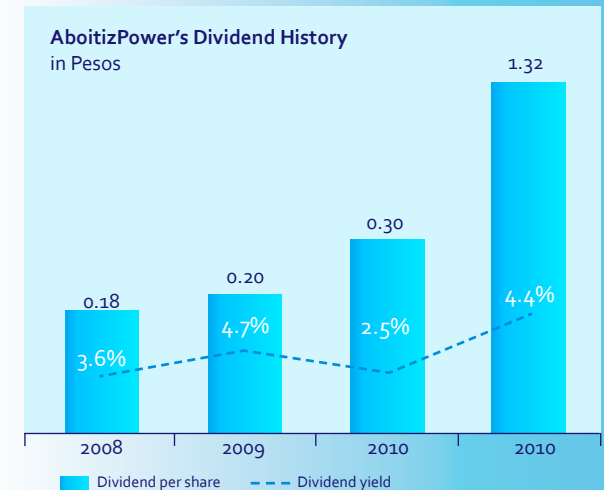
- Pilferage remains as the main cause of Cotabato Light's and VECO's high systems losses

Performance-Based Regulation

Performance-Based Regulation		
<p>Cotabato Light</p> <p>Entered its third regulatory year on April 1, 2011.</p>	<p>Davao Light and VECO</p> <p>Implemented PBR approved rate structures in August 2010. Currently preparing to file with the ERC for the rate translation adjustments for the second year of their 4-year regulatory period, which commences in July 2011.</p>	<p>SFELAPCO and Subic EnerZone</p> <p>Expected to enter their 4-year regulatory period by October 1, 2011.</p>

Dividends

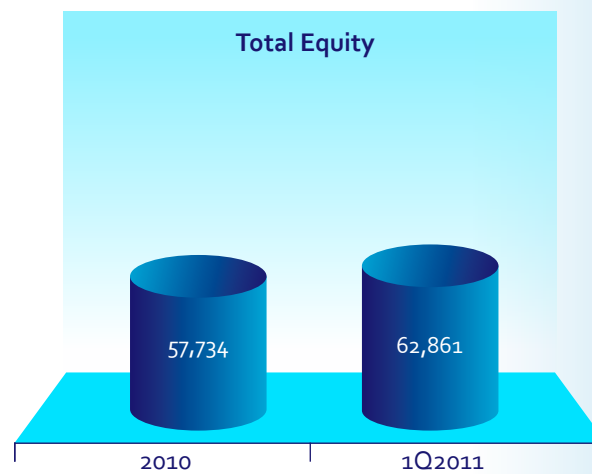
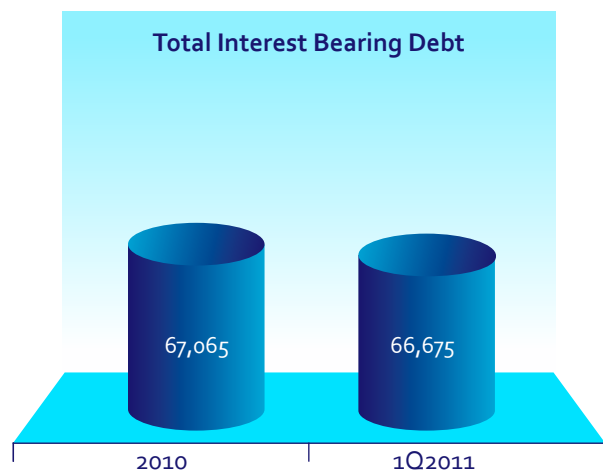
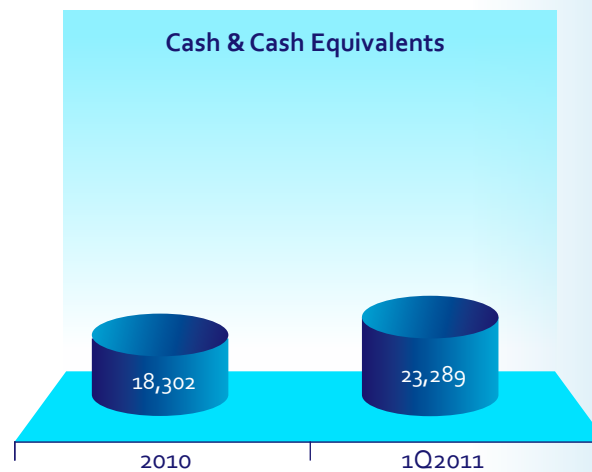
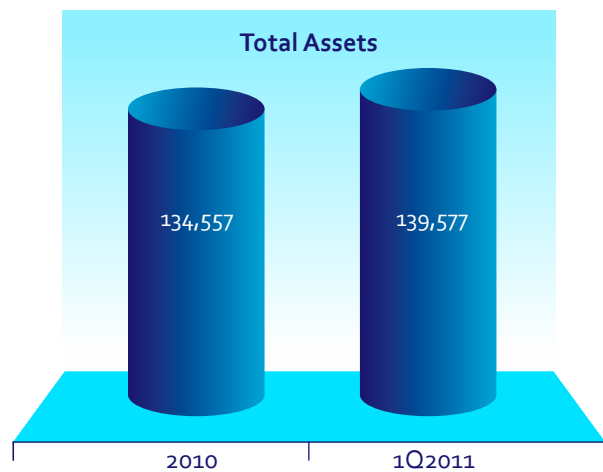
- Internal dividend policy is to payout 1/3 of previous year's net earnings
- On March 3, 2011, AboitizPower declared a dividend of P1.32 per share
 - Up 340% YoY
 - 2008-2011 CAGR of 94%



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 May 6, 2011

