

ABOITIZ POWER CORPORATION

Third Quarter / YTD September 2013 Financial & Operating Results

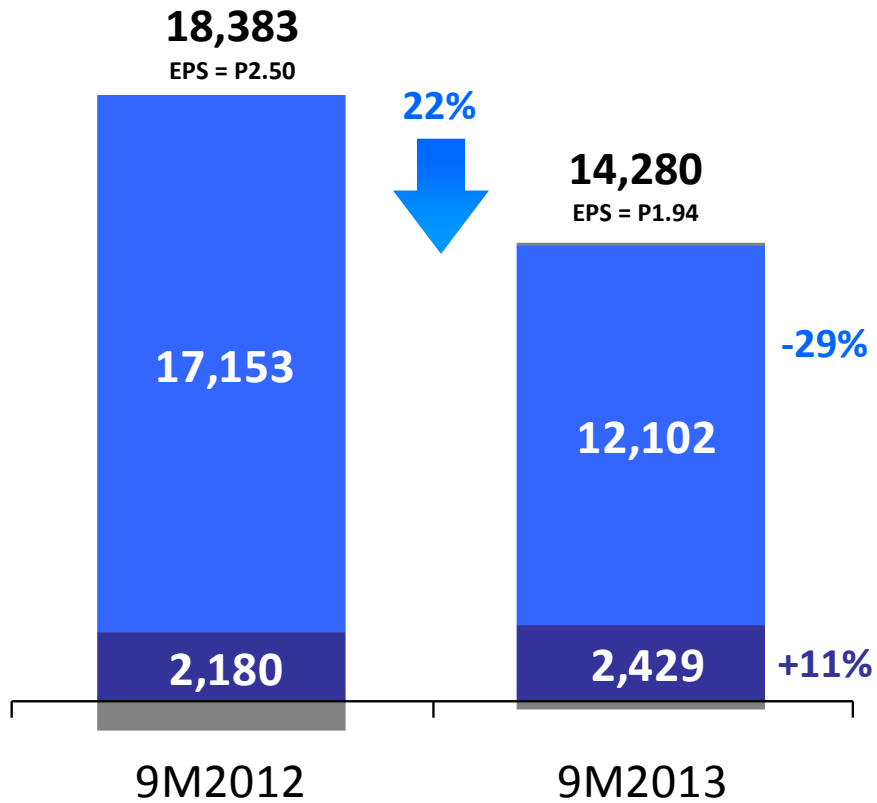
30 October 2013



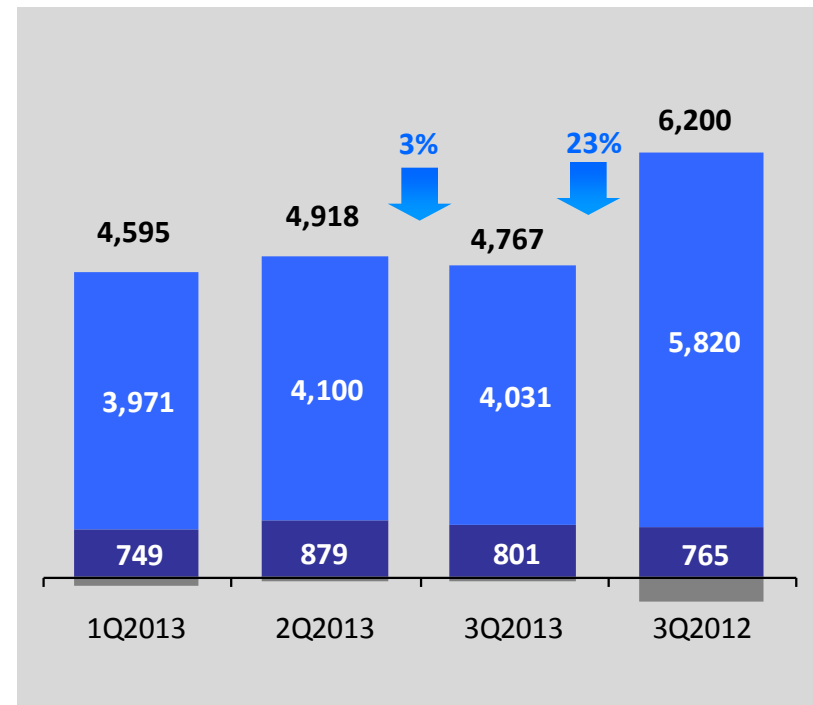
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NET INCOME (in million pesos)



QUARTERLY BREAKDOWN



■ Distribution
 ■ Generation
 ■ AP Parent & Others

CORE NET INCOME (in million pesos)

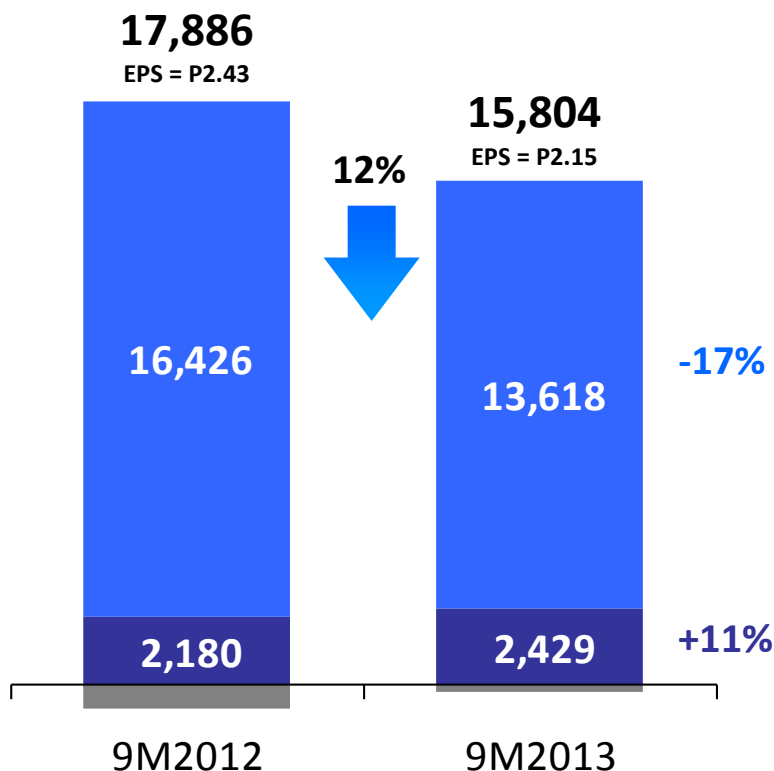


Non-Recurring Items

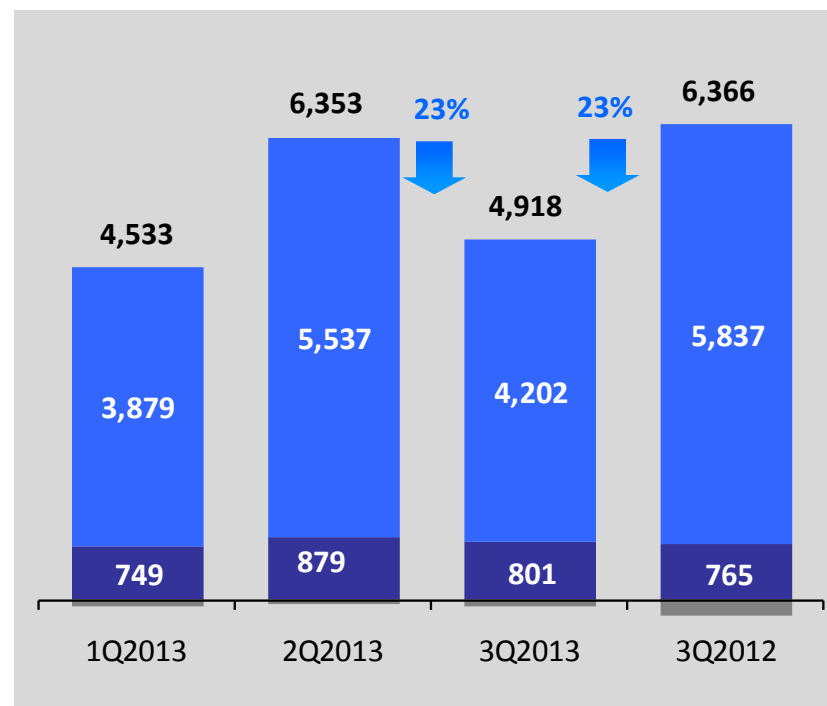
	9M2012	9M2013
FX gains/(loss) - Parent	(62)	22
Debt prepayment costs	(181)	(93)
FX gains/(loss) - Generation	1,227	(1,458)
TMI Revenue Adjustment	(263)	5
Gain on redemption	14	
Fuel cost adjustment	(238)	
	<u>497</u>	<u>(1,524)</u>

Non-Recurring Items

	1Q2013	2Q2013	3Q2013	3Q2012
FX gains/(loss)	154	(1,435)	(156)	220
Gain on redemption			5	
TMI Revenue Adjustment				(263)
Debt prepayment costs	(93)			(122)
	<u>62</u>	<u>(1,435)</u>	<u>(151)</u>	<u>(165)</u>

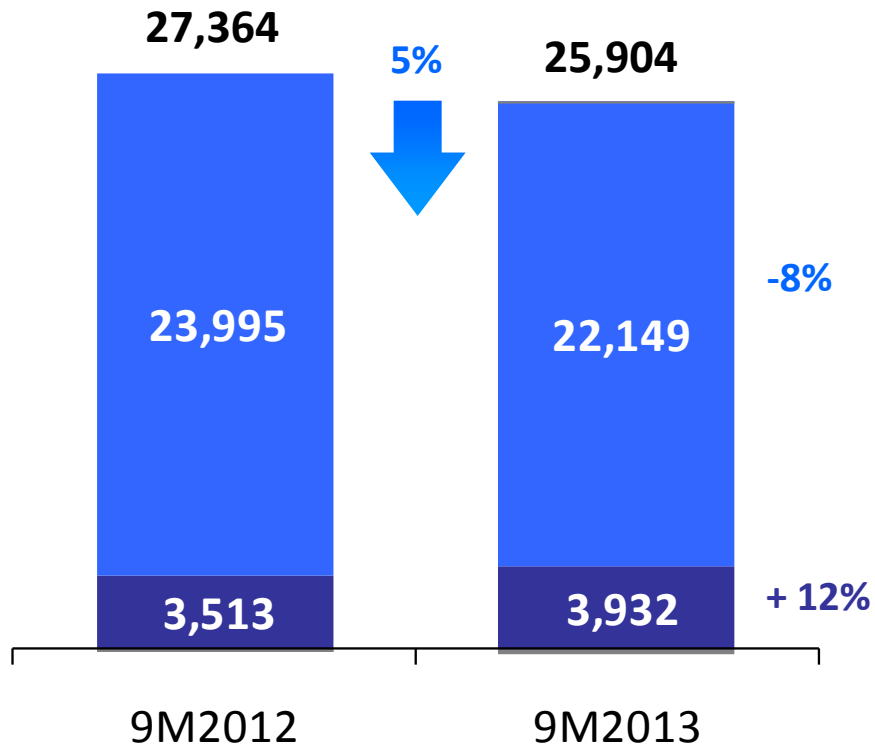


QUARTERLY BREAKDOWN

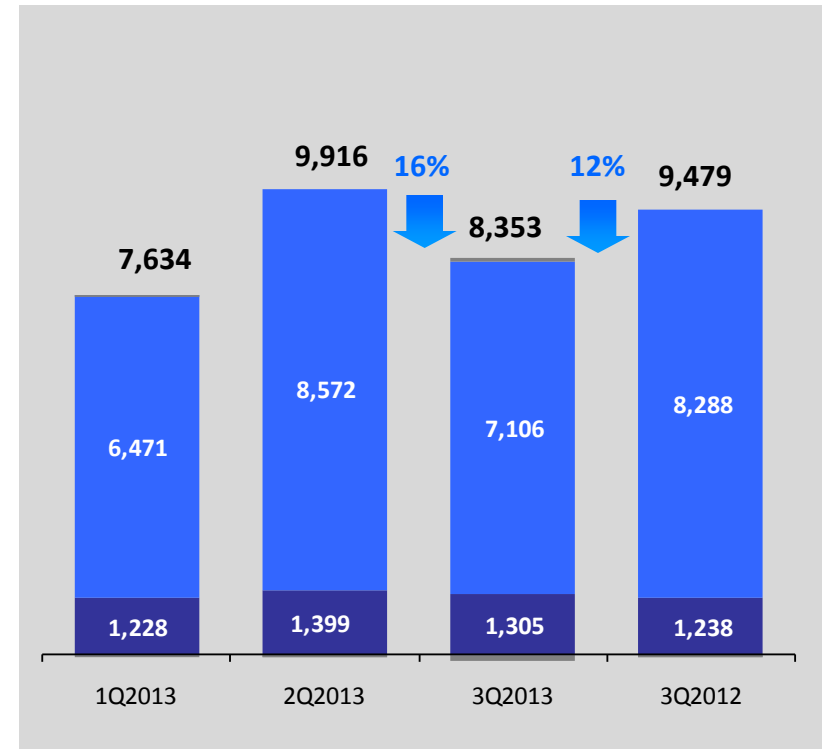


■ Distribution ■ Generation ■ AP Parent & Others

BENEFICIAL EBITDA (in million pesos)



QUARTERLY BREAKDOWN

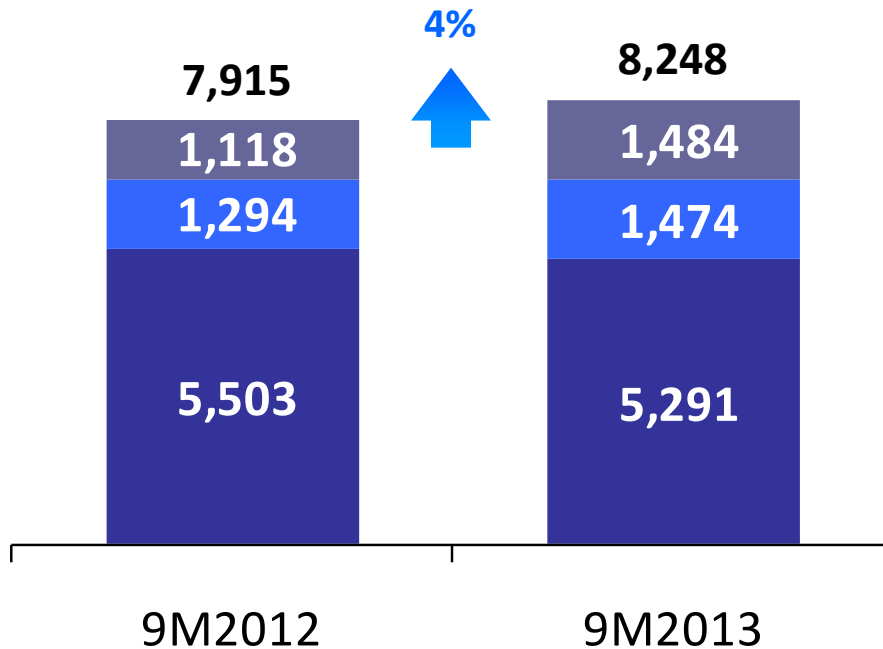


■ Distribution
 ■ Generation
 ■ AP Parent & Others

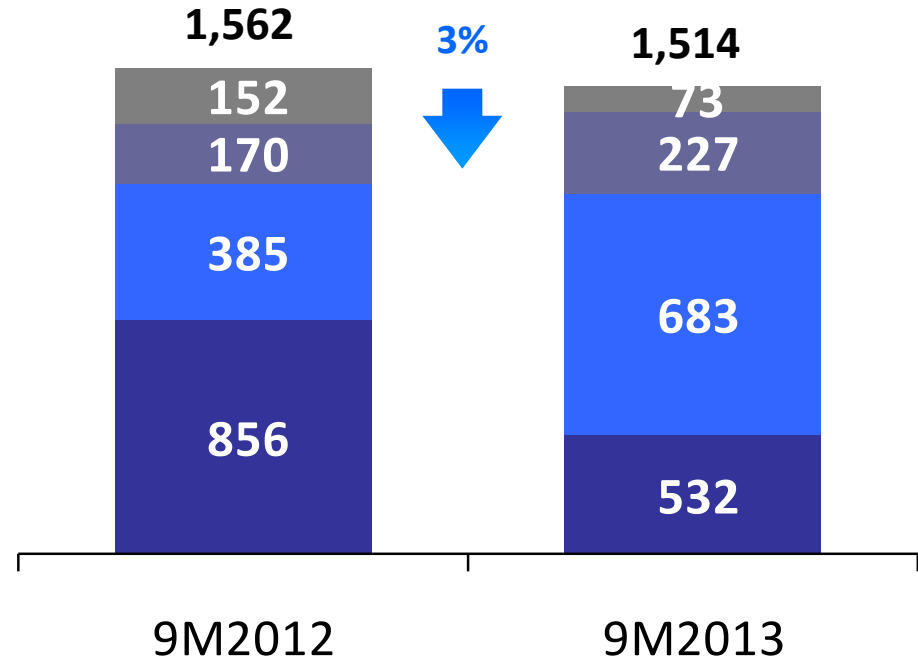
OPERATING HIGHLIGHTS: GENERATION



ENERGY SALES BREAKDOWN (GWh)



CAPACITY SALES BREAKDOWN (MW)



■ Energy contracts ■ Capacity contracts ■ Spot market

■ Energy contracts
■ Spot market

■ Capacity contracts
■ Ancillary

P/kWh	9M2012	9M2013
Bilateral	5.23	4.73
Spot Market	5.89	4.54

Open Access – Market Profile

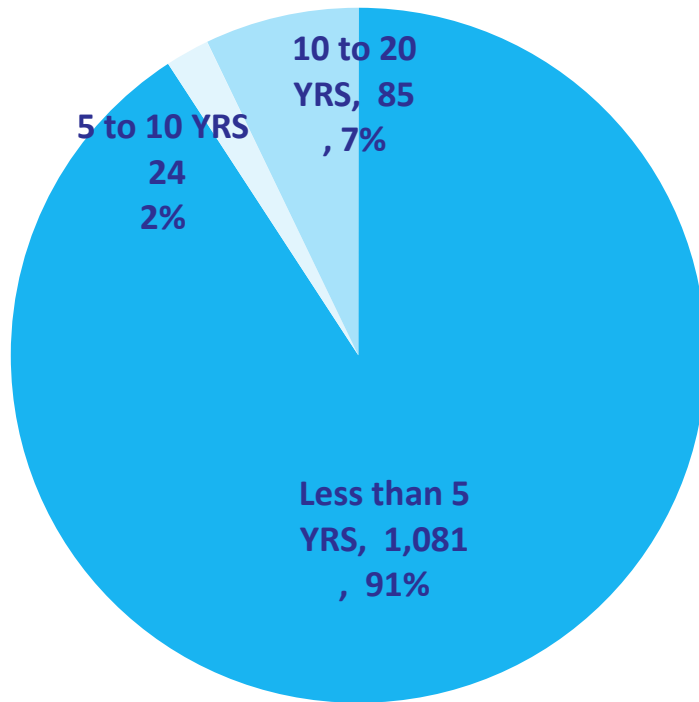
- In September 2012, the ERC declared the start of Open Access on December 26, 2012..
- Commercial transactions under an interim development system have been implemented starting June 26, 2013.
- Contracts range from 3 to 10 years.

	CUSTOMERS NUMBER		DEMAND MW	
TOTAL CONTESTABLE MARKET	817		1,500	
CONTRACTED CONTESTABLE CUSTOMERS	233	29%	772	51%
AP CONTRACTED CONTESTABLE CUSTOMERS	49	21%	279	36%

APC Portfolio Contracts - Tenors

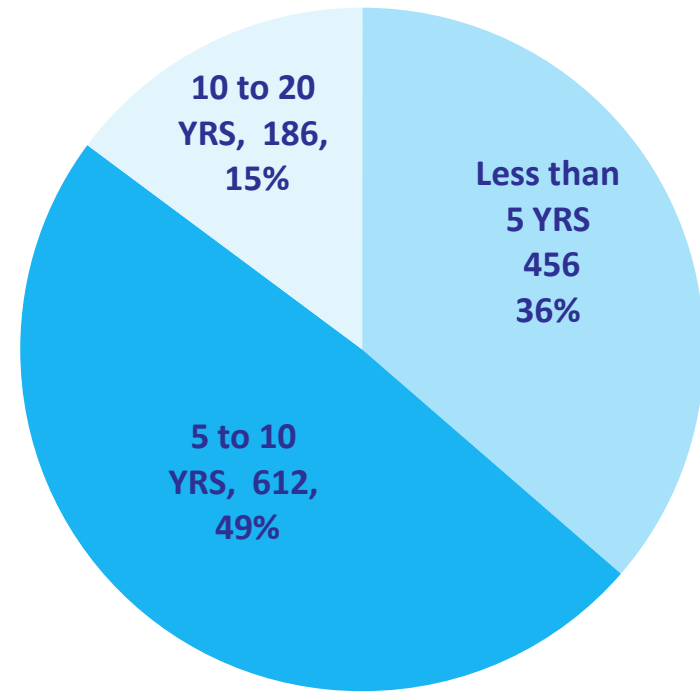
All Contracts (As of End of 2011)

All Contracts (Tenor, MW, % of Total)

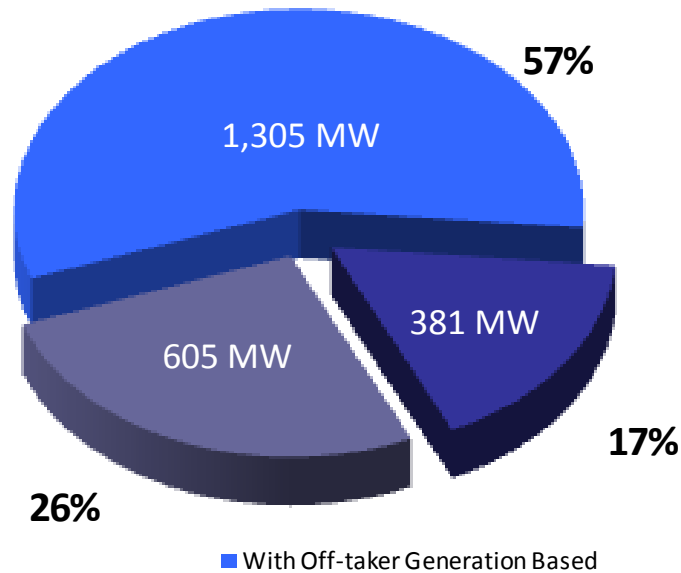


All Contracts (As of September 2013)

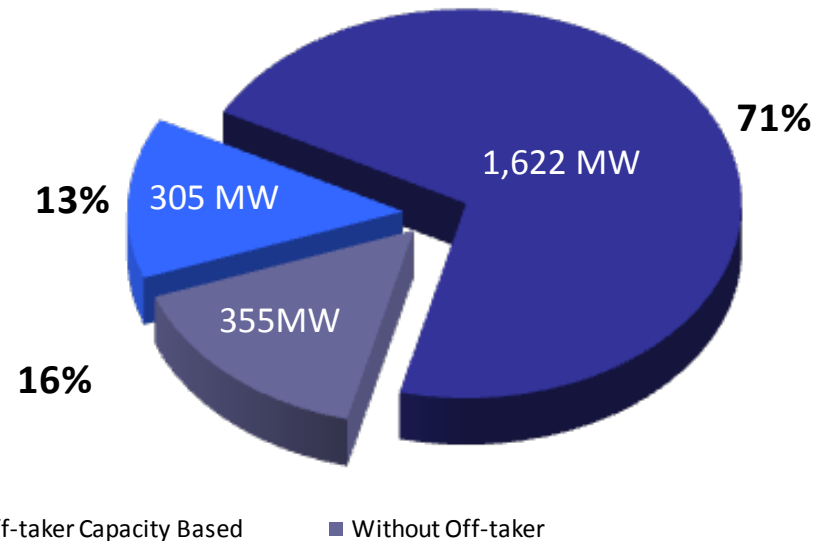
All Contracts (Tenor, MW, % of Total)



2012



As of September 2013



Notes:

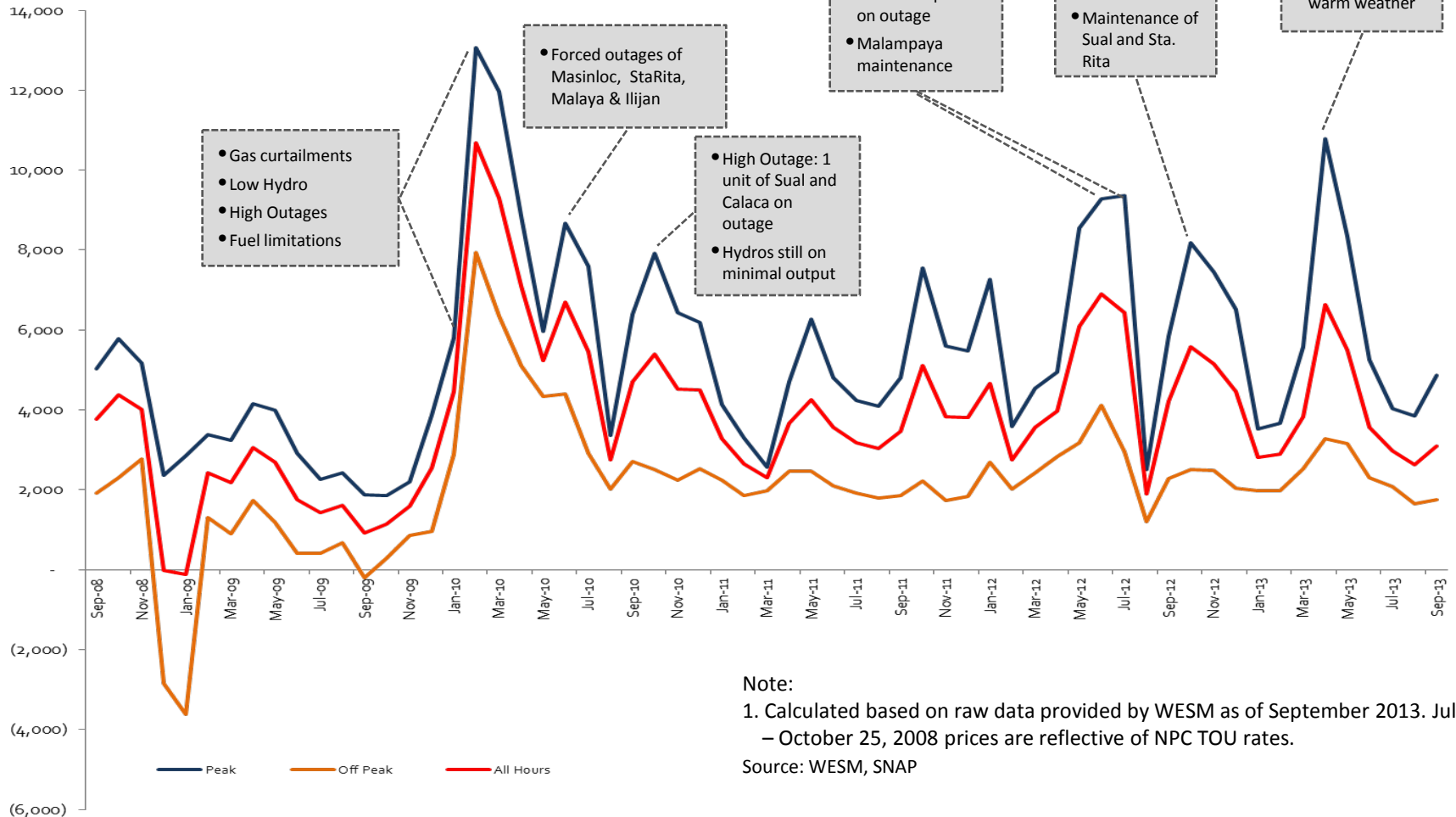
- 225 MW under capacity-based contracts, which represents the recently-signed contract of Therma Mobile with Meralco, is still subject to ERC approval
- With Off-taker Capacity Based includes 90 MW of firm ancillary offers under the new ASPAs for Magat and Pagbilao
- Includes diversity equivalent to 94 MW
- Open access contracts implemented – 259 MW

Bulk of the Power Supply Agreements are now under capacity-based contracts

OPERATING HIGHLIGHTS: 9M2013 WESM HIGHLIGHTS

WESM TIME WTD AVERAGE PRICES (P/MWh) – Luzon Grid

YTD Prices			
	Peak	Off Peak	All Hours
2011	4,796	2,035	3,508
2012	6,502	2,558	4,639
Sept 2012	6,209	2,630	4,496
Sept 2013	5,543	2,304	3,768



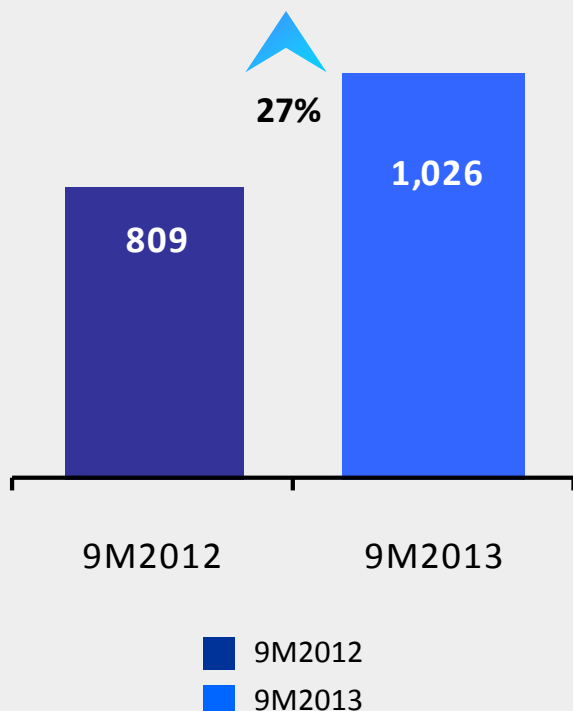
Note:

1. Calculated based on raw data provided by WESM as of September 2013. July 26 – October 25, 2008 prices are reflective of NPC TOU rates.

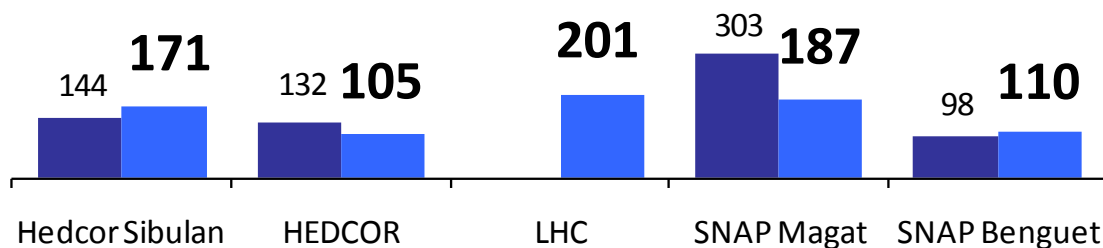
Source: WESM, SNAP

OPERATING HIGHLIGHTS: HYDRO

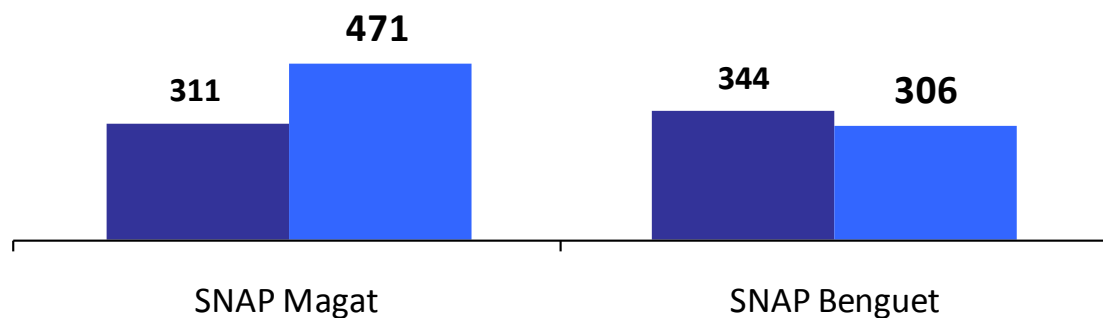
ATTRIBUTABLE ENERGY SALES (GWh)



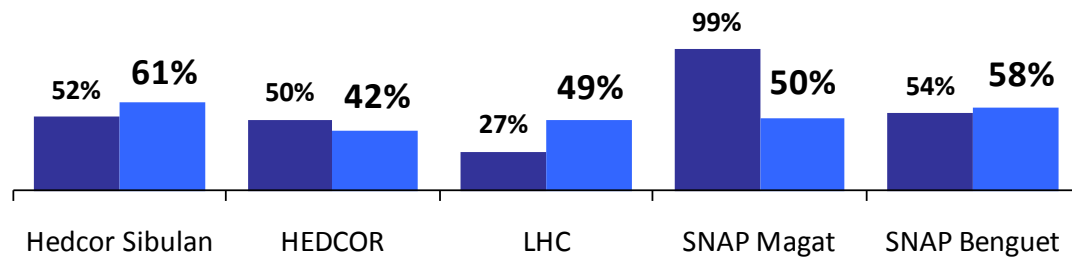
CONTRACTED ENERGY (GWh), at 100%



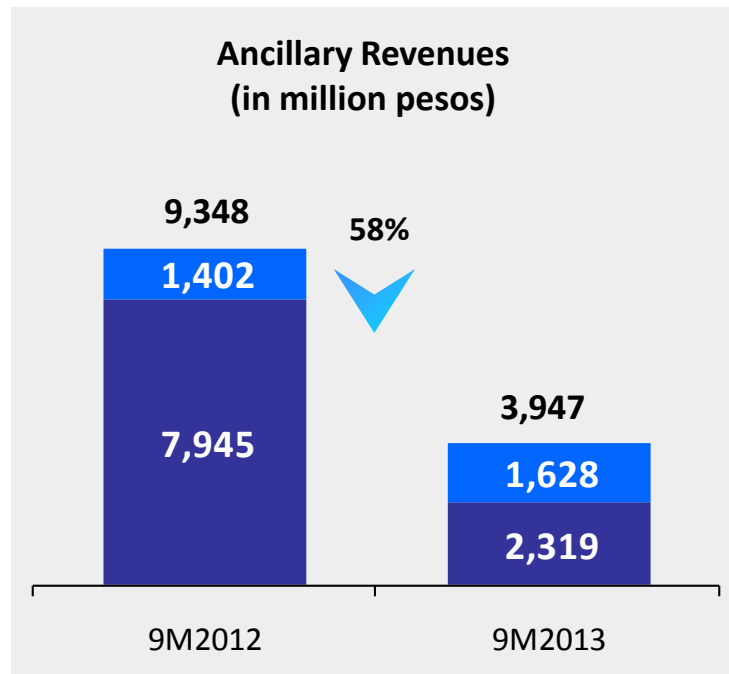
SPOT MARKET (GWh), at 100%



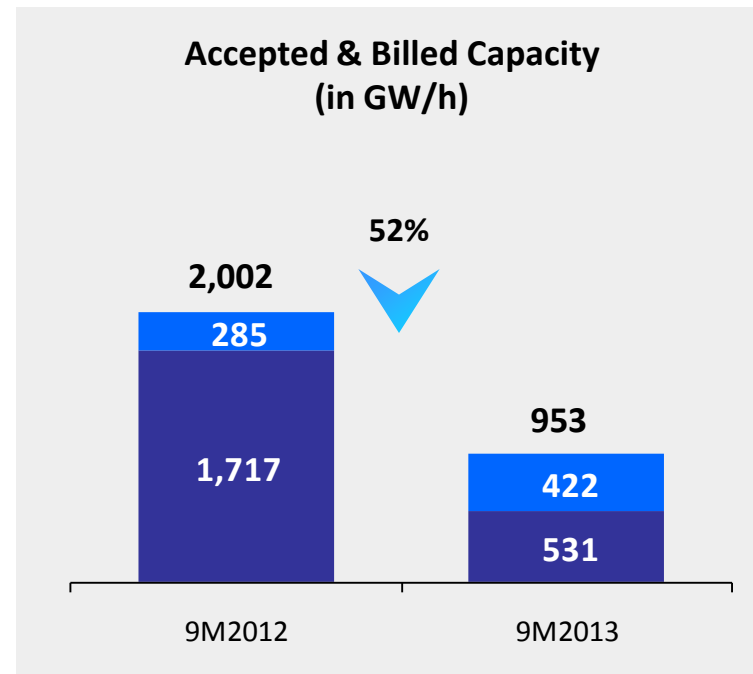
NET CAPACITY SOLD FACTOR



SNAP MAGAT & SNAP BENGUET ANCILLARY SERVICES (at 100%)



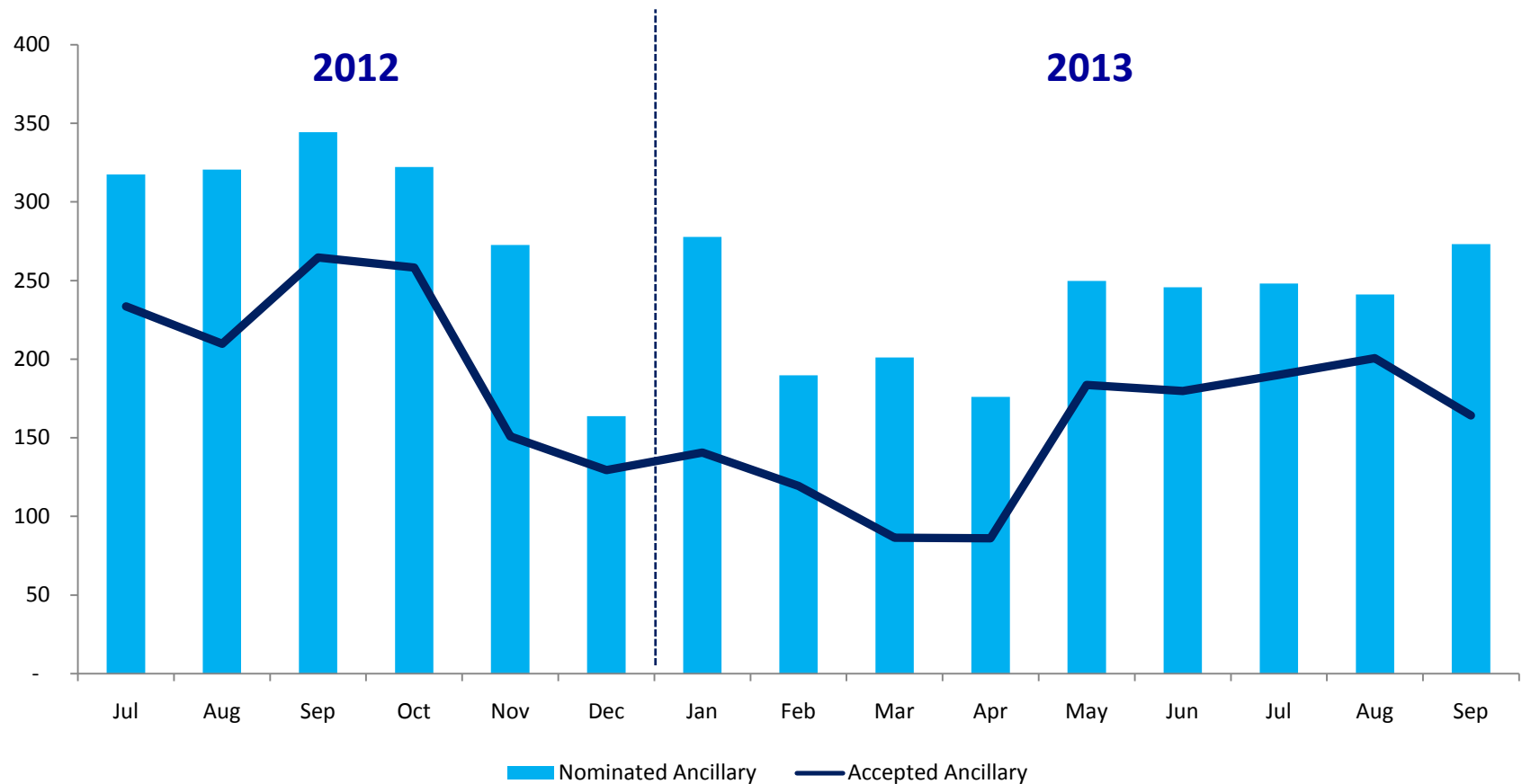
■ SNAP Magat
■ SNAP Benguet



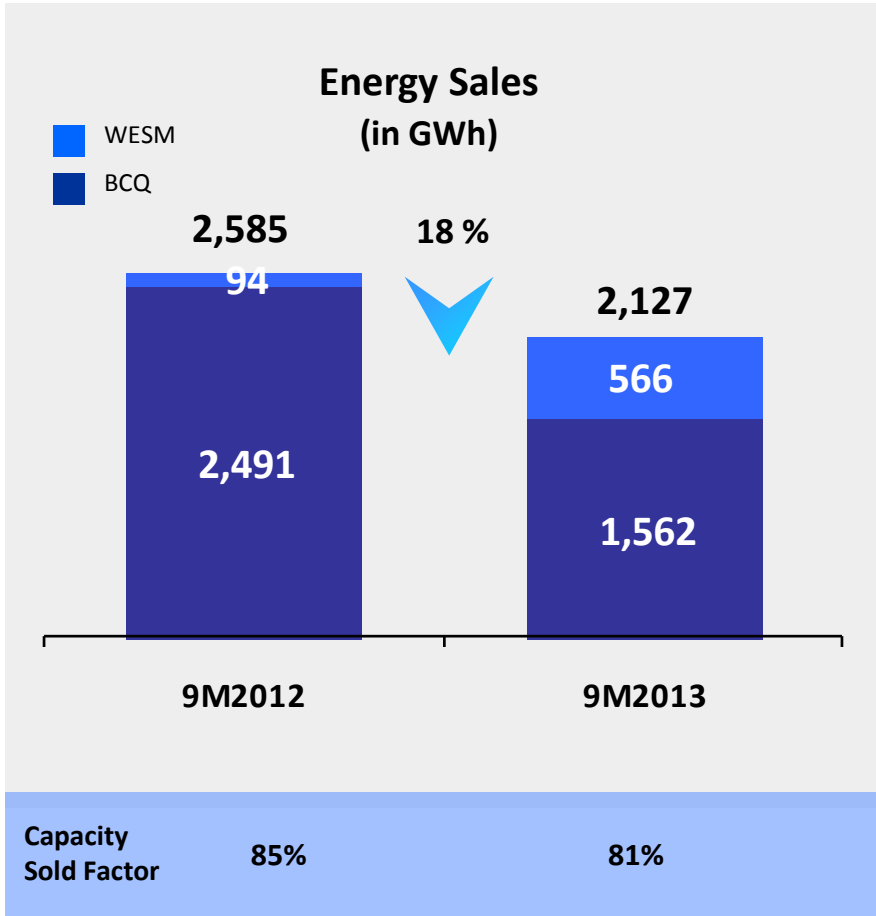
	9M2012	9M2013
P/kW/h	4.67	4.14

ANCILLARY SERVICES – Nomination and Acceptance

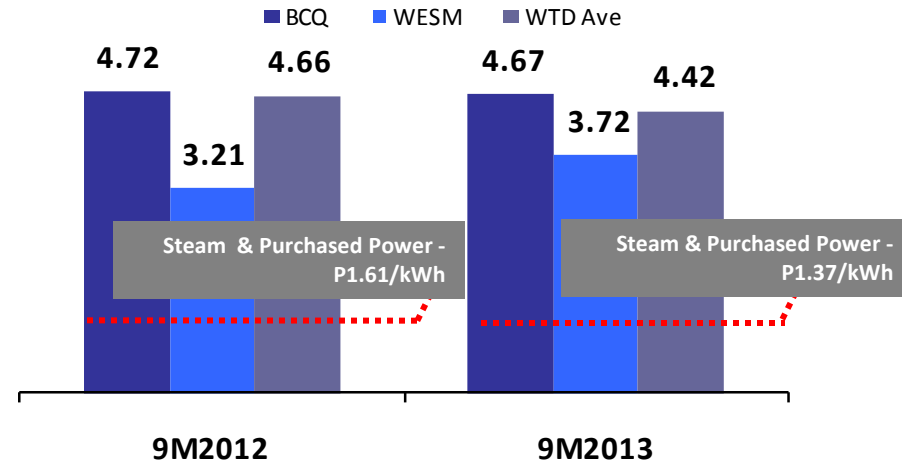
Nominated and Accepted Ancillary (GW/h)



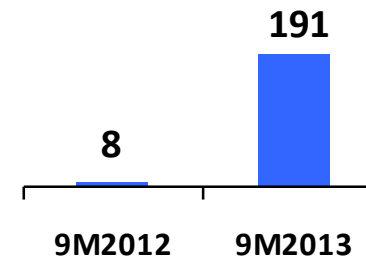
AP RENEWABLES (Tiwi-Makban)



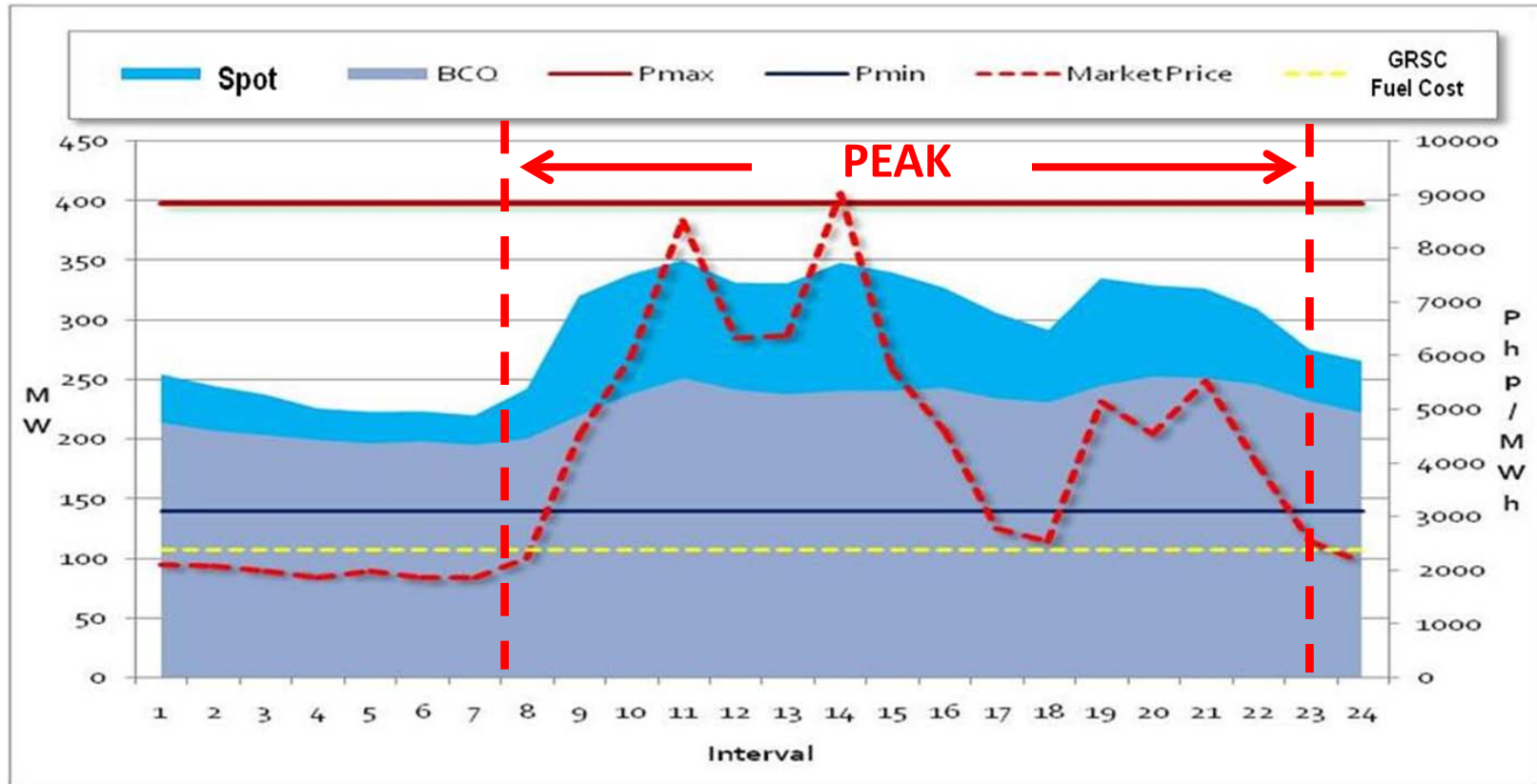
Average Selling Prices (P/kWh)



Steam Vented (GWh)

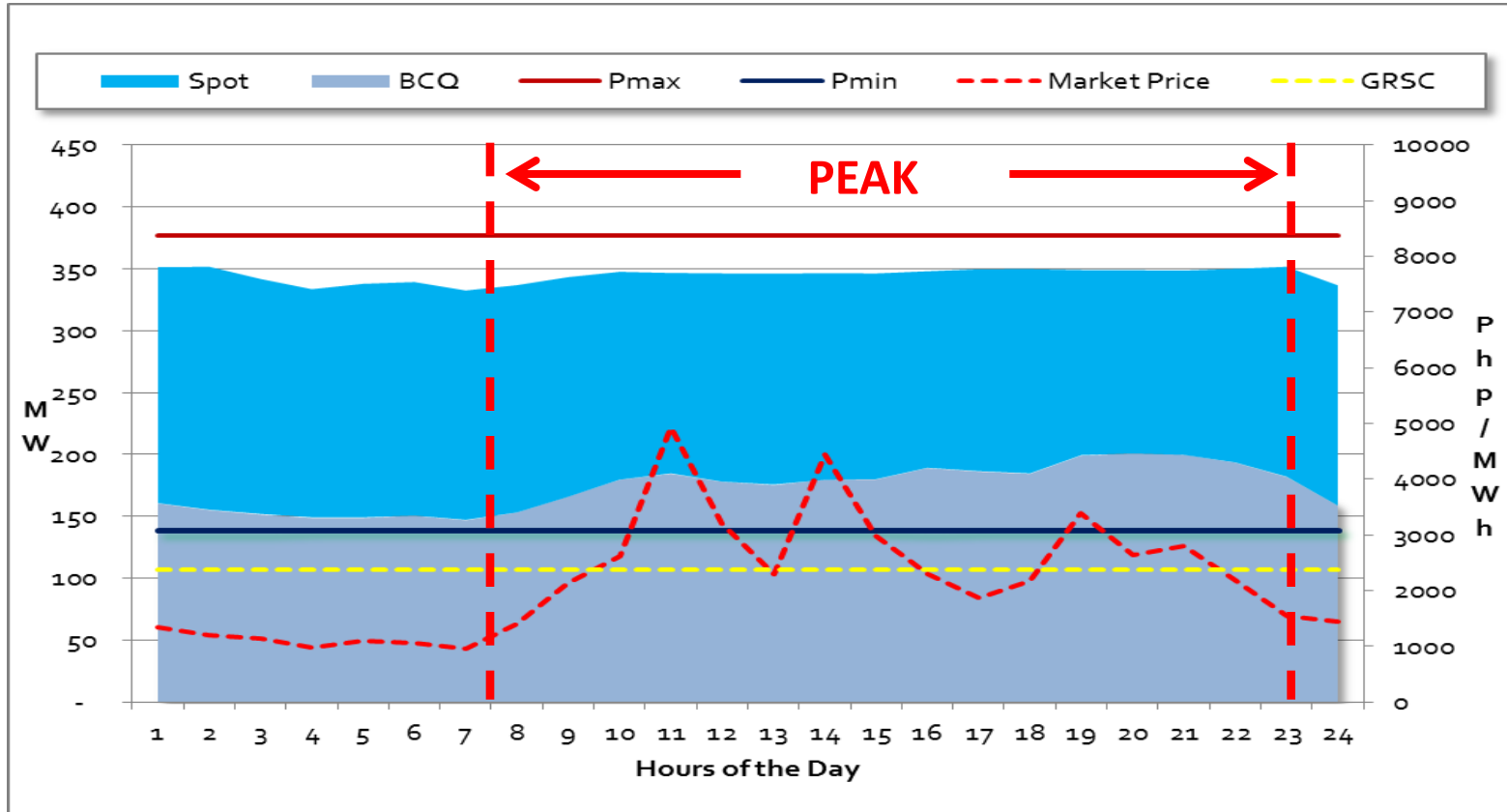


Situation under GRSC (July 2013)



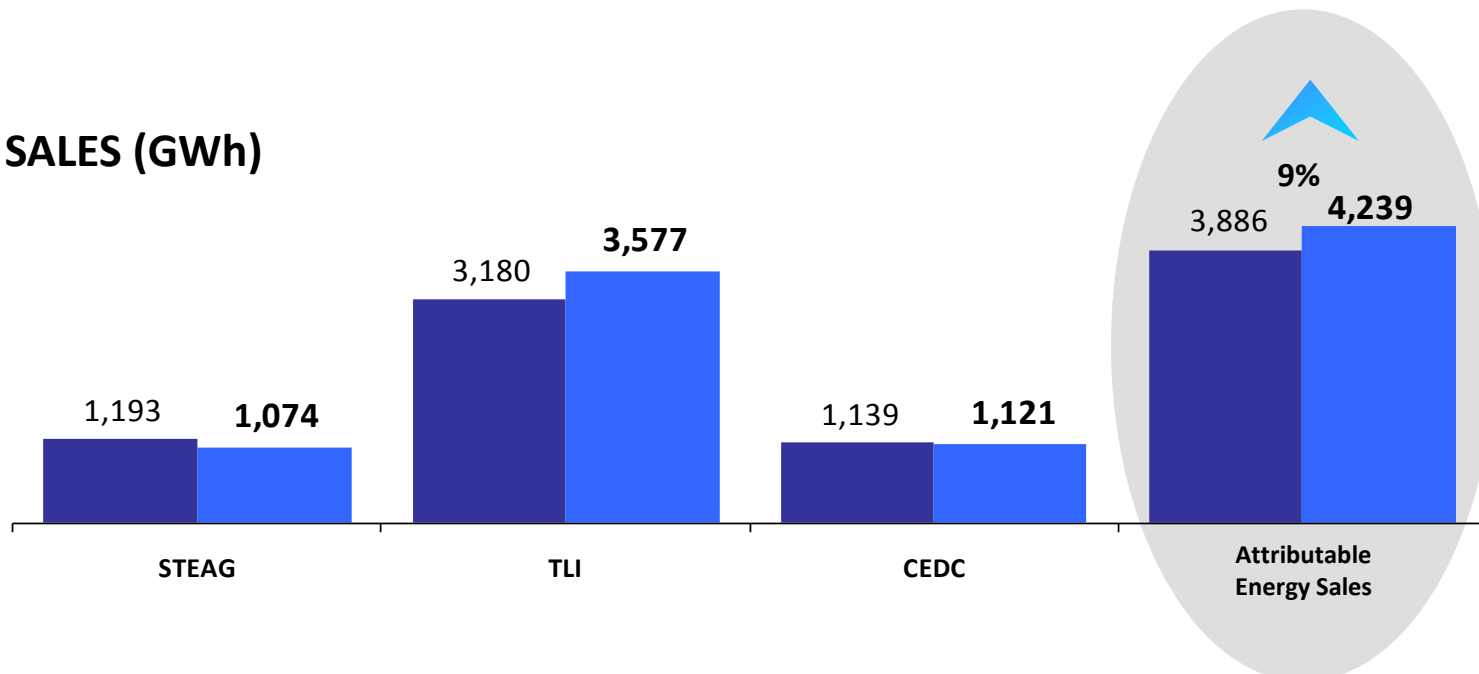
- For July 2013, APRI was selling energy on a peaking profile, as shown in the graph. The rest of the capacity (total of 71 GWh) was vented.
- On average, market prices are below GRSC fuel cost during off-peak hours, which limit Spot sales opportunities.
- An interim agreement supplementing the GRSC was implemented on Aug. 14, 2013. This will result in a lower fuel cost during off-peak hours, thus allowing AP to maximize sales even during this period.

Situation under 50:50 Sharing (Effective Aug. 2013)

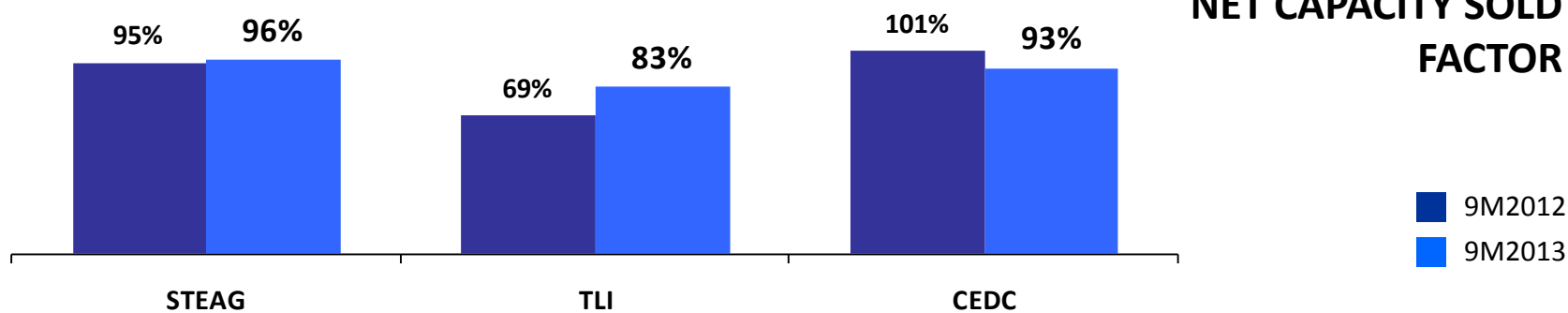


- The Interim Agreement with PGPC (formerly Chevron) proposed a revenue sharing arrangement when Market Prices are less than GRSC (fuel cost)
- Under these market conditions (WESM Price < GRSC) APRI is assured that its Fuel Cost will be 50% of its selling price to WESM
- The arrangement has a two fold effect:
 - Margin Improvement
 - Incremental sales

ENERGY SALES (GWh)



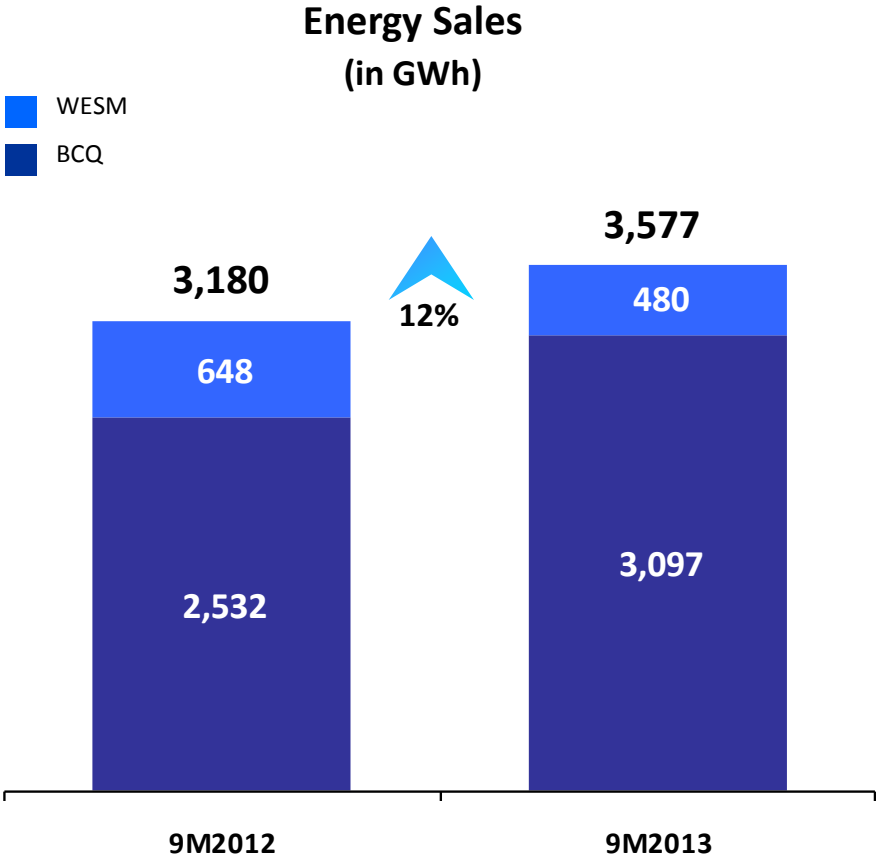
NET CAPACITY SOLD FACTOR



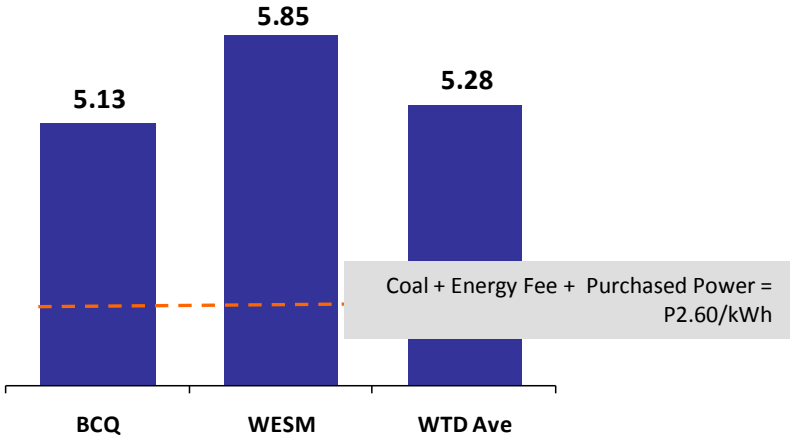
OPERATING HIGHLIGHTS: COAL



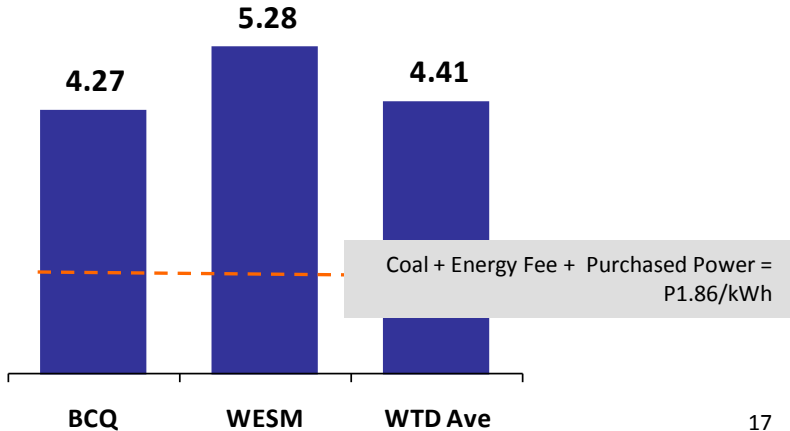
THERMA LUZON (Pagbilao)



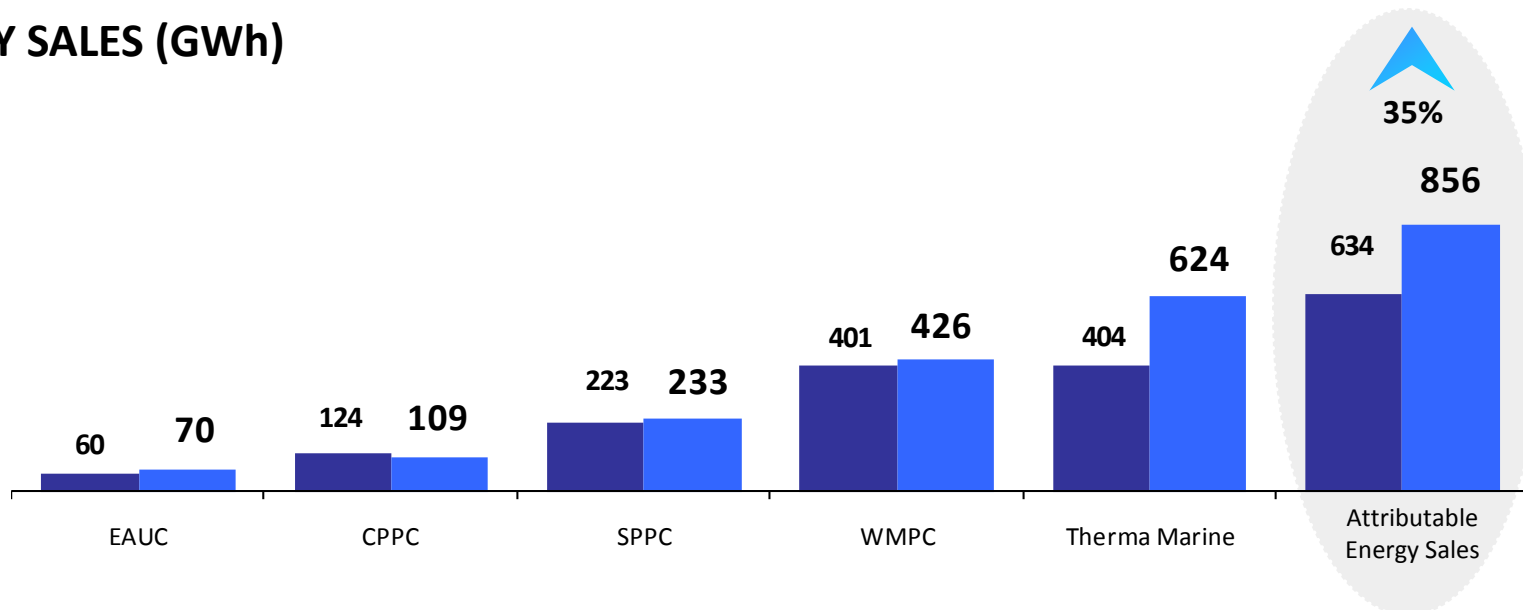
9M2012 Average Selling Price P/kWh



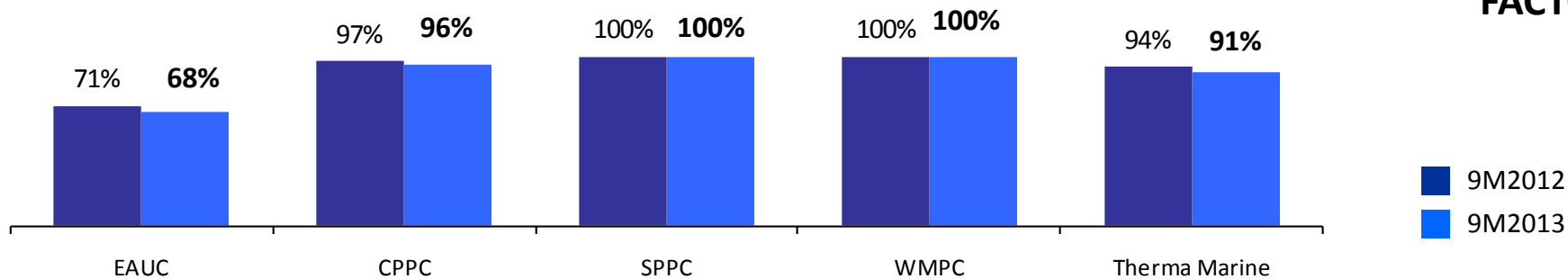
9M2013 Average Selling Price P/kWh



ENERGY SALES (GWh)



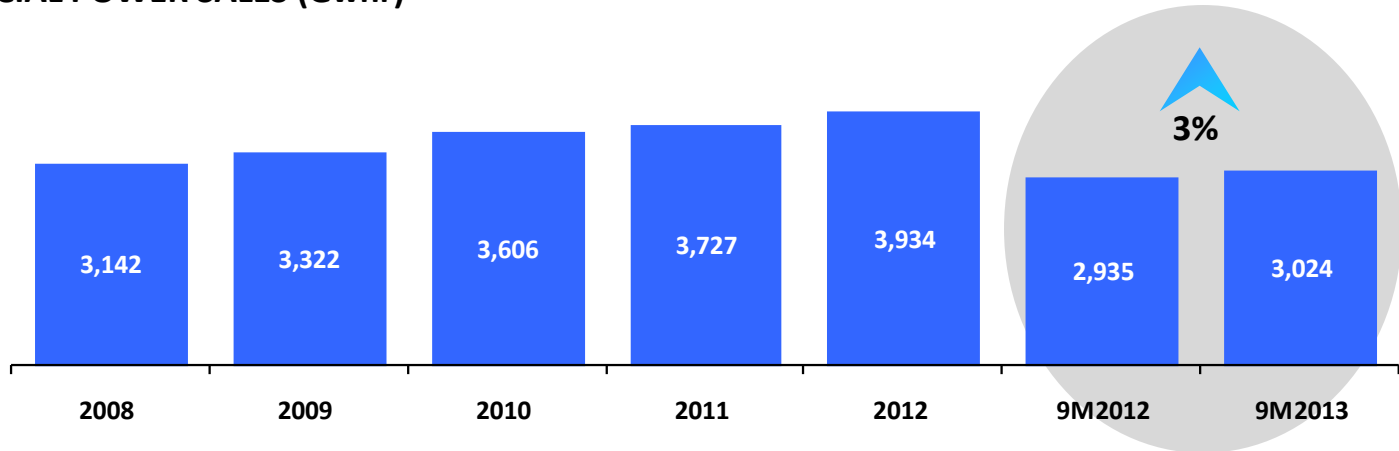
NET CAPACITY SOLD FACTOR



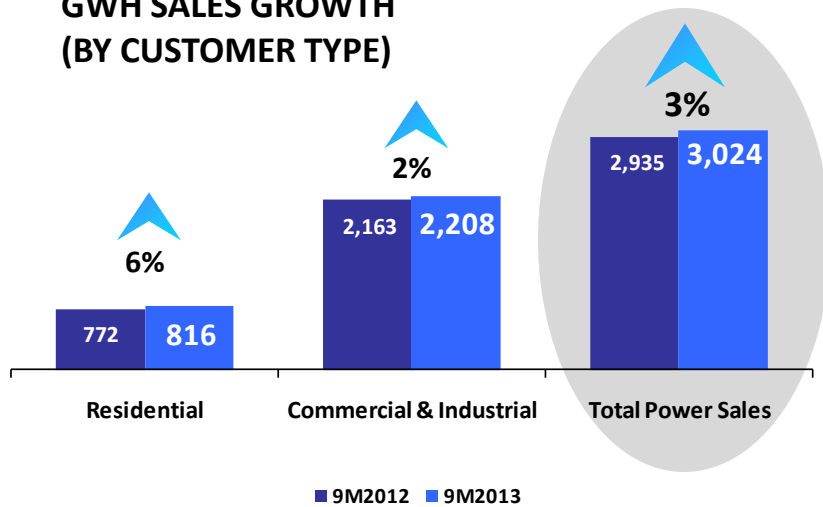
OPERATING HIGHLIGHTS: DISTRIBUTION



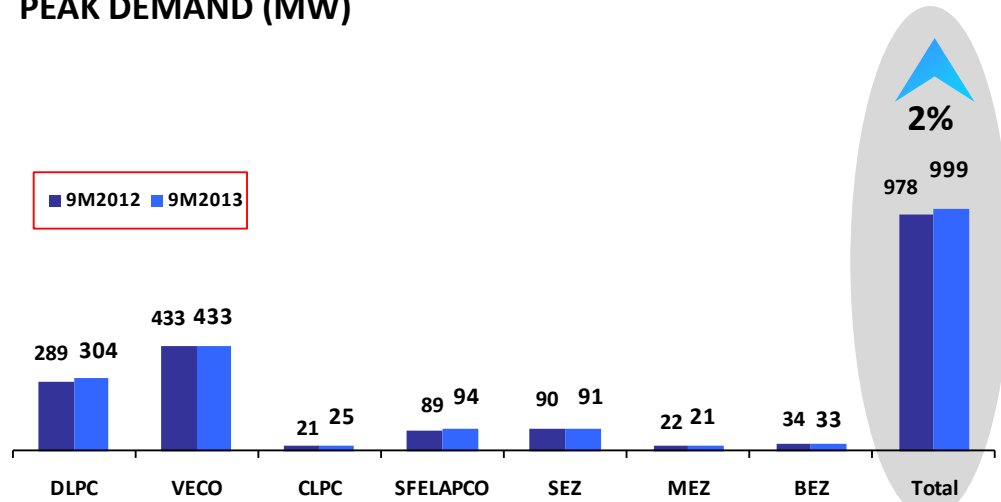
BENEFICIAL POWER SALES (Gwhr)



BENEFICIAL GWH SALES GROWTH (BY CUSTOMER TYPE)



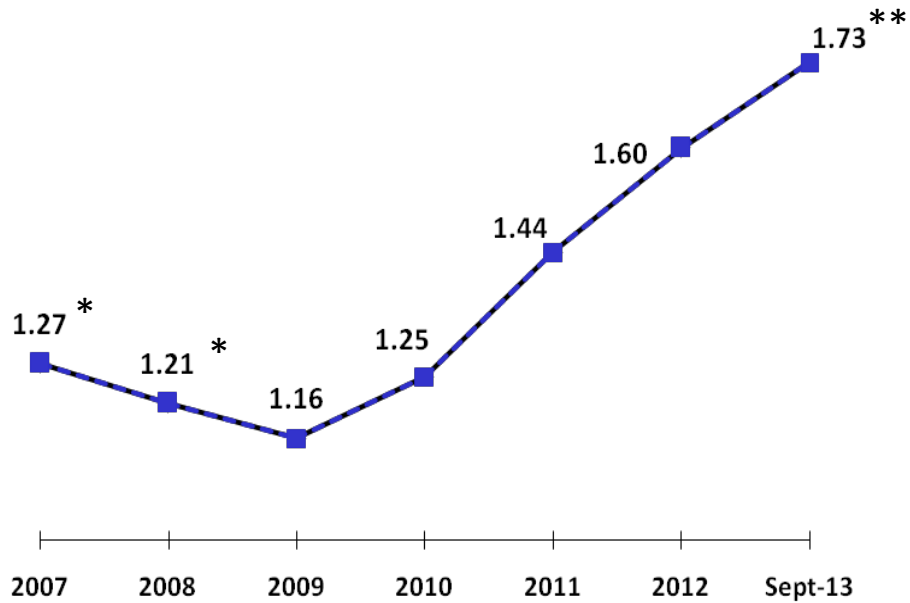
PEAK DEMAND (MW)



OPERATING HIGHLIGHTS: DISTRIBUTION



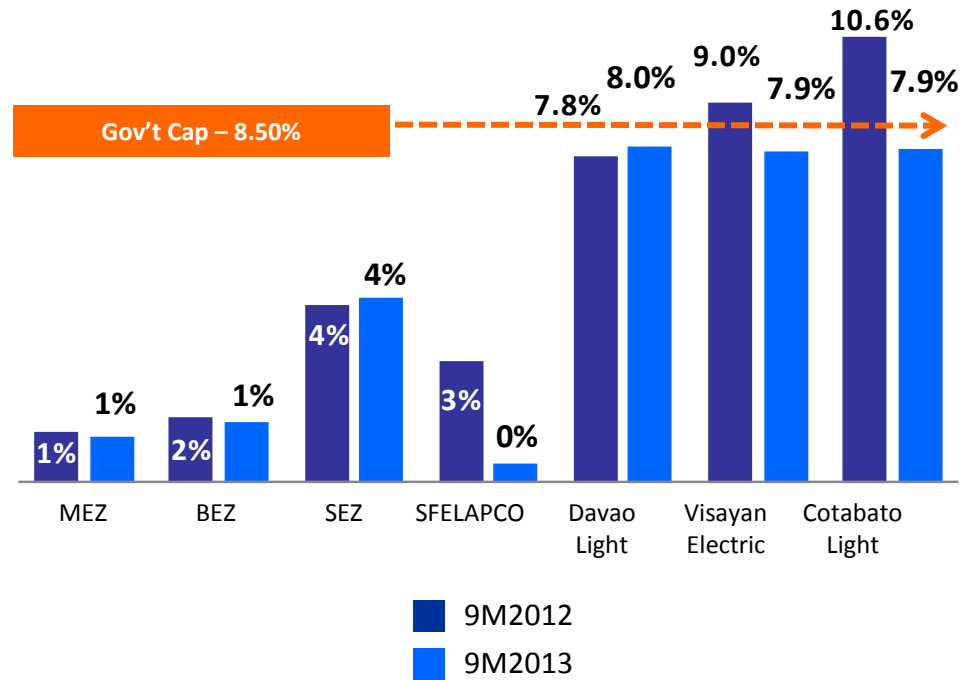
GROSS MARGIN / KWH SALE



* Adjusted for timing of transmission charge recovery

** Year-to-date

SYSTEMS LOSS



BALANCE SHEET (In million Pesos)	PARENT		CONSOLIDATED	
	YE2012	End Sept 2013	YE2012	End Sept 2013
Cash and Equivalents	8,234	3,457	30,678	15,546
Investments and Advances	62,411	70,025	25,831	27,763
Total Assets	71,120	74,153	163,137	157,442
Total Interest Bearing Debt	4,970	-	66,879	58,477
Total Liabilities	6,694	12,346	80,635	72,555
Net Debt	-	-	36,201	42,932
Total Equity	64,426	61,807	82,502	84,888
Current Ratio	5.0x	0.3x	2.7x	2.3x
Net Debt to Equity	-	-	0.4x	0.5x

FIVE YEAR PROJECT PIPELINE TO SECURE LONG-TERM GROWTH

LUZON GRID	VISAYAS GRID	MINDANAO GRID
<ul style="list-style-type: none">▪ Subic Coal 600 MW (2017)▪ Sabangan Hydro 14 MW (2015)▪ Pagbilao Coal 400 MW (2017)	<ul style="list-style-type: none">▪ Cebu Coal 300 MW	<ul style="list-style-type: none">▪ Davao Coal 300 MW (2015)▪ Davao Coal 3rd Unit 150 MW▪ Tudaya 14 MW (2014)▪ Tamugan 12 MW (2016)▪ Manolo Fortich 52 MW

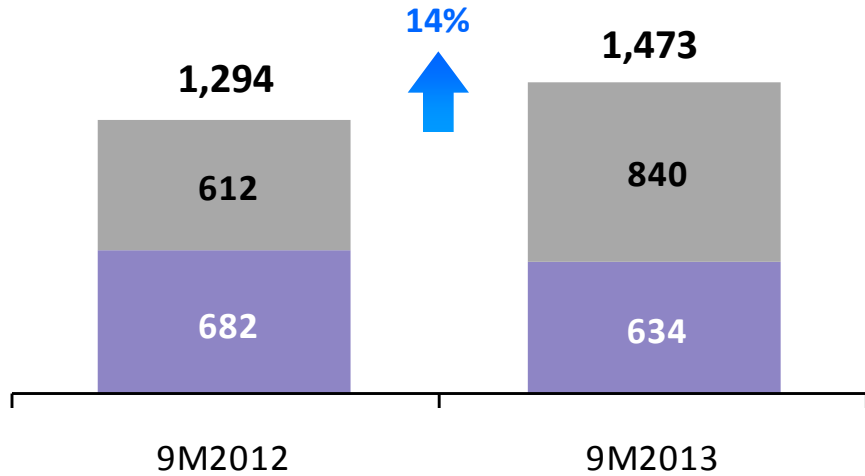
Annex A: EARNINGS BREAKDOWN

(in million pesos)	YEAR - TO - DATE		FOR THE QUARTER	
	ACTUAL 2013	ACTUAL 2012	ACTUAL 2013	ACTUAL 2012
Parent & Others	(251)	(950)	(65)	(385)
Power Generation Group:				
ARI (parent)	31	(37)	5	12
HEDCOR INC	91	159	182	201
HEDCOR SIBULAN	490	240	219	105
HEDCOR TUDAYA	(2)	0	(1)	0
HEDCOR TAMUGAN	0	0	0	0
LUZON HYDRO	137	(433)	96	(98)
MORE	(1)	2	0	(3)
SNAP MAGAT	1,339	4,396	632	1,221
SNAP BENGUET	882	1,407	423	537
SPPC	32	38	7	11
WMPC	89	96	32	32
CPPC	151	232	50	77
EAUC	121	153	38	54
THERMA MOBILE	(15)	(12)	(5)	(4)
THERMA MARINE	425	169	110	(56)
STEAG	182	409	47	135
ABOVANT HOLDINGS (CEDC)	406	454	97	149
RP ENERGY	(43)	(21)	(4)	(7)
THERMA (Parent & Others)	(51)	2	0	2
THERMA SOUTH	12	(4)	11	5
THERMA LUZON	2,865	4,390	1,021	1,554
AP RENEWABLES	4,962	5,514	1,069	1,892
Sub-Total Power Generation	12,102	17,153	4,031	5,820
Power Distribution Group:				
COTABATO LIGHT & POWER	67	61	17	21
DAVAO LIGHT & POWER	1,227	1,263	442	417
VISAYAN ELECTRIC CO.	772	484	235	204
SFELAPCO	86	94	15	32
SUBIC ENERZONE	178	175	59	57
MACTAN ENERZONE	47	49	15	16
BALAMBAN ENERZONE	52	55	18	18
Sub-Total Power Distribution	2,429	2,180	801	765
TOTAL NET INCOME	14,280	18,383	4,767	6,200
NET INCOME TO COMMON	14,280	18,383	4,767	6,200
% increase (decrease)		-22%		-23%
RECURRING NET INCOME	15,804	17,886	4,918	6,366
% increase (decrease)		-12%		-23%

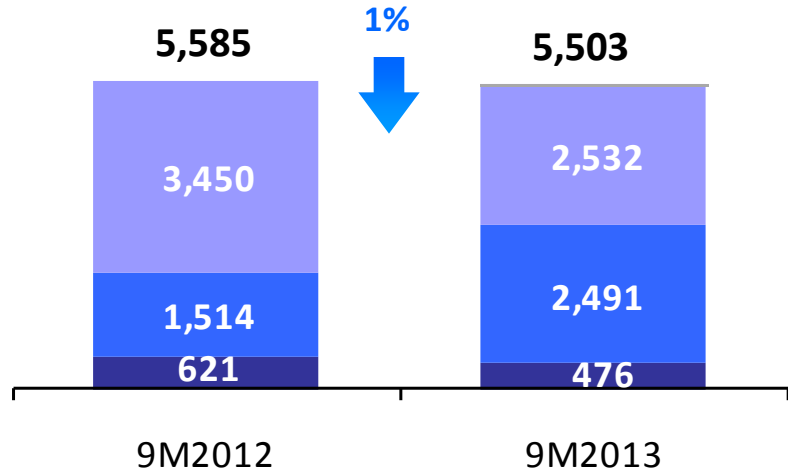
Annex B: OPERATING HIGHLIGHTS – GENERATION



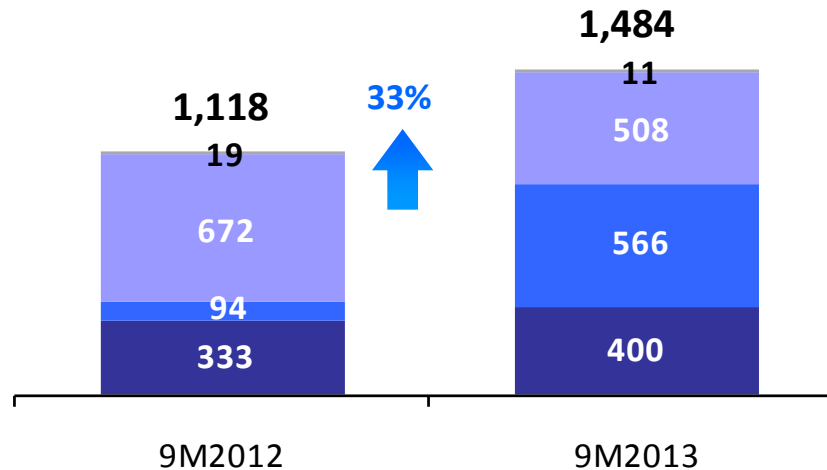
CONTRACTED (CAPACITY)



CONTRACTED (ENERGY)



SPOT MARKET



- Oil
- Coal
- Geothermal
- Hydro

*Figures are in GWh

300 MW Davao Coal Project

- Greenfield project to help ease energy supply shortfall in Mindanao Grid
- Composed of 2 x 150 MW generating units
- Total cost estimated at P31.1 billion
 - Capex spent as of September 30, 2013 at P14.5 billion
- Estimated to be completed by 2015
- Off-take
 - Sellable capacity already fully contracted with several offtakers, including affiliate DLPC



14 MW Tudaya 1 and 2 Hydro Power Plants

- Greenfield project which involves the construction of two run of river hydropower plant facilities in Davao Del Sur, in Mindanao
- Total cost estimated at P2.4 billion
 - Capex spent as of September 30, 2013 at P1.3 billion
- Estimated to be completed by 2014

14 MW Sabangan Hydro Power Plant

- Greenfield project which involves the construction and operation of a hydropower plant facility in Mt. Province, in Northern Luzon
- Groundbreaking held in June 2013
- Total cost estimated at P1.9 billion
 - Capex spent as of September 30, 2013 at P293.1 million
- Estimated to be completed by 2015

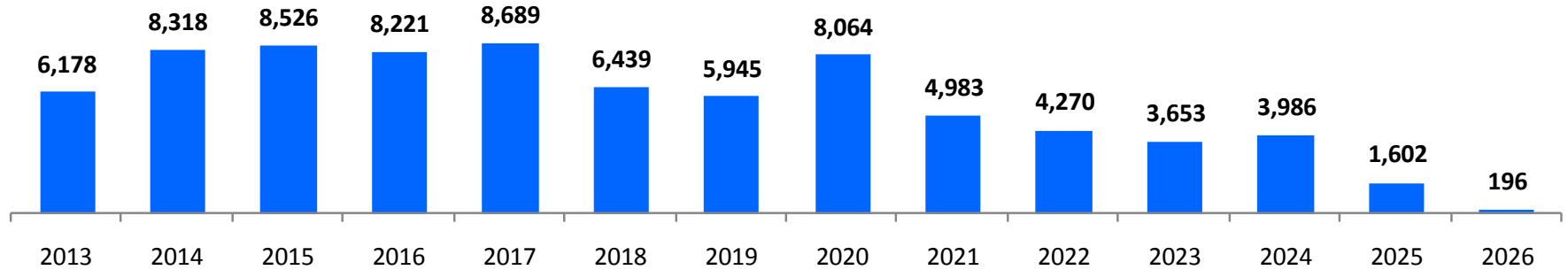


Annex D: DEBT PROFILE – AP BENEFICIAL



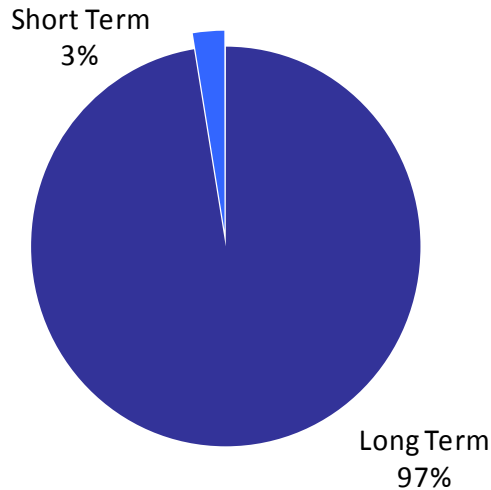
Maturity Profile - PhPM

(As of September 2013)



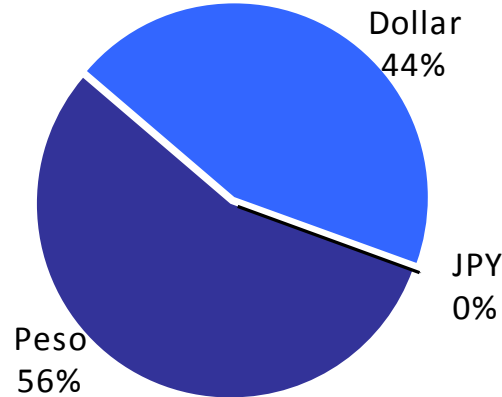
Breakdown by Tenor

(As of Sept. 2013)



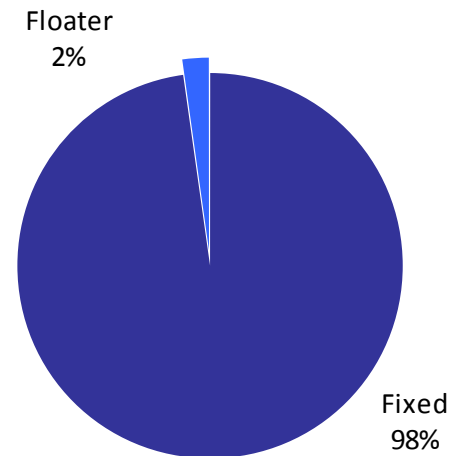
Breakdown by Currency

(As of Sept. 2013)



Breakdown by Interest Rate

(As of Sept. 2013)



Thank you



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