

# ABOITIZ POWER CORPORATION

## Second Quarter/First Semester 2011 Financial & Operating Results

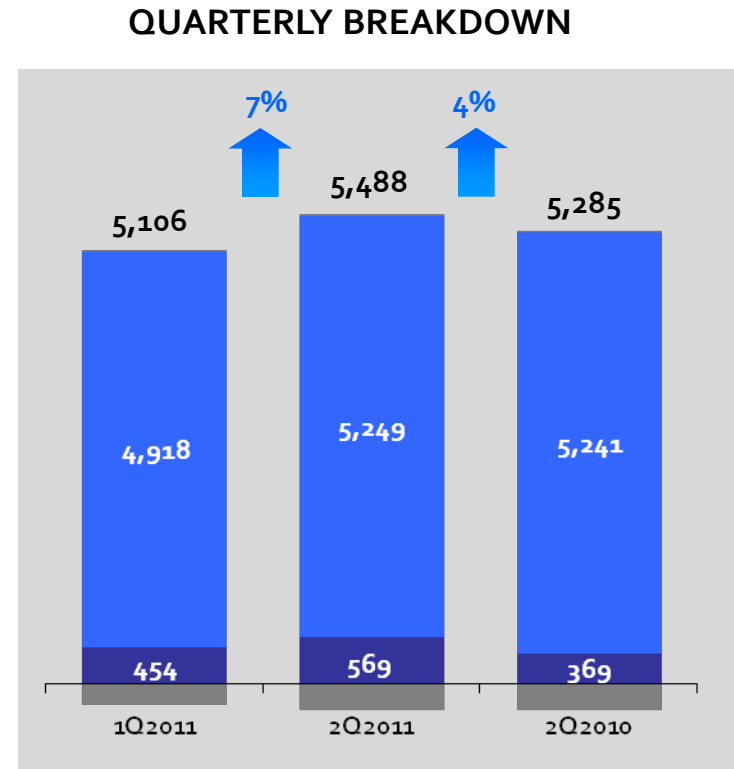
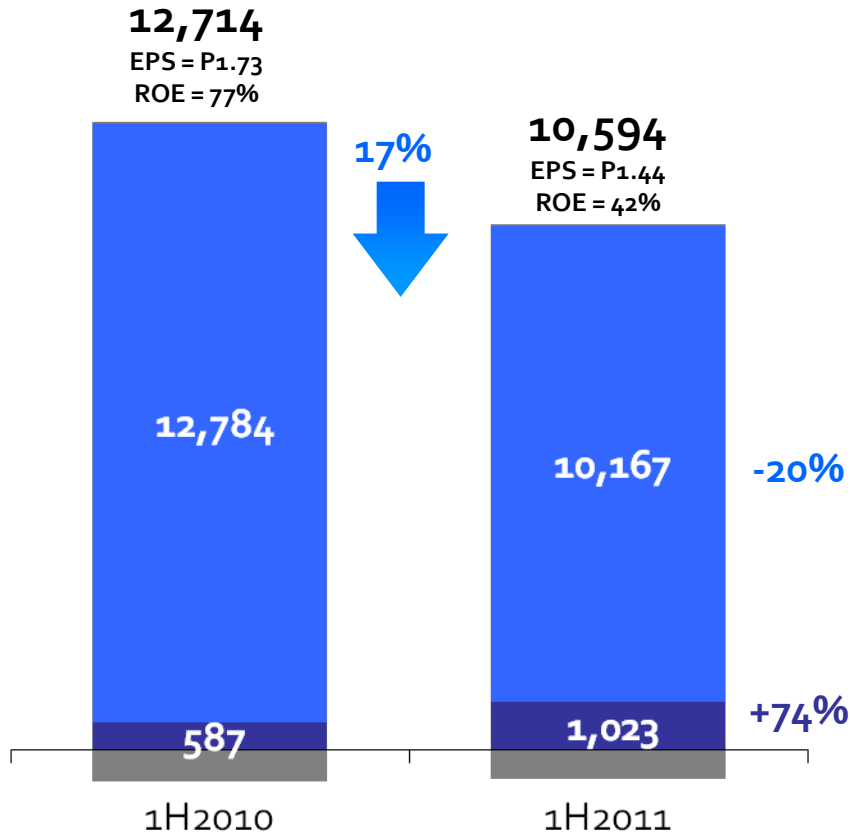
29 July 2011



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# NET INCOME (in million pesos)



■ Distribution   
 ■ Generation   
 ■ AP Parent

# CORE NET INCOME (in million pesos)

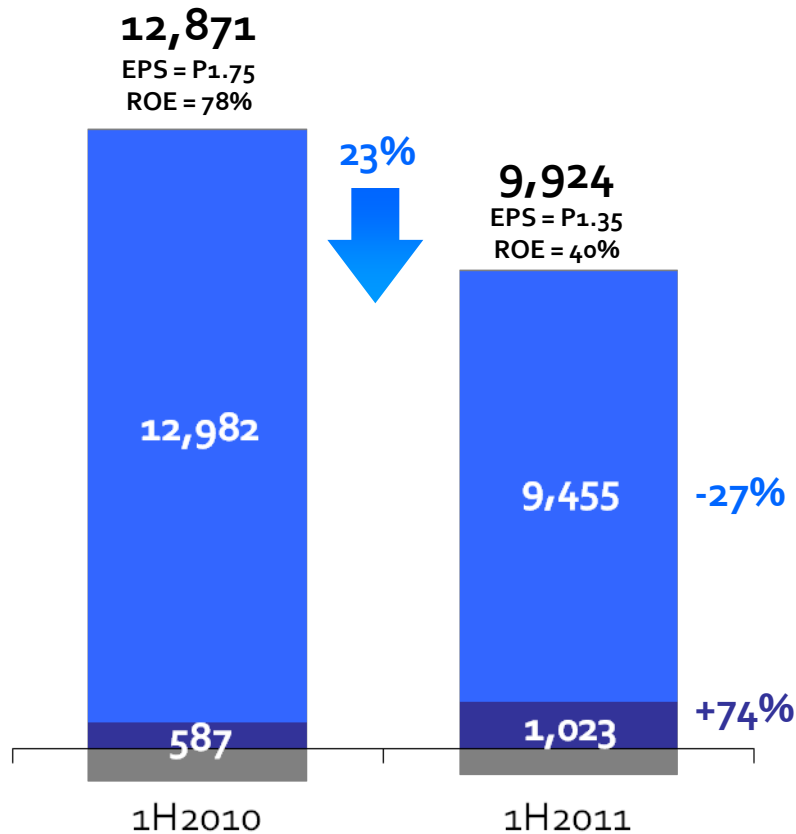


## Non-Recurring Items

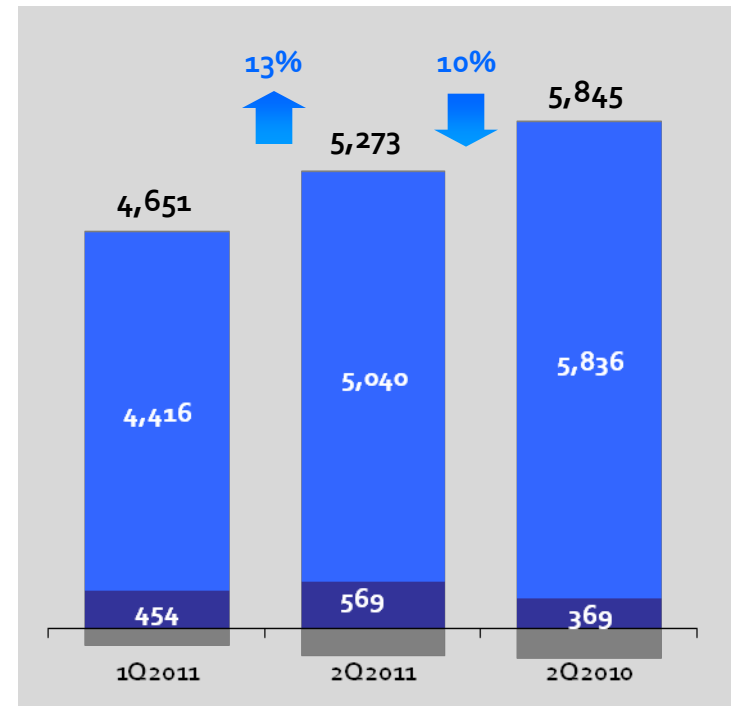
	1H2010	1H2011
FX gains/(loss) - Parent	42	(41)
FX gains/(loss) - Generation	(198)	184
TMI Revenue Adjustment		348
STEAG NPC reimbursement	-	179
	(156)	670

## Non-Recurring Items

	1Q2011	2Q2011	2Q2010
FX gains/(loss) - Parent	(47)	6	35
FX gains/(loss) - Generation	154	30	(595)
TMI Revenue Adjustment	348	-	-
STEAG NPC Reimbursement	-	179	-
	455	215	(560)



## QUARTERLY BREAKDOWN



■ Distribution ■ Generation ■ AP Parent

# CORE NET INCOME, Ex Pagbilao Effect (in million pesos)

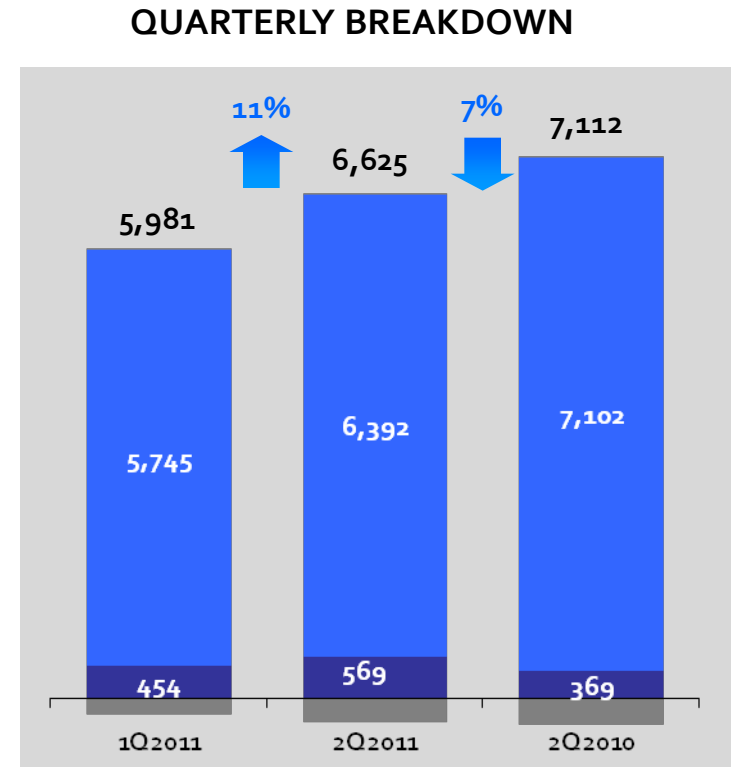
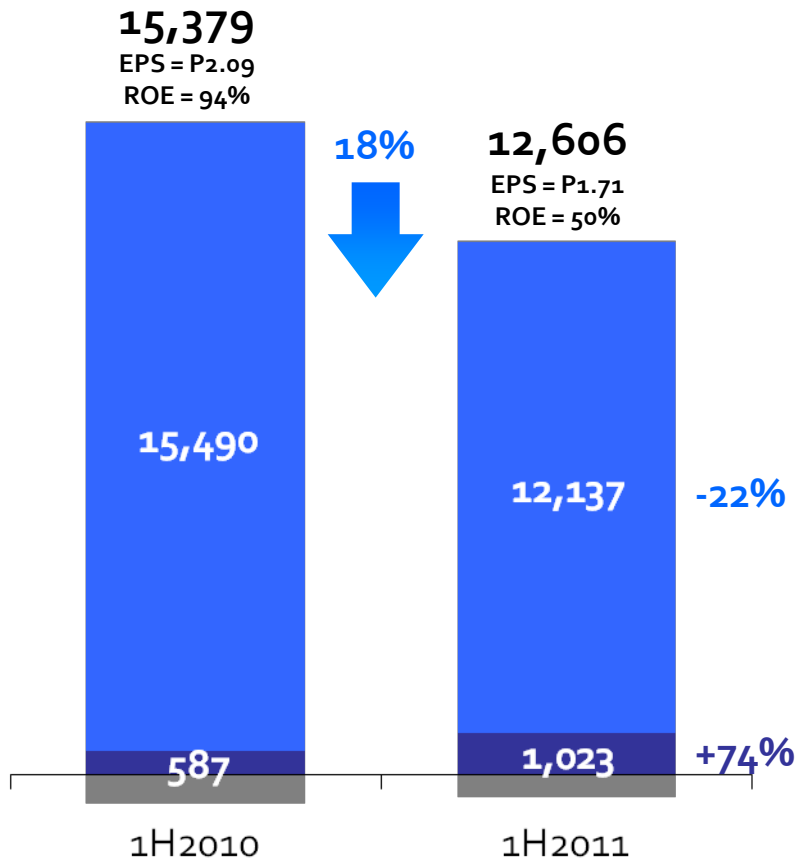


## Pagbilao Finance Lease Effect

	1H2010	1H2011
Accreted Interest Expense	2,524	2,683
Depreciation	547	547
PSALM Monthly Payments	(563)	(549)
	<u>2,508</u>	<u>2,682</u>

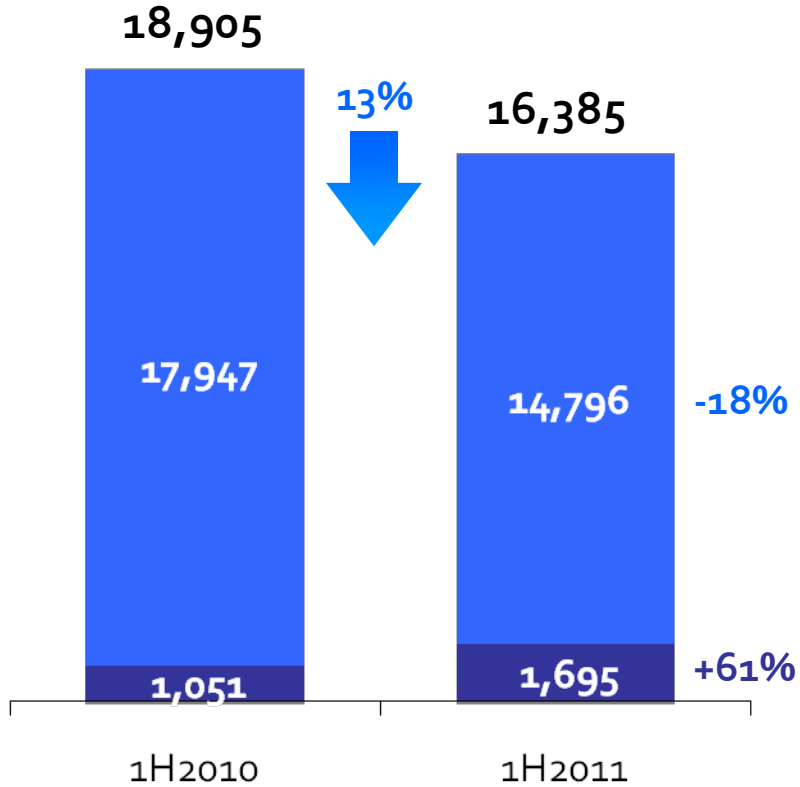
## Pagbilao Finance Lease Effect

	1Q2011	2Q2011	2Q2010
Accreted Interest Expense	1,331	1,352	1,274
Depreciation	274	274	274
PSALM Monthly Payments	(276)	(274)	(281)
	<u>1,330</u>	<u>1,352</u>	<u>1,266</u>

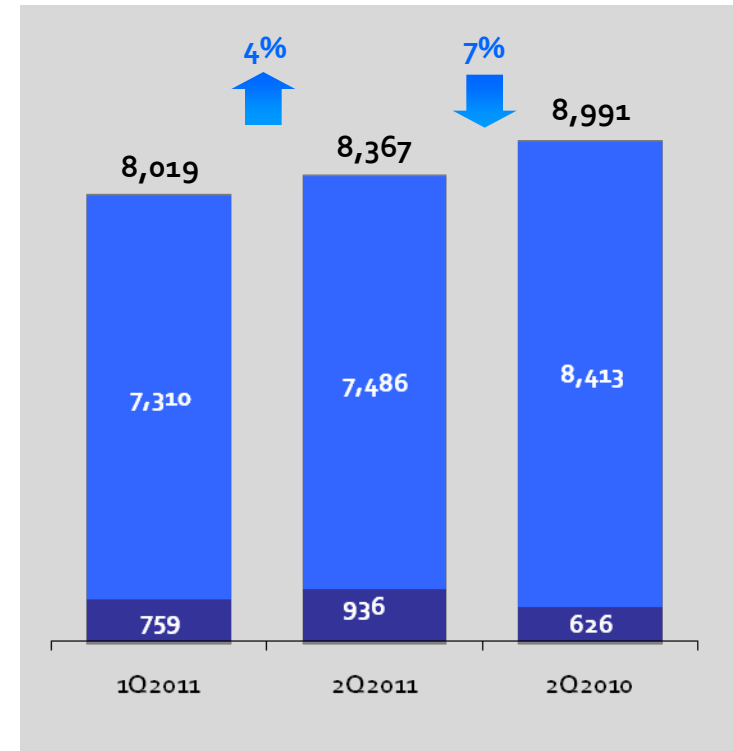


■ Distribution ■ Generation ■ AP Parent

# PROFORMA EBITDA (in million pesos)

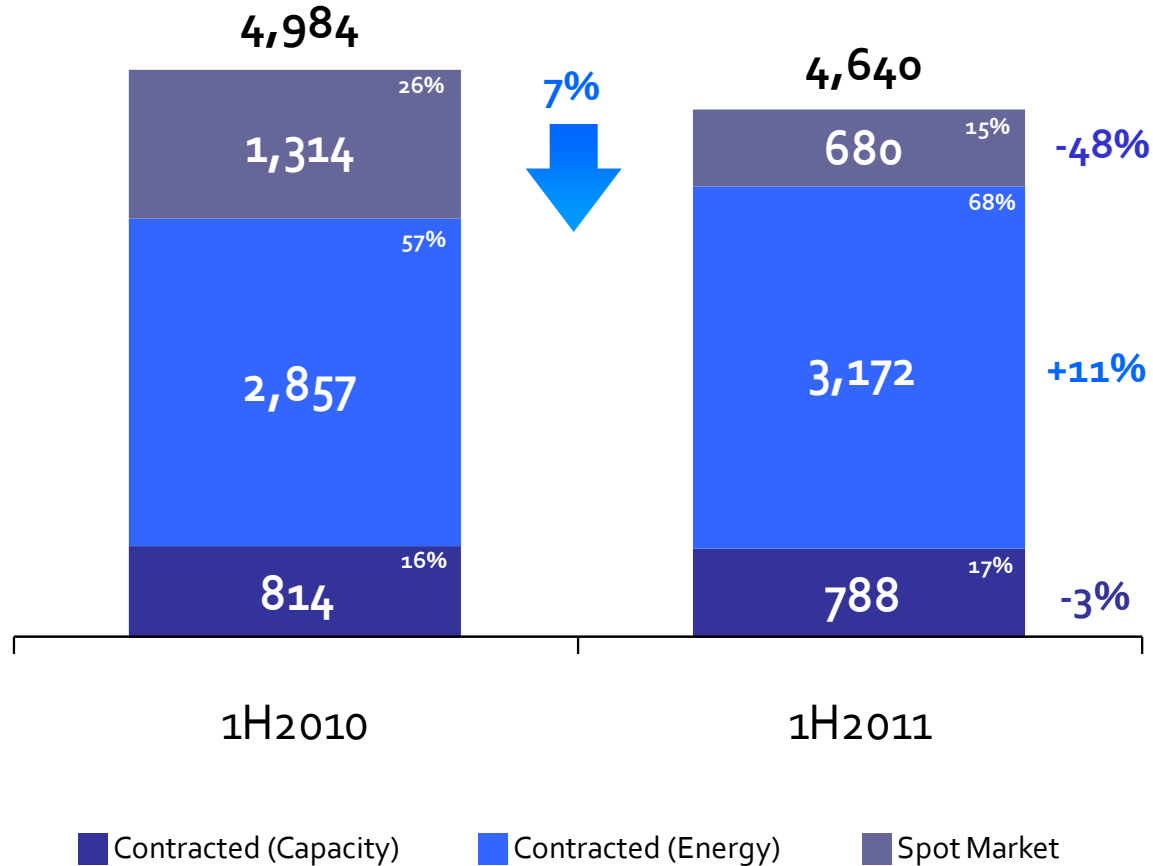


## QUARTERLY BREAKDOWN



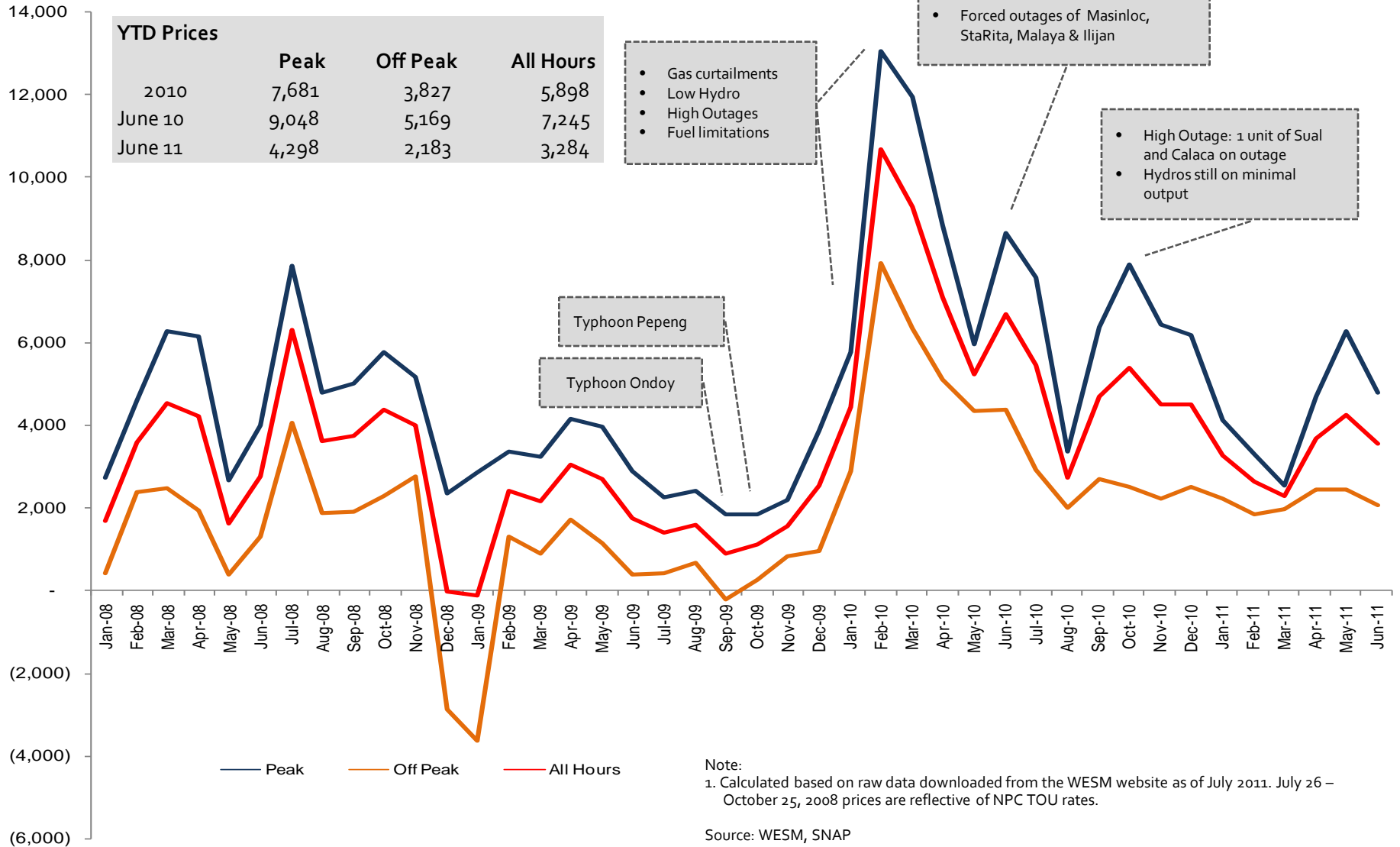
Distribution
  Generation
  AP Parent

## ENERGY SALES BREAKDOWN (GWh)

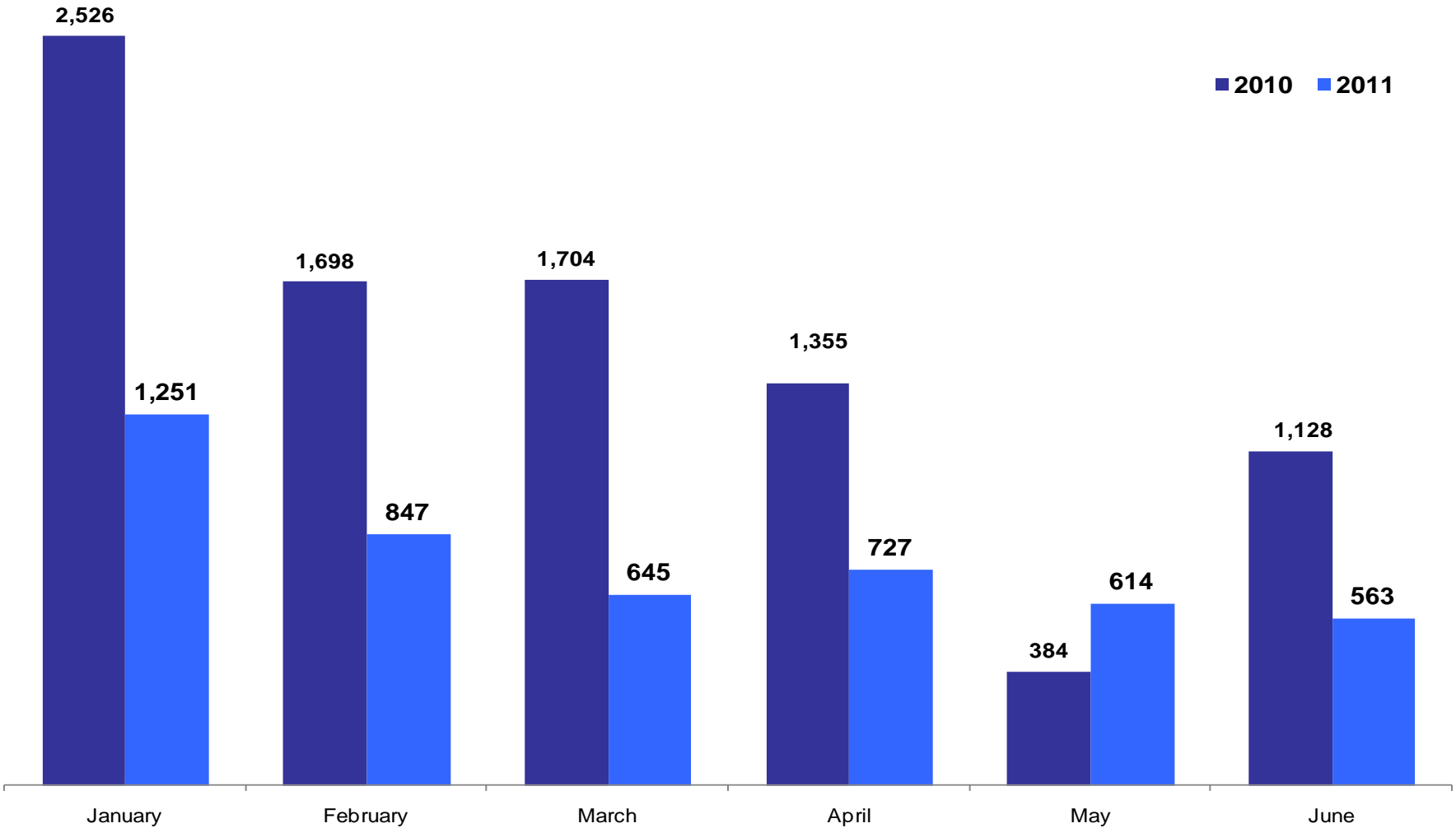


# OPERATING HIGHLIGHTS: 1H2011 WESM HIGHLIGHTS

## WESM AVERAGE PRICES (P/MWh)



## AVERAGE CAPACITY ON OUTAGE (in MW)



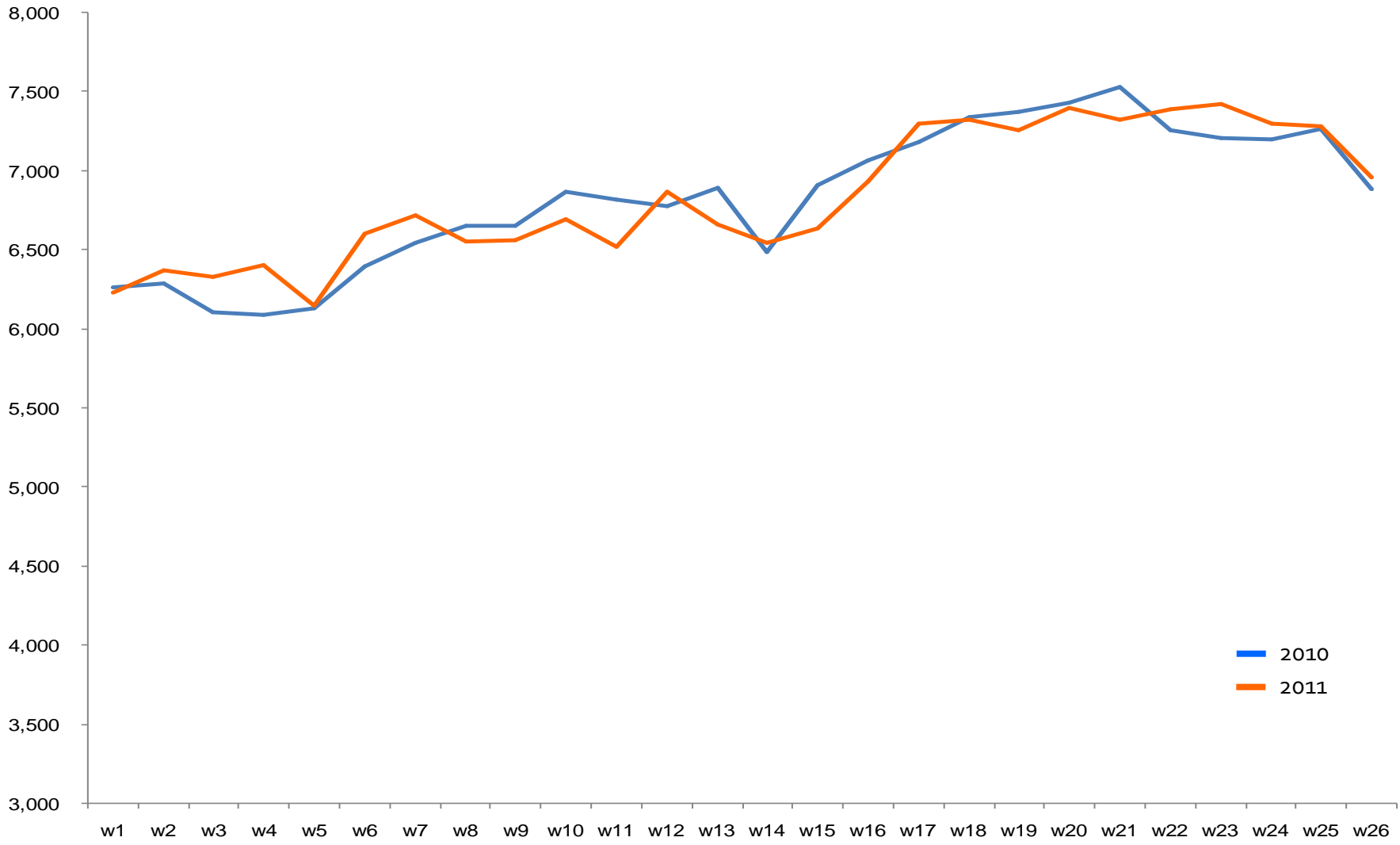
Source: WESM, SNAP



# OPERATING HIGHLIGHTS: 1H2011 WESM HIGHLIGHTS



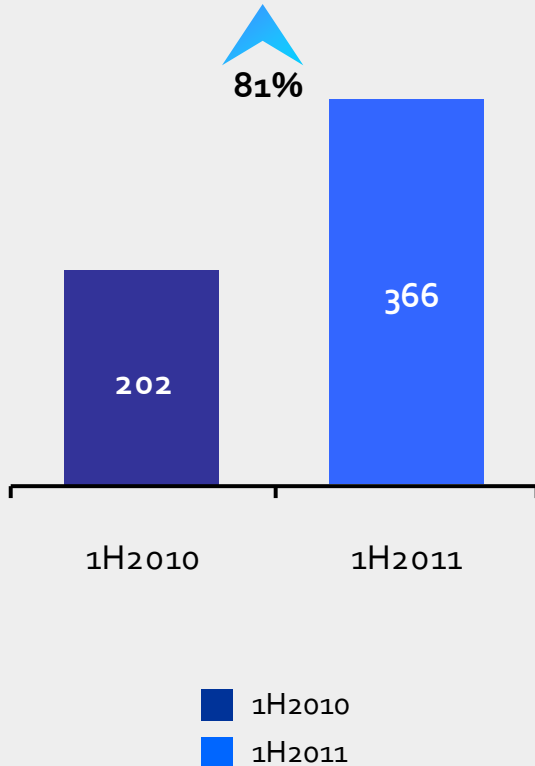
## WEEKLY SYSTEM PEAK DEMAND (in MW)



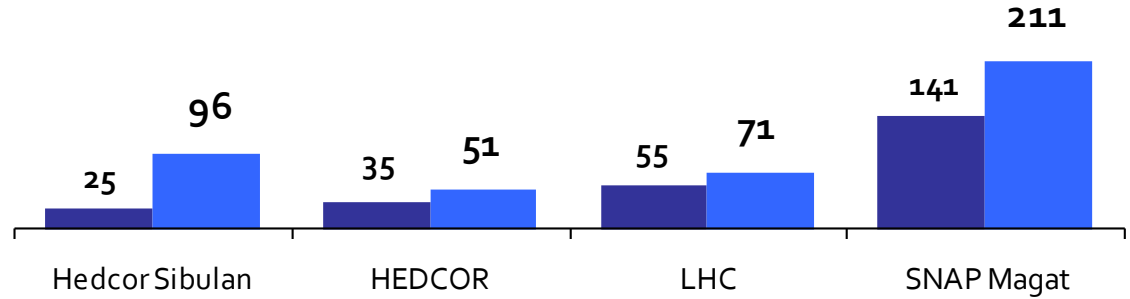
Source: WESM

# OPERATING HIGHLIGHTS: HYDRO

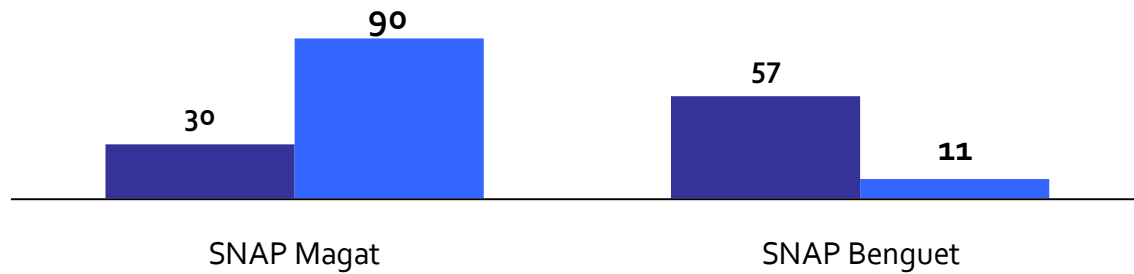
## ATTRIBUTABLE ENERGY SALES (GWh)



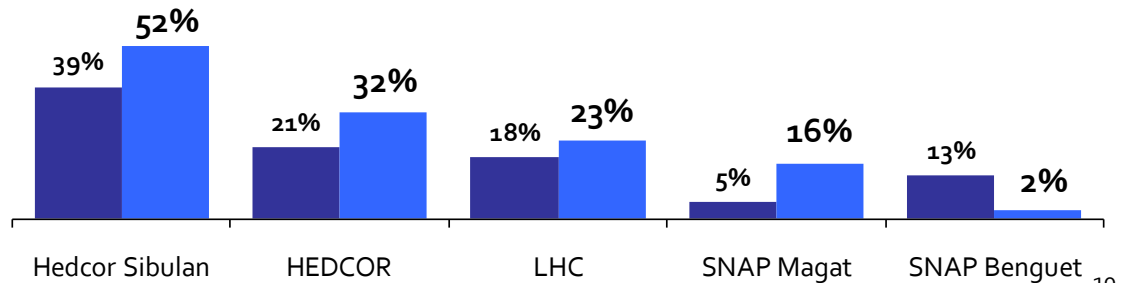
## CONTRACTED ENERGY (GWh), at 100%



## SPOT MARKET (GWh), at 100%



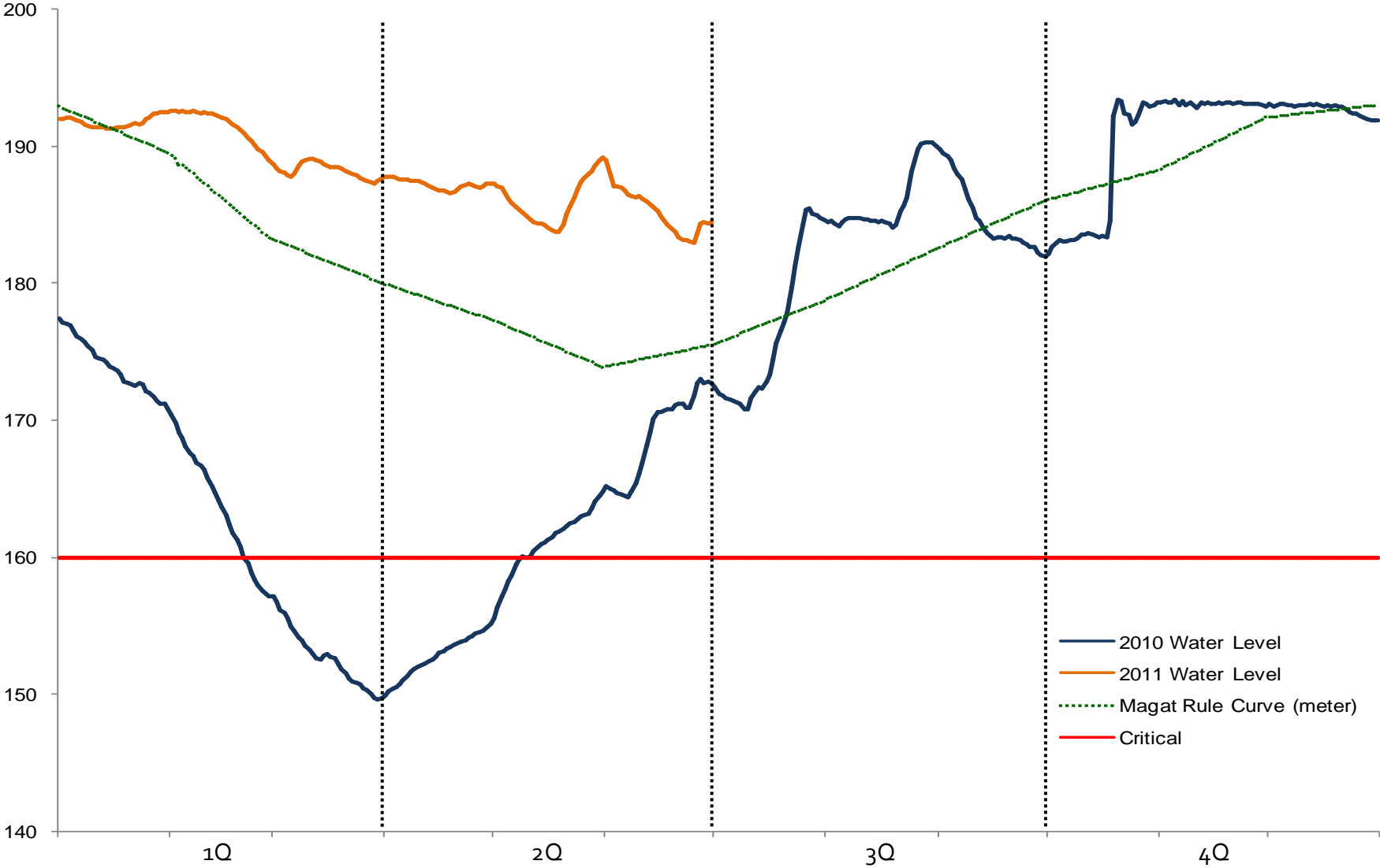
## NET CAPACITY FACTOR



# OPERATING HIGHLIGHTS: HYDRO



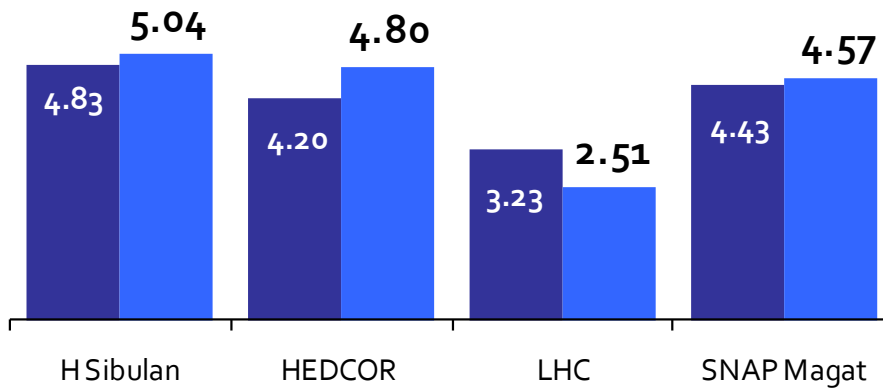
## MAGAT'S WATER LEVEL VS. RULE CURVE (in MASL)



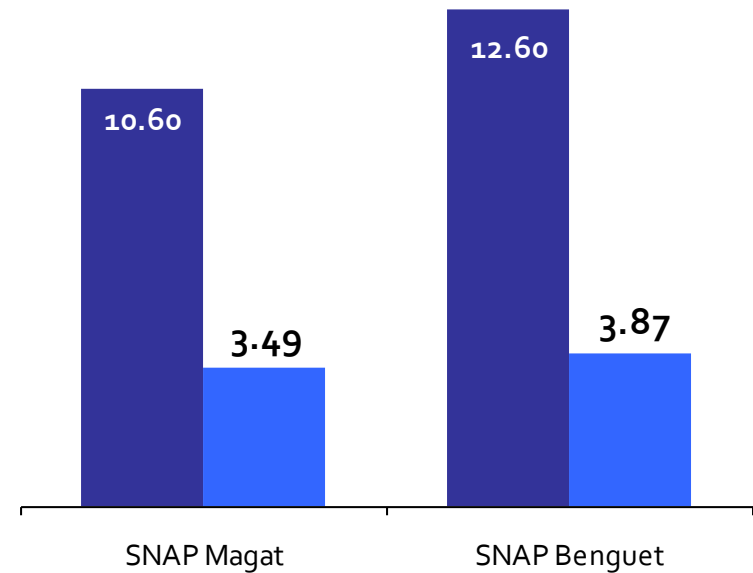
Source: SNAP

## AVERAGE SELLING PRICE (in P/kWh)

### CONTRACTED ENERGY

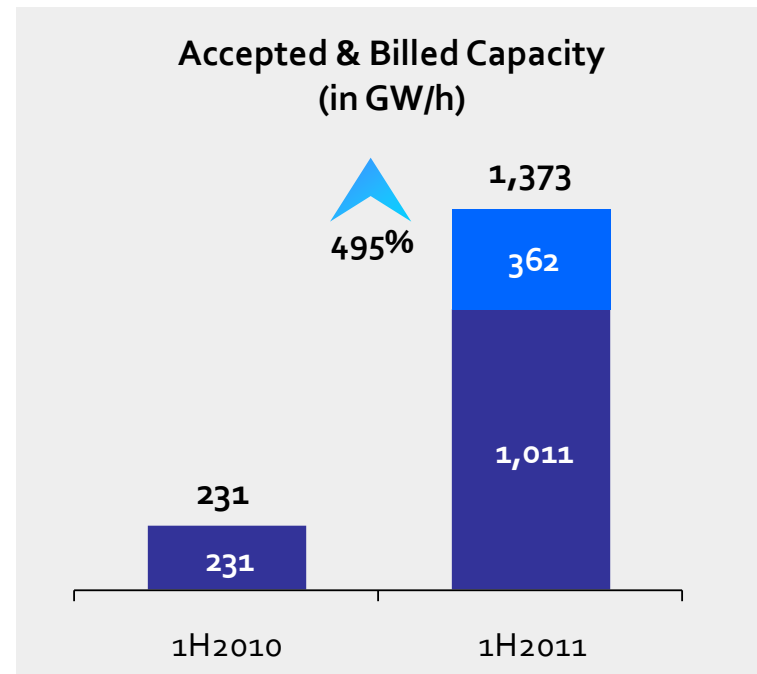
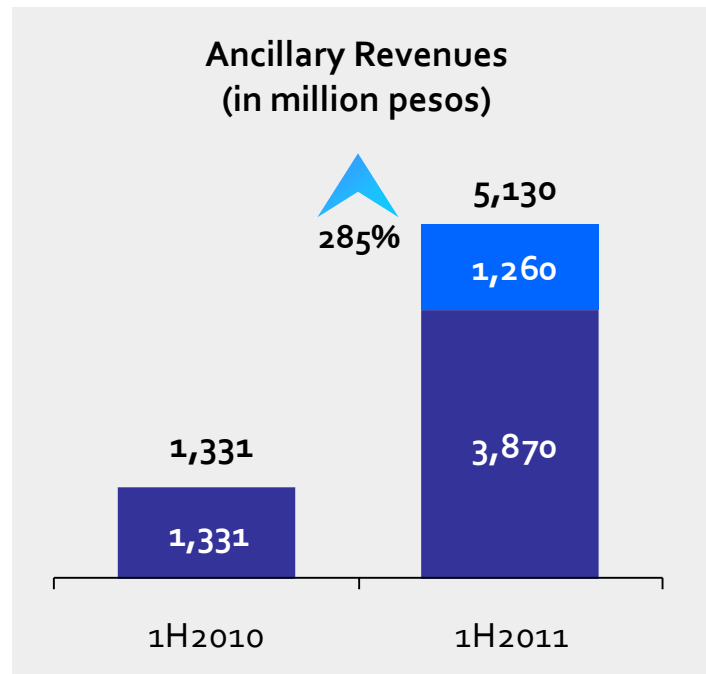


### SPOT MARKET



■ 1H2010  
■ 1H2011

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

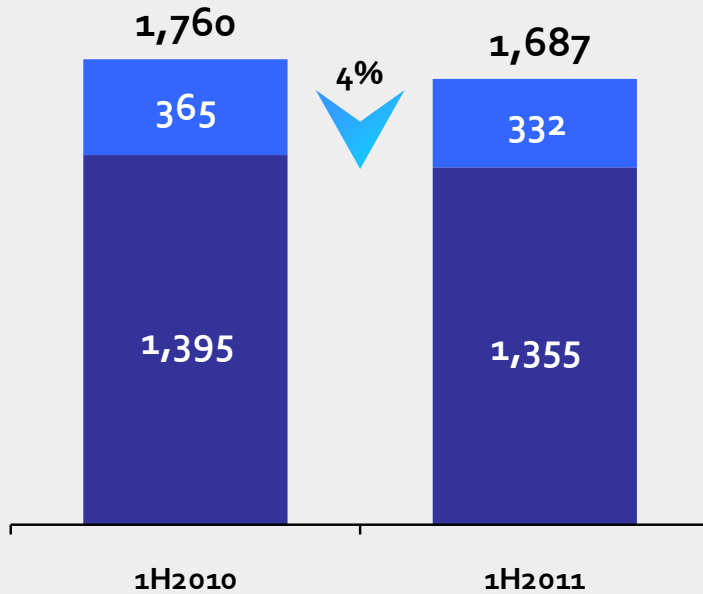


■ SNAP Magat  
■ SNAP Benguet

## AP RENEWABLES (Tiwi-Makban)

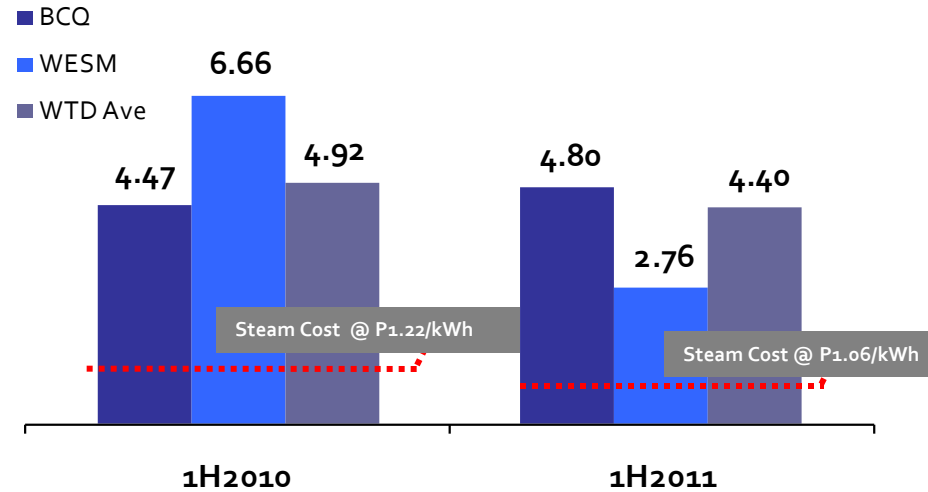
### Energy Sales (in GWh)

WESM  
BCQ

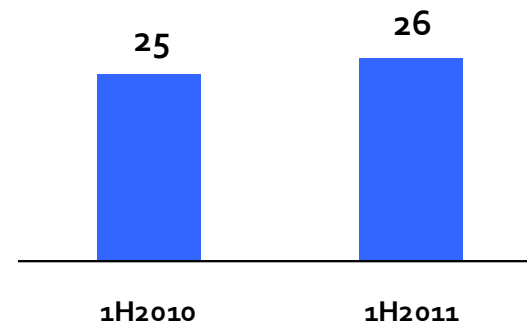


Net Capacity Factor	1H2010	1H2011
Net Capacity Factor	86%	82%

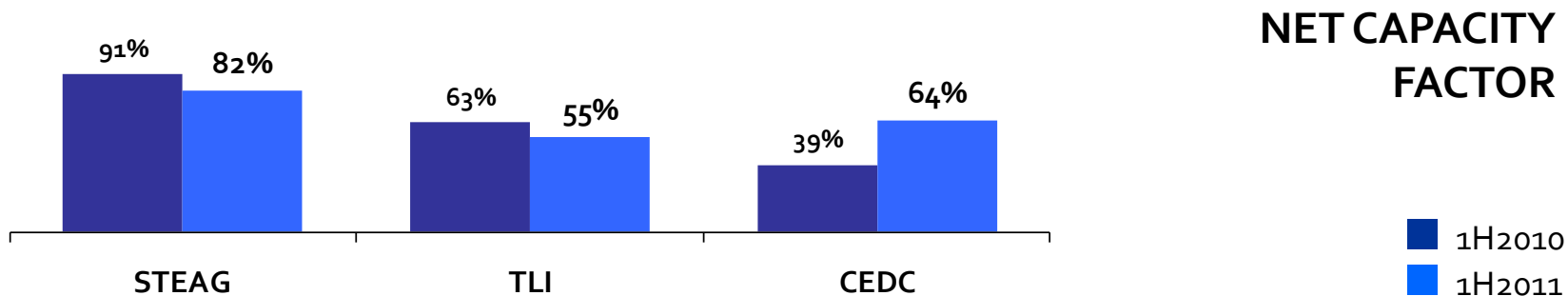
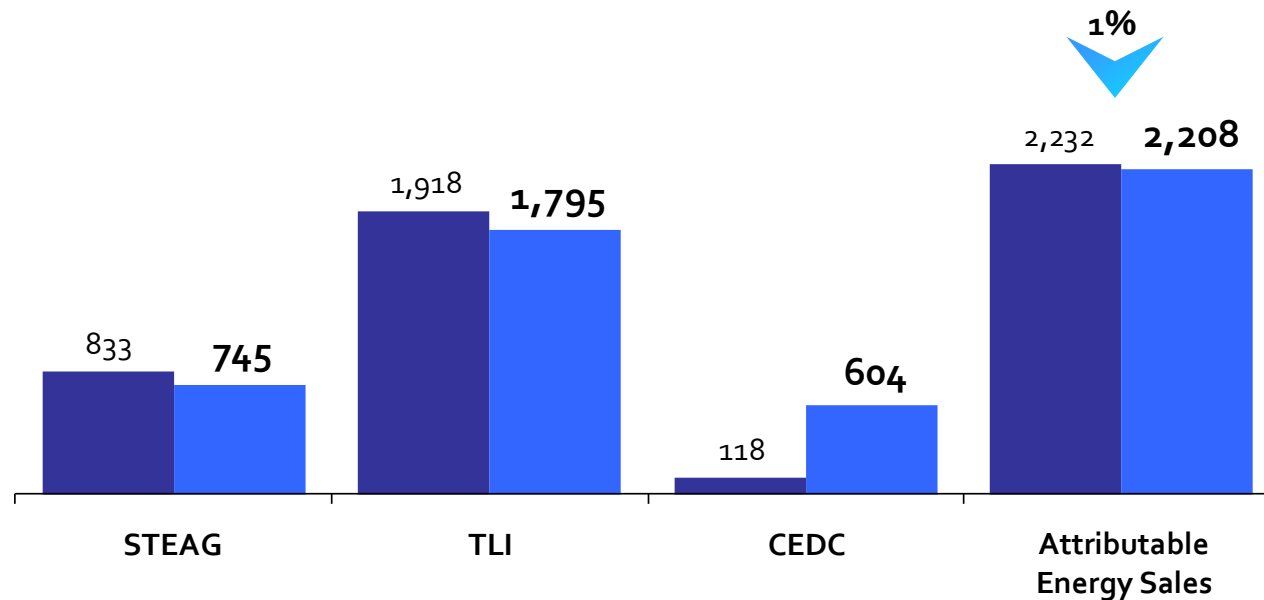
### Average Selling Prices (P/kWh)



### Steam Vented (GWh)

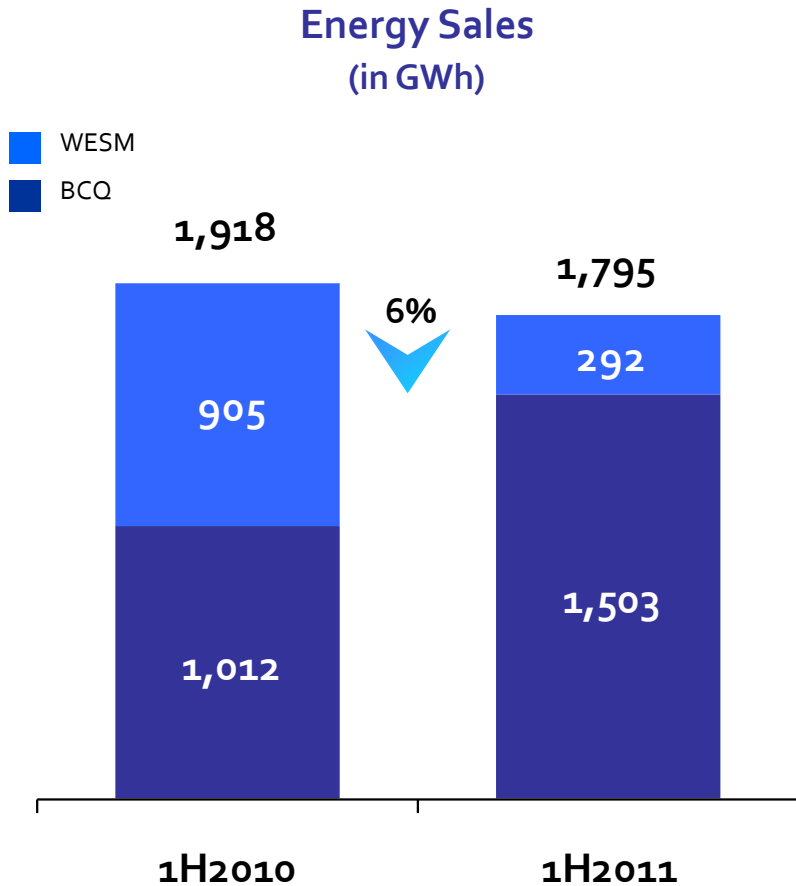


## ENERGY SALES (GWh)

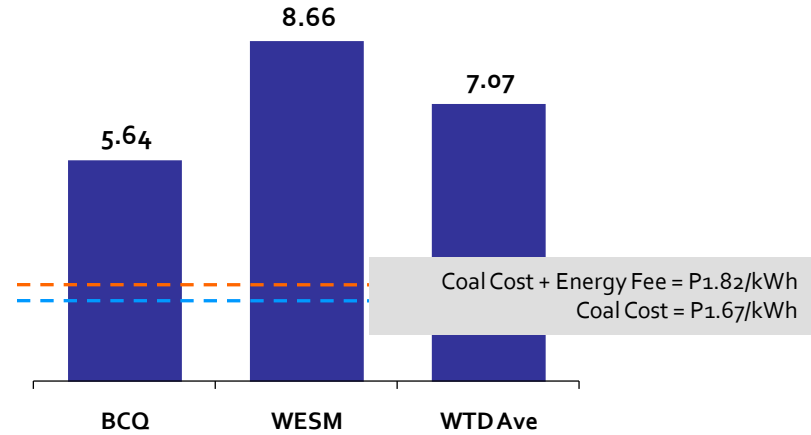


# OPERATING HIGHLIGHTS: COAL

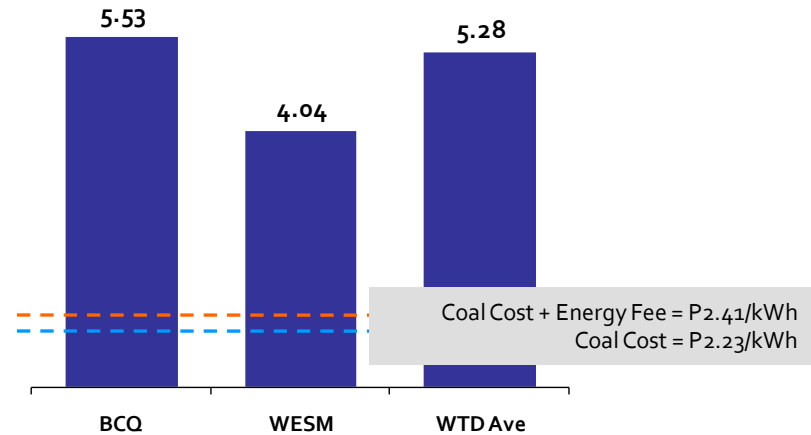
## THERMA LUZON (Pagbilao)



### 1H2010 Average Selling Price P/kWh



### 1H2011 Average Selling Price P/kWh

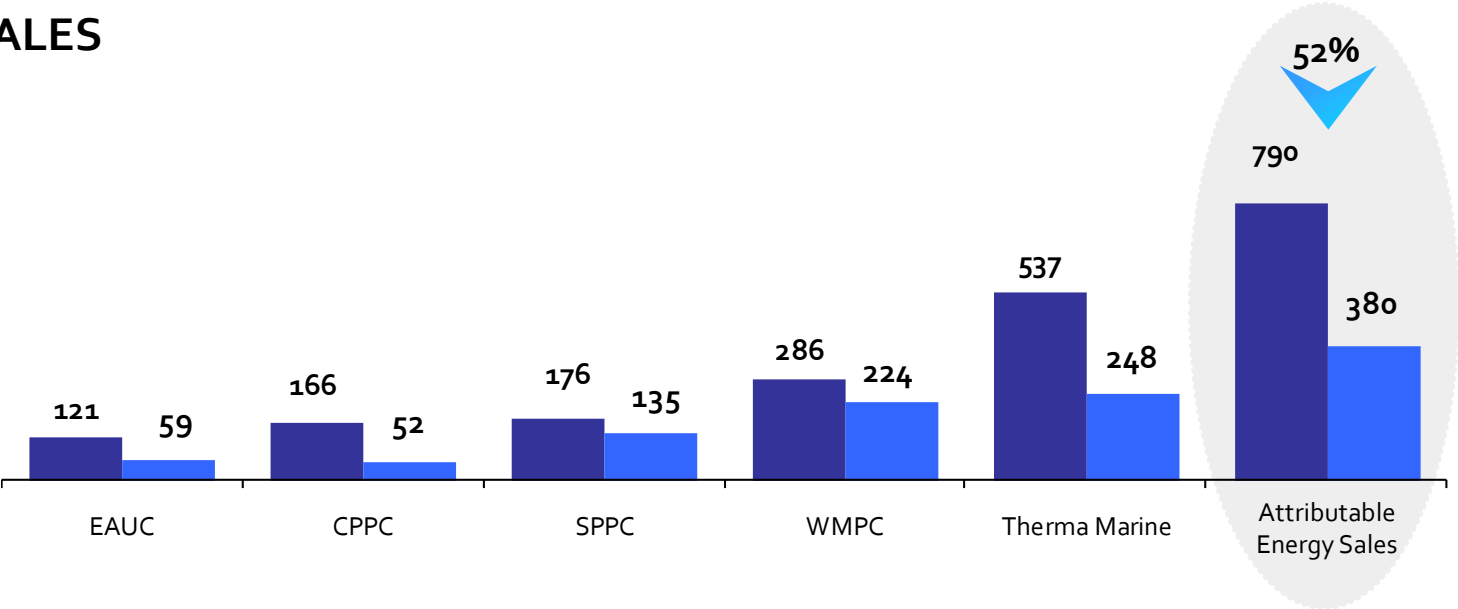




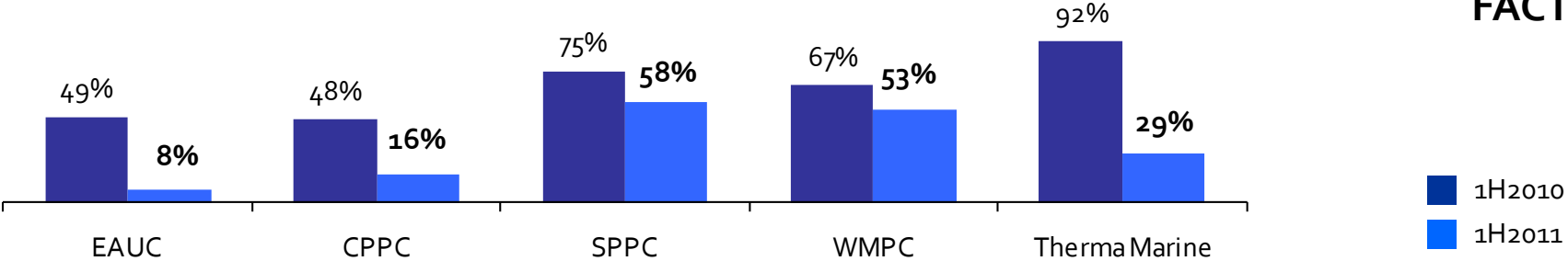
# OPERATING HIGHLIGHTS: OIL



## ENERGY SALES (GWh)



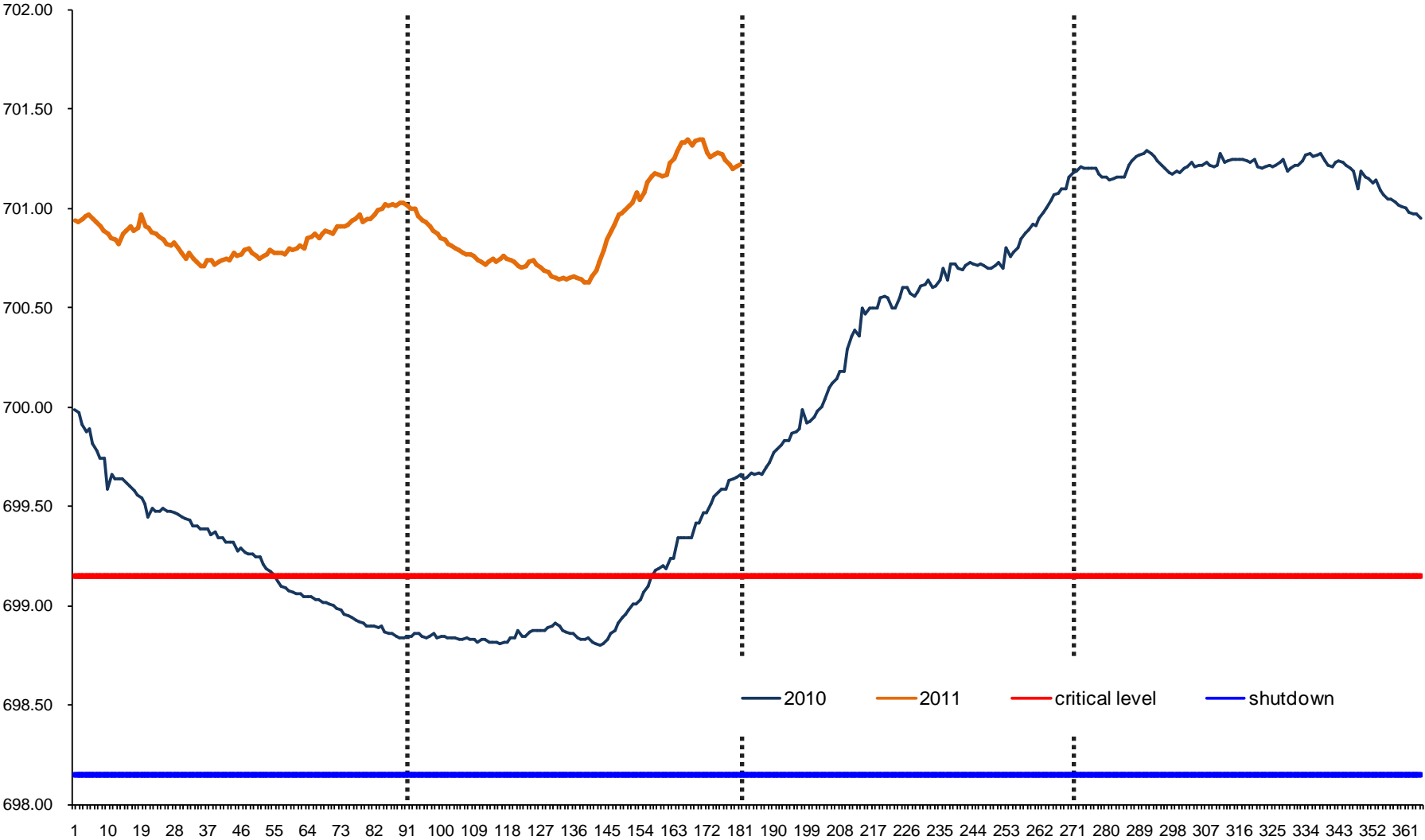
## NET CAPACITY FACTOR



# OPERATING HIGHLIGHTS: OIL

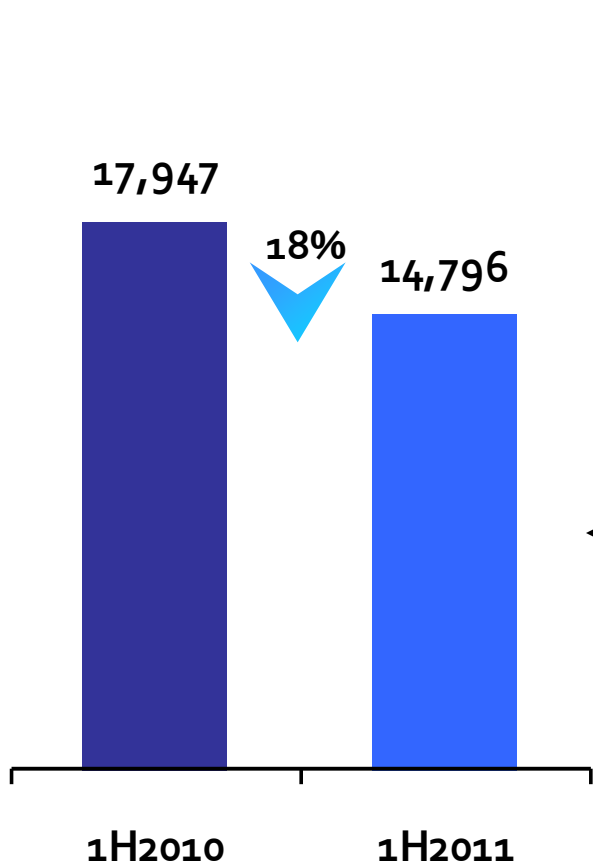


## LAKE LANAÑO WATER LEVEL (in MASL)



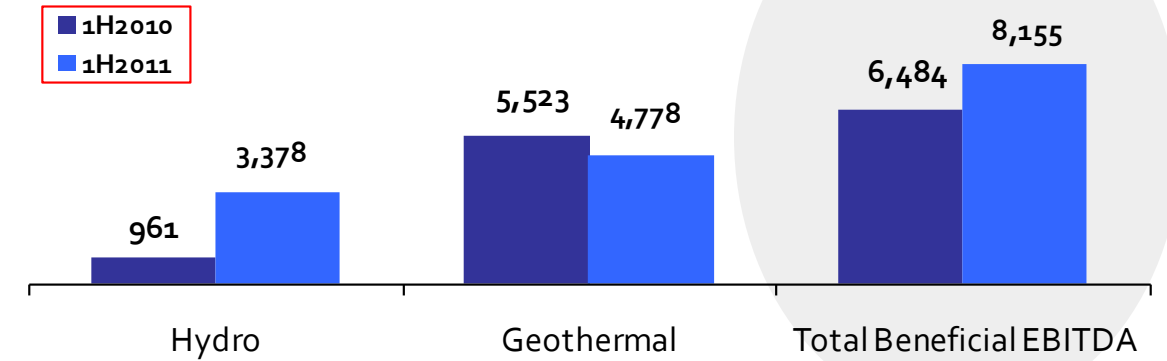
# OPERATING HIGHLIGHTS: GENERATION

## PF BENEFICIAL EBITDA

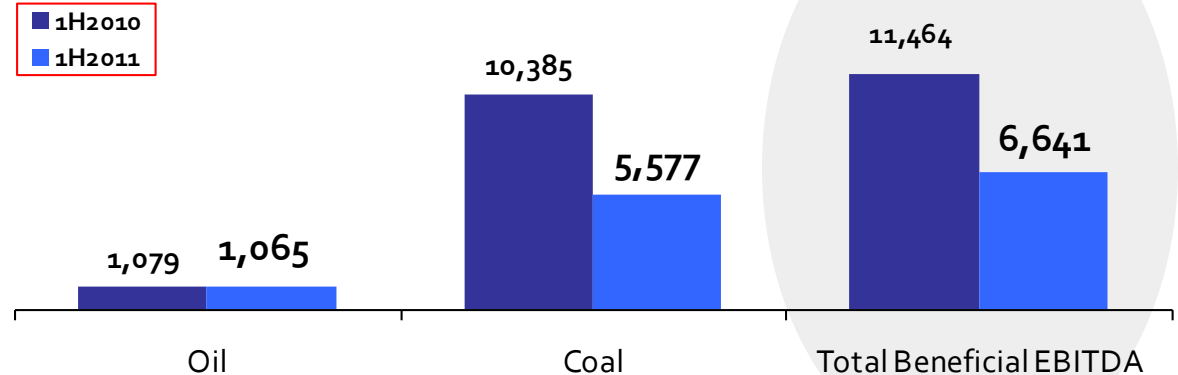


Amounts in Million Pesos

## RENEWABLE PLANTS

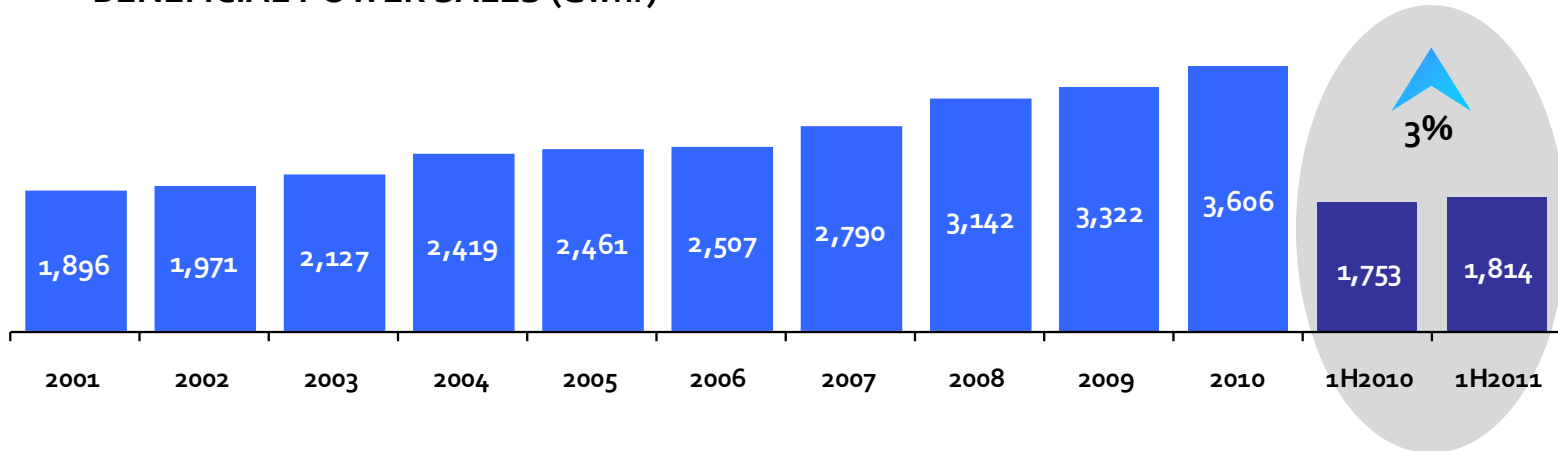


## THERMAL PLANTS

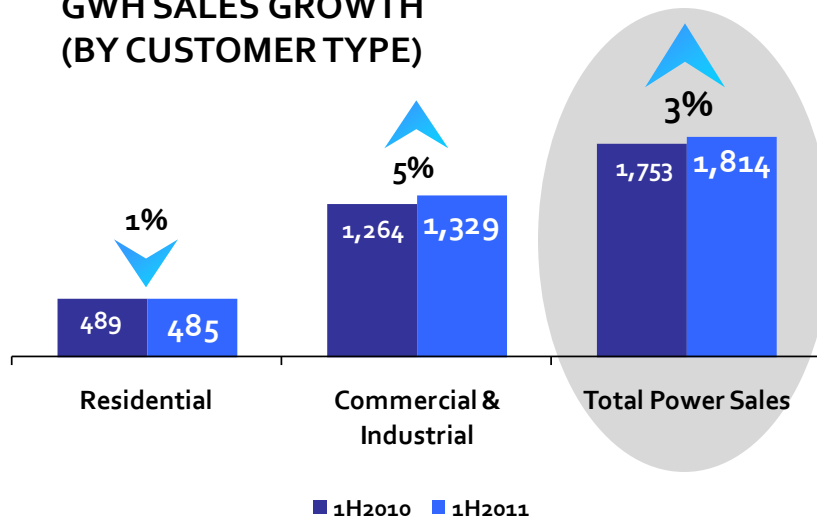


# OPERATING HIGHLIGHTS: DISTRIBUTION

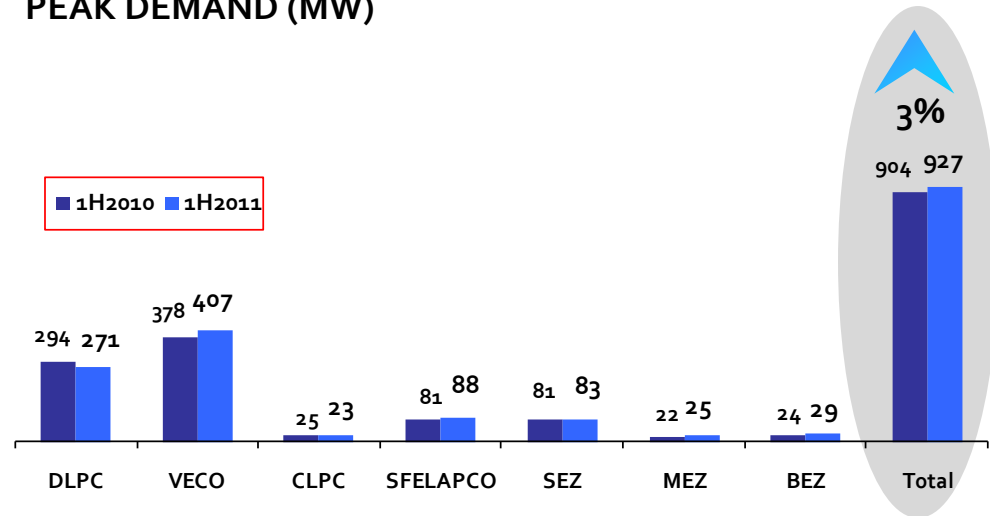
## BENEFICIAL POWER SALES (Gwhr)



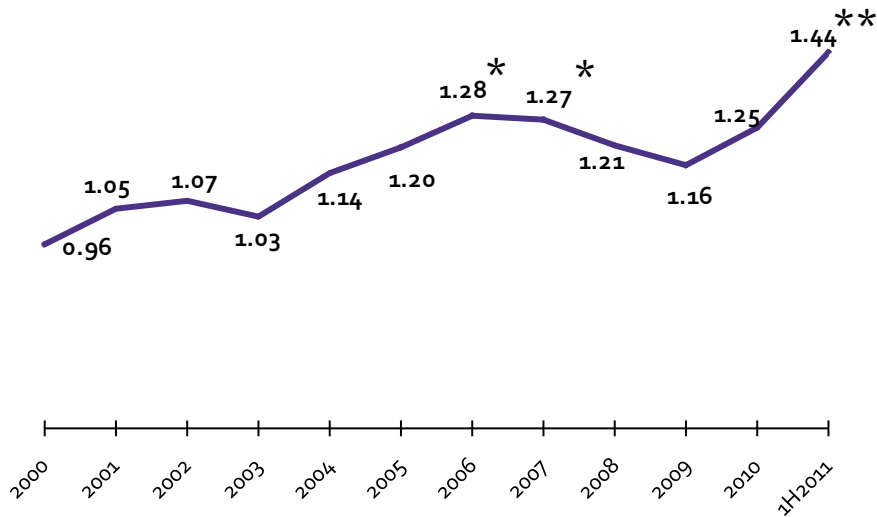
## BENEFICIAL GWH SALES GROWTH (BY CUSTOMER TYPE)



## PEAK DEMAND (MW)



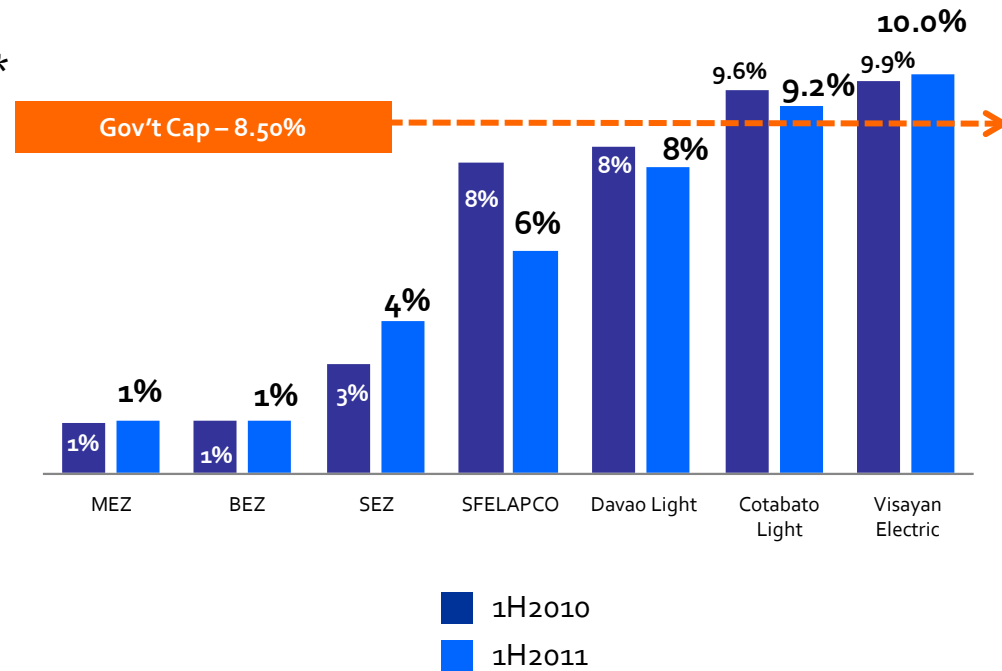
## GROSS MARGIN / KWH SALE



\* Adjusted for timing of transmission charge recovery

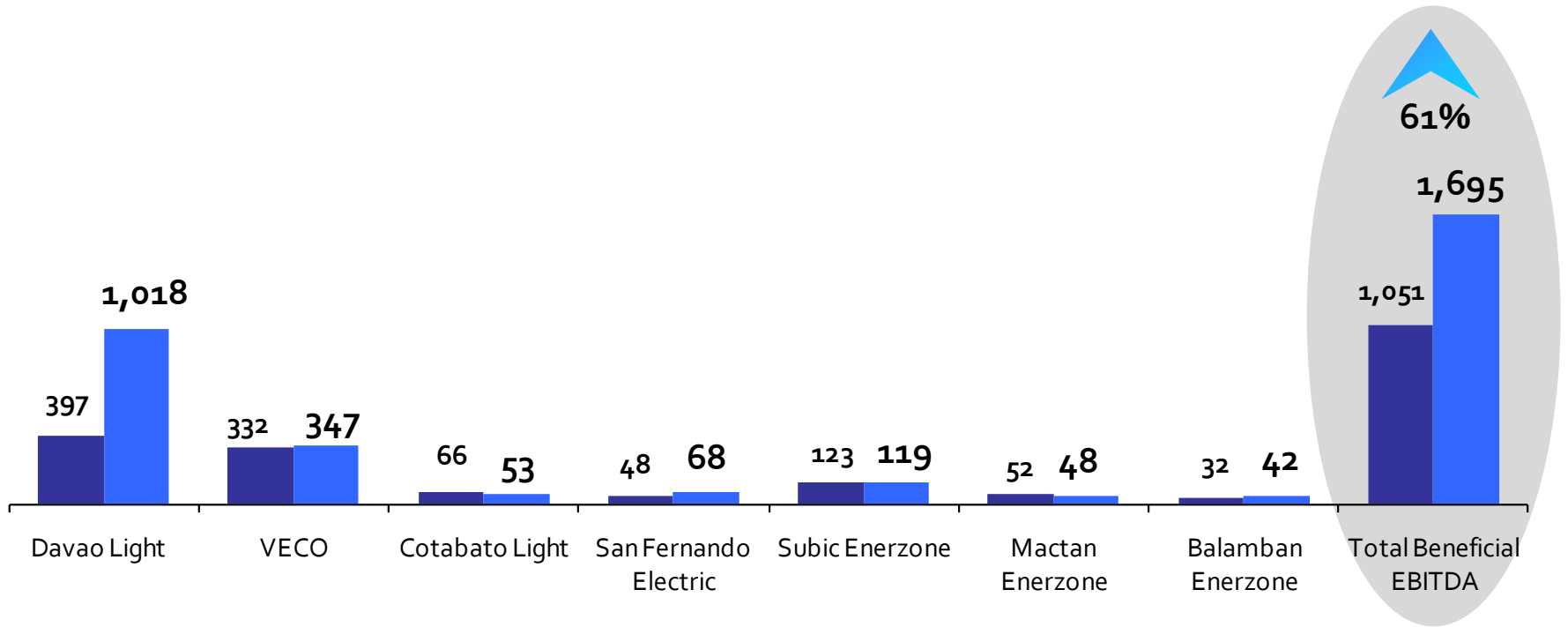
\*\* 12 month moving average

## SYSTEMS LOSS





# OPERATING HIGHLIGHTS: DISTRIBUTION

## PF BENEFICIAL EBITDA



Amounts in  
Million Pesos

1H2010   
1H2011 

# FINANCIAL CONDITION



BALANCE SHEET (In million Pesos)	PARENT		CONSOLIDATED	
	YE2010	End-June 2011	YE2010	End-June 2011
Cash and Equivalents	11,082	9,016	18,302	20,220
Investments and Advances	28,949	29,541	28,799	27,972
Total Assets	40,487	41,114	134,557	144,335
Total Interest Bearing Debt	13,073	16,752	67,065	73,277
Total Liabilities	16,427	17,048	76,823	85,250
Net Debt	1,991	7,736	48,763	53,056
Total Equity	24,060	24,066	57,734	59,085
Current Ratio	4.70	74.64	2.58	2.75
Net Debt to Equity	0.08	0.32	0.84	0.90

BALANCE SHEET (In million Pesos)	BENEFICIAL	
	YE2010	End-June 2011
Total Interest Bearing Debt	86,953	94,290
Cash	24,033	25,479
Net Debt	62,921	68,811
Equity*	57,330	58,570
Net Debt to Equity	1.10	1.17
Net Debt to EBITDA	1.72	

\*Equity Attributable to Parent



## BROWN/GREENFIELD

### LUZON GRID

- Ambuklao Hydro 30 MW
- Binga Hydro 20 MW
- Tiwi-Makban 17 MW
- Subic Coal 600 MW
- Magat Hydro 90 MW

### MINDANAO GRID

- Tamugan Hydro 11.5 MW
- Tudaya 1&2 Hydro 13.6 MW
- Davao Coal 300 MW

## PRIVATIZATION

### IPP Administrator (IPPA) Contracts

- Unified Leyte Geothermal plants (EDC) 550 MW, Visayas Grid

### Earliest by July 2011

- IPPA: Caliraya-Botokan-Kalayaan (J Power) 728 MW, Luzon Grid
- Asset sale: Agus Hydro 727 MW & Pulangi Hydro 255 MW, Mindanao Grid
  - Restricted capacity per EPIRA

## AMBUKLAO-BINGA REHABILITATION

- Total combined project cost of \$280 million
  - \$189 million for 75 MW Ambuklao + \$10 million for new headrace tunnel
  - \$81 million for 100 MW Binga
- Target completion dates for Ambuklao
  - All three units by 3Q2011
  - To increase capacity to 105 MW
- Target completion dates for Binga
  - Unit 1: 2011
  - Unit 2: 2012
  - Unit 3: 2013
  - Unit 4: 2014
  - To increase capacity to 120 MW
- Capex spent as of end-1H2011 at \$247.7 million



## TIWI-MAKBAN REHABILITATION

- At Makban
  - Completion rate at 86% as of end-1H2011
  - Estimated completion date by March 2012
- At Tiwi
  - Completion rate at 53% as of end-1H2011
  - Estimated completion date by May 2012
- Total actual capex spent at P2.2 billion (roughly \$51 million, out of the combined project cost of roughly \$120 million)
- After completion, combined production capacity is estimated at 484 MW (taking into account current steam supply and decline rates), with improvements in plant efficiency, reliability and availability



Tiwi Geothermal Field



Makban Plant E

## 242 MW NAVOTAS POWER BARGES

- To undergo rehabilitation, which involves:
  - Overhaul of engines
  - Repair of barge super-structure and deck
  - Possible dry docking
  - Construction of new transmission line
- Total rehab cost estimated at ~\$30 million
- Projected rehab timeline
  - 4Q2011: 123 MW
  - 1Q2012: 52 MW
  - 2Q2012: 67 MW
- Off-take
  - Merchant
  - Possible contracts for peaking capacity



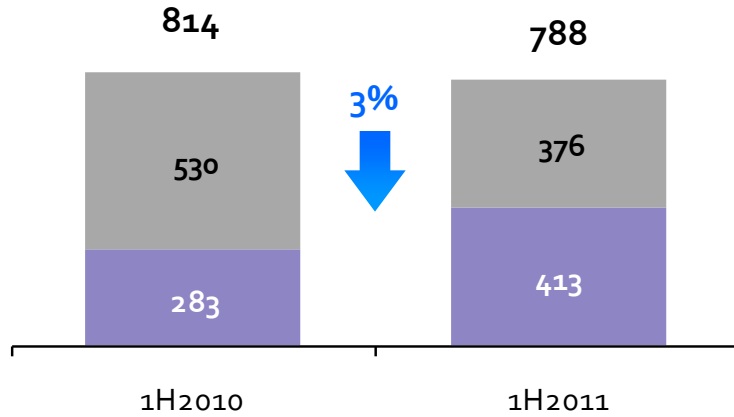
# Annex A: EARNINGS BREAKDOWN

(in million pesos)	YEAR - TO - DATE		FOR THE QUARTER	
	ACTUAL 2011	ACTUAL 2010	ACTUAL 2011	ACTUAL 2010
<b>Parent &amp; Others</b>	(595)	(657)	(329)	(325)
<b>Power Generation Group:</b>				
HEDCOR, INC.	(64)	(133)	(10)	(57)
HEDCOR SIBULAN	151	39	101	19
LUZON HYDRO	38	25	52	10
SNAP - MAGAT	1,923	68	1,189	(152)
SNAP - BENGUET	392	67	169	9
SOUTHERN PHILS. POWER	29	23	17	10
WESTERN. MINDANAO POWER	87	107	48	64
CEBU PRIVATE POWER CORP.	114	101	55	48
EAST ASIA UTILITIES CORP.	93	83	37	46
THERMA MARINE	560	454	136	342
STEAG	696	410	483	259
ABOVANT	116	16	75	25
THERMA LUZON	1,768	6,504	723	2,204
AP RENEWABLES, INC.	4,255	4,997	2,162	2,410
OTHERS	8	22	10	5
<b>Sub-Total Power Generation</b>	<b>10,167</b>	<b>12,784</b>	<b>5,249</b>	<b>5,241</b>
<b>Power Distribution Group:</b>				
COTABATO LIGHT & POWER	19	31	10	39
DAVAO LIGHT & POWER	642	208	296	112
VISAYAN ELECTRIC CO.	184	179	165	116
SFELAPCO	35	21	24	24
SUBIC ENERZONE	65	73	34	38
MACTAN ENERZONE	43	46	23	24
BALAMBAN ENERZONE	35	28	17	15
<b>Sub-Total Power Distribution</b>	<b>1,023</b>	<b>587</b>	<b>569</b>	<b>369</b>
<b>TOTAL NET INCOME</b>	<b>10,594</b>	<b>12,714</b>	<b>5,488</b>	<b>5,285</b>

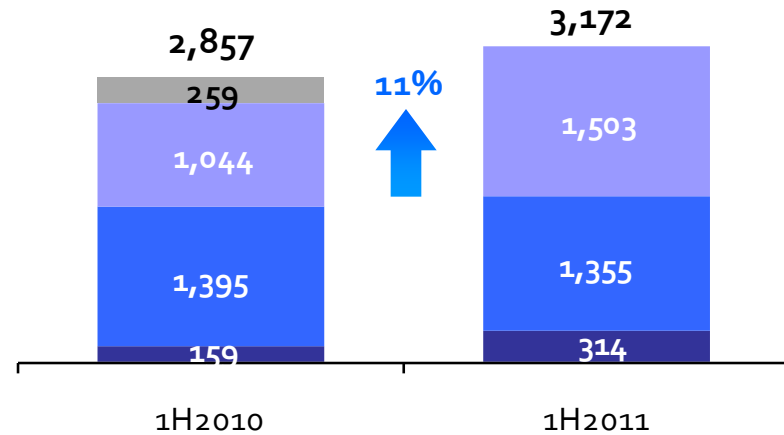
<b>NET INCOME TO COMMON</b>	<b>10,594</b>	<b>12,714</b>	<b>5,488</b>	<b>5,285</b>
% increase (decrease)		-17%		4%
<b>RECURRING NET INCOME</b>	<b>9,924</b>	<b>12,871</b>	<b>5,273</b>	<b>5,845</b>
% increase (decrease)		-23%		-10%
<b>RECURRING INCOME</b> ex Pagbilao	<b>12,606</b>	<b>15,379</b>	<b>6,625</b>	<b>7,112</b>
% increase (decrease)		-18%		-7%

# Annex B: OPERATING HIGHLIGHTS – GENERATION

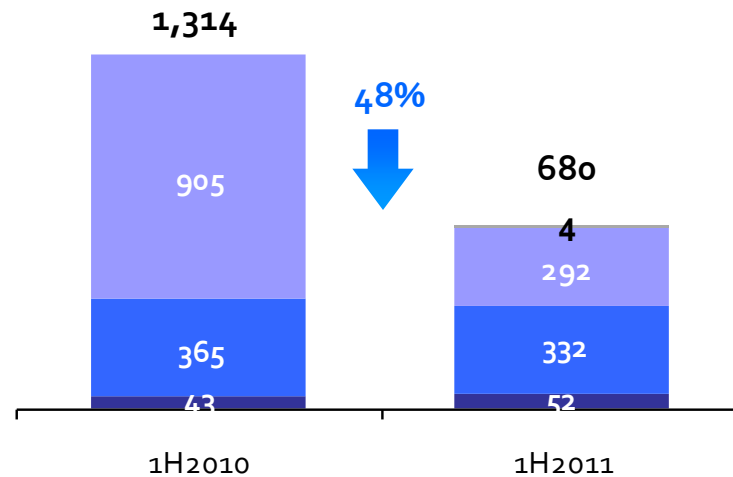
## CONTRACTED (CAPACITY)



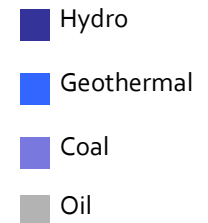
## CONTRACTED (ENERGY)



## SPOT MARKET



\*Figures are in GWh

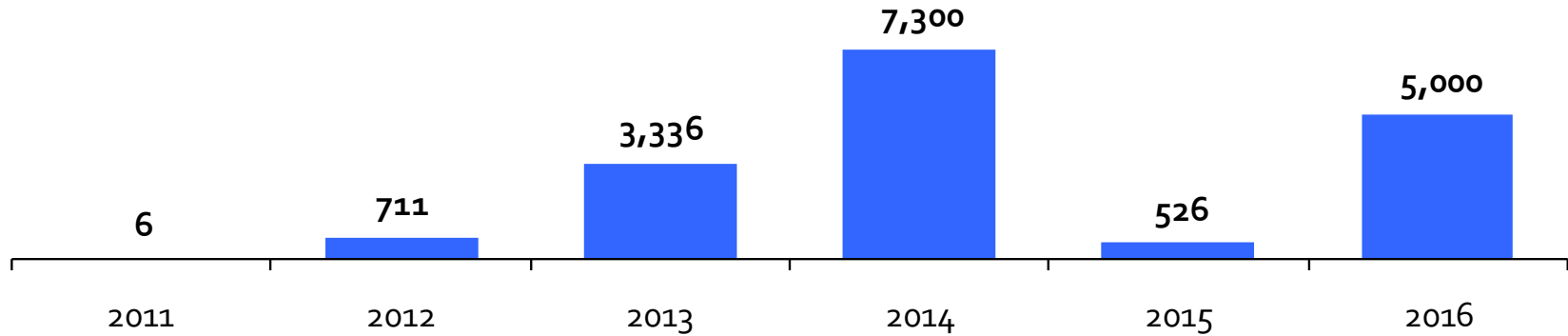


# Annex C: DEBT PROFILE – AP PARENT



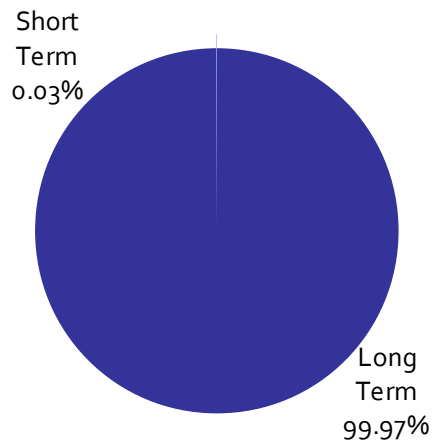
## Maturity Profile - PhPM

(As of June 2011)



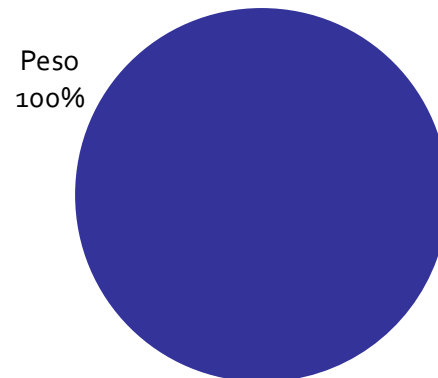
## Breakdown by Tenor

(As of June 2011)



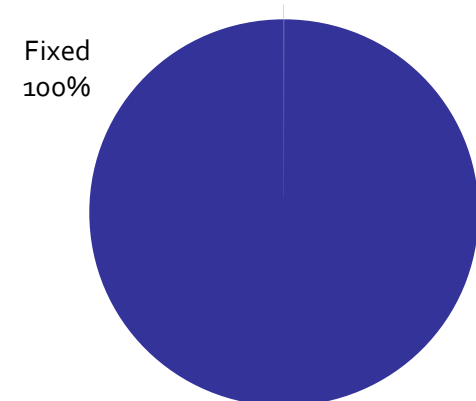
## Breakdown by Currency

(As of June 2011)



## Breakdown by Interest Rate

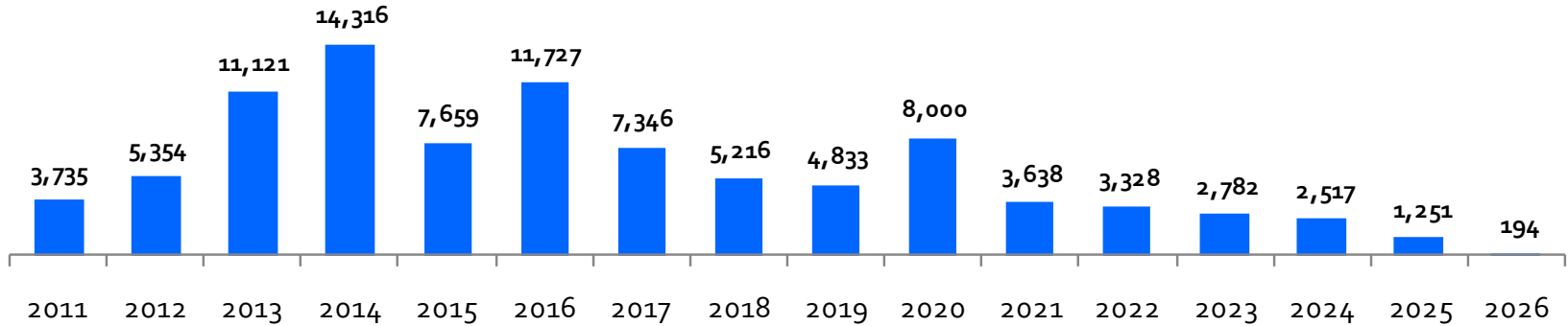
(As of June 2011)



# Annex D: DEBT PROFILE – AP BENEFICIAL

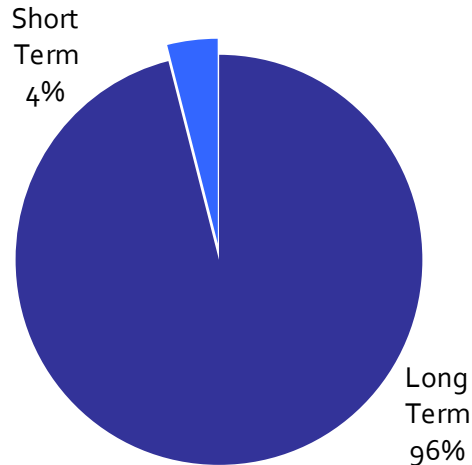
## Maturity Profile - PhPM

(As of June 2011)



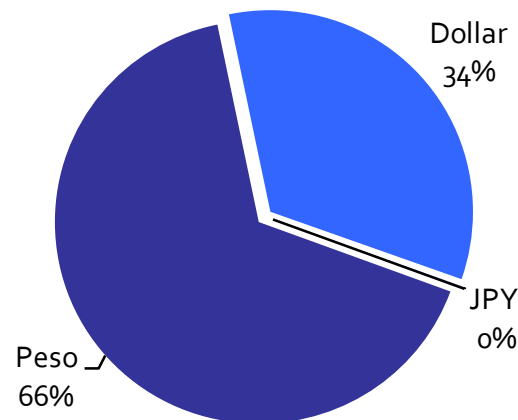
## Breakdown by Tenor

(As of June 2011)



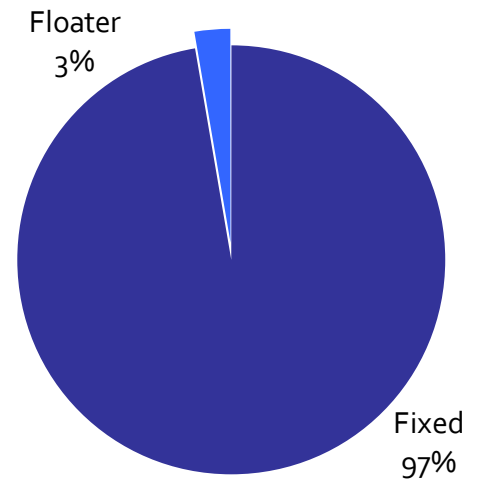
## Breakdown by Currency

(As of June 2011)



## Breakdown by Interest Rate

(As of June 2011)





Thank you



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