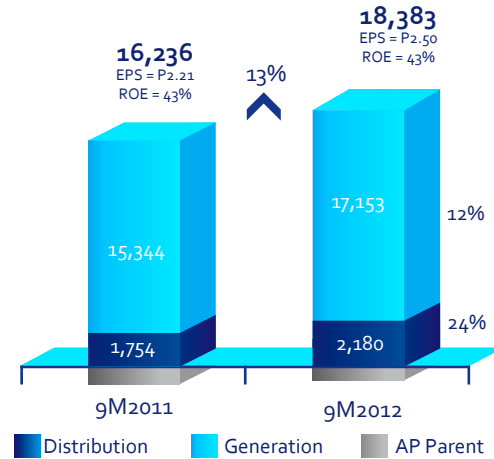


Net Income

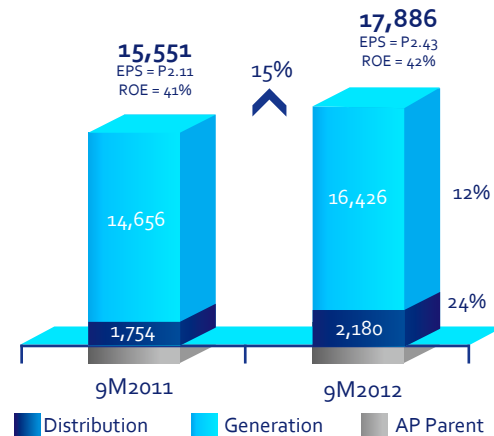
In mn Pesos



- Increase in power sales, coupled with higher average selling price, resulted to a 12% YoY growth for the generation group's income contribution
 - Accounted for 89% of total earnings contributions from all business segments
- Robust growth in distribution group's earnings driven by increased electricity demand and margin expansions

Core Net Income

In mn Pesos



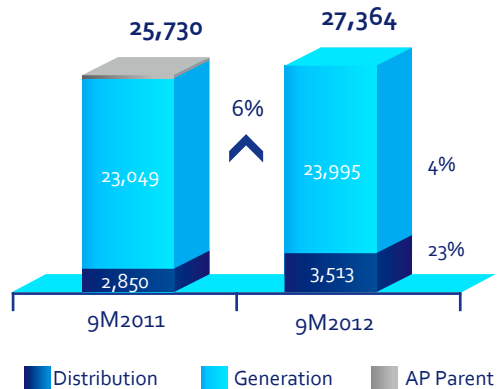
- Non-recurring gain for the period amounted to P497 mn, vis-à-vis last year's P685 mn
 - gM2012 one-off's include net FX gains resulting from the revaluation of group-wide dollar loans and placements, gains on share redemption made by associates, reimbursement of steam supplier's opex, a downward revenue adjustment by a wholly-owned subsidiary due to a regulatory ruling for its ancillary services contract, and debt prepayment cost at Parent level
 - gM2011 one-off's include net FX losses resulting from the revaluation of group-wide dollar loans and placements, a subsidiary's topline adjustment involving 2010 revenues due to a favorable ruling on a Motion for Reconsideration filed with the industry regulator involving its tariff structure for its ancillary services contract, an associate company's recovered costs relating to its fuel importation, and the reversal by a subsidiary of a 2010 accrued expense relating to its IPPA contract

Non-Recurring Items (in Pmn)

	gM2011	gM2012
FX gains/(loss) - Parent	(3)	(62)
FX gains/(loss) - Generation	(34)	1,227
Therma Marine revenue adjustment	348	(263)
STEAG cost reimbursement	179	
TLI Cost Reversal	194	
Gain on share redemption - Parent		14
Debt prepayment - Parent		(181)
APRI steam cost adjustment		(238)
	685	497

Beneficial EBITDA

In mn Pesos

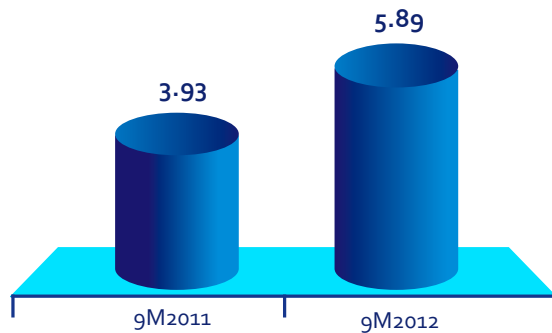


- Increase driven by sales growth registered by both generation and distribution units
- Beneficial Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is the summation of the proportionate share of AP in the EBITDA of its subsidiaries and associate companies

Result of Operations – Generation

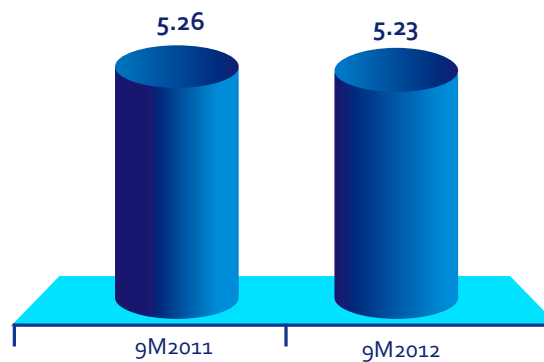
Average Selling Price for Spot Market Transactions

P/kWh



Average Selling Price for Contracted Capacity

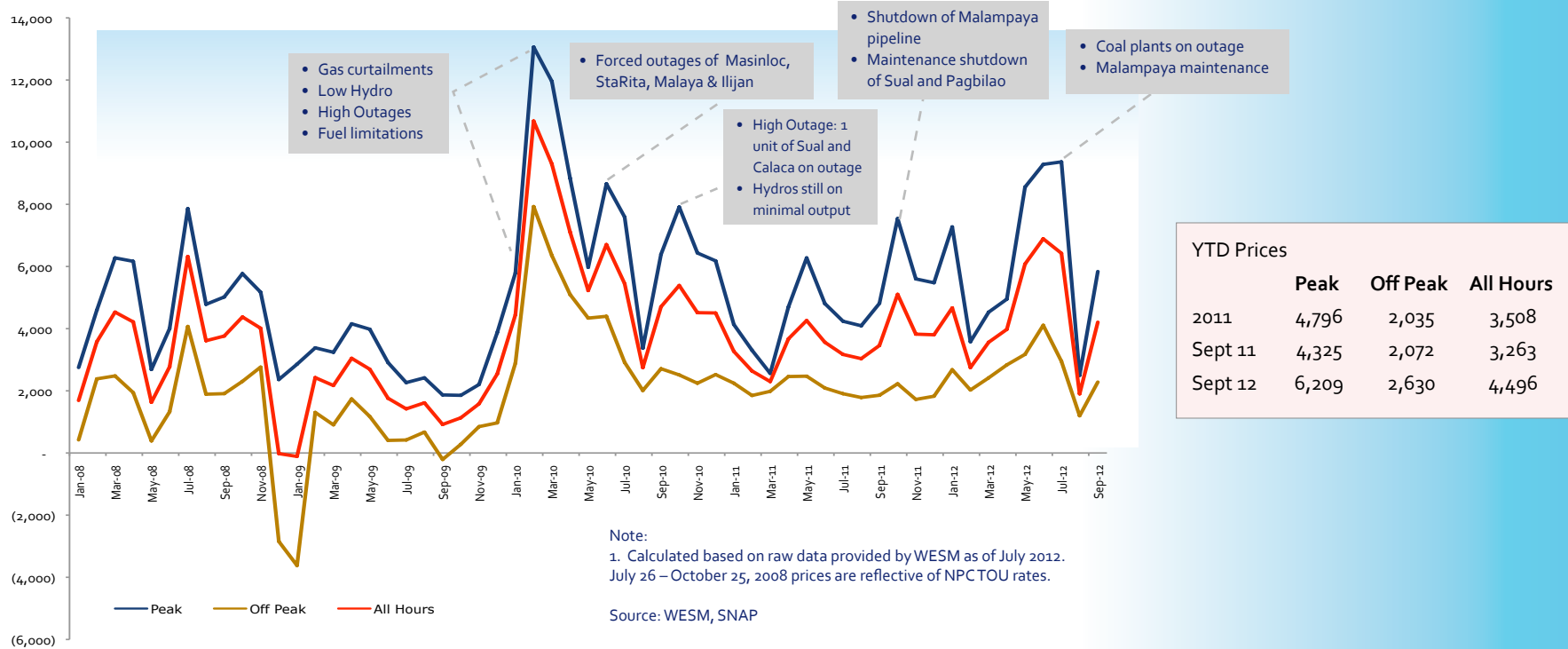
P/kWh



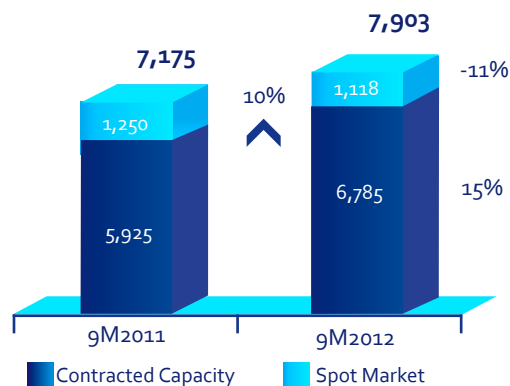
- Average selling price was up 6% YoY, from P5.03/kWh to P5.32/kWh, largely due to the 50% YoY rise in average selling price of electricity at the Wholesale Electricity Spot Market (WESM)
 - Supply conditions were tight given higher outage levels
 - Strong demand during the period along with the hotter climate sustained growth in electricity demand

Result of Operations – Generation

WESM Prices - Luzon Grid (P/MWh) Monthly Time Weighted Average Prices

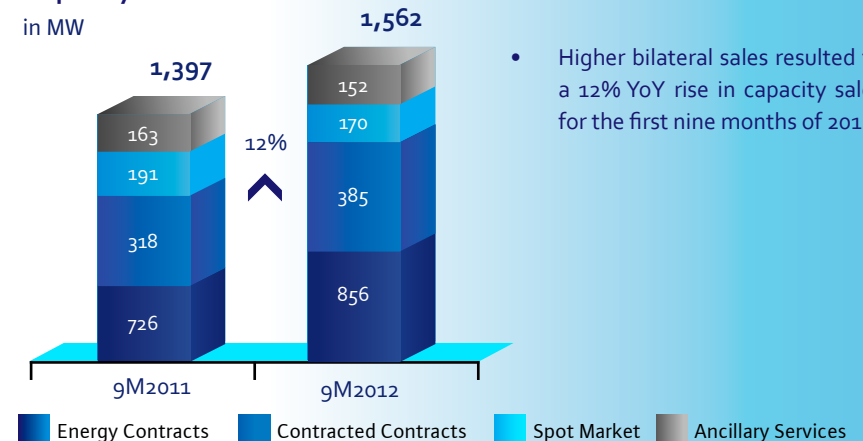


Energy Sales in GWh



- Luzon Grid recorded a 5% YoY expansion in its recorded peak demand, with the hotter climate sustaining increase in electricity demand
- Bilaterals taking up more space in the sales portfolio. 15% YoY growth fueled the expansion in AboitizPower's total attributable net generation for period in review

Capacity Sales in MW

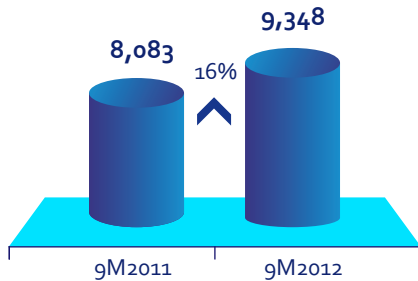


- Higher bilateral sales resulted to a 12% YoY rise in capacity sales for the first nine months of 2012

Result of Operations – Generation

Ancillary Revenues

At 100%, in mn Pesos

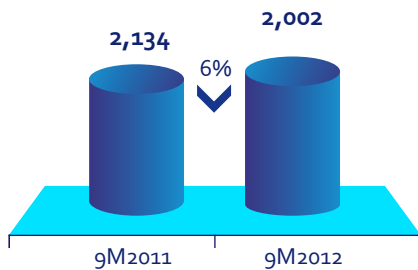


Ancillary services remain as a good revenue source

- Higher spot prices at the WESM resulted to robust growth in revenues from ancillary services
- Lower acceptance for ancillary services brought about by ongoing rehabilitation works at Binga
- Storage capacities of both Magat and Binga hydro facilities were maximized to ensure capability of providing much needed back up power for the Luzon Grid
- Consequent to topline improvement resulting from ancillary services, the combined income contribution of these assets grew by 56% YoY

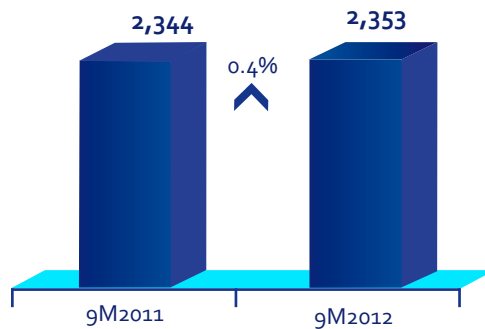
Accepted/Billed Capacity

At 100%, in GW/h



Attributable Capacity

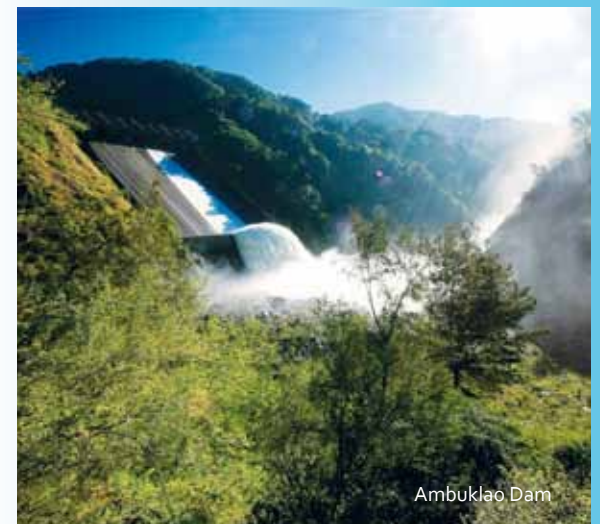
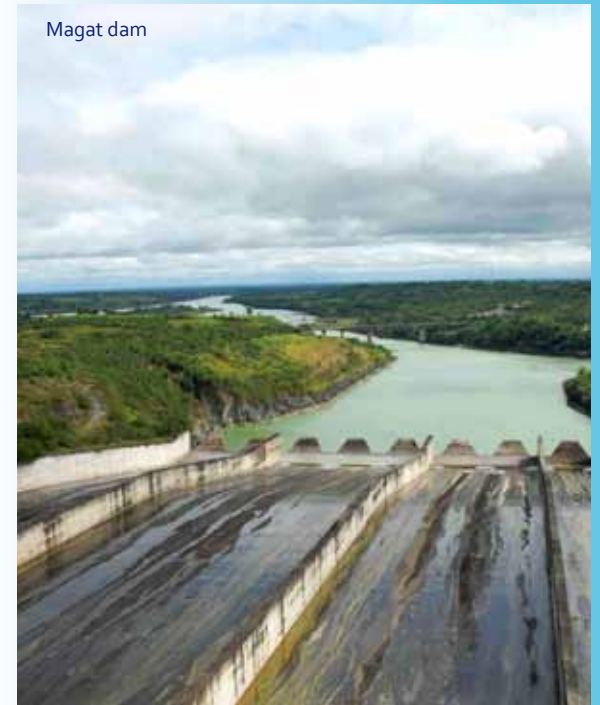
in MW



Attributable capacity as of end-September 2012 registered at 2,353 MW, 9MW higher than the previous year

- Partial completion of the Binga (2 of 4 units) rehabilitation program
- Completion of the 4-MW Irisan hydro Greenfield project

Magat dam



Ambuklao Dam

Other Developments - Generation

Ongoing Brownfield Developments

- **Rehabilitation of Binga Hydro Power Plant**
 - Commenced in 2011, performing works on at least one unit per year
 - Completed first unit in December 2011 and second unit in July 2012, adding 10 MW to total capacity
 - Rehab works on the third unit are underway with expected completion in the first quarter of 2013. Fourth unit to follow thereafter with completion targeted in the fourth quarter of 2013
 - Completion of all four units will result to an enhanced generation capacity, reaching 120 MW

- **Rehabilitation of the Tiwi-Makban Geothermal Plants**
 - Several units are undergoing rehabilitation/refurbishment. Enhancements in the plants' availability rate are expected following the completion of the refurbishment, rehabilitation and resource improvements
 - Completion will be in stages, with Tiwi plants estimated to be finished by the fourth quarter of 2012, while Makban plants by April 2013

- **Rehabilitation of the Navotas Power Barges**
 - In May 2011, Therma Mobile, Inc., a wholly owned subsidiary of AboitizPower, acquired 242 MW four (4) barge-mounted floating power plants including their respective operating facilities
 - Upon turnover, rehabilitation works on existing facilities commenced with completion by the fourth quarter of 2011 for 123 MW and the balance estimated by end-2012
 - All barges are expected to be operational and ready to feed into the Luzon Grid by March 2013

Green/Brownfield Developments Moving Forward

- **600 MW Coal-fired Power Plant in Subic**
 - Project by Redondo Peninsula Energy, Inc. (RP Energy), a JV with Meralco PowerGen Corporation and Taiwan Cogeneration International Corporation (TCIC). AboitizPower's effective stake at ~25%
 - Involves the construction and operation of 2x300 MW coal-fired power plant in the Subic Bay Freeport Zone (the Subic Coal Project)
 - Commercial operation of the the Subic Coal Project is estimated to commence within 2016

- **300 MW Coal-fired Power Plant in Davao**
 - A project of wholly owned subsidiary, Therma South, Inc., which involves the construction and operation of a 2x150MW coal-fired power plant in Davao, the biggest load center in the island of Mindanao
 - Groundbreaking took place in June 2012. Completion of the first generating unit is expected to be after 34 months, with the second unit to follow in 3 months

- **13.2 MW Sabangan Hydro Power Plant Project**
 - A project of Hedcor Sabangan, Inc.
 - Involves the construction and operation of a run-of-river hydropower plant facility to be located in Mt. Province (Northern Luzon)
 - With environmental clearance. Engineering and design are underway
 - Target groundbreaking is by first quarter of 2013, with construction estimated to be completed after a 2-year period



Other Developments - Generation

Green/Brownfield Developments Moving Forward

- **13.7 MWTudaya 1 and 2 Hydro Power Plant Project**
 - Involves the construction and operation 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 13.7 MW
 - With environmental clearance and endorsement by local communities
 - Groundbreaking occurred in August 2012, with construction estimated to be completed by the first quarter of 2014

- **11.5 MWTamugan 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 Davao City council to approve the project. Once approval and permits are secured, the two-year construction period will commence

- **400 MW Coal-fired Power Plant in Pagbilao, Quezon**
 - In September 2011, AboitizPower signed a Memorandum of Understanding with Marubeni Corporation to formalize their intention to jointly develop, construct and operate a coal-fired power plant with a capacity of ~400 MW
 - To be located within the premises of the existing 700 MW Pagbilao coal-fired plant
 - Terms and conditions of the JV still to be finalized

- **150 MW Coal-fired Power Plant in Misamis Oriental**
 - On June 28, 2010, AP 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
- **Other Hydro Power Plant Developments**
 - 100%-owned subsidiary Hedcor, Inc. (Hedcor) is conducting feasibility studies for potential hydropower projects located in Luzon, Visayas, and Mindanao. Based on current findings, Hedcor sees the potential of building 10 MW 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 facility 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

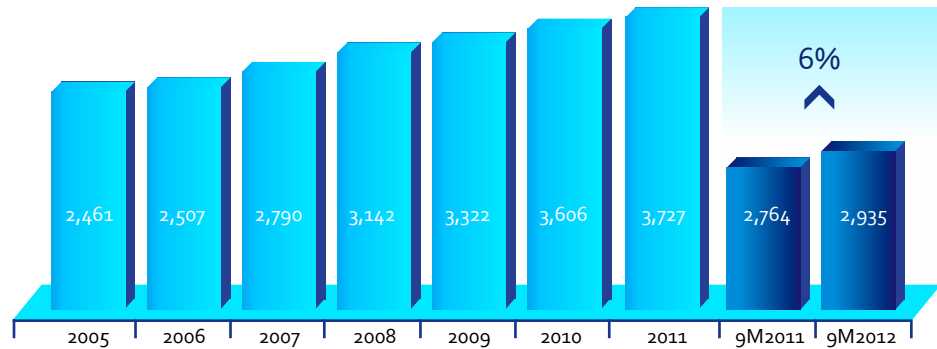
- The Company continues to closely evaluate the investment viability of the remaining power generation assets that PSALM intends to auction off. To date, more than 70% of the identified generation assets of NPC in the islands of Luzon and Visayas have been privatized
- AP is also keen on participating 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



Pagbilao coal-fire plant

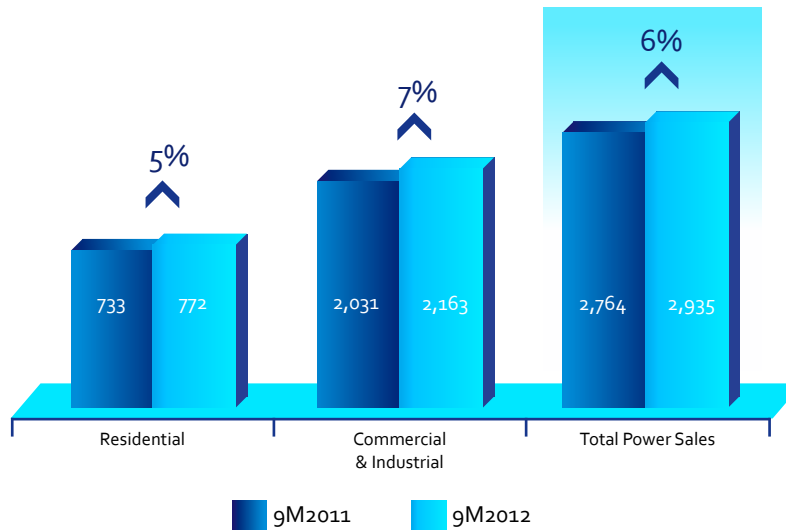
Result of Operations – Distribution

Attributable electricity sales
In GWh

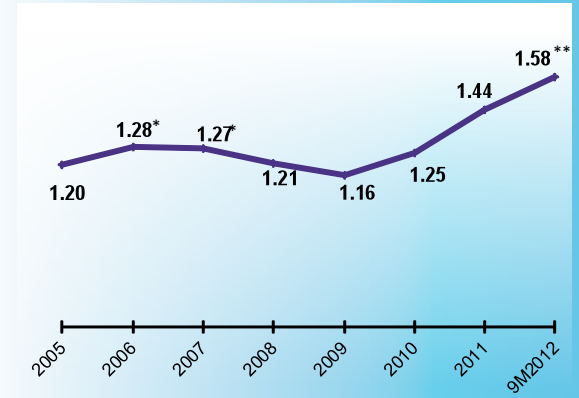


Electricity Sales, by Customer Type
In GWh

Growth led by the non-residential sector, particularly the industrials with YoY growth of 7%



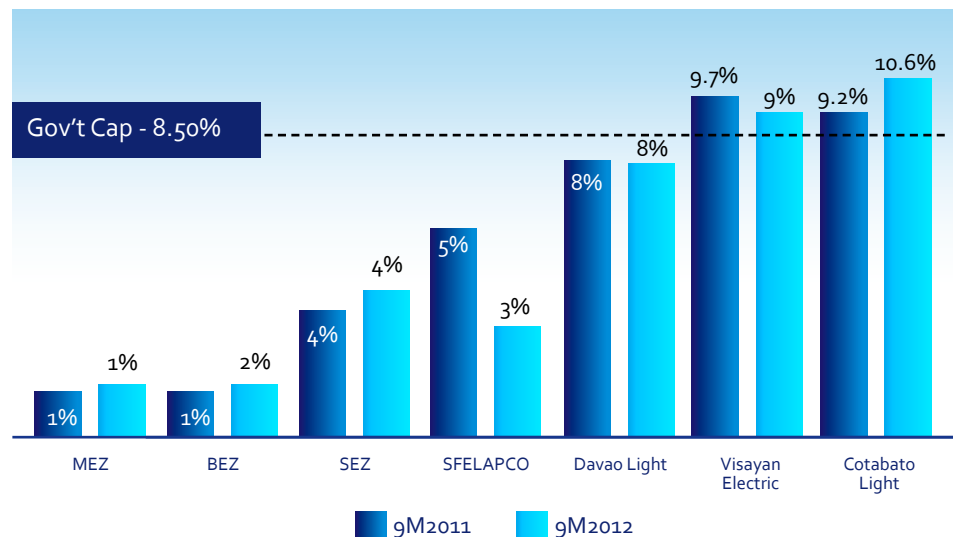
GROSS MARGIN
P/kWh



- Implementation of the utilities' approved tariffs under the Performance Based Regulation (PBR) scheme led to an enhanced gross margin for the group
- Subic Enerzone and San Fernando Electric were the last distribution utilities of AboitizPower that shifted to PBR, which took place in October 2011. Implementation of approved rates commenced in January 2012 and March 2012 for Subic Enerzone and San Fernando Electric, respectively

Result of Operations – Distribution

SYSTEMS LOSS



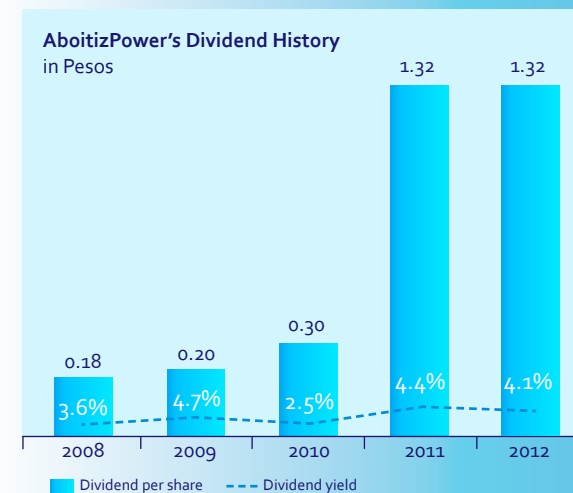
- Pilferage remains as the main cause of Cotabato Light's and Visayan Electric's high systems losses
- Nevertheless, initiatives taken by Visayan Electric has resulted in a 0.7 percentage point decrease in its system loss by the end of September 2012

Performance-Based Regulation (PBR)

Cotabato Light	Davao Light and Visayan Electric	SFELAPCO and Subic Enerzone
Entered its fourth regulatory year on April 1, 2012. Currently undergoing reset process in preparation for its second 4-year regulatory period.	Implemented PBR approved rate structures in August 2010. Currently in the third year of their 4-year regulatory period, albeit rates have yet to be approved and implemented.	Entered 4-year regulatory period on October 1, 2011. Subic Enerzone implemented its approved rate structure in January 2012, while SFELAPCO in March 2012. All under-recoveries from October 2011 shall be recouped in the succeeding regulatory year.

Dividends

- Internal dividend policy is to payout 1/3 of previous year's net earnings
- On March 1, 2012, AP declared a dividend of P1.32 per share, which translated to more than 1/3 of 2011 net earnings
 - Paid out over P9.7 billion in dividends on April 3, 2012

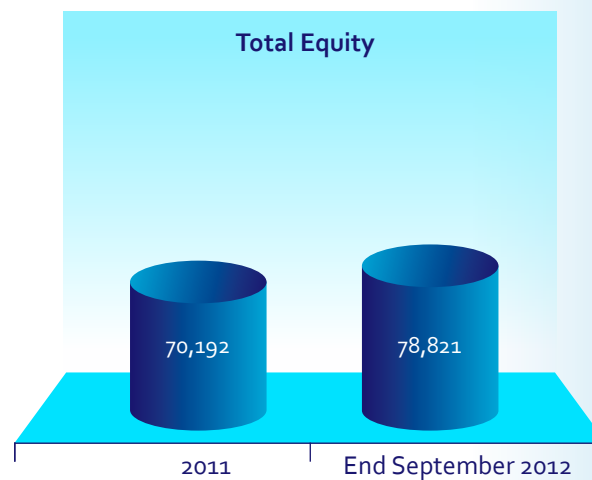
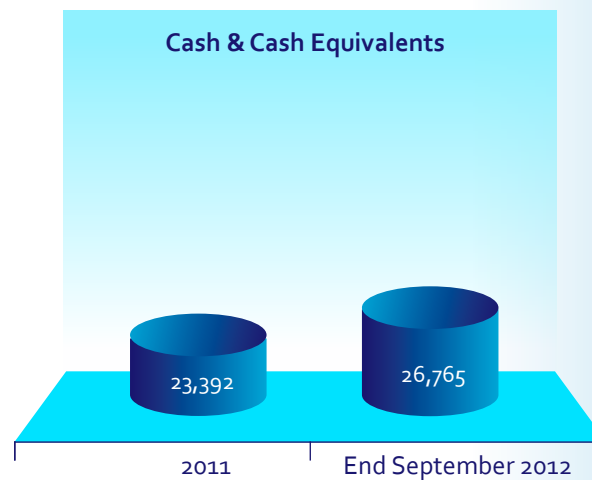
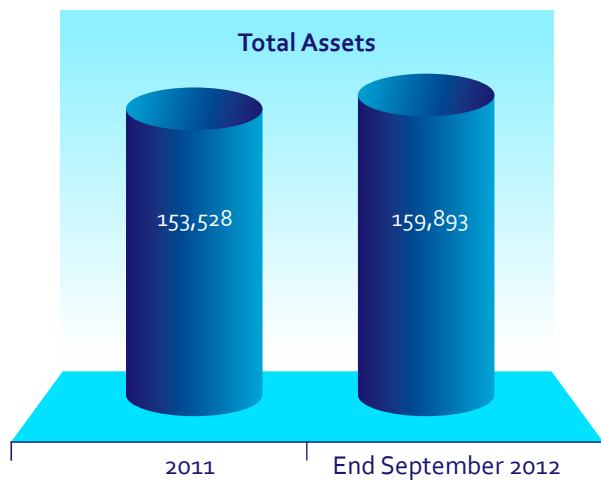


Note: Dividend yields are based on closing prices as of date of dividend declaration.

Financial Condition

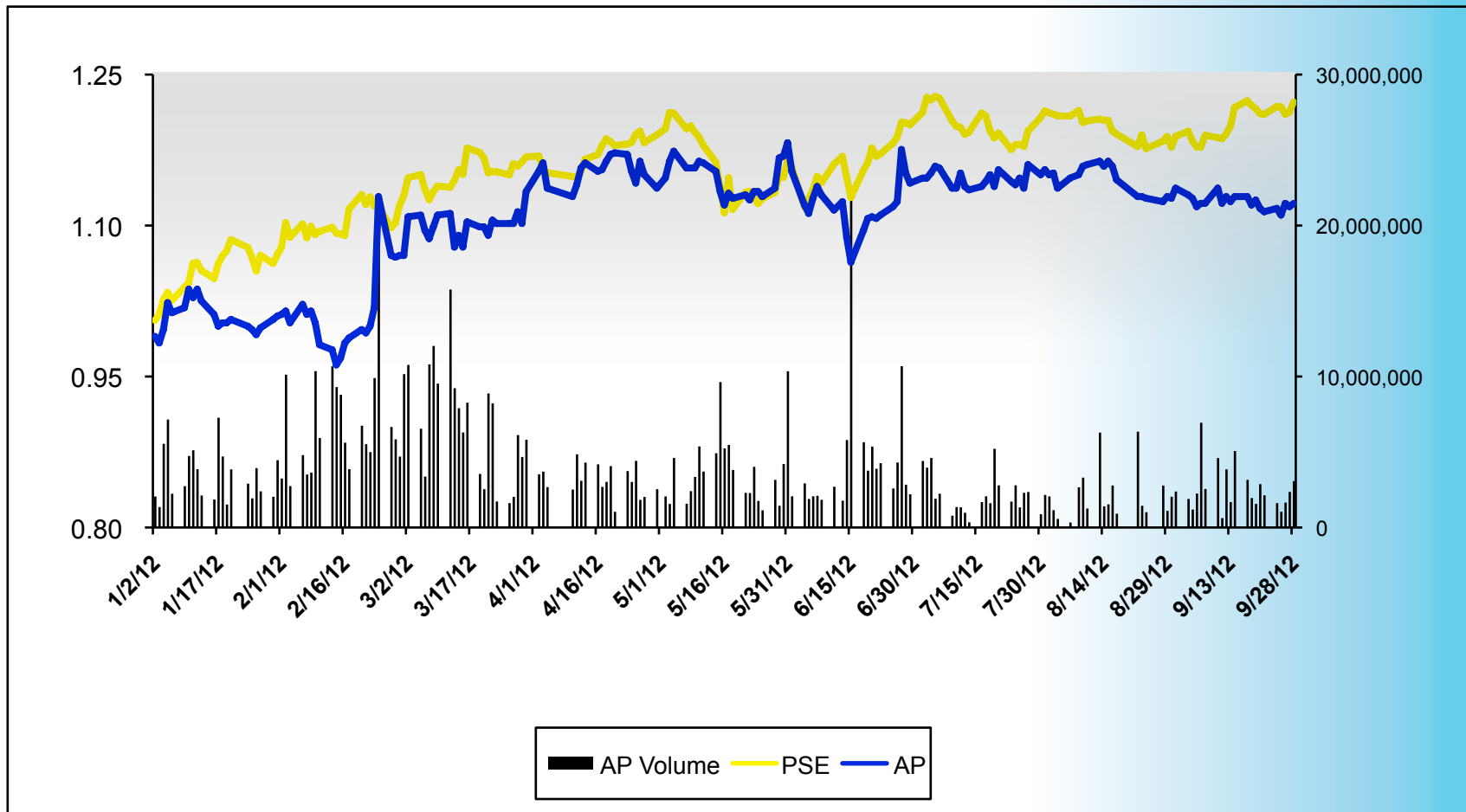
In mn Pesos

Consolidated Figures



Stock Price Performance

YTD September 2012



AP Growth	12.21%
PSE Growth	22.28%