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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

JOSEPH TRILLANA T. GONZALES

Contact Person

(032) 411-1800

Company Telephone Number

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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

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Month Day

Annual Meeting

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Secondary License Type, if Applicable

S	E	C
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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

X

Domestic

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Foreign



To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier


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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 4, 2008**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134** 3. BIR TIN **200-652-460**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Cebu City, Philippines** 6. 
Province, country or other jurisdiction Industry Classification Code
of incorporation
7. **Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City** **6000**
Address of principal office Postal Code
8. **(032) 411-1800**
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
(as of September 30, 2007) |
|-----------------------------------|--|
| Common Stock P1 Par Value | 7,187,664,000 |
| Amount of Debt Outstanding | P4,644,146,140 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation's (AP) net income for the year 2007 grew by 124% to P4.1 billion from P1.8 billion last year. This translates to earnings per share of P0.66 and P0.37 in 2007 and 2006, respectively. This earnings performance was on the back of a consolidated total revenue growth of 25% year-on-year, to P10.8 billion from P8.7 billion.

For the period in review, the company had a non-recurring income of P785 million due to foreign exchange net gains resulting from the revaluation of dollar-denominated loans and placements of some of its subsidiaries. Albeit, AP's 2007 recurring earnings of P3.4 billion was still robust with bottomline year-on-year growth at 81%.

Business Segments

Power Distribution

Higher electricity sales for the period resulted to an income contribution from the power distribution business of P1.5 billion, up by 52% from last year's P995 million. Consolidated revenues amounted to P8.3 billion, recording a 5% year-on-year increase from P7.9 billion.

Riding on the strong economic growth experienced in 2007, the company's distribution utilities recorded strong sales growth in its franchise areas. On an organic basis, the group's kilowatt-hour electricity sales grew by 7%, from 2,507 GwH to 2,673 GwH. 2007 electricity sales further increased to 2,790 GwH, with the sales contribution of the acquisitions made during the year (i.e. 100% ownership in Mactan Enerzone Corporation, 60% ownership in Balamban Enerzone Corporation and an additional 36% ownership in Subic Enerzone Corporation), recording an 11% year-on-year growth rate.

Power consumption in 2007 of both residential and non-residential customers continued their strong showing, growing by 4% and 15%, respectively. This was on the back of an improved customer base with residential and non-residential accounts growing by 3% and 8%, respectively.

Power Generation

Share in net earnings of the power generation business amounted to P2.6 billion; recording a 213% increase from last year's P829 million. Power generating assets acquired in 2007 brought AP's total attributable capacity to 490MW, a 200% increase over 2006. This resulted to a 176% year-on-year growth in power sales attributable to AP, from 369 GwH to 1,018 GwH.

Total consolidated revenue in 2007 increased by 219% year-on-year, from P782 million to P2.5 billion, primarily due to the topline contribution of 60%-owned CPPC.

Financial Condition

As of year-end 2007, the company's total consolidated assets amounted to P36.4 billion, up by 195% from year-end 2006 levels. The company is in a net cash position with Cash and Cash Equivalents at P13.3 billion and total consolidated interest bearing loans at P4.4 billion. Current ratio is at 2.4x.

On July 16, 2007, AP listed its shares in the Philippine Stock Exchange. A total of 1,787,664,000 shares were issued and sold at an initial public offer price of P5.80 per share. Total proceeds of the offering amounted to P10.4 billion.

On June 8, 2007, AP entered into a share swap agreement with the shareholders of three power distribution utilities, namely, Subic Enerzone Corporation, Mactan Enerzone Corporation and Balamban Enerzone Corporation. The share swap agreement involves the issuance of a total of 170,940,307 common shares of AP issued at the initial public offering price of P5.80 per share. Pending the listing at the stock exchange, AP's total issued shares will amount to 7,358,604,307.

Other Developments

In August 2007, AP, together with Vivant Energy Corporation of the Garcia Group, signed a Memorandum of Agreement with Metrobank Group's Global Business Power Corporation for the construction and operation of a 3x82 MW coal-fired

power plant in Toledo City, Cebu. Completion of the project is expected by first quarter of 2010. AP will have an effective participation of 26% in the project.

On November 15, 2007, AP closed the sale and purchase of the 34% equity ownership in STEAG State Power, the owner and operator of a 232MW coal-fired power plant located in the PHIVIDEC Industrial Estate in Misamis Oriental, Northern Mindanao. The company signed, together with Evonik Industries AG (formerly known as STEAG GmbH) the Deed of Assignment for said shares. AP won the competitive bid to buy the 34% equity in August 2007, with its bid price of US\$91.9 million.

On November 28, 2007, SN Aboitiz Power Hydro, Inc. (SNAP Hydro), a consortium between AP and SN Power AS of Norway, submitted the highest bid for the Ambuklao-Binga Hydroelectric Power Complex consisting of the 75MW Ambuklao Hydroelectric Power Plant located at Bokod, Benguet and the 100MW Binga Hydroelectric Power Plant located at Itogon, Benguet. The price offered amounted to US\$325 million. The Power Sector Assets and Liabilities Management Corporation (PSALM) issued the Notice of Award to SNAP Hydro on December 19, 2007.

On December 17, 2007, AP entered into an agreement to buy the 20% equity of Team Philippines Industrial Power II Corporation (formerly Mirant (Phils.) Industrial Power II Corp.) in Subic Enerzone Corporation (SEZ) for P92 million. Together with the 35% equity in SEZ of AP's subsidiary Davao Light and Power Company, Inc., this acquisition brings AP's total equity in SEZ to 100%.

On February 6, 2008, AP declared a regular cash dividend in the amount of P0.18 per share or for a total amount of P1.3 billion to all stockholders of record as of the close of business hours on February 21, 2008, payable on March 3, 2008.

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:



M. JASMINE S. OPORTO

Corporate Secretary

Date: March 4, 2008