

COVER SHEET

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S.E.C. Registration Number

A B O I T I Z P O W E R C O R P O R A T I O N

(Company's Full Name)

A B O I T I Z C O R P O R A T E C E N T E R
 G O V . M A N U E L A . C U E N C O A V E .
 K A S A M B A G A N , C E B U C I T Y

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

LEAH I. GERALDEZ

Contact Person

(032) 411-1804

Company Telephone Number

Current Report

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

0 5 1 9

Month Day

Annual Meeting

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

X

Domestic

Foreign

 To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier


STAMPS

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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. **July 31, 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**
Province, country or other jurisdiction of incorporation
6. 
Industry Classification Code
7. **Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City**
Address of principal office
- 6000**
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 March 31, 2008)
Common Stock P1 Par Value	7,358,604,307
Amount of Debt Outstanding	P7,214,979,000
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation (AP) ended the first semester of 2008 with a recurring net income of P2.19 billion, a 136% year-on-year growth versus last year's P926 million. For the period in review, the company had a non-recurring net loss of P122 million due to foreign exchange net losses of P268 million resulting from the revaluation of dollar-denominated loans and placements of some of its subsidiaries and the reversal of a P145 million provision made by an associate company due to an arbitration settlement. This brings AP's total earnings to P2.06 billion for the period in review, still recording a robust bottomline year-on-year growth of 84%. This translates to an earnings per share of P0.28 for the first semester of 2008.

Business Segments

Power Generation

The power generation business shored in a net income contribution of P1.32 billion, recording a 182% year-on-year growth from last year's P468 million. The strong growth can be attributed to the incremental earnings contributions from 2007 acquisitions of P633 million, with major contributions coming from the 232MW STEAG coal power plant and the 360MW Magat hydro power plant, and the improved performance of AP's other generation assets. Total power sold for the period recorded a 207% year-on-year expansion, from 262 GwH to 806 GwH.

Power Distribution

Higher electricity sales for the period resulted to an income contribution from the power distribution business of P767 million, up by 15% from last year's P669 million.

The group's kilowatt-hour electricity sales for the period grew by 17% year-on-year, from 1,311 GwH to 1,532 GwH. Excluding the sales contribution of the distribution utilities acquired in 2007, the group recorded an organic growth of 6% year-on-year.

Financial Condition

As of June 30, 2008, the company's total assets amounted to P36.79 billion, slightly up by 2% from year-end 2007 levels. The company remains in a net cash position with Cash and Cash Equivalents at P10.31 billion and total consolidated interest bearing loans at P4.50 billion. Equity Attributable to Equity Holders of the Parent increased by 2% to P27.5 billion. Current ratio as of period end was at 2.2x (versus year-end 2007's 2.5x), while net debt-to-equity ratio was at -0.16x (versus year-end 2007's -0.29x).

Other Developments

In April 2008, 50%-owned Luzon Hydro Corporation (LHC) entered into a Settlement Deed with Transfield Philippines, Inc. (TPI), the EPC contractor for its 70MW Bakun plant. The settlement was entered into for the purpose of settling all claims and disputes related to the Turnkey Contract of the Bakun plant, including the award of the arbitral tribunal constituted in the arbitration proceedings between TPI and LHC. Earlier in 2005, LHC appropriately recorded a \$24 million contingent obligation based on the ruling of the arbitral tribunal. The settlement, however, required the payment by LHC of only \$14 million to TPI as a partial return of the security posted by TPI. This, together with LHC's reversal of the contingent liability provision, will result in a net income to LHC of approximately \$7.5 million.

In May 2008, wholly owned subsidiary Hedcor Sibulan obtained a P3.5 billion loan facility from a consortium of local banks. Once availed, said loan will partially finance the construction of the 42.5MW Sibulan hydropower project in Sta. Cruz, Davao del Sur, which broke ground last September 2007. The Sibulan hydropower project involves the construction of two cascading hydropower generating facilities tapping the Sibulan and Baroring rivers in Sibulan, Sta. Cruz, Davao del Sur. Drawdown from the facility will depend on the project's construction progress.

On July 10, 2008, 50%-owned SN Aboitiz Power-Benguet, Inc. officially took over the ownership and operations of the 75MW Ambuklao hydropower plant and the 100MW Binga hydropower plant after these were turned over to the

company by the Power Sector Assets and Liabilities Management Corporation. The company won the bidding for these plants in November 2007, as it submitted a winning bid of \$325 million. This marks the second and third hydroelectric plant investments by SN Aboitiz Power in the country, which brings its total capacity to 535 MW (including the 360MW Magat hydropower plant). To date, SN Aboitiz Power is the largest traditional hydro operator in the country.

On July 30, 2008, AP Renewables, Inc. (APRI), a wholly owned subsidiary of AP, submitted the highest bid for the 289MW Tiwi geothermal facility in Albay and the 458MW Makiling-Banahaw geothermal facility in Laguna (Tiwi-Makban). The price offered amounted to approximately \$447 million. Upon closing of the purchase, AP will have investments in generation facilities with total generating capacity of 1,957MW, more than 70% of which are powered from renewable sources of energy.

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:

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto".

M. JASMINE S. OPORTO

Corporate Secretary

Date: July 31, 2008