

**COVER SHEET**

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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
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Contact Person

(032) 411-1800
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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
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Domestic

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Foreign

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To be accomplished by SEC Personnel concerned

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File Number

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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. **May 07, 2009**  
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**      **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<br>Outstanding and Amount of Debt Outstanding<br>(as of December 31, 2008) |
|-----------------------------------|---|
| <b>Common Stock P1 Par Value</b>  | <b>7,358,604,307</b>  |
| <b>Amount of Debt Outstanding</b> | <b>P16,580,473,000</b>  |
11. Indicate the item numbers reported herein: 9

**Item 9: Other Events**

Aboitiz Power Corporation (AP) ended the first quarter of 2009 with a recurring net income of P490 million, recording a 54% year-on-year (YOY) decline. For the period in review, the company had a non-recurring net loss of P109 million (versus last year's non-recurring net loss of P44 million), which resulted from the revaluation of dollar-denominated loans and placements of the parent company and some of its subsidiaries. This brings AP's total net income to P381 million. This translates to an earnings per share of P0.05 for the first quarter of 2009.

## **Business Segments**

### ***Power Generation***

Lower net generated power and softer prices, particularly for its merchant hydro power plants, resulted to a P110 million earnings contribution by the power generation business, which is 83% lower YOY. When adjusted for non-recurring items, the decline in the business' earnings is reduced to 64% YOY, from P674 million to P242 million.

As of end March 31, 2009, AP's power generation group had an attributable capacity of 578MW, an 18% YOY increase. The increase was due to the turnover of the 175MW Ambuklao-Binga hydro power plants in July 2008. Despite the said increase, total attributable power sold for the quarter in review was lower by 17% YOY, from 377GwH to 312 GwH. Said reduction was mainly due to the lower generated power of the company's hydro, coal and some of its thermal (oil) power plants.

During the quarter in review, the island of Luzon experienced lower rainfall as compared to the same period last year. This brought down the utilization of AP's Luzon-based hydro power plants. The company's coal and some of its thermal (oil) power plants were dispatched less by their respective offtakers, which resulted to lower capacity factors for the quarter.

The electricity spot market's load weighted average price for the period January to March 2009 recorded a 37% YOY decline. This can be attributed to several factors, which include (1) the significant reduction in fuel costs, particularly oil and coal, (2) the increase in average generated power offered in the spot market resulting from the improved operating efficiency of privatized power plants, and (3) the electricity spot market's System Operator's cancellation of offers made by the Limay oil-fired power plant to the electricity spot market.

The Limay oil-fired power plant has been designated as a Must Run Unit (MRU) to support the contingency imposed for the San Jose transformers. As a designated MRU, the Limay plant's cost is not incorporated in the spot market pricing equation, which effectively brings down prices given this plant's high operating cost.

### ***Power Distribution***

The group's electricity sales for the quarter grew by 4% YOY, from 744 GwH to 772 GwH. Power consumption of both residential and non-residential customers improved by 5% and 3%, respectively. This was on the back of an improved customer base with both residential and non-residential accounts growing by 3% YOY.

Despite the robust volume growth recorded, the distribution group's income contribution for the quarter in review recorded a 52% YOY decline to P252 million. The increase in the National Power Corporation's grid rates in March 2009 resulted to an under recovery of cost of purchased power by AP's distribution utilities in the said month. This one-month lag adversely affected the business' operating margin for the quarter. The increased cost of purchased power will be reflected in the next billing period (April 2009).

## Financial Condition

As of March 31, 2009, the company's total consolidated assets amounted to P46.6 billion, slightly lower than year-end 2008 level of P47.3 billion. The company's consolidated Cash and Cash Equivalents was at P11.5 billion, while total consolidated interest-bearing loans was at P11.1 billion. Equity Attributable to Equity Holders of the Parent marginally declined to P29.1 billion from year-end 2008. Current ratio as of quarter end was at 1.9x (versus year-end 2008's 2.2x), while net debt-to-equity ratio was at -0.06x (versus year-end 2008's -0.13x).

## Other Developments

On April 30, 2009, AP issued a total of P3 billion worth of peso-denominated fixed retail bonds (Bonds) under the following terms:

MATURITY	INTEREST RATE	AMOUNT
5-year bonds to mature on May 1, 2014	8.7%/p.a.	₱2,294,420,000
3-year bonds to mature on April 30, 2012	8.0%/p.a.	₱705,580,000

The issue was 2.5x oversubscribed and had to be upsized from P1.5 billion to P3 billion. The Securities and Exchange Commission approved last April 14, 2009 AP's application for registration of P1.5 billion worth of Bonds, with an oversubscription option of up to P1.5 billion.

## 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: May 07, 2009