COVER SHEET

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S.E.C. Registration Number

ABOITIZ POWER CORPORATION

(Company's Full Name)

ABOITIZ CORPORATE CENTER
GOV. MANUEL A. CUENCO AVENUE,
KASAMBAGAN, CEBU CITY

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

ATTY. LEAH I. GERALDEZ	032-411-1804
Contact Person	Company Telephone Number

12 31	1st Quarterly Report	3rd Monday of May
1 2 / 3 1	1 7 - Q	0 5 / 1 8
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

Secondary License Type, if Applicable

S	E	C

Dept. Requiring this Doc

Amended Articles Number/Section

	x	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2009

2. Commission identification number C199800134
3. BIR Tax Identification No. 200-652-460

4. Exact name of issuer as specified in its charter

ABOITIZ POWER CORPORATION

5. Province, country or other jurisdiction of incorporation or organization

Cebu City, Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City, Philippines 6000

8. Issuer's telephone number, including area code (032) 411-1800

9. Former name, former address and former fiscal year, if changed since last report N.A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock P1 Par Value	7,358,604,307
Amount of Debt Outstanding	₱16,975,864,000

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [ ] No [x]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the Company's consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures set forth elsewhere in this report.

Adoption of Philippine Interpretation IFRIC 12

In 2008, the Group adopted IFRIC 12, a new accounting standard in accounting for service concession arrangements. Accordingly, the first quarter 2008 financial statements are restated to retroactively apply the adoption of this new accounting standard.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of registrant Aboitiz Power Corporation ("AP" or the "Company") and its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the "Group"):

1. **Equity in Net Earnings (Losses) of Investees.** Equity in net earnings (losses) of investees represents the Group's share in the undistributed earnings or losses of its investees for each reporting period subsequent to acquisition of said investment, net of goodwill impairment cost, if any. Goodwill is the difference between the purchase price of an investment and the investor's share in the value of the net identifiable assets of investee at the date of acquisition. Equity in net earnings (losses) of investees indicates profitability of the investment and investees' contribution to the group's net income.

   Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

2. **Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA).** The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from

operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts.

3. **Cash Flow Generated.** Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. **Current Ratio**. Current ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt paying ability. The higher the ratio, the more liquid the Group.

5. **Debt–to–Equity Ratio.** Debt-to-Equity ratio gives an indication of how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by stockholders' equity.

The table below shows the comparative figures of the top five (5) key performance indicators for the first three (3) months of 2009 and 2008 and as of December 31, 2008 (amounts in thousands except for financial ratios):

	MAR 31/2009	MAR 31/2008	DEC 31/2008
EQUITY IN NET EARNINGS OF INVESTEES	**189,453**	686,487	
EBITDA	**656,374**	1,256,985	
CASH FLOW GENERATED:			
Net cash flows used in operating activities	**(122,613)**	(1,164,450)	
Net cash flows provided by (used in) investing activities	**(1,225,700)**	187,134	
Net cash flows used in financing activities	**(1,996,945)**	(1,421,493)	
Net decrease in Cash & Cash Equivalents	**(3,345,258)**	(2,398,809)	
Cash & Cash Equivalent, Beginning	**14,915,384**	13,287,811	
Cash & Cash Equivalent, End	**11,495,713**	10,905,304	
CURRENT RATIO	**1.92**		2.19
DEBT-TO-EQUITY RATIO	**0.57**		0.54

The lower equity in net earnings of investees is primarily due to the drop in the Group's share in net earnings of its hydro associates. The operations of the hydro plants, especially that of SN Aboitiz Power-Magat, Inc. (SNAP-Magat), were lower due to the effects of depressed prices in the Wholesale Electricity Spot Market (WESM) as well as the much lesser rainfall which affected their sales volumes. SNAP-Magat's contributions in the first quarter fell behind in contrast with the same period last year. Also affecting the equity in net earnings of investees is the lower income contribution of Visayan Electric Company, Inc. (VECO), one of AP's associate distribution companies, as a result of the under-recovery on its cost of purchased power due to the increase in the National Power Corporation (NPC) rates approved in March 2009.

The current ratios continue to decrease as seen in the increase in investments made in the first quarter of 2009 mirroring the efforts of the Company towards an improved utilization of capital, which remains to be the Company's long-term plan to improve shareholder value.

The Company continues to evaluate the investment viability of the remaining power generation assets that the Power Sector Assets and Liabilities Management Corporation (PSALM) intends to auction off.

Financial Results of Operations

The Company's net income for the first three months of 2008 was P396 million from ₱1.02 billion for the same period last year. This translates to earnings per share of ₱0.05 for the first quarter of 2009 versus an earnings per share of ₱0.14 in the first quarter of 2008.

The first quarter results, which was 61% lower than the same period last year, was mainly due to lower generated power and soft prices for the generation business, particularly for the hydro plants, and the impact of higher cost of purchased power for the distribution business.

The power generation business managed to shore in a net income contribution of ₱110 million, which represents an 83% decline for this segment versus the same period last year. In terms of kilowatt-hour (kWh) sales, the total attributable power sold was lower by 17% (377 gigawatt-hours (GWh) in first quarter 2008 to 312 GWh in first quarter 2009) due to the lower power generated by theCompany's hydro, coal and some of the bunker-fired plants. The hydro companies in particular saw its generation sales decline by 25% despite the incremental contribution this year ofSN Aboitiz Power-Benguet, Inc. (SNAP-Benguet) due to the lower rainfall experienced in the first quarter of 2009. On the other hand, the Company's coal and bunker-fired plants were also dispatched less by their offtakers which brought down energy sold.

The power distribution segment saw its electricity sales grow by a modest 4% versus the same period last year, from 744 GWh to 772 GWh. Nevertheless, this failed to translate to better contributions due to the effects of the increase in NPC's grid rates which resulted to an under-recovery of the cost of purchased power. This one-time increase affected the operating margin of the whole distribution segment for this quarter.

1. INCOME STATEMENTS (January – March 2009 vs. January –March 2008)

Consolidated net income attributable to equity holders decreased by 62% from ₱ 1.01 billion in the first quarter of 2008 to ₱ 381 million for the same period in 2009. Below is a reconciliation of the decline in the consolidated net income:

Consolidated Net Income Attributable to Equity Holders of the Parent for the three months of 2008	1,010,953
Decrease in Operating Revenues	(74,401)
Increase in Operating Expenses	(65,236)
Decrease in Share in Net Earnings of Associates	(497,034)
Increase in Interest Income	52,744
Increase in Interest Expenses	(102,841)
Decrease in Other Income	(8,326)
Lower Provision for Taxes	71,554
Minority Interests	(6,580)
Total	630,120
Consolidated Net Income Attributable to Equity Holders of the Parent for the three months of 2009	380,833

Total consolidated operating revenues went down 2.5% versus the same period last year. This is mainly due to the lower revenues fromCebu Private Power Corporation (CPPC), owing to the lower fuel prices which are passed on as part of its revenues, as well as the lower revenues of Mactan Enerzone Corporation (MEZ) which was impacted by the drop in energy sales due to the lower operating hours of its customers in the Mactan Economic Zone II (MEZ II). These revenue drops were slightly offset by the increase in sales experienced by Subic Enerzone Corporation (SEZ)for this quarter compared to the first quarter of 2008.

The consolidated operating expenses also increased by 2.5%. This is mainly driven by the higher cost of purchased power on the consolidated distribution companies which had seen their operating expenses increase by 10% this first quarter 2009 versus first quarter 2008. This was slightly offset by the lower cost to generate in bunker fired CPPC which this year has lower fuel costs compared to the very high fuel prices in the same period last year bringing down CPPC 's operating expenses by 33%.

The share in net earnings of associates saw a sharp drop of 72.4% versus the same period last year or by ₱497 million. The contributions from the hydro companies alone dragged this downwards by ₱580 million versus last year. The equity earnings from associates was also brought down by the increased cost of purchased power of VECO, whose net contribution went down by ₱74 million. The increased contributions from the thermal companies softened the drop in the equity contributions by ₱168 million, with P149 million coming from STEAG State Power, Inc. (STEAG) .

Interest income increased by 35% due to higher placements from the proceeds of the ₱3.89 billion fixed-rate notes issued by the Company right before the close of 2008.

Correspondingly, interest expense increased by 135% mostly from the interest on the Company's fixed rate notes.

Other income decreased by ₱8.33 million as a result of an increase in forex losses in the first quarter of 2009 compared to the forex losses in the first quarter of 2008 due to the restatement of dollar-denominated receivables.

All of the above events led to an income before income tax of ₱ 511 million in the first quarter of 2009, a decrease versus ₱1.21 billion for the same period last year, and provision for income taxes for the first quarter in 2009 of ₱115 million against the prior period provisioning of P187 million.

2. BALANCE SHEETS (March 2009 vs. December 2008)

Assets

Compared to year-end 2008 levels, consolidated assets decreased slightly by 1.4%, from ₱47.27 billion in December 2008 to ₱46.63 billion as of March 2009. Below is an explanation of the movements in various balance sheet accounts.

a. Cash & Cash Equivalents was at ₱11.50 billion, down by 23% from year-end 2008 level of ₱14.92 billion. This was mainly due to payment of cash dividends to shareholders and payments made on loans totaling ₱2.03 billion. This account was also brought down by advances in consideration of future equity into the 246 MW coal plant in Toledo City, Cebu and the purchase of capital assets totaling ₱1.2 billion. The remaining movement in cash is due to the interest-bearing advances made to related parties.

b. Trade & Other Receivables increased by 57.6%, from ₱1.99 billion to ₱3.14 billion mainly due to interest-bearing advances made to related parties.

c. Materials and Supplies were higher by 20%, from ₱332 million to ₱397 million as a result of inventory requirements of the on-going construction of the Hedcor Sibulan hydro plant in Davao del Sur as well as due to the inventory requirements for the ongoing capital expenditure programs of the distribution utilities.

d. Property, Plant and Equipment increased by 5% from ₱6.26 billion to ₱6.55 billion mainly due to the consolidation of the plant and equipment of the on-going Hedcor Sibulan project in Davao del Sur.

e. Investments in and Advances to Associates increased by 5.5% or by ₱1.17 billion due to additional funding into the 246 MW coal plant in Toledo City for ₱955 million. The remaining increase into this account is -due to additional share in net earnings and currency translation adjustments of associates.

f. Deferred Income Tax Assets increased by 26% resulting from the weakening of the peso from year-end 2008 levels to ending March 2009.

g. Other Noncurrent Assets is higher by 98%, from ₱84 million to ₱166 million primarily due to deferred charges at AP Renewables, Inc. (APRI) on charges incurred prior to take over of Tiwi-MakBan geothermal facilities, the applied deferred input VAT of CPPC and other deferred assets of SEZ.

Liabilities

Consolidated liabilities increased by 2.4% compared to year-end 2008 levels, from ₱16.58 billion to ₱16.98 billion. The following were the reasons for the increase:

a. Bank loans decreased by 14% or ₱663 million due to payments made by the distribution utilities on bank loans made for working capital requirements.

b. Trade and Other Payables increased by 19% or ₱600 million due to higher accrued power cost of the distribution utilities.

c. Income Tax Payable increased by 59% or ₱48 million due to higher provisions made for the quarter in review.

d. Payable to Preferred Shareholders of a subsidiary decreased by a total of 26% or ₱26 million due to payments made during the year.

e. Pension liability increased by 8% or P1 million due to higher provisions made at a subsidiary of Philippine Hydropower Corporation (PHC).

f. Long-term debt has increased by ₱384 million in the first quarter of 2009 versus first quarter of 2008 or a 6% increase. This is due to an additional loan draw down made by Hedcor Sibulan Inc. (Hedcor Sibulan) to finance the construction of its 42.5 MW hydro plant.

Equity

Equity attributable to equity holders of the parent decreased by 3.5%, from ₱30.16 billion as of December 2008 to ₱29.10 billion as of March 2009. This decrease was brought about by the cash dividend payment of ₱1.47 billion in the first quarter of the year after a slight increase brought in by the net income for the period in review.

The Company declared dividends of ₱0.20 per share to all stockholders as of record date February 26, 2009. This was paid on March 23, 2009

Financial Ratios

Current ratio decreased by 0.27, from 2.19x as of December 2008 to 1.92x in March 2009. This was due to a decrease in Cash and Cash Equivalents by ₱3.42 billion, mitigated by the increase in Trade and Other Receivables of ₱1.15 billion.

Debt-to-equity ratio increased from 0.54 as of December 2008 to 0.57 as of March 31, 2009. Net debt to equity ratio as of March 2009 is at -0.06, a .07 decrease from 2008 year-end net debt to equity ratio of -0.13.

Material Changes in Liquidity and Cash Reserves of Registrant

As of March 31, 2009, the Group's cash reserves posted a balance of ₱11.50 billion after a successful issue of ₱3.89 billion in fixed rate notes in December 2008. This cash will be used to fund the Group's planned asset acquisitions and programmed capital expenditures for the remainder of 2009.
Net cash flows from operating activities reported a usage of₱123 million compared from the net cash outflow of ₱1.16 billion for the same period last year. The decrease in usage versus the same period last year is mostly due to a decrease in current operating liabilities in the first quarter 2008 versus an increase in operating current assets the same period in 2009.

Net cash flows used in investing activities was ₱1.23 billion - mostly accounted for by additional or new investments of ₱955 million into the 246 MW coal plant in Toledo City, and the increase in Property Plant and Equipment of P420 million due to the on-going construction of the 42.5 MW Hedcor Sibulan hydro plant in Davao del Sur.

Net cash flows used in financing activities for the period in review was ₱2.00 billion, resulting mainly from the net result coming from the outflow on cash dividends of ₱1.47 billion declared in the first quarter, interest expenses paid of ₱229 million and the outflow to pay bank loans ₱663 million, and offset by proceeds from Hedcor Sibulan's debt of ₱393 million.

The Company ended the first quarter of 2009 with net cash outflows of ₱3.35 billion. The Cash and Cash Equivalents for the period ending March 31, 2009 was ₱11.50 billion, higher than the Cash and Cash Equivalents held a year ago at ₱10.91 billion.

Known Trends, Events, Uncertainties, which may have Material Impact on Registrant

Except for the developments disclosed in this report and the attached financial statements, there are, as of the date of this report, no known events or uncertainties that have had or are reasonably expected to have a material impact on the financial condition and operations of the Company.

Outlook for the Upcoming Year/Known Trends, Events, Uncertainties, which may have Material Impact on Registrant

The Company remains optimistic that 2009 will be another good year. Notwithstanding external and uncontrollable economic and business factors that affect its businesses, the Company believes that it is in good position to benefit from the foreseen opportunities that will arise in the current year. Its sound financial condition, coupled with a number of industry and company specific developments, should bode well for AP and its investee companies. These developments are as follows:

Generation Business

1. Continued Growth in the Company's attributable capacity

AP's total attributable generating capacity went up to 578 MW up 18% from the same period last year. This is due to the turnover by PSALM of the 175 MW Ambuklao-Binga hydro plants in July 2008. After the completion of the programmed rehabilitation on both plants, it is projected that the rehabilitated capacity will bring Ambuklao to 105 MW and Binga to 120MW for a total of 225 MW. To date, the SNAP group is the largest traditional hydro operator in the country.

The projected turnover to APRI, a wholly owned subsidiary AP, of the 289 MW Tiwi geothermal facility in Albay and the 458 MW MakBan geothermal facility in Laguna in the second quarter of this year is anticipated to add significantly to the Company's attributable capacity.. It also strengthens the Company's position as one of the largest renewable energy companies in the country. The price offered for the Tiwi-MakBan geothermal facilities amounted to approximately US$447 million.

2. Greenfield Projects

Construction work on the 42.5MW run-of-river hydropower plant in Barangay Sibulan, Sta. Cruz, Davao del Sur by AP's100%-owned subsidiary Hedcor Sibulan is still on going. The project entails the construction of two cascading hydropower generating facilities tapping the Sibulan and Baroring Rivers. These facilities can generate an estimated 212 million kilowatt-hours of clean and emissions-free energy annually

In the first half of 2008, another subsidiary, Hedcor Tamugan, conducted a detailed design stage for three run-of-river hydropower plants with an original combined capacity of 34.5MW. Last August 14, 2008 the Board of Directors of Hedcor Tamugan decided to abandon the construction of the 7 MW Suawan Hydropower plant (the Suawan plant) due to the escalation of construction costs which had rendered the Suawan plant economically unfeasible to build. The reduced capacity of the Tamugan project at 27.5MW will not affect the consortium's ability to deliver the required amount of energy under a power supply agreement with DLPC.

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 the 246 MW coal-fired power plants in Toledo City, Cebu. Completion of the project is expected within 2010. AP will have an effective participation of 26% in the project.

On February 17, 2007, AP entered into a Memorandum of Agreement with Taiwan Cogeneration International Corporation (Taiwan Cogen), a Taipei-based generation company, to collaborate in the building and operation of a 300MW coal-fired power plant in the Subic Bay Freeport Zone. On May 30, 2007, Redondo Peninsula Energy Corporation (RP Energy) was incorporated as the 50:50 joint venture company for this project. The project is estimated to cost approximately US$500 million. AP, together with its partner Taiwan Cogen, has put the Subic coal project on hold for further review in the second quarter of the year to give the Company more time to assess the demand in the grid amid the global financial crisis.

3. Participation in the Government's Privatization Program for its Power Assets

The Company continues to look at other power generation assets to be auctioned by the government. AP had bidded for the 100 MW Power Barge 117 and 100 MW Power Barge 118. 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.

Distribution Business

In the light of the challenging economic conditions which has dampened the growth of the global and local economies, the Company remains optimistic that it will realize modest growth on its existing distribution utilities.

With continued efficiency improvements in operations, it is seen that healthy margins can be maintained.

The implementation of the rate adjustment formula for the distribution companies under the performance-based rate-setting regulation (PBR) is on a staggered basis. The Energy Regulatory Commission (ERC) had issued its final determination on Cotabato Light & Power Company's (CLPC) application for approval of its annual revenue requirement and performance incentive scheme under the PBR scheme. This covers the second regulatory 4-year period, which commenced on April 1, 2009.

CLPC has implemented its new rate structure on May 1, 2009 based on the approved PBR rates for the first year.

VECO and Davao Light & Power Company, Inc. (DLPC) entered their respective reset periods in end 2008, and are expected to enter the 4-year regulatory period in 18-24 months thereafter. San Fernando Electric Light and Power Company Inc. (SFELAPCO) and SEZ are part of the fourth batch of private utilities to enter PBR, and are expected to enter their respective 4-year regulatory period by April 1, 2011.

In April 2009, VECO also applied for an adjustment and realignment of its current distribution charge with the ERC under the present return-on-rate base (RORB) ratemaking regime. If approved, VECO's average distribution charge will increase from ₱0.85 per kWh to ₱1.20 per kWh or an average of P0.35 per kWh. Public hearings for this rate application commenced on May 14 and are now ongoing.

In addition to the annual adjustments described above, PBR allows for rate adjustments in between the re-set periods to address extraordinary circumstances. There is also a mandatory rate-setting every four (4) years wherein possible adjustments to the rate take into account current situations.

The Company's strategy in running its utilities is one of providing world-class service at the least possible cost. Providing value to its customers allows the Company credibility and the ability to successfully implement justified rate increases. This, along with a transparent and open relationship of over 70 years with the regulators, ensures the Company's continued ability to successfully apply and implement rate increases.

Capital Raising Activities

Last December 2008, AP successfully launched and raised a total of ₱ 3.89 billion in 5-year and 7-year peso-denominated corporate fixed rate notes. The notes were offered in a private placement to not more than 19 institutional investors. The proceeds of the notes will be used to finance AP's planned acquisitions as well as for other general corporate purposes.

Last April 30, 2009, AP issued a total of ₱3 billion worth of peso-denominated fixed rate retail 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 2.5 times oversubscribed and had to be upsized from ₱1.5 billion to ₱3.0 billion.

PART II--OTHER INFORMATION

There is no significant information on the company, which requires disclosure herein and/or was not included in SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer	Aboitiz Power Corporation
Principal Accounting Officer	Iker M. Aboitiz
Signature and Title	First Vice President / Chief Financial Officer/Corporate Information Officer
Date	20 MAY 2009
Corporate Secretary	M. Jasmine S. Oporto
Signature and Title	Corporate Secretary
Date	20 MAY 2009

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF MARCH 31, 2009 AND DECEMBER 31, 2008
(Amounts in Thousands)

	UNAUDITED MAR 2009	AUDITED DEC 2008
ASSETS		
Current Assets		
Cash and cash equivalents	**11,495,713**	14,915,384
Trade and other receivables - net	**3,137,142**	1,991,074
Materials and supplies	**397,557**	332,042
Other current assets	**486,729**	501,150
Total Current Assets	**15,517,141**	17,739,650
Noncurrent Assets		
Property, plant, and equipment - net	**6,553,245**	6,257,643
Intangible asset - Service concession rights - net	**861,139**	854,193
Investment property	**10,000**	10,000
Investments in and advances to associates	**22,425,627**	21,250,901
Available-for-sale (AFS) investments - net	**3,744**	3,744
Goodwill	**996,005**	996,005
Pension assets	**9,720**	9,720
Deferred income tax assets	**83,705**	66,576
Other noncurrent assets	**165,865**	83,704
Total Noncurrent Assets	**31,109,050**	29,532,486
TOTAL ASSETS	**46,626,191**	47,272,136
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans	**4,134,730**	4,798,120
Trade and other payables	**3,744,909**	3,145,311
Income tax payable	**129,692**	81,422
Current portion of long-term debt	**16,145**	16,145
Current portion of payable to preferred shareholders	**2,816**	9,194
Current portion of long-term lease obligation	**40,000**	40,000
Total Current Liabilities	**8,068,292**	8,090,192
Noncurrent Liabilities		
Long-term debt - net of current portion and deferred financing cost	**6,889,943**	6,505,852
Long-term lease obligation - net of current portion	**260,727**	251,816
Customers' deposits	**1,618,849**	1,571,092
Payable to preferred shareholder of a subsidiary - net of current portion	**68,808**	88,030
Pension liability	**15,600**	14,467
Deferred income tax liabilities	**53,645**	59,024
Total Noncurrent Liabilities	**8,907,572**	8,490,281
Equity Attributable to Equity Holders of the Parent		
Capital stock - P1 par value	**7,358,604**	7,358,604
Additional paid-in capital	**12,588,894**	12,588,894
Share in cumulative translation adjustments of associates	**16,724**	(18,422)
Acquisition of minority interests	**(259,147)**	(259,147)
Retained earnings	**9,394,514**	10,485,401
	29,099,589	30,155,330
Minority interests	**550,738**	536,333
Total Equity	**29,650,327**	30,691,663
TOTAL LIABILITIES AND EQUITY	**46,626,191**	47,272,136

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE PERIODS ENDED MARCH 31, 2009 AND 2008
(Amounts in Thousands, Except Earnings Per Share Amounts)
(UNAUDITED)

	JAN-MAR/09	JAN-MAR/08
OPERATING REVENUES	**2,894,952**	2,969,353
OPERATING EXPENSES	**2,653,637**	2,588,401
	241,315	380,952
OTHER INCOME (EXPENSES)		
Share in net earnings of associates	**189,453**	686,487
Interest income	**201,398**	148,654
Interest expense	**(178,905)**	(76,064)
Others - net	**57,815**	66,141
	269,761	825,218
INCOME BEFORE INCOME TAX	**511,076**	1,206,170
PROVISION FOR INCOME TAX	**115,456**	187,010
NET INCOME	**395,620**	1,019,160
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE PARENT	**380,833**	1,010,953
MINORITY INTERESTS	**14,787**	8,207
	395,620	1,019,160
**Earnings Per Common Share ** **		
Basic, for income for the period attributable to ordinary holders of the parent	**0.05**	0.14
Diluted, for income for the period attributable to ordinary holders of the parent	**0.05**	0.14

** Refer to Disclosure H for the computation of Earnings per Common Share.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2009 AND 2008

(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/09	JAN-MAR/08
Profit for the year	**395,620**	1,019,160
Other comprehensive income for the year, net of tax (Schedules A & B)	**35,146**	28,952
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**430,766**	1,048,112
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**415,979**	1,039,905
Non-controlling interests	**14,787**	8,207
	430,766	1,048,112

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2009 AND DECEMBER 31, 2008
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to equity holders of the parent							
	Capital Stock Common	**Additional Paid-in Capital**	**Share in Other Comprehensive Income of Associates**	**Acquisition of Minority Interests**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total**
Balances at December 31, 2008	**7,358,604**	**12,588,894**	**(18,422)**	**(259,147)**	**10,485,401**	**30,155,330**	**536,333**	**30,691,663**
Changes in equity for Jan-Mar 2009:								
Cash dividends - P0.20 per share					(1,471,720)	(1,471,720)		(1,471,720)
Total comprehensive income for the period			35,146		380,833	415,979	14,787	430,766
Changes in minority interest						-	(382)	(382)
Balances at March 31, 2009	**7,358,604**	**12,588,894**	**16,724**	**(259,147)**	**9,394,514**	**29,099,589**	**550,738**	**29,650,327**

	Attributable to equity holders of the parent							
	Capital Stock Common	**Additional Paid-in Capital**	**Share in Other Comprehensive Income of Associates**	**Acquisition of Minority Interests**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total**
Balances at December 31, 2007 as previously	**7,358,604**	**12,588,894**	**(629,346)**	**(109,065)**	**7,814,023**	**27,023,110**	**619,424**	**27,642,534**
Effects of adoption of new accounting standard (IFRIC 12)			53,370	1,902	(337,686)	(282,414)	3	(282,411)
Balances at December 31, 2007 as restated	**7,358,604**	**12,588,894**	**(575,976)**	**(107,163)**	**7,476,337**	**26,740,696**	**619,427**	**27,360,123**
Changes in equity for Jan-Dec 2008:								
Acquisition of minority interest				(151,984)		(151,984)	(25,962)	(177,946)
Cash dividends - P0.18 per share					(1,324,549)	(1,324,549)		(1,324,549)
Total comprehensive income for the year			557,554		4,333,613	4,891,167	90,715	4,981,882
Changes in minority interest						-	(147,847)	(147,847)
Balances at December 31, 2008	**7,358,604**	**12,588,894**	**(18,422)**	**(259,147)**	**10,485,401**	**30,155,330**	**536,333**	**30,691,663**

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2008
(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to equity holders of the parent							
	Capital Stock Common	**Additional Paid-in Capital**	**Share in Other Comprehensive Income of Associates**	**Acquisition of Minority Interests**	**Retained Earnings**	**Total**	**Non-controlling Interests**	**Total**
Balances at December 31, 2007 as previously r	**7,358,604**	**12,588,894**	**(629,346)**	**(109,065)**	**7,814,023**	**27,023,110**	**619,424**	**27,642,534**
Effects of adoption of new accounting standard (IFRIC 12)			53,370	1,902	(337,686)	(282,414)	3	(282,411)
Balances at December 31, 2007 as restated	**7,358,604**	**12,588,894**	**(575,976)**	**(107,163)**	**7,476,337**	**26,740,696**	**619,427**	**27,360,123**
Changes in equity for Jan-Mar 2008:						-		-
Acquisition of minority interest				(151,985)		(151,985)	(25,961)	(177,946)
Cash dividends - P0.18 per share					(1,324,549)	(1,324,549)		(1,324,549)
Total comprehensive income for the year			28,952		1,010,953	1,039,905	8,207	1,048,112
Changes in minority interest						-	(881)	(881)
Balances at March 31, 2008	**7,358,604**	**12,588,894**	**(547,024)**	**(259,148)**	**7,162,741**	**26,304,067**	**600,792**	**26,904,859**

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2009 AND 2008
(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/09	JAN-MAR/08
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	**511,076**	1,206,170
Adjustments for:		
Share in net earnings of associates	**(189,453)**	(686,487)
Depreciation and amortization	**135,943**	110,855
Interest income	**(201,398)**	(148,654)
Interest expense	**178,905**	76,064
Unrealized foreign exchange loss (gain)	**74,413**	(16,302)
Gain on sale of property, plant and equipment	**(133)**	-
Operating income before working capital changes	**509,353**	541,646
Changes in:		
Increase in operating current assets	**(1,176,534)**	(150,501)
Increase (decrease) in operating current liabilities	**697,303**	(1,483,266)
Cash provided by (used in) operations	**30,122**	(1,092,121)
Income and final taxes paid	**(152,735)**	(72,329)
Net cash flows used in operating activities	**(122,613)**	(1,164,450)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	**4,698**	253,074
Interest received	**180,770**	95,910
Additional investments in associates	**(6)**	(17,971)
Collection of (payments for) advances to associates	**(954,818)**	279,799
Additions to property, plant and equipment - net	**(420,215)**	(319,185)
Acquisition of minority interests	**-**	(177,948)
Additions to intangible assets - service concession rights	**(18,143)**	
Decrease (increase) in other assets	**(17,986)**	73,455
Net cash flows from (used in) investing activities	**(1,225,700)**	187,134
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	**(663,390)**	38,880
Payments of long-term debt	**393,002**	(3,220)
Payments to preferred shareholders of a subsidiary	**(25,600)**	(26,673)
Interest paid	**(228,853)**	(79,086)
Cash dividends paid	**(1,471,720)**	(1,324,549)
Decrease in minority interest	**(384)**	(26,845)
Net cash flows used in financing activities	**(1,996,945)**	(1,421,493)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(3,345,258)**	(2,398,809)
EFFECT OF EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	**(74,413)**	16,302
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**14,915,384**	13,287,811
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	**11,495,713**	10,905,304

ABOITIZ POWER CORPORTATION AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULES AND DISCLOSURES
AS OF MARCH 31, 2009 AND DECEMBER 31, 2008
(Amounts in Thousands Unless Otherwise Stated)

A. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	JAN-MAR/09	JAN-MAR/08
Share of other comprehensive income of associates	**35,146**	28,952
Income tax relating to components of other comprehensive income	**-**	-
Other comprehensive income for the period	**35,146**	28,952

B. TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	JAN-MAR/09		
	Before-Tax Amount	**Tax (Expense) Benefit**	**Net-of-Tax Amount**
Share of other comprehensive income of associates	35,146		35,146
Other comprehensive income for the period	**35,146**	**-**	**35,146**

	JAN-MAR/08		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Share of other comprehensive income of associates	28,952		28,952
Other comprehensive income for the period	28,952	-	28,952

C. INVESTMENTS IN AND ADVANCES TO ASSOCIATES

	% OWNERSHIP 2009	MAR 2009	DEC 2008
Investments in shares of stock			
At equity			
Acquisition cost:			
Manila Oslo Renewable Enterprise, Inc.	83.33%	**7,305,257**	7,305,257
STEAG State Power Inc.	34.00%	**4,400,611**	4,400,611
Luzon Hydro Corporation	50.00%	**1,048,251**	1,048,251
East Asia Utilities Corporation	50.00%	**1,009,143**	1,009,143
Hijos de Escaño, Inc.	46.66%	**857,237**	857,237
Visayan Electric Co., Inc.	55.11%	**654,826**	654,820
Western Mindanao Power Corporation	20.00%	**263,665**	263,665
Redondo Peninsula Energy, Inc.	50.00%	**277,545**	277,545
Pampanga Energy Ventures, Inc.	42.84%	**209,465**	209,465
San Fernando Electric Light & Power Co., Inc.	43.78%	**180,864**	180,864
Southern Philippines Power Corporation	20.00%	**152,587**	152,587
Cordillera Hydro Corporation	35.00%	**88**	88
Others		**28,382**	28,382
Balance at end of period		**16,387,921**	16,387,915
Accumulated equity in net earnings:			
Balance, beginning of year		**3,263,941**	2,979,930
Effect of adoption of IFRIC 12			(341,228)
Balance, beginning of year, as restated		**3,263,941**	2,638,702
Share in net earnings		**189,453**	2,784,511
Cash dividends received		**(4,697)**	(2,159,272)
Balance, end of period		**3,448,697**	3,263,941
Share in cumulative translation adjustments of associates		**16,724**	(18,422)
Investments in shares of stock, at equity		**19,853,342**	19,633,434
Advances to associates - net		**2,572,285**	1,617,467
		22,425,627	21,250,901
		-	-

D. ACCOUNTS PAYABLE & ACCRUED EXPENSES

Trade	1,306,090
DOSRI	-
Others	2,438,819
TOTAL	**3,744,909**

E. SHORT-TERM LOANS

	Effective Interest Rate	MAR 2009	DEC 2008
Financial institutions	2.15% - 6.50%	**4,134,730**	4,798,120

F. LONG-TERM LOANS

	Interest Rate	MAR 2009	DEC 2008
Company:			
Financial institutions - unsecured			
Tranche 1 or 5 year corporate note	8.78%	**3,330,000**	3,330,000
Tranche 2 or 7 year corporate note	9.33%	**560,000**	560,000
		3,890,000	3,890,000
Subsidiaries:			
HI			
Financial institution - secured	2.25% over the applicable three-month Treasury Securities rate	**646,000**	647,000
HSI			
Financial institution - secured	8.52%	**2,103,951**	1,715,796
SEZC			
Financial institution - secured	8.26% - 10.02%	**341,000**	341,000
		3,090,951	2,703,796
Total		**6,980,951**	6,593,796
Less: Deferred financing costs		**74,863**	71,799
		6,906,088	6,521,997
Less: Current portion		**16,145**	16,145
		6,889,943	6,505,852

G. DEBT SECURITIES

The Company registered and issued P3 billion worth of peso denominated fixed rate retail bonds on April 30, 2009 under the following terms:

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

H. EARNINGS PER SHARE

Earnings per common share amounts were computed as follows:

	MAR 2009	MAR 2008
a. Net income to common stockholders	**380,833**	1,010,953
b. Average number of outstanding shares	**7,358,604,307**	7,358,604,307
c. Earnings per share (a/b)	**0.05**	0.14

I. BUSINESS SEGMENT INFORMATION

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The power generation segment is engaged in the generation and supply of power to NPC and other customers. The power distribution segment is engaged in the distribution and sale of electricity to the end-users. The parent company and others include the operations of the Company and electricity-related services of the Group. The Group operates and generates revenue principally only in the Philippines (ie. one geographical location). Thus, geographical segment information is not presented.

The Group has inter-segment revenues in the form of management fees as well as inter-segment sales of electricity which are eliminated in consolidation. The transfers are accounted for at competitive market prices on an arms length transaction basis.

Segment assets do not include deferred tax assets, pension asset and other noncurrent assets. Segment liabilities do not include deferred tax liabilities, income tax payable and pension liability. Adjustments as shown below include items not presented as part of segment assets and liabilities.

Financial information on the operations of the various business segments are summarized as follows:

	DISTRIBUTION		GENERATION		PARENT COMPANY & OTHERS		Eliminations and Adjustments		CONSOLIDATED	
	JAN-MAR/09	JAN-MAR/08	**JAN-MAR/09**	JAN-MAR/08	**JAN-MAR/09**	JAN-MAR/08	**JAN-MAR/09**	JAN-MAR/08	**JAN-MAR/09**	JAN-MAR/08
REVENUE										
External	**2,427,095**	2,303,107	**450,781**	638,335	**17,076**	27,911	**-**	-	**2,894,952**	2,969,353
Inter-Segment			**33,937**	22,537	**55,246**	55,585	**(89,183)**	(78,122)	**-**	-
Total Revenue	**2,427,095**	2,303,107	**484,718**	660,872	**72,322**	83,496	**(89,183)**	(78,122)	**2,894,952**	2,969,353
Segment results	**219,549**	281,253	**7,446**	71,365	**14,320**	28,334	**-**	-	**241,315**	380,952
Unallocated corporate income (expenses)	**86,139**	75,935	**(60,400)**	1,252	**32,076**	(11,046)	**-**	-	**57,815**	66,141
INCOME FROM OPERATIONS	**305,688**	357,188	**(52,954)**	72,617	**46,396**	17,288	**-**	-	**299,130**	447,093
Interest Expense	**(29,828)**	(13,098)	**(19,054)**	(17,125)	**(136,380)**	(45,841)	**6,357**	-	**(178,905)**	(76,064)
Interest Income	**2,049**	3,686	**5,574**	8,277	**200,132**	136,691	**(6,357)**	-	**201,398**	148,654
Share in net earnings of associates	**17,715**	100,475	**171,738**	586,012	**311,581**	973,534	**(311,581)**	(973,534)	**189,453**	686,487
Provision for Income tax	**(80,799)**	(102,632)	**1,542**	(20,700)	**(36,199)**	(63,678)			**(115,456)**	(187,010)
NET INCOME	**214,825**	345,619	**106,846**	629,081	**385,530**	1,017,994	**(311,581)**	(973,534)	**395,620**	1,019,160
OTHER INFORMATION										
Investments in associates	**2,294,331**	2,446,931	**17,559,011**	12,704,069	**20,897,794**	21,089,982	**(20,897,794)**	(21,089,982)	**19,853,342**	15,151,000
Segment Assets	**7,601,217**	7,365,275	**26,538,636**	17,603,653	**38,305,839**	29,386,224	**(25,819,501)**	(19,939,631)	**46,626,191**	34,415,521
Segment Liabilities	**4,238,908**	3,742,437	**9,577,684**	724,395	**9,137,336**	2,720,306	**(5,978,064)**	323,523	**16,975,864**	7,510,661
Depreciation & amortization	**86,641**	76,329	**47,326**	33,357	**1,976**	1,169			**135,943**	110,855

J. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and long term debts. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial instruments such as trade and other receivables, amounts owed by parent company and related parties, accounts payable and accrued expenses and customers' deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk, interest rate risk and credit risk. The BOD reviews and agrees on policies for managing each of these risks and they are summarized below. The Group also monitors the market price risk arising from all financial instruments.

Liquidity risk. Liquidity risk is the potential of not meeting obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The Group maintains sufficient cash and cash equivalents to finance operations. Any excess cash is invested in short term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations. The Group, in general, matches the appropriate long-term funding instruments with the general nature of its equity investments.

In managing its long term financial requirements, the Group's policy is that not more than 25% of long term borrowings should mature in any twelve-month period. 0.22% of its debt will mature in less than one year at March 31, 2009 (December 31, 2008: 0.31%). For its short- term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short term debt.

The following table summarizes the maturity profile of the Group’s financial liabilities as of March 31, 2009 based on contractual undiscounted principal payments:

	Total Carrying Value	Contractual Undiscounted Principal Payments				
		Total	On demand	Less than 1 year	1 to 5 years	> 5 years
Trade and other payables	**1,775,574**	**1,743,514**	-	1,743,514	-	-
Due to related parties	**1,969,335**	**1,969,335**	1,005,407	963,928	-	-
Customers' deposits	**1,618,849**	**1,618,849**	-	89,321	9,759	1,519,769
Bank loans	**4,134,730**	**4,134,730**	–	4,134,730	–	–
Payable to preferred shareholders of subsidiary	**71,624**	**155,350**	–	31,070	124,280	-
Obligations on PDS	**300,727**	**760,000**	–	40,000	200,000	520,000
Long-term debt	**6,906,088**	**6,980,951**	–	16,145	4,637,224	2,327,582
Total	**16,776,927**	**17,362,729**	**1,005,407**	**7,018,708**	**4,971,263**	**4,367,351**

Interest rate risk. The Group's exposure to market risk for changes in interest rates relates primarily to its long term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of March 31, 2009, 10% of the Group's long term debt had floating interest rates ranging from 6.97% to 7.44%, and 90% are with fixed rates ranging from 8.26% to 10.02%. As of December 31, 2008, 11% of the Group's long term debt had floating interest rates ranging from 6.29% to 9.47%, and 89% are with fixed rates ranging from 8.26% to 10.02%.

The following table set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

As of March 31, 2009

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	1,000	645,000	–	646,000
Fixed rate - long-term debt	15,145	4,271,802	1,973,141	6,260,088
Floating rate - payable to pref shareholders of subsidiaries	2,816	68,808	-	71,624
	18,961	4,985,610	1,973,141	6,977,712

As of December 31, 2008

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	1000	646,000	–	647,000
Fixed rate - long-term debt	15,145	3,886,740	1,973,112	5,874,997
Floating rate - payable to pref shareholders of subsidiaries	9,194	88,030	-	97,224
	25,339	4,620,770	1,973,112	6,619,221

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are noninterest-bearing and are therefore not subject to interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

	Increase/ (decrease) in basis points	Effect on profit before tax for the quarter
March 2009	100	(6,460)
	-50	3,230
March 2008	100	(6,470)
	-50	3,235

The sources of interest expense recognized during the period are as follows:

	March 2009	**March 2008**
Bank loans and long term debt	168,187	62,691
Customers' deposits	1,414	1,338
Obligations on PDS	8,911	4,612
Advances from related parties	393	7,423
	178,905	76,064

Foreign exchange risk. The foreign exchange risk of the Group pertains significantly to its foreign currency denominated borrowings. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. As of March 31, 2009 and December 31, 2008, foreign currency denominated borrowings account for 35% and 34%, respectively, of total consolidated borrowings.

Presented below are the Group's foreign currency-denominated financial assets and liabilities as of March 31, 2009 and December 31, 2008, translated in Philippine peso:

	MARCH 31, 2009		DECEMBER 31. 2008	
	US Dollar	**Philippine Peso Equivalent**	US Dollar	Philippine Peso Equivalent
Current Financial Assets				
Cash	**39,769**	**1,922,014**	61,336	2,914,665
Current Financial Liabilities				
Bank loans	**81,000**	**3,914,730**	81,000	3,849,120
	(41,231)	**(1,992,716)**	(19,664)	(934,455)

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, of the Group's profit before tax as of March 31, 2009.

	Increase (decrease) in US dollar rate	Effect on income before income tax
US dollar denominated accounts	5%	(99,636)
US dollar denominated accounts	-5%	99,636

The increase in dollar rate represents the depreciation of the Philippine peso while the decrease in dollar rate represents appreciation of the Philippine peso.

There is no other impact on the Group's equity other than those already affecting the consolidated statement of income.

Credit risk. For its cash investments, AFS investments and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these assets. With respect to cash and AFS investments, the risk is mitigated by the short term and or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk.
The Group ensures that sales are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures. The Group has no significant concentration risk to a counterparty or group of counterparties.

Credit risk concentration of the Group according to customer category is summarized in the following table:

	March 31, 2009	**December 31, 2008**
Residential	214,750	190,543
Commercial	96,713	95,795
Industrial	289,220	278,214
Streetlighting/Flat Rate	2,771	13,717
Power distribution utilities/off-takers	210,960	203,774
	814,414	782,043

Capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended March 31, 2009 and December 31, 2008.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 40% or below at the consolidated level. Depending on the quality of cash flows, associates and subsidiaries that can secure limited recourse project financing can maintain a gearing ratio of 70%. The Group determines net debt as the sum of interest-bearing short-term and long-term loans (comprising long-term debt and payable to preferred shareholders of a subsidiary) less cash and short-term deposits and temporary interest bearing advances to related parties.

Gearing ratios of the Group as of March 31, 2009 and December 31, 2008 are as follows:

	March 31, 2009	December 31, 2008
Bank Loans	**4,134,730**	4,798,120
Long - term debt	**6,977,712**	6,619,221
Cash and cash equivalents	**(11,495,713)**	(14,915,384)
Temporary advances from (to) related parties	**(1,493,600)**	(396,600)
Net Debt (a)	**(1,876,871)**	(3,894,643)
Equity	**29,650,327**	30,691,663
Equity and Net Debt (b)	**27,773,456**	26,797,020
Gearing Ratio (a/b)	**(6.76%)**	(14.53%)

K. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements at other than fair values.

	MARCH 31, 2009		DECEMBER 31. 2008	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
FINANCIAL ASSETS				
Loans and receivables				
Cash and cash equivalents				
Cash on hand and in banks	**313,464**	**313,464**	622,301	622,301
Short-term investments	**11,182,249**	**11,182,249**	14,293,083	14,293,083
	11,495,713	**11,495,713**	14,915,384	14,915,384
Trade and other receivables				
Trade receivables	**814,414**	**814,414**	782,043	782,043
Due from related parties	**1,493,600**	**1,493,600**	396,600	396,600
Other receivables	**829,128**	**829,128**	812,431	812,431
	3,137,142	**3,137,142**	1,991,074	1,991,074
AFS financial assets	**3,744**	**3,744**	3,744	3,744
	14,636,599	**14,636,599**	16,910,202	16,910,202
Financial liabilities				
Other financial liabilities				
Bank loans	**4,134,730**	**4,134,730**	4,798,120	4,798,120
Long-term debt				
Floating rate long-term debt	**646,000**	**646,000**	647,000	647,000
Fixed rate long term debt	**6,260,088**	**6,283,803**	5,874,997	5,917,107
Payable to preferred shareholder of a subsidiary	**71,624**	**71,624**	97,224	97,224
	6,977,712	**7,001,427**	6,619,221	6,661,331
Customers' deposits	**1,618,849**	**1,618,849**	1,571,092	1,571,092
Long-term obligation on power distribution system	**300,727**	**391,121**	291,816	366,862
Trade and other payables				
Trade payables	**1,306,090**	**1,306,090**	985,630	985,630
Due to related parties	**1,969,335**	**1,969,335**	1,567,100	1,567,100
Others	**469,484**	**469,484**	592,580	592,580
	3,744,909	**3,744,909**	3,145,310	3,145,310
	16,776,927	**16,891,036**	16,425,559	16,542,715

Fair Value of Financial Instruments

Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring maket transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available, and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with an inactive market, its fair value is determined using a valuation technique (e.g., discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables and trade and other payables

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate fair value due to the relatively short-term maturity of these financial instruments.

Fixed-rate borrowings

The fair value of fixed rate interest bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans.

Variable-rate borrowings

Since repricing of the variable-rate interest bearing loan is frequent (i.e., three-month repricing), the carrying value approximates the fair value.

Long-term obligations on power distribution system

The fair value of the long-term obligations on power distribution system is calculated by discounting expected future cash flows at prevailing market rates.

Customers' deposits

The fair value of bill deposits approximates the carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines. The timing and related amounts of future cash flows relating to transformer and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

AFS investments

The fair values of AFS investments are based on quoted market prices. The publicly-traded equity securities which are owned by the Group are all actively traded in the stock market. The fair values of unlisted AFS assets cannot be reliably measured and are accordingly measured at cost

L. DISCLOSURES

1. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies

Basis of Preparation
The consolidated financial statements of the Group have been prepared on a historical cost basis, except for AFS investments which are measured at fair value. The consolidated financial statements are presented in Philippine peso and all values are rounded to the nearest thousand except for earnings per share and exchange rates and otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies
The same accounting policies are followed in the preparation of the interim financial statements as compared with those of the most recent annual financial statements, except as follows:

- PFRS 8, Operating Segments
- Amendments to PAS 1, Presentation of Financial Statements
- PAS 23, Borrowing Costs

PFRS 8, *Operating Segments*
PFRS 8 replaces PAS 14, Segment Reporting, and adopts a full management approach to identifying, measuring and disclosing the results of an entity's operating segments. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. Such information may be different from that reported in the consolidated balance sheet and consolidated statement of income and the Group will provide explanations and reconciliations of the differences. This standard is only applicable to an entity that has debt or equity instruments that are traded in a public market or that files (or is in the process of filing) its financial statements with a securities commission or similar party.

This has no significant impact on the Group as its current manner of reporting segment information is already in compliance with this new accounting standard. The way by which different industries are grouped in the business segment disclosure is the same as the one used internally by management in evaluating their operating performances and in allocating resources.

Amendment to PAS 1, *Presentation of Financial Statements*
This Amendment introduces a new statement of comprehensive income that combines all items of income and expenses recognized in the profit or loss together with 'other comprehensive income'. Entities may choose to present all items in one statement, or to present two linked statements, a separate statement of income and a statement of comprehensive income. This Amendment also requires additional requirements in the presentation of the balance sheet and owner's equity as well as additional disclosures to be included in the financial statements.

The Group has adopted the Amendment to PAS 1 as of January 1, 2009. Adoption of this Amendment gave rise to the introduction of a new statement of comprehensive income that combines all items of income and expense recognized in the profit or loss together with other comprehensive income'. The reason for the Amendment is mainly to aggregate information in the financial statements on the basis of shared characteristics. Consequently, all owner changes in equity are presented in the statement of changes in equity, separately from non-owner changes in equity which are presented only as a single line labelled as "Total Comprehensive Income for the Period". The details of this single line are indicated in the new statement of comprehensive income.

PAS 23, *Borrowing Costs*
The standard has been revised to require capitalization of borrowing costs when such costs relate to a qualifying asset. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The Group expects that this revision will have no impact on the Group's financial statements since the Group is already capitalizing borrowing costs relating to qualifying assets.

2. Seasonality of Interim Operations

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well-distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This precipitation seasonality greatly affects subsidiary company Hedcor Inc. (HI) and LHC (associate), which operate 'run-of-river' hydropower plants since these plants do not have any means to impound water

There were no unexpected seasonal aspects that had a material effect on the Group's financial condition or results of operations.

3. Material Events and Changes

a. Dividend Declaration
On February 11, 2009, the Board of Directors (BOD) of the Company approved the declaration of a regular cash dividend of P0.20 a share (P1.472 billion) to all stockholders of record as of February 26, 2009. The dividends were paid on March 23, 2009.

b. Issuance of Retail Bonds
On November 20, 2008, the Company's BOD authorized the issuance of 5-year and 7-year peso-denominated bonds worth P3 billion, with an option to upsize depending on market demand. This was approved by the SEC in March 2009. The bonds were offered to the general public commencing April 15, 2009.

On April 30, 2009, the Company registered and issued the bonds worth P3 billion.

Except for the above developments and as disclosed in some other portions of this report, no other significant event occurred that would have a material impact on the registrant and its subsidiaries, and no other known trend, event or uncertainty came about that had or were reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations, since the end of the most recently completed fiscal year. There were also no significant elements of income or loss that did not arise from the continuing operations of the registrant and its subsidiaries.

Other than those disclosed above, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons were created during the interim period. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or accelaration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles & practices, estimates inherent in the preparation of financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

Lastly, there were no changes in estimates of amounts reported in prior interim period and financial year that would have a material effect in the current interim period.

4. Material Adjustments

There were no material, non-recurring adjustments made during period that would require appropriate disclosures. All other adjustments are of a normal recurring nature.

5. Contingencies

There are legal cases filed against certain subsidiaries in the normal course of business. Management and its legal counsel believe that the subsidiaries have substantial legal and factual bases for their position and are of the opinion that losses arising from these cases, if any, will not have a material adverse impact on the consolidated financial statements.

ABOITIZ POWER CORP. AND SUBSIDIARIES

AGING OF RECEIVABLES

AS OF : MAR 31/2009

	30 Days	60 Days	90 Days	Over 90 Days	Total
A/R - Trade:					
Power Distribution Customers	429,701	81,780	55,161	36,812	603,454
Power Generation Customers	195,138	0	0	0	195,138
Management & Other Services Customers	6,089	5,438	2,642	1,653	15,822
Sub-total - A/R - Trade	**630,928**	**87,218**	**57,803**	**38,465**	**814,414**
Less : Allowance for Doubful Accounts					**19,985**
Net Trade Receivables					**794,429**
A/R - Non Trade	**1,793,605**	**13,954**	**225,320**	**309,834**	**2,342,713**
Grand Total	**2,424,533**	**101,172**	**283,123**	**348,299**	**3,137,142**

Type of Receivable	Nature / Description	Period
Trade	uncollected billings to customers for sale of power, goods and services	30 - 60 days
Non-Trade	claims, operating cash advances and advances to suppliers & employees	30 - 120 days

NORMAL OPERATING CYCLE

Power Subsidiaries

Distribution - 60 days

Generation - 65 days