

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	N	U	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)

ATTY. LEAH I. GERALDEZ

Contact Person

032-411-1804

Company Telephone Number

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Month Day

Fiscal Year

3rd Quarterly Report

1	7	-	Q	
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FORM TYPE

3rd Monday of May

0	5		1	8
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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

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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 September 30, 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
<u>Common Stock P1 Par Value</u>	<u>7,358,604,307</u>
<u>Amount of Debt Outstanding</u>	<u>P30,421,877,000</u>

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

Yes [] 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 [] No []

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

Yes [] No []

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.

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 nine (9) months of 2009 and 2008 and as of December 31, 2008:

Amounts in thousands except for financial ratios

	September 30/2009	September 30/2008	DEC. 31/2008
SHARE IN NET EARNINGS OF ASSOCIATES	1,766,414	1,901,818	
EBITDA	5,865,553	3,942,806	
CASH FLOW GENERATED:			
Net cash from (used in) operating activities	3,967,128	(595,525)	
Net cash used in investing activities	(22,898,067)	(4,946,526)	
Net cash from (used in) financing activities	9,553,023	(190,159)	
Net Decrease in Cash & Cash Equivalents	(9,377,916)	(5,732,210)	
Cash & Cash Equivalents, Beginning	14,915,384	13,287,811	
Cash & Cash Equivalents, End	5,472,635	7,538,745	
CURRENT RATIO	0.76		2.19
DEBT-TO-EQUITY RATIO	0.92		0.54

The Company's Share in Net Earnings of Associates is slightly behind last year's results due to the following factors: 1) two of AP's associate distribution companies, Visayan Electric Company, Inc. (VECO) and San Fernando Electric Light and Power Co., Inc. (SFELAPCO), each saw its cost of purchased power from the National Power Corporation (NPC) go up in the first quarter, which affected its gross margins and, 2) lower contributions from STEAG State Power Inc. (STEAG), operator of a 232-megawatt (MW) coal plant in Misamis Oriental, due to the effects of a major index in its pricing formula which went down this year versus last year.

Current ratios have decreased as the Company continues to deploy its capital to various investing activities.

AP's Debt to Equity ratio has also increased versus the end of last year due to the capital raising activities undertaken by AP, the assumption of debt related to the acquisition of the 462 MW Tiwi-Makban geothermal plants in May 2009, as well as the pre-payment on the remaining 60% balance of the assets purchase price in the third quarter.

Financial Results of Operations

The Company's net income for the nine months of 2009 was ₱3.86 billion. This is a 20% increase from last year's nine-month net income of ₱3.22 billion. Earnings per share is ₱0.52 versus earnings per share of ₱0.43 for the same period last year.

The power generation business had a year-to-date (YTD) net income contribution of ₱2.97 billion versus an income contribution of ₱1.99 billion for the same period last year. The 49% improvement in income contribution is largely due to a 91% increase in attributable power sales resulting from fresh contributions from the Tiwi-Makban geothermal plants which were turned over to wholly owned AP Renewables, Inc. (APRI) last May 10, 2009. Contributions were further improved by the nine months contribution from the Binga hydropower plant versus a contribution of less than three months in the prior year.

Electricity sales for the distribution group came in this year at a slightly faster clip of 5.7% YTD versus a growth of 5.5% YTD in 2008. The growth reflects the continued increase in the distribution group's customer base. Notwithstanding the healthy growth in the nine months of this year, the power distribution business contributed ₱1.11 billion this year, which is almost flat when compared to the income contribution last year of ₱1.12 billion. This is due to the impact of the increase in NPC's grid rates which resulted to an under recovery of the cost of purchased power.

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

Consolidated Net Income Attributable to Equity Holders of the Parent increased by 20% from ₱3.17 billion in the first three quarters of 2008 to ₱3.80 billion for the same period in 2009. Below is a reconciliation of the increase in the Consolidated Net income Attributable to Equity Holders of the Parent:

Consolidated Net Income Attributable to Equity Holders of the Parent for the nine months of 2008	3,167,875
Increase in Operating Revenues	4,529,974
Increase in Operating Expenses	(2,837,517)
Decrease in Share in Net Earnings of Associates	(135,404)
Decrease in Interest Income	(61,217)
Increase in Interest Expenses	(1,087,205)
Increase in Other Income	20,678
Lower Provision for Taxes	201,494
Minority Interests	(3,257)
Total	627,546
Consolidated Net Income Attributable to Equity Holders of the Parent for the nine months of 2009	3,795,422

The 49% increase in operating revenues from ₱ 9.29 billion last year to this year's ₱13.82 billion comes from the incremental revenues brought in by APRI which took over the operations of the

Tiwi-Makban geothermal plants in the second quarter of this year. These new revenues from APRI operations account for 84% of the total increase in the consolidated operating revenues. To a lesser extent, the higher revenues from consolidated distribution utilities, Davao Light & Power Company Inc. (DLP), Cotabato Light & Power Company (CLP) and Subic Enerzone Corporation (SEZ), also contributed to AP's higher revenues. DLP and CLP saw their revenues increase when they had to pass on higher generating costs while SEZ saw higher revenues from the implementation of its approved unbundled rates and higher sales to the Subic-based shipbuilder Hanjin.

Consolidated Operating Expenses likewise increased by 36% from ₱7.88 billion to ₱10.72 billion due to the added costs and expenses arising from APRI operations, which accounted for 74% of the increase. Operating expenses also increased due to higher purchased power costs of the consolidated distribution utilities.

AP's Share in Net Earnings of Associates was dragged down primarily by the lower income contributions by STEAG whose prices of generated power are partly indexed to the Japanese Power Utilities (JPU) Index. The JPU Index has fallen by 40% this year versus last year. Further impacting the Share in Net Earnings of Associates was the effect of the higher purchased power costs on the contributions coming from VECO and SFELAPCO. Share in Net Earnings in Associates is lower by 7%, or ₱1.77 billion for 2009 versus ₱1.90 billion last year.

Interest Income decreased by 14% from ₱437.19 million last year to ₱375.97 million this year due to lesser placements made as capital is deployed to the various investments of AP Parent as well as for payments made on maturing loans of Hedcor, Inc.

Interest Expenses rose by 445% from ₱244.16 million to ₱1.33 billion due to interest expenses on short-term loans as well as interest expense on fixed rate corporate bonds and corporate fixed rate notes issued by AP Parent as part of the capital raising activities to fund the acquisition in May 2009) and the subsequent full payment last September 2009 by APRI of the Tiwi-Makban assets. Prior to the full payment for the assets, there were interest expenses paid by APRI to the Power Sector Assets and Liabilities Management Corporation (PSALM) that ran from turnover date in May 2009 to September 2009.

Other Income (expenses) increased by ₱20.7 million due to higher wheeling fees at one of Philippine Hydropower Corporation's (PHC) subsidiaries. PHC is the Company's wholly owned holding company for its renewable energy generating assets.

For the reporting period, the provision for income taxes decreased by 37% due to lower provisions at both AP Parent and PHC Parent.

All of the above changes led to a 20% increase in Net Income from ₱3.22 billion for the nine months of 2008 to ₱3.86 billion for the nine months of 2009.

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

Assets

Compared to year-end 2008 levels, consolidated assets increased by 34%, from ₱47.27 billion in December 2008 to ₱63.49 billion as of September 2009. The various movements in balance sheet accounts are explained below:

- a. As of September 30, 2009, Cash & Cash Equivalents was at ₱5.47 billion, down by 63.3% from year-end 2008 level of ₱14.92 billion. The decrease is mainly due to an initial deployment of cash totaling ₱8.9 billion to acquire the Tiwi-Makban assets in the second quarter of the year. In September 2009, another ₱12.13 billion in cash was used to pay down the remaining 60% balance on Tiwi-Makban purchase price to PSALM inclusive of accrued interest. Another

₱810 million was infused into Abovant Holdings, Inc. (Abovant) to fund the requirements of Cebu Energy Development Corporation (CEDC), a joint venture company which is constructing a 246 MW coal plant in Toledo City, Cebu. Dividends totaling ₱1.47 billion were paid to AP shareholders. Likewise, cash was generated from operations as well as from capital raising activities during the year which totaled ₱11.6 billion.

- b. Trade & Other Receivables increased by 33.8%, from ₱1.99 billion to ₱2.66 billion. The increase of ₱672.2 million is from the trade receivables of newly consolidated company, APRI.
- c. Materials and Supplies increased by 105%, from ₱332.0 million to ₱681.8 million, with the inclusion of the APRI inventory which accounts for 97% of the total increase of ₱349.77 million.
- d. Other current assets increased by 57% due to higher prepaid taxes at AP Parent as well as higher input value added tax (VAT) on the books of PHC's subsidiary Hedcor Sibulan, Inc. (Hedcor Sibulan) as it accumulates input VAT during the construction period of the 42.5 MW hydropower plant in Sibulan, Davao del Sur (the Sibulan hydropower project).
- e. Property, Plant and Equipment increased by 335%, from ₱6.26 billion to ₱27.25 billion. Out of the total increase, ₱19.35 billion is attributable to APRI's newly-acquired geothermal property, plant and equipment. Another ₱1.44 billion is from Hedcor Sibulan's Sibulan hydropower project.
- f. Certain payments of APRI to Chevron Geothermal Philippine Holdings, Inc. (Chevron), the steam field operator of the Tiwi-Makban geothermal fields, are expected to benefit APRI's operations beyond the current operating period. Hence, these were capitalized into an account called Intangible Asset – steam development cost which accounts for the ₱193.3 million in the asset section of the balance sheet.
- f. Investments in and Advances to Associates increased by 12% or by ₱2.64 billion, from ₱21.25 billion to ₱23.89 billion. The increase is due to additional funding during the year into the CEDC coal plant in Toledo City and the increase in the carrying value of the investments held by AP Parent.
- g. Deferred Income Tax Assets decreased by 7%, from ₱66.6 million to ₱62.2 million, due to the effect of currency adjustments on dollar denominated advances.
- h. Other Noncurrent Assets is higher by 620%, from ₱83.70 million to ₱602.6 million, primarily due to deferred charges at APRI on charges incurred prior to the takeover of the Tiwi-MakBan geothermal facilities. APRI's deferred charges accounted for 94% of the increase in this account.

Liabilities

Consolidated liabilities increased by 83% compared to year-end 2008 levels, from ₱16.58 billion to ₱30.42 billion. The following were the reasons for the increase:

- a. Bank loans increased by 67% or ₱3.20 billion, from ₱4.80 billion to ₱8.0 billion, due to a ₱3.62 billion short-term loan taken out by AP Parent to augment funds needed to fully pay the ₱12.2 billion in APRI loan to PSALM. Total bank loans did not increase by that amount due to payments made by consolidated distribution utilities on their short-term bank loans in the first half of the year.

- b. Trade and Other Payables increased by 39%, from ₱3.15 billion to ₱4.37 billion, half of which is due to APRI trade payables and the balance due to increase in advances from shareholders in consolidated company Abovant.
- c. Income Tax Payable increased by 137% or ₱111.8 million, from ₱81.42 million to ₱193.2 million, due to higher provisions made by most consolidated companies.
- d. Long-term debt increased significantly by 140% in the first nine months of 2009, increasing to ₱15.66 billion as of September 2009 from 2008 levels of ₱6.52 billion. The increase in total long - term debt is due to the issuance of ₱3.0 billion corporate bonds and another ₱5.0 billion in fixed rate notes by AP Parent which was used to pay down the ₱12.2 billion APRI debt to PSALM as part of its acquisition of the Tiwi-Makban assets. The remaining increase is because of the additional loan draw downs made by Hedcor Sibulan to finance the construction of the Sibulan hydropower project.
- e. Long-term lease obligations increased by 10.6%, from ₱251.82 million to ₱278.5 million, due to the increase in long - term lease obligations of SEZ.
- f. A 10.7% increase in customer deposits this year versus end of 2008, from ₱1.57 billion to ₱1.74 billion, is due to an increase in deposits from new customers in DLP and CLP as well as the new deposits recognized in the books of APRI.
- g. Payable to Preferred Shareholders of a subsidiary, Cebu Private Power Corp. (CPPC), decreased by a total of 15% or ₱14.67 million, from ₱97.2 million to ₱82.6 million, due to payments made during the year.
- h. Pension liability increased by 45.6% or ₱6.6 million, from ₱ 14.47 million to ₱21.1 million, due to higher provisions made at AP and at PHC.
- i. Deferred income tax liability decreased by 38.7% or ₱22.9 million due to the effect of currency adjustments on dollar-denominated advances of AP Parent to a subsidiary.

Equity

Equity attributable to equity holders of the AP Parent improved by 7.7% from ₱30.16 billion as of December 2008 to ₱32.47 billion as of September 2009. This was after a cash dividend payment made in the first quarter totaling ₱1.47 billion to AP shareholders and after the increase brought in by the net income for the period in review.

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

Financial Ratios

Current ratio decreased by 1.43 from 2.19x as of December 2008 to 0.76x in September 2009. The decrease in current ratio is due to a decrease in Cash and Cash Equivalents by ₱9.44 billion, an increase in current liabilities resulting from the increases in Bank Loans of ₱3.2 billion as well as the increase in Trade Payables. These were slightly mitigated by the increase in Trade and Other Receivables of ₱672 million as well as an increase in inventory of P 349.8 million.

Debt-to-equity ratio increased from 0.54 as of December 2008 to 0.92 as of September 30, 2009. This is due to the capital raising activities by AP in order to finance the acquisition of the Tiwi-Makban geothermal plants.

Material Changes in Liquidity and Cash Reserves of Registrant

AP Group's Cash and Cash Equivalents stood at ₱5.47 billion as of September 30, 2009.

Net cash from operating activities contributed in the first nine months of 2009 was ₱3.97 billion versus a net cash outflow for the same period last year of P 595.5 million. The cash inflow was coming primarily from cash provided by operations.

Net cash used in investing activities was ₱22.90 billion. Of this amount, ₱21 billion went into the purchase of the Tiwi-Makban geothermal assets and another ₱1.6 billion invested into CEDC.

Cash from financing activities of ₱9.55 billion were inflows coming from short-term bank loans of ₱3.62 billion, long - term debt in the form of corporate bonds issued in the amount of ₱3.0 billion and fixed rate notes of ₱5.0 billion.

Net cash outflows for the first nine months of 2009 amounted to ₱9.38 billion. This brought down Cash and Cash Equivalents from ₱14.92 billion as of December 2008 to ₱5.47 billion as of September 2009.

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

Last August 28, 2009, Therma Luzon, Inc. (Therma Luzon), a wholly owned subsidiary of Aboitiz Power Corporation (AP), submitted the highest offer in the competitive bid for the appointment as the IPP Administrator of the 700 MW Contracted Capacity of the Pagbilao Coal Fired Thermal Power Plant located in Pagbilao, Quezon (the "Pagbilao IPPA") conducted by PSALM. The bid price amounted to US\$691 million as calculated in accordance with PSALM bid rules. This value represents the present value of a series of monthly payments to PSALM from October 2009 to August 2025 using PSALM discount rates. On October 1, 2009, Therma Luzon assumed dispatch control of the 700 megawatt (MW) Contracted Capacity of the Pagbilao Plant following the successful completion by Therma Luzon of the conditions precedent required in the IPP Administration Agreement with PSALM. As IPP Administrator, Therma Luzon is responsible for procuring the coal requirements of the Pagbilao Plant and for selling the electricity generated by the plant.

In May 2009, the Tiwi-Makban geothermal plants were turned over to APRI. The facilities, which have sustainable capacity of 462 MW, are the Company's first geothermal assets.

With the turnover of the Tiwi-Makban geothermal plants and the assumption of Therma Luzon as Pagbilao IPP Administrator, AP's total attributable generating capacity increased from 578 MW as of year-end 2008 to 1,740 MW at present, a 200% increase.

On July 31, 2009, AP successfully concluded a negotiated bid for the acquisition from the PSALM of two barge mounted diesel powered generation plants, each with a generating capacity of 100MW. AP will acquire PB 117, which is located in Barangay Sta. Ana, Nasipit, Agusan del Norte, through its wholly owned subsidiary Therma Mobile Inc. PB 118, which is located in Barangay San Roque, Maco, Compostela, Valley, will be acquired by AP's wholly owned subsidiary Therma Marine Inc. Closing of the transaction is dependent upon the fulfillment of certain conditions precedent by AP and PSALM which must occur not later than 270 days from the issuance of the letter of award by PSALM. Upon turnover of the power barges, AP's attributable generating capacity will reach 1,940 MW.

With close to 70% of NPC assets bidded out and awarded, the Company continues to closely evaluate the investment viability of the remaining power generation assets that PSALM intends to auction off.

2. Greenfield & Rehabilitation Projects

Construction work on the 42.5 MW run-of-river hydropower plant in Barangay Sibulan, Sta. Cruz, Davao del Sur by AP's 100%-owned subsidiary Hedcor Sibulan remains on track. 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.

Another subsidiary, Hedcor Tamugan, Inc. (Hedcor Tamugan), is awaiting the resolution of the Tamugan water rights dispute with the Davao City Water District before it will pursue the construction of the 27.5 MW Tamugan hydropower project. This project originally involved the construction of three run-of-river hydropower plants with a combined capacity of 34.5 MW. This was scaled down to 27.5 MW when 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. Nevertheless, this will not affect the Hedcor consortium's (of which Hedcor Tamugan is a part) ability to make good its contractual obligation to deliver the required amount of energy under a power supply agreement with DLP.

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 plant 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 300 MW coal-fired power plant in the Subic Bay Freeport Zone. On May 30, 2007, Redondo Peninsula Energy, Inc. (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 as the Company continues to assess the changes to the demand in the Luzon Grid following the global financial crisis.

The Company, together with its partner SN Power Invest AS (SN Power), is pursuing the programmed rehabilitation of both the 75 MW Ambuklao and 100 MW Binga hydro facilities. It is projected that the rehabilitation will increase the generating capacity of Ambuklao to 105 MW and of Binga to 120 MW, thus increasing both plants' combined capacity by 29%. To date, the SNAP group is the largest traditional hydro operator in the country.

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 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

As the impact of the global financial crisis to the local economy unfolds, the Company remains optimistic that it will realize modest growth on its existing distribution utilities. It continually seeks efficiency improvements in its operations to maintain healthy margins.

The implementation of the rate adjustment formula for the distribution companies under the performance-based rate-setting regulation (PBR) is on a staggered basis. In addition to annual adjustments, PBR allows for rate adjustments in between the reset periods to address extraordinary circumstances. There is also a mandatory rate-setting every four years wherein possible adjustments to the rate take into account current situations.

On May 1, 2009, CLP implemented its final approved rate structure, which was released by the Energy Regulatory Commission (ERC) on April 15, 2009. This rate structure was based on the approved annual revenue requirement and performance incentive scheme under the PBR. CLP is the first distribution utility in the AP group to implement this incentive-based scheme.

VECO and DLP are part of the third group (Group C) of private distribution utilities expected to enter PBR. Both VECO and DLP entered their respective reset periods in end 2008 and are expected to enter the 4-year regulatory period 18-24 months thereafter. Distribution utilities in Group C are in various stages of their respective public hearings at this point.

SFELAPCO and SEZ are part of the fourth batch (Group D) of private distribution utilities to enter PBR. They are expected to enter their respective 4-year regulatory period by April 1, 2011.

In April 2009, VECO also applied for a petition with the ERC under the return-on-rate base (RORB) ratemaking regime for the adjustment and realignment of its current distribution charge. After the conclusion of the application process which included a series of public consultations, the ERC granted VECO's petition last August 7, 2009 with modifications on the sound value of assets and the revenue requirement. After taking the adjustments into consideration, the average rate adjustment was ₱0.2267 per kWh. The rate adjustment was implemented starting September 10, 2009.

In September 2009, SFELAPCO filed a rate increase application with the ERC under the return-on-rate base (RORB) rate making methodology, which is still pending at present. The average rate adjustment applied for is ₱0.39/kilowatt-hour.

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 September 18, 2009 Aboitiz Power Corporation (AP) signed a Notes Facility Agreement with First Metro Investment Corporation as Issue Manager, Metropolitan Bank & Trust Company – Trust Banking Group as Notes Facility Agent and a consortium of primary institutional lenders for

the issuance of 5-year peso-denominated corporate fixed rate notes (“Notes”) in the aggregate amount of ₱5.0 billion. The Notes were issued in September 2009 in a private placement to not more than 19 primary institutional investors pursuant to Section 9.2 of the Securities Regulation Code (SRC) and Rule 9.2(2)(B) of the SRC Rules.

Last April 30, 2009, AP issued a total of ₱3.0 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.

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.

Both the ₱3.89 billion corporate notes and the ₱3.0 billion retail bonds received a “PRS Aaa” from Philippine Rating Services Corporation (PhilRatings) last February 2009. Obligations rated “PRS Aaa”, the highest possible rating by PhilRatings, are of the highest quality with minimal credit risk – an indication of the extremely strong capacity of the obligor to meet its financial commitment on the obligation.

Other Developments

In October 2009, PHC filed a complaint for Tortious Interference in Contractual Relations and Exercise of Property Rights with the Regional Trial Court in Cebu City against Pacific Hydro Bakun, Inc. (PHBI), its joint venture partner in Luzon Hydro Corporation (LHC). LHC is the special purpose vehicle formed to develop, construct and operate the 70 MW Bakun hydropower plant in Ilocos Sur (the “Bakun Plant”) under a build-operate-transfer (BOT) scheme with NPC.

The complaint by PHC against PHBI and its parent company, Pacific Hydro Limited (PHL), arose from PHBI’s and PHL’s tortious conduct including: (a) threatening and intimidating PHC and its nominee directors in LHC to vote in favor of allowing LHC to participate in the bidding for the Independent Power Producer Administration (IPPA) for the combined contracted capacities of the Bakun Plant, the 345 MW San Roque hydropower plant and the 30 MW Benguet mini-hydro plants (the “Bidding”) and, (b) spreading to third persons malicious allegations of wrongful conduct on the part of the nominee directors of PHC.

Last November 4, 2009, the Regional Trial Court (Branch 17) of Cebu City issued a temporary restraining order (TRO) against PHBI to stop PHBI, from (a) inducing any party from breaching its contract with PHC; (b) further intimidating, threatening, coercing, or compelling PHC and its directors in LHC; (c) preventing LHC and/or its affiliates from engaging in lawful business ventures without the participation and involvement of PHBI and PHL; and (d) committing other acts of harassment against PHC and its directors in LHC relating to the PHC directors’ refusal to participate in the Bidding with defendant PHBI.

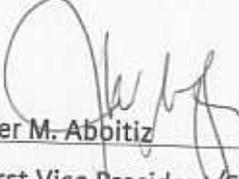
PHC maintains that LHC is a special purpose vehicle formed specifically and solely to undertake the construction of the Bakun Plant under a BOT agreement with NPC. PHBI’s proposal for LHC to engage in the business of an IPPA for the power plants included in the Bidding is outside the primary or secondary purposes of LHC and is beyond the original intent of the shareholders of LHC. For these reasons, PHC believes that PHBI and PHL cannot rightfully compel it to enter into the IPPA business with PHBI and PHL through LHC. Moreover, notwithstanding PHC’s refusal to

enter into the IPPA business with PHBI and PHL, such refusal did not deprive the latter of participating in the Bidding if they really wanted to do so.

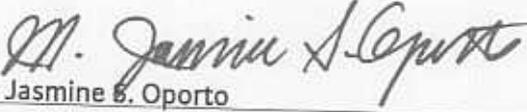
SIGNATURES

Pursuant to the requirement 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 
Signature and Title Iker M. Aboitiz
First Vice President/Chief Financial Officer/
Corporate Information Officer

Date 13 NOV 2009

Corporate Secretary 
Signature and Title M. Jasmine B. Oporto
Corporate Secretary

Date 13 NOV 2009

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2009 AND DECEMBER 31, 2008
(Amounts in Thousands)

	UNAUDITED SEP 2009	AUDITED DEC 2008
ASSETS		
Current Assets		
Cash and cash equivalents	5,472,635	14,915,384
Trade and other receivables - net	2,663,304	1,991,074
Materials and supplies	681,809	332,042
Other current assets	784,902	501,150
Total Current Assets	9,602,650	17,739,650
Noncurrent Assets		
Property, plant, and equipment - net	27,249,527	6,257,643
Intangible asset - service concession rights - net	874,994	854,193
Intangible asset - steam development cost - net	193,275	
Investment property	10,000	10,000
Investments in and advances to associates	23,886,064	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	62,226	66,576
Other noncurrent assets	602,617	83,704
Total Noncurrent Assets	53,888,172	29,532,486
TOTAL ASSETS	63,490,822	47,272,136
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans	8,001,660	4,798,120
Trade and other payables	4,372,254	3,145,311
Income tax payable	193,215	81,422
Current portion of long-term debt	101,200	16,145
Current portion of payable to preferred shareholders	8,447	9,194
Current portion of long-term lease obligation	40,000	40,000
Total Current Liabilities	12,716,776	8,090,192
Noncurrent Liabilities		
Long-term debt - net of current portion and deferred financing cost	15,556,462	6,505,852
Long-term lease obligation - net of current portion	278,549	251,816
Customers' deposits	1,738,740	1,571,092
Payable to preferred shareholder of a subsidiary - net of current portion	74,114	88,030
Pension liability	21,068	14,467
Deferred income tax liabilities	36,168	59,024
Total Noncurrent Liabilities	17,705,101	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	(24,681)	(18,422)
Acquisition of minority interests	(259,147)	(259,147)
Retained earnings	12,809,104	10,485,401
	32,472,774	30,155,330
Minority interests	596,171	536,333
Total Equity	33,068,945	30,691,663
TOTAL LIABILITIES AND EQUITY	63,490,822	47,272,136

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2009 AND 2008
(Amounts in Thousands, Except Earnings Per Share Amounts)
(UNAUDITED)

	JAN-SEP/09	JAN-SEP/08	JUL-SEP/09	JUL-SEP/08
OPERATING REVENUES	13,818,320	9,288,346	6,367,319	3,191,378
OPERATING EXPENSES	10,718,005	7,880,488	4,350,651	2,599,484
	3,100,315	1,407,858	2,016,668	591,894
OTHER INCOME (EXPENSES)				
Share in net earnings of associates	1,766,414	1,901,818	795,731	591,893
Interest income	375,969	437,186	55,125	169,811
Interest expense	(1,331,363)	(244,158)	(797,068)	(106,794)
Others - net	291,362	270,684	281,679	103,750
	1,102,382	2,365,530	335,467	758,660
INCOME BEFORE INCOME TAX	4,202,697	3,773,388	2,352,135	1,350,554
PROVISION FOR INCOME TAX	347,053	548,547	136,238	221,926
NET INCOME	3,855,644	3,224,841	2,215,897	1,128,628
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT	3,795,422	3,167,876	2,197,760	1,103,076
MINORITY INTERESTS	60,222	56,965	18,137	25,552
	3,855,644	3,224,841	2,215,897	1,128,628

Earnings Per Common Share **

Basic, for income for the period attributable to ordinary holders of the parent	0.52	0.43	0.30	0.15
Diluted, for income for the period attributable to ordinary holders of the parent	0.52	0.43	0.30	0.15

** 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 SEPTEMBER 30, 2009 AND 2008
(Amounts in Thousands)
(UNAUDITED)

	JAN-SEP/09	JAN-SEP/08
Profit for the year	3,855,644	3,224,841
Other comprehensive income for the year, net of tax (Schedules A & B)	(6,259)	261,755
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,849,385	3,486,596
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	3,789,164	3,429,630
Non-controlling interests	60,221	56,966
	3,849,385	3,486,596

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED SEPTEMBER 30, 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 January-September 2009:								
Cash dividends - P0.20 per share					(1,471,720)	(1,471,720)		(1,471,720)
Total comprehensive income for the period			(6,259)		3,795,423	3,789,164	60,221	3,849,385
Changes in minority interest						-	(383)	(383)
Balances at September 30, 2009	7,358,604	12,588,894	(24,681)	(259,147)	12,809,104	32,472,774	596,171	33,068,945

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 reported	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 January-December 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 SEPTEMBER 30, 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 reported	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 January-September 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			261,755		3,167,875	3,429,630	56,966	3,486,596
Changes in minority interest						-	120	120
Balances at September 30, 2008	7,358,604	12,588,894	(314,221)	(259,147)	9,319,663	28,693,793	650,551	29,344,344

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED SEPTEMBER 30, 2009 AND 2008
(Amounts in Thousands)
(UNAUDITED)

	JAN-SEP/09	JAN-SEP/08	JUL-SEP/09	JUL-SEP/08
CASH FLOWS FROM OPERATING ACTIVITIES:				
Income before income tax	4,202,697	3,773,388	2,352,135	1,350,554
Adjustments for:				
Share in net earnings of associates	(1,766,414)	(1,901,818)	(795,731)	(591,893)
Depreciation and amortization	708,828	376,577	324,605	142,770
Interest income	(375,969)	(437,186)	(55,125)	(169,811)
Interest expense	1,331,363	244,158	797,068	106,794
Unrealized foreign exchange loss (gain)	64,833	16,856	(19,957)	(32,124)
Gain on sale of property, plant and equipment	(61)	-	-	-
Operating income before working capital changes	4,165,277	2,071,975	2,602,995	806,290
Changes in:				
Decrease (increase) in operating current assets	(1,333,939)	(2,444,769)	812,358	(1,351,106)
Increase in operating current liabilities	1,389,376	252,493	179,833	380,435
Cash provided by (used in) operations	4,220,714	(120,301)	3,595,186	(164,381)
Income and final taxes paid	(253,586)	(475,224)	(66,528)	(143,825)
Net cash flows from (used in) operating activities	3,967,128	(595,525)	3,528,658	(308,206)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Dividends received	584,735	1,418,679	124,551	185,381
Interest received	404,159	454,847	46,078	240,216
Additional investments in associates	(1,787)	(4,427,985)	(1,358)	(2,860,868)
Payments for advances to associates	(1,457,956)	(432,029)	(323,486)	(327)
Additions to property, plant and equipment - net	(21,678,844)	(1,882,735)	(597,528)	(1,064,907)
Acquisition of minority interests	-	(177,948)	-	-
Additions to intangible assets	(235,883)	-	(194,424)	-
Decrease (increase) in other assets	(512,491)	100,645	2,035	3,343
Net cash flows used in investing activities	(22,898,067)	(4,946,526)	(944,132)	(3,497,162)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from loans payable	3,203,540	467,370	4,103,130	174,150
Proceeds from (payments for) long-term debt	9,162,398	1,011,032	(6,252,741)	989,572
Payments to preferred shareholders of a subsidiary	(14,663)	(14,891)	5,468	5,891
Interest paid	(1,326,148)	(239,677)	(881,610)	(99,291)
Cash dividends paid	(1,471,720)	(1,324,549)	-	-
Decrease in minority interest	(384)	(89,444)	-	(63,600)
Net cash flows from (used in) financing activities	9,553,023	(190,159)	(3,025,753)	1,006,722
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,377,916)	(5,732,210)	(441,227)	(2,798,646)
EFFECT OF EXCHANGE RATE CHANGES ON				
CASH & CASH EQUIVALENTS	(64,833)	(16,856)	19,957	32,124
CASH AND CASH EQUIVALENTS AT				
BEGINNING OF PERIOD	14,915,384	13,287,811	5,893,905	10,305,267
CASH AND SHORT-TERM INVESTMENTS AT				
END OF PERIOD	5,472,635	7,538,745	5,472,635	7,538,745

ABOITIZ POWER CORPORATION AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULES AND DISCLOSURES
AS OF SEPTEMBER 30, 2009 AND DECEMBER 31, 2008
(Amounts in Thousands Unless Otherwise Stated)

A. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	JAN-SEP/09	JAN-SEP/08
Share of other comprehensive income of associates	(6,259)	261,755
Income tax relating to components of other comprehensive income	-	-
Other comprehensive income for the period	(6,259)	261,755

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

	JAN-SEP/09		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Share of other comprehensive income of associates	(6,259)		(6,259)
Other comprehensive income for the period	(6,259)	-	(6,259)

	JAN-SEP/08		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Share of other comprehensive income of associates	261,755		261,755
Other comprehensive income for the period	261,755	-	261,755

C. INVESTMENTS IN AND ADVANCES TO ASSOCIATES

	% OWNERSHIP		
	2009	SEP 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.	46.73%	858,067	857,237
Visayan Electric Co., Inc.	55.15%	655,777	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		16,389,702	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		1,766,414	2,784,511
Cash dividends received		(584,735)	(2,159,272)
Balance, end of period		4,445,620	3,263,941
Share in cumulative translation adjustments of associates		(24,681)	(18,422)
Investments in shares of stock, at equity		20,810,641	19,633,434
Advances to associates - net		3,075,423	1,617,467
		23,886,064	21,250,901

D. ACCOUNTS PAYABLE & ACCRUED EXPENSES

Trade	1,446,562
DOSRI	-
Others	2,925,692
TOTAL	4,372,254

E. SHORT-TERM LOANS

	Effective Interest Rate	SEP 2009	DEC 2008
Financial institutions	2.15% - 6.10%	8,001,660	4,798,120

F. LONG-TERM LOANS

	Interest Rate	SEP 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
5 year fixed rate corporate note	8.23%	5,000,000	
Retail Bonds			
5 year bonds	8.70%	2,294,420	
3 year bonds	8.00%	705,580	
		11,890,000	3,890,000
Subsidiaries:			
HI			
Financial institution - secured	8.36%	613,700	647,000
HSI			
Financial institution - secured	8.52%	2,942,077	1,715,796
SEZC			
Financial institution - secured	8.26% - 10.02%	341,000	341,000
		3,896,777	2,703,796
Total		15,786,777	6,593,796
Less: Deferred financing costs		129,115	71,799
		15,657,662	6,521,997
Less: Current portion		101,200	16,145
		15,556,462	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.	P2,294,420
3-year bonds to mature on April 30, 2012	8.0%/p.a.	P705,580

H. EARNINGS PER SHARE

Earnings per common share amounts were computed as follows:

	SEP 2009	SEP 2008
a. Net income to common stockholders	3,795,422	3,167,876
b. Average number of outstanding shares	7,358,604,307	7,358,604,307
c. Earnings per share (a/b)	0.52	0.43

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-SEP/09	JAN-SEP/08	JAN-SEP/09	JAN-SEP/08	JAN-SEP/09	JAN-SEP/08	JAN-SEP/09	JAN-SEP/08	JAN-SEP/09	JAN-SEP/08
REVENUE										
External	8,023,259	6,933,490	5,741,428	2,266,726	53,633	88,130	-	-	13,818,320	9,288,346
Inter-Segment	-	-	83,057	61,183	164,279	147,703	(247,336)	(208,886)	-	-
Total Revenue	8,023,259	6,933,490	5,824,485	2,327,909	217,912	235,833	(247,336)	(208,886)	13,818,320	9,288,346
Segment results	907,957	899,435	2,222,449	497,903	(30,091)	10,520	-	-	3,100,315	1,407,858
Unallocated corporate income (expenses)	283,569	244,980	14,143	(83,704)	(6,349)	109,407	-	-	291,362	270,684
INCOME FROM OPERATIONS	1,191,526	1,144,415	2,236,592	414,199	(36,440)	119,927	-	-	3,391,677	1,678,542
Interest Expense	(80,935)	(53,351)	(765,901)	(65,312)	(514,207)	(164,698)	29,680	39,203	(1,331,363)	(244,158)
Interest Income	8,767	9,597	27,209	90,644	369,673	376,148	(29,680)	(39,203)	375,969	437,186
Share in net earnings of associates	158,388	245,015	1,608,026	1,656,803	3,926,129	2,973,510	(3,926,129)	(2,973,510)	1,766,414	1,901,818
Provision for Income tax	(287,390)	(334,966)	(118,532)	(90,440)	58,868	(123,140)	-	-	(347,053)	(548,547)
NET INCOME	990,356	1,010,710	2,987,394	2,005,894	3,804,023	3,181,747	(3,926,129)	(2,973,510)	3,855,644	3,224,841
OTHER INFORMATION										
Investments in associates	2,136,626	2,193,865	18,674,014	17,649,678	23,900,880	21,863,134	(23,900,880)	(21,863,134)	20,810,641	19,843,543
Segment Assets	7,800,581	7,378,819	71,392,084	26,569,650	53,345,890	33,866,409	(69,047,733)	(27,866,654)	63,490,822	39,948,225
Segment Liabilities	3,976,601	3,618,627	52,188,358	8,837,992	20,823,888	5,055,378	(46,566,970)	(6,844,517)	30,421,877	10,667,480
Depreciation & amortization	253,080	231,530	449,079	140,213	6,669	4,834			708,828	376,577

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. 0.63% of its debt will mature in less than one year at September 30, 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 September 30, 2009 based on contractual undiscounted principal payments (amounts in thousands):

	Total Carrying Value	Contractual Undiscounted Principal Payments				
		Total	On demand	Less than 1 year	1 to 5 years	> 5 years
Trade and other payables	2,352,028	2,319,968	-	2,319,968	-	-
Due to related parties	2,020,226	2,020,226	893,407	1,126,819	-	-
Customers' deposits	1,738,740	1,738,740	-	89,913	22,988	1,625,839
Bank loans	8,001,660	8,001,660	-	8,001,660	-	-
Payable to preferred shareholders of subsidiary	82,561	124,280	-	31,070	93,210	-
Obligations on PDS	318,549	800,000	-	40,000	200,000	560,000
Long-term debt	15,657,662	15,786,777	-	101,200	12,560,157	3,125,420
Total	30,171,426	30,791,651	893,407	11,710,630	12,876,355	5,311,259

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 September 30, 2009, all of the Group's long term debt had fixed rates ranging from 8.23% 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 September 30, 2009

	<1 year	1-5 years	>5 years	Total
Fixed rate - long-term debt	101,200	12,460,670	3,095,792	15,657,662
Floating rate - payable to pref shareholders of subsidiaries	8,447	74,114	-	82,561
	109,647	12,534,784	3,095,792	15,740,223

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
September 2008	100	(6,470)
	-50	3,235

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

	September 2009	September 2008
Bank loans and long term debt	1,299,879	235,537
Customers' deposits	4,253	4,040
Obligations on power distribution system	26,733	-
Advances from related parties	498	4,581
	1,331,363	244,158

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 September 30, 2009 and December 31, 2008, foreign currency denominated borrowings account for 16% and 34%, respectively, of total consolidated borrowings.

Presented below are the Group's foreign currency-denominated financial assets and liabilities as of September 30, 2009 and December 31, 2008, translated in Philippine peso:

	SEPTEMBER 30, 2009		DECEMBER 31, 2008	
	US Dollar	Philippine Peso Equivalent	US Dollar	Philippine Peso Equivalent
Current Financial Assets				
Cash	37,535	1,777,659	61,336	2,914,665
Current Financial Liabilities				
Bank loans	81,000	3,836,160	81,000	3,849,120
	(43,465)	(2,058,501)	(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 September 30, 2009.

	Increase (decrease) in US dollar rate	Effect on income before income tax
US dollar denominated accounts	5%	(102,925)
US dollar denominated accounts	-5%	102,925

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:

	September 30, 2009	December 31, 2008
Residential	224,655	190,543
Commercial	96,897	95,795
Industrial	400,276	278,214
Streetlighting/Flat Rate	1,197	13,717
Power distribution utilities/off-takers	1,084,170	203,774
	1,807,195	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 September 30, 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 September 30, 2009 and December 31, 2008 are as follows:

	September 30, 2009	December 31, 2008
Bank Loans	8,001,660	4,798,120
Long - term debt	15,740,223	6,619,221
Cash and cash equivalents	(5,472,635)	(14,915,384)
Temporary advances from (to) related parties		(396,600)
Net Debt (a)	18,269,248	(3,894,643)
Equity	33,068,945	30,691,663
Equity and Net Debt (b)	51,338,193	26,797,020
Gearing Ratio (a/b)	35.59%	(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.

	SEPTEMBER 30, 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	986,901	986,901	622,301	622,301
Short-term investments	4,485,734	4,485,734	14,293,083	14,293,083
	5,472,635	5,472,635	14,915,384	14,915,384
Trade and other receivables				
Trade receivables	1,807,195	1,807,195	782,043	782,043
Due from related parties	0	0	396,600	396,600
Other receivables	856,109	856,109	812,431	812,431
	2,663,304	2,663,304	1,991,074	1,991,074
AFS financial assets	3,744	3,744	3,744	3,744
	8,139,683	8,139,683	16,910,202	16,910,202
Financial liabilities				
Other financial liabilities				
Bank loans	8,001,660	8,001,660	4,798,120	4,798,120
Long-term debt				
Floating rate long-term debt			647,000	647,000
Fixed rate long term debt	15,657,662	15,946,649	5,874,997	5,917,107
Payable to preferred shareholder of a subsidiary	82,561	82,561	97,224	97,224
	15,740,223	16,029,210	6,619,221	6,661,331
Customers' deposits	1,738,740	1,738,740	1,571,092	1,571,092
Long-term obligation on power distribution system	318,549	424,132	291,816	366,862
Trade and other payables				
Trade payables	1,446,562	1,446,562	985,630	985,630
Due to related parties	2,020,226	2,020,226	1,567,100	1,567,100
Others	905,466	905,466	592,580	592,580
	4,372,254	4,372,254	3,145,310	3,145,310
	30,171,426	30,565,996	16,425,559	16,542,715

As of September 30, 2009 and December 31, 2008, the group does not have any investment in foreign securities. The group has registered and issued P3 billion worth of peso denominated fixed rate retail bonds on April 30, 2009.

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 market 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.

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

c. Acquisition of the Tiwi-Makban Plants

In July 2008, the Power Sector Assets and Liabilities Management Corporation (PSALM) issued the Notice of Award to AP Renewables, Inc., (APRI), a subsidiary, officially declaring APRI as the winning bidder for the 289-MW Tiwi Geothermal Power Plant located in Tiwi, Albay and the 458-MW Makiling-Banahaw (MakBan) Geothermal Power Plant located in Laguna and Batangas provinces (collectively referred to as the Tiwi-MakBan Geothermal Plants).

Under the terms of the Asset Purchase Agreement (APA), APRI is required to deliver 40% of the purchase price of \$447 million as up-front payment payable on or before the closing date. The balance of 60% is payable in 14 semi-annual payments with an interest of 12% per annum compounded semi-annually. On May 25, 2009, APRI paid PSALM the P8.29 billion downpayment on the purchase price for the Tiwi-MakBan Geothermal Plants which was turned over to APRI on May 26, 2009.

On September 30, 2009, APRI paid PSALM the P12.2 billion representing the remaining 60% of the purchase price as full payment for the Tiwi-Makban geothermal facilities, inclusive of accrued interest.

APRI will account for the purchase of the Tiwi-MakBan Geothermal Plants under the purchase method. As of September 30, 2009, it is impracticable to determine the fair values of the Tiwi-MakBan Plants as APRI is still compiling all the required information.

d. Acquisition of Power Barges

In July 2009, Therma Mobile Inc., a subsidiary, and Therma Marine Inc., another subsidiary, won the negotiated bid with PSALM for the 100 MW Power Barge (PB) 117 and the 100 MW PB 118 with winning bid prices of \$16 million and \$14 million respectively.

Therma Mobile Inc. will acquire PB 117, which is located in Barangay Sta. Ana, Nasipit, Agusan del Norte. Therma Marine Inc. will acquire PB 118, which is located in Barangay San Roque, Maco, Davao Del Norte. PB 117 and PB 118 are barge mounted diesel powered generation plants.

Under the terms of the Asset Purchase Agreement (APA), Therma Mobile and Therma Marine are required to deliver 40% of the purchase price upon closing of the acquisition. The remaining 60% is payable over a period not to exceed seven years.

Closing of the transaction is dependent upon the fulfillment of certain conditions precedent by Therma Marine and Therma Mobile and PSALM which must occur not later than 270 days from the issuance of the letter of award by PSALM.

e. Issuance of 5 year Corporate Notes

In September 28, 2009 (issue date), the Company availed a total of P5 billion from the Notes Facility Agreement it signed on September 18, 2009, with First Metro Investment Corporation as Issue Manager. The Notes Facility Agreement provided for the issuance of 5-year corporate notes in a private placement to not more than 19 institutional investors pursuant to Section 9.2 of the Securities Regulation Code (SRC) and Rule 9.2(2)(B) of the SRC Rules.

f. Pagbilao IPPA bid

In August 2009, Therma Luzon, Inc. (Therma Luzon), a subsidiary, submitted the highest offer price for the Pagbilao Independent Power Producer Administration (IPPA) Contract in a competitive bid conducted by PSALM. Under the bid rules the resulting bid price amounted to US\$ 691.1 million. This value represents the present value of a series of monthly payments to PSALM from October 2009 to August 2025 using PSALM discount rates. The monthly payments are structured under the bid rules such that 50% of the value is US dollar denominated and the balance is in Philippine pesos.

On October 1, 2009, Therma Luzon assumed dispatch control of the 700MW contracted capacity of the Pagbilao Coal Fired Thermal Power Plant located in Pagbilao, Quezon. The turnover followed the successful completion by Therma Luzon of the conditions precedent required in the IPPA Agreement with PSALM. As IPP Administrator, Therma Luzon will be responsible for procuring the fuel requirements of the Pagbilao Plant and selling the electricity generated by the plant. The Pagbilao Plant is being operated by TEAM Energy under a build-operate-transfer scheme.

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 acceleration 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 : **SEP 30/2009**

	30 Days	60 Days	90 Days	Over 90 Days	Total
A/R - Trade:					
Power Distribution Customers	510,667	77,759	28,496	34,271	651,193
Power Generation Customers	1,157,716	36,895	0	29,620	1,224,231
Management & Other Services Customers	5,116	3,777	2,332	996	12,221
Sub-total - A/R - Trade	1,673,499	118,431	30,828	64,887	1,887,645
Less : Allowance for Doubtful Accounts					80,450
Net Trade Receivables					1,807,195
A/R - Non Trade	437,986	9,439	4,156	404,528	856,109
Grand Total	2,111,485	127,870	34,984	469,415	2,663,304

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