

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)

M. JASMINE S. OPORTO

Contact Person

(032) 411-1800

Company Telephone Number

1	2		3	1
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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

0	5		1	7
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Month Day

Annual Meeting

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Secondary License Type, if Applicable

S	E	C
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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

X

Domestic

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Foreign



To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier

STAMPS

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SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **March 3, 2011**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **C199800134** 3. BIR TIN **200-652-460**
4. **ABOITIZ POWER CORPORATION**
Exact name of registrant as specified in its charter
5. **Cebu City, Philippines**
Province, country or other jurisdiction
of incorporation
6. 
Industry Classification Code
7. **Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City** **6000**
Address of principal office Postal Code
8. **(032) 411-1800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding
(as of September 30, 2010) |
|-----------------------------------|--|
| Common Stock P1 Par Value | 7,358,604,307 |
| Amount of Debt Outstanding | P74,812,188,000 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation ("AP" or "the Company") recorded a consolidated net income of PhP6.5 billion ("bn") for the fourth quarter of 2010, a 249% expansion versus the same period last year. The revaluation of consolidated dollar-denominated loans and placements, coupled with a PhP5 million ("mn") reversal of NPC charges for ancillary services, resulted to a PhP78 mn non-recurring income (versus previous year's PhP539 mn). This brings AP's core net income for the quarter in review to PhP6.4 bn, 385% higher year-on-year ("YoY").

On a year-to-date ("YTD") basis, AP's bottomline performance recorded a 343% YoY increase, from PhP5.7 bn to PhP25.0 bn, translating to an earnings per share of PhP3.40. AP incurred a PhP613 mn non-recurring income (versus last year's PhP368 mn). This resulted from a PhP1.0 bn foreign exchange net

gain and a PhP5 mn reversal of NPC charges for ancillary services, which was offset by a one off refinancing cost of PhP398 mn for one of AP's associates. Adjusting for these one-off's, the Company recorded a 362% YoY growth in its core net income, from PhP5.3 bn to PhP24.4 bn.

Business Segments

Power Generation

For the three-month period in review, the power generation business recorded an income contribution of PhP6.1 bn, posting a significant improvement of 261% YoY. When adjusted for non-recurring items, the group registered a 401% YoY growth in its core net income, from PhP1.2 bn to PhP6.0 bn.

AP's bottomline performance for the quarter in review was attributable to improvements in both pricing and volume sales. Average selling prices for bilateral contracts and transactions in the spot market recorded significant YoY improvements of 8% and 146%, respectively. Meanwhile, the Company's attributable power sold for the quarter was 14% higher YoY, from 2,130 GwH to 2,422 GwH. Fresh contributions from the power barges, the Sibulan hydropower plant and two units of the Cebu coal-fired power plant augmented AP's attributable net generation for the quarter.

Another source of earnings growth for the quarter was the ancillary services revenues of the Company's hydropower plants, particularly Magat and Binga. Revenues from these offset the adverse earnings impact of lower generation by the two facilities in the quarter, which was brought about by the El Nino phenomenon. These two facilities raked in a total earnings contribution of PhP1.8 bn for the quarter, up by 229% YoY.

On a full year basis, the generation business accounted for 93% of earnings contributions from AP's business segments, recording an income share of PhP24.4 bn for the year 2010, up 424% YoY. Netting out one-off items, AP's generation business shored in PhP23.7 bn for the year, up 448% YoY.

Total attributable power sales was higher by 111% YoY, from 4,619 GWh to 9,762 GWh. Full year contributions from assets acquired in 2009, coupled with fresh contributions from completed Greenfield plants and purchased assets in 2010, augmented AP's attributable net generation for the year. As of end-2010, AP's attributable capacity was at 2,051 MW, posting an 18% YoY increase. The expansion was due to the takeover of the two 100-MW power barges and the completion of the 42.5-MW Sibulan hydropower plant and the 26%-owned 246-MW Cebu coal-fired power plant. In the meantime, the Company recorded YoY increases of 181% and 13% for its average selling prices through the spot market and bilateral contracts, respectively.

Topline contribution from the sale of ancillary services offset the negative impact of the El Nino phenomenon on Magat's and Binga's net generation levels for the year. Total earnings contribution of the two assets recorded a 246% YoY expansion, from PhP935 mn to PhP3.2 bn.

Power Distribution

AP's attributable electricity sales for the quarter ending December 31, 2010 grew by 8% YoY, from 861 GwH to 929 GwH. Growth was spurred by increases in the attributable power consumption of the residential, commercial and

industrial customers, recording YoY increases of 4%, 3% and 11%, respectively. Moreover, the distribution business' gross margin for the quarter improved on a YoY basis mainly due to the shift to Performance Based Regulation ("PBR") scheme by Davao Light & Power Company and Visayan Electric Company in August 2010. All told, AP's distribution business recorded a 52% YoY expansion in income contribution for the quarter in review, from PhP456 mn to PhP692 mn.

On a YTD basis, total attributable electricity sales increased by 9%, from 3,322 GWh to 3,606 GWh. Leading the pack was the industrial segment recording an 11% YoY growth, while residential and commercial accounts registered 6% and 5% YoY expansions, respectively. The group's customer base still expanded YoY with the residential and non-residential segments growing by 4% and 3%, respectively. This strong showing, coupled with improved margins, resulted to a 23% YoY rise in income contribution, from PhP1.6 bn to PhP1.9 bn. The shift to PBR of AP's two distribution utilities in August 2010 and the full year effect of a rate increase (under the Return on Rate Base) implemented by one of its distribution utilities in September 2009 enabled the business to offset the increase in costs incurred during the year, which resulted from: (1) higher operating expenses in the first half of 2010 due to forced operation of the back-up power plant of AP's Mindanao-based distribution utility; and (2) the additional costs absorbed by two of AP's distribution utilities resulting from the reduced systems loss allowance (from 9.5% to 8.5%).

Financial Condition

As of December 31, 2010, the Company's total consolidated assets amounted to PhP134.5 bn, 21% higher than yearend 2009 level of PhP111.3 bn. The Company's consolidated Cash and Cash Equivalents was at PhP18.3 bn, while total consolidated interest-bearing loans was at PhP67.1 bn. Equity Attributable to Equity Holders of the Parent increased by 66% to PhP57.3 bn from yearend 2009 level. Current ratio as of yearend was at 2.6x (versus 2009's 0.7x), while net debt-to-equity ratio was at 0.8x (versus 2009's 1.8x).

SIGNATURE (S)

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

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary

Date: March 3, 2011