

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

032-411-1801

Company Telephone Number

1	2	3	1
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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

3rd Monday of May			
0	5	1	6

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

469

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

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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. **November 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** 6. 
Province, country or other jurisdiction of incorporation 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, 2011)
Common Stock P1 Par Value	7,358,604,307
Amount of Debt Outstanding	P84,422,066,933
11. Indicate the item numbers reported herein: 9

Item 9: Other Matters

Aboitiz Power Corporation (AboitizPower or the Company) recorded a consolidated net income of P5.6 billion (bn) for the quarter ending September 30, 2011, recording a marginal decline of 3% year-on-year (YoY). The movements in the peso-dollar exchange rate resulted to a P180 million (mn) non-recurring loss due to the revaluation of consolidated dollar-denominated loans and placements. A one-off gain of P194 mn was also incurred by a subsidiary as it reversed an accrued expense booked in 2010 relating to its Independent Power Producer Administration (IPPA) contract. All these bring AboitizPower's core net income for the third quarter of 2011 to P5.6 bn, which is 10% higher YoY.

On a year-to-date (YTD) basis, AboitizPower's bottomline performance recorded a 12% YoY decline, from ₱18.5 bn to ₱16.2 bn. This translated to earnings per share of ₱2.21. The revaluation of consolidated dollar-denominated loans and placements resulted to a non-recurring loss of ₱37 mn. In addition, AboitizPower logged ₱721 mn in one-off gains, net of tax, during the nine-month period, as: (1) a wholly-owned subsidiary booked revenue adjustments in the first quarter of 2011 resulting from a favorable ruling by the industry regulator regarding its tariff structure for its ancillary services contract; (2) an associate company recovered costs relating to its fuel importation in the second quarter; and (3) a subsidiary reversed a 2010 accrued expense relating to its IPPA contract in the third quarter of 2011. Adjusting for these one-offs, the Company's core net income for the first nine months of 2011 amounted to ₱15.6 bn, down by 14% YoY.

Business Segments

Power Generation

For the quarter ending September 30, 2011, the power generation business recorded a 6% YoY decline in earnings contribution, from ₱5.5 bn to ₱5.2 bn. When adjusted for one-off items, the group booked a 9% YoY expansion in income share, from ₱4.8 bn to ₱5.2 bn.

During the quarter in review, the generation group's attributable power sales grew by 8% YoY, from 2,356 GWh to 2,535 GWh. The increase was mainly due to improved plant availability. The quarter saw YoY expansions in both spot market transactions and bilateral sales at 17% and 5%, respectively. Average prices at the Wholesale Electricity Spot Market (WESM), however, were lower vis-à-vis 2010 levels, countering the positive bottomline effect of the group's expanded sales, not to mention the higher average selling price of its contracted capacities.

One of AboitizPower's coal plants experienced a margin squeeze for the quarter, as tariffs on its bilateral contracts did not allow the recovery of the YoY increase in its fuel cost. Interest incurred by one of the Company's associates increased significantly, as it commenced the commercial operation of its merchant hydropower plant, which resulted to non-capitalization of interest costs. Albeit, total income contribution of AboitizPower's merchant hydro assets during the quarter still grew by 6% YoY as ancillary services continued to boost their earnings performance given the increased acceptance levels of the nominated capacities made by the Magat and Binga hydropower plants.

On a YTD basis, the generation business accounted for 90% of earnings contributions from AboitizPower's business segments, recording an income share of ₱15.3 bn for the first nine months of 2011, down 16% YoY. Netting out one-off items, AboitizPower's generation business shored in ₱14.7 bn for the period, 17% lower than last year.

The decline in the group's YTD bottomline performance was due to the lower average selling price and net generation recorded for the period. As a group, AboitizPower's generation business logged a 10% YoY drop in average selling prices, given the softening of the spot market prices vis-à-vis 2010 levels. The average price of electricity in the WESM recorded a 48% YoY drop for the period YTD September 2011. Both demand and supply conditions that prevailed during the period in review were responsible for the weakness of the spot market prices. Demand for electricity, particularly in the island of Luzon, remained relatively flat versus last year. Supply, in the meantime, showed increases given marked improvements on outage levels for the

Luzon-based powerplants. The adverse impact on earnings, however, was tempered by AboitizPower's strategic move of lowering its exposure to the spot market, as it continued to sign additional bilateral contracts. On the other hand, AboitizPower's net generation for the first nine months of 2011 registered a 2% YoY decline from 7,340 GWh to 7,175 GWh. The drop in the level of generated power was mainly accounted for by reduced spot market transactions brought about by the prevailing low prices in the WESM.

The YoY increase in fuel costs resulted to a margin squeeze for wholly-owned Therma Luzon, Inc. (TLI), which is the IPP Administrator of the 700 MW Pagbilao coal-fired power plant. Coal price escalated in 2011 given the unfavorable global supply situation. As most of the plant's bilateral contracts are based on the NPC Time-of-Use rates, TLI was not able to cover for the increase in its fuel cost during the period in review.

For the first nine months of 2011, the ancillary services provided by AboitizPower's merchant hydro assets grew significantly over last year. With the elevated water levels during the period vis-à-vis same time last year, the capability of both Magat and Binga to offer ancillary services was significantly enhanced. The period saw a higher level of accepted capacities by the National Grid Corporation of the Philippines. The combined income contribution of these assets recorded a 156% YoY expansion for the period ending September 2011.

As of end-September 2011, AboitizPower's attributable capacity was at 2,344 MW, posting a 15% YoY increase. The expansion was due to the following: completion of the third unit (82 MW) of the 26%-owned 246-MW Cebu coal-fired power plant in the fourth quarter of 2010, assumption of full ownership of and control over the 70-MW Bakun hydro run-of-river plant in May 2011, acquisition of the 242-MW Navotas power barges in May 2011, and the full completion of the rehabilitation of the Ambuklao hydropower facility in September 2011.

Power Distribution

AboitizPower's attributable electricity sales for the quarter ending September 30, 2011 was at 949 GWh, a 3% YoY increase from last year's 924 GWh. The increase in customer base for the industrial segment resulted to a 6% YoY improvement in volume sales. Gross margin on a group-wide basis improved by 4% YoY to ₱1.58/kWh, as three of the Company's distribution utilities implemented their approved rate structures under the Performance Based Regulation (PBR) scheme. Cotabato Light & Power Company entered its third year of its regulatory period and implemented its approved tariff in the second quarter of 2011. In the meantime, Davao Light & Power Company, Inc. (Davao Light) and Visayan Electric Company, Inc. entered their second year in July 2011 and implemented their corresponding approved tariff in August 2011. Moreover, Davao Light reduced its operating expenses for the quarter in review, as operation of its back-up power plant was not required during the period. All told, the power distribution group's income contribution for the third quarter of 2011 was at ₱731 mn, up by 12% YoY.

On a YTD basis, total attributable electricity sales increased by 3% YoY, from 2,677 GWh to 2,764 GWh. Leading the pack was the industrial segment recording a 6% YoY growth, while residential and commercial accounts registered marginal declines for the period in review. With the reduced operating expenses of Davao Light, coupled with the favorable effect of the implementation of the approved distribution tariffs (under the PBR) of some of AboitizPower's distribution utilities, the power distribution group's gross margin for the first nine months of 2011 improved by 23% YoY to ₱1.41/kWh. As

such, the profit performance of the power distribution group as of end-September 2011 registered a 41% YoY expansion, from P1.2 bn to P1.8 bn.

Financial Condition

As of September 30, 2011, the Company's total consolidated assets amounted to P150.4 bn, 12% higher than year-end 2010 level of P134.6 bn. The Company's consolidated Cash and Cash Equivalents was at P22.5 bn, while total consolidated interest-bearing loans was at P74.4 bn. Equity Attributable to Equity Holders of the Parent increased by 12% to P64.2 bn from year-end 2010. Current ratio as of end-September 2011 was at 3.3x (versus year-end 2010's 2.6x), while net debt-to-equity ratio was at 0.8x (versus year-end 2010's 0.8x).

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

A handwritten signature in cursive script, appearing to read "M. Jasmine S. Oporto".

M. JASMINE S. OPORTO

Corporate Secretary

Dated: November 3, 2011