COVER SHEET

C 1 9 9 8 0 0 1 3 4

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		1 7 - C		3rd Monday of May 0 5	1 6
Month	*Day*		FORM TYPE		*Month*	*Day*
Fiscal Year					Annual Meeting	

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc

Amended Articles Number/Section

469	**x**	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

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 1, 2012
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, 2011)
Common Stock P1 Par Value	7,358,604,307
Amount of Debt Outstanding	₱84,422,068,000

11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Power Corporation (AboitizPower or the Company) recorded a consolidated net income of ₱5.4 billion (bn) for the quarter ending December 31, 2011, recording a decline of 17% year-on-year (YoY). The movements in the peso-dollar exchange rate resulted to a ₱124 million (mn) non-recurring loss due to the revaluation of consolidated dollar-denominated loans and placements. A one-off loss of ₱93 mn was also incurred when the Company prepaid in December 2011 one of its outstanding fixed rate notes. This was partially offset by a non-recurring gain of ₱35 mn booked by an associate company, as it received cost reimbursements from the National Power Corporation (NPC) relating to its fuel importation. All these bring AboitizPower's core net income for the fourth quarter of 2011 to ₱5.6 bn, which is 14% lower YoY.

On a full year basis, AboitizPower's bottomline performance recorded a 14% YoY decline, from ₱25 bn to ₱21.6 bn. This translated to earnings per share of ₱2.94. The revaluation of consolidated dollar-denominated loans and placements resulted to a non-recurring loss of ₱160 mn. In addition, AboitizPower booked a ₱663 mn one-off gain during the year 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 and fourth quarters; (3) a subsidiary reversed a 2010 accrued expense relating to its IPPA contract in the third quarter of 2011; and (4) the Company incurred fees relating to the prepayment of an outstanding loan in the fourth quarter. Adjusting for these one-offs, AboitizPower's core net income for 2011 amounted to ₱21.1 bn, down by 14% YoY.

Business Segments

Power Generation

For the quarter ending December 31, 2011, the power generation business recorded a 17% YoY decline in earnings contribution, from ₱6.1 bn to ₱5.1 bn. When adjusted for one-off items, the group's core net income amounted to ₱5.2 bn, which is 14% lower than last year.

During the quarter in review, the generation group's attributable power sales recorded a 7% YoY drop, from 2,422 GWh to 2,247 GWh. The decline was mainly due to YoY reduction in spot market transactions brought on by lower average prices at the Wholesale Electricity Spot Market (WESM).

Therma Luzon, Inc. (TLI), a wholly owned subsidiary of AboitizPower and the IPP Administrator of the 700 MW Pagbilao coal-fired power plant, experienced a margin squeeze during the quarter. TLI had to source replacement power to cover its bilateral contracts, as the power plant experienced an unplanned downtime during the period. Moreover, tariffs on its bilateral contracts did not allow the recovery of the YoY increase in its fuel cost. In the meantime, interest incurred by one of the Company's associates increased significantly, as it commenced the commercial operation of one of its merchant hydropower plants in the third quarter of 2011, which resulted to non-capitalization of interest cost. Albeit, total income contribution of AboitizPower's merchant hydro assets still recorded an impressive growth of 20% 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 full year basis, the generation business accounted for 89% of earnings contributions from AboitizPower's business segments, recording an income share of ₱20.4 bn for the year, down 16% YoY. Netting out one-off items, AboitizPower's generation business shored in ₱19.8 bn, 16% lower than last year.

The decline in the group's bottomline performance was due to the lower average selling price and net generation recorded for the period. As a group, AbotizPower's generation business logged a 7% YoY drop in average selling prices, given the softening of the spot market prices vis-à-vis 2010 levels. Both demand and supply conditions that prevailed during the year were responsible for the recorded 41% YoY decline in the average price of electricity in the WESM's Luzon spot market. Demand for electricity remained relatively flat versus last year. Meanwhile, the supply condition in 2011 improved given the marked reduction in average 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. AboitizPower's net generation for 2011 registered a 3% YoY decline from 9,762 GWh to 9,422 GWh. The drop in the Company's energy sales was mainly accounted for by the reduced spot market transactions brought about by the low prices that prevailed in the WESM.

The YoY increase in fuel costs resulted to a margin squeeze for TLI. Coal price escalated in 2011 given the unfavorable global supply situation. As most of Pagbilao'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 year. The adverse impact of the unplanned downtime in the last quarter also weighed down TLI's profitability for the year.

In 2011, the ancillary services provided by AboitizPower's merchant hydro assets grew significantly over last year. With the elevated water levels, 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 in 2011 recorded an 81% YoY expansion.

As of end-2011, AboitizPower's attributable capacity was at 2,350 MW, posting a 15% YoY increase. The expansion was due to the following: 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, the full completion of the rehabilitation of the Ambuklao hydropower facility in September 2011, the completion of the 4-MW Irisan hydropower Greenfield project in September 2011, and the partial completion of the rehabilitation works at the Binga hydropower facility.

Power Distribution

AboitizPower's attributable electricity sales for the quarter ending December 31, 2011 was at 964 GWh, a 4% increase from last year's 929 GWh. The growth was primarily driven by higher electricity sales for the industrial segment, which recorded a 5% YoY expansion. However, gross margin on a group-wide basis declined by 3% YoY to ₱1.52/kWh. This can be mainly attributed to a timing difference that arose from refunds received by two of AboitizPower's distribution utilities in the last quarter of 2010. Said refund was related to an over-recovery by NPC of incremental costs on foreign currency exchange rate fluctuations under the Incremental Currency Exchange Rate Adjustment (ICERA). This resulted to the distribution group recording a decline of 5% YoY for the fourth quarter of 2011, from ₱692 mn to ₱654 mn.

For full year 2011, the power distribution group registered a 25% YoY earnings expansion, from ₱1.9 bn to ₱2.4 bn. This was on the back of increased electricity sales and improved average gross margin. For the year ending December 31, 2011, total attributable electricity sales increased by 3% YoY, from 3,606 GWh to 3,727 GWh. Leading the pack was the industrial segment recording a 6% YoY growth, while residential and commercial accounts posted marginal declines during the year. The group's average gross margin for 2011 improved by 15% YoY to ₱1.44/kWh, as a result of the implementation of the approved distribution tariffs (under the Performance Based Regulation) of some of AboitizPower's distribution utilities and the reduction in operating expenses of Davao Light & Power Company, Inc. (Davao Light). Davao Light recorded a significant decline in operating expenses in 2011 as operation of its back-up power plant was not required during the year.

Financial Condition

As of December 31, 2011, the Company's total consolidated assets amounted to ₱154.2 bn, 15% higher than year-end 2010 level of ₱134.6 bn. The Company's consolidated Cash and Cash Equivalents was at ₱23.4 bn, while total consolidated interest-bearing loans was at ₱73.2 bn. Equity Attributable to Equity Holders of the Parent increased by 20% to ₱68.9bn from year-end 2010. Current ratio as of end-December 2011 was at 3.4x (versus year-end 2010's 2.6x), while net debt-to-equity ratio was at 0.7x (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

M. JASMINE S. OPORTO
Corporate Secretary

Dated: March 1, 2012