
abootiz

Equity Ventures

Fourth Quarter / Full Year 2010
Financial & Operating Results
March 4, 2011

- **Overview**
- **Review of Business Units**
 - Pilmico Foods Corporation
 - City Savings Bank
 - Union Bank of the Philippines
 - Aboitiz Power Corporation
- **AEV Financials**
- **Q&A**

- **Overview**

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- **AEV Financials**

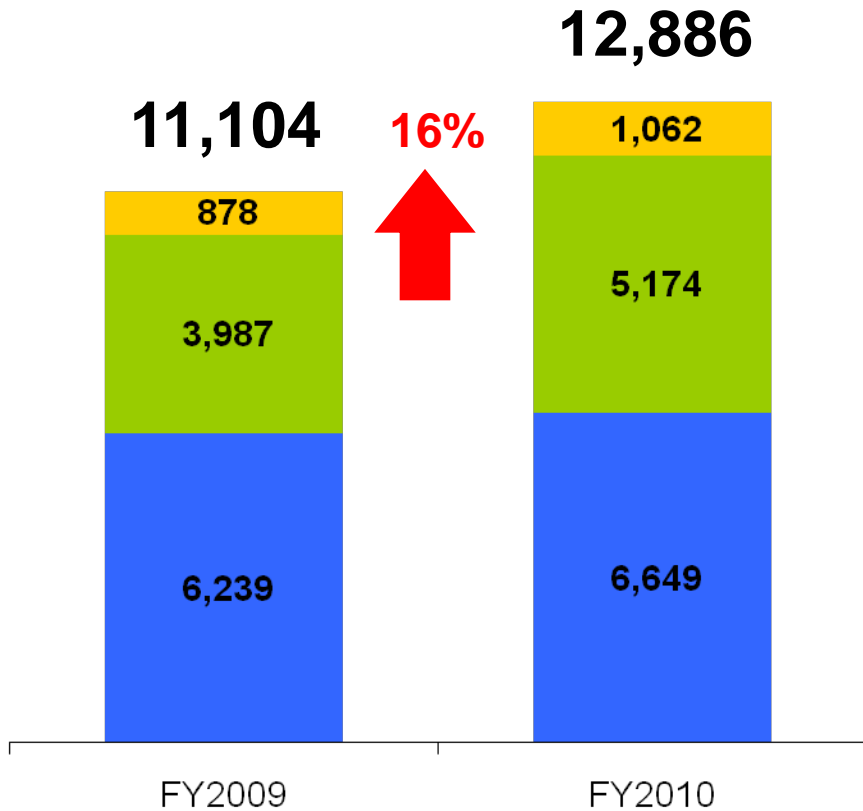
- **Q&A**

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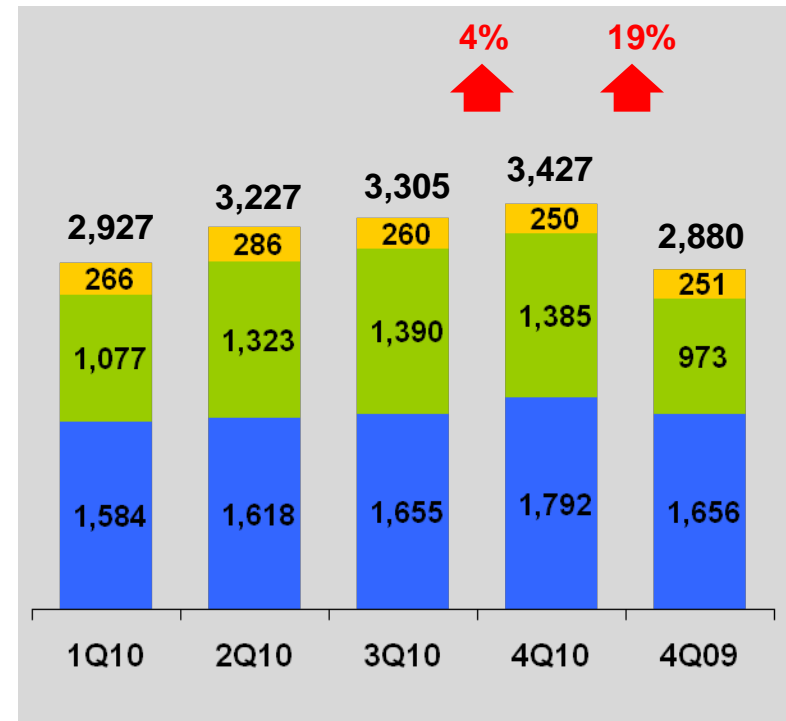
FINANCIAL HIGHLIGHTS



REVENUE (in million pesos)



QUARTERLY BREAKDOWN

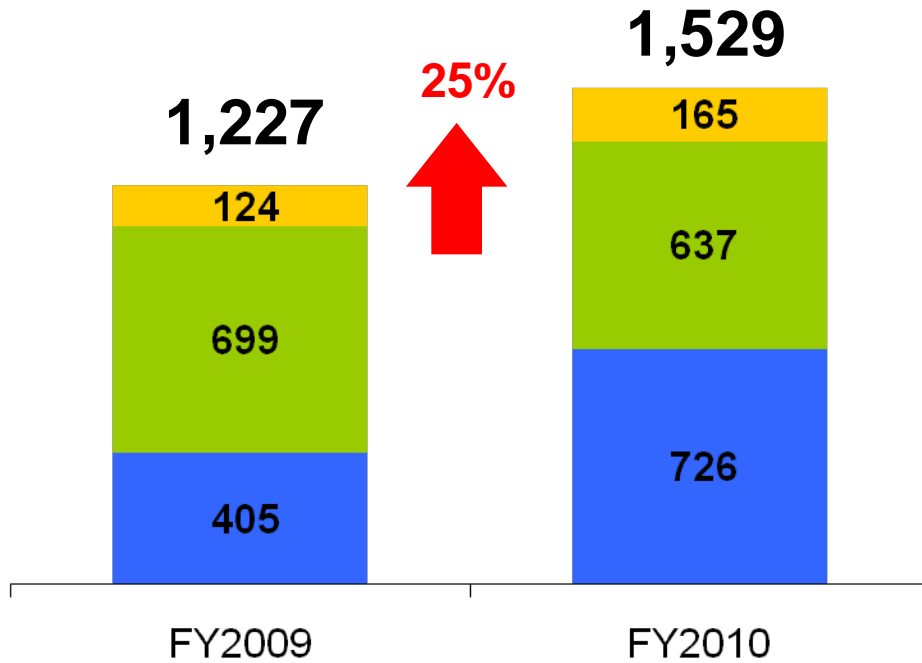


■ Flour
 ■ Feeds
 ■ Swine

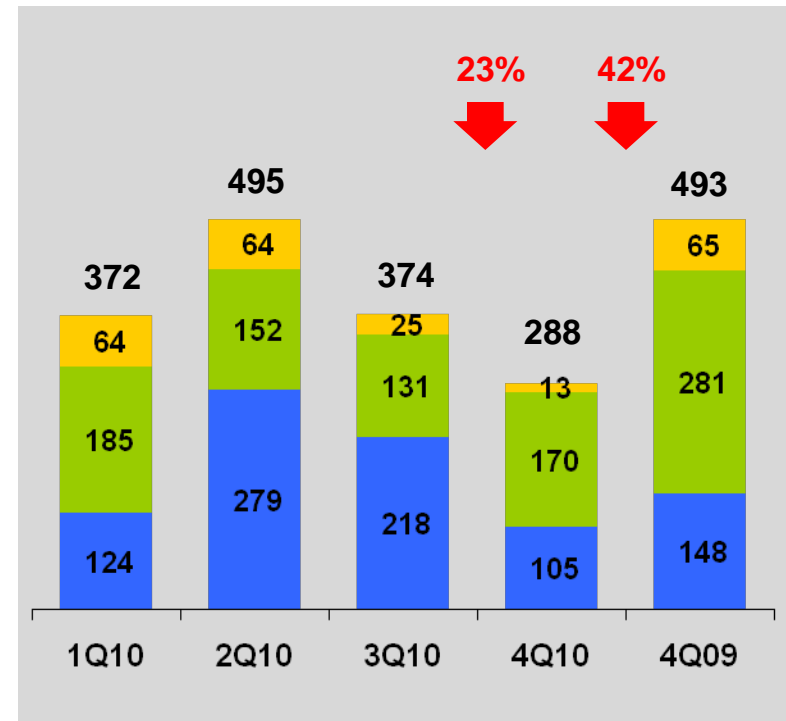
FINANCIAL HIGHLIGHTS



NET INCOME (in million pesos)



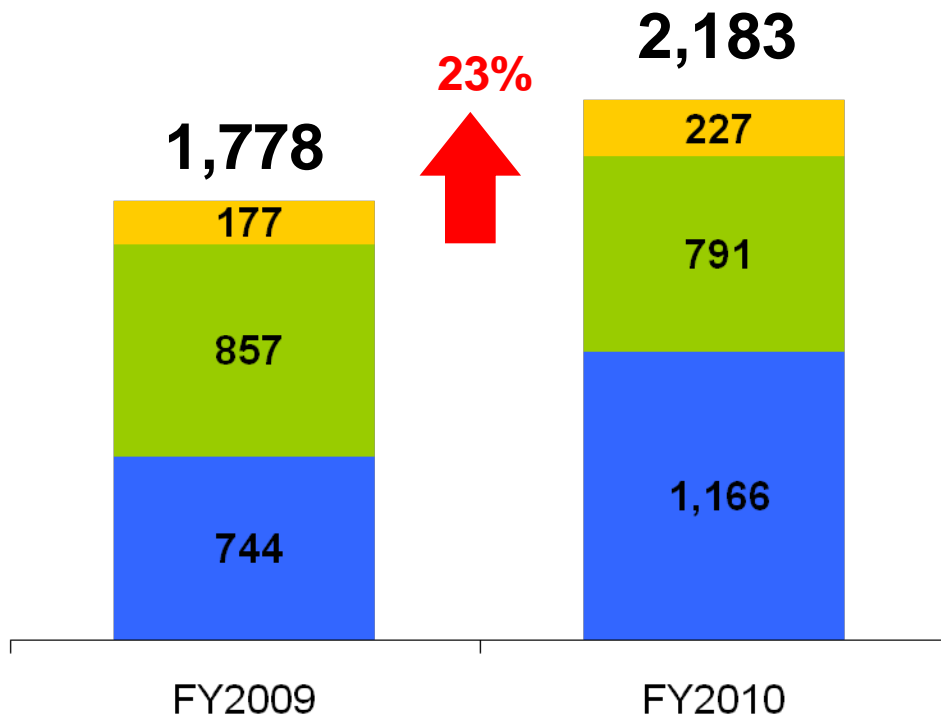
QUARTERLY BREAKDOWN



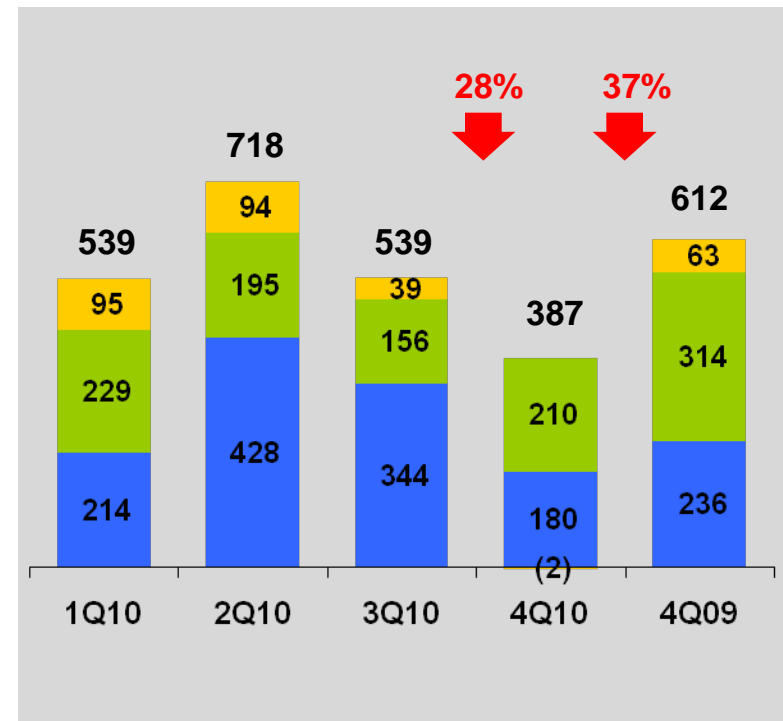
■ Flour
 ■ Feeds
 ■ Swine

FINANCIAL HIGHLIGHTS

EBITDA (in million pesos)



QUARTERLY BREAKDOWN



■ Flour
 ■ Feeds
 ■ Swine

Flour

- Iligan port dredging in preparation of bigger wheat vessels
- Rehabilitation of the unloading facility with a pneumatic unloader

Feedmill

- Building feed wheat silos to support the second feed line
- Develop new products lines in answer to market demands
- ISO certification by 2Q 2011 of the Iligan and Tarlac plant

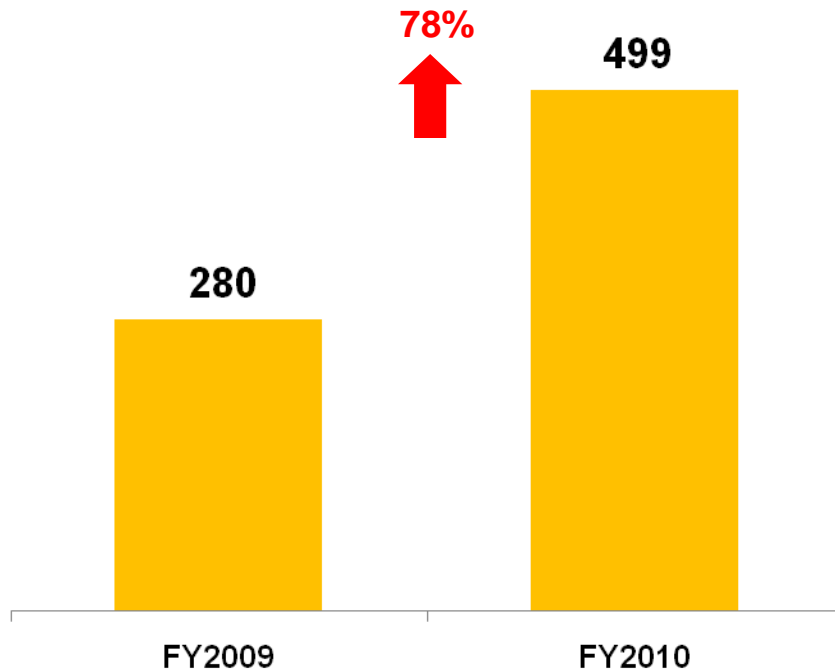
Swine

- Grow sow level from 6,500 to 8,000 heads
- Increase nursery capacity
- Build company-owned tunnel ventilated finisher farms

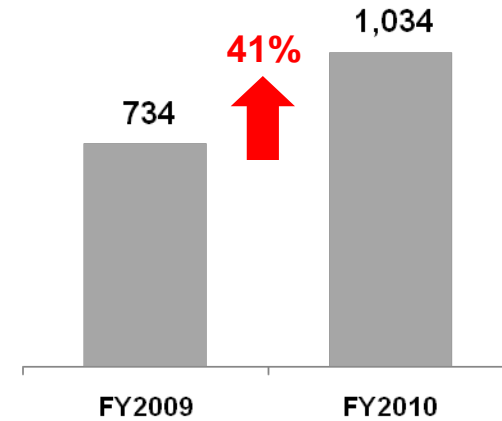
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Robust income from loans drove bottomline performance

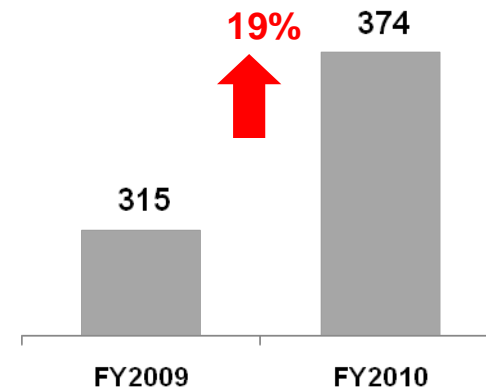
Net Income
(in Million Pesos)



Net Interest Income
(in Million Pesos)

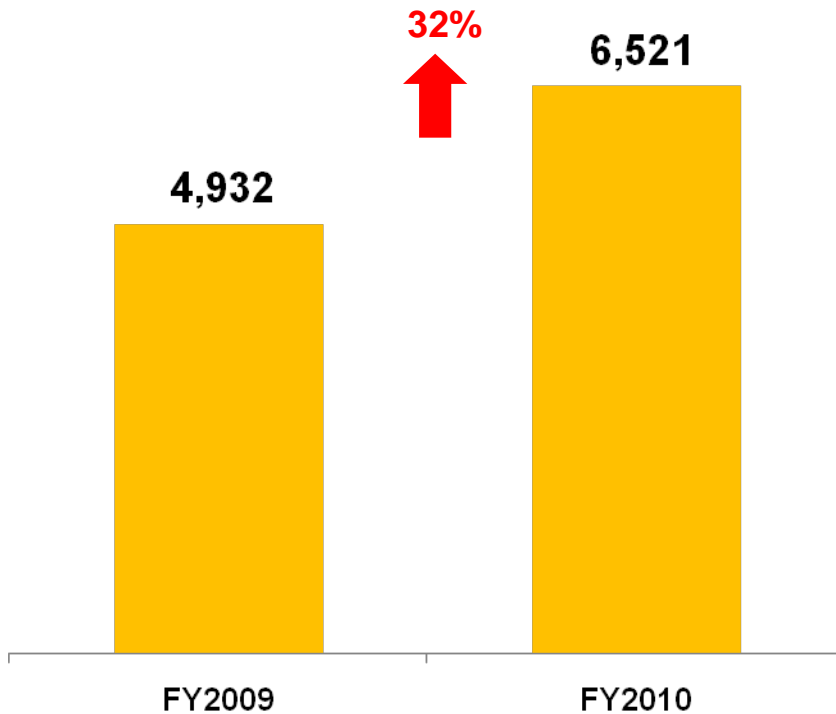


Operating Expenses
(in Million Pesos)

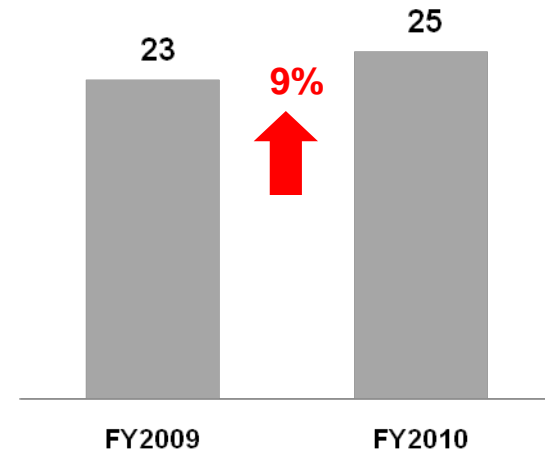


Loan growth propelled by branch expansion and increase in average loan per borrower

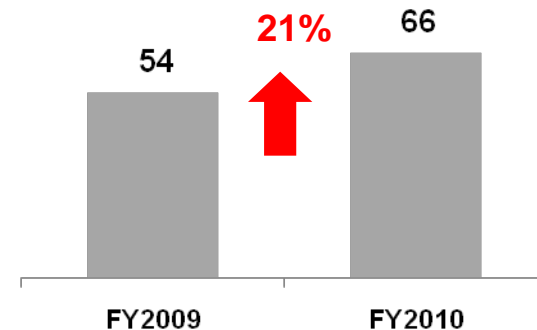
Loan Portfolio
(in Million Pesos)



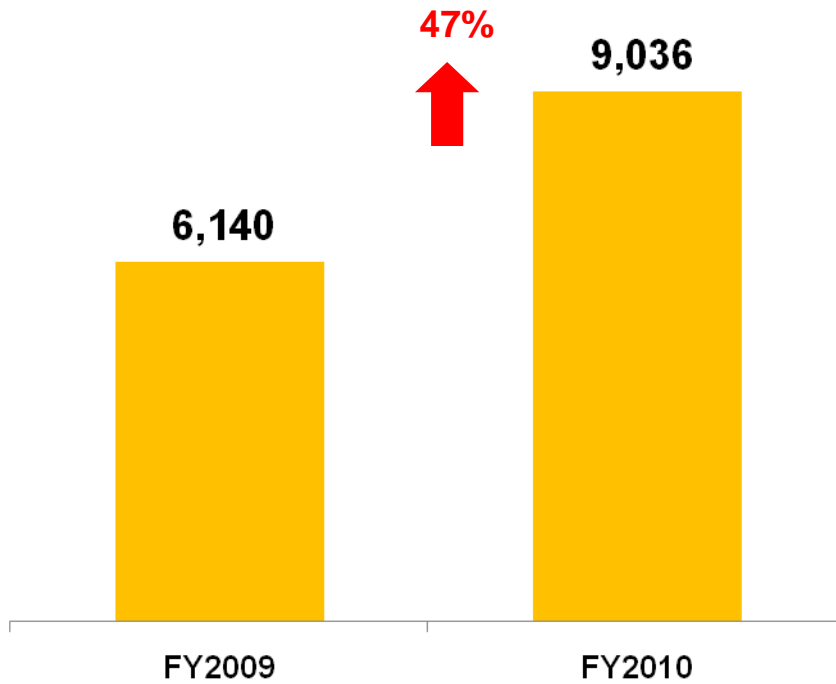
Branch Network



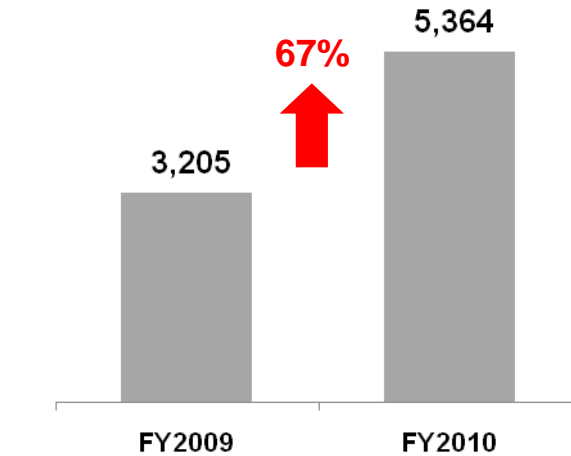
Average Loan Per Borrower
(in Thousand Pesos)



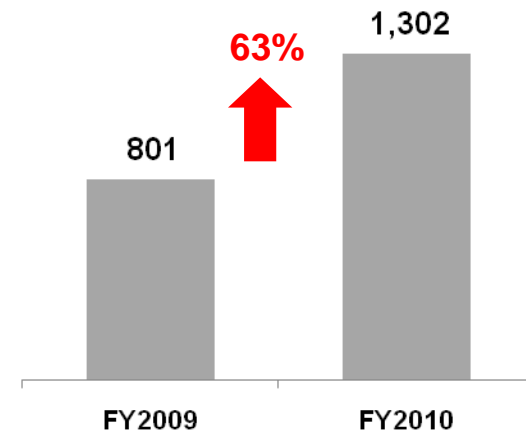
Total Resources (in Million Pesos)



Total Deposits (in Million Pesos)

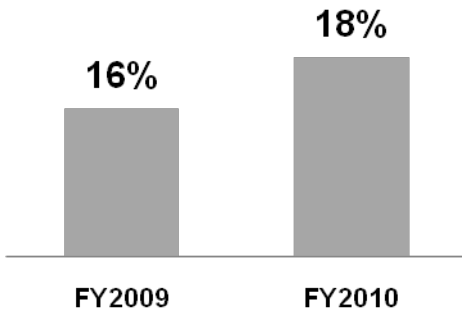


Capital Funds (in Million Pesos)

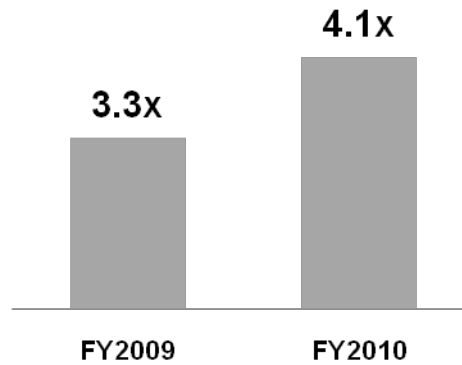


KEY RATIOS

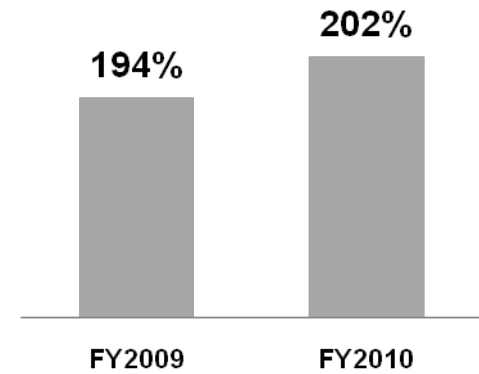
Capital Adequacy Ratio



Revenue to Overhead



NPL Coverage Ratio

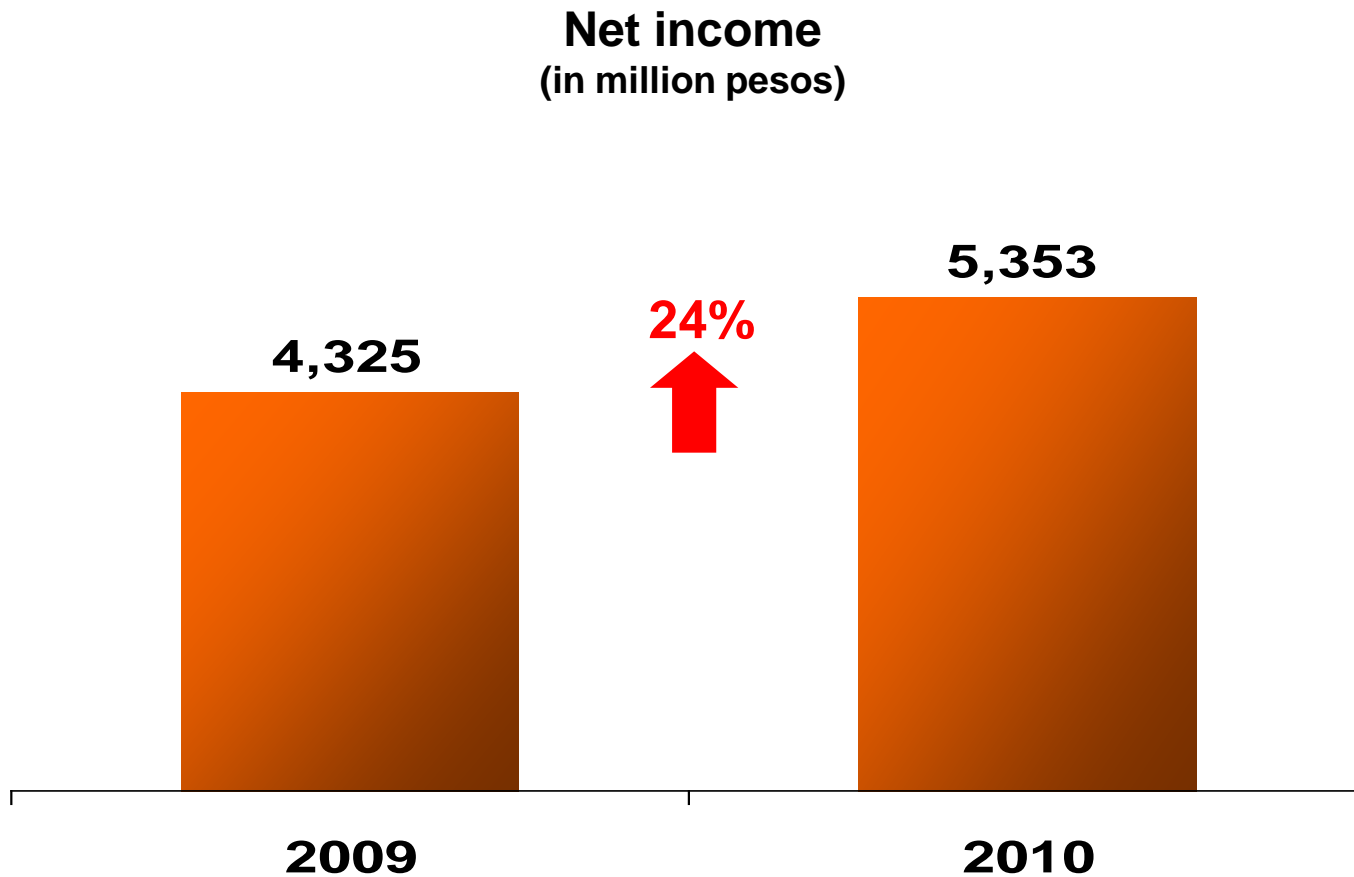


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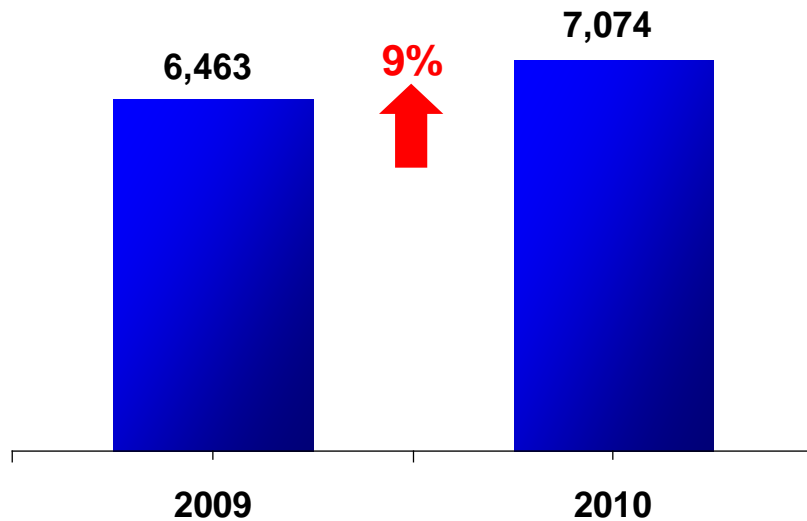
FOCUS 2020
The Beginning

Steady growth in net income

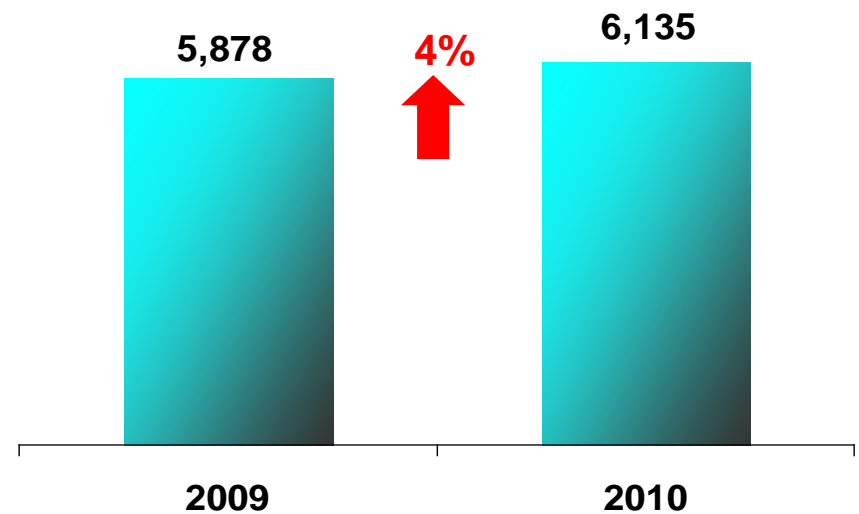


Lower deposit cost coupled with hefty securities trading gains

Net Interest income
(in million pesos)

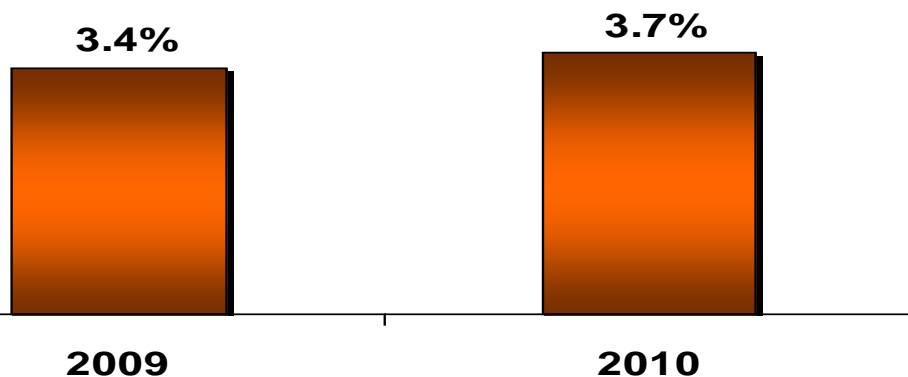


Non-Interest Income
(in million pesos)

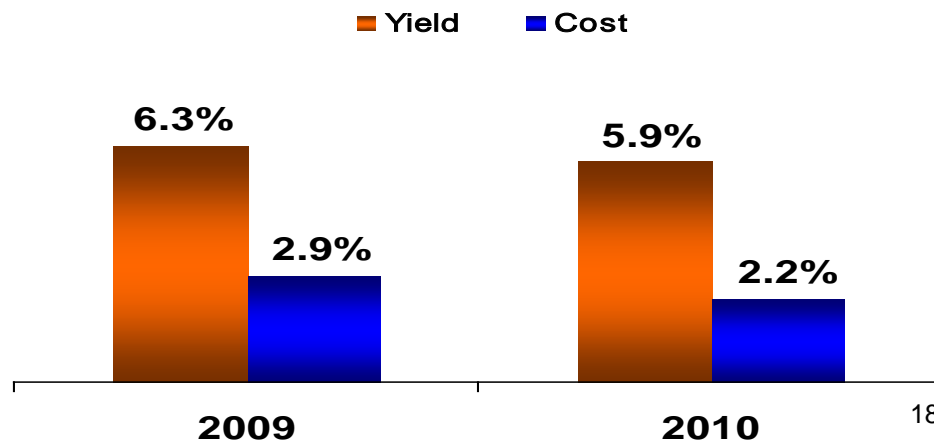


Margin inched up on lower average funding cost

Net Interest Margin

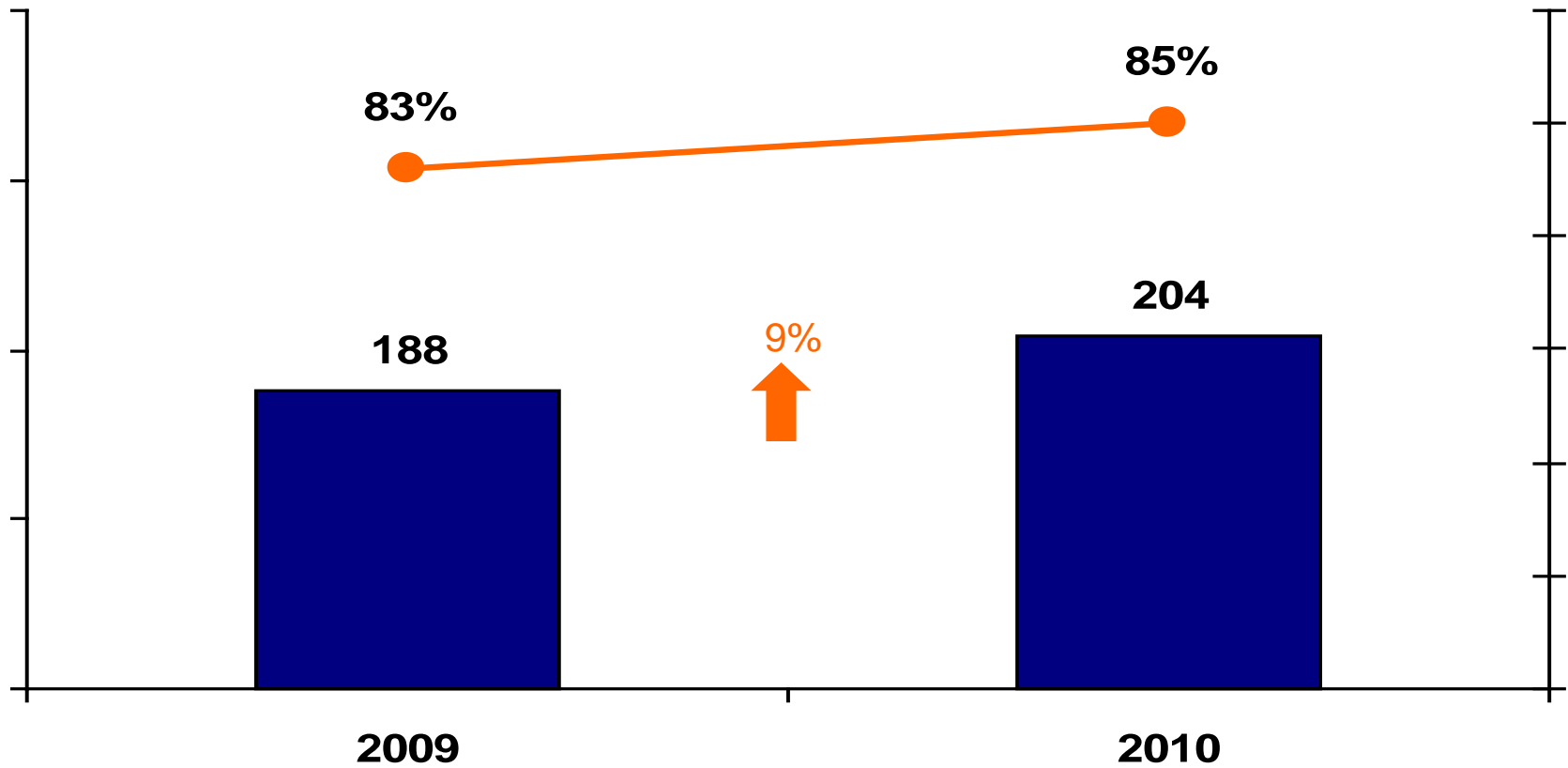


Average Yield – Average Cost



Increasing share of earning assets

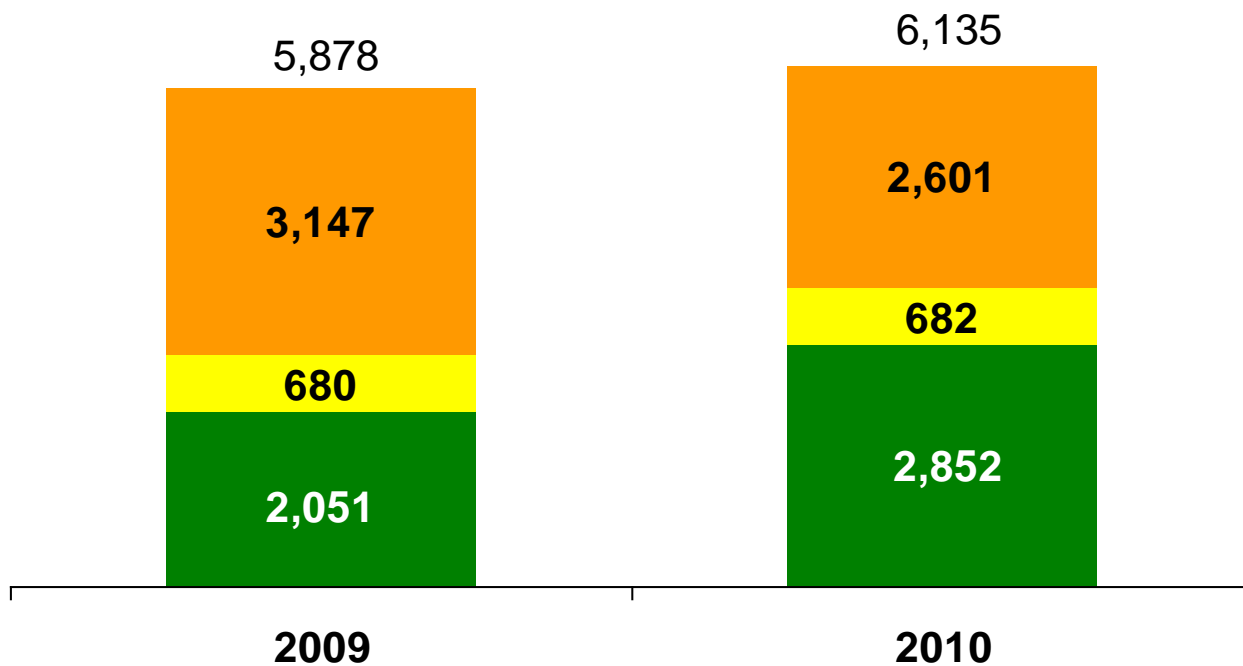
■ Earning assets (ADB in billion pesos) —●— % to Total assets



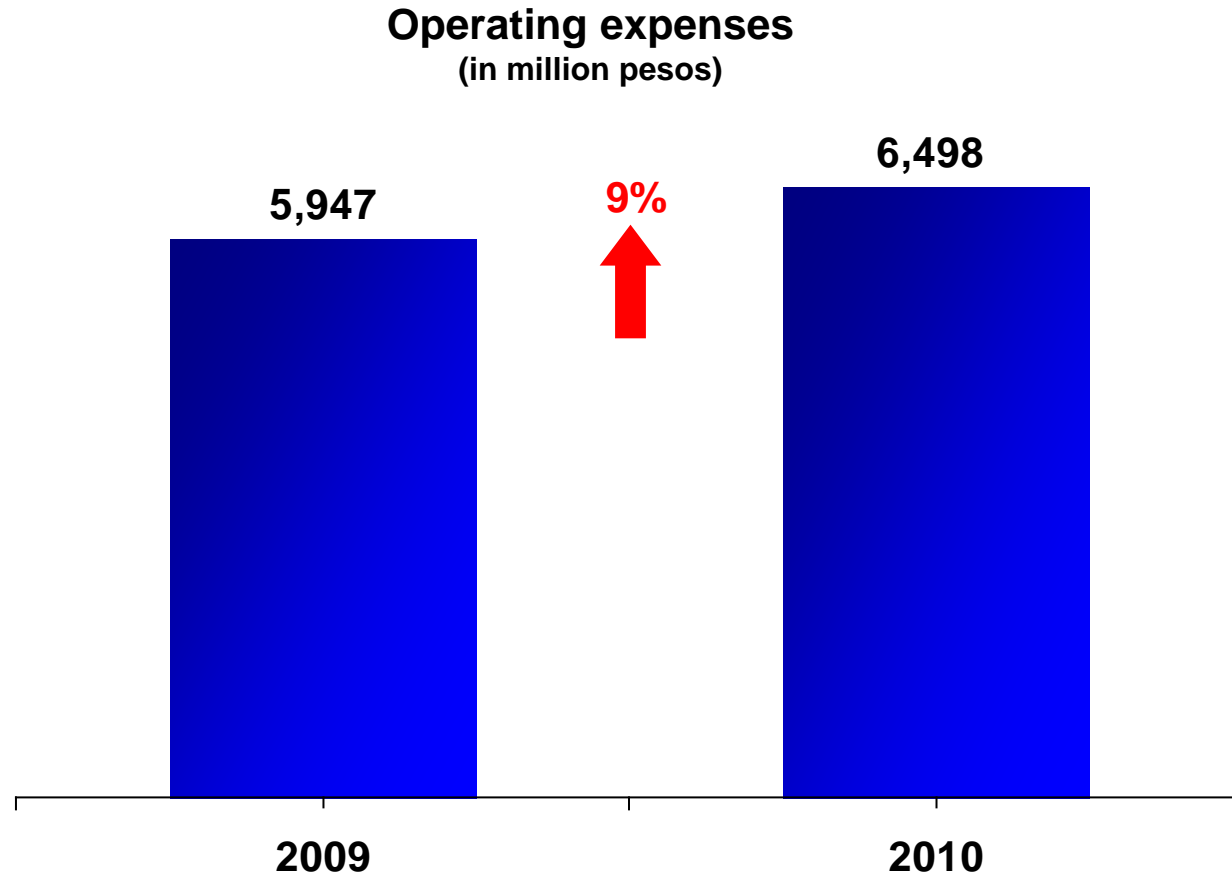
Sustained income growth on strong treasury performance

Non-interest income (in million pesos)

■ Trading gain - net ■ Service charges, fees & commissions ■ Miscellaneous

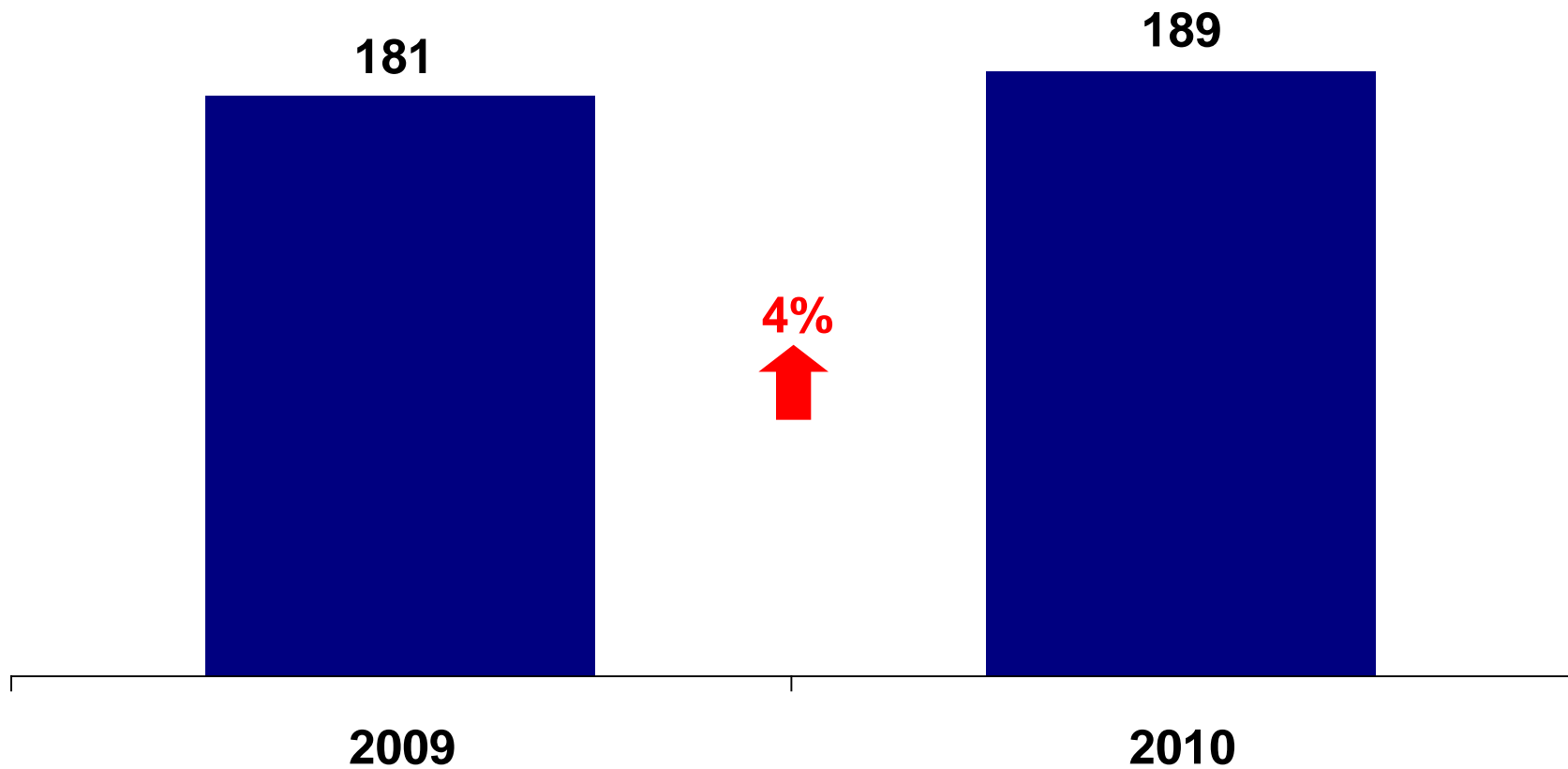


Higher operational expenses on increasing business volume



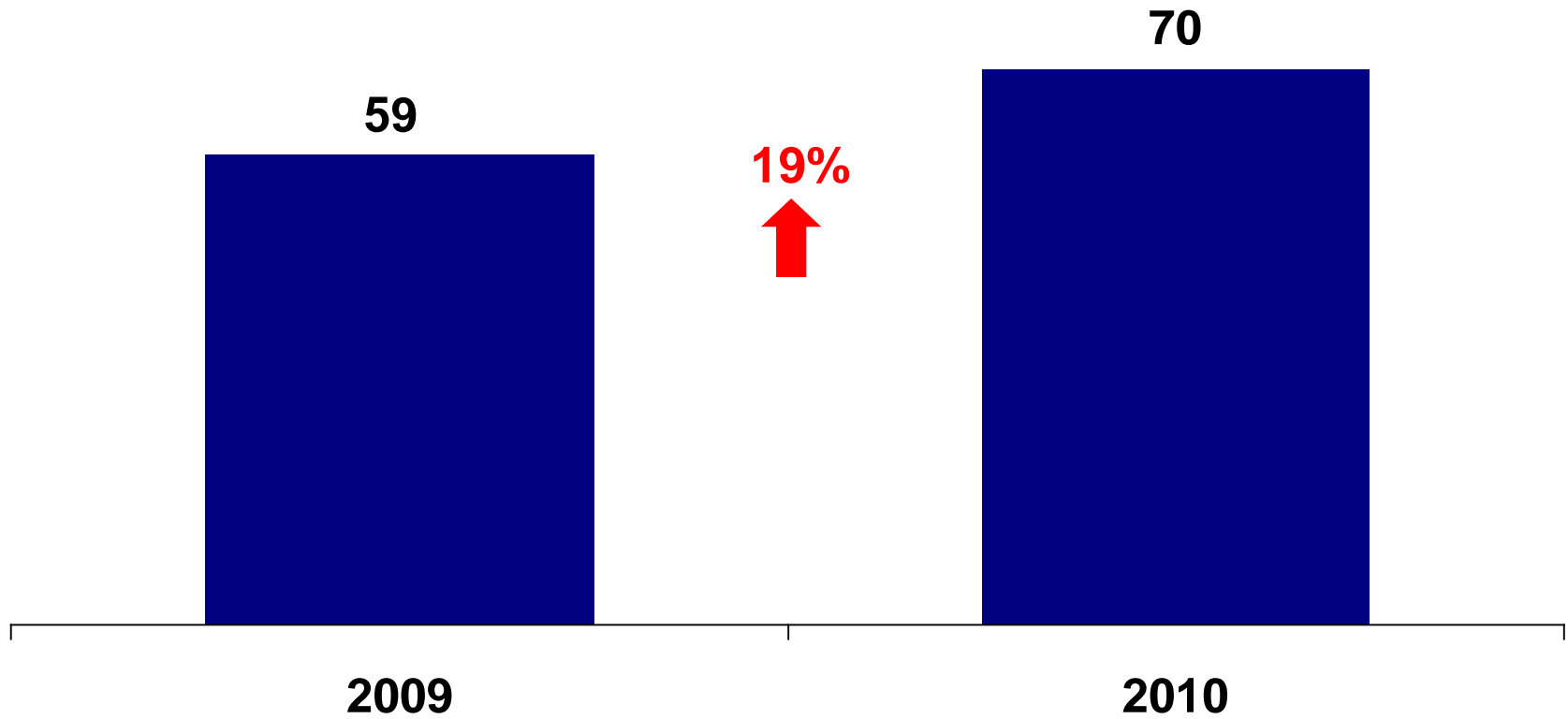
Deposit growth moderated

Deposits
(ADB in billion pesos)



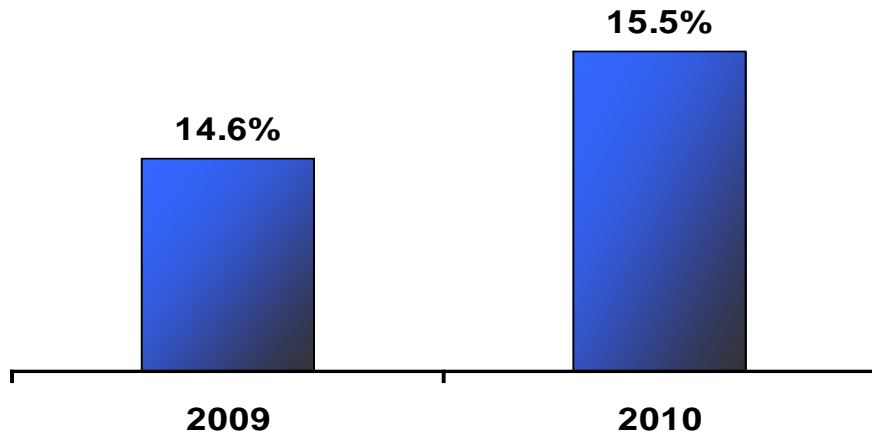
Expanding credit portfolio

Loans + Preferreds
(ADB in billion pesos)

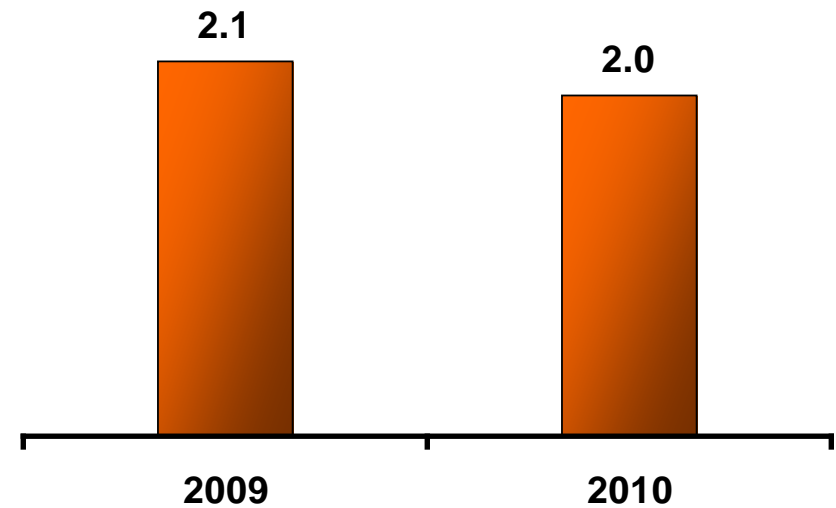


Profitability ratios improved, efficiency ratio on target

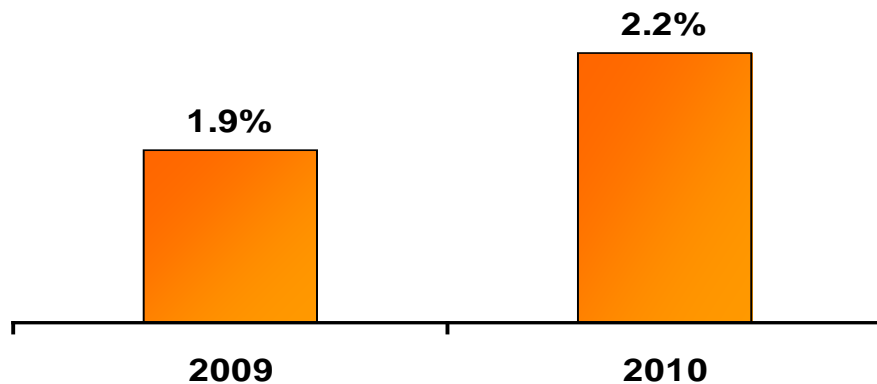
Return on average equity



Revenue to expense

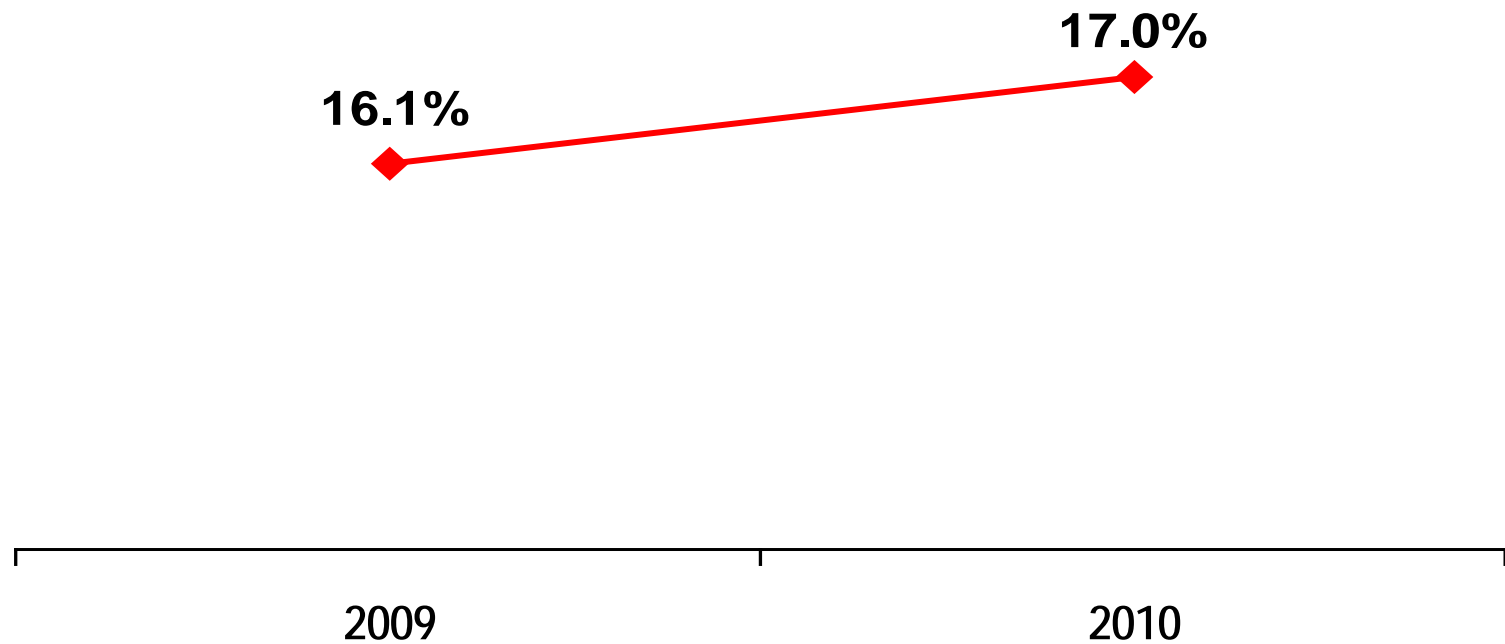


Return on average assets



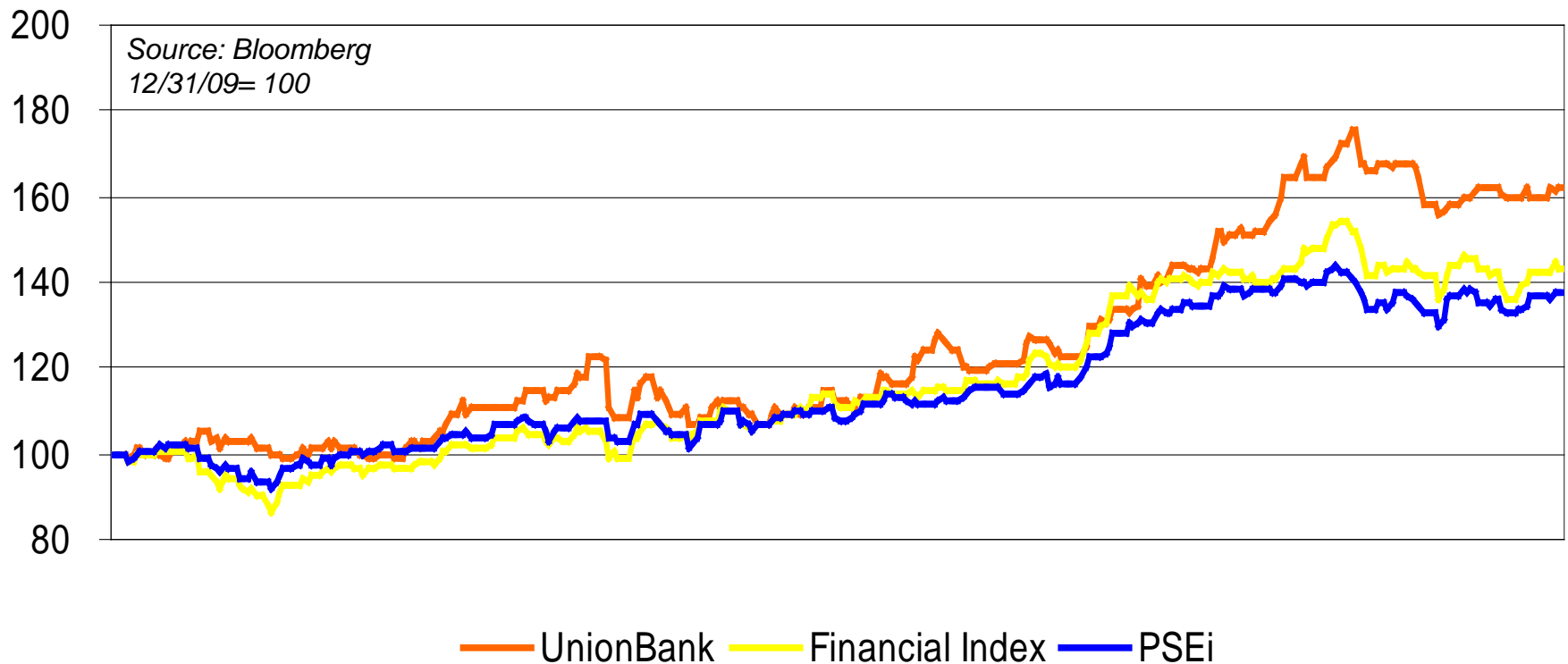
Capital adequacy ratio strengthened on strong earnings performance

Capital adequacy ratio (%)



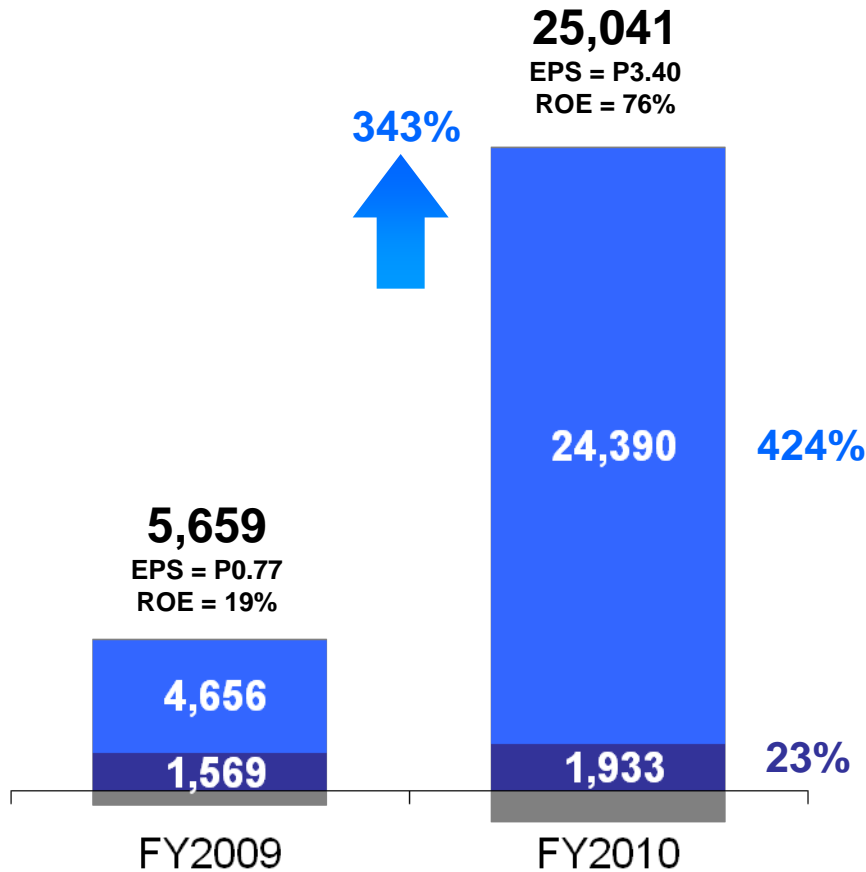
Surpassed stock market and financial sector indices price gain

RE-BASED STOCK PRICE PERFORMANCE (12/31/09 - 12/31/10)

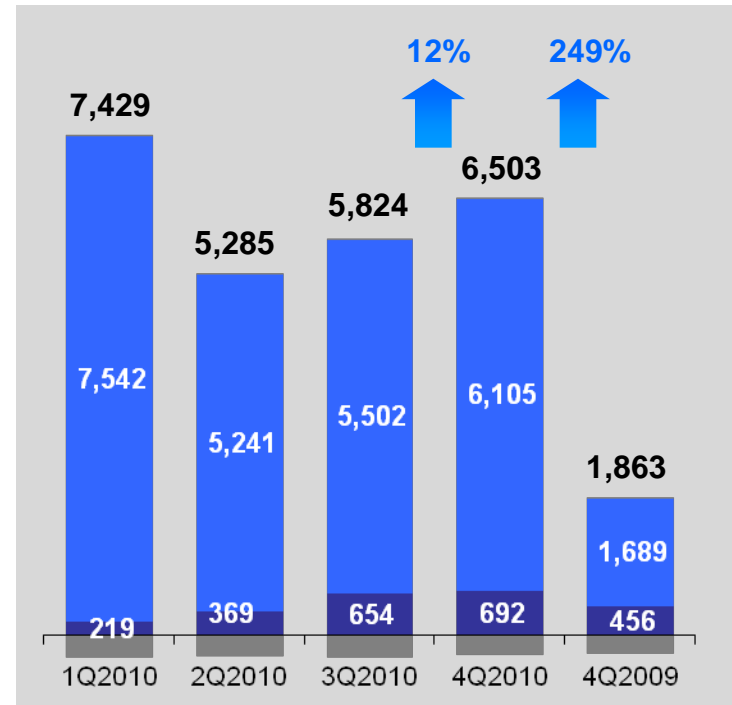


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NET INCOME (in million pesos)



QUARTERLY BREAKDOWN



■ Distribution ■ Generation ■ AP Parent

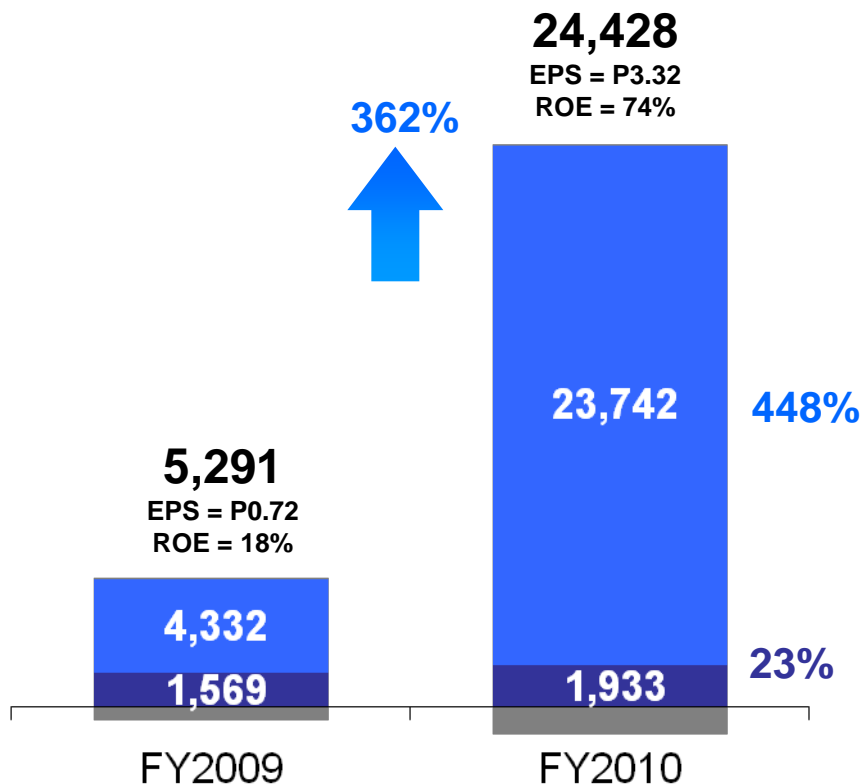
CORE NET INCOME (in million pesos)

Non-Recurring Items

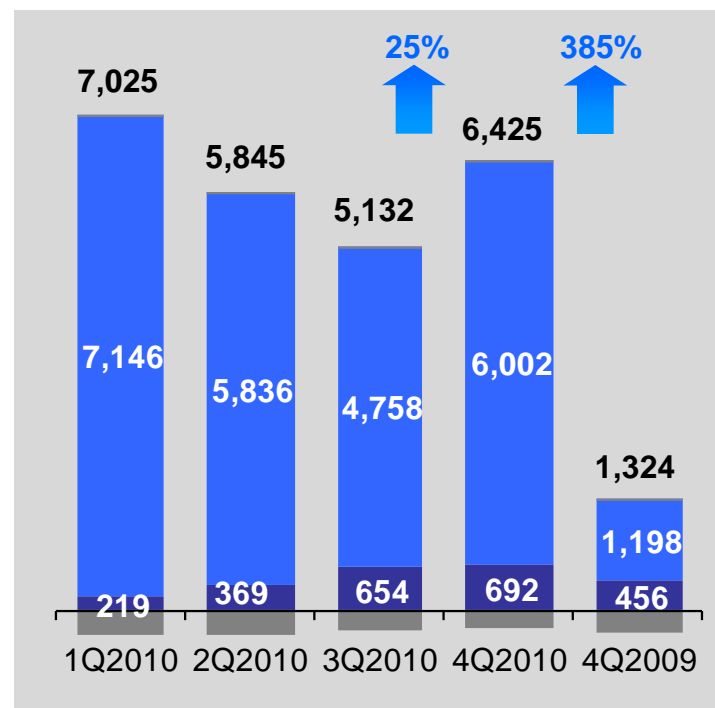
	FY2009	FY2010
FX gains - Parent	44	(34)
FX loss - Generation	454	1,041
Reversal of NPC charges	103	5
Acqui-related costs	(232)	-
STEAG refinancing cost	-	(398)
Total Gains/(Losses)	368	613

Non-Recurring Items

	1Q2010	2Q2010	3Q2010	4Q2010	4Q2009
FX gains - Parent	7	35	(51)	(25)	49
FX gains - Generation	397	(595)	1,141	98	434
Reversal of NPC claims	-	-	-	5	103
Acqui-related costs	-	-	-	-	(47)
STEAG refinancing cost	-	-	(398)	-	-
Total Gains/(Losses)	404	(560)	692	78	539



QUARTERLY BREAKDOWN



■ Distribution ■ Generation ■ AP Parent

CORE NET INCOME, Ex Pagbilao Effect (in million pesos)

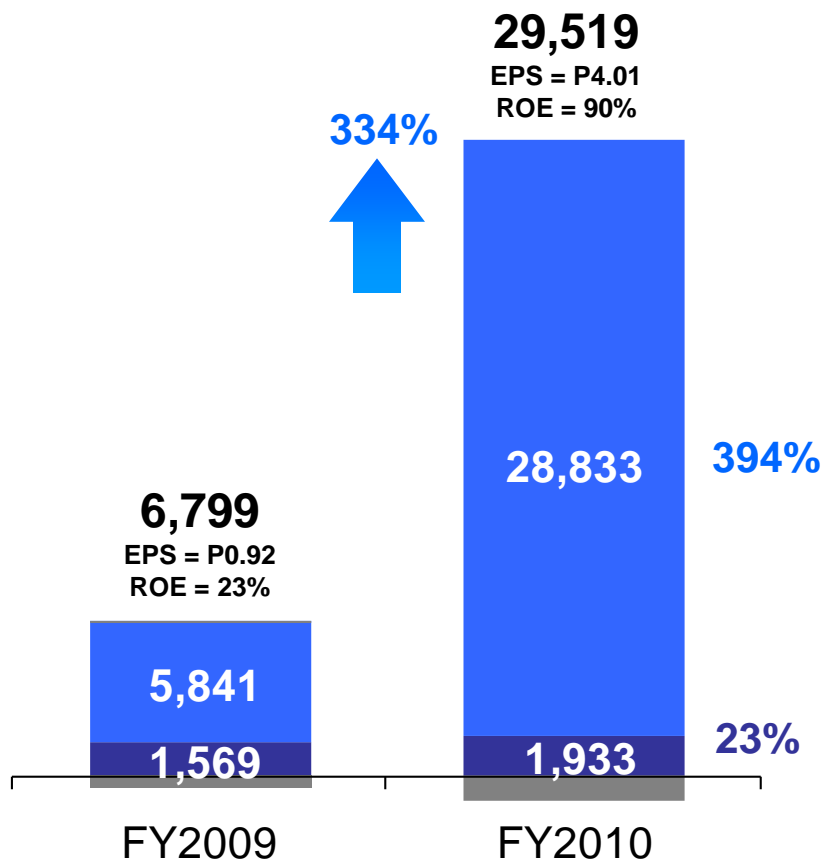


Pagbilao Finance Lease Effect

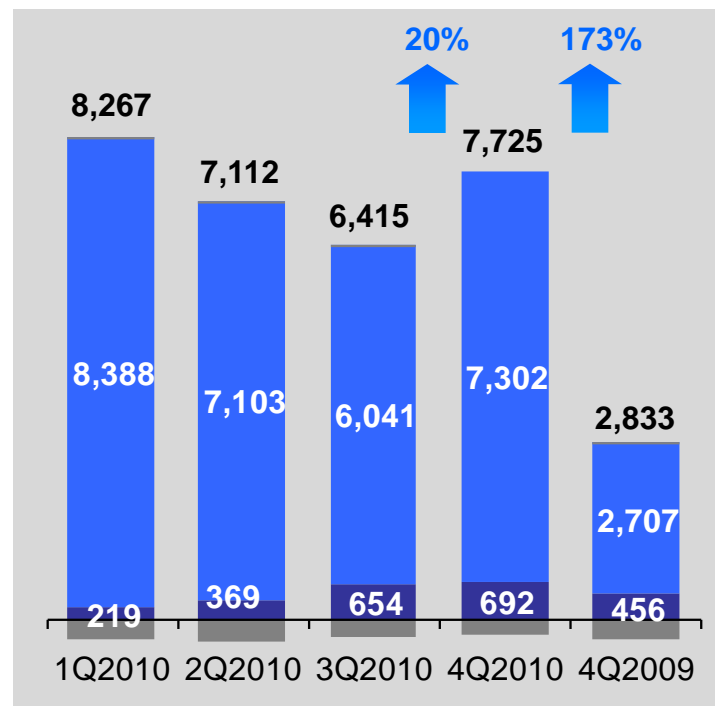
	FY2009	FY2010
Accreted Interest Expense	1,235	5,116
Depreciation	274	1,095
PSALM Monthly Payments	-	(1,119)
	<u>1,509</u>	<u>5,091</u>

Pagbilao Finance Lease Effect

	1Q2010	2Q2010	3Q2010	4Q2010	4Q2009
Accreted Interest Expense	1,250	1,274	1,291	1,301	1,235
Depreciation	274	274	274	273	274
PSALM Monthly Payments	(282)	(281)	(281)	(275)	-
	<u>1,242</u>	<u>1,266</u>	<u>1,283</u>	<u>1,300</u>	<u>1,509</u>

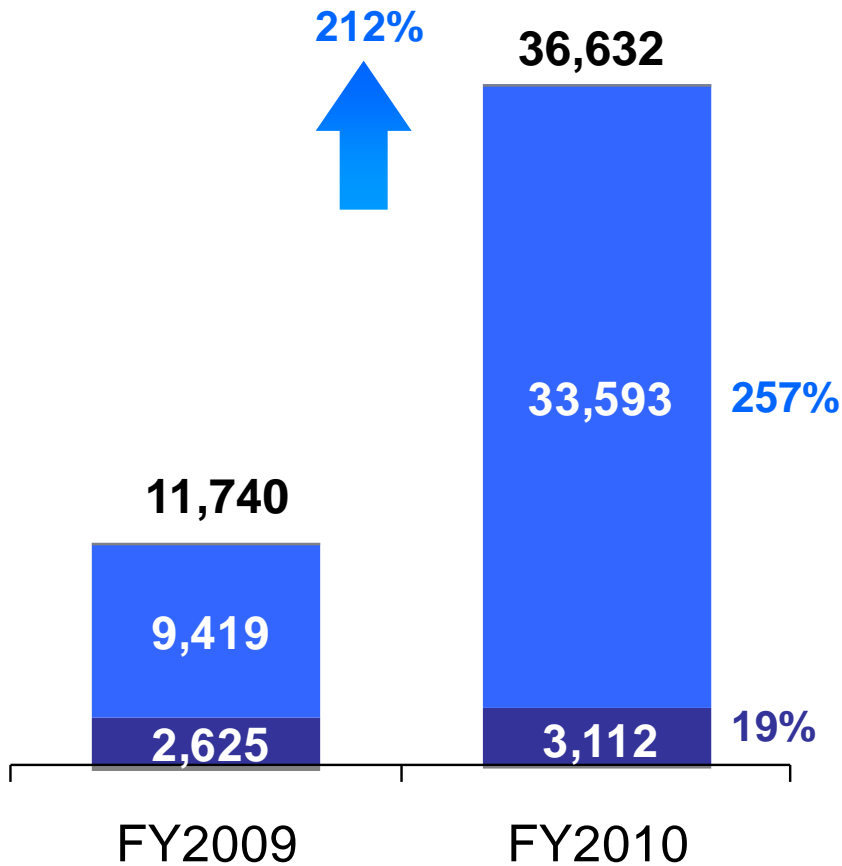


QUARTERLY BREAKDOWN

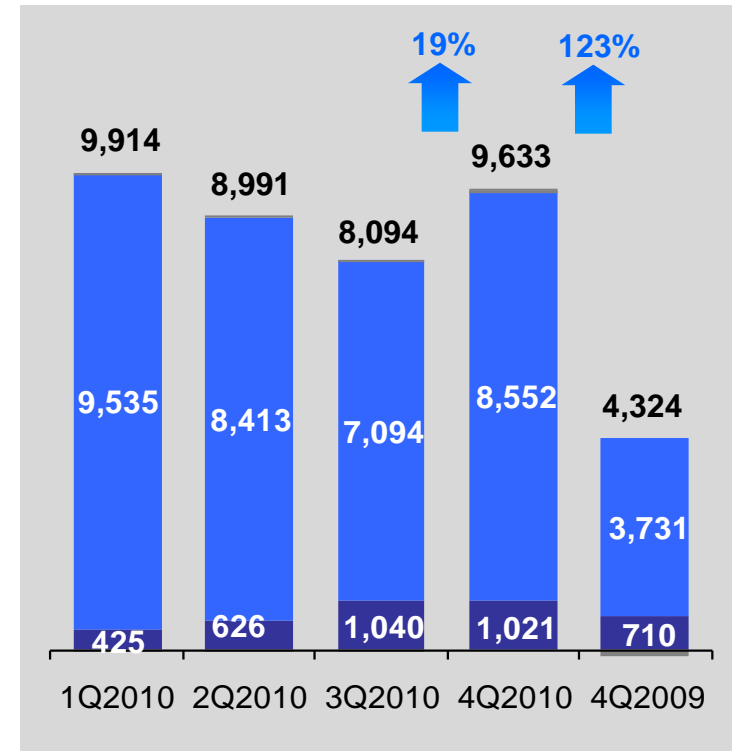


■ Distribution ■ Generation ■ AP Parent

PROFORMA EBITDA (in million pesos)



QUARTERLY BREAKDOWN

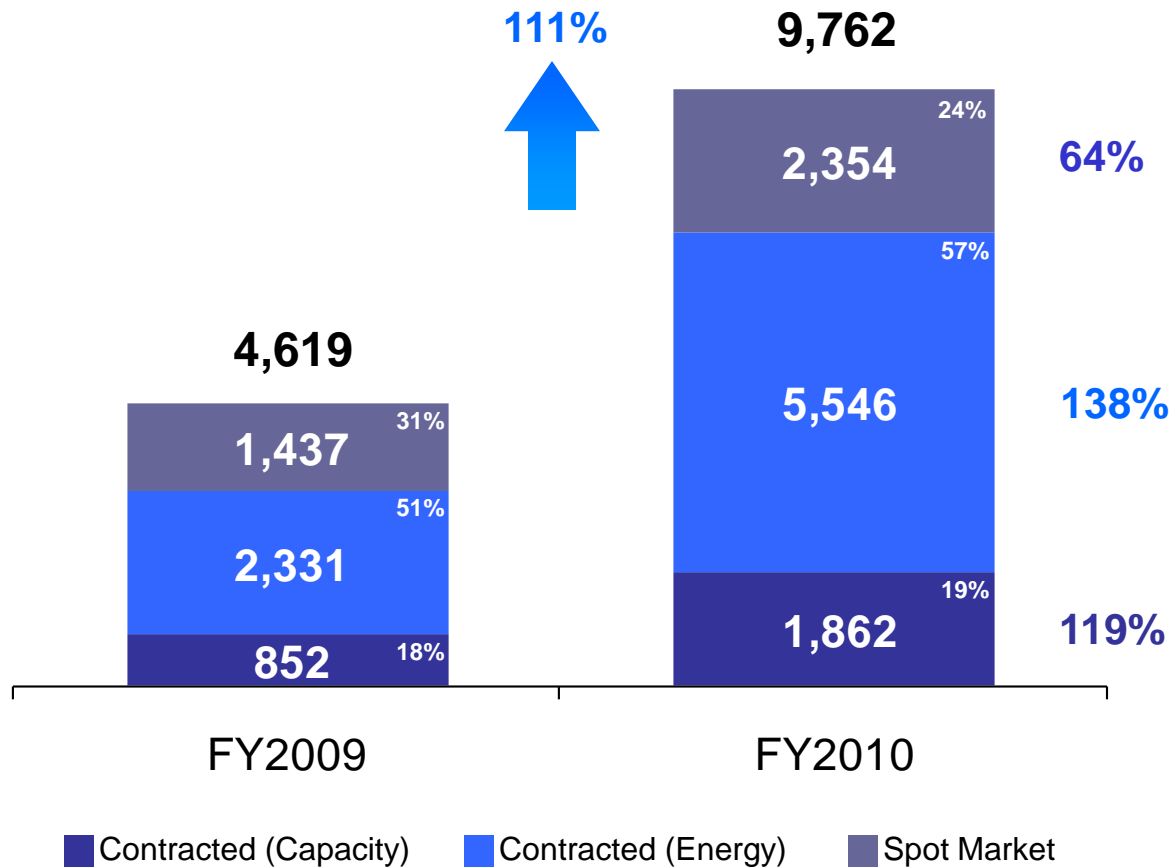


Distribution
 Generation
 AP Parent

OPERATING HIGHLIGHTS: GENERATION

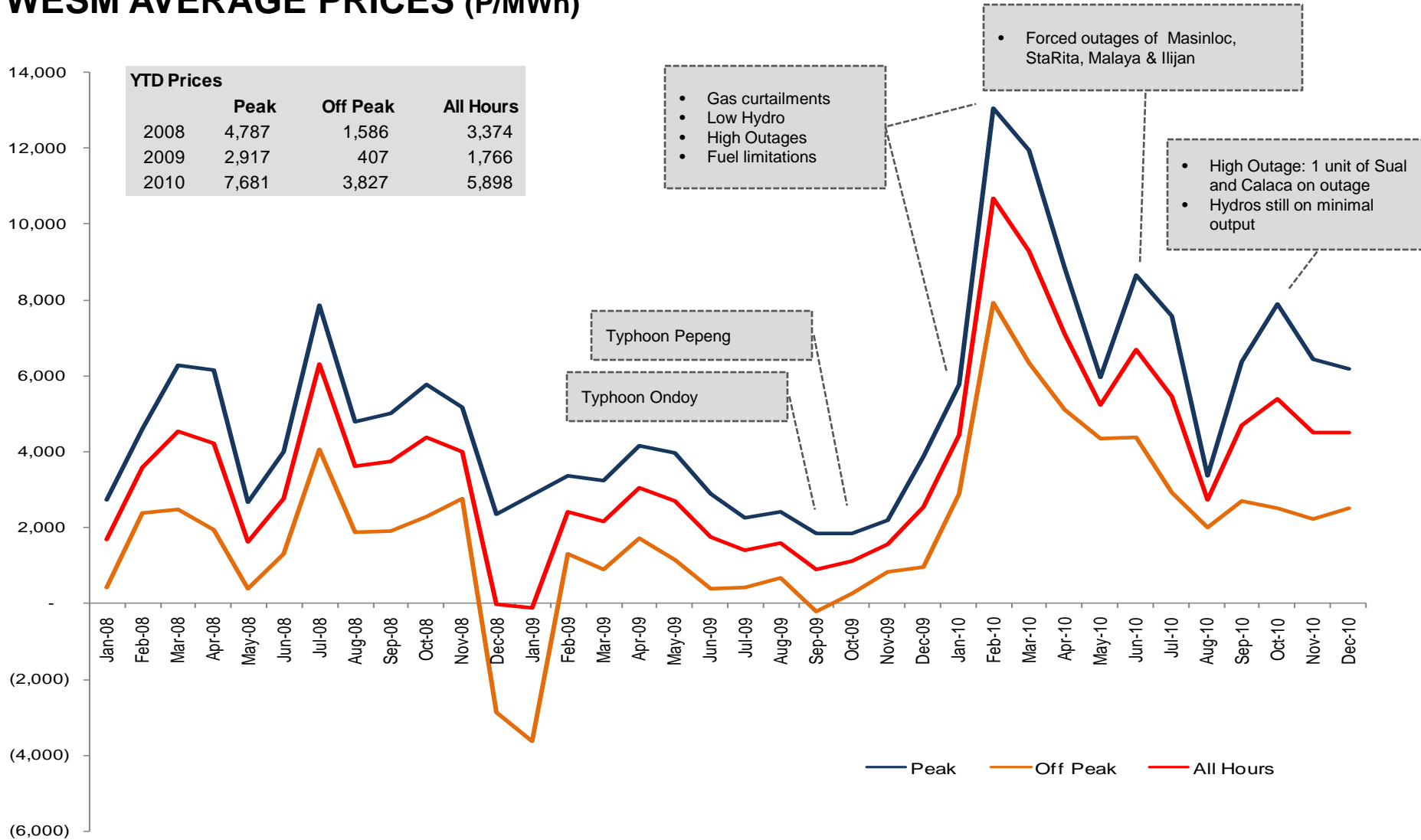


ENERGY SALES BREAKDOWN (GWh)



OPERATING HIGHLIGHTS: 2010 WESM HIGHLIGHTS

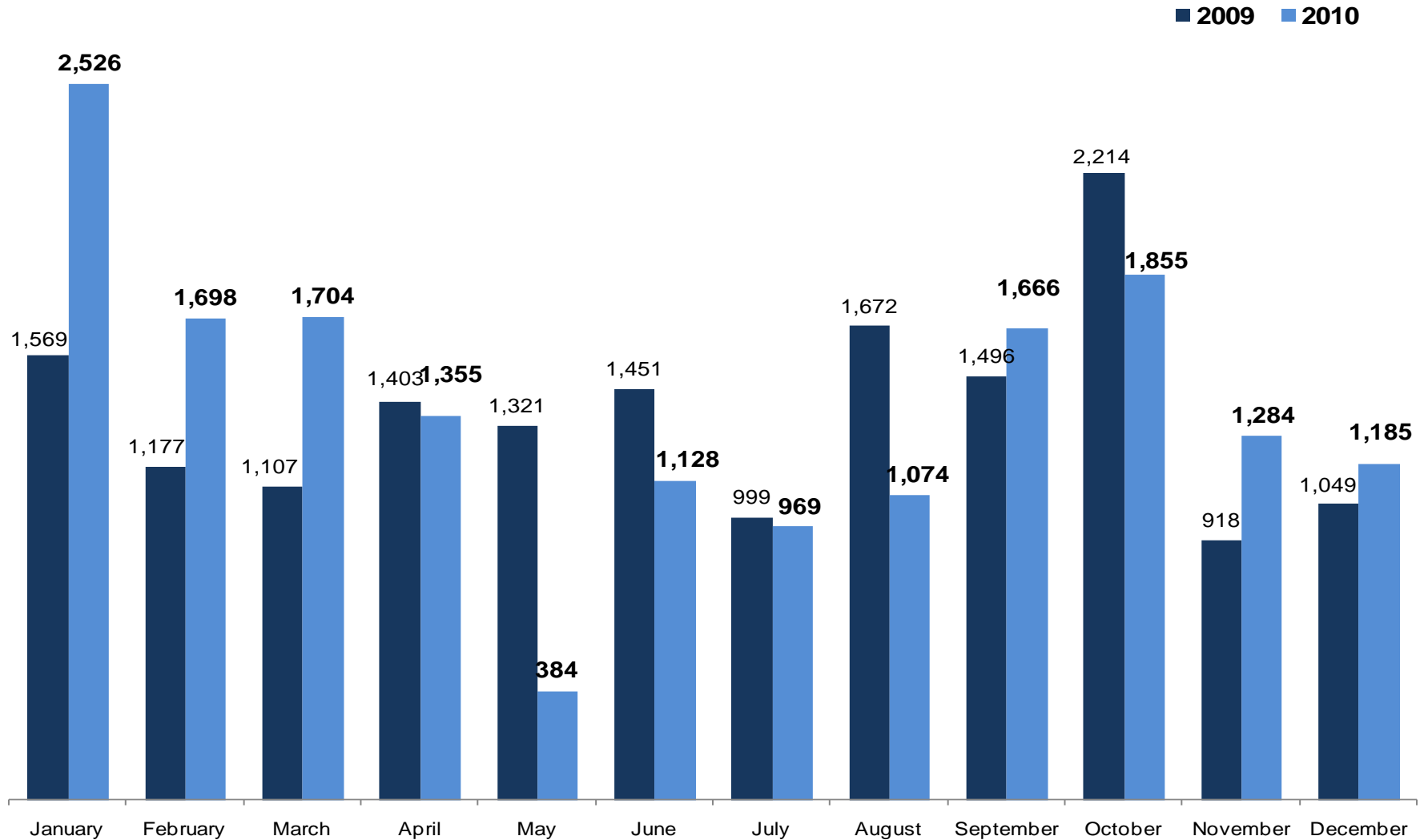
WESM AVERAGE PRICES (P/MWh)



Note: Calculated based on raw data downloaded from the WESM website as of January 2011. July 26 – October 25, 2008 prices are reflective of NPC TOU rates.

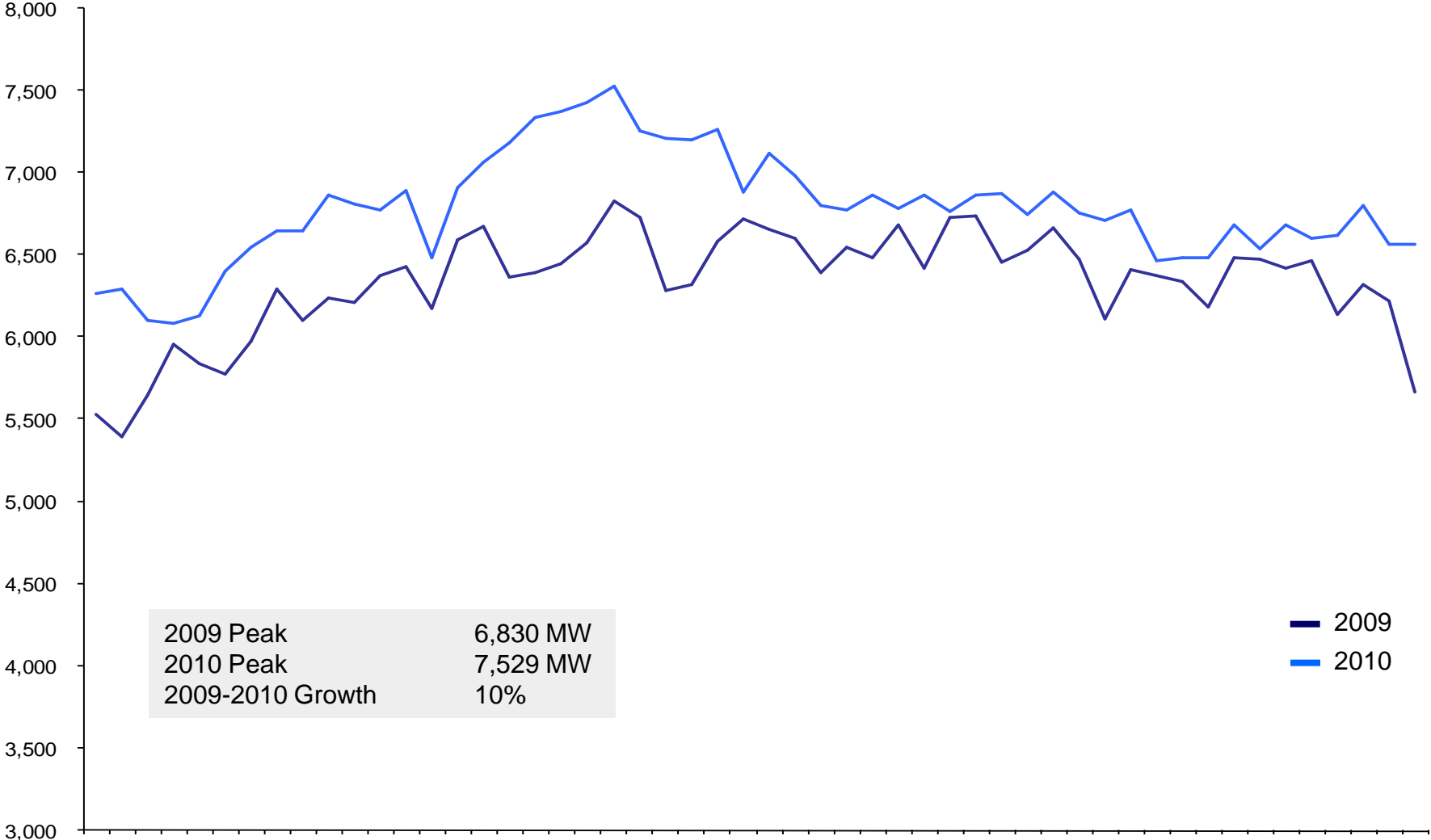
Source: WESM, SNAP

AVERAGE CAPACITY ON OUTAGE (in MW)



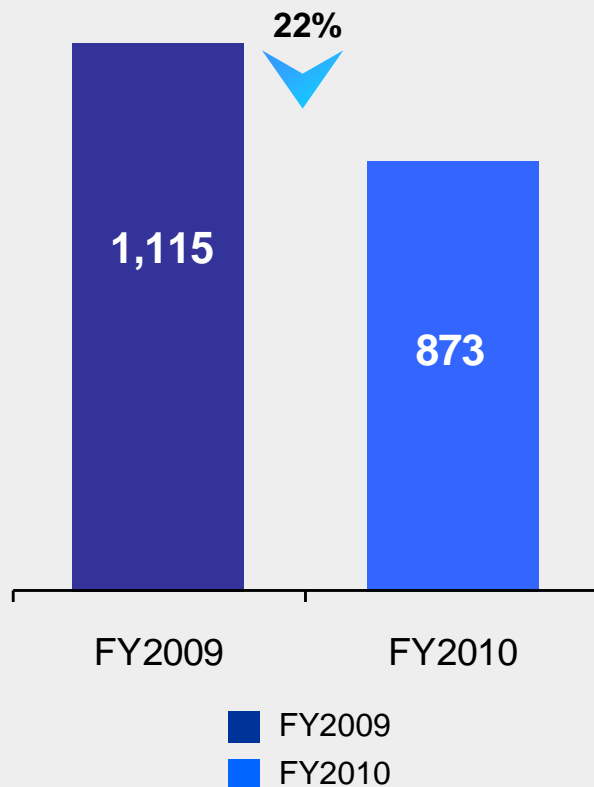


WEEKLY SYSTEM PEAK DEMAND (in MW)

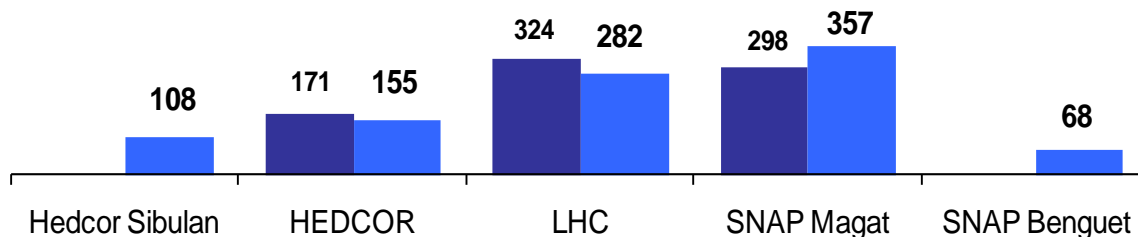


OPERATING HIGHLIGHTS: HYDRO

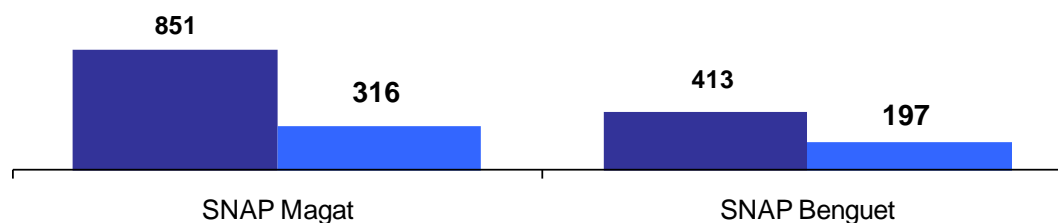
ATTRIBUTABLE ENERGY SALES (GWh)



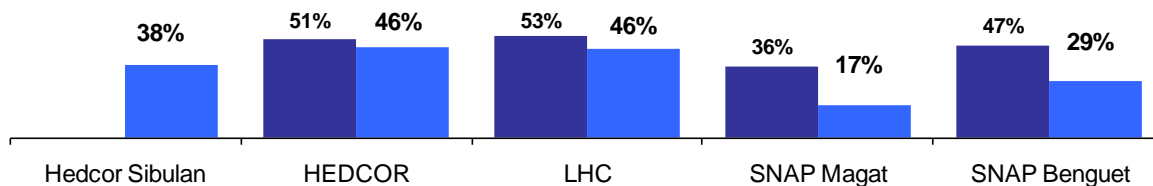
CONTRACTED ENERGY (GWh), at 100%



SPOT MARKET (GWh), at 100%

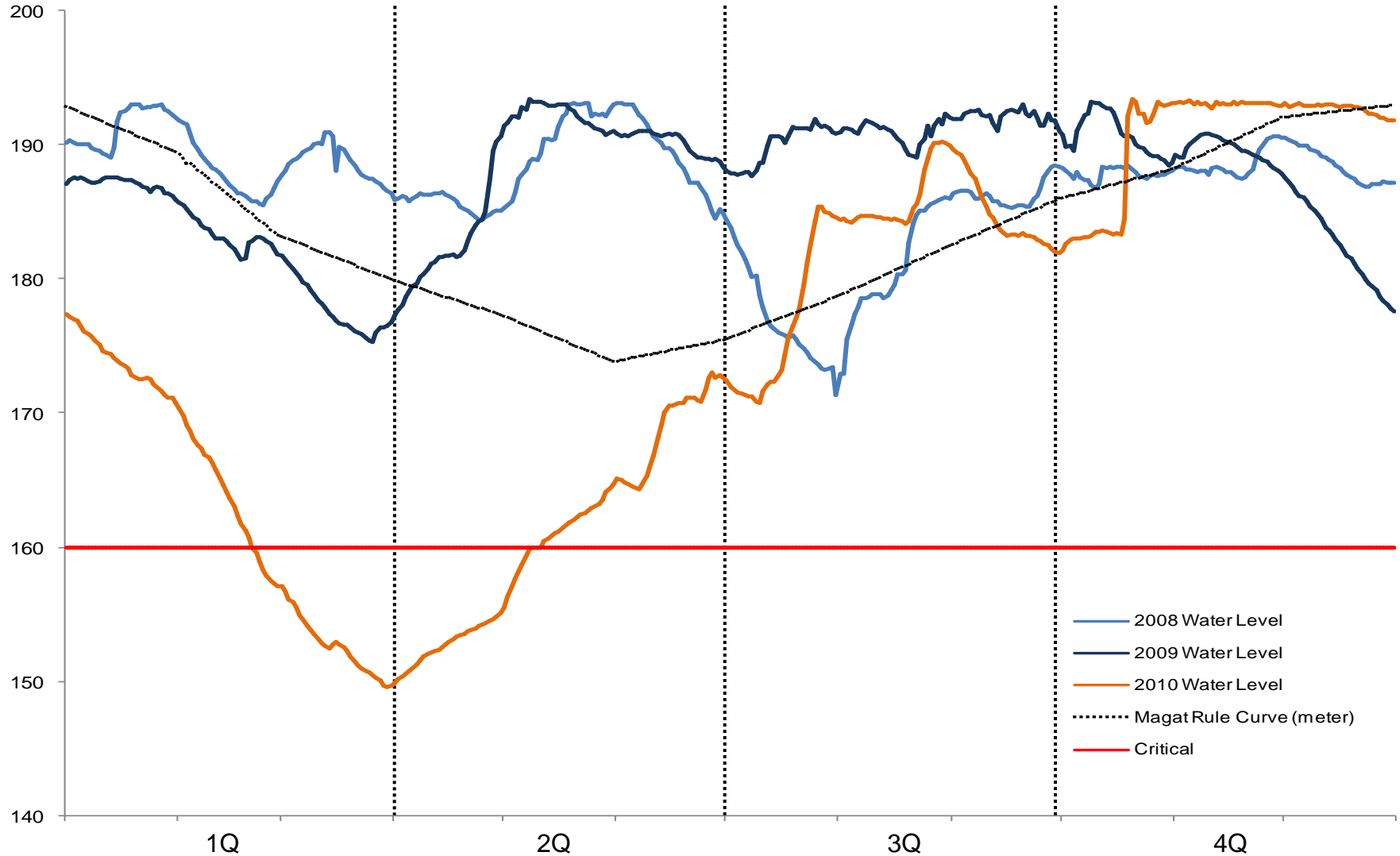


NET CAPACITY FACTOR



OPERATING HIGHLIGHTS: HYDRO

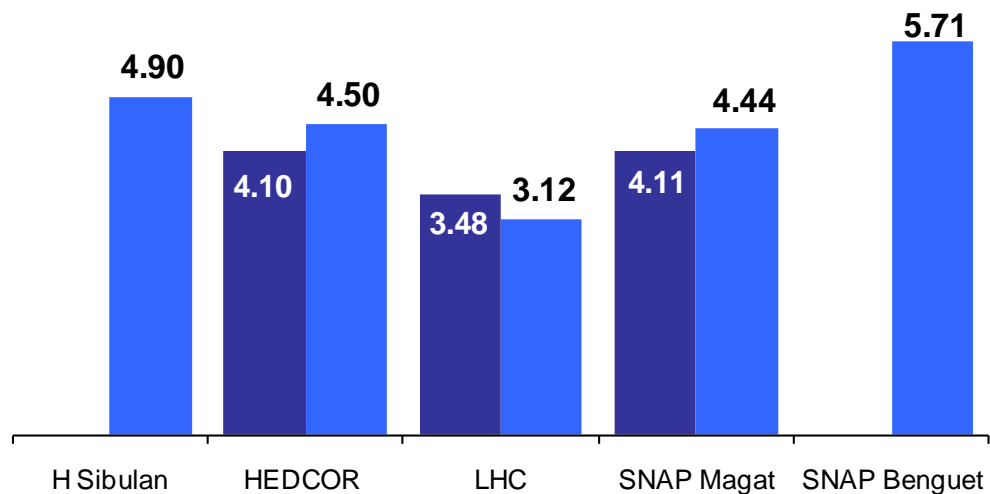
MAGAT'S WATER LEVEL VS. RULE CURVE (in MASL)



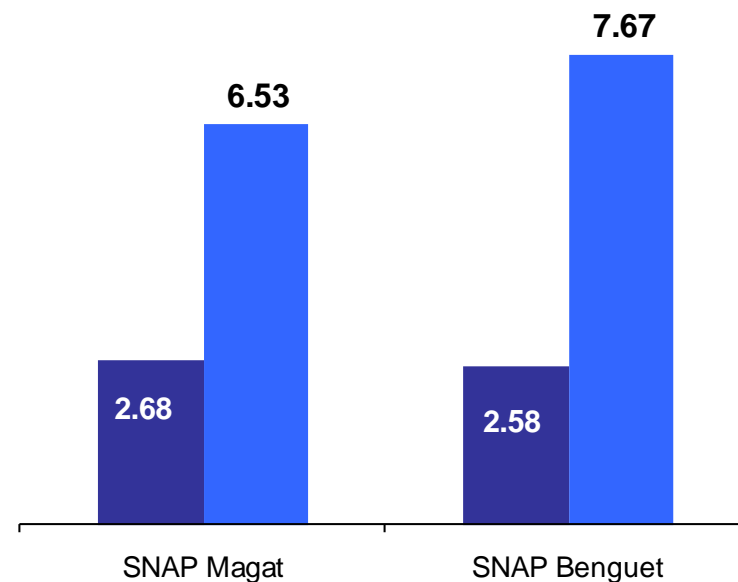
Source: SNAP

AVERAGE SELLING PRICE (in P/kWh)

CONTRACTED ENERGY

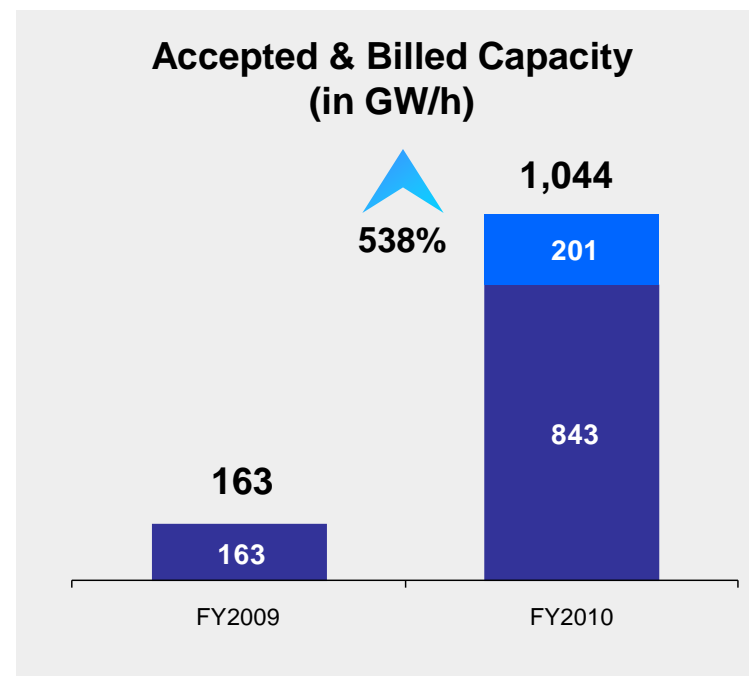
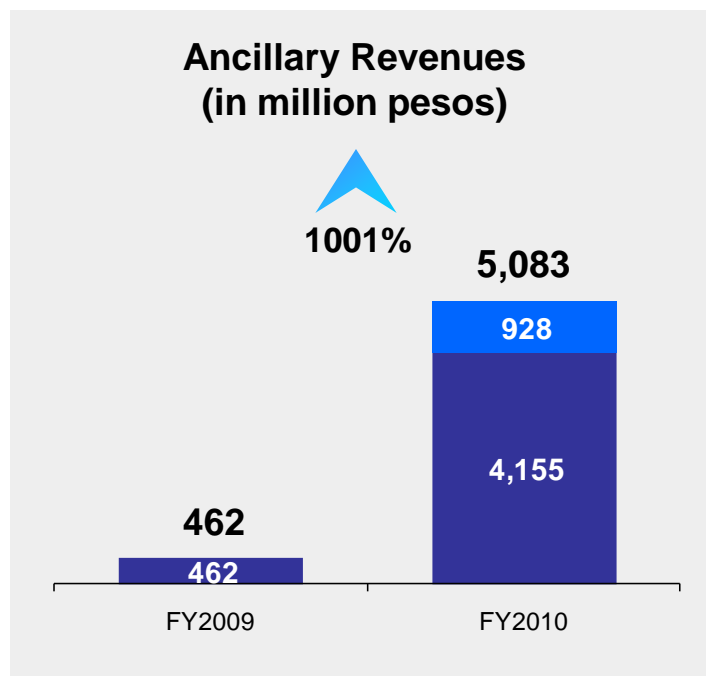


SPOT MARKET



■ FY2009
■ FY2010

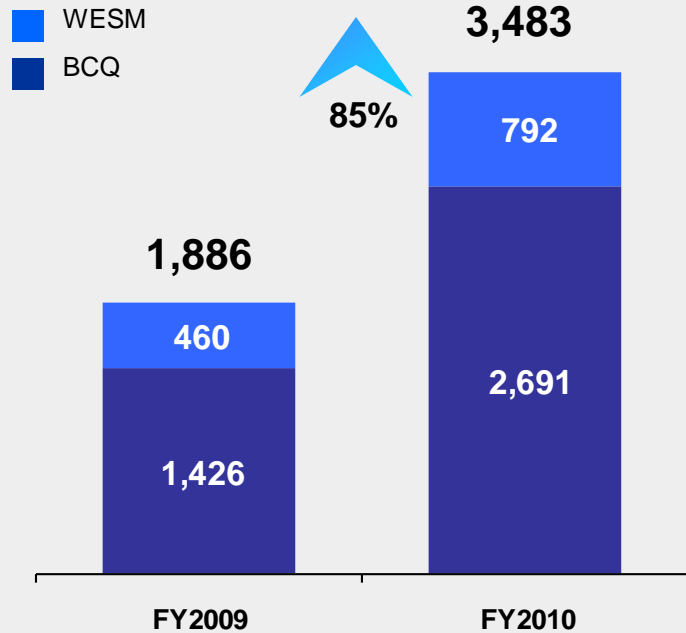
SNAP MAGAT & SNAP BENGUET ANCILLARY SERVICES (at 100%)



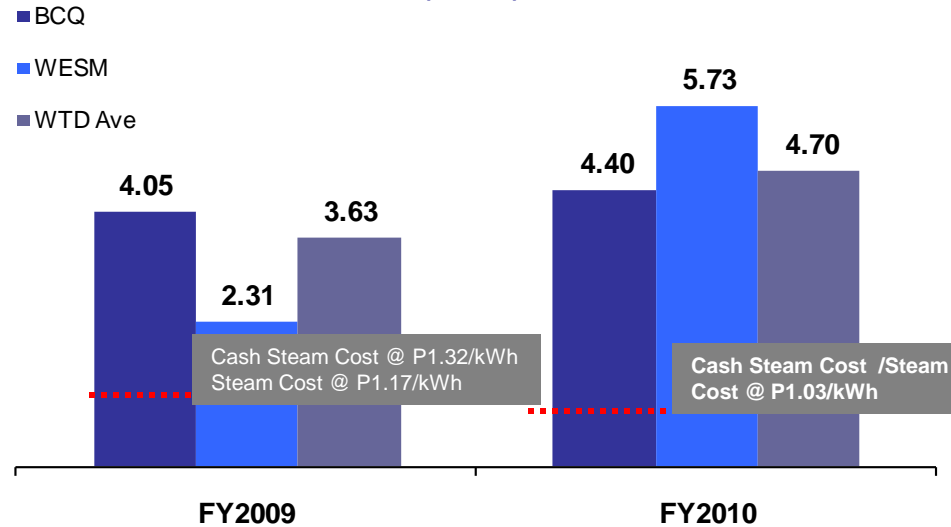
■ SNAP Magat
■ SNAP Benguet

AP RENEWABLES (Tiwi-Makban)

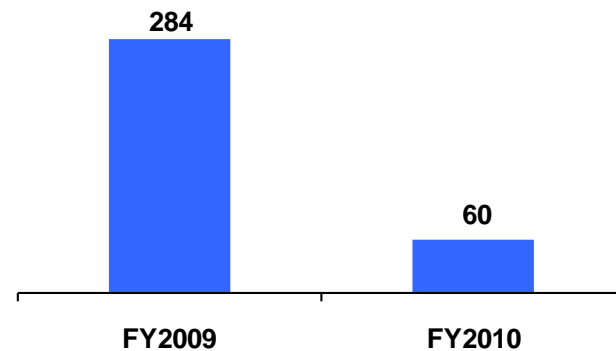
Energy Sales (in GWh)



Average Selling Prices (P/kWh)

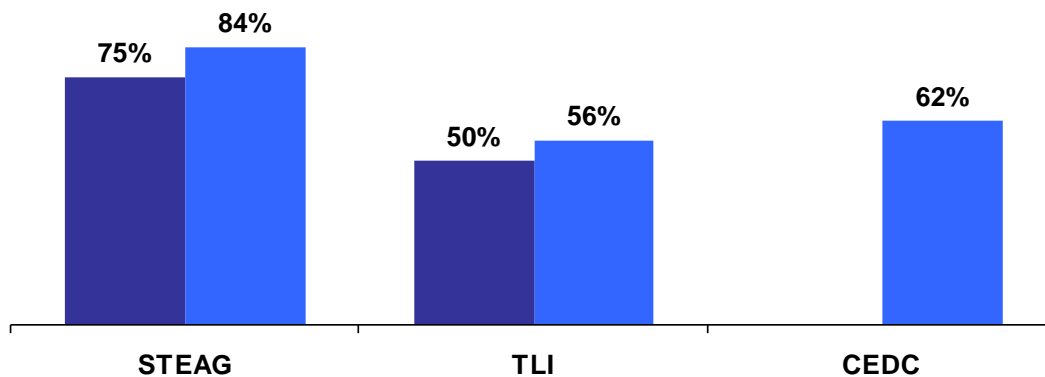
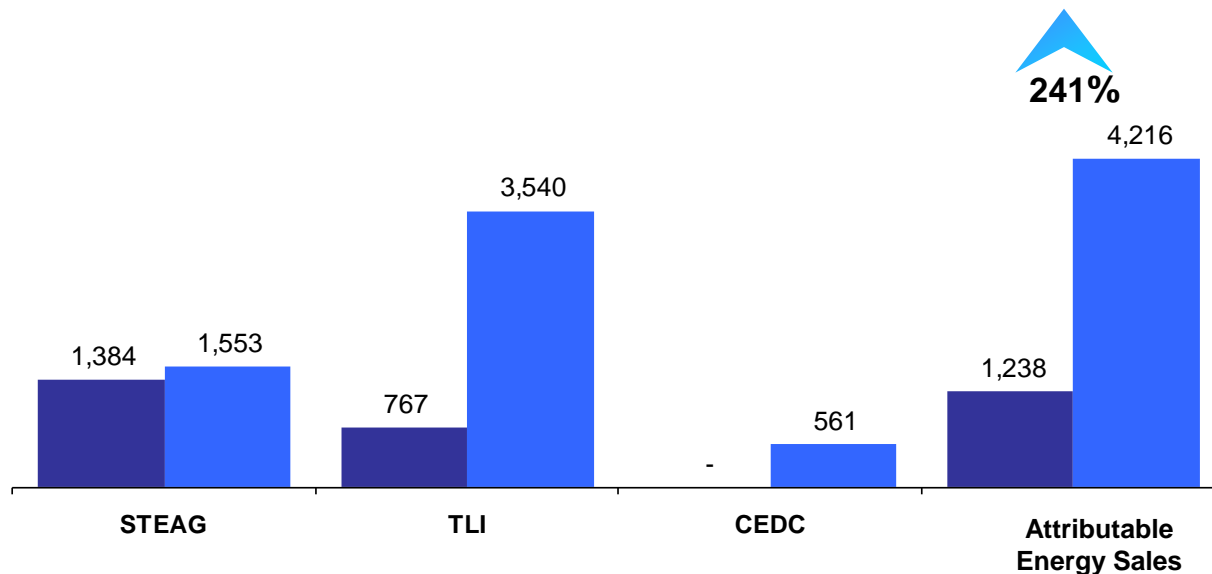


Steam Vented (GWh)



OPERATING HIGHLIGHTS: COAL

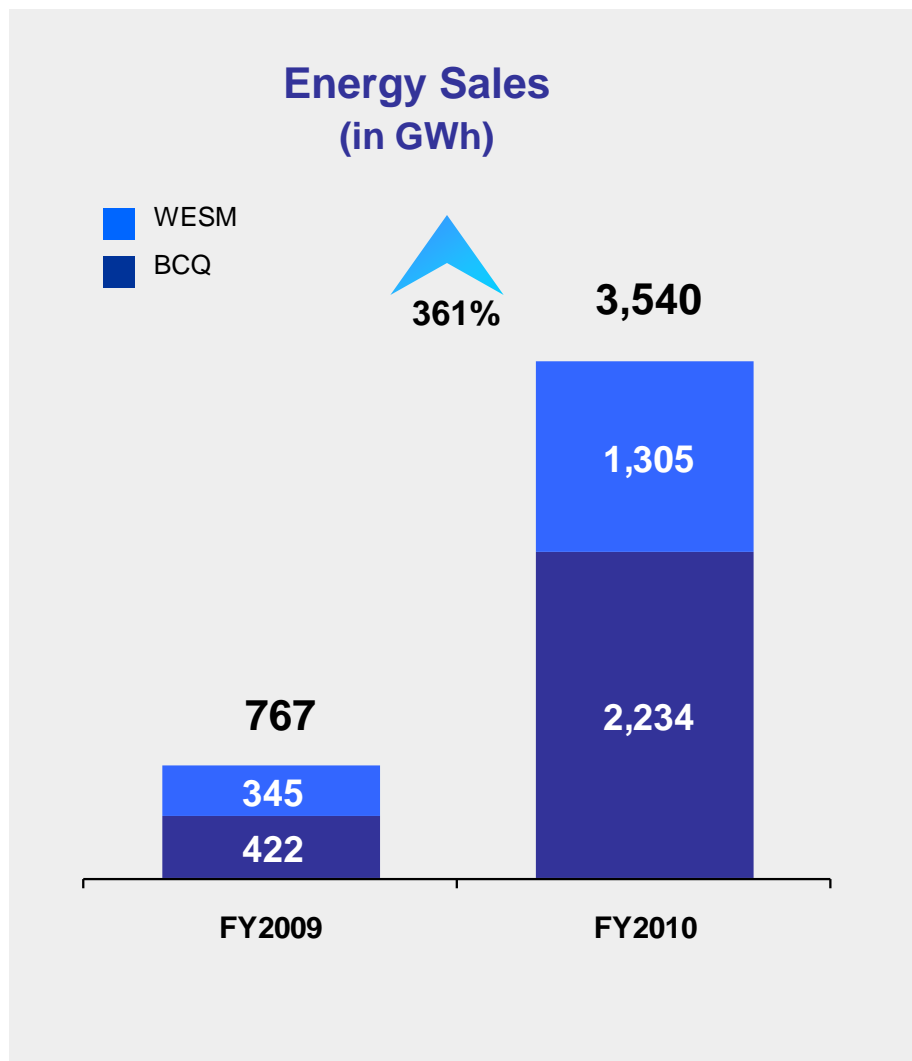
ENERGY SALES (GWh)



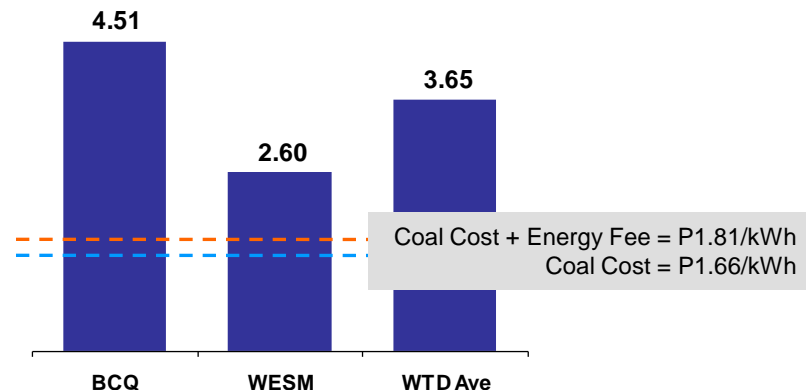
NET CAPACITY FACTOR

■ FY2009
■ FY2010

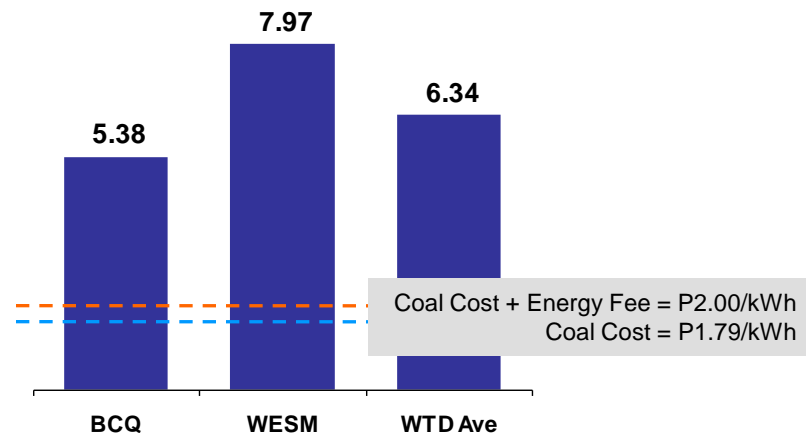
THERMA LUZON (Pagbilao)



2009 Average Selling Price P/kWh

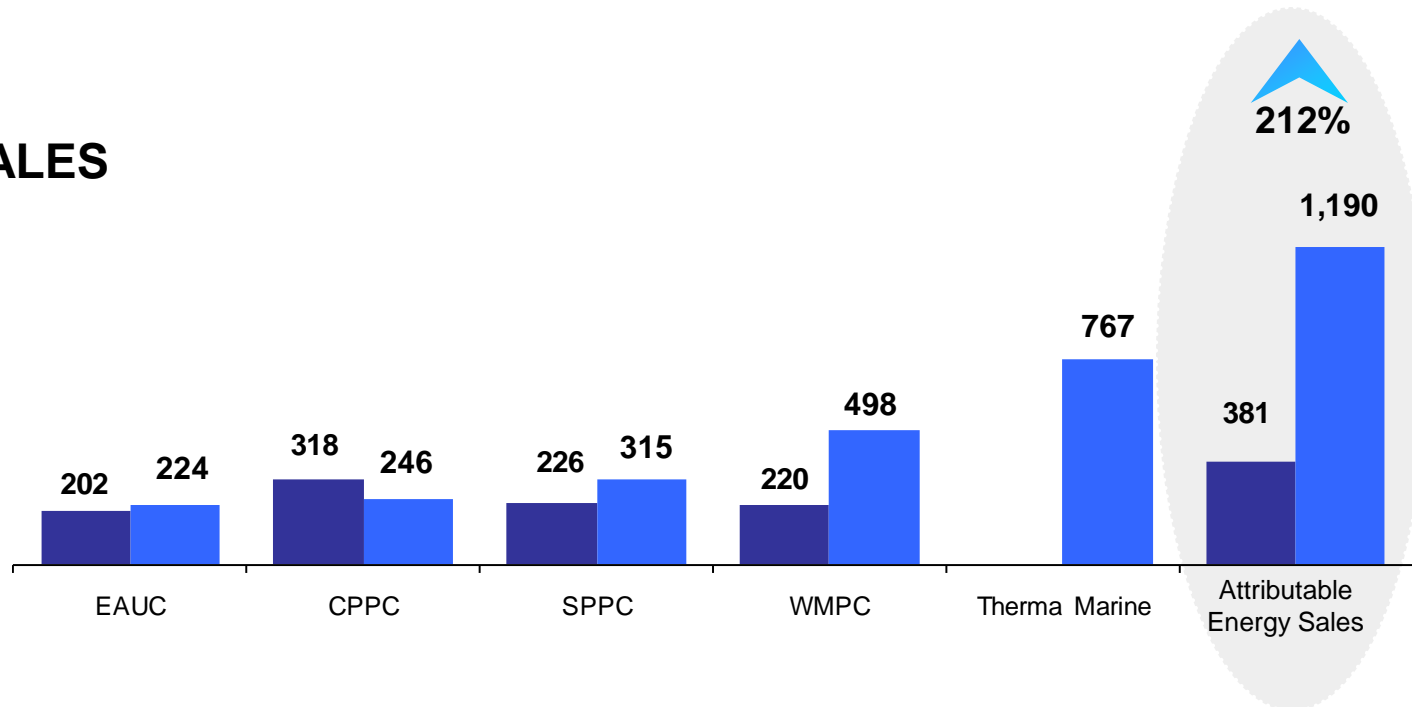


2010 Average Selling Price P/kWh

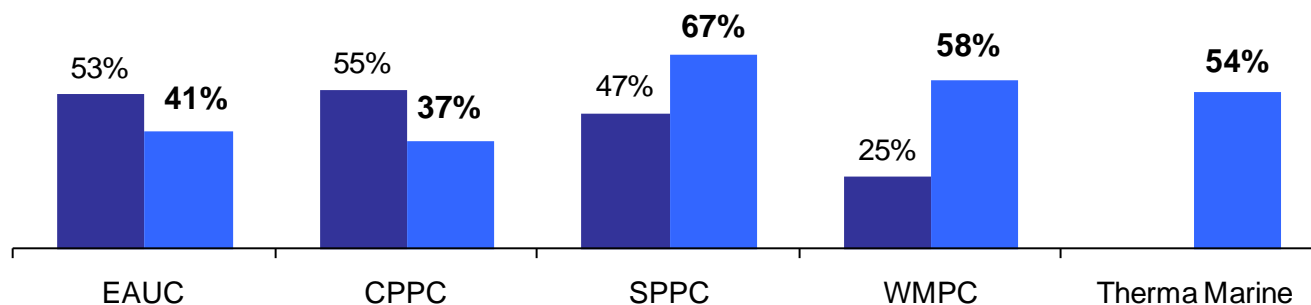




ENERGY SALES (GWh)



NET CAPACITY FACTOR

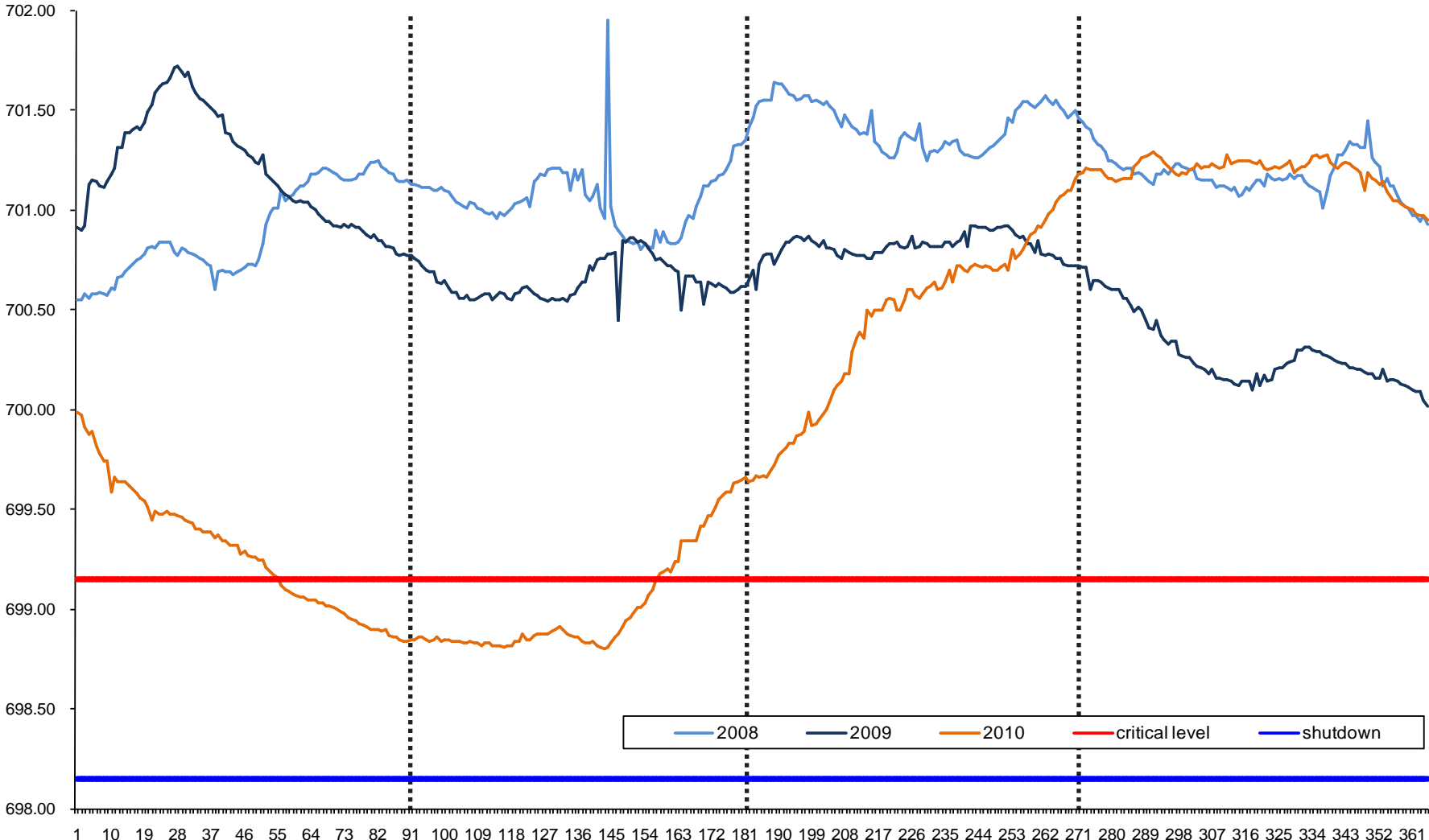


■ FY2009
■ FY2010

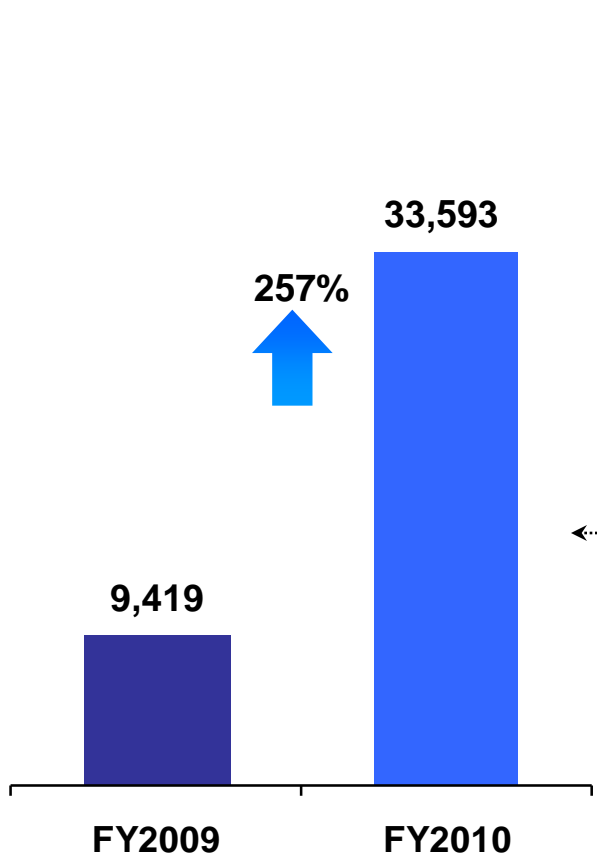
OPERATING HIGHLIGHTS: OIL



LAKE LANA O WATER LEVEL (in MASL)

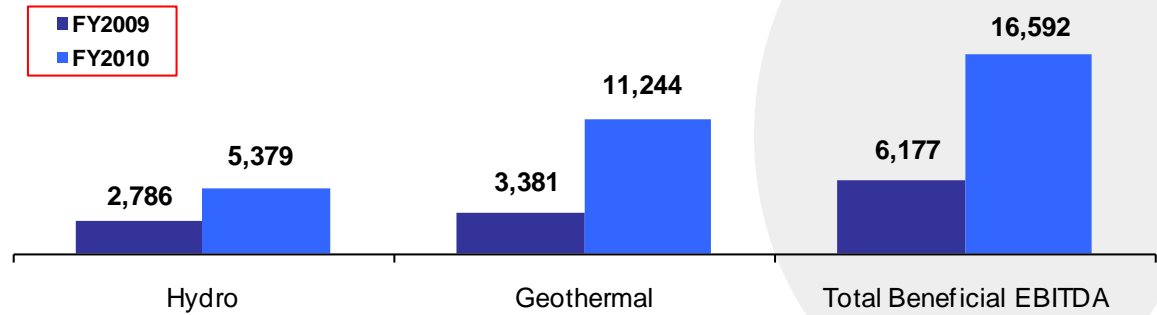


PF BENEFICIAL EBITDA

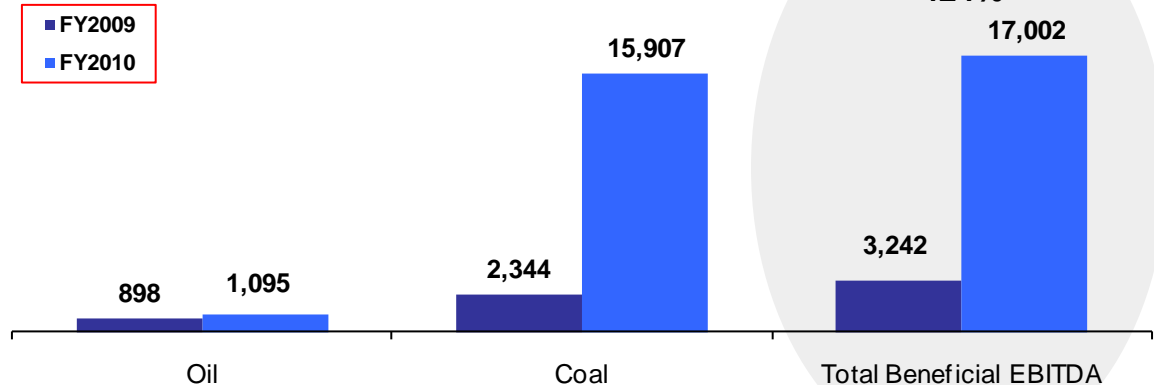


Amounts in Million Pesos

RENEWABLE PLANTS

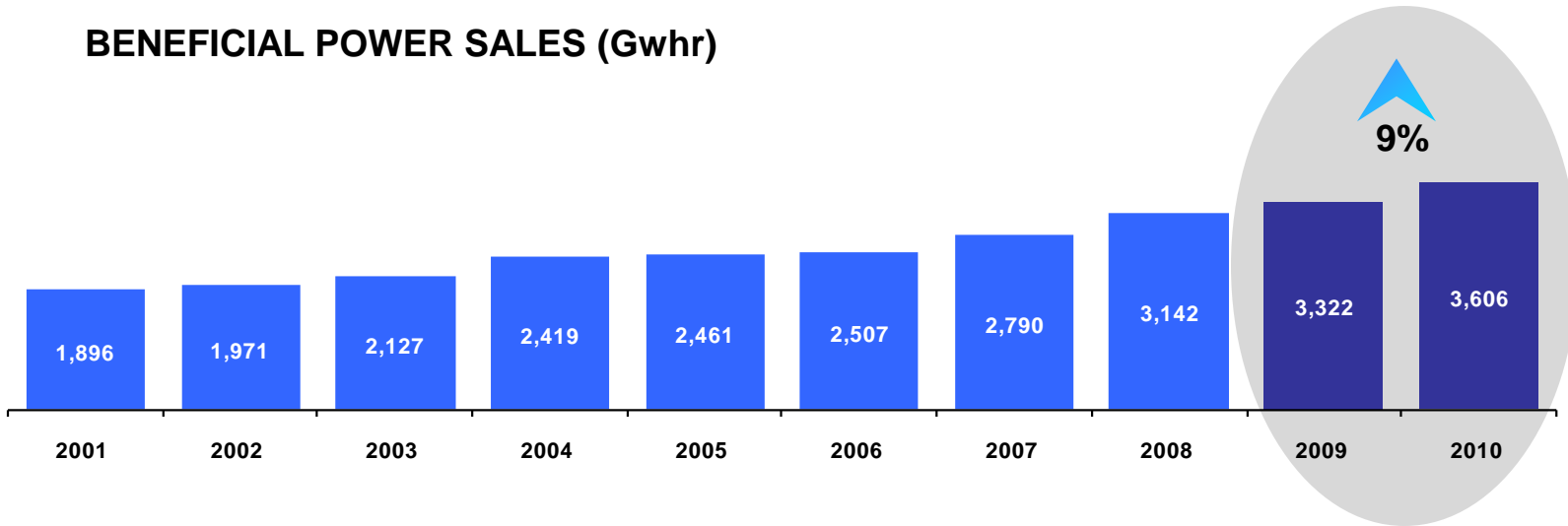


THERMAL PLANTS

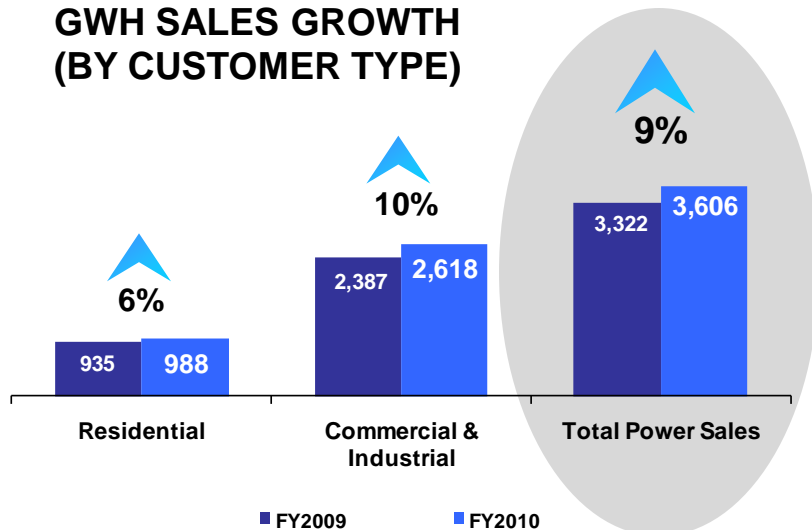


OPERATING HIGHLIGHTS: DISTRIBUTION

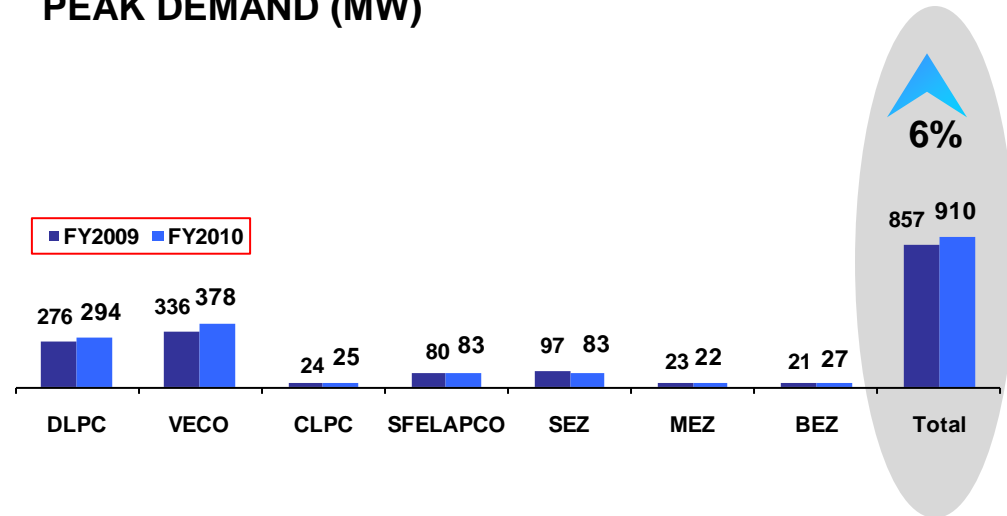
BENEFICIAL POWER SALES (Gwhr)



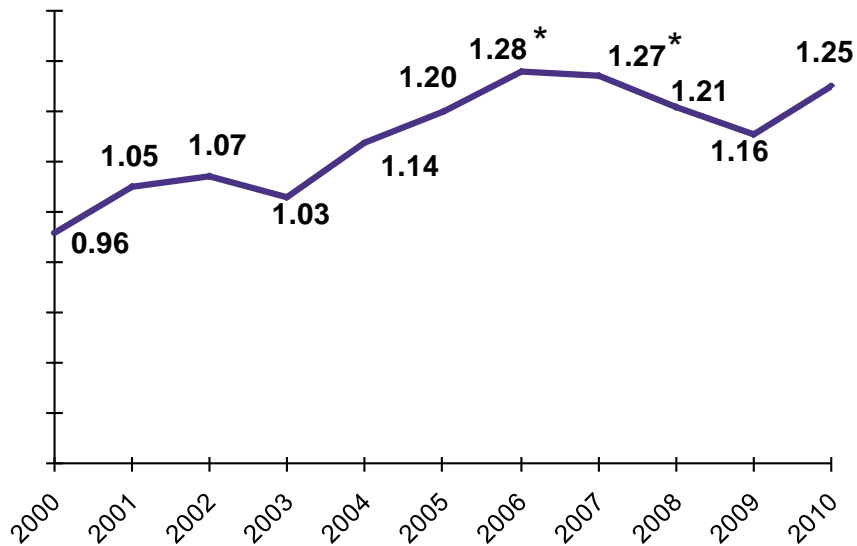
BENEFICIAL GWH SALES GROWTH (BY CUSTOMER TYPE)



PEAK DEMAND (MW)

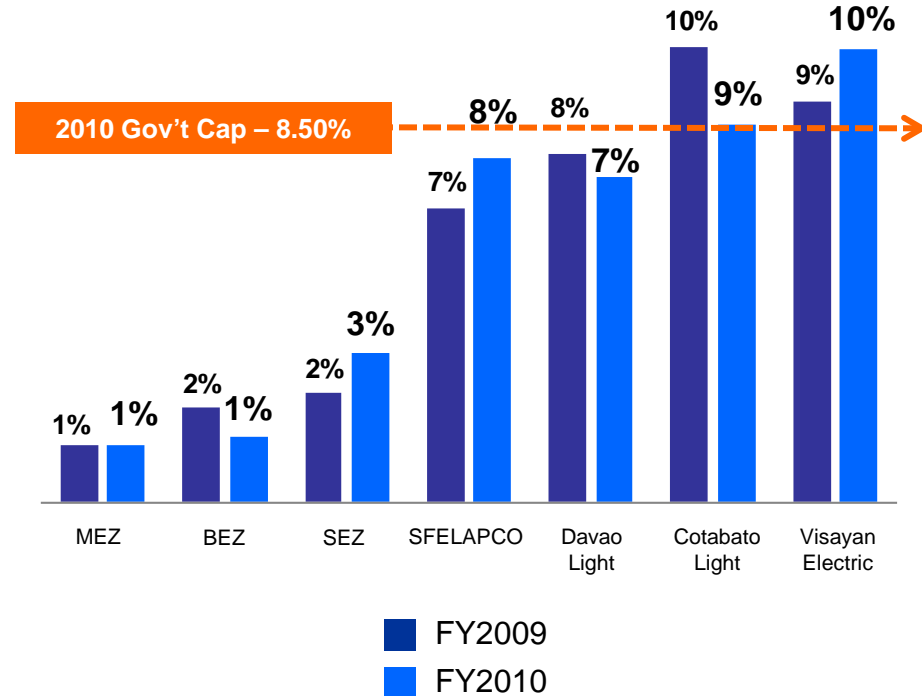


GROSS MARGIN / KWH SALE



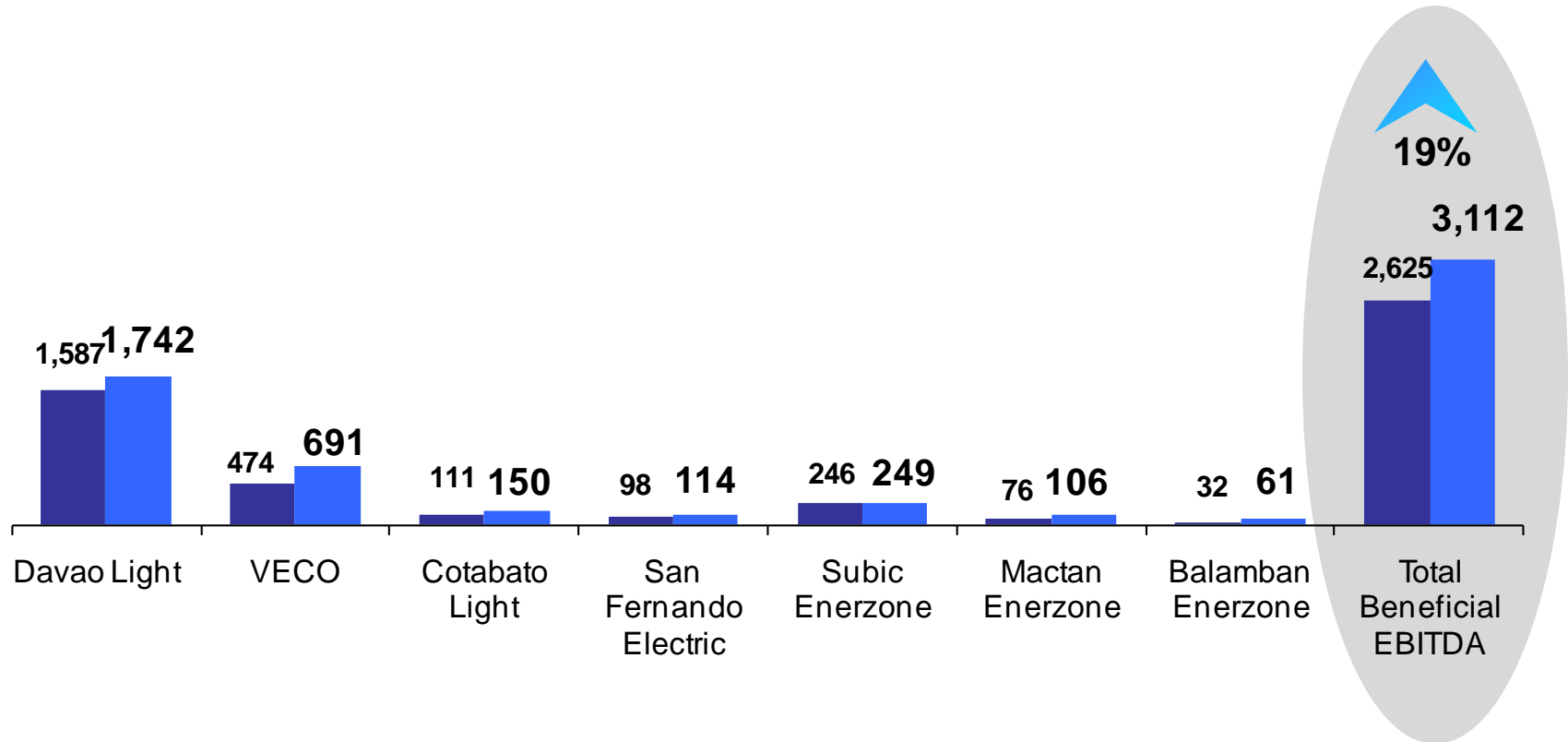
* Adjusted for timing of transmission charge recovery

SYSTEMS LOSS





OPERATING HIGHLIGHTS: DISTRIBUTION

PF BENEFICIAL EBITDA



Amounts in
Million Pesos

FY2009 
FY2010 

FINANCIAL CONDITION



BALANCE SHEET (In million Pesos)	PARENT		CONSOLIDATED	
	YE2009	YE2010	YE2009	YE2010
Cash and Equivalents	75	11,082	3,815	18,301
Investments and Advances	42,786	28,832	24,800	28,683
Total Assets	43,195	40,486	111,341	134,548
Total Interest Bearing Debt	16,565	13,073	67,755	67,065
Total Liabilities	17,824	16,427	76,294	76,814
Net Debt	16,490	1,991	63,940	48,763
Total Equity	25,371	24,059	35,047	57,734
Current Ratio	3.89	4.68	0.68	2.58
Net Debt to Equity	0.65	0.08	1.82	0.84

BALANCE SHEET (In million Pesos)	BENEFICIAL	
	YE2009	YE2010
Total Interest Bearing Debt	86,365	87,247
Cash	7,260	24,033
Net Debt	79,106	63,214
Equity*	34,476	57,330
Net Debt to Equity	2.29	1.10

*Equity Attributable to Parent

AMBUKLAO-BINGA REHABILITATION

- Total combined project cost of \$280 million
 - \$189 million for 75 MW Ambuklao + \$10 million for new headrace tunnel
 - \$81 million for 100 MW Binga
- Target completion dates for Ambuklao
 - All three units by 3Q2011
 - To increase capacity to 105 MW
- Target completion dates for Binga
 - Unit 1: 2011
 - Unit 2: 2012
 - Unit 3: 2013
 - Unit 4: 2014
 - To increase capacity to 120 MW
- Capex spent as of end-2010 at \$225.6 million



TIWI-MAKBAN REHABILITATION

- At Makban
 - Completion rate at 77% as of end-2010, actual cost at \$24.5M
 - Estimated completion date by March 2012
- At Tiwi
 - Completion rate at 39% as of end-2010, actual cost at \$5M
 - Estimated completion date by May 2011
- Combined project cost at ~\$120M
- After completion, combined production capacity is estimated at 484 MW (taking into account current steam supply and decline rates), with improvements in plant availability and fuel efficiency.



Tiwi Geothermal
Power Plant Complex



Makban Geothermal
Power Plant Complex

BROWN/GREENFIELD

LUZON GRID

- Binga Hydro 20 MW
- Magat Hydro 90 MW
- Subic Coal 300 MW
- Pagbilao Coal 350 MW

MINDANAO GRID

- Tamugan Hydro 11.5 MW
- Tudaya 1&2 Hydro 13.6 MW
- Mindanao Coal Expansion
 - Davao 150 MW
 - STEAG 150 MW (MOU signed)

PRIVATIZATION

IPP Administrator (IPPA) Contracts

- Unified Leyte Geothermal plants (EDC) 550 MW, Visayas Grid

Earliest by July 2011

- IPPA: Caliraya-Botokan-Kalayaan (J Power) 728 MW, Luzon Grid
- Asset sale: Agus Hydro 727 MW & Pulangi Hydro 255 MW, Mindanao Grid
 - Restricted capacity per EPIRA

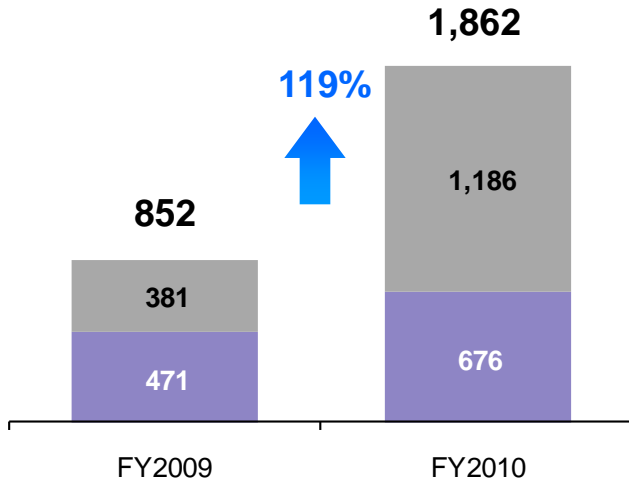
Annex A: EARNINGS BREAKDOWN

(in million pesos)	YEAR - TO - DATE		FOR THE QUARTER	
	ACTUAL 2010	ACTUAL 2009	ACTUAL 2010	ACTUAL 2009
Parent & Others	(1,282)	(567)	(294)	(281)
Power Generation Group:				
HEDCOR, INC.	103	108	72	(53)
HEDCOR SIBULAN	124	(3)	(41)	(3)
LUZON HYDRO	170	234	52	16
SNAP - MAGAT	2,249	765	1,287	329
SNAP - BENGUET	987	170	498	214
SOUTHERN PHILS. POWER	47	47	12	22
WESTERN. MINDANAO POWER	177	104	43	24
CEBU PRIVATE POWER CORP.	183	284	41	112
EAST ASIA UTILITIES CORP.	175	193	49	85
THERMA MARINE	129	(6)	(275)	(6)
STEAG	430	738	192	(24)
ABOVANT	(14)	(11)	(70)	(13)
THERMA LUZON	9,547	(79)	1,596	(79)
AP RENEWABLES, INC.	10,181	2,073	2,757	1,066
OTHERS	(98)	40	(107)	(0)
Sub-Total Power Generation	24,390	4,656	6,105	1,689
Power Distribution Group:				
COTABATO LIGHT & POWER	78	45	24	(2)
DAVAO LIGHT & POWER	1,095	975	445	277
VISAYAN ELECTRIC CO.	405	256	119	125
SFELAPCO	67	52	29	25
SUBIC ENERZONE	144	146	40	8
MACTAN ENERZONE	95	69	23	17
BALAMBAN ENERZONE	50	27	12	5
Sub-Total Power Distribution	1,933	1,569	692	456
TOTAL NET INCOME	25,041	5,659	6,503	1,863
NET INCOME TO COMMON	25,041	5,659	6,503	1,863
% increase (decrease)		343%		249%
CORE NET INCOME	24,428	5,291	6,425	1,324
% increase (decrease)		362%		385%
CORE NET INCOME bef Finance Lease Acctg	29,519	6,799	7,725	2,833
		334%		173%

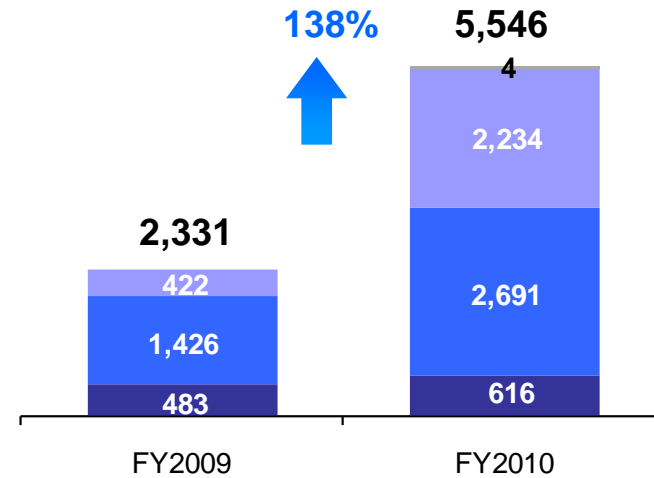
Annex B: OPERATING HIGHLIGHTS – GENERATION



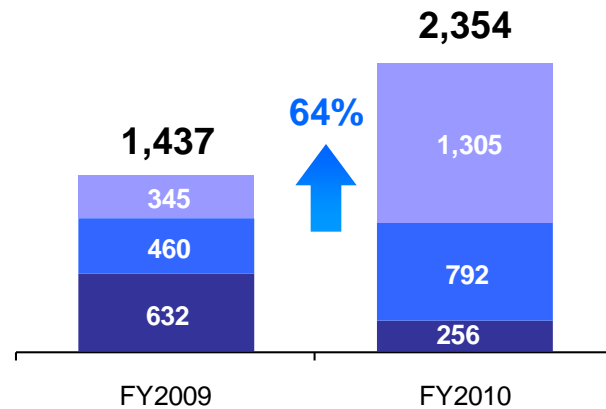
CONTRACTED (CAPACITY)



CONTRACTED (ENERGY)



SPOT MARKET



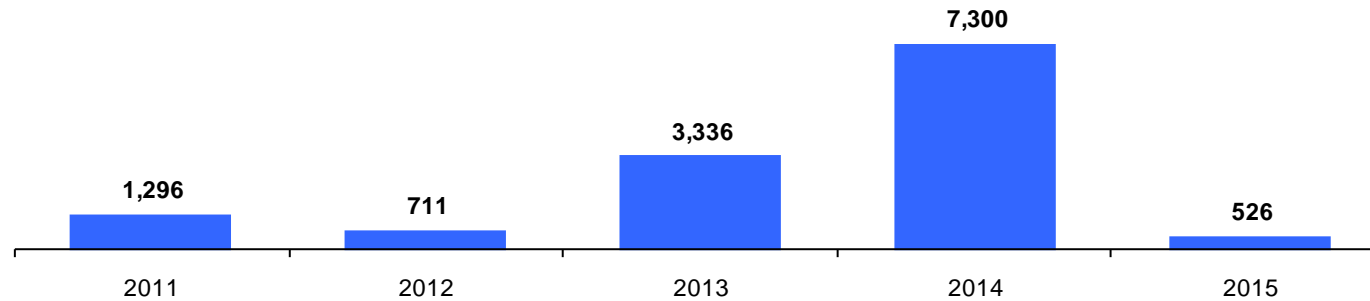
- Hydro
- Geothermal
- Coal
- Oil

Annex C: DEBT PROFILE – AP PARENT



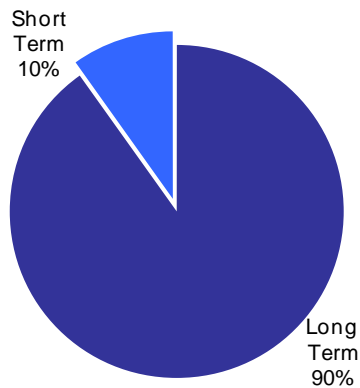
Maturity Profile - PhPM

(As of December 2010)



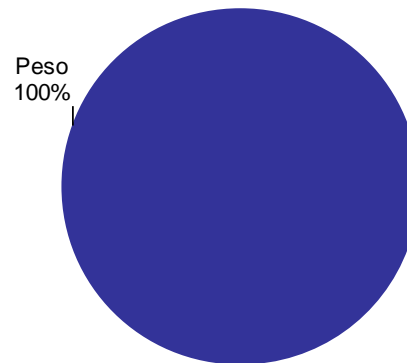
Breakdown by Tenor

(As of December 2010)



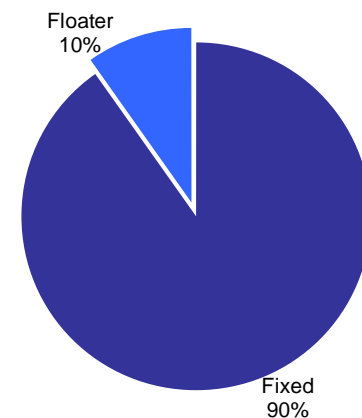
Breakdown by Currency

(As of December 2010)



Breakdown by Interest Rate

(As of December 2010)



- **Overview**
- **Review of Business Units**
 - Pilmico Foods Corporation
 - City Savings Bank
 - Union Bank of the Philippines
 - Aboitiz Power Corporation

- **AEV Financials**

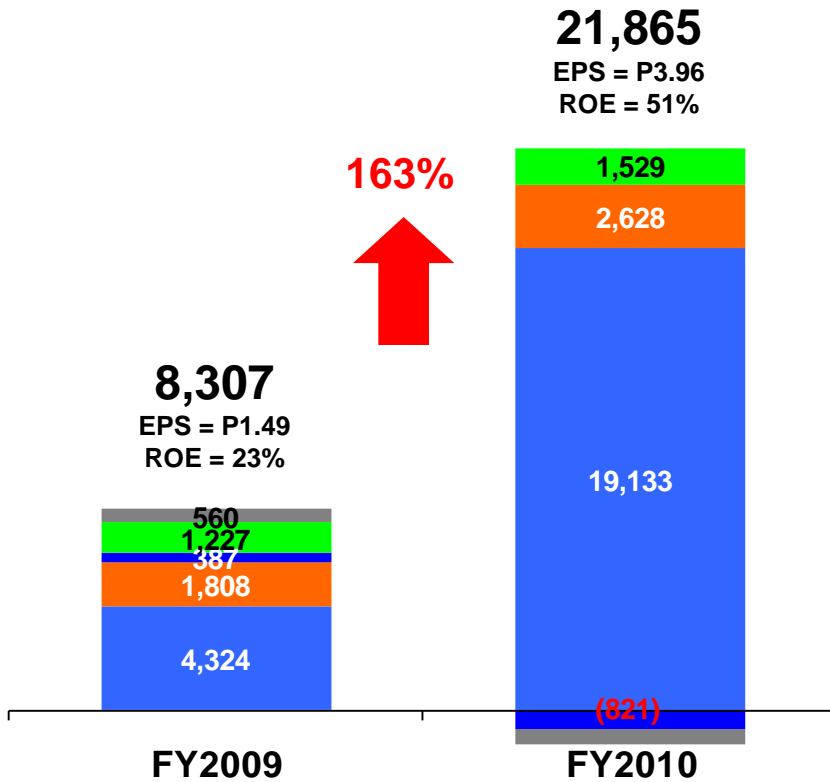
- **Q&A**

CONSOLIDATED PROFIT & LOSS (In Million Pesos)

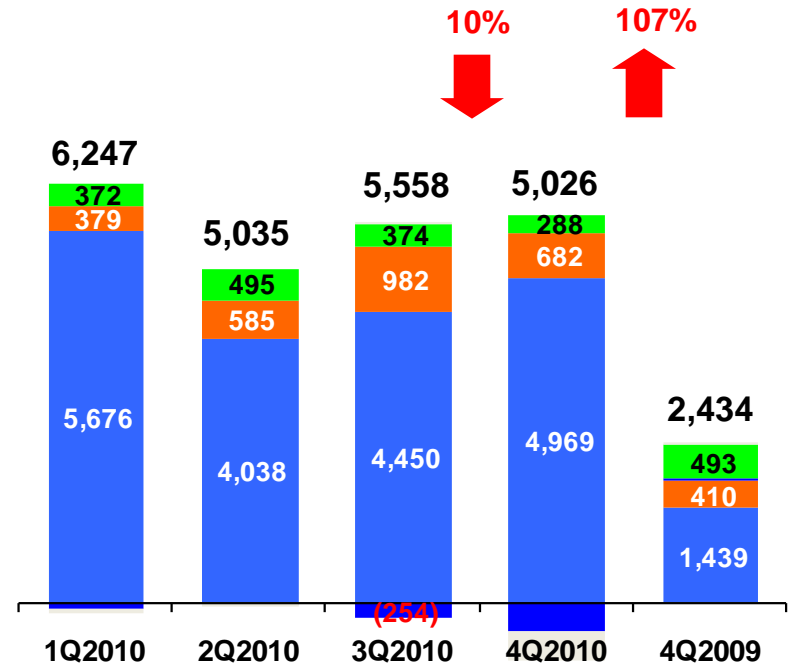
	4Q2009*	4Q2010	% Ch	FY2009*	FY2010	% Ch
Revenues	12,305	18,651	52%	34,925	74,533	113%
Equity Earnings	1,095	2,387	118%	4,265	6,844	60%
EBITDA	5,624	10,490	87%	15,639	40,091	156%
Net Income	2,434	5,026	107%	8,307	21,865	163%
Core Net Income	2,016	5,405	168%	7,346	21,836	197%
Core Net Income (Ex Pagbilao Effect)	3,168	6,398	102%	8,498	25,725	203%

*2009 figures are re-presented to consider AEV's sale of its equity stake in ATS in 2010

NET INCOME (In Million Pesos)



QUARTERLY BREAKDOWN



■ Power
 ■ Banking
 ■ Transport
 ■ Food
 ■ Parent & Others

CORE NET INCOME (In Million Pesos)

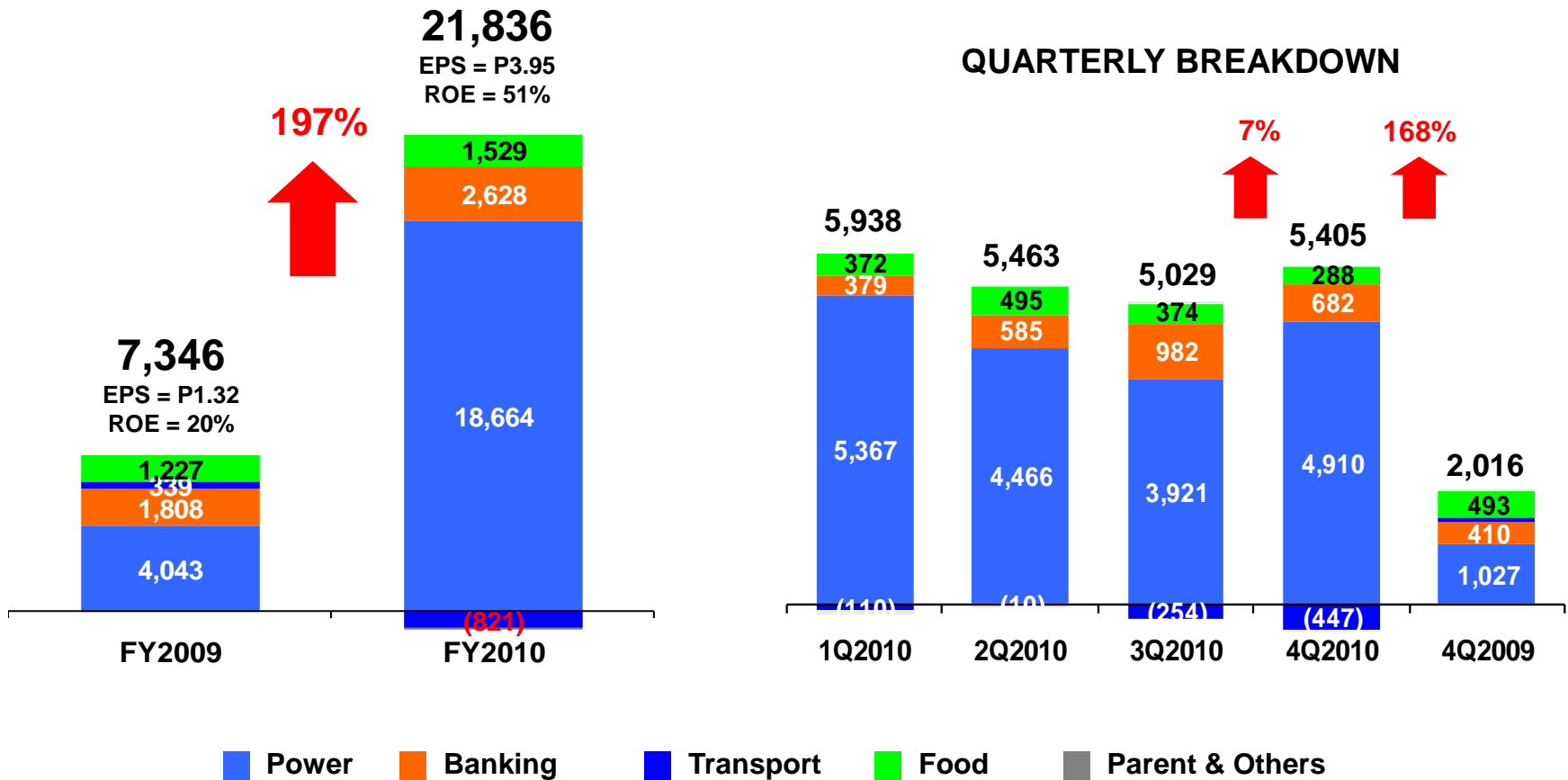
Non-Recurring Items

	FY2009	FY2010
Parent	632	(439)
Power	281	469
Transport	48	-
Total Gains/(Losses)	961	30

Non-Recurring Items

	1Q2010	2Q2010	3Q2010	4Q2010	4Q2009
Parent	(0)	(0)	(0)	(438)	(0)
Power	309	(428)	529	59	411
Transport	-	-	-	-	7
Total Gains/(Losses)	308	(428)	528	(379)	418

QUARTERLY BREAKDOWN

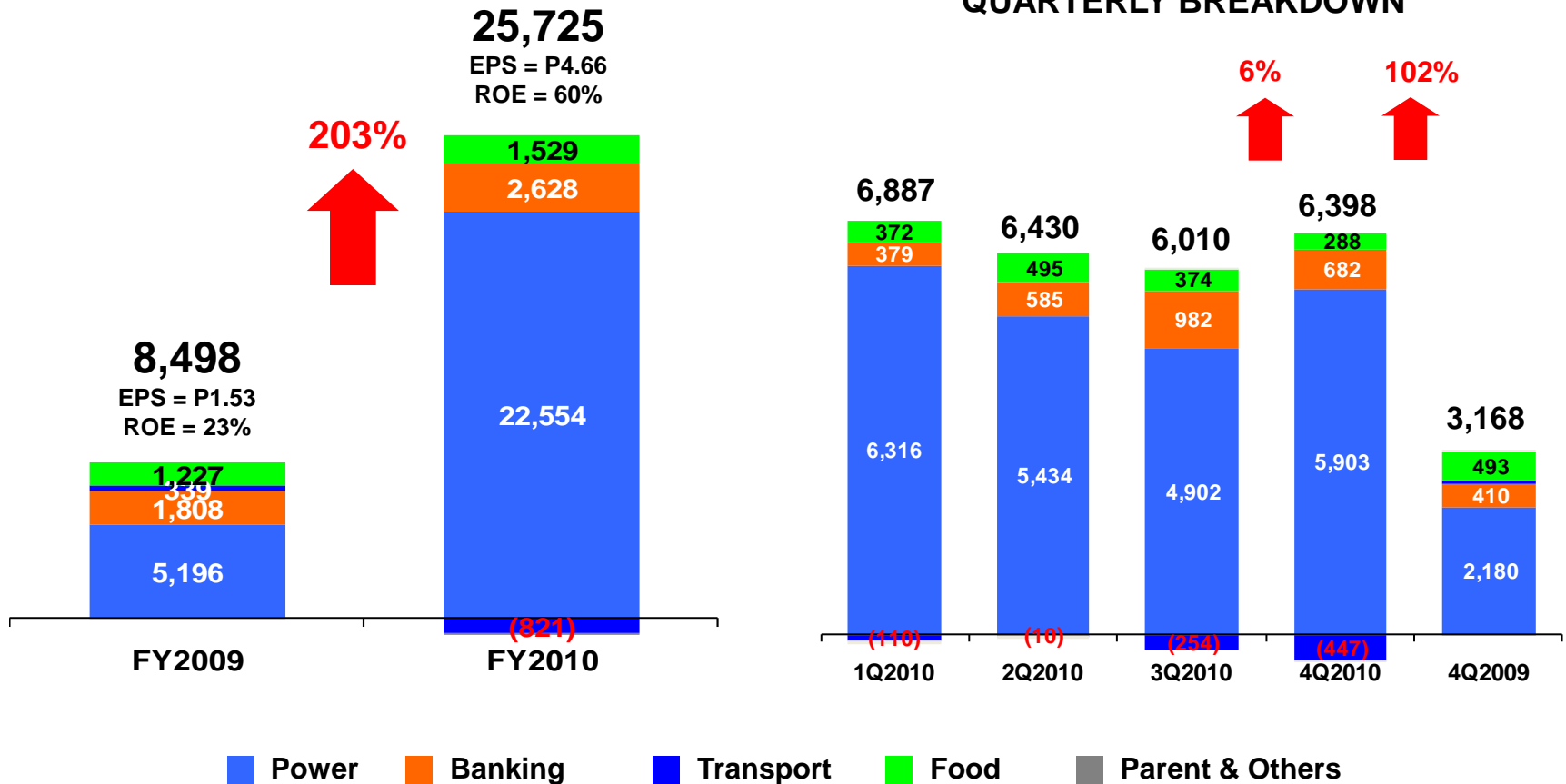


CORE NET INCOME , Ex Pagbilao Effect (In Million Pesos)

	FY2009	FY2010
Accreted Interest Expense	944	3,908
Depreciation	209	836
PSALM Monthly Payments	-	(855)
	1,153	3,890

	1Q2010	2Q2010	3Q2010	4Q2010	4Q2009
Accreted Interest Expense	955	973	986	994	944
Depreciation	209	209	209	209	209
PSALM Monthly Payments	(215)	(215)	(215)	(210)	-
	949	968	980	993	1,153

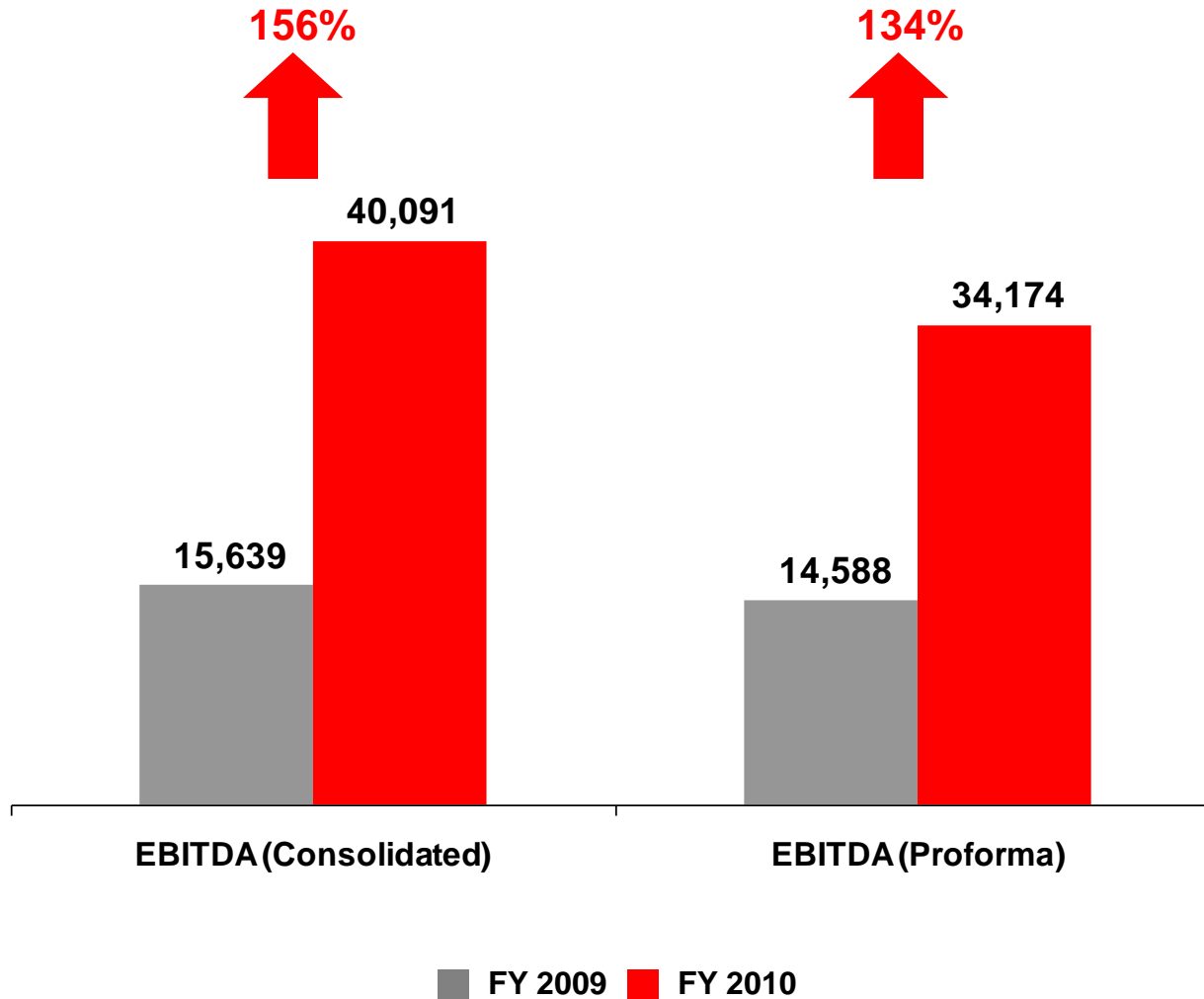
QUARTERLY BREAKDOWN



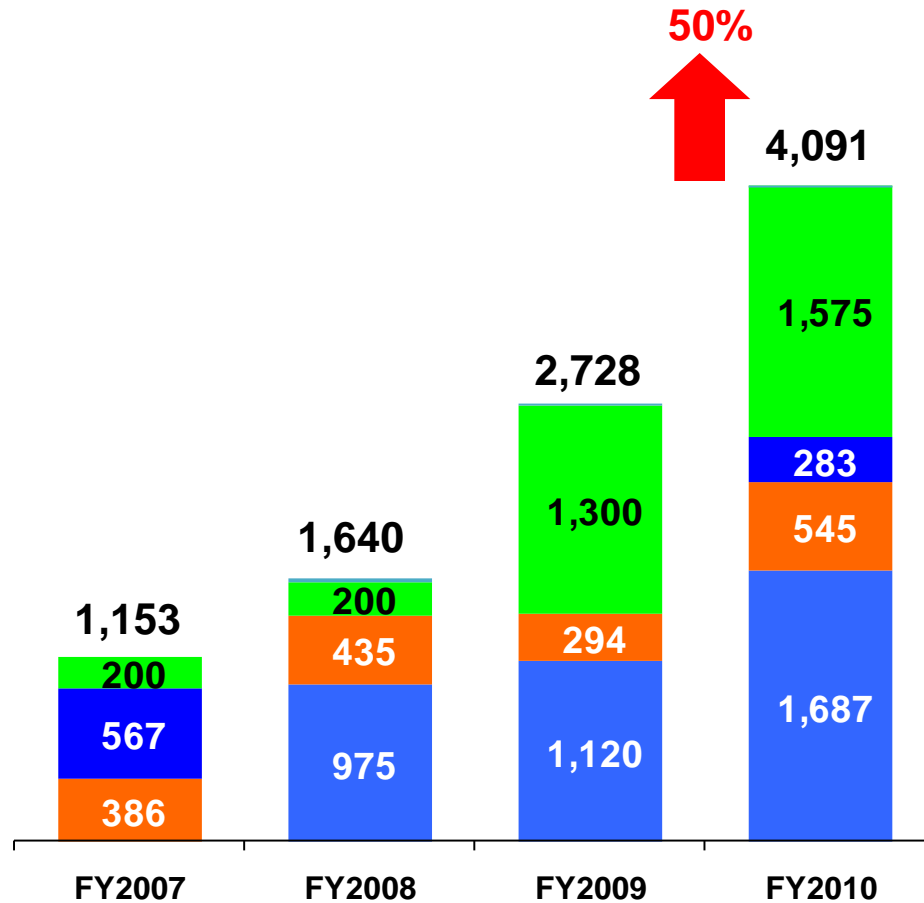
EARNINGS CONTRIBUTION (In Million Pesos)

	4Q2009	4Q2010	% Ch	FY2009	FY2010	% Ch
Aboitiz Power Corp.	1,439	4,969	245%	4,324	19,133	342%
City Savings Bank	40	205	410%	96	315	228%
Union Bank	370	477	29%	1,712	2,313	35%
ATSC	55	(447)	-908%	387	(821)	-312%
Pilmico	493	288	-42%	1,227	1,529	25%
Parent & Others	36	(465)	-1383%	560	(602)	-208%
Net Income	2,434	5,026	107%	8,307	21,865	163%
Core Net Income	2,016	5,405	168%	7,346	21,836	197%
Core Net Income (Ex Pagbilao Effect)	3,168	6,398	102%	8,498	25,725	203%

EBITDA (In Million Pesos)



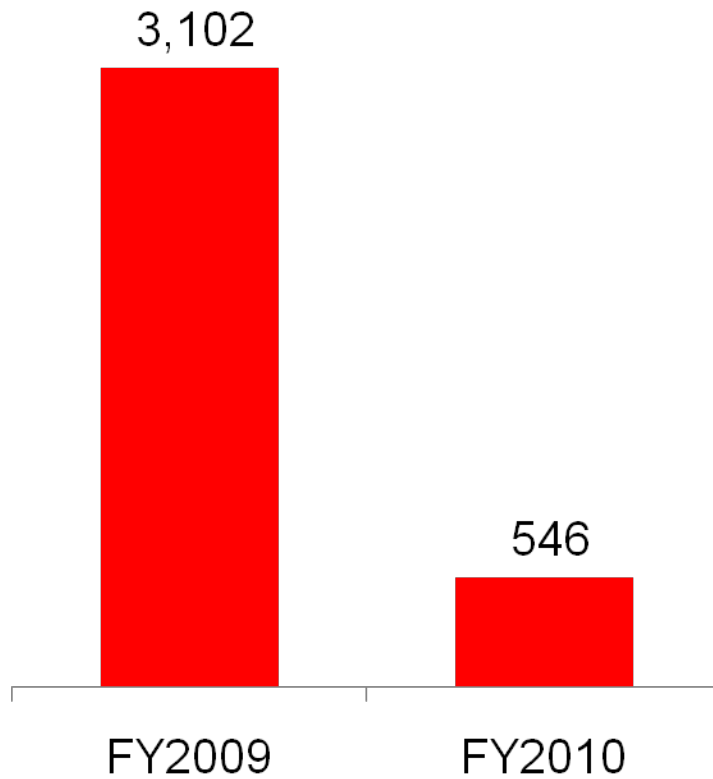
DIVIDENDS RECEIVED (In Million Pesos)



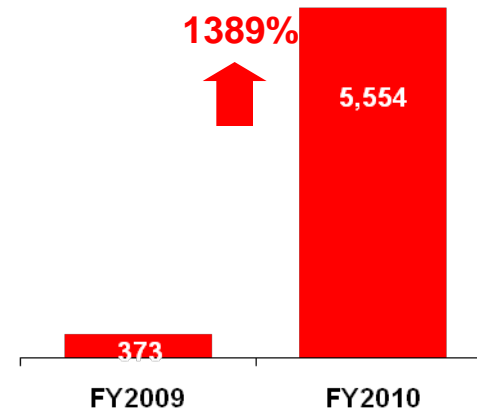
■ Power ■ Banking ■ Transport ■ Food ■ Others

PARENT NET DEBT (In Million Pesos)

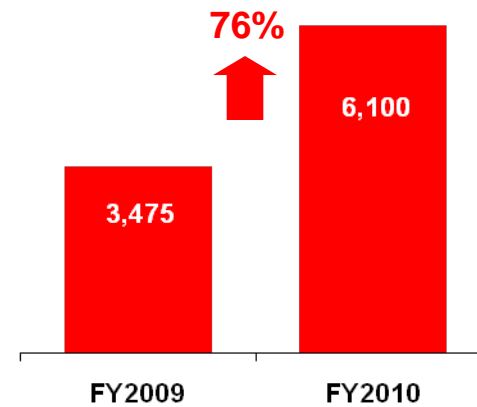
- Parent net debt declined by 82% YOY



Cash & Equivalents



Long-term Debt



CONSOLIDATED BALANCE SHEET / KEY RATIOS

(In Million Pesos, except ratios)	YE 2009	YE 2010	% Change
Cash and Cash Equivalents	5,582	26,096	367%
Total Assets	143,281	174,975	22%
Total Liabilities	88,639	96,656	9%
Total Equity	54,642	78,320	43%
Equity Attributable to Parent	44,697	64,313	44%
Book Value Per Share	8.09	11.65	
Current Ratio	0.79	2.36	
Debt to Equity	1.62	1.23	
Net Debt to Equity	1.28	0.75	

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Equity Ventures

Fourth Quarter / Full Year 2010
Financial & Operating Results
March 4, 2011
