

aboitiz outlook



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- **Aboitiz Power corporate notes and retail bonds given highest credit rating**

Aboitiz Power Corporation (AP) has announced that the Philippine Rating Services Corporation (PhilRatings), has assigned the highest possible rating of “PRS Aaa” to AP’s proposed retail bond issue as well as the P3.89-billion corporate notes the company issued in December 2008.

According to PhilRatings, the country’s pioneer domestic credit rating company, obligations that are rated PRS Aaa are of the highest quality with minimal credit risk. This is indicative of the obligor’s extremely strong capacity to meet its financial commitment. Philratings assigns ratings for debt issues, commercial papers and bonds/notes issued by companies in various sectors.

On January 20, 2009, AP filed with the Securities and Exchange Commission its application for the registration of fixed rate corporate retail bonds, with an aggregate principal amount of up to ₱1.5 billion and an additional amount of up to ₱1.5 billion to cover any over-subscription. The proposed retail bond issue has a maturity date of up to five years.

In arriving at the “PRS Aaa” rating, PhilRatings considered AP’s consistent robust operating profit from a diverse portfolio of operating subsidiaries. It also focused on the solid track record of the Aboitiz management team in power and other industries with its prudent business and financial policies. AP’s capacity to compete effectively and efficiently in a more competitive power industry was also considered in the ratings assessment.

AP is the largest conventional hydropower developer and operator in the Philippines. In July 2008, it won the bid for the 747-megawatt (MW) Tiwi-Makban geothermal facilities. Other successful bids include the Magat and Ambuklao-Binga hydro plants in Northern Luzon and its acquisition of a 34% stake in STEAG State Power Inc., which owns and operates a coal-fired plant in Misamis Oriental.

To further augment the country’s power capacity, AP is constructing greenfield projects in Davao, Cebu and eventually in Subic. The company will also continue to bid for targeted assets being sold by PSALM.

Named by Asiamoney as the Philippines’ best managed medium-company last year, AP ended the first nine months of 2008 with a recurring net income of P3.45 billion, a 73% year-on-year growth versus the same period in 2007.

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