

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
BALANCE SHEET

As of December 31, 2008
(With comparative figures for 2007)
(In Philippine Peso)

	Notes	2008	2007
ASSETS			
Current Assets			
Cash and cash equivalents	3	15,239,098,144	29,440,995,614
Power receivables, net	4	58,023,697,436	-
Asset sale receivable	5	454,838,614	395,330,672
Other receivables	6	68,809,773,542	5,344,582,905
Non-current assets held for sale	7	46,666,980,923	-
Other current assets	8	23,430,687,157	7,055,904
Total Current Assets		212,625,075,816	35,187,965,095
Non-Current Assets			
Power receivables, net	4	524,690,433	-
Asset sale receivable	5	2,455,420,854	2,537,383,432
Property, plant and equipment, net	9	32,601,057,707	71,411,919
BOT Electric plants under capital lease, net	10	456,777,856,390	-
Investment in TransCo	11	115,693,280,922	-
Investment in bonds	12	-	9,069,166,727
Assumed Rural Electrification Program loans	13	7,239,282,621	9,049,103,276
Other non-current assets	14	43,525,666,699	954,190,364
Total Non-Current Assets		658,817,255,626	21,681,255,718
TOTAL ASSETS		871,442,331,442	56,869,220,813
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	15	66,225,336,883	209,767,328
Current portion of BOT lease obligation	16	36,182,630,879	-
Current portion of long-term liabilities	17	50,252,876,459	-
Current portion of assumed REP loans	13	2,936,245,026	2,614,180,578
Due to GOCCs and other government agencies	19	23,415,375,390	11,253,170,181
Total Current Liabilities		179,012,464,637	14,077,118,087
Non-Current Liabilities			
BOT Lease obligation	16	451,694,256,752	-
Long-term liabilities	17	275,779,018,807	22,412,427,358
Assumed Rural Electrification Program loans	13	6,355,711,966	8,400,186,849
Other long-term liabilities	18	2,034,989,875	859,810,362
Total Non-Current Liabilities	-	735,863,977,400	31,672,424,569
Equity (Capital Deficiency)	-	(43,434,110,595)	11,119,678,157
TOTAL LIABILITIES, NET OF CAPITAL DEFICIENCY		871,442,331,442	56,869,220,813

See accompanying Notes to Financial Statements.

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2008
(With comparative figures for 2007)
(In Philippine Peso)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Proceeds from sale of generating assets	53,859,322,483	25,450,463,223
Receipt of interest income	1,486,972,615	1,588,695,601
Proceeds from lease of Naga complex	172,096,188	-
Receipt of performance bonds/bid security	53,536,423	19,312,419
Collection of income	9,183,364	9,840,354
Reimbursable insurance - Magat	7,032,998	507,399
Collection of receivables	1,148,257	14,566
Refund of overpayment of expenses	226,398	140,059
Payment of operating expenses	(426,266,558)	(223,301,161)
Payment of payables	(150,590,380)	(50,179,011)
Remittance of withholding taxes, GSIS, PAG-IBIG	(107,535,078)	(60,819,015)
Purchase of office supplies	(3,725,906)	(5,071,801)
Refund of performance bond/retention for contract payments	(2,192,658)	(3,424,469)
Payment of prepaid expenses	(1,030,395)	(1,568,724)
Net cash provided from operating activities	54,898,177,751	26,724,609,440
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditure	(13,079,431)	(6,108,541)
Net cash used in investing activities	(13,079,431)	(6,108,541)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of domestic loan from LBP/DBP	19,950,273,970	-
Payment of NPC debts	(56,271,509,683)	-
Payment of the availed NG advances	(12,254,952,473)	-
Payment of IPP related obligations	(11,988,088,705)	-
Debt servicing of NPC loans	(10,758,511,276)	(3,895,728,021)
Payment of assumed EC loans	(1,342,734,772)	(1,800,329,829)
Payment of arranger fee for the availed domestic loan	(31,500,000)	-
Net cash used in financing activities	(72,697,022,939)	(5,696,057,850)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	3,610,027,149	(3,427,790,468)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,201,897,470)	17,594,652,581
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	29,440,995,614	11,846,343,033
CASH AND CASH EQUIVALENTS AT END OF YEAR	15,239,098,144	29,440,995,614

See accompanying Notes to Financial Statements.

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2008

(With comparative figures for 2007)

(In Philippine Peso)

	Note	2008	2007
CAPITAL FROM ASSET-DEBT TRANSFER	20		
Balance, January 1		-	-
Asset-Debt transfer from NPC		(73,841,013,083)	-
Balance, December 31		(73,841,013,083)	-
RETAINED EARNINGS (DEFICIT)			
Balance, January 1		11,119,678,157	(5,967,804,047)
Adjustments :			
On transferred depreciation		2,225,804,567	-
Affecting accounts existing at PSALM and those of NPC transferred accounts		967,421,311	-
On loan-related transactions		(88,690,443)	-
Adjustments on accruals arising from forex differences:			
On debt servicing and restatement of transferred loans on sold plants		(538,703,375)	-
Interest expense on Nomura bond		8,825,372	8,120,911
On guaranty fees		(1,535,967)	149,895
On interest on investment in NPC bond			(3,815,595)
Adjustments on prior years:			
Interest expense and bank charges		(46,822,576)	-
Interest income on NPC bridge financing		(33,856,891)	-
Interest income on placements		(31,018,375)	-
Maintenance and operating expenses		23,726,957	(37,063,781)
Unearned lease rental		(6,801,423)	-
Provision for employee benefits		(6,536,497)	(15,036,012)
As adjusted		13,591,490,817	(6,015,448,629)
Net income		16,815,411,671	#####
Balance, December 31		30,406,902,488	#####
EQUITY (CAPITAL DEFICIENCY)		(43,434,110,595)	#####

See accompanying Notes to Financial Statements.

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
STATEMENT OF INCOME AND EXPENSES

For the year ended December 31, 2008
(With comparative figures for 2007)
(In Philippine Peso)

	Notes	2008	2007
INCOME FROM SALE OF ASSETS	21	33,438,244,662	20,543,744,002
EXPENSES			
Personal Services			
Salaries & wages		80,597,264	87,754,204
Personnel benefits contribution		10,741,902	11,633,805
Other compensation		18,482,481	23,278,325
Other personnel benefits		12,628,097	7,080,130
		122,449,744	129,746,464
Maintenance and Other Operating Expenses			
	22		
Depreciation and depletion		2,886,966,485	19,576,041
Professional services		118,159,364	75,343,782
Taxes, insurance premiums & other fees		25,706,803	11,658,028
Utilities		17,188,173	13,892,227
Rent		11,623,975	11,553,601
Traveling expenses		8,075,304	8,916,041
Supplies & materials		7,578,439	7,446,311
Communication		7,343,969	7,331,949
Representation		6,762,614	5,521,333
Advertising expenses		3,874,656	1,710,354
Extraordinary & miscellaneous expenses		2,394,501	2,266,383
Repairs & maintenance		1,697,046	1,242,861
Training and scholarship		1,458,203	2,688,072
Other maintenance & operating expenses		80,908,433	54,850,860
		3,179,737,965	223,997,843
Financial Expenses			
Interest expense		4,968,017,799	461,510,624
Am'tzn of assumed REP loans & other charges		1,822,692,600	1,822,692,600
Financial charges		877,392,390	35,889,145
		7,668,102,789	2,320,092,369
		10,970,290,498	2,673,836,676
INCOME FROM OPERATIONS		22,467,954,164	17,869,907,326
OTHER INCOME (EXPENSES)			
Gain (loss) on foreign exchange	23	(6,693,413,425)	(1,539,076,162)
Interest income		1,027,502,583	803,897,898
Miscellaneous income		13,368,349	397,724
		(5,652,542,493)	(734,780,540)
NET INCOME		16,815,411,671	17,135,126,786