

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**BALANCE SHEET**

As of December 31, 2009

(With comparative figures as of December 31, 2008)

(In Philippine Peso)

	Notes	2009	2008
ASSETS			
Current Assets			
Cash and cash equivalents	2, 3	62,032,243,855	15,239,098,144
Power receivables, net	2, 4	71,177,621,036	58,023,697,436
Receivable from asset sale	2, 5	1,594,956,589	454,838,614
Receivable from concession	2, 5	7,872,978,206	-
Receivable from IPPAs	2, 5	1,671,655,447	-
Due from government agencies	6	82,399,303,549	64,165,763,140
Other receivables	7	11,882,119,719	8,771,114,432
Assets held for sale	2, 8	6,237,242,070	46,666,980,923
Other current assets	9	13,016,466,935	23,430,687,157
Total Current Assets		257,884,587,406	216,752,179,846
Non-Current Assets			
Power receivables, net	2, 4	2,487,953,562	524,690,433
Receivable from asset sale	2, 5	10,703,733,298	2,455,420,854
Receivable from concession	2, 5	124,240,584,375	-
Receivable from IPPAs	2, 5	239,330,453,504	-
Property and equipment, net	2, 10	36,466,478,023	32,601,057,707
BOT Electric plants under capital lease, net	2, 11	237,203,980,308	456,777,856,390
Investment in TransCo	12	185,474,123,900	115,693,280,922
Assumed Rural Electrification Program loans	2, 13	-	7,239,282,621
Other non-current assets	14	15,208,162,625	39,398,562,669
Total Non-Current Assets		851,115,469,595	654,690,151,596
TOTAL ASSETS		1,109,000,057,001	871,442,331,442
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	15	49,159,624,905	66,225,336,883
BOT lease obligation	2, 16	34,044,161,197	36,182,630,879
Current portion of long-term liabilities	17	43,019,049,633	50,252,876,459
Current portion of assumed REP loans	2, 13	3,363,769,334	2,936,245,026
Due to GOCCs and government agencies	19	25,531,030,267	23,415,375,390
Total Current Liabilities		155,117,635,336	179,012,464,637
Non-Current Liabilities			
BOT lease obligation	2, 16	407,497,724,416	451,694,256,752
Long-term liabilities	17	279,005,671,232	275,779,018,807
Assumed Rural Electrification Program loans	2, 13	4,557,916,830	6,355,711,966
Deferred concession income	2, 5	166,293,974,337	-
Other long-term liabilities	18	46,207,775,700	2,034,989,875
Total Non-Current Liabilities		903,563,062,515	735,863,977,400
Equity/(Capital Deficiency)			
Capital from asset-debt transfer	20	(22,485,735,123)	(73,841,013,083)
Retained earnings		72,805,094,273	30,406,902,488
Total Equity(Capital Deficiency)		50,319,359,150	(43,434,110,595)
TOTAL LIABILITIES AND EQUITY		1,109,000,057,001	871,442,331,442

See accompanying Notes to Financial Statements.

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

For the year ended December 31, 2009

(With comparative figures for the year ended December 2008)

(In Philippine Peso)

	Notes	2009	2008
INCOME	22		
Sale/ disposal of assets		16,254,531,911	33,598,174,884
Concession fee		18,056,954,781	-
Power generation		(12,738,836,707)	(2,868,816,205)
		21,572,649,985	30,729,358,679
EXPENSES			
Personal Services			
Salaries & wages		86,971,698	80,597,264
Personnel benefits contribution		11,520,653	10,741,902
Other compensation		19,647,025	18,482,481
Other personnel benefits		9,422,788	12,628,097
		127,562,164	122,449,744
Maintenance and Other Operating Expenses	23		
Professional services		1,160,868,929	118,159,364
Taxes, insurance premiums & other fees		557,002,865	25,715,756
Utilities		15,282,794	17,188,173
Representation		13,111,522	6,762,614
Rent		12,985,901	11,623,975
Depreciation		12,847,018	18,150,280
Traveling expenses		9,020,006	8,075,304
Communication		8,910,625	7,343,969
Supplies & materials		6,608,811	7,578,439
Advertising expenses		4,991,841	3,874,656
Training and scholarship		3,428,021	1,458,203
Extraordinary & miscellaneous expenses		2,615,501	2,394,501
Repairs & maintenance		2,040,991	1,697,046
Other maintenance & operating expenses		320,836,039	80,899,480
		2,130,550,864	310,921,760
INCOME FROM OPERATIONS BEFORE FINANCIAL EXPENSES		19,314,536,957	30,295,987,175
Financial Expenses	24		
Interest expense		20,412,242,555	4,968,017,798
Am'rtzn of assumed REP loans & other charges		-	1,822,692,601
Financial charges		2,137,862,021	877,392,390
		22,550,104,576	7,668,102,789
INCOME FROM OPERATIONS AFTER FINANCIAL EXPENSES		(3,235,567,619)	22,627,884,386
OTHER INCOME (EXPENSES)	25		
Gain (loss) on foreign exchange		17,242,190,574	(6,693,413,425)
Interest income		691,876,075	867,572,361
Miscellaneous income		720,082,318	13,368,349
		18,654,148,967	(5,812,472,715)
NET INCOME		15,418,581,348	16,815,411,671

See accompanying Notes to Financial Statements.

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
STATEMENT OF CASH FLOWS

For the year ended December 31, 2009
(With comparative figures for the year ended December 31, 2008)
(In Philippine Peso)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of receivables	98,558,034,650	1,148,257
Proceeds from concession of transmission assets	52,237,366,538	-
Proceeds from sale of generation assets	39,270,738,570	53,859,322,483
Receipt of interest income	1,187,235,819	1,486,972,615
Collection of forfeited bond - Emerald Energy Corp.	739,287,161	-
Receipt of performance bonds/bid security	109,384,206	53,536,423
Proceeds from lease of Naga complex	-	172,096,188
Refund of overpayment of expenses	-	226,398
Other receipts/income	1,046,806,678	9,183,364
Payment of operating expenses	(103,353,948,605)	(419,233,561)
Remittance of GSIS,PAG-IBIG/withholding taxes	(3,131,291,281)	(107,535,078)
Payment of payables	(167,871,319)	(150,590,380)
Refund of performance bonds/retention for contract payments	(89,004,074)	(2,192,658)
Purchase of office supplies	(4,857,140)	(3,725,906)
Payment of prepaid expenses	-	(1,030,395)
Net cash provided by operating activities	86,401,881,202	54,898,177,751
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	(74,026,648)	(13,079,431)
Net cash used by investing activities	(74,026,648)	(13,079,431)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of US\$1 billion global bond	46,674,787,860	-
Proceeds of bond exchange	27,788,635,127	-
Remittance from DPWH for SRMPP	83,270,000	-
Availment of domestic loan from LBP/DBP	-	19,950,273,970
Payment of principal debt	(49,805,394,887)	-
Payment of lease obligation - BOT plants	(37,387,608,990)	-
Payment of interest	(15,306,400,445)	-
Payment of NG Advances - Casecan	(6,963,773,641)	(12,254,952,473)
Payment of guaranty fee to BTr - bond exchange	(2,297,913,964)	-
Payment of assumed RECs loans from NEA	(1,370,270,828)	(1,342,734,772)
Advances re interest for SRMPP	(285,795,276)	-
Payment of documentary stamps - US\$1 billion global bond	(236,570,000)	-
Payment to BTr re guaranty fee for the P20 billion domestic loan	(100,000,000)	-
Bond Swap Receivables - POS	(46,834,000)	-
Prepayments of debts	-	(56,271,509,683)
Payment of IPP-related obligations	-	(11,988,088,705)
Debt servicing of NPC loans from priva proceeds	-	(10,758,511,276)
Other loan-related expenses	(151,073,310)	(31,500,000)
Net cash used by financing activities	(39,404,942,354)	(72,697,022,939)
EFFECT OF FOREIGN EXCHANGE CHANGES ON		
CASH AND CASH EQUIVALENTS	(129,766,488)	3,610,027,149
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,793,145,711	(14,201,897,471)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	15,239,098,143	29,440,995,614
CASH AND CASH EQUIVALENTS AT END OF YEAR	62,032,243,855	15,239,098,143

See accompanying Notes to Financial Statements.

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

For the year ended December 31, 2009

(With comparative figures for the year ended December 31, 2008)

(In Philippine Peso)

	2009	2008
CAPITAL FROM ASSET-DEBT TRANSFER		
Balance, January 1	(73,841,013,083)	(73,841,013,083)
Adjustments on:		
Recognition of TRANSCO's appraisal capital	69,575,722,980	-
Closing of the assumed rural electrification loans of electric cooperatives from NEA and other government agencies	(18,073,841,332)	-
Closing of payment made by PSALM to San Pascual Cogeneration Company Intl BV re termination of the power purchase agreement between SPPC and NPC	(338,142,000)	-
Loan-related transactions and various charges related to asset-debt transfers	191,538,312	-
Balance, December 31	(22,485,735,123)	(73,841,013,083)
RETAINED EARNINGS		
Balance, January 1	30,406,902,488	11,119,678,157
Net income	15,418,581,348	16,815,411,671
Net credits for all adjustments relating to OMA and asset-debt accounts transfers	16,145,051,726	-
Adjustments:		
On assumed REP loans from NEA and other gov't agencies	10,834,558,711	-
On transferred depreciation	-	2,225,804,567
To eliminate accounts recorded both by PSALM and NPC	-	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
On guaranty fees	-	(1,535,967)
Adjustments on prior years		
Interest expense on 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
Unearned lease rental	-	(6,801,423)
Provision for employee benefits	-	(6,536,497)
Balance, December 31	72,805,094,273	30,406,902,488
EQUITY (CAPITAL DEFICIENCY)	50,319,359,150	(43,434,110,595)

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