

May 22, 2008

**ATTY. PETE MALABANAN**

Head, Disclosure Department  
PHILIPPINE STOCK EXCHANGE  
4/F PSE Center, Exchange Road,  
Ortigas Center, Pasig City

Re: Clarification to May 22, 2008 BusinessWorld article

Dear Atty. Malabanan,

This has reference to your letter asking us to confirm the veracity of the information contained in the May 22, 2008 BusinessWorld article entitled, "Aboitiz to expand despite threats to food and transport units", a portion of which is quoted hereunder:

*"...The group is spending ₱32 billion this year, much of which will go to its power subsidiary. Our biggest growth will come from the generation side that's where we'd like to focus on," Aboitiz Equity President and Chief Executive Officer Jon Ramon Aboitiz said...x x x"*

Please be advised that the estimated ₱32 billion capital expenditure is composed of ₱4.5 billion operating capital expenditure and about ₱27.4 billion new investments.

The ₱27.4 billion new investments represent total investments to be made in ongoing power generation projects of certain subsidiaries of Aboitiz Equity Ventures, Inc. (AEV) which we have previously disclosed with the Exchange. It includes the equity infusions to be made by AEV's subsidiaries and their respective project partners as well as amounts to be sourced through project financing.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,



**M. JASMINE S. OPORTO**  
Corporate Secretary