

May 19, 2009

MS. JANET A. ENCARNACION

Head, Disclosure Department
4/F The Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road
Ortigas Center, Pasig City

Re: Clarification to May 19, 2009 BusinessWorld article

Dear Ms. Encarnacion,

This has reference to your letter asking us to confirm the veracity of the information contained in the May 19, 2009 BusinessWorld article entitled, "Aboitizes keep upbeat outlook", a portion of which is quoted hereunder:

"...For this year, AEV has set aside a total of P46 billion for capital expenditures. The bulk, or P44 billion, will be for subsidiary Aboitiz Power Corp. projects... Erramon Aboitiz said the firm did not have plans to issue more debt, but would tap credit markets as acquisitions are made... "I think we have the capacity to borrow for another \$300 million, or P5-6 billion, worth of projects," he said."

We would like to clarify that the projected P46 billion capital expenditures (capex) stated in the article represents the total capex requirements of the companies in which AEV is invested in, which includes the share of the joint venture partners in these companies.

Likewise, the P44 billion capex allocation attributed to AEV subsidiary, Aboitiz Power Corporation (AP), represents the total capex requirements of the existing power projects of AP and includes the share of AP's joint venture partners in these projects. The beneficial share of AP in the projected capex for these projects is approximately P33 billion.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,



LEAH I. GERALDEZ
Assistant Corporate Secretary