

May 20, 2010

**MS. JANET ENCARNACION**

Head, Disclosure Department  
Philippine Stock Exchange, Inc.  
4th Floor, Philippine Stock Exchange Centre,  
Exchange Road, Ortigas Center,  
Pasig City

Re: Clarification to the May 20, 2010 *Manila Standard Today* article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in the *Manila Standard Today* article dated May 20, 2010 entitled, "Aboitiz Equity Reduces Spending to P20b," a portion of which is quoted hereunder:

*"ABOITIZ Equity Ventures Inc., the holding company of the Aboitiz group, is earmarking around P20 billion for capital outlays this year, lower than over P30 billion it programmed in 2009. Aboitiz Equity president and chief executive Erramon Aboitiz told reporters in a press briefing that the company would cut back on investment spending this year in preparation for increased outlay on big-ticket projects in 2011..."*

This is to clarify that Aboitiz Equity Ventures Inc., (AEV) earmarked around P16 billion for capital outlay for 2010 against the P25 billion capital expenditure in 2009. About P13billion of the capital outlay is allotted for Aboitiz Power Corporation, AEV's listed power subsidiary. AEV's programmed capital expenditures for this year is lower compared to last year because AEV had not provided for any major acquisition this year, unlike in 2009 where AEV provided for the acquisition of the Tiwi-Makban geothermal plants and the Pagbilao Independent Power Producer Administrator contract. This year's large capital expenditures for AEV are mainly for the rehabilitation of the Ambuklao and Tiwi- Makban power plants.

We hope we have sufficiently clarified this matter.

Thank you.

Very truly yours,

**ABOITIZ POWER CORPORATION**

By



M. JASMINE S. OPORTO  
Corporate Secretary