

December 2, 2010

MS. JANET A. ENCARNACION

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

Re: Confirmation of Securities Purchase Agreement re ATS Sale

Dear Ms. Encarnacion,

This is to confirm that the Securities Purchase Agreement (SPA) among Aboitiz Equity Ventures, Inc. (AEV), Aboitiz & Company, Inc. (ACO) and Negros Navigation Co., Inc. (NENACO) for the purchase by NENACO of the equity stake of AEV and ACO in Aboitiz Transport System (ATSC) Corporation (ATS) was signed in Shanghai, China yesterday.

As disclosed previously, the terms of the SPA are as follows:

- a) The per share purchase price is computed based on an ATS equity value of 105 million US dollars or equivalent to approximately US\$0.043 per share;
- b) The equity value includes all the logistics and shipping businesses of ATS except its interest in its joint venture companies with the Jebsen Group of Norway;
- c) The buyout is expected to close on or before January 10, 2011;
- d) NENACO is required to make a tender offer for all ATS shares owned by the public at the same price to be paid to AEV and ACO in accordance with relevant tender offer rules of the Securities Regulation Code. The purchase of the public shares shall coincide with the closing date of the SPA unless the Securities and Exchange Commission approves that the closing of the tender offer shall occur at a later date.

AEV will acquire prior to closing the 62.5% equity stake of ATS in the ship management, manning and crew management, and bulk transport businesses of the Aboitiz Jebsen group for approximately 355.91 million pesos. ACO will acquire ATS's 50% equity stake in Aboitiz Jebsen's chartering business for 44 million pesos.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By



LEAH I. GERALDEZ

Assistant Corporate Secretary