

March 28, 2011

MS. JANET A. ENCARNACION
Head, Disclosure Department
Philippine Stock Exchange, Inc.
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City

Re: Clarification to March 28, 2011 *The Philippine Daily Inquirer* news article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in the *The Philippine Daily Inquirer* news article dated March 28, 2011 entitled, "Aboitiz firm allots P49 B for 2011 capex", portions of which are quoted hereunder:

"Aboitiz Equity Ventures, Inc. plans to allocate P49 billion for the capital expenditures of its various units this year, with the bulk to fund proposed coal power projects.

Stephen G. Paradies, senior vice president and chief financial officer of AEV, said in an interview that P46 billion of the budget would go to Aboitiz Power Corporation.

"This is inclusive of the share of our partners in those power businesses where we have partners. So if you take just our proportionate shares of APC, it amounts to P24 billion," Paradies explained."

We would like to confirm and clarify certain items in the article:

- (1) The approved capital expenditure of P49 billion for the year is allocated to fund various projects of the business units of the entire Aboitiz group, not only of the subsidiaries and affiliates of Aboitiz Equity Ventures Inc. (AEV).
- (2) We confirm that out of the projected capital expenditure of P49 billion, P46 billion is appropriated to fund the expected capital expenditures of Aboitiz Power Corporation (AP), for its greenfield, expansion and rehabilitation projects. Its coal power projects in Subic and Davao will account for a large share of this total amount.
- (3) We also confirm that the projected P46 billion capital expenditure of AP for 2011 is inclusive of the share of AP's joint venture partners in certain projects. AP's beneficial share of the capital expenditure is P24 billion.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By



LEAH I. GERALDEZ
Assistant Corporate Secretary