



*ANALYSTS' BRIEFING  
1H2008 FINANCIAL & OPERATING RESULTS*

*Makati Shangri-la  
8 August 2008*

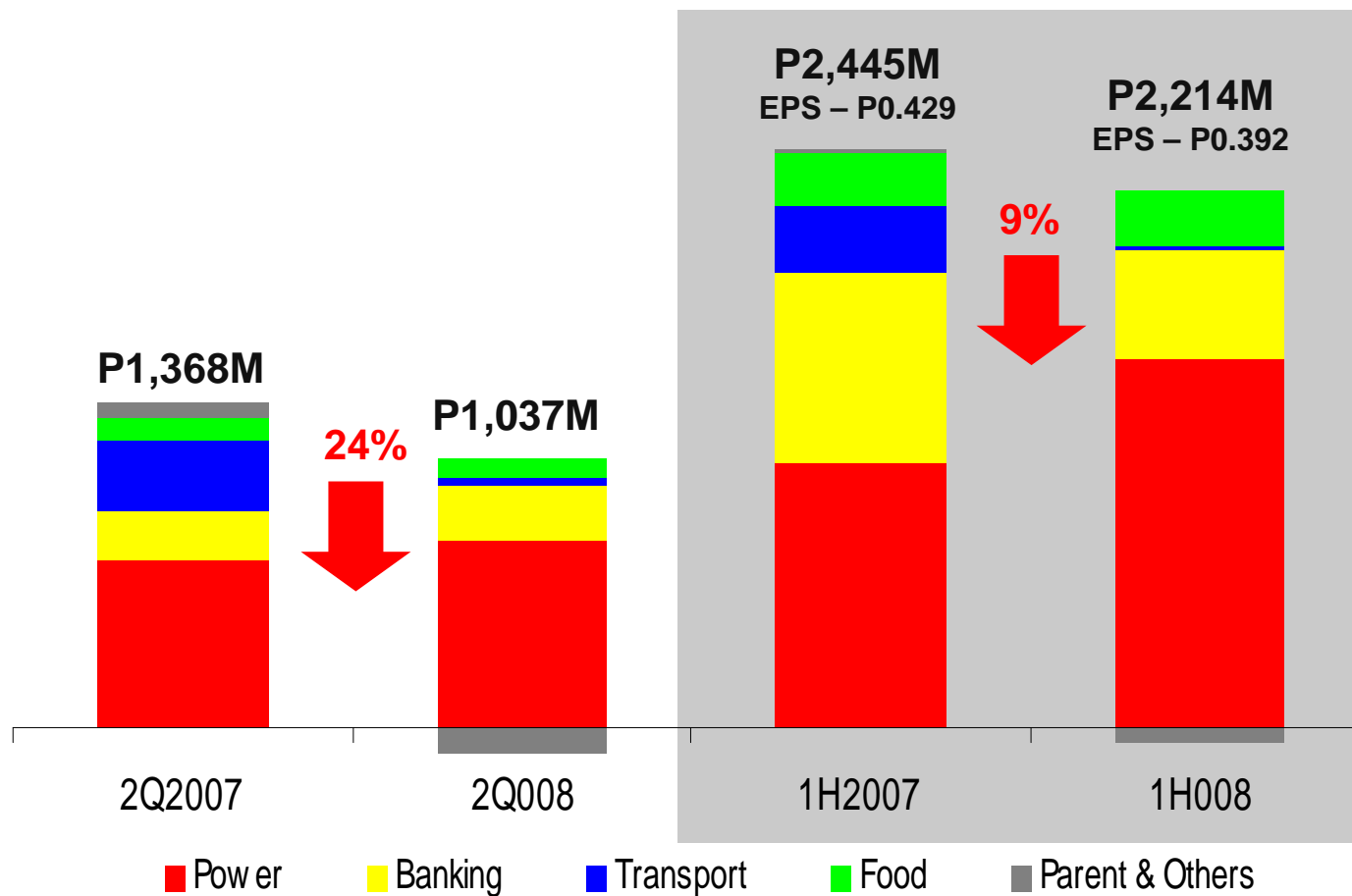
- **Overview**
- **AEV Financials**
- **Review of Business Units**
  - *Union Bank of the Philippines*
  - *Aboitiz Transport Systems*
  - *Pilmico Foods Corporation*
  - **Aboitiz Power Corporation**
    - Tiwi-Makban
- **Q&A**

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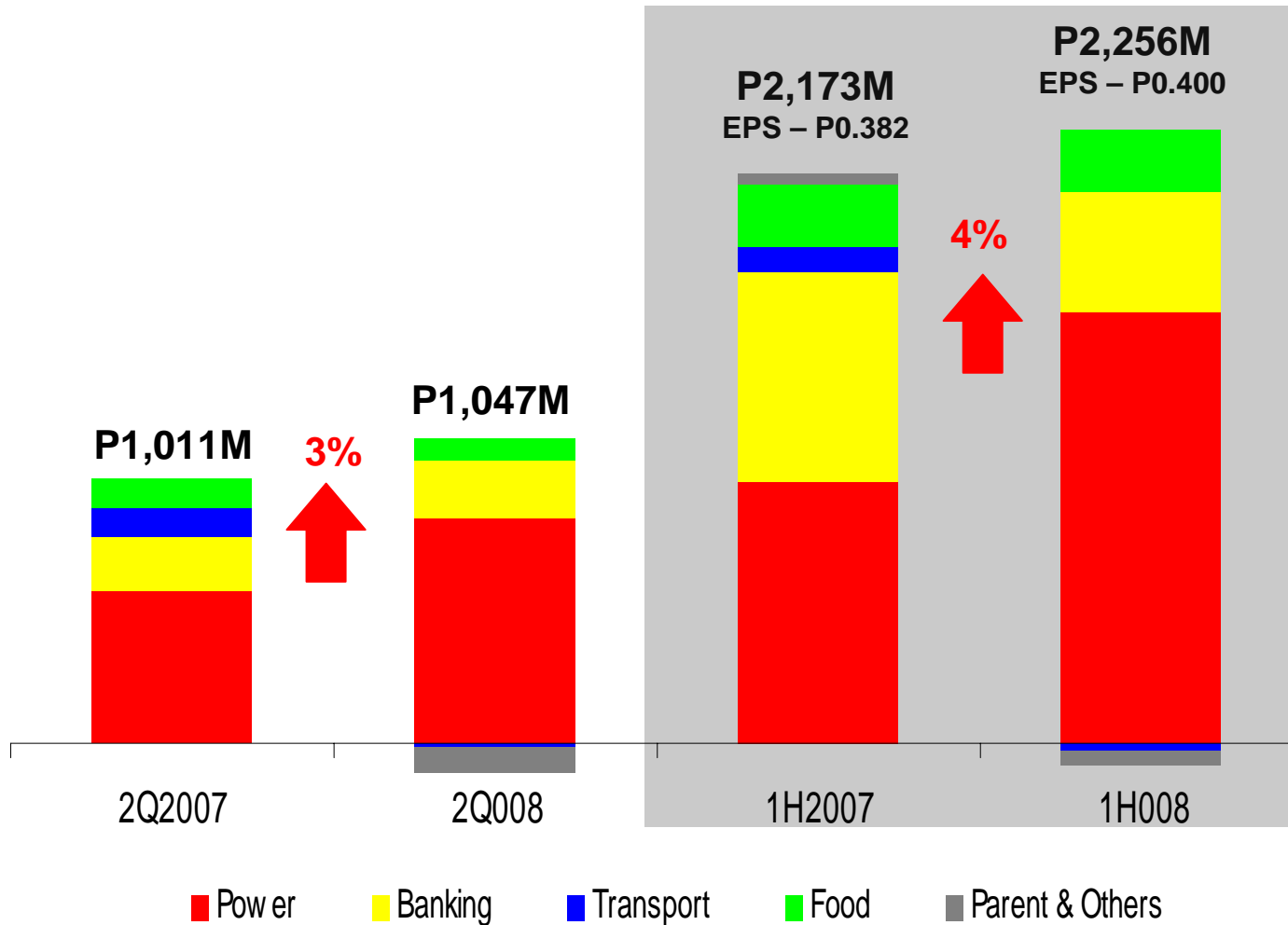
## CONSOLIDATED PROFIT & LOSS

(In million Pesos)	2Q2007	2Q2008	% Change
<b>Revenues</b>	8,324	8,817	6%
<b>Equity Earnings</b>	678	838	24%
<b>EBITDA</b>	2,221	1,947	-12%
<b>Net Income</b>	1,368	1,037	-24%
	1H2007	1H2008	% Change
<b>Revenues</b>	14,971	17,234	15%
<b>Equity Earnings</b>	1,459	1,735	19%
<b>EBITDA</b>	4,031	4,016	-0.4%
<b>Net Income</b>	2,445	2,214	-9%

## NET INCOME



## NET INCOME - Recurring



## Earnings Contribution of Subsidiaries and Associates

(In million Pesos)	2Q2007	2Q2008	% Ch	1H2007	1H2008	% Ch
<b>Aboitiz Power Corp.</b>	708	800	13%	1,124	1,561	39%
<b>City Savings Bank</b>	14	10	-27%	30	20	-33%
<b>Union Bank*</b>	189	216	14%	772	439	-43%
<b>ATSC</b>	304	41	-87%	284	19	-94%
<b>Pilmico</b>	100	75	-25%	230	231	0.4%
<b>Parent &amp; Others</b>	53	(104)	--	5	(55)	--
<b>Total</b>	1,368	1,037	-24%	2,445	2,214	-9%
<b>Non-Recurring</b>	1,011	1,047	3%	2,173	2,256	4%

\*At Cost Method

## NON-RECURRING ITEMS

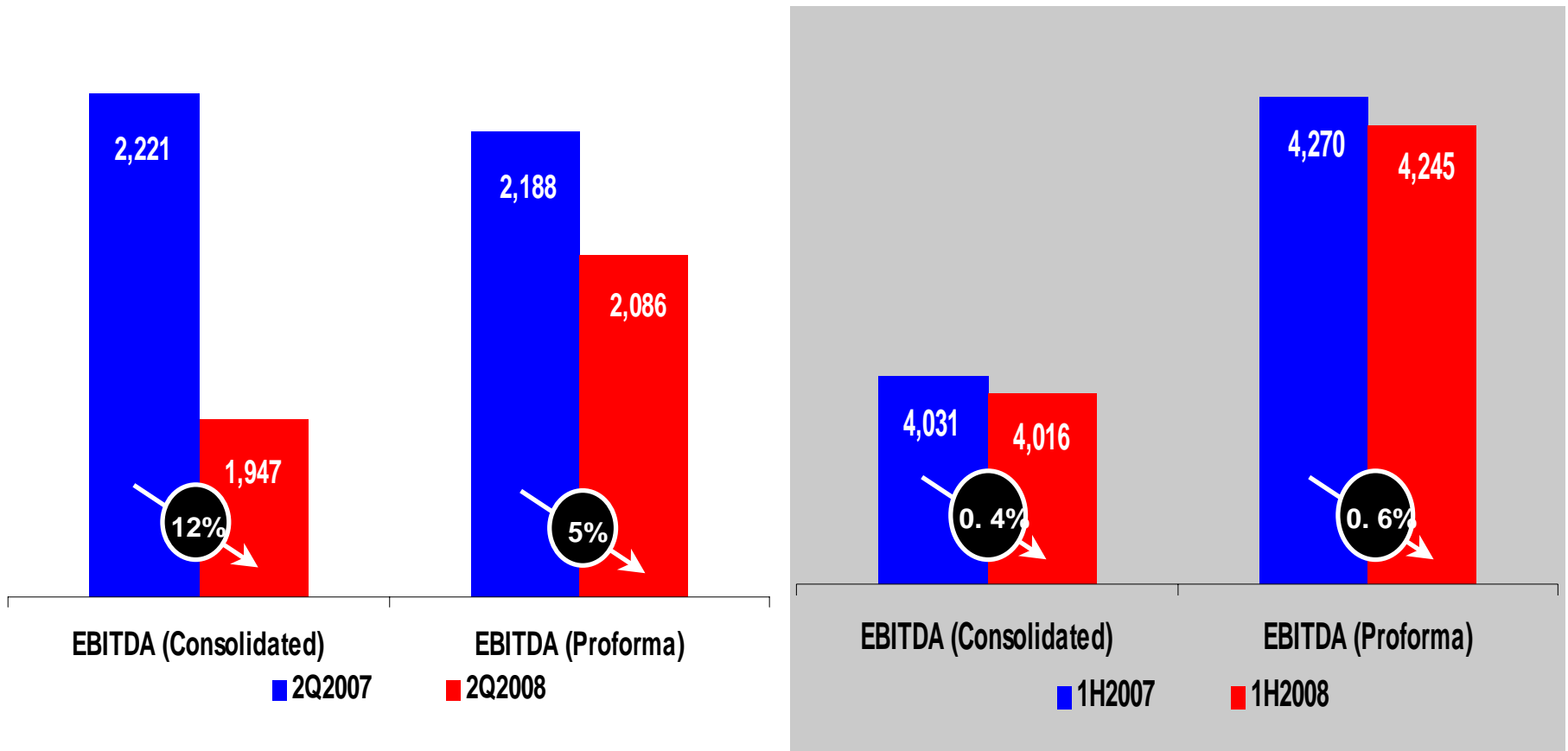
	<b>2Q2007</b>	<b>2Q2008</b>	<b>1H2007</b>	<b>1H2008</b>
<b>Power</b>	122	(59)	122	(92)
<b>Transport</b>	184	48	184	48
<b>Parent</b>	50	2	(35)	2
<b>Total</b>	356	(9)	271	(42)

- **Power's 1H2008 non-recurring items include the FX loss incurred by its subsidiary due to the revaluation of dollar-denominated loans and placements of some of its subsidiaries and the reversal of a P145 million provision made by an associate company due to an arbitration settlement.**
- **Transport's non-recurring income was due to the commission on asset sale and insurance claims**



## EBITDA

(In million Pesos)



## CONSOLIDATED BALANCE SHEET / KEY RATIOS

(In million Pesos)	YE 2007	1H2008	% Change
Cash and Cash Equivalents	18,568	12,035	-35%
Total Assets	65,504	61,300	-6%
Total Debt	18,516	18,537	0.1%
Net Debt	(7,058)	(1,489)	-79%
Stockholders' Equity	38,127	34,352	-10%
Book Value Per Share	6.70	6.10	
Current Ratio	2.48	1.94	
Debt to Equity	0.39	0.43	
Net Debt to Equity	(0.15)	(0.03)	
Net Debt to EBITDA	(0.76)	(0.19)	

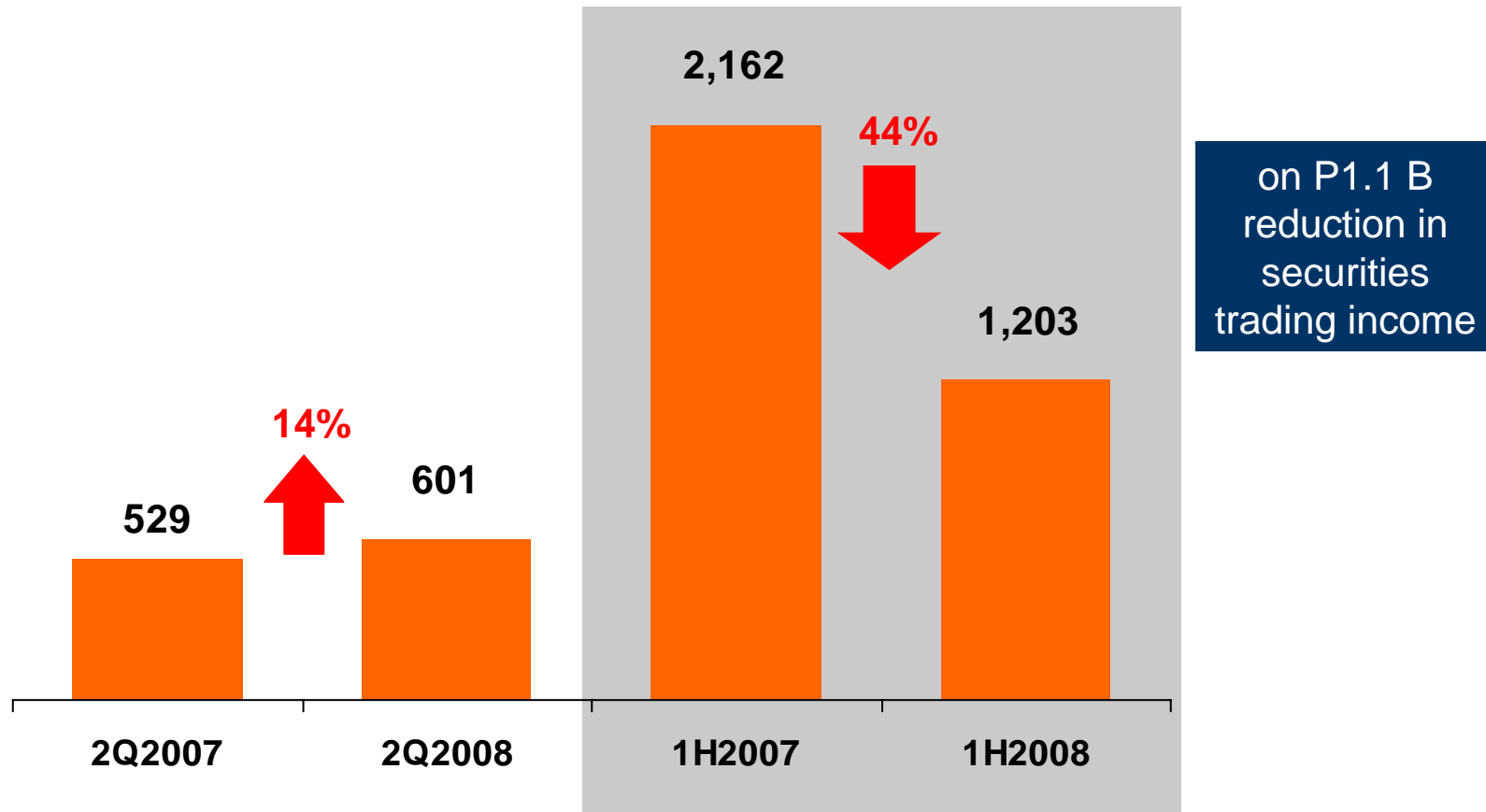
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**Profiting from solid core business strategy**

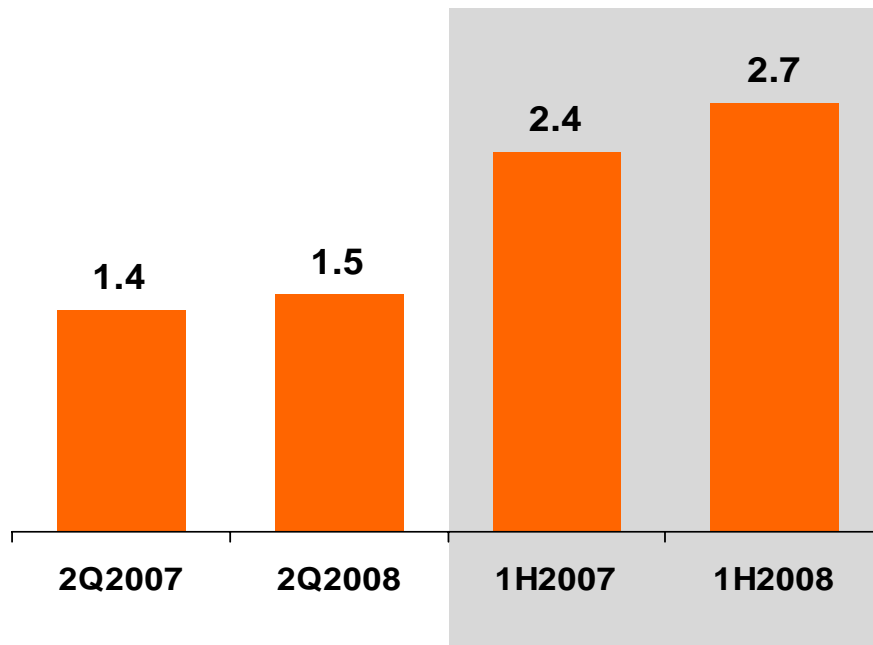
## Net income subdued by external volatilities



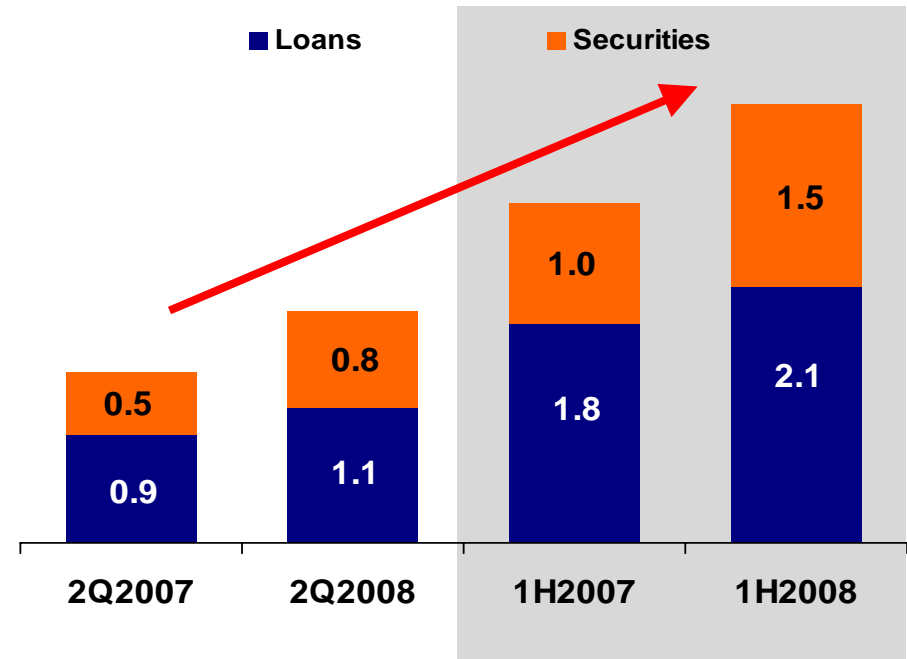
Amounts in Million Pesos

## Core business expansion boosted interest income

**Net interest income**  
(in billion pesos)



**Interest income**  
(in billion pesos)



## What we said...

- Expansion in total loan portfolio
- Focus on core low-cost deposits & reduced dependence on rate-sensitive high-cost deposits
- CAR above minimum regulatory requirement
- Efficiency level sustained





<b>Financial Value</b>	<ul style="list-style-type: none"><li>• Disciplined asset allocation and risk management</li><li>• Selectively consider opportunities for acquisitions to support growth strategy</li></ul>
<b>Operational Excellence</b>	<ul style="list-style-type: none"><li>• Managing for productivity, compliance and customer services</li><li>• Centralized processing systems, Six Sigma program, Open systems, COBIT</li></ul>
<b>Customer Franchise</b>	<ul style="list-style-type: none"><li>• 2 million retail customers</li><li>• 14,000 corporate customers</li></ul>
<b>UnionBank Brand/ Experience</b>	<ul style="list-style-type: none"><li>• High Tech, High Touch</li></ul>
<b>Superior Innovation</b>	<ul style="list-style-type: none"><li>• Clear leadership in technology-based banking solutions</li></ul>

**Engaging customers** – pushing frontiers to explore new markets & new products to remain responsive to shifting customer needs

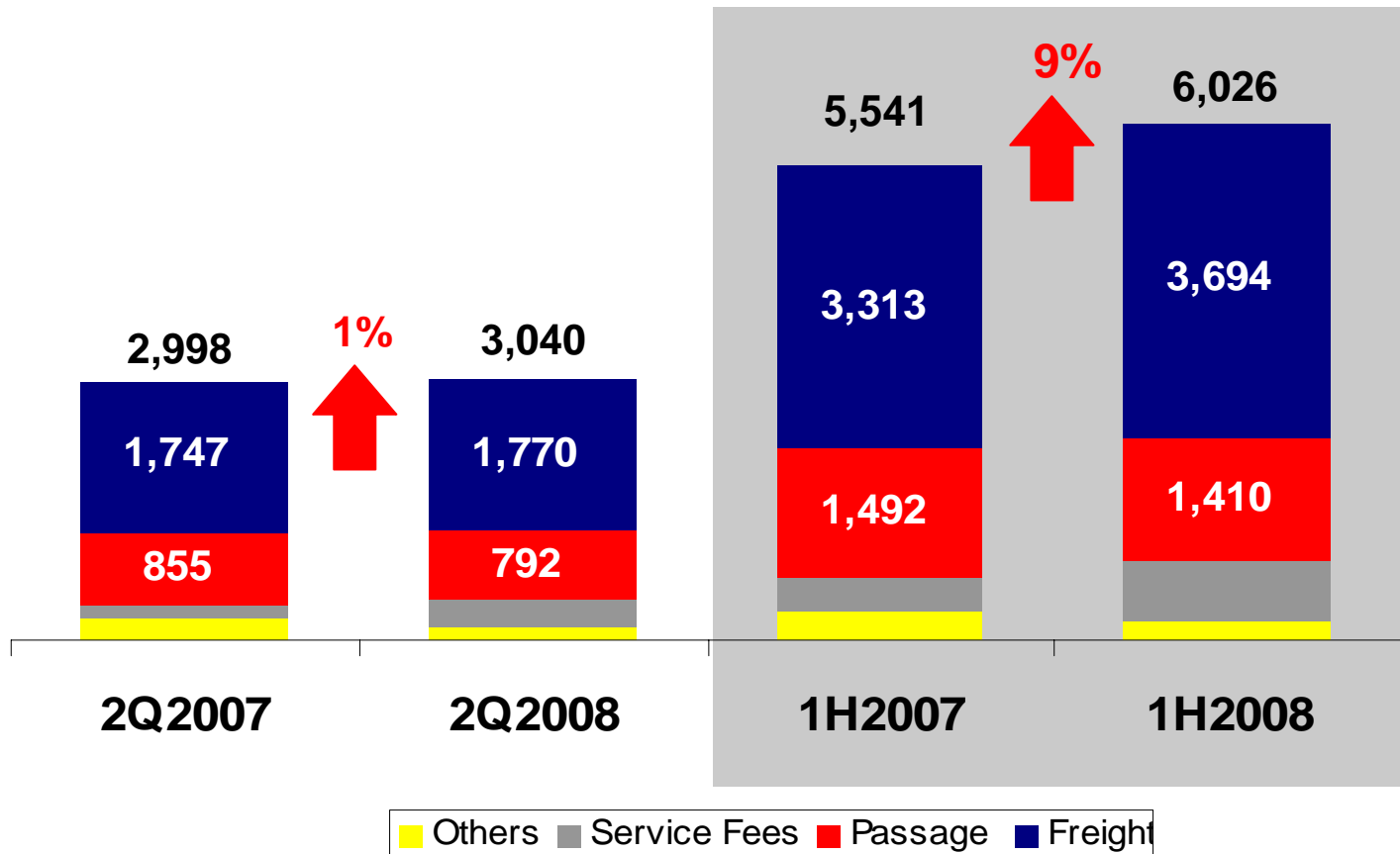
**Enhancing efficiencies** – capitalizing on rapid financial system development to encourage breakthroughs & innovations towards efficiency gains

**Ensuring optimal risk-adjusted returns** – committing to appropriate risk pricing methodology to maintain low risk profile

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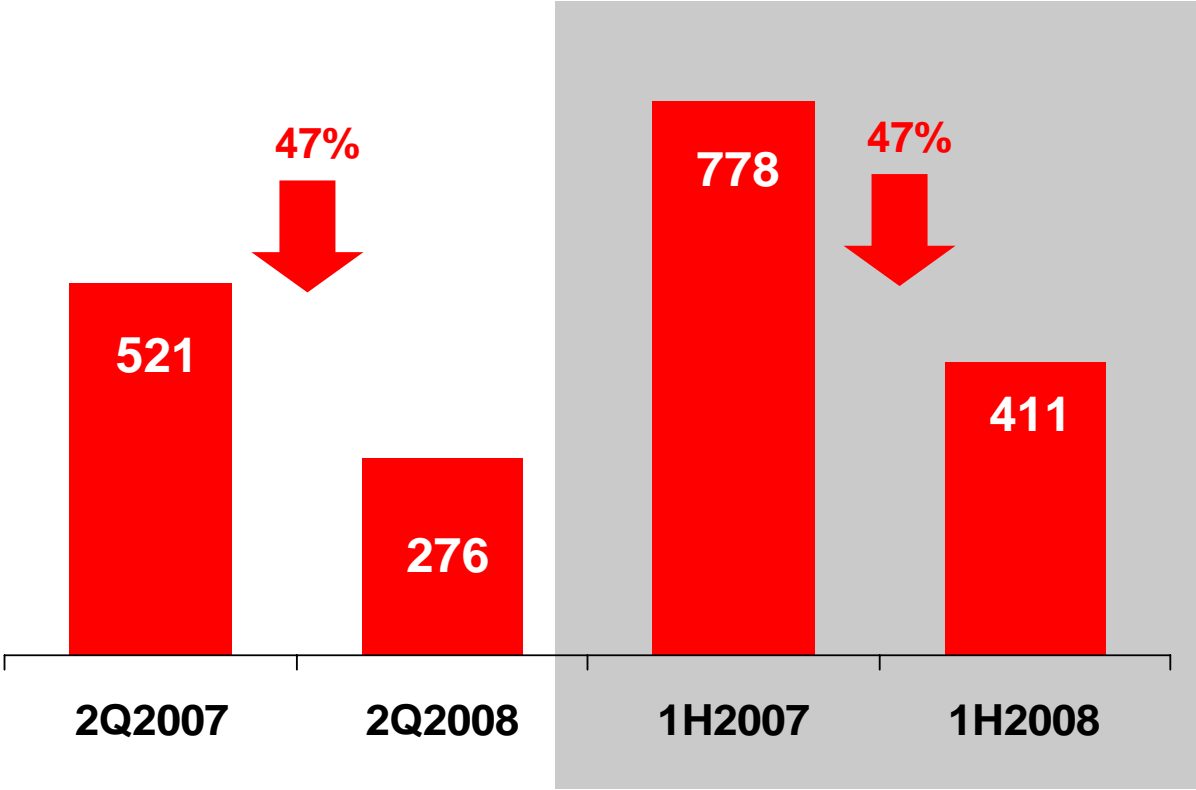
## REVENUE

Freight increased 12%. Service Fees increased 35%, offsetting the decrease in the passage business.



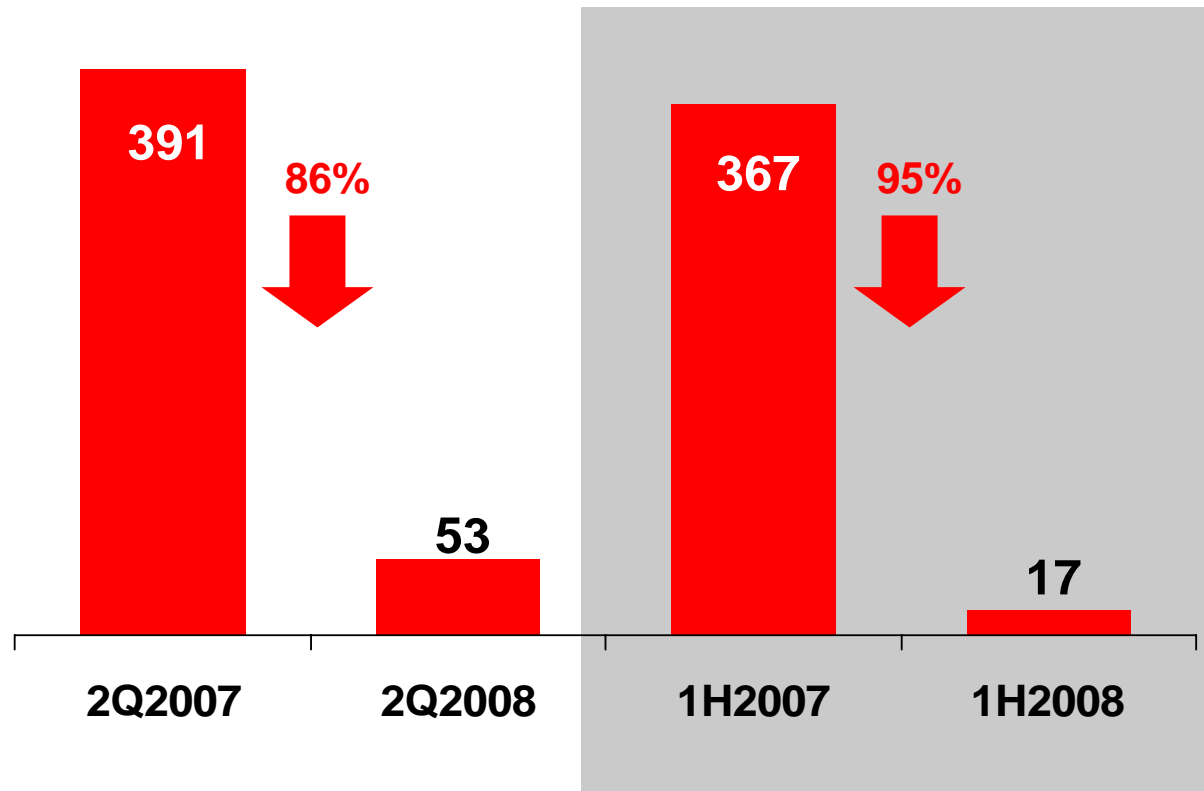
Amounts in Million Pesos

**EBITDA** 47% lower than last year mainly due to rising fuel costs and charter expenses



Amounts in Million Pesos

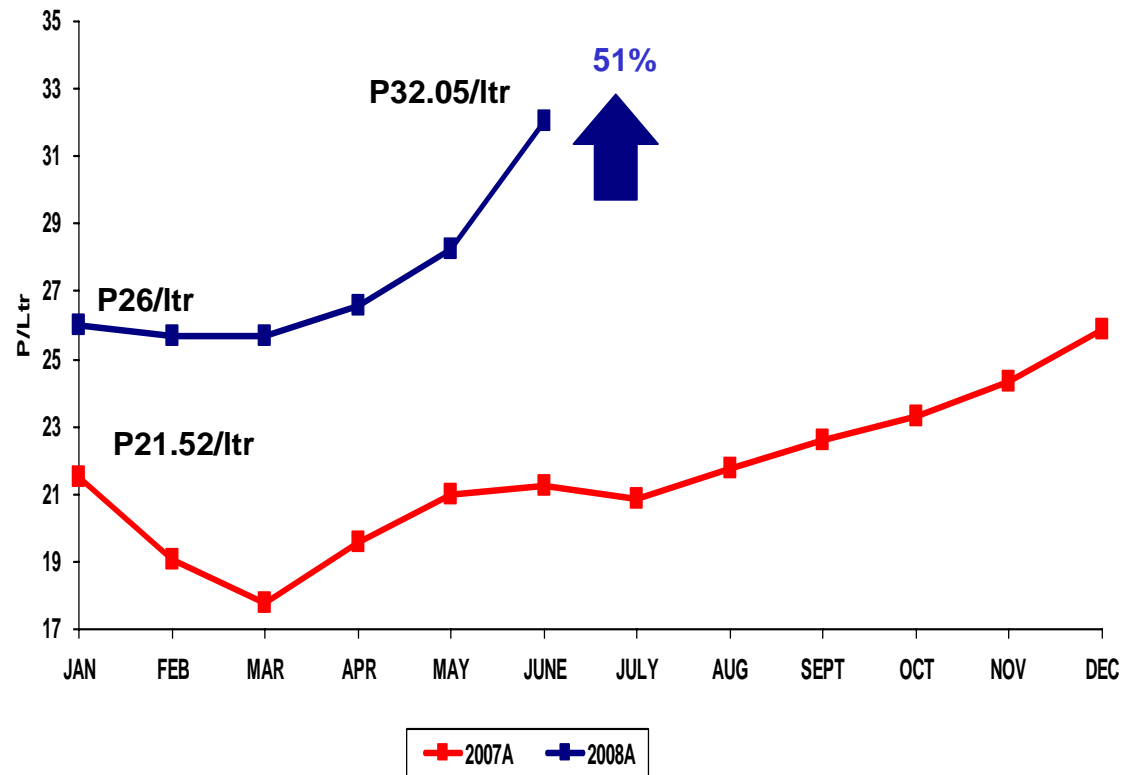
## NET INCOME



- After tax gain on sale of assets of P26.2M in 1H2008 versus P247.5M in 1H2007

**51% higher ave. price/liter versus last year.**

- Increase in average rate per TEU by P857/Teu
- Lower volume consumption
- Utilizing RFO, less expensive type of fuel
- Maximizing the earning capacity of assets

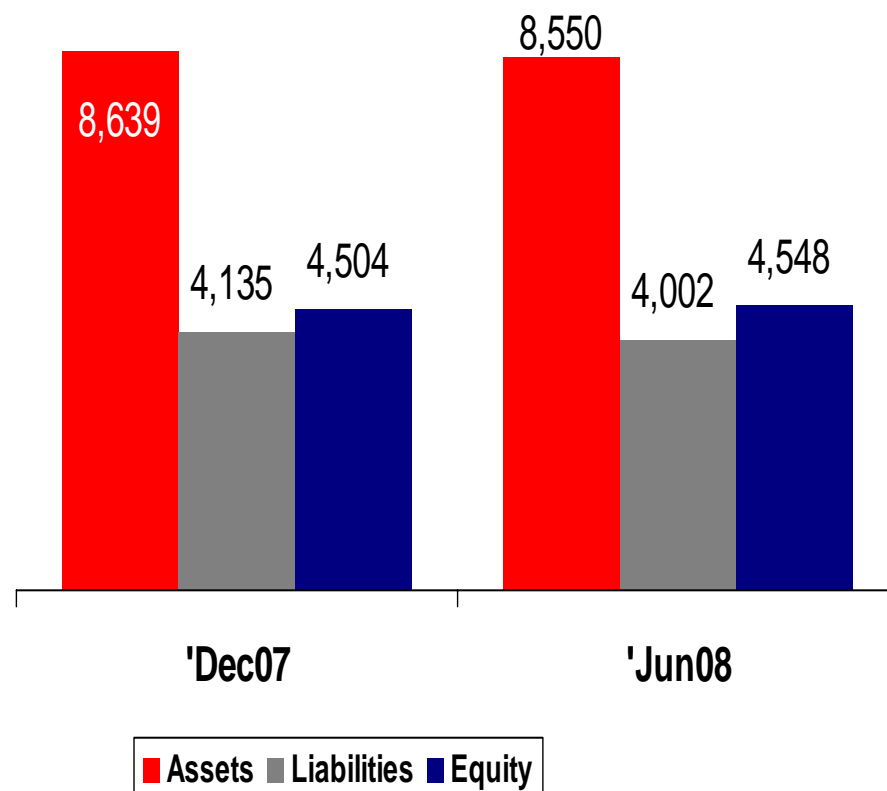


- **20% lower passenger capacity from vessel sales, conversion and repairs**
- **Higher passenger load factors from 71% to 80%**
- **Higher freight rates**
- **2GO1 terminated and replaced with 2<sup>nd</sup> MCCP vessel with 600 Teu capacity**
- **MCCP performance improved 117% from –P10.5M in 1Q08 to –P1.8M in 2Q08**

## ATS Key Operating Statistics

	YTD Jun07	YTD Jun08
Passenger Capacity	1,767,329	1,414,414
Passenger LoadFactor	71%	80%
Ave. Rate per Pax	1,265	1,165
Freight Capacity	130,276	113,512
Freight Load Factor	93%	89%
Ave. Rate per TEU	16,086	16,943
% Roro to Total TEU volume	16%	19%
% Roro to Total Freight Revenue	22%	28%

- Total interest bearing debt at P972M vs P570M in 2007
- Net debt of P205M
- D/E ratio of 0.88:1.00
- Capital expenditures earmarked at P1B, 33% lower vs P1.5B in 2007. P580M spent as of Jun08.
- Scanasia acquisition



Amounts in  
Million Pesos



**Engaged in sales, marketing, warehousing and transportation of temperature-controlled and ambient food products to its customers**

- **Acquisition price of USD8.4M**
- **Market leader in cold chain sales ( dairy foods & cheese)**
- **Cold chain active LCL volume**
- **Cold chain sales and facility coverage nationwide**



- **Increase earning capacity of vessels**
- **Continue with LCC model for the passage business**
- **Increase rates**
- **Move towards Hybrid MCCP model**
- **Build its value added business**

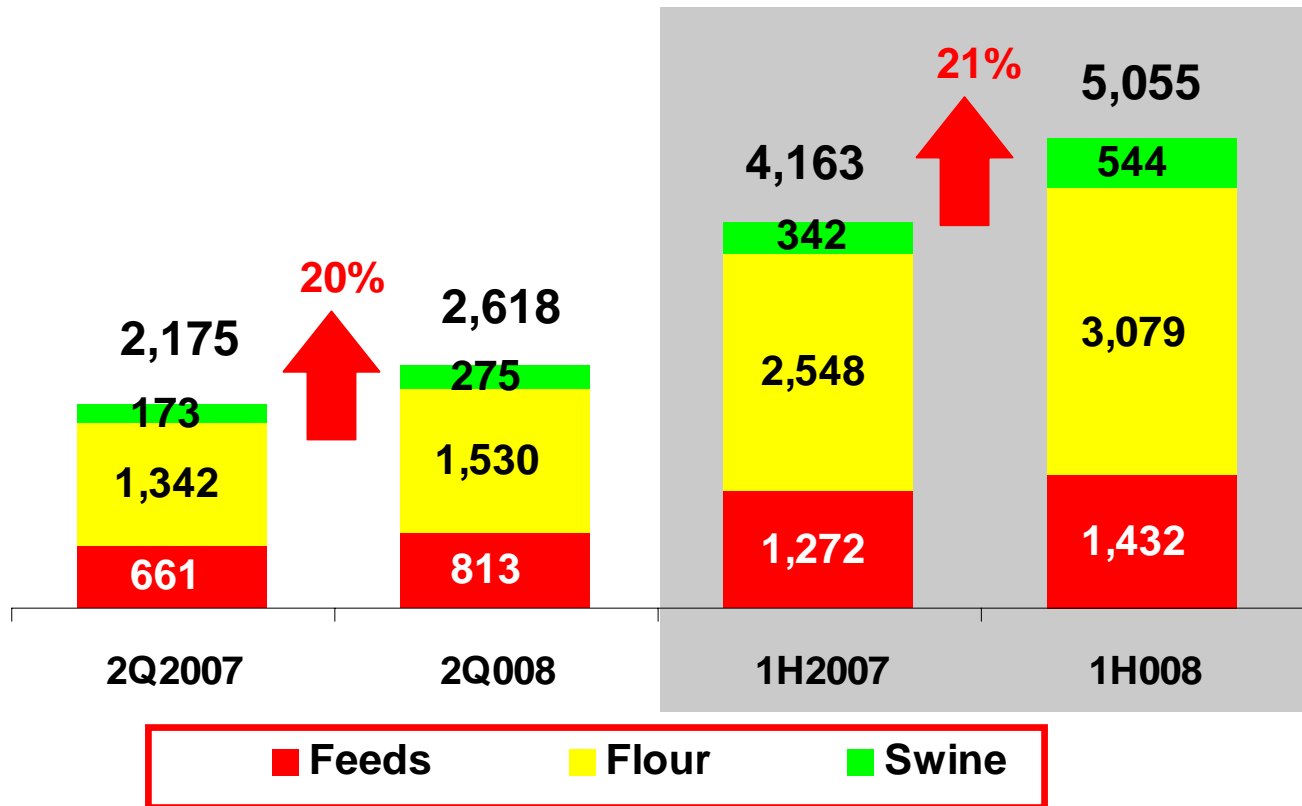
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# FINANCIAL HIGHLIGHTS



PILMICO FOODS CORPORATION

## REVENUE Strong topline growth across the businesses



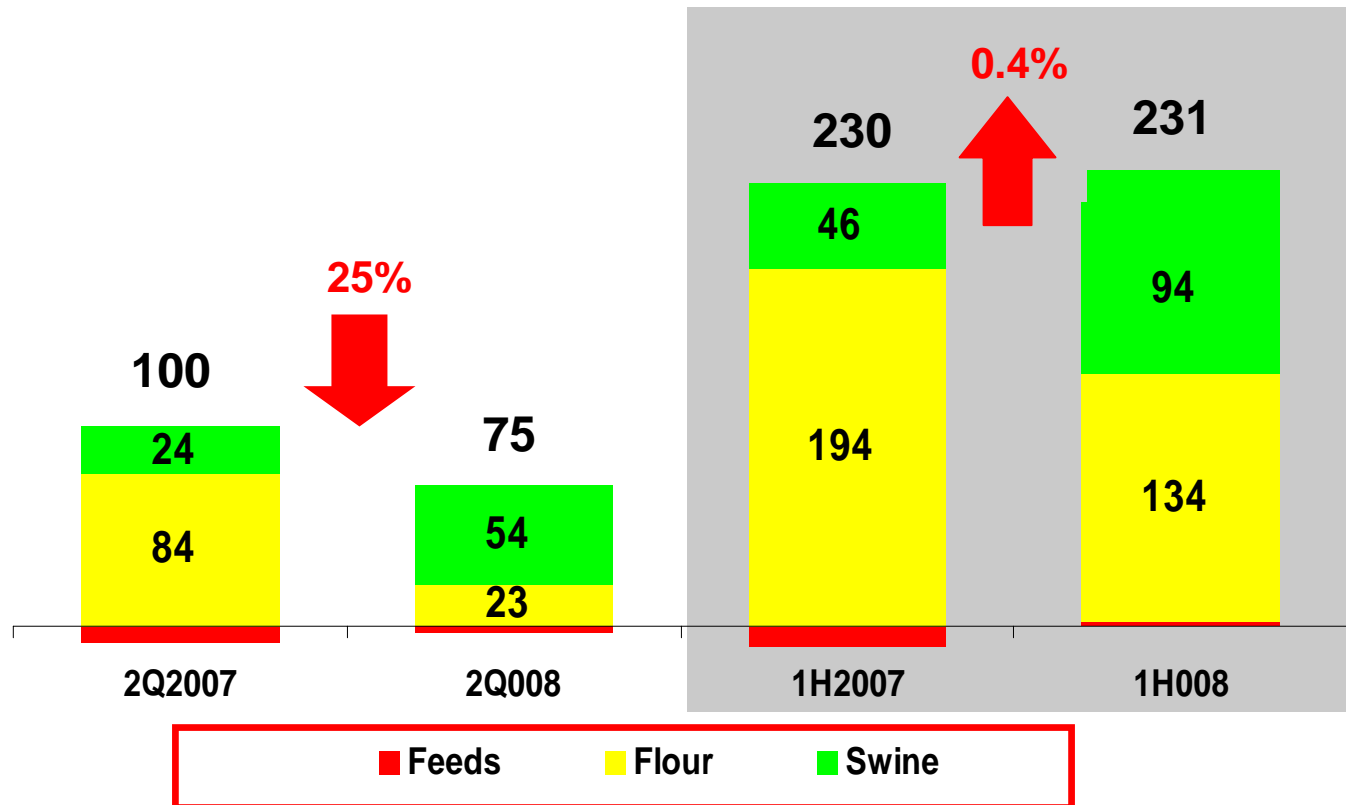
Amounts in  
Million Pesos

# FINANCIAL HIGHLIGHTS



PILMICO FOODS CORPORATION

**NET INCOME** Weak flour performance partially offset by stronger swine business and improved feeds business.



Amounts in Million Pesos

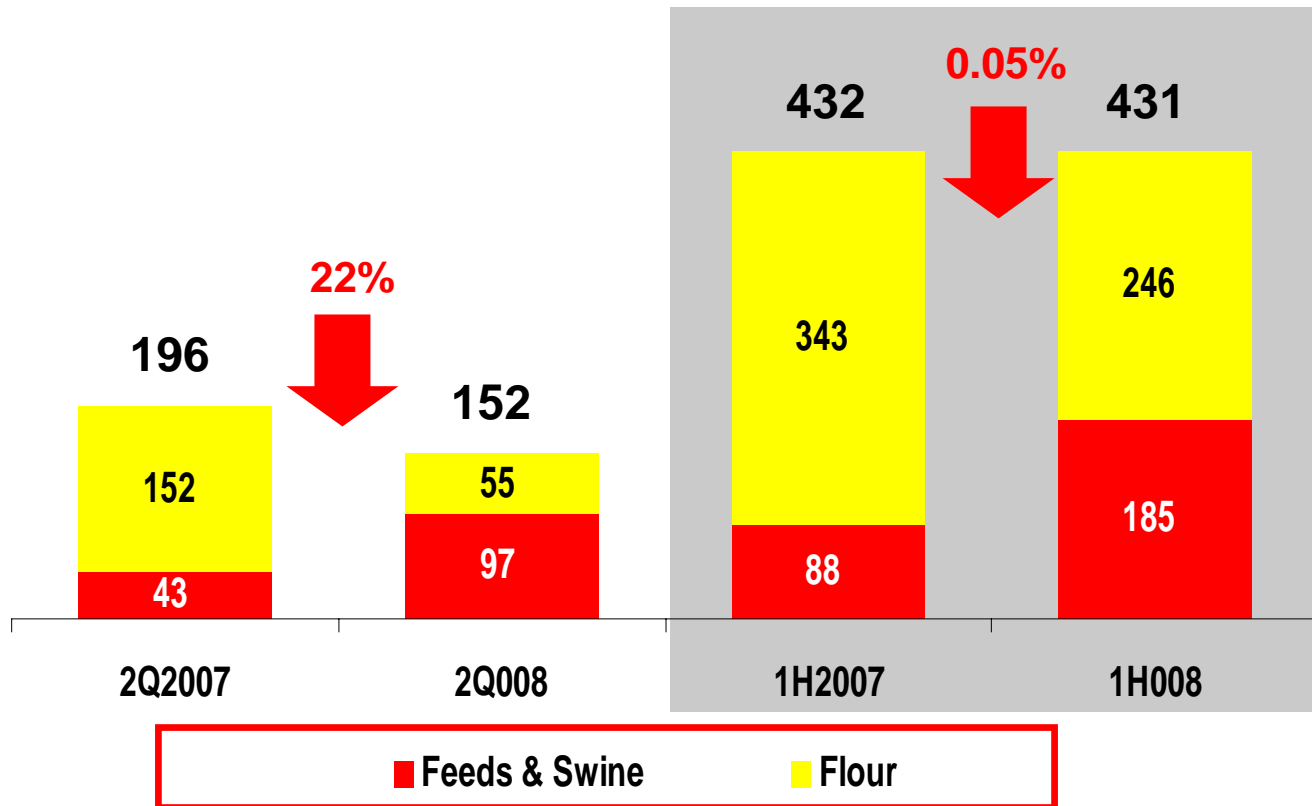
# FINANCIAL HIGHLIGHTS



PILMICO FOODS CORPORATION

## EBITDA

Higher contributions from the swine and feeds businesses offset the drop in the flour business



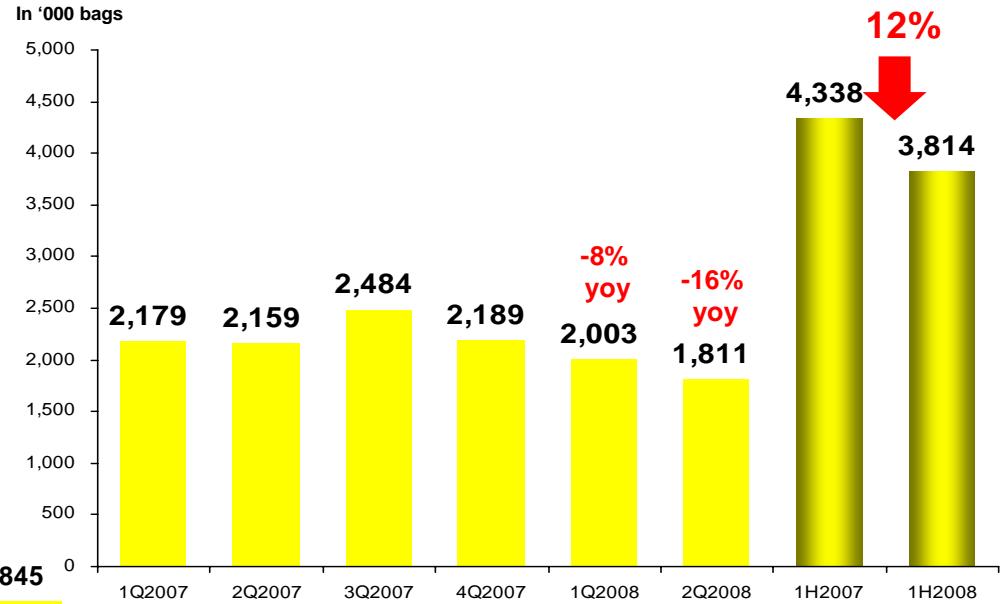
Amounts in  
Million Pesos

# OPERATING HIGHLIGHTS – Flour Business

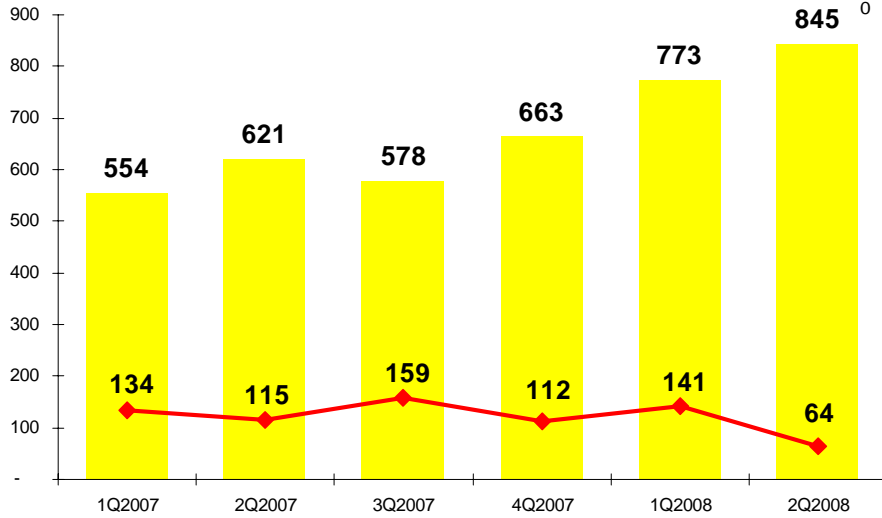


PILMICO FOODS CORPORATION

## Sales Volume



Peso/bag



## Average Selling Prices and Gross Profit



ASP

Gross Profit

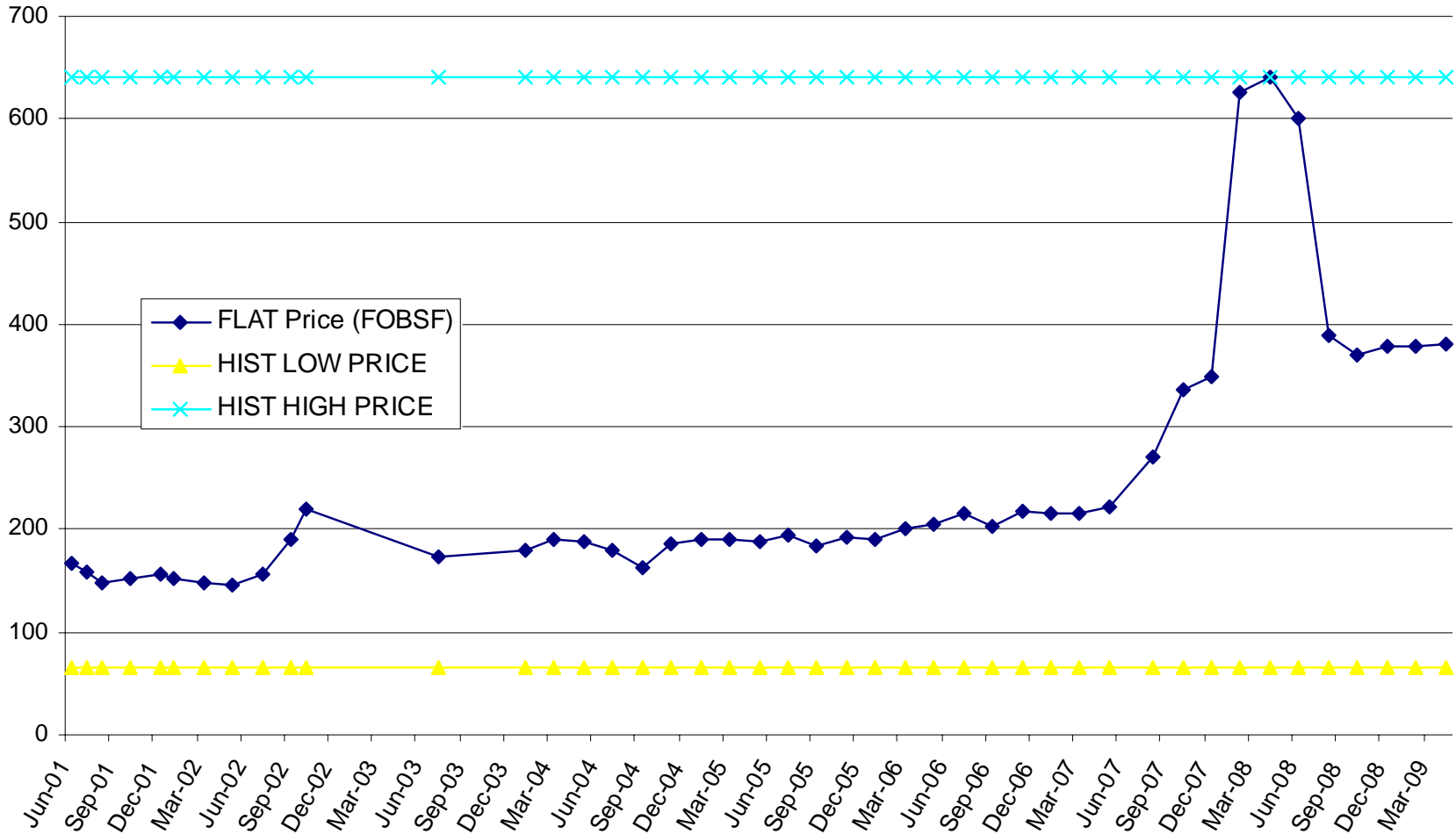


# OPERATING HIGHLIGHTS – Flour Business



PILMICO FOODS CORPORATION

## Input Costs – Hard Wheat Prices

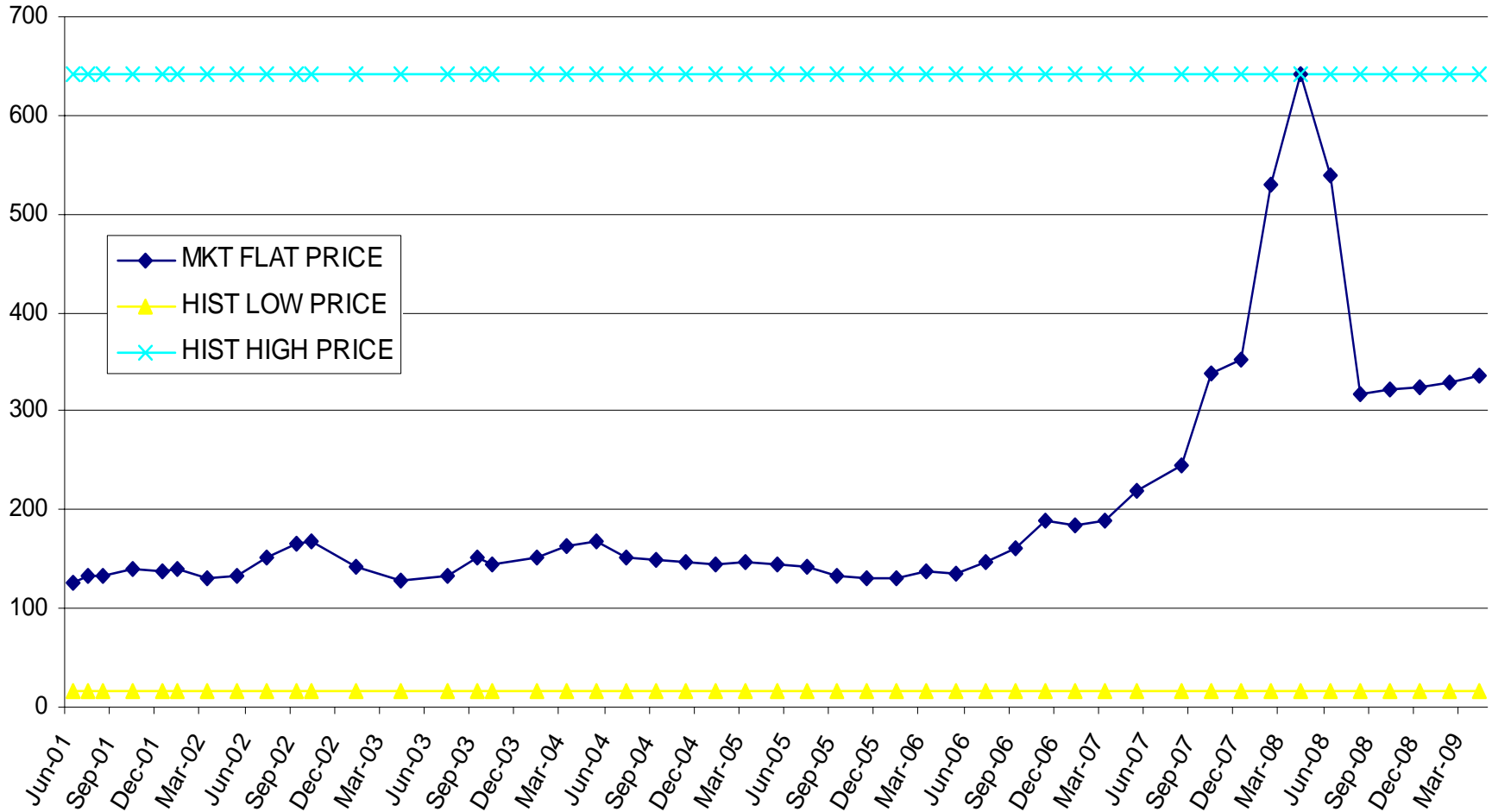


# OPERATING HIGHLIGHTS – Flour Business



PILMICO FOODS CORPORATION

## Input Costs – Soft Wheat Prices

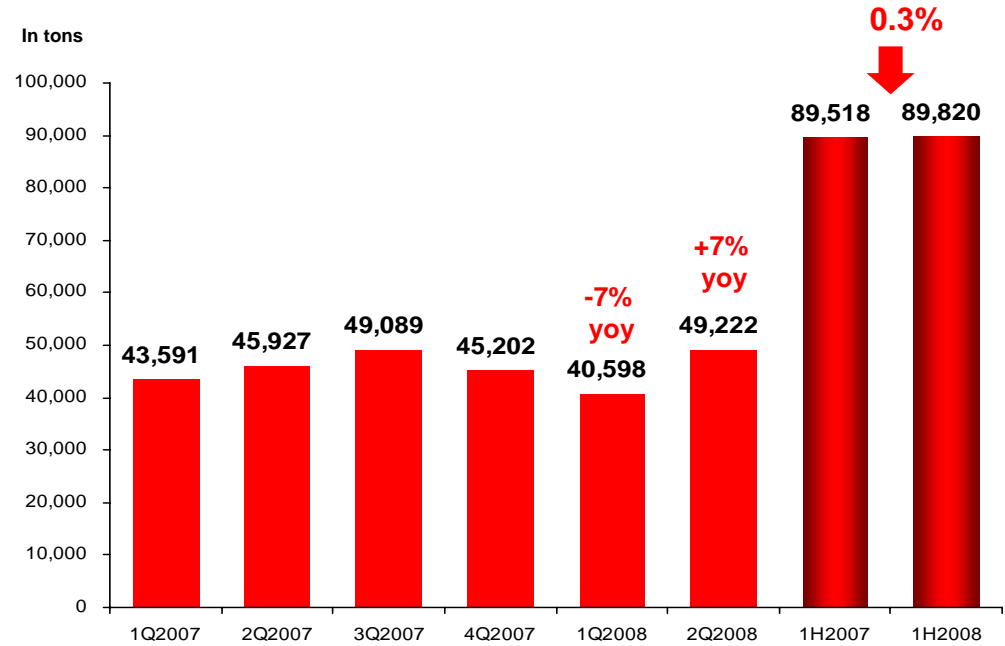


# OPERATING HIGHLIGHTS – Feeds Business

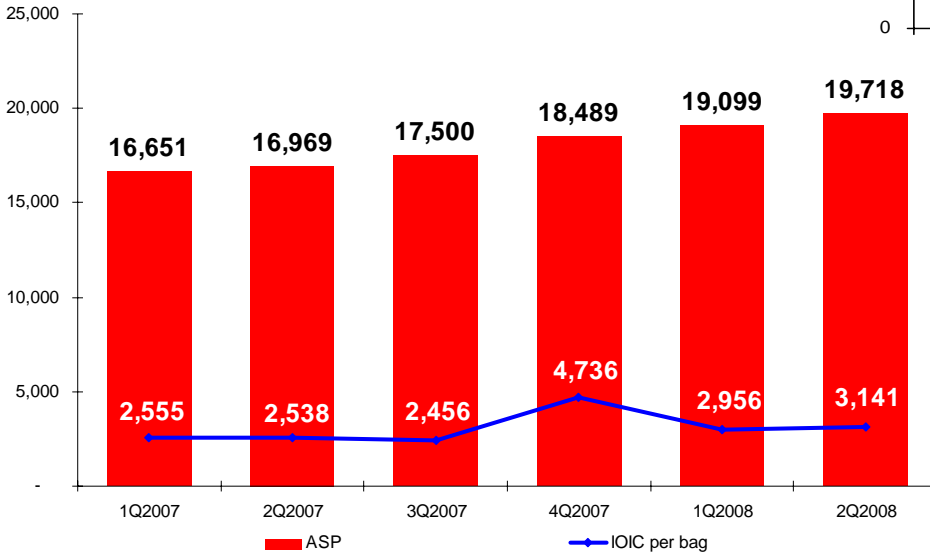


PILMICO FOODS CORPORATION

## Sales Volume



Peso/ton



## Average Selling Prices and Income Over Ingredient Cost

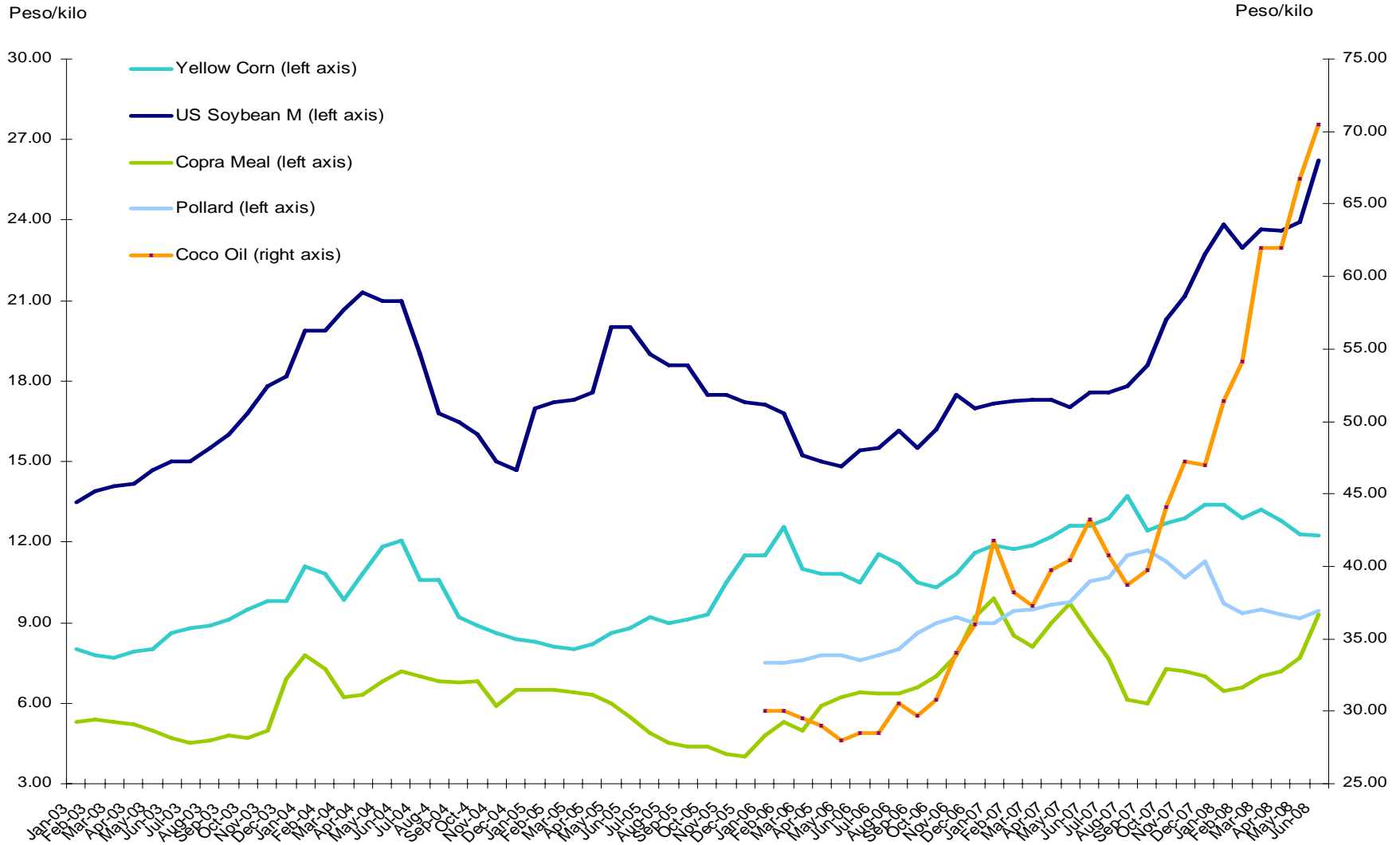


# OPERATING HIGHLIGHTS – Feeds Business



PILMICO FOODS CORPORATION

## Feeds Raw Material Cost, at Market (from January 2003 – June 2008)

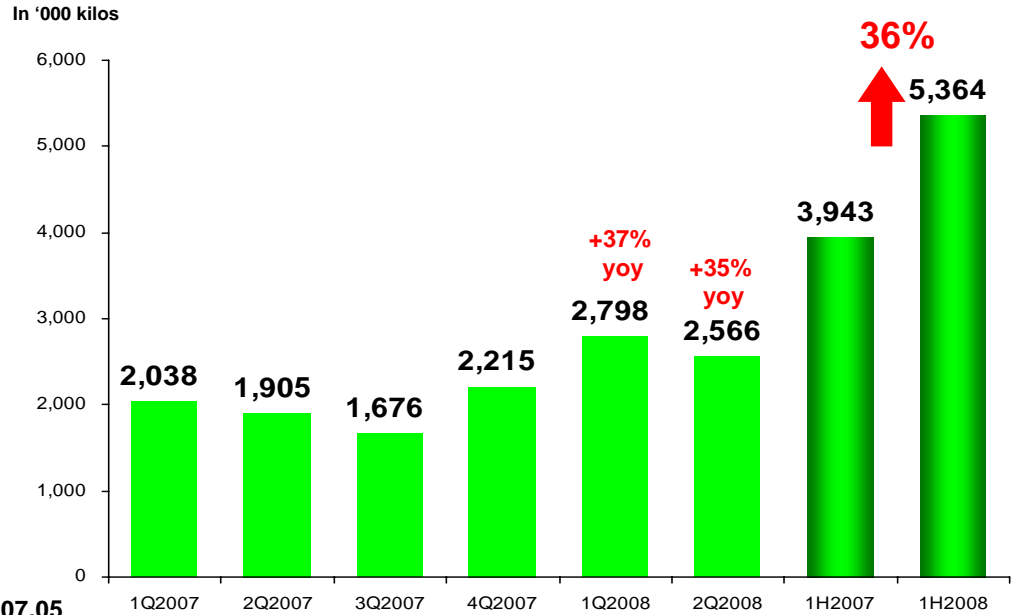


# OPERATING HIGHLIGHTS – Swine Business

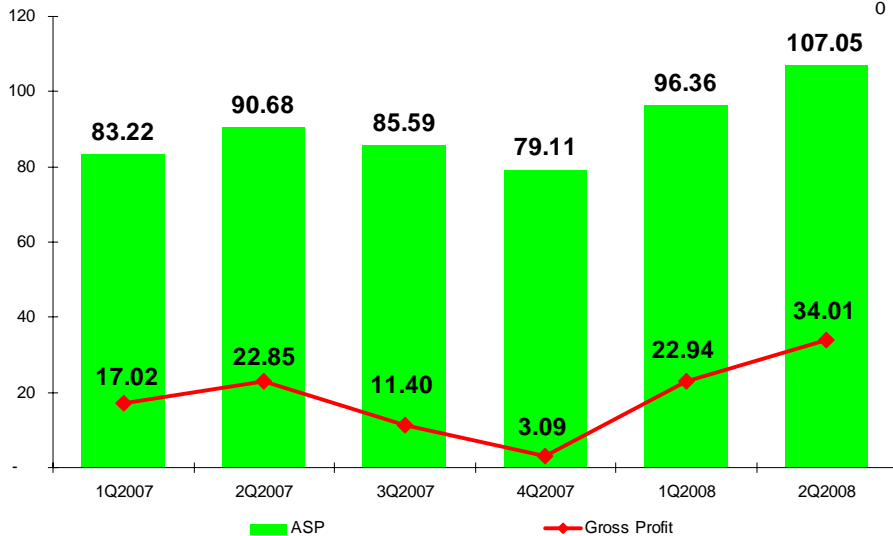


PILMICO FOODS CORPORATION

## Sales Volume



Peso/kilo



## Average Selling Prices and Gross Profit



PILMICO FOODS CORPORATION



## Iligan Feedmill

- To commence commercial operations by September 1, 2008
- Annual capacity at 108,000 MT
- To cater to FFI's VisMin market
- With its operation, freight savings seen to be incurred as product sourcing from FFI's Tarlac-based mill is no longer required.

## Silo Capacity

- Completion of 27,000 MT silos in July 2008
- Pilmico now has the largest grain storage in the country and allows the company to bring in larger vessels into its private deep-water port as well as take advantage of opportunities in purchasing different origin wheat.

## Capex

- Capex for Pilmico Foods Corporation as of end-June 2008 was at P234 million (vs. full year's P300 million)

## Breeder / Grow-Fin Expansion

- Breeder farm was completed in 2007, increased sow level by 525 heads
- New grow-fin farm to increase company-owned farm capacity by 4,800 heads of market hogs, from a current capacity of 6,400 heads
- Grow-fin construction started in March 2008; completion expected by September 2008. Commercial operation is estimated to be in January 2009.
- Project cost at P103 million

## Nucleus / Multiplier Farm Expansion

- To increase sow capacity by 1,759 heads, or by 37% from current levels
- Project cost at P213 million
- Construction started in October 2007; completion by October 2008. Commercial operation is estimated to be in January 2010.

## Biogas System

- To convert the energy from hog waste to electricity and make the farm almost power self-sufficient. Farm to have a water effluent control system.
- Estimated capex at P78 million; completion by end of the year
- To register with the CDM Board to allow sale of carbon credits

## Capex

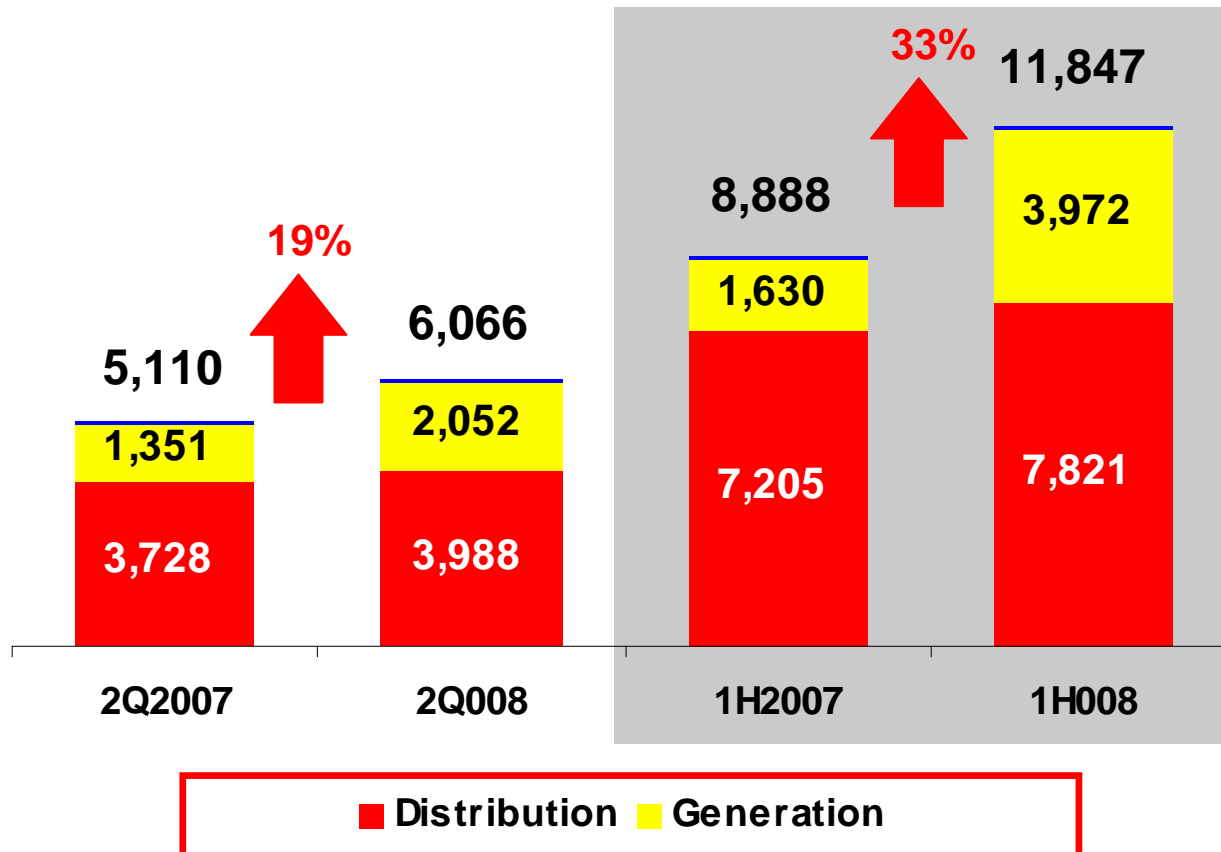
- As of end-June 2008 was at P175 million (vs. full year's P350 million)

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# FINANCIAL HIGHLIGHTS

## REVENUE

Expanded generation business provides topline growth with steady performance of distribution group as strong base.



Amounts in  
Million Pesos

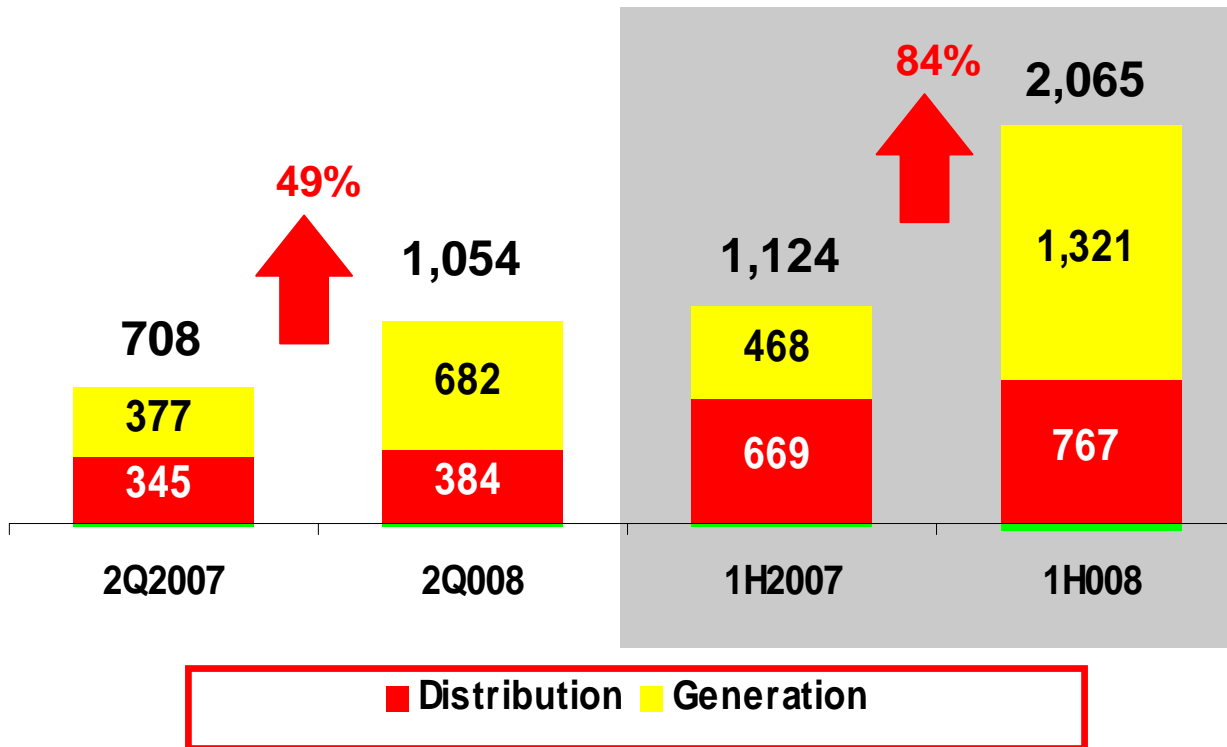
Note: Figures provided are on a pro-forma beneficial basis.



# FINANCIAL HIGHLIGHTS

## NET INCOME TOTAL

Expanded generation business provides bottomline growth with steady performance of distribution group as strong base.



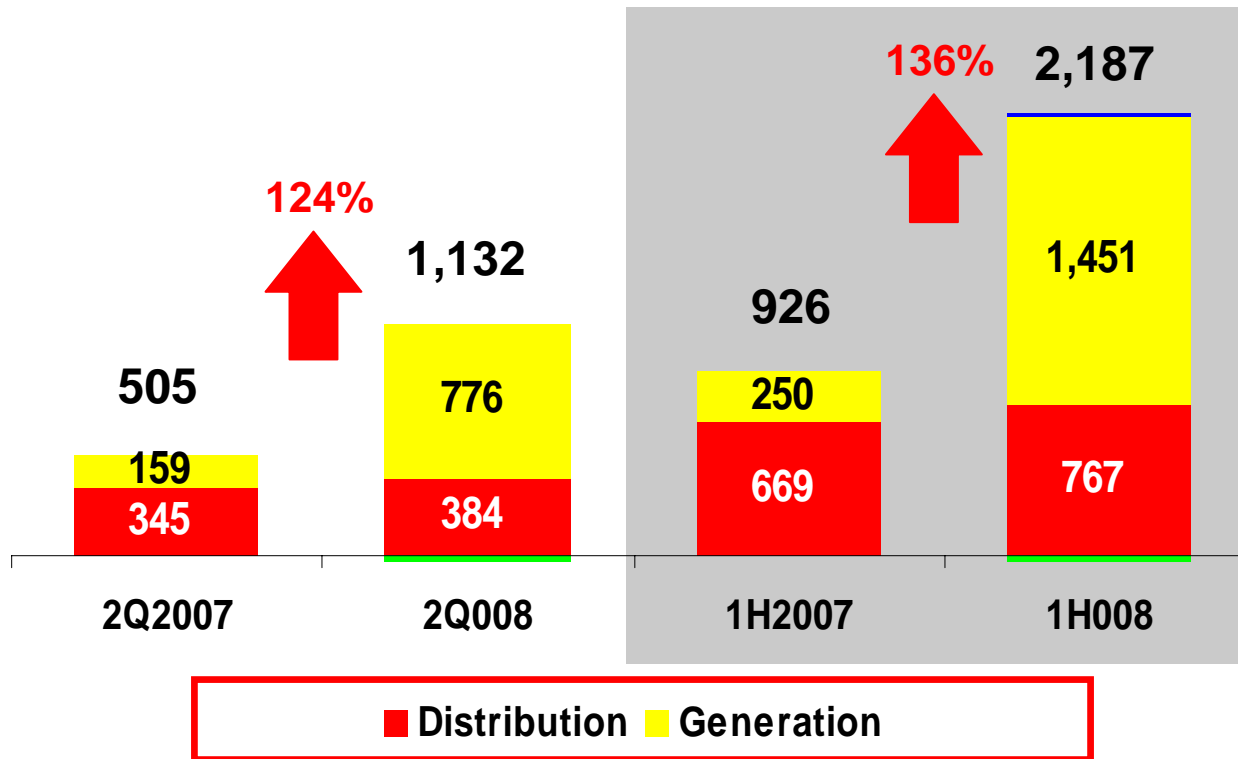
	2Q2007	2Q2008	1H2007	1H2008
EPS	0.131	0.143	0.212	0.281
ROE (annualized)	25.4%	15.6%	20.0%	15.2%

Amounts in  
Million Pesos

## NET INCOME

Recurring growth at healthy levels despite one-off items

## RECURRING



	2Q2007	2Q2008	1H2007	1H2008
EPS	0.093	0.154	0.175	0.297
ROE (annualized)	18.1%	16.8%	16.5%	16.1%

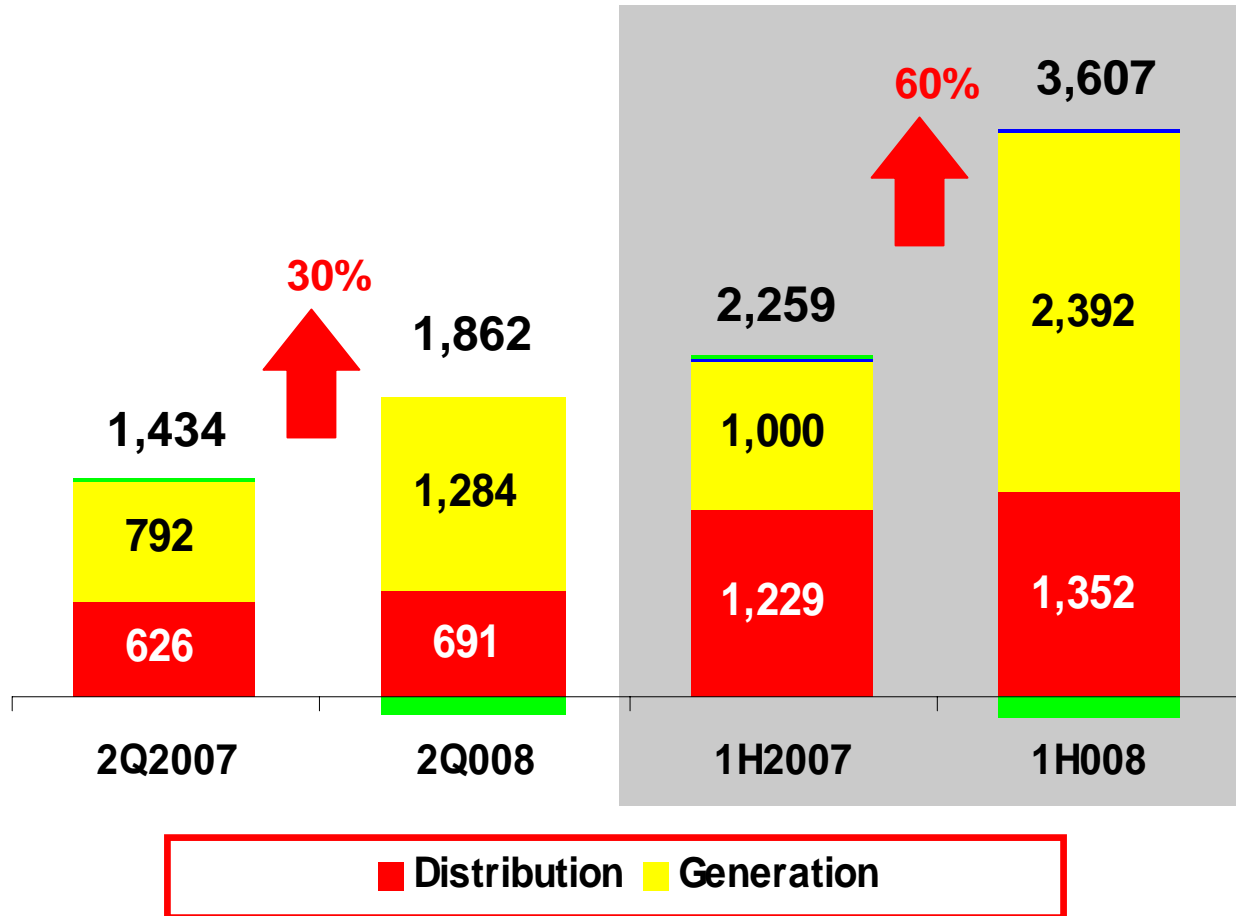
Amounts in Million Pesos

## NON-RECURRING ITEMS

	2Q2007	2Q2008	1H2007	1H2008
<b>FX Gains/(Losses)</b>	204	(224)	197	(268)
<b>Reversal of provisions</b>	-	145	-	145
<b>Total</b>	204	(78)	197	(122)

- AP's 1H2008 non-recurring items include:
  - the FX loss incurred due to the revaluation of dollar-denominated loans and placements of some of its subsidiaries;
  - and the reversal of a P145 million provision made by an associate company due to an arbitration settlement.

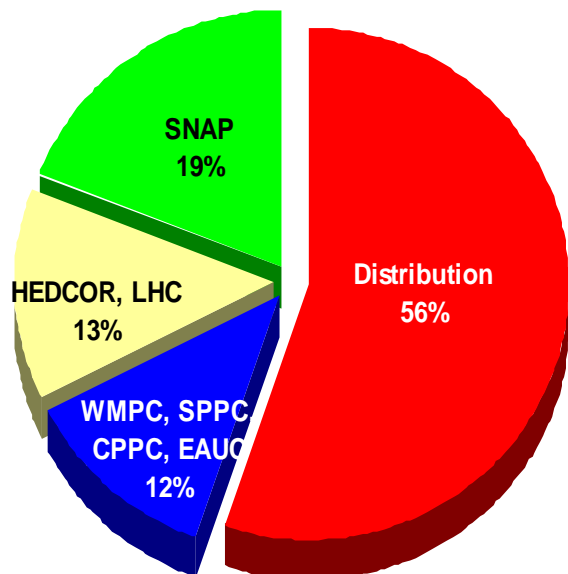
**EBITDA** Distribution continues to provide stable cash flow, while generation at significantly improved levels.



Amounts in Million Pesos

Current mix provides AP earnings upside while business risk is addressed.

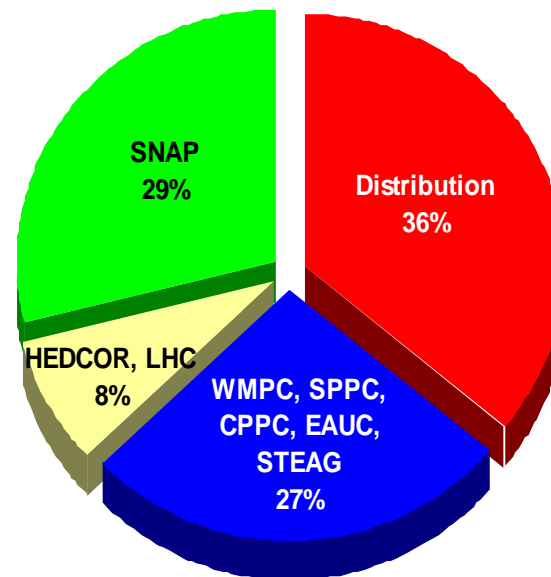
**1H2007 PF EBITDA**  
(ex-Parent & Others)  
**TOTAL – P2,229M**



**Portfolio provides stable earnings profile with moderate upside.**

- 68% of portfolio provides stable EBITDA
- 13% of portfolio with moderate upside
- 19% of portfolio with significant upside

**1H2008 PF EBITDA**  
(ex-Parent & Others)  
**TOTAL – P3,744M**

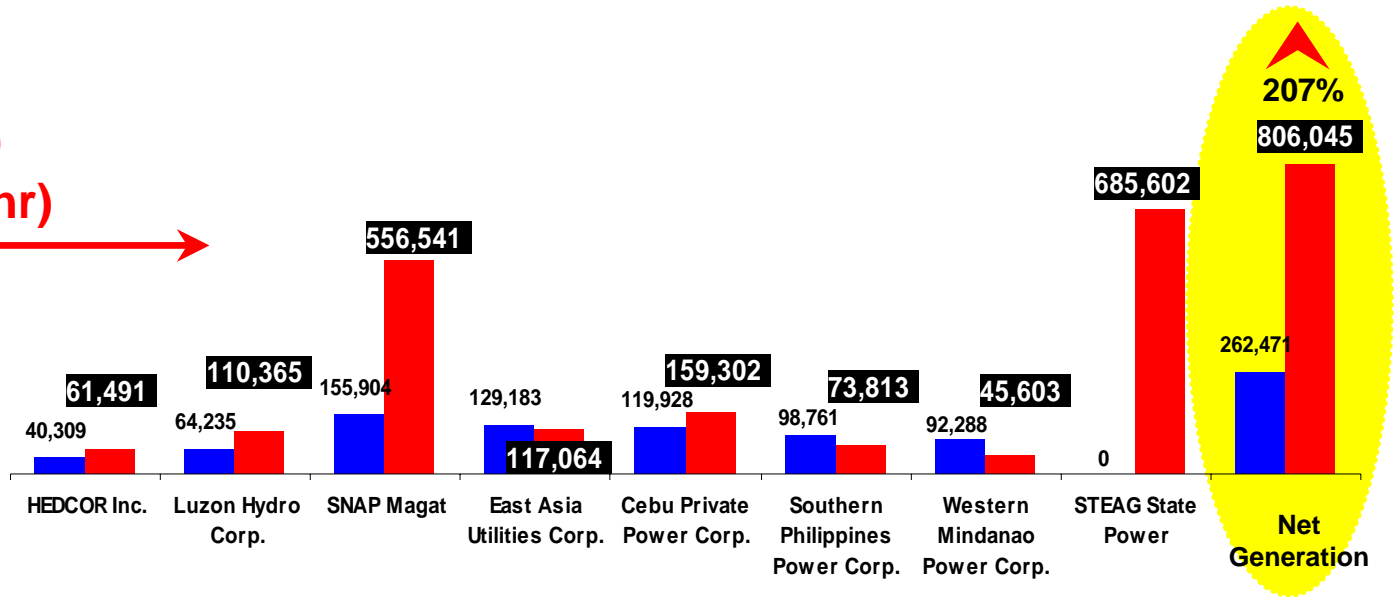


**Portfolio is more diversified; with sufficient risk cover and improved upside potential.**

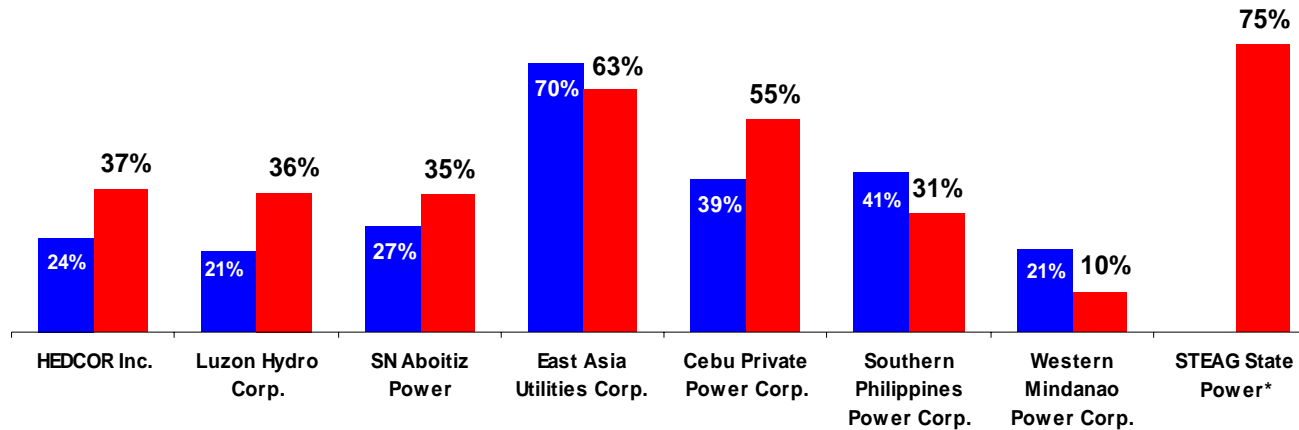
- 63% of portfolio provides stable EBITDA
- 8% of portfolio with moderate upside
- 29% of portfolio with significant upside

# KEY OPERATING HIGHLIGHTS – GENERATION

## GENERATED POWER (Mwhr)

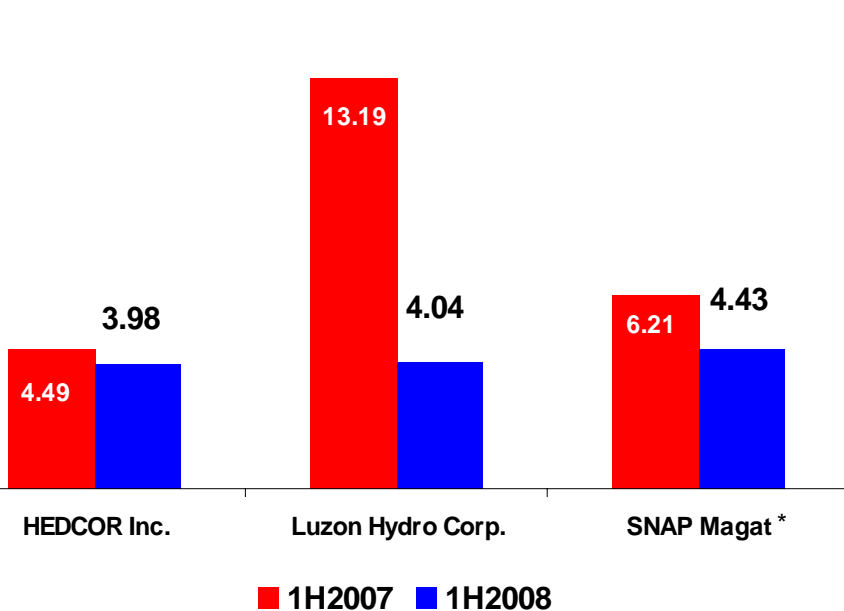


## NET CAPACITY FACTOR



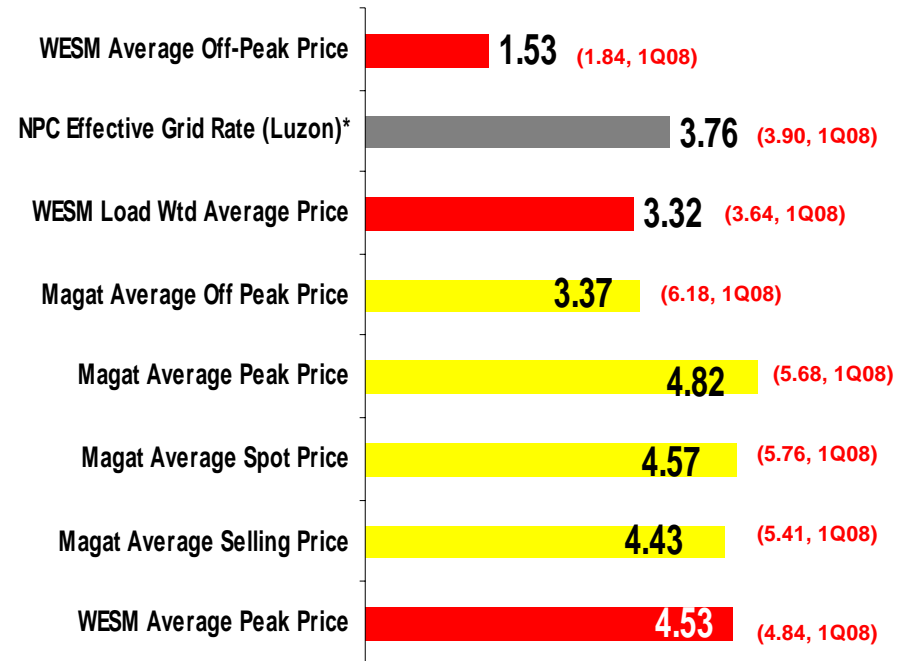
1H2007 ■  
1H2008 ■

## AVERAGE SELLING PRICE / KWHR – HYDRO PLANTS



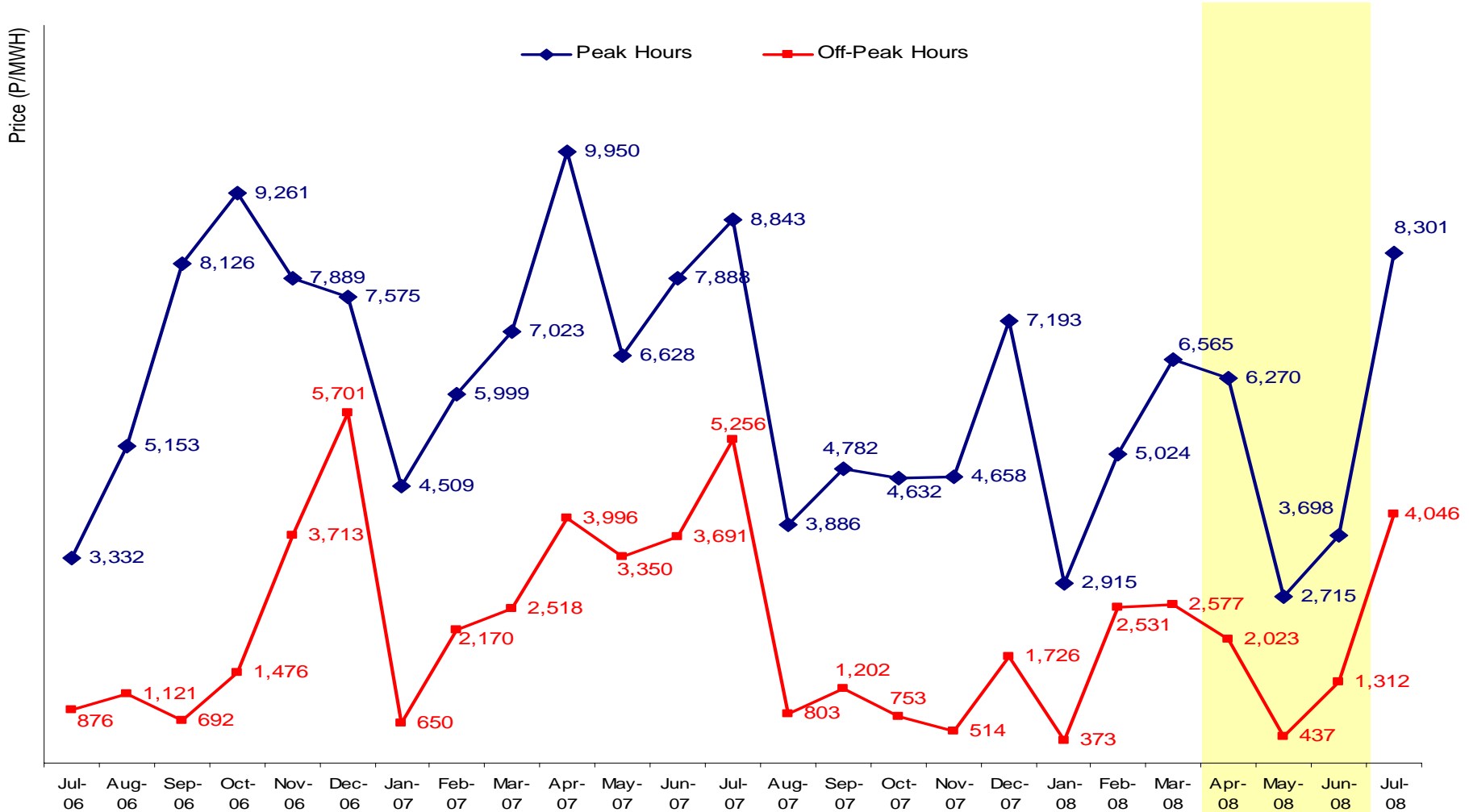
\* 1H2007 average price of SNAP Magat only accounts for the period April 26, 2007 to June 30, 2007.

## 1H2008 WESM / SNAP-MAGAT PRICING



\* Average of NPC Effective Rate for the months of January-June 2008 (source: [www.napocor.gov.ph](http://www.napocor.gov.ph))

## WESM PRICING

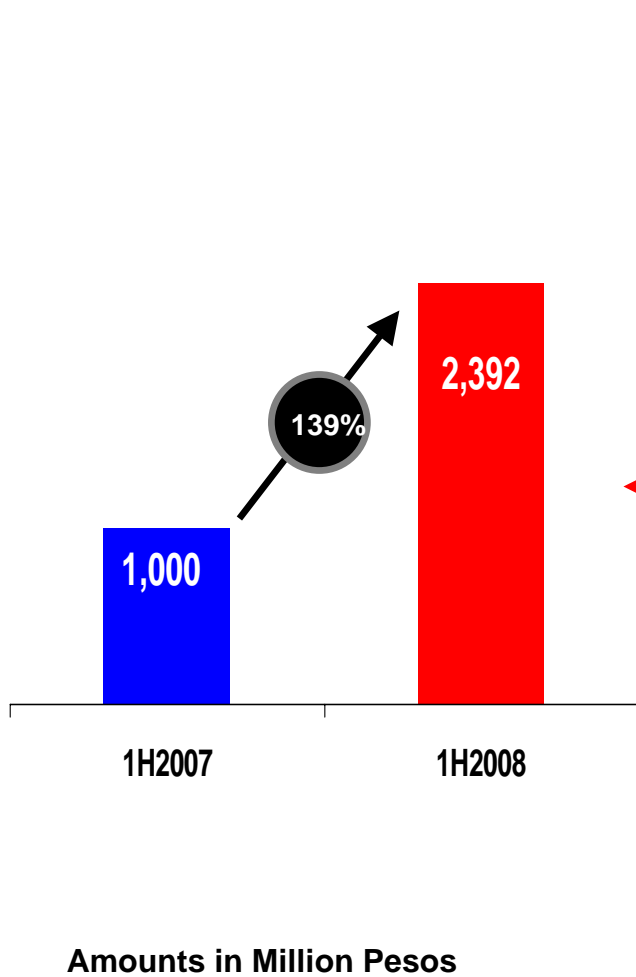


Note: Calculated based on raw data downloaded from the WESM website.

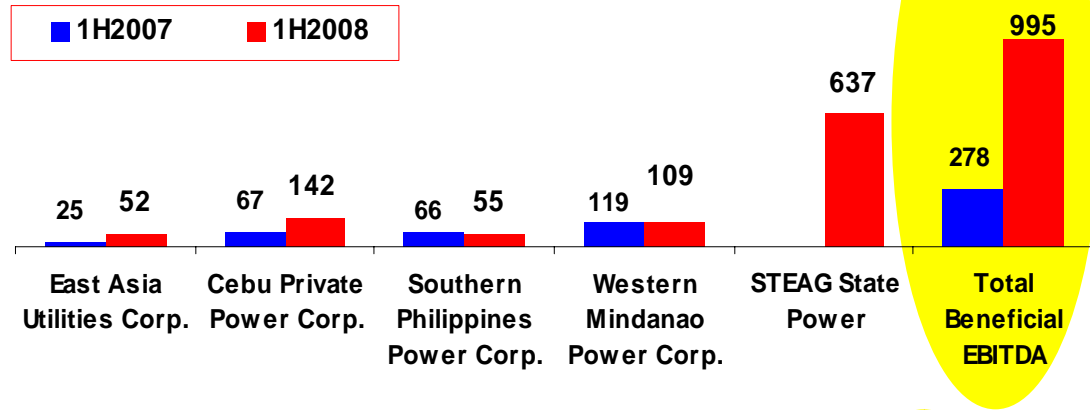


# OPERATING HIGHLIGHTS – GENERATION

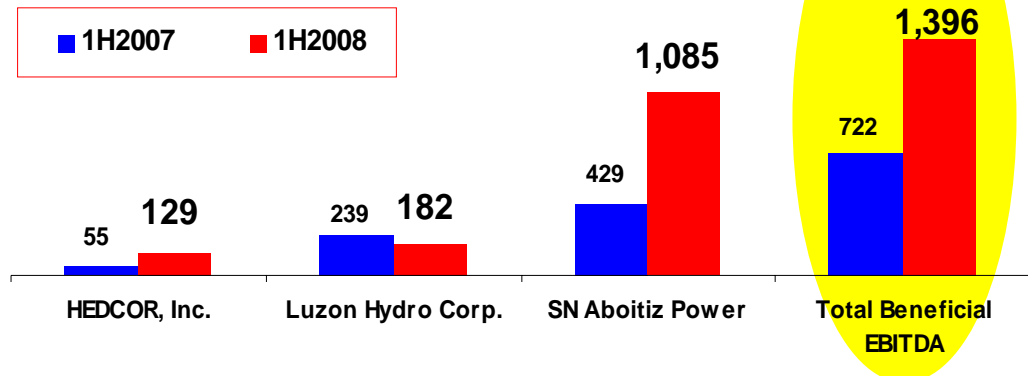
PF Beneficial EBITDA up by 139%; hydro plants accounted for 58% of total.



## OIL FIRED & COAL PLANTS

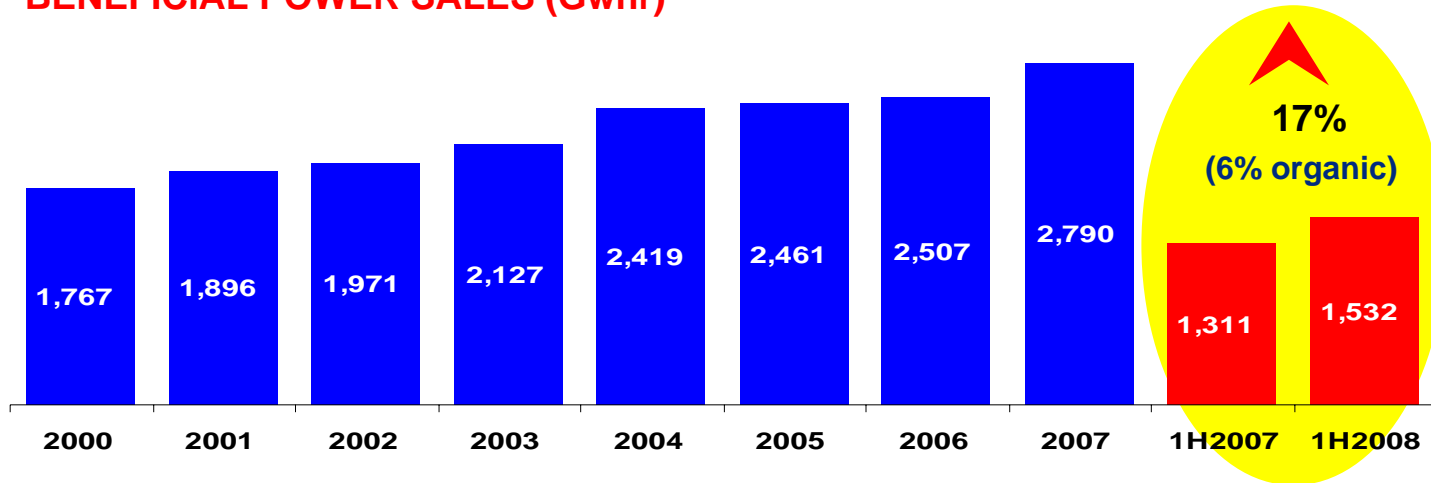


## HYDRO PLANTS

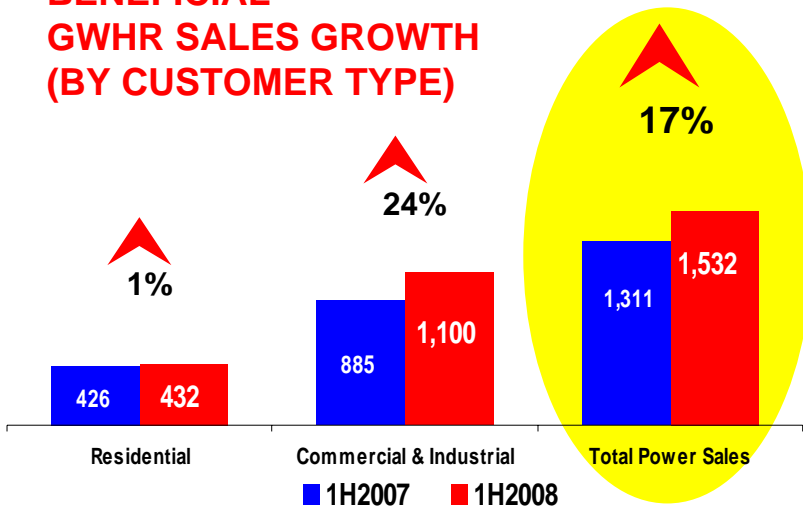


# OPERATING HIGHLIGHTS – DISTRIBUTION

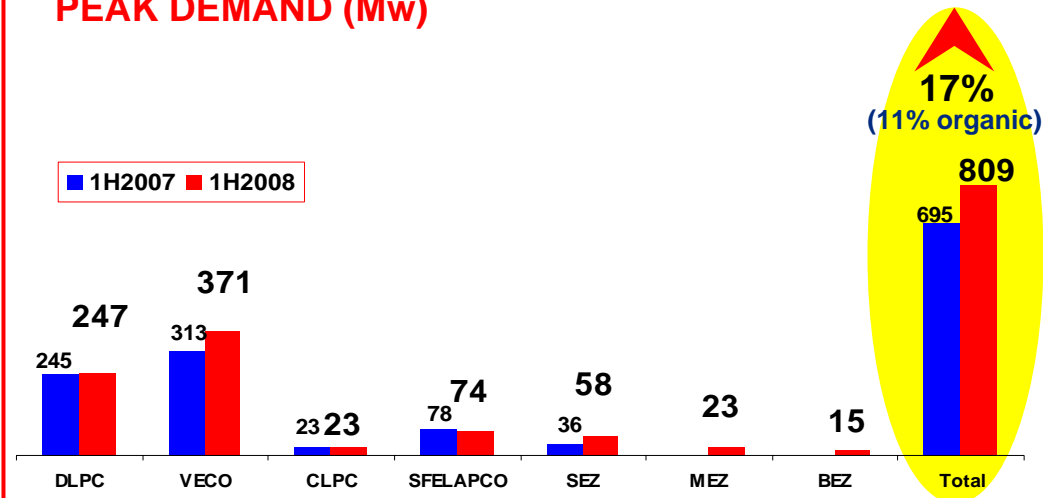
## BENEFICIAL POWER SALES (Gwhr)



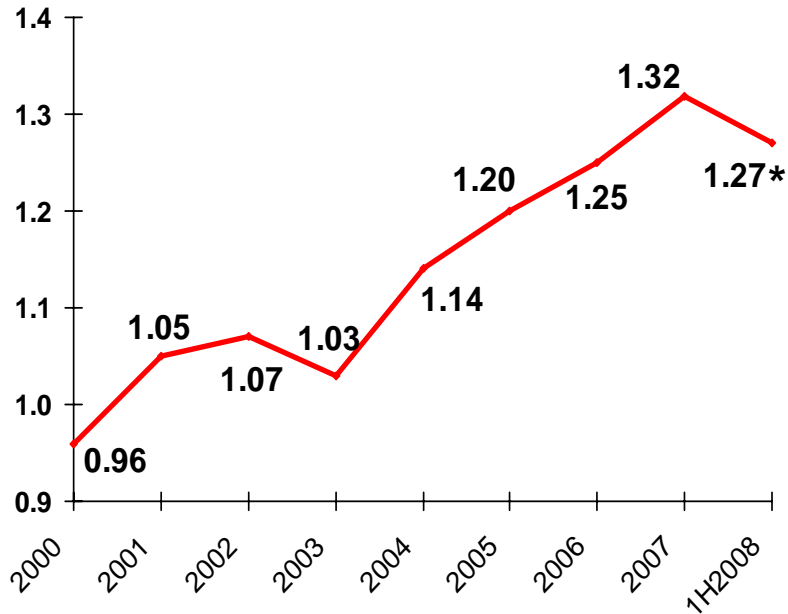
## BENEFICIAL GWHR SALES GROWTH (BY CUSTOMER TYPE)



## PEAK DEMAND (Mw)



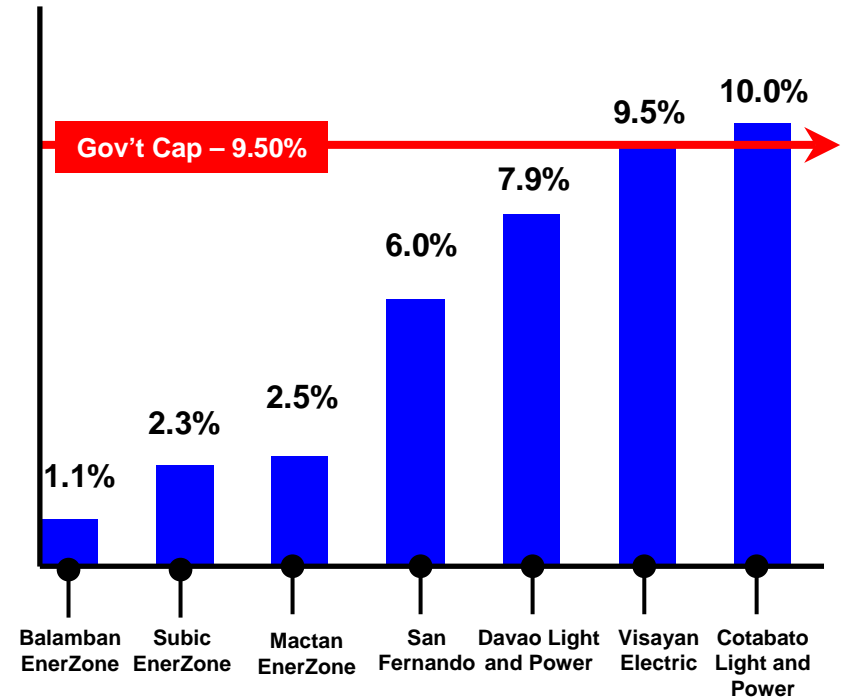
## GROSS MARGIN / KWHR SALE



\* Based on 12 month moving average

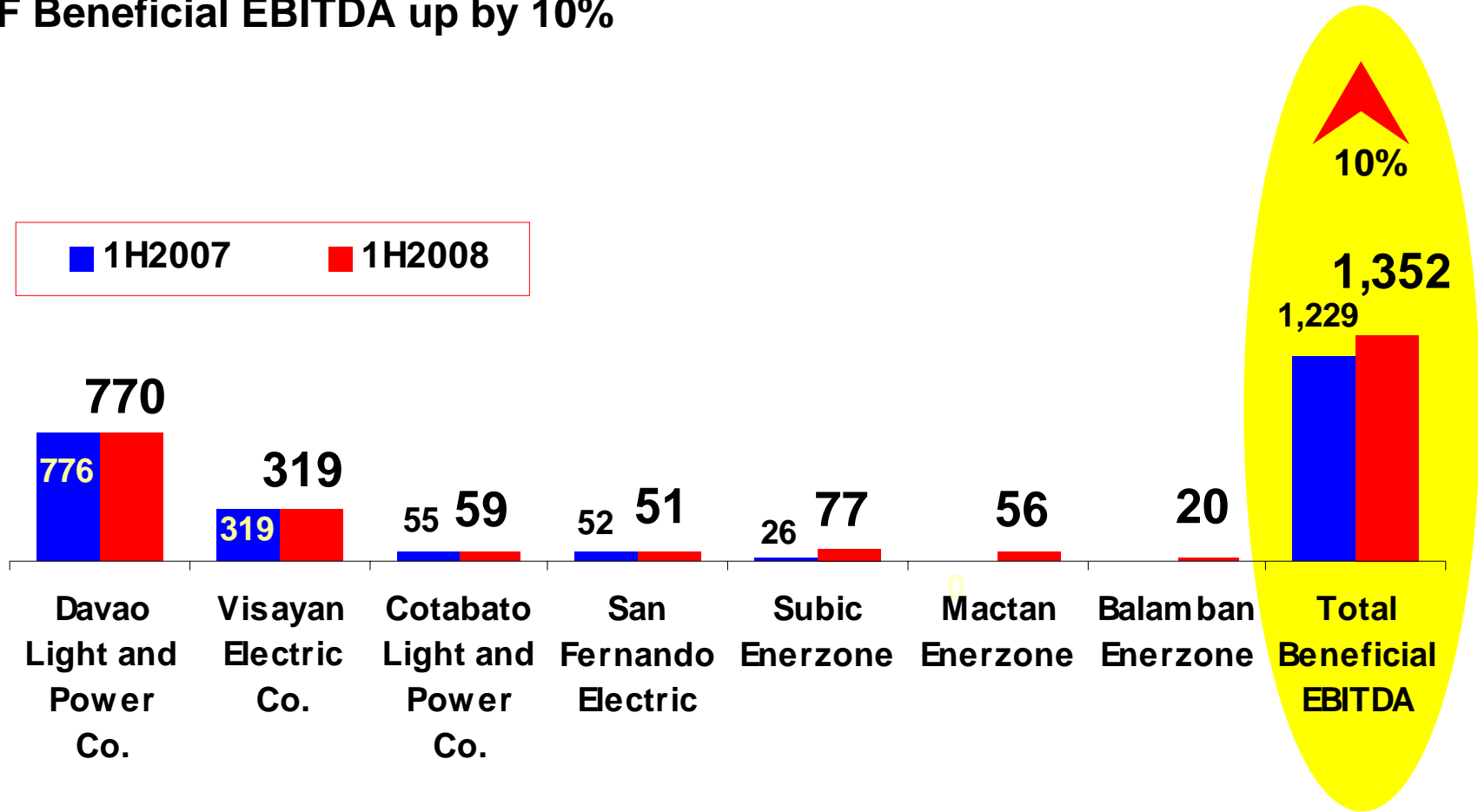
## 1H2008 SYSTEMS LOSS

- CLP at improved level vs previous quarter (10.4%)



# OPERATING HIGHLIGHTS – DISTRIBUTION

PF Beneficial EBITDA up by 10%



Amounts in Million Pesos

**AP is well positioned to take advantage of significant growth opportunities**

**Healthy balance sheet provides it a significant war chest to bankroll its expansion program**

- Stable cash generation provided by its businesses
- Current positive net cash position allows the company, its subsidiaries and associates to take on debt funding

BALANCE SHEET (In million Pesos)	PARENT		CONSOLIDATED	
	YE2007	1H2008	YE2007	1H2008
Cash and Equivalents	10,654	8,579	13,288	10,305
Investments	15,714	15,917	14,888	16,829
Total Assets	26,668	26,116	36,163	36,793
Total Interest Bearing Debt	3,344	3,637	4,286	4,580
Total Liabilities	5,221	3,790	8,520	8,691
Net Debt	(5,814)	(6,696)	(7,913)	(6,690)
Stockholders' Equity	21,447	22,326	27,023	27,477
Book Value Per Share	2.91	3.03	3.76	3.73
Current Ratio	2.10	2.69	2.54	2.21
Net Debt to Equity	(0.27)	(0.30)	(0.29)	(0.24)

## ACQUISITIONS

## 175MW Ambuklao-Binga Hydro Plants

- Turned over on July 10, 2008
  - SNAP-Benguet paid 70% of the \$325 million purchase price. The balance is expected to be fully-paid as soon as financing, via loan syndicate, is completed. Expected by August 2008.
- 75MW Ambuklao plant has not been operating since the mid-90s when an earthquake damaged the facility. Full rehabilitation / expansion to be completed in approximately 28 months. Capacity seen to increase to 105MW.
- 100MW Binga plant is operating with estimated annual generation capacity at 400GwH. Rehabilitation / expansion to be spread over 4 years, to be implemented after completion of works in Ambuklao.
- Once completed, capacity to expand by approximately 30% to 225MW with combined annual generation of approximately 760 GwH.
- Total capex estimated at \$270 million



Ambuklao Plant



Ambuklao Powerhouse



Binga Dam and Intake



Binga Plant

## GREENFIELD PROJECTS

### 42MW Sibulan Hydro Plant

- Project cost at P5.1 billion
- Completion by end-2009
- Project completion rate as of end-June 2008
  - Civil works at 28.5%
  - EM works at 16.3%
- Total capex spent at P1.75 billion
- CDM Executive Board registration in June 2006 to potentially raise additional \$2 million p.a. from sale of carbon credits

### 34MW Tamugan Hydro Plant

- Project cost estimated at P7.4 billion
- Target completion date by mid-2010
- 3 run-of-river plants
  - Tamugan at 20MW
  - Suawan at 6.5MW
  - Panigan at 7.5MW

### 246MW Cebu Coal Plant

- Project cost estimated at \$450 million
- Broke ground in January 2008; commissioning by 1Q2010
- Formosa Heavy Industries as EPC contractor and technical partner
- To date, project completion rate at 33%
  - Basic design at 84%      Civil design at 48%
  - Boiler proper at 43%      Marine work design at 22%
  - Structural steel at 40%

### 300MW Subic Coal Plant

- Project cost estimated at \$500 million
- Target completion date by 2011
- Signed a supply agreement with Formosa Heavy Industries for the supply of the boiler, steam turbine, generator and related services for the plant construction. Downpayment of \$10 million was made.
- Expect groundbreaking by end-2008 and commissioning by end-2011

## GOVERNMENT PRIVATIZATION

### Geothermal

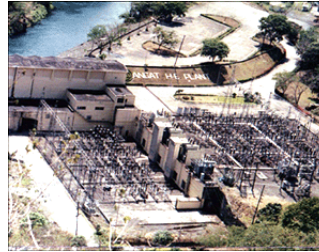


**192MW Palinpinon**  
(Negros Oriental)



**113MW Tongonan**  
(Leyte)

### Hydro



**246MW Angat**  
(Bulacan)

### Others



**146MW Dingle**  
(Iloilo)

**IPP Administrator  
Contracts**



- **Overview**
- **AEV Financials**
- **Review of Business Units**
  - *Union Bank of the Philippines*
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  - *Pilmico Foods Corporation*
  - **Aboitiz Power Corporation**

→ Tiwi-Makban

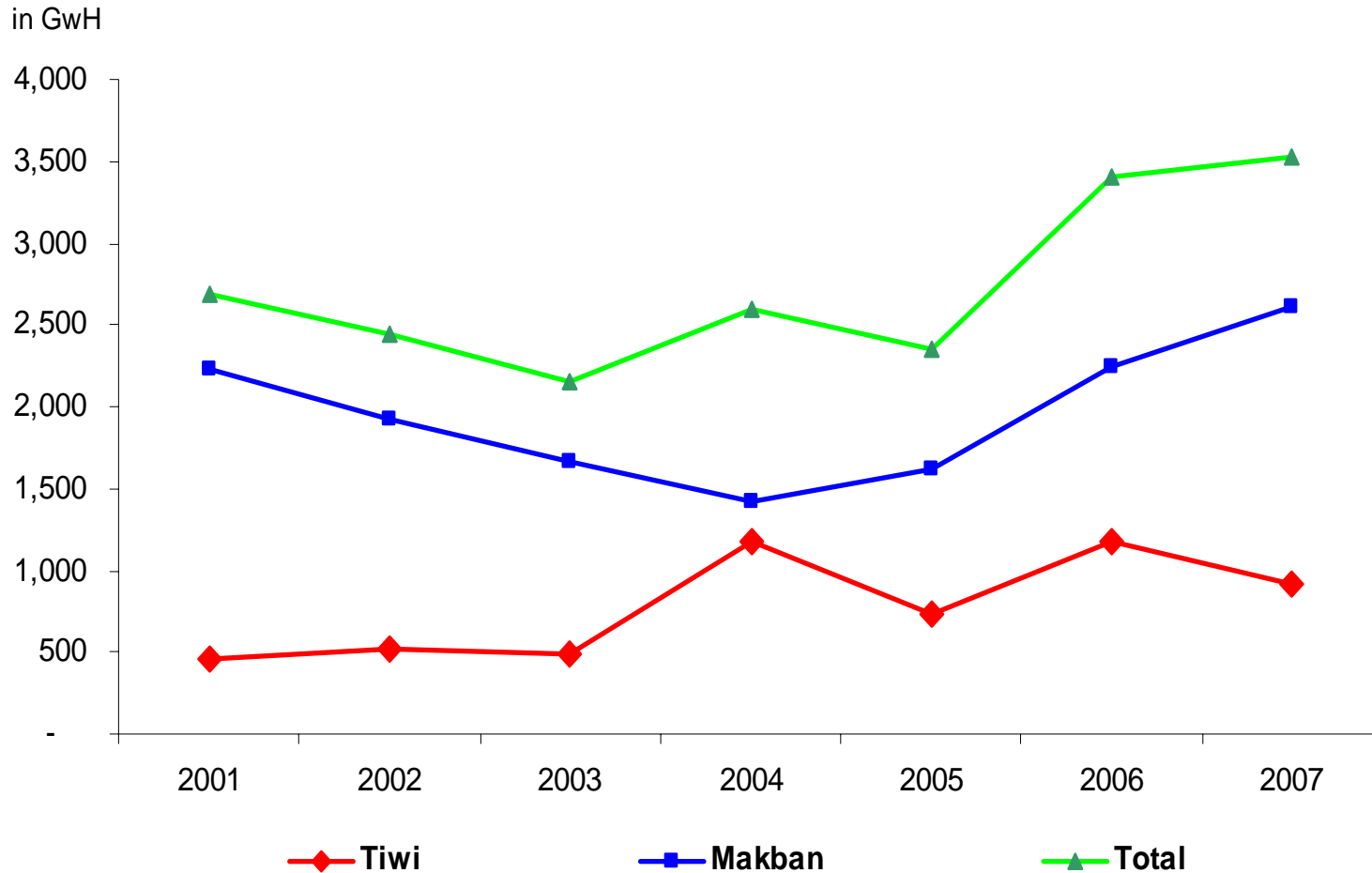
- **Q&A**

## Asset Description



	Tiwi	Makban	Total
<b>Location</b>	Tiwi, Albay (South Luzon)	Caluan, Laguna Sto Tomas, Batangas (South Luzon)	
<b># of Plants</b>	3 plants	5 plants + 1 binary	8 plants + 1 binary
<b>Capacity (nameplate)</b>	344 MW	457.7 MW	801.7 MW
<b>Steam Source</b>	Chevron	Chevron	
<b>2007 Generation</b>	911 GwH	2,614 GwH	3,525 GwH
<b>2007 Peak Output</b>	168 MW	360 MW	528 MW
<b>Expected Annual Capacity</b>	168 MW	294 MW	462 MW

## Historical Generation



## The Tiwi-MakBan Bid

- AP Renewables, Inc.'s (APRI) bid price at \$447 million
  - At least US\$179 million (or 40%) upfront payment, in US\$, on Closing Date (60-270 days from APA effectivity date)
  - 60%, or the balance, on deferred payment
    - PHP repayments, set at FX rate of P44.45:US\$1
    - 12.75% interest
    - 7 years from Closing Date, semi-annual payments in PHP, mortgage style
- Asset Purchase Agreement (APA) with rehabilitation of MakBan Units 5 and 6 within 4 years from Closing Date, unless Chevron, APRI and PSALM agree to waive rehabilitation as requirement for GRSC effectivity within this 4-year period

## Project Structure



- Transition Agreement (“TA”) current in operation
  - until GRSC is effective (no more than 4 years)
- TA to be replaced by Geothermal Resources Sales Contract (“GRSC”) :
  - when Chevron becomes Filco and MakBan units 5 & 6 are rehabilitated
  - until 2021
  - Chevron Geothermal Service Contract with DOE is until 2031, so APRI and Chevron have to negotiate a steam supply agreement covering 2022-2031

- Assets purchased
- Rehabilitation of MakBan Units 5 & 6 (55MW each)

- TSCs for ~480 MW with various tenures expiring from 2008 to 2017, with Meralco at 219MW
  - Based on NPC TOU rates
- Future bilateral sales
- WESM sales

## Transition Agreement

- Term
  - From Closing Date to GRSC date of effectivity (no more than 4 years)
  
- Pricing
  - Opex and Capex reimbursement by owners
    - Operating costs of Chevron
    - Well-field and well-drilling Capex (based on budget)
  - Payments to Chevron
    - 55% as cash call
    - 45% reimbursement based on an average base rate of US\$0.00418/kwh sold (where base rate is adjusted for the IMF-US Export Price Index and load factor adjustments. If adjusted for the price index as of February 2008 billing, base rate is US\$0.010209/kwh sold)
  
  - Service Fee: based on an average base rate of US\$0.003504/kwh sold (where base rate is adjusted for the IMF-US Production Price Index and load factor adjustments. If adjusted for the price index as of February 2008 billing, base rate is US\$0.010064/kwh sold)

### Historical Billings under TA

	US\$m		PHP/kWh	
	Service Fee	Reimbursement Opex/Capex	Service Fee	Reimbursement Opex/Capex
Feb '08	2.78	3.13	0.43	0.49
Jan '08	3.02	3.93	0.43	0.56
Dec '07	2.90	7.12	0.42	1.03
Nov '07	3.00	5.09	0.42	0.71
Oct '07	3.02	5.59	0.42	0.77
<b>Average</b>	<b>2.94</b>	<b>4.97</b>	<b>0.42</b>	<b>0.71</b>
<b>Yearly estimate</b>	<b>35.3</b>	<b>59.7</b>		
<b>Total</b>		<b>95.0</b>		<b>1.13</b>

## Geothermal Resources Service Contract (GRSC)

- Conditions Precedent to GRSC Effectivity
  - When Chevron becomes Filco
  - MakBan Units 5 & 6 are rehabilitated, unless Chevron, APRI and PSALM agree to waive as requirement for GRSC effectivity within the 4-yr period
  - Signing of the GSC by DOE
- Term
  - Up to 2021
- Payment and Pricing
  - Payment to Chevron is based on Actual Net Generation
  - Steam prices linked to Barlow Jonker Index and JPU Reference Index
  - **Price (geothermal resources) = Base rate x (75% x BJI + 25% x JPU) / BLGI as of Base Date**
    - Base rate: US\$0.016/kwh sold (landed)
    - BLGI as of Base Date (October 2002) = 75% BJI (at US\$23.6/ton) + 25% JPU (at US\$31.85/ton)
  - Price adjustment
    - Efficiency correction, maintenance allowance correction, capacity performance payments, make-up account payments

## Estimated Capex – Power Plant

### All Data in 2008

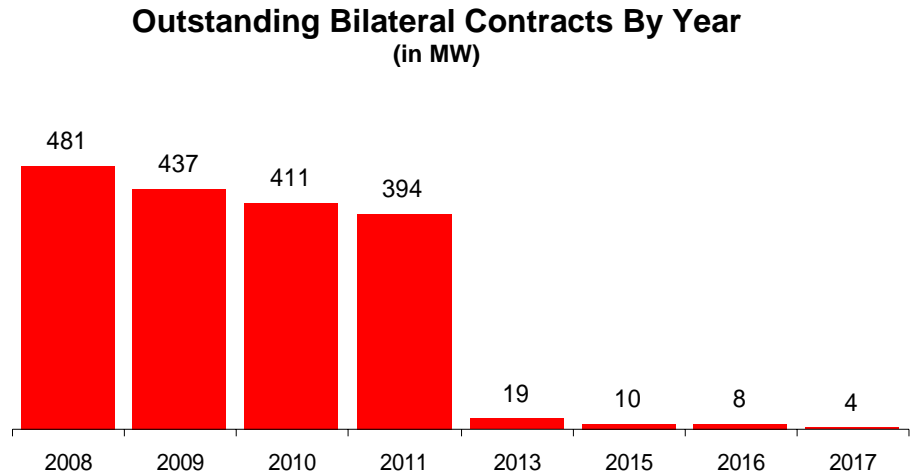
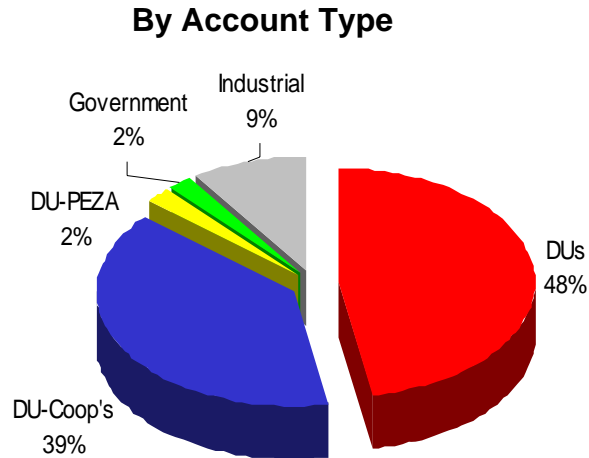
Category	First 4 Years			
	2009	2010	2011	2012
Total Estimated Capex (US\$)	60.0	35.2	25.6	22.2
Total Four Year Estimated Capex				\$143.0

*Note: Under the APA, APRI will spend US\$65 million for opex and maintenance capex In 2009.*



## Transition Supply Contracts

- Approximately 480 MW at NPC's Time-of-Use rates



- No penalties should APRI is not able to deliver

## Transition Supply Contracts

Contracts Allocation	Category	Expiration Date	Contract Demand (kW p.a.)	Energy (kWh/mo.)	Load Factor
<b>MakBan</b>					
MERALCO	DU	25-Dec-11	219,000	61,213,000	50%
Ibaan Electric & Eng. Corp	DU	25-Jan-09	2,900	1,378,398	72%
Municipality of Bauan **	DU	25-Oct-09	4,000	2,908,155	75%
BATELEC II	DU-COOP	25-Dec-11	53,830	45,955,307	71%
Lima Utilities Group	DU-PEZA	25-Dec-09	8,000	4,201,660	78%
Cocochem Agro-Industrial Park	DU-PEZA	25-Jul-10	3,200	1,673,650	90%
Batangas City Water	Government	25-Dec-10	690	450,397	94%
Batangas Bay Terminal *	Industry	25-Jun-10	100	28,000	38%
Internatl Rice Research Institute	Government	25-Feb-11	3,300	1,192,914	64%
UP Los Banos	Government	26-Nov-17	4,000	1,049,391	52%
Forest Product R&D Board	Government	26-Dec-10	300	37,464	38%
Boy Scouts of the Philippines	Government	25-Jan-09	230	105,283	76%
Ecosystem R & D Board **	Government	25-Jan-09	190	39,590	43%
Philippine Township, Inc.	Industry	25-May-16	4,500	2,933,700	84%
Republic Cement Corp (Batangas)	Industry	25-Jun-08	9,000	5,192,124	76%
Cordero Ice Plant	Industry	25-Oct-10	250	184,321	59%
San Miguel mills, Inc	Industry	25-May-09	2,140	894,720	91%
Megapack Container Corp **	Industry	25-Dec-13	9,516	2,124,231	89%
Keppel Shipyard **	Industry	25-Jun-10	1,478	1,023,378	60%
Babcock-Hitachi Phil., Inc **	Industry	25-Oct-11	950	346,805	56%
EEl Corporation	Industry	25-Jun-11	400	115,932	54%
General Milling Corp. **	Industry	25-Mar-09	623	21,144	78%
AG&P Company	Industry	25-Sep-10	2,590	427,222	50%
Coastal Bay Chemical, Inc.	Industry	25-Mar-09	200	23,276	46%
Canlubang Sugar Estate	Industry	25-Sep-11	2,500	1,012,450	88%
<b>Total MakBan</b>			<b>333,887</b>	<b>134,532,512</b>	

## Transition Supply Contracts

Contracts Allocation	Category	Expiration Date	Contract Demand (kW p.a.)	Energy (kWh/mo.)	Load Factor
<b>Tiwi</b>					
ALECO	DU-COOP	25-Dec-11	55,840	19,441,032	68%
CANORECO	DU-COOP	25-Dec-11	15,000	6,510,166	64%
CASURECO I	DU-COOP	25-Dec-11	9,150	3,012,434	63%
CASURECO II	DU-COOP	25-Dec-08	35,000	15,599,976	65%
CASURECO III	DU-COOP	25-Dec-11	13,900	5,002,665	59%
CASURECO IV	DU-COOP	25-Jun-09	5,670	2,012,474	49%
Purity Ice Plant	Industry	31-Dec-10	200	58,371	75%
Alindeco	DU-COOP	25-Dec-09	1487	527,916	49%
Bicol Ice Plant	Industry	25-Dec-10	150	184,167	168%
Goodfound Cement Corp	Industry	25-Dec-10	8000	4,200,000	72%
Pacific Mall Corp	Industry	25-Dec-15	1200	432,000	49%
Philippine Hydro Resources	Industry	25-Dec-11	400	241,920	83%
Embarcadero Land Venture	Industry	25-Dec-10	200	20,000	14%
Misibis Land	Industry	25-Dec-11	200	128,078	88%
Partido Rice Mill	Industry	25-Dec-09	320	295,400	126%
<b>Total Tiwi</b>			<b>146,717</b>	<b>57,666,599</b>	
<b>Total Tiwi and MakBan</b>			<b>480,604</b>	<b>192,199,111</b>	

## Luzon Grid Rate, P/kwh

Month	Generation Charge	Franchise & Benefits to Host Communities*	Deferred Accounting Adj. (DAA)*		NPC Effective Rate	
			GRAM	ICERA		
(A)	(B)	(C)	(D)	(E)	(F=B+C+D+E)	
<b>2008</b>						
JAN	3.8966	0.0245	-0.0315	/18	0.4288 /19	4.3184
FEB	3.8966	0.0245	-0.0315		-0.2427 /20	3.6469
MAR	3.8966	0.0245	-0.0315		-0.2427	3.6469
APR	3.8966	0.0245	-0.0315		0.0000 /22	3.8896
MAY	3.8966	0.0245	-0.0315		0.0000	3.8896
JUN	3.8966	0.0245	-0.5611		-0.1820	3.1780

Source: www.napocor.gov.ph

- Per ERC Case No. 2008-030 RC, dated March 31, 2008, NPC applied for a base rate increase of P0.3685/kwh (from P3.8966/kwh to P4.2651/kwh)
  - Privatization of 3 power plants (Pantabangan-Masiway, Magat and Masinloc) would require said adjustment to recover the operating expenses of the remaining power plants under NPC's control and/or ownership as well as attain a reasonable return on rate base as authorized by the ERC
- Per ERC Case No. 2008-031 RC, dated June 11, 2008, NPC shall be responsible for (a) the recovery/(refund) of the Deferred Accounting Adjustments (DAA) for the Transition Supply Contracts assigned to the buyers of its assets within the period prescribed herein; and (b) making the necessary adjustments on its Value Added Tax (VAT) charges.
  - DAA will fall away in 6 months, before take over of facilities

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    - Tiwi-Makban
- **Q&A**



*ANALYSTS' BRIEFING  
1H2008 FINANCIAL & OPERATING RESULTS*

*Makati Shangri-la  
8 August 2008*

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