

December 26, 2018

MS. JANET A. ENCARNACION

Head, Disclosure Department
PSE Tower, 28th Street, cor. 5th Avenue
Bonifacio Global City, Taguig City

Re: Clarification to the December 26, 2018 BusinessMirror (Internet Edition) News Article

Dear Ms. Encarnacion:

This refers to your letter requesting us to confirm the veracity of the information contained in the December 26, 2018 BusinessMirror (Internet Edition) article entitled "AEV to spend up to P60 billion next year, to boost power assets," the relevant portion of which is quoted below:

"ABOITIZ Equity Ventures (AEV) Inc. said it might spend between P50 billion and P60 billion next year, the bulk of which will still be for its power assets.

....

AEV Chief Finance Officer Manuel O. Lozano said the company already spent about three-fourths of what it is expecting to spend this year.

....

Lozano said the company might also tap the debt market this year, in the form of retail bonds, for both the holding company, AEV, and Aboitiz Power Corp.

The last time AEV tapped the debt market was in 2015, but AboitizPower still has P17 billion remaining in its shelf registration with the Securities and Exchange Commission.

'Our plan is to do a shelf, get it started next year, and then depending on our investments, we can either do a bigger offering later in the year or in 2020. But very likely, we will do something in the retail bonds. Maybe within P30 billion in the shelf, two placements, I guess. The shelf lasts for three years, so I think P10 billion a year on average is not unreasonable, especially since we're still growing a lot of our business,' Lozano said.

The company is raising funds to pay for its \$579-million acquisition of GN Power from the Ayala Group.

'We've lined it up already. We have a group of banks that will lend us that amount of money. We're hoping to close it at the first quarter of 2019. At this point, what we've lined up is [US] dollar because the purchase price is dollars,' Lozano said.

...."

We confirm Mr. Lozano's statements on AEV's currently approved 2019 budget and allocation for capital expenditures, as well as the amount of AEV's budget for 2018 that it has spent to date.

We wish to clarify though that at this point, AEV is still evaluating its options to raise funds for 2019 and beyond. Any fundraising activities will still be subject to board approvals and, if necessary, regulatory approvals. Rest assured, AEV will make the necessary disclosures once it has firm, and duly approved, plans for fundraising.

We trust the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ EQUITY VENTURES INC.

By:



MANUEL ALBERTO R. COLAYCO

Corporate Secretary

Cc:

MS. PAULA BEATRICE A. BUENO

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