



**YTD September 2007
Analysts' Briefing**

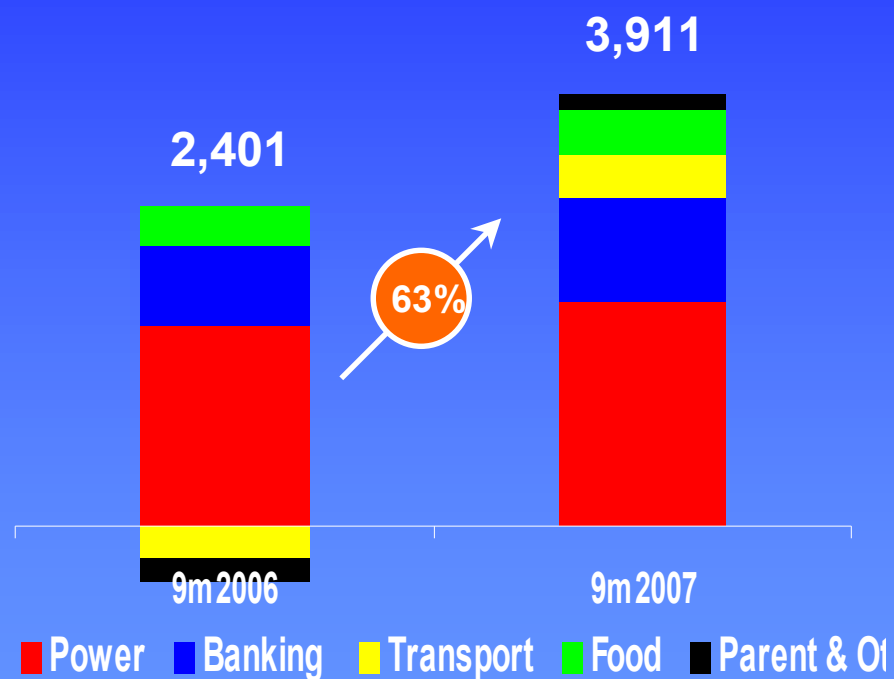
October 30, 2007

FINANCIAL HIGHLIGHTS

**9M2007 Net Income
at P3.9 billion**

Higher earnings
contributions
from subsidiaries
and associates

Net Income Breakdown



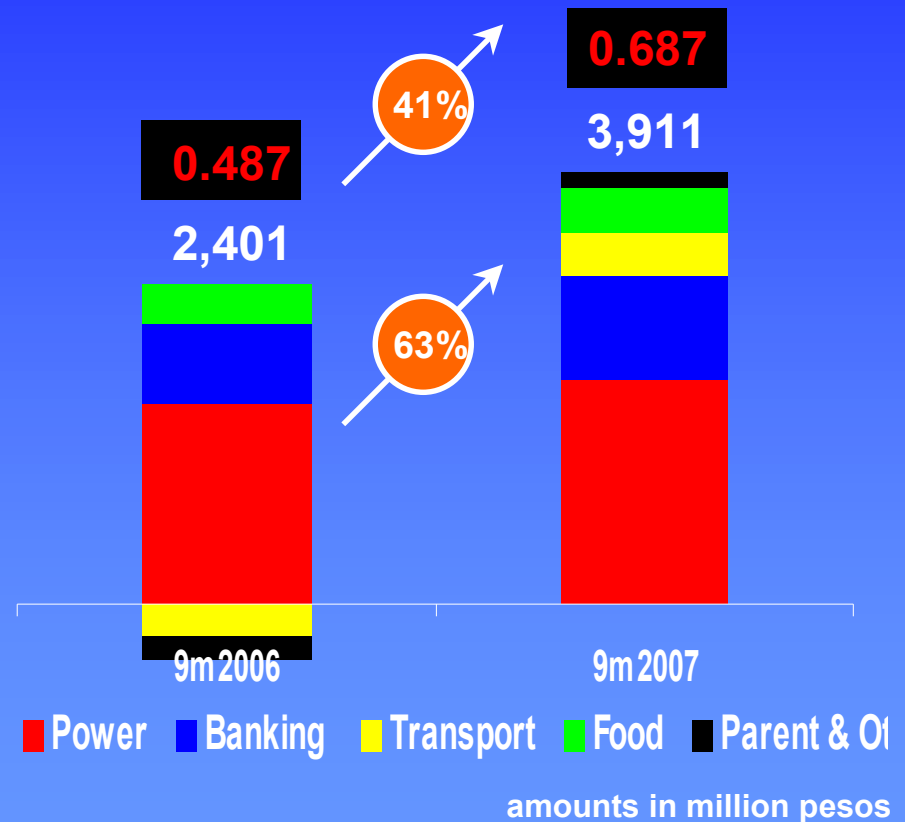
amounts in million pesos

FINANCIAL HIGHLIGHTS

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Net Income Breakdown



Note: EPS is based on outstanding shares for the period.

FINANCIAL HIGHLIGHTS



Earnings Performance of Subsidiaries and Associates (In million Pesos)

	9M 2006	9M 2007	% Change
Aboitiz Power Corp.	1,827.6	2,353.2	29%
City Savings Bank	61.8	143.3	132%
Union Bank*	1,563.1	2,199.4	41%
ATSC	(365.5)	475.6	n.a.
Pilmico	350.5	410.7	17%

* At Cost Method

FINANCIAL HIGHLIGHTS

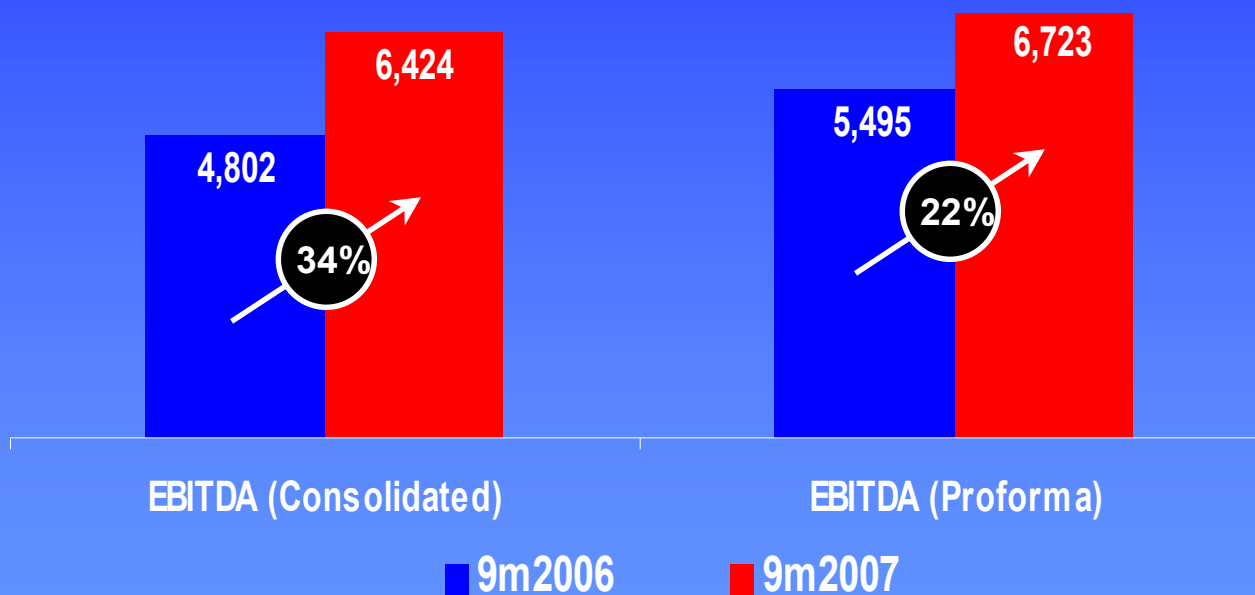


Earnings Contributions from Subsidiaries and Associates (In million Pesos)

	9M 2006	9M 2007	% Change
Aboitiz Power Corp.	1,827.6	2,026.6	11%
City Savings Bank	21.2	49.3	132%
Union Bank	699.6	913.5	31%
ATSC	(274.9)	368.8	n.a.
Pilmico	350.5	410.7	17%
TOTAL	2,624.0	3,768.9	44%

FINANCIAL HIGHLIGHTS

EBITDA (In million Pesos)



CONSOLIDATED FINANCIAL STATEMENT HIGHLIGHTS



CONSOLIDATED PROFIT & LOSS

(In million Pesos)	9M 2006	9M 2007	% Change
Revenues	20,845	22,897	10%
Equity Earnings	1,574	2,359	50%
EBITDA	4,802	6,424	34%
Net Income	2,401	3,911	63%

CONSOLIDATED FINANCIAL STATEMENT HIGHLIGHTS



CONSOLIDATED BALANCE SHEET

(In million Pesos)	Year End 2006	9M 2007	% Change
Cash and Cash Equivalents	8,010	15,561	94%
Total Assets	40,844	66,524	63%
Total Interest Bearing Debt	11,312	15,805	40%
Total Debt	16,561	22,338	35%
Net Debt	2,628	(10,167)	n.a.
Stockholders' Equity*	24,283	44,186	82%
Book Value Per Share	4.66	6.37	
Current Ratio	2.07	2.29	
Debt to Equity	0.68	0.51	
Net Debt to Equity	0.11	(0.23)	
Net Debt to EBITDA	0.19	(1.19)	

* To Equity Holders of Parent

**YTD September 2007
Operating Highlights**

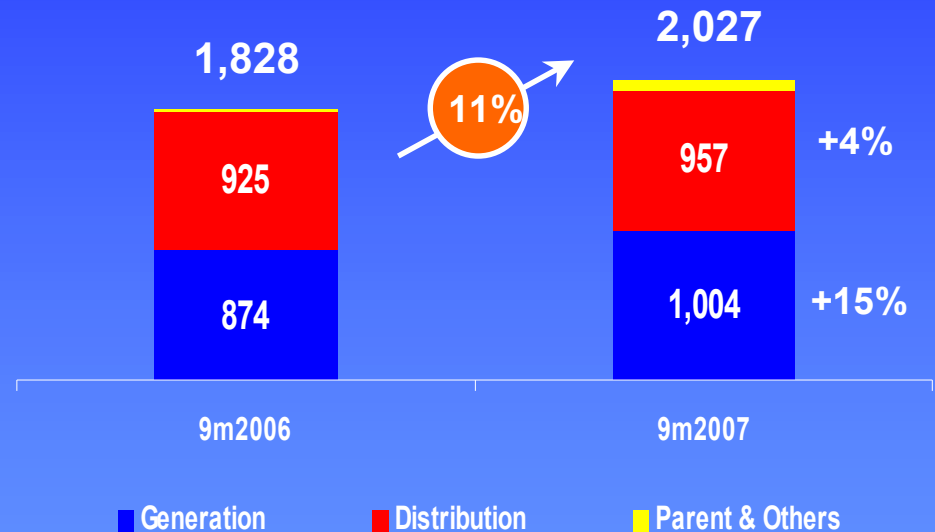
POWER GROUP

- Despite AEV's ownership dilution in AP, income contribution by the power group was still up by 11% YOY, from P1.8 billion to P2.0 billion.
- Actual capacity increase of 151% led to a 97% yoy growth in net generated power.
 - 50% of 360MW Magat
 - 60% of 70MW CPPC
 - 50% of 50MW EAUC

Note: 34% of STEAG to further improve capacity by 19%, from 411MW to 490MW.

- Continued strong demand in the power distribution group's franchise areas led to a 7% increase in electricity sales.

Income Contribution of the Power Group



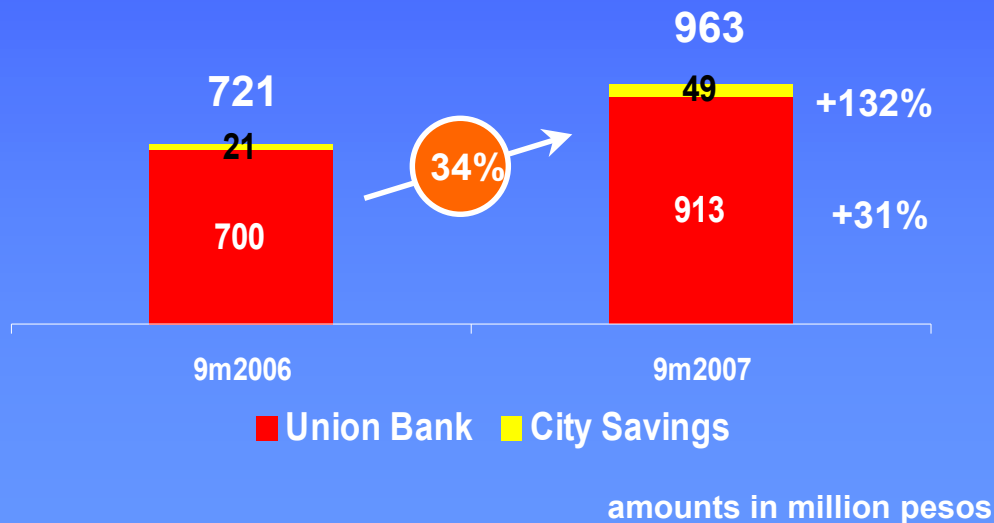
amounts in million pesos

BANKING GROUP

Banking group continued to provide good returns with net income contribution of P963 million, up 34% YoY

- Union Bank accounted for the lion’s share at P913 million, recording a 31% growth yoy
- City Savings’ share at P49 million, a 132% improvement versus last year’s P21 million

Income Contribution of the Banking Group



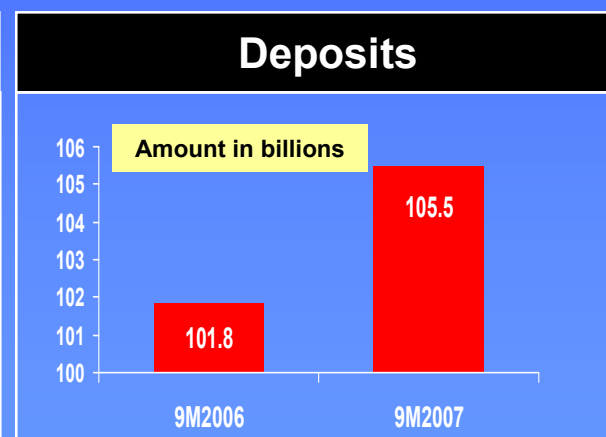
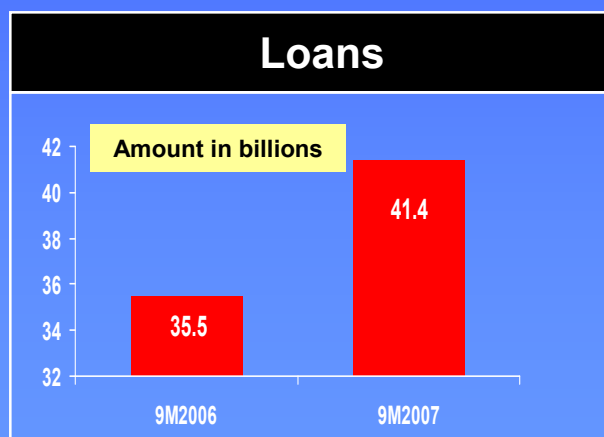
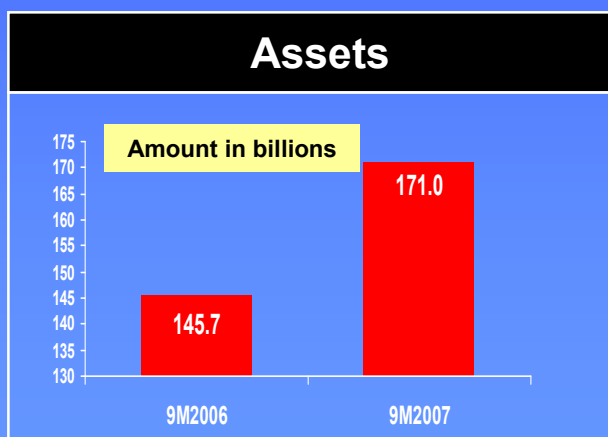
	UNION BANK	CITY SAVING
Return on Equity	14.9%	47.5%
Return on Assets	1.9%	6.0%
Revenue to Expense Ratio	1.8x	2.3x
NPL Ratio	5.2%	2.2%
Reserve Cover	63.4%	123.3%
Capital Adequacy Ratio	15.6%*	17.0%

*Credit, market & operational risk (as of end-Sept 2007)

BANKING GROUP – UNIONBANK



- **Revenues increased by 31% YoY to P6.5 billion**
 - **Net interest income grew by 43%**
 - Improved earning assets portfolio by 16%
 - Net loans portfolio improved by 17% while deposit with banks were up by 4%
 - NPL at P4.2 billion
 - **Non-interest income rose by 17% YoY derived from fees, commissions and trading gains**
- **Consolidated net income was up by 41% YoY to P2.2 billion (at cost method)**
 - **Cost savings due to iBank integration at ~P500 million countered increase in operating costs. Some of the major items are as follows:**
 - Headcount reduction – savings of P363 million
 - Branch operations and network integration – savings of P44 million
 - IT systems integration – savings of P27 million

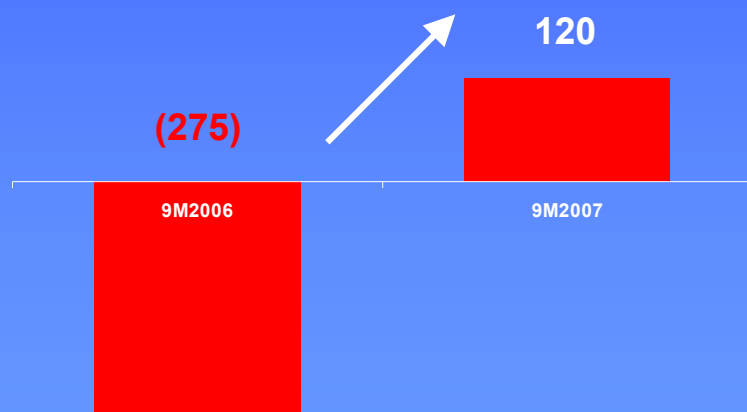


TRANSPORT GROUP

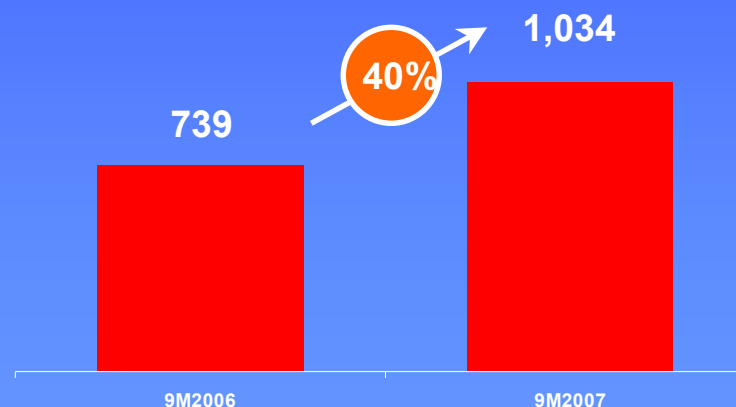
- Transport Group's earnings contribution was at P369 million, a reversal from last year's net loss of P275 million
- Return to profitability is attributable to 77%-owned ATS, with 9M2007 net income contribution of P371 million

- Initiatives on rationalizing cost structures and increasing earning capacity of assets improved operating profit performance
- Conversion of unused passenger capacity to freight, which served increased demand for RORO
- Increased load factors in 1H2007

ATS' Operating EBIT Performance



ATS' EBITDA Performance

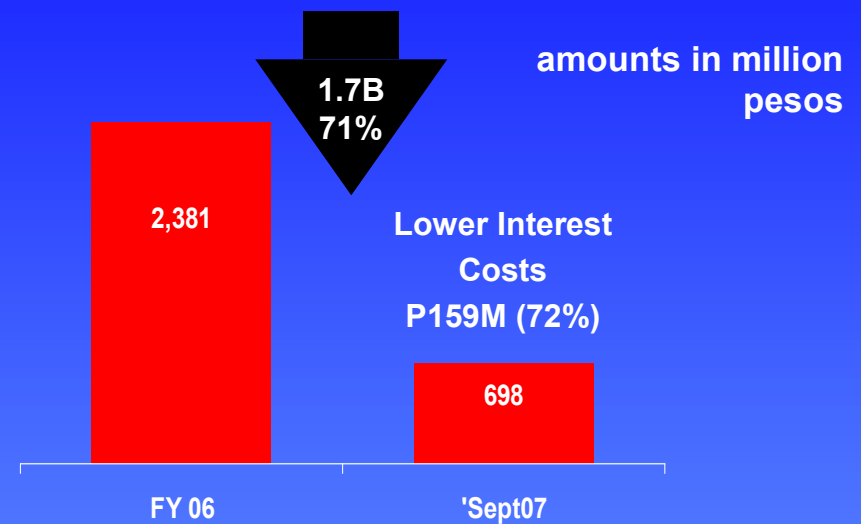


amounts in million pesos

TRANSPORT GROUP



- To date, 72% decline in interest cost as debt levels were pared down by 71%
- Asset sale – sold three vessels with total gains of approximately P623m
- Net of one-off's, 9m2007 EBT was at P71m, vs. loss of P455m last year
- 9m2007 net income at P481 million
- To date, 3 vessels have been converted, generating additional 192 TEUs to its freight capacity
- Increased its fleet under the Cebu Ferries brand with the purchase of a 2,137 gross tonnage vessel. To add 800 passenger capacity and 50 TEU cargo capacity.



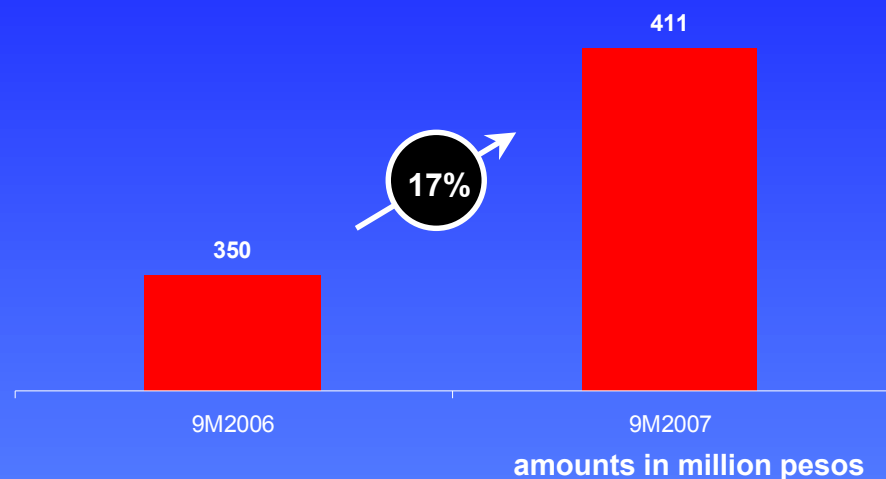
Key Operating Statistics

	9M2006	9M2007
Passenger Capacity	3,537,992	2,287,893
Passenger LoadFactor	59%	73%
Freight Capacity	248,906	183,077
Freight Load Factor	80%	93%
% Roro to total volume	8%	17%
% Roro to total freight revenue	11%	24%

FOOD GROUP

- **Income contribution grew by 17% YOY to P411 million**
 - Higher volume sales and selling prices for the flour business led to a 15% improvement in revenues, from P3.5 billion to P4.0 billion. Enhanced milling operations led to earnings contribution of P365 million, up by 49% YOY.
 - Revenues from the feeds and swine operations recorded a 22% YOY, from P2.0 billion to P2.5 billion. Period end income share was at P46 million.
- **Feeds and swine businesses undergoing expansion.**
 - Feed mill project in Iligan complex to be completed in 2008 (includes construction of additional grain silos).
 - Breeder / Grower-Finishing Farm to be completed in 2008.
 - Construction of nucleus / multiplier farm to be completed in 2009.

Income Contribution of the Food Group



Key Operating Statistics

	Sep-07	Sep-06	% Growth
PFC Sales/bag	474.54	433.05	10%
PFC IOIC/bag	135.33	122.64	10%
Volume of bags Sold	8,395,224	8,003,435	5%
FFI Feeds Sales/Bag	14,186	13,255	7%
FFI Feeds IOIC/Bag	2,091	3,140	-33%
Volume in MT Sold	140,960	118,896	19%
FFI Swine SP/Kilo	79	78	1%
Volume of Heads Sold	65,291	64,995	0%

IN SUMMARY - YTD SEPTEMBER 2007



- Continued strong showing of key subsidiaries and associates
- Stronger financial position across the business organization
 - AP's IPO on July 16, 2007 raising over P10 billion in proceeds
 - Further debt reduction in ATS' books
- Improved business models / portfolio
 - AP's more diversified asset portfolio
 - Union Bank to build loan book leveraging on its top corporate accounts, consumer and selected middle-market accounts
 - Union Bank to further reduce Non-Performing Assets via sale to SPAV
 - ATS' reconfiguration of capacity to achieve higher asset utilization and asset earnings capacity
 - ATS' introduction of supply chain solutions leveraging on the company's existing domestic distribution network and facilities

MOVING FORWARD

Power

- Participation in the upcoming bids for government's power assets
- Bottomline impact of improved financing terms for SNAP
- Earnings contribution of post-IPO acquired assets (e.g. STEAG, MEZ, BEZ, SEZ)
- Shift to Performance Based Regulation of distribution utility companies

Banking

- Earnings impact of full integrated activities of UBP and iBank
- Diversification of asset portfolio
- Build consumer business (e.g. credit cards) with iBank's consumer/middle market reach
- Leverage on its leading position in technology-driven products and services

Transport

- Asset rationalization / sale of vessels / capacity conversion
- Cost containment efforts and streamlining of operations
- Earnings impact of deleveraging and lower depreciation
- Supply chain solutions
- JV with Maersk

Food

- Completion of the construction of a new feedmill at the Iligan Milling Complex
- Construction of additional grain silos increasing Pilmico's storage capacity
- Increase in swine capacity with the increase in breeder and grower number



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