

March 25, 2013

MS. JANET ENCARNACION

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

Re: Clarification to March 24, 2013, *BusinessWorld Online News Article*

Dear Ms. Encarnacion,

This refers to your letter requesting us to confirm the veracity of the information contained in *BusinessWorld Online news article* dated March 24, 2013, a portion of which is quoted hereunder:

HOLDING FIRM Aboitiz Ventures, Inc. (AEV) plans to spend P59 billion this year -- more than three times actual 2012 expenditures – of which bulk will go to its flagship power business, a senior official of the conglomerate said on Thursday last week.

Stephen G. Paradies, AEV senior vice-president and chief financial officer, said via e-mail that the conglomerate plans to spend more aggressively this year to cash in on expected robust economic growth, which came in at a foster-than-projected 6.6% in gross domestic product terms in 2012.

FLAGSHIP

“Total projected capex (capital expenditure) for AEV for 2013 is P59 billion.” Mr. Paradies said when asked on the company’s spending plans this year, explaining this is the “total amount of all capital expenditures, including 100% of the capex of our subsidiaries as well as our associates and partners...”

The biggest chunk of the budget will go to Aboitiz Power Corp., whose P18.8 billion profit last year made up more than three-fourths of the conglomerate’s net income.

This year’s budget is more than three times the P18 billion the holding firm actually spent last year.

....

Bulk of AEV’s budget this year -- P57 billion -- will go to Aboitiz Power, P1.3 billion will go to food producer Pilmico Foods Corp., and the balance will go to the group’s other businesses, according to the e-mail.

"The big jump in spending versus 2012 levels really comes from our power business. AEV will ride on the back of what many expect to be a strong Philippine economy.

With a growing economy comes an increased demand in energy," Mr. Paradies explained.

....

We confirm that Aboitiz Equity Ventures, Inc. (the "Company") is allotting an estimated amount of P59 billion for 2013 for the capital expenditures of its subsidiaries, associates and partners. We further confirm that out of this budget, P57 billion is allotted for the capital expenditures of Aboitiz Power Corporation while P1.3 billion will go to Pilmico Foods Corporation, and the remaining balance will be divided among the other business units of the Company.

We trust the foregoing is to your satisfaction.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By:

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto". The signature is written in a cursive, flowing style.

M. JASMINE S. OPORTO
Corporate Secretary