

April 8, 2015

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

ATTENTION : **MS. JANET ENCARNACION**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas, Makati City

ATTENTION : **MS. VINA VANESSA S. SALONGA**
Head - Issuer Compliance and Disclosures Department

Gentlemen:

Please be advised that Aboitiz Equity Ventures, Inc.'s retail bonds issued last November 2013 has maintained its PRS Aaa ratings from the Philippine Ratings Services Corporation (PhilRatings). Attached is the press release from PhilRatings.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By



CATHERINE R. ATAY
Assistant Corporate Secretary

Aboitiz Equity Ventures, Inc.'s Outstanding Bond Issue Rated PRS Aaa

"The credit rating for Aboitiz Equity Ventures, Inc.'s (AEV) outstanding bond issue of P8.0 billion, is maintained at PRS Aaa, with a stable outlook" Philippine Rating Services Corporation (PhilRatings) announced.

Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings.

The rating reflects the following key considerations: (1) AEV's sustainable recurring cash flows, supported by the buoyant growth in the operating performance of its subsidiaries; (2) the maintenance of a strong balance sheet, characterized by a growing asset and investment portfolio, highly liquid position and conservative capitalization; (3) its ample financial flexibility to support business expansion; (4) robust growth prospects for its business mix, given a continuing positive outlook for the Philippine economy; and (5) AEV's strong management team.

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to AEV and may change the rating at any time, should circumstances warrant a change.

AEV is one of the largest conglomerates in the Philippines, with major investment holdings in Aboitiz Power Corporation, one of the leading power generation and distribution companies in the country; Union Bank of the Philippines, ranked among the top ten universal banks; Pilmico Foods Corporation, a leading manufacturer of flour and also operating in the animal feeds and hogs and poultry businesses; and Aboitiz Land, Inc., a known property developer in Cebu.

The company's core business continues to be in the power sector and AEV will continue to increase its generation capacity in the coming years. Expanding its other business operations further, the company's food business entered the Asian market, establishing a representative

office in Selatan Jakarta, Indonesia and acquiring a 70% stake in Vin Hoan 1 Feed in Vietnam. In 2014, the real estate group also fully acquired Lima Land, Inc. These developments boosted the group's revenues during the first nine months in 2014. AEV's net income for the said period amounted to P18.30 billion while net profit margin was at a comfortable 17.3%.

The company maintained a very liquid position, with a current ratio of 2.8x and a cash balance of P43.2 billion as of end-September 2014. Cash flow from operations remained at a high level of P21.30 billion, ample in servicing of its current debt level.

Capital structure remained sound and well managed, with total debt to total assets and total debt to total capitalization of 41.8% and 46.8%, respectively. The company's debt-to-equity ratio was at a 1.1x.

AEV's businesses are seen to benefit from the resilient Philippine economy, with continuing high growth prospects, particularly in the short-term. The Philippines recorded a GDP growth rate of 6.1% in 2014. The country has outperformed other ASEAN countries, positioning it as the second fastest growing economy relative to China (with a growth rate of 7.4%) and with a growth rate slightly higher than Vietnam's 6.0%.