

abotiz outlook



April 30, 2009

- **Aboitiz Transport sale not pushing through**

Aboitiz Equity Ventures, Inc. (AEV) and its principal stockholder, Aboitiz & Company, Inc. (ACO), have been informed by KGLI-NM, Holdings Inc. (KGLI-NM) that KGLI-NM will not proceed with the purchase of US\$30 million worth of Aboitiz Transport System Corporation (ATSC) common shares owned by AEV and ACO.

KGLI-NM cited the current constraints in the debt markets as the reason for its decision not to push through with its planned purchase of the ATSC shares owned by AEV and ACO. KGLI-NM had previously informed AEV and ACO last March 31, 2009 that the former is exercising its option under Section 5(c)(i) of the Term Sheet dated December 19, 2008 to purchase US\$30 million worth of ATSC shares from AEV and ACO.

In view of KGLI-NM's decision not to close pursuant to the Term Sheet and its notice dated March 31, 2009, the Term Sheet dated December 19, 2008 as well as the Memorandum of Agreement dated September 23, 2008 between AEV and ACO, on one hand, and KGLI-NM, on the other hand, are now deemed terminated. Likewise, the ₱100 million option money paid by KGLI-NM to AEV and ACO (₱82.88 million for AEV and ₱17.12 million for ACO) is also deemed forfeited in accordance with the terms of the Term Sheet.

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