



First Quarter 2010 Financial & Operating Results

7 May 2010

AGENDA

- **Overview**
- **AEV Financials**
- **Review of Business Units**
 - Aboitiz Power Corporation
 - Union Bank of the Philippines
 - Aboitiz Transport System
 - Pilmico Foods Corporation
- **Q&A**

AGENDA

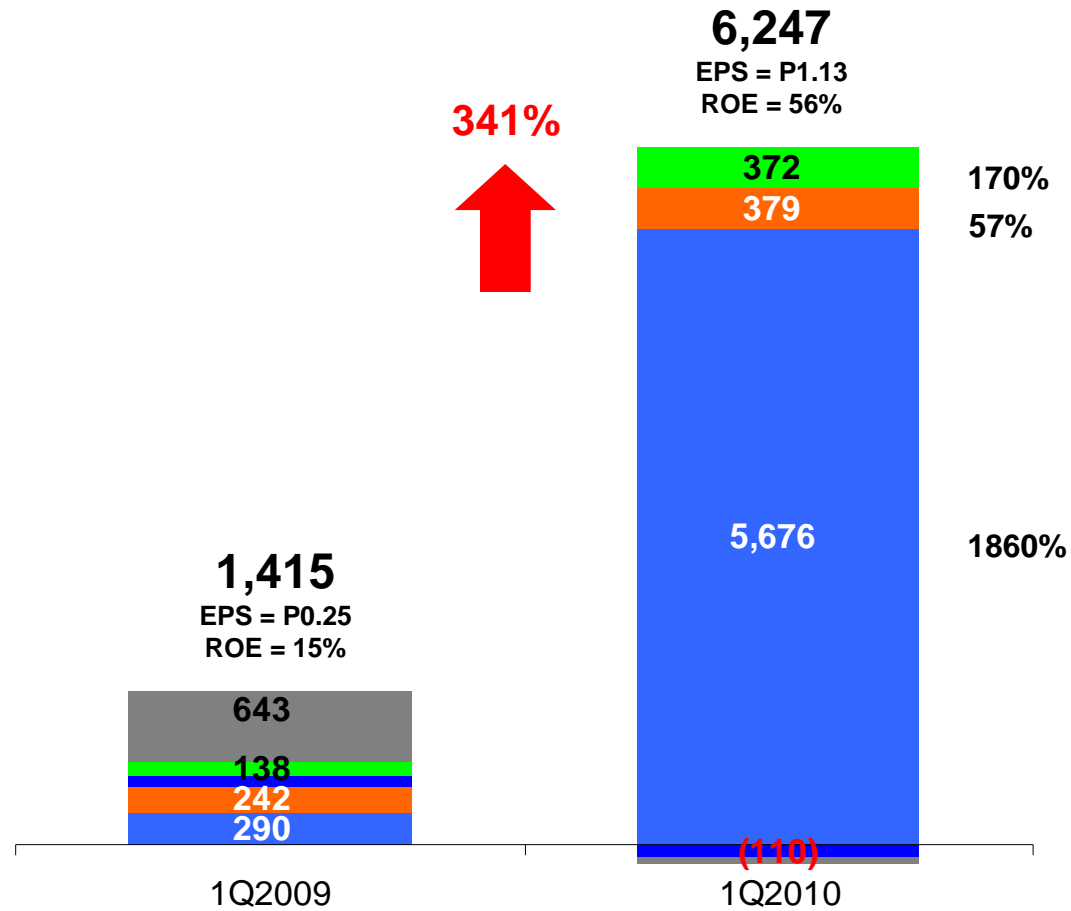
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CONSOLIDATED PROFIT & LOSS (In Million Pesos)



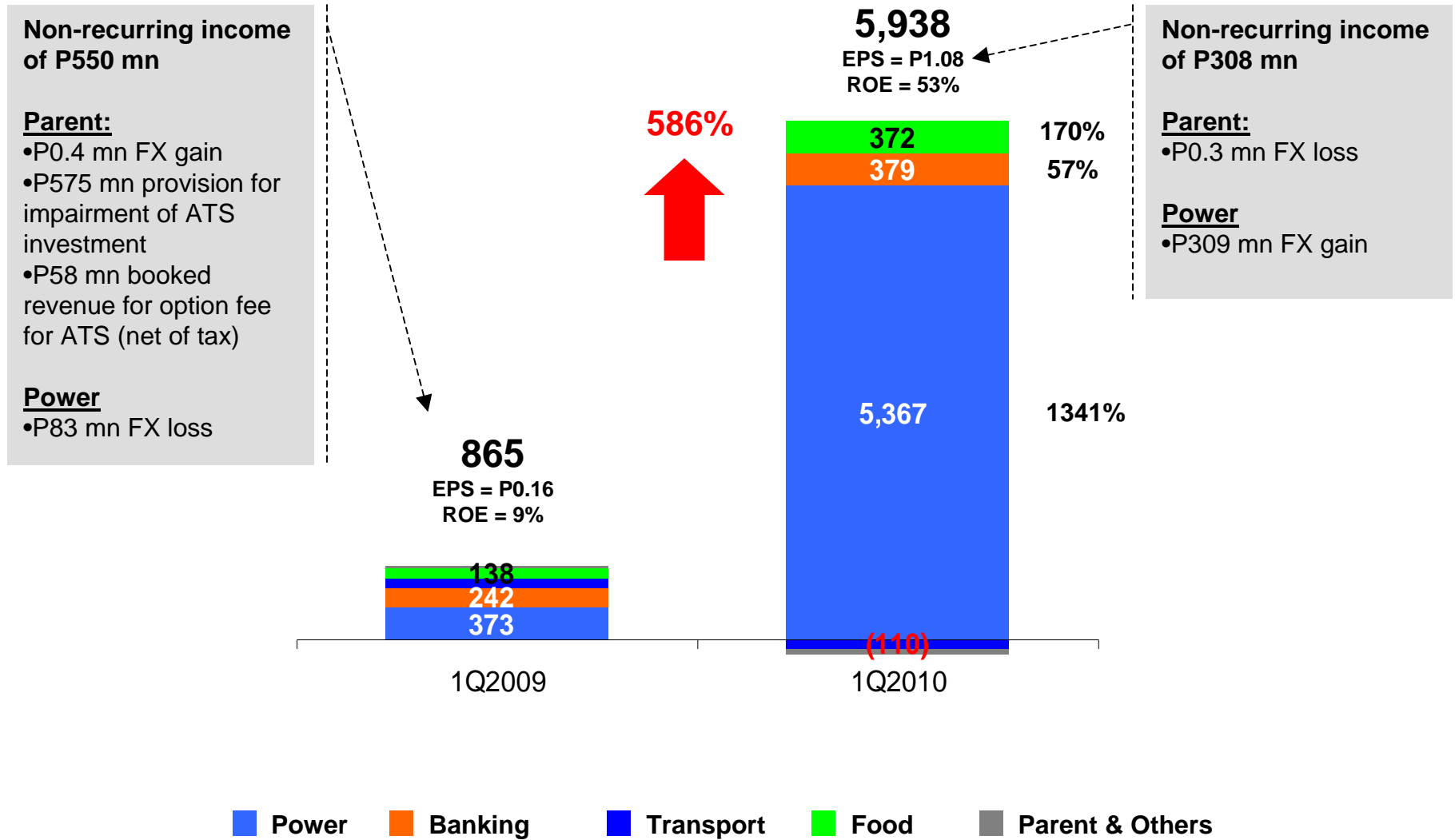
	1Q2009	1Q2010	% Change
Revenues	8,449	22,744	169%
Equity Earnings	424	952	125%
EBITDA	1,752	10,525	501%
Net Income	1,415	6,247	341%
Core Net Income	865	5,938	586%
Core Net Income (Ex Pagbilao Effect)	865	6,887	696%

NET INCOME (In Million Pesos)

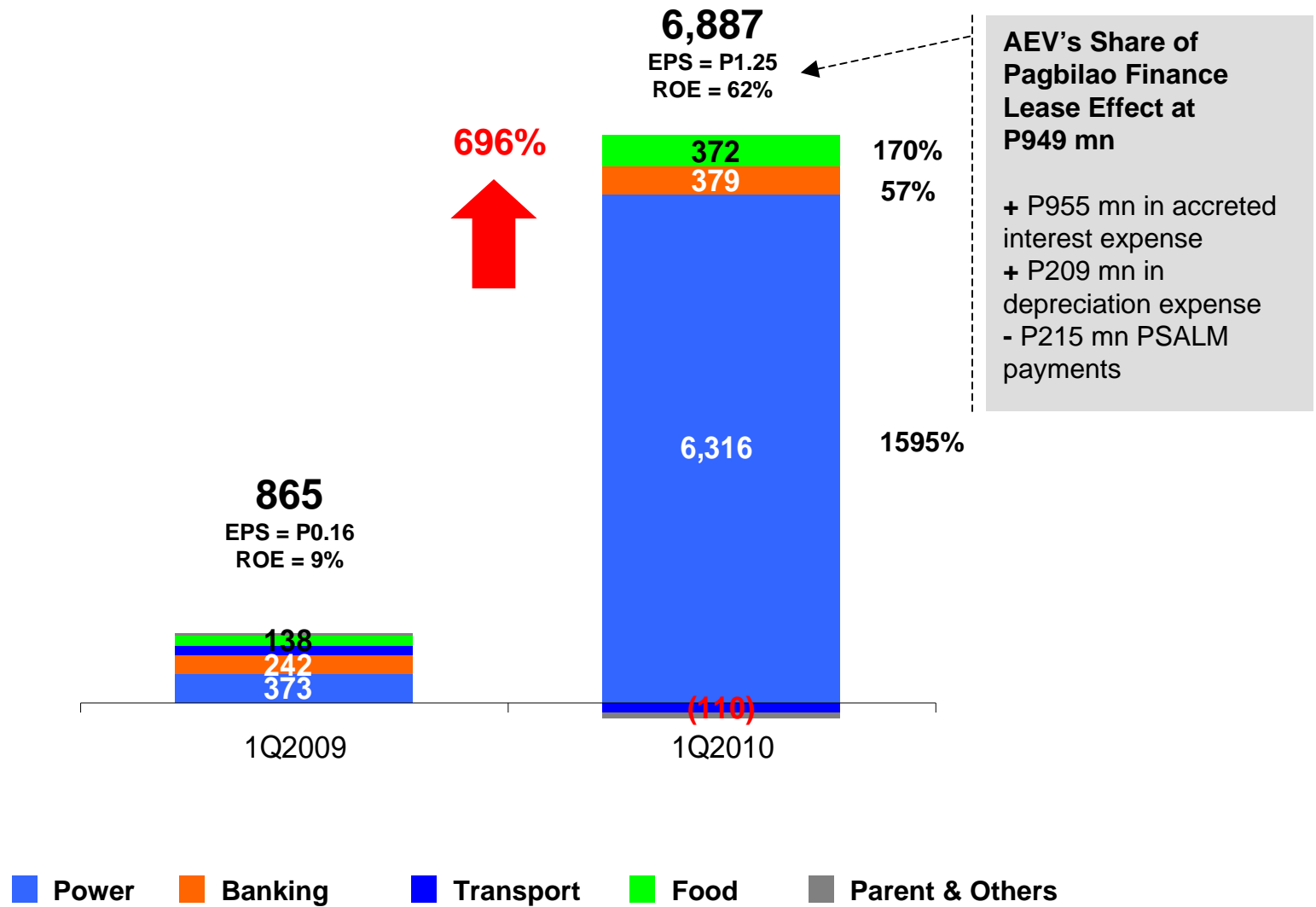


■ Power
 ■ Banking
 ■ Transport
 ■ Food
 ■ Parent & Others

CORE NET INCOME (In Million Pesos)



CORE NET INCOME , Ex Pagbilao Effect (In Million Pesos)

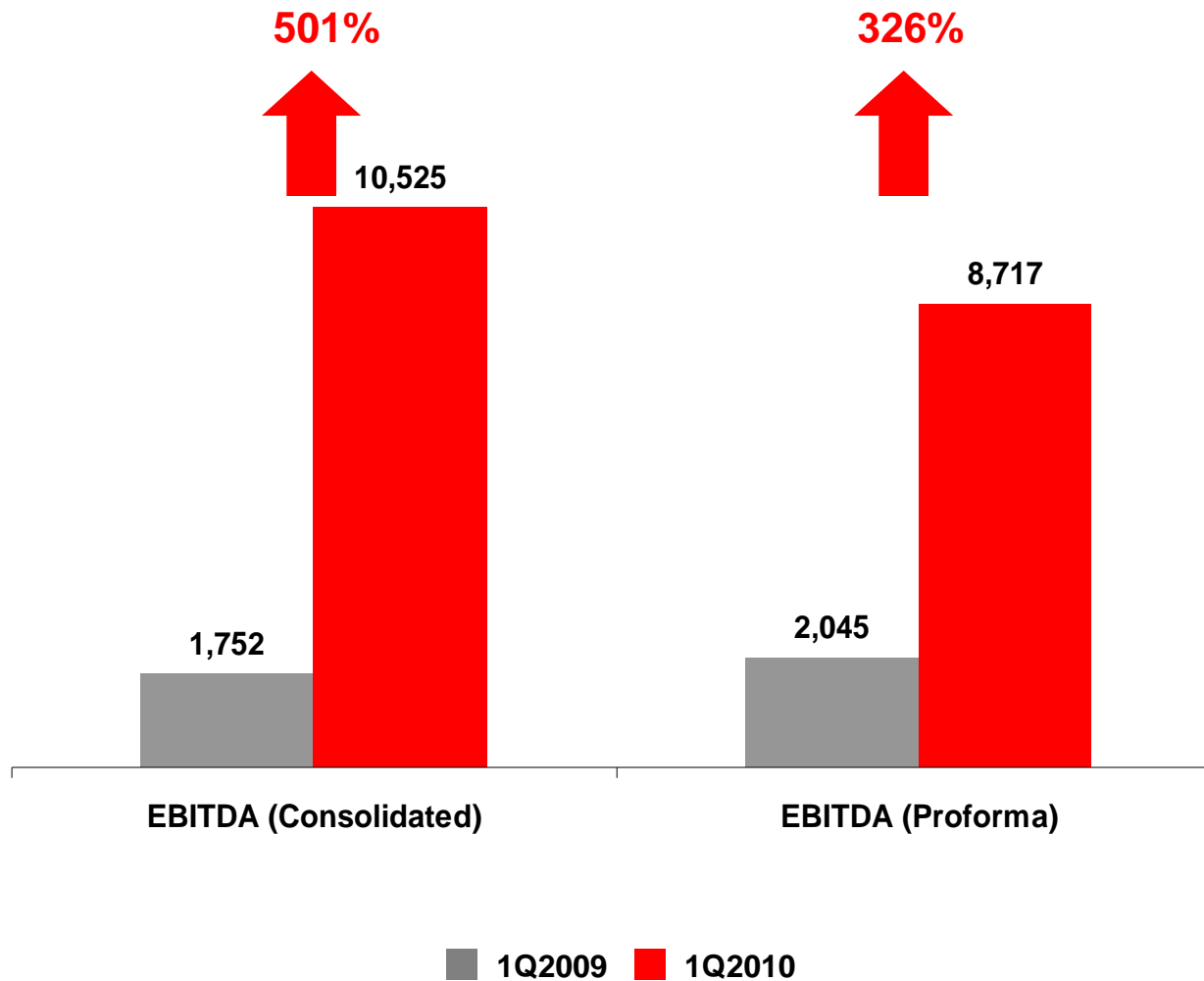


EARNINGS CONTRIBUTION (In Million Pesos)



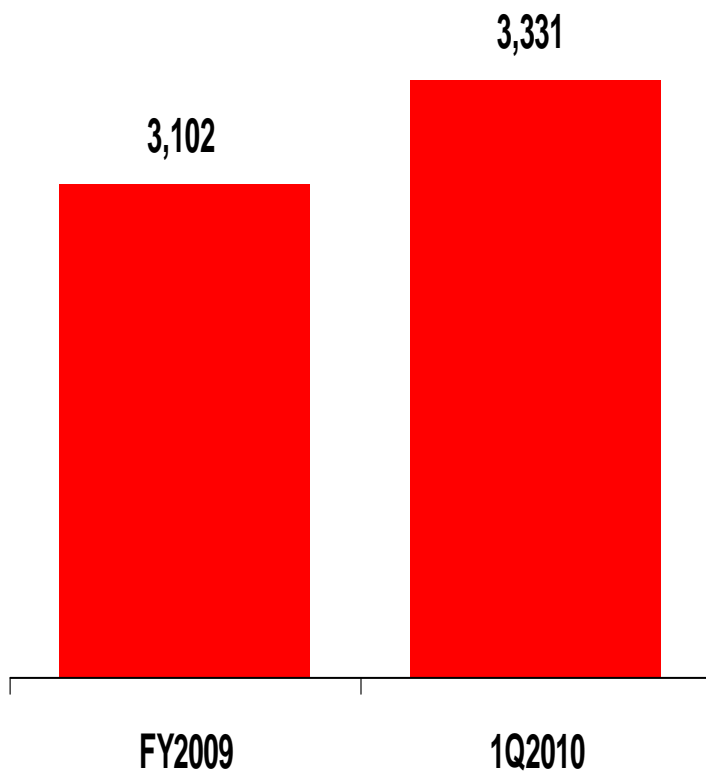
	1Q2009	1Q2010	% Change
Aboitiz Power Corp.	290	5,676	1860%
City Savings Bank	13	26	95%
Union Bank	229	353	54%
ATSC	103	(110)	--
Pilmico	138	372	170%
Parent & Others	643	(70)	--
Net Income	1,415	6,247	341%
Core Net Income	865	5,938	586%
Core Net Income (Ex Pagbilao Effect)	865	6,887	696%

EBITDA (In Million Pesos)

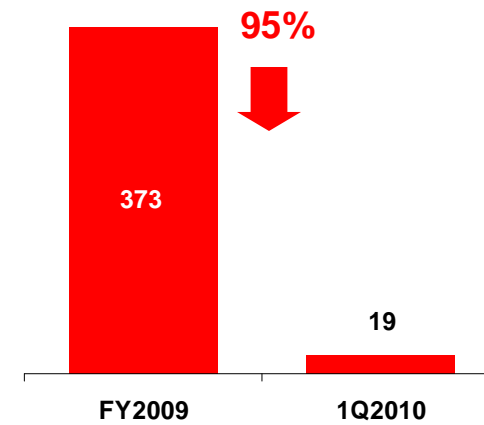


PARENT NET DEBT (In Million Pesos)

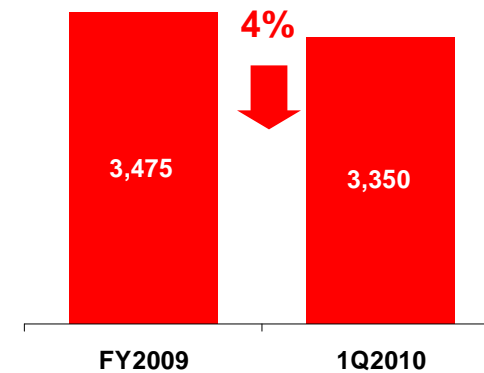
- Parent net debt increased by 7% from end-2009 level



Cash & Equivalents



Long-term Debt



CONSOLIDATED BALANCE SHEET / KEY RATIOS



(In Million Pesos, except ratios)	YE2009	1Q2010	% Change
Cash and Cash Equivalents	5,582	5,724	3%
Total Assets	143,281	154,556	8%
Total Liabilities	88,639	91,813	4%
Total Equity	54,642	62,743	15%
Book Value Per Share	8.09	9.25	
Current Ratio	0.79	0.98	
Debt to Equity	1.62	1.46	
Net Debt to Equity	1.28	1.12	

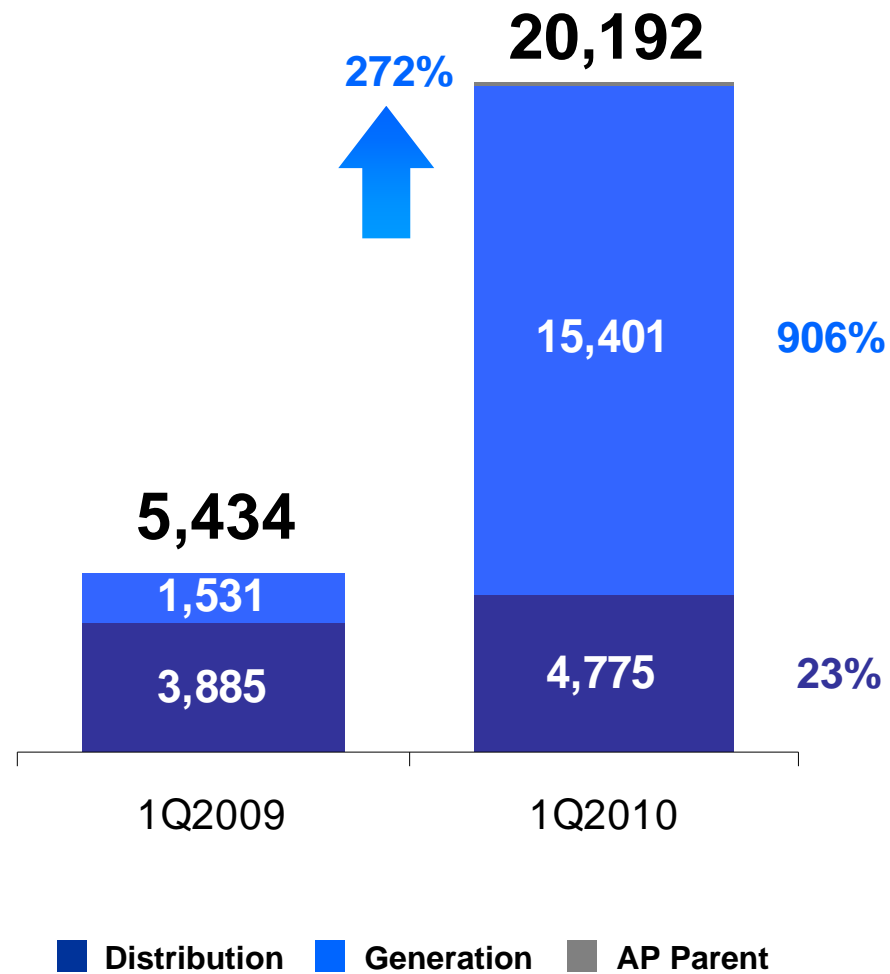
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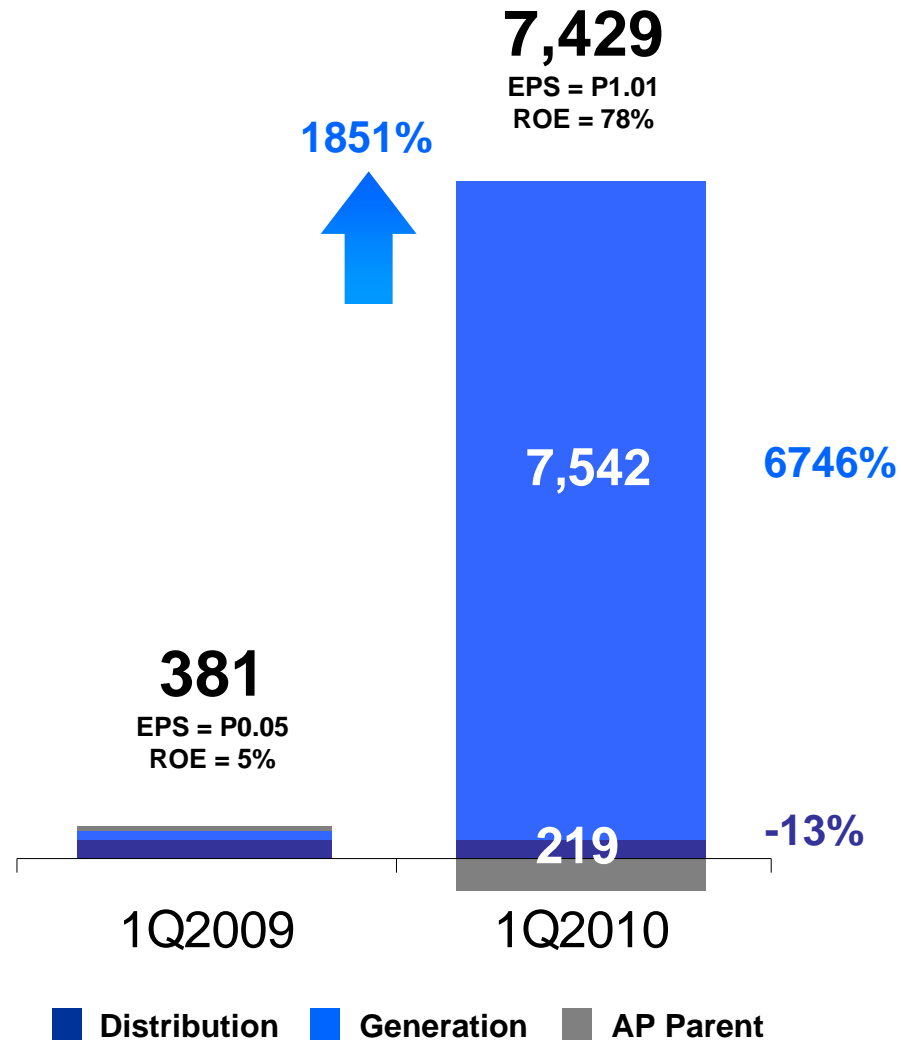
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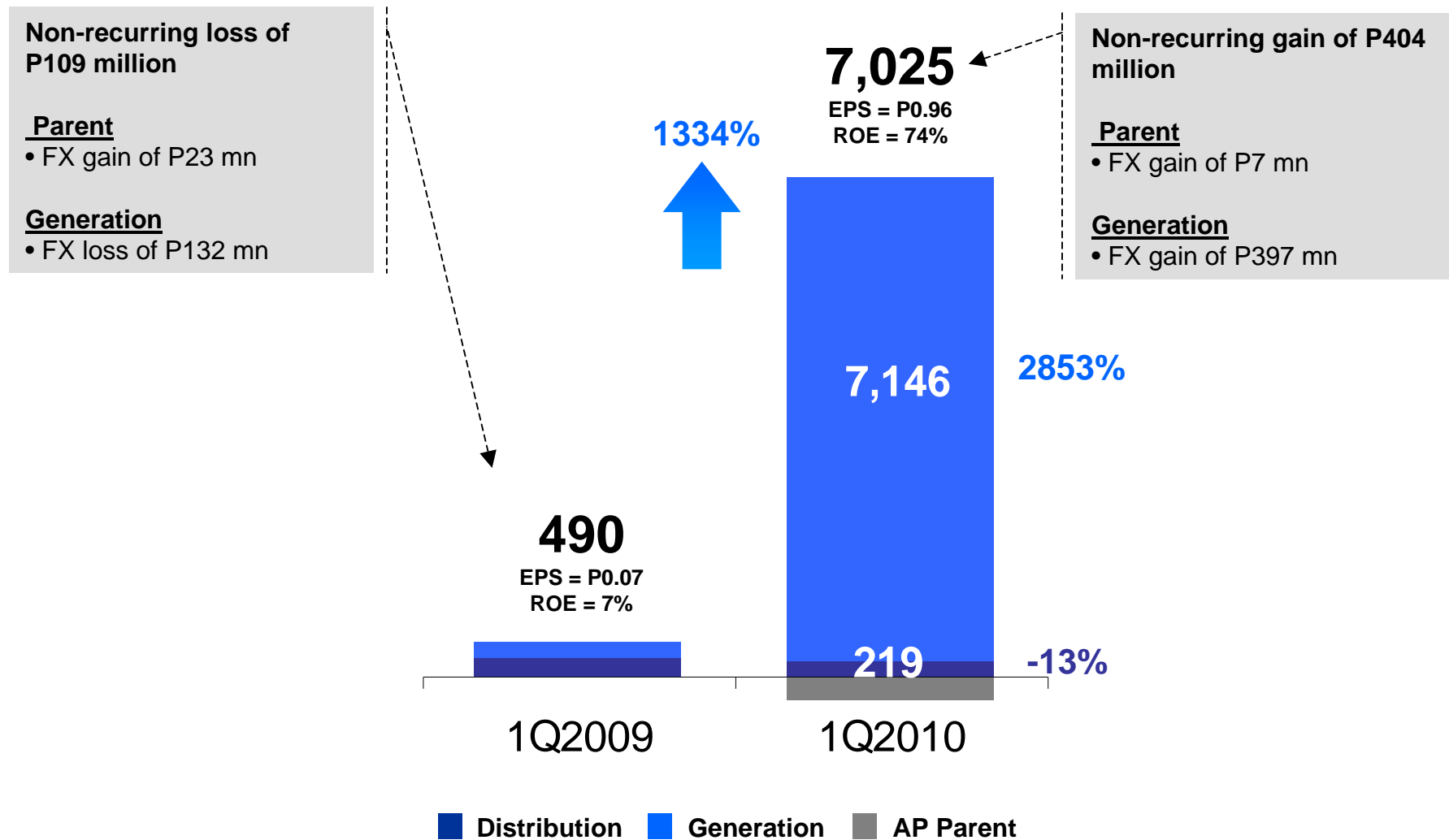
PROFORMA REVENUE (In Million Pesos)



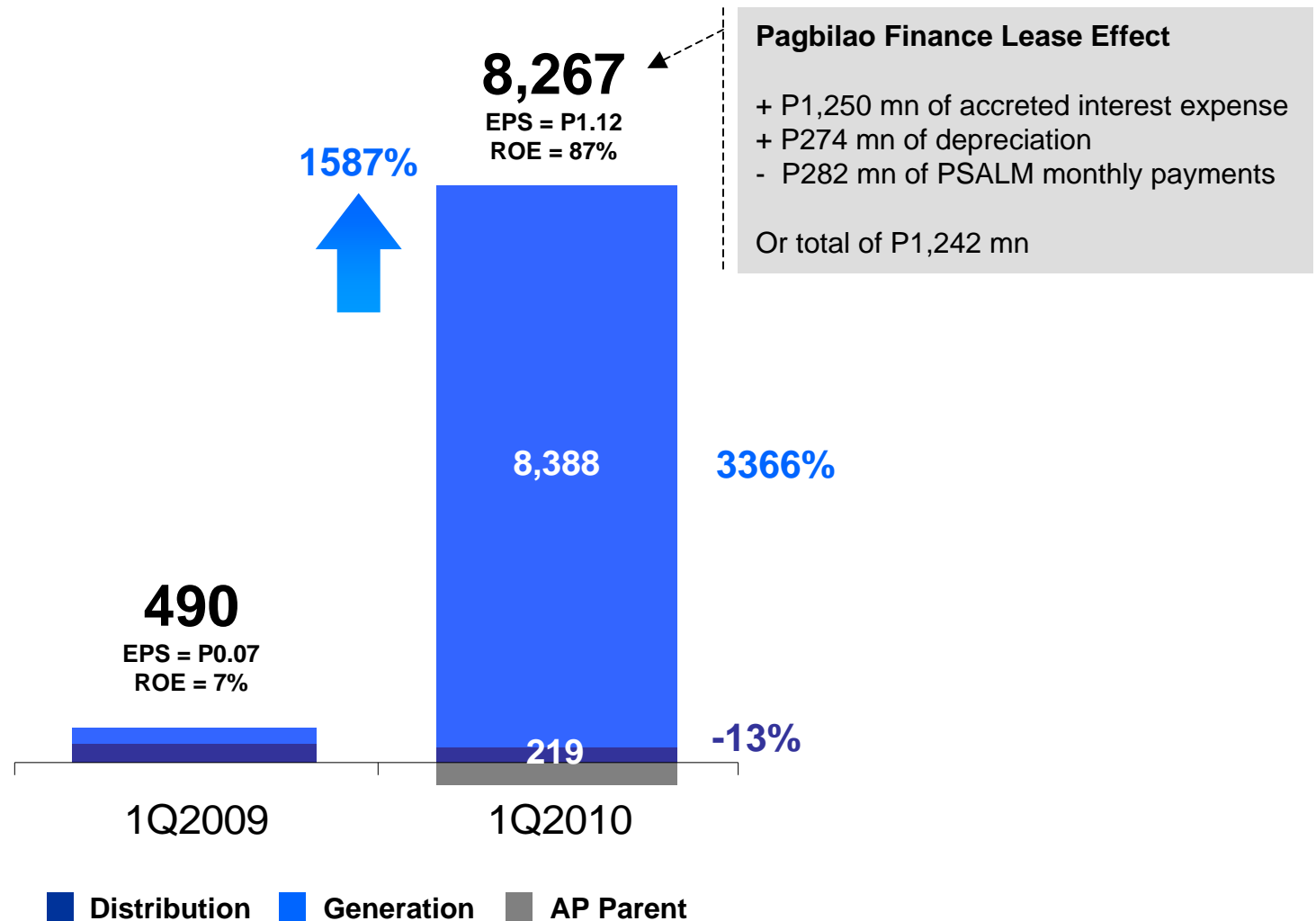
NET INCOME (In Million Pesos)



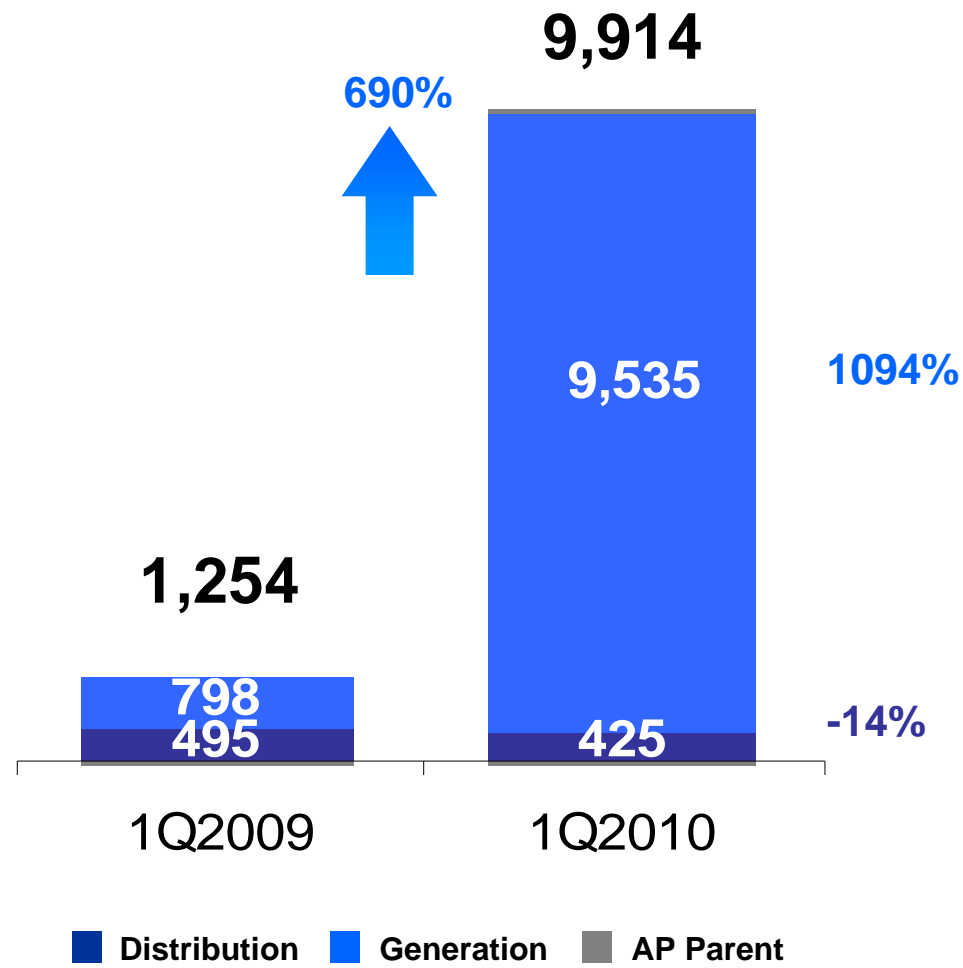
CORE NET INCOME (In Million Pesos)



CORE NET INCOME – Ex Pagbilao Effect (In Million Pesos)



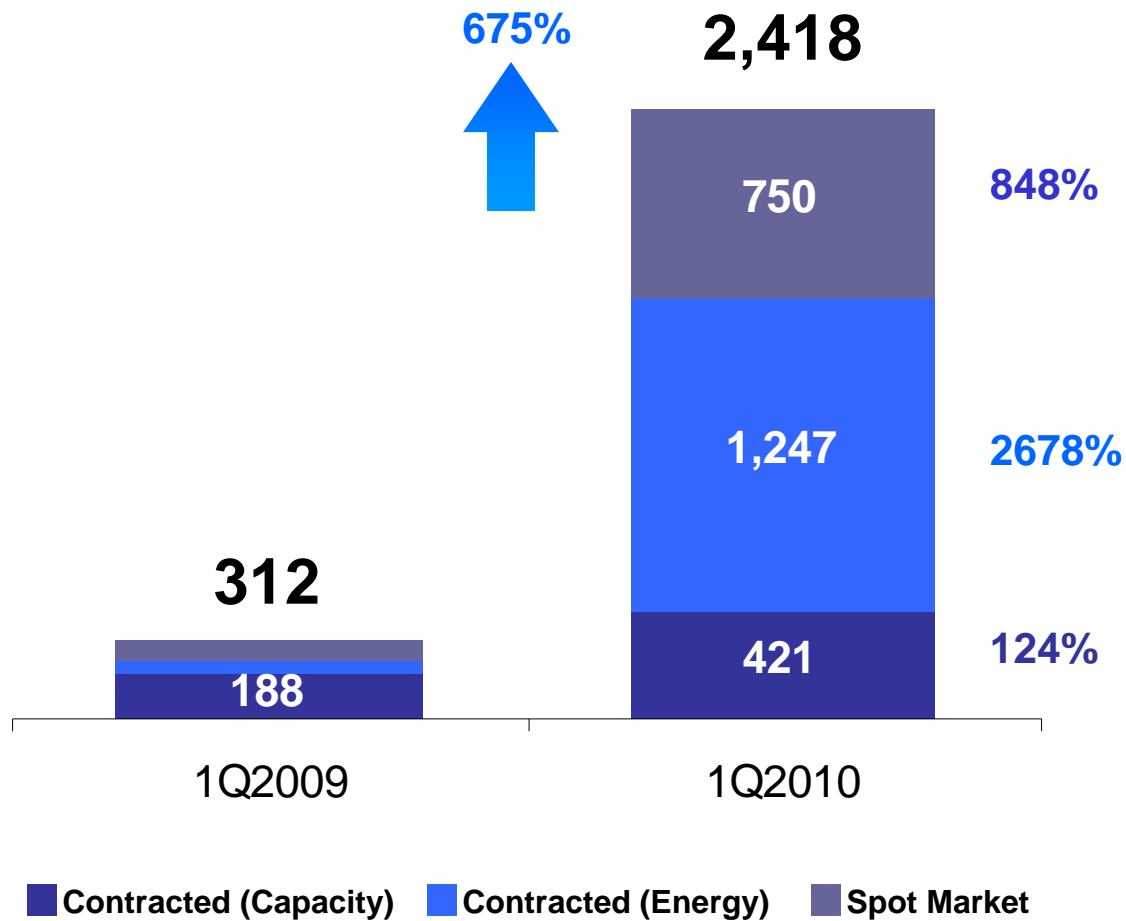
PROFORMA EBITDA (In Million Pesos)



OPERATING HIGHLIGHTS - GENERATION



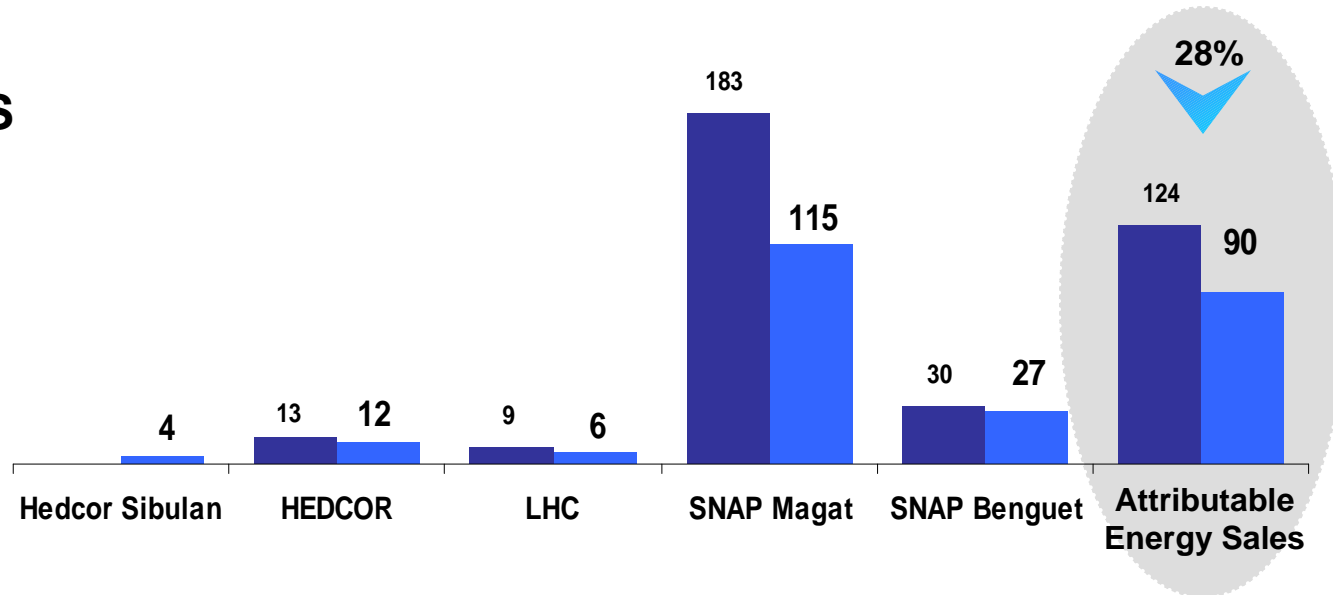
ENERGY SALES BREAKDOWN (GWh)



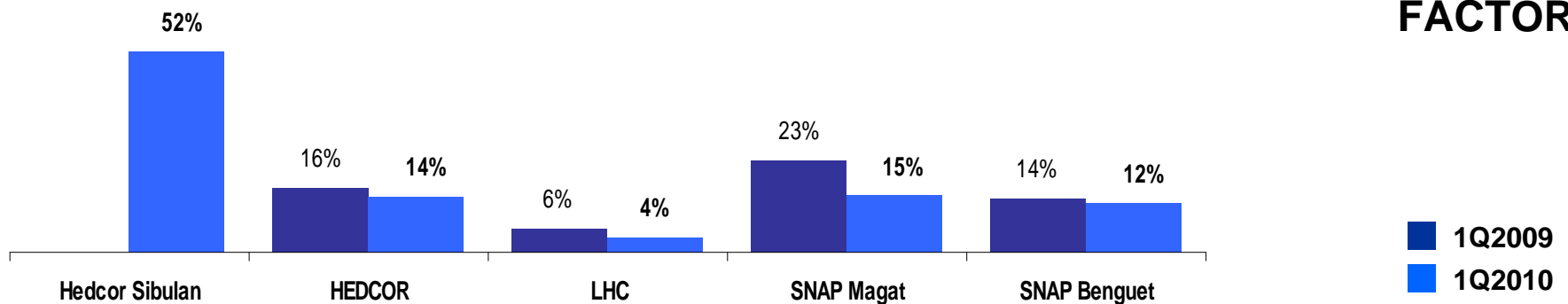
OPERATING HIGHLIGHTS – HYDRO



ENERGY SALES (GWh)

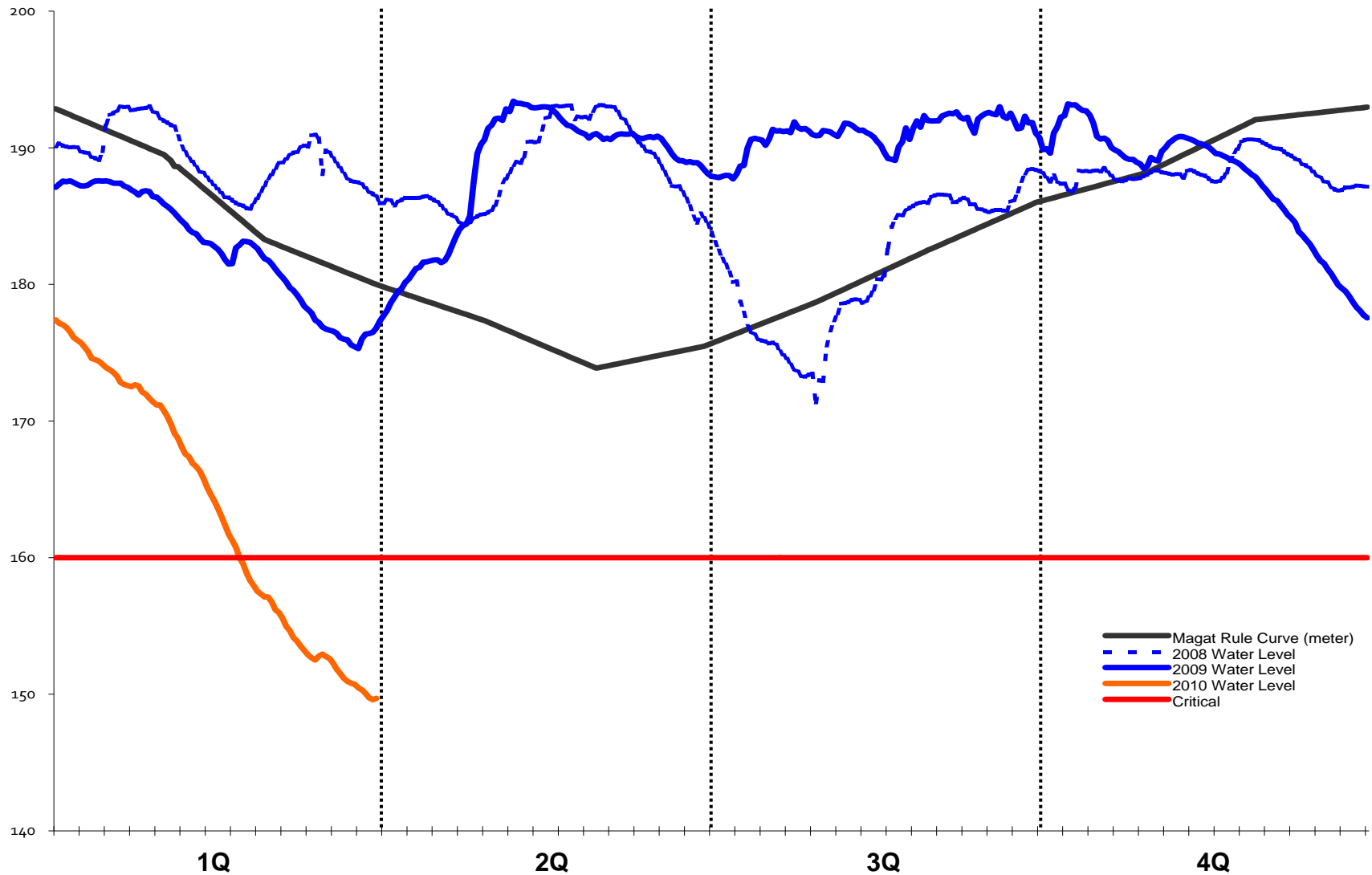


NET CAPACITY FACTOR



OPERATING HIGHLIGHTS – HYDRO

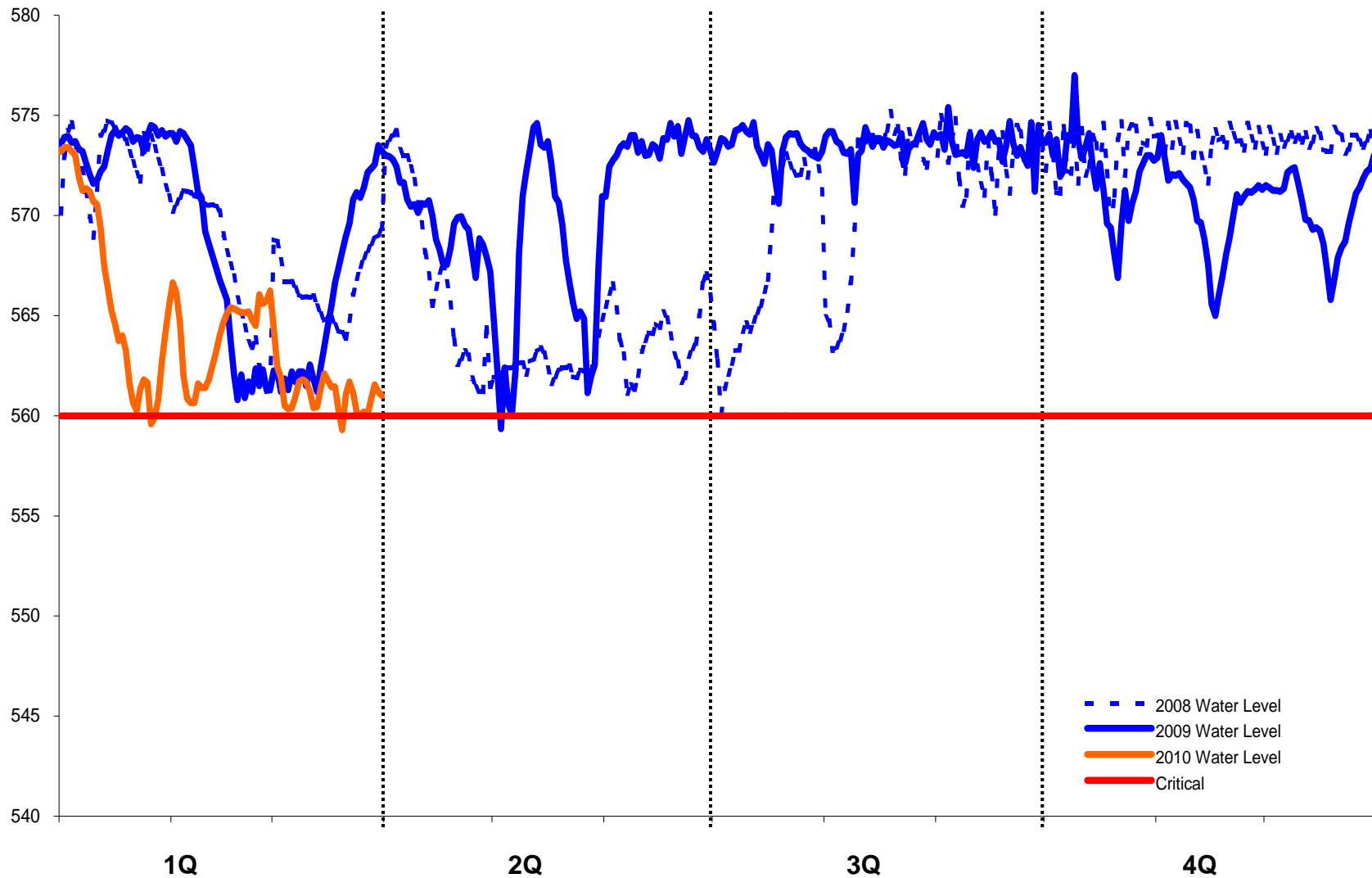
MAGAT'S WATER LEVEL VS. RULE CURVE (in MASL)



Source: SNAP

OPERATING HIGHLIGHTS – HYDRO

BINGA'S WATER LEVEL (in MASL)

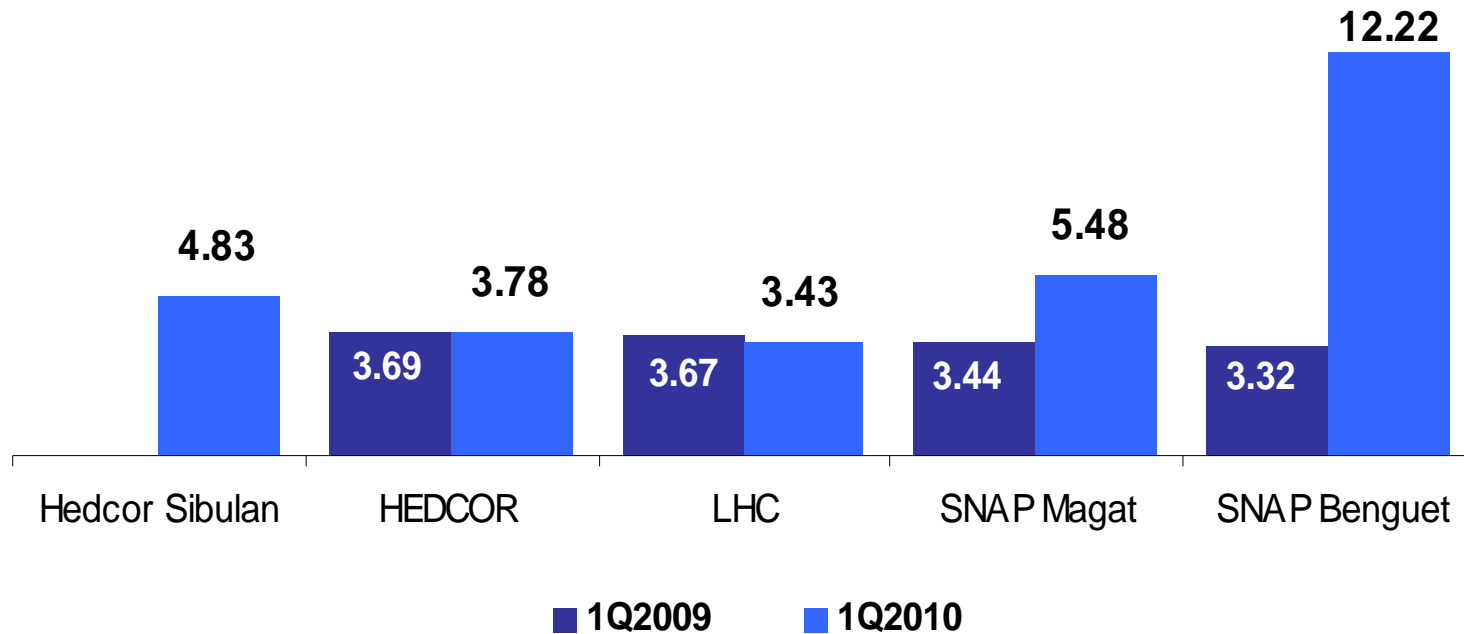


Source: SNAP

OPERATING HIGHLIGHTS – HYDRO



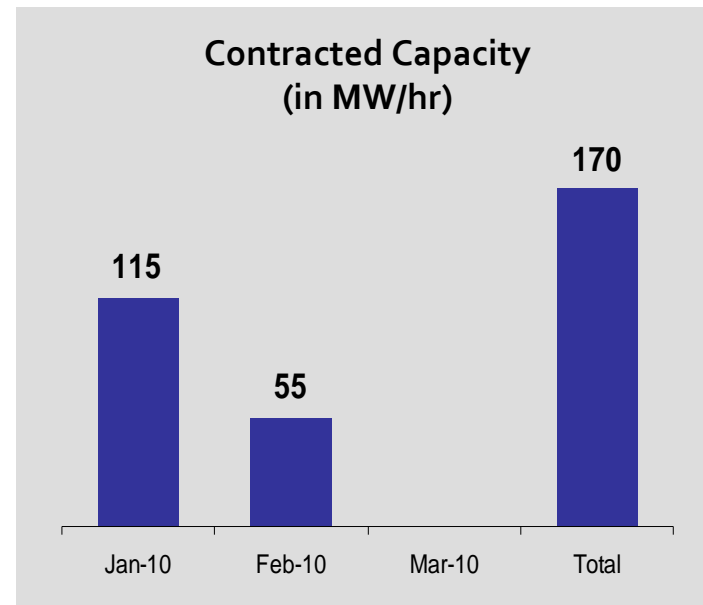
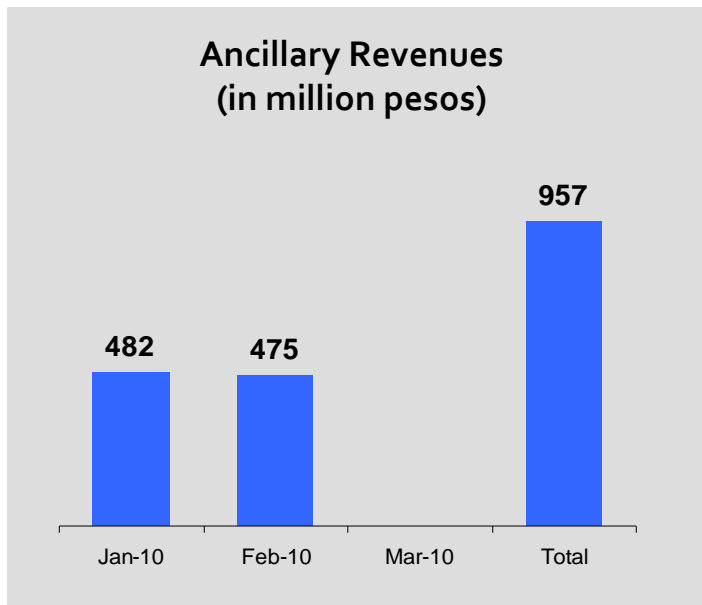
AVERAGE SELLING PRICE (P/kWh)



OPERATING HIGHLIGHTS – HYDRO



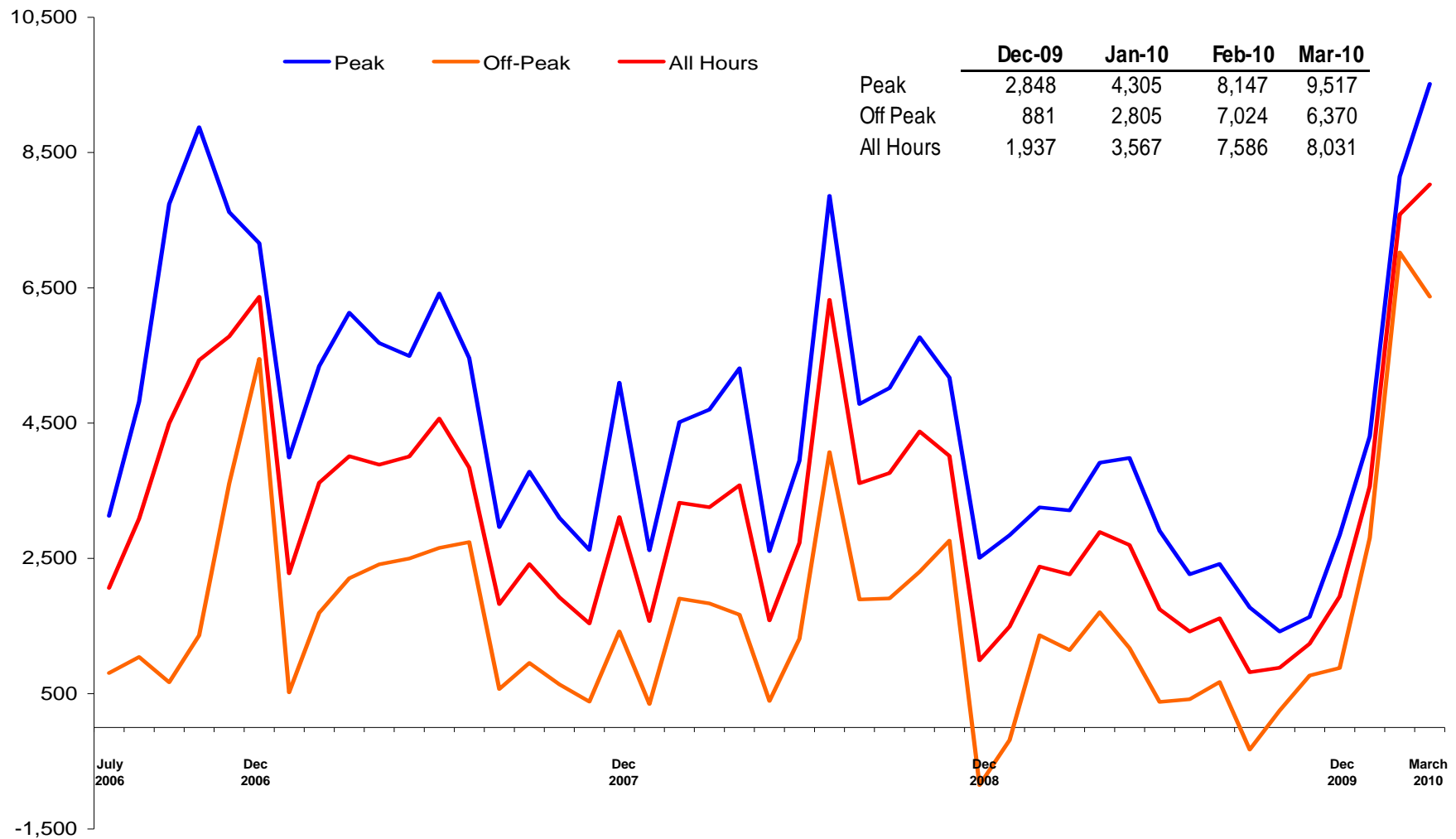
SNAP MAGAT ANCILLARY SERVICES



OPERATING HIGHLIGHTS – 1Q2010 WESM HIGHLIGHTS



WESM PRICES (P/MWh)

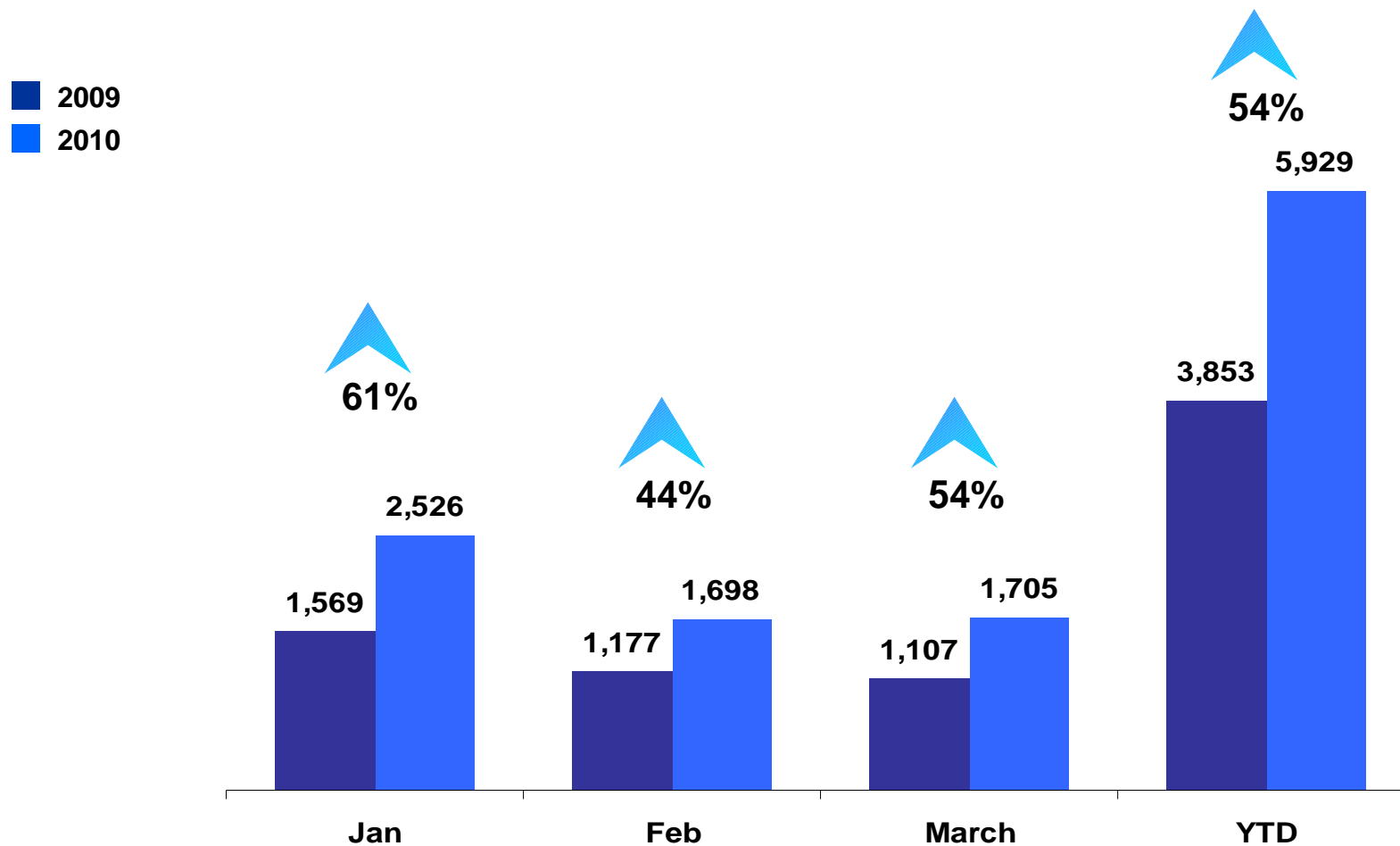


Note: Calculated based on raw data downloaded from the WESM website. July 26 – October 25, 2008 prices are reflective of NPC TOU rates.
 Source: WESM, SNAP

OPERATING HIGHLIGHTS – 1Q2010 WESM HIGHLIGHTS



AVERAGE CAPACITY ON OUTAGE (in MW)

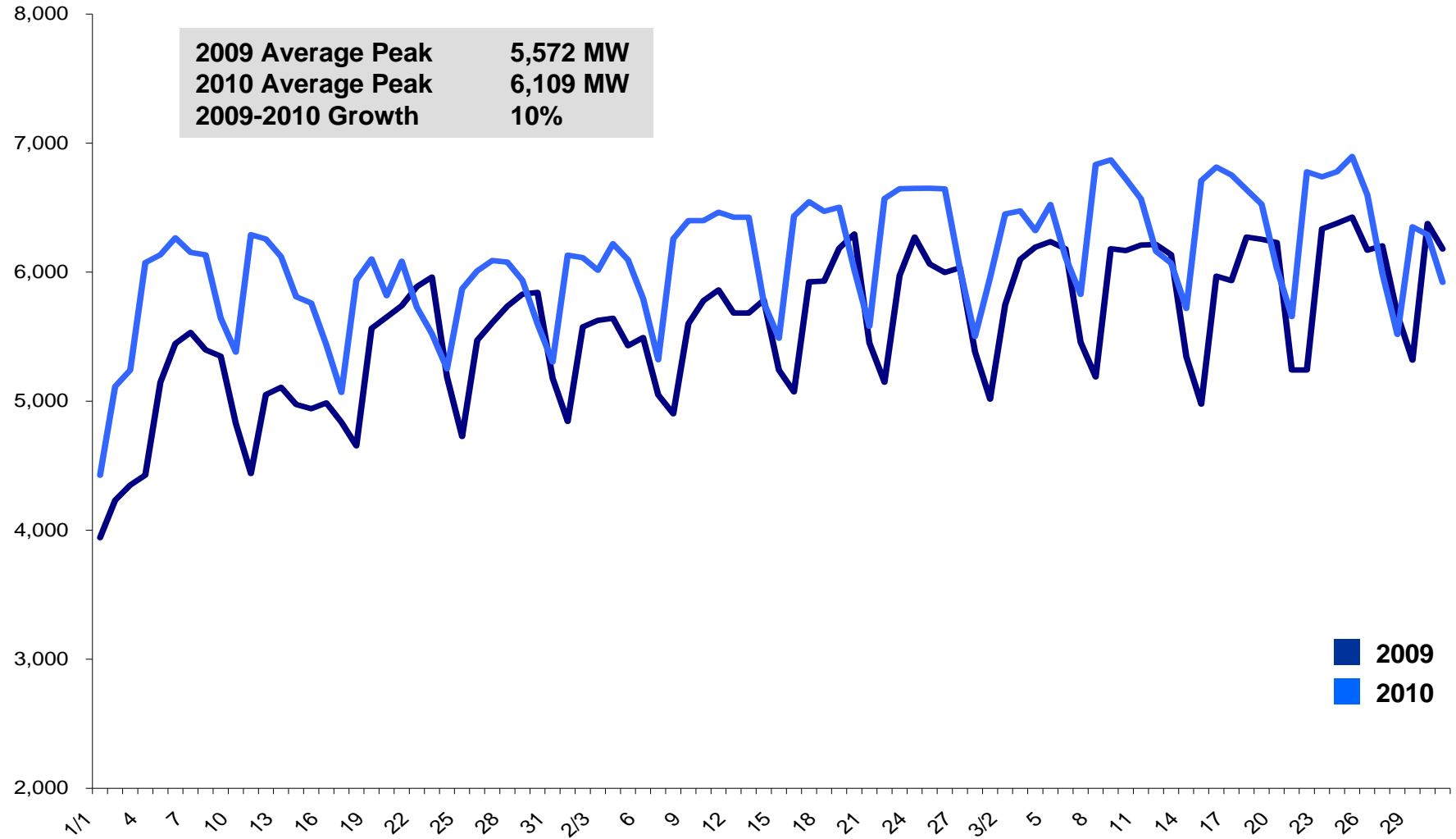


OPERATING HIGHLIGHTS – 1Q2010 WESM HIGHLIGHTS



SYSTEM PEAK DEMAND (in MW)

For the period January 1 to March 31

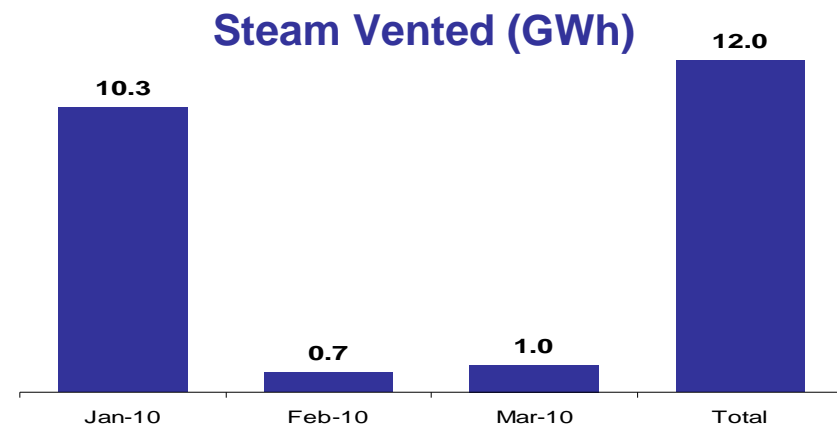
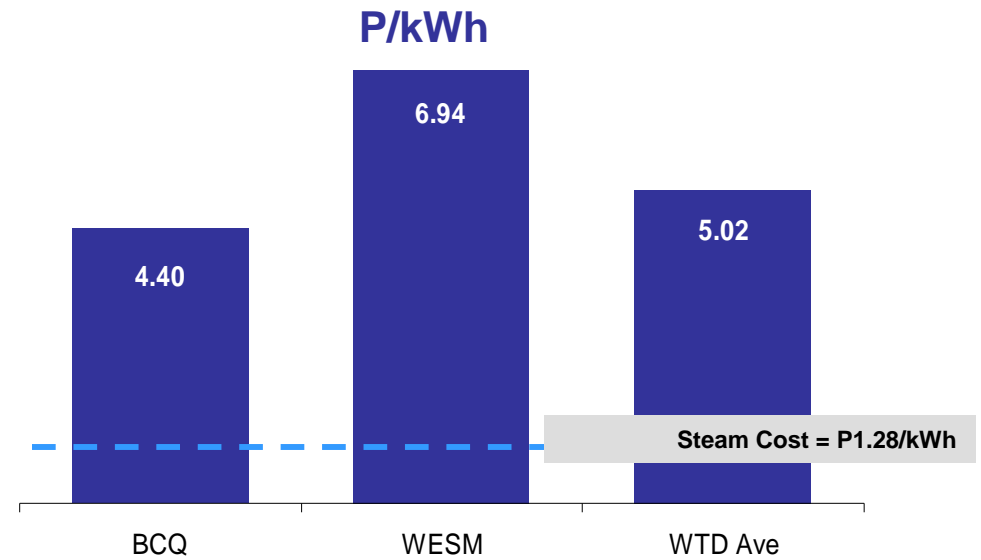
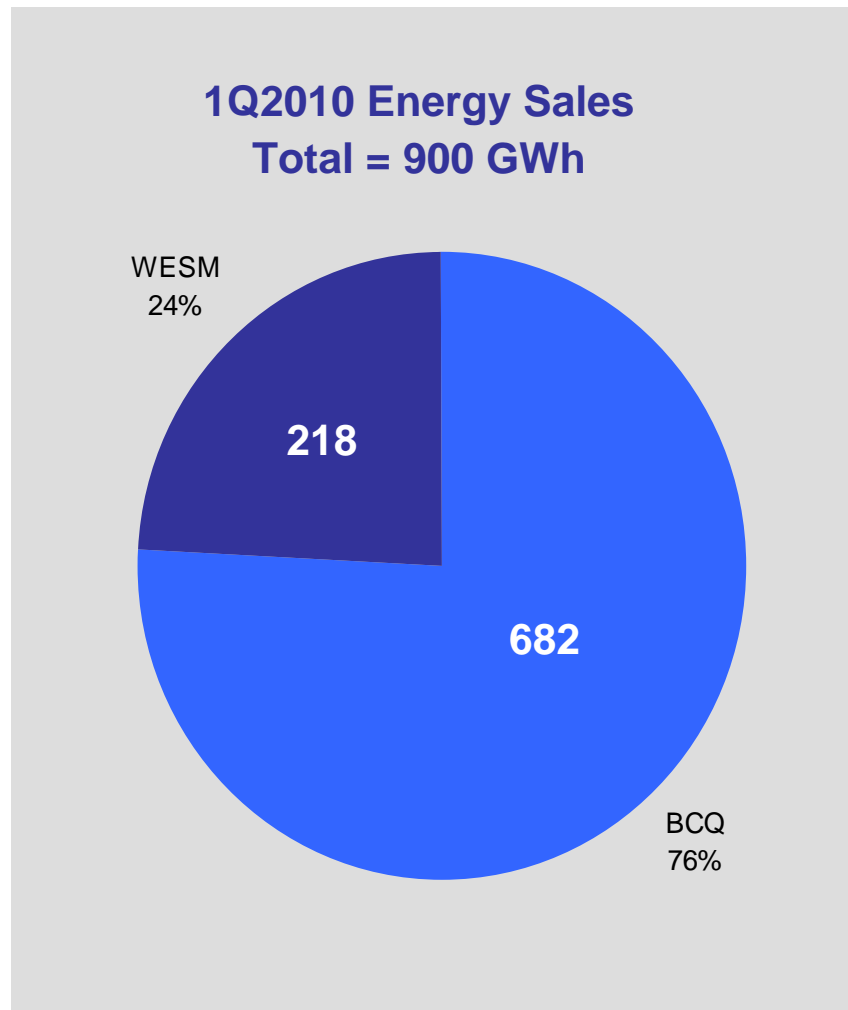


Source: WESM

OPERATING HIGHLIGHTS – GEOTHERMAL



AP RENEWABLES (Tiwi-Makban)

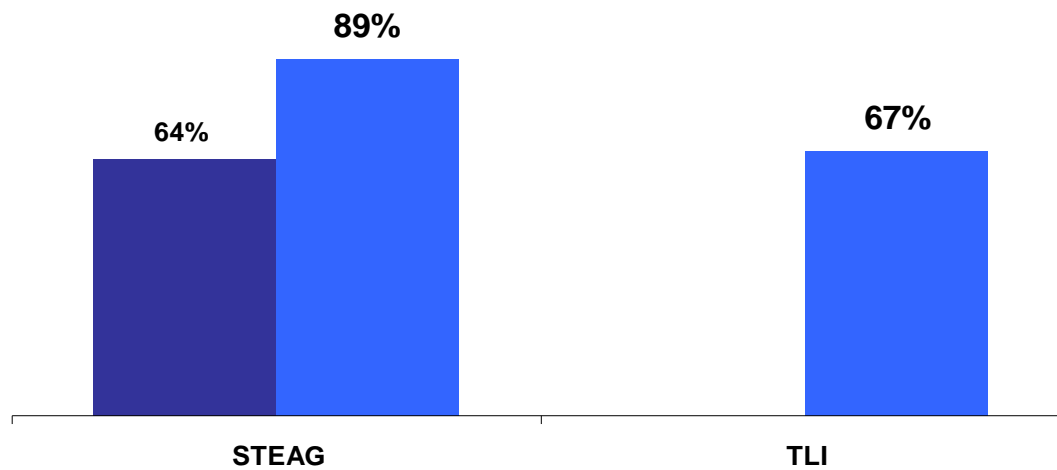
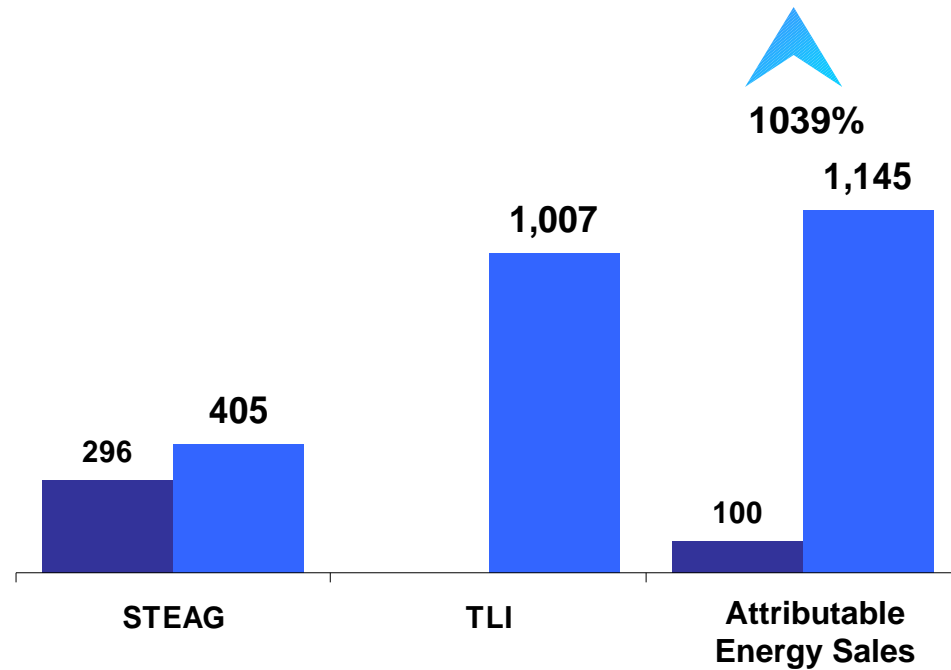


OPERATING HIGHLIGHTS – COAL



AboitizPower

ENERGY SALES (GWh)



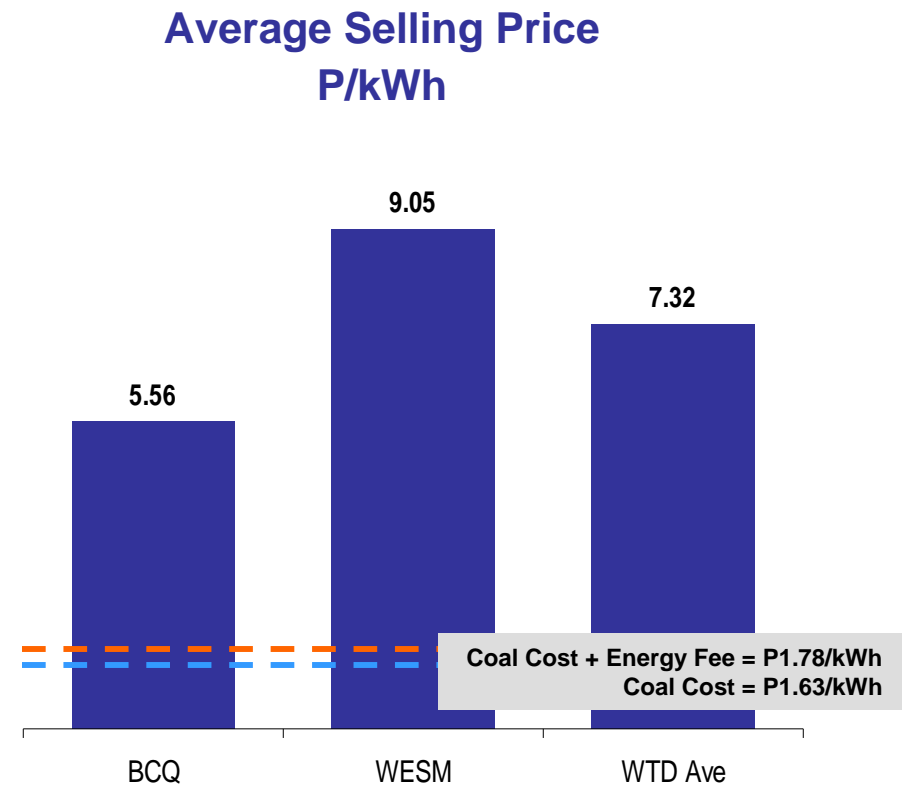
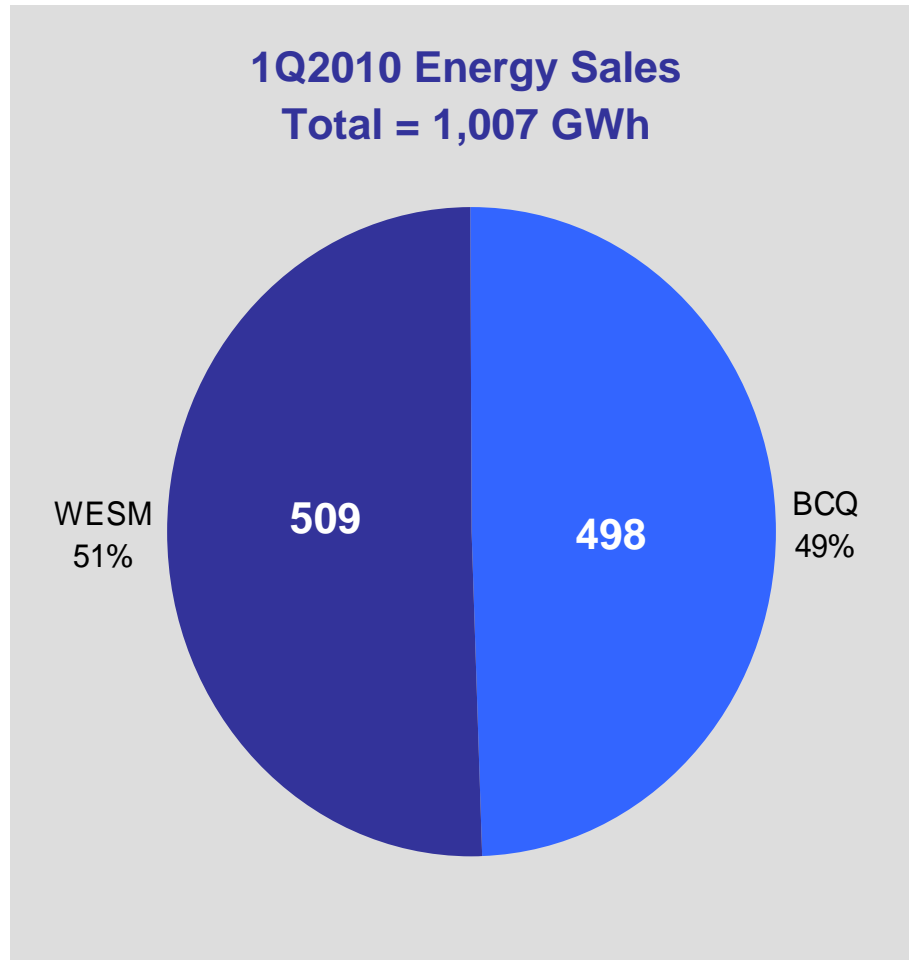
NET CAPACITY FACTOR

■ 1Q2009
■ 1Q2010

OPERATING HIGHLIGHTS – COAL



THERMA LUZON (Pagbilao)

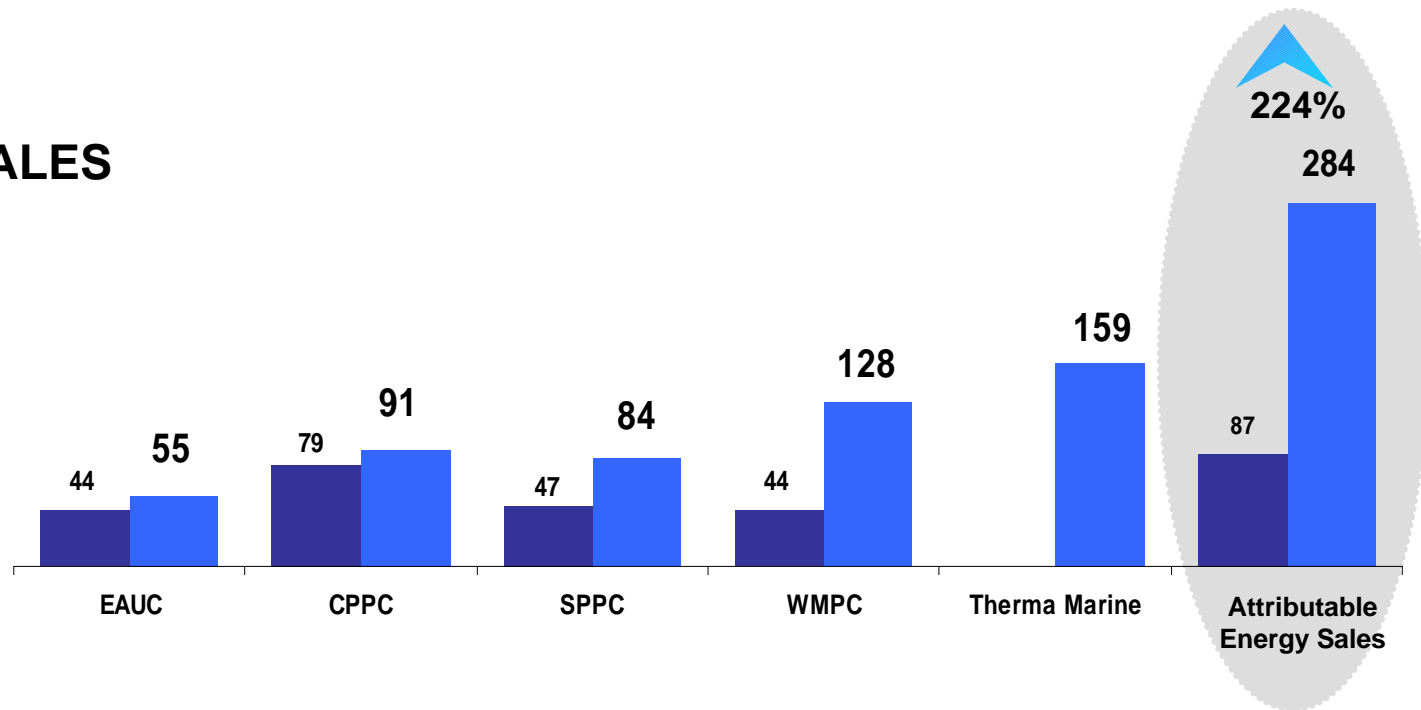


OPERATING HIGHLIGHTS – OIL

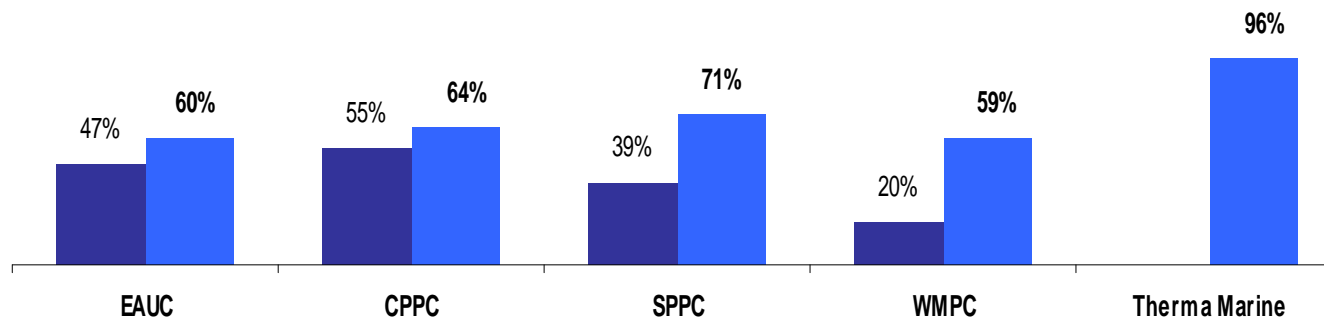


AboitizPower

ENERGY SALES (GWh)



NET CAPACITY FACTOR

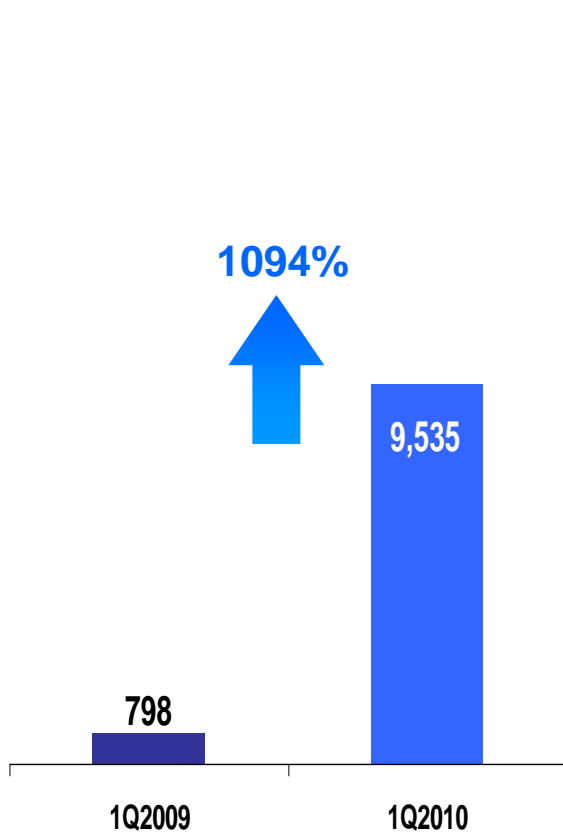


■ 1Q2009
■ 1Q2010

OPERATING HIGHLIGHTS – GENERATION

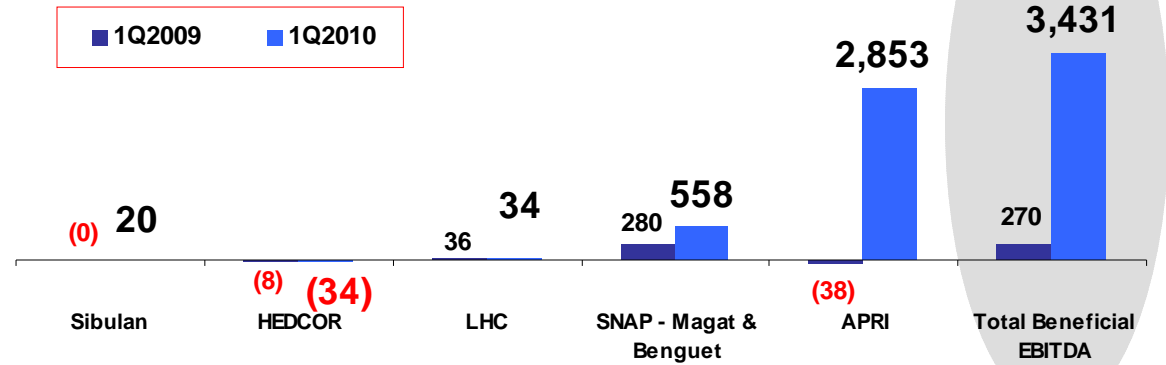


PF BENEFICIAL EBITDA

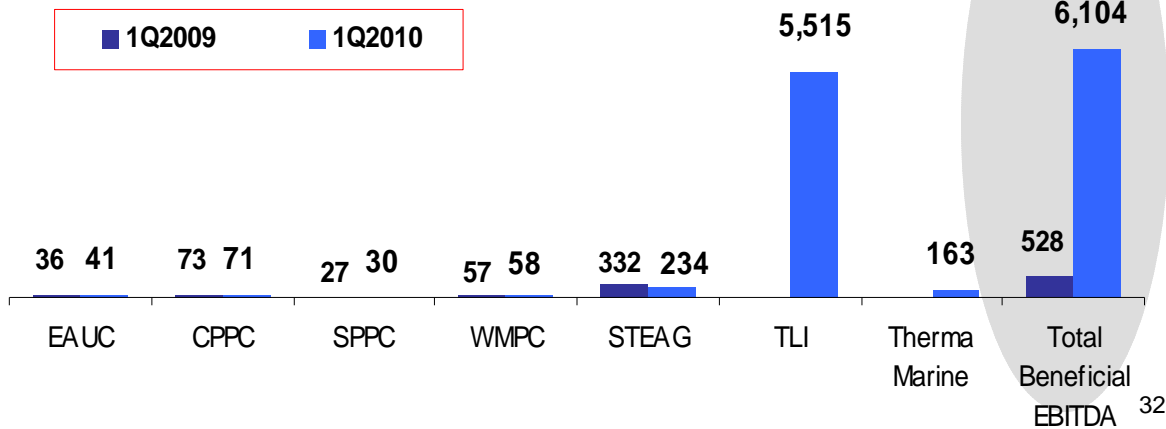


Amounts in Million Pesos

RENEWABLE PLANTS



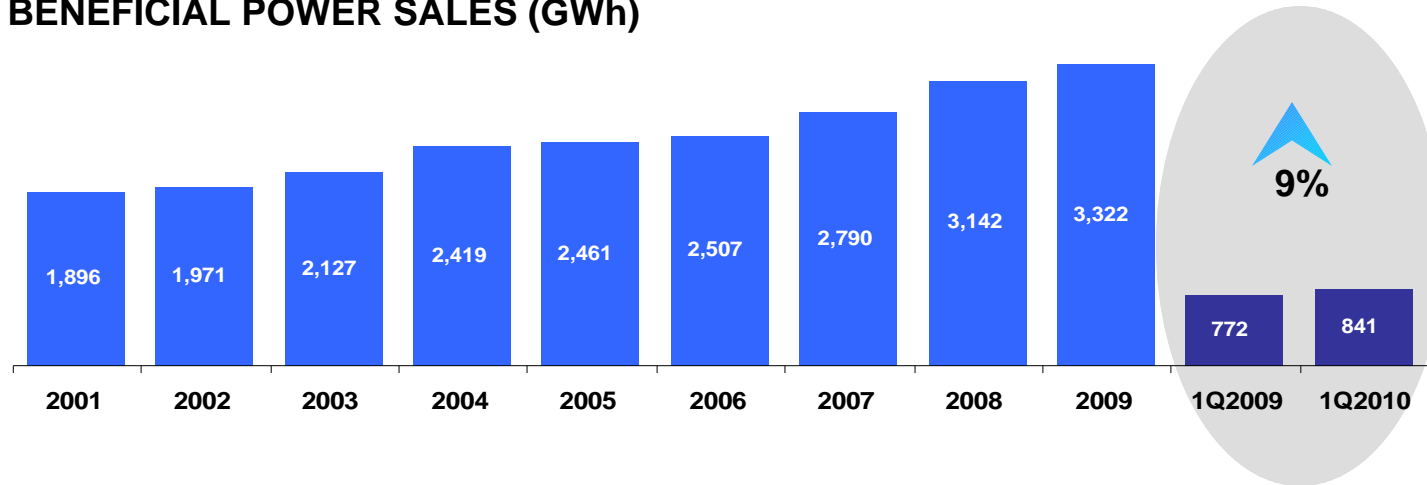
THERMAL PLANTS



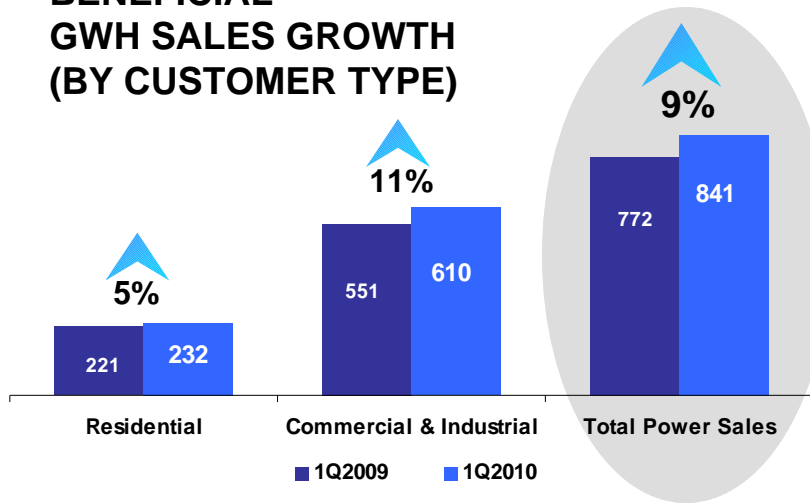
OPERATING HIGHLIGHTS – DISTRIBUTION



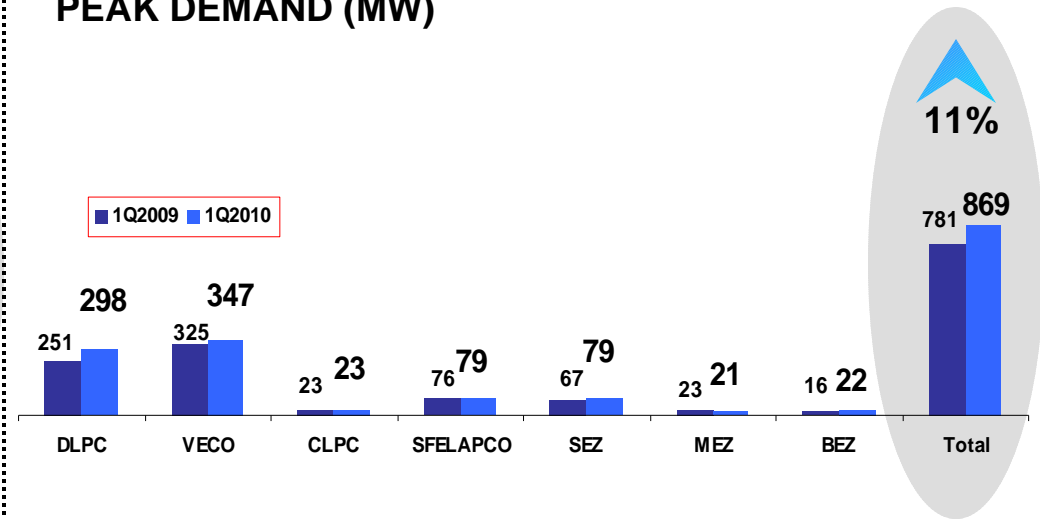
BENEFICIAL POWER SALES (GWh)



BENEFICIAL GWH SALES GROWTH (BY CUSTOMER TYPE)



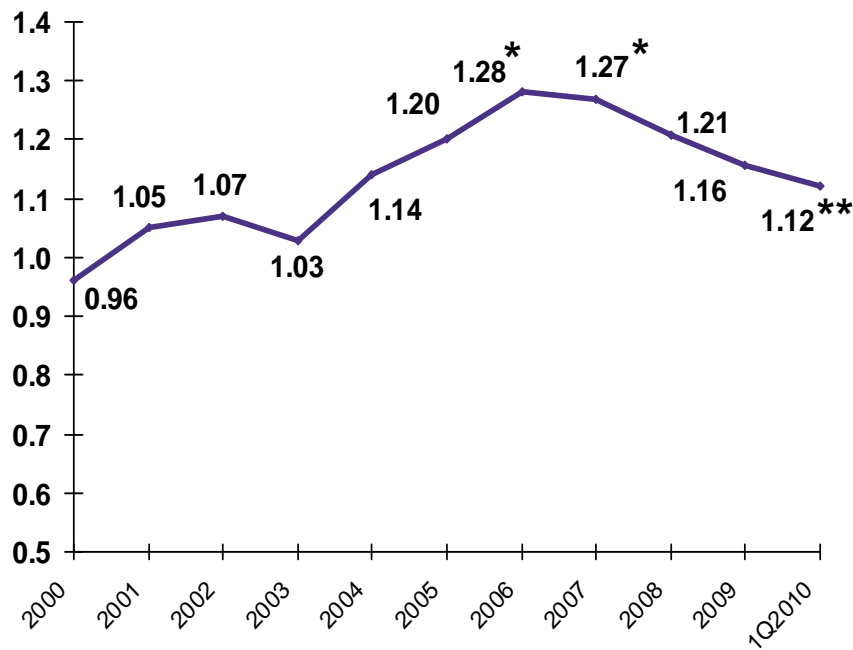
PEAK DEMAND (MW)



OPERATING HIGHLIGHTS – DISTRIBUTION



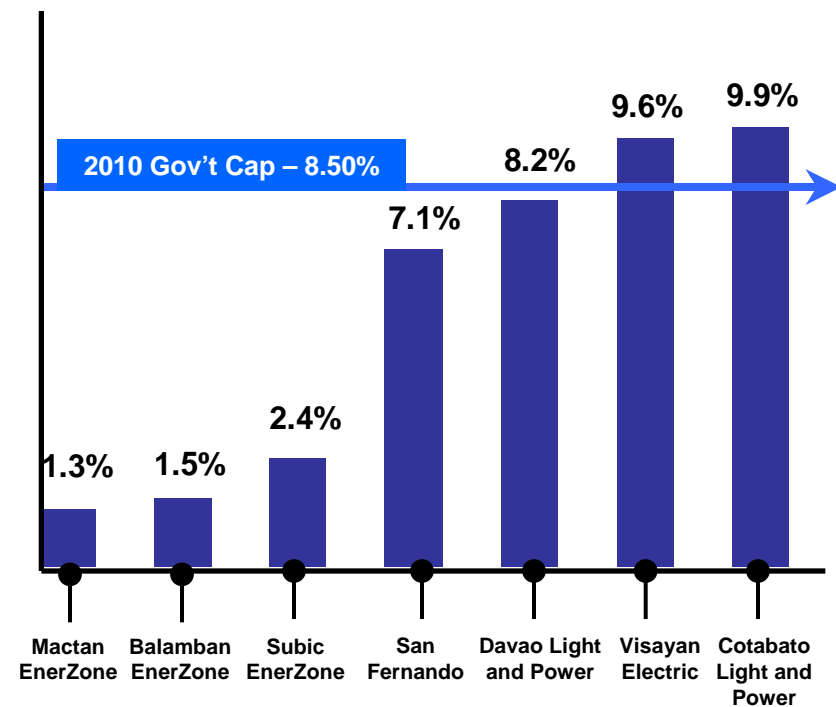
GROSS MARGIN / KWHR SALE



* Adjusted for timing of transmission charge recovery

** 12-month average

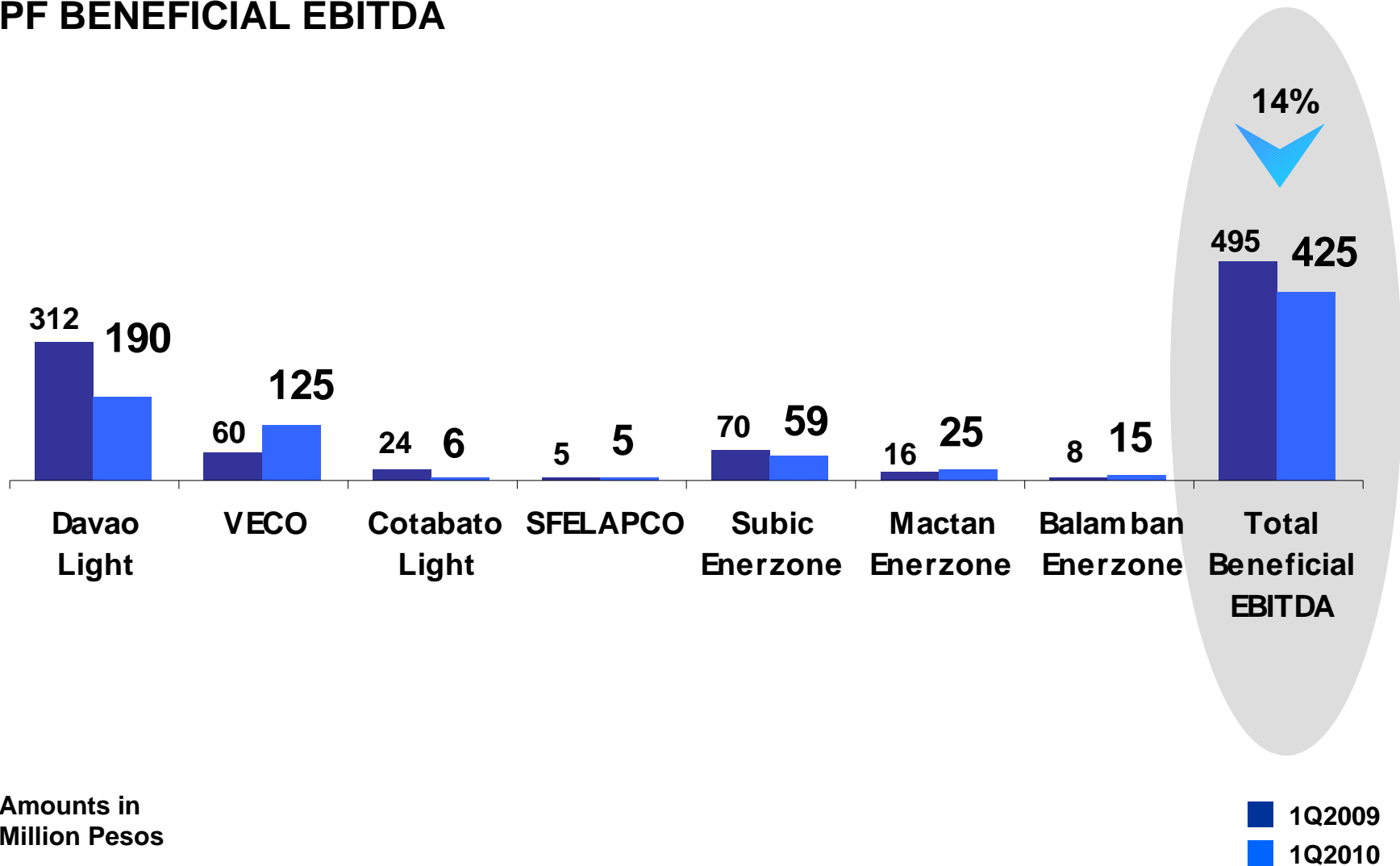
1Q2010 SYSTEMS LOSS



OPERATING HIGHLIGHTS – DISTRIBUTION



PF BENEFICIAL EBITDA



FINANCIAL CONDITION



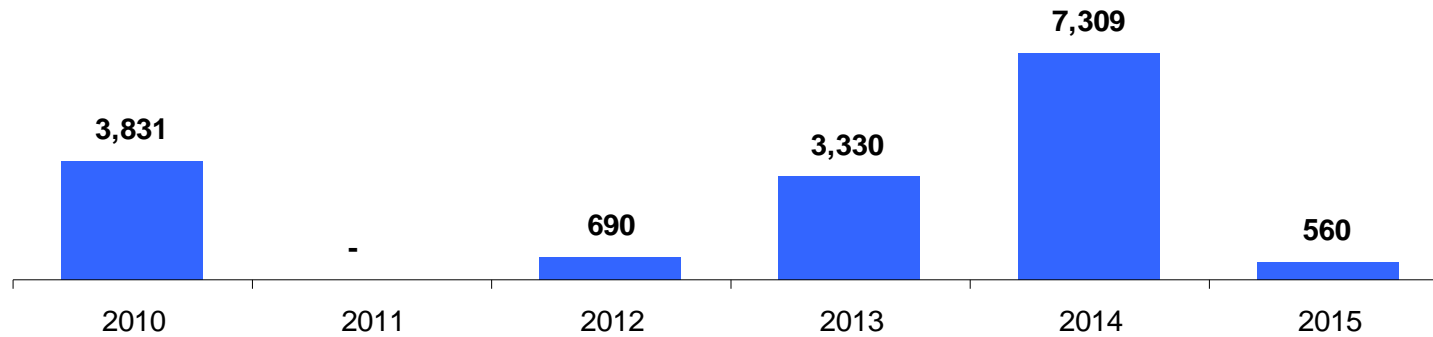
BALANCE SHEET (In million Pesos)	PARENT		CONSOLIDATED	
	YE2009	1Q2010	YE2009	1Q2010
Cash and Equivalents	75	410	3,815	4,552
Investments and Advances	42,786	42,445	24,800	25,830
Total Assets	43,195	43,193	111,341	120,756
Total Interest Bearing Debt	16,565	15,601	67,755	68,010
Total Liabilities	17,824	17,659	76,294	78,321
Net Debt	16,490	15,191	63,940	63,458
Total Equity	25,371	25,534	35,047	42,434
Current Ratio	3.89	4.01	0.68	1.04
Net Debt to Equity	0.65	0.59	1.82	1.50

DEBT PROFILE – AP PARENT



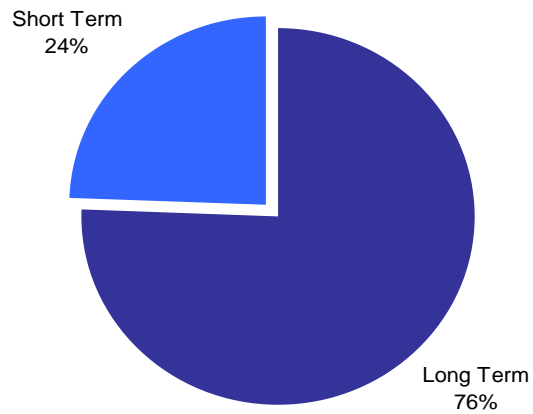
Maturity Profile - PhPM

(As of March 2010)



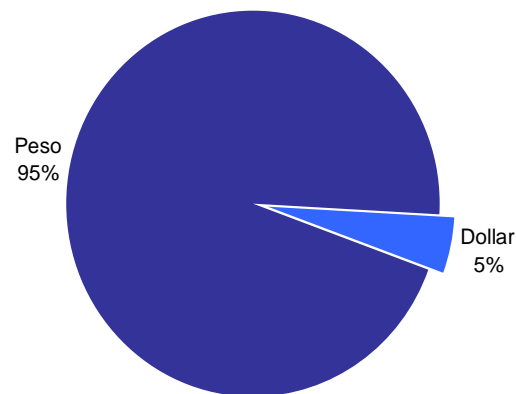
Breakdown by Tenor

(As of March 2010)



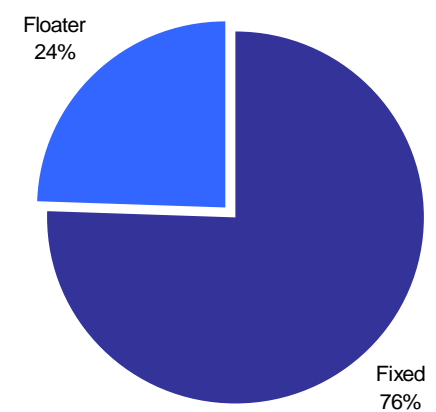
Breakdown by Currency

(As of March 2010)



Breakdown by Interest Rate

(As of March 2010)



OUTLOOK: Generation Business



PRIVATIZATION

IPP Administrator (IPPA) Contracts

- 550 MW Unified Leyte (EDC)

BROWN/GREENFIELD

LUZON GRID

- Binga Hydro 20 MW
- Subic Coal 300 MW
- Pagbilao Coal 350 MW

MINDANAO GRID

- Tamugan Hydro 15 MW
- Upper/Downstream Sibulan 15 MW
- Mindanao Coal
 - Davao 150 MW
 - STEAG 150 MW

OUTLOOK: Generation Business

PROJECT UPDATE: 42.5 MW SIBULAN HYDRO

- Target commercial dates
 - March 2010 for 26 MW plant (Plant B)
 - June 2010 for 16.5 MW plant (Plant A)
- Capex spent as of end-1Q2010 at P5.1 billion
- Power Supply Agreement with DLPC
 - For 12 years
 - Price of contracted energy at P4.0856 per kwh, adjusted based on inflation



Powerhouse B



Powerhouse B Substation



Headpond B

OUTLOOK: Generation Business

PROJECT UPDATE: 246 MW CEBU COAL

- Broke ground in January 2008.
Commercial operations are expected to commence by:
 - Unit 1 in March 2010
 - Unit 2 in June 2010
 - Unit 3 in December 2010
- Contracted capacity at 120 MW
 - 105 MW with VECO
 - 15 MW with MECO
- Estimated capex as of end-1Q2010 at P14.4 billion



OUTLOOK: Generation Business

PROJECT UPDATE: AMBUKLAO-BINGA

- Total combined project cost of \$270 million
 - \$189 million for 75 MW Ambuklao
 - \$81 million for 100 MW Binga
- Target completion dates for Ambuklao
 - Unit 1: November 2010
 - Unit 2: December 2010
 - Unit 3: December 2010
 - To increase capacity to 105 MW
- Target completion dates for Binga
 - Unit 1: 2011
 - Unit 2: 2012
 - Unit 3: 2013
 - Unit 4: 2014
 - To increase capacity to 120 MW
- Capex spent as of end-1Q2010 at \$172 million



OUTLOOK: Distribution Business



SFELAPCO's Rate Increase Under RORB

Regulatory Asset Base before re-appraisal

P0.4 billion

Regulatory Asset Base after re-appraisal

P1.1 billion

176%

Approved rate increase

P0.2297/kwh

Implementation Date

May 8, 2010

OUTLOOK: Distribution Business



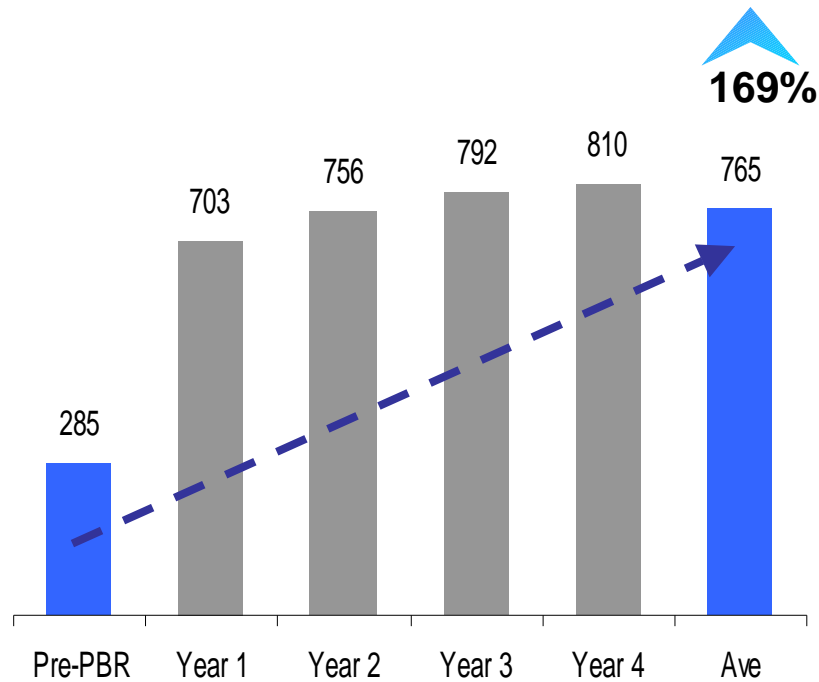
PBR SCHEDULE

Groups	Reset Process	Regulatory Period
A – Meralco, Dagupan, Cagayan de Oro	January 2006 to June 2007	July 2007 to June 2011
B – Cotabato Light , Iligan, Mactan	October 2007 to March 2009	April 2009 to March 2013
C – Visayan Electric, Davao Light Cabanatuan, La Union, Tarlac, Ibaan	January 2009 to June 2010	July 2010 to June 2014
D – Subic EnerZone, San Fernando , Panay, Bohol, Angeles	October 2009 to September 2010	October 2011 to September 2015 <small>Note: Regulatory period was moved by the ERC. Originally from April 2011 to March 2015.</small>

OUTLOOK: Distribution Business

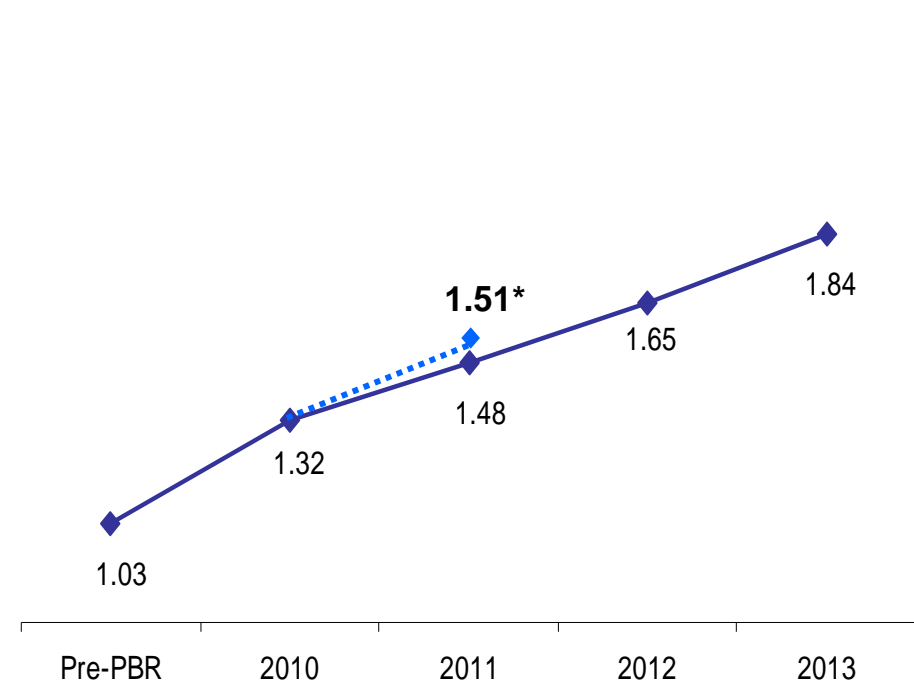


Cotabato Light's Regulatory Rate Base
(in million pesos)



Pre-PBR – Unbundling, 2000

Cotabato Light's Approved Rate Structure
(in P/kwh)

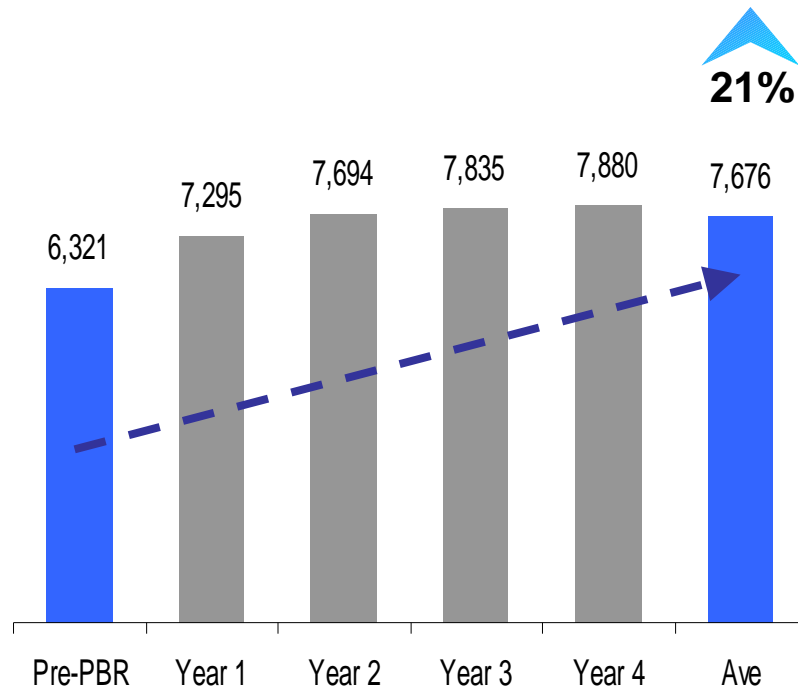


* ERC approved rate for RY2 (April 1, 2010 to March 31, 2011). Rate adjustment was due to inflation, under recoveries due to late implementation in 2009 and lower kWh sales and reward thru performance incentive scheme.

OUTLOOK: Distribution Business

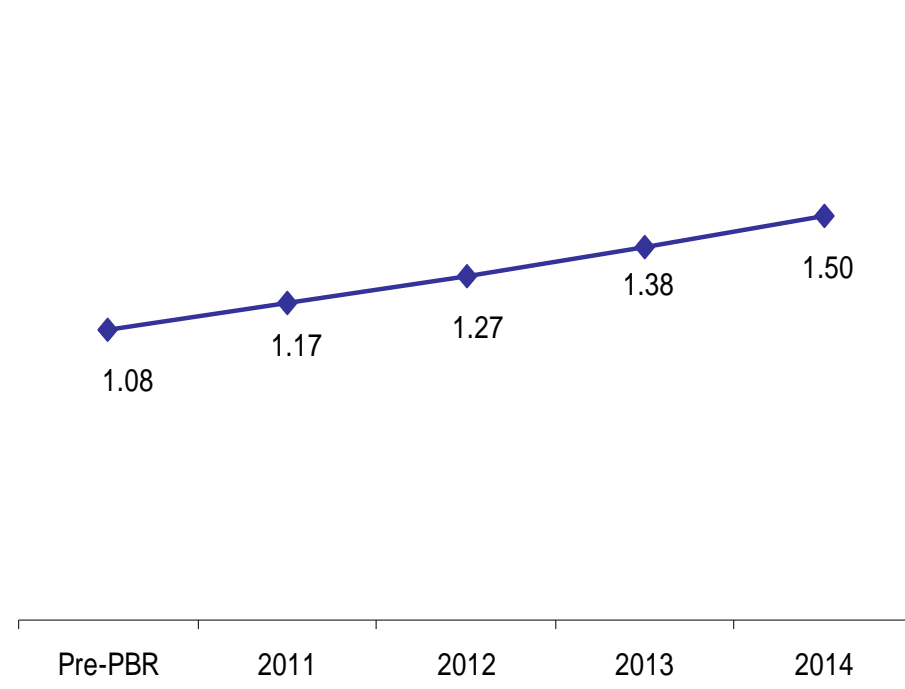


Visayan Electric's Regulatory Rate Base
(in million pesos)



Pre-PBR – RORB Decision, Test Year 2008

Visayan Electric's Approved Rate Structure
(in P/kwh)

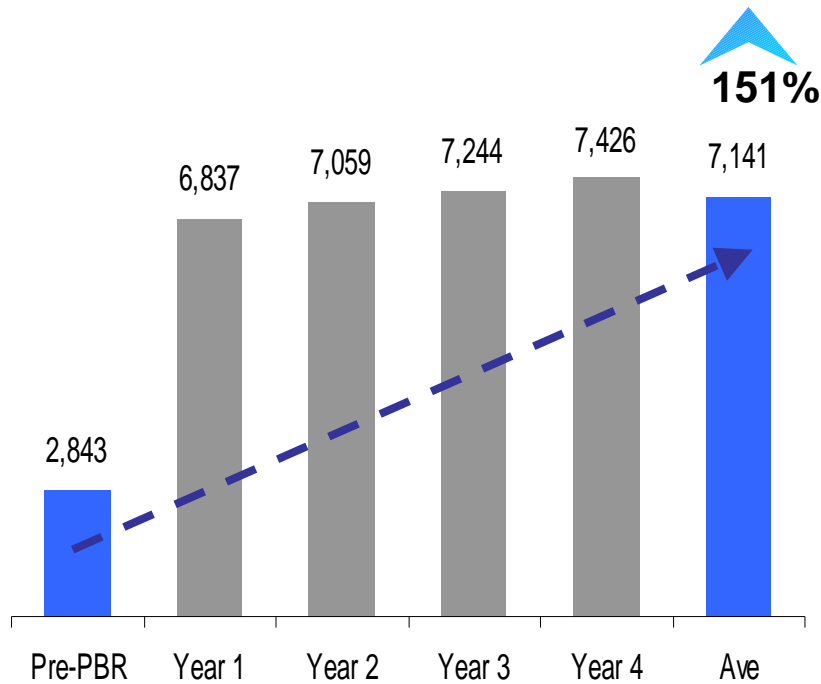


* Pre-PBR rate is inclusive of a P0.2267/kWh rate increase approved under the RORB scheme, which was implemented in September 2009.

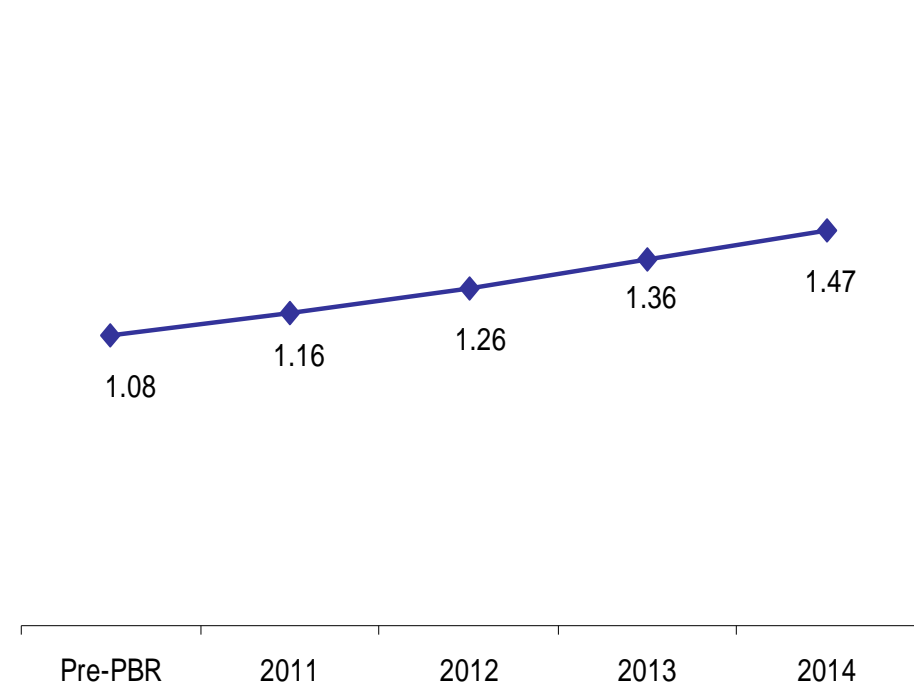
OUTLOOK: Distribution Business



Davao Light's Regulatory Rate Base (in million pesos)



Davao Light's Approved Rate Structure (in P/kwh)



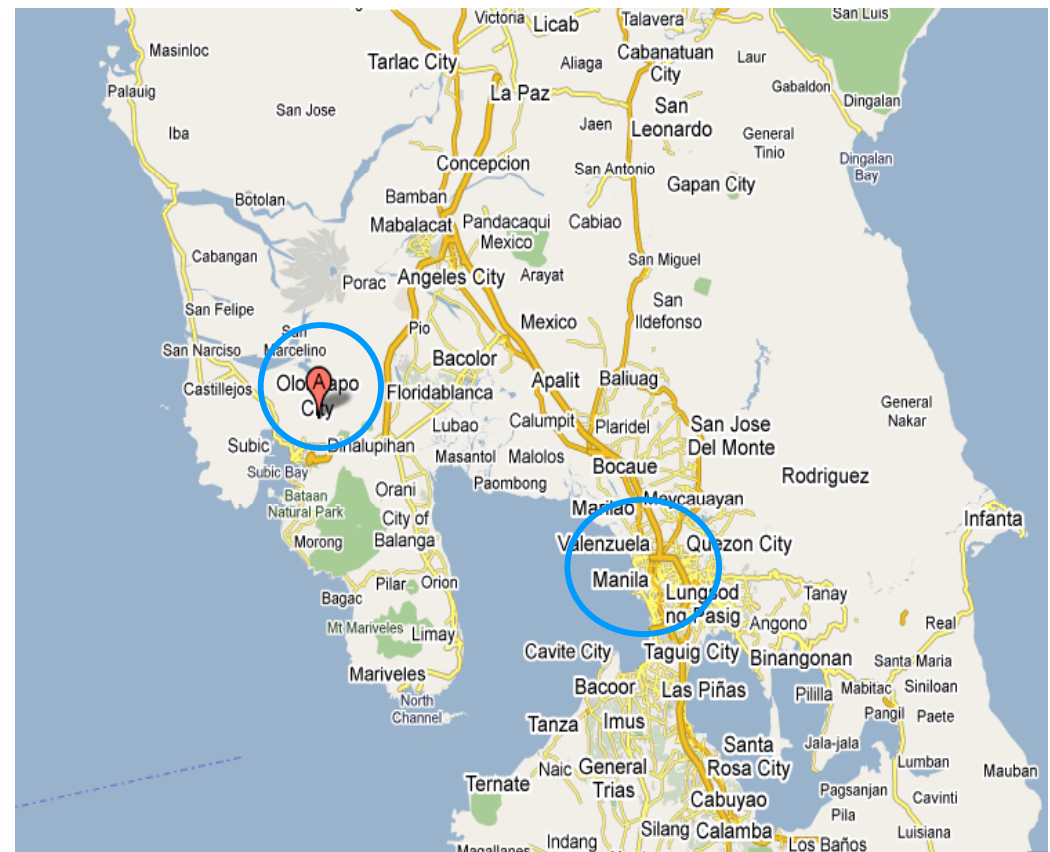
Pre-PBR – Unbundling, 2000

OUTLOOK: Distribution Business

Bid for Olongapo Distribution Utility

- Bid date in May 2010

Location	Olongapo, Zambales
Name of DU	Olongapo Public Utility Department
Current Owner/Operator	City of Olongapo
2008 Electricity Sales	139 Gwh
2008 Peak Demand	29 MW
2008 # of Customers	41,000
2008 Systems Loss	25%
Franchise Expiry	2012



Annex: 1Q2010 EARNINGS BREAKDOWN



(in million pesos)		YEAR - TO - DATE	
INVESTEE	% OWNED MAR 31/2010	ACTUAL 2010	ACTUAL 2009
Parent & Others		(332.19)	19.08
Power Generation Group:			
HEDCOR INC	100.00%	(75.80)	(49.10)
HEDCOR SIBULAN	100.00%	20.27	(0.05)
LUZON HYDRO	50.00%	15.15	12.82
SNAP MAGAT	50.00%	220.31	(44.25)
SNAP BENGUET	50.00%	57.85	(133.46)
SPPC	20.00%	13.55	8.14
WMPC	20.00%	43.31	21.91
CPPC	60.00%	52.82	60.05
EAUC	50.00%	37.04	30.44
THERMA MARINE	100.00%	111.90	0.00
STEAG	34.00%	151.23	279.82
ABOVANT HOLDINGS	60.00%	(9.20)	2.39
THERMA LUZON	100.00%	4,300.41	0.00
AP RENEWABLES	100.00%	2,586.71	(37.71)
OTHERS		16.88	(40.84)
Sub-Total Power Generation		7,542.42	110.17
Power Distribution Group:			
COTABATO LIGHT & POWER	99.93%	(7.52)	6.68
DAVAO LIGHT & POWER	99.93%	96.29	160.60
VISAYAN ELECTRIC CO.	55.18%	62.79	20.01
SFELAPCO	43.78%	(2.83)	(2.24)
SUBIC ENERZONE	99.97%	35.00	45.60
MACTAN ENERZONE	100.00%	22.23	14.09
BALAMBAN ENERZONE	100.00%	12.92	6.85
Sub-Total Power Distribution		218.89	251.58
TOTAL NET INCOME		7,429.11	380.83
NET INCOME TO COMMON		7,429.11	380.83
% increase (decrease)			1851%
CORE NET INCOME		7,025.12	490.06
% increase (decrease)			1334%
CORE INCOME before Finance Lease Accounting		8,266.93	490.06
% increase (decrease)			1587%

AGENDA

- **Overview**
- **AEV Financials**
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 - Aboitiz Power Corporation
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 - Pilmico Foods Corporation
- **Q&A**

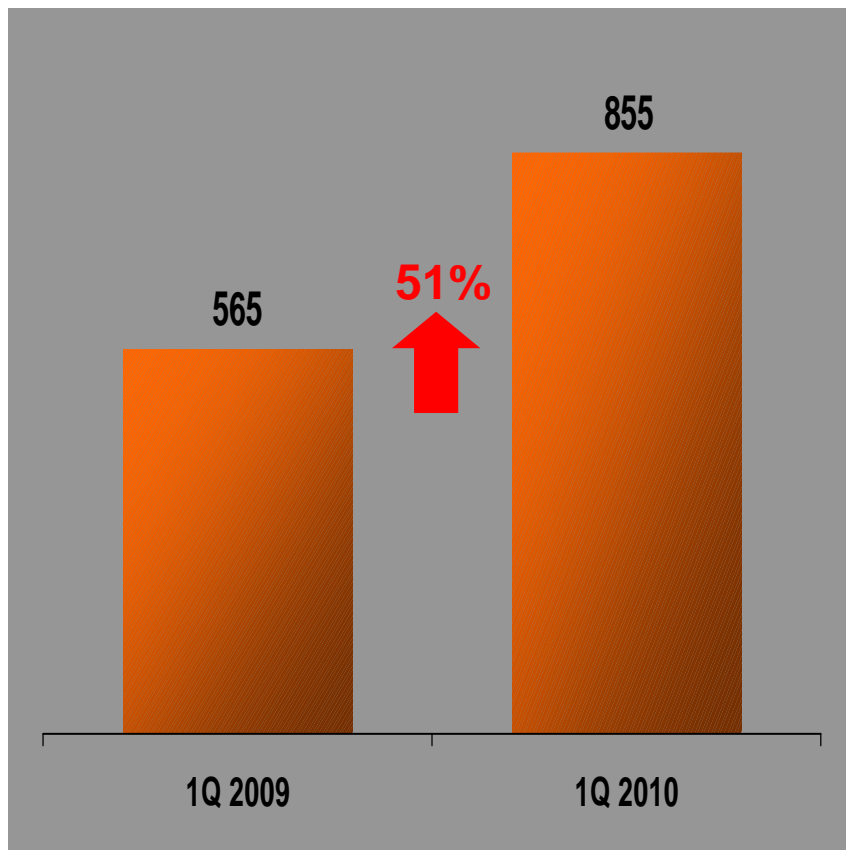


UNIONBANK

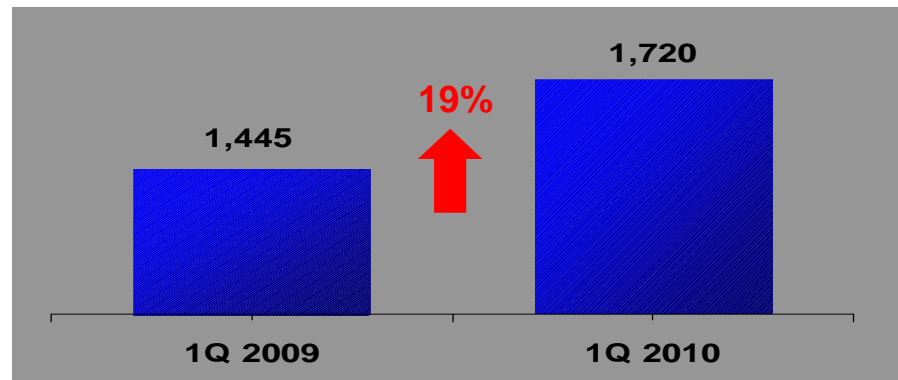
FOCUS 2020
The Beginning

**Sustained income growth amid declining asset yields,
backed by consistently strong treasury performance**

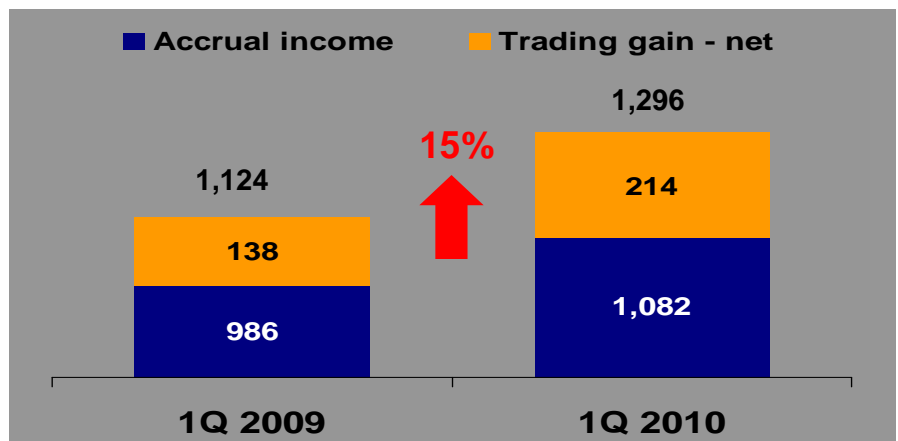
Net income
(in million pesos)



Net Interest income
(in million pesos)

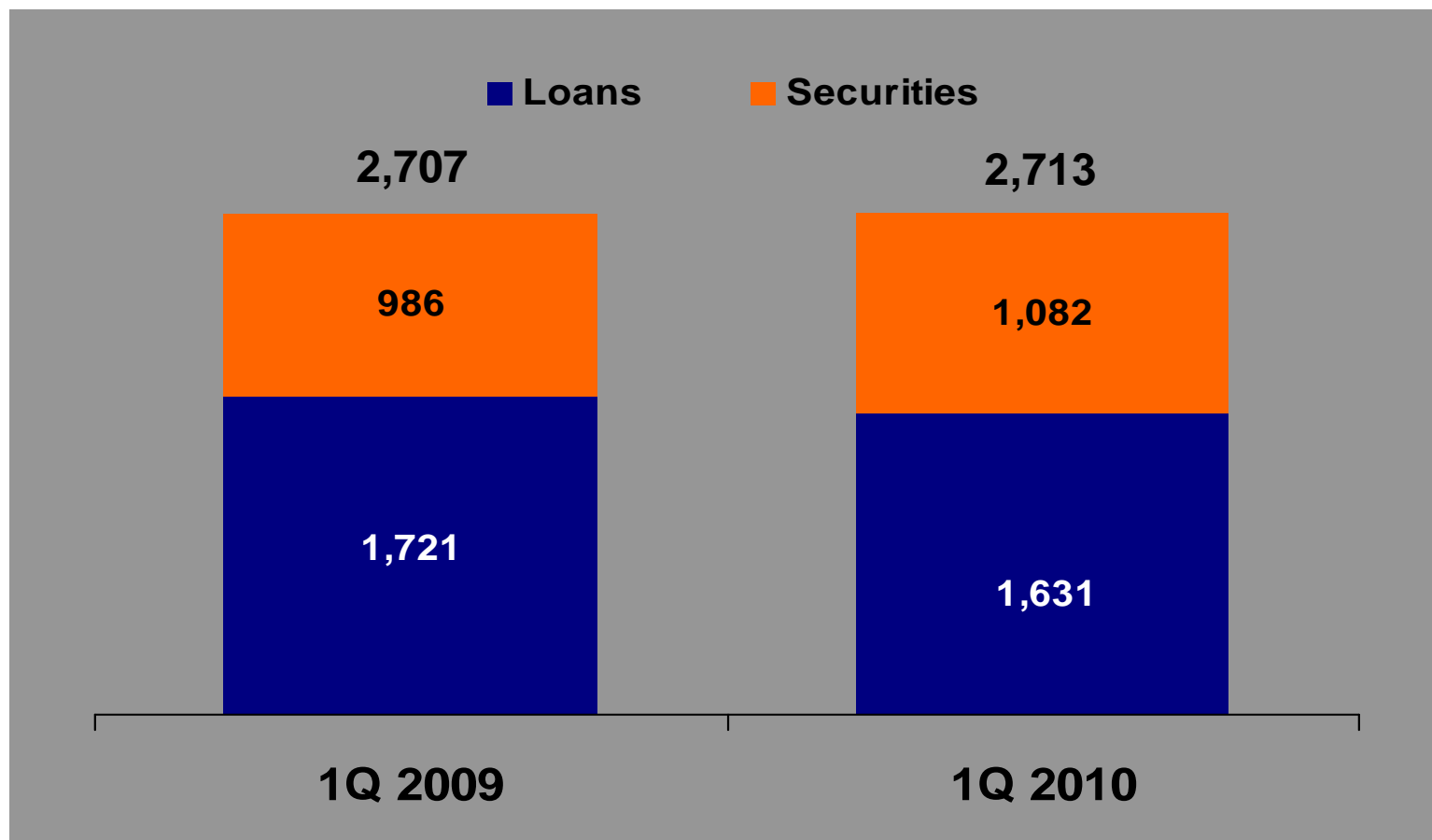


Income from Investment Securities
(in million pesos)



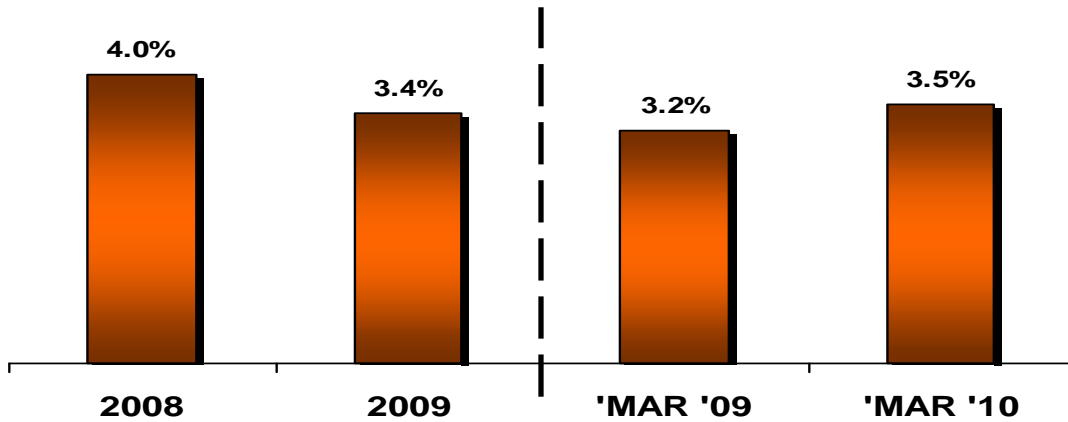
Increased volume in earning assets offset by lower average yields

Interest income
(in million pesos)

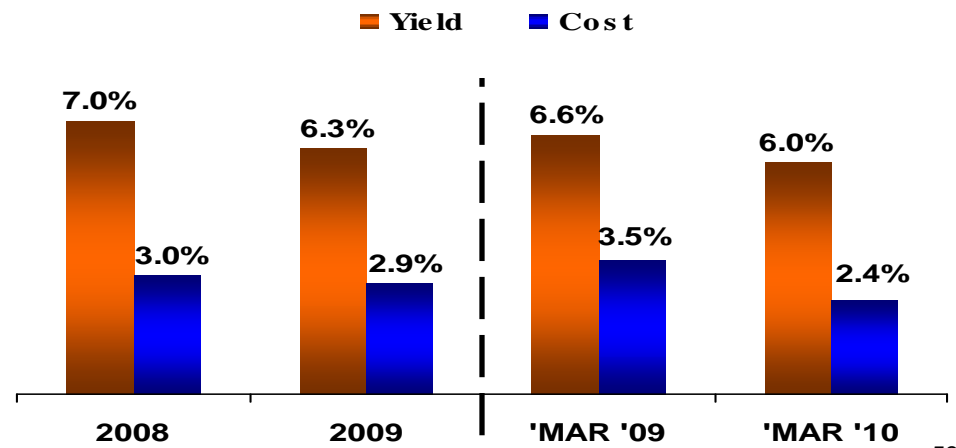


Improvement in net interest margin from lower funding costs

Net Interest Margin

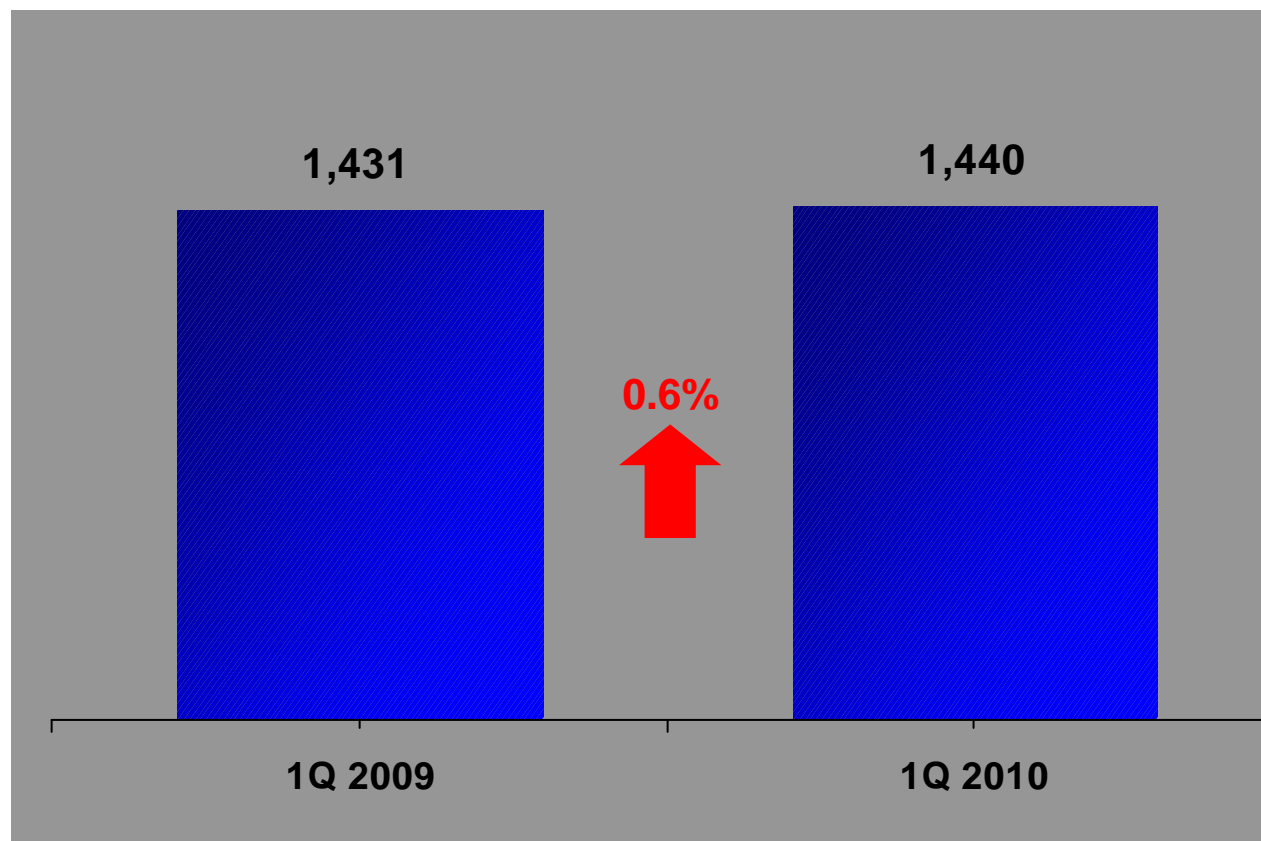


Average Yield – Average Cost



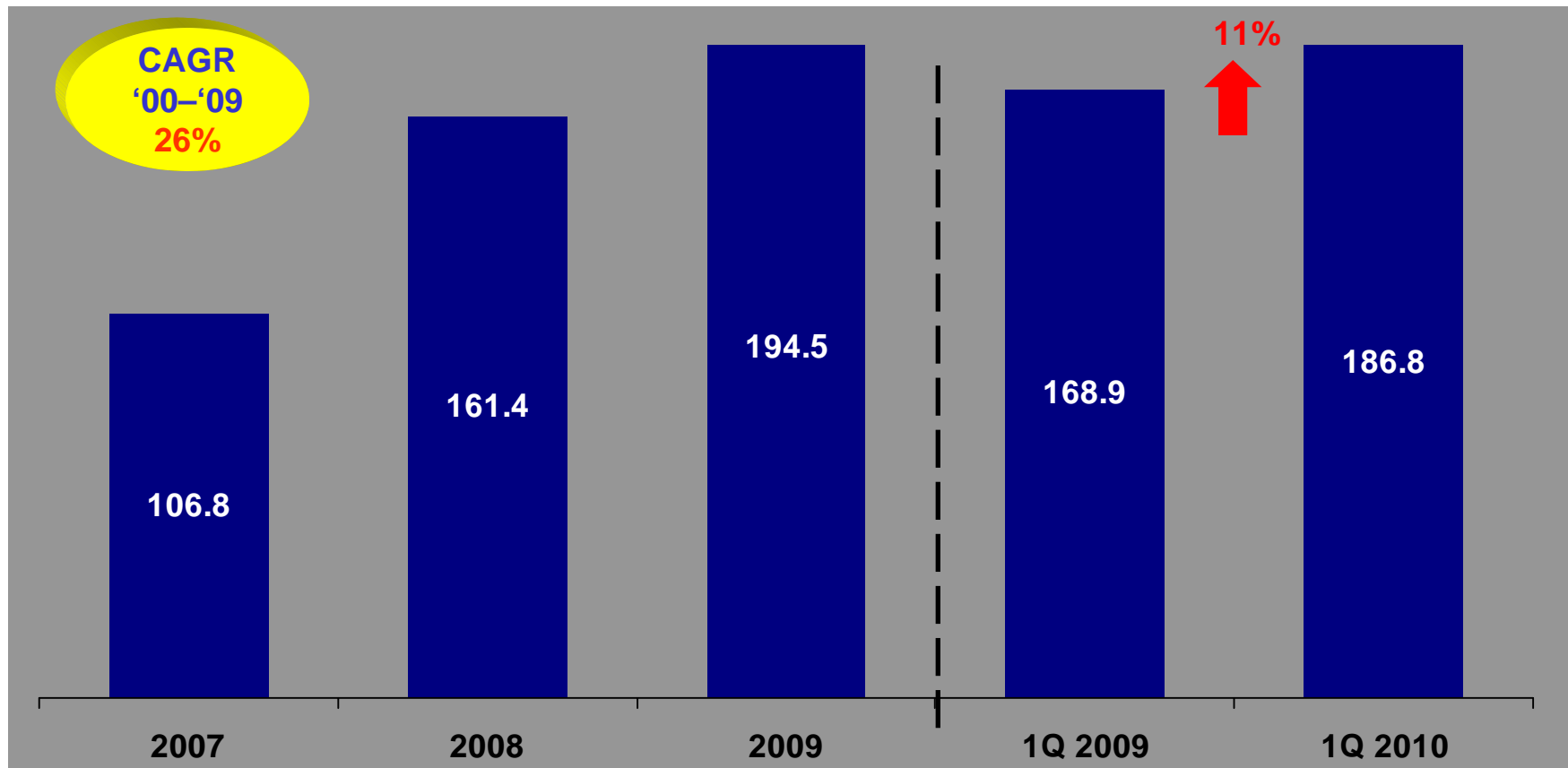
Operational efficiencies provided cushion for business expansion

Operating expenses
(in million pesos)



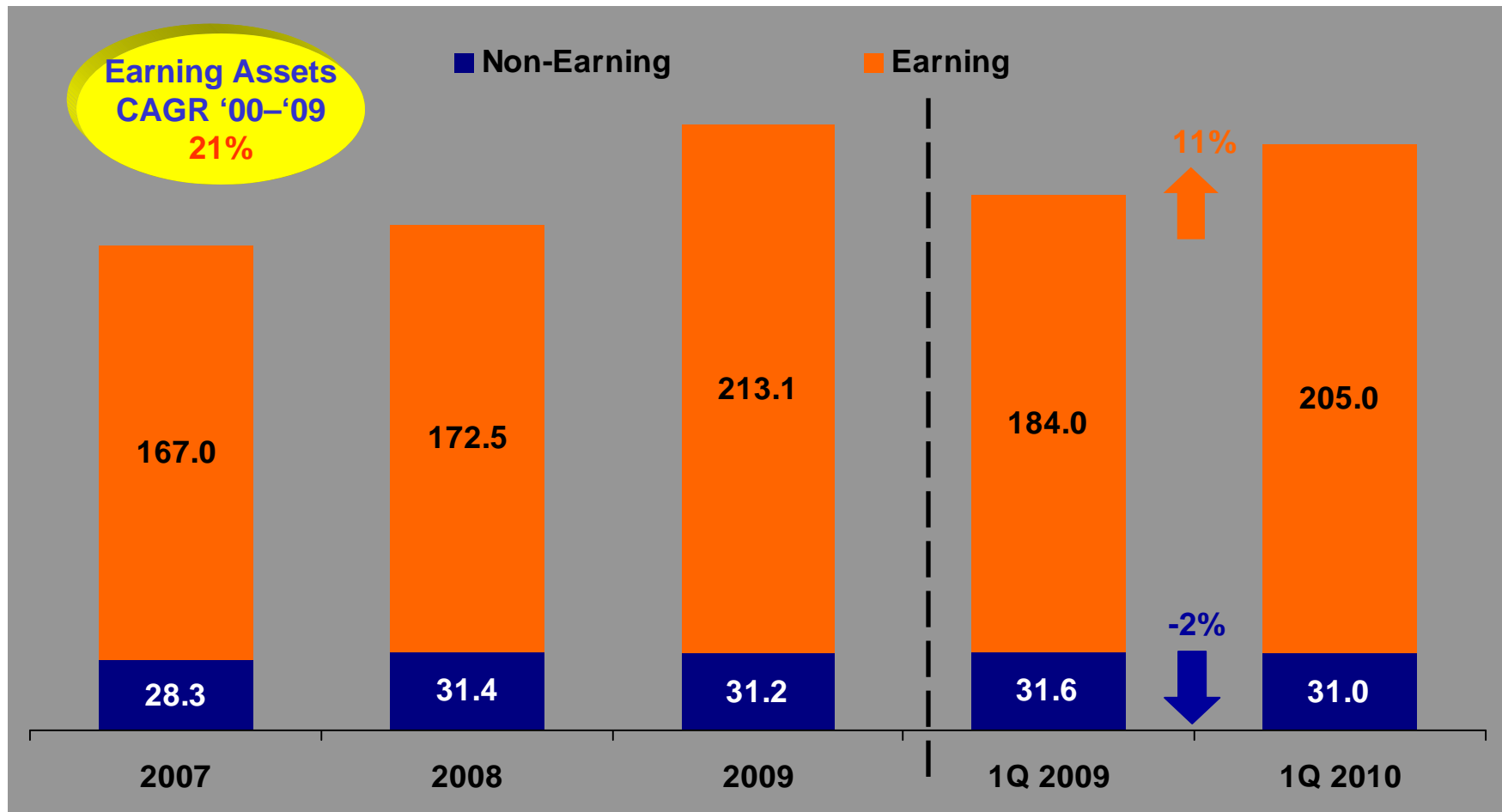
Onward to realization of FOCUS 2010 program

Outstanding deposits
(in billion pesos)



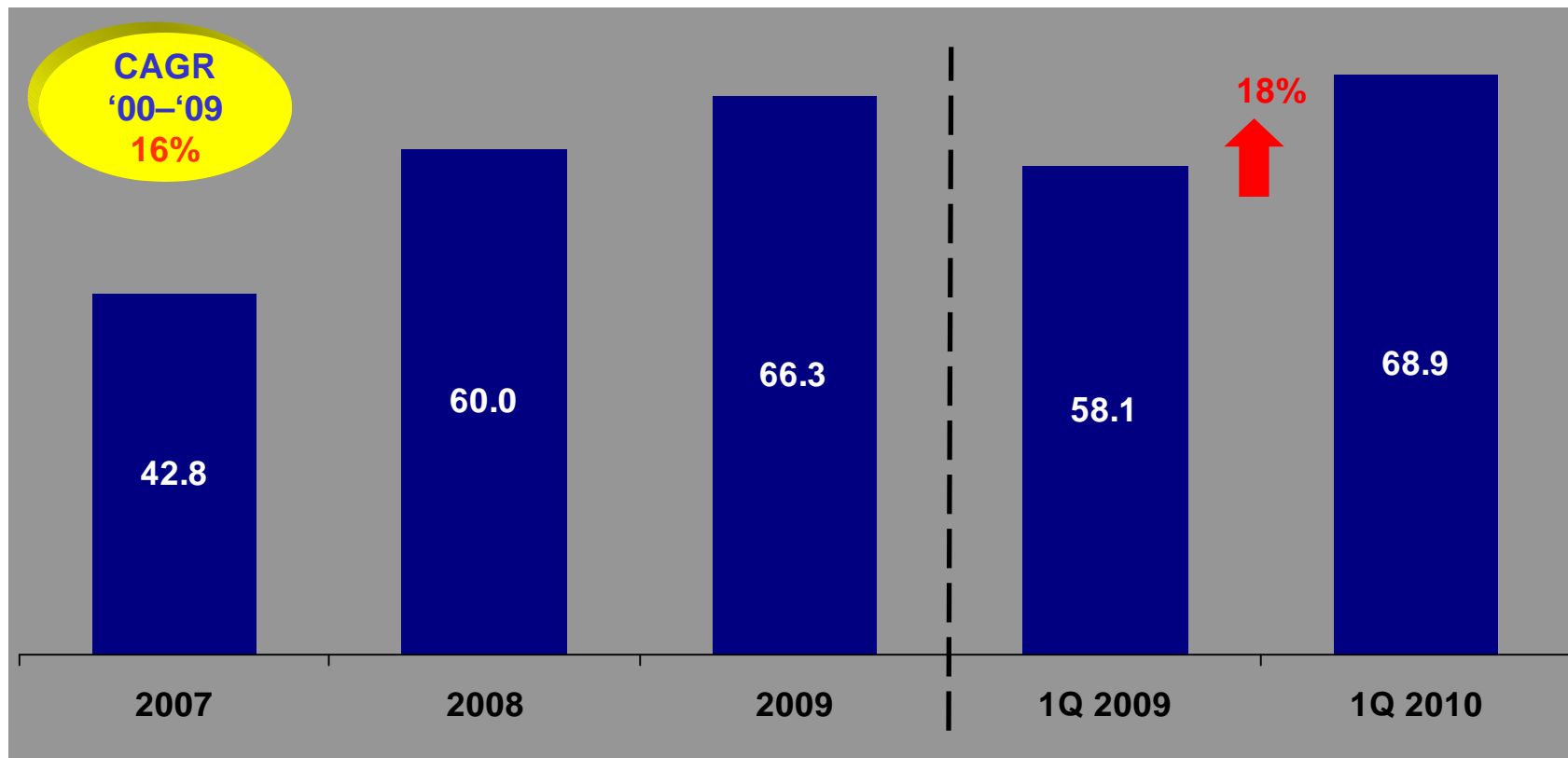
Growing earning assets

Total resources
(in billion pesos)



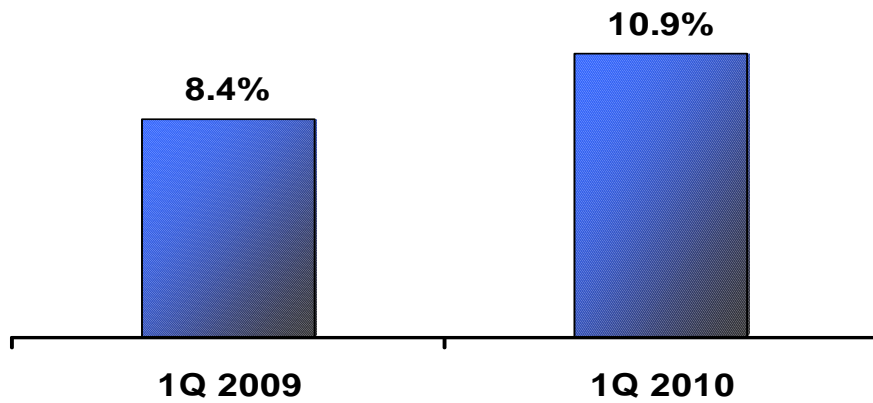
Growing credit portfolio

Loans + Preferreds
(in billion pesos)

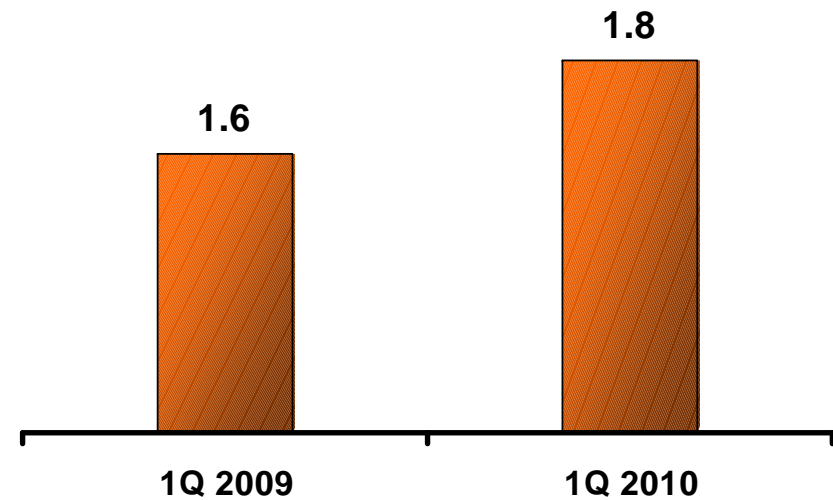


Continuous improvement in key financial ratios

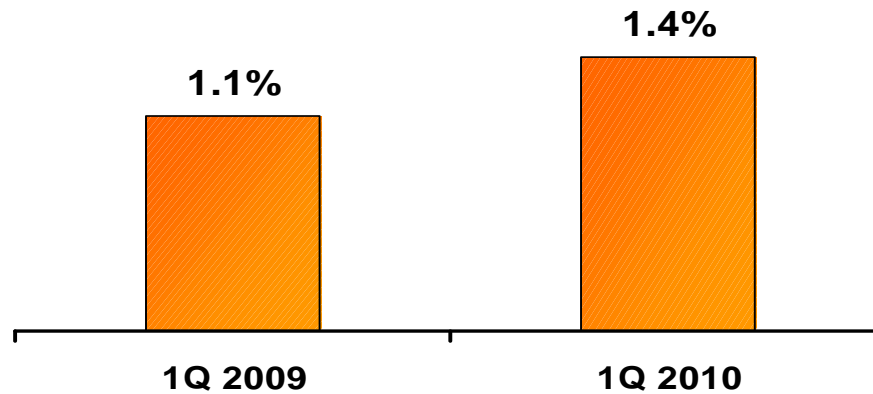
Return on equity



Revenue to expense



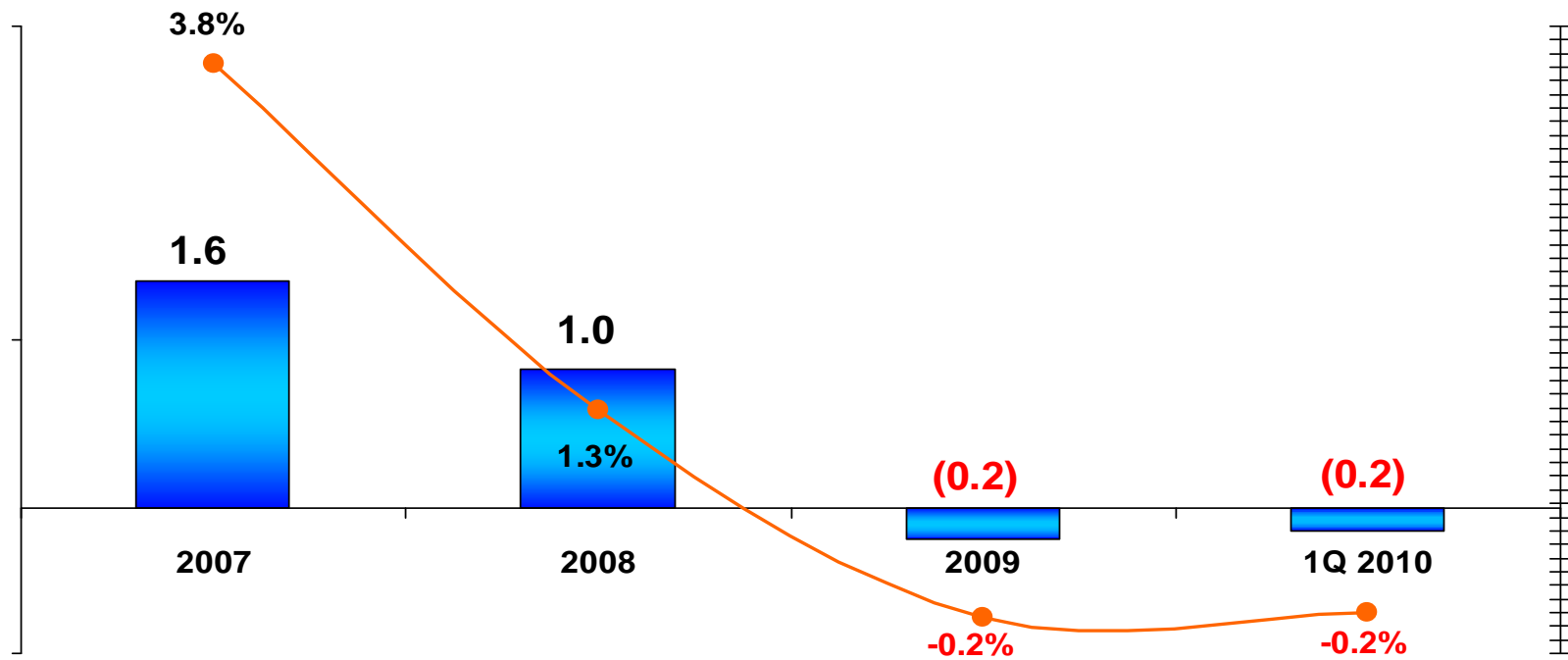
Return on average assets



Asset quality from prudent risk management and provisioning policy

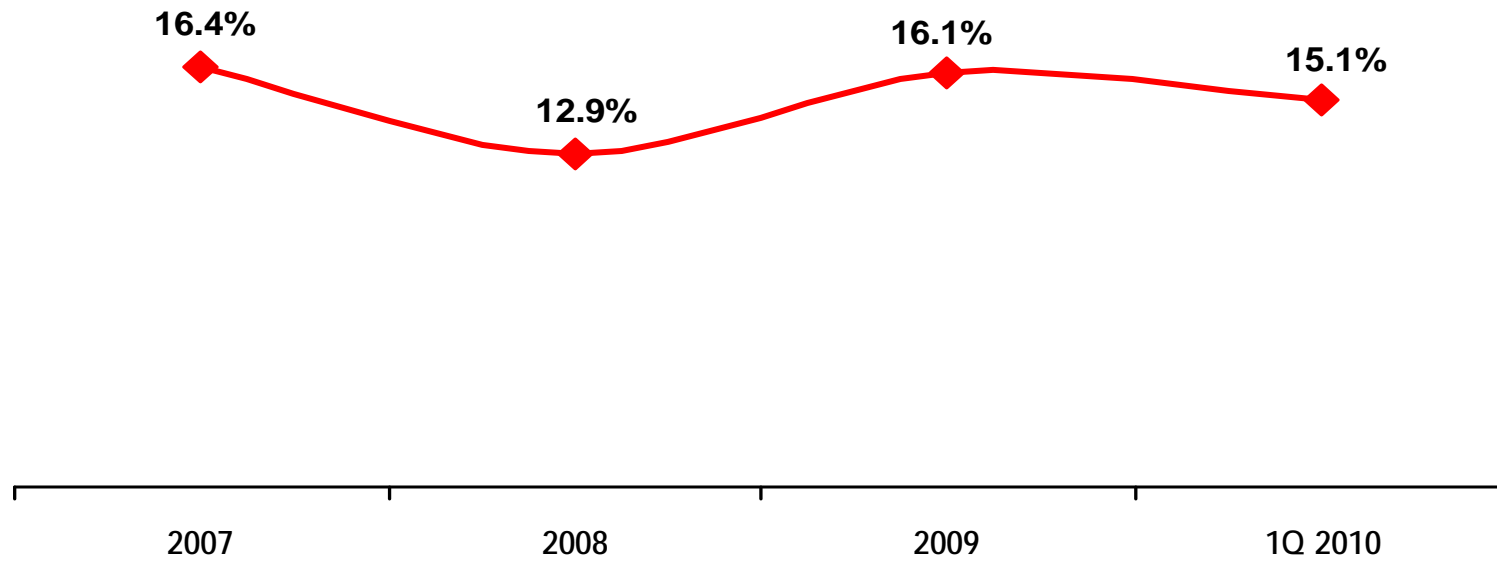
Net non-performing loans

Net NPL (in billion pesos) — Net NPL ratio



Sufficient capital for growth

Capital adequacy ratio (%)



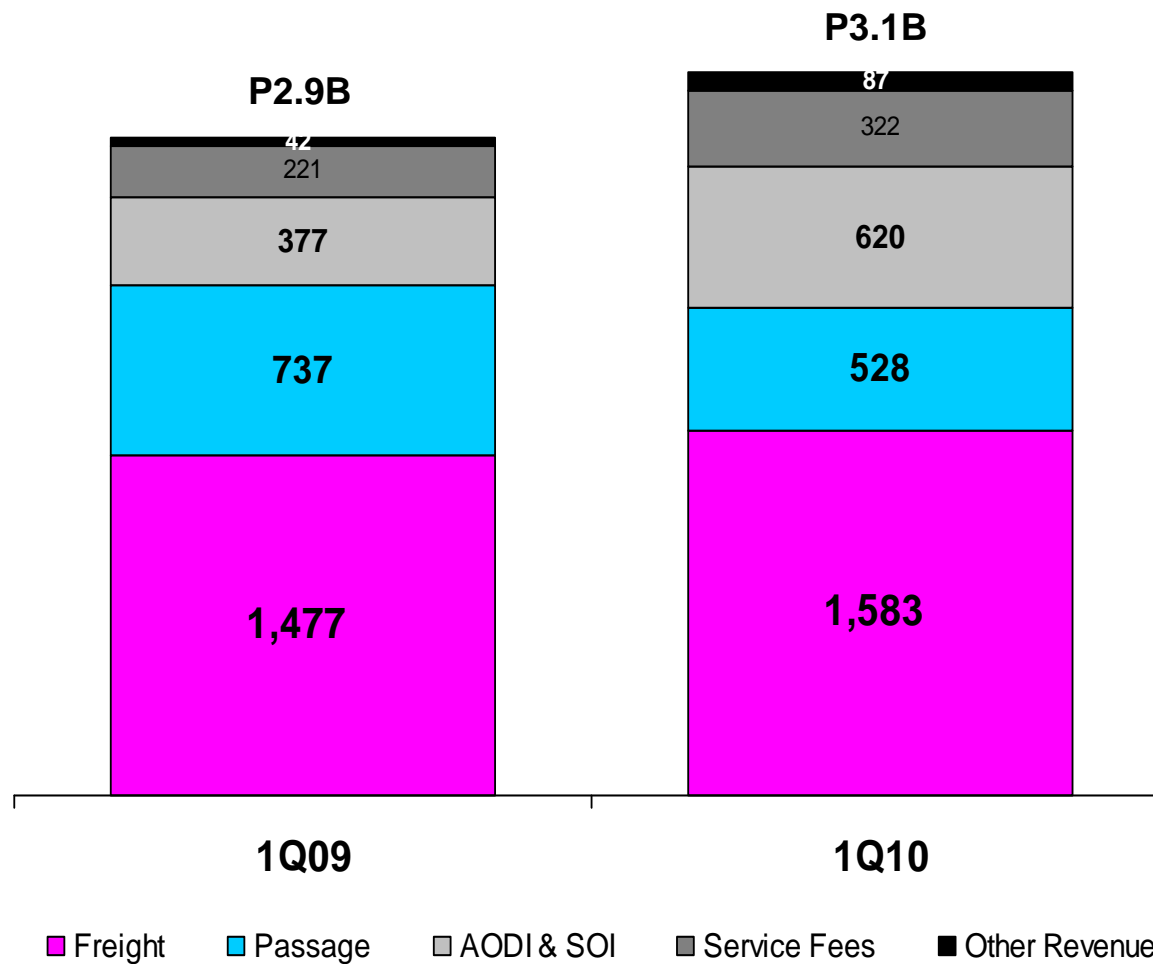
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REVENUES (in million pesos)



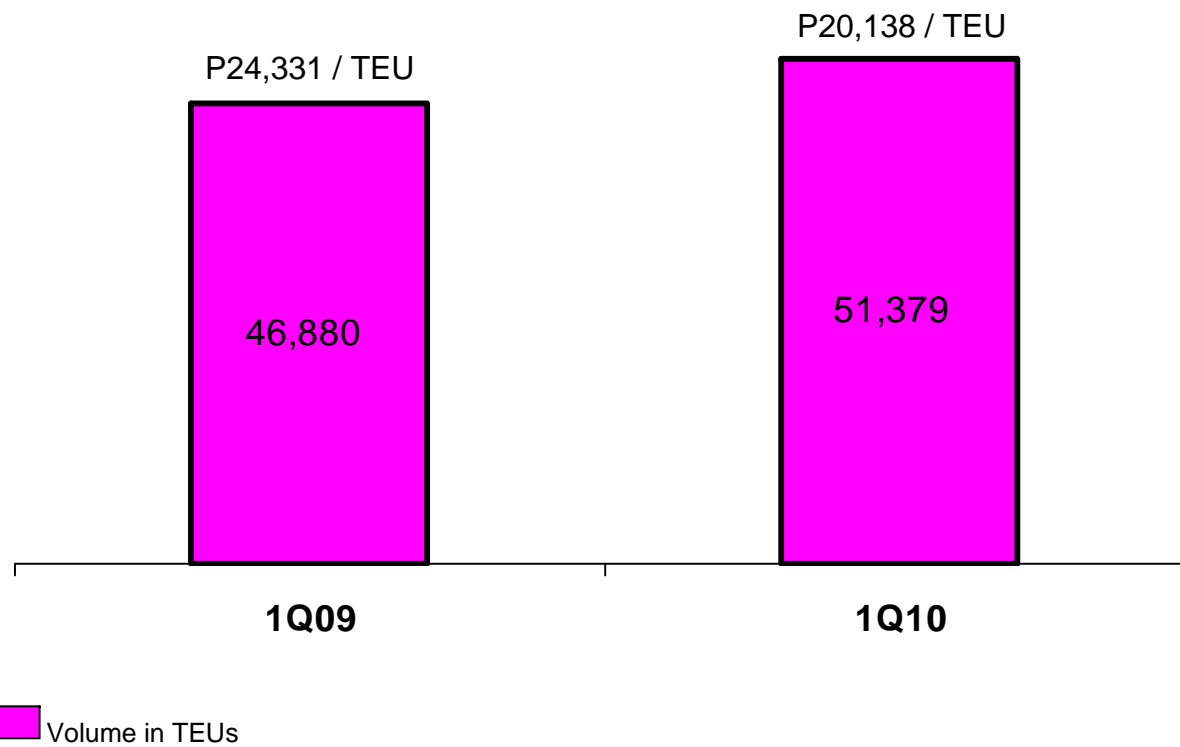
- Revenues exclusive of the int'l ship chartering business is 4% higher



FREIGHT



- P1.2 Billion in revenues, 5% decrease
- 10% Higher Volume with 9% higher capacity
- 17% Lower rate per teu



PASSENGER

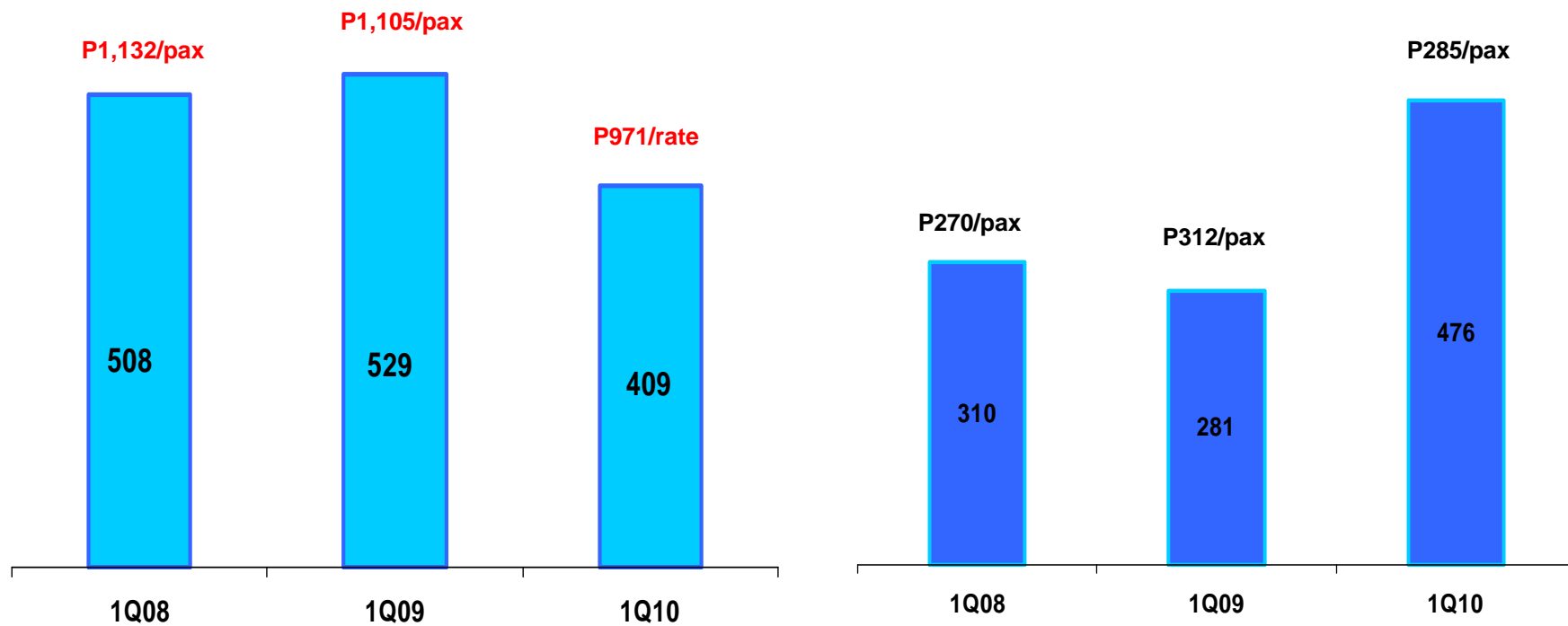


ROPAX

- 3 vessels on vessel maintenance
- 23% lower volume, 9% lower capacity
- 12% lower rate

FASTCRAFT

- 69% higher volume, 69% higher capacity
- 9% lower rate due to entrance to new ports
 - now serving Manila to Bataan route



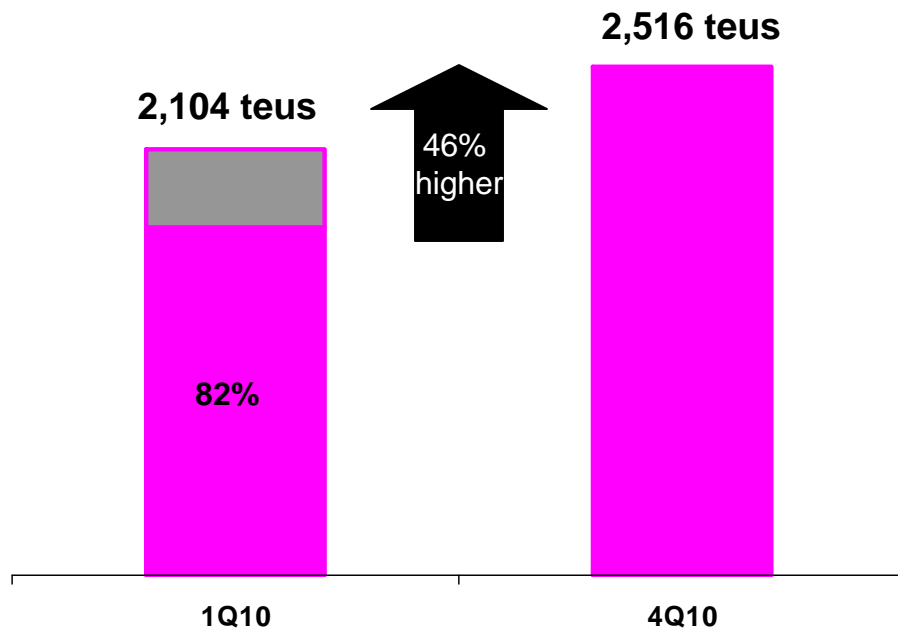
Amounts in Thousand

Pax volume in Ropax Pax volume in Fast craft

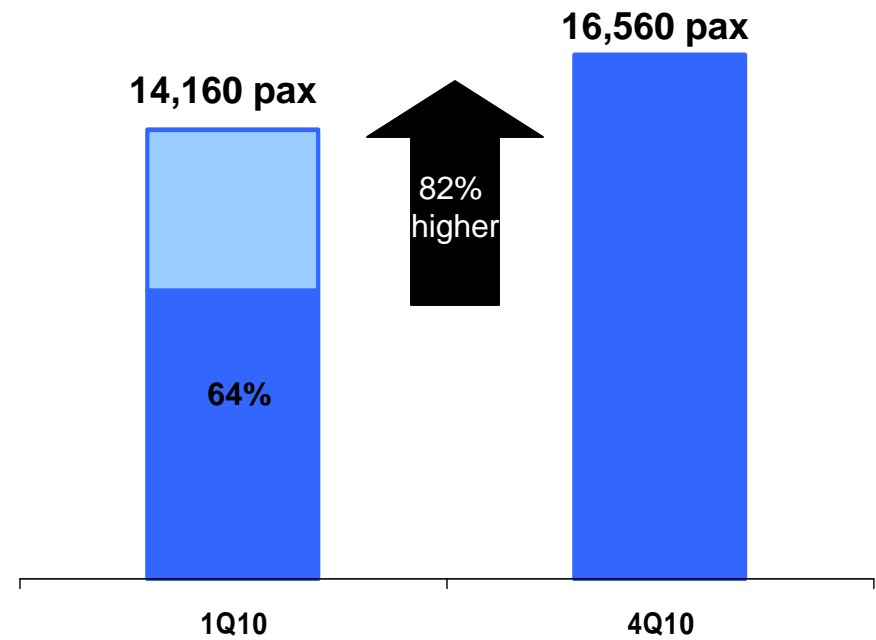
VSL CAPACITY



FREIGHT



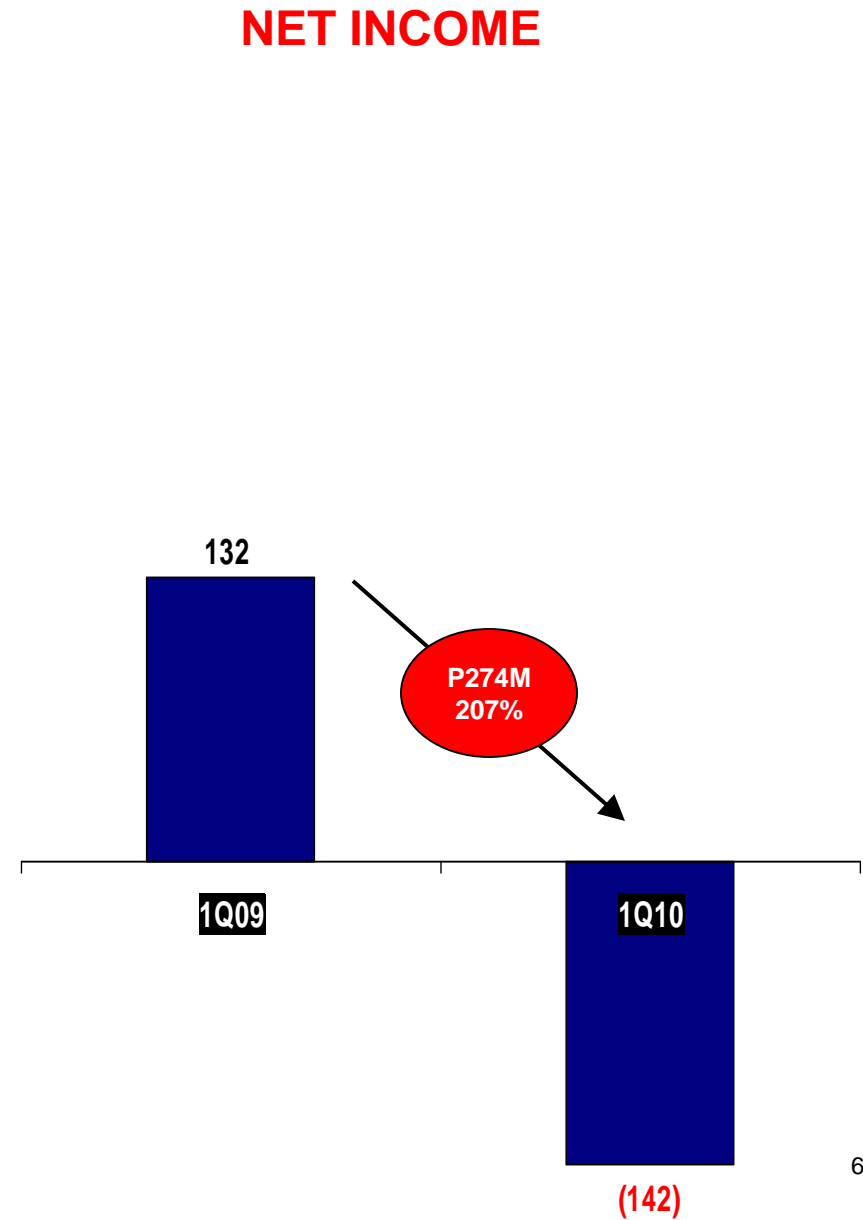
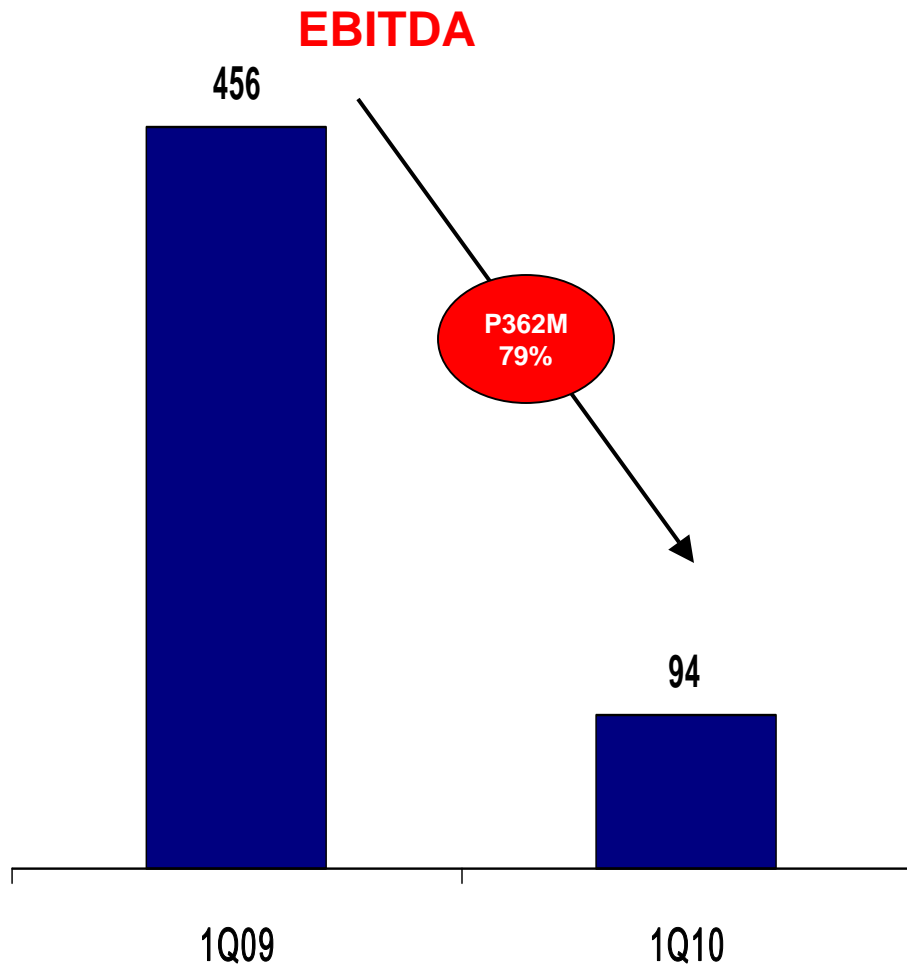
PASSENGER



Vessel Capacity Drydocked

Vessel Capacity Drydocked

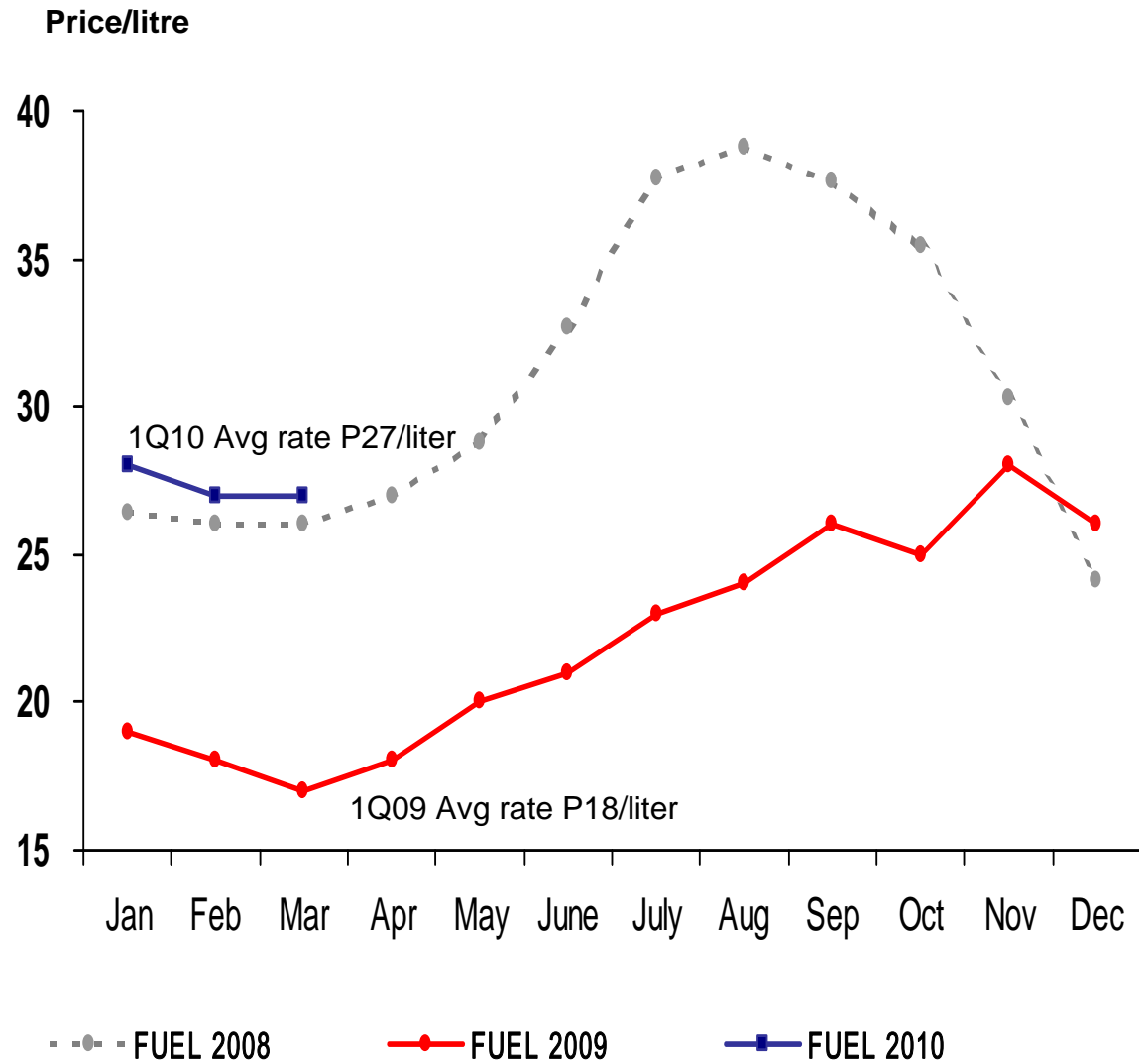
FINANCIAL HIGHLIGHTS (in million pesos)



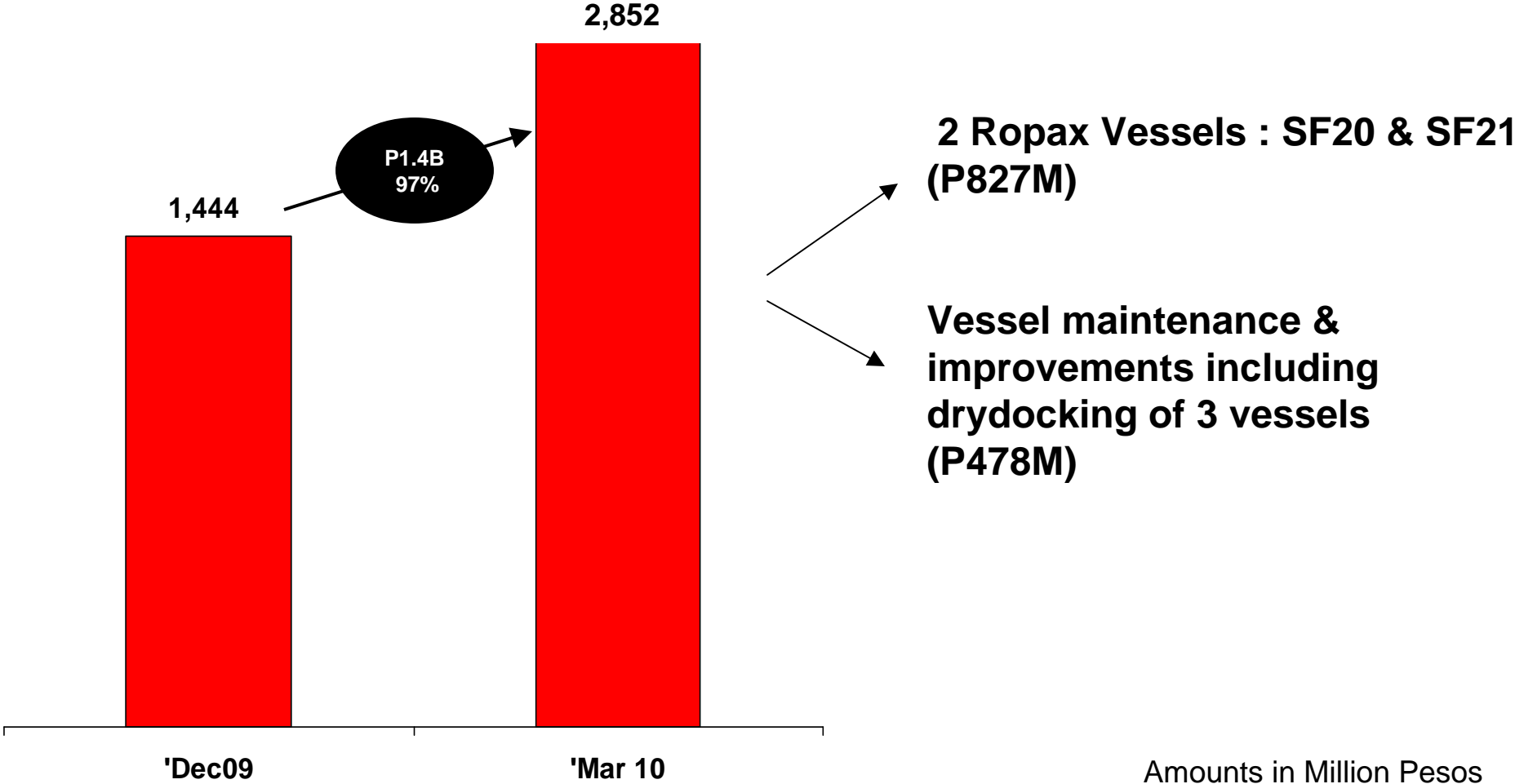
VESSEL FUEL COSTS



- Total vessel fuel cost is P582M, 34% higher vs 1Q09
- 49% higher average fuel price per litre



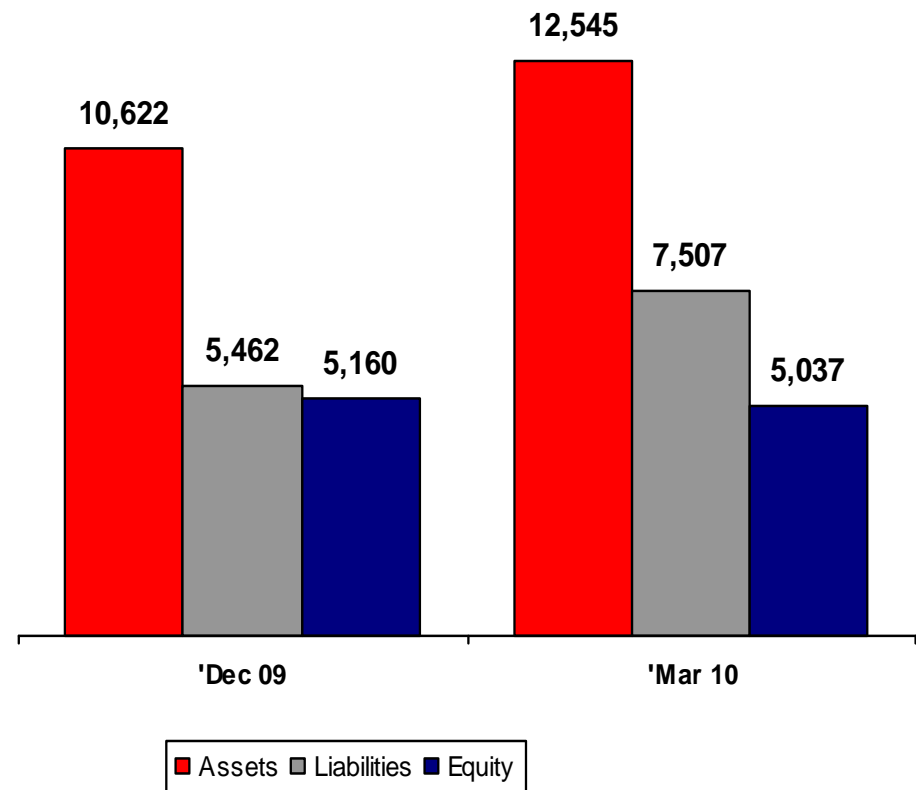
Interest Bearing Debt



BALANCE SHEET (in million pesos)



- Total Assets increased 18% to P12.5B
- Cash & Cash Equivalents of P851M
- D/E ratio of 1.5:1.00 vs 1.1:1.00 Dec 09 (Int. Bearing Debt / Equity of 0.57:1.00)
- Capital expenditures of P1.3B (P0.7B Vessel acquisition).



Amounts in Million Pesos

OUTLOOK



- **Full fleet in operations**
- **Operational excellence**
- **Uncertainties in fuel prices**

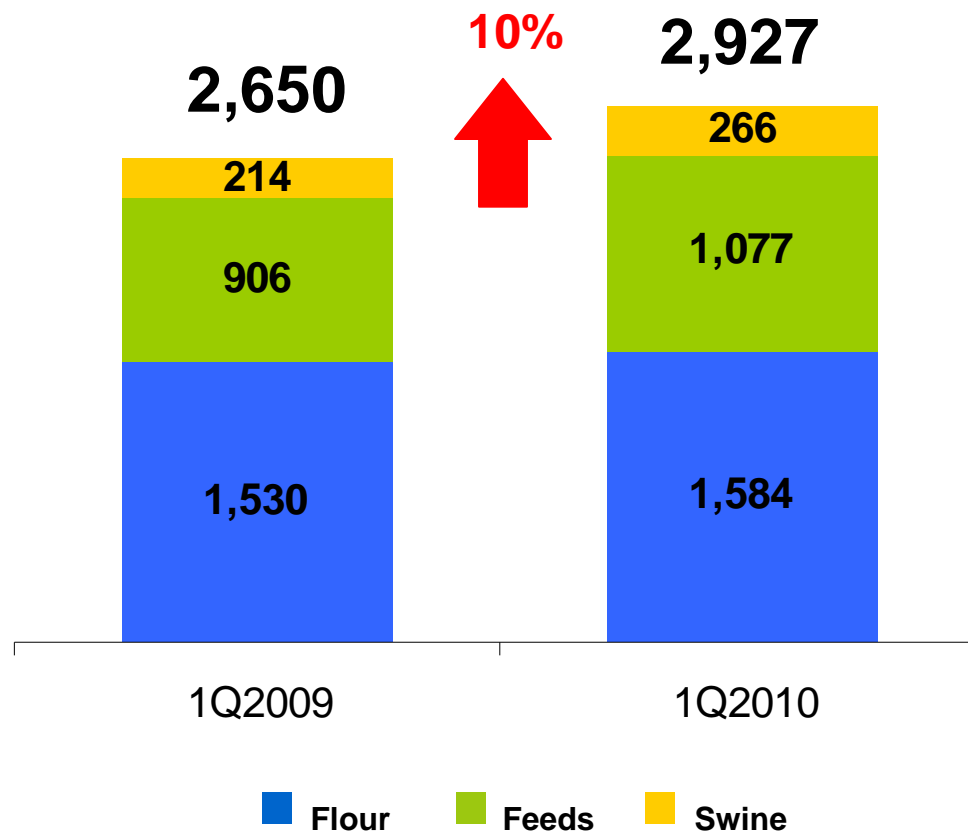
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FINANCIAL HIGHLIGHTS



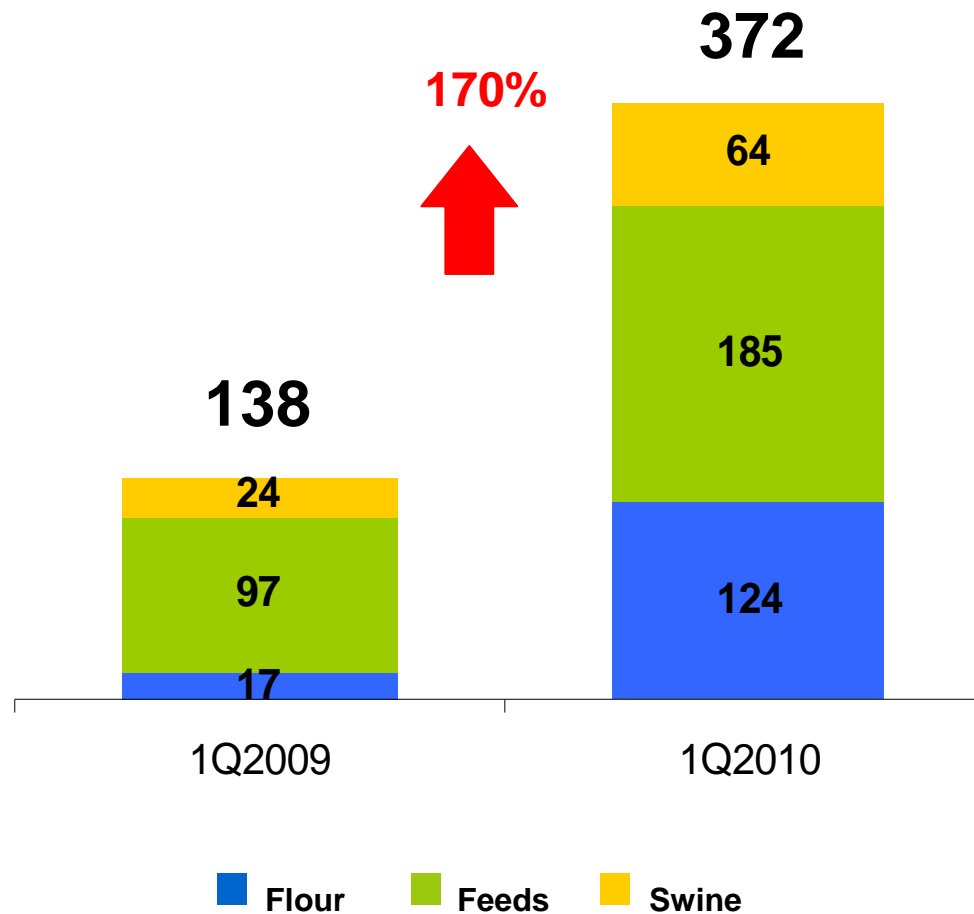
REVENUE (in million pesos)



FINANCIAL HIGHLIGHTS



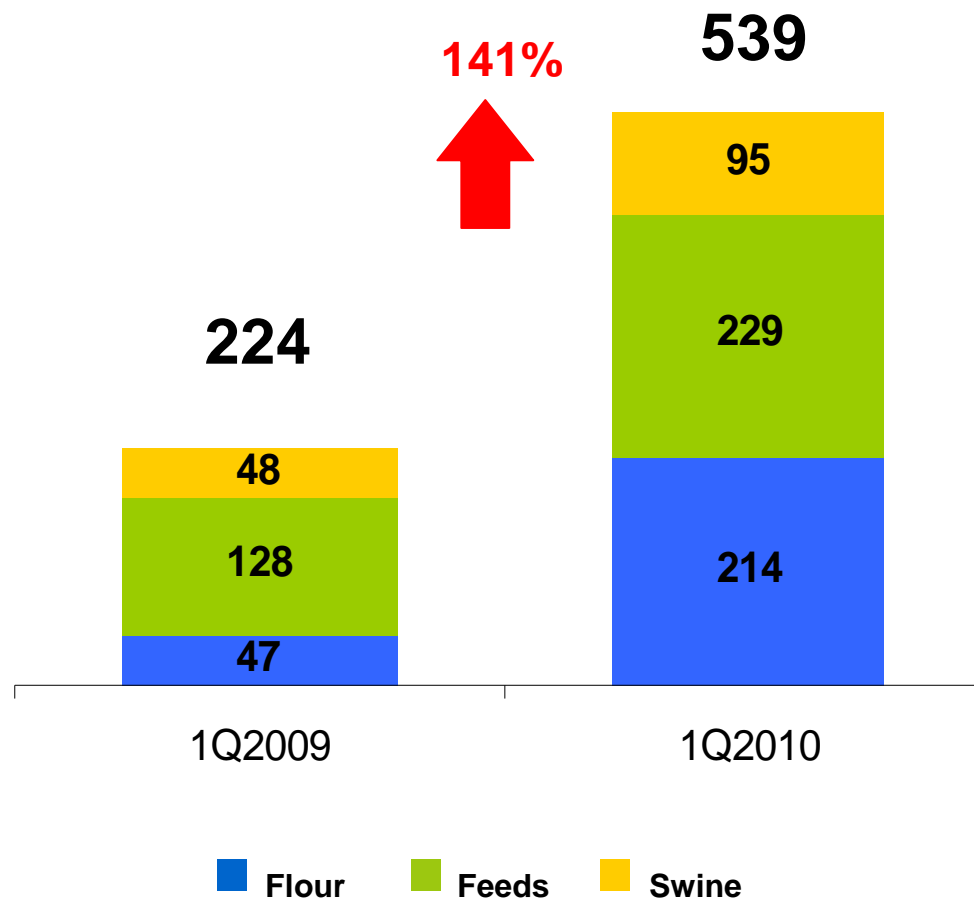
NET INCOME (in million pesos)



FINANCIAL HIGHLIGHTS



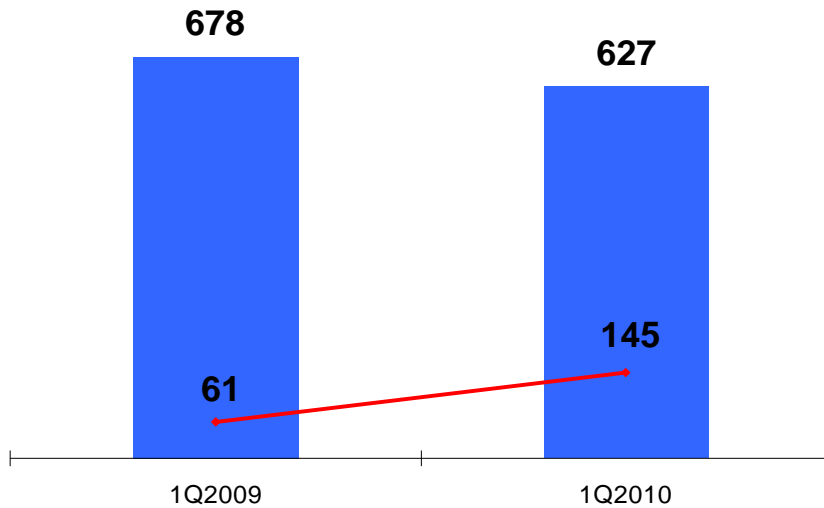
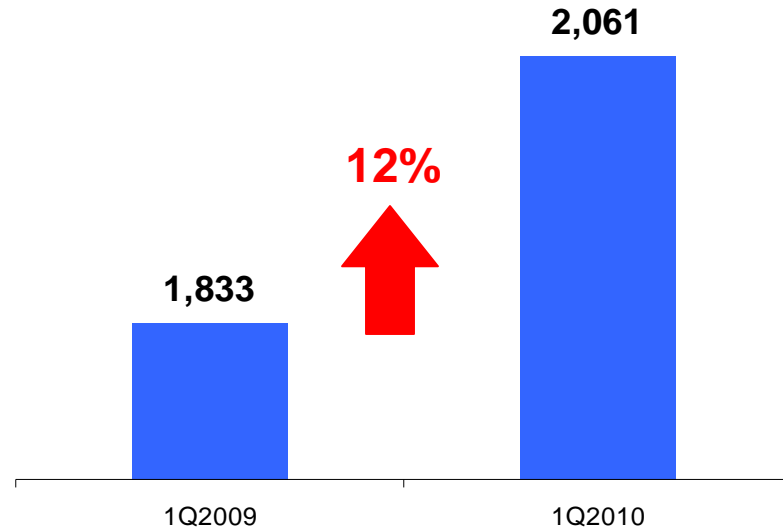
EBITDA (in million pesos)



OPERATING HIGHLIGHTS – Flour Business



Sales Volume
Volume in bags ('000)



■ Average Selling Price — Gross Profit Per Bag

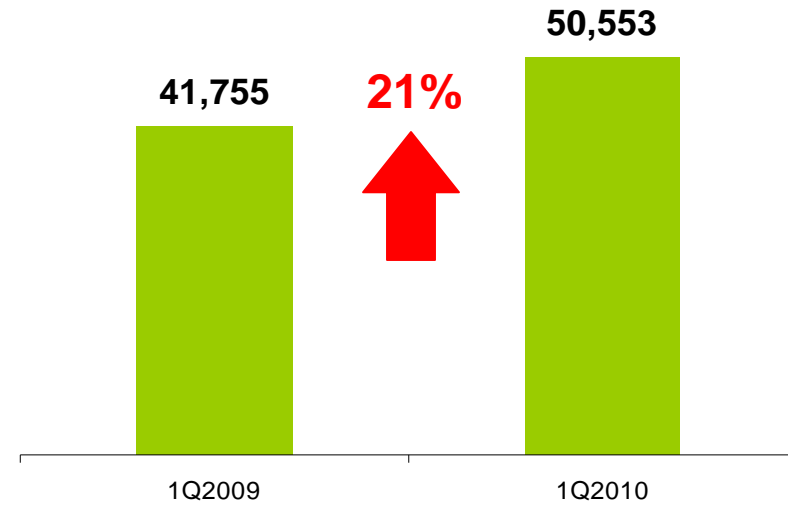
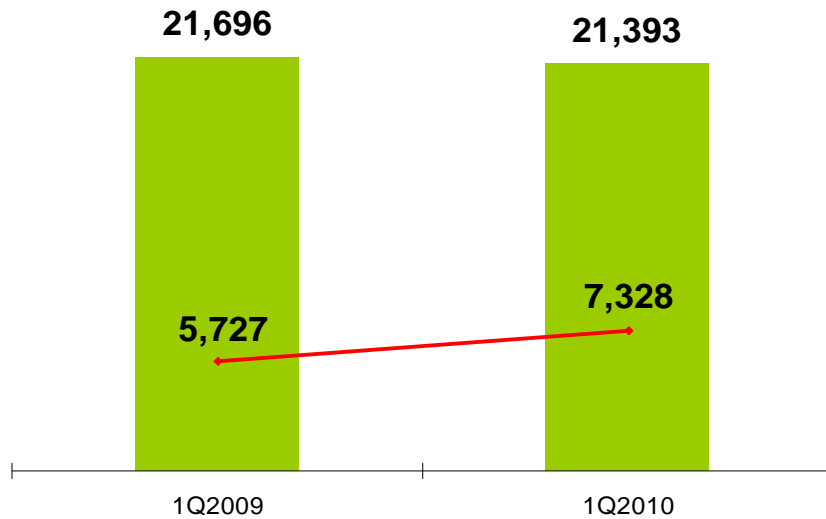
**Average Selling Prices and
Gross Profit**
Peso/bag



OPERATING HIGHLIGHTS – Feeds Business

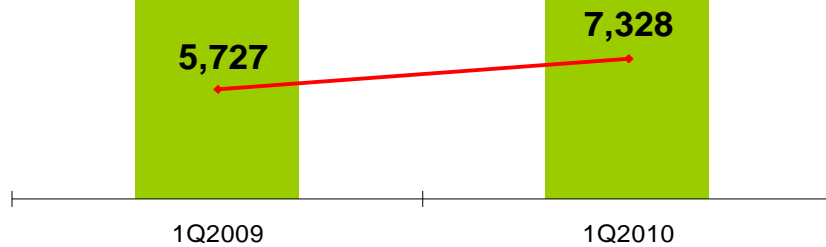


Sales Volume
In tons



**Average Selling Prices and
Income Over Ingredient Cost**

Peso/ton

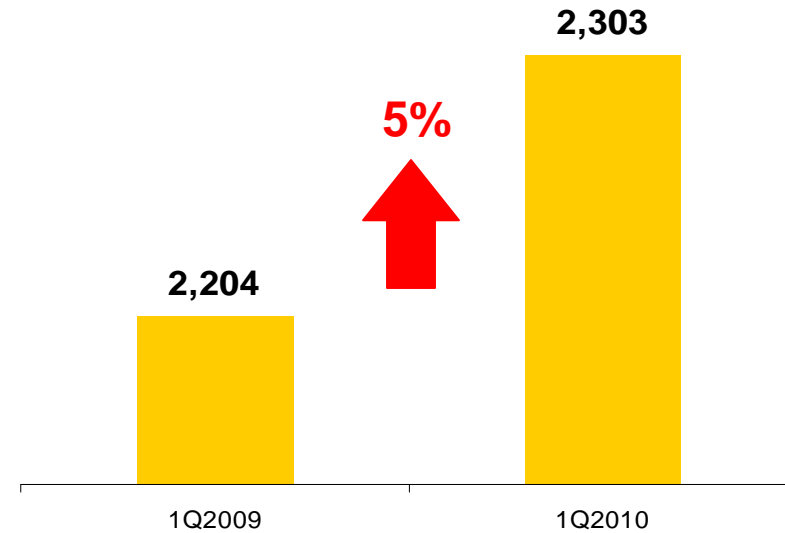
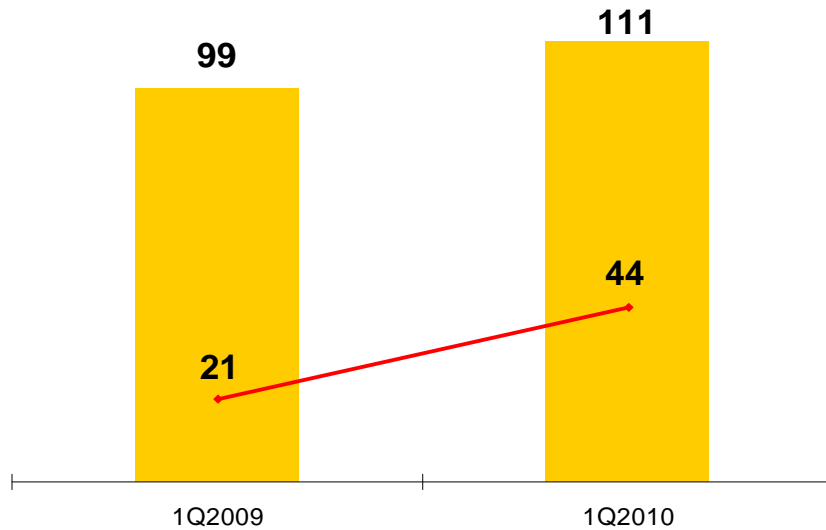


■ Price/MT — IOIC/MT

OPERATING HIGHLIGHTS – Swine Business



Sales Volume
In kilos ('000)



**Average Selling Prices and
Gross Profit**
Peso/kilo



Tarlac: Farm 4

- Started selling Mid-April
- To complete selling all pigs by end of May to first week of June

Iligan: Feedmill 2

- Local works 80% complete
- Target start of commercial operation – July 2010

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First Quarter 2010 Financial & Operating Results

7 May 2010
