

# aboitiz outlook

December 19, 2008



## Aboitiz Equity Ventures & Aboitiz & Co. accept KGLI-NM Holdings offer

Aboitiz Equity Ventures, Inc. (AEV), together with Aboitiz & Company, Inc. (ACO), accepted today the Term Sheet offered by KGLI-NM Holdings, Inc. (KGLI-NM) for the acquisition by KGLI-NM of 49% equity stake in Aboitiz Transport System Corporation (ATS) instead of the total buy-out proposed in the Memorandum of Agreement signed by the parties on September 23, 2008. The 49% equity stake shall include the 7% equity stake of the public in ATS.

Under the present agreement, which is expected to close on or before April 30, 2009, the purchase price will be based on a total equity value of ATS in the amount of ₱4.5 billion or equivalent to ₱1.84 per share. The agreement also gives KGLI-NM an option to acquire the remaining 51% equity stake of AEV and ACO anytime from May 1, 2009 to September 30, 2009 at the same price of ₱1.84 per share *plus* a premium of nine and a half percent (9.5%) annualized price per share calculated from 30 April 2009 to 30 September 2009, or to date of acquisition. KGLI-NM shall make a tender offer for the ATS shares held by the public in accordance with the rules under the Securities Regulation Code.

The valuation of the ATS shares for purposes of determining the purchase price of the ATS share and the investment participation by KGLI-NM in ATS after the transaction does not include the interest of ATS in the Aboitiz Jebsen Group of Companies, the value of which will be equitably distributed to the shareholders of record prior to the closing of the first tranche of the acquisition.

AEV owns 1,889,489,607 common shares of ATS while ACO owns 390,322,384 common shares of ATS, representing 77.10% and 15.93 % respectively of the total outstanding ATS capital stock. ACO is the private holding company of the Aboitiz family and is AEV's largest shareholder.

KGLI-NM is a domestic company, which is jointly owned by Negros Holdings and Management Corp. (NHMC) and KGL Investment BV (KGLIBV). NHMC, a domestic company, and KGLIBV, a Dutch company, hold sixty percent (60%) and forty percent (40%) respectively of the outstanding capital stock of KGLI-NM. KGLIBV is beneficially owned by the KGL Investment Company (KGL Investment), a Kuwaiti company.

KGL Investment initiated investments in port and port-related businesses and other logistics related businesses in the Philippines through the establishment of an air-transportation logistics complex in Clark Field, Pampanga, under an agreement signed with the Clark International Airport Corp. in April 2008. Thereafter, KGL Investment, through KGLI-BV, invested in Negros Navigation through the establishment of KGLI-NM Holdings, Inc.

**Note:** This report is for information purposes only and should not be relied upon by its intended recipients for investment decisions. It is not an offer to sell or a solicitation of an offer to buy the security of the company covered by this report. AEV makes no warranties, implied or otherwise, as to the accuracy of the information contained herein. Any financial figures presented are unaudited unless stated otherwise. Under no circumstances should this information or any of it be copied, reproduced or redistributed without written permission.

**Head Office:** Aboitiz Corporate Center, Manuel A. Cuenco Ave., Cebu City, Philippines **Phone:** (63-32) 411-1800 **Fax:** (63-32) 231-4031  
**Manila Office:** 110 Legazpi Street, Legaspi Village, Makati City, Philippines **Phone:** (63-2) 793-2800 **Fax:** (63-2) 817-9508  
**Email:** [aev@aboitiz.com](mailto:aev@aboitiz.com) **Website:** [www.aboitiz.com](http://www.aboitiz.com)