

aboitiz outlook



April 1, 2009

- **KGLI-NM Holdings to acquire US\$30 million worth of Aboitiz Transport**

Aboitiz Equity Ventures, Inc. (AEV) and its principal stockholder, Aboitiz & Company, Inc. (ACO), received yesterday (March 31, 2009) from KGLI-NM, Holdings, Inc. (KGLI-NM) a notice that KGLI-NM will exercise its option under Section 5(c)(i) of the Term Sheet dated December 19, 2008 (the 'Term Sheet') between AEV and ACO on one hand and KGLI-NM on the other hand to acquire at least US\$ 30 million worth of common shares of Aboitiz Transport System Corporation (ATSC) owned by AEV and ACO.

As previously disclosed, the purchase price will be based on a total equity value of ATSC in the amount of ₱4.5 billion or equivalent to ₱1.84 per share. Based on the Term Sheet, the sale is estimated to involve approximately 655,382,609 common shares of ATSC owned by AEV and 135,378,261 common shares of ATSC owned by ACO computed at the prevailing dollar exchange rate, or a total of approximately 32% of the outstanding common shares of ATSC. At these estimates, gross proceeds of AEV and ACO from the transaction will be approximately ₱1.206 billion and ₱249.069 million respectively. However, the actual number of shares to be acquired by KGLI-NM will be determined based on the dollar exchange rate on closing date, which is expected to occur on April 30, 2009.

KGLI-NM further informed AEV and ACO that its intention to proceed with the purchase of US\$30 million worth of ATSC shares from AEV and ACO is without prejudice to KGLI-NM's right under the Term Sheet to acquire the remaining ATSC shares of AEV and ACO. As previously disclosed, the Term Sheet also gives KGLI-NM an option to acquire the remaining equity stake of AEV and ACO in ATSC 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.

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.

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