



ANALYSTS' BRIEFING ON THE 2007 FINANCIAL & OPERATING RESULTS

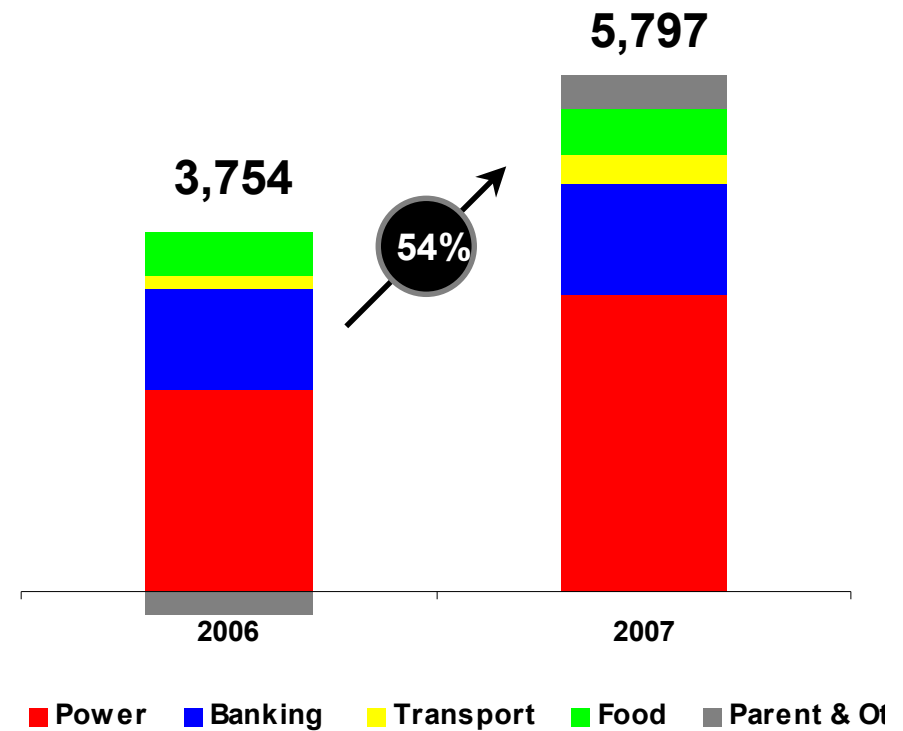
7 March 2008

FINANCIAL HIGHLIGHTS

2007 Net Income at P5.8 billion

Higher earnings contributions from subsidiaries and associates

Net Income Breakdown



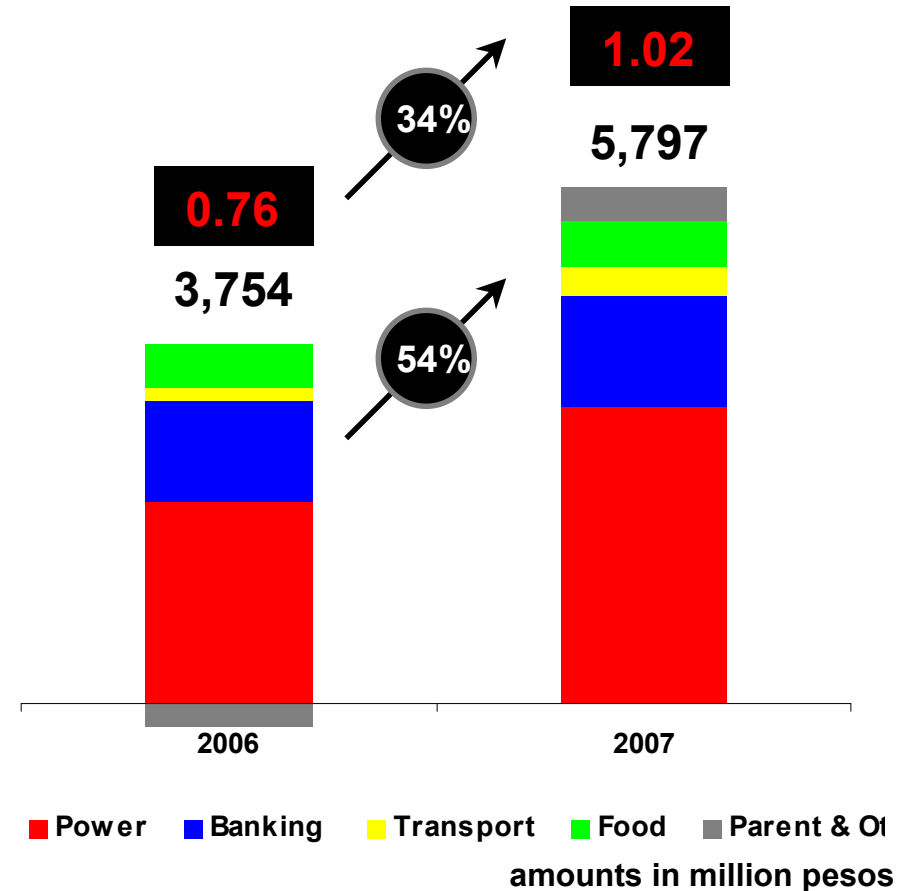
amounts in million pesos

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Note: EPS is based on average outstanding shares for the year.

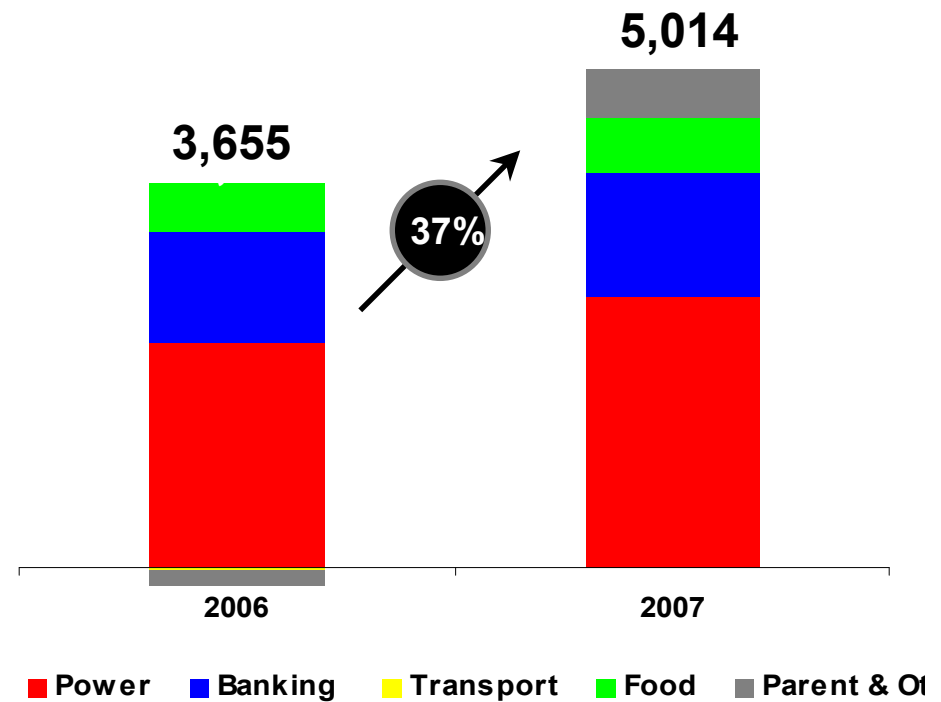
FINANCIAL HIGHLIGHTS

2007 Recurring Net Income at P5.0 billion

Higher earnings contributions from subsidiaries and associates

Non-recurring earnings due to FX, asset sale and acquisition gains

Recurring Net Income Breakdown



amounts in million pesos

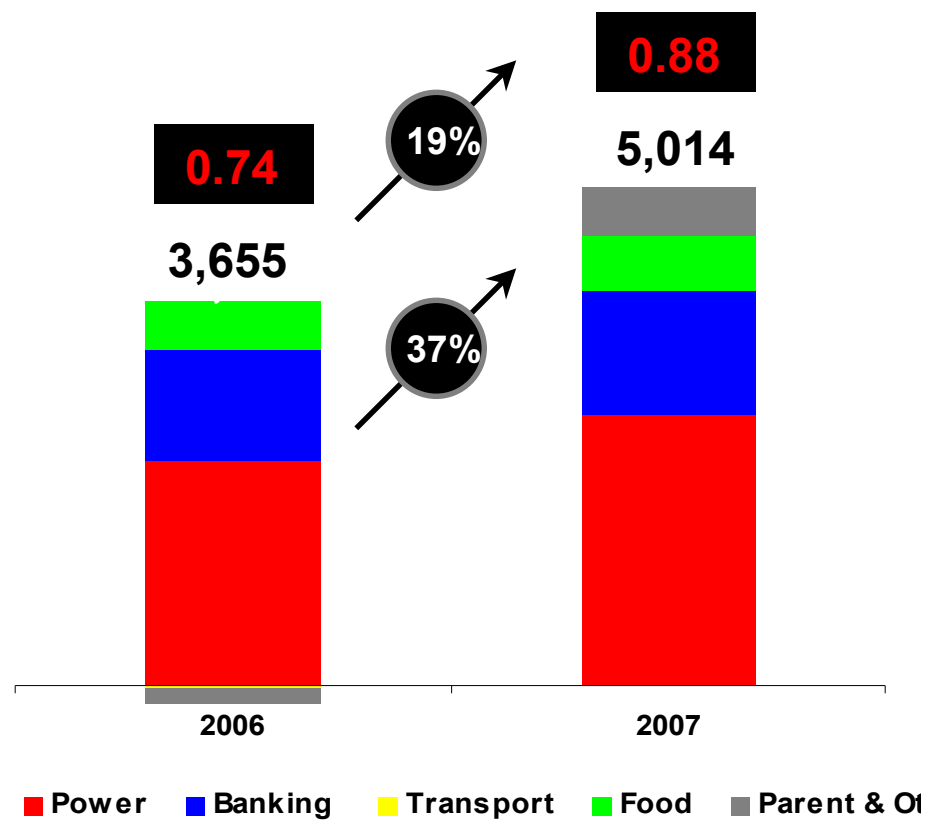
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Recurring Net Income Breakdown



amounts in million pesos

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FINANCIAL HIGHLIGHTS

Earnings Performance of Subsidiaries and Associates (In million Pesos)

	2006	2007	% Change
Aboitiz Power Corp.	2,264.4	4,138.4	83%
City Savings Bank	138.4	194.5	41%
Union Bank*	2,400.2	2,899.6	21%
ATSC / Accuria	175.8	407.2	132%
Pilmico	509.6	529.5	4%

* At Cost Method

FINANCIAL HIGHLIGHTS

Earnings Contributions from Subsidiaries and Associates (In million Pesos)

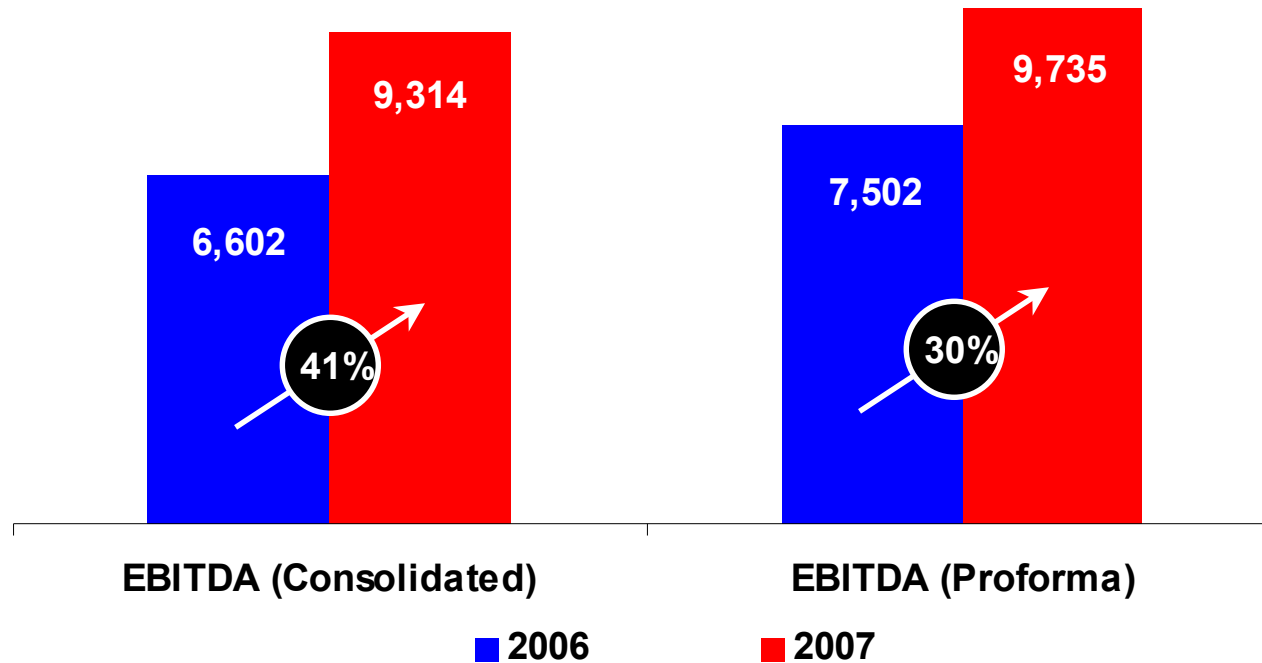
	2006	2007	% Change
Aboitiz Power Corp.	2,264.4	3,337.6	47%
City Savings Bank	48.0	63.3	32%
Union Bank*	1,069.5	1,179.3	10%
ATSC / Accuria	141.8	318.1	124%
Pilmico	509.6	529.5	4%
TOTAL	4,033.3	5,427.8	35%

* At Cost Method

FINANCIAL HIGHLIGHTS

EBITDA

(In million Pesos)



FINANCIAL HIGHLIGHTS

CONSOLIDATED PROFIT & LOSS / KEY RATIOS

(In million Pesos)	2006	2007	% Change
Revenues	26,711	31,205	17%
Equity Earnings	2,115	3,976	88%
EBITDA	6,602	9,314	41%
Net Income	3,754	5,797	54%
EPS	0.76	1.02	34%
Cash Dividend Per Share*	0.20	0.61	205%
Dividend Yield**	2.5%	8.7%	--
Return on Equity	18.6%	25.1%	--

* 2007 cash dividend is comprised of a regular cash dividend of P0.31 per share and a special cash dividend of P0.30 per share

** 2007 dividend yield is based on a P7.00 share price (as of March 3, 2008)

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET / KEY RATIOS

(In million Pesos)	2006	2007	% Change
Cash and Cash Equivalents	8,010	18,568	132%
Total Assets	40,844	65,193	60%
Total Debt	16,561	18,513	12%
Net Debt	2,639	(7,039)	n.a.
Stockholders' Equity	23,078	37,819	64%
Book Value Per Share	4.66	6.64	
Current Ratio	2.07	2.50	
Debt to Equity	0.68	0.40	
Net Debt to Equity	0.11	(0.15)	
Net Debt to EBITDA	0.40	(0.76)	

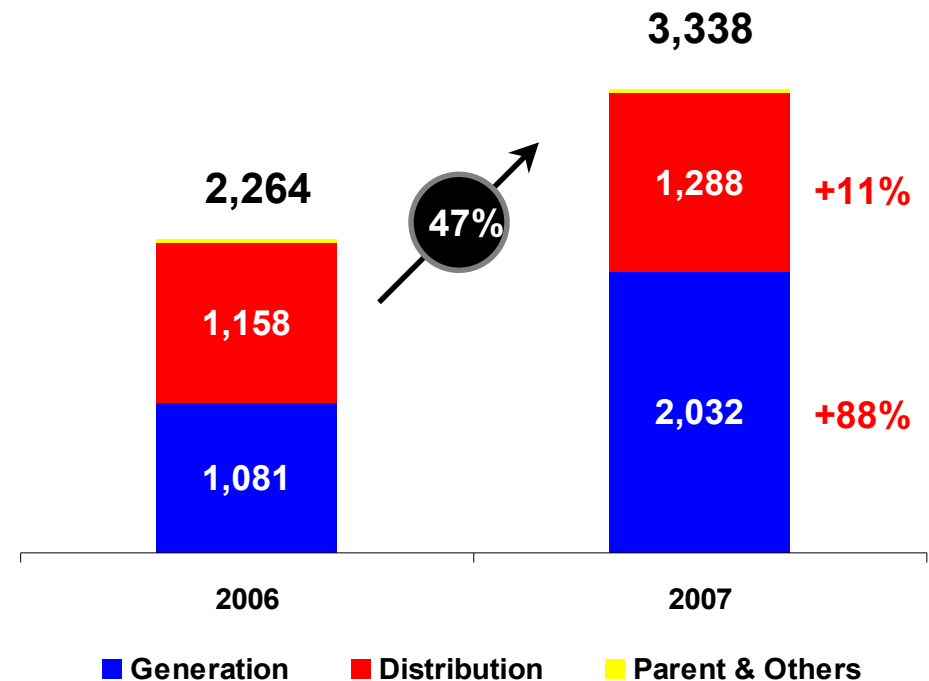
2007 Operating Highlights

POWER GROUP

- Despite ownership dilution in AP, income contribution by the power group was up by 47% YOY, from P2.3 billion to P3.3 billion.
- 200% increase in capacity led to a 176% yoy growth in attributable net generated power.
 - 50% of 360MW Magat
 - 60% of 70MW CPPC
 - 50% of 50MW EAUC
 - 34% of 232MW STEAG State Power

Note: 50% of the 175MW Ambuklao-Binga hydropower plants to further improve capacity by 18%, from 490MW to 578MW.
- Continued strong demand in the power distribution group's franchise areas led to an organic growth of 7% in electricity sales. Acquisitions further enhanced growth to 11%.

Income Contribution of the Power Group



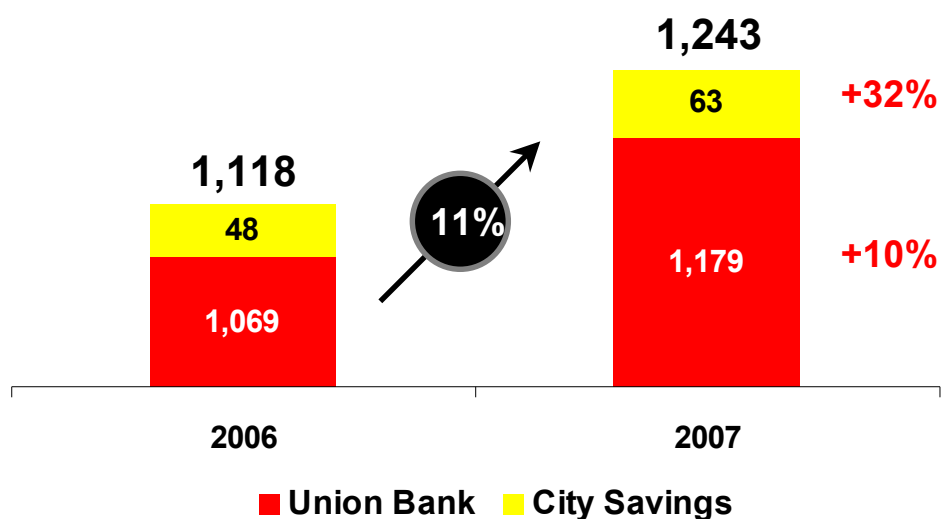
amounts in million pesos

BANKING GROUP

Banking group continued to provide good returns with net income contribution of P1,243 million, up 11% YoY

- Union Bank accounted for the lion's share at P1,179 million, recording a 10% yoy growth
- City Savings' share at P63 million, a 32% improvement versus last year's P48 million

Income Contribution of the Banking Group



amounts in million pesos

	UNION BANK	CITY SAVINGS
Return on Equity ¹	14.6%	47.4%
Return on Assets ¹	1.6%	6.0%
Revenue to Expense Ratio ²	1.6x	2.1x
NPL Ratio ³	3.6%	2.5%
Reserve Cover	71.6%	119.1%
Capital Adequacy Ratio ³	16.4%	18.9%

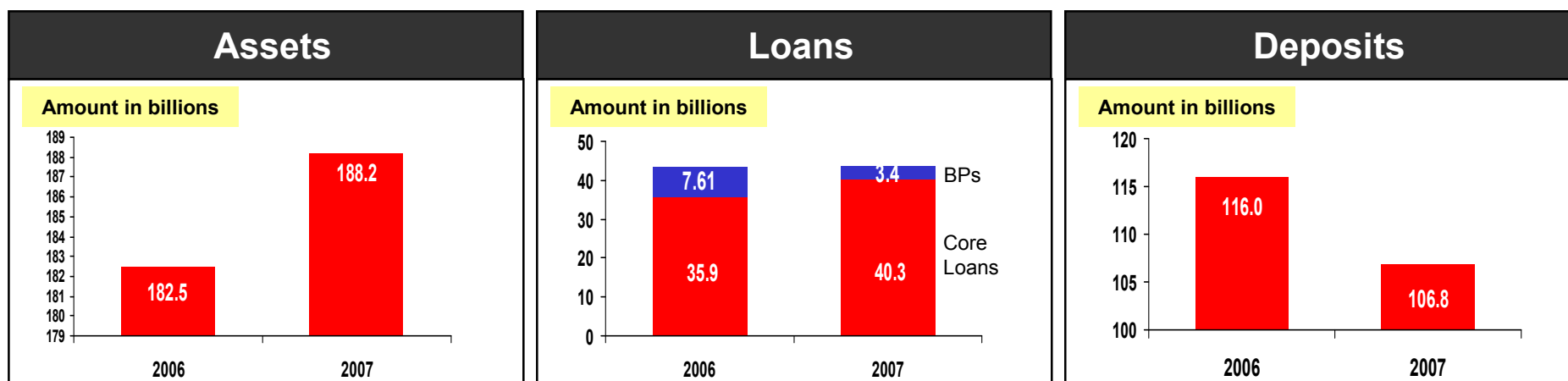
1/ UBP ratio, based on unaudited average monthly balances of equity and assets

2/ UBP ratio, based on SEC CP Form Q-2-3-01 as of December 2007

3/ UBP ratio, based on published Statement of Condition as of January 28, 2008

BANKING GROUP – UNIONBANK

- **Revenues increased by 15% YoY to P8.5 billion**
 - **Net interest income grew by 15%**
 - Average earning assets portfolio increased by 31%
 - Total Loans, net of Bills Purchased, increased by 12% to P40.3 billion
 - Year-end deposits level dropped 8%, but average daily balance increased by 40% to P125 billion
 - Non-performing loans down 21% to P4.2 billion
 - **Non-interest income rose by 15% YoY due to higher service charges, fees and commissions, gains from asset foreclosure and sale of selected non-performing loans**
- **Consolidated net income was up by 21% YoY to P2.9 billion (at cost method)**
 - **Cost savings due to iBank integration at ~P325 million (net of additional litigation costs) countered increase in operating costs.**
 - Headcount reduction – savings of P363 million
 - Branch operations and network integration – savings of P44 million
 - IT systems integration – savings of P21 million



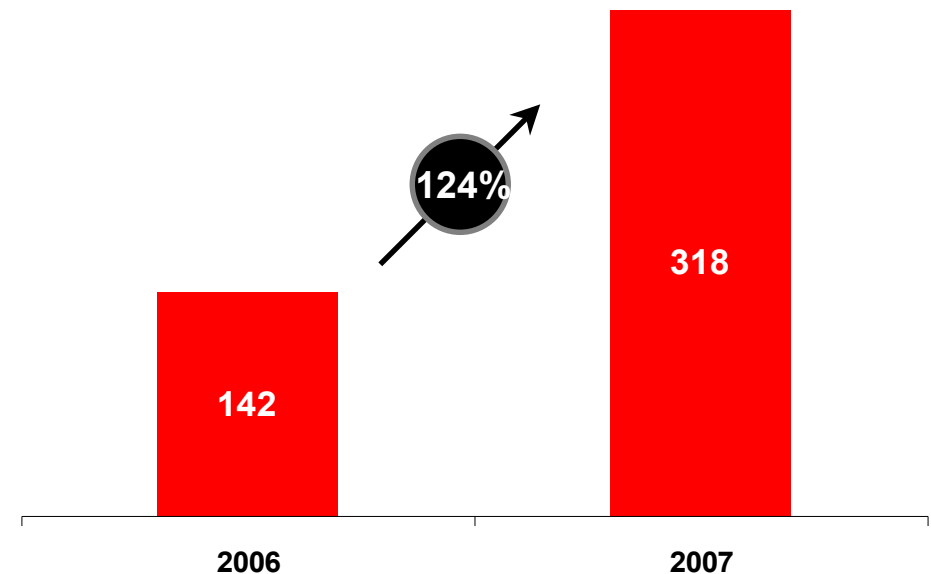
TRANSPORT GROUP

- **Transport Group's earnings contribution was at P318 million, a 124% improvement over last year**

- **77%-owned ATS accounted for the bulk, with 2007 net income contribution of P324 million**

- **Initiatives on rationalizing cost structures and increasing earning capacity of assets improved operating profit performance**
- **Conversion of unused passenger capacity to freight, which served increased demand for RORO**
- **Increased load factors in 2007**

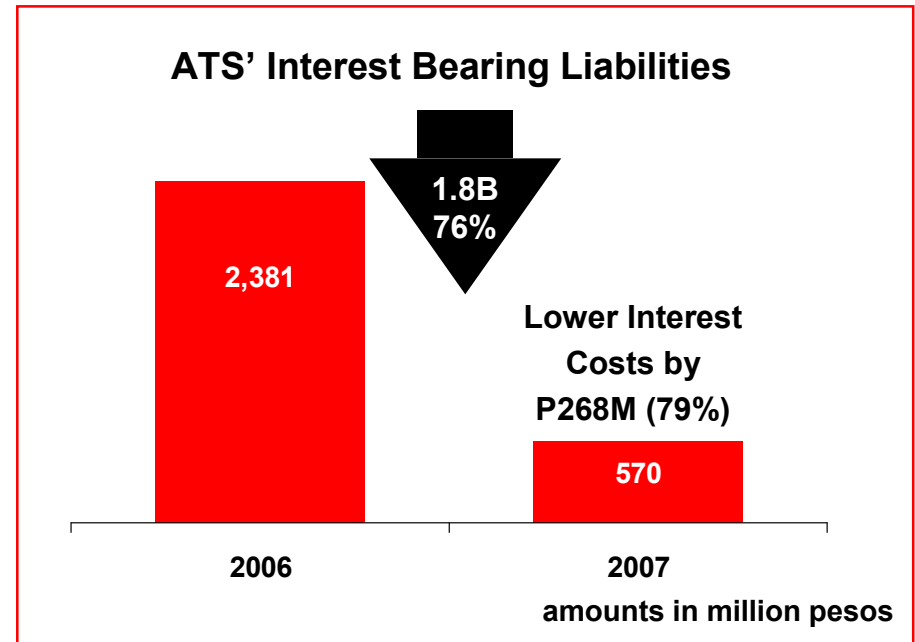
Income Contribution of the Transport Group



amounts in million pesos

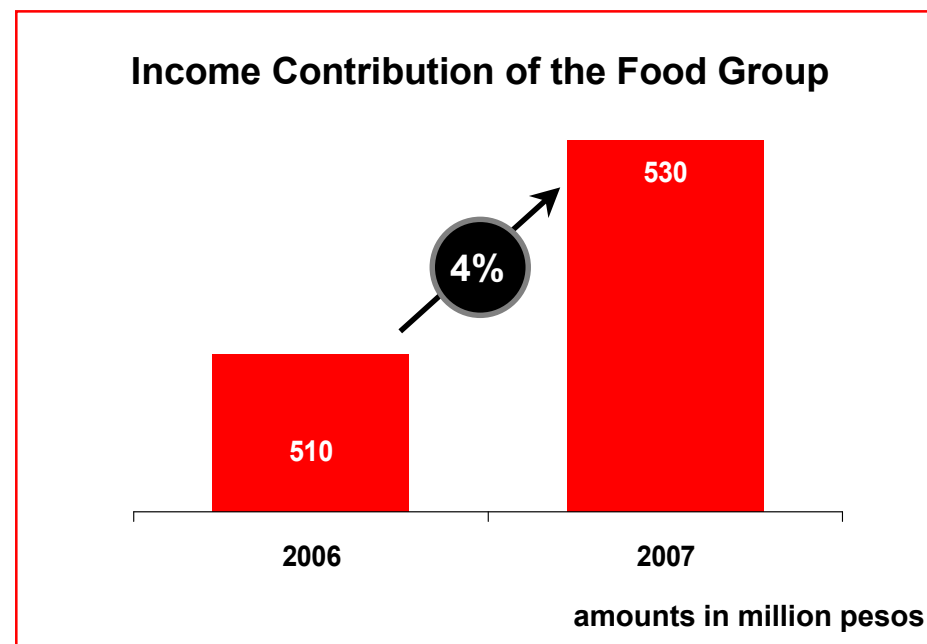
TRANSPORT GROUP - ATS

- **ATS' 2007 net income at P420 million, up 113% YOY**
- **Asset sale – sold three vessels with total net of tax gains of approximately P405m**
 - **79% decline in net finance cost as debt levels were pared down by 76%**
 - **Net cash position at P251 million as of year-end**
- **To date, 3 vessels have been converted, generating additional 191 TEUs to its freight capacity**
- **JV with AP-Moller Maersk Group for the domestic container business with 600 TEU ship operational.**
- **Increased its fleet with the purchase of a RO-PAX and 3 fast ferry vessels**
- **Launched Supply Chain Management**



Key Operating Statistics		
	2006	2007
Passenger Capacity (PAX)	4,984,185	3,084,043
Passenger Load Factor	55%	68%
Freight Capacity (TEU)	329,917	240,386
Freight Load Factor	82%	92%
% RoRo to total volume	9%	19%
% RoRo to total freight revenue	13%	27%

- **Income contribution grew by 4% YOY to P530 million**
 - Higher volume sales and selling prices for the flour business led to a 17% improvement in revenues, from P4.6 billion to P5.4 billion. Enhanced milling operations led to a 24% YOY expansion in operating income, from P547 million to P680 million.
 - Revenues from the feeds and swine operations recorded a 19% YOY growth, from P2.8 billion to P3.3 billion. Period end income share was at P83 million.
- **Feeds and swine businesses undergoing expansion.**
 - Feed mill project in Iligan complex to be completed in 2008 (includes construction of additional grain silos)
 - Breeder / Grower-Finishing Farm to be completed in 2008
 - Construction of nucleus / multiplier farm to be completed in 2009



Key Operating Statistics			
	2006	2007	% Change
PFC Flour Sales/Bag	463	519	12%
PFC IOIC/Bag	122	136	11%
Volume Sales in Bags	8,865,071	9,179,862	4%
FFI Feeds Sales/Ton	19,567	17,397	-11%
FFI IOIC/Ton	4,499	3,032	-33%
Volume Sales in Tons	109,891	153,724	40%
FFI Swine Sales/Kilo	76.00	74.13	-2%
Volume Sales in Heads	91,803	88,751	-3%

IN SUMMARY – THE YEAR 2007

- **Continued strong showing of key subsidiaries and associates**
- **Stronger financial position across the business organization**
 - **AEV's placement of treasury shares in January 2007 raising over P6 billion in proceeds**
 - **UBP's follow-on offering in May 2007 raising over P5.1 billion in proceeds**
 - **AP's IPO in July 2007 raising over P10 billion in proceeds**
 - **Further debt reduction in ATS' books**
- **Improved business models / portfolio**
 - **AP's more diversified asset portfolio**
 - **Union Bank with a more balanced asset mix and diversified customer base**
 - **ATS' reconfigured capacity achieving higher asset utilization and earning capacity**
 - **ATS' introduction of supply chain solutions leveraging on the company's existing domestic distribution network and facilities**

Power

- Participation in the upcoming bids for government's power assets
- Bottomline impact of improved financing terms for SNAP
- Full year earnings contribution of acquired assets in 2007
- Shift to Performance Based Regulation of distribution utility companies

Banking

- Expand loan portfolio; access more collateral business and build consumer business
- Expand branch network in strategic areas
- Leverage on its leading position in technology-driven products and services

Transport

- Asset rationalization
- Cost containment efforts and streamlining of operations
- Earnings impact of deleveraging and lower depreciation
- Supply chain solutions
- JV with Maersk Group

Food

- Completion of the construction of a new feedmill at the Iligan Milling Complex
- Construction of additional grain silos increasing Pilmico's storage capacity
- Increase in swine capacity with the new breeder and grower farms



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