



ANALYSTS' BRIEFING ON THE 1Q2008 FINANCIAL & OPERATING RESULTS

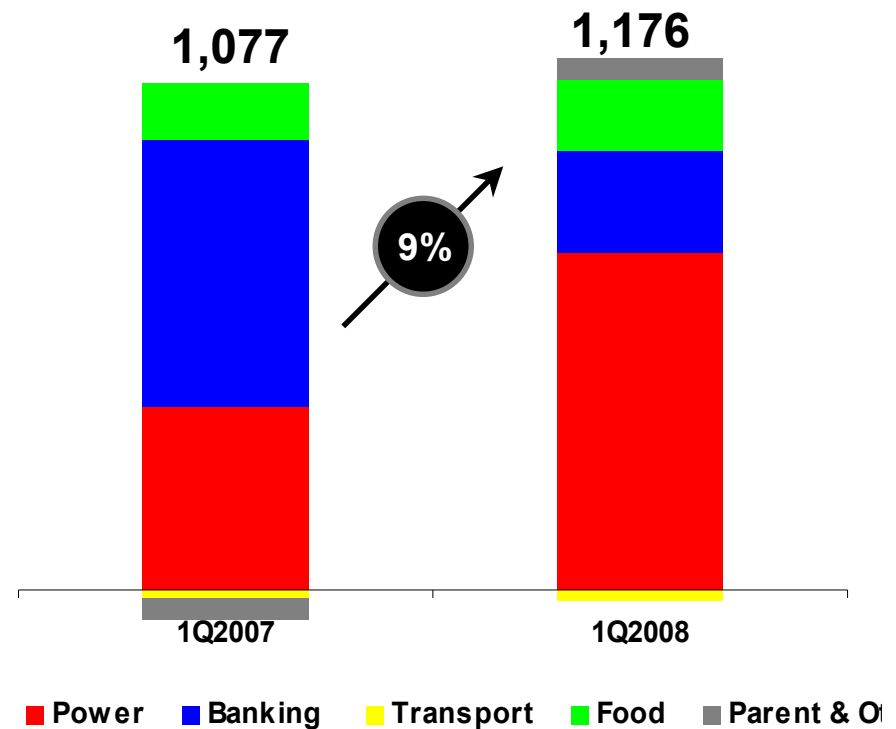
6 May 2008

FINANCIAL HIGHLIGHTS

1Q2008 Net Income at P1.18 billion

Higher earnings
contributions
from power and food
subsidiaries

Net Income Breakdown



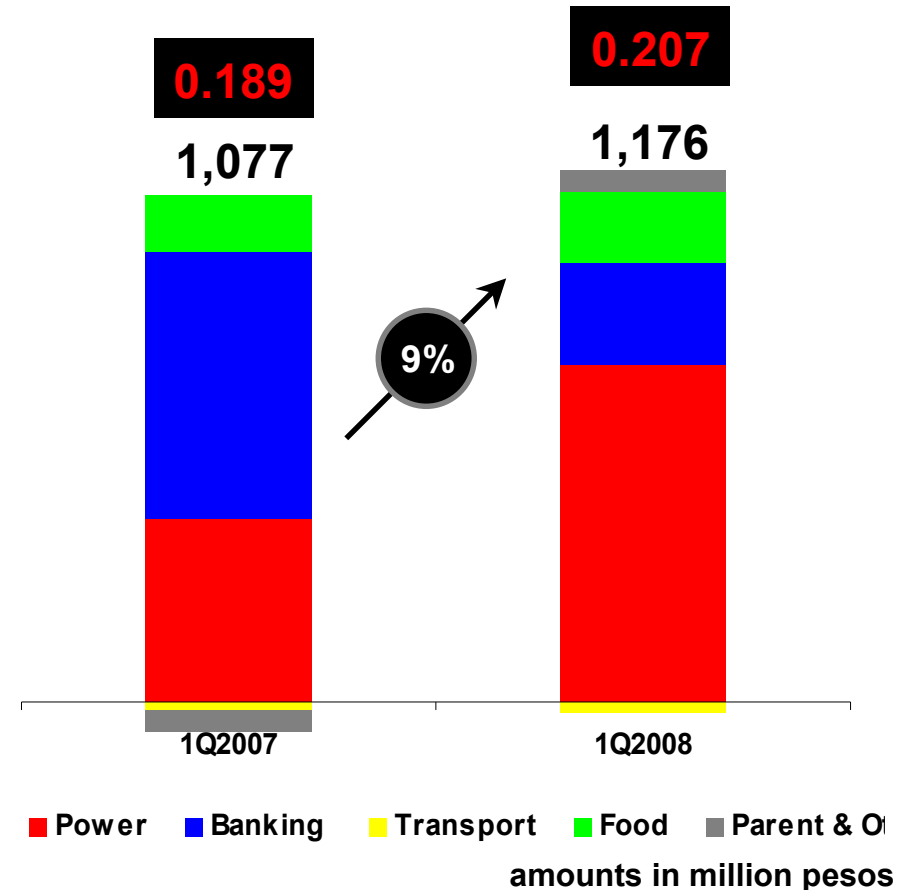
amounts in million pesos

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

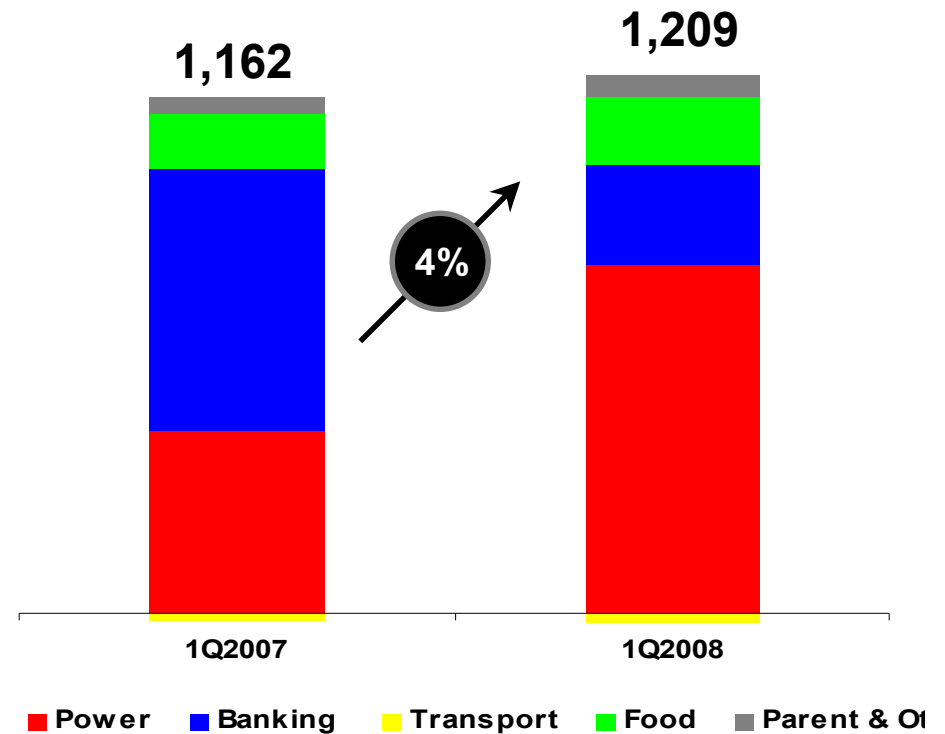
FINANCIAL HIGHLIGHTS

1Q2008 Recurring Net Income at P1.21 billion

Higher earnings contributions from power and food subsidiaries

Non-recurring earnings due to FX loss


Recurring Net Income Breakdown



amounts in million pesos

FINANCIAL HIGHLIGHTS

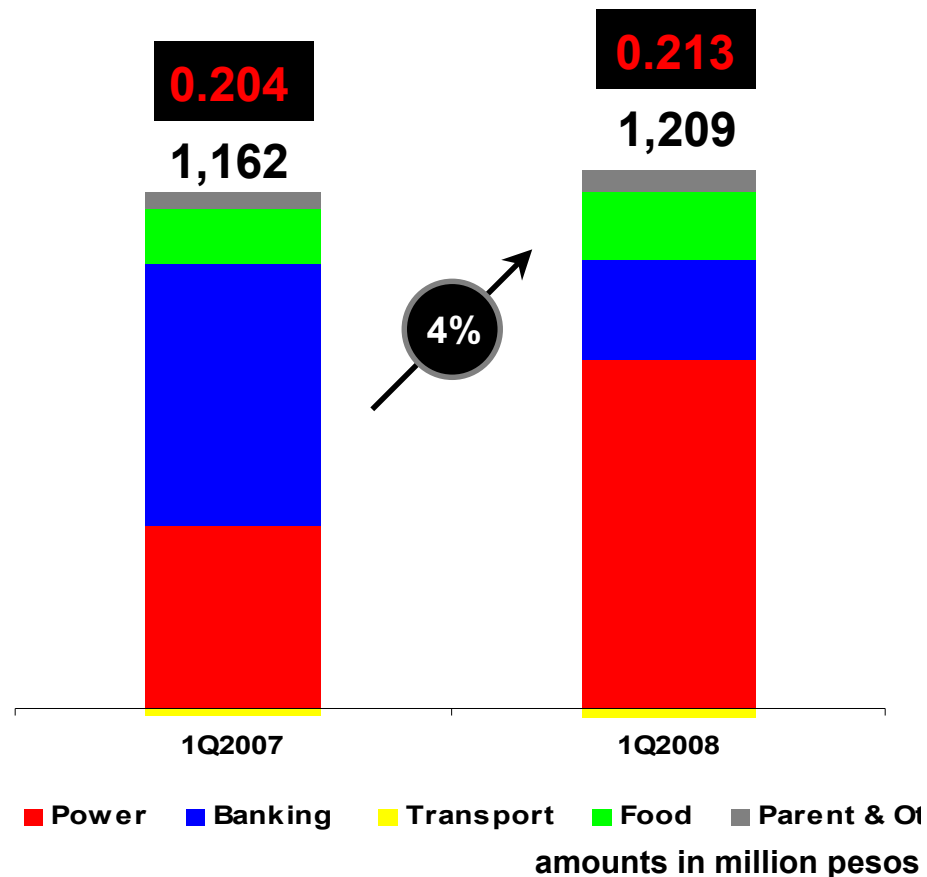
1Q2008 Recurring Net Income at P1.21 billion



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Recurring Net Income Breakdown



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FINANCIAL HIGHLIGHTS

Earnings Performance of Subsidiaries and Associates (In million Pesos)

	1Q2007	1Q2008	% Change
Aboitiz Power Corp.	415.1	1,011.0	144%
City Savings Bank	47.8	29.2	(39%)
Union Bank*	1,353.0	574.1	(58%)
ATSC / Accuria	(26.1)	(24.5)	(6%)
Pilmico	130.1	156.1	20%

* At Cost Method

FINANCIAL HIGHLIGHTS

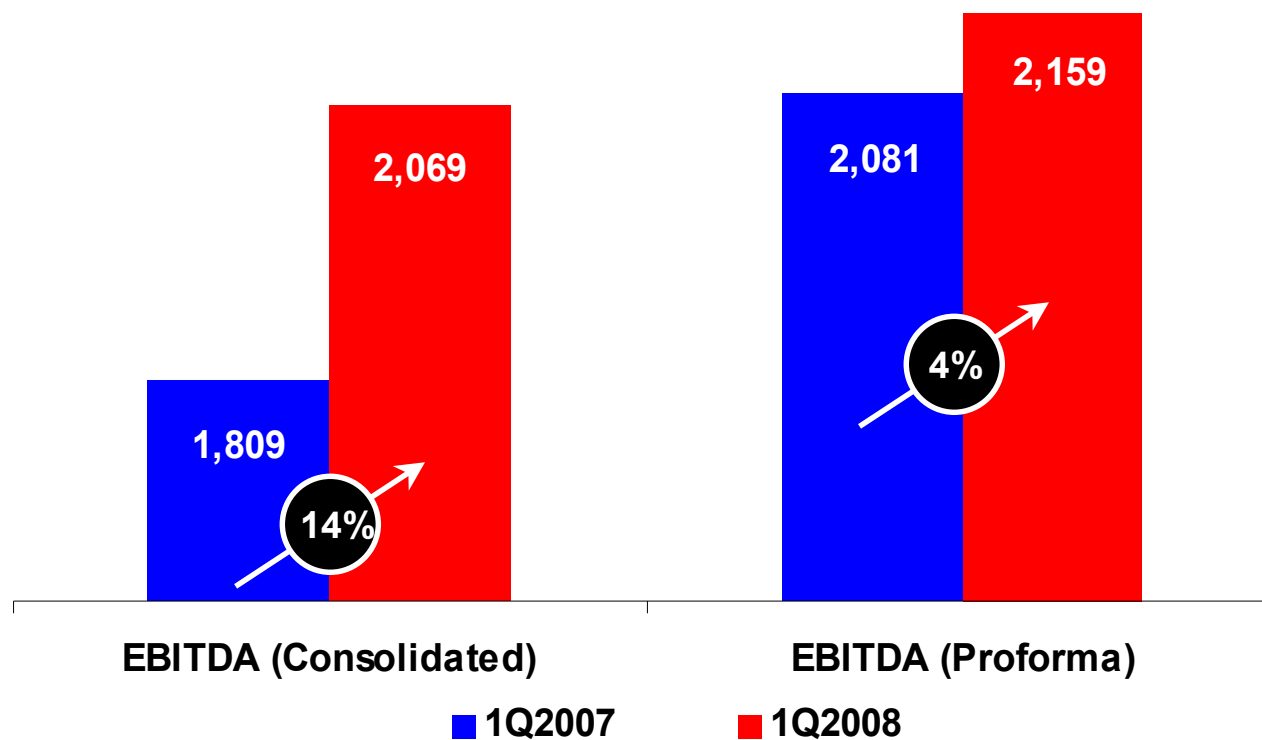
Earnings Contribution of Subsidiaries and Associates (In million Pesos)

	1Q2007	1Q2008	% Change
Aboitiz Power Corp.	415.1	761.0	83%
City Savings Bank	16.4	10.0	(39%)
Union Bank*	582.4	222.4	(62%)
ATSC / Accuria	(19.6)	(22.1)	(13%)
Pilmico	130.1	156.1	20%
Parent & Others	(48.0)	48.9	202%
TOTAL	1,076.5	1,176.2	9%

* At Cost Method

FINANCIAL HIGHLIGHTS

EBITDA (In million Pesos)



FINANCIAL HIGHLIGHTS

CONSOLIDATED PROFIT & LOSS

(In million Pesos)

	1Q2007	1Q2008	% Change
Revenues	6,647	8,417	27%
Equity Earnings	781	898	15%
EBITDA	1,809	2,069	14%
Net Income	1,077	1,176	9%

FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET / KEY RATIOS

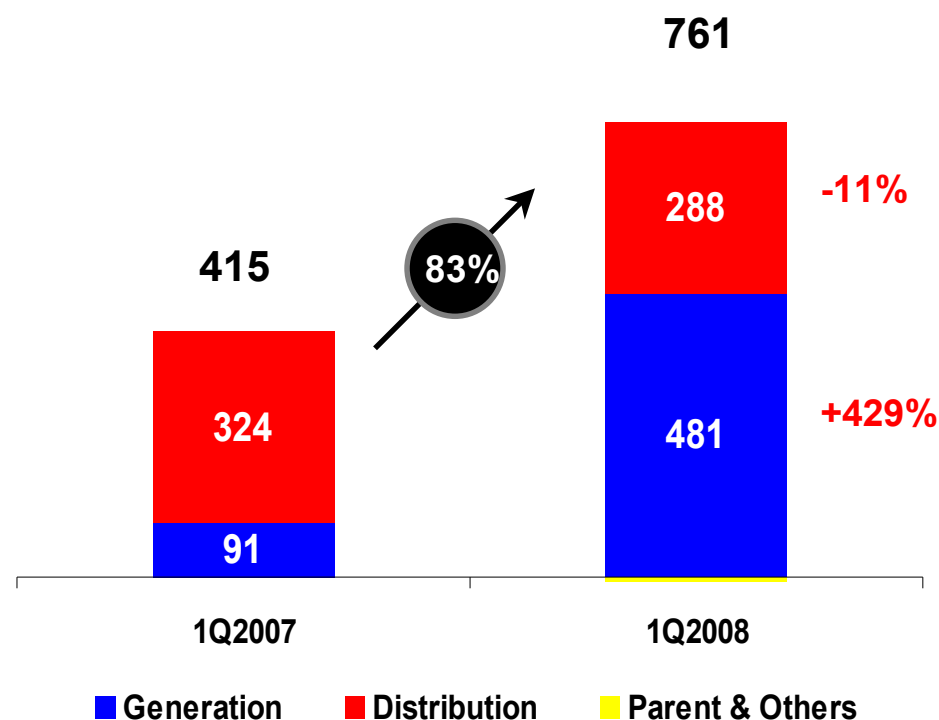
(In million Pesos)	YE 2007	1Q2008	% Change
Cash and Cash Equivalents	18,568	12,014	(35%)
Total Assets	65,504	60,386	(8%)
Total Debt	18,516	17,028	(8%)
Net Debt	(7,058)	(2,292)	(68%)
Stockholders' Equity	38,127	35,120	(8%)
<hr/>			
Book Value Per Share	6.70	6.17	
Current Ratio	2.48	2.01	
Debt to Equity	0.39	0.39	
Net Debt to Equity	(0.15)	(0.05)	
Net Debt to EBITDA	(0.76)	(0.28)	

1Q2008 Operating Highlights

POWER GROUP

- Income contribution by the power group was up by 83% YOY, from P415 million to P761 million.
- Ownership dilution effect mainly offset by earnings contributions of 2007 acquisitions
- 200% increase in capacity led to a 942% 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
- Continued strong demand in the power distribution group's franchise areas led to electricity sales growth of 17%. Organic growth maintained at 7%.

Income Contribution of the Power Group



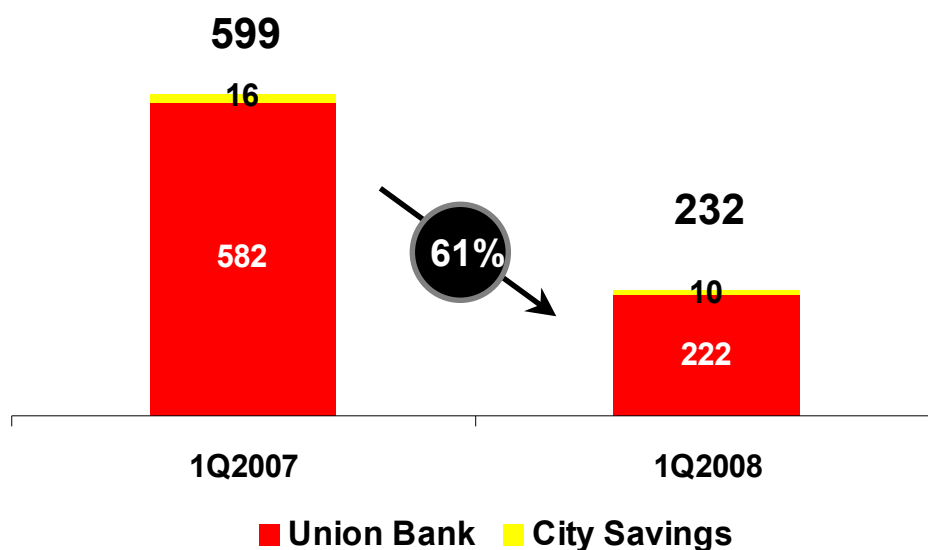
amounts in million pesos

BANKING GROUP

Banking group's earnings contribution at P232 million, 61% lower than previous year.

- Union Bank accounted for the bulk at P222 million in earnings contribution (-62% year-on-year), while City Savings' share was at P10 million (-39% year-on-year)

Income Contribution of the Banking Group



amounts in million pesos

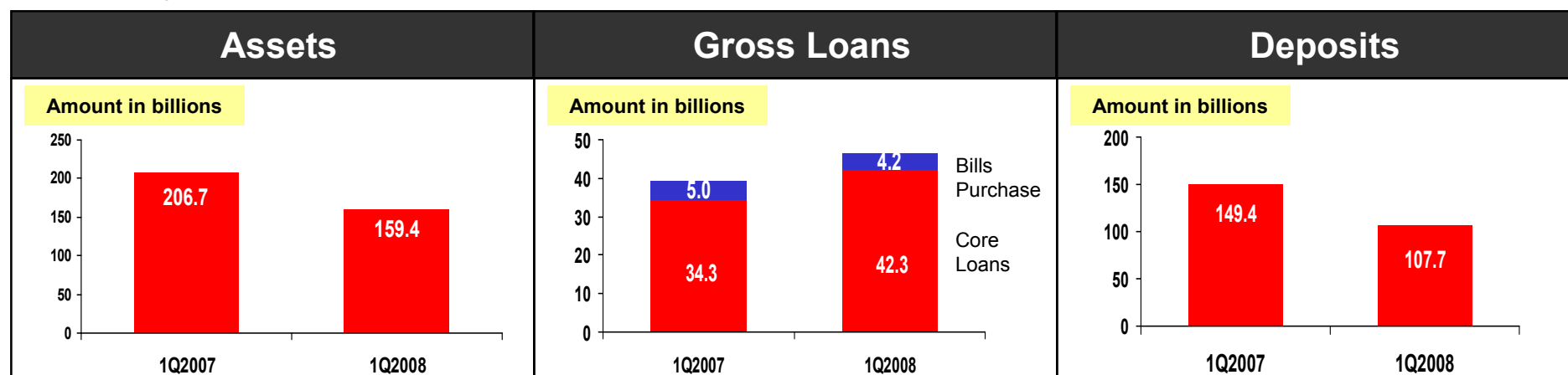
	UNION BANK	CITY SAVINGS
Return on Equity ¹	8.7%	38.0%
Return on Assets ¹	1.3%	4.8%
Revenue to Expense Ratio	1.5x	2.6x
NPL Ratio ²	5.9%	2.4%
Reserve Cover	60.4%	113.0%
Capital Adequacy Ratio ²	14.6%	19.1%

^{1/} UBP ratio, based on unaudited average monthly balances of equity and assets
^{2/} UBP ratio, based on published Statement of Condition as of May 6, 2008

RENAISSANCE IN CORE BUSINESS

UnionBank’s results confirm its strategy towards growth in its core business, boosting lending and raising further operational efficiency

- **Net interest margin increased to 3.4% from 2.4%**
 - Net interest income improved by 22% to P1.3 billion
 - Interest income on loans and receivables grew by 7% to P1.0 billion
 - Interest income on trading and investment securities increased by 38% to P0.7 billion
 - Average deposit cost dropped to 2.5% from 3.3%
 - Bills Payable declined by 20% to P13.0 billion
 - Gross Loans, net of Bills Purchased, increased by 23% to P42.3 billion
- **Operating costs declined by 7% to P1.2 billion due to lower litigation expenses, taxes paid and occupancy costs as a result of the branch consolidation**
- **Assets decreased by 23% to P159.4 billion reflecting the Bank’s strategy of seeking risk-adjusted returns**



UnionBank is well-positioned to deliver profitable growth in 2008 amid global and domestic challenges

2008 ECONOMIC OUTLOOK

- Slower GDP growth - 6.1%
- Balanced budget
- Higher inflation - +/- 3.5%
- Strong peso - P42-45/US\$
- Higher interest – 3.5%-4.5%

GOVERNMENT POLICY

- Infra-focused public spending
- Better tax administration
- Neutral to tight monetary policy
- Liberal FX regime
- Higher domestic financing

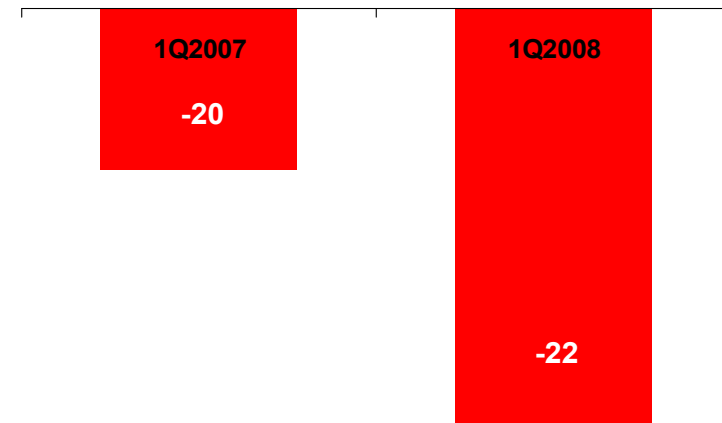
UNIONBANK'S STRATEGIC THRUSTS

Maintain focus on cost efficiency and profitability
Remain at the forefront of technology-based banking
Continue to invest in new technology to enhance its products and services
Continue push into vibrant consumer loan and credit card market
Maintain strength in treasury operations and leading cash management franchise
Benefit from more stable earning stream through a more bank-centric strategy
Continue focus on risk management

TRANSPORT GROUP

- **Transport Group ended the quarter with a negative earnings contribution of P22 million**
- **ATS' revenues up by 17% despite lower total volumes due to vessels sale last year**
 - Freight revenues increased by 23% due to improved international chartering business and RoRo services
 - Passenger revenues posted a marginal decline of 3% despite a significant reduction in capacity
 - Service fees grew by 45% due to its built up supply chain services
- **Continued rise in fuel prices and higher charter-related expenses led to a 20% increase in total costs and expenses**
- **Balance sheet and cash flow remain strong. Net debt at P49 million only.**

Income Contribution of the Transport Group

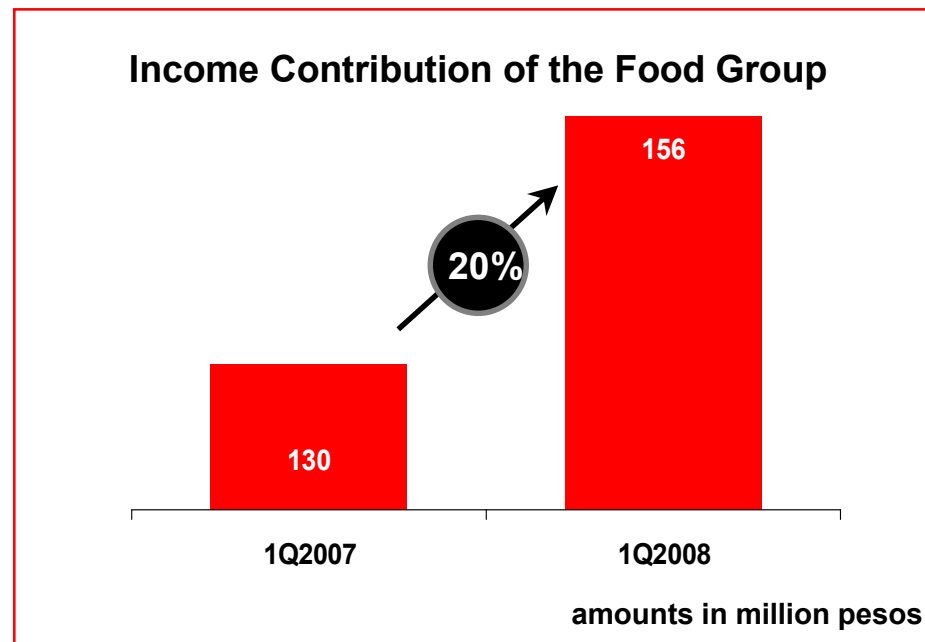


amounts in million pesos

ATS Key Operating Statistics

	1Q2007	1Q2008
Passenger Capacity	928,155	693,750
Passenger Load Factor	61%	73%
Freight Capacity	65,312	60,323
Freight Load Factor	95%	87%
% RoRo to Total Volume	12%	19%
% RoRo to Total Freight Revenue	18%	28%

- **Income contribution grew by 20% YOY to P156 million**
 - Higher selling prices for the flour business led to a 28% improvement in its revenues
 - Higher swine and feeds prices, coupled with increased swine volumes, resulted to topline YOY growth of 14% for Fil-Am Foods.
- **Feeds and swine businesses undergoing expansion.**
 - Commercial operations of its new feed mill in September 2008 seen to improve operating efficiency
 - To better serve its VisMin clientele
 - To have the largest grains silo storage capacity in the Philippines
 - Grower-finishing and nucleus farms to commence commercial operations in 2009 and 2010, respectively



Key Operating Statistics			
	1Q2007	1Q2008	% Change
PFC Flour Sales/Bag	491.77	691.18	41%
PFC IOIC/Bag	135.95	145.69	7%
Volume Sales in Bags	2,179,377	2,002,767	-8%
FFI Feeds Sales/Ton	16,651	19,099	15%
FFI IOIC/Ton	2,555	2,956	16%
Volume Sales in Tons	36,719	32,402	-12%
FFI Swine Sales/Kilo	71.29	94.36	32%
Volume Sales in Heads	23,848	28,774	21%

- **Improved business models / portfolio provide sustainable earnings base**
 - **AP's more diversified asset portfolio**
 - **UBP's focus on core banking products, with increasing loan portfolio**
 - **ATS' transformation into a value-added service organization and its integration of services to build its supply chain management business**
 - **Pilmico's ability to maintain profit margins despite increasing input costs**

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
- Launch of new brand essence aims to improve customer satisfaction and operating efficiency

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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6 May 2008

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