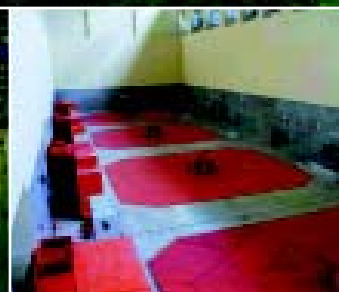


aboitiz eyes

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360-MW Magat Hydro Plant POWERING OUR FUTURE





message

As we begin 2007, we are extremely optimistic in our outlook and have high expectations of what we, as a group, will achieve through different initiatives being readied for implementation.

My dear fellow team leaders and team members,

Happy New Year to all of you! I hope you had a most enjoyable Christmas with your family and friends.

As we look back to 2006, we are grateful and proud of what we have accomplished as a business group. It was indeed an interesting and exciting year for us. Our companies performed well and we focused on strengthening our brands, living up to our brand essence of "passion for better ways".

We saw how UnionBank became the 7th largest commercial bank after the i-Bank purchase. We also had the historic launching of two world-class ships at the THI and FBMA shipyards in Balamban, Cebu.

In December, together with our Norwegian partners SN Power, we won the bid for the largest hydro complex in Luzon, the 360-MW Magat plant. This makes our group the largest privately owned hydro operator in the country.

At the end of 2006, the transport group

took the first step towards the realization of its new operating model by selling Superferries 17 & 18 for \$39 million. This enabled the company not only to book profits but also utilize the cash raised to reduce up to 60% of its interest bearing debt. ATS also sold its holdings in Davao Integrated Port and Stevedoring Corporation in order to re-focus efforts on the company's new operating model. The sale made a handsome profit that will also be used to reduce debt.

As we begin 2007, we are extremely optimistic in our outlook and have high expectations of what we, as a group, will achieve through different initiatives being readied for implementation.

This year, the Philippine economy is expected to continue to grow at a respectable pace.

We have good economic and fiscal reforms in place. Our budget deficit is under control as the government's fiscal position has greatly improved. Inflation is low and is

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expected to be tame. Interest rates are low as well.

The stock market in 2006 was very strong as investor confidence returned with the PSEi growing by 42%.

Our companies are poised for growth and expansion, especially in the power sector. As just announced, Aboitiz Power Corporation (APC) will soon be listed in the Philippine Stock Exchange through an Initial Public Offering (IPO). AEV will put all its distribution assets into APC to make it the Philippines' only truly integrated power company. Through this IPO, we intend to raise capital to continue our expansion in the power sector through new projects and participation in the privatization of NPC assets.

AEV also recently placed 742 million shares, approximately 15% of the company's stock, it has in treasury not only to raise funds for our expansions and new investments but also to increase the liquidity of AEV shares held by the public.

By the first quarter of 2007, our transport companies will have a new operating model that will enable us to be more competitive, flexible and profitable.

In banking, we look forward to the final integration of iBank, the maximization of the economies of scale, the introduction of new products and services, as well as the implementation of brand initiatives to better serve our customers. UnionBank has also disclosed its plans to raise \$100-million capital through a primary offering to strengthen its balance sheet for future growth. City Savings Bank will continue its successful branch expansion in the south. This expansion has transformed the bank into a regional player in the Visayas-Mindanao area.

In food, we expect the group to continue to excel. We also expect to complete the expansions in Fil-Am Foods. This will enable the company to serve the feed market in the VisMin area more efficiently. The group will continue to lead as a low-cost producer of quality products and expand its market share throughout the country.

AboitizLand will continue to focus on its ongoing projects with special emphasis on the development of Pristina North and Kishanta. It is also finalizing plans to develop new projects in Metro Cebu.

Aboitiz Construction has a healthy order

book for 2007. It continues to strengthen its brand name and reputation as a world-class construction company, both domestically and internationally.

Tsuneishi will embark on a massive expansion project that will enable its shipyard to launch Panamax vessels of up to 190,000 dead weight tons (DWT) by the third quarter of 2009. Its two existing shipbuilding slipways are fully booked with orders up to 2011.

FBMA will complete its delivery of a 47-meter ropax in march. Other prospects include a 61-meter ropax with a capacity of 400 passengers and 60 vehicles for Australia; a 65-meter ropax for the United Kingdom, and a 57-meter hi-speed cat for New Caledonia.

This year, we will continue to strengthen the Aboitiz brands by enhancing our different brand initiatives within the group. In October 2006, the power, food, land and construction groups went through a brand discovery process with our consultants from Futurebrand. This is similar to the one done for Aboitiz & Company.

This process aims to align all our branding initiatives group-wide, with the ultimate objective of serving our customers better. All the necessary interviews have been done and the succeeding phases of the process will be implemented within the first quarter of this year.

UnionBank has also engaged the services of Futurebrand to assist them in their new branding initiatives.

My fellow team leaders and team members, let us continue to stay focused at what we do best – that is, to deliver service and product excellence at all levels, and to be the low-cost producers of quality products and services.

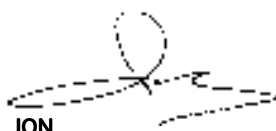
Let us pursue innovation with a passion.

Let us constantly be on the lookout for areas of improvement. Any improvement, whether it is big or small, is important to us.

Lastly, let us always remember that we are one group with one vision, all driven with a passion for better ways.

We will continue to be driven...driven to lead, driven to excel and driven to serve

Thank you and I look forward to working with all of you in 2007.



JON

Our companies are poised for growth and expansion, especially in the power sector.

Let us continue to stay focused at what we do best – that is, to deliver service and product excellence at all levels, and to be the low-cost producers of quality products and services.

We are one group with one vision, all driven with a passion for better ways.

We will continue to be driven...driven to lead, driven to excel and driven to serve.

Year in Review 2006 Business Outlook 2007

*The Group's industry leaders review 2006
and share their outlook and business plans for 2007.*

POWER

Erramon Aboitiz

2006 started out slow. As we expected, growth in electricity consumption remained slow throughout the year. The hydro projects we are developing in Davao encountered



some delays. The privatization process of NAPOCOR assets did not proceed as fast as we had hoped; but towards the end of the year it picked up speed. PSALM successfully bidded out two major hydro plants: the 112-MW Pantabangan/Masiway complex and the 360-MW Magat hydro plant. We made a bid for both projects. We unfortunately lost the first one to First Gen, but successfully won the Magat plant. Our partners, SN Power, and ourselves are very excited. This is a big and very strategic move for Aboitiz Power.

Higher generation charges had a positive effect for Hedcor, which gets paid more for the energy it produces without the higher fuel costs. This translated to very positive results for Hedcor. We also had a very successful refinancing in Luzon Hydro that brought in substantial amounts of funds to the Power Group.

The Wholesale Electricity Spot Market (WESM) started operations in mid-2006. Theoretically, the price of power traded in the WESM will be determined more through supply and demand forces, rather than costs and return of investment. The significant

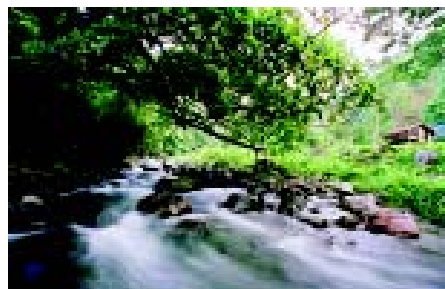
effect of the WESM is that merchant plants now have a venue to sell their power instead of relying totally on bilateral contracts. While there were some issues on the resulting prices of electricity, it can be said that the WESM works and is a significant milestone in the deregulation process of power generation.

With no new generation capacity added to our system, the power supply situation is getting more serious. The Cebu-Naga-Panay (CNP) grid is already experiencing times of shortage and this will only get worst before it gets better. We expect the Mindanao grid to follow CNP as far as power tightness is concerned. While

the tight supply is a threat to our distribution utilities, it also presents opportunities in the generation front, as well as an opportunity to differentiate ourselves with other power distributors.

We seem to be gaining ground in the Davao hydro projects Hedcor is developing, namely the 42-MW Sibulan and 30-MW Tamugan hydro projects. We hope to break ground on the Sibulan project in the first half of 2007.

We will continue to vigorously bid for selected NAPOCOR assets and expand our generation business.



As you can see, what was once a steady, predictable and some may even describe "boring" industry is transforming itself into an

exciting one that is still evolving and as such, unpredictable and dangerous in many ways.

The Aboitiz Power group is determined to benefit from this evolution and turn these challenges into opportunities. Our formula of success will once again be tested: prudence, customer intimacy, being the low-cost producer, and hard work.

BANKING

UNIONBANK

Justo Ortiz

2006 represented a milestone in our goal to achieve our FOCUS 2010 goals. We acquired iBank, which increases our scale 50-60% and puts us back into the lending business just at the start of a new credit cycle. iBank also presents us with opportunities for learning their unique service culture and applying these to operationalize our "High Tech High Touch" strategy.



2007 will be a year of both financial and operational consolidation to create the platform for renewed growth in 2008. We hope to complete the integration of iBank, produce cost synergies, and improve revenue from increased product sales throughout our 190 branch network. We also will address the need to increase capital in preparation for BASEL 2 and to support asset growth. In our continuing effort to reduce non-earning assets, we shall work on SPV sales to complement our ongoing auction process.



City Savings Bank

Mikel Aboitiz

It was an eventful 12 months for City Savings Bank in 2006.

Our loan portfolio increased by over 90% while maintaining a non performing loan ratio of less than 5%. Our deposits grew by over 70% .

We continue to provide above average returns for our stockholders.

With the Central Bank's lifting of the moratorium on branch expansions, we converted all CSB Finance branches into City Savings Bank branches. In addition, we opened the new full branches: one in Cagayan and one in Roxas City.

We now have 11 full branches and 5



extension offices.

While all branches operated in high gear in 2006 showing dramatic improvements, one branch stood out as truly driven to lead, excel and serve. This was our Tacloban Branch. They raised the bar for themselves and for the rest of the bank for the coming years.

Our goal is to double our size and profits by 2009.

In 2007, we will continue with our growth story. We will expand in Mindanao and possibly enter into the untapped markets in the Luzon area. We will continue with our market-driven orientation but not sacrifice credit quality doing so.

With the help of our customers and team members and with a spirit of growth, we believe we will meet our financial goals .

Pag-gamay gamay lang ... pero asenso na kami.

TRANSPORT

Endika Aboitiz

A successfully integrated ATS Group that is now publicly listed welcomed the year 2006.

Aboitiz Jebson, our crewing and ship management business, has over the last year, grown its highly qualified seafarers to 6,752, servicing over 278 different types of ships. Technical management downtime is close to zero.

Jema, our international chartering business, did very well in 2004 when the market moved up against our fixed tonnage costs and lost part of that large profit in 2005 when the market shifted. It was off to a sluggish start in 2006 but the market ultimately firmed up with the indexes making a dramatic climb, moving forward by the second half of the year.

2GO Express continues to transform its business to enter the young local logistics business. It is now a technologically driven logistics player. During the year, it launched the 2nd phase of Tequila Transport Management System (TMS) to enable the company to fully maximize its resources. The Laguna Off-Dock Facility was opened in the 3rd Quarter of 2006 with the objective of further improving operational efficiency and reducing costs. It aims to keep building an above average organization that differentiates itself from the rest

2GO Logistics suffered the set back of losing major customers that transferred to China and to worldwide logistics players during the year, but those customers are slowly being replaced.

For most of the group, the year 2006 continued to be a challenging year. No company felt this more than ATS as its trials began two years back with the SuperFerry 14 incident. As a result of that incident, insurance and security costs and needs rose. In 2005, fuel began to rise putting strain on the company's financial resources. In 2006, it faced continued rise in fuel costs. To add to this, it faced competition from the Roll-on Roll-off Terminal System sector and the low-cost airlines.

2GO Freight faced competition from more

direct callers, over-the-road cargo providers, and low-cost carriers like trampers and barges. Customers too have become much more demanding.

To address these challenges, ATS continued its program of cutting down costs, increasing operating efficiencies, rationalizing cost structures and improving service deliveries.

For the passage business, this meant offering attractive rates and strengthening safety and security measures. Multiple initiatives were carried out to make every SuperFerry travel experience simple, enjoyable, and always an option.

2GO Freight offered simplified solutions to its customers by offering 136, a time-defined, time-priced cargo service; and RoRo, a self-driven cargo service given priority loading to ensure faster delivery lead-time. A marked shift in cargo mix from containerized to RoRo was recorded in 2006 only after a year that ATS offered it to the market.

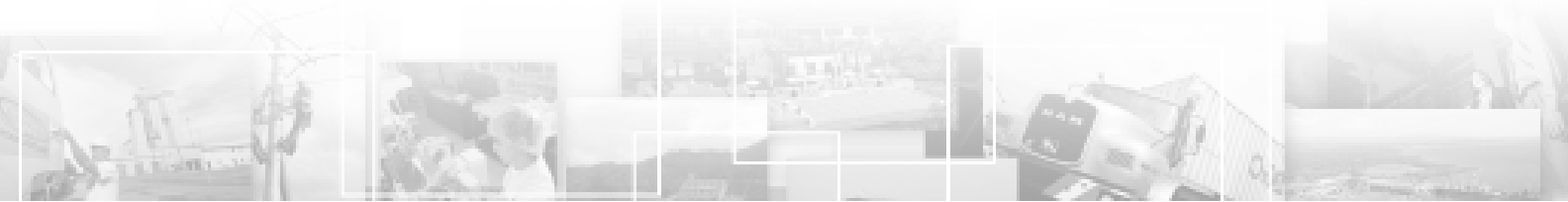
The company also sold 4 vessels: Our Lady




of Fatima, Our Lady of Guadalupe, SuperFerry 17 and SuperFerry 18, and sold its cargo handling operations in Davao (DIPPSCOR).

Moving forward, the direction is to recreate the freight business model, one that would focus on increasing freight capacity and RoRo movements. The entry of 2GO1 freighter in 2006 marked the start of an evolving structure. The company also intends to convert some passenger capacity in vessels to more RoRo capacity.

For 2007, the company will continue its thrust of improving service and increasing





efficiency. 2GO expects to launch a Supply Chain Division as part of providing customers a fully integrated supply chain management system.

Focus will be placed on liquidating debt, removing interest costs, increasing earning capacity of all assets and lowering our fuel to revenue ratios. All this with the ultimate aim of becoming the lowest cost operator in the country with a very strong balance sheet and being in a position to expand as economy improves.

FOOD

Antonio Moraza

YAHOOO!!! I see the light. For the first time since we have been asked to write this yearly comment, my outlook is positive.

Our country's fiscal management has taken a very serious turn for the better. Difficult decisions were made that brought us back from the brink and now we are on a positive course. All indications are that this will continue. Now the even more difficult task lies ahead -- increasing tax collection and the tax base itself as well as reducing inefficiencies in management of government and projects. Let's be watchful and do what



we can to keep this on course.

For the food group, we are going to focus on our branding efforts with the help of Futurebrand, as well as implement our version of Customer Relationship Management (CRM). We have cleared our dockets of all major initiatives to be able to focus on what we feel will be a major effort involving everyone. All our organizations have been doing branding and customer relations throughout our corporate existence. As a matter of fact based on surveys that have been conducted, we have actually done it quite well. Yet we see the need to take this a step forward by making the whole effort



DELIBERATE. We also feel that to put all systems and habits in place will probably take 2 or 3 years.

In terms of operating units, our flour divisions will pursue further expansion of its markets while continuing to have sufficient capacities to meet any market needs. We will focus on auxiliary investments that will further bring down costs and increased opportunities

On the feed side, we have reached capacity at our Tarlac facility and are now in the process of evaluating suppliers to put up another feedmill in Iligan. We hope this will be operational by the first quarter of 2008 and will put us in a good position to service the feed needs of our customers throughout the country. We are likewise going to expand our swine operations by about 40% to meet the very growing demand for pork. By and large, it's going to be a busy and exciting year.

CONSTRUCTION & SHIPBUILDING

Roberto Aboitiz

ACGI-METAPHIL

Metaphil had a banner year in terms of performance. While revenue was flat at one billion pesos, operating margins increased and we turned in record profits.

We continue to roll out our strategic plans and push our value proposition – quality, reliability and integrity.

Exports have grown to form over 40% of our business. We have sent high-level missions to the USA and Australia to network with our customers. This is a promising strategy and will grow in 2007.

We have established a new business center – design and detailing where we expect to produce engineering and shop drawings for the international market. This is headed by Mr. Didi Redoble. Our plan is to turn this into

a profit center into 2007 and beyond -- the "Bangalore of Mandaue".

We continue to build on our *kauban* spirit which is a powerful tool for unity and sense of contribution from everyone in the team.

2007 will see Metaphil reach new heights. We have been appointed as the project manager for Tsuneishi's phase 4 project, a very complex and

time/quality sensitive project involving four million cubic meters of fill, 200,000 cubic meters of concrete and 540,000 linear meters of sheet/concrete piles and to turn out a new graving dock. The investment will be over \$200 million and will be fully operational at the end of 2009. Mr Oniki-san, who is responsible for the success of this project, told Metaphil, "You are the MAN to carry this out."




And yes, sir, we are. Thank you.

The growth in the world economies has resulted in filling up the orders of all the fabricators and construction companies around the world. So now, capacity is a valuable asset. Being able to deliver critical components of factories and equipment needed around the world is a major concern. Metaphil will capitalize on this capacity shortage by choosing the right projects that command the right prices. In short, yield higher margins. So, we are looking at 2007 with keen interest knowing fully well that getting more orders means more risks. Our job is to manage these risks and produce the desired output for our customers. Metaphil is definitely ON A ROLL.

TSUNEISHI HEAVY INDUSTRIES

Highlights include the launching of the first car carrier ever built in the Philippines, with four more scheduled over the next two years.



We completed the phase 3 expansion which not only serves as a receiving area for imported materials but also increases fabrication capacity. While 2006 was all about dealing with the difficulties of the first build of the car carrier, as well as keeping to schedule on the



other bulk carriers, we still launched one ship every 42 days!

We survived the drastic increases in steel plate costs and have now an order booking for close to three years. All yards around the world are full and customers need to wait three to five years to get a place to build their ships. This has driven the prices up and we are hoping to make up our lost margins in 2006 and part of 2007 over the next five years.

We are operating well and have been receiving full cooperation from contractors, suppliers the local and the national government. We remain very proud of our achievements thus far.

Mr Makoto Kambara and the Tsuneishi board in Japan are in the process of formally approving the expansion into phase 4 which will involve the construction of another 72 hectares where a graving dock will be constructed; thus increasing the capacity of build, as well as the number of vessels per year. This project is scheduled to start January 2007 and to be completed by 2009. An investment of over \$200 million is expected to be made in this expansion and 3,500 new jobs will be generated.

Towards this end, Tsuneishi has built a school to train future shipbuilders and will be a continuing effort through the years.

Tsuneishi has also built a new office building in the CIPDI park to house TTSP, their design company which was previously located in the IT park in Lahug, Cebu City.

Tsuneishi has also built a hotel in the industrial park to be able to house their visitors.

From the above, you can see that an aggressive roll out program is well in place and we project a very good reputation for quality ships. Built in BALAMBAN, CEBU, PHILIPPINES! We are all very proud to be partners of the hardworking Tsuneishi management team. We congratulate them on their accomplishments and reiterate continued support from Aboitiz.

FBMA

FBMA has completed the delivery of two 'Slice' vessels – the first two to be built for commercial use in the world. The design came from Lockheed Martin of the USA, another first for Balamban as the shipbuilding capital of the Philippines!

These two vessels are now delivered to a Mexican customer and will be used to ferry personnel from land to the floating oil rigs in the Gulf of Mexico where seas are very rough and thus the need for these vessels that can travel smoothly even on two-meter sea waves and move people comfortably to and from work.

We are currently building a ropax vessel that should be delivered to the customer by end of February 2007.

We are in the process of closing out two contracts for a new building which will provide us work into 2008. We remain a low-cost quality yard, a goal we want to achieve and keep.

We have been victims of our own success as we lost a large portion of our skilled welders and supervisors to our competitors in Australia. This only proves that the Filipino worker is first class. We are happy to regenerate our human resources as we move to build a training program and invite new applicants. We are fortunate to have wonderful youth who are receptive and desirous of knowledge. Many view FBMA as the best school in the world. I feel that we are probably the only place where

one can get trained in aluminum TIG welding and get the experience of boat building. So again, FBMA's presence in Balamban, Cebu provides major job opportunities for world-class competence. Something we are happy to do.

The industry remains challenging and we are all working hard to turn in a profit. The team and the yard are there, ready to make

this leap forward. And our time is now! We are going to work hard to reach our goals and we believe we will earn them.

REAL ESTATE

Andoni Aboitiz

In 2006, AboitizLand experienced a dramatic change in the behaviour of its most challenging market which is the residential sector.

With the entry of new players, the rules of the game have changed and we found ourselves struggling to reinvent our approach to sales and marketing.

Thus, while we had a strong performance from our industrial land division we suffered a poor sales record.

However, the organization did progress tremendously in preparing itself for the future. I list four of the most significant efforts that will pay handsome rewards in the future;

1. Branding – We have retained Futurebrand of Singapore to guide us and we will have our brand emerge by second quarter 2007.
2. ISO – We have been recommended for certification by SGS and we should be receiving same by first quarter 2007.
3. IFCA – We shall be migrating into this real estate software by middle of 2007.
4. UX – This is our customer experience program which is now clearly recognized both by our team and *vecinos*.

So, as one can see we expended much energy and effort in laying the groundwork in 2006 for improvements to be realized in 2007 and beyond.



Yet, our company is a real estate company and all this would mean nothing without realizing a growth in sales. For 2007, we have targeted a very aggressive sales target as well as the launch of new and bold projects.

We shall place on the market by 2007 two new housing projects in both Kishanta and Pristina North.

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Power Corporation



AEV announces IPO of Aboitiz Power

The Board of Directors of Aboitiz Equity Ventures, Inc. (AEV) has been notified by its 100% owned subsidiary, Aboitiz Power Corporation (APC), that the APC Board of Directors in a meeting held on January 17 approved the initial public offering (IPO) of APC. The IPO will be subject to the approval of the Philippine Stock Exchange (PSE), Securities and Exchange Commission (SEC) and all other required regulatory authorities.

In a special board meeting, the AEV Board approved the IPO and PSE listing of the APC shares of stock. The Board also approved the consolidation of all of AEV's power assets consisting of shares of stock in Davao Light & Power Company, Visayan Electric Company, Hijos de F. Escano, Cotabato Light & Power Company, Subic EnerZone Corporation, San Fernando Electric Light and Power Company, Pampanga Energy Ventures, Aboitiz Energy Solutions, and their transfer to APC in exchange for APC shares. This will be subject to the approval of the PSE, SEC, the Bureau of Internal Revenue and all other required regulatory authorities.

AEV has pre-cleared the proposed

transaction with the PSE Board of Governors which has assured AEV that the PSE will not interpose any objections to the listing of APC shares on the basis of the chain listing rule.

The public offering is consistent with the spirit of the Electric Power Industry Reform Act (EPIRA) for broader public ownership of electricity distribution and generation assets. The offering will also enhance APC's position as a participant in the privatization of NAPOCOR assets as well as in the development and acquisition of additional power projects.

In connection with the proposed IPO of APC, the AEV Board approved the appointment of UBS as its financial advisor.

In the same meeting, the Board approved the declaration of cash dividends in the amount of twenty centavos per share to all stockholders of record as of the close of business hours on February 9, 2007, payable on February 23, 2007.

For subsequent years the Board also voted to adopt the policy of distributing at least one-third of its previous year's earnings as cash dividends to its stockholders.

APC increases capital stock

The Aboitiz Power Corporation (APC) Board of Directors and stockholders approved in a joint meeting the increase in the authorized capital stock of APC from P5 billion to P17 billion. Also approved in the said meeting is the issuance to AEV, out of the proposed increase in capital stock, of common shares in APC in exchange for the shares of stock held by AEV in Davao Light & Power Company, Visayan Electric Company, Hijos de F. Escano, Cotabato Light & Power Company, Subic EnerZone Corporation, San Fernando Electric Light and Power Company, Pampanga Energy Ventures, and Aboitiz Energy Solutions, Inc.

In a separate meeting, the AEV Board of Directors approved the assignment of all of its rights and interests in the shares of stock of the foregoing corporations in exchange for the issuance in its favor of common shares in APC. The said shares of stock will be transferred by AEV to APC at their historical acquisition costs in exchange for shares of APC valued at par.

The AEV Board also approved the calling of a special shareholders' meeting to explain the planned initial public offering of APC as well as to seek shareholders' ratification of the transfer of AEV's investments in power companies to APC. The special shareholders' meeting will be held on February 27, 2007 at 4 pm at the Aboitiz Corporate Center AVR in Cebu City. All shareholders of record as of January 31, 2007 will be entitled to notice and vote at the special meeting.

360-MW Magat hydro plant awarded to Aboitiz joint venture



The Magat facility will more than double the power generation capacity of Aboitiz Power's portfolio of generation assets.

The Power Sector Assets and Liabilities Management Corporation (PSALM) recently issued the notice of award for the 360-megawatt (MW) Magat Hydroelectric Power Plant to SN Aboitiz Power, Inc., a joint venture between Aboitiz Power Corporation (Aboitiz Power) and SN Power of Norway (SN Power).

Last December, SN Aboitiz Power submitted the highest bid of US\$530 million for the power generation facility located in Isabela province.

Under the asset purchase agreement for the Magat plant, the winning bidder is required to deliver at least 40% of the purchase price as upfront payment before the closing date, or 270 days from the issuance of the notice of award.

The facility is the second hydroelectric power asset to be acquired by the Aboitiz Group from the government. In early 2005, Hedcor, Inc., a wholly owned subsidiary of Aboitiz Power, took over the 3.5-MW Talomo hydro facility in Davao del Norte, the first generation asset privatized by the National Power Corporation.

The Magat facility will more than double the power generation capacity of Aboitiz Power's portfolio of generation assets. It already owns, through Hedcor, Inc., a total capacity of 112MW distributed over various plants in the

provinces of Benguet, Davao, and Ilocos Norte. In partnership with the Alcantara group, it also has interests in two diesel-fired plants in Mindanao with a total capacity of 150MW.

SN Power, Aboitiz Power's partner in the Magat project, is an investor and developer of hydropower projects in emerging markets, with existing capacity or under development

of 1,435 MW in Asia and Latin America.

Aboitiz Power looks forward to bidding for other power generation assets to be auctioned off by the government, including the Binga and Ambuklao facilities. It is also developing 72MW of new hydropower capacity in Davao to meet the growing demand for power in the area.



Aboitiz Power president Erramon Aboitiz and PSALM president Nieves Osorio shake hands during the recent awarding of the 360-megawatt Magat Hydroelectric Power Plant to SN Aboitiz Power. Looking on from left are PSALM team leader Luisito Samsin, PSALM Vice President Froilan Tampinco, SN Aboitiz Power president Luis Miguel Aboitiz, and PSALM Atty. Michael Bon Hosillos.

Hedcor's Davao, Cebu accounting offices go 'virtual'

By Israel Buenaobra

Hedcor, Inc. offices at Ladislawa, Davao and Cebu can now process payments for its local suppliers without the hassle of sending the payment requests to its Benguet office.

Through the joint efforts of Hedcor's Accounting and MIS departments, the Davao office can already do their own processing using the company's Great Plains 8 (GP8) software accessed in a Terminal Server located in Benguet.

GP8 is a business solutions software with a robust and integrated Enterprise Resource Planning application for financial, purchasing, and inventory business processes.

"Moving forward, we are confident that we can now punctually meet the requirements of our offices for payment requests," said Jun Nicanor, Hedcor Controller.

The connection was made possible via a secured Virtual Private Network (VPN) that uses a broadband connection between the Davao office and the head office in Beckel, La Trinidad.

The Hedcor terminal server acts like a central hub, allowing remote computers to connect and



Hedcor Accounting Supervisor Lidez Amistad (right) and computer programmer Raymond Eilinger supervise the first check being processed "virtually" by Davao accounting staff Gladys Pacpaco.

process transactions as if they were processing it locally at Beckel. A VPN, on the other hand, is a network that uses a public telecommunication infrastructure, and provides remote offices or individual users with secure access to their organization's network.

Nicanor explained that before, Hedcor maintained a manual processing system. Payment requests from Davao and Cebu were sent via courier to be processed and recorded in Hedcor's books in Benguet. The payments were then sent back either through courier or hand carried by travelling team members.

Telephone & GSM line extenders enable wireless communication

By Israel Buenaobra

Hedcor, Inc. is one of the first companies in the region to take advantage of the advancements in the telecommunications technology. Today, it is reaping the benefits.

Through five telephone line extenders installed in its generating facilities in Bineng, La Trinidad and Ampohaw, Sablan and three Global System for Mobile communication (GSM) line extenders in Bakun, Hedcor has enabled its plants to communicate wirelessly to the outside world via voice calls, data transfer and fax.

Utilizing the capabilities of transceiver technology and mobile communications, Hedcor management said the installation of the hardware has opened new possibilities in managing off-site power plants

"These plants can now be contacted directly by National Power Corporation in Diliman and our head office in Beckel, 24x7," said Dan Rey Faelnar, Hedcor IT/Communications and Purchasing Manager.

All 10 of Hedcor's owned plants in Benguet have no access roads, much less telephone lines. Previously, communications for both voice and data transfers were through base radios. Now, with the line extenders, Hedcor will push more on-line applications to substantially increase efficiency in operating remote hydropower plants.

"The phones at our plants will also advance our thrust in automation through our Supervisory Control and Data Acquisition (SCADA) systems. Aside from this we can now send and receive electronic mail and send relevant data by connecting to the internet," Faelnar explains.

The installation of the line and GSM extenders, which costs P570,000, was done in coordination with the Philippine Long Distance Telephone Company.

PLDT WeRoam installed in remote Hedcor substation

Hedcor recently improved its connectivity to the Internet through the installation of PLDT's WeRoam Broadband Service at its Aguyad Main Substation (AMS) in Asin, Tuba. The station is 11 kilometers from Baguio's central business district, and 18 kilometers from the company's head office in Beckel, La Trinidad.

With the new and faster connectivity, Hedcor IT Manager Dan Rey Faelnar explains that AMS can now access on-line applications and programs that can substantially increase efficiency of communications with their head office and monitor the performance of off-site generating facilities.

"This will allow us to promptly update our Hydro Plant Information System (HPIS) on-line and send generation forecasts to TRANSCO and the Wholesale Electricity Spot Market (WESM)," said Faelnar.

HPIS is a web-based database management system application designed by Hedcor to provide real-time hydropower plant profiles and operating parameters of its 18 mini hydros in Benguet and Davao.

Faelnar also said that at 128 kilobytes per second connectivity rate, the AMS can also experience faster retrieval of electronic mails and antivirus updates from the company's servers in Beckel.

"Overall, PLDT WeRoam has given us the opportunity to provide broadband voice and data communications to our remote plant sites and substations. Then eventually, with our SCADA and CMMS investments, we can optimize our operations through real-time plant monitoring and data management," Faelnar said.

PLDT WeRoam is a wireless broadband service that enables a computer to access e-mails, and connect to a local access network the Internet by tapping into the provider's extensive wireless network either via WiFi, 3G/HSDPA, or GPRS/EDGE.

Hedcor installed the WeRoam transceiver on a desktop computer making use of a PCMCIA adapter. A similar installation will also be done in Hedcor's Labay Main Substation in Bakun. (Israel Buenaobra)

Aboitiz Energy Solutions granted license as retail electricity supplier



Aboitiz Energy Solutions EVP & COO Benjamin Cariaso, Jr., (2nd from left) receives the RES license from ERC Chairman Rodolfo B. Albano, Jr. With them, from left, are ERC Commissioner Rauf A. Tan, AEW SVP Juan Antonio E. Bernad, ERC Commissioners Jose C. Reyes, Maria Teresa R. Castañeda and Alejandro Z. Barin. Awarding ceremonies were held recently at the ERC Board Room.

Aboitiz Energy Solutions, Inc. (AESI) has been granted a Retail Electricity Supplier (RES) license by the Energy Regulatory Commission (ERC). With ERC's issuance of the supplier's license, AESI is now allowed to market its retail electricity supply business and to secure supply contracts with the contestable market. The terms and conditions attached to the said license as well as the relevant rules and regulations promulgated by the Commission shall govern the company's activities.

"This new license will further expand the business of AESI from purely energy efficiency products to actual retail supply of power to our existing customers nationwide," said Benjamin Cariaso, Jr., AESI executive vice president and chief operating officer.

AESI, formerly Aboitiz PowerSolutions, Inc., is a wholly owned subsidiary of Aboitiz Equity Ventures. The company provides integrated customer solutions that reduce power costs, promote energy efficiency, and improve

electrical system performance of its industrial, commercial and electric utility customers. It also provides consultancy services, conducts engineering studies and designs, and manages power plants.

"The entry of new players foretell retail competition and open access." ERC Chairman Rodolfo B. Albano, Jr. said during awarding ceremonies held recently at the ERC Board Room.

Section 29 of the Electric Power Industry Reform Act (EPIRA) requires that all suppliers of electricity to the contestable market secure a license from the ERC. Section 31 states that the contestable market will be composed initially of all electricity end-users with a monthly average peak demand of at least one megawatt for the preceding 12 months prior to the implementation of open access.

"The dream to have a choice of supplier of electricity will soon be realized. Steps are being undertaken to pave the way for the realization of the ultimate goal of the EPIRA and that is customer choice. The benefits of quality service and value for money to be brought by competition will truly make the customer king," said Chairman Albano.

SEZ, AES engineers attend project management seminar

By John Ducos

Engineers of Subic EnerZone Corporation (SEZ) and Aboitiz Energy Solutions, Inc. (AESI) attended a Project Management Seminar held at the Golden Dragon Restaurant, Subic Bay Freeport Zone from November 6 to 10, 2006.

The five-day seminar, facilitated by Gilbert Morales, a renowned speaker in management training seminars, aimed to teach participants in developing effective network plans, proper ways of managing risk, reducing project time, and measuring and evaluating a project's progress.

Under the support and guidance of SEZ general manager Dante Pollescas and AES general manager Aaron Berin, eight SEZ engineers and 10 AES engineers attended the seminar. The SEZ participants were Richard Bulaon, Justin Jay Navarro, Isagani Madrid, Ryan Griva, John Louis Ducos, Eric Caseja, Frederick Coronel and Edgar Caluza. AES attendees were Engineers Oliver Laca, Jerome Maquiraya, John Quilatan, Lemuel Ladero, Rehnie Sicat, Ronald Petilo, Mario Gabunillas, Achimedes Flores, Timoteo Casquejo, and Richard Penero.

Also included in the seminar was a brief overview by SEZ project manager Danny Caro on the Microsoft Project Software, a very helpful tool in project monitoring.



AESI INKS MOA WITH SOCOTECO 2. Aboitiz Energy Solutions, Inc. (AESI) recently signed a memorandum of agreement with the South Cotabato 2 Electric Cooperative, Inc. (SOCOTECO 2). AESI will improve the power factor of SOCOTECO 2 that will result to higher power factor discounts from TransCo. It will also produce better voltage and reduce systems loss in the power distribution system. The MOA was signed by AESI Chief Operating Officer Benjie Cariaso (seated, 2nd from right) and SOCOTECO 2 Board President Marfen Tan (seated, far left). SOCOTECO 2 General Manager Engr. Rodolfo Ocat (seated 2nd from left) and AESI General Manager Engr. Aaron Berin (seated, far right) witnessed the signing. Standing behind them, from left, are AESI Senior Project Engr. Archie Flores, SOCOTECO 2 Technical Services Dept. Manager Engr. Cris Sotelo and AESI Project Engineer Richard Penero.

Cotabato Light keeps power transformers in A1 condition

By Gerard Castillon



Cotabato Light and Transpower System personnel work hand-in-hand in preventive maintenance servicing of Colight's power transformers.

To maintain its reputation for quality power and reliability, Cotabato Light always keeps its power transformers and substation in excellent condition. Recently, its three power transformers underwent a scheduled preventive maintenance servicing (PMS).

The company engaged the services of Transpower System, Inc. and worked together with the Electron Team headed by Engr. Epilinio Bonao, Colight Substation Supervisor. The project cost P 475,000.

Transpower System, Inc is the same

contractor who does the transformer oil testing or Dissolved Gas Analysis (DGA) on the three power transformers. According to Engr. Virmel Dabon, Engineering Group Manager, "The PMS also includes cleansing of our system lines from 'impurities', thus making our lines more efficient and reliable".

Based on the DGA, the one-month PMS involved the Hot-Oil Reclamation Processing (HORP) of the transformers in the 12MVA Sinsuat and 10MVA Salimbao Substations, as

well as the retro-filling of the 15MVA transformer in Salimbao Substation.

HORP is a process wherein water, acids, alcohols, dissolved gases, oxides, contaminants, and sludge are removed from the transformer oil and vital parts of the transformer. Retro-filling involves draining, disposing, and replacing of the transformer oil. Both processes have been proven to prolong the life of a transformer and improve its performance, hence ensuring continuous supply and quality power.



COMMUNICATING THE ABOITIZ BRAND, THE CLPC WAY. In order to have a strong brand, internal and external communication should be effective and consistent. Cotabato Light VP & Resident Manager Crisente M. Ferolino believes that "brand awareness and promotions must start internally first; employees should be aware and adopt the Aboitiz culture. This is the ideal first step of brand awareness communication. Team leaders and employees should be a strong believer and driver of the Aboitiz brand." He adds, "One great example of internal brand awareness and promotion is our newly painted multi- purpose basketball court. It has a refreshed look and is a good venue to play basketball and be reminded always of our passion for better ways and that we are driven to lead, driven to excel and driven to serve." The basketball is only the launching pad for the company's brand awareness efforts. The new logo is also slowly being placed in all our stationery, uniforms and vehicles." (Donjie G. Vertuoso)

UnionBank plans equity offering

UnionBank of the Philippines plans to issue around US\$100 million worth of equity shares within the first quarter of the year. It has engaged the services of Macquarie Securities to lead manage the offering. The details of the planned capital raising have yet to be finalized by UnionBank and Macquarie.

The share sale will further boost UnionBank's capital. The bank, now with a market capitalization of nearly US\$600 million, plans to use the proceeds to expand its existing business lines, increase lending and seize opportunities for growth, including possible acquisitions. Furthermore, the

liquidity of UnionBank shares traded in the market will improve.

UnionBank is now the seventh largest private domestic lender with assets of close to P150 billion and deposits of more than P100 billion. The bank's merger with International Exchange Bank in August 2006 produced synergy across businesses and created one of the industry's most balanced portfolios with almost one-third each allocated to loans, securities and interbank call loans. Their combined network of 191 branches is now the sixth largest among Philippine banks.

CSB Tacloban is 2006 Branch of the Year

By Maila Quijano



The Tacloban Team, headed by Branch Head Carlos Molo, with CSB President & CEO Mikel Aboitiz and SVP-COO Agnes Lacson

The City Savings Bank Tacloban Branch has been named Branch of the Year for 2006.

CSB President and CEO Mikel A. Aboitiz and SVP-COO Agnes A. Lacson presented the award during the Christmas party in Ormoc City for the bank's Region 8 branches.

The highest recognition for CSB branches, the annual award is for the branch that has truly excelled in all aspects of branch management such as its adherence to the Bank's vision, realization of its annual targets, reductions in past due, and increase in loan portfolios.

AEV raises P6.1 billion from treasury shares sale

Aboitiz Equity Ventures, Inc. (AEV) has successfully placed its entire treasury shareholdings representing 742,511,938 shares at a price of P8.20 per share. The transaction raised approximately P6.1 billion, equivalent to US\$124 million. The price represents a 5.7 percent discount from the share price close of P8.70 on January 26, 2007.

International investors took up 92 percent of the offering, while domestic investors took up 8 percent. The offering, which saw high quality demand from approximately 60 institutional investors in the US, Europe and Asia, will significantly increase the company's free float and further strengthen AEV's shareholder base.

UBS Investment Bank acted as sole book runner in the transaction while ATR Kim Eng was the domestic lead manager.

AEV will use the proceeds of the treasury shares sale for various greenfield power projects, as well as for its participation in the privatization of National Power Corporation's power plants as they become available.

CSB Tacloban's teamwork, coupled with their positive and winning attitude, was evident in the way they conducted the branch's day-to-day operations.

To the Tacloban branch, the award is a testimony to its turnaround success. Three years ago, conflicts, misunderstandings and low performance were strong concerns associated with the branch. Today, it is a model for other branches. The CSB Family lauds this team. May it continue to exhibit passion for better ways.

ATS sells two SuperFerry vessels, improves financial position

As part of its commitment to strengthen its financial position, Aboitiz Transport System Corporation (ATS) has confirmed the delivery of its vessel, SuperFerry 18, to Pacific Asia Shipping Co. Ltd., a Marshall Islands registered company.

The delivery of the vessel forms part of the memorandum of agreement ATS has entered into with the company in relation to the sale of its two vessels, SuperFerry 17 and SuperFerry 18, for a total sale price of US\$39 million.

The delivery of the other vessel, SuperFerry

17, is scheduled for the first quarter of 2007.

ATS stands to gain over P415 million on the sale of the vessels. The proceeds will primarily be used to liquidate up to 60% of its interest bearing debt. Its present positive cash flow position is expected to boost further from close to P200 million savings in interest expense brought about by the much-reduced debt.

To ensure ATS' commitment to service excellence and continuity of operations, it has brought back its SuperFerry 19 vessel that was chartered out earlier this year. The company is also expecting its other vessel, Our Lady of

Medjugorje, to resume its service operations as it completes drydocking.

ATS is also presently evaluating the need to further expand its freight business and other alternatives to better serve its customers and to maintain market share as the Philippines' leading shipping company.

The company continues to focus on enhancing shareholder value by achieving increased operating efficiencies throughout the organization. It remains committed in having positive cash flows and in strengthening its financial position.



SuperConnect makes Iloilo Panay gateway

SuperFerry launches its SuperConnect in Western Visayas linking Roxas, Kalibo, and Caticlan to Manila via Iloilo, through its partnership with Ceres Bus Line.

The SuperConnect option offers a unique mix of affordable rates and comfortable travel, while passing through Iloilo for business or personal concerns.

Trips from Roxas, Kalibo, and Caticlan to the SuperFerry port in Iloilo take 5, 6, and 8 hours, respectively.

SuperFerry takes care of the bus ticket, so the passenger just makes one payment, which lessens multiple booking procedure.

SuperFerry sails to Manila from Iloilo four times weekly. With its culture of service excellence, passengers can look forward to clean and well-kept accommodations and facilities.

On the other hand, Ceres is known for buses that provide maximum level of comfort and safe travel for its passengers.

SuperConnect tickets are issued by online outlets in Iloilo, Roxas, Kalibo, and Caticlan. For more information, call SuperFerry hotline (033) 336-2110 in Iloilo, (02) 528-7000 in Manila, or text SuperFerry SMS (0917) 889-2421.

ATS sells shares in DIPSSCOR

At the meeting of the Board of Directors of Aboitiz Transport System Corporation (ATSC) held December 29, 2006, the Board approved the sale to Abbotsford Holdings, Inc. of ATSC's entire shareholdings, approximately 90.7% of the outstanding capital stock of Davao Integrated Port and Stevedoring Services Corp. (DIPSSCOR).

DIPSSCOR is into container handling and arrastre services at the port of Davao.

On the same date, ATSC executed the corresponding Deed of Sale with the buyer. The consideration is pegged at P338 million.

ATSC expects to realize a net gain of about P290 million from this sale. The proceeds will enable ATS to further reduce interest-bearing debt and better position itself to expand its business as the Philippine economy takes off.

Metaphil unveils latest showcase of world-class Cebuano craftsmanship

By Zeny Novabos



Metaphil celebrated a milestone on January 24, 2007 when it delivered the fourth of five tailings deep bed thickeners to portside at the Cebu International Port.

Several members of the Aboitiz family, Cebu City Mayor Tomas Osmeña, Balamban Mayor Alex Binghay, the business sector represented by the chambers of commerce, and the Metaphil team witnessed the loadout ceremony for this latest showcase of world-

class Cebuano craftsmanship.

"It was a proud moment," beamed Metaphil chairman and CEO Roberto E. Aboitiz. "We are definitely out of Basubas Street!" Basubas Street, where the company headquarters is located, represents local thinking. The team has been continually challenged to project Metaphil as a global company. The loadout of the thickeners was the best opportunity.

"Metaphil can handle the size for global

operations while staying as a local Cebuano company," Aboitiz announced.

"Metaphil to the world," company president and COO Nap Pe declared.

Used for separating minerals like gold, nickel and copper from their host rock materials, each thickener weighs 243.4 tons, has a diameter of 20 meters and height of 23.2 meters. The thickeners were fabricated for six months and assembled in nine months.

Starting on January 18, they were transported on Aboitiz Projects hydraulic trailers from the assembly site to the portside. They were then lifted to M/V Happy Buccaneer, an international vessel sailing to Goro, New Caledonia, which is located to the east of Australia.

Designed by Outokumpu Pty. Ltd., a Metaphil client for nearly four years, the thickeners are owned by CVRD Inco Ltd. A Canadian company, Inco is the second largest nickel producer and the number one holder of nickel reserves in the world. Outokumpu is a worldwide technology leader in minerals and metals processing.

"The performance of everyone in the Metaphil team, as well as Aboitiz Projects, was impressive," said Inco modularization manager William Meyer. He was joined by Outokumpu project manager Barrie MacNaughton, who had chosen Metaphil to do the job.

Indeed, Metaphil has helped put the Philippines on the map as a world-class builder of industrial plants and equipment.

Metaphil builds wharf extension in Davao

Metaphil, a division of the Aboitiz Construction Group, has been awarded a P231-million wharf extension project by the Terminal Facilities and Services Corporation (TEFASCO) based in Davao City.

The project is a 17-meter by 147-meter extension of the existing wharf. Scope of work includes the wharf structure, site development and reclamation.

The wharf extension will augment the berthing facilities that will benefit

TEFASCO and in general, Davao in terms of an increase in ship and cargo traffic, both domestic and international.

The project will start in February and will be completed in January 2008. Metaphil's Leo Tamos will manage the project.

TEFASCO president and general manager Vicente Gotianse says, "We are counting on Metaphil's experience to successfully build our wharf extension."

"We are reliable and easy to deal with," assures

Metaphil chair and CEO Roberto Aboitiz.

TEFASCO, a privately-owned wharf, is a common-user port open to the general public for berthing of vessels and cargo stacking or storage. Presently, it has 400 meters berthing capacity for domestic and foreign vessels. The wharf is equipped with a ramp for barge landing to facilitate loading and unloading of heavy rolling cargoes or handling of bulk cargoes with the aid of payloaders and dump trucks. (Zeny Novabos)

Fe Capistrano is 2006 Pilmican of the Year

by Janice Ubaldo



Fe is known for her tenacity, perseverance, enthusiasm and stamina.

"Being awarded as Pilmican of the Year was a surprise to me. I felt so happy that my 18 years in Pilmico have been very fruitful and I've been recognized by the company." Thus said Ma. Fe Capistrano upon learning of her winning the award. The honor included a cash prize of P15,000, a plaque, and the prestige of joining an elite circle of winners.

Now on its 9th year, "Pilmican of the Year" is the most prestigious award in Pilmico. It lauds the exemplary behavior of team members for practising the World-Class Pilmican mindsets – analytical thinking, continuous improvement, customer-focus and teamwork. Previous years' awardees were Generoso Andrin, Efren Tare, Flor Salipsip, Rolando Pacquiao, Ched Saavedra, Cynthia Rena, Florencio Sebandal and Riel Griengo.

Pilmico President Antonio Moraza and VP – Operations Reano Gumalo both congratulated Fe, citing especially her two traits – tenacity and perseverance. Superiors and associates marvel at her enthusiasm and stamina.

Through her initiatives at promoting good relations with key government agencies and hiring high-caliber labor lawyers, Pilmico won and immediately resolved its labor cases. Initiating the use of trip tickets, she ensures that all trips are accounted and prioritized, leading to reduced trips and savings in time and fuel. All government permits were processed and renewed on time. Implementing such community relations (comrel) activities as the "anti-venom" medicine and other programs, she catapulted Pilmico to the Hall of Fame Award for



winning the Family Welfare Program twice in the regional level and the national level. And she selflessly supported HR, QA and Marketing in employee relations and bakery trainings.

Fondly called "Pia," she credits Antonio Moraza (ARM), Michael Tan (MLT), and Reano Gumalo (RCG) for exemplifying commitment and passion. "Before them, we weren't proactive then. ARM, MLT and RCG introduced big changes in the organization. This was when I realized I could be one instrument for fulfilling the challenges. I realigned my work ethic with the company's thrusts, strove to be an analytical thinker, worked for continuous improvement, and worked at being a team player and customer-focused. Because of my line of work, I get involved in programs which make me circulate and communicate with my fellow employees, some from the Aboitiz group, outside agencies, and our customers. This improved me not only professionally but also personally into a rounded individual."

Pia grew up in Cebu and finished her BS Nursing degree at the Chong Hua Hospital College. Fate brought her to Iligan City together with her husband, Allan, and children Marc Andrew and Marc Isagani. She joined Pilmico in 1988 as company nurse and admin assistant. Seeing her hard work and dedication, Management promoted her in 2001 as Admin Officer, to which she adds her Comrel in-charge tasks. On the personal side, Pia is also in her third-year law studies at Mindanao State University-IIT.

Fil-Am Foods' CRM team is on the go

By Polo Ablazo

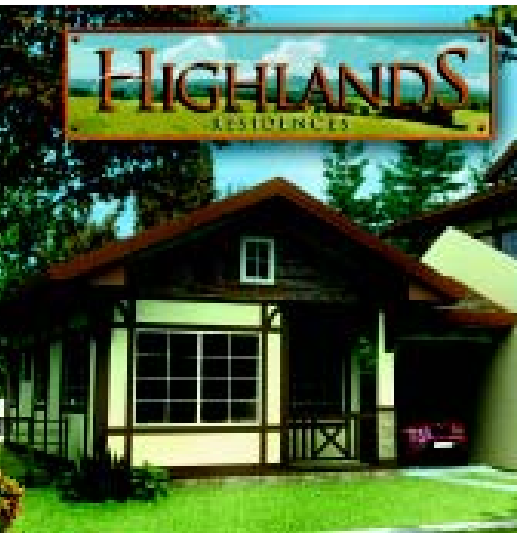
They say that a company will remain strong if the four posts that support it would continually be strong. These key factors are People, Process, Technology and Customer Relationship Management (CRM). During the last quarter of 2006, the CRM project uniquely called in the Aboitiz Food Group as the Triple C Program was launched with great enthusiasm. After almost a quarter, the Fil-Am Foods family has already embarked on various activities like product orientation, product orientation games, and other CRM campaigns held during Monday assemblies.

Moving forward, the CRM Team, which is composed of the Brand Task Team, is setting initiatives to make the program closer to the hearts of every team member. To do this, they have invited three more persons to join CRM campaign. By having coordinators for each major initiative, the tasks of making the program internalized by all team member becomes easier. The new core members of the team include Rolando Vidor (NSTO), Product Campaign Coordinator; and Julie Anne Domingo (Swine CSR), Customer Corner Coordinator

Fil-Am HR Officer Ms. Juvy Corsanes will coordinate customer campaign activities and Marketing Supervisor Polo Ablazo will handle the Roving Employee Program (REP) as well as internal campaigns.

By doing this, there would be a smoother CRM campaign across the FFI organization. It is also to ensure that the project continues to be practiced and observed within the company. Studies show that 73% of activities or programs are lost due to lack of organization. The CRM Team will do their best not to let this happen.

AboitizLand offers a garden village called Highlands Residences



Monterosa

Total floor area: 74.78 square meters



Bernina

Total floor area: 93.7 square meters



Chasseral

Total floor area: 116.2 square meters

AboitizLand is again providing products tailor-fit for a specific group of discriminating customers. Catering to the needs and preferences of those who are nature lovers, AboitizLand is offering the new Highlands Residences – a ready-made garden village complete with lot and home units, each fronted with a private garden to complement the lush hilly surrounds.

According to AboitizLand President and Chief Operating Officer Andoni Aboitiz, "It is our commitment to continue to innovate in order to attend to the specific and broadening needs of a more discriminating clientele. We saw that a particular group of customers want something more than just a roof over their heads and have detailed preferences that lean towards a lush environment teeming with flora and fauna while retaining all the components of an urban oasis. The Highlands Residences has this sort of lifestyle specifications; 'a garden village concept' that would meet their standards."

To achieve this garden village feel, AboitizLand increased the space for each

private garden. Houses are usually set back three meters off the road. But here, homes are set back four meters to accommodate the landscaped gardens.

The neighborhood has wide-open spaces of sprawling lawns and an abundance of trees with the Molave Tree Park, Linear Garden and Indigenous Tree Sanctuary, giving homeowners the feeling that the entire place is their garden. An amazing view of hills, sea and sky may be seen from the View Deck.

Highlands Residences is situated right within Molave Highlands, already a fully developed community in itself that carries a pollution-free environment and low-lying clouds in the hilly terrains of Liloan, Cebu located just 20 minutes away from Cebu City. Highlands Residences is actually a village within a village, offering added security to the neighborhood.

The homes have a themed architectural design and on offer are three picture-perfect Swiss-inspired model units – the Monterosa, Bernina and Chasseral. All three units have landscaped lawns, two bedrooms, a den, living

room, dining room, kitchen, porch and service sink. Monterosa is single-storey while Bernina and Chasseral are two-storey.

For its latest project, AboitizLand utilizes a design and construction breakthrough that offers homeowners absolute safety. Called shear wall technology, this construction innovation is applied in all home units at Highlands Residences.

The company adopts this technology designed by Life Shelter, Inc. of Australia. Called Form-A-Wall, this permanent formwork made of galvanized steel stud framing and fiber cement board serves as the finished wall surface. When filled with concrete, it forms a monolithic structural bearing wall and shear wall providing a strong, smooth, high-quality finish. Life shelter panels are three times stronger than the usual concrete hollow blocks.

Other amenities of Highland Residences include picnic grounds, the village swimming pool, Playcourt, and Jogging Paths and Trekking Trails run through the neighborhood.

FBMA holds brand cascade



FBMA had its Brand Cascade at the Binghay Marine Park, Balamban, Cebu last November 17 and 18, 2006. FBMA CEO Bobby Aboitiz formally opened the two-day activity.

Aboitiz AVP for Brand Management Carol Ballesteros and Brand Administrative Paula Ruelan conducted a series of interactive

sessions, with the assistance of FBMA AVP-HR Gie P. Onganon and the different facilitators coming from all company departments.

The Brand Cascade was an eye-opener of sorts for most of the FBMA team members as they learned for the first time at how big the

Aboitiz group of companies is. The feeling of pride and sense of belongingness radiated from everyone's faces as they enthusiastically participated in the question-and-answer and role-playing parts of the interactive activities.

Indeed, the Brand Cascade in FBMA was a huge success! (*Joji Enriquez*)

MOVEMENTS



Mervin Hermoso

CONGRATS!

Aboitiz & Company's **Mervin G. Hermoso** and **Annabel Gatdula-Nacua** are now Certified Internal Auditors (CIA) after passing the November 2006 certifying exam given by the Institute of Internal Auditors-USA. CIA is the global certification for excellence in the practice of internal auditing.



Annabel Gatdula-Nacua

Team Mergers

Effective January 1, 2007, the AEO Corporate Communications Team and the Brand Team became one team under **Carol Ballesteros**, AVP for Brand and Corporate Communications. The team consists of **Theresa Gonzales**, **Evelyn Paul**, **Yhol Colegado**, **Marites Balbuena** and its newest member, **Paula Ruelan**.

Corporate Planning and Corporate Finance has also been merged under **Stella Sucalit**, AVP for Corporate Finance. This team is composed of **Katrina Aliman**, **Ivy Uy** and **Douglas Subang**. **John Alvarado**, Corporate Planning Sr. Analyst, is now a member of this team.



Jojo Sitoy



Kenneth Lim

ICSD Team

Jose Grego "Jojo" Sitoy has been promoted to IT Security Manager and **Kenneth Lim**, promoted to IT AppDev Assistant Manager



Angelo Pañares

Angelo Manuel Pañares' position title has been changed from Graphic Artist/Web Developer to IT Process Analyst



Champ Yared

ACO-HRQ Team

Champ Yared has transferred to the ACO Makati Office for HR Liaison Operations, effective January 23, 2007. He takes with him his three years experience as Benefits Administration Specialist.



Maan Lingad

Champ's replacement is **Maan Lingad**, who joined the team effective January 23, 2007. She was formerly the Human Resource Officer of Nexus Business Solutions PLC in Pampanga, handling recruitment, statutory benefits and training administration.

AGFI presents interventions in education to DepEd

By Elena Carnacer

For 15 years now, the Aboitiz Group Foundation, Inc. (AGFI) has been a loyal partner of the Department of Education (DepEd). More than 50 % of its annual budget is earmarked for education, its primary thrust.

Last November 30, AGFI Board Chairman Jon Aboitiz presented to DepEd and the various heads of local government units (LGUs) the foundation's primary programs under education. Present were the DepEd Region VII Director Dr. Carolino Mordeno; division superintendents and representatives from Cebu Province, and the cities of Cebu, Mandaue, Lapu-Lapu and Talisay; principals of recipient public secondary schools; and 275 Aboitiz scholars.

Also present were Mandaue City Mayor Teddy Ouano, Cebu City Vice-Mayor Michael Rama, the Chairwoman of the Children of Cebu Foundation Inc. Margot Osmeña, AGFI board members Steve Paradies and Mikel Aboitiz.

The 275 scholars included those from the Science and Technology Education Center

(STEC), Banilad Center for Professional Development, and the Street Urban and Working Students (SUWS), and Street Education scholars in coordination with the Children of Cebu Foundation of Ms. Margot Osmeña.

AGFI's education program has three components: infrastructure, computerization and scholarship. For infrastructure, AGFI has constructed 121 classrooms nationwide.

The computerization component donates computers and refurbishes computer laboratories. To date, at least 500 computer units complete with Microsoft licenses and Lexmark printers have benefited various public secondary schools in Metro Cebu,



AGFI Chairman Jon Aboitiz hands over to Cebu City Assistant Schools Division Superintendent Woodrow Denuyo a certificate of donation while Cebu City First Lady Margot Osmeña and DepEd VII Regional Director Carolino Mordeno looks on.

Davao, Iligan, Cotabato, Benguet and Tarlac. This year, 50 more will be distributed among public high schools in the divisions of Consolacion, Cebu Province and the cities of Cebu, Mandaue and Talisay.

AGFI has refurbished 43 computer laboratories in the different public high schools in Cebu and Dumaguete City. Refurbishment involves repainting, installing lights or airconditioning units, or replacing jalousies with fixed glass windows.

Aboitiz Group donates to Sacred Heart School



In left photo, AEV Chairman and AGFI Trustee Roberto E. Aboitiz hands over to Sacred Heart School (SHS) Director Fr. Ernesto Javier the P15-M check donation to build covered courts for the school's new Canduman, Mandaue campus. With them from left are SHS High School Principal Fr. Eric Velandria, AboitizLand President Andoni Aboitiz and School Treasurer & Finance Committee Chairman of the Canduman campus, Fr. Julian Hernando. In right photo, UnionBank First Vice President for the Visayas Levi Villanueva turns over the bank's P5-M donation to Fr. Javier.



The Aboitiz Group of Companies and UnionBank of the Philippines, through the Aboitiz Group Foundation, Inc., (AGFI) have heeded the call of the Sacred Heart School in Cebu for assistance in constructing its new campus in Canduman, Mandaue City.

The Group has formally donated a total of

go to the construction of two libraries in the new campus.

In his speech during the turnover rites, AEV Chairman and AGFI trustee Roberto E. Aboitiz said that majority of Aboitiz family members are Jesuit-educated. "Now that the new campus in Canduman is calling for support, our

P20 million, P15 million from Aboitiz Equity Ventures, Inc. (AEV) and P5 million from UnionBank. A E V ' s donation will be used to build the school's covered courts, while UnionBank's donation will

family and business group are happy to respond and give back. We do so with the hope that the institution will continue to form men for others; in doing so, build a better world for more," Aboitiz explained.

In his response to Mr. Aboitiz, Sacred Heart School Director Fr. Ernesto Javier said that "Your gift is really an investment in the future of Cebu and other places where our future graduates will practice their professions. The new facilities in Canduman will help provide our region with high quality human resource we will need in an increasingly complex and competitive world. Hopefully, our other alumni groups will be encouraged to follow your example so that we can bring to a successful completion what is still a work in progress in Canduman."

Also present at the turnover rites held recently at the Aboitiz Corporate Center were AboitizLand President Andoni F. Aboitiz and UnionBank executives led by its First Vice President for the Visayas Levi Villanueva. (Elena Carnacer)

AGFI donates to Christian Light Foundation



From L - R: Roberto Aboitiz, Antonio Aboitiz, Sara Lee Tilka, Les Tilka, Bobby Booth and Sonny Carpio.

Since 2002, the Aboitiz Group Foundation, Inc. (AGFI) has partnered with the Christian Light Foundation (CLF) to distribute Christmas gift-filled shoe boxes to destitute children nationwide.

Recently, AGFI turned over a check donation to Les Tilka of CLF and also signed a Deed of Donation. Present were Board Trustees Roberto

Aboitiz and Jose Antonio Aboitiz, and Bobby Booth and Sara Lee Tilka. The donation helps defray the freight expenses for shipping the boxes all over the Philippines.

The joint effort is in line with "Operation Christmas Child," a unique program of Samaritan's Purse, which aims to bring joy and hope to children. By the end of 2006,

collected were about 7.5 million gift-filled shoeboxes that were to be shipped to children in over 100 countries worldwide.

In the past two years, these shoeboxes have also been given away to hundreds of children during the Aboitiz Annual Christmas Outreach Project.

Samaritan's Purse is a non-denominational evangelical Christian organization providing spiritual and physical aid to people in pain around the world. Since 1970, the organization has helped meet needs of victims of war, poverty, natural disasters, disease, and famine.

In the Philippines, the shoe boxes reach their intended recipients through CLF's assistance. The cooperation started about seven years ago with the CLF's request that Samaritan's Purse share the shoe boxes with the children of prisoners. Executive Director Les Tilka says the mission continues to this day, with CLF partnering with NGOs and other groups. *(Elena Carnacer)*

Pilmico gives Christmas gift to indigent families



Three hundred indigent families from Barangay Dalipuga in Iligan City received a bag of grocery items from Pilmico Foods Corporation and the Aboitiz Group Foundation, Inc. The gift giving was held at the Donald Moraza Park last December 23, 2006. Present at the activity were Iligan City Councilor Rudy Marzo, Dalipuga Brgy Capt., Pedrito Manos, Brgy. Dalipuga councilors and the Pilmico team. Brgy. Dalipuga officials thanked Pilmico and AGFI for their donations and for continuing to support their community. In photo, Pilmico Administrative Officer & ComRrel Chairperson Maria Fe Capistrano gives a grocery pack to an indigent resident. *(Lynda Fe Torayno)*

SuperFerry, SM Foundation hold medical mission for Davao porters



SuperFerry, in partnership with SM Foundation, recently held a medical mission for porters in Davao at the ATS Sta. Ana office.

About 300 SuperFerry porters, their dependents, and residents of nearby pier communities benefitted from the free medical consultation, medicines, and dental check-ups.

The Davao medical mission represented the final leg of four SuperFerry medical missions

in 2006, all of which were in partnership with the M Foundation. Previous missions were sent to Cagayan de Oro, Iloilo, and Cebu Cities, and have assisted over 500 people.

SuperFerry supports educational, health, environmental, and social awareness programs that benefit the communities in the ports where it operates. *(Kate Alconga)*

Davao Light completes 18th school building project

Davao Light has completed its 18th school building project at Don Francisco Dizon Elementary along Bacaca Road, Davao City in partnership with the Office of First District Congressman Prospero Nograles. The new four-classroom, one-storey structure was blessed and turned over to the Department of Education (DepEd) last December 27 by Davao Light Executive Vice President Manuel M. Orig, Congressman Nograles, and his chief-of-staff Karlo B. Nograles.

On hand to personally accept the new education facility were regional and city DepEd officials led by Dr. Damar P. Kadon, Region XI director, and Dr. Gloria P. Labor, City Division Superintendent. The two officials, in turn,

handed over the building to school principal Evelyn de los Reyes.

DLPC's Technical Services Department (TSD) engineers supervised the project, which was completed in only 32 working days costing a little over P1.6 million. The company also set aside a separate budget for the purchase of armchairs and teachers' tables. These were already provided in time for the turnover.



DLPC EVP Manuel M. Orig (left at center) and Davao City Congressman Prospero C. Nograles unveil the marker of a four-classroom school building donated to the F. Dizon Elementary School. With them are DepEd regional and division officials, as well as barangay leaders.

Hedcor and AGFI refurbish Bakun school buildings



REPAIRED AND DELIVERED. Hedcor's Glenn Falcasantos and Romeo Catingub turn over a newly refurbished three-room school building and clinic to the Bakun Central School.

Hedcor and the Aboitiz Group Foundation, Inc. (AGFI) recently refurbished and turned over a three-room school building and a school clinic to Bakun Central School (BCS) after a month rehabilitation work on the said facilities.

The three-room school building is made up of two elementary classrooms and the school library. The repairs would stand to benefit 230 elementary students of BCS.

Hedcor Bakun Grid Manager Glenn Falcasantos, Administrative Liaison Officer Romeo Catingub, personally turned over the

newly repaired infrastructures to BCS Head Teacher Cesar Bulay at Poblacion, Bakun, Benguet.

"We would like to express our deepest gratitude to Hedcor and AGFI for repairing our classrooms and clinic. Now, our students have better classrooms and a library that are more conducive to learning, and a clinic with better lighting and ventilation," Mr. Bulay said.

Said Hedcor's Falcasantos. "We're just glad we can be of assistance to our community." (Israel Buenaobra)

Pilmico-AGFI grants e-library package to Iligan High School

Pilmico Foods Corporation and the Aboitiz Group Foundation recently granted an e-library project to Iligan City East High School (ICHES).

The turnover ceremony was witnessed by Congressman Representative Atty. Nikki Bacareza, City Mayor Representative Rolly Cuizon, DepEd Superintendent Dr. Lourdes Tolod, ICHES's principal, teachers and students, and the Pilmico Foods team led by VP for Operations Reano Gumalo.

The donated e-library package contains five sets of computers with colored printers, two air conditioners, a colored TV with DVD player, 73 educational VCDs, 50 Monobloc chairs and one white board. (Lynda Fe Torayno)



Pilmico Vice President for Operations Reano Gumalo hands over the e-Library donation to ICEHS Principal Juliana Baroro and DepEd Superintendent Dr. Lourdes Tolod.



DLPC COMPUTER DONATION TO ISLAMIC LIBRARY. Davao Light and Power Company (DLPC) recently donated a brand new computer unit, complete with peripherals and accessories, for the first-ever public Islamic library in Davao City. The turnover was done last January 12 inside the library located inside the mosque compound. The library is a project initiated by Region XI Department of Education (DepEd) director Dr. Damar P. Kadon. DLPC also donated study tables and chairs to the same library in 2005. In photo, DLPC ComRel Officer Vic N. Sumalinog hands over to DepEd Director Damar P. Kadon a computer printer as part of the company's computer set donation to the Islamic Library.

AGFI-Abojeb marine engineering scholars get bonus

By Fritz Lim

The AGFI-Abojeb Marine Engineering (MarE) scholars received a surprise Christmas bonus from Aboitiz Jebsen, through Vice-President for Crewing Arleen V. Asuncion, who turned over 10 copies each of English and Physics books, including a laboratory manual. The scholars could not afford to buy these required books themselves because of financial constraints.

The book donations are management's manifestation of commitment to help the scholars excel in their studies.

These MarE scholars were selected from a pool of high school graduates with very good academic standing and coming from



Aboitiz Jebsen Vice-President for Crewing and Recruitment & Business Development Manager Fritz Lim (1st row, far right) , with the marine engineering scholars during the turnover of book donations.

poor families in Cebu and neighboring provinces. In fact, some are from Leyte and Negros and are graduates of the Sisters of Mary School Boystown in Minglanilla, Cebu, a donation-funded school for students from poor families in

the remote areas of Cebu and other parts of the Visayas.

To highlight the scholars' achievement so far, their general grade average in the first semester of SY2006-2007 ranged from 1.35 to 1.60 for 24 units of subjects. If they maintain these averages, they are likely to graduate as honor students in two years time.

Upon receiving the books, the scholars were all smiles and very thankful of management's bonus to them. "Thank you to the Abojeb Management, most especially to Ms. Arleen Asuncion for the book donation," the scholars said.

Francis Eric Borces

1st AGFI-AJMAN nursing immigrant scholar

By Jennifer Tancinco



In 2004, Aboitiz Jebsen Manpower Solutions, Inc. (AJMAN), together with the Aboitiz Group Foundation, Inc. (AGFI), launched its nursing scholarship program in the Visayas because of the excellent quality of nursing institutions in the region.

Francis Eric Borces is one of the deserving scholars of the first batch of AGFI-AJMAN scholars. At the age of 21, he graduated at the top of his class of 164 students and was also awarded best in Nursing Theories. He passed the local nursing board exam in June 2004 and gained his hospital experience at

the Perpetual Succour Hospital as an ER nurse as well as a Code nurse. While working in a busy, fast-paced, sleep-deprived environment, he was able to study for and pass the CGFNS exam in March 2005. CGFNS, or Commission on Graduates of Foreign Nursing Schools, is one of the mandatory US examinations required for licensing nurses and foreign-educated nurses.

Francis was recommended to AJMAN's US-based partner, International Medlink, Inc. (IML), which has hospital clients namely Advocate Christ Medical Center, Mary Crowley Medical Center and HealthOne Staffing. Offered an employment contract in July 2005, Francis prepared for the remaining US-required examinations. IML was confident in his capability and sponsored his IELTS exam in November 2005 as well as his NCLEX exam in Hong Kong in March 2006. He passed both exams with flying colors.

With his perseverance, Francis has now completed all the required documentations in becoming the first

AGFI-AJMAN nursing immigrant scholar. He is now waiting for his scheduled interview with the US Embassy in Manila.

Francis Eric Borces, model scholar and the pride of AJMAN!

Pilmico-AGFI scholars pass board exams

In April 2006, Pilmico Foods Corporation and the Aboitiz Group Foundation, Inc. sent their five scholarship graduates to review centers to prepare for their licensure examinations. After months of reviewing, they have passed their respective board exams. New certified public accountants are Rosielyn Suyat, Noreen Suerte and Sherry Gil Polido. Charryl Mercado is now a chemist, and Dexter Benitez, a mechanical engineer.

RAFI and UP hold academic mentoring program

By Carissa Baquiran



A high school student of UP Cebu College mentors the Grade 6 pupils of Hipodromo Elementary School in mathematics. Thirty-two volunteer high school students hold tutorial classes to 100 selected grade 6 pupils every Saturday at 8–11 a.m.

The Ramon Aboitiz Foundation Inc. (RAFI) and the University of the Philippines Cebu College–High School Department are conducting a mentoring program in mathematics to selected Grade 6 pupils of Hipodromo Elementary School.

The Academic Mentoring Program (AMP) is an education intervention utilizing a pool of volunteers, composed of selected UP high school students, who hold tutorial classes to 100 Grade 6 pupils every Saturday from 8:00–11:00 a.m.

Launched last November 25 at RAFI, AMP aims

to complement and provide alternative learning environment through the mentoring/tutorial sessions, improve the learning skills of the identified pupils, and to harness the spirit of volunteerism among people and provide them with opportunities to serve others.

UP High School provided the pool of volunteer-tutors composed of 32 high school students who rendered their services to the program that runs from December 2 until February 2007. AMP is one of the education projects of RAFI, the project proponent and overall program manager.



YOUNG MINDS. After a screening and deliberation process, 80 youth have been accepted as scholars to the Young Minds Academy, a youth citizenship program of the Ramon Aboitiz Foundation, Inc. (RAFI). Through the program that runs from December 2006 until July 2007, the scholars will be given training on leadership, project proposal development and implementation, research, and public speaking, among others.



WATER SYSTEM. The completion of the 42-cubic-meter-capacity Molobolo Water System in January 2007, will bring water to around 1,017 households in three barangays in Tuburan, Cebu. The project is being implemented by the Ramon Aboitiz Foundation Inc. (RAFI), with the Tuburan LGU, Brgy. Mangga, Molobolo Rural Welfare and Service Association (MORWASA), and Peace and Equity Foundation (PEF) as sources of funds.



The staff of Kool Adventure Camp (KAC), the adventure-based training program of the Ramon Aboitiz Foundation Inc. (RAFI), underwent the Ropes Course Management and Safety; and the Wilderness Medical First Responder Proficiency Courses at the Outward Bound School in Singapore last November 2006. KAC offers training programs for youth and corporate groups. For inquiries, call (032) 414-9087.

2006 Don Ramon Aboitiz Awards of Excellence Two join the elite

(The Don Ramon Aboitiz Awards of Excellence is the highest and most prestigious recognition given to deserving team members and team leaders of the Aboitiz Group for their significant achievements and contributions to their respective companies, regardless of department, title or position. They are recognized for consistently achieving extraordinary results and fostering a tradition of passion, integrity, innovation and professionalism. The awardees receive a trophy and 10,000 shares of AEV shares. The awardees for 2006 are Napoleon Pe, Metaphil President & Chief Operating Officer, and Michael L. Tan, Pilmico Foods Chief Operating Officer. They bring to 17 the total number of awardees since 1998.)



Roberto Aboitiz presents the DRAAE trophy to Nap Pe.

Napoleon R. Pe By Zeny N. Novabos

I have known Nap for ten years now and, despite the change in responsibilities, he is still the same – serious and quiet but funny, simple and dedicated.

He is a mechanical engineer by profession and a graduate of the Cebu Institute of Technology. He completed his Masters in Business Administration at the University of the Philippines and then took a Management Development Program at the Asian Institute of Management. He started in 1973 as a project engineer in Hi-Speed Engineering Works, which was later renamed to Metaphil, Inc.

He left Hi-Speed in 1978 and joined Atlas Consolidated Mining and Development Corporation (ACMDC) in the heavy equipment division, mine underground maintenance division and transport division. He became the project manager of Hongkong's Airport Project and later was directly hired by Yamazaki Construction Company, Ltd. as project engineer.

Nap is essentially a family man and it is for this reason that he made a comeback in 1996. He wanted to make sure that his youngest daughter would grow up with him around.

Sacrificing the dollars, he returned to Metaphil as project manager based in Balamban. Seeing Nap's leadership, management moved him in 1998 to the main office as operations manager and to concurrently lead the Improved Productivity and Control (IMPAC) () Program.

In just five years, Nap moved up the ladder from manager to assistant vice-president, then went on to become vice-president and, in 2003, was promoted to president and chief operating officer.

He is definitely happier working back home with his wife Didith, children Nadith, Andro, Louie and Loures, and granddaughter Nadine Isabel around him.

We, in the construction group, believe that Nap will continue to inspire team members and leaders of the Aboitiz Group.

Below are excerpts taken from the introduction of Nap Pe as DRAEE awardee. It is tradition during the DRAEE awards night that the winner's name is not revealed until the end of the introduction.

"He has been instrumental in the advancement of Metaphil into the promising and exciting company that is it today, breaking one record after another.

He is the epitome of leadership by example, given his gentle yet resolute manner. He is greatly admired by team members and team leaders alike and has won their unyielding support. People believe that his success lies in his passion; the passion to provide value for all customers, coupled with the strong commitment to develop the people behind Metaphil.

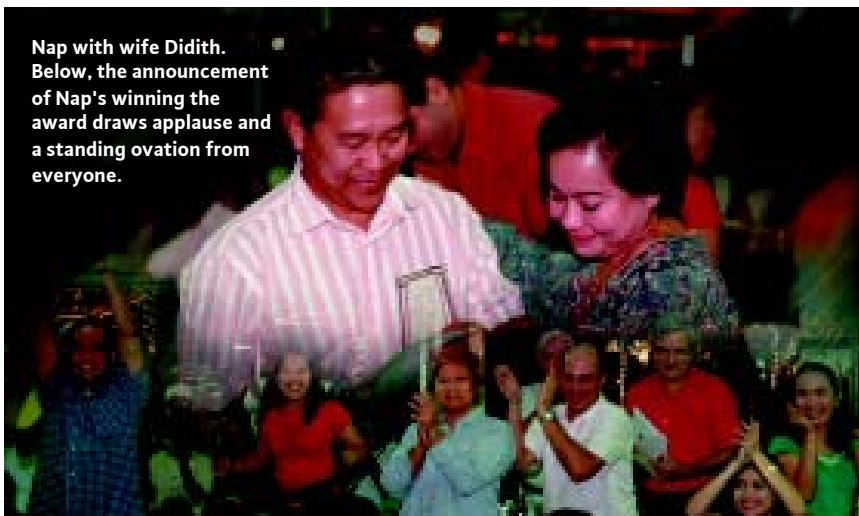
This winning formula brought about higher sales volume, cost-effective solutions and greater productivity, thus elevating the company to a position of unprecedented growth and expansion.

As a leader and colleague, he is known to be down-to-earth, and never hesitates to go out of his way to ensure that a job is done well. He has a solid work ethic that is so strong and evident that it becomes contagious. He is a stickler for quality, yet is also open-minded, approachable, and able to inspire the team to reach greater heights. These are but some of the essential ingredients that make him a genuine leader.

Like Don Ramon, he is also known for his unquestionable integrity and honesty, as well as doing any job with passion, never faltering despite any difficulties or challenges. He never tires of looking for ways to improve quality and operations, reduce costs and increase company revenues – true to Metaphil's thrust of becoming known internationally for quality, reliability and integrity.

He strives for excellence in everything he does and never compromises standards in terms of delivering quality."

Nap with wife Didith. Below, the announcement of Nap's winning the award draws applause and a standing ovation from everyone.



iz Awards of Excellence circle of awardees

Michael L. Tan

By Farah Curaza



Jon Ramon Aboitiz congratulates Mike L. Tan.

Even at a young age, Michael "MLT" L. Tan already knew he wanted to be successful someday. "I dreamed that I would be the CEO or president of a company." While in high school, he had a relative who worked as an engineer in a prestigious firm abroad. That inspired him to take up Industrial Engineering at the De La Salle University in Manila. Then he said, "everything just followed".

A few years later, he pursued his Master of Science in Industrial and Management Engineering at the Montana State University, USA. He then went on to earn his MBA degree at the University of the Philippines in Diliman.

MLT joined Pilmico in 1996 as vice president for operations based in Iligan, and in 2000, was transferred to Cebu as vice president for sales and marketing. He was later promoted to senior vice president for sales, marketing and operations. Just recently, MLT was promoted to chief operating officer.

To date, his proudest accomplishment is having stayed with the company for a decade now and influencing people to become better workers or employees.

"I'm contented with the job responsibilities given to me. Management knows how to reward employees when they do a good job," MLT reveals.

"Do the right thing always," is his

management philosophy. "I try to make it a point that when I decide, it's for the good of everyone."

He defines success as "achieving what you dream of. Past success is not important to me what's important is what I can achieve in the future."

How does he see the Food Group in five years? "I hope to see the company grow even bigger, with 'double the volume and revenue'. New facilities will be installed. Perhaps we will diversify to other food businesses."

MLT's job entails a lot of traveling but he makes it a point to spend his weekends with the family. "I love to bring my family to try out new eating places. My wife has accepted the nature of my job. I also explain to my kids why I have to travel and I think they understand."

He likes to watch TV, and among his favorite shows is "Wish Ko Lang" (a GMA-7 reality program that makes wishes of ordinary people come true). He is inspired by Good Samaritans so he likes watching the show because "I like to see people helping the less fortunate".

His role models are his parents, admiring them for having imparted good values to him and his sisters.

"Always aim higher. " is what passion for better ways means to MLT. "I don't compete with contemporaries. I try to be better than my previous self, every day or every year."

Below are excerpts taken from the introduction of MLT as DRAEE awardee:

"He is instrumental in making the Food Group what it is today.

He is admired by team members for his sharp business acumen and his firm yet fair and decisive leadership. People sincerely believe that his success is based on a highly potent formula – hard work, dedication, humility and a passion to excel. This formula has resulted in higher sales volume and better cost efficiency, thus propelling the company towards a steady path of continuous growth.

As a leader and colleague, he is known to be down-to-earth, and never hesitates to go out of his way to ensure that a job is well done. He has a solid work ethic that is not only evident but also contagious. He knows how to inspire his team and has all the essential ingredients that make up a genuine leader.

He establishes good relationships and has earned the great respect from all major customers and suppliers of Pilmico.

He is known for his persistence, as well as doing any job with passion, never faltering despite difficulties or challenges. He never tires of looking for ways to improve quality and operations, reduce costs and increase company revenues—true to the Food Group's mantra of being a low-cost producer of world-class quality.

In addition, he was quite instrumental towards the success of the company, from making high value deals based simply on the "palabra de honor" system so valued by Don Ramon himself, to standardizing various systems and processes that increased production in the plant and professionalized the sales team.

His passion for better ways is, to say the least, infectious. Our awardee strives for excellence in everything that he does, and is considered to be a role model for many team members in Pilmico. Greatly admired by all, he "walks the talk" and is known to be the personification of the Pilmican mindset "ACOCUTE"—Analytical Thinking, Continuous Improvement, Customer Focus and Teamwork."



Fellow team members flock around MLT when he is announced as DRAEE winner.

ACO Cebu celebrates a '70s

By Queenie Ribagorda

It was a '70s Retro Christmas Party for ACO Cebu held at the Casino Espanol de Cebu last December 8, with an invitation to all to 'Do the Christmas Hustle!'

Aboitiz dudes and dudettes came in their most colorful and stylish outfits (and hairdos) reminiscent of the '70s, swaying and swinging to the dance hits of that era. The party opened with a retro dance showdown where the "shaggy-delic" moves of Danny Naga and Marichu Phua earned them the top prize while the Jovy Tan-Yhol Colegado and Esmeralda Dano-Sol Almario tandems were awarded 1st and 2nd runners-up, respectively.

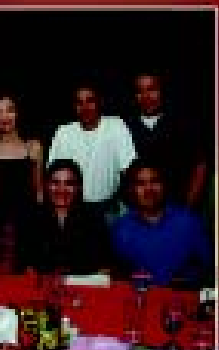
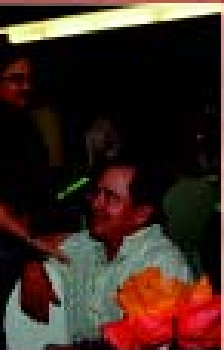
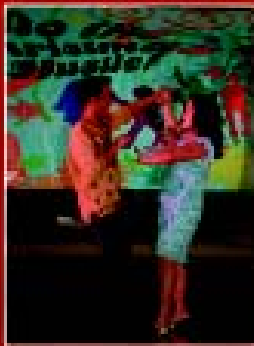
A major highlight of the celebration was the special tribute for three retirees who have dedicated 30 years of service to Aboitiz. They are Power Group's Eliza Dagdag and Marietta Villacarlos, and AdminServe's Anita del Corro. They were each presented by their team leaders with a plaque of recognition and a framed photo portrait with best wishes written on it by fellow team members. The three ladies were then serenaded with "Yesterday Once More".

Another part of the program was the announcement of winners of the Fun Awards. Team members had cast their votes in four categories through email in the two-week period prior to the party. Dary Aran won Talent Discovery of the Year; Love Team of the Year went to Jeff Garban and Angelo Panares; Ms. Personality was Esmeralda Daño; and Famous One-Liner went to Anita DelCorro's "For a moment!" For wearing the best '70s outfits, Tim Abay was named "Stone Fox" and Carol Ballesteros, "Foxy Momma" of the night.

The Secret Santa revelation capped the celebration. Everybody had smiles on their faces as they came face to face with their secret Santa while also revealing themselves to their secret "baby".



0s Retro Christmas



Retirees



Anita del Corro with Txabi Aboitiz



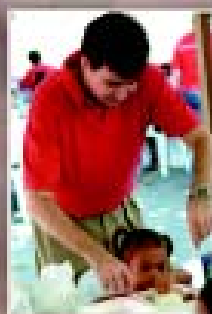
Liza Dagdag with Cholo Bernad and Alvin Arco



Marietta Villacarlos with Cholo Bernad and Alvin Arco



The retirees with the Accounting team



2006 Christmas Aboitiz playland

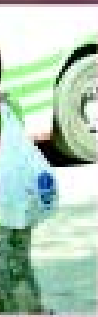
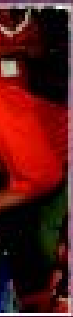
By Riella Mae Baguio

The ACO Corporate Center grounds became one big kiddie playland during the 2006 Christmas Outreach Project held last December 2.

When busloads of over 400 children from Mambaling, Cebu arrived in ACO, their big brothers and sisters from ACO, AEV, AGFI, the Power Group, Pilmico, Metaphil, including Aboitiz executives, were waiting to guide them through an activity-filled and fun Christmas adventure. The Aboitiz 1st Young Leaders Business Summit delegates also volunteered to join the event. The kids of Aboitiz executives helped out too.

Grouped into batches of 80, wearing color-coded nametags, the kids' itinerary for the day was a trip to five stations offering different activities and experiences:

At the Storytelling Station, they listened to Nancy Lim and Jovy Tan read a story that came complete with colorful visuals flashed on screen. Before they left this station, an Aboitiz backpack



Outreach Project brings joy to kids

containing school supplies and t-shirts were distributed to them.

Next stop was the Art Station, where they created personalized Christmas cards for their parents and loved ones. As they stepped out, vitamins and medicine packs were added to their giveaways bag. At the 3rd station, "Santa Clause" was waiting to distribute more gifts (Samaritan's Purse shoebox and toys) and posed with the kids for photographs.

It was playtime at Station 4 where the kids played a variety of games and won prizes. They left the game station carrying a candy loot bag. At the Snack Station, they could have ice cream, cotton candy and popcorn.

The activity ended with a lunch treat and the distribution of grocery bags for the kids to bring home to their family.

Although the Big Brothers and Sisters were exhausted after the last child had boarded the bus, they still had big smiles and warm hearts, knowing they had brought joy to the kids that day. More importantly, they truly felt the true essence of Christmas.



ACO Makati goes Western

By Uny Calma

A Christmas in Wild Wild West was how ACO-Makati team members and team leaders celebrated their highly anticipated Christmas party held December 7, 2006 at Merk's Bar and Bistro in Greenbelt 3, Makati.

The venue was filled to the brim with cowboys and cowgirls sporting colorful bandanas, checkered shirts and cool cowboy hats. The program's opening number had new team members dressed in bright belly-baring outfits dishing out western dance moves. Another batch of talented team members serenaded the audience with their own version of "Wind of Change".

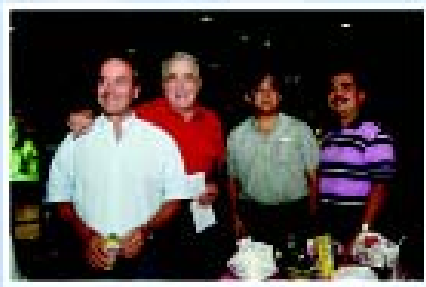
President and CEO Jon Ramon Aboitiz's speech on the company's performance inspired and made everyone proud of their hard work and dedication all year round. Indeed, we look forward to a promising new year.

More surprises awaited everyone as games were played amid much laughter. Gabby Mañalac led the barn dance, luring almost all team members and guests to the dance floor. Raffle prizes had winners taking home lots of goodies.

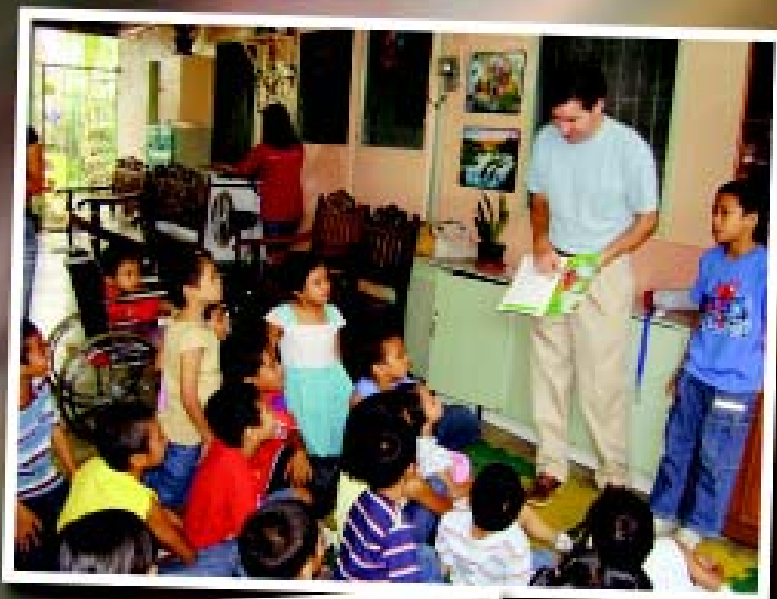
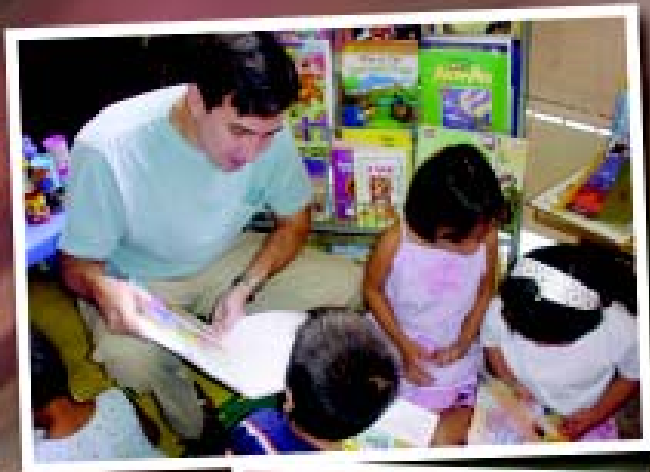
Another party highlight was the Secret Santa revelation wherein there was a lot of hugging and kissing.

As soon as the band started playing cool tunes, everyone trooped to the dance floor, putting John Travolta to shame as they grooved and danced all throughout the evening.

It truly was a night of superb music and food, great camaraderie and light-hearted fun!



ACO-Makati reaches out to Virланie Foundation



By Uny Calma

Christmas came early for the kids of Virланie Foundation as ACO Makati team members and team led by First Vice President Miguel Aboitiz went to visit the foundation's headquarters in Chino Rocas Ave., Makati City last December 9, 2006.

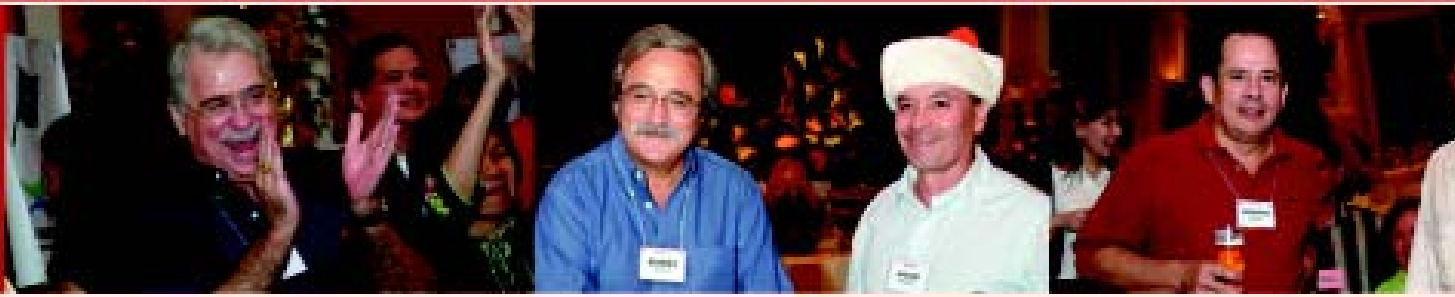
It was a day full of surprises not only for the kids but more so for those who participated in the worthy cause initiated by the Aboitiz Group Foundation, Inc. The children's smiles were more than enough to give the Aboitiz team a sense of fulfillment, happy for having spent the day with the kids.

"The anticipation on their faces was really heart-wrenching. It makes you want to reach out to them," said Eva Baltazar of AEV-TSG.

The Aboitiz team came laden with colorful storybooks gathered during a two-week book drive where everyone made invaluable contributions. They sat down and took time to read with the kids, making the activity enjoyable and meaningful. They hoped the activity would inspire the kids to read more and to improve their reading skills.

Team members and team leaders left Virланie with very satisfied smiles on their lips. After all, it was a Saturday well spent and to quote Mr. Bobby Aboitiz, "a lot of brownie points in heaven earned".

Aboitiz Christmas Party with Media



By Ganzo Sederiosa

The 206 Aboitiz Group Annual Christmas Party for Cebu media turned out to be the most fun party of the season, both for media guests and for Aboitiz executives. Held on December 1, 2006 at the Marco Polo Plaza Grand Ballroom, the theme for the night was "Celebrating our Childhood Christmas".

The event turned out to be a thoroughly enjoyable trip down memory lane when media, both young and old, played games of their childhood past, reliving their excitement with shrieks, shouts and laughter. They must have truly enjoyed themselves because the party became the talk of the town and the most-written-about Christmas bash last December.

Here are excerpts from some media columns and articles:

Antonio Francisco Java (*Cebu Daily News*, December 3): "If there was anything more fun than joining the games, it was seeing fully-grown men and women play around in the sand, skipping rope, kicking *takyans*, hoola-hooping or trying to pass human blockades in a game of *tubig-tubig*."

Nelia Neri (*SunStar Daily*, December 11): "...the get-together turned out to be a trip down memory lane when playing meant having playmates and not sitting in front of the computer screen for computer games."

Sam Costanilla (*SunStar Daily*, December 11): "The grand ballroom of Marco Polo Plaza Hotel was transformed into a playground where the cream of the crop of Cebu tri-media and their non-media friends did away with their inhibitions and played various games like they were children once more...and yes, all of us who were there acted like kids, enjoying every moment of the gathering."

The Aboitiz executives became "kids" as well. Mr. Antonio Moraza gamely held one end of the Chinese garter across equally towering TV broadcaster Bunny Pages just so the garter would reach heights that increasingly became challenging for the players. If he was as allowed to be a contender, Mr. Montxu Aboitiz would have won the *takyan* game hands down.

Jo Magsaysay (*SunStar Daily*, December 14) wrote: "The Aboitiz executives, like demi-gods descending from their lofty heights, to the thrill and pleasure of all, joined the media and mixed with the boys and girls from the press."

Performers from Cebu Normal University (CNU), Diwa Sugbo entertained guests with dances from the past. "Their songs and dances were refreshingly different from the predictable native repertoire of *polkabal*, *pandanggo* and *tinikling*." (Nelia Neri).

A string ensemble, together with young singer Yntel Beltran, regaled the audience with Broadway numbers.

Everyone went home with hands literally full. Aboitiz Group executives distributed to all media guests big red sacks to take home. The sack was filled with goodies that included local delicacies in areas where Aboitiz companies operate as well as products sourced from livelihood beneficiaries of the Aboitiz Group Foundation and Ramon Aboitiz Foundation.



blast from our childhood past



Aboitiz website has new look, more features added

By Jovy Tan



aboitiz.com has undergone another major renovation. The new website landing page design now focuses on four major audiences: investors, media, Corporate Social Responsibility (CSR) supporters and prospective job seekers. The Aboitiz Group categorized by industry can also be accessed from the landing page.

Site developer Softrigger Interactive, Inc.,

worked with the site's content providers to make into reality the vision of the B2C Working Committee headed by Txabi Aboitiz.

The maintenance of aboitiz.com extends to different content providers across the Group who have been trained to update their respective company pages using the Content Management System developed by Softrigger.

Another feature of the site is the Contact Us system that tracks all inquiries that pass through aboitiz.com starting from submission of the inquiry up to the closing of the transaction.

The new aboitiz.com has evolved into a very dynamic site but it is still a work-in-progress, with room for improvement. Expect more exciting developments coming up this year.

Txoko: The heartbeat of aboitiz.com

By Mia Zamora



In the Aboitz Group, people are our greatest assets. It is the passion that lives in the hearts and minds of our team members and team leaders that keeps the company growing and achieving milestone after milestone, allowing us to remain at the forefront of the industries we are involved in.

It is for this reason that the Human Resources portion of the Aboitz website has been aptly called "Heartbeat", people being the lifeblood of the organization.

The Heartbeat contains two major sections. The first is Careers, which contains a list of job vacancies across the Group and where interested applicants

can post their resumes online.

The second part is Txoko, an e-community where people can share opinions, exchange ideas and keep themselves updated on Aboitz Group developments.

Txoko, a Basque word for corner, niche or meeting place, contains blogs, forum discussions, a bulletin of company events and activities, write-ups on what it takes to be an A-person, and picture galleries. There is also a portion called "Meet Our People", where a number of Aboitz team members share about their experience with the company, and how they make Passion for Better Ways come alive.

Txoko has allowed student delegates from the 1st Future Leaders Business Summit to stay in touch with their moderators and with each other. Young professionals, job seekers and a number of Aboitz team members are also part of this growing and dynamic web community. We are looking forward to cultivating lasting and fruitful relationships with everyone in this e-village and eventually be able to absorb several bright stars into our talent pool.

Interested to check it out and take part in the action? All you have to do is log on to www.aboitiz.com, click on Heartbeat, and register at Txoko! We'll see you there.

B2E portal: A hub of information & services

By Jovy Tan



The portal's content providers with B2E Manager Jovy Tan (standing 4th from right).

myaboitiz.net, the Business-to-Employee (B2E) portal has come a long way since it was launched in April 2000. A project initiated by ACO iCSD (Computer Services Division) headed by Delia Maderazo, with the guidance of Mikel A. Aboitiz, the portal was launched as part of the Aboitiz Group's e-strategy. It aimed to give team members across the Group a simple destination to get key information and services they need from the corporate center in general, and their specific companies in particular. It also meant to enhance communication and collaboration within the Group and within companies.

The portal is composed of three main parts: namely: Aboitiz Group, which contains general information that spans across the Group; Village,

which has a team room for committees and clubs, as well as a wealth of information from health to money matters; while the third part is myCompany, which opens to the company page the user belongs to.

To date, there are five companies that use the same B2E portal platform, namely, Aboitiz & Company, Aboitiz Equity Ventures, Davao Light and Power Company, AboitizLand, Cebu and Industrial Park Developers, Inc.

To maintain the B2E Portal, content providers for each section are assigned to post regular updates to make the site always relevant to users. The content providers are constantly looking for ways to improve the portal by benchmarking it against other corporate portals.