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OUTLOOK 2014

REVIEW 2013

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SPECIAL FEATURE

WEF: TOP 10 TRENDS OF 2014





ERRAMON ABOITIZ
President & CEO
Aboitiz Equity Ventures, Inc.
Aboitiz Power Corporation

Corporate Center

Growth expectations for the Philippines in 2013 were trimmed down due to the two successive natural calamities that hit the Visayas in the last quarter. Despite this, our country experienced solid GDP growth north of 6% and we have every reason to be optimistic about 2014. Our economic fundamentals remain strong and unimpaired, propelled by key drivers such as OFW remittances, BPO industry revenues, consumer consumption, and government-initiated projects and spending.

We continue to enjoy a strong current account surplus with upbeat investor confidence, thanks to improvements in governance to curb corruption. Post-Yolanda reconstruction efforts will also spur domestic growth, which is expected to be at a brisk 6.5% to 7.5% range.

AEV

We experienced a decline in our 2013 earnings mainly coming from weaker contributions from AboitizPower's generation group. Ancillary service revenues dropped with our new contracts; APRI shifted to the Geothermal Resources Sales Contract (GRSC) with Philippine Geothermal Production Company (PGPC), which resulted in higher steam costs; and TLI suffered from planned and unplanned outages in the last quarter. We also booked foreign exchange losses from our long-term IPPA payments to PSALM as the peso weakened during the year.



We must note, however, that this slide was anticipated and does not diminish the overall positive performance of our business units.

Our efforts in adopting sound business practices have not gone unnoticed. The recognition we received in 2013 from various local and international publications and institutions -- among them, FinanceAsia, Corporate Governance Asia, The Asset, Institutional Investor, Philippine Stock Exchange, PhilRatings, and The Boston Consulting Group -- further inspire us to continuously work with the Aboitiz Passion for Better Ways.

Growth Opportunities

Moving forward, AEV will continue to scan the markets for growth opportunities. In spite of not winning the Mactan airport project, we are still keen on bidding for more public-private partnership projects, such as the Cavite-Laguna Expressway and the bulk water supply projects in Davao and Bulacan. We encourage our SBUs to likewise continue to look for expansion

possibilities in their respective businesses that capitalize on our core competencies.

Corporate Center Initiatives

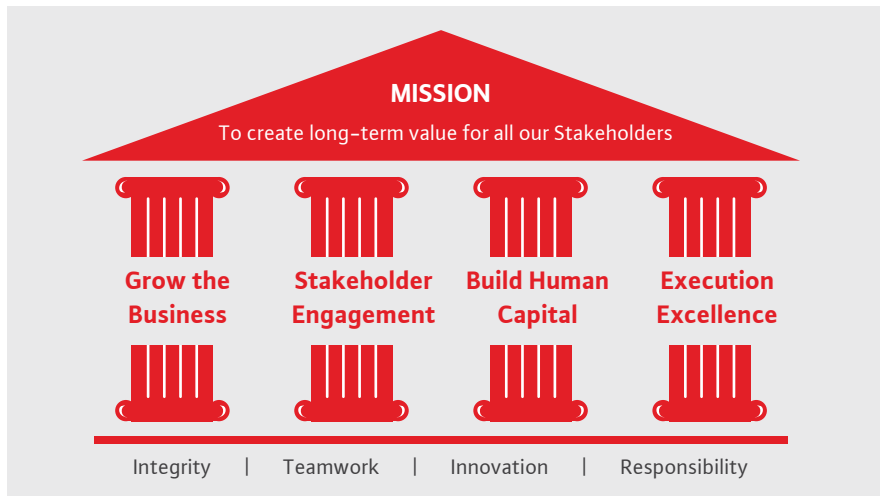
We are excited about migrating our office productivity systems to a Google-based environment. Moving away from our legacy Lotus Notes email platform allows us to improve processes and take advantage of technology solutions such as true real-time collaboration in an "anytime, anywhere, any device" experience. More than adapting to the pace of the digital landscape, rolling out a Google-based platform is an important step under our strategic objective of implementing continuous improvement.

We are equally excited to launch this year the BetterWorld campaign, which aims to inform and engage team members and external stakeholders to support and adopt our sustainability mindset. Long-term sustainability is anchored on our belief that we can do well by doing good, and by always making the right

“ Long-term sustainability is anchored on our belief that we can do well by doing good, and by always making the right long-term decisions that balance the interests of people, planet, and profit. ”



As we embrace a new year of growth opportunities, AboitizPower will continue to deliver reliable and reasonably priced power, generated with the least possible adverse effects on our environment and communities.



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AEV Strategic Focus Areas

Our strategy is guided by AEV's mission to create long-term value for all our stakeholders. In the process of articulating this strategy, we have identified four focus areas:

(a) grow the business, (b) engage stakeholders, (c) build human capital, and (d) execution excellence.

In growing the business, we must do so by also generating returns above our cost of capital and maintaining prudent levels of debt.

As we engage stakeholders, we embody our desire to constantly deliver value for our team members, shareholders, regulators, customers, and our host communities.

We must continue to build human capital and make sure we attract, retain, and optimize

the best and the brightest A-people. We must continue to raise the bar and expectations that we have of ourselves and our teams.

We must demand execution excellence, best-in-class processes in everything we do and at every opportunity, and enhance the value we deliver to increase our competitive edge.

Our Aboitiz core values of integrity, innovation, teamwork, and responsibility are what will guide us to properly execute our strategic initiatives.



AboitizPower has been beset by a few challenges brought on by the legislative inquiry on the recent power rate increase and the public clamor to amend the EPIRA law. Amid heightened stakeholder expectations and

vigilance, regulators and legislators are under pressure to be more protective of the interests of consumers.

Our company is of the opinion that the EPIRA law achieved what it was set out to do. It has led to the privatization and rehabilitation of an inefficient and ineffective state monopoly, freeing government's limited resources for other priorities. It has attracted new entrants and investment into the power generation industry and transitioned a heavily regulated sector into a functioning competitive structure.

The need for more power supply in the country is pressing and imminent. AboitizPower is committed to work together with government and various stakeholders towards increasing our power supply. Between 2014 and 2018, we have lined up greenfield and brownfield projects across the country that will yield potential capacity opportunities of over 2,000 MW.

Along with the increase in base load capacity, we remain mindful about providing the country with a mix of energy sources. This has led us to look at other renewable power opportunities such as wind and solar to supplement our hydro and geothermal projects. We see the continued reduction in the cost of harvesting solar energy, in particular, and expect it to benefit consumers in the long term.

The much-awaited implementation of Open Access has given end users the power of choice and will remain a crucial ingredient to our growth plans. We are fully aware of its effect on our protected franchises but it is in these challenges where we sharpen our competitive edge and bank on our grasp of the industry to offer better power solutions that will differentiate us from our competitors.

We certainly have a lot to look forward to in 2014 and are confident of achieving our goals, setting ourselves apart by doing things smarter. We will capitalize on our business development capabilities to support our expansion efforts, staying ahead of the needs of our customers and providing value to all our stakeholders.

As we embrace a new year of growth opportunities, AboitizPower will continue to deliver reliable and reasonably priced power, generated with the least possible adverse effects on our environment and communities.





ANTONIO MORAZA
Executive Vice President
& Chief Operating Officer
Power Generation Group

Generation

2014 promises to be a fun and busy year, and also a crucial year for us in the AboitizPower Generation group .

As you may recall from previous years, we are committed to deliver a world-class organization by year-end 2014. Of our three major drivers, we believe we have done quite well in terms of cost control and plant availability. However, we are delayed in our readiness for growth, primarily with succession. In our corporate social responsibility, public relations, and reputation integration, we are well along but it is doubtful if we will be where we want to be by year-end. Project Management is also delayed.

The bright light is Asset Management, where we have chosen Maximo as the program we will use, which will be deployed by the fourth quarter of this year together with other peripheral activities like condition assessments, spares inventories, new training programs on Reliability Centered Maintenance tools, etc. We are happy to note that in assessing the conditions of our plants, there were findings but none that are too alarming.

Our Risk Management activity is bearing fruit. There is increasing confidence that we have properly identified and mitigated many of our risks. Perhaps as a Group, we need to further review how we prepare for catastrophic events. We were very fortunate to have been spared



by Typhoon Yolanda. During post assessment in one of our executive committee meetings, which comprise the business unit heads, we discussed our individual preparedness and the answer we got was that no one was prepared for what Yolanda delivered.

Oil Group

This coming year will be a challenge for the Oil Group as it supports the energy demands of Mindanao. Lake Lanao's elevation is below normal and the hydro plants therein are old and

become increasing unreliable, so our power barges are being utilized at near baseload levels. With the recent typhoon that struck the Visayas and outage of the Leyte geothermal facilities, we also expect our Cebu units to be operated at higher levels. In Luzon, there are delays in the construction of new plants, so our Navotas units will also be dispatched at higher rates due to limits in supply. Running maintenance and availability of spare parts are going to be the name of the game for the Oil Group.

“ 2014 will clearly be a point of inflection from rehabilitation to construction of greenfield projects to execution. This is a big shift that comes with a whole new set of risks that we need to pay attention to and manage.



We have a lot to do and we all look forward to the excitement ahead as we continue to offer better solutions to power the country's economic growth today and in the years to come.

APRI

Everything is operating quite well as we have successfully completed the rehabilitation of our geothermal units. However, we have yet to reach a long-term fuel supply arrangement with PGPC (Philippine Geothermal Production Company, Inc.) so there is not very much activity on the well side, which means that available steam is steadily declining.

Large Hydro Group

On the equipment side, we have brand new facilities in Ambuklao and Binga. In Magat, aside from the rehabilitation of the turbines and generators, we have also replaced most of the balance of plant equipment like busbars and transformers. We are ready to serve the Luzon grid with ancillary services and energy. Our key goal now is to get our greenfield activity going. We continue to work as the developer of choice as we harness reinvesting opportunities in adjacent areas such as in the upstream reservoir and in the Magat complex, or even farther up in Alimit

(Ifugao). As we push for our growth agenda, we are also driven to contract over a million terawatt-hours of output with options to secure customers for ancillary services, retail or energy.

Small Hydro Group

After nearly four years, we have agreed on a template for RE (renewable energy) contracts. With this, many have been signed up and we now have a pipeline of projects in Bukidnon, Benguet, and Mountain Province. At the end of the first quarter, our Tudaya project, with a total capacity of 13.6 megawatts (MW), will deliver energy to the Mindanao grid. Likewise, we are in the process of constructing the 14-MW Sabangan plant in Mountain Province, which we expect to complete by the second quarter of 2015. We will also start the construction of the 66-MW Manolo Fortich plants by the second quarter this year.

Coal Group

As we explained last year, we have an added

responsibility of executing projects. Our 300-MW plant in Mindanao is progressing very well. We are off budget, which we need to address, but we are doing quite well time-wise. We should be delivering commissioning power to the grid before year-end. Aside from this, we are quite confident that we will finally break ground on our 400-MW Pagbilao expansion and 300-MW Toledo greenfields within the year.

To sum up, in 2013, we have practically completed most of our rehabilitation projects for the assets we have acquired and we believe that overall operations are stable. Although started in prior years, 2014 will clearly be a point of inflection from rehabilitation to construction of greenfield projects to execution. This is a big shift that comes with a whole new set of risks that we need to pay attention to and manage.

We have a lot to do and we all look forward to the excitement ahead as we continue to offer better solutions to power the country's economic growth today and in the years to come.





JAIME JOSE ABOITIZ
Executive Vice President
& Chief Operating Officer
Power Distribution Group

Distribution

The performance of the AboitizPower Distribution Group in 2013 can be best described as “resiliency amid adversity.” The year ended on a sober note as several calamities, namely the Bohol earthquake and Typhoon Yolanda, challenged our operations and tested our ability to get back on our feet in the face of disaster.

These events took their toll on the Group, but thanks to every kaibigan’s hard work and determination, we managed to bounce back and we are now ready to face 2014 anew, equipped with the right attitude and perspective to deliver better service to all our customers.

Power situation

The Visayas grid was crippled after Typhoon Yolanda damaged the Unified Leyte Geothermal Power Plant Complex (UL). Visayas will be critical until UL, which has not yet been privatized, is fixed.

Driven by a passion to serve, the Group has been assisting LEYECO 5 (Leyte V Cooperative, Inc.), CEBECO 2 (Cebu II Electric Cooperative, Inc.), and Malapascua Island in restoring power in their respective areas.

Mindanao continues to suffer from rotational brownouts and the power situation there remains critical. Thankfully, Davao Light and Cotabato Light have been spared from these. The renewal of the 2007 supply contract with



National Power Corporation, the commercial operation of the Hedcor Sibulan plant beginning 2010, a supply contract signed with Therma Marine, Inc. in 2011, and the normal elevation of major Mindanao lakes have all contributed to the stable operations of Davao Light and Cotabato Light last year.

Energy sales and customer growth

Despite the difficulties in the second half, our aggregate energy sales grew by 4.27% to 5,467 gigawatt-hours (GWh) last year from 2012 levels. This included sales from Holcim Philippines, Inc., a 69 kilovolt (kV) direct customer that contributed 1.66% to Davao Light’s year-to-date sales.

Similarly, customer growth was upbeat across all DUs as we served 804,557 customers, up 5.02% from the previous year. Subic EnerZone Corporation, for one, sealed two power supply agreements last year: one with Therma Luzon, Inc. and another with San Miguel Energy Corporation. The two contracts have a combined capacity of 40 MW.

Our good growth rates in energy sales and customer growth were largely driven by the uptick in business confidence following the successful elections last year. This is despite some remaining damage to Davao Light’s franchise areas due to Typhoon Pablo, which struck Mindanao in 2012.

“ We managed to bounce back and we are now ready to face 2014 anew, equipped with the right attitude and perspective to deliver better service to all our customers. ”



We are continuing efforts to further strengthen and streamline our operations to gain efficiency by refining plans and timetables for shared services across the Group, considering that AboitizPower currently manages six utilities.

We look forward to further growth in 2014. This year, consolidated sales of DUs are seen to grow by 7.12% to 5,856 GWh, mirroring the individual sales growth forecasts for all firms except for Cotabato Light, which may experience only flat growth due to the self-generation status of its biggest customer, Philtrade, beginning October 2013.

We expect to serve up to 750,158 customers this year, 4.58% higher than 2013. The expected customer increases for VECO, Davao Light, and Cotabato Light will offset the expected customer reductions for SEZ, and the flat growth for MEZ and BEZ. Davao Light in particular will energize seven new customers with load applications above 1 MW, or a total of 62.5 MW. These include steel firms, a real estate company, a university, a hotel, and two shopping malls.

Revenue protection

We have achieved a significant milestone as all our DUs' systems losses now fall within the government's cap. Davao Light's cumulative system loss rate stood at 7.87%, VECO's systems loss was at 7.79% while Cotabato Light's system loss rate was at 7.99% as of year-end 2013.

We continued to crack down on pilfered power in 2013, and we will continue to do so in

2014. The introduction of the Smart Elevated Meter Cluster is hoped to further reduce systems losses for Davao Light, VECO, and Cotabato Light. All utilities also added more apprehension crews to step up revenue protection efforts and further decrease system losses.

Network improvements

In line with raising the level of customer satisfaction, we enacted several improvements across our network. VECO installed a 1x100 megavolt amperes (MVA) 138 to 69 kilovolt (kV) power transformer to meet the growth in demand in south Cebu and rehabilitated the Mandaue substation. VECO also strung a double circuit 795 multi-circuit meter 69 kV line from Quiot substation to Don Gil Garcia Street and constructed a Naga switching station to improve sub-transmission reliability. In addition to this, VECO strung a total of 90 kilometers of tree wires to lessen unscheduled interruptions.

Davao Light began expanding the Buhangin and Tugbok substations, while completing network projects measuring several circuit kilometers. A 69-kV switching station for SteelAsia Manufacturing Corporation and a 33-MVA substation for Therma South, Inc. were also finished last year.

This year, Davao Light plans to ramp up its smart elevated meter clustering and underground cabling projects. Davao Light will also break ground on its new headquarters in Davao and Cotabato, and also complete its Maa substation. The company will also convert 26,000 electro-mechanical meters into electronic meters, and electrify parts of the Davao-Bukidnon road in order to extend lines and poles in remaining off-grid franchise areas.

Open Access

While much anticipated, the Open Access scheme has been plagued by delays, and the rules on contestability and customer switching are still unclear. All our utilities are stepping efforts to ensure that providing flexible and most reasonable rates while providing value added services retain their contestable customers.

Other developments

Davao Light partnered with the local government to enhance Davao City's public security and safety via the installation of CCTVs (closed-circuit television), communication facilities, and fiber optic lines. This accompanied the company's shared services expansion, its first net metering customer in Panabo, and new text services.

Cotabato Light launched a new third-party agent collection service and a new text service as well. It also plans to renew its five-year collective bargaining agreement this year.

Organization for the future

We are continuing efforts to further strengthen and streamline our operations to gain efficiency by refining plans and timetables for shared services across the Group, considering that AboitizPower currently manages six utilities. We have also embarked on a group-wide project to review all current processes and organization structure to strengthen our competitive advantage, lower our costs, and harmonize our procedures.





JUSTO ORTIZ
Chairman & CEO
Union Bank of the Philippines



Banking

2013 was a record year for UnionBank in terms of financial results, increased market penetration, and renewed innovation. We are also seeing the beginnings of a unique UnionBank culture taking root in the hearts and minds of UnionBankers. This is crucial. More and more UnionBankers are living our values, manifesting brand-aligned behavior, and emotionally engaging at a personal level in the pursuit of our higher purpose.

In 2014, we shall continue to strengthen our culture, and further our team member and customer engagement agenda. The business, however, is expected to noticeably shift more toward accrual, spread, and fee-based transactions and away from securities trading. While we expect market volatilities to continue, our opportunities may be limited by the trend for rising interest rates in the long end of the curve. As such, the focus of our efforts will be concentrated toward building our deposit franchise, especially CASA (current and savings accounts), in order to fuel balance sheet growth. While net interest margins are expected to remain compressed, we need



substantive above trend earning asset growth to offset the probable decline in trading gains. Corollary to this, while always core to our decision-making, risk management will need even higher attention as the pace of risk asset growth accelerates at a time when risk-adjusted returns are lagging.

2014 will likely be a transition year from the imbalances of the 2008 crisis, both the causes and responses. Transitions are always

challenging, but I expect we shall move into a more normalized economic environment and new equilibriums upon which the base for solid future economic progress can be built. This makes for an outlook of tempered system liquidity and increased demand for funds as new opportunities open up and capacity utilization levels tighten – a convergence which augurs well for better spreads, higher volumes, and lower risk.



In 2014, we shall continue to strengthen our culture, and further our team member and customer engagement agendas. The business, however, is expected to noticeably shift more toward the accrual, spread, and fee-based transactions away from securities trading.



MIKEL ABOITIZ
President & CEO
City Savings Bank

Banking

2 013 ended with mixed feelings. From a commercial and financial perspective, we met or exceeded our goals.

The earthquake that hit Visayas--particularly Bohol province--and the latest supertyphoon Yolanda brought devastation to our country. Several of our team members and their families together, with many of our customers, were directly affected by these unprecedented calamities.

These tragedies have brought out the best in our own people. The resiliency and fortitude of our team members directly affected, the heroism displayed by various team members, and the response made by the entire organization and our sister companies makes us extremely proud of be part of the Aboitiz Group.

A significant milestone in 2013 was the opening of our 50th branch in the city of pine trees. Our Baguio extension office is currently our 21st branch in Luzon. We have successfully opened 14 branches last year and we will continue with our branch expansion strategy to increase our customer reach and further achieve nationwide presence in 2014 as we open 15 more branches this year.

2013 also marked the start of our nationwide rollout for our Simply the Best (STB) program. Our aim is for all of us to be able to perform a standard behavior and develop a consistent method of providing excellent customer service, thus establishing a service culture distinctive to

the bank. We expect nationwide execution of this new way of thinking and working in 2014.

We also expect the completion of our entire core banking system by the first quarter of 2014.

We have started increasing our strategic cooperation with UnionBank and will continue to take advantage of synergistic opportunities between CitySavings and our parent company in 2014.

As you all know, one of our bank's founding pillars retired last December 2013. Through her efforts and strong leadership, Agnes Lacson has

been an instrumental part of bringing the bank to where it is now. She has helped so many people and all of us in some way or the other have been touched by her motherly care. We will surely miss her. She leaves behind a legacy based on strong values and undying concern to customers service and attention to our front liners.

Our "Simple is Good" philosophy will continue to guide and shape our culture. We will deliver on our promises. We will face all challenges head on. And we shall do so with honor and pride of who we are as an organization.



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SABIN ABOITIZ
President & CEO
Pilmico Food Corporation

pilmico

Food

For 2013, we challenged ourselves to break records, and we broke quite a few particularly in terms of volume and revenue. Total Pilmico Food Group revenue increased by 5% from the previous year, bringing it to P16.4 billion.

The flour industry remained flat with a slight increase of only 0.4% in volume from 2012 and per capita consumption at 19.2 kilos.

Volatile prices of wheat, corn, and soy bean meal in the world market continue to challenge us. Though not as volatile as in the previous year, prices remained elevated due to the low carry-outs from the drought-stricken 2012 crops.

Imported flour continues to be the industry's major challenge. Though industry records show that the volume of imported flour contracted by 6% in 2013, this is coming from an 88% increase in total imports volume in 2012. Imported flour captured around 11% share in the local flour market. Turkey accounted for the lion's share of imported flour, representing 73% of total imports volume. Vietnam and Indonesia are also significant players in the import market. Despite this challenge, Pilmico managed to protect our volume amidst a very competitive environment.

The livestock sector of our agricultural industry, which accounts for approximately 15.5% of total agricultural production, grew slightly, attributable mostly to growth in the poultry sector. Per capita consumption is flat at 19 kilos for pork and 11 kilos for poultry.



Though growth in the industry's feed sector was driven mainly by the poultry sector, we managed to grow our feeds volume by 10%. Our game fowl brand Salto continues to grow in patronage and market acceptance at a rate of 78% from last year.

Swine prices in the second half of the year picked up, which improved our Farm division's overall contribution to the group's bottom line. Our challenge is the hog segment, where swine inventory, particularly in the backyard farm sector, has been dwindling since 2008. This is where we are focusing our efforts now, in ensuring and advocating our farmers.

Highlights for 2013 included the opening of our Pilmico Research and Bakery Training Center along Aguirre Avenue in Sucat, Parañaque.



In May, we held our 2nd Pilmico Poultry & Livestock Expo, this time in Pangasinan where we drew close to 4,000 visitors to the seminars and expo. The two-day event featured fun activities like pig and duck catching as well as aerial sabong, which showcased various kites.

2013 also saw the completion and turnover of four brand new school buildings to Tomas Cabili National High School Annex, our single biggest contribution to the city of Iligan. With a total project cost of P25 million, the school buildings with 24 classrooms benefit over 500 school children from the resettlement area of Sta. Elena in Bayanihan Village.

In June, we also launched our Kutitap Feeding Program aimed to help improve the health and well-being of school children. The program is

“ Our people strategy program of Partners for Leadership will be front and center this year. We will lead through our core values of integrity, innovation, responsibility, and teamwork. ”



We will lead though our values, create a fun and motivating workplace, and drive change to continue to find better ways everyday to bring our brand to life as Partners for Growth.

designed to feed 2,500 kindergarten and grade 1 students from eight selected schools in Iligan for the school year 2013–2014.

On schedule and on budget, our R12 project team completed our migration to the latest Oracle E–Business Suite allowing us to further improve systems and processes.

Towards the end of the year, we launched our Pilmico Online Ordering system for our B2B feeds partner and Salto's very own website with tools for our tech-savvy game fowl enthusiasts.

So, while we will remember 2013 as a year of major calamities, it is also a year where we showed resiliency and that together we can do more. We are so ready for 2014!

2014 OUTLOOK

World wheat supply is relatively tight, despite the recent USDA upgrade. However, the large corn crop has put pressure on wheat prices and caused it to fall to almost two-year lows. Forecast for soy bean meal is positive, which will allow prices to fall late in the year despite strong global demand.

Strong positive economic indicators mean tougher market and industry conditions here in our country. To us, this presents lots of opportunities to grow and expand.

The flour industry is viewed to remain flat with fiercer competition from importers. Add to this the 16% increase in industry milling capacity brought about by expansion of current players plus additional new players in the market. This increase in capacity will further bring down total industry utilization of our assets. For Pilmico, a major move is our venture into the ASEAN

market, starting off with our first shipment to Vietnam last December. We want to get our feet wet so we are ready for the inevitable ASEAN integration.

Enhanced by the continued growth of the Philippine economy, animal and aquaculture feed demand is expected to remain strong.

We will grow feed sales by supporting the backyard and medium scale swine farms through programs that will sustain and stabilize their business.

The game fowl sector is growing at an average of 10% per year so we intend to create stronger presence in this market by way of providing value-add services, on top of our premium product, which our customers attest to.

Aside from the Salto website, our Salto mobile app is ready to be launched. It provides game fowl aficionados with tools such as: Breeder Preparation to ensure that breeders are well conditioned for reproduction; Marking and Bloodlines to know the resulting bloodlines of offspring and record their assigned markings; and Incubation, which helps determine when to candle eggs and measures fertility and hatchability rates.

We have completed the expansion of our farms with increased sow level of 8,500, which, in turn, will increase our monthly output production in 2015. We also expect to increase our market hog volume with outputs from our backyard farm partners.

We anticipate live market hog prices to remain volatile compared to wholesale and retail of meat carcass at various channels. To reduce this volatility, we intend to participate

in the meat processing segment and diversify our sales channel for our hogs by slaughtering some of our hogs and selling to meat processors and food chains.

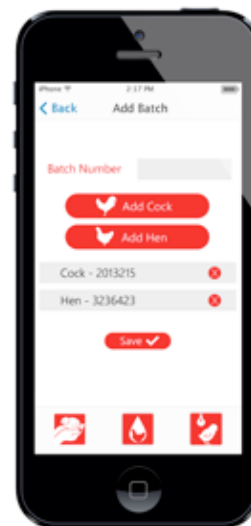
Opportunities open doors as long as we are organizationally-ready.

So for Pilmico, 2014 will be about creating better leaders.

Our people strategy program of Partners for Leadership will be front and center this year. We will lead through our core values of integrity, innovation, responsibility, and teamwork.

With opportunities and challenges in the marketplace, execution will make the difference. Better leaders mean better execution.

We will lead though our values, create a fun and motivating workplace, and drive change to continue to find better ways everyday to bring our brand to life as Partners for Growth.



Fuel



This year, Aseagas will start the construction of the country's first liquid bio-methane fuel production plant, which will convert organic waste into renewable fuel for transportation.

SABIN ABOITIZ
President & CEO, Aseagas





ANDONI ABOITIZ
President & CEO
AboitizLand, Inc.

AboitizLand saw 2013 as a challenging but a milestone year. Our sales reached a record high, we launched The Outlets, a new commercial concept for VisMin, and we took the first step in going national by acquiring 60% of LiMA Land, Inc., the developer of LiMA Technology Center, a 485-hectare industrial park in Malvar, Batangas.

Residential Business

Despite stiff competition in Cebu, we managed to hold our ground, particularly in the horizontal developments. Residential sales reached P1.56 billion, 21% higher than last year. Sales growth was driven by the launch of a new residential development, opening of new phases of existing projects, and sustained sales of The Persimmon Studios and Ajoya. This was made possible because of the reinvigorated sales team that became a powerful force driven to achieve targets.

Recurring Business

2013 was an important year for our Industrial Business Unit. The acquisition of a majority stake in LiMA Land did not only make Lima Technology Center the company's third industrial park in addition to Mactan Economic Zone II (MEZ-II) and West Cebu Industrial Park (WCIP), but it also signified AboitizLand's entry into the national



real estate scene. A 150-hectare expansion of the zone is now underway. This will augment our revenue and profit levels for 2014 onwards.

Our Commercial Business Unit also made considerable operating improvements in 2013 as occupancy levels surged significantly. In December 2013, we successfully launched the first outlet development in VisMin, The Outlets at Pueblo Verde. Cebuanos and their friends from around the region are now enjoying genuine and off-season merchandise from global brands at 20-75% discounts year-round. Phase 2 is now underway to address the high

demand for outlet shops.

While we succeeded in almost all fronts, 2013 handed us some disappointments as well. Despite a strong effort, we did not submit the highest bid for the Mactan-Cebu International Airport project. But this only encourages us to work doubly hard, together with our partners, Ayala Corp. and Macquarie Infrastructure, to win the CALAX (Cavite-Laguna Expressway) PPP (public-private partnership) project.

2014 Outlook

2014 is a special year for AboitizLand. It marks

“ We aim to significantly grow our revenues, and with this growth comes new product offerings for our *vecinos* and professional growth opportunities for each AboitizLander. ”



We will continue to innovate and explore new real estate businesses to complement our residential, industrial and commercial businesses. Reinventing the organization and our products is an important step in reaching our growth targets.

our 20th year of nurturing communities. It is also the beginning of a new and a much more exciting AboitizLand.

This year we will build the team, which will focus on growing the business on a national scale. At the same time, we will strengthen the Cebu organization as we continue to intensify our market position here. We believe that we must enter the national scene in order to achieve substantial growth.

AboitizLand's acquisition of LiMA Land gives us a firm foothold in the Luzon industrial real estate market and marks a significant step

in ramping up our nationwide expansion. At the same time, we are excited about our joint venture with Ayala Land, Inc. which will generate synergies by combining the local knowledge and experience of AboitizLand and Ayala Land's expertise in building a full range of real estate formats.

We aim to significantly grow our revenues, and with this growth comes new product offerings for our vecinos and professional growth opportunities for each AboitizLander. We will continue to innovate and explore new real estate businesses to complement

our residential, industrial and commercial businesses. Reinventing the organization and our products is an important step in reaching our growth targets.

AboitizLand has come a long way from its simple beginning as a small land-buying division of Metaphil to a company that has been handed the challenge of becoming a major contributor to AEV's portfolio. It has been an amazing journey these last 20 years but as a company we look forward to creating an even more exciting adventure for the next 20 years.

The best for AboitizLand is still to come.





NAPOLEON PE, JR.
President & CEO
Aboitiz Construction Group, Inc.
Metaphil International, Inc.

Construction

While Aboitiz Construction Group, Inc. (Metaphil) hit only about 50% of the targeted sales in 2013, the net income was close to the projected amount, clearly an outcome of better project and risk management. The projected international projects did not happen in 2013, thus sales comprised mostly of local works. Fabrication work comprised 26% while the bulk went into construction work. Labor at its peak in 2013 reached close to 6,000 workers. Accidents and safety incidents were reduced by 25% from 2012.

Recurring maintenance works--planned as base load to cover the fixed overhead costs--reached P450 million.

2013 can be remembered by the Yolanda disaster. While Yolanda brings sad memories, it has brought in opportunities for the construction business. Metaphil is currently in serious discussions with companies that wish to rebuild their plants. Meantime, Metaphil has continued to pursue projects with international clients. With this, Metaphil expects a 50% increase in sales turnover at P4 billion in 2014.

Metaphil continues to work on getting projects both in the local and international arena,



with a focus on clients we have worked with in the past. As in the past year, it will explore overseas construction works, a continued step for the company to be better known as world-class, and to the kauban*, as a reward and retention tool.

As Metaphil grows, it will continue to focus on delivering RISQ (reliability, integrity, safety, quality) fueled by the kauban spirit and armed with the bugsay**. Along with the growth of the company is the corresponding growth of its kauban, the heart and soul of the organization, as well as the partnership with reliable suppliers,

subcontractors, and service providers. Once again, the kauban spirit, driven by a passion for better ways, will turn 2014 into the next best year ever.

Notes:

**Kauban is the local term for teammate. It signifies people working together to achieve more.*

***Bugsay is the local term for paddle. It signifies the individual's acceptance of responsibility and accountability in achieving a common goal or destination.*

“ Along with the growth of the company is the corresponding growth of its kauban, the heart and soul of the organization, as well as the partnership with reliable suppliers, subcontractors, and service providers. Once again, the kauban spirit, driven by a passion for better ways, will turn 2014 into the next best year ever.



HITOSHI KONO
President
Tsuneishi Heavy Industries (Cebu), Inc.

Shipbuilding

I want to extend my best wishes to our employees, reliable business partners, and friends for a healthy and prosperous New Year!

We all know that 2013 was but a challenging year to all of us. 2013 was a hard time not just to the shipbuilding industry but to each and every Filipino who was greatly affected by the two terrible disasters that came to the Philippines: the 7.2 magnitude earthquake in Bohol and the super typhoon Yolanda in Northern Cebu, which placed us all to test. It is in times like these that the Tsuneishi Foundation (Cebu), Inc. serves its purpose in helping and supporting not just those affected employees and families, but as well as the communities of Bohol and Northern Cebu. I would like to thank our employees, families and other group volunteers for their kindness and willingness to help during the relief operations. I extend a heartfelt gratitude to the employees of Tsuneishi Shipbuilding Company, Japan shipyard for the support we received during the group's relief efforts. Let us continue to serve our purpose for the betterment of our society.

The beginning of 2013 was a turning point for the shipbuilding industry as market price for some of our locations dropped to half. Negotiations on new shipbuilding finally yielded a few orders in 2013 with 30 ships expected to be delivered in 2016 and 2017.

Amidst this crisis, we successfully completed



and delivered 16 ships in 2013—twelve (12) 58,000 deadweight metric ton type Handymax bulk carrier ships, three (3) 180,000 deadweight metric ton type cape-size bulker ships, and one (1) 82,000 deadweight metric ton type Kamsarmax bulker.

Our contributions to the country's economy and especially to the community were commended through several awards and recognitions. The Outstanding Exporter Award and the Outstanding Community Project for 2012 were awarded to us by PEZA for the second time around. We received from the Bureau of Customs-Cebu the recognition as the No. 1



Top Export Performer in the port of Cebu, also the second time to receive this recognition following a similar acclaim in 2012. Our strong commitment to environmental protection and compliance is recognized through three recognitions received: (1) for complying with the water quality standards; (2) for acquiring the permit to operate/air; and (3) for adopting a portion of the Buanoy creek as an Adopt-An-Estero donor partner. These would not have been possible if it were not for our employees' efforts and pro-activeness, as well as our ship-owners and business partners for their trust. I think these are what we should be grateful for



As we set to complete 20 ships this year, we are focusing on the production's critical challenges. We have made major changes in three important areas: (1) cost control, (2) work design, and (3) systematic education.



We celebrate and take pride in being the pioneer in the shipbuilding industry in the Philippines for medium-sized ships and for being one of the major players in making the country the fourth largest shipbuilding hub in the world.

despite all the challenges we faced.

As 2014 begins, we need to take a bold step towards meeting long-term challenges. As we set to complete 20 ships this year, we are focusing on the production's critical challenges. We have made major changes in three important areas: (1) cost control, (2) work design, and (3) systematic education. These steps are taken to address the reduction of direct and indirect costs, to achieve production lead time through improved working processes without compromising the quality of our products, and to uphold the core values of the company.

This year is also a reason to celebrate as the company celebrates its 20th year. This is an achievement in itself and marks an important milestone for our employees, customers,

business partners, and us as we set and achieve our future goals.

We celebrate and take pride in being the pioneer in the shipbuilding industry in the



Philippines for medium-sized ships and for being one of the major players in making the country the fourth largest shipbuilding hub in the world. Since the company's inception in 1994, we have built 171 ships as of December 2013. In hindsight, 20 years ago, this world-class workmanship was made possible by 300 Japanese staff and 15 Filipino engineers who collaborated and achieved an astonishing feat in Cebu's shipbuilding industry, which in one way or another lead to a significant breakthrough for foreign investments.

As we celebrate another year with our employees, customers, and business partners, we want to let you know how much we appreciate your dedication and loyalty. Cheers to a year of success!





JON RAMON ABOITIZ
President
Aboitiz Foundation, Inc.

Social Responsibility

Of the many highlights to report from 2013, this extraordinary year can be summed up through the Aboitiz Foundation's #BangonVisayas relief efforts in response to the natural calamities that left a trail of loss across the Visayas. On the heels of Typhoon Yolanda and the 7.2-magnitude Bohol earthquake, we mobilized our resources towards immediate response to the needs of survivors in the affected areas.

Disaster relief operations has become one of the core competencies of the Foundation and we have institutionalized our processes to be more efficient and effective in this area,

We launched a project called the Aboitiz Challenge to raise P200 million in funds for the relief, rehabilitation, rebuilding, and reconstruction work in the affected areas of Typhoon Yolanda. Thanks to the initiative and generosity of our various business units, team members, partners, friends, and donors, the campaign successfully raised P208 million for this purpose.

On the strategic side, 2013 saw the Aboitiz Foundation realign its focus areas into three major components – education, enterprise development, and environment. The Foundation has allocated a total of P272 million in social development programs and projects inclusive of



our various other relief operations nationwide.

Education-related initiatives received 64%, or P151 million, of total appropriations. It continues to be the main focus of the Foundation in its efforts to uplift the lives of communities where its companies operate.

To complement and strengthen our support

to the public education system, we have started coordination meetings with various stakeholders towards our new directions. One key initiative under this is the development of special science elementary schools and tech-voc secondary schools nationwide.

In the area of Enterprise Development,

“ On the strategic side, 2013 saw the Aboitiz Foundation realign its focus areas into three major components – education, enterprise development, and environment.



Our partnership with the AGAPP Foundation, entering its fourth year, will see us build another 40 classrooms in 2014, bringing our total number of classrooms to 174.

we continued to grant microfinance loans in Cebu, Davao, and Benguet. Meanwhile, the Cooperative Development Authority (CDA) has made the Aboitiz Foundation its accredited training provider in recognition of our long-running livelihood training programs and workshops. The Foundation has the distinction of being the first corporate NGO to achieve this certification.

We have also recently renewed our accreditation with the Philippine Council for NGO Certification (PCNC) and received the highest rating ever by the accrediting body. As a testament to our good housekeeping practices, our donee institution status was renewed for five years through November 2018.

To further enhance our operations, we are now fully automated in our projects management process – from conceptualization, approval, fund management, and termination of projects.

For 2014, we anticipate another challenging year for the Foundation and its member companies as CSR evolves and people's expectations become higher. We will place more emphasis on clearly communicating our initiatives to both internal and external stakeholders in order to cultivate stronger relations with the general public. We will, likewise, adopt methods that will allow us to measure the effectiveness of our CSR initiatives and define how we contribute to society.

Our assistance to the typhoon and earthquake affected areas will continue as we embark on our rehabilitation and reconstruction phase, which will focus on classroom repair and construction of damaged public school buildings in Northern Cebu and Bohol. At the same time, we will carry on with our regular programs and support the business units in their CSR activities.

We anticipate the full implementation of the development of the special science elementary schools and tech-voc secondary schools, which is also in support of the government's K+12 program.



Microfinance and capability building programs for organized groups in our host communities will also continue and we shall push to spread these activities under our Enterprise Development focus area.

We will work closely with the Aboitiz Group's Sustainability team on the programs they have designed and help spread the same ideals across the different CSR teams of our business units.

Our partnership with the AGAPP Foundation,

entering its fourth year, will see us build another 40 classrooms in 2014, bringing our total number of classrooms to 174. The success of this alliance inspires us to look for more viable partnership opportunities on a national scale to enhance our reputation.

Lastly, we shall explore and create more avenues for our team members to be involved with the different CSR programs of the Aboitiz Group.



SUSAN VALDEZ
President
WeatherPhilippines Foundation, Inc.

Social Responsibility

2013 was a remarkable year for WeatherPhilippines Foundation, Inc. (WPF). On its second year of implementation, WPF focused on its on-going deployment of automated weather stations (AWS), communicating weather information to its stakeholders, forming new partnerships, and establishing its position as a CSR leader in disaster risk reduction and climate change adaptation.

As of end December 2013, WeatherPhilippines completed the installation of 402 AWS across the country. Access to critical localized weather forecasts has been made available to the Filipino public at no cost.

Envisioned to be the country's most trusted private weather organization, WeatherPhilippines's up-to-date information and severe weather warnings was put to the test throughout 2013. During Typhoon Yolanda, the strongest tropical cyclone to make landfall in recorded history, forecasts by our typhoon specialists and weather announcements on our website (weather.com.ph) were picked up by various media channels. And while the devastation in the Visayas was severe, WeatherPhilippines's efforts resulted in greater awareness of the importance of regular localized



weather monitoring, which helps to reduce risks associated with such disasters.

Also in 2013, 358 city and provincial risk reduction personnel, public information officers, and administrators from all over the Philippines were trained on using weather.com.ph as a tool. Our LGU partners have expressed positive feedback on our web-based tool and consider it as an effective aid in planning and decision making, especially during severe weather situations.

We have added new features to the

WeatherPhilippines website. These include integration of the severe weather warning map with color-coded alerts, integration of the severe warnings on the detail weather page, and activation of two weather models for better forecasting.

Last year saw WeatherPhilippines gain further exposure and also increased interest of stakeholders in its weather system project. On top of the 205 AWS installed in all member cities and provincial capitols of the League of Cities of the Philippines (LCP) and League of



We have added new features to the WeatherPhilippines website. These include integration of the severe weather warning map with color-coded alerts, integration of the severe warnings on the detail weather page, and activation of two weather models for better forecasting.

“ WeatherPhilippines will continue to empower communities in 2014 by providing skills development and capability building trainings to local government leaders and public information and disaster risk reduction officers.

Provinces of the Philippines (LPP), we deployed an additional 197 AWS across the country with the help of our valued donors SM, Pilmico, and other private sponsors and site partners who have thrown their support behind this cause. Partnerships with Rappler, Globe Telecom, Primer Group, iAcademy, GeiserMaclang, Cebu Pacific, and many more were also established in 2013, allowing WeatherPhilippines to enhance capability in information dissemination, training facilitation, and communications management.

To boost our credibility and reputation as a professionally-run non-profit, WeatherPhilippines joined the League of Corporate Foundations (LCF) as a full-fledged member. Our entry into the LCF will also allow us to expand our partner network by being part of a wider community of corporate social responsibility practitioners who advance strategic CSR practices in aid of national development.

In 2014, WeatherPhilippines will transition from a technology installation project to full-blown weather info dissemination operations. We will continue efforts to strengthen the country's disaster risk reduction and management capability by propagating information to a larger audience. We will continue to pursue partnerships with various stakeholders and expand our network of AWS in the country, targeting the completion of 750 installations by end-2014.

Together with its partners, WeatherPhilippines will implement its communication plan employing social media and SMS technologies. We will be more visible in media and events related to disaster risk reduction and climate change adaptation. Likewise, we will do more speaking engagements to spread our advocacy and establish leadership as experts in disaster preparedness through localized weather technology.

WeatherPhilippines will continue to empower

communities in 2014 by providing skills development and capability building trainings to local government leaders and public information and disaster risk reduction officers. They will be tapped to facilitate cascading of localized weather information to their constituents and hard to reach communities.

Through constant research and development, WeatherPhilippines will explore innovative solutions to enhance its data transmission and consistently deliver accurate weather information. We will keep abreast with the latest technology from Europe and the rest of the world to ensure that the Philippines is making use of modern and practical technology for disaster risk reduction and climate change adaptation.

It is the aim of the WeatherPhilippines Foundation to increase disaster risk reduction consciousness in the Philippines in 2014 and we will accomplish this through our key pillars: technology, partners, and communication.





Top 10 trends of 2014



HIGHLIGHTS AND COMMENTARIES

By Endika M. Aboitiz, Jr.

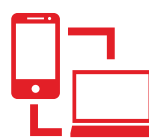
Please keep in mind the overall flow of four main rivers, the irreversible T.I.N.A.—There is no alternative.



Globalization



Eco-Political Liberalization



Accelerated Technology



Rising Societal Expectations

WEF TOP TEN TRENDS OF 2014

1. Rising Societal Tensions in the Middle East and North Africa (MENA)

There is a battle of ideas taking place within the Arab world.

It is polarizing the region whose outlook remains uncertain.

The most visible is the split between those who want political Islam to play a role in public life and those who want to keep religion and government separate.

The future could be as much about the defeat of hope for change, as about the potential for a revival taking place.

EMA – *The transformation effect of the production of shale gas from fracking in the United States and as it moves towards other countries may force MENA to learn from the lessons discussed in number 8 below. MENA is most concerned because their production plus social costs are high and rising. They have bought their unproductive people, and populations are rising quickly.*

2. Widening Income Disparities

There is no doubt that growing income inequality is an issue of central importance.

To counteract income inequality it is

essential we tackle poverty in an integrated way that has long-term impact.

We need to give people the capacity to achieve a more prosperous future.

Disparity stems from the same roots:

1. Firstly – the lack of access to high quality basic, primary, and secondary education.
2. Chronic diseases linked to poor diet and lack of exercise.

Unrest cloaked in a desire to change from one political leader to another is a manifestation of people's concerns about their basic needs.

Social inequalities like gender discrimination are disproportionately impacted by poverty. They are where most change to society can come.

EMA – *Public education is the main root cum source of income disparity. The wealthy receive better and better education while the poor attend public education, which costs tax payers more per student than the tuition of private education. Public education is of deteriorating quality. If we insist in providing publicly managed & publicly financed education rather than just publicly financed education, this will worsen because the amorality and*

incompetence of public governance, almost across the board, increases by the minute.

3. Persistent Structural Unemployment

People, particularly the youth, need to be productively employed or we will witness the deterioration of our social fabric.

A generation that starts its career in complete hopelessness will become more prone to populist politics and will lack the fundamental skills that one develops early on in their career.

We are all custodians of our social wealth.

EMA – *Again the source is poor public education. The Philippines has an edge here; a three-prong edge.*

We speak decent English.

We have decent education for both sexes.

We have a natural friendliness and service culture.

These are ideal for securing overseas workers their jobs, for call center employment, and tourism. As such, our economy has, because of T.I.N.A. And without any government aid at all, turned into a service economy where any Filipino that wants a job can get one in one of 192 countries where 10 million overseas

workers make a living, increasingly in call centers and BPO/ICT and in tourism that will grow if we build the infrastructure needed.

For now the government does not need to do very, very much.

1. We need a connector road between NLEX and SLEX. That will give Mega Manila (defined as CALABARZON, Metro Manila and the areas north of Metro Manila towards Tarlac) two airports – Clark and NAIA. They will not be ideal but it will function decently. Clark can be expanded.
 2. A new Mactan terminal – this has been awarded.
 3. Puerto Princesa, Iloilo, Bacolod, Davao, Cagayan airports are workable – all they need are lights.
 4. And then roads around these areas.
 5. The NAIA expressway for the casinos.
- I believe this can bring us to 10 million tourists.

4. Intensifying Cyber Threats

Rather than attempting to prevent all possible forms of hacking, ensure that it's not catastrophic to get hacked.

Businesses are giving up more control than they appreciate. The eggs are increasingly in the same basket, so if Amazon web services go down, then a bunch of other wise unrelated websites, and their users, are in trouble.

Internet of things—thermostats and refrigerators. Security has not caught up here.

There are a lot of undiscovered vulnerabilities.

EMA – What we don't know? Repeat: undiscovered vulnerabilities.

5. Inaction of Climate Change

There is action and it is moving in the right direction, but it is not moving fast enough, so there is a perception of inaction.

The sense of urgency has disappeared.

Wherever you are in the world, policy cannot wait for action and action cannot wait for policy perfection. Your first stance is unacceptable.

EMA – Until the public is willing to pay for the reversal of climate change in the form of more expensive energy, electric cars, et. al., This will not accelerate beyond its walking pace when we need to run. More affluent countries have to show more powerful examples.

6. Diminishing Confidence in Economic Policies.

Three reasons:

- The reach and intensity of the crisis
- The sluggish pace of the recovery
- The unrealistic expectations that have been placed on economic policies.

There is dissociation between governments and the governed, between trusted institutions like banks and the people that deposit.

People are uncertain about which policies are necessary to produce a return to stronger growth, and that has been exacerbated by the tendency to ascribe wildly unrealistic powers of healing to public policy.

EMA – Clarity is the main basis for trust. Long-term greed is what drives trust and thus, make sure clarity is there. If you want people to trust you, you need to be clear. If you are after true, long term greed for long term growth and sustainability, you will be clear.

You can fool most of the people most of the time but you cannot fool all of the people all of the time. Those that do the former are those that take short cuts because their interests are not, or they don't see it, in the long term.

7. A Lack of Values in Leadership

We have seen too many people who seek power in order to make money, exert influence, and spread money to their friends and cronies.

The common good is the only way to prosper long term, because nobody can feel secure in a country in which the majority of people are struggling.

Education is key to changing this because while we cannot always change things immediately, we should at least be able to

understand what is happening and complain if we don't like it.

There is a crisis of legitimacy in the institutions of industrial capitalism. Everywhere old institutional models are stalled or failing and the leadership transformation is not coming forward.

It is important that we don't just look to maintain our own interests or those of our immediate neighbors.

It's not a lack of values that we should be worried about, but rather the kind of values.

We must work hard to present people with a different range of ideas, interests and visions, and introduce different types of people, information and values in an attempt to bring about understanding.

EMA – There is only one sin, and that is to take what is not yours: someone else's life, someone else's wife, what someone else has earned, and most importantly, someone else's hope and dreams. This is why the rule of law, proper governance and developing codes of conduct are so important – to prevent this one sin.

8. The Expanding Middle Class in Asia

The explosion of the Asian middle class – from 500 million people today to 1.75 billion by 2020 (3x in seven years).

The reason they are succeeding is that they have finally begun to understand, absorb and implement important reforms:

- free market economics
- master of science and technology
- a culture of pragmatism
- meritocracy
- a culture of peace
- the rule of law
- education

One key positive outcome of these changes is the reduction of conflict within the region.

The biggest challenge – what it means for the environment.

The incredible amount of brainpower that this middle class will add to the realm of science and technology!

EMA – There is no doubt that those who have



Clarity is the main basis for trust. Long term greed is what drives trust and thus, make sure clarity is there. If you want people to trust you, you need to be clear.



There is only one sin, and that is to take what is not yours: someone else's life, someone else's wife, what someone else has earned, and most importantly, someone else's hope and dreams. This is why the rule of law, proper governance and developing codes of conduct are so important – to prevent this one sin.

not learned the above reasons are learning them. Those that are benefiting are learning more and those that learned them and abandoned them are coming back to the fold. Is your system, business or government, constitutional (i.e. It follows the rule of law), liberal (i.e. It allows freedoms of all kinds so long as they don't trample on the freedom of anyone else), and democratic (i.e. One vote per individual above an agreed age)? And, to what level? Then in what order? Hong Kong was only constitutional and it progressed. India is liberal and democratic without proper rule of law and you see where it is.

9. The Growing Importance of Mega Cities

From global warming to homelessness, from the debt crisis to energy shortages, from insufficient water to outbreaks of disease, name any problem that concerns humanity and the city is the crucible where you will find it bubbling away.

But cities also represent our best hope for finding solutions to these enormous challenges since they are the cauldrons of innovation, ideas and wealth creation.

All cities share the same effective DNA because they are made up of people. Cities are fundamentally social networks, complex adaptive systems that behave similarly regardless of geography, political system or economic model

EMA – Detroit is an example of how neglecting diversity can lead to losing the buzz.

10. The Rapid Spread of Misinformation Online.

Any online information is part of a larger and more complex ecology with many interconnected factors. We need to look beyond the specific medium and consider the political-cultural setting in which misinformation spreads.

It can be difficult to establish what

“fake” actually means—real pictures in different contexts? It is now common practice for news organizations to source images online.

Big data. It's not possible to read a billion tweets produced every 2.5 days. To properly understand the data, we need to make use of computer assisted processing and combine this with human evaluation to put information in context.

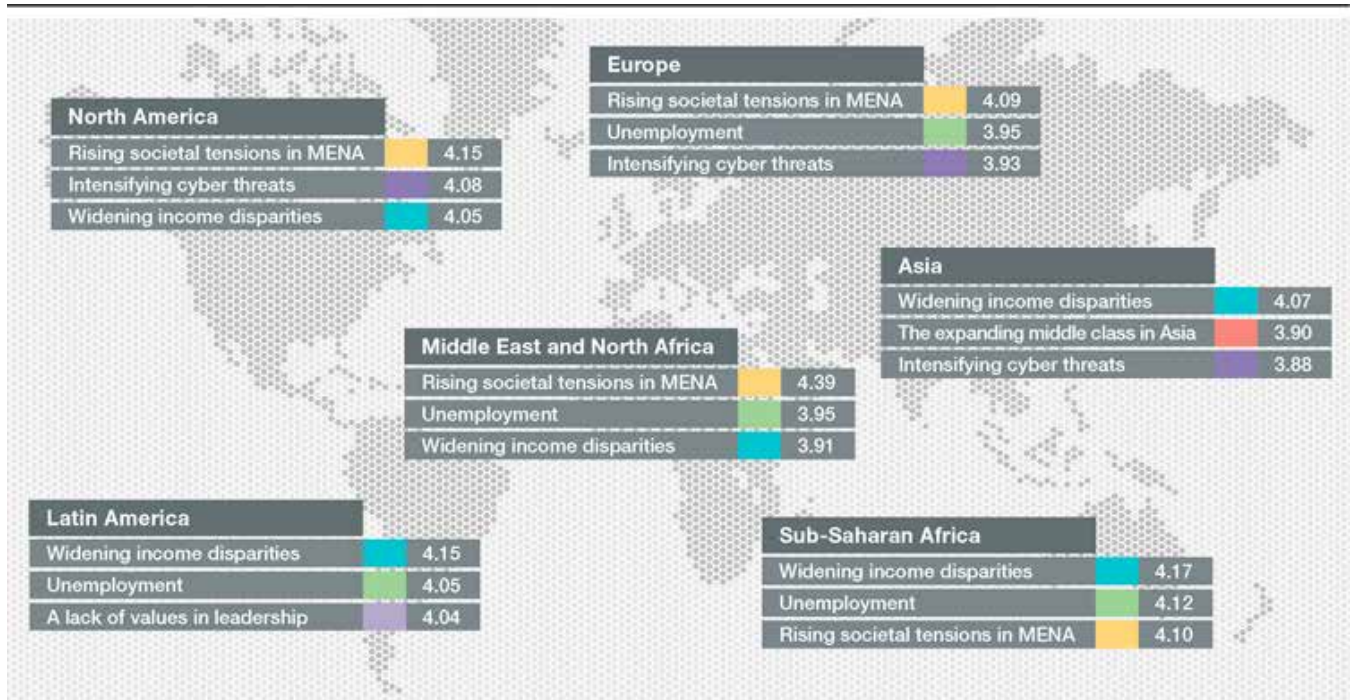
Every case of misinformation is unique and should be considered independently, paying attention to the complexities of the ecosystem it circulates within.

EMA – We believe in the Bible, which I think is the most inaccurate. We believe in social media and it is second least accurate. We mistrust the printed media and it is the less least accurate.

Praise all gods!

Drink wine!

And let the world be the world.



1.00 = Not significant at all 2.00 = Not very significant 3.00 = Somewhat significant 4.00 = Very significant 5.00 = Extremely significant

Source: Survey on the Global Agenda 2013, World Economic Forum

Sustainability Policy

We can do well by doing good,
always making the right long-term decisions that
balance the interests of people, planet, and profit.

We are guided by the following principles:

- Stakeholders must be treated with fairness.
- Corporate Social Responsibility is an integral part of doing business.
- Decisions are made with highest regard for their long-term impact.
- We live our core values of integrity, teamwork, innovation, and responsibility.

We make decisions based on our objectives to:

- Partner with communities to promote inclusive growth.
- Provide a commercially sustainable customer experience.
- Attract, retain, and optimize A-people.
- Build, protect, and enhance our reputation.
- Minimize our environmental impact.
- Enhance overall long-term effectiveness of the organization.
- Grow profitably.

We are committed to making Aboitiz a truly sustainable
enterprise that we can entrust to future generations.

