

# aboitiz eyes

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## ABOITIZ JOINS



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## Aboitiz Equity Ventures, Inc.

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# AEV optimistic about future growth



AEV President & CEO Erramon Aboitiz assures shareholders the company is on solid ground. At presidential table (L-R): SVP Juan Antonio Bernad, Director Roberto Aboitiz, Independent Director Roberto Romulo, Chairman Jon Ramon Aboitiz, Independent Director Jose Vitug, Director Justo Ortiz and Director Enrique Aboitiz, Jr.

## Corporate Governance

EIA reported that the AEV Board recently undertook several initiatives to further strengthen its corporate governance structure and the role of the Corporate Center. "The corporate organization was rationalized and new positions created. New Board committees were established to deal with matters pertaining to Strategy, Risk Management and Corporate Governance. The new structure strengthens the

**Our businesses are profitable and have strong balance sheets, enabling them to support their own expansion needs. We would like to assure our shareholders that AEV is on solid ground.**

role of the Corporate Center and establishes it as the business partner of our operating units tasked to institute best practice and standards and programs, bringing our whole group up to the same level," he said.

## 1st Quarter 2009 Results

EIA also reported the results of the first quarter 2009. AEV ended the period with a total net income of ₱1.4 billion, recording an increase of 20% year-on-year. This translates to a ₱0.25 earnings per share for the first quarter of 2009.

As of March 31, 2009, the company's total assets amounted to ₱75.1 billion, down by 1% from year-end 2008 level. Cash and cash equivalents amounted to ₱13.4 billion, lower by ₱3.1 billion from year-end 2008 levels. Total liabilities decreased by 2% to ₱28.4 billion, while Equity Attributable to Equity Holders of the Parent increased by 1% to ₱38 billion.

"While we do not expect the global economy to recover quickly, we remain confident about the prospects of AEV and its investments. It has a strong balance sheet and excellent reputation, as we have seen in the recent various fund-raising activities of the Group, that will allow us to continue to tap the credit markets to fund our growth requirements. Our businesses are profitable and have strong balance sheets, enabling them to support their own expansion needs. We would like to assure our shareholders that AEV is on solid ground," EIA said.

An AEV and AP joint stockholders briefing was held at the Manila Mandarin Hotel in Makati on May 20.

Despite the economic downturn, Aboitiz Equity Ventures (AEV) managed to hold on and end 2008 relatively unscathed, reported President & CEO Erramon I. Aboitiz (EIA) at the company's Annual Stockholders' Meeting last May 18 at the Cebu City Marriot Hotel.

While AEV closed the year with its stock price down by 19% at ₱5.60 per share, EIA said this decline was not as pronounced as that of the market with the Phisix slipping down by 48%.

He reported that AEV turned in a recurring net income of 4.9 billion for 2008, a slight decline of 2.8% from the previous year. The power business continued to account for the lion's share of company's earnings, contributing 70% of the total income contribution from its four business groups. Banking contributed 18%, food 10% and transport 2%.

## 2008 Highlights

Aboitiz Power (AP) ended 2008 with an income contribution of ₱3.3 billion, very close to 2007 levels. AEV's ownership dilution following the listing of AP in July 2007 was offset by the full-year earnings contributions of AP's 2007 acquisitions. Confident in AP's future and taking advantage of the low price of the share, AEV increased its stake in AP from 73% to 76% in 2008.

AP's major highlight in 2008 was winning the competitive bid for the 747-megawatt (MW) Tiwi-Makban geothermal power stations, which have the estimated capacity to generate 462 MW of power on a sustained basis.

UnionBank's total interest earnings in 2008 grew by 7% to ₱10.4 billion. The lion's share of these came from interest income on loans that jumped by 33% to ₱5.4 billion. Likewise, interest earnings from investments and trading

securities improved dramatically, up by 69%, reaching ₱3.5 billion. This was a direct result of UnionBank's focusing on the solid core business of lending and expanding its loan portfolio by 68%, ending 2008 with loans of ₱91 billion. The bank closed the year with total resources close to ₱204 billion, making it the 7th largest private domestic universal bank in the country. Its capital base stood at ₱27 billion.

City Savings Bank (CSB) contributed earnings of ₱37 million in 2008, 42% lower than in 2007. The reduction of the bank's earnings contribution can be attributed mainly to lower net interest margins. In 2008, the Bangko Sentral ng Pilipinas gave CSB a high CAMELS rating of 4 that indicates it is stable to withstand unfavorable outside influences.

Despite the economic crisis, Pilimco Foods pursued its expansion plans in 2008. Its Iligan feedmill, grower-finisher farm, and flour blending facility are now completed. The new feedmill, which began commercial operations in September 2008, has an annual production capacity of 108,000 metric tons (MT). The company also completed new grain silos with a capacity of 27,000 MT.

In 2008, ATS focused on developing its value-added business. It purchased ScanAsia Overseas and completed the construction of its new warehouse for a supply chain business, increasing warehousing capacity by 275%.

Rather than expand its capacity in both passage and freight, ATS implemented its strategy of improving the yield on its assets. The utilization rates on its freight capacity averaged 88% in 2008. As it implemented its low-cost carrier model for its passage business, the same success was achieved, hitting a load factor of 70% for the year, the highest it has seen in the last four years.

# Aboitiz Power remains bullish, on track with strategic initiatives

In the midst of economic uncertainty, Aboitiz Power Corporation (AP) managed to turn in another good year in 2008, performing within the expectations of the investment community. It also remains bullish about its future. This was the message of AP President and CEO Erramon I. Aboitiz (EIA) during the company's Annual Stockholders' Meeting last May 18 at the Cebu City Marriot Hotel.

EIA reported that AP ended 2008 with a recurring net income of ₱4.7 billion, up by 38% from the previous year's ₱3.4 billion. Consolidated revenues grew by 8% from the previous year, reaching ₱12.2 billion, with increase coming mainly from its 2007 asset acquisitions.

The power generation business accounted for 64% of the company's earnings, as it shored in close to ₱2.8 billion in 2008, 6% higher than the previous year. The distribution group accounted for ₱1.5 billion of AP's earnings, which is equivalent to a 34% share.

For AP's generation business, total power sold in 2008 recorded a 70% increase from 1,018 gigawatt hours (GwH) to 1,728 GwH. The increase was brought on by the full-year contributions of the company's 2007 acquisitions. The takeover and operation of the 100-megawatt (MW) Binga hydro power plant in July 2008 and higher rainfall during the year also resulted to the increase in the group's generation output. As of yearend 2008, AP's power generation group had an attributable capacity of 578 MW, an 18% increase from 2007.



At the Joint AEV-AP Stockholders' Briefing in Makati.

EIA said the highlight of 2008 was acquiring the Tiwi-Makban geothermal power stations. "The acquisition is very strategic for AP. It is a significant addition to our portfolio of renewable generating assets."

He also reported that the 42.5-MW Sibulan hydro plant in Davao will start generating power for Davao Light by the fourth quarter of this year. The construction of the \$450-million Cebu coal power plant is proceeding as scheduled and will be operational in 2010.



AP President & CEO Erramon Aboitiz reports on the company's efforts to continue powering sustainability. At the presidential table (L-R): Director Ernesto Aboitiz, CFO Iker Aboitiz, EVP Jimmy Aboitiz, Independent Director Romeo Bernardo, Chairman Jon Ramon Aboitiz, Independent Director Jose Facundo, SVP Miguel Aboitiz, Director Juan Antonio Bernad. Not seen in photo are Corporate Secretary M. Jasmine Oporto, Director Mikel Aboitiz and Director Antonio Moraza.

**We do not only have the financial resources and cash flow to fuel our growth, but more importantly, a capable management team who not only understands the power business but is driven by a vision of offering better solutions to our customers.**

EIA said that AP will pursue building a portfolio of assets that will be both competitive in the long term and complementary with each other by continuing to participate in the privatization of targeted PSALM generating assets. It will also develop greenfield projects where the opportunity exists. AP has two other greenfield projects in the pipeline. These are the 300-MW coal-fired power plant in Subic and the 28-MW Tamugan hydro power plant in Davao.

"We are excited and look forward to the implementation of open access, as it will allow us to go beyond the borders of our franchise areas and expand our customer base. New markets for our generated power will open up, when we are able to directly contract with and serve customers regardless of geographic location," said EIA.

He also said that the ERC's shift to Performance Based Regulation for distribution utilities shall bode well for AP. After years of waiting, the company also welcomes the passage of the Renewable Energy Act of 2008.

## 1st Quarter 2009 Results

EIA reported that AP posted earnings of ₱381 million for the first three months of this year from ₱1.01 billion for the same period in 2008. The decline was due to the drop in both distribution and generation profits. Earnings per share for the quarter stood at 5 centavos compared to 14 centavos for the same quarter last year.

As a result, consolidated earnings before interest, taxes, depreciation and amortization, or EBITDA, amounted to ₱656 million, compared to ₱1.3 billion for the same period last year.

"Our distribution utilities managed to grow electricity sales by 4% to 1,017 Gwhrs during the quarter as compared to 985 gwhrs for the first three months in 2008. Residential power sales led the increase with a 5% growth, while the combined commercial and industrial power sales went up by 3%

"All in all, the generation business' earnings contribution for the quarter recorded an 83% decline. We are, however, very pleased to report that with the advent of early rains, the water levels in our dams are full to the brim that should allow us to step up our generation for the remaining months of the year. Prices have also recovered in the second quarter.

"We remain very bullish about AP. We remain on track with our strategic initiatives," EIA told stockholders. "We do not only have the financial resources and cash flow to fuel our growth, but more importantly, a capable management team who not only understands the power business but is driven by a vision of offering better solutions to our customers."

# Aboitiz Power announces new executive appointments



**Enrique Aboitiz, Jr.**



**Antonio R. Moraza**



**Luis Miguel Aboitiz**

At a recent organizational meeting, the Board of Directors of Aboitiz Power Corporation (AP) appointed Enrique “Endika” Aboitiz, Jr., as the new Chairman of the Board, replacing Jon Ramon Aboitiz.

Other new appointments are Antonio Moraza as Executive Vice President & Chief Operating Officer – Power Generation Group and Luis Miguel Aboitiz as Senior Vice President – Power Marketing & Trading.

**Endika Aboitiz** is the President & CEO of Aboitiz Transport System (ATS). He is also the President of Aboitiz Jebsen Bulk Transport Corporation, EMS Crew Management Philippines, Inc., Jebsens Maritime, Inc.; and Chairman of Filscan Shipping Inc., General Charterer Inc., Overseas Bulk Transport, Inc. and Viking International Carriers, Inc.

A director of Aboitiz Equity Ventures (AEV) since 1994, he is also a Director and Senior Vice President of Aboitiz and Company (ACO).

**Antonio R. Moraza** has been an AP Director since 1999. He is also the Chairman of the Board of Directors of AP Renewables Inc., Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation, and Vice-Chairman of the Aboitiz Construction Group and AboitizLand. He is also Chairman and President of Cebu Private Power Corporation, and President of SN Aboitiz Power-Magat, Inc. (SNAP-Magat), SN Aboitiz Power-Benguet, Inc. (SNAP-Benguet) and Manila-Oslo Renewable Enterprise, Inc. (MORE).

He is also a director of ACO, Union Bank of the Philippines, Visayan Electric Company, Inc. Cebu Industrial Park Developers, Inc. Tsuneishi Heavy Industries (Cebu) Inc., Luzon Hydro Corporation and the Philippine Association of Flour Millers.

Mr. Moraza holds a degree in Business Management from the Ateneo de Manila University and attended the Asian Institute of Management.

**Luis Miguel Aboitiz** is AEV First Vice President, and Hedcor Director and Senior Vice President – Business Development. He is also Director and Vice President/Treasurer of Philippine Hydropower Corporation, Director of Subic EnerZone Corporation, AP Renewables Inc., SNAP-Magat, SNAP-Benguet, MORE, Pilmico Foods Corporation, and Pilmico Animal Nutrition Corporation.

Mr. Aboitiz was an AP Director and Vice President for Power Generation from 1998 to April 2007. From 1990 to 1992, he was Assistant Vice President of Davao Light, and Director since 1996. He was also a Director of Cotabato Light from 1998 to 2001.

He holds a degree in Computer Science and Engineering from Santa Clara University in California and has a Masters degree in Business Administration from the University of California at Berkeley.



## Sabin Aboitiz appointed Pilmico president

On May 18, AEV President & CEO Erramon I. Aboitiz announced that Sabin Aboitiz has been appointed to take over Antonio Moraza as Pilmico President & CEO, effective August 1, 2009. Mr. Moraza will take over EIA's role as Chairman of the Board of Pilmico.

Sabin is currently President & CEO of Aboitiz One, Inc. He has been a director of Aboitiz Transport System (ATS) since September 2002. He is also a director of Aboitiz Jebsen

Bulk Transport Corporation. His previous positions include the following: Marketing Manager, AVP for Marketing, VP and EVP for TS Express, SVP and COO of Aboitiz Air Transport Corporation.

He graduated with a degree in Bachelor of Science in Business Administration, Major in Finance at Gonzaga University in Spokane, Washington U.S.A.



# Aboitiz companies vote



Earth Hour began in Sydney, Australia in 2007. It was organized by the World Wildlife Fund (WWF) and the Sydney Morning Herald to raise awareness in solving the climate change problem. On its first run, more than two million households participated in switching off their lights for one hour. Since then, the Earth Hour has been transformed into the world's global election between Earth and global warming.

This year's goal was to reach one billion votes for earth, which would be presented to world leaders at the Global Climate Change Conference in Copenhagen. This meeting would determine official government policies to fight global warming, replacing the Kyoto Protocol.

For Earth Hour 2009, the Philippines was the top participant, with more than 150 million Filipinos in 650 cities who saved 611 megawatt-hours, equal to 12 coal power plants being shut down for one hour.

Aboitiz companies contributed to the country's large amount of energy saved, carrying out efforts to have a greener Earth. Aboitiz Equity Ventures (AEV) President and CEO Erramon I. Aboitiz (EIA) issued an official memo, highly encouraging group wide participation, and the implementation of location-specific actions in their communities.

Hearing the call for action, a promotional campaign was rolled out across the Aboitiz Group. The Group implemented a massive

information drive through emails, radio, print ads and tarpaulin signage to communicate the call for all to participate in the Earth Hour event. Community information campaign was also done in some areas.

The Aboitiz Corporate Center companies gave their vote by having a pre-Earth Hour countdown the day before the actual event. AEV, AboitizLand and Pilmico Foods team members gathered for a program to show their support and create more awareness to the campaign. This was an initiative of the AboitizLand Social Projects Committee, and the activity was graced by AboitizLand COO Andoni Aboitiz, who gave an inspirational message.

AboitizLand VP for Human Resources Nilda Ravina also gave a talk on the importance of Earth Hour, the need to support it, and the various communities that would participate in the event.

To show everyone's commitment to help Mother Earth, everyone computed how much electricity they would save per household if they shut off their lights for a full hour. Totaled per company, AEV pledged 5,211 kilowatt-hours (kWh), Pilmico pledged 2,130 kWh and AboitizLand pledged 12,230 kWh worth of energy savings. As individuals, we could still make significant, personal contributions.

The countdown to shutdown, led by the Pilmico representatives, highlighted the night. The simultaneous switching off of all the lights

in the building was a serene moment with the lighting of candles, and praying for Earth. Music and entertainment was provided afterwards by the in-house talents of the three companies.

The next day, even more votes were cast during Earth Hour as different locators in MEZII, all tenants of Pueblo Verde, Philippine Air Force and Barangay Basak came together for a joint countdown with the Mactan Cebu International Airport Authority. Everyone made their marks on the Earth Hour Commitment Wall. Cebu Industrial Park Developers (CIPDI) and the West Cebu Industrial Park (WCIP) in Balamban, as well as different AboitizLand communities such as North Town Homes, North Town Residences, Molave Highlands and Mahogany Grove cast their votes by switching off their lights.

UnionBank joined the Earth Hour movement to bring about a greener, more sustainable planet by switching off 1,595 light bulbs (57 kWh) of the UnionBank Plaza Building. Branches nationwide also joined by switching off their lights, and the rest made sure that their appliances were unplugged during the end of the work week. Chairman and CEO Justo A. Ortiz issued a letter to all UnionBankers, enjoining everyone to switch off lights in their respective homes from 8:30 pm to 9:30 pm.

To emphasize the significance of Earth Hour, a daily e-mail reminder was sent a week before March 28. Aside from the countdown, green tips



# te for a greener Earth



and notes were also added to the Earth Hour teasers. All of these efforts were in line with the Pledge of Commitment that UnionBank Philanthropy and CSR Executive Director Maria Gonzalez Goolsby and UnionBank Channel Management, Process and Quality Management EVP Teodoro Panganiban recently signed with Energy Secretary Angelo Reyes. The agreement was in support of the National Energy Efficiency and Conservation Program.

Meanwhile, the Ramon Aboitiz Foundation, Inc. (RAFI) participated in the event by not just switching off the lights, but also shutting down the electricity in all of its facilities for one hour.

"RAFI, even in the past, has been seen as an environmental advocate. Our participation in the Earth Hour is a simple way of articulating our advocacy," Eduardo Aboitiz Development Studies Center Executive Director and RAFI Offices Administrator Evelyn Nacario-Castro said. "RAFI employees, I believe, also participated in the Earth Hour in their own way, in their own homes, wherever they were," she added.

Upholding its vision to create sustainability, Aboitiz Power (AP) strongly advocated action within its component companies, and in the communities that they served. Even though turning off lights for an hour could be translated to revenue reduction since it would mean decrease in consumption, AP companies

fully participated in the Earth Hour campaign, prioritizing the need to conserve energy. The efforts made in the present could help preserve the resources needed in the future for sustainable growth.

Aboitiz power generation and distribution companies rolled out promotional messages and materials to raise awareness. They put up posters and banners, and also had media coverage. Visayan Electric Company (VECO), Davao Light and Power Company (DLPC), Cotabato Light and Power Company (CLPC) sent out press releases. Subic EnerZone (SEZ) promoted the event in the local television show "Power Talk". SEZ representatives gave details on Earth Hour, the effects of global warming, and tips on practical energy conservation.

Hedcor went on an information drive among elementary and secondary students in their host barangays in Mintal, Tugbok and Catalunan Pequeno, Davao City. Days before the Earth Hour event, Hedcor team members dedicated time to explain to the youth how the simple act of switching off the lights for one hour could be a big help to the environment.

On the event day itself, VECO, DLPC, CLPC, Hedcor, SEZ, and SN Aboitiz Power (SNAP) turned off their lights and joined the rest of the world in dedicating one hour of darkness for a brighter future. Employees closed all their lights at home, and encouraged their neighbors to do

the same.

In addition, the different SNAP plant sites actively participated in the activity, namely Ambuklao Hydroelectric Power Plant, Binga Hydroelectric Power Plant and SNAP Magat. Team members not only switched off their lights, but also stopped operations during that time period.

VECO EVP and COO Jimmy Aboitiz, a strong advocate of energy conservation and movements against global warming, said: "It involves everyone no matter where you are in this world."

Participating in Earth Hour is just one of the many environment-driven activities that the Aboitiz Group is involved in. In its continuous pursuit to build sustainable communities and saving the environment, the Group carries out a line up of projects and programs to stop climate change.

Every year, Aboitiz companies have a tree-planting event, which is geared towards helping restore forests. Taking a step forward, Hedcor is currently leading a new endeavor called the Watershed Management Project, which was organized in cooperation with government and non-government agencies including the Department of Environment and Natural Resources, National Commission on Indigenous People, and Bagobo Tagabawa Tribal Association. The project adopts 1,000 hectares





## Energy saving tips

- On Lighting: Turn off lights when not needed. Clean lamps or bulbs regularly to get more light. Use low-watt lamps or bulbs whenever feasible. Business offices and factories with overlighted areas (where lighting is not a critical factor) could deactivate a tube or two in fluorescent fixtures by simply unscrewing the starters.
- On Air Conditioning: Maintain thermostat setting at a temperature not lower than 75 deg Far. (23.9 deg. Celsius). Locate air conditioning units in the coolest side of the rooms. Doors must be kept closed at all times.
- On TV Viewing: Switch off the television set and unplug when not in use. If possible, limit viewing to favorite programs.
- On Cooking: Use flat-bottom pans with tight covers to minimize heat transfer losses.
- On Refrigeration: Defrost refrigerator regularly; frost acts as an insulating blanket that causes the motor to work overtime, resulting in more electric energy used.
- On Electric Fans: If feasible, set the fan at low. Lock the oscillator when fan is needed only by one or two persons.
- On Ironing Clothes: Disconnect the electric flat iron during the last few minutes of the ironing work; the flat iron is still hot enough to finish the work.
- On Water Heaters: Install the water heater as close as possible to the places where its use is greatest to eliminate long pipe runs. All the hot water left in the pipes when turned off is wasted.
- On Deep Well Pumps: Conserve water. During summer months, deep well pumps usually operate longer, hence more electrical power is used. (This is because water level is lower during summer than during rainy months; for the same amount of water the pump has to work longer).
- On Defective Appliances: Defective appliances should be repaired immediately. They usually have to work longer and use more electricity.

of forestland within the Mt. Apo Natural Park to protect the surrounding areas of the Sibulan Hydropower Project, and of nearby communities. The project encourages the participation of residents and settlers by providing them with income-generating activities. It entails the reforestation of areas with fruit-bearing trees, while protecting the watershed resource to yield quality water supply on a sustained basis.

The Watershed Management Project also establishes agro-forestry areas in Barangays Sibulan and Kapatagan, rehabilitating the newly established and improved 41-kilometer access roads, and stabilizing rivers and creeks within the vicinity.

To raise more awareness about saving the environment, under AP's Cleanergy brand, regular briefings on climate change and global warming are held, and Green Champions have been assigned across the Group. AP also encourages its clients to use compact fluorescent (CFL) bulbs to help reduce carbon emissions. Each bulb uses 75% less energy for

the same amount of light. Beyond the efforts initiated by the Aboitiz Group, the company emphasizes the importance of team members' efforts in saving the environment outside the corporate setting.

A key phrase in the campaign to save the world and humanity from itself is "carbon footprint," which is defined as "the direct effect your actions and lifestyle have on the environment in terms of carbon dioxide emissions". This contributes to speeding up global warming and climate change. An environmental organization has stated that: "Probably the biggest contributors to your footprint are your travel needs and your electricity demands at home."

Thus, the company has suggested tips formulated by VECO that could help team members leave the least carbon footprint as possible by lessening their electricity consumption, and helping save the environment in their own ways. Hopefully, everyone could learn how to eventually save energy out of habit.

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# AEV is Silver Awardee in Corporate Governance scorecard

By Sebastian Lacson

Aboitiz Equity Ventures (AEV) landed in the top 15 out of 169 listed companies of the Philippine Stock Exchange (PSE), rated by the Institute of Corporate Directors (ICD) in its 2008 Corporate Governance Scorecard review. AEV is in privileged company, among other awardees are Ayala Corporation, PLDT, Globe Telecom, BPI, ABS-CBN, Petron and Manila Water.

The ICD, represented by Chairman Dr. Jesus Estanislao, presented AEV Chairman Jon Ramon Aboitiz the award during its sixth annual dinner at the Peninsula Manila last May 27. It was a high-profile event with captains of industry and government leaders in attendance.

Ayala Corporation President and CEO Fernando Zobel de Ayala delivered the keynote address, stressing that "for good corporate governance to thrive, a foundation and culture of honesty and integrity are imperative". Aside from Estanislao and Zobel de Ayala, others who addressed the audience were Central Bank Governor Amando Tetangco, Securities and Exchange Commission Chair Atty. Fe Barin, PSE President Atty. Francis Lim and AIG Country Head Jose Cuisia, Jr.

Landing among the top in corporate governance is a tribute to the efforts undertaken to promote it at all the companies



AEV Chairman Jon Ramon Aboitiz is flanked by (from left): AIG Country Head Jose Cuisia, Jr., SEC Chair Fe Barin, ICD Chairman Jesus Estanislao and PSE President Francis Lim.

## ***Aboitiz Power and ATS also get high ratings.***

of the Group and belie the strong base of good values that the Aboitiz companies have always possessed and espoused.

While only AEV was recognized at this event for scoring 90% and belonging to the top 15, it is worthwhile to note that Aboitiz Power and Aboitiz Transport System (ATS) achieved ratings of 89% and 86%, respectively, in the scorecard. The average rating for the companies assessed was 72%.

Presentors during the event reiterated that during turbulent economic times, entities

with a sound governance foundation are more likely to survive than those that do not have it. Investors and government entities, they added, are now more than ever conscious of governance practices and consider them in their investment and regulatory decisions.

Prior to the dinner, the ICD conducted a forum with representatives from investor groups (fund managers and investment houses), regulatory entities (SEC, CB and PSE), and the publicly listed companies. They discussed the progress made in corporate governance in the country and what has yet to be done in order for the Philippines to be considered a regional leader in this effort.

## Aboitiz Power completes maiden issue of ₱3-billion bonds



SIGNING CEREMONY. Seated, from left, are Lourdes Bautista (VP, ING), Gabby Mañalac, (SVP, AP), Eduardo Francisco (President, BDO Capital), Jose Pacifico Marcelo (EVP, FMIC), Erramon Aboitiz (President, AP), Iker Aboitiz (FVP, AP), Jose Teodoro Limcauco (President, BPI Capital), Consuelo Garcia (Managing Director/Country Manager, ING) and Dennis Sta. Catalina (VP, BPI Capital). Standing, from left, are Arlon Reyes (Manager, Metrobank), Buzzie Ona (VP, FMIC), Bambi Bilano (SM, BDO Capital), Clarice Marucut (Deal Officer, FMIC), Francis Jacinto (SM, BPI Capital) and Ruth Bandera (VP, BPI Capital).

Aboitiz Power Corporation (AP) completed last April 30 its maiden issuance of ₱3 billion worth of peso-denominated 3- and 5-year fixed rate retail bonds.

The 3-year bonds worth ₱705,580,000 (maturing on April 30, 2012) and the 5-year bonds worth ₱2,294,420,000 (maturing on May 1, 2014) have a fixed interest rate equivalent to 8.0% per annum and 8.7% per annum, respectively.

The issue was 2.5x oversubscribed and had to be upsized from ₱1.5 billion to ₱3.0 billion.

The Securities and Exchange Commission (SEC) had approved on April 14 AP's application for the registration of ₱1.5 billion worth of bonds, with an oversubscription option of up to ₱1.5 billion.

AP had signed on April 13 the underwriting documents related to the issuance of the retail bonds. BDO Capital & Investment Corporation, BPI Capital Corporation, First Metro Investment Corporation and ING Bank N.V., Manila Branch are the joint lead managers for the bonds issue

while Bank of the Philippine Islands – Asset Management and Trust Group and the Philippine Depository & Trust Corp. are trustee and registrar and paying agent, respectively.

Earlier this year, the Philippine Rating Services Corporation, assigned the highest possible rating of "PRS Aaa" to both the retail bond issue and the ₱3.89-billion corporate notes the company issued in December 2008.

# SNAP-Magat signs power supply agreements with 5 electric cooperatives

By Mike Hosillos



AT THE PSA SIGNING. Seated from left are SN Power Country Director for the Philippines Kim Lande, SN Aboitiz Power CEO Emmanuel Rubio, CAGELCO I President Lorenzo Trinidad, Jr., CAGELCO 2 President Benjamin Agatep, IFELCO President Antonio Padduyao, CAGELCO Chairman Plaridel Uao, and ISELCO II President Joel Mari Martin Bigornia. Standing are SNAP Manager for Business Development Andy Estrellado and the general managers of the cooperatives.

SN Aboitiz Power-Magat, Inc. (SNAP-Magat) secured the contracts to supply power to five electric cooperatives in Luzon by signing Power Supply Agreements (PSAs) last April 27 at the Manila Peninsula. The company

entered into PSAs with Cagayan Electric Cooperative I and II (CAGELCO I&II), Ifugao Electric Cooperative (IFELCO), Isabela Electric Cooperative II (ISELCO II), and Quirino Electric Cooperative (QUIRELCO).

## SNAP-Benguet inks operations manuals for Ambuklao and Binga dams

By Mike Hosillos

SN Aboitiz Power-Benguet, Inc. (SNAP-Benguet) recently signed the Operations and Maintenance Manuals (O&M Manuals) for the Ambuklao and Binga Dams with the National Power Corporation (NPC) and the Power Sector Assets and Liabilities Management (PSALM) Corporation. The signing ceremony was held last April 17 at the Camp John Hay in Baguio City. The event was attended by NPC President Froilan A. Tampinco, PSALM Vice President Atty. Helena C. Tolentino, and SNAP CEO Emmanuel V. Rubio, who were the main signatories.

The signing of the manuals formalized SNAP-Benguet's operation and control of said non-power facilities as operator for the next 25 years. Ownership of facilities will remain with PSALM and NPC as required by the law. The O&M Manuals provide the terms and conditions for the administration, operation, rehabilitation, preservation and maintenance of the two dams.

As the Philippines currently has no specific dam safety legislation or guidelines, current standard industry practice has been adopted, referencing the New Zealand Society on Large

The PSAs will ensure the supply of electric energy to the cooperatives for three years. These are expected to take effect at least a month after securing the required approval from the Energy Regulatory Commission (ERC) and the cooperatives' posting of security deposits. SNAP-Magat and the electric cooperatives have the option to renew said agreements after the agreed time period.

SNAP CEO Emmanuel V. Rubio expressed SNAP-Magat's commitment to provide reliable and stable supply of electric energy to the five cooperatives, and to thousands of power consumers in their franchise areas.

SNAP-Magat secured the contracts with the electric cooperatives after a public bidding held for the purpose as required by the ERC. SNAP Manager for Business Development Andy Estrellado led efforts to secure said contracts. The successful signing of the PSAs is part of the business strategy of the Magat plant to ensure steady income for the facility to manage risks inherent in the spot market.

Dams (NZSOLD) Dam Safety Guidelines (2000), and also the United States Bureau of Reclamation Safety Evaluation of Existing Dams (USBR SEED) Manual. The O&M Manuals will ensure that the Ambuklao and Binga dams are operated and maintained safely and in accordance with international standards.

The manuals were prepared by a technical working group from SNAP-Benguet headed by Alberto Canlas, PSALM, and NPC, with Tonkin & Taylor International Phils., Inc. (T&T Phils.), the firm that prepared the original designs for the Ambuklao and Binga dams, and acted as consultant for the group. Under the manuals, watershed management and flood forecasting and warning functions will be retained by NPC which has the expertise and manpower for this matter.

## Hedcor welders earn TESDA Level II National Certification

Committed to be well-trained pros, eight Hedcor welders advanced to Level II National Certification under the Technical Education and Skills Development Authority (TESDA).

The welders are Jose Baliton, Omer Rowel Bastida, Richard Cabalhug, Teody Daroya, Efren Eddio, Rodrigo Ellamar and Renante Espinosa. Their certifications are valid until November 2013.

TESDA, through Philippine Technical Vocational Education and Certification System in Shielded Metal Arc Welding

(SMAW), did an on-the-spot productivity and performance evaluation.

Technical skills tested were preparation, setup, fit up and repair of materials; and carbon steel plate welding using SMAW standards. These are vital in fabricating world class turbines, pipes and other facilities to generate clean energy through Hedcor's run-of-river system.

Business skills included communication, teamwork and occupational health and safety procedures.

Fabrication manager Mario Garcia attributed the welders' achievement to individual skills and refresher courses.

Up next for the same certification are the machinists. Hedcor encourages all skilled workers to aspire for Level IV Certification, the highest from TESDA.



THE MASTER AT WORK. Newly certified Efren Eddio sparks up a Francis runner in this display of superb welding skills.

Hedcor, Inc. is the frontrunner in adopting TESDA programs in the region and complies with international standards.



# AP Renewables pays ₱8.29 billion, takes over Tiwi-Makban plants



APRI Director Luis Miguel Aboitiz hands over the ceremonial check to PSALM President & CEO Jose Ibazeta in the presence of President Gloria Macapagal-Arroyo. From left are APRI President & CEO Austin Herrick, Finance Secretary Margarito Teves and Energy Secretary Angelo Reyes.

AP Renewables, Inc. (APRI), a wholly owned subsidiary of Aboitiz Power Corporation (AP), paid ₱8.29 billion to the Power Sector Assets and Liabilities Management Corporation (PSALM) on May 25, as down payment for the Tiwi-Makban geothermal facilities. The amount represents 40% of the purchase price, with the 60% balance payable over a period of seven years in 14 equal semi-annual installments.

Following the payment, PSALM turned over to APRI the possession and control of the 289-megawatt (MW) Tiwi plant facility in Albay and the 458-MW Makiling-Banahaw complex in Laguna at midnight of May 25. APRI had won the competitive bid conducted by PSALM for the two facilities on July 30, 2008 with an offer of approximately \$447 million.

President Gloria Macapagal-Arroyo handed over the symbolic keys of the two plants to AP and APRI officials in a ceremony held at the PSALM office in Makati City. Present were AP Chairman Enrique M. Aboitiz, Jr., AP EVP & COO-Power Generation Group Antonio R.

Moraza, AP SVP-Power Marketing & Trading Luis Miguel Aboitiz, and APRI President and CEO Austin Herrick.

"The acquisition of Tiwi and Makban is a big step for the Aboitiz Power generation portfolio in general," said Mr. Moraza. "It will bring up our investments in generation assets by over 30%, and will add to our growing list of renewable energy assets."

With a sustainable capacity of approximately 462 MW, the two facilities are AP's first geothermal power assets, as well as its first base load power facility in Luzon.

With Tiwi-Makban, AP's investments in generation facilities now have a total capacity of 1,672 MW, expanding its attributable generating capacity by 80% to reach 1,040 MW, with 77% powered by renewable sources of energy.

Mr. Moraza said that the company would immediately begin the groundwork, design and actual rehabilitation of all facilities that require it. Estimated rehabilitation budget runs at \$150 million over a two-year period. He added

that AP's main priorities are to ensure that Tiwi-Makban follow internationally accepted environmental and safety standards.

The Tiwi complex consists of three plants: Plant A with two 60-MW units, Plant B with two 55-MW units, and Plant C with two 57-MW units. Makban consists of Plants A and B with two 63-MW units each, Plant C with two 55-MW units, Plants D & E with two 20-MW units each, and a binary plant with five 3-MW and one 0.73-MW units.

The bid for both power facilities covered their generating assets, which were offered on an "as is, where is" basis, structures and improvements, spare parts, and general plant equipment. It also includes the steam field facilities and the



The 289-MW Tiwi facility



The 458-MW Makban complex

Geothermal Resources Sales Contract between PSALM and the Philippine Geothermal, Inc. (now Chevron Geothermal Philippines Holdings, Inc.), the steam supplier for the two facilities.

Also included in the purchase of the Tiwi-Makban complex are more than 400 MW of power supply contracts, thus providing AP a ready market for the electricity that these facilities will generate.

"With its base load nature, it will bring us closer to our dream of making Cleanergy, our brand for clean and renewable electricity, available to all Filipinos," said AP President & CEO Erramon Aboitiz.

Cleanergy is the Aboitiz brand of energy sourced from clean and renewable sources.



In a jovial mood at the sideline, from left, President Arroyo, Jose Ibazeta, Secretary Teves, APRI Chairman Antonio Moraza, Aboitiz Power Chairman Endika Aboitiz, AP AVP for Government Relations Susan Policarpio, and Luis Miguel Aboitiz.



**VECO REMOVES REDUNDANT POLES.** In a move to clear Cebu City's streets of unnecessary poles, VECO embarked on a redundant pole removal project that began in February 2009. The project, which was prompted by City Resolution No. 08950 issued on October 22, 2008, mandates all power and communication companies to use only one pole in a specific location. VECO led the project since about 80% of poles in Cebu City are owned by the power utility.

## VECO's Interruptible Load Program mitigates power shortage

By Ethel Taneo-Natera

On April 22, 2009, eight more companies in Metro Cebu signed an agreement with Visayan Electric Co. (VECO) to cooperate in the latter's mitigating measures to prevent power outages especially during peak hours. The signing, done in the presence of Cebu Governor Gwen Garcia, brought to 10 the total number of companies who have signed the Interruptible Load Agreement. With the support of these 10 companies, VECO now has a total of 37 megawatts (MW) in extra power to help avert a power shortage in Metro Cebu.

In the Interruptible Load Agreement, all stakeholders agree to de-load from VECO and other distribution utilities when the need arises. Big power consumers are asked to generate their own power whenever there is a power shortage. VECO shall pay the customer compensation for full or partial de-loading when they de-load from the utility as requested. The amount represents the incremental cost incurred by the customer due to the de-loading.

Even before the April 22 formal signing, Waterfront Cebu City Hotel, SM City Cebu, Lucky Group Management and Development Corp. (operator of Gaisano Country Mall), Cebu Central Realty (operator of E-Mall), AD Gothong (Bambi Cooking Oil), Metro Gaisano-Colon and Ayala, Super Metro Mandaue, Cebu Holdings Inc.-

Ayala Center Cebu, and San Miguel Corporation demonstrated their generosity when they de-loaded during the week of April 13-16. The Cebu-Negros-Panay (CNP) grid had a total estimated power shortage of 40 to 70 MW. The VECO share was 13 to 26 MW. These customers de-loaded from the grid and ran their back-up power resulting to minimal outages in the VECO franchise area.

On January 30, 2009 the Provincial Government of Cebu led by Gov. Garcia, Cebu Chamber of Commerce and Industry, Mandaue Chamber of Commerce and Industry, Filipino-Chinese Chamber of Commerce, and the Cebu Business Club had signed a Memorandum of Agreement (MOA) to address the power shortage problem. The CNP grid is expected to experience severe power deficiency this year and in 2010. The situation is seen to improve with the completion of two coal-fired power plants in 2010. The target completion of the Global Business Power Corporation plant in Toledo City, Cebu is early next year, while the construction of the KEPCO-Salcon plant in Naga, Cebu is also ongoing.

Last March 31, VECO implemented the agreement for the first time after the MOA signing. The National Grid Corporation of the Philippines (NGCP) declared a power shortage

## Davao Light gives priority service to senior citizens

Senior citizens and differently-abled customers of Davao Light now enjoy priority service when paying at the teller's counter or when they make transactions at the company's metering services area.

Customer Services Group (CSG) Head Arsenio Sacamos Jr. said this recent innovation is part of the company's effort to provide assistance and create consciousness about the rights of senior citizens and differently-abled members of society.

"We have dedicated tellers to attend to them when they visit our office to pay for their electric bills," Sacamos said. "In this way, they can process their payments, applications and complaints immediately."

## New look for DLPC bill

In March 2009, Davao Light started sending out to consumers electric bills that sported a new look.

The new design presents the bill details in a more readable format. Using vanishing gradient tones, current accounts are assigned to a green-colored bill, while accounts that are due for disconnection are given a red bill. Despite the changes, the bill still conforms to the prescribed government-regulated format.

The new look is in line with Davao Light's efforts to continuously improve its services.

(Davao Light CorpCom)

of 30 MW after some generating plants allegedly encountered technical problems. With power reserves in the CNP grid at a critical level, VECO was requested by NGCP to shave off 9.5 MW of power. VECO then requested two of its major customers to de-load from its system. Waterfront Hotel and SM City Cebu readily responded to the request. But because of the de-loading by SM and Waterfront, totalling 7 MW, only 2 MW had to be interrupted, sparing hundreds of customers the inconvenience of a power outage.

The agreement has been submitted to the Energy Regulatory Commission (ERC) for approval.



# DOE visits Cotabato Light

By Ruth Ferolin

Department of Energy (DOE) officials led by Undersecretary Zamsamin Ampatuan visited Cotabato Light and Power Company (CLPC) last April 3. They held consultative meetings with CLPC VP and Resident Manager Crisente Ferolino, Power Plant Manager Engr. Ticzon, Jr., Engineering Group Manager Engr. Virmel Dabon and other key personnel.

Corporate Communications Officer Donjie Vertuoso made a brief presentation on the company's profile and 2008 operational highlights. The DOE officials expressed concerns on CLPC's system loss, which is slightly over the



TOGETHER WE CAN MAKE A DIFFERENCE: Cotabato Light VP and Resident Manager Cris Ferolino stresses that the campaign on anti-pilferage needs cohesive actions from various sectors: from the electric utility, from government units and from the affected community itself. (L-R) PP Manager Jun Ticzon, DOE Usec Zamsamin Ampatuan, VP Cris Ferolino, DOE officials, and Engineering Group Manager Virmel Dabon.

Energy Regulatory Commission's (ERC) allowable cap of 9.5%. Undersecretary Ampatuan expressed his willingness to support the company's efforts to solve pilferage problems in its franchise area.

"Let's work together to solve this menace that

also destroys the morality of our community. The office of the DOE will help promote this campaign on anti-pilferage," Ampatuan said. He also suggested some tips and strategies to help electric utilities strengthen their anti-pilferage drive.

## Cotabato Light donates used wood poles

As of May 2009, Cotabato Light has donated at least 38 used wood poles to various local organizations and barangays within its franchise area. Some of the recipients were Barangay Rosary Heights 3, 4, 6, Purok Tulungan Zone 3E, and 6ID Joint Task Group Paliparan.

"These used-wood poles donated by Cotabato Light will be a good material for our footbridge

project. It would certainly ease the pain of our constituents during occasional flooding in our area during heavy rains," said Rosary Heights IV Barangay Kagawad Francisco Almanzor.

Using the company's newly purchased boom truck, lifting and distributing the poles become faster and easier. (Oliver B. Makilang)

## CLPC installs biometric reader

By Re Perry Gallos



THE TOUCH OF TECHNOLOGY: Cotabato Light team leader Danilo Nacional tries the new eTRS system using the biometric finger print reader.

Cotabato Light has installed the new electronic time recording system (eTRS) application with biometric reader to facilitate employees' punch-in-and-out flow and enhance the recording of their attendance.

The new eTRS authenticates each user by their thumbprint combined with the employee's ID number. The biometric machine template will compare and verify the information generated from the stored database. It only takes a few seconds to complete the verification. This kind of system will eliminate the erroneous punching in of someone else's ID number.

The biometrics system was successfully implemented with the help of Davao Light's Engineering Information Department.

## Davao Light installs safety equipment for Panabo customers



A customer walks through the new metal detector installed at Davao Light's Panabo Branch office.

As an upgrade of its present levels of safety and security, Davao Light and Power Company recently installed a new walk-through metal detector in its Panabo Branch office.

According to Assistant Vice President and Panabo Branch Manager Arnold Arsolon, the company has invested in the metal detecting machine as an additional precautionary measure.

The use of the walk-through safety machine is also aimed at enhancing customer service by speeding up the flow of the inspection process.

A similar unit was installed at the company's administrative office years ago.

"Installing the metal detector gives Davao Light consumers a feeling of security once they're inside the building. I can see that the company looks after the safety and welfare of its customers in Panabo. I am hoping that other companies and establishments here in Panabo will follow them," said Panabo City Mayor Joe Silvosa.



**BEZ INKS SUPPLY AGREEMENT WITH EAUC.** Balamban EnerZone Corporation (BEZ) signed a contract with East Asia Utilities Corporation (EAUC) through Aboitiz Energy Solutions, Inc. (AESI) for a non-firm power supply agreement at the Casino Español, Cebu City last January 13. BEZ AVP & General Manager Irwin Pagdalian, EAUC President Roger Lim and then-AESI General Manager Aaron Berin were the principal signatories. Also present at the signing were EAUC Plant Manager Noel Fernandez, BEZ Admin and Finance Manager Ramny Guatelara, and (not seen in photo) EAUC Finance Manager Grace Bacalla. *(Ramny Guatelara)*

## MEZ, BEZ inducted as new MEPZCEM members



Mactan EnerZone Corporation (MEZ) and Balamban EnerZone Corporation (BEZ) were inducted as new members of the Mactan Export Processing Zone Chamber of Exporters and Manufacturers (MEPZCEM) at the Waterfront Airport Hotel Mactan last March 13.

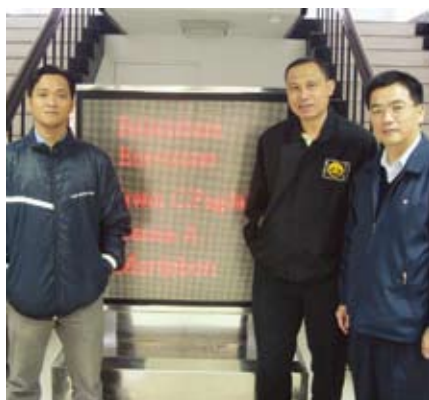
AVP & General Manager Irwin Pagdalian and Admin & Finance Manager Ramny Guatelara represented the two companies with Philippine Economic Zone Authority (PEZA) Director General Lilia De Lima as the inducting officer.

MEPZCEM President Paul Fluty, CEO of Lexmark International Philippines, was also present during the induction. *(Ramny Guatelara)*

## Pagdalian, Montebon visit Shihlin Taiwan

Balamban EnerZone Corporation (BEZ) AVP & General Manager Irwin Pagdalian and Substation Engineer Dennis Montebon visited Shihlin Electric and Engineering Corporation Heavy Electric Division Manufacturing Center in Hsin-chu, Taiwan from March 8 to 12.

BEZ recently ordered from Shihlin a 25/33MVA, 69/13.8 kV power transformer for its new substation. The company's existing 15/20/25MVA 34.5/13.8kV power transformer was also purchased from the same supplier. *(Dennis Montebon)*



## BEZ looking for power suppliers

By Ronald Allan Petilo

While most companies today are reducing production operations and trimming down the number of employees due to the economic crisis, the West Cebu Industrial Park in Balamban is having an opposite scenario.

Balamban EnerZone Corporation (BEZ) is looking for various power suppliers to fill the demands of its consumers. Tsuneishi Heavy Industries, BEZ's largest consumer, has booked orders until 2012, making the demand of other customers grow too.

BEZ's demand reaches as high as 16 megawatts (MW) during peak hours, and 5MW during off peak. The company is dependent on the allocation of Cebu III Electric Cooperative, Inc. (CEBECO III) from Toledo Power Corporation (TPC).

This means that whatever is the excess of CEBECO III from its native load will be given to BEZ. This excess is not enough to serve the growing demand of the company's customers, thus prompting management to source out power from different generating plants in Cebu and other parts of the Visayas.

BEZ is currently buying power from East Asia Utilities Corporation (EAUC) with a 44-MW capacity that supplies Mactan Economic Zone 1, and Cebu Power Plant Corporation (CPPC) with a 64-MW capacity that supplies Visayan Electric Company (VECO). BEZ recently signed a non-firm contract with First Farmer's Holdings Corporation (FFHC), a sugar mill in Bacolod City that is capable of selling a maximum of 5MW.

BEZ also gets power from the National Power Corporation from 11 pm to 7 am. This happens when the TPC generates less power because of its annual preventive maintenance schedule implementation.

As of now, BEZ is coordinating closely with the National Grid Corporation of the Philippines (NGCP), VECO, TPC, EAUC, CPPC, NPC, and CEBECO III for its daily generation schedule that will be confirmed a day ahead of the actual consumption. All the MW purchased by BEZ from these generating plants will be "swapped" to VECO's contracted demand from TPC of 35MW. Today, an average of 13MW during peak hours is swapped by BEZ to VECO.

The reconciliation for billing is also done every month by all the participating generating plants and distribution utilities. This is to settle the meter registration and compare it with the daily generation schedule. Meter registration must be within the 1.5% allowable tolerance for over and under generation. BEZ will consume power from the default generator, which is NPC in case of under-generation of the suppliers of BEZ and marginal cost is being charged. For over-generation, BEZ supplies the power to the grid. This complex varied power supply and swapping scheme operates like the Wholesale Electricity Spot Market (WESM).



# STEAG bags top prize in firefighting, rescue Olympics

By Jerome Soldevilla

STEAG State Power Inc.'s Emergency Response Team (ERT) bagged the overall championship award in the recently concluded 2009 Commercial and Industrial Fire Olympics held at the Lim Ket Kai grounds, Cagayan de Oro City.

STEAG ERT garnered the highest aggregate points in three major categories, besting seven other industrial teams from all over Northern Mindanao. The team ranked first in the modified firefighters combat and rescue challenge category, while placing first and second runner up in the Fire Extinguishment and Bucket relay, respectively. Other companies that joined the competition were Nestle, Del Monte Phils, MORESCO I, Pueblo de Oro, Bukidnon Sugar Milling Co., Mindanao Energy System and OB-3 Realty Inc.



Members of the STEAG Emergency Response Team pose for posterity during the 2009 Fire and Rescue Olympics Awarding Ceremonies.



STEAG Emergency Rescue Team members demonstrate swift and precision life-saving procedures for "rescued fire victims" during the 2009 Fire Olympics.

Jointly organized by the Bureau of Fire Protection Region 10 (BFP 10) and the Safety Organization of the Philippines – Misamis Oriental, Cagayan de Oro City and Bukidnon Chapter (SOP), the activity capped this year's commemoration of Fire Prevention Month with the theme: "Fire Safety: A challenge, concern and priority for everybody".

BFP 10 Regional Director Eleuterio Iturriaga lauded SOP and the participating companies for their support as he urged the public to be more vigilant in fire prevention and public safety.

For his part, STEAG State Power Inc. President Andreas Rubin congratulated the team for bringing honor to the company, and he encouraged all employees to continue pursuing excellence in every aspect of their work and profession.

"May the discipline and perseverance of our ERT inspire us to continue doing our best as we pursue our collective vision of becoming a truly world-class power company," Rubin said.

## CPPC is awarded as Cebu City top taxpayer

By Maki Balali

For being an outstanding corporate citizen, Cebu Private Power Corp. (CPPC) recently received two awards of distinctions from the Cebu City government. In an awarding ceremony held at the Marco Polo Plaza Hotel on March 15, CPPC was given the second highest honor in the Top 20 Business Taxpayers of Cebu City for 2008.

The company also ranked eighth among the Top 21 Real Property Taxpayers for the same year. CPPC was recognized for

"its unconditional support to the City Government of Cebu through the taxes it has paid, amidst global economic crisis."

CPPC SVP and General Manager Roger Lim and HR and Administration Manager Maki Balali received the plaques of recognition.

The awards made the employees proud of being a part of a company that is making a great economic and financial contribution to Cebu City, and to the country.



Last March 26 and 27, 22 CPPC team members attended the First-Aid and Basic Life Support Seminar conducted by the Safety Service Training Officer of the Philippine National Red Cross. During the seminar, the participants had actual practice and execution of life-saving first-aids like bandaging, wound-dressing, splinting, mannequin demo for CPR. The seminar was designed to train people do the right thing at an emergency at the right time. (Lyn Piodos)

# City Savings Bank signs ₱1-billion corporate notes

By Maila Quijano



CSB President & CEO Mikel Aboitiz (seated fourth from left) with the other signatories. Seated from left are Patricia May Siy (EVP, Security Bank), Jose Pacifico Marcelo (EVP, First Metro Investment Corp.), Alberto S. Villarosa (President & CEO, Security Bank), Roberto Juanchito Dispo (EVP, FMIC), Agnes Lacson (SVP & COO, CSB), and Margarita San Juan (SVP, China Banking Corp.). Standing from left are Gerard Dee (VP, China Banking), Gerald Abrogar (Director, SB Capital Investment Corp.), Marie Arabella Veron (Treasurer, First Metro Save and Learn Equity Fund), Conrado A. Gloria, Jr. (EVP, SB Capital Investment Corp.), Edwin Valeroso (President, First Metro Save and Learn Equity Fund), Maricar Lopez (AVP, Security), and Roberto Martin Enrile (VP, Security Bank).

City Savings Bank (CSB) signed last March 27 a Notes Facility Agreement with First Metro Investment Corporation and SB Capital Investment Corporation, the joint lead arrangers for the issuance of 5-year peso-denominated corporate fixed rate notes in the aggregate amount of ₱1 billion.

The notes will be issued in a private placement to not more than 19 institutional investors pursuant to Section 9.2 of the Securities Regulation Code (SRC) and Rule 9.2(2)(B) of the SRC Rules. CSB has already issued the notes to its investors.

The net proceeds from the issuance of the notes pursuant to the notes private placement

will be used by CSB to augment its funding base and support its long-term asset growth objectives.

Respected for more than 43 years as an institution rich in service excellence and small town values, CSB remains among the most stable thrift banks in the country.

## UnionBank increases BIR income tax collection by 11%

By Ginger Palma

The annual tax season has just ended, and UnionBank is proud that as an accredited agent bank, it has once again topped the collections for the April 15 tax deadline. The Bank's total collections this year increased by 11% from last year.

The Bank collected ₱11.6 billion compared to the collections of BPI and Security Bank of ₱2 billion-plus each.

Despite the downtime of BIR's eFPS system, the Bank carried out its contingency procedures smoothly and efficiently. UnionBank's accredited tax collecting branches and CMS-Operations team were all geared up to accommodate the manual filing of tax returns and accept tax payments of clients. This was the Bank's commitment to delight customers.



Emily Oleta



Fritz Claudio



Mae Basconcillo



Nino Fajardo



Alice Pastoral

In recognition of the Bank's Relationship Managers' (RM) efforts to call on their clients to commit to pay their taxes through UnionBank, the Cash Management Services Department presented certificates and tokens of appreciation to the top RMs whose clients contributed 80% of the total volume of collections.

The Top Corporate Banking Relationship Managers are: VP Fritz Claudio, VP Alice Pastoral, VP Nino Fajardo, Mae Basconcillo and Emily Oleta. Awarding the certificates were Corporate Product Banking's Meeja Jalandoni, Ritchie De Guzman, Charie Jose and Grey Gandionco.



# UnionBank holds Annual Stockholders' Meeting

By Malu F. Evaristo

UnionBank held its annual meeting of stockholders at the Bank's head office last May 29. Bank Chairman & CEO Justo A. Ortiz and President & COO Victor Valdepeñas reported the highlights of 2008.

The Bank's total resources was up at ₱203.9 billion, total deposits surged 51.2% to ₱161.4 billion and total loan portfolio was ₱90.7 billion, up by 68.2%. UnionBank registered a ₱2.1 billion net income.

The Bank continues to exhibit better than industry performance on key financial ratios: return on equity (ROE) at 8.0%; return on assets (ROA) at 1.1%; cost/income ratio at 57.6%. Among private domestic commercial banks in 2008, UnionBank was the 7th largest in assets, 4th in ROE, 3rd in ROA and cost-to-income ratios; and 2nd in earning efficiency measured by net interest margin.

The Board declared a cash dividend of ₱1.12 per share in February 2009.



UnionBank Chairman & CEO Justo A. Ortiz (center, front row) leads the annual meeting as other directors listen (L-R, front row) Vice Chairman Jon Ramon Aboitiz, President & COO Victor Valdepeñas, Corporate Secretary Atty. Fe Macalino and Director Thelmo Cunanan; (L-R, back row) Director Armand Braun, Jr., Director Cancio Garcia, Director Juan Antonio Bernad (partly hidden), Director Sergio Apostol, Director Antonio Moraza (partly hidden) and Controller Atty. Cesar Ilagan.

## UnionBank's Top 10 Outstanding Achievers receive recognition

By Morell Palmones



The awardees with UnionBank CEO Justo Ortiz and EVP Edwin Bautista

In 2008, UnionBank Chairman & CEO Justo A. Ortiz (JAO) threw a challenge to the Retail Banking Center (RBC) to grow the bank's dollar deposits by the end of the year.

Despite cutthroat competition and the global financial uncertainty, the RBC heeded JAO's call with a dollar deposit increase of \$55 million in December 2008.

Living up to the brand attribute of challenging convention, RBC came up with a unique incentive for the dollar drive—an all-American lunch featuring Black Angus rib-eye roast beef with

the Chairman and other key officers.

The Top 10 Outstanding Achievers were Arnie Atienza, Junice Aguilar, Lilianny Chong, Anna Lyn Bayaua, Gener De Guzman, Nicky Lacson, Morell Palmones, Angel Pedro, Jose Maria Roxas, and Daisy Ayala. JAO presented to them their awards and trophies.

In his speech, he described their success as an impressive feat, and noted that the achievers should be an inspiration to their colleagues. He added that he looked forward to seeing greater things from them in the future.

UnionBank EVP-RBC Head Edwin Bautista agreed. He helped recognize the outstanding achievers, and looking ahead, he gave a sneak peek into what was in store for 2009, showing strategies that would help everyone reach the bank's FOCUS 2010 goals.

Aside from being an occasion for the achievers to be recognized, it was also a chance for them to interact with top management. UnionBank EVP-Commercial Bank Head Betty Romulo and SVP-Human Resources Head Bert Belen also attended the event.

## 2GO opens supply chain center

2GO continues to step up as the total supply chain solutions provider in the Philippines with a newly constructed supply chain center located along Elisco Road in Pasig. This facility, which operates according to international quality standards, was purposely built to accommodate the requirements of Fast Moving Consumer Goods (FMCG) products within an efficient and quality-oriented environment.

The new and impressive 2GO Supply Chain Center has a total warehouse space area of 2.6 hectares with 22,408 selective pallet locations. It has a racking of up to seven levels providing high cubic storage utilization.

For efficient side loading, the 150-meter-long dispatching dock provides a four "drive-in" finger dock fit for 10-wheeler trucks and two hydraulic dock levelers. The facility's receiving area is separate to ensure effective product flow. It also has a truck yard area for maneuvering and parking of various truck types.

There is a 1,000-square-meter office with dedicated and secure IT computer rooms to accommodate principals on-site as well as the 2GO operating staff. The warehouse operates on the SAP system supported with radio frequency barcode. The SAP system achieves superior and efficient inventory management allowing for

transparency of information thus making the service more reliable.

Mead Johnson and Kraft Foods Philippines have already selected the Supply Chain Center as their facility of choice.

The Supply Chain, launched in 2007, completes 2GO's line of services starting from the release of the goods from the manufacturer through the delivery of the products to its designated customer nationwide. Services include warehouse management, order entry and releasing, transport planning and routing, delivery to customers and document management together with a sales team in market and in-store merchandising support team nationwide.



## 2GO grants scholarships for Logistics Management



(L-R): Dr. Cynthia C. Llanes, TIP VP for Academic Affairs; Dr. Elizabeth Q. Lahoz, TIP President; Michelle Aboitiz, VP and COO of 2GO Cold Chain; and Mike Camahort, SVP and COO of 2GO 136.

In response to the country's need for well-trained supply chain practitioners, 2GO has granted five scholarships for Bachelor of Science in Business Administration, Major in Logistics Management, at the Technological Institute of the Philippines (TIP) for first semester of school year 2009-2010.

The launching of 2GO's scholarship program was celebrated in a MOA signing ceremony attended by Michelle Y. Aboitiz, Vice President and COO of 2GO Cold Chain, and Mike Camahort, SVP and COO of 2GO 136.

Last year, 2GO also launched a diploma course in Supply Chain Management, in partnership with TIP's Center for Continuing Education (CCE) and the Foundation of the Society of Fellows in Supply Management, Inc (SOFSM), a premiere industry organization in supply management.

2GO's diploma course at TIP CCE, which carries a module in Logistics Management, aims to offer professionals more career opportunities in the field of supply chain management.

## 2GO Express passes ISO audit anew

2GO recently passed another year of adherence to the internationally-recognized quality standard of the International Organization for Standardization, the ISO9001:2000. The company started to implement the Quality Management System using ISO standards in 2004, and it has passed its yearly audit with flying colors in the past six years.

The audit was conducted recently by SGS Philippines, a leading verification, testing and certification company. "2GO continuously aims to better the process in which we do business. We want members of our organization to embrace quality as a way of life not only in their professional lives but in their personal lives as well," said Maribeth Marasigan, VP of Business Support and Quality Management Representative.



# ATS holds Annual Stockholders' Meeting

By Kate Alconga



ATS President & CEO Enrique M. Aboitiz, Jr. reports to stockholders. At the presidential table (L-R): CFO Lilian Cariaso, CEO Passage Division Evelyn Engel, CEO Freight Division Susan Valdez, Chairman Jon Ramon Aboitiz, Vice Chairman Bob Gothong, Director Sabin Aboitiz, Corporate Secretary Helen Tiu and Director Justo Ortiz. Not seen in photo is Independent Director Emily Abrera.

"We believe in transparency and good governance because at the end of the day, we become better," said Aboitiz Transport System CEO Enrique M. Aboitiz Jr. during the company's Annual Stockholders' Meeting held at the Manila Mandarin Hotel last May 28.

## Resilience and Adaptability

Despite the turbulent global financial markets in 2008, ATS focused on increasing the earning capacity of its assets, right-sized its fleet to match reduced volume levels, mitigated the negative impact of fuel costs in its bottom line, and controlled costs.

Mr. Aboitiz also reported the following:

Consolidated revenues was ₱10.3 billion, a 25% increase versus ₱8.2 billion in 2007, and net income attributable to equity holders of parent was ₱82.8 million.

The freight business contributed ₱5.4 billion in revenues in 2008, a 22% or ₱956 million increase from ₱4.4 billion in 2007. The company's freight rates per twenty-equivalent unit (TEU) rose to 16%. Freight capacity is increasingly being filled up with the supply chain and value-added businesses, reducing reliance on spot and market cargo which are more price driven.

The passage business reduced by ₱63 million to register ₱2.9 billion revenues (inclusive of auxiliary income) from ₱2.95 billion in 2007 transforming it into a low-cost, high-yield model.

Freight and passenger utilization rates remained high at 88% and 70%, respectively – the highest attained in four years.

Much of the company's efforts in 2008 were

geared towards developing its value-added business. In addition, Aboitiz One, Inc. purchased Scanasia Overseas, Inc., which resulted in a 45% increase in service fees revenues to ₱674.6 million and a 418% increase in sale of goods to ₱1.2 billion in 2008.

## Looking Beyond

In 2009, ATS inked a joint venture deal with an international renowned logistics firm Kerry Logistics Network, to expand its logistics services globally.

The efforts of the company will be focused on growing its customer base by integrating its logistics services such brokerage, liquid

transport, container yard management and warehousing. The passage business will continue to drive demand by offering promotions all year round.

ATS remains vigilant in its efforts to reduce or eliminate additional costs and improve operating efficiencies in every area of its enterprise.

"We remain steadfast in our commitment to good corporate governance, embedding a culture of transparency, fairness, accountability and social responsibility into our day-to-day operations. We are constantly aiming towards being the lowest cost provider of quality products and services – all to the benefit of our customers," said Mr. Aboitiz.

## ATS remains an Aboitiz company

Aboitiz Transport System Corporation (ATS) received written advice from Aboitiz Equity Ventures (AEV) and Aboitiz & Company (ACO) on April 30, 2009 that KGLI-NM, Holdings Inc. (KGLI-NM) will no longer proceed with the purchase of US\$30 million worth of ATS common shares owned by AEV and ACO.

KGLI-NM cited the current constraints in the debt markets as the reason for its decision not to push through with its planned purchase of the ATS shares owned by AEV and ACO. KGLI-NM had informed AEV and ACO last March 31, 2009 that the former is exercising its option under Section 5(c)(i) of the Term Sheet dated December

19, 2008 to purchase US\$30 million worth of ATS shares from AEV and ACO.

In view of KGLI-NM's decision not to close pursuant to the Term Sheet and its notice dated March 31, 2009, the Term Sheet dated December 19, 2008 as well as the Memorandum of Agreement dated September 23, 2008 between AEV and ACO, on one hand, and KGLI-NM, on the other hand, were deemed terminated. Likewise, the ₱100 million option money paid by KGLI-NM to AEV and ACO (₱82.88 million for AEV and ₱17.12 million for ACO) was also deemed forfeited in accordance with the Term Sheet.

# Pilmico receives top performer award from BIR

By Sheila Cuyos

The Bureau of Internal Revenue (BIR) recently bestowed the top performer award to Pilmico Foods Corporation for being one of the large taxpayers garnering the highest recorded growth rate in total tax payments for CY 2008 compared to CY 2007.

Pilmico Accounting Manager Sharon Serrano received the special plaque of recognition from BIR top executives in an awarding ceremony held last March 25 at the SMX Convention Hall of SM Mall of Asia in Pasay City.

In the last six years, Pilmico has been awarded four times by the local BIR office for being one of Cebu's largest taxpayers with voluntary payments. This latest recognition is Pilmico's first from the national agency.

Other top performer awardees were TV station ABS-CBN, CE Casecan Water and Energy company, San Miguel Properties, International Container Terminal Services, Inc., MetroBank Card Corp., Chevron Philippines, Distelleria Bago, Taganito Mining, Republic Cement, Tanduy Distillers, Sykes Asia Inc., Del Monte Philippines, Supper Shopping Market, Leighton Contractors Ltd., Dole Philippines, and Cebu Air.



Pilmico Accounting Manager Sharon Serrano receives the special plaque of recognition from BIR top executives during the awarding ceremony.

## Bakery training scheduled in July & October

Valuing the need of its customers for growth, Pilmico Foods is offering three bakery training schedules in Iligan this year. The company is inviting all its dealers, bakers and bakery owners to join either one of the remaining two-week training schedules on July 6-18 and October 5-17. The first run of the training was last May 4-16.

The training program, which is conducted by Pilmico Foods for its bakery partners and customers, includes both practical and technical lessons from bakery management to bakery mathematics. It is not a recipe-guided program. Well-experienced Pilmico technicians who have undergone advance bakery training at the American Institute of Baking in Kansas, U.S.A and UFM Baking School in Bangkok, Thailand are the program facilitators.

For more details about the training, email Pilmico at [customer\\_first@pilmico.com](mailto:customer_first@pilmico.com) or log on to its website at [www.pilmico.com](http://www.pilmico.com). Inquiries can also be made from any Pilmico dealer or distributor.



**BE ABOJEB-SMART IN HALF A DAY!** is the learning affair that Aboitiz Jebsens has organized for its seafarers and allottees from Metro Manila and nearby provinces this year. The half-day event was held last April 16, 23 and 30 at the Abojeb Canteen, Port Area, Manila. Participants received company updates and an orientation on crew and family benefits. As a value-added service, Pfizer offered free medical laboratory tests and check-up for all participants and employees. Abojeb replicated the event last May in the provinces of Davao, Cebu, Iloilo and Bacolod. *(Celi de Guzman)*



# FBMA launches Wight Ryder II



The FBMA project team at the launching event



FBMA President Bobby Aboitiz congratulates the team members for their success.

Last April 30, FBMA Marine, Inc. (FBMA) launched Wight Ryder II for United Kingdom operator Wightlink Ferries. The new vessel now joins its sister vessel Wight Ryder I, which had a successful sea trial.

FBMA Sales and Marketing Manager Craig Patrick said, "This has been a very successful month for FBMA Marine. Following the successful customer and UK MCA trials of Wight Ryder I, and now the on-time launch of Wight Ryder II, the whole team is very pleased with the very positive comments we are getting from our customer on the quality and professionalism of the build. Project success, like many recent builds, has been possible due to the highly skilled team we have at FBMA Marine and their dedication to quality and customer support."

Wight Ryder II's highly efficient design will reduce average fuel consumption by over 45% for the fast cat service. This latest vessel constructed for the international market by FBMA Marine has an overall length of 40.9 meters. It has a capacity of 260 passengers and a speed of 22 knots. The design and build contract, awarded by Wightlink just over a year ago, underlines FBMA Marine's ability to provide on-time, cost-effective and efficient catamaran solutions built to international safety regulations.

Wightlink CEO Andrew Willson said, "Wightlink

is delighted that the construction of the new catamarans is progressing as planned. This means that we will be able to phase out our existing FastCat fleet and replace them with this robust new generation of single-decked catamarans, which have been purposely built for the service in order to deliver reliability and a high-class customer experience."

Both Wight Ryder I and II are being prepared for delivery to the UK very soon. The two new fast cats will operate on the very busy Portsmouth-Ryde route, completing on average 34 crossings every day.

## Wight Ryder I set for delivery

The first of Wightlink's new fleet of catamarans for its Portsmouth Harbour to Ryde service has been launched on schedule.

Wight Ryder I was launched in a ceremony at the FBMA shipyard in Balamban, Cebu last March 30. Wightlink Ship Manager Mark Parsons travelled to the country to witness the event.

Wight Ryder I got its name from a Wightlink staff competition and it is one of

two new-generation catamarans, forming part of the multi-million pound investment by Wightlink spanning its cross-Solent routes.

With Wight Ryder II's recent completion, both catamarans are expected to leave the Philippines in June, ready to enter service on the Solent by early autumn.

In preparation for this, berthing works have started at both Portsmouth Harbour and Ryde Pier in the United Kingdom.

# Metaphil orients team on procurement procedures



Metaphil administrative officers and site materials management *kaubans* pose with Procurement Manager Reuel Velasco after the orientation.

Challenged to meet 100% compliance to procurement procedures at site, Metaphil CIO and AVP-Procurement Zeny N. Novabos and Procurement Manager Reuel F. Velasco gathered all administrative officers and site materials management team members in Balamban on April 29 to review ISO procedures, vision, mission, value-drivers and policies related to procurement.

Different teams were assigned four actual problem cases and they presented and defended their solutions to the cases. The orientation ended with a stronger commitment from the team to attain a perfect compliance rating in the next project audit.

## Kauban Toastmasters inducted



Twenty Kauban Toastmasters from Metaphil received their certificates as charter members on April 24 at the ACGI Training Center. CEO & Chair Roberto E. Aboitiz was keynote speaker while former Aboitiz Toastmaster Club president Jovy Tan of AEV inducted the new members. Also present at the event was COO Nap Pe.

The Kauban Toastmasters are Eloisa Resma, Dinah Gabrillo, Flora Estapia, Dianne Garcia, Noreen Bejaron, David Dumaguít, Elliezzer Simega, Florentino Tugonon II, Reuel Velasco, Chris Camba, Richel Mahayag, August Dacanay, David Cagasan, Richard Dira, Cristituto Hoylar, Reynaldo Loga, Edwin Quiapo, Orchill Valencia, Marianne Caballero and Erwin Ponce.

## PROJECT UPDATE

By Zeny N. Novabos

### ₱142-million project for Philippine Foremost

Metaphil recently accepted a design and construction project from Philippine Foremost Milling Corp., a food company owned by La Filipina Uygongco Corp.

Awarded on March 17, work includes the demolition of existing structures and the construction of an office building and product warehouse in Iloilo City.

The ₱142 million-project is targeted to be completed in a year, and it is intended for business expansion. The project is managed by Metaphil's Andy Inot.

### Repair of Davao pier

Metaphil is undertaking the ₱10 million-repair of a pier owned by San Vicente Terminal & Brokerage Services, Inc. The repair work on beams, piles and underslab will be completed in a few months.

Project Manager Celso Montargo is supervising the work, which is mainly subcontracted to Coritech, Inc., a company that specializes in underwater pier repair.

San Vicente, a Metaphil repeat client based in Panabo City, Davao del Norte, provides cold storage services for fresh fruits.

Metaphil, an ISO company trusted for quality and reliable construction and fabrication performance for over three decades, has built three piers in Davao.

### DOLE-accredited safety and health practitioners

Metaphil is proud to have Vic Sandoval and Nestor Navarro as the company's first DOLE-accredited Occupational Safety and Health Practitioners. The accreditation is a requirement in Rules 1030 and 1974 of the DOLE-Occupational Safety and Health Standards. DOLE 7 Regional Director Elias Cayanong handed the certificates to Vic and Nestor.



## Pristina North clubhouse enriches community life



Given the complex lifestyle that today's generation leads, bonding time with family and friends on a regular basis is a luxury for many. Yet, despite a busy workday, such luxuries as hosting parties or spending relaxing afternoons with good friends can just be a stone's throw away from where one lives and works.

Pristina North, AboitizLand's fully masterplanned urban community, makes the moments that matter available every day to its *vecinos* (Spanish word for neighbors that is used by AboitizLand to refer to client-homeowners) at the village clubhouse.

"The clubhouse," says AboitizLand COO Andoni Aboitiz, "enhances human interaction by providing an easy and relaxed venue conducive to parties, chatting, catching up with each other, and games."

Completed in late 2008, Pristina North's

clubhouse, located at the Village Center, has a social hall, a 20-meter lap pool, a kiddie pool, an outdoor basketball court, a children's playground, a serenity gazebo and a patio garden.

Here, *vecinos* may hold parties or celebrate milestones. Aboitiz says the clubhouse "simplifies living for our *vecinos*...an appropriate venue for gatherings that would otherwise be a burden for them to host at their own homes. There is ample space for everyone, and the elegant atmosphere lends the right ambiance for each gathering."

Pristina North is Cebu's first integrated community. A 32-hectare property near the city's central business district, it is designed to host single-detached homes, offices and a shopping and entertainment area. It also features lush greenery along its tree-shaded streets and walkways and Zen, Balinese, Filipino and Thai themed pocket gardens.

## AboitizLand partners with Dakay Construction for Persimmon

AboitizLand, Inc. once again fulfills its commitment to quality development and to the Cebuano spirit by partnering with a local contractor to build its showcase urban village, The Persimmon. The homegrown Dakay Construction and Development Corporation (DCDC) is currently starting the vertical development of the four-tower condominium enclave.

AboitizLand COO Andoni Aboitiz says the company "always puts together the best and the brightest for every project and The Persimmon is no exception".

DCDC is a class AAA general engineering contractor recognized for its expertise in structural works for buildings, ports, heavy construction and structural steel fabrication. The company counts among its landmark projects the Cebu City Sports Center Grandstand, the Bangko Sentral Central Visayas Regional Office, the Timex Watch Assembly Plant at the Mactan Export Processing Zone and the Parklane International Hotel.

The company is a two-time outstanding institution awardee of Cebu. It is also a recipient of the Philippine Contractors' Association Humanitarian Award.

Aboitiz said the partnership with DCDC is "testament of our faith in the Cebuano spirit, talent and great capacity for excellence."

## Aboitizland Book Club launches its media library

By Marinel Oro

The Aboitizland Book Club has done it again, this time extending its treasure chest to uncover the multimedia valuables of AboitizLand and CIPDI.

Last February 6, the first-ever Media Library was launched at the Pristina North Experience Center, Aboitizland Main Office. Present were AboitizLand and CIPDI President and COO Andoni F. Aboitiz, AboitizLand Marketing and Sales Vice-President Pia C. Mantecon, and supportive team members who were able to sample the media library compilation at the Listening Room.

The Book Club's new venture aims to promote the sharing of non-print learning and reading materials, and centralize storage of media documents. Its multimedia line showcases the company's evolution through event photos, the proud achievements through marketing



Book Club members check out new materials

materials, and love for learning through e-books. All AboitizLand and CIPDI team members have access to the materials.

The Aboitizland and CIPDI Media Library realizes the promise to nurture the internal community through preservation of the past, celebration of the present, and the development of the organization's future. Its clarion call: "Develop more than just distinct communities. Grow your mind."

# Aboitiz Foundation donates new school buildings to Mandaue City

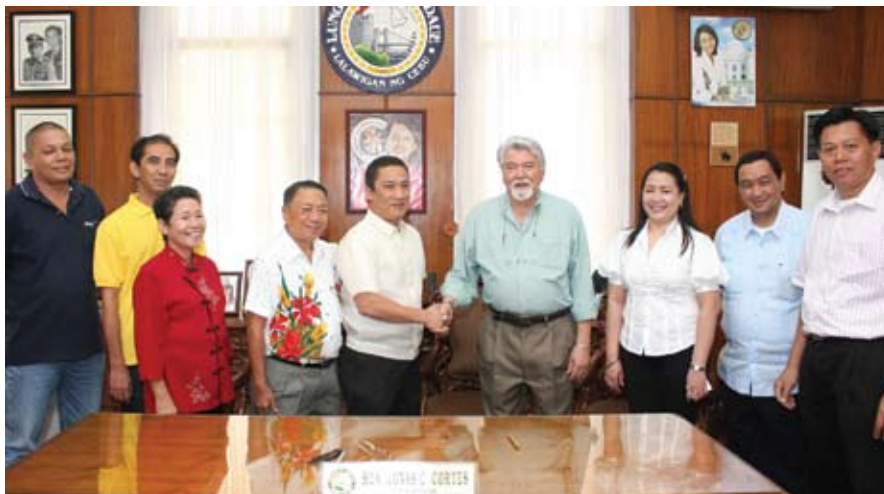
By Mia Bontol

The Aboitiz Foundation signed on May 13 a Memorandum of Agreement (MOA) with Mandaue City and the Department of Education (DepEd), granting close to P4.8 million worth of two school building donations. The city has agreed to provide a 30% counterpart to their donation.

Aboitiz Foundation Trustee Romy Ronquillo, Aboitiz Foundation EVP and Managing Trustee Sonny Carpio, Mandaue City Mayor Jonas Cortes, and DepEd representatives were the main signatories. Aboitiz Foundation Project Officer Alex Lauron and Mandaue City councilors were also present at the event.

"For many years, education has been the main thrust of the Foundation's efforts to improve the quality of lives of our beneficiaries. We believe that we can create the greatest impact in the lives of our beneficiaries through education-related initiatives. Our youth today can become more productive citizens of our country by helping improve the quality of our educational system, especially of public schools," said Sonny Carpio.

Canduman Elementary School and Pagsabungan Elementary School will each receive a new three-storey, three-classroom building. Construction will begin in June, and once completed, the classrooms will be provided



Aboitiz Foundation Trustee Romy Ronquillo and Mandaue City Mayor Jonas Cortes shake hands after the MOA signing. With them are Aboitiz Foundation Managing Trustee Sonny Carpio, Canduman Barangay Captain Leo Jabas, DepEd Mandaue OIC Superintendent Virginia Zapanta, and Mandaue City Councilors Suico, Borbajo and Lumapas.

with their own comfort rooms, armchairs and blackboards, ready for use.

"*Mainitong salamat sa* Aboitiz Foundation, we are very fortunate and grateful for their help," said Mayor Cortes.

Having Aboitiz-owned construction company Metaphil as a Mandaue corporate resident, the Aboitiz Foundation considers itself as an active partner of the city.

"We chose to help Mandaue because it is a progressive city with good governance, whose

people are easy to coordinate with," said Romy Ronquillo. "Beyond being a good corporate citizen, we want to be a neighbor of choice," he added.

This latest donation is one of the Foundation's many projects in Mandaue. It has given school buildings, day care centers, health centers and a cooperative training center. The city's public schools have also been recipients of brand new computer units and refurbished computer laboratories.



## FOR PULANGBATO ELEMENTARY SCHOOL.

Responding to city public schools' need to acquire classrooms, the Aboitiz Foundation granted a P1.2 million donation for Pulangbato Elementary School. Along with the Cebu City government's P1 million donation, the funds will be used to construct a one-storey, five-classroom building that could accommodate more than 250 students. Signing the Memorandum of Agreement for this project last April 14 were Aboitiz Foundation President Jon Ramon Aboitiz, Aboitiz Foundation Managing Trustee Sonny Carpio, Cebu City Vice Mayor Michael Rama, Cebu City Schools Superintendent Dr. Lorna Rances, and Pulangbato Elementary School Principal Leah Ibales.



## FOR SCHOOL OF SEAS RECONSTRUCTION.

The Aboitiz Foundation, Inc. granted P500,000 to the Batas Kalikasan Foundation, Inc. to help reconstruct the School of the Seas located in Sitio Alice, Sta. Fe, Bantayan Island, Cebu. When completed, people can acquire environmental and experiential training, and learn marine conservation and environmental law enforcement at the school. To encourage more participation, Batas Kalikasan will provide free training services for those who cannot afford the fees. The project is Aboitiz Foundation's commitment to support initiatives geared to protect and conserve the environment. Managing Trustee Sonny Carpio handed the check to Batas Kalikasan Foundation Executive Director Bonar Laureto.



## SUPPORT FOR BUFA'S VEGETABLE PRODUCTION.

Last April 23, the Aboitiz Foundation signed a Memorandum of Agreement (MOA) with the Bayabas United Farmers Association (BUFA) of Sitio Bayabas, Brgy. Adlaon, Cebu City, granting financial aid worth P126,500. The fund will be used for the production of high value vegetables that will provide additional income to BUFA members. Sonny Carpio turned over the donated check to BUFA President Tomas Naquines.



# Aboitiz launches Adopt-A-School Program 2009

Inspired to build a brighter future, Aboitiz Group takes its advocacy for a better quality of public education to a higher level. The Aboitiz Adopt-A-School Program supplements the Aboitiz Group's infrastructure and equipment donations through employee-initiated projects aimed to benefit students, teachers and parents of beneficiary schools.

For the program's pilot run, the beneficiary schools are Banilad Elementary School and Banilad Night High School. Eight projects have been approved and will be implemented this school year. These are the SciMathics Club in Action (a science and mathematics enrichment program), Project BART (helping teenagers to become responsible), Project LEAD (a leadership skills and organization management training program), Book Donation for Education, Learning



Jon Ramon Aboitiz, Txabi Aboitiz and Sonny Carpio sign the MOA with Salustiano Jimenez, proxy of DepEd Superintendent Dr. Lorna Rances, and Judith Suquib, principal of Banilad Night High School.



JRA is handed a shovel to plant a tree in his honor inside the schoolyard.

about Learning (a workshop series for teachers), Youth Public Speaking and Presentation Skills Training Program, A Future for our Teachers (a cooperative livelihood program), and Livelihood Skills Development Program.

To kick off the implementation of the Adopt-A-School Program, Aboitiz held a launching and MOA signing event on April 25 at the Barangay Banilad Gym. AEV Chairman Jon Ramon Aboitiz,



Members of the volunteer pool discuss the projects to be implemented this school year.

AEV Chief Human Resource Officer Txabi Aboitiz, and Aboitiz Foundation EVP & Managing Trustee Sonny Carpio graced the occasion. Barangay Banilad officials, Department of Education representatives, and the faculty of the two beneficiary schools were also present.

Excited to participate in the program, volunteers composed of Aboitiz team members, Aboitiz scholars, and representatives from the

company's partner organizations – University of San Carlos (USC) Guidance Office, Pathways, Resource Room and MegaMoms Cooperative – attended the launch.

It is hoped that this pilot run will become successful so that it can be replicated in other public schools.

## Aboitiz Foundation refurbishes 10 science labs

The Aboitiz Foundation will refurbish the science laboratories of 10 high schools in Metro Cebu. The project will also entail the procurement of science laboratory equipment to all schools in the amount of ₱2.4 million. The city government will put up another ₱1 million.

The beneficiary schools are Camp Lapu-Lapu National High School (NHS), Pit-os NHS, Ramon Duterte Memorial NHS, Don Vicente Rama

Memorial NHS, Talamban NHS, Bulacao NHS, Pardo NHS, Tisa NHS, Busay NHS, and Babag Integrated School.

The Memorandum of Agreement (MOA) was signed last April 14 at the office of Acting Cebu City Mayor Michael Rama. In attendance were Vice Mayor Rama, Aboitiz Foundation President Jon Ramon Aboitiz, Managing Trustee Sonny Carpio, Cebu City Administrator Bimbo Fernandez, Cebu

City Division Superintendent Dr. Lorna Rances, Councilor Edu Rama, Councilor Joy Young, and the principals of the 10 schools.

"This project hopes to increase the performance of these recipient schools in the national aptitude tests for science which has lagged behind in the past years," said Carpio. (Danny Cerence)

# SNAP-Magat turns over more than ₱2 million worth of community projects in Ifugao



SN Power CSR Head for Asia Anne Margrethe Mellbye shakes hands with Governor Teddy Baguilat during the turnover ceremony for the Tinoc Livelihood project and Ifugao Computer Learning Center (ICFC) project at the Ifugao Provincial Capitol. With them from left are ICFC Head Virginia Kimayong, Provincial Social Welfare Officer Joyce Niwang and SNAP CSR Manager Mike Hosillos.

SNAP-Magat recently turned over more than P2 million worth of CSR projects to its host communities in the Province of Ifugao. The community investments were made in the Municipalities of Lamut, Lagawe, Tinoc and the Provincial Government of Ifugao. Anne Margrethe Mellbye, CSR Head of SN Power for Asia, and Ozone Azanza, SN Power Country Representative in the Philippines were present at the turnover ceremonies held over a three-day period.

On April 21, a check worth P400,000 was handed to Lamut Municipal Mayor Francisco P. Tenenan, Sr. for the construction of street lighting facilities along the municipality's major roads. The next day, the Tinoc Organic Producers Cooperative received funding worth P600,000, half of which was financial

assistance and the other half in food processing equipment. In the same ceremony, SNAP-Magat also turned over 15 computers to the Ifugao Computer Learning Center out of the 20 units for donation with a total cost of P600,000. The units will be used to train students and out-of-school youth on how to operate a computer.

On April 23, the company renewed its strong partnership with the Municipality of Lagawe for the development of its Arabica coffee growing industry. It handed over P600,000 worth of CSR funding to the municipality for the SPEED UP Lagawe program that has been running for the past three years. SPEED UP Lagawe stands for "SN Aboitiz Partnership for Environment and Equitable Development for Unity and Progress in Lagawe".



**SN ABOITIZ FORUM FOR HOST COMMUNITIES.** Representatives from host communities in Isabela and Nueva Viscaya gathered at a forum conducted by SN Aboitiz Power (SNAP) and participated in by the Department of Energy, National Power Corporation, and the National Irrigation Authority held last March 31 at Villa Diana, Cordon, Isabela. Similar forums were also held for host communities in the Provinces of Ifugao and Benguet on April 1 to 3. SNAP announced that it will equitably allocate CSR funds to all the host communities of SNAP-Magat and SNAP-Benguet. SNAP-Magat will allocate the following: ₱700,000 for each of the three provinces, ₱400,000 for each of the nine municipalities, and ₱200,000 for each of the 21 barangays in Isabela, Nueva Viscaya and Ifugao. Host communities in SNAP-Benguet including two indigenous people's organizations will each receive ₱1 million except for the Province of Benguet whose allocation is ₱2 million.



**1,200 STUDENTS ATTEND NATIONAL YOUTH SCIENCE CAMP.** The Philippine Society of Youth Science Clubs, a national federation of youth science clubs in the country, recently conducted the 2009 National Youth Science, Technology, and Environment Summer Camp in La Vista Balanga Resort with the theme "KaLIKHA'san Dalumat sa Makabagong Henerasyon". Students eagerly listened to a 30-minute presentation by Hedcor's Corporate Planning Specialist Rolando Vergara, Jr. This year's camp, which focused on environmental science and facilitated by the country's top professors, gathered 1,200 high school students from all over the Philippines.



**HEDCOR ASSISTS PUBLIC SCHOOL TEACHERS BECOME BETTER COMMUNICATORS.** Fifteen educators from elementary public schools in Bineng, Beckel and Bodiweng, La Trinidad underwent the "English Proficiency for Public School Teachers", a five-day training held recently through the sponsorship of Hedcor, Inc. This was the company's contribution to the Department of Education's Adopt-A-School Program. The training, facilitated by the Philippine International Communicators, aimed to enhance the teachers' soft skills, making them more effective English communicators and strengthening their confidence in an international setting. In photo, Hedcor VP for Operations Jose Mendoza and Community Relations Officer Romy Catingub join the teachers during the awarding of certificates.





**VECO DONATION FOR CLASSROOM BUILDING.** VECO President Dennis Garcia recently signed a Memorandum of Agreement (MOA) with Acting Cebu City Mayor Mike Rama for the construction of a three-storey, three-classroom building at the Labangon Elementary School. Also present at the signing were DepEd Cebu City Schools Superintendent Dr. Lorna Rances and Cebu City Councilor Edu Rama, Committee on Education Chairman. The school's classroom shortage problem will now be addressed with VECO's donation of the classroom building. The school building will cost ₱2.24 million; VECO will release close to ₱1.57 million while the Cebu City Government has committed to provide a counterpart fund of ₱672,300. Aboitiz Foundation President Jon Ramon Aboitiz and Dr. Rances signed as witnesses during the MOA signing. For 2009, the company's CSR projects will continue to focus on education.



**DAVAO LIGHT TO CONSTRUCT NEW SCHOOL BUILDING.** Davao Light SVP Art M. Milan (2nd from left), Panabo Branch Manager Arnold Arsolon (far right), Sto. Tomas Municipal Mayor Maximo Estela and DepEd's Dr. Aurora Cubero of the Davao del Norte Division recently signed a MOA for the construction of a three-classroom building at the Tulalian High School. Davao Light is funding the construction of the school building with a ₱1.4 million grant while the municipal government is putting up ₱375 thousand as counterpart. Davao Light ComRel Manager Vic Sumalinog witnessed the signing.



**DAVAO LIGHT DONATES DAY CARE CENTER TO BARANGAY TORIL.** Barangay Toril recently received a newly constructed day care center from Davao Light, which was completed in a record 25 working days. It comes with a blackboard, as well as comfort and wash room facilities for the kids. It will also be provided with tables and chairs to make it more conducive to the teaching and learning process. The turnover rites last March 17 were attended by Davao Light ComRel Manager Vic Sumalinog and Third District Councilor Myrna Daludo-Ortiz. The new day care center is the first donation by a private business firm to their community.



**DAVAO LIGHT GIVES MOTORBIKES TO CARMEN AND DUJALI,** two local government units (LGUs) in Davao del Norte. Davao Light AVP and Panabo Branch Manager Arnold Arsolon hands over to Carmen Mayor Marcelino A. Perandos the keys to the motorbikes donated by the company. The second-hand motorbikes, which are all in top condition, will be used to enhance the implementation and monitoring of municipal projects, and to improve the delivery of social services.



**SMILES MADE SWEETER.** EAUC and CPPC were among the supporters of Operation Smile Philippines, helping children born with cleft lip. In February, both companies helped in the fund-raising concert of Operation Smile. The concert had also drawn enough benevolent support from many leading corporations in Cebu. By doing this, EAUC and CPPC helped the children beneficiaries have a future and the courage to face it.



**VOLUNTEERING TO SAVE A LIFE.** Aboitiz Corporate Center team members and team leaders participated in the Blood Donation Drive for the Philippine National Red Cross held at the AVR last April 24. AEV Chief Human Resource Officer Txabi Aboitiz and Chief Technology Officer Hoton Elicano led volunteers who donated blood to help those in need.



**CSB SUPPORTS DEPED SEMINAR.** City Savings Bank recently donated ₱200,000 to sponsor a three-day seminar on the "7 Habits of Highly Effective People" for the Department of Education (DepEd) Region 8 officers and staff. The donation was made in coordination with the Ramon Aboitiz Foundation, Inc. CSB Tacloban Branch Head Carlos Molo turned over the check to DepEd 8 Regional Director Sol Matugas and to seminar speaker Lirio Ongpin-Mapa.

# The Sustainability of the Small

By Danny Cerence

## The Sustainability of the Small

The creation of an enterprise project is usually borne out of a dire need of a community where people have to be helped to earn a living. This has not been lost on the Aboitiz Foundation. When the Foundation was established, it prioritized jobs and income generation opportunities for

## Seizing the Opportunity

Since the drought destroyed majority of the livelihood systems of the upland farmers, the Foundation helped KABAMEKA members get back on their feet with packets of livelihood projects. These consisted of vegetable production, fertilizer assistance and swine raising.



KABAMEKA officers always look for ways to improve their operations as well as their services to its members.



The construction of the KABAMEKA multi-purpose building was partly funded by rebates earned by the organization for promptly paying their loans to the Aboitiz Foundation.

poor communities. It designed projects that would benefit a large number of people, who were members of organized groups.

## The Story of KABAMEKA

A testament to this is the Foundation's assistance to KABAMEKA or the Kapunungan sa mga Banikanhong Maguuma Alang sa Ekonomikanhong Kalambuan in Barangay Guba, in the hillylands of Cebu City.

In 1998, a drought hit Cebu. In the upland village of Guba where no efficient water system was available, the effects were more devastating. With the help of the Aboitiz Foundation, huge water containers were provided to KABAMEKA and distributed to 135 poor families for them to store water in.

For the Foundation, this became the springboard for what would become a productive and successful partnership.

For the next few years, the organization received four loan packages from the Aboitiz Foundation amounting to over ₱4 million. All of the loans were paid on time, thus enabling them to receive a 50% rebate on all of their paid interests.

## The Achievement of the Strong

KABAMEKA pooled and saved all the rebates they had earned and it amounted to ₱232,000, which they put up as their counterpart fund to build their own multi-purpose center. Impressed with this exemplary move, the Aboitiz Foundation provided the remaining ₱413,000 that would complete the center's construction.

The center is used as an office, meeting & conference area, day care center, as venue for other small business operations and community activities. All these activities lead to more income generation activities for members and to partnerships with other institutions.

The KABAMEKA story is a case study other civil

organizations, the academe, local governments and even foreign institutions can learn from. Its success stems from the KABAMEKA members' deep sense of community and cooperation. This happy story shows not only how successful small enterprises can triumph, but also how a group of people, despite being small and having very little, if determined can succeed.

Said Aboitiz Foundation Managing Trustee Sonny Carpio, "KABAMEKA is now a model by which we pattern our assistance to cooperatives and communities. We share the same passion of persistence and commitment in the things that we do."

## Small but Sustainable

Many similar small cooperatives and civil society groups have also benefited from the Foundation's assistance and micro-finance projects. With these results, Enterprise Development has become one of the Foundation's flagship programs. Aside from opening credit facilities, the Foundation also grants relevant infrastructure and capability building projects.

## The Micro-Finance Portfolio

For 2008, 10 projects amounting to ₱5.14 million of financial assistance were approved.

Of this amount, ₱4.7 million or 92% was for loans, while the remaining 8% was given as grants. The loan funds were used mainly for swine raising and producing various crops for marketing.

Since the Aboitiz Group and the Aboitiz Foundation believe in enhancing the capacities of small local organizations, the micro-finance program will continue in 2009. This year the portfolio is bigger at ₱9 million.

Let us hope the success story of KABAMEKA will be an inspiration to the Foundation's future beneficiaries.



# Aboitiz participates in the 2nd Olango Challenge

By Tonio Aboitiz



Olango Challenge participants Tonio Aboitiz, Jimmy Aboitiz, Ian Gonzaga, Sol Almario, Richardson de los Santos, and Bert Villaveto

*(Tonio Aboitiz is the Chairman of PBSP-Visayas and President of Ocean Care Advocates, Inc.)*

On April 18, 2009, an extraordinary event happened that was an exemplary expression of community and social responsibility. The event brought together many disparate entities that all share a passion to make a difference in the lives of complete strangers in the spirit of personal charity, volunteerism, athletics, and corporate giving.

The Olango Challenge was developed by the Philippine Business for Social Progress (PBSP) and the Philippine Amateur Swimming Association (PASA), after someone came up with what seemed then to be a crazy idea to swim across the 5-kilometer, 1,000-foot-deep Gilutungan Channel in Mactan, Cebu as a means to raise money for PBSP's Olango Island Development Program (OIDP).

That crazy idea blossomed with luck and hard work into the 1st Olango Challenge that was held in May last year with 72 swimmers participating. Everyone finished the crossing, as majority of the participants were competitive swimmers eager to participate in what is still the Philippines' only open water marathon swimming event.

The 2nd Olango Challenge was designed as a coastwise, rather than as a crossing, swim. From the beginning, it was envisioned that each event was going to be different every year in order to make it novel and to find the best business model to raise the most funds for the program.

By necessity, the swimming distance was much longer at 6.4 kilometers due to the convenience and location of the start point at the pier of Pacific Cebu Resort and the end point at Tambuli Beach Resort. These locations were ideal for the swimmers to ride the northward current of the rising tide in the channel. Since the racecourse passed through the heart of Mactan's tourist beaches, it was also thought to be more spectator friendly.

As these things go, the best laid plans of mice and men can go awry. Though the currents were flowing in the right direction, coves along the course forced some of the currents to reverse, making some parts of the swim extremely difficult. Of the 50 participants who joined, 12 did

not complete the swim. As participants will also attest, though the swim was scenic, following the reef contour with good visibility, the water had microscopic hydrozoans that created very itchy and long lasting stings that appeared about six hours after getting out of the water.

Despite these obstacles, the 2nd Olango Challenge was a smashing success. First, the



The 2nd Olango Challenge route

event raised almost double the amount of funds available for the OIDP, and along with the funds from last year, a two-classroom building with water catchment and sanitary facilities will be built at the Candagsao Elementary School in Barangay Talima. Leftover funds will be added to what we can raise next year, in order to build more school buildings.

Second, it brought sponsorships from major corporations like Nestle, Shell, and PLDT-Smart, among others. Members of the Philippine Red Cross, Emergency Rescue Unit Foundation, Lapu-Lapu City, Cebu Baruto Paddlers on kayaks and the Philippine Life Saving Society were present to ensure everyone's safety. The latter group was brought in from Iligan on Cebu Ferries and housed at the Gothong Sugbutel.

Third, the event created tremendous awareness in the local press and brought in international participants from five other nations. Fourth, many swimmers from various local businesses and resorts fielded swimmers and gave pledges. Lastly, everyone from event organizers to spectators to swimmers had a lot of fun while testing the limits of their endurance. All this effort was for the benefit of complete strangers whom they may never meet.

I cannot understate the importance of the participation of Aboitiz in this event. Aboitiz in all its forms was the largest contributor to this event. The Aboitiz Foundation and various subsidiaries gave the most generously out of all the sponsors. Family members gave hearty pledges to the swimmers.

But I believe the most important aspect of the event for Aboitiz was the courageous participation of our team members from various companies. These were Bert Villaveto, Ian Gonzaga, Richardson Delos Santos, Sol Almario, Basti Lacson, and of course, Jim "The Athlete" Aboitiz. Your swimming in this event was truly phenomenal and an inspiration to us all. On behalf of PBSP, I thank you.

We are already working on the design for next year's event, and in keeping with what is now tradition, it will be different and implemented with a passion for continuous improvement. The target is to get even more participation from the local and national community. PBSP and PASA are committed to continuing this event and making it even bigger. We know we can continue to count on your passionate support.



Students of the Candagsao Elementary School in Olango Island





# Kyle's story

By Ann Gatdula with Mia Bontol



Looking at SNAP Business Assurance Officer Ann Gatdula's son Kyle now, one can say that he is a cheerful and bright young boy, full of promise. One would never have thought that three years ago, Kyle was diagnosed with a serious heart condition. Aside from worrying about their son's well-being, Ann and her husband were also concerned about how they could possibly meet the high medical and surgical expenses. Finding help when she needed it most, Ann personally shares their story of hope and faith, and of how, with support from her Aboitiz family and a German foundation, a mother's unconditional love could go against all odds for her son's recovery.

I had always heard the line that went, "being a mother is the most beautiful thing that a woman could ever experience". When I gave birth to my son, Kyle, I now definitely agreed.

In 2006, Kyle was checked by a pediatrician, who commented on the blue color of his skin as well as his nails. After taking Kyle to a pediatric-cardiologist, we found out that he had a congenital heart problem called pulmonary atresia with ventricular septal defect. There was a big hole in his heart, and the pulmonary valve was underdeveloped. An emergency operation had to be performed right away, as his oxygen level was dangerously low.

Kyle's road to complete recovery was a long journey. He had his first heart surgery in February 2006 to increase his body's oxygen saturation. Between six months to one year, Kyle needed another operation to totally correct the defect in his heart, and a heart valve called homograft. The estimated cost was around half a million pesos. My family did not have the needed amount for Kyle's open heart surgery, and I knew that I had to look for help.

I remembered the words of Sir Jon Ramon Aboitiz in the 2005 Coffee with the President session in Makati. He said something like, "I'm just an e-mail away." So I sent him an email requesting for help and just a week later, Sir Txabi Aboitiz talked to me and shared with me the good news. A hat was passed among the Aboitiz family as well as among the employees and about 95% of the needed amount was gathered. I really felt so lucky that I belonged to the Aboitiz family.

Time passed and Kyle grew up to be a very happy baby. You could never tell that he had such a complicated heart problem. However, after Kyle underwent a cardiac-catheterization twice to help the doctors plan for his open heart surgery, they reached the same conclusion on both times: for Kyle to overcome his condition, he would have to be sent abroad where a homograft was available.

In August 2007, we were informed that because Kyle's heart condition was too complicated and pursuing the open heart surgery would be too risky for his very small heart, we had to wait until his body was ready. The best option that time was another temporizing measure to increase the oxygen saturation in his body.

Kyle's activities had to be limited because his body could easily turn blue from any minor physical strain. During those times, I prayed for a miracle—a way for Kyle to be healed; it did not matter what it was, as long as I would be given a chance to raise Kyle, to watch him grow and to give him all the love I can give.

I, together with family and friends, sent my "Letter of Request for Help" to countless hospitals and foundations until an unexpected help came. The Weltbruecke Foundation in Germany found out about Kyle's condition from the website my mom's friend made for us. They were willing to help fund Kyle's operation in the Philippines, and they communicated with the others who also wanted to help.

The foundation informed me that they have decided to bring Kyle to Germany for an operation at the Aachen University Hospital. It was already November 2008 and they planned for Kyle to have the operation by the end of January 2009. However, in the middle of November, Kyle's condition worsened, and the surgeon in Germany decided to take us there as soon as possible. The funds gathered by the foundation, together with Kyle's Aboitiz fund took Kyle, me and my husband to Aachen.

In December 2008, I could not explain how I felt when the day after we arrived, we were told that Kyle's open heart surgery would be done in a few days. I was sad that it had to be too soon but at the same time, I was happy that Kyle would be healed earlier than expected.

On the morning of his operation, Kyle was just given anesthesia and already groggy when we told him the words, "Kyle, come back to mommy and daddy, okay? We will wait for you."

That day was the longest day of my life. After 14 hours, we received a call from the hospital informing us that we could already see Kyle at the intensive care unit (ICU). When I saw Kyle at the ICU, the first things I noticed were his lips and his nails—they were all pink! It meant that his oxygen saturation was already as high as 98/100 from 75/100 before the operation.

Kyle fought a good fight. After 10 days at the ICU, Kyle was transferred to a regular room. There, he found friends in his nurses and doctors. He was then discharged from the hospital 21 days after his open heart surgery. Kyle had the chance to build beautiful memories in Germany. He enjoyed playing in the snow, and he loved the penguins at the zoo. He also had good memories at the Ronald McDonald Haus, which served as our home for three months. After his post-operation check up and diagnostic procedures, we went home last March 2009.

Kyle's battle did not end there. The homograft implanted in his heart would need to be replaced after five to ten years. His journey would continue, and it might be tough, but I had nothing to fear. I believed that God had a bigger plan for Kyle. I loved Kyle so much, but I knew that God loved him more.

I would just live each day thinking of how much blessings I had already received, and that no trial could overshadow it. In one of the forwarded emails I have read, it said that I just had to keep on pushing the mountain. All God wanted was for me to push. He was not expecting me to move the mountain because He would move it for me.





# AEV conducts 7 Habits for Associates for Corporate Center team members

By Carminia M. Borja



This year's participants with AEV HR VP Nancy Lim (4th from left) and HR Training Officer Carminia Borja (leftmost)



Seminar Speaker Romy Ronquillo imparts advice.



Nancy Lim discusses the Fourth Habit.

Last March 11 to 13, team members from various departments of the AEV Corporate Center gathered at the Montebello Hotel to attend the 7 Habits for Highly Effective Associates (formerly called the PQL or "Principles of Quality Living") workshop. This life-changing seminar was designed to help the individual and the organization achieve and sustain superior results in life and work goals.

The program was so powerful that it made individuals genuinely take account of their personal activities, and take the necessary steps to achieve greater heights of success in their key relationships, personal goals, work situations and other personal and professional challenges.

This time, the program was graced by no other than Romy S. Ronquillo himself, who handled the entire first day of the program. In his own inimitable witty style, he challenged everyone, while making learning fun and entertaining at the same time.

Participants learned the importance of principles and habits, as well as the essence

of proactivity and its necessity in the Aboitiz workplace. The next day was devoted to mastering the next three habits of managing themselves and achieving "private victory"—beginning with the end in mind, putting first things first, and thinking win-win.

The third day wrapped up by improving everyone's interpersonal skills by listening empathically, synergizing, and sharpening their individual "saws" so they could achieve the elusive balance between work and play.

Participants found the seminar "refreshing", with many of them repeatedly describing the three days as "enlightening and inspiring".

Carmille Golez, a team member from the Corporate Finance department, shared her thoughts on the program: "The 7 Habits Seminar has taken my fancy and curiosity for quite some time now since joining Aboitiz, and with the three-day experience, there were three realities I grasped and I now put into practice in my life. I learned the concept of paradigm shift, the ancient wisdom found behind "knock and the

door shall be opened to you" and lastly, to have a win-win result in every situation. This seminar not only opens your eyes but it opens up a whole lot of opportunities and possibilities for life to be so much better—which, in my book, is always a win-win situation."

iCSD team member Christian Riconalla added, "In any given situation, always think logically. The 7 habits in their simplest form, are habits based on logic."

The AEV Corporate Center offers two kinds of Franklin Covey's 7 Habits seminars that can perfectly complement any company's culture and training portfolio. It is licensed to conduct the three-day Associates program (for team members and supervisors) and the three-day Managers program (for managers and higher). This seminar is credited as compliance to the Aboitiz Universal Training Plan. If you are interested to have this best-seller program conducted in your company, please contact Borja at carminia.borja@aboitiz.com or call (032) 411-1800.

# Green Champion Brigade holds forum

By Marge Gravador



Green Champions hard at work, learning ways to create awareness

The Green Champion Brigade got together in Davao on March 24 and 25 for the Green Champion Forum 2009, held at the Davao Light Bajada office. Representatives of Davao Light, Cotabato Light, Hedcor, Luzon Hydro, Subic EnerZone, Mactan EnerZone, Balamban EnerZone and Visayan Electric Company were present, together with this author.

The group was first organized in November last year, and their primary purpose was to learn the basic computation for carbon emissions. During the forum, part of their objective was to update baseline emission figures for 2008 and to have another dialogue on climate change issues. They also discussed the challenges involved in collecting the data input for the emission computations. The representatives from the power generation and distribution groups eventually broke up into smaller teams to brainstorm on possible actions that could be taken towards climate change solutions.

The Green Champions then visited the Hedcor Sibulan plants and watershed area as a way to understand how a hydropower plant worked and generated power under the Cleanergy portfolio of AP. Hydropower generation could thrive if its corresponding watershed was healthy. The tour provided some lessons on watershed management including community involvement. Watershed management is a crucial factor to solving climate change issues.

## AP Climate Change Briefing roadshow hits Cebu and Davao

By Marge Gravador

After Aboitiz Power's pilot briefing on climate change in AEV last February 16, the session got on the road, and hopped from Cebu to Davao. The briefing's aim was to educate Aboitiz employees about the global challenge of climate change. The solution to climate change required a coordinated effort from each and every citizen on earth.

The briefing outlined the causes and effects of global warming. Part of the presentation was a visualization of how Aboitiz companies contributed to carbon dioxide emissions. More significantly, it outlined basic steps on how Aboitiz companies could be part of the solution. All lectures also included a video presentation on Earth Hour 2009 to campaign for everyone to join in the effort.

VECO was the first stop of the roadshow. Between March 17 and 18, five briefing

sessions were facilitated for their employees. The first leg was done in the VECO Banilad office, and a series of talks were conducted also for the VECO SM office.

The roadshow headed to Davao with lecture stops in Hedcor and DLPC. The run spanned across Hedcor Mintal, Hedcor Sibulan and the DLPC Bajada office.

Tapping the youth, Balamban EnerZone scheduled a briefing last April 1 to graduating high school students of Buanoy National High School in Balamban, Cebu. Students and teachers filled the multi-purpose hall in Buanoy Barangay Hall as they gained insights on climate change.

Session schedules for other AP subsidiaries, affiliates and partners all over the country are currently ongoing. The briefing session is the first of many steps taken towards creating a more coordinated effort in being part of the climate change solution.





# Hedcor Sibulan photos shortlisted in UN international contest



Hedcor Sibulan, Inc. (HSI) recently participated in the United Nations Framework Convention on Climate Change (UNFCCC)-sponsored photo contest that celebrated the sights and breath-taking scenes of Clean Development Mechanism (CDM) projects from all around the globe. The contest, with the theme "Changing Lives", aims to create awareness on CDM projects and their importance to the environment and their role in the sustainable development of communities.

HSI invited Baguio-based photographers Rodolfo Tan and Roberto Yñiguez and Davao lensman Justin Alquiza to feature the 42.5 megawatt Sibulan Hydropower Project. Four of their work landed on the top 18 entries short-listed from over 250 submissions worldwide.

There are currently 1,391 CDM projects in 49 developing countries that contribute to the reduction of greenhouse gas emissions committed in the Kyoto Protocol. HSI's Sibulan Project is the first CDM hydropower project registered in the Philippines.

## Description of Entries

**1. "WITH THESE HANDS"** by JUSTIN ALQUIZA. A little girl from Sitio Tudaya, Barangay Sibulan locks a container for potable water. The potable water system is donated by Hedcor Sibulan, Inc. for the benefit of more than 80 families in the remote Sitio Tudaya, Barangay Sibulan, Municipality of Sta. Cruz, Davao del Sur, Philippines.

**2. "TAKING A BREAK"** by OMPONG TAN. A man riding a motorcycle passes by as residents give their horses a bath. The horses are gradually replaced by motorcycles as means of transportation with the opening of new farm-to-market roads and bridges.

**3. "LOADED WITH GOD'S GIFT"** by BOY YÑIGUEZ. Transporting goods by horse is slowly being overtaken by the colorful jeepney. Because of the improved farm-to-market roads, bigger, faster, and more efficient means of transportation are now made possible.

**4. "GIDDY UP!"** by JUSTIN ALQUIZA. Kids from Sitios Tudaya and Pogpog, Barangay Sibulan, Municipality of Sta. Cruz, Davao del Sur, Philippines pass by the newly constructed bridge donated by Hedcor Sibulan, Inc. on their way to a neighboring barangay's market.

**5. "ROAD TO THE FUTURE"** by BOY YÑIGUEZ. Students of the local schools walk along a newly opened access road to attend their class. Distance from the village to the local school has shortened because of these access roads, which are also used by Hedcor Sibulan, Inc. during project construction.

**6. "BREWING POSSIBILITIES"** by BOY YÑIGUEZ. A farmer is about to finish sacking his coffee beans grown in the area are transported by horse to the nearest market. Transportation of produce has significantly improved because of the farm to market roads opened by Hedcor Sibulan, Inc.

**7. "STABILITY AND LEADERSHIP"** by JUSTIN ALQUIZA. Datu Agtag, one of the chieftains of Bagobo-Tagabawa tribe in Barangay Sibulan, Municipality of Sta. Cruz, Davao del Sur, Philippines proudly poses near the newly constructed bridge. Before, the Bagobo-Tagabawas used to walk on foot or with the aid of a horse to pass by the river to deliver their produce to the neighboring barangay's market.

**8. "BRIDGING THE GAP"** by OMPONG TAN. A horseman with his child trudges along the bridge while boys riding a motorcycle pass by. Travelling from one barangay to another has significantly been improved with the newly constructed bridge by Hedcor Sibulan, Inc.

**9. "LOADED"** by OMPONG TAN. The residents have just finished fetching water from the potable water system and are headed to their barangay a few kilometers away. The potable water system is donated by Hedcor Sibulan, Inc. for the benefit of more than 80 families in the remote Sitio Tudaya, Barangay Sibulan, Municipality of Sta. Cruz, Davao del Sur, Philippines.

## WELCOME TO THE AEV TEAM

### Rafael Fernandez de Mesa

Management Trainee  
Corporate Finance Team, AEV Cebu



Rafa is an Aboitiz family member who brings with him work experience from various international financial institutions such as

Meryll Lynch and Banco Bilbao Vizcaya Argentaria (BBVA). His last working post was as Senior Credit Analyst for Banco Santander International, a Spanish bank based in Miami, Florida. Rafa graduated from Florida International University, majoring in International Business in 2006.

### Anthony Raymond A. Goquinco

Labor and Litigations Lawyer  
Legal Team, AEV Makati



Anthony graduated from Ateneo de Manila University, where he took his Bachelor's degree, and then moved to Georgetown

University, earning his Masters of Law. He then studied at the Ateneo Law School, where he earned his Juris Doctor degree. Anthony initially worked with Buñag & Uy Law Offices, holding the position of Attorney IV, and he then transferred to The Movement for Good Governance as Executive Director and Legal Counsel.

### Martin John S. Yasay

Corporate Lawyer  
Legal Team, AEV Makati (seconded to APRI)



Martin graduated from the University of the Philippines, with a degree in BA Public Administration. He then studied at San

Beda College, earning his Bachelor of Laws. Martin used to be connected with National Power Corporation as Corporate Attorney from 2005 to 2008, handling commercial litigation, property registrations, labor litigations and others. He then transferred to Global Business Power Corporation as Corporate Attorney and Compliance Officer before joining AEV.

### Jetlee E. Velante

Corporate Auditor  
Audit Team, AEV Makati



Jet graduated from De La Salle University Dasmariñas with a degree in BS Industrial Engineering. Before

AEV, he was with Hocheng Philippines Corporation, where he held the position of Industrial Engineer from 2005 to 2008, handling process improvement.

### Cheryl Ann Flores

Receptionist, AEV Cebu



Cheryl Ann graduated from the University of San Jose-Recoletos with a degree in BS Business Administration.

She has been with AEV as a contract-based administration assistant since 2007.

### Vincent Hubert Caballo

Systems Administrator  
iCSD Team, AEV Cebu



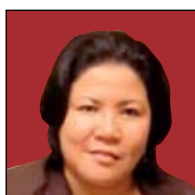
Vincent is a graduate of the University of San Carlos with a degree in BS Computer Engineering, Major in Computer Networks. He was a

working scholar in the Digital Microprocessor Laboratory of the University of San Carlos and the Computer Networks and Software Engineering Lab.

### Riza S. Balgos

Receptionist  
Executive Office, AEV Makati

Riza was former Operations Manager of Mortgage Companion, Inc. She finished her AB Communication degree at St. Theresa's College and later on pursued her Bachelor of Laws at Southwestern University.



## ABOITIZ POWER APPOINTMENTS

### AVP for Business Development



Aboitiz Power Corporation (AP) has appointed **Ronald Enrico V. Abad** as Assistant Vice

President for Project Development. Ronald was Manager of Team Energy Corporation prior to his appointment in AP. He was also Manager of ABB handling sales, marketing and project management. He is a graduate of Bachelor of Science in Electrical Engineering from the University of Sto. Tomas.

### GM for AESI



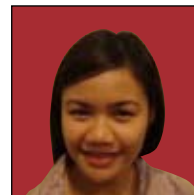
**Raymund Carl Roseus** is the new General Manager of Aboitiz Energy Solutions, Inc. (AESI). AESI

welcomes him back as Raymund used to work for the company as Project Manager from 1999 to 2001. He then moved to Kanematsu as Assistant Manager for Project Development.

As GM, he will oversee all AESI operations as well as formulate and develop energy sales & marketing plans and strategies, as well as network and expand the company's client base.

### Jennifer Charis F. Mena

Corporate Auditor 1  
Audit Team, AEV Makati



Jen initially worked for Rockwell Leisure Club, Inc. as Billing & Collection Officer. Prior to joining AEV, she worked with Megaworld Corporation as an

Accounts Management Specialist. She finished her Bachelor's Degree in BS Accountancy at De La Salle University – Manila.



# JRA is CEO Excel Awardee



JRA holds the CEO Excel Award presented to him by IABC Directors Rey David, Jr. (left) and Elpi Cuna, Jr.

Aboitiz Equity Ventures, Inc. (AEV) Chairman Jon Ramon Aboitiz (JRA) was recently named one of the winners of the Communication Excellence in Organizations or CEO Excel Awards 2009 given by the International Association of Business Communicators (IABC) Philippines. JRA, who won in the Holdings Company category, joined a distinguished list of awardees from various sectors recognized for effectively using communication in enhancing the reputation and profitability of their respective organizations. The awarding ceremony was held on March 30 at the Cultural Hall of the Petron Megaplaza in Makati.

## AEV appoints Chief Reputation Officer



Sebastian "Basti" Lacson has been appointed as First Vice President – Chief Reputation Officer of Aboitiz Equity Ventures, Inc. (AEV). The Office of the Chief Reputation Officer is a new position created under the corporate reorganization approved by AEV's Board of Directors last February 11, 2009.

As Chief Reputation Officer of AEV, Basti will be responsible for the overall corporate reputation strategy and management within and across the core industries of the Aboitiz Group.

He is currently the Vice President for Administration of Visayan Electric Company. Before joining the Aboitiz Group, he held various positions in the Union Fenosa Group: he was concurrent Corporate Director of Union Fenosa Panama and Technical Secretary to the Chairman of Union Fenosa Central America, and Financial Analyst – Management Control of Union Fenosa Internacional in Madrid, Spain. He was also Country Managing Director of Euro Pacific Holdings, Manila and Finance Manager of Lacson & Lacson Insurance Brokers, Inc., in Manila.

Basti graduated from the Ateneo de Manila University with a Bachelor of Arts in Interdisciplinary Studies. He obtained his Masters in Business Administration and Economics at the University of Navarre in Barcelona, Spain.

## Lubag is Pilmico VP for Sales and Marketing



Angelito "Let" Lubag joined the Food Group in 1998 under Pilmico Animal Nutrition Corporation

(formerly Fil-am Foods, Inc.) as Territory Business Manager.

After four years, he was promoted to Regional Sales Business Manager. With his appointment as Vice President for Sales and Marketing, and his transfer to the flour business, comes new challenges as he will be accountable for the efficient and effective execution of his team's plans, and day-to-day operations. Let will also ensure that financial and non-financial goals of all business territories are met on time. Pilmico Flour Marketing Manager and Regional Sales Managers will be directly reporting to him. (Shiela Cuyos)

## Sonny Carpio elected to AF Board



Aboitiz Foundation EVP and Managing Trustee Sonny Carpio was recently elected as a member of the Association of Foundations' (AF) Board of Trustees. Aboitiz Foundation has been a member of AF for nine years.

The AF is the country's leading network of non-government organizations. Its mission is to enable its member foundations to develop sustainable programs that serve their communities. Together with its local and global partner institutions, AF works to improve the enabling environment for Philippine philanthropy and foundation development.

Sonny also sits on the Board of the Coalition for Better Education and the Science and Technology Education Center. He was a former board member of the League of Corporate Foundations. (Elena Carnacer)



# Meet the Board

## PRESIDENT & CEO MONTXU ABOITIZ HOSTS GROUP EXECUTIVES AND INDEPENDENT DIRECTORS.

As a festive culmination of a day of Board Meetings and Stockholders' Meetings (both for AEV and AP), the first-ever Aboitiz Meet the Board cocktails and dinner was held last May 18 at David's Restaurant in Cebu. The independent directors of both companies – Roberto Romulo, Ret. Justice Jose Vitug, Romeo Bernardo and Jose Facundo – had the opportunity to meet all the top executives of the Aboitiz Group.

Given that friendships are best fostered over exquisite wine and delectable food, our President & CEO Montxu Aboitiz brought wine from his private collection and the kitchen at David's met the challenge to come up with a line-up to please even the most discriminating palate.

Right before dinner, Montxu Aboitiz introduced the independent directors, discussed the new organization at AEV and the rosy prospects of our business units, and ended with some surprise announcements, including that of Sabin Aboitiz as President of Pilimico.

After that it was dinnertime. If the sound of laughter and the din of animated conversation were any indication, it would seem like the objective set out for the night was more than achieved. *(Basti Lacson)*





# Meet the Board

When: May 18, 2009

Where: David's Restaurant, Cebu

Who: Independent Directors  
and Aboitiz Executives

Wine:

**Cabernet Sauvignon 2005 vintage**  
from Honig Winery, Rutherford, California.

**Sauvignon Blanc**

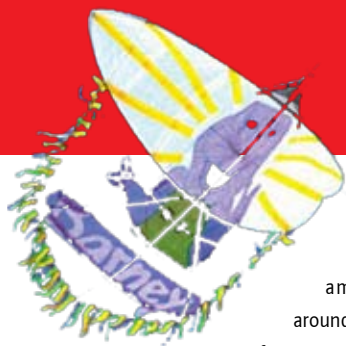
from Dog Winery, Wairau Valley,  
New Zealand.

Menu:

Various canapés, curried cauliflower soup,  
hearts of palm salad, U.S. tenderloin and  
lobster with wine reduction sauce and  
creamed spinach, cauliflower and potato  
puree, chocolate pecan sour mash bash.







# Aboitiz Cebu kicks off

Believing in friendship and camaraderie amidst competition, around 200 team members from AEV, Aboitiz Power, Aboitiz Foundation, Pilmico Foods Corporation, UnionBank, Mactan EnerZone and Balamban EnerZone flocked to the University of San Carlos-Montessori Academy for their annual sportsfest opening day. Called "Aboitiz Kiddilympics 2009," it was a picture of groupwide passion from the 10 cartoon-named teams, with each group having members from different companies.

Energetic hosts Kim Ang and Vianney Yap, with game announcers Carminia Borja and Marty Macariola, kept the hype level high. The colorful parade of the different teams Tweety Birds, Winnie the Pooh, Barney, Hello Kitty, Kerokeroppi, Mickey Mouse, Tazmanian Devil, Pokemon, Bugs Bunny, and Strawberry Shortcake, plus the dance number from the AboitizLand ladies were an exciting start to the event.

In his opening remarks, AEV President and CEO Erramon I. Aboitiz (EIA) stressed the importance of building bridges across the Aboitiz Group. He also encouraged everyone to actively participate in the opening day games and in the succeeding sports tournaments.

AEV Chief Human Resource Officer Txabi Aboitiz led all participants in the reciting of the Oath of Sportsmanship as their commitment to humble victory and gracious defeat. This was followed by the ceremonial relay of the Olympic torch by the team representatives. Being the last stop of the relay, EIA lit the Olympic flame, marking the official start of the sports event.

One of the highlights of this year's sportsfest opening was the kite flying. Each team was tasked to produce one kite that would serve as their banner. The kites were judged as to the First Up, Last Down, and the Overall Best Kite by AEV Director Bobby Aboitiz.

In keeping up with the theme, the teams tried to outsmart each other in Filipino kiddie games like *patintero*, *luksong-tinik*, sack race and *siatong*. A scavenger hunt of items related to the Filipino culture such as *palayok*, *buri hat* and *bakya* was also open to team members who did not join the games. The participants and their guests also checked out the food kiosks, the Kiddie Area, and the inflatable Wall Climb.

The day's excitement peaked when Txabi Aboitiz, together with the Sportsfest Committee, announced and awarded the winners. Special awards were given to the Team Bugs Bunny as being the early birds. Team Hello Kitty won in the scavenger hunt while Team Barney got the overall best kite. Team Tazmanian Devils was declared as the overall Aboitiz Kiddilympics 2009 champion and Team Pokemon placed second.

The event ended on a high note, with everyone raring to participate in the upcoming sports tournaments: basketball, volleyball, bowling, badminton, billiards, soccer-baseball, table tennis, darts, Scrabble and chess.





# f Kiddielympics 2009

By Vida Aurora Llevares







## Aboitiz goes M

AEV and AP Cebu team members and team leaders traded their corporate attire for white and blue resort wear last May 9, following this year's summer outing theme, "Mediterranean Summer Getaway".

Carmille Golez of the Treasury Services Group (TSG) and Michael Planas of iCSD hosted the event, which was held at the white-sanded beachfront of Maribago Bluewater Beach Resort in Mactan, Cebu. Aboitiz executives headed by AEV President and CEO Erramon Aboitiz, AP CFO Iker Aboitiz, Pilimico CEO Antonio Moraza and Aboitiz Foundation Trustee Romy Ronquillo joined the group as they celebrated summer fun the Aboitiz way.

"It's great to see fellow team leaders and team members all gathered here today. I hope to see the same energy and drive that fuel the Aboitiz Group to lead, to excel and to serve," said EIA during his welcome remarks.





# Mediterranean

By Maria Carla Bren Vianney Yap

New team members kicked off the program with a cool dance number. Everyone then joined the fun-filled games, which included Mediterranean summer trivia, water balloon toss, beach relay and Taboo. For lunch, the group was treated to a sumptuous feast of grilled seafood, chicken and pork, fresh fruits, plus good old Cebu lechon.

Beach God and Beach Goddess awards were bagged by Timothy Abay of AP and Elizabeth Ybañez of TSG, respectively, AEV TSG bagged the Club Mediterranean Team Award for their coordinated attire, and AEV Exolt Team won the Highest Number of Attendees Award.

Several exciting prizes were also raffled off during the event.







## Aboitiz Makati sets off summer escape

By Kathleen de Guzman with Sarabeth Restua



Around 120 Aboitiz Makati team members, with their respective families, joined this year's summer outing held at Canyon Cove in Nasugbu, Batangas last March 27 and 28.

Team members from AEV, Aboitiz Power, AP Renewables, Davao Light, Aboitiz Foundation, Luzon Hydro and Aboitiz Energy Solutions celebrated together a "Summer Escape" to remember.

AEV FVP Luis Miguel Aboitiz and APRI President Austin Herrick also joined in and added zest to the occasion.

Despite having different music preferences, all came together in the videoke challenge singing their hearts out! The next day, everyone gathered for the main event where everyone participated in the three-obstacle relay game held at the white sand beachfront.

For that weekend, everybody took a much-deserved break and everyone had a fun-tastic time!





# Living the brand the CSB way

By Niel C. Jumawan

*(Niel Jumawan is the Branch Head of City Savings Bank Iloilo).*

We've been reminded many times on the importance of branding to any business, and that the success of a company's brand depends on how articulately the organization communicates and delivers its brand promise to its customers. Several references have been devoted on this subject, and it seems that every business organization is now allocating considerable amount of time, energy and resources to ensure that the company's brand essence is effectively cascaded and lived out in all areas of the business. From redesigning the physical aspects of the office to the professional manner of greeting, both internal and external customers on the phone, all these endeavors are initiated to inculcate every employee into the branding culture.

But what exactly is a brand? I was hit by this question one day when I was asked pointblank by a client, "How come you have different office designs? I've been to your office in Roxas and it's different, I've been to your Antique Branch and it looks different too, and yours (Iloilo branch) is certainly different."

I was taken aback, then I told her, "Well, the bank is on a re-branding process and the Iloilo and Roxas branches are still due for renovation to conform to our new branding design."

I wanted to shift the conversation to another topic so I asked her, "Aside from the office designs, what else did you notice when you visited these three branches?"

Her face lit up with a smile and she said, "I noticed that though it seems that I am in three different banks when I visit your branches, what struck me is the warmth and enthusiasm of the employees. Everyone seems to have that innate genuine eagerness to serve your clients at their best! The effort that each employee provides



CSB personnel always ready to serve clients with a smile.

in clearly explaining everything to the clients from the interest rates, charges, computations, the details on our net proceeds, to the advice and options they give us on when to re-loan or to defer for a while. All of these gestures made me feel that I am not being shortchanged by the company and that the bank really cares and would want to help me in my time of need."

She continued, "Whenever I talk to any of your staff in all three branches, I feel special and important. This is what actually makes me realize that I am indeed in City Savings Bank! I have tried several private lending institutions and even our own government financial institution but I was not satisfied with their services. I felt like they just wanted to take advantage of my need, that's why I transferred all my accounts to your company." She showed me her payslip and said, "See, my only deduction is with CSB. And by the way," she continued, "I have been your member since 2004."

That brief conversation brought me to this question and realization: What exactly is our brand? Is it our symbol? Our office design? Our signage and color scheme? Or our product? If our clients forget our product but remember our office design or colors, is that our brand? Is it the way we answer the phone? Is it our standard spiels?

My answer to all of these questions is: NO.

Brand is beyond our product. It is more than just our business' façade, design, colors and words. These are just images, symbols and signs that identify us as a company. Our brand must transcend through that...

It must be felt and experienced.

It's all about being a "member of the club". It's about belonging, it's the coolness factor of being "one of the".

And our client's feedback positively confirmed all these.

Branding is about making our clients feel more empowered, more "in the know", more "cool" than anybody else, more special and important. We are a generation and a nation with a special need for attention and service, and this is exactly where our brand positions best in our clients' psyche.

When competitors' rates are all the same, a company's brand will be the differentiating factor in the customer's mind. After all, cliché as it may sound, we want the world to know that our clients mean more than the price, more than money. We want everything to be more.

We want everything to have meaning. We present authenticity in this age of fabrication and falsehood. We just want to be real. We want them to be able to trust us in their time of financial needs. And the more they know about this kind of brand essence, the more they will trust us. The more trust, the more they want to continue to experience it. And the more they experience it, the more loyal they become.

This led me to conclude that our brand is our commitment to serve our clients at our best, our unique way of service, our smile, the real care and understanding we impart to our borrowers and depositors that keep them coming back to us. This is our spirit, the real essence of our brand that we must live and breathe.

At this time in our organization, when we are in the process of reintroducing our brand to everyone (our history, company profile, mission, vision, logo, brand colors, professional image and telephone courtesy,) and even renovating branches to conform to our new branding design, let us not be misled that these new designs, colors, signs and words are our real brand. They are just part of it. Just like synergy, a brand is also greater than the sum of its parts. Great brands, like CSB, will ultimately be defined by the people in the organization who deliver it.



Whether young or old,  
everyone is cared for at CSB.

# AEV Brand Management offers workshops groupwide

By Paula Viegelmann-Ruelan

The AEV Brand Management Team is currently offering three workshops to all team members, brand task teams and brand champions in the Aboitiz Group.

**The Professional Image Enhancement Program (PEP)** is a one-day workshop, open to all front liners and team members who deal with internal and external customers. It is also recommended for those who feel the need to improve their basic oral and written communication skills. The program aims for participants to discover the value of their individual professional image and how it reflects the company's brand image.

Topics include basic customer service skills needed in dealing with clients as well as basic

speech and public speaking skills. The PEP is a required training program under the Aboitiz Universal Training Plan.

**The Building and Sustaining Corporate Brand (BSCB) Workshop** aims to equip brand teams of the different business units with branding knowledge pertinent to their roles in implementing the various branding initiatives in their organization, which are to be aligned with the Aboitiz brand. The program tackles topics on branding particularly on the areas of: brand DNA, definition, identity, personality, strategy positioning, implementation of a strategic branding program, lessons in brand building, as well as an overview on measuring brand equity.

**Measuring and Managing Brand Equity (MMBE)** is the newest program offered to all brand task teams as the next level workshop after BSCB. Critical brand equity issues on value, evolution and design are discussed. Steps on how practical metrics are used in assessing attainment of each of the three brand equity goals are also explained. At the end of the workshop, participants are expected to understand the distinctive consumer meaningfulness of renewing and sustaining brand equity value.

For those who are interested to have a workshop session dedicated to their respective brand task team or business unit, please email [paula.ruelan@aboitiz.com](mailto:paula.ruelan@aboitiz.com), or call (032) 411-1751.

## What is Passion for Better Ways?

A friendly reminder from your Brand Management team



Championing customer loyalty



When answering calls, operators say "Thank you for calling Aboitiz (or your company name), how may I help you?"

For local calls, say "Hi this is (your name), how may I help you?" And say it with a smile, that's what makes the difference!