

aboitiz eyes

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YEAR IN REVIEW '09

Business Outlook 2010

A TRIBUTE

Remembering Ernesto Aboitiz

OUTREACH

Volunteerism Upclose



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Year in Review 2009

Business Outlook 2010

The Group's industry leaders review 2009 and share their outlook and business plans for 2010



ERRAMON ABOITIZ

2009 was a landmark year for AboitizPower.

A highlight for the year was the turnover of plants we won from the various PSALM biddings. Our first-ever geothermal assets, the 460-MW Tiwi-Makban power stations, were turned over to us in May; and our largest and first wholly owned coal-fired asset, the 700-MW Pagbilao power plant, in October. The successful negotiations for the acquisition of two 100-MW power barges in Mindanao in July, for turnover in February and March 2010, was another high point. These bunker-fired assets will give us significant capacity in Mindanao.

Thus, 2009 saw AboitizPower catapulting its power generating capacity by 1,360 MW and entering into more diversified sources of energy.

In July 2009, we also refreshed the company's identity and simultaneously launched Cleanergy, our brand for clean and renewable electricity. We will work on increasing public awareness on renewable power and promote our own brand more heavily in 2010. The goal is to get power users nationwide to assign value to renewable



Pagbilao Plant in Quezon



2009 saw AboitizPower catapulting its power generating capacity by 1,360 MW and entering into more diversified sources of energy.

energy and thereby serve as the impetus for more investments in this type of energy.

The construction works for our 42-MW Sibulan hydro project and Cebu Energy's 246-MW coal plant are in their final stages. These plants are coming at a time when power is short in both the

Mindanao and Visayas grids and will surely help alleviate power shortages. Rehabilitation works for the Ambuklao hydro and the Tiwi-Makban plants are also proceeding at an accelerated pace.

We expect to earn carbon credits through the Clean Development Mechanism for some



Tiwi Plant



Makban Plant



In our effort to optimize the value of our assets, we will offer our capacity for ancillary services. These services are necessary for back up and stability in the power grids; many of our plants are well suited to provide this type of support.

of these projects for the CO2 they will displace, a first for AboitizPower.

With the influx of new capacity comes the need to sell and optimize the value of all that power. Prices have been quite volatile over the years and our desire would be to have some predictability in our earnings, hence our initiative to reduce our dependence on the spot market. Our strategy is to build a franchise and build a supply business selling direct to end-users where possible. We have therefore started to build a sales team to achieve this goal. In our effort to optimize the value of our assets, we will offer our capacity for ancillary services. These services are necessary for back up and stability in the power grids; many of our plants are well suited to provide this type of support.

2010 should see us closing more and more deals with end-users and utilities nationwide. Open access is imminent and this is the culmination of years of industry reform that we in AboitizPower have long been anticipating. Our sales and marketing team is well equipped to compete in this environment, both because of their expertise and the versatile portfolio of generation assets backing them up.

Constraints are starting to show up all over the national power network. Supply has been scarce in the Visayas grid for some time, making the entry of CEDC in Toledo very timely. Cracks are starting to appear in Luzon as well, where despite apparent reserves outages are cropping up when the large plants have stoppages, signifying reserves are running thin. Low water levels at the big hydro plants up north will exacerbate the situation. Mindanao is also in a critical state due to low water levels at Lake Lanao, making outages a regular occurrence. More and more capacity will be required in the years to come.

AboitizPower will continue to participate in the privatization of selected PSALM generating assets as well as develop greenfield projects, where the opportunity exists, to augment the country's power requirements.

Our distribution utilities (DUs) saw surprisingly higher growth in kWh sales than expected in 2009. The DUs responded by investing in and upgrading their networks and systems in preparation for future growth. This involved building new substations as well as implementing ambitious IT endeavors, such as the Oracle Customer Care & Billing (CCnB), which will



tie all their customer service aspects into one unified system, preparatory to the challenges of open access.

Our DUs also continue to innovate and find better ways of improving customer intimacy.

The regulatory framework is evolving to Performance-Based Ratemaking or PBR from the Return on Rate Base approach employed in the past. Under this system, utilities are rewarded for meeting efficiency and service standards, and penalized for not. We are confident our DUs are well placed to benefit under this regime.

With our AAA rating, AboitizPower raised a total of P8 billion from the debt markets in 2009 to help fund the company's growing portfolio of generating assets. Today, we not only have the strong cash flow to fuel our growth but more notably, a management team who understands the power business and is driven by a vision for A Better Future by offering better solutions to our stakeholders.

We remain optimistic and confident in our business model.



New Hedcor Sibulan B powerhouse



UNIONBANK

JUSTO ORTIZ

2009 was an all-time record year as we moved on from the effects of the global financial debacle which negatively affected our capital markets' portfolios in 2008. Our strong capital base and our market beating deposit growth provided us with the necessary resources to stay the course, hold our positions, and capitalize on the recovery of financial asset values across most asset classes.

We also completed a P3.75 Billion Tier 2 capital issue to further strengthen our capital ratios and prime our balance sheet for the addition of incremental risk assets in 2010, both capital markets and loan books. As the risk in our operating environment dissipates, we shall focus on converting our huge excesses of liquidity into

higher yielding assets to provide impetus to a more balanced revenue stream from accrual income.

2010 being the last year of our FOCUS 2010 strategy articulated in 2000, we fully expect to mark this milestone achieving what we set out to do, foremost of which is growing our deposit base at over 25% p.a. from P24 billion end-2000 to P225 billion end-2010. We would have done this by anchoring our vision and strategies on innovation, operational excellence, sales and service disciplines, and superior customer relationship management.

But 2010 will also mark the beginning of FOCUS 2020, which is anchored on building an emotional connection with UnionBankers



2010 will mark the beginning of FOCUS 2020, which is anchored on building an emotional connection with UnionBankers and our customers by bringing our brand to life and extending our reach into the communities we serve, capitalizing on our operational and technological advantages.

and our customers by bringing our brand to life and extending our reach, through branch channels and relevant products & services, into the communities we serve. We will do this by capitalizing on our operational and technological advantages to challenge convention and create appreciated value for our customers and their communities. The branch is back and it will undoubtedly be the nerve center of our customer and product businesses.

Additionally, we shall seek out opportunities to introduce behavior changing electronic settlement and information intermediation solutions to communities of interest as we step firmly into 21st century banking.



We envision 2010 to be another good year for the bank. Our Luzon expansion is on the way with the aim of establishing our market in this territory. We shall continue to protect and grow our existing market, while preserving our level of customer service and commitment to them.

CitySavingsBank
A THRIFT BANK

MIKEL ABOITIZ

2009 was a year of contrast for City Savings Bank. The bank's performance for the first half of the year was below expectations; while demand remained strong, margins were affected due to rate structures. However, on the second semester of the year, with adjustments to our rate structures, the bank was able to recover and set new records. Our loan releases reached unprecedented heights resulting to an increase in our net income by more than 100% vs. 2008 of P105.0 million only while our past due ratio stood at 0.88%, way below industry standards.

In 2009, City Savings signed a Notes Facility Agreement with First Metro Investment Corporation and SB Capital Investment Corporation as Joint Lead



Arrangers for the issuance of 5-year peso-denominated corporate fixed rate notes in the aggregate amount of P1.0 billion. At the same time, the bank became a member of Bancnet and was able to install four ATMs in strategic

locations. Six more ATMs are expected to be installed within 2010.

The bank continued its CSR projects such as the sponsorship of Brigada Eskwela and RAFI's Young Minds Academy, the distribution of school supplies to students and donation of school chairs, among other various undertakings. The bank also

continued its branding efforts by renovating its Balamban Branch.

We envision 2010 to be another good year for the bank. Our Luzon expansion is on the way with the aim of establishing our market

in this territory. We shall continue to protect and grow our existing market, while preserving our level of customer service and commitment to them.

The bank's long-term plan remains focused: to be the preferred provider of financial services to public school teachers, other civil servants and the ordinary working class. In the next five years, we aim to achieve continued and sustained growth. We will continue to build the organization and improve our systems and processes.

Our commitment to serve our clients at our best remains steadfast and true. We shall endeavor to uphold our CSR projects with the objective of helping communities where we operate in.



pilmico



Developments in the feeds and swine operations are expected as projects begun in 2009 will be completed this year, namely, the Iligan Feedmill which will double existing capacity of 108,000 metric tons; and the construction of grower-finisher farms which will increase our sow levels.

SABIN ABOITIZ

The year 2009 proved to be a very exciting year for the Food Group. The first quarter of the year saw the relaunch of Pilmico as the single brand for the flour, feeds and swine businesses. With the refreshed brand came Pilmico's new brand promise of 'Partners for Growth.' Through its attributes of Guidance, Consistency and Results, the Food Group aims to demonstrate to customers that Pilmico is the partner that best helps them be successful. Operating under the single brand idea "Partners for Growth" will strengthen the group's operations and establish the platform for future growth.

Though Pilmico's swine sales was adversely affected by mortality issues, the flour and feeds

divisions consistently posted sales growths throughout the year, bringing the group's 2009 performance to impressive levels. The flour division was able to take advantage of the lower presence of imported flour in the market, as well as grab market share from other local millers who ran out of wheat. The feeds business, on the other hand, showed the most improvement as it grew its share of the market and improved profitability with the presence of the Iligan feedmill. Due to the strong performance of all three divisions, the Food Group more than doubled its net income compared to the previous year, making 2009 a banner year for Pilmico.

The year up ahead looks to be as equally exciting and challenging. Flour prices will expectedly increase at the start of the year, as tariff on imported wheat will again be enforced after a one-year reprieve. Developments in the feeds and swine operations are also expected as projects begun in 2009 will be completed this year, namely, the Iligan Feedmill which will double existing capacity of 108,000 metric tons; and the construction of grower-finisher farms which will increase our sow levels.

Poised to face the challenges ahead, the people behind Pilmico are one in the pursuit of excellence and superior service to bring customers total satisfaction and the promise of growth.



We lead Cebu's real estate industry not only in volume of units produced, but also in quality development and property management as we endeavor to fulfill our brand promise of 'Nurturing Communities'.

ANDONI ABOITIZ

For a year that began with economic gloom, the property market fared remarkably well. AboitizLand ended its 15th year with approximately P730 million in total revenues. Defying bleak real estate forecasts, 2009 sales of residential projects amounted to approximately P549 million, or 225 units sold.

Sustained buyer interest in zen living has reflected a strong take-up on the Zen Residences and Kishanta/ Kishanta Expansion lot units (nearly 50% of total 2009 unit sales). The Persimmon North Tower, launched in late September, also did well with a third of its inventory sold by year-end.

Joining the roster of high quality AboitizLand communities is Ajoya, located in Cordova, Mactan. A mid-income riverside development, Ajoya offers high-end amenities built on Filipino traditions and concepts. Pre-selling of lot units begun in December 2009 starting at P6,800/sqm.

A healthy pace of construction has allowed completion of numerous developments. In June 2009 alone, we expanded our Pueblo Verde commercial village, including a Public Utility Vehicle (PUV) Terminal, and completed construction of the iMez BPO facility. Its first

office locator and first commercial tenant began operations in Q4.

The Persimmon Plus in Mabolo was completed in August, followed by the start of The Persimmon North Tower construction in September. By October 2009, we topped off the West Tower and will turn over the units by Q3 2010. To further enhance new urbanism in our Pristina North community are its house-and-lot and commercial components, due to be launched in 2010 and 2011, respectively.

For industrial operations, Mactan Economic Zone II (MEZII) and Cebu Industrial Park Developers, Inc. (CIPDI) have remained competitive with P273 million in revenues. This despite the downsizing of many locators and no industrial lot rental increase from 2008 for MEZII (PEZA-implemented moratorium).

Our Mactan zone's water revenue decreased as the manufacturing sector saw a 30% constriction in goods manufactured and employment. For CIPDI, revenue from land lease increased by 21% to P 111 million in 2009, primarily due to the expansion projects of Tsuneishi Heavy Industries. Recurring CIPDI revenue in water also benefited with a 25% growth to P 15 million in 2009.

While 2010 for MEZII looks promising, we forecast a contraction in recurring revenue for CIPDI by year-end, primarily due to the reduced operation of FBMA and the termination of contract with Metaphil's fabrication shop.

The Housing and Land Use Regulatory Board (HLURB) named AboitizLand as its top producer of quality shelter units in Central Visayas for 2009. We lead Cebu's real estate industry not only in volume of units produced, but also in quality development and property management as we endeavor to fulfill our brand promise of "Nurturing Communities."

This thrust is also reflected in our CSR projects and in 2009 initiatives. Such new initiatives include the internal e-newsletter, InHouse; the launching of Made for Life on the networking site, Facebook; and the chess-related activities (Kiddie Chess Clinic and The Persimmon Inter-Company Chess Tournament), among others.

2009 presented us an opportunity to overhaul the organization, and we took it. Now, the new organizational structure shall be an unfamiliar but ultimately wider stage for growth. The competitive landscape of 2010 will be even more incredible, requiring us to build our teams and nurture innovative ideas.



In 2009, we funded our capital expenditures for normal operations internally, we purchased two 2GO container ships, two Supercats and a Cebu Ferries vessel without increasing debt.

ENDIKA ABOITIZ

2009 and the year before that were particularly challenging and particularly interesting from ATS' point of view, from our nation's point of view, and from the world point of view.

From the ATS perspective, the most important highlight was the Superferry 9 accident. We have learned that there are improvements needed and we will deliberately pursue them in 2010. The financial impact of the Superferry 9 accident cannot be underestimated. The illegal and improper suspension of our services by Marina and the unprecedented reaction of Lloyds Register coupled with late in the year typhoons have affected our revenues significantly.

Fuel prices dropped in the beginning of 2009 and they rose again. This continues to be an area of concern and volatility that we must live with. We feel that once the world economies are firmly on the way to recovery, prices may very well climb quickly.

We have acquired two 1000 TEU container ships, 2GO1 and 2GO2, increasing our freight capacity at lower unit costs. We are in the market for two more. The purchase of two Sydney fast ferries has further improved our situation at SuperCat with a fleet that fits our routes at required cost structure. Cebu Ferries has put into service CF 2.

We have done all the above at the bottom of the market for vessels. The sale of the SuperFerries and other assets three years ago at peak prices strengthened our balance sheet enabling us to acquire assets today at very attractive prices.

Our domestic world ends with advanced election fever, a large government budget deficit and flat growth. The new administration will inherit what will possibly be a worse fiscal situation with an even larger budget deficit and few government assets left to sell. As world financial institutions worry about sovereign

debt, our ROP ratings may be at peril. This may come home to roost at a time when world interest rates, which are below market levels, rise to their real levels.

The world economy seems to have recovered. We hope that is the case but we will remain very, very cautious. Markets, globalization, trade, entrepreneurship which are key to increasing world wealth are very much alive. We hope that the increased government regulation will be there for control of abuse rather than the suppression of innovation and business.

At ATS, we have a ship to navigate through perilous seas. What are we going to do over the next two years?

We will keep a very strong balance sheet as we always have. In 2009, we funded our capital expenditures for normal operations internally, we purchased two 2GO container ships, two Supercats and Cebu Ferries vessel without increasing debt.

We will keep our people and our systems flexible. We do not know what we will purchase or what direction we will take – more freight or more passage or both. The two options will be kept open. It will depend on what quality assets we find at depressed prices. We are not going to be caught with expensive assets because they put us behind the competitive 8 ball for a very long time while lower capital costs puts us ahead of that competitive 8 ball for a very long time as well. We have to make sure we continue to be in the latter position.

We do not know where we will expand and or modernize. It all depends on what assets we find. We continue to strengthen all areas so we can



expand in multiple areas as we are doing today. Passage is shrinking temporarily, SuperCat is expanding with our entry into Bacolod. Cebu Ferries is expanding and searching for CF3.

Freight is looking for 2GO3. Passage, however, continues to search for new SuperFerries, presently awaiting for two sisters to come within our price range. The value of the asset makes all the difference in the world.

We have competitors that purchased freighters at their peak stretching their balance sheets. We have competitors that are buying now, strengthening their balance sheet. We are and will continue to be among the latter. So if

we seem like we don't have a direction because we are changing, be clear we have a very clear direction: buy low value ships taking advantage of this low market.

Within all of these are our value-added businesses. We will continue to develop these as we work on de-commoditizing as much of our freight business as we possibly can.

Abojeb is now one of the largest manning agents in the Philippines with more than 8,000 crew in the pool and more the 5,000 crew on board the more than 340 ships we are presently manning. Ship management has presently 26 ships under full ship management

and the strategy is to expand further this activity.

Logistics had a great year. We have a new JV partner in Kerry. Projects had an extraordinary year. We expect to close the year with better results financially. However, we have the challenge to mitigate all too many signs of margin squeezes, among them, fuel, more competition due to more capacity in the market and some higher costs particularly in tighter maintenance.

What we continue to strengthen is our team and our organization. We are leaner and more prepared than ever. The challenges of 2009 have put us to greater tests than ever. We will not disappoint.



Ongoing construction of modular facility project.



METAPHIL



We believe 2010 will be the start of the new Metaphil. With double our fabrication capability, we intend to step up in size and business performance. Our reputation and aggressive intent to become partners in the international fabrication industry will serve us well.

ROBERTO ABOITIZ

2009 started as a difficult year to figure out, with the financial crisis in the background and speculation as to how deep and how long the recession was going to last. Planning was difficult.

But our first plan was to ensure survival under these difficult and unstable times. Well, we not only survived but we had a pretty good bottomline for the year. This is the product of teamwork. The *Kauban* spirit is hard to put down. Everyone stepped forward, worked on cost cutting, increased productivity and shortened delivery of projects. With our *bugsays*, we made it happen.

The investment in infrastructure and facilities in the international market were postponed. With the USA and Europe under severe economic difficulties, the only driver in the economy was the Chinese economy and drive it did. Behind all of this was Metaphil's campaign to introduce our value proposition RISQ (Reliability, Integrity,

Safety, Quality) to the international market. We formed a marketing team just for this, with high-level trips to Australia, USA and Japan.

We have managed to create lots of interest in our new modern modular yard in Balamban. In fact, we just closed a two-year production order of heaters for Australia. We start by sending a team to the USA to initiate the detailing works in the offices of our client, OnQuest, and we will start cutting steel in April this year.

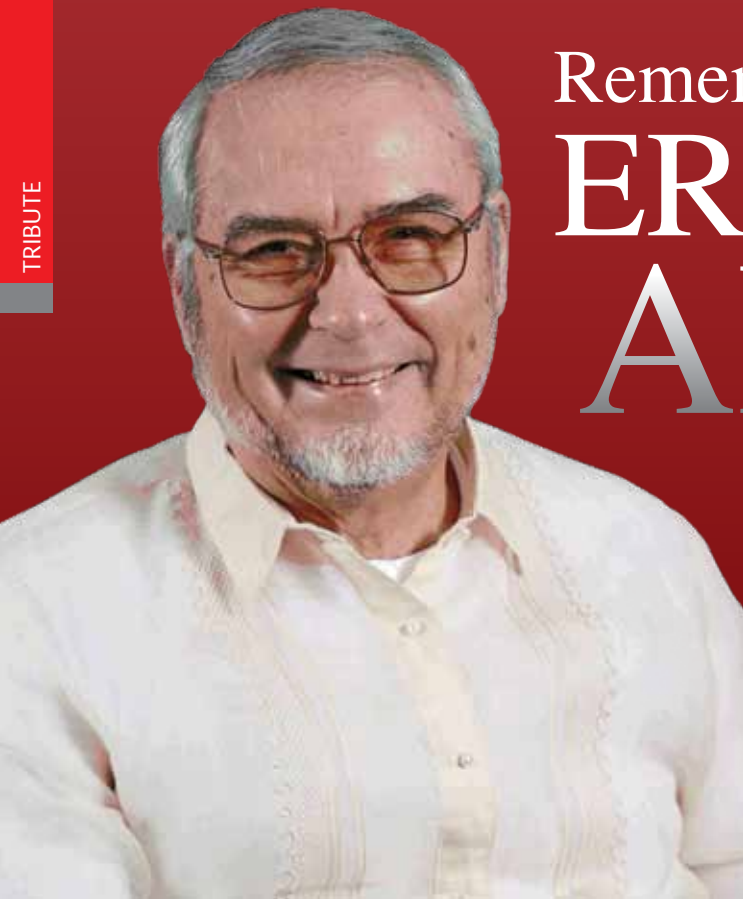
We are also looking to close out additional export orders in the first quarter of 2010. We believe 2010 will be the start of the new Metaphil. With double our fabrication capability, we intend to "step up" in size and business performance. Our reputation and aggressive intent to become partners in the international fabrication industry will serve us well.

We also hope to upscale our design and detailing department. We have great potential

here to bring in repetitive business with high margins, capitalizing on our intellectual capital our *kaubans* set up with licensed software, and sending work around the world.

We are looking to develop base load manufacturing that will continue over the years and flatten the cycles involved in 'jobbing'. We are getting there with our increasing role and assumed responsibility at the Tsuneishi shipyard in Balamban.

We have made it through a rough 2009, projected ourselves in the international marketplace and we look to harvest opportunities both in the domestic and international market where RISQ is a must. Metaphil delivers on its promises. We look to become part of our customers' supply chain and contribute to their success. With our *bugsays* and the heart of a *kauban*, we will double our business results in the next three years – topline and bottomline. We plan to make it happen.



Remembering ERNESTO ABOITIZ

Ernesto R. Aboitiz, one of the pillars of the Aboitiz Group, passed away on January 13, 2010 after a bout with cancer. Until the time of his death, he served as a director of AboitizPower. He had played a major role in the expansion and consolidation of the power group. He joined Davao Light in 1955 and became its president in 1970 until 1987 when he resigned to assume the presidency of the National Power Corporation (NPC). President Cory Aquino had appointed him on the basis of his experience and credentials as a professional electrical engineer who headed Davao Light and Cotabato Light. In 1991, he became NPC chairman and served until 1992.

Mr. Aboitiz was also chairman and general manager of the Mindanao Development Authority from 1972 to 1975. He was actively involved in civic initiatives such as the NAMFREL and the Bishops-Businessmen's Conference.

With his passing, he has left an indelible mark on people with his sound advice, go-go attitude, great mentorship and genuine friendship. The legacy he leaves behind offers both inspiration and challenge to anyone who aspires to emulate him.

Constant Motion

Tonio Aboitiz, Ernesto's son, delivered the following eulogy during a memorial service at the Redemptorist Church in Cebu City on January 18, 2010.



Life for my father was one of constant motion of learning, creating, fixing, innovating, experimenting, studying, re-creating, mediating, organizing, leading, opposing, challenging, defying, flying, boating, enjoying, eating, loving, caring and serving.

*"Oh captain! my captain!
Our fearful trip is done
The ship has weathered every rack,
The prize we sought is won."*

I was made to memorize Whitman's poem when I was about 6. I have never forgotten the first few stanzas, and have dreaded the day that I might be made to repeat those words. That day came last Wednesday with the death of our dad, Ernesto Remedios Montenegro Aboitiz.

Dad was truly something special. Today we pay our due respect to a man's man, not in the two fistful bar fighting sense but more in the mold of the sober, courageous, and capable commander of an ambitious expedition of discovery. Life for my father was one of constant motion, of learning, creating, fixing, innovating, experimenting, studying, re-creating, mediating, organizing, leading, opposing, challenging, defying, flying, boating, enjoying, eating, loving, caring and serving. He even attacked his siestas with determined purpose.

A full list of my father's achievements would take a whole day, and he probably would grow

impatient himself, so I defer that comprehensive list to a later time. A bullet point report would be more his style. My father did not suffer fools gladly –or people who wasted his time.

I once gave Dad a barometer and told him that you could tell what a man does by the instruments he keeps, and dad certainly had a lot of instruments, as he was always an early adopter of new technologies and loved his gadgets. You can also tell a man's achievements by the way you can describe the things he was.

Over the course of his 77-year life, you could call dad all these things: civic leader, public servant, businessman, manager, bananero, hacendado, rancher, philanthropist, environmentalist, pilot, boater – he so loved boats and planes, and though the primary purpose of having them was as a tool to get from one place to another, for Dad often the journey was as important as the journey's end.

He was also a hunter, pioneer, scuba diver, dancer, historian, photographer, builder, visionary, friend, brother, husband, father, grandfather.



Dad got to do so much simply because he could. The man was just so amazingly capable at some things, and was driven by a compelling need to fulfill his own enormous potential, always guided by a real desire to do the right thing, to follow his conscience and will though the heavens may fall. In many ways, one would call Dad heroic.

But most of all, I like to think of Dad as an engineer of the old school, a man who brought into his personal and professional life the values of his “design philosophy” – that you could create great capacities for a lower cost if you could only surmount the need for extraneous luxuries or symbols of status. One of my most cherished mementoes of Dad is a calling card that dates back to the time when phone numbers had 5 digits. It shows no company affiliation and simply reads “Ernesto Aboitiz – Electrical Engineer”.

He had a prodigious capacity to work hard and to mix business with pleasure; on weekends, for example, he would take the whole family up to the mountains around Davao to rainforest places that were stunningly gorgeous. We all loved it, but it turns out he was also scouting around for hydroelectric potential. Walking around he could put men half his age to shame; it was that hard to keep up with him, even in his later years. He

couldn't be ignored because he was often right, and you would be hard pressed to find someone as *makulit* as Ernesto Aboitiz on a mission.

Dad couldn't help himself. If he achieved so much it was not for the attainment of prestige or power or wealth or similar vanities. Dad got to do so much simply because he could. The man was just so amazingly capable at some things, and was driven by a compelling need to fulfill his own enormous potential, always guided by a real desire to do the right thing, to follow his conscience and will though the heavens may fall. In many ways, one would call Dad heroic.

His amazing intellect was matched only by his immense desire to make this world a better place, his electric charm by his incredible good looks. Dad was *gwapo*, no doubt about that. Dad knew this and worked it. He liked to tease and he liked to flirt. When he was serious, he could be stern, but in light moments –when enjoying himself– you couldn't help but be brought along by that mischievous grin and boundless enthusiasm. His sense of humor was often at your expense. Once, at a children's party I talked to a clown to see if a clown's skills could be put to use educating children about the environment. I told dad “see, even clowns have a role to play”; without skipping a beat he quipped, “well maybe that's why there's so many of them around”.

Often the doubting skeptic, you were in extra danger if you were a self-proclaimed expert of some kind who found himself in the company of my father and his brother – as this tag-team would soon find the flaw in the expert's theory, an error in the expert's facts. This skepticism belies a fair amount of caution honed by years of experience dealing with clowns of one sort or another.

Dad was a devoted Roman Catholic, a champion of the Church who was knighted by the Papacy for his steadfast bravery and faith translated into unwavering commitment to causes that are just. He was not afraid

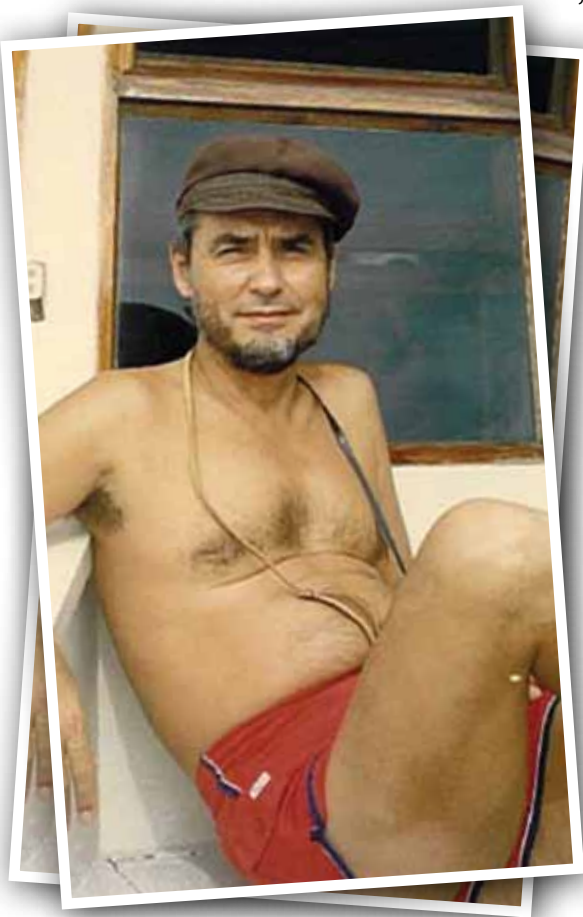


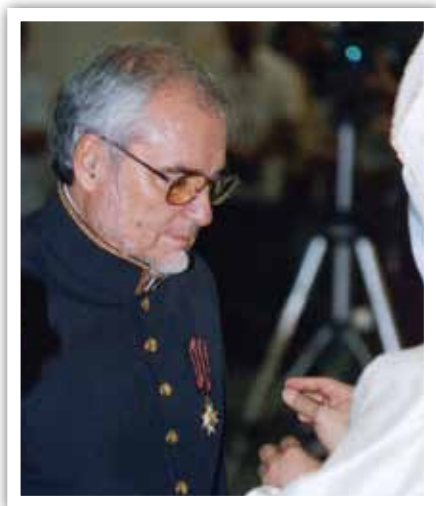
to take on frightening challenges, and came to serve his country twice against all advice. Yes, he was a maverick, and one stubborn man.

Dad had a long and good and blessed life, with its share of highs and lows, of great joy and utter heartbreak, of luxury and hardship, of hard work and an active retirement. This is the kind of man who wanted to work and serve until the very end. Dad was so many things to so many people that it is difficult to grasp the number of lives he had an effect on. I won't even attempt to.

As a father Dad was generous and kind, bringing all along on his great adventures. Dad had an unerring eye for beaches, for all places natural and true. He and Mom kept our family together, always insisting on bringing us, our cousins, our friends, and the odd, random guest along to places near and far–flung. We had so many good times together. We will be always grateful for everything he has brought us, but most of all we will be grateful for the love and affection he showered on us, for the example he and mom showed us by devoting so much energy to social development.

It's time to say goodbye Dad, Abu, Ernie. We will miss your overwhelming presence more than you know, as your influence on us has been so profound. Our great emptiness is only soothed by the end to your suffering. We love you, of that doubt us not.





Adios Amigo

Fr, Carmelo O. Diola
(A friend and companion on the journey)

The late Engr. Ernesto R. Aboitiz had unusually young looking eyes: sharp, inquisitive, clear, and active. Surrounded by a thick frock of gray hair and a prominent goatee, his eyes revealed a youthful spirit that no aging body could confine.

It was as if the poet Samuel Ullman was thinking of him when he wrote the memorable lines: "You are as young as your faith, as old as your doubt; as young as your self-confidence, as old as your fear, as young as your hope, as old as your despair."

I got to know Engr. Ernesto Aboitiz during the defining days of People Power 2. A friendship was born between a veteran advocate and a middle-aged upstart in the work of political advocacy. He soon became a dear friend, a feisty fiscalizer, and a precious mentor. He also became the first personal monthly pledger of our fledgling movement.

Ernie was an acquired taste. At first encounter, one gets the uneasy feeling of being stretched out of one's comfort zones. After all, Mr. Aboitiz had been there and done those things that were just beginning to dawn on me. Ernie had worked with two presidents and was involved in the phase of transition between the two. It was no easy role

but he had his conscience and his Church to guide him. I recall with admiration how often a man of his stature would humbly ask specific guidance from persons much younger and less well known than himself, only because they were priests of the Church.

One can say he was a dyed-in-the-wool Catholic who was not timid about concealing his core identity in the challenging worlds of business, government, and high society. He was a bearer of Catholic identity and culture. Once, when he was with me in our rather tight and bare space we called a "prayer room" for a mass, I asked him to remove his shoes before entering. He did so with no hesitation. Ernie was a simple man who had a deep sense of the sacred even if he was not exactly what people ordinarily refer to as religious. Sir Ernie, a title bestowed on him in 2009 by his St. Sylvaester Papal award, was so becoming of him.

The gospel (Luke 2:41-52) on the finding of Jesus in the temple shows an inquisitive boy of twelve who is comfortable in the presence of influential people, even as later on he also showed himself to be very much at home with the poor.

Inquisitiveness is the first step towards wisdom. Wise people begin by asking; often good questions are more important than good answers. Ernie had endless questions that threatened the uninitiated but shed light to those who were open. While there would be disagreements, the process of asking removed the superfluous and often only the truly essential remained. It was his way of sharing his cumulative wisdom as well as

channeling the energies of what later on became the Dilaab movement.

The questions taught us many things: that resources, when the hearts and the systems are not in the right place, can be a curse; that empathy and compassion towards public servants is essential if we are to have meaningful change; that by linking with others and becoming part of a network we do not have to reinvent wheels; that people need to put their money where their mouths are; that prevention is better than cure; that effectiveness is not just a frenzy of activities; etc. By insisting on counterparts from stakeholders in advocacy work, he embodied the Church's vision of a community of disciples where no one is so poor so as not to be able to give anything and no one is so rich so as not to be able to receive anything.

Last December 2009, he showed himself thinking of others even as he entered a very difficult period in his life. He said to me: "It is really so simple to help others if you really want to and the best way to help is to be in government. It gives you a big high just because many are helped due to a little effort on your part." It is small surprise that my dear friend was happiest with our outreach to the police and he was looking forward to the germination of the seed of our effort to evangelize politics.

Last year, Ernie and other members of our network planted some seedlings. He did more than that. He planted some seeds for Dilaab, the Church, and the nation.

Do not worry Ernie, we will continue to water the seedlings while God will give the growth. Adios Amigo!



Ernie was a dear friend and a respected colleague. He was an exemplar in his field of expertise. Recognized as one of the best minds in the energy industry; what made him different from the rest was that he was a visionary. He pursued his vision with an indefatigable spirit; persistent to a fault. No such thing as a "comfort zone" for him.

He was the first Aboitiz I met in Davao in 1962 when I was still with Esso. He was helpful and hospitable. I never thought that this would be the beginning of a lifelong relationship with the family – both personally and professionally. He recruited me to manage the Palao operations and eventually Hedcor [I am sure with LAJ's blessing], a challenge I still treasure.

At the risk of sounding patronizing, Ernie above all was a man of principles; he was values driven. A family-oriented person with both a personal and corporate conscience as evidenced by his many endeavors to uplift the lives of the less fortunate and with concern for people he was responsible for as a corporate leader. He practiced CSR before most knew what corporate social responsibility meant.

Chiquie and I will forever remember the many times the four of us [couples] would fly, sail to Camiguin and Hayaan to spend a relaxing long weekend. Only last December, he invited us to spend a weekend in San Remigio; he wanted to show us the pergola on top of the hill which was the latest improvement he was so proud of, the thousands of additional trees he had planted; again just the four of us.

I had a sinking feeling that this was to be our last visit together. For awhile, I sort of hated this world, why rob us of a fantastic person who could do so much for so many? Of course eventually we come to our senses and realize he now is in a far better world than we are; for the good Lord rewards the deserving. There is an old Spanish saying, "El que tiene un buen amigo tiene una mina." Well, the Ronquillos found and own a diamond mine, blessed for having Ernie as a dear friend. *January 15, 2010.*

Romy Ronquillo

A Tribute to Sir Ernie

Bobby Orig

Sir Ernie possessed many virtues that make him truly an outstanding and remarkable man. But I would characterize Ernie as a man who approached the causes that he believes in with passion. And to my mind, his one big consuming passion was to make our country a better place.

His service as president of the National Power Corporation and his deep involvement in the undertakings of the National Movement for Free Elections and the Bishops-Businessmen's Conference of the Philippines were driven by this passion.



His passionate efforts to raise the standards for generating and distributing electricity and to make it accessible and affordable to all is legendary.

Davao Light was built from the rock-solid foundation that Ernie planted. To this day, we in Davao Light are guided by his passion for the customer and his profound principle that since our company is a monopoly and our customers have no choice, we should not give them any reason to complain by always delivering to them the best level of service.

His passion for the development of Mindanao came early in his career when he served as general manager of the Mindanao Development Authority and pioneered the island-wide integration and balancing of the government's development efforts for Mindanao.

The construction of the first, private sector-led housing project in Davao City in 1972 is a reflection of Ernie's passion to bring meaningful change to the living conditions of minimum wage earners. Together with some civic-spirited businessmen and his father-in-law Alfonso Ybañez, he initiated the establishment of the Davao Development Foundation and built 1,500 low-cost houses over an 18-hectare property. The foundation then assisted the employees of its member-companies to acquire these houses through a housing loan program of the Social Security System.

Ernie preached what he practiced. He fought hard for every cause that he enlisted, and the causes that he fought were right and good.

In spite of his economic standing, Ernie was not interested with showing the trappings of wealth. He and his family led a simple life. In fact, there was a time when he drove around Davao City using an old Renault powered by LPG gas, the tank of which was installed on the roof of the car. What was important to him was to live his core value and that is, to contribute what he can to make our country a better place.

Given the many lives that he touched, the many rightful causes that he fearlessly advanced, and the many people and organizations that benefitted from his labors, I believe that Ernie did a splendid job of giving meaning and purpose to his passion. And given the fruitful life that he enjoyed with his family, Sir Ernie lived a happy and fulfilled life.

ABOUT Ernie

TRIBUTE



Ernie played a very important and pivotal role in the Aboitiz Group's involvement in power and was the pioneer and champion of our group's investment in hydro power.

The power distribution group's technical excellence can be largely credited to Ernie's passion to design efficient and robust power delivery systems to best serve our customers. This tradition is what makes our utilities the best in the country.

Ernie's strongest passion was AboitizPower's new investments in hydros, both the big ones like Magat, Ambuklao and Binga and our run-of-river projects like Sibulan. He was always pushing for more.

Ernie was a mentor to many of us, ready to listen and give advice. He will be truly missed.

————— **Jon Ramon Aboitiz**



Ernie's ever-present support, both professionally and personally, is something I greatly appreciated about him and will never forget.

His Passion for Better Ways expressed as his mind never stopped thinking and exploring new and different things.

His Drive to Excel through his efforts to improve and innovate.

His Drive to Lead through his example and dedication.

His Drive to Serve as he unselfishly committed his resources and time to help others.

Someone to emulate.

————— **Erramon Aboitiz**

SNAP-Benguet turns over CSR funds to host communities

Host communities of SN Aboitiz Power (SNAP)-Benguet, Inc. stand to improve their school facilities, waterworks systems, sanitation, and livelihood with the availability of about P5.5 million as project funds.

SNAP-Benguet handed over the checks to beneficiaries in a ceremony on December 16, 2009 at the Provincial Capitol of Benguet in La Trinidad attended by Benguet Governor Nestor Fongwan and SNAP-Benguet CEO Emmanuel Rubio.

Mr. Rubio said the company nurtures partnerships with host communities to promote sustainability and development in the areas where it operates. "From the onset of its operation and as a matter of policy and practice, SNAP-Benguet has put corporate social responsibility in its business agenda," he added.

The company also turned over to the Benguet provincial government a fiberglass bottom rescue boat to help with disaster response.

SNAP-Benguet also supports governance initiatives with the donation of office equipment to enhance work productivity. Alternative learning centers will also be reinforced with additional computer equipment, said External Relations Manager Michael Bon Hosillos.

Rhoda Santos

BEZ new substation completed

The new 25/33 MVA Substation and administration building of Balamban EnerZone Corporation (BEZ) at the West Cebu Industrial Park, Buanoy, Balamban, Cebu have been completed.

EnerZones' officials led by Benjamin A. Carias, Jr., Dante Pollescaas and Irwin Pagdalian, and officials of BEZ locators among them Tsuneishi Heavy Industries' and Cebu Industrial Park Developers, Inc., attended the inauguration and blessing ceremonies. (D. Ubasa)

Dianne Ubasa

Partners for a greener future



AboitizPower SVP for Power Marketing & Trading Luis Miguel Aboitiz and SteelAsia President & CEO Benjamin Yao shake hands after the contract signing. With them are APRI President & CEO Austin Herrick and SteelAsia COO Antonio Lorenzana.

Since December 26, 2009, AboitizPower, through AP Renewables, Inc. (APRI), has been supplying Cleanergy to SteelAsia, the country's leading steel bar manufacturer.

APRI President & CEO Austin Herrick and SteelAsia President & CEO Benjamin Yao signed the power supply agreement at the New World Hotel in Makati on December 9. The agreement is effective until December 25, 2012.

"The signing of the contract between AboitizPower and SteelAsia represents an

excellent example of two private companies working together to achieve mutually acceptable business goals in a fashion that also serves the environmental needs of the nation," said Herrick.

AboitizPower commits to provide SteelAsia 51 megawatts (MW) at peak demand, and 37 to 40 MW on average requirement. Power supply will be sourced from the Tiwi-Makban geothermal plants, which currently have a combined capacity of 462 MW. Capacity is expected to increase with the plants' continued upgrade and rehabilitation.

SNAP-Magat OHSAS-Certified

Rhoda Santos

The Occupational Safety and Health Management System (OSHMS) of SN Aboitiz Power (SNAP)-Magat received on December 10, 2009 the confirmation certificate to the standard set in the Occupational Health and Safety Assessment Series (OHSAS) 18001:2007. TUV Rheinland Philippines, Inc., a Germany-based independent certification body, conferred the certificate.

SN Power EVP for Southeast Asia and SNAP Board Director Eric Knife cited SNAP-Magat as the first among their international projects to receive such certification. "This is part of our license to operate, and by that I do not mean just getting the legal permits, but also taking care of our people, our operations, and our community," he added.

SNAP-Magat CEO Emmanuel Rubio also hailed the award as a step beyond compliance. He said, "A culture of safety means we do it as

a way of life. Occupational health and safety are fundamental values in living our life as a responsible corporate citizen."

OHSAS 18001:2007 is the latest edition of OHSAS 18001, which is the internationally recognized assessment series for occupational health and safety management systems. SNAP-Magat's OHSMS addresses areas such as risk assessment and management, legal compliance, documentation, training, operation and maintenance, emergency preparedness, and safety management for travel and transportation.

The 360-MW Magat hydroelectric plant was the pilot site for the certification, which will be pursued across SNAP's business units.

In November, SNAP-Magat received the Safety Recognition Award from the Department of Labor and Employment for accumulating 635,794 hours from April 25, 2007 to May 31, 2009 without lost time due to accident.

SN Aboitiz projects get CDM nod

Rhoda Santos

Renewable energy initiatives of SN Aboitiz Power, Inc. (SNAP) received a significant boost with the recent Clean Development Mechanism (CDM) Host Country Approval for its Ambuklao hydro power plant rehabilitation project.

The Department of Environment and Natural Resources, the designated national authority for the CDM in the Philippines, gave the approval on December 21, 2009. The Binga hydro rehabilitation project was given the same approval in September last year. Both the Ambuklao and Binga plants are located in Benguet Province.

"This significantly marks the company's contribution to displacing fossil-based fuel in the market starting 2010, towards achieving sustainable development for the country," said SNAP CEO Emmanuel Rubio.

Kim Lande, Philippine Country Director of Norway's SN Power, the partner of Aboitiz Power in SNAP, said "SNAP's voluntary participation in the CDM shows our strong commitment to social and environmental sustainability throughout our business, and I am grateful for this recognition by the government of the Philippines."

CDM is a mechanism under the Kyoto Protocol allowing industrialized countries committed to greenhouse gas reduction to invest in climate-friendly ventures in developing countries. It allows emission-reduction projects in developing countries to earn certified emission reduction (CER) credits, each equivalent to one ton of carbon dioxide (CO₂).

The Binga project has a potential average of about 23,000 CER credits annually in the first crediting period covering seven years while CER credits for Ambuklao has an estimated average of 155,000 annually in the first crediting period also covering seven years.

Accredited as BSP Provident Fund Manager



The Bangko Sentral ng Pilipinas (BSP) and UnionBank's Trust and Investments Services Group (TISG) recently signed an agreement making TISG as one of the accredited equity fund managers for the BSP Provident Fund. This particular fund provides BSP employees with retirement plan benefits and annual dividends. TISG was able to win this prestigious account on the basis of UnionBank's historical performance versus the Philippine Stock

Exchange Index and the bank's sound equity investment process. UnionBank-TISG was one of only two selected from a group of eight banks to be named fund managers. Michael Jack Garcia, FVP and Trust Officer; and Gabriel Francisco Gonzalez, Business Development Manager, represented UnionBank. Armando Suratos, Board of Trustees chairman and Victor Garlitos, Board of Trustees member represented BSP.

Gabriel Gonzalez

UnionBank opens 5 new branches

Before 2009 came to a close, UnionBank opened five new branches – four in Metro Manila and one in Dumaguete – bringing its total branch network to 175.

The Metro Manila offices are located in the prime business districts of Makati, Mandaluyong and Taguig cities. The Magallanes branch is on the ground floor, Maga Center Building, Paseo de Magallanes, Makati City. The McKinley Hill branch is in Units 1A and 1B Two World Square, Upper McKinley Road, McKinley Hill Drive, Fort Bonifacio, Taguig.

The Bonifacio Global City branch is on the ground floor, Mancor Corporate Center, 32nd Street, Fort Bonifacio, Taguig. The Libertad-Mandaluyong Branch is in Unit A2 Cluster El Dorado, California Garden Square, Libertad Street, Highway Hills, Mandaluyong City.

The Dumaguete branch is at the UnionBank building located at the corner of Real and San Juan Sts.

Malu Evaristo

New SuperCat for Cebu-Tagbilaran

SuperCat Fast Ferries has a new vessel to serve passengers taking the Cebu-Tagbilaran-Cebu route. SuperCat 38, which came from Sydney, Australia, had its maiden voyage on November 28, 2009.

The latest fastcraft model in the Philippines equipped with modern technology, it has a Global Positioning System (GPS) used for monitoring while Sailing from departure to point of destination. The vessel, which can accommodate 278 passengers, has a rubber jumper that allows

for smoother sailing even amid big waves.

Another new vessel, SuperCat 36, which was acquired together with SuperCat 38, is scheduled to start its service soon. Both are considered twin vessels with the same state-of-the-art equipment and same exterior design.

Last December 4, 2009, the Bureau of Quarantine in Cebu, in cooperation with the Department of Health Region VII, awarded SuperCat 32 as the cleanest vessel of the year under Fast Craft Category while SuperCat 30 won 3rd place.

UnionBank, RFM sign MOA

A memorandum of agreement was recently signed between UnionBank and RFM Corporation. The food and beverage company made a disbursement arrangement with the bank through the Corporate Checkwriter, a cash management product that will enable RFM to outsource the preparation and releasing of its check disbursements to suppliers.

RFM SVP & CFO Raymond Azcarate said that UnionBank has always been the most technologically savvy bank and is at the forefront of product innovation. He expressed confidence that the Bank's outsourced check writing service will boost the company's internal financial processes efficiency.

"UnionBank is truly triple A grade! With the check writing service in place, the direction is to really concentrate our cash flow in one bank," he added.

Jennifer Tagao

Learning to manage crisis communication

Ganzo Sederiosa



Speakers Jojo Feliciano, Jane Paredes and Illac Diaz share their knowledge and expertise on crisis communication in a two-day seminar that culminated in a mock press conference that had Aboitiz corporate communicators facing Cebu media.

The 2009 CorpComm Continuing Education Series held last December 3-4 at the Marco Polo Hotel brought together some 35 corporate communicators from 12 companies of the Aboitiz Group for a seminar-workshop on crisis communication.

Jojo Feliciano, Director for Strategic Services of Weber Shandwick Worldwide, gave an informative presentation on the basics of PR crisis management. The group kept him busy through lunch and coffee with a lively exchange of ideas and experiences. They asked him questions on PR strategies and the do's and don'ts during a crisis.

Atty. Jane Paredes of Smart Communications sustained the group's interest by sharing her

experience in managing crisis communication while in media then and as a PR practitioner for a private corporation.

Illac Diaz of MyShelter Foundation also shared his experiences in dealing with crises having been a member of the initial campaign group of Barack Obama and various CSR projects in the Philippines.

The second day proved to be both nerve-racking and educational as two groups tried their hand on a mock press conference based on the crisis management cases assigned to them.

Media practitioners were kind enough to "play" the game with us by asking the difficult questions. Insights from SunStar Cebu's editor-

in-chief Atty. Pacheco Seares helped the crisis management teams deal with questions from Cebu's hard-hitting broadcast media during the presscon.

ABS-CBN's Leo Lastimosa, DYLA's Jun Tagalog and SunStar's Atty. Elias Espinosa, former media practitioner Atty. Bingo Gonzales and Freeman reporter Fred Languido gave our crisis management teams a taste of what it was like to deal with media during a crisis. To them, we owe valuable insights and the actual crisis management learning experience.

Culminating activity of the two-day event was the announcement of winners of the 3rd Aboitiz Group CorpComm Awards.

3rd Aboitiz Group CorpComm Awards

CorpComm Team of the Year
CorpComm Team of the Year
(1st Runner-up)

Davao Light
Subic EnerZone

Individual Awards

Most Valuable Team Player

Mike Hosillos
(SN Aboitiz Power)
Ethel Taneo-Natera
(VECO)

Most Supportive

Donjie Vertuoso
(Cotabato Light)

Most Improved Writer

Team Awards

Best Writing Team

SN Aboitiz Power

Most Resourceful

Davao Light

Most Punctual

Davao Light

Most Productive

Cotabato Light

Best Newsletter
Special Award

Flames (EnerZones)
Inhouse (AboitizLand)



The Davao Light trio of Ross Luga, Emily Cancio and Ruann Pogado (3th, 4th, 5th from right) won as CorpCom Team of the Year, Most Resourceful and Most Punctual Team. With them, from left, are AEV Chief Reputation Officer Basti Lacson, PR consultants Liza Almonte, Baby Dimalanta and Lelani Echaves.



SN Aboitiz Power's Mike Hosillos, Most Valuable Team Player; together with Rhoda Santos, won as Best Writing Team.

VECO's Ethel Natera

CLP's Donjie Vertuoso and Gerard Castillon

The EnerZones team of Raymund Tamayo and Dianne Ubasa

A reason to celebrate

Ria Calleja

Aboitiz Power threw a thanksgiving party with friends from the industry for the highly successful Pagbilao IPP Administrator (IPPA) deal. The quick speed by which the deal was closed and turned over to the company, certainly called for a special celebration with partners.

The event was held last November 11 at Blue Leaf in Taguig, with food, drinks and music complementing the evening's Ritmo Havana theme. Brazilian and Filipino models served as usherettes and the raffle had winners going home with pretty cool prizes.

Party attendees were mostly from Team Energy, which manages the Pagbilao plant, National Power Corporation, Power Sector Assets & Liabilities Management Corporation, National Grid Corporation of the Philippines, Puyat Jacinto Santos, and ING Bank.

Given only less than a month to close the deal, the project development team delivered all items for closing in record time on September 24, 2009, paving the way for the turnover on October 1, 2009.



PSALM President & CEO Jose Ibazeta with AboitizPower Vice Chairman Jon Aboitiz and EVP & COO - Power Generation Group Antonio Moraza.



A Grand Masquerade Party

Mia Zamora

Aboitiz Equity Ventures and AboitizPower celebrated Christmas with a Masquerade Party on December 18, 2009 at the Mediterranean Ballroom of the Waterfront Cebu City Hotel.

A spectacular Venetian masquerade dance featuring the new A-people who joined the company in 2009 kicked off the evening's festivities. Program hosts Patrick Reyes of the Corporate Finance Group and Mia Borja of Corporate HR brought the house down with their colorful repartee.

Of course, President & CEO Montxu Aboitiz opened the evening with an inspiring message, urging us team members to do our share in creating a Better Future and unleashing our Passion for Better Ways. He also introduced a video presentation of the Year That Was, a salute to all the teams whose concerted efforts made our successes of 2009 possible.

The highlight of the evening was the tribute to Mr. Roberto "Bobby" Aboitiz. He was honored with a video highlighting his legacy of leadership and the "Bugsay" philosophy he has advocated through the years. The video reminded us that he is truly one of our organization's great pillars, standing at the helm of our ship and steering it towards greatness. Mr. Bobby was also serenaded by the University of Cebu choir.

It was a delight to see everyone all dressed up in elaborate eco-friendly masks. The Christmas Party committee awarded its top 5 picks for best masks of the party, each of which was a showcase of creativity, resourcefulness and talent.

The festive air was carried over all the way to the dancing that immediately followed the program. In their usual high spirits, many team members and team leaders heated up the dance floor.

Company events such as the Christmas Masquerade Party are great opportunities for us to celebrate our successes as one team and remind us of the synergy and camaraderie that keep us Inspired by Passion.







Clearly, the best is still to come

(The following is REA's speech at the tribute for him during the ACO Cebu Christmas Party)

I've got a lot to be thankful about/for –

- Great grandparents
- Wonderful parents
- Brothers and sister that are real close
- Loving wife and the kids we are very proud of
- A team made up of cousins that are supportive, talented, hard working and lots of fun to be with
- And an extended family that has to be defined as "special".

Special...in that we continue to hold on to values through the generations. Values such as fairness, trust, respect, hard work, people centered and caring.

Special...in that we love to work and play together and we do both passionately as you can see.

I've had a wonderful starting point in (life)...a journey that has enabled me to become the

person that I choose to be. Now we must make way for change, and allow others to take charge and reach higher goals.

I leave with the knowledge that this great company of men and women in Aboitiz is in very good hands...all its sails are all up, and they are catching the wind of opportunity. The ship is manned by capable and determined men and women, with inspired leaders at the helm. Clearly, the best is still to come.

I'd like to thank my mother, Paqui, for a great upbringing...my soulmate, Marian, for always understanding me...my kids, for always giving us reason to be proud of their achievements ... and to you, my *kaubans* in the company.

We have worked through many challenges, won many and lost a few, always giving our very best the Aboitiz way, the only way we know.

I leave with the knowledge that this great company of men and women in Aboitiz is in very good hands...all its sails are all up, and they are catching the wind of opportunity.

"It's been quite a ride," as we bikers love to say.

Thank you all for helping me along the way and for just being there. I will now enjoy seeing you lead, excelling in service to our customers and country...a country we love so much.

In closing, let me quote Bishop Oscar Romero of El Salvador when he said:

"We plant the seeds that one day will grow. We water seeds already planted, knowing that they hold future promise.

We lay foundations that will need further development.

We provide yeast that produces effects far beyond our capabilities.

We cannot do everything, and there is a sense of liberation in realizing that.

This enables us to do something, and to do it very well."

Makati teams get their bling on!

Kathleen de Guzman

Aboitiz Makati teams, led by AEV, held its Christmas Bling Party at The Establishment located at The Fort in Taguig last December 10, 2009. Other participating companies were AboitizPower, AP Renewables, Inc., Aboitiz Energy Solutions, Inc., Aboitiz Foundation, Davao Light, and Hedcor. Friends from SN Aboitiz Power, Manila Oslo Renewables Enterprise, and Aboitiz Transport System joined the party.

Aboitiz team members and team leaders were all game for the gift-wrapping contest, goin' bananas, Pinoy Henyo, plus the main event of the evening – Jeopardy.

During the exchanging of gifts, there was a big chain of team members enthusiastically passing around their presents, fostering camaraderie.

The party was a big blast and everyone had so much fun singing and dancing to the hip sounds of 2009.



“We are very proud to see that our team members have not only initiated their own CSR programs, but have taken it upon themselves to find innovative ways of raising funds to make their projects even more successful. Their CSR initiatives are going from strength to strength every year.”

– Erramon Aboitiz



2009 Christmas Volunteerism

The annual Aboitiz Cebu Christmas Outreach last December 5, 2009 buzzed with fun and excitement as Aboitiz executives and team members played big brothers and sisters to 260 indigent children from the city's various barangays. The event was held at the Corporate Center grounds.

The kids were treated to a half-day filled with games, food, cartoon film showing, dancing, singing, plus a photo op with Santa. They happily claimed from Santa their gift bags containing art kits, school supplies, toys and other goodies. They too brought home Christmas groceries for their families to enjoy.

What added more meaning to the event was its being purely an employee-initiated project.



Community Outreach Up Close

Team members had earlier organized fund-raising activities, namely, Market Day, movie nights, bingo social and a rummage sale. They also solicited donations from executives and team leaders. All these initiatives were clear manifestations of employee volunteerism, upholding the Aboitiz culture of Passion to Serve.

AEV President & CEO Erramon Aboitiz said, "We are very proud to see that our team members have not only initiated their own CSR programs, but have taken it upon themselves to find innovative ways of raising funds to make their projects even more successful. Their CSR initiatives are going from strength to strength every year."



It's MARKET Day!

The Market Day held on November 14, 2009 was one of the major fund-raising activities organized by Aboitiz Corporate Center team members for the Annual Christmas Outreach.

Invited vendors were cooperatives that are beneficiaries of the Aboitiz Foundation microfinance project. They were the Kapunongan sa mga Banikanhong Mag-uuma alang sa Ekonomikanhong Kalambuan, Cambinocot Multi-Purpose Cooperative, Bayabas United Farmers Association, Cobcawa Multi-Purpose Cooperative, St. Vincent Neighborhood Multi-Purpose Cooperative and the Cebu Federation of Daily Cooperatives.

Products sold ranged from organic vegetables and various food items to fashion accessories and environment-friendly cleaning products.

Market Day was also an opportunity to promote sustainability by encouraging vendors and buyers alike to use environment-friendly materials like papers bags instead of plastics to keep their products.



BENEFICIARY REPRESENTATIVES AND VOLUNTEERS GET TOGETHER. On December 17, 2009, representatives of barangays whose children were beneficiaries of the 5th Aboitiz Annual Outreach were each presented with a framed picture of the kids taken during the event. The frames are now on display in their respective barangay halls. AEV and Aboitiz Foundation scholars were also each presented with a letter of commendation for their unselfish acts of volunteerism, going out of their way to help and make 260 kids happy. Among those present at the ceremony were Aboitiz Foundation EVP and Managing Trustee Sonny Carpio (seated 3rd from right), Margot Osmeña (seated 3rd from left), chair of the Children of Cebu Foundation, and members of the Aboitiz Outreach Committee.

Spreading Christmas cheer

Kathleen de Guzman



On December 12, 2009, Aboitiz Makati teams composed of AEV, AboitizPower, Aboitiz Foundation, AP Renewables Inc., Aboitiz Energy Solutions, Davao Light, and Pilmico held their annual Christmas outreach activity in Barangay Pembo, Makati.

About 150 children, ages 3–12 years old were the activity's beneficiaries. The event was well attended, with team members and team leaders headed by Luis Miguel Aboitiz and Gabriel Mañalac, eager to play and spread cheer to the kids.

Overall, the event was a huge success and truly showed the Aboitiz passion to serve.





Cebu media goes on an Aboitiz Pirate Quest

Paula Viegelmann-Ruelan

Aboitiz Group executives and Cebu media friends celebrated their annual Christmas get-together last December 2, 2009 at the Marco Polo Hotel in Cebu City.

With the theme "The Aboitiz Pirate Quest: Christmas Edition," media guests, Aboitiz Corporate Communication representatives, and Aboitiz team leaders got into the spirit of Captain Jack Sparrow, complete with eye patches, brimmed hats and pirate costumes. Sent on a treasure hunt, all hands were on deck as they gamely cracked map clues, searched for crystal treasures and pieced together puzzle questions.

Besides the interesting raffle and treasure hunt prizes, media guests took home loot bags containing "green" goodies that promoted sustainability and proper care for the environment.





The 7 Habits and You

As we start a new year, I exhort all to make use of the 7H as a roadmap to guide us improve productivity and equally important, to remember the basic principles of "effective living".

I was given the honor and privilege to write a series of articles on why we decided to make the original Principles of Quality Living (PQL) a.k.a. 7 Habits (7H), an important increment to enhance the transformation of the "old" Aboitiz culture to what it is today. With the advent of total quality management (TQM), the adoption of 7H as a way of conducting ourselves as proactive persons – not just being proactive team members – was a holistic approach.

As we start a new year, I exhort all to make use of the 7H as a roadmap to guide us improve productivity and equally important, to remember the basic principles of "effective living". The character ethic taught us that we can only experience true success and enduring happiness when we learn and integrate the principles into our basic character. I submit that the passion to excel in both our professional and personal roles in life should be regularly stoked with the learning accrued in 7H.

As a backgrounder to help all understand the hows and whys of the 7H, I was very impressed with the book and was happy to find out that Stephen Covey had given the franchise to conduct the seminars to the Ateneo de Manila University. I immediately asked then-ACO HR Training Officer Nancy Lim (now AEV VP for Corporate HR) to attend a session and evaluate it for our use in 1996. She reported that while it was good, it was enveloped with difficulties for us.

Firstly, it was a five-day seminar at a prohibitive cost and only offered in Manila. Secondly, it was quite westernized. Our intention to have every team member take

the course was close to impossible. I then challenged Nancy to craft modules based on the book that could complement our TQM initiatives and the culture that management wanted to create.

It took about six months of collaborative efforts and fine-tuning to complete, and Nancy did a terrific job. With the blessings of management, we conducted the first series of seminars in 1997. Since then, with the help of approximately 10 facilitators, Aboitiz HRQ has conducted close to 100 successful seminars for over 2,000 team members and team leaders.

While subsequent columns will follow, let me share with you now some observations I gathered while I was still actively involved before, and also as a currently retired team member facilitating a few modules when invited to do so.

Through feedback gathered, we found out that the 7H seminars were effective and embraced by the participants. The emotional bank account or "EBA" has worked wonders in improving interpersonal relationships, adding flesh to the TQM initiatives. Next, the team member could migrate from being independent minded to being interdependent, a mindset so critical to TQM where teamwork is essential.

I have seen and been told that team members took note of their existing paradigms and shifted when needed to do so. I would like to reflect a bit more on the values 7H have ingrained on both team members and team leaders and the company, which oftentimes we take for granted.

Hopefully, a few reminders will jog your memories and realize that change did occur

The 7 Habits

Be proactive.

Begin with the end in mind.

Put first things first.

Think win-win.

**Seek first to understand,
then to be understood.**

Synergize.

Sharpen the saw.

after 7H. Some aspects of what we learned have become part of our psyche. I believe that we should revisit 7H and the values and principles it espoused as we face 2010. We all learned that complacency leads to stagnation. If we are to be the best in what we do, and pursue our missions proactively, let us live and work with passion and use the 7H as our guide. For the next issue, we would welcome and be grateful for some feedback from our readers.

How did the 7 Habits help you? Is it a program you endorse for others? You can elect to sign or send anonymously your feedback to aboitiz.eyes@aboitiz.com.