



*YTD SEPTEMBER 2008  
ANALYSTS' BRIEFING*

*Makati Shangri-la  
12 November 2008*

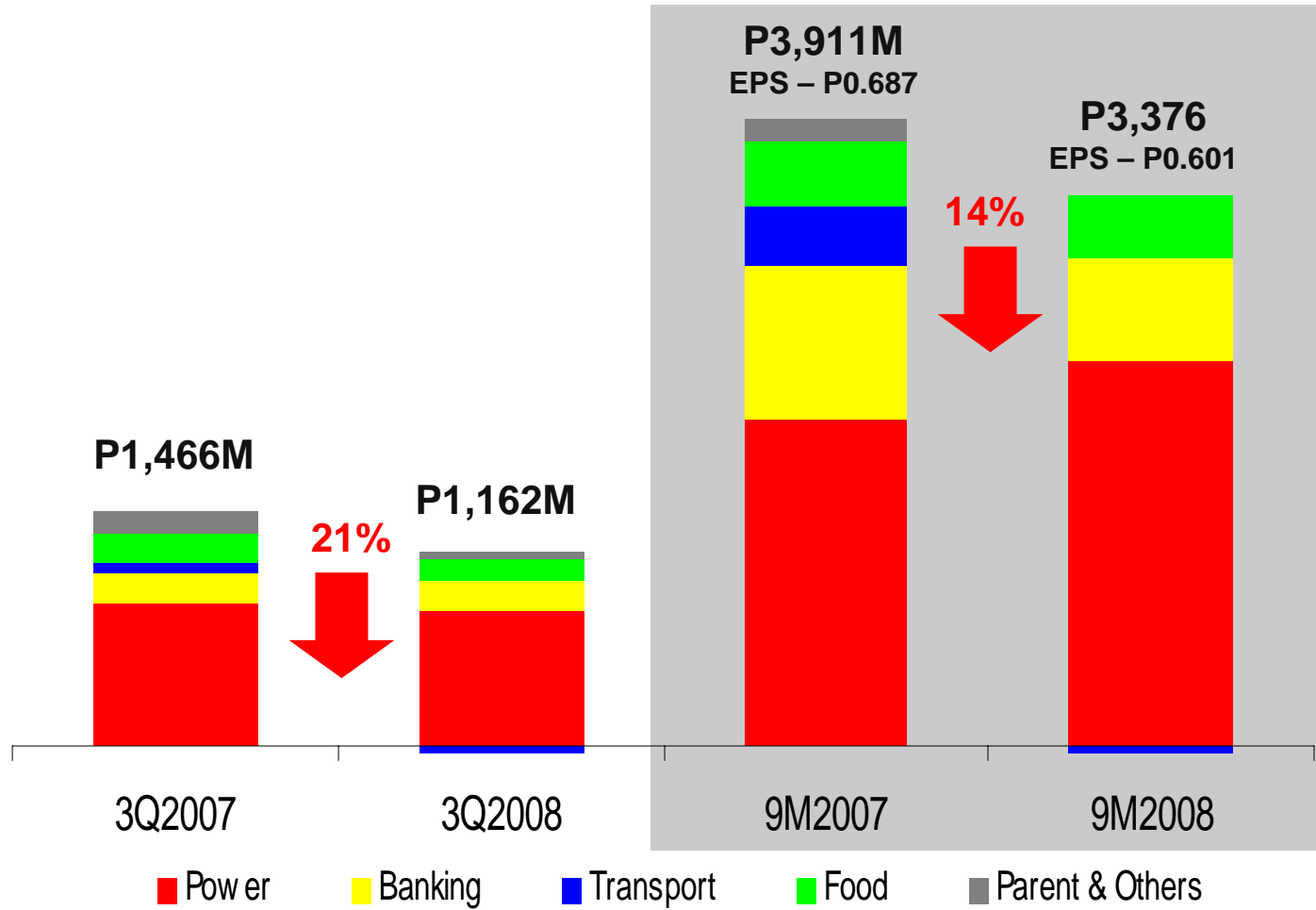
- **Overview**
- **AEV Financials**
- **Review of Business Units**
  - *Aboitiz Power Corporation*
  - *Union Bank of the Philippines*
  - *Aboitiz Transport Systems*
  - *Pilmico Foods Corporation*
- **Q&A**

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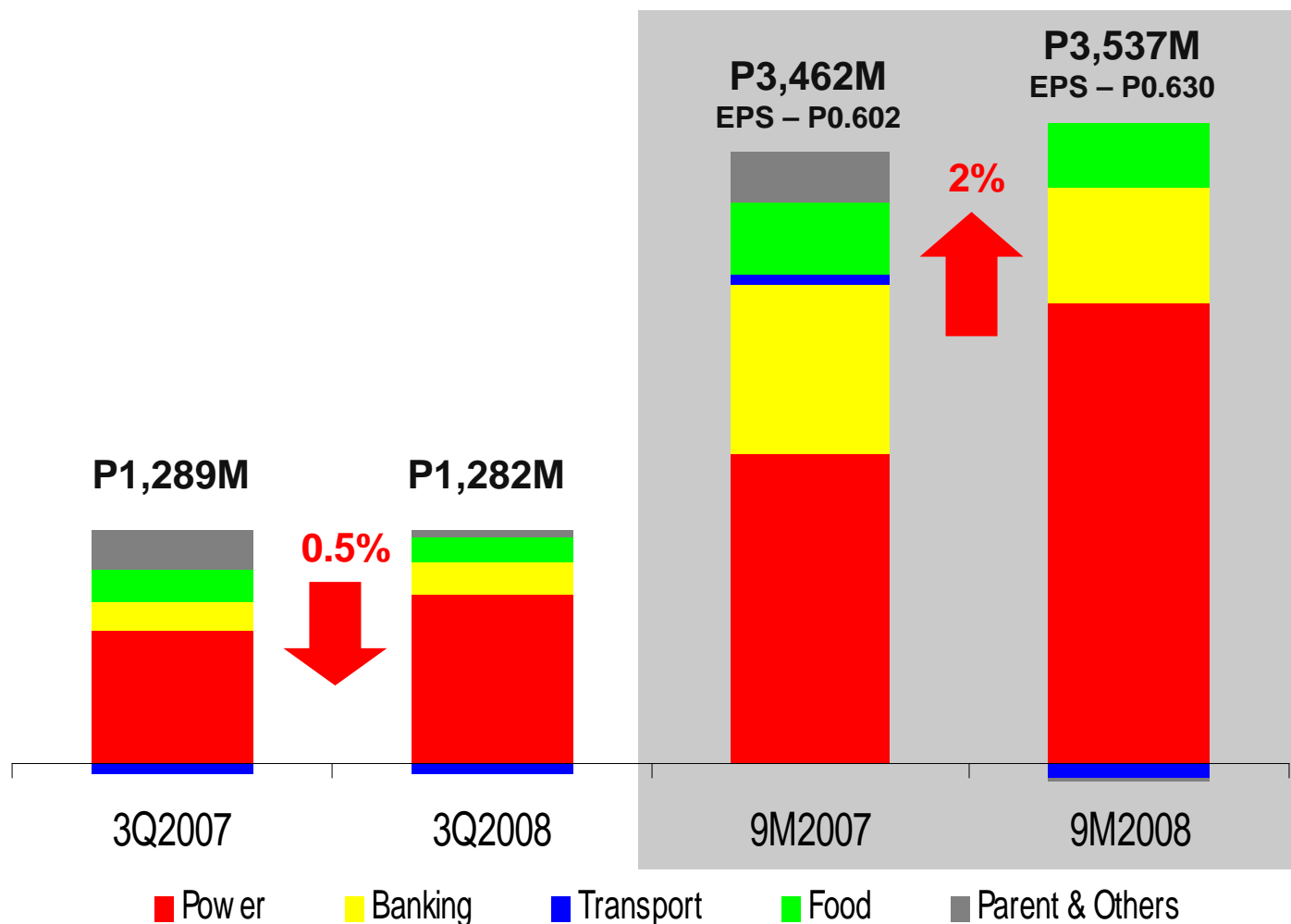
## CONSOLIDATED PROFIT & LOSS

(In million Pesos)	3Q2007	3Q2008	% Change
<b>Revenues</b>	7,926	9,496	20%
<b>Equity Earnings</b>	900	769	-15%
<b>EBITDA</b>	2,393	2,166	-9%
<b>Net Income</b>	1,466	1,162	-21%
	9M2007	9M2008	% Change
<b>Revenues</b>	22,897	26,730	17%
<b>Equity Earnings</b>	2,359	2,504	6%
<b>EBITDA</b>	6,424	6,182	-4%
<b>Net Income</b>	3,911	3,376	-14%

## NET INCOME



## NET INCOME – Recurring



## NON-RECURRING ITEMS

	3Q2007	3Q2008	9M2007	9M2008
Power	145	(120)	268	(212)
Transport	127	-	311	48
Parent	(94)	1	(129)	3
<b>Total NR Income / (Loss)</b>	<b>178</b>	<b>(119)</b>	<b>450</b>	<b>(161)</b>

- **Power's 9M2008 non-recurring items include the FX loss incurred by its subsidiary due to the revaluation of dollar-denominated loans and placements of some of its subsidiaries and gains resulting from the reversal of a provision made by an associate company due to an arbitration settlement.**
- **Transport's non-recurring income was due to the commission on asset sale and insurance claims**

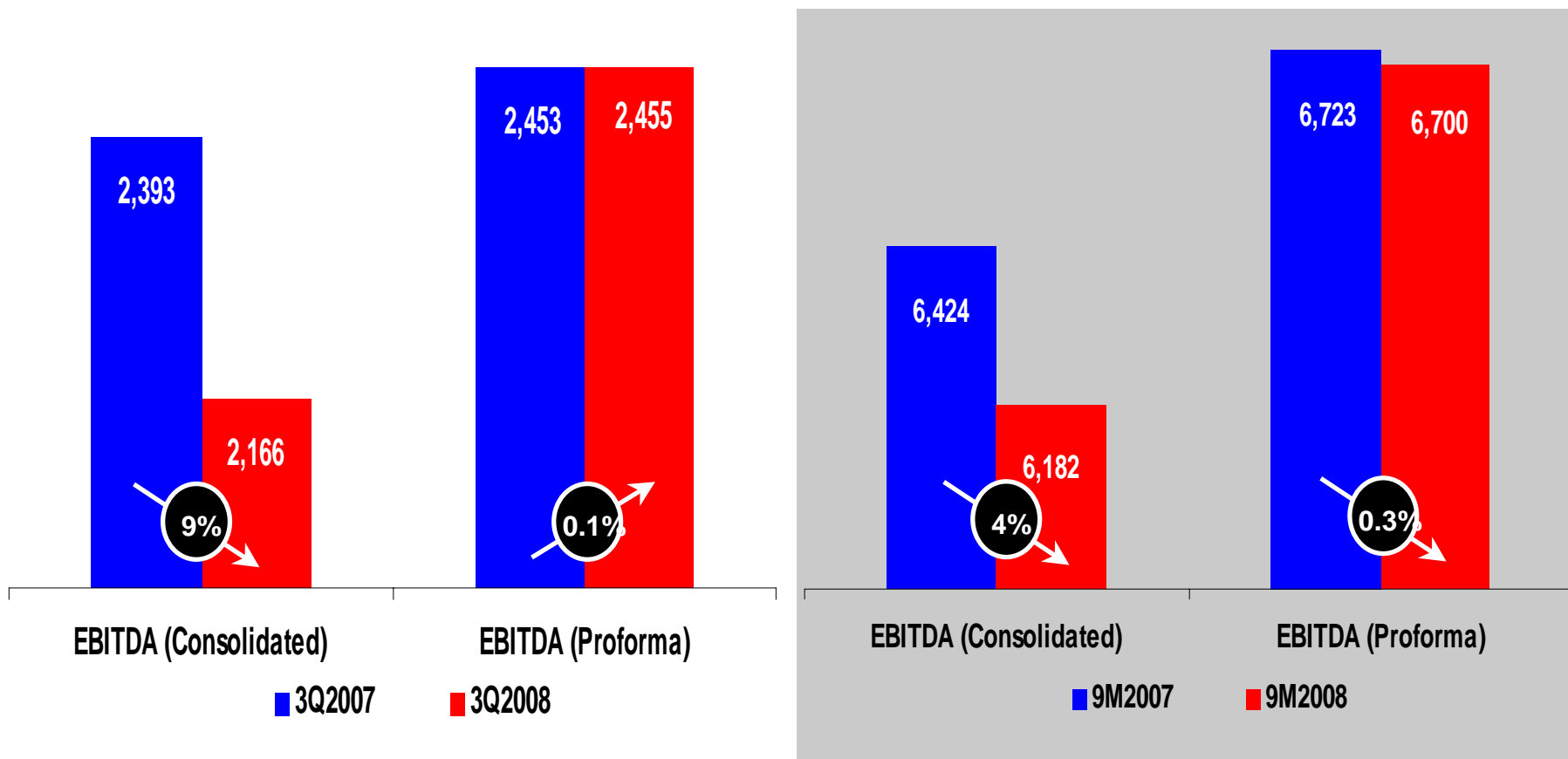
## Earnings Contribution of Subsidiaries and Associates

(In million Pesos)	3Q2007	3Q2008	% Ch	9M2007	9M2008	% Ch
<b>Aboitiz Power Corp.</b>	903	837	-7%	2,027	2,398	18%
<b>City Savings Bank</b>	19	6	-68%	49	26	-47%
<b>Union Bank*</b>	142	186	31%	913	625	-32%
<b>ATSC</b>	84	(51)	-160%	369	(32)	-109%
<b>Pilmico</b>	181	143	-21%	411	373	-9%
<b>Parent &amp; Others</b>	137	41	-70%	142	(14)	-110%
<b>Total</b>	1,466	1,162	-21%	3,911	3,376	-14%
<b>Recurring</b>	1,289	1,282	-1%	3,462	3,537	2%

\*At Cost Method

## EBITDA

(In million Pesos)



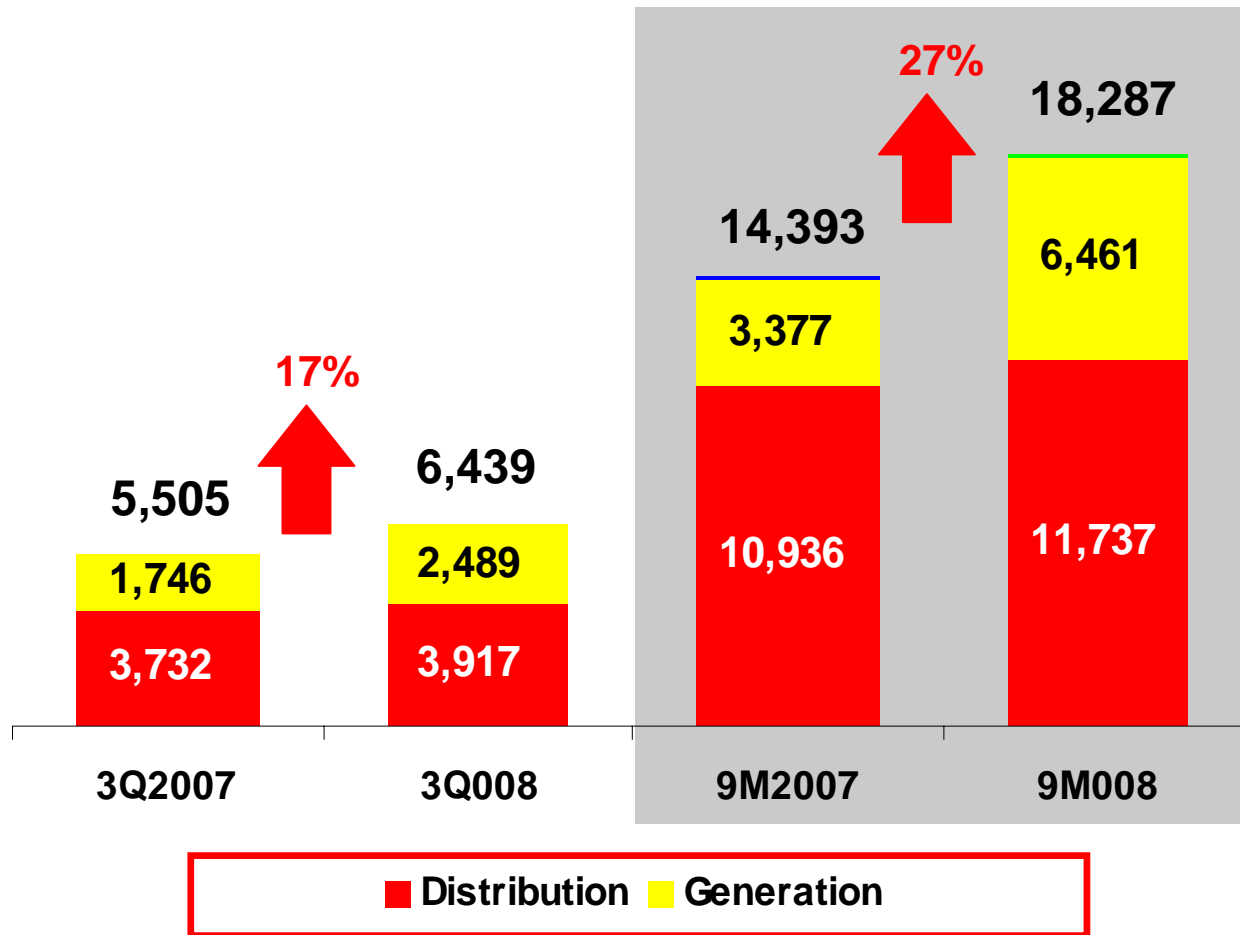
## CONSOLIDATED BALANCE SHEET / KEY RATIOS

(In million Pesos, except ratios)	YE 2007	9M2008	% Change
<b>Cash and Cash Equivalents</b>	18,568	8,980	-52%
<b>Total Assets</b>	65,504	65,678	0.3%
<b>Total Debt</b>	18,516	21,004	13%
<b>Net Debt</b>	(7,058)	2,437	--
<b>Total Stockholders' Equity</b>	46,988	44,674	-5%
<b>Book Value Per Share</b>	6.70	6.46	
<b>Current Ratio</b>	2.48	1.61	
<b>Debt to Equity</b>	0.39	0.47	
<b>Net Debt to Equity</b>	(0.15)	0.05	
<b>Net Debt to EBITDA</b>	(0.76)	0.30	

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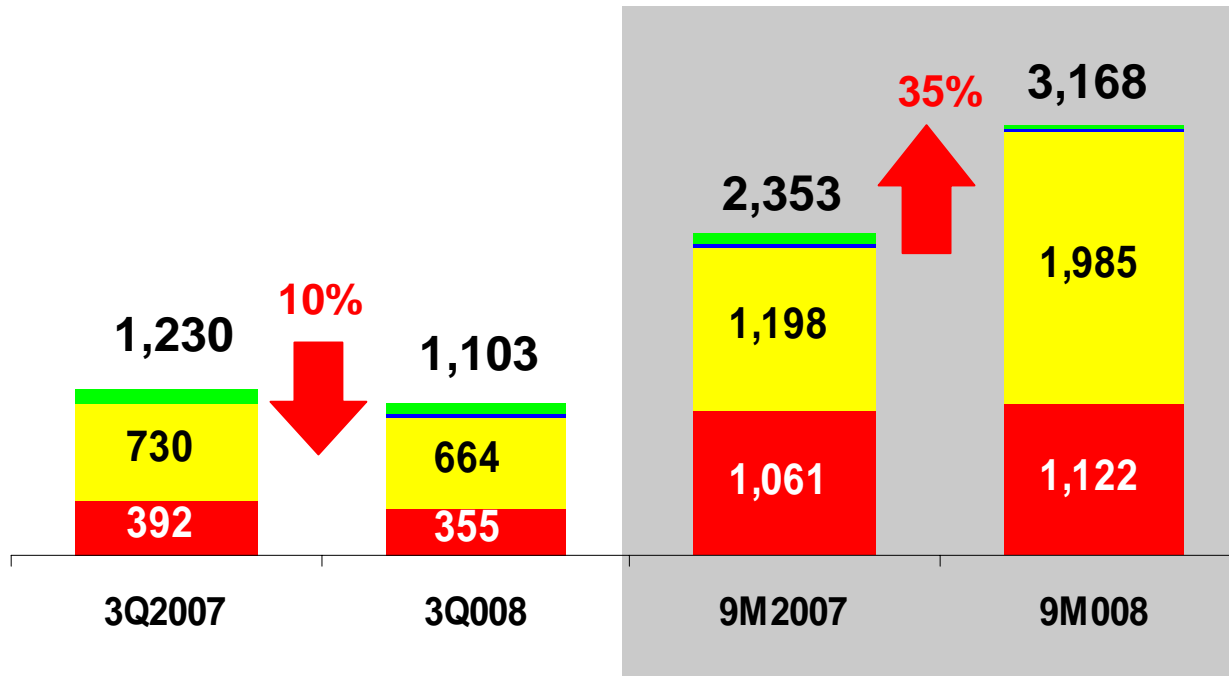
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## REVENUE



Amounts in Million Pesos

## NET INCOME

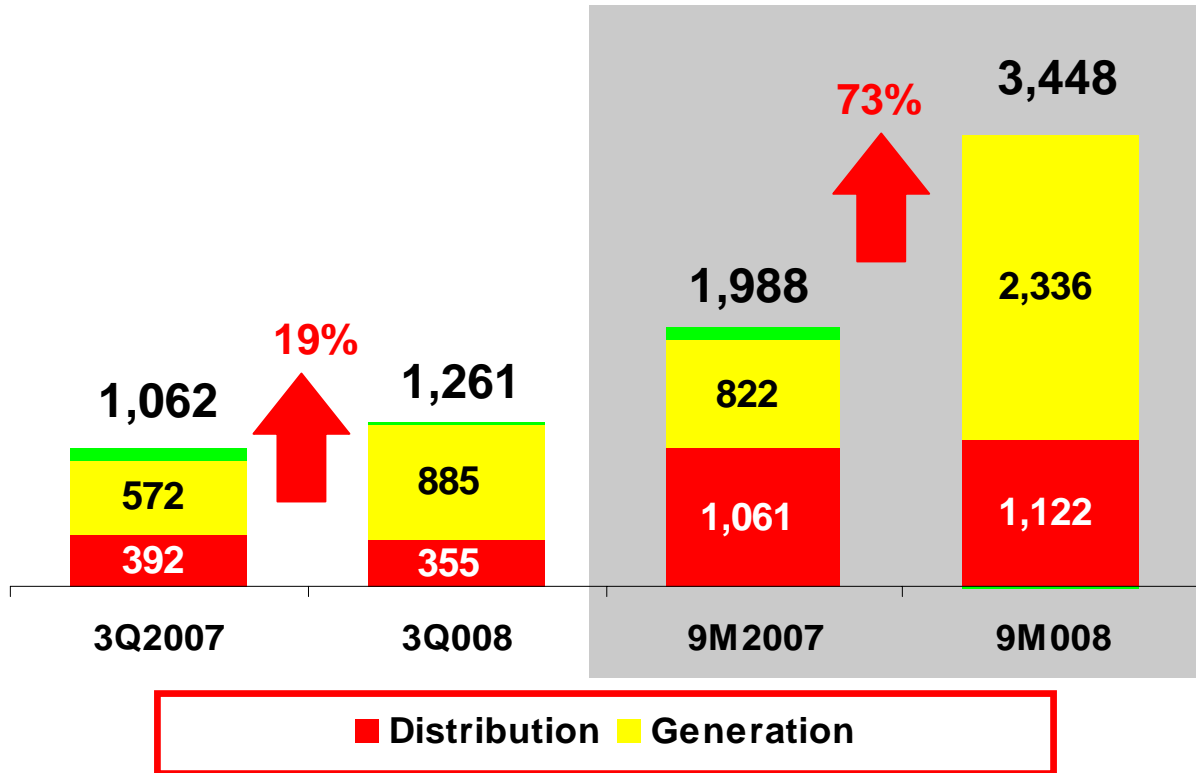


■ Distribution ■ Generation

	3Q2007	3Q2008	9M2007	9M2008
EPS	0.168	0.150	0.380	0.430
ROE (annualized)	25.4%	15.7%	18.6%	15.2%

Amounts in Million Pesos

## NET INCOME – Recurring



	3Q2007	3Q2008	9M2007	9M2008
EPS	0.145	0.171	0.321	0.469
ROE (annualized)	21.9%	18.0%	15.7%	16.5%

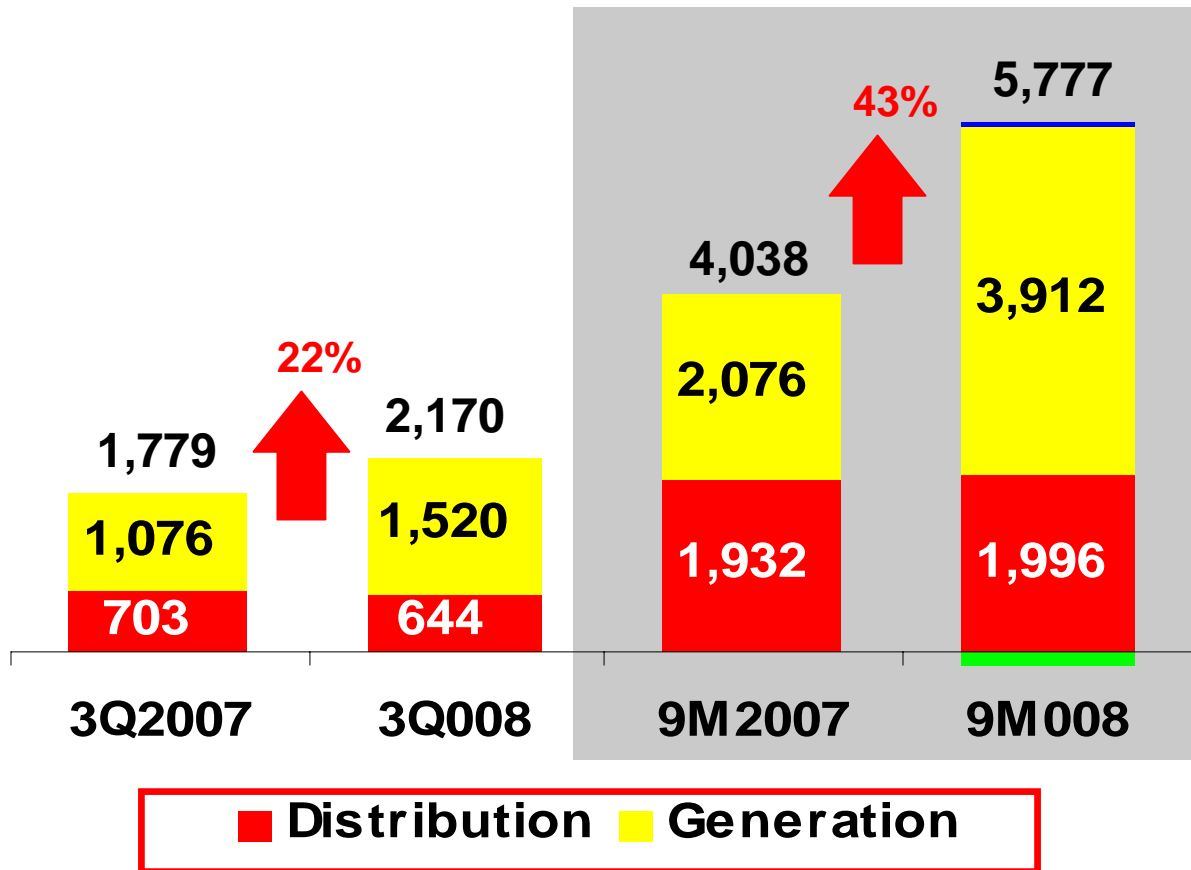
Amounts in Million Pesos

## NON-RECURRING ITEMS

	3Q2007	3Q2008	9M2007	9M2008
<b>FX Gains/(Losses)</b>	168	(267)	365	(535)
<b>Reversal of provisions</b>	-	109	-	254
<b>Total</b>	168	(158)	365	(281)

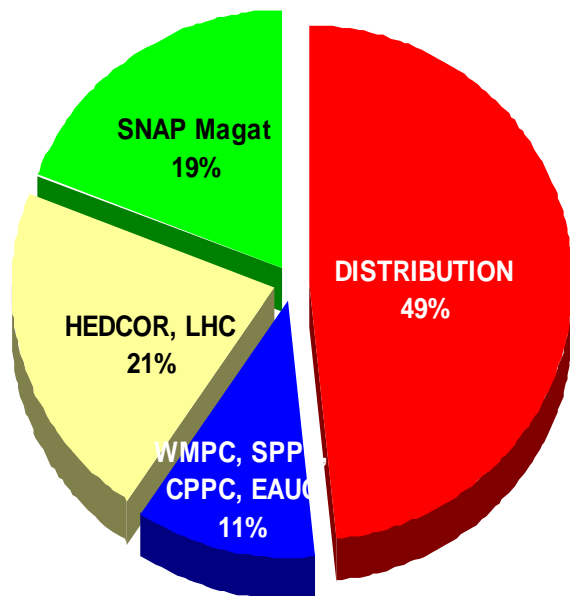
- AP's 9M2008 non-recurring items include:
  - the FX loss incurred due to the revaluation of dollar-denominated loans and placements of some of its subsidiaries;
  - and the reversal of provisions made by an associate company due to an arbitration settlement.

## EBITDA



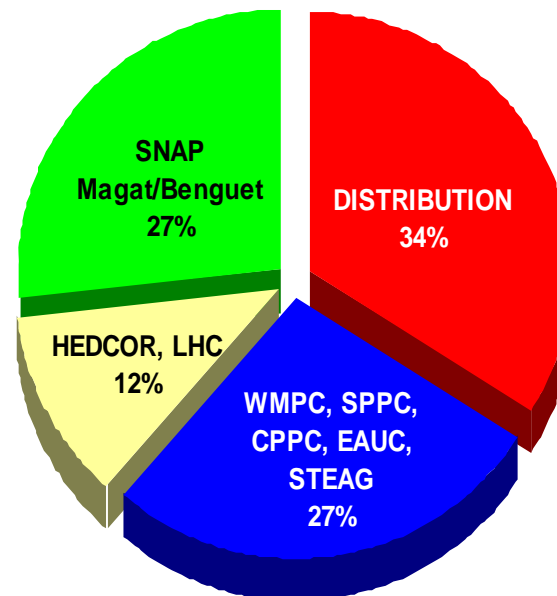
Amounts in Million Pesos

## 9M2007 PF EBITDA (ex-Parent & Others) TOTAL – P4,008M



- 60% of portfolio provides stable EBITDA
- 21% of portfolio with moderate upside
- 19% of portfolio with significant upside

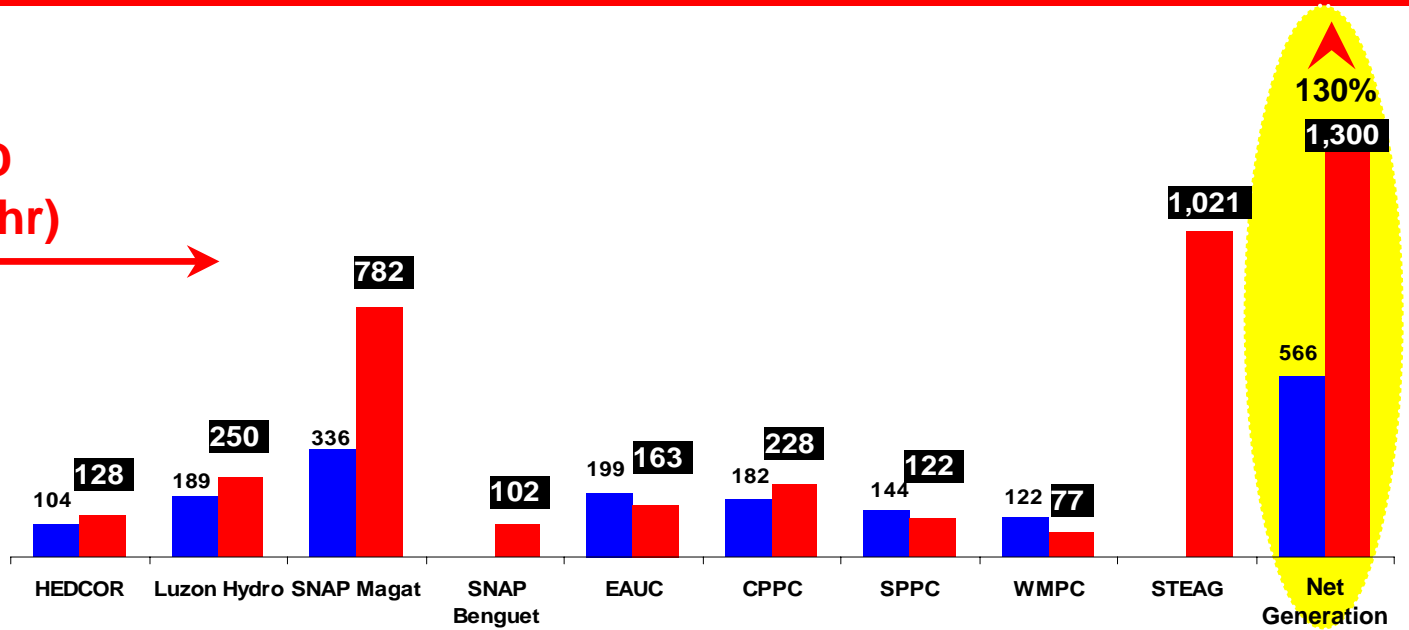
## 9M2008 PF EBITDA (ex-Parent & Others) TOTAL – P5,908M



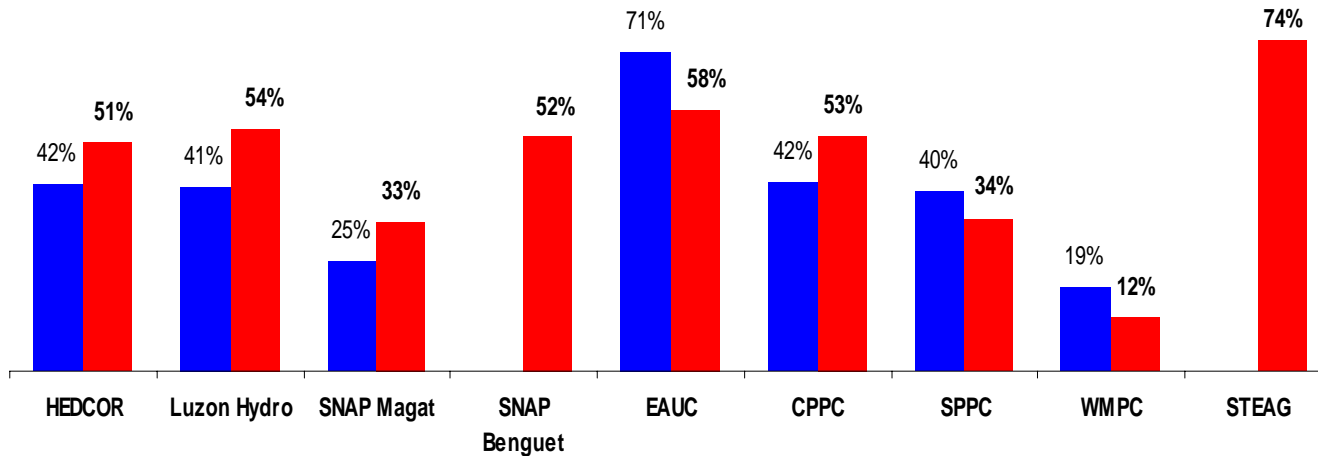
- 61% of portfolio provides stable EBITDA
- 12% of portfolio with moderate upside
- 27% of portfolio with significant upside

# KEY OPERATING HIGHLIGHTS – GENERATION

## GENERATED POWER (Gwhr)

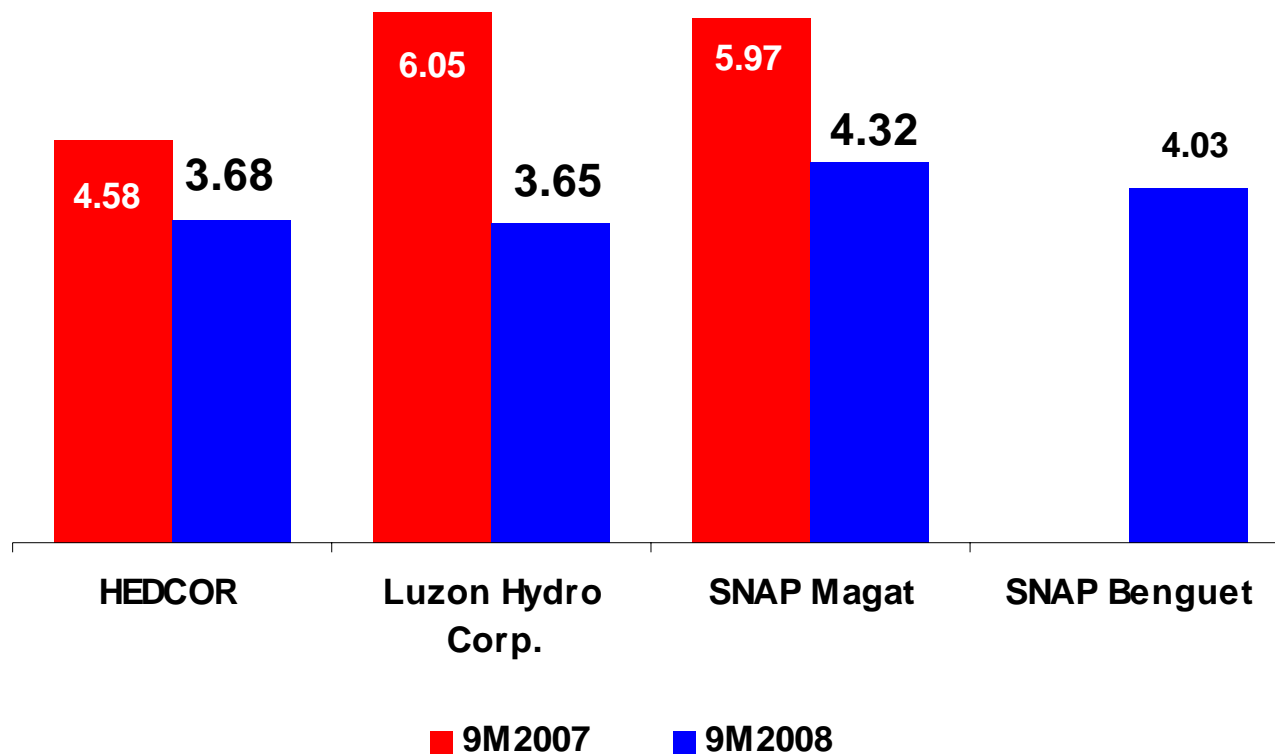


## NET CAPACITY FACTOR



9M2007 ■  
9M2008 ■

## AVERAGE SELLING PRICE / KWHR – HYDRO PLANTS

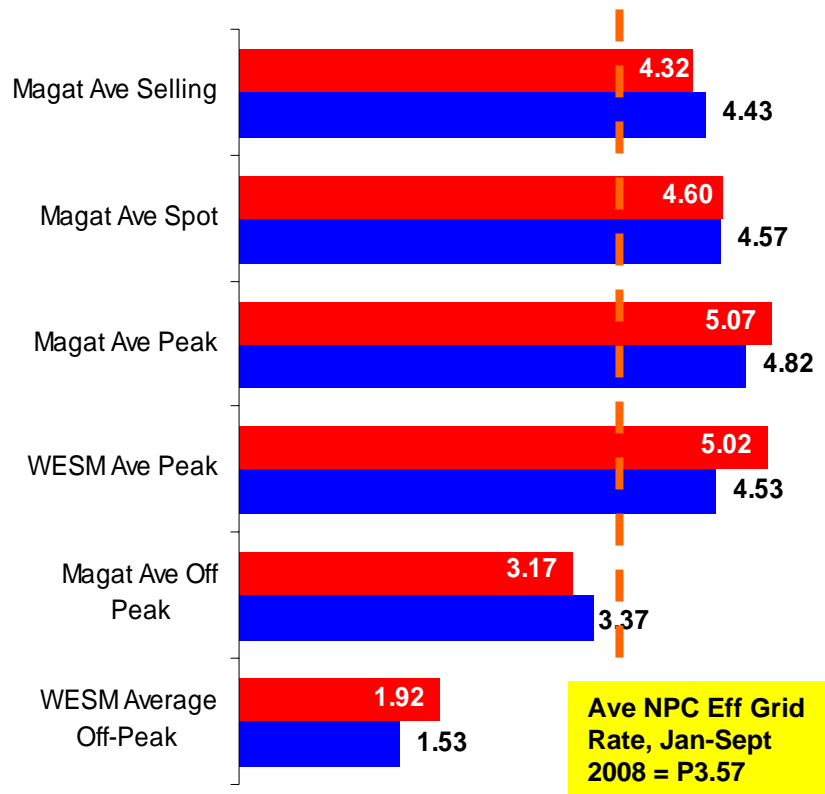


Note:

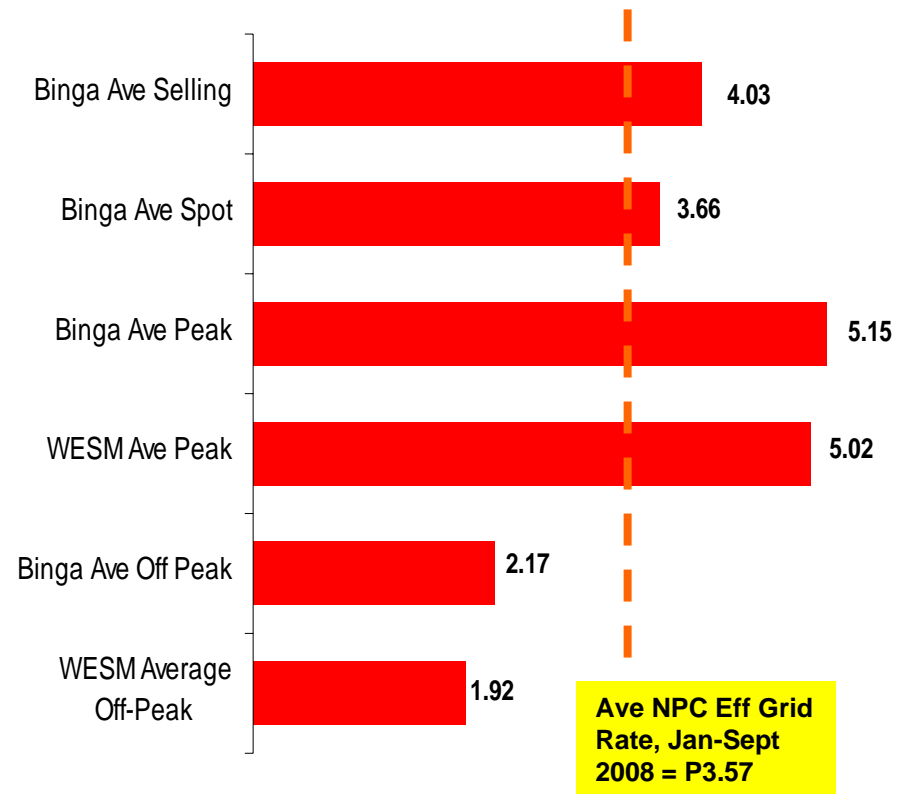
1. SNAP Magat's 9M2007 average price only accounts for the period April 26, 2007 to September 30, 2007.

2. SNAP Benguet's 9M2008 average price only accounts for the period July 10, 2008 to September 30, 2008.

## WESM vs. SNAP-MAGAT PRICING



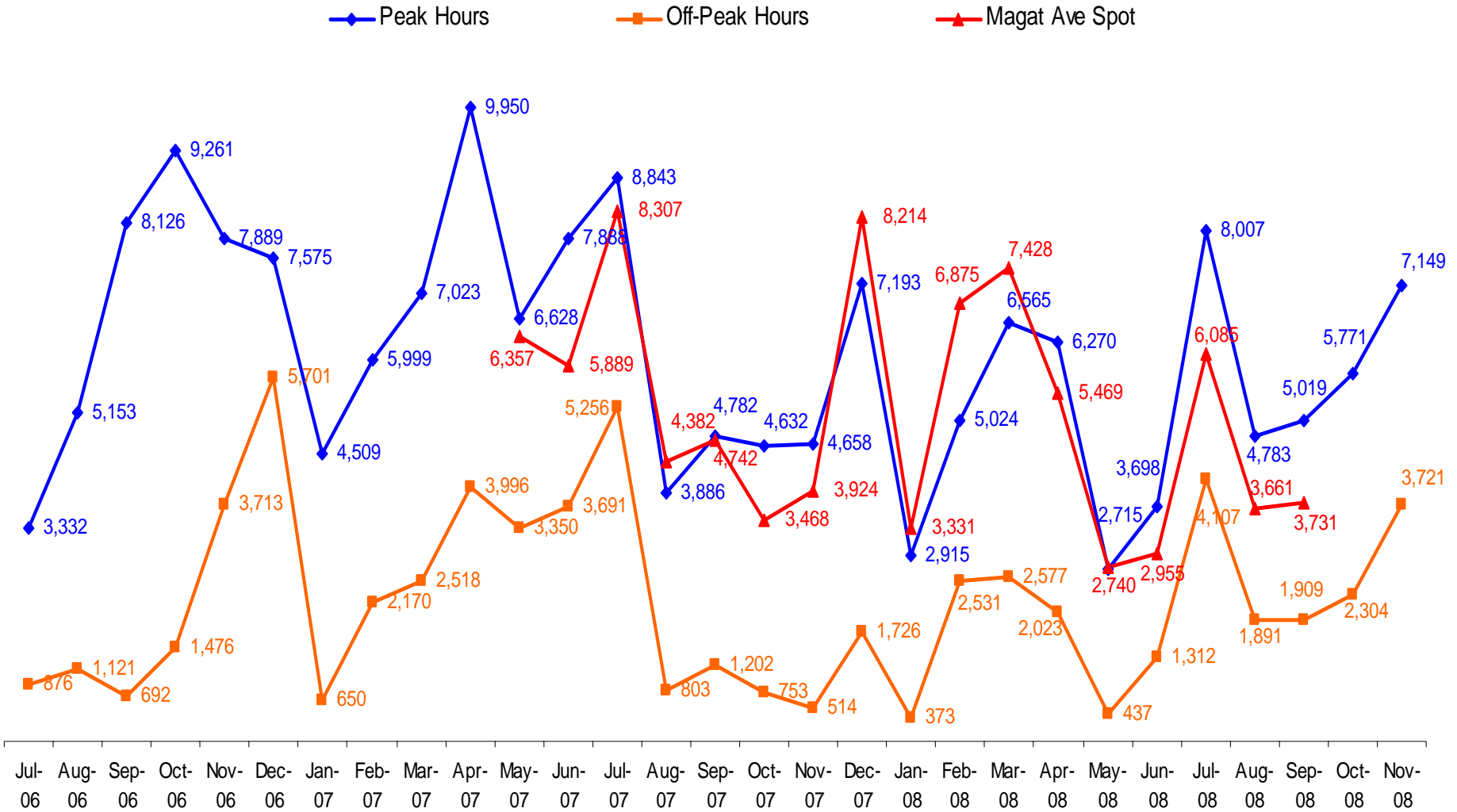
## WESM vs. SNAP-BENGUET PRICING



■ 1H2008 ■ 9M2008

# OPERATING HIGHLIGHTS – GENERATION

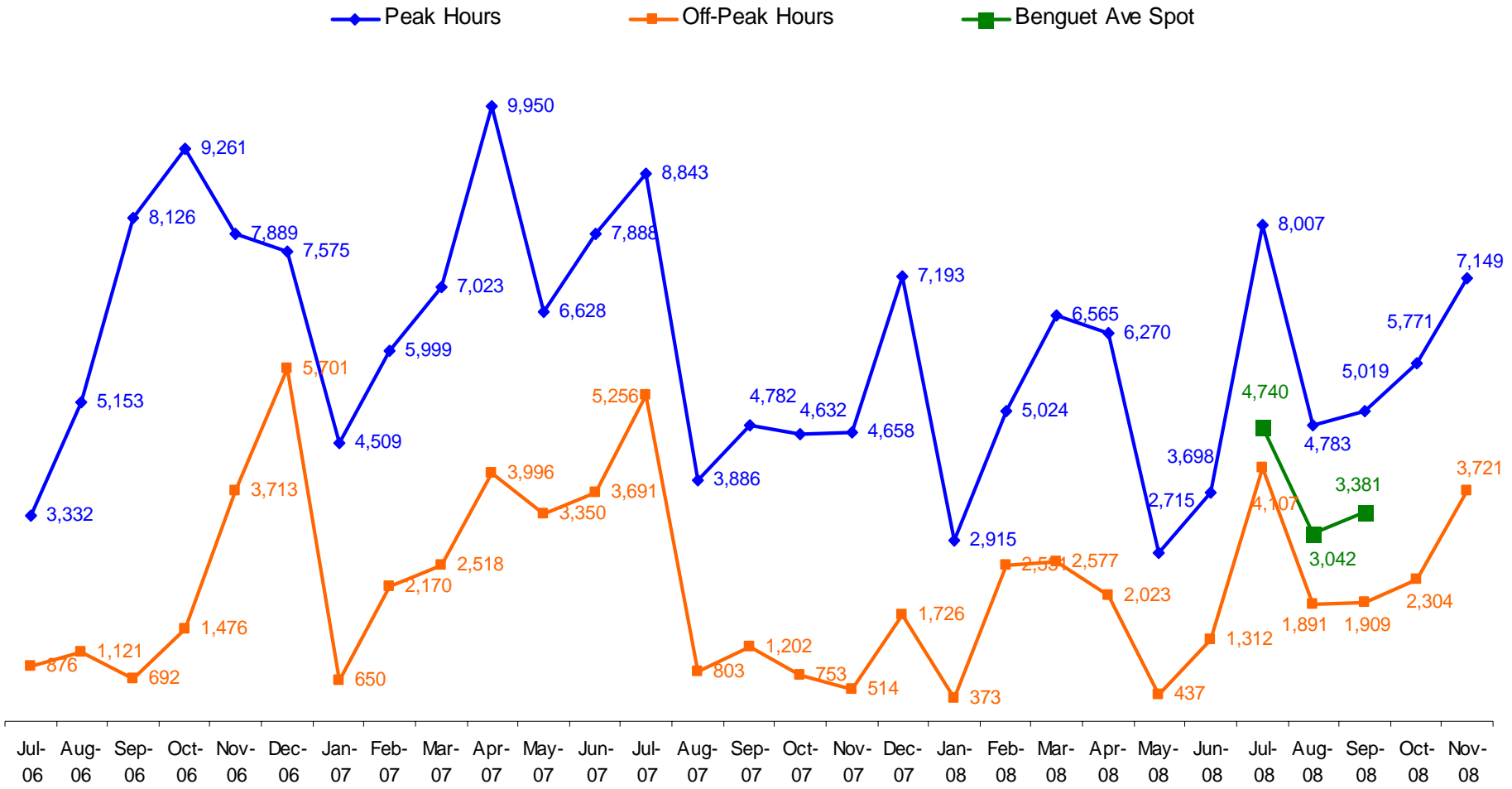
## WESM vs. SNAP-MAGAT PRICING – P/MWh



Note: Calculated based on raw data downloaded from the WESM website. July 26 – October 25 prices are reflective of NPC TOU rates. November price is the average for the period November 1-9, 2008.

# OPERATING HIGHLIGHTS – GENERATION

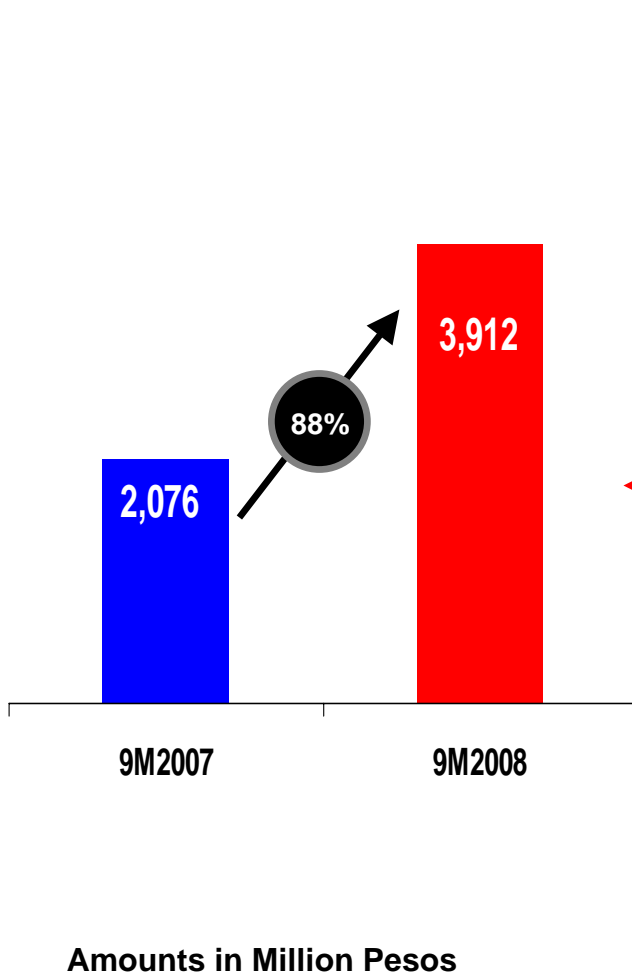
## WESM vs. SNAP-BENGUET PRICING– P/MWh



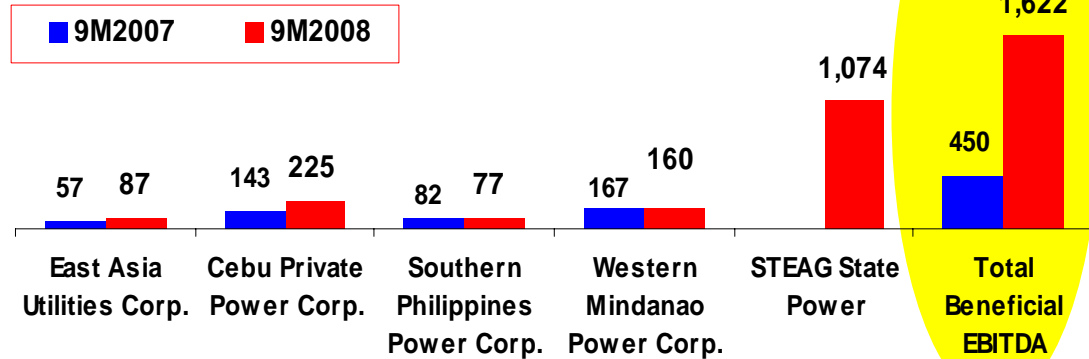
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# OPERATING HIGHLIGHTS – GENERATION

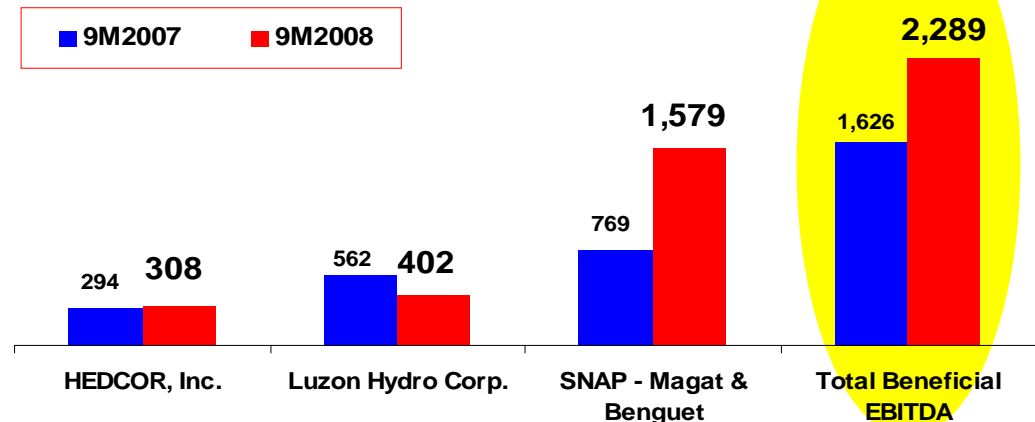
PF Beneficial EBITDA up by 88%; hydro plants accounted for 59% of total.



## OIL FIRED & COAL PLANTS

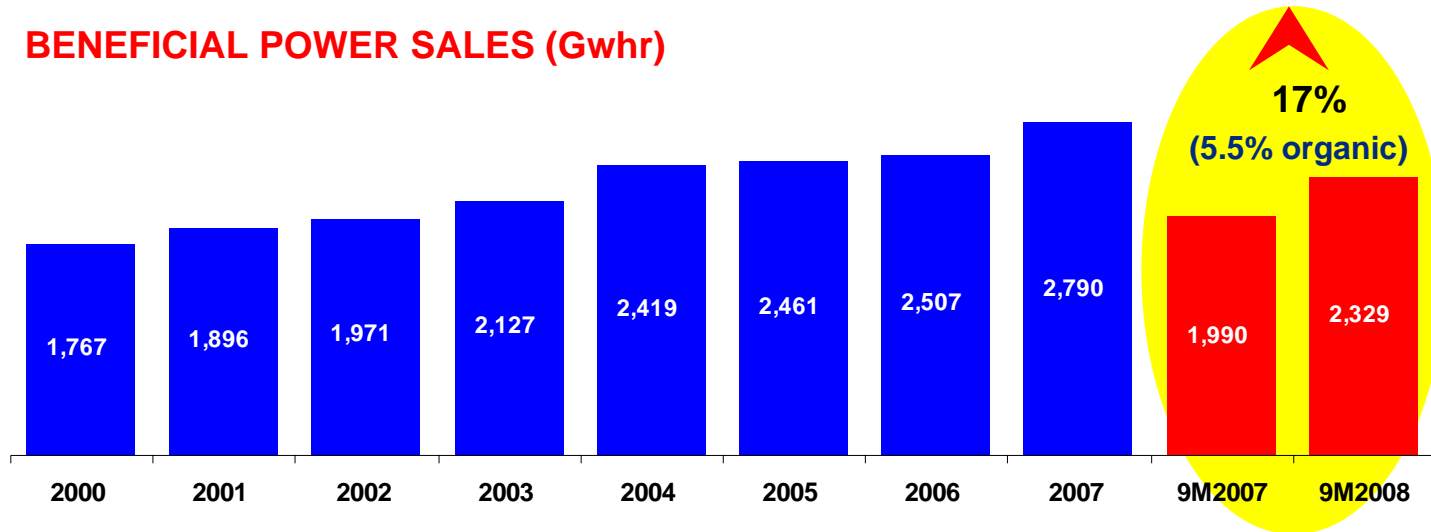


## HYDRO PLANTS

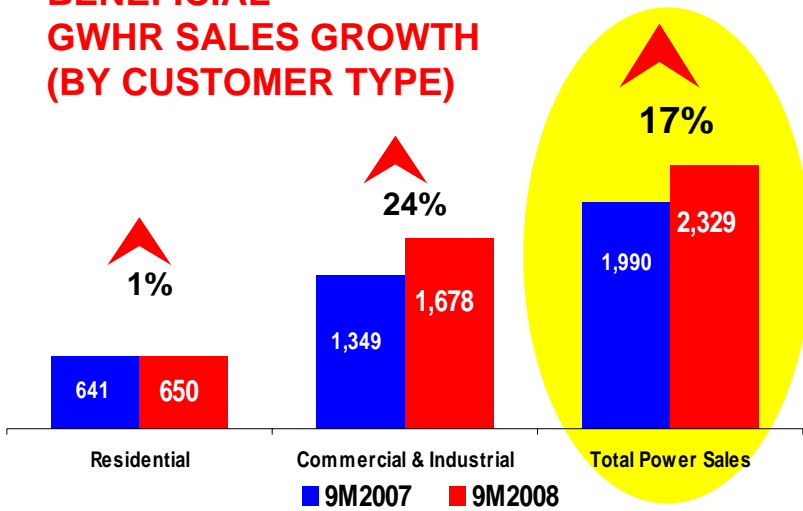


# OPERATING HIGHLIGHTS – DISTRIBUTION

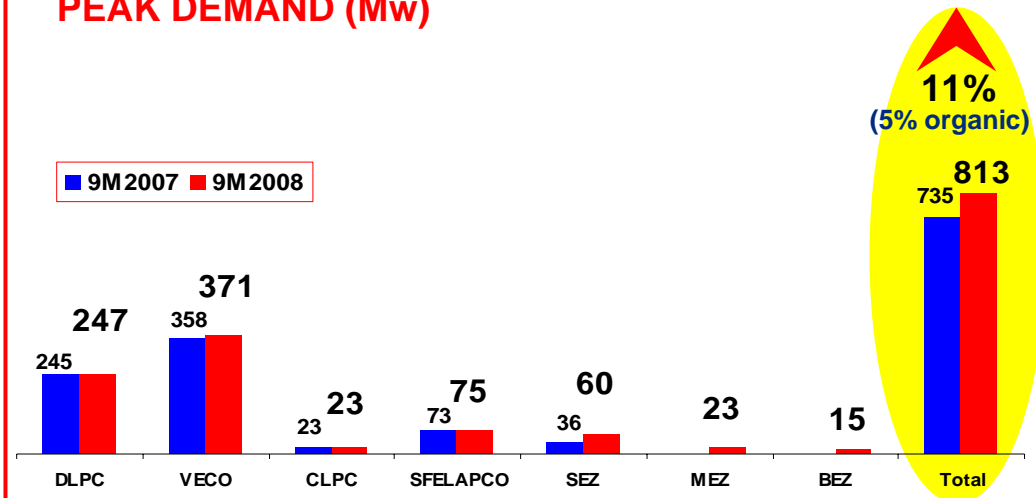
## BENEFICIAL POWER SALES (Gwhr)



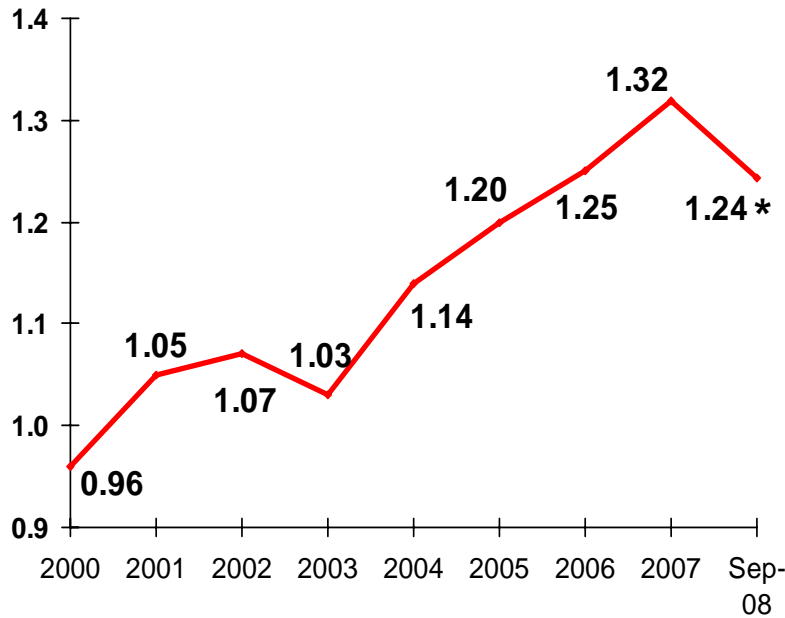
## BENEFICIAL GWHR SALES GROWTH (BY CUSTOMER TYPE)



## PEAK DEMAND (Mw)

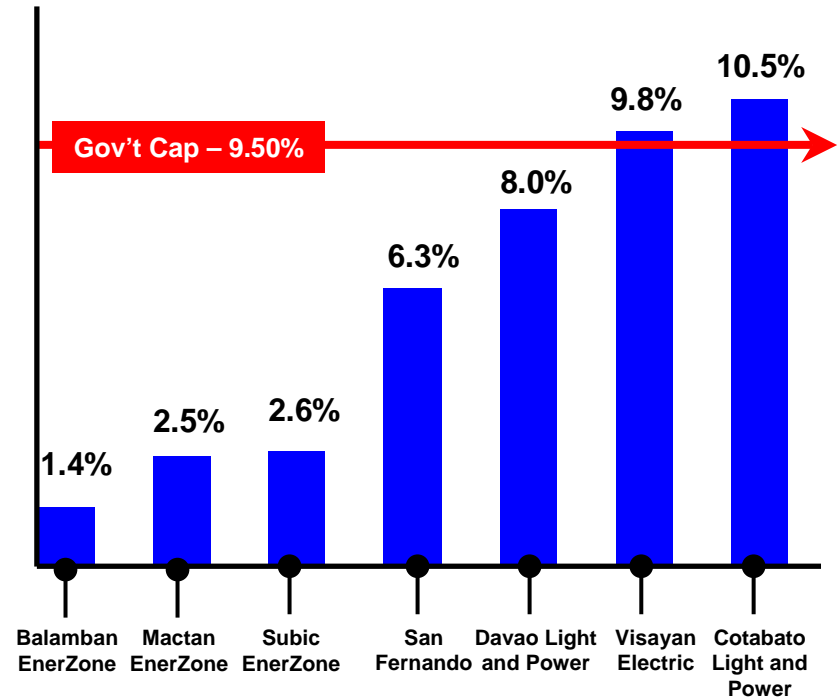


## GROSS MARGIN / KWHR SALE



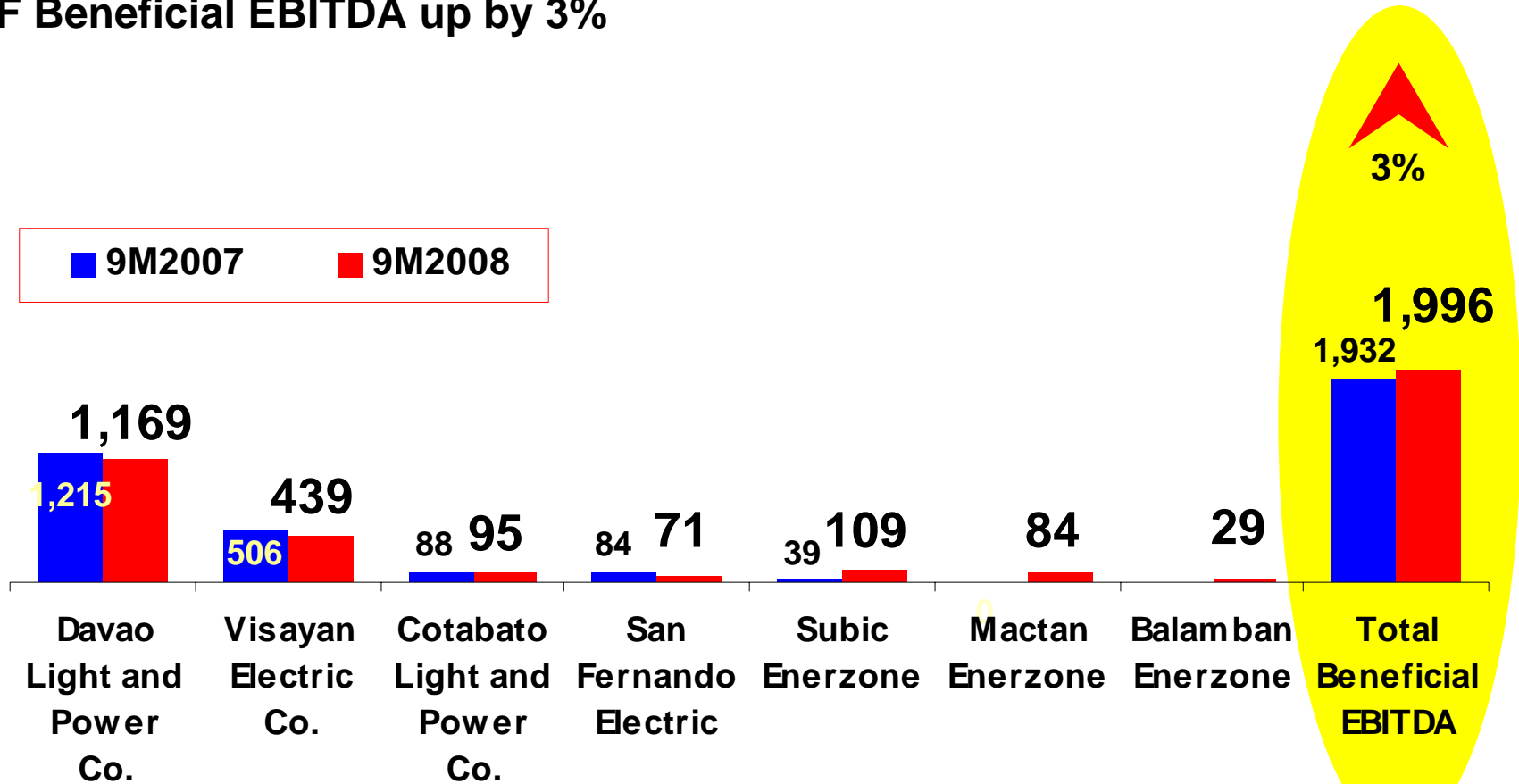
\* Based on 12 month moving average

## 9M2008 SYSTEMS LOSS



# OPERATING HIGHLIGHTS – DISTRIBUTION

PF Beneficial EBITDA up by 3%



Amounts in Million Pesos

**AP is well positioned to take advantage of significant growth opportunities**

**Healthy balance sheet provides it a significant war chest to bankroll its expansion program**

- Stable cash generation provided by its businesses
- Current positive net cash position allows the company, its subsidiaries and associates to take on debt funding

BALANCE SHEET (In million Pesos)	PARENT		CONSOLIDATED	
	YE2007	9M2008	YE2007	9M2008
Cash and Equivalents	10,654	4,951	13,288	7,539
Investments	15,714	15,917	14,888	20,204
Total Assets	26,668	26,616	36,163	39,646
Total Interest Bearing Debt	3,344	3,811	4,286	5,750
Total Liabilities	5,221	3,920	8,520	10,372
Net Debt	(5,814)	(3,923)	(7,913)	(4,025)
Total Stockholders' Equity	21,447	22,696	27,643	29,274
Book Value Per Share	2.91	3.08	3.76	3.98
Current Ratio	2.10	2.76	2.54	1.81
Net Debt to Equity	(0.27)	(0.17)	(0.29)	(0.14)

- The **Sibulan Hydropower Project** involves the construction of 2 run-of-river hydro power plants with a combined capacity of 42.5MW in Davao
- Annual generation of 212 GWH is expected to alleviate the looming power shortage in the region
- Power Supply Agreement with DLPC
  - Supply of 400,000,000 kwh per year for 12 years
  - Price of contracted energy at P4.0856 per kwh, adjusted based on inflation
- Broke ground in July 2007; target completion by end-2009
  - Project completion rate as of end-September 2008
    - Civil works at 35%
    - Electro-Mechanical works at 33%
  - Capex spent as of September 2008 at P2,401 million
- CDM Executive Board registration in June 2008 to potentially raise additional \$2 million p.a. from sale of carbon credits



Reservoir A and Penstock



Penstock B



Tunnel B Inlet Portal

- The **Cebu Coal Project**, a joint venture between Global Formosa Holdings (56%) and Abovant Holdings (44%), consists of a 3 x 82 MW circulating fluidized bed coal-fired boilers
- A Clean Coal project with identified offtakers early on during its project development. Estimated volume of possible offtakers at 216MW, or 88% of total plant capacity
- Electric Power Purchase Agreements
  - To contain contracted Minimum Energy Off Take wherein the plant is not obligated to supply more than the contracted capacity
  - Fuel Supply is on a full pass through basis
  - Cooperation period is 25 years commencing on the commercial operations of the plant
- Broke ground in January 2008, target completion by 1Q2010. As of October 2008, project completion rates are as follows:
  - Structural steel fabrication at 54%
  - Boiler pressure parts fabrication: unit 1 at 68%, unit 2 at 59%, unit 3 at 19%
  - Site construction at 2% complete



Ongoing Site Activities



Rebar work for Boiler #1 south side



Pile work for TG

## GOVERNMENT PRIVATIZATION

### Geothermal

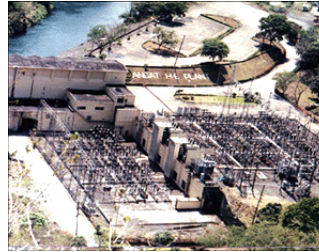


**192MW Palinpinon**  
(Negros Oriental)



**113MW Tongonan**  
(Leyte)

### Hydro



**246MW Angat**  
(Bulacan)

### Others



**146MW Dingle**  
(Iloilo)

**IPP Administrator  
Contracts**

Plant	Rated Capacity	Contract Capacity	Contract Type	Plant Type	BOT Contractor	Contract Termination
Sual	1,294	1,000	BOT/ECA	Coal Thermal	TEAM Energy	Oct 2024
Pagbilao	764	700	BOT/ECA	Coal Thermal	TEAM Energy	Aug 2025
Enron Subic	120	116	BOT/ECA	Diesel Engine	Enron Power	Mar 2009
Bauang	235	215	BOT/ECA	Diesel Engine	First Gen	Feb 2010
Ilijan	1,224	1,200	BOT/ECA	Gas CCGT	KEPCO	Jan 2022
Casecnan	140	140	BOT/PPA	Hydro	CalEnergy	Jul 2020
Hedcor	18	18	BOO/PPA	Hydro	Aboitiz	Jan 2018
NMHC	12	12	BOO/PPA	Hydro	Aboitiz	Jan 2018
Bakun	70	70	BOT/PPA	Hydro	Aboitiz	Feb 2026
San Roque	345	285	BOT/PPA	Hydro	Marubeni	Jul 2030
Caliraya	24	24	BROT/PPA	Hydro	J Power Sumitomo	Feb 2025
Botocan	21	21	BROT/PPA	Hydro	J Power Sumitomo	Feb 2025
Limay A	310	300	BOT/ECA	Oil CCGT	Marubeni	Oct 2009
Limay B	310	300	BOT/ECA	Oil CCGT	Marubeni	Oct 2009
Malaya 1	300	290	ROMM/ECA	Oil Thermal	KEPCO	Sep 2010
Malaya 2	350	340	ROMM/ECA	Oil Thermal	KEPCO	Sep 2010
Kalayaan	709	709	BROT/PPA	Pumped Storage	J Power Sumitomo	Feb 2025
<b>TOTAL</b>	<b>6,246</b>	<b>5,740</b>				

# Annex: EARNINGS BREAKDOWN

**ABOITIZ POWER CORPORATION**  
**SUMMARY OF INCOME CONTRIBUTION TO APC**  
For the Period Ended **SEP 30/2008**

(in million pesos)

INVESTEES	% OWNED SEP 30/2008	YEAR - TO - DATE		FOR THE QUARTER	
		ACTUAL 2008	ACTUAL 2007	ACTUAL 2008	ACTUAL 2007
<b>Parent &amp; Others</b>		<b>60.63</b>	<b>94.53</b>	<b>84.57</b>	<b>107.90</b>
<b>Power Generation Group:</b>					
PHC Parent	100.00%	43.35	(141.30)	(28.50)	(84.49)
HEDCOR, INC.	100.00%	128.39	140.11	81.12	135.07
LUZON HYDRO	50.00%	435.93	262.57	226.08	155.66
SNAP - MAGAT	50.00%	253.57	750.99	(56.33)	450.58
SNAP - BENGUET	50.00%	(62.60)	0.00	(62.89)	0.00
SOUTHERN PHILS. POWER	20.00%	18.95	31.23	(2.23)	4.65
WESTERN. MINDANAO POWER	20.00%	51.65	73.78	18.10	22.40
CEBU PRIVATE POWER CORP.	60.00%	169.97	55.21	60.43	32.00
EAST ASIA UTILITIES CORP.	50.00%	80.11	26.26	31.83	13.87
STEAG	34.00%	874.27	0.00	382.43	0.00
OTHERS	100.00%	(8.43)	(1.30)	13.72	(0.03)
<b>Sub-Total Power Generation</b>		<b>1,985.15</b>	<b>1,197.55</b>	<b>663.77</b>	<b>729.71</b>
<b>Power Distribution Group:</b>					
COTABATO LIGHT & POWER	99.91%	41.92	41.67	16.24	15.90
DAVAO LIGHT & POWER	99.92%	659.55	707.56	224.56	257.45
VISAYAN ELECTRIC CO.	55.09%	211.08	248.23	51.37	94.97
SFELAPCO	43.78%	33.32	42.91	8.10	16.91
SUBIC ENERZONE	99.97%	72.33	20.79	20.17	6.82
MACTAN ENERZONE	100.00%	78.05	0.00	26.25	0.00
BALAMBAN ENERZONE	100.00%	25.84	0.00	8.05	0.00
<b>Sub-Total Power Distribution</b>		<b>1,122.09</b>	<b>1,061.15</b>	<b>354.74</b>	<b>392.05</b>
<b>TOTAL NET INCOME</b>		<b>3,167.88</b>	<b>2,353.23</b>	<b>1,103.08</b>	<b>1,229.66</b>

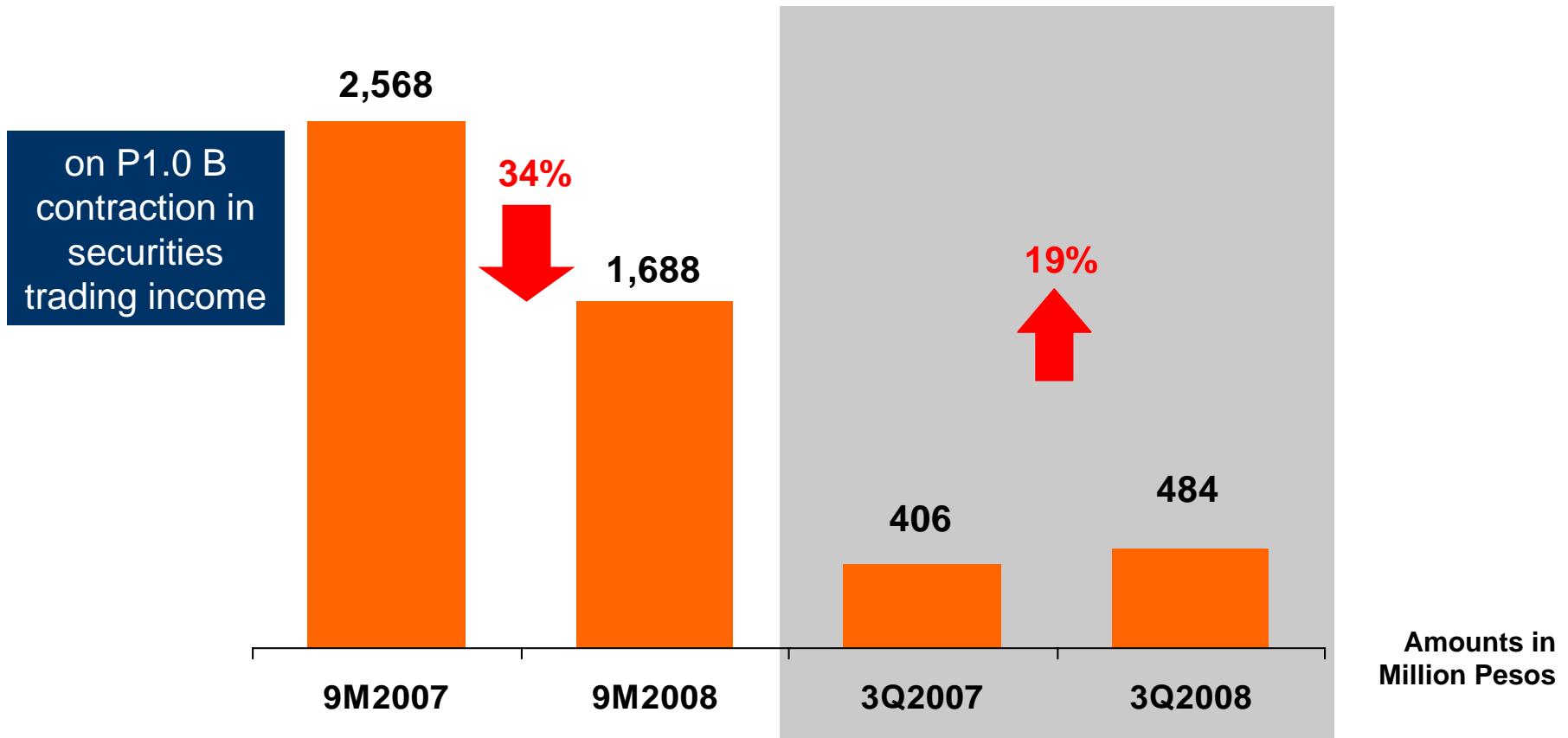
<b>NET INCOME TO COMMON</b>	<b>3,167.88</b>	<b>2,353.23</b>	<b>1,103.08</b>	<b>1,229.66</b>
% increase (decrease)		35%		-10%
<b>EARNINGS PER SHARE (average outstanding)</b>	<b>0.430</b>	<b>0.380</b>	<b>0.150</b>	<b>0.168</b>
<b>RECURRING NET INCOME</b>	<b>3,448.41</b>	<b>1,988.27</b>	<b>1,261.44</b>	<b>1,061.98</b>
% increase (decrease)		73%		19%
<b>RECURRING EPS</b>	<b>0.469</b>	<b>0.321</b>	<b>0.171</b>	<b>0.145</b>

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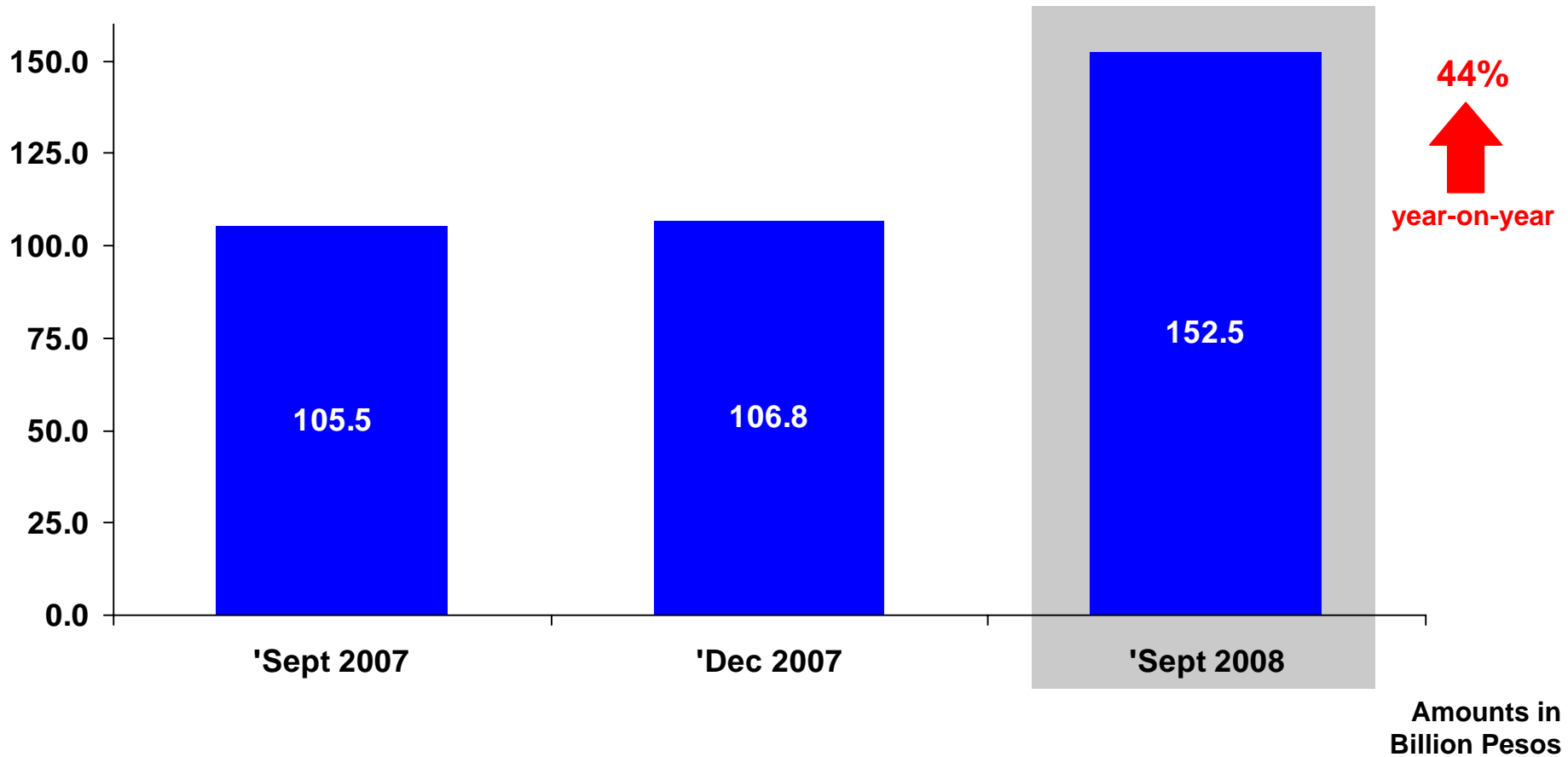


Constancy of purpose through economic cycles

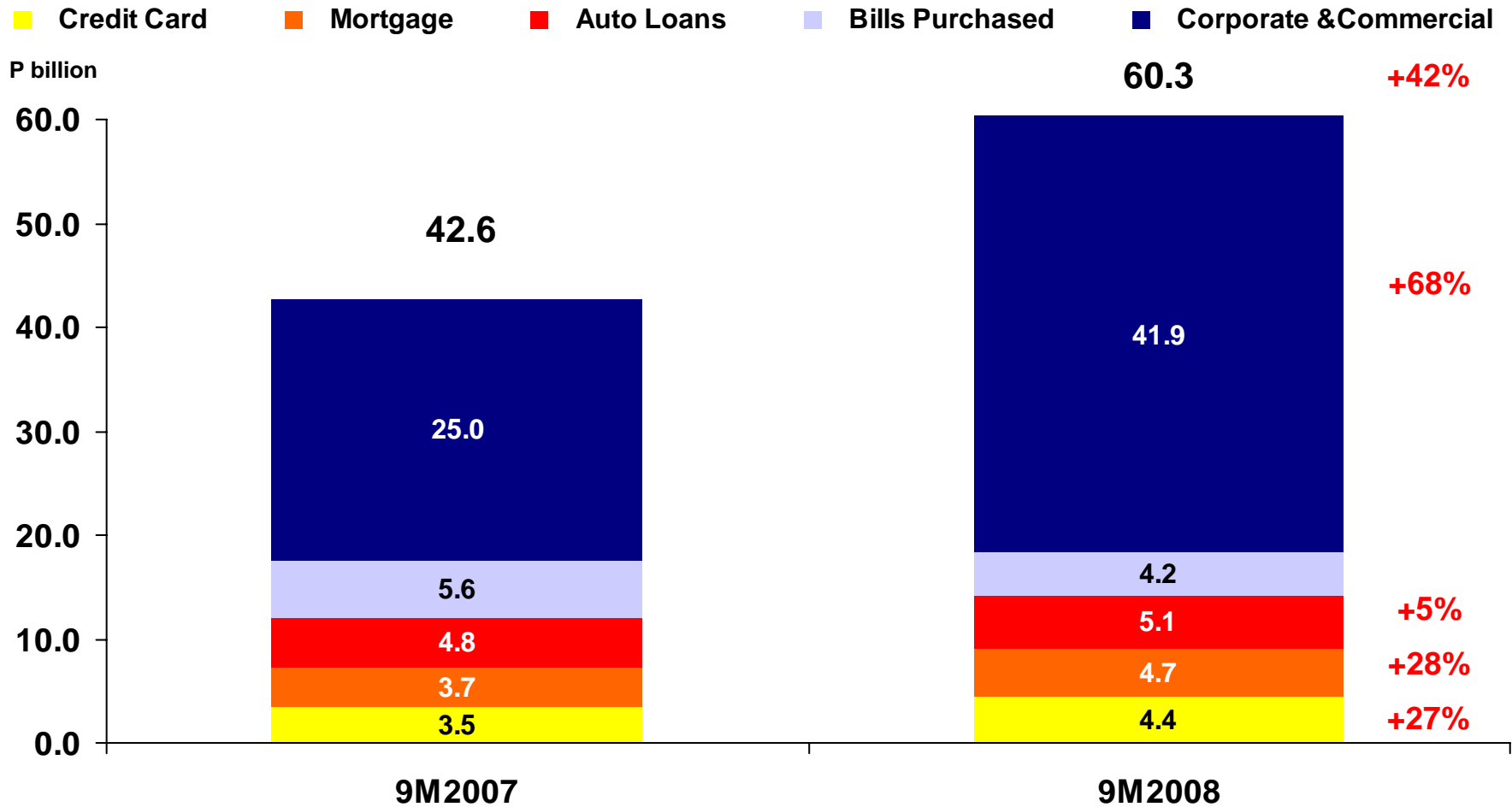
## Growth in Q3 net income persisted amid the global financial meltdown



## Deposit surge buttressed our position as low-cost producer



## Expansion in loan portfolio sustained across market segments



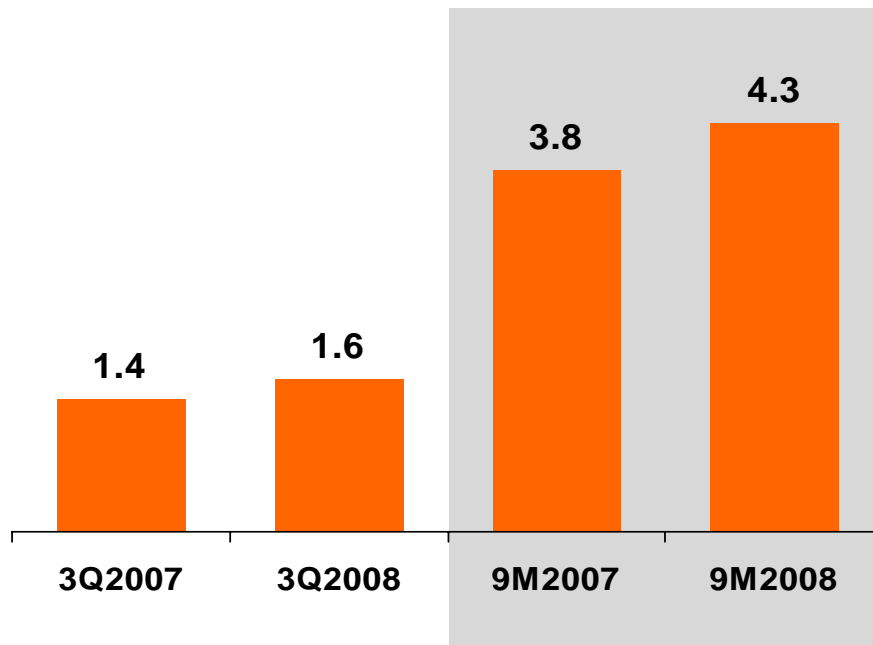
## FOCUS 2010 buffers

- Solid profitability through improved recurrent income
- Healthy interest margins
- Asset quality preservation
- Customer franchise development

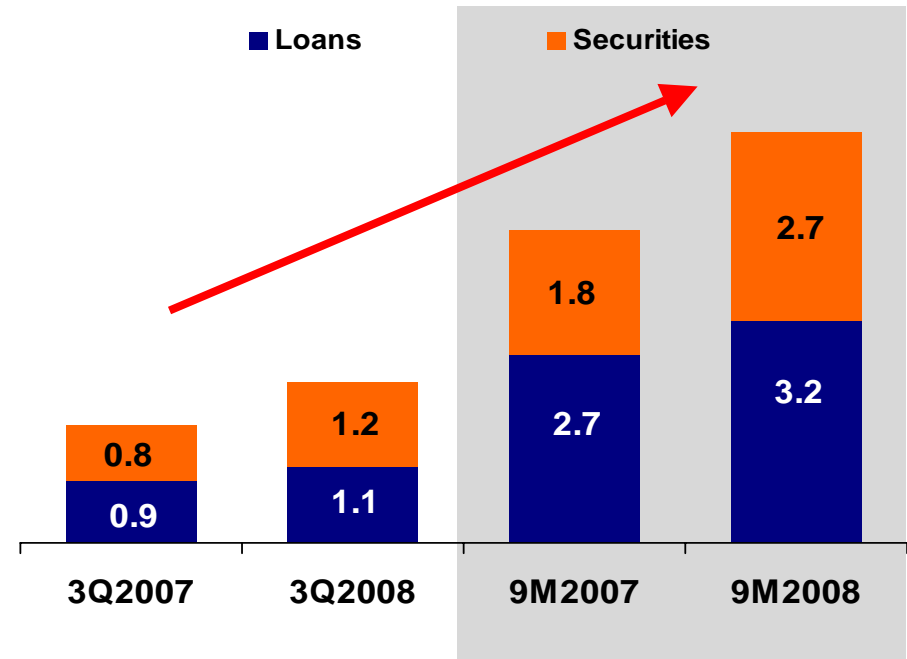


## Rise in recurrent income sustained earnings even in adverse market conditions

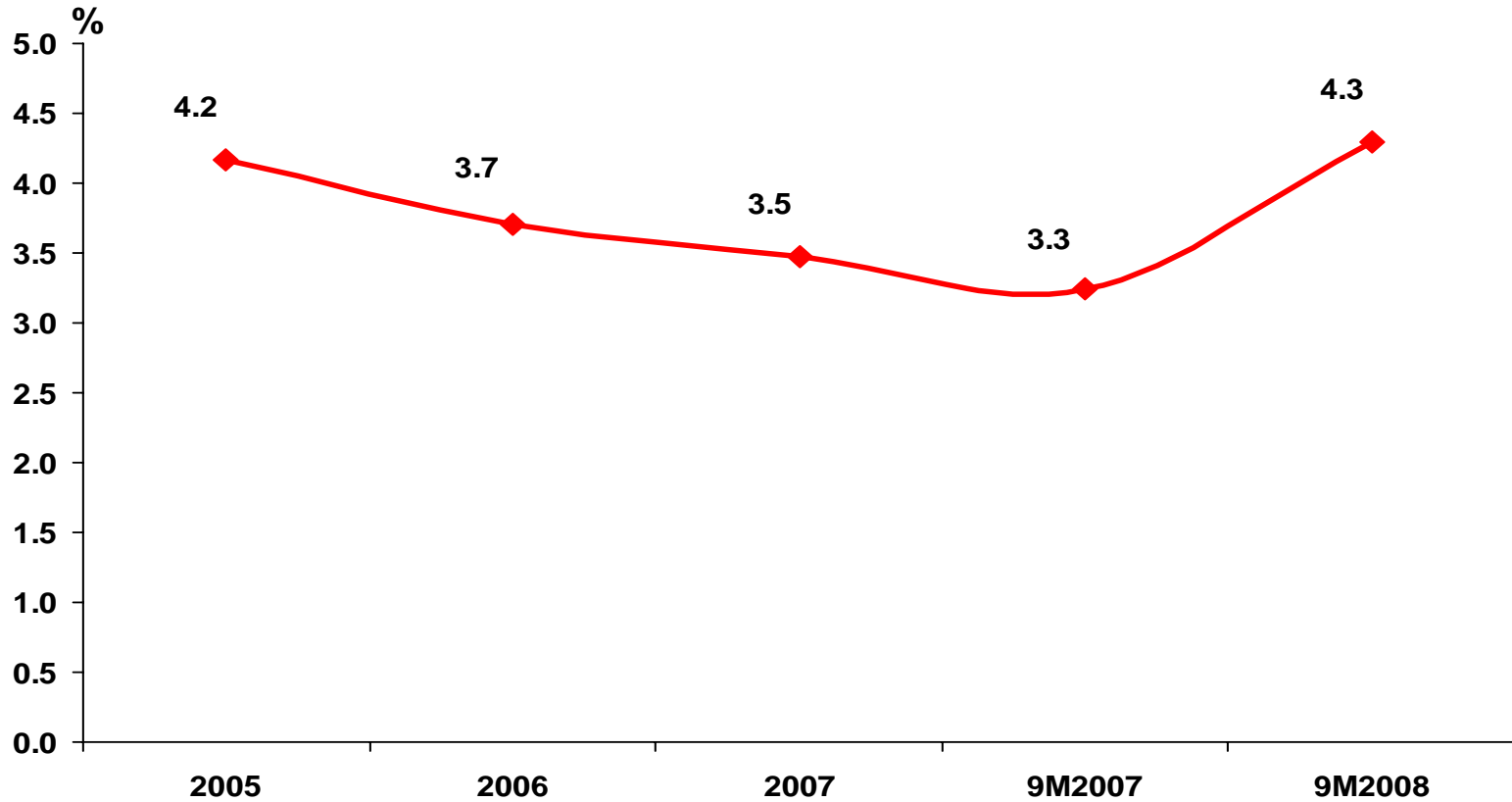
### Net interest income (in billion pesos)



### Interest income (in billion pesos)



## Principle of risk-adjusted returns ensured profitable margins



Net interest margin



## Loan growth balanced with disciplined approach to risk factors



**Net NPL Ratio\***

*\*NPLs net of reserves; Loans net of IBCL*



## Commitment to customer franchise enabled a stronger brand

- Alignment with global best practices, as evidenced by the ISO 9001:2000 Quality Management System certification for centralized backroom operations, the first and only in the Philippine banking industry
- Commitment to customer satisfaction through enhanced retail focus and stronger sales management approach
- Investments in technology, partnerships and new geographies to maximize growth channels with respect to both deposits and loan accounts
- Keen regard for research and development to protect our competitive edge in technologically-advanced products and services



## EXPECTATIONS ON THE ECONOMY

- Growth slowdown on economic difficulties in trading partner-nations
- Easing commodity prices in the world market
- Steady remittance flows
- Sustained fiscal spending in infrastructure
- Neutral monetary policy
- Resilient consumption spending
- Income pressures on the corporate sector

## UNIONBANK'S STRATEGIC IMPERATIVES

**Disciplined asset allocation built on good governance and effective risk management to ensure momentum of recurrent income stream**

**Sustained efficiency through cost consciousness & business process improvement**

**Priority attention to customer satisfaction based on intimate market knowledge, reliable client research and prudent execution**

**Leadership in technology-based banking solutions through the development of quality and innovative products and services**

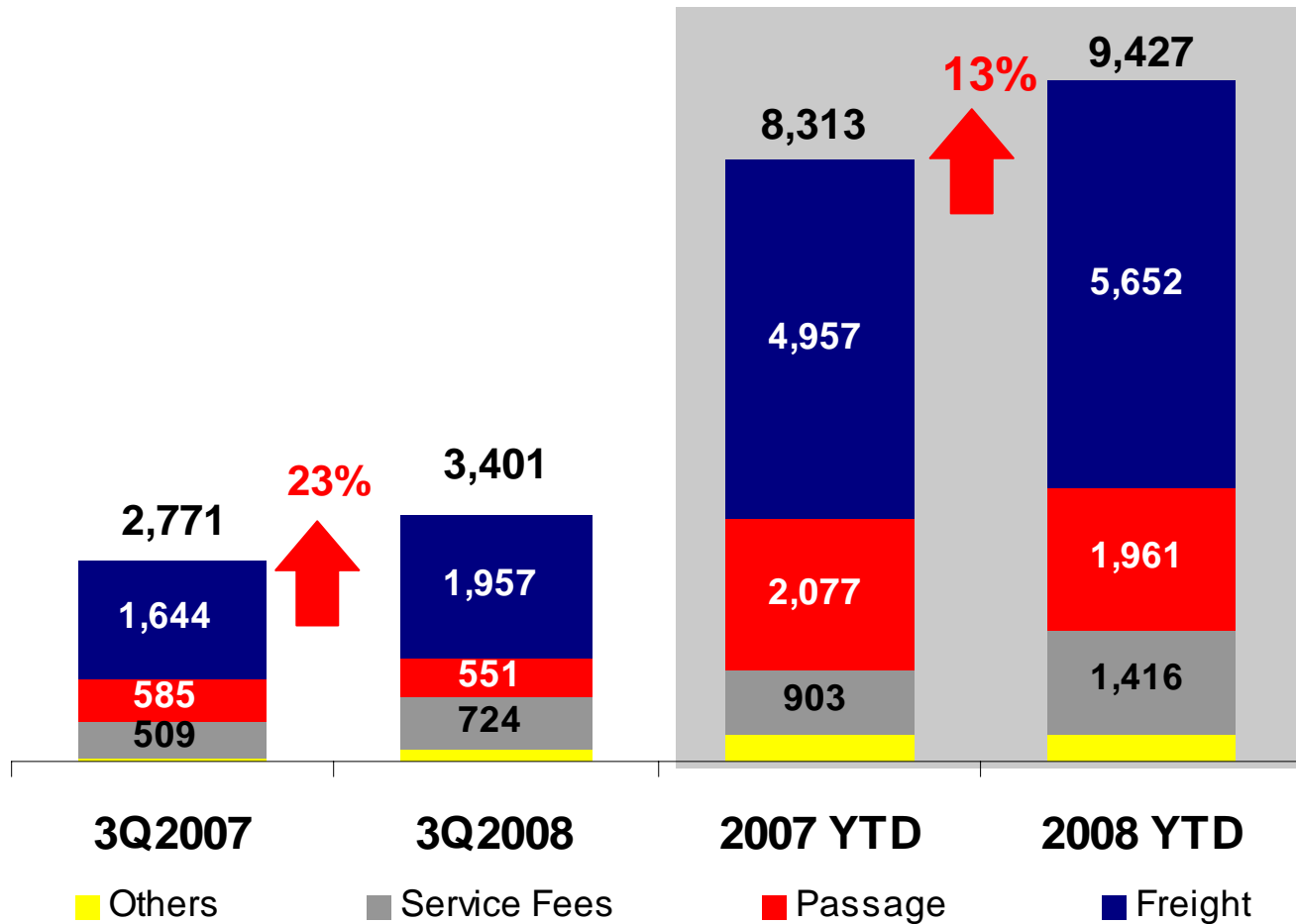
**With current stock price trend having factored in earnings erosion due to market adversities, the enduring strength of UnionBank's fundamentals boosts appetite for long-term investment value**

<b>Valuation Ratios</b>	<b>2007</b>	<b>YTD 2008</b>
<b>Price-to-book</b>	<b>1.0 x</b>	<b>0.6 x</b>
<b>Price-to-earnings</b>	<b>9.0 x</b>	<b>6.8 x</b>
<b>Earnings per share</b>	<b>Php 4.76</b>	<b>Php 3.51</b>

- **Overview**
- **AEV Financials**
- **Review of Business Units**
  - *Aboitiz Power Corporation*
  - *Union Bank of the Philippines*
  - *Aboitiz Transport Systems*
  - *Pilmico Foods Corporation*
- **Q&A**

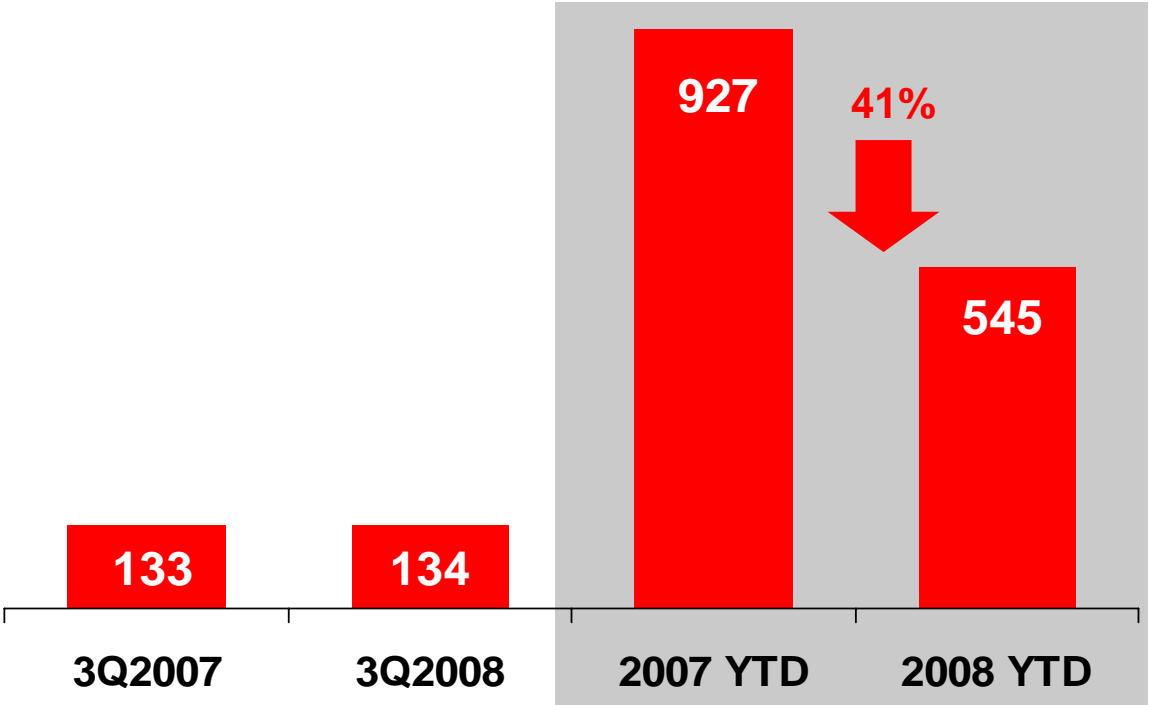
## REVENUE

Freight increased 14%. Service Fees increased 57%, offsetting the decrease in the passage business.



Amounts in Million Pesos

**EBITDA** 41% lower than last year mainly due to rising fuel costs and charter expenses

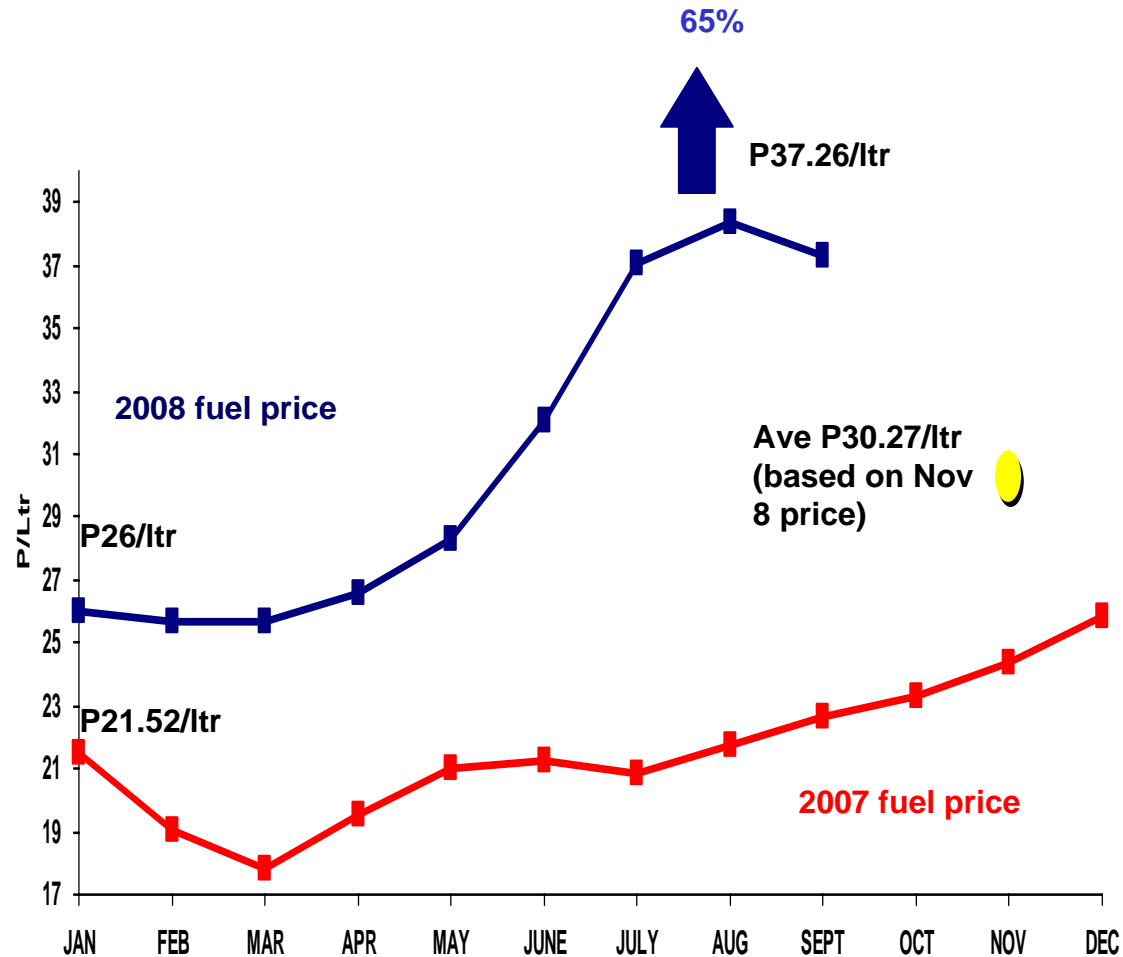


Amounts in Million Pesos

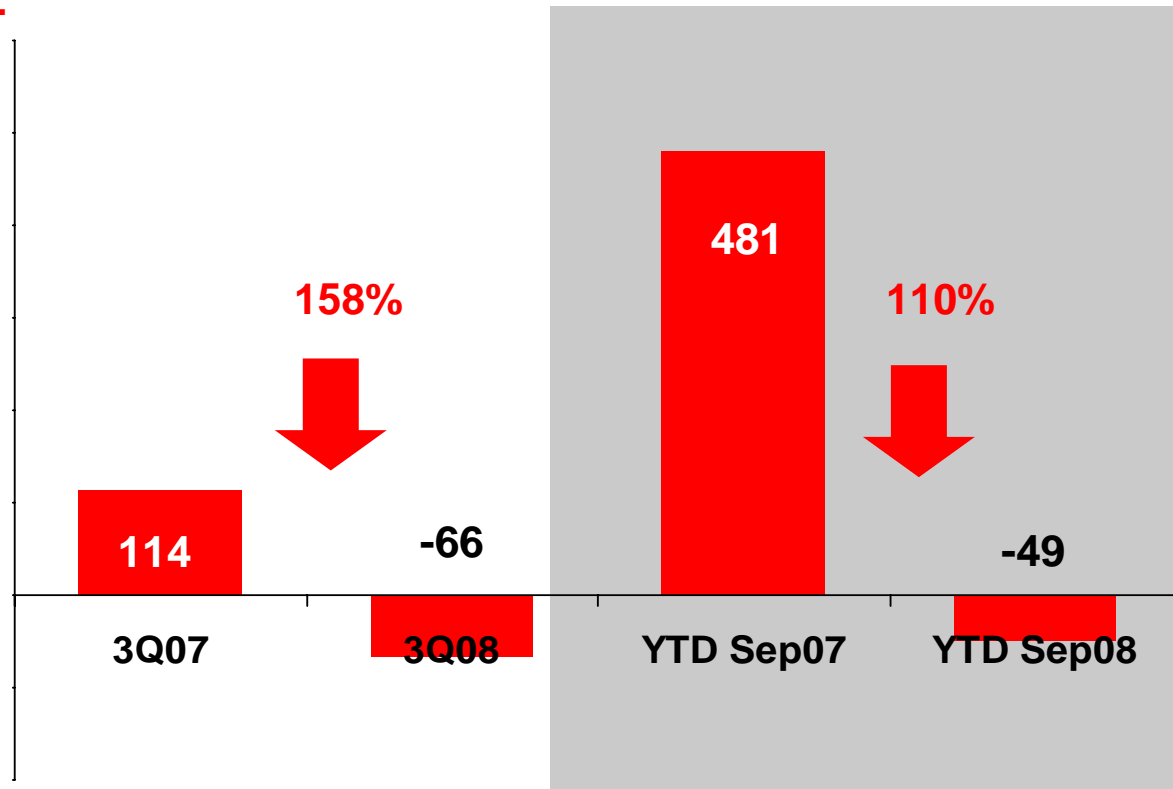
**65% higher ave. price/liter versus last year**

- Increase in average rate per TEU by P2,996/Teu
- Lower volume consumption
- Utilizing RFO, less expensive type of fuel
- Maximizing the earning capacity of assets

**ATS will enjoy better margins as fuel price come down**



## NET INCOME



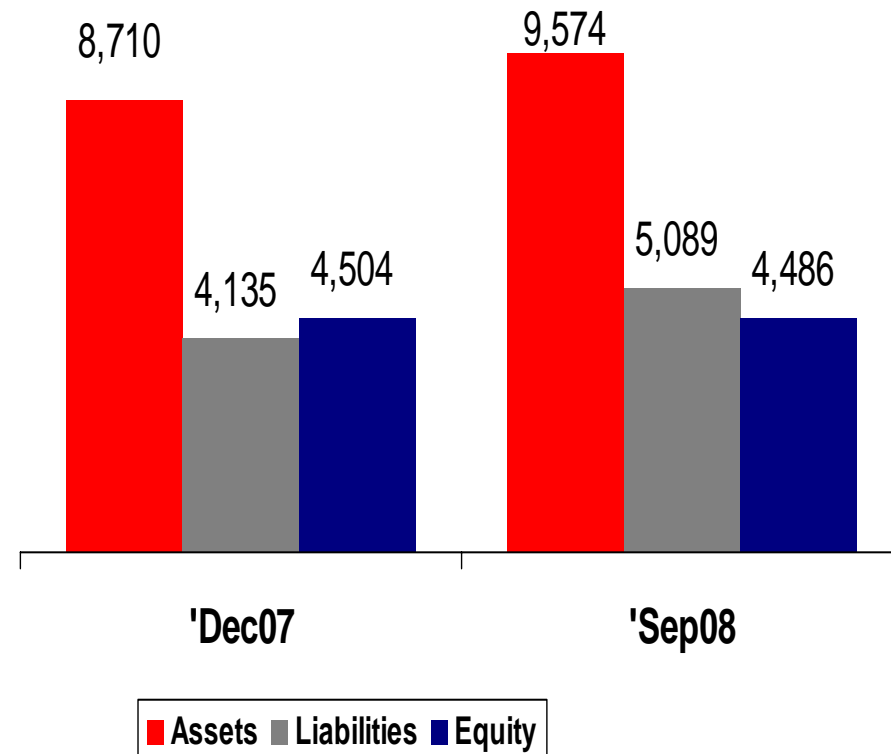
- YTD Sep07 after tax gain on sale of assets of P402M (vessel sales) versus P42M in YTD Sep08

- **lower passenger and freight capacity from vessel sales, conversion and repairs**
- **Maintaining high utilization rates**
- **16% Higher freight rates**
- **Myriad: vessel charter**

## ATS Key Operating Statistics

	YTD Sep07	YTD Sep08
Passenger Capacity	2,339,879	2,245,646
Passenger LoadFactor	71%	72%
Ave. Rate per Pax	1,198	1,121
Freight Capacity	183,077	176,260
Freight Load Factor	93%	90%
Ave. Rate per Teu w/ Zip	18,908	21,904

- Total interest bearing debt at P1,148M vs P570M in 2007
- Int. bearing net debt of P228M
- D/E ratio of 1.13:1.00 (int. bearing d/e ratio of 0.26:1.00)
- Capital expenditures earmarked at P1B, 33% lower vs P1.5B in 2007. P841M spent as of Sep08.



Amounts in  
Million Pesos

- **Maintain high utilization of our vessels**
- **Continue with LCC model for the passage business**
- **Build its value added business**
  - **Filling up freight capacity with its own supply chain & value-added business**
  - **Purchase of Scanasia (USD8.4M) – market leader in cold chain sales**
  - **AODI new warehouse**

**Aboitiz One Distribution, Inc.'s new warehouse with 22,000 pallet positions located in Taguig City, is expected to be completed in the last quarter of 2008.**



- **In September 2008, Aboitiz Equity Ventures (AEV) and Aboitiz & Company (ACO) accepted the unsolicited offer of KGLI-NM Holdings, Inc. (KGLI-NM) to buy all of their shareholdings subject to a due diligence audit. AEV owns 77.10% of ATS; ACO owns 15.93% of ATS**
- **On or before end of November, KGLI-NM will communicate whether it will proceed with the transaction. Any definitive share purchase agreement will be executed on closing date or on January 15, 2009, unless shortened or extended by the parties.**
- **The planned acquisition will include all of the shipping and logistics businesses of ATS except the Aboitiz Jebsen Group.**
- **The purchase price is based on an ATS equity value of P5 billion or P2.044 per share.**
- **KGLI-NM is a domestic company, which is jointly owned by Negros Holdings and Management Corporation (NHMC) and KGL Investment BV (KGLIBV), which is beneficially owned by the KGL Investment Company, a Kuwaiti company.**

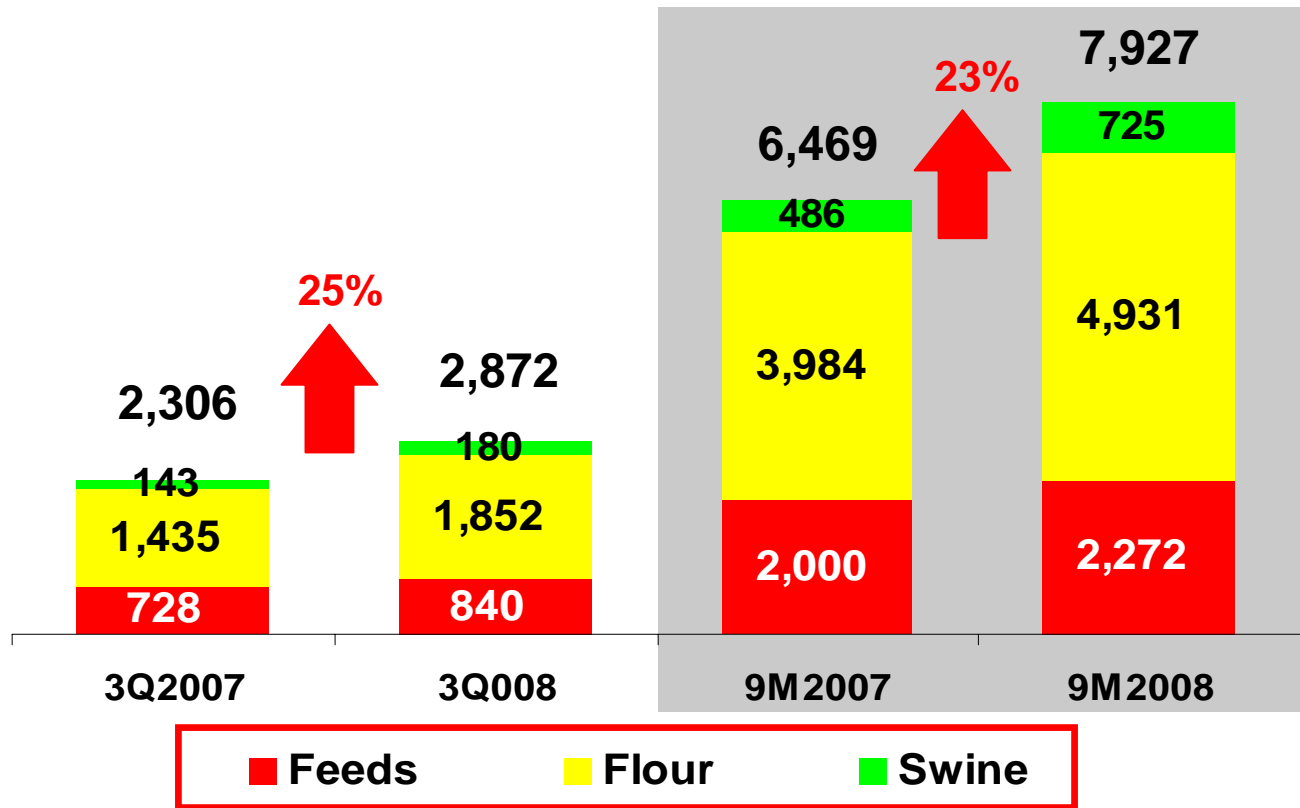
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# FINANCIAL HIGHLIGHTS



PILMICO FOODS CORPORATION

## REVENUE Strong topline growth across the businesses



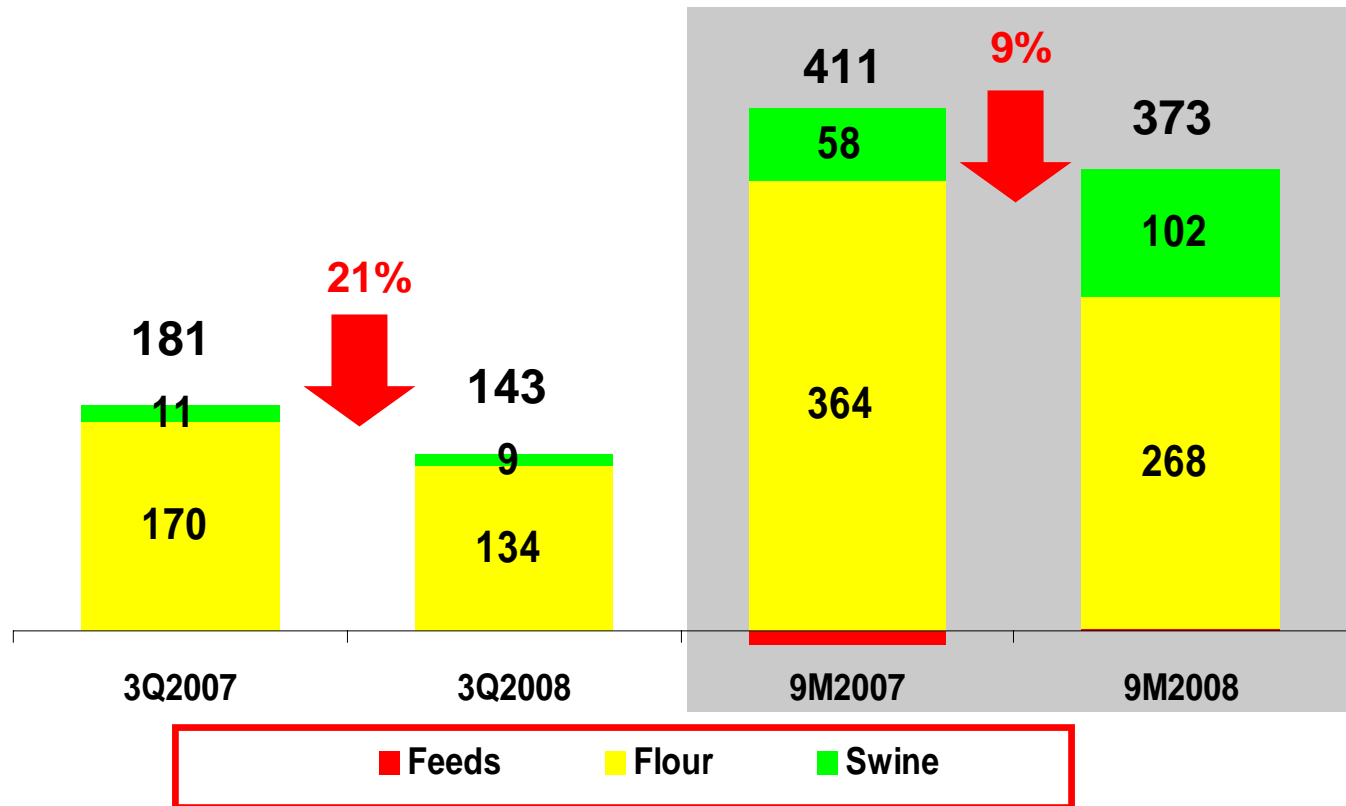
Amounts in Million Pesos

# FINANCIAL HIGHLIGHTS



PILMICO FOODS CORPORATION

**NET INCOME** Weak flour performance partially offset by stronger swine and feeds business



Amounts in Million Pesos

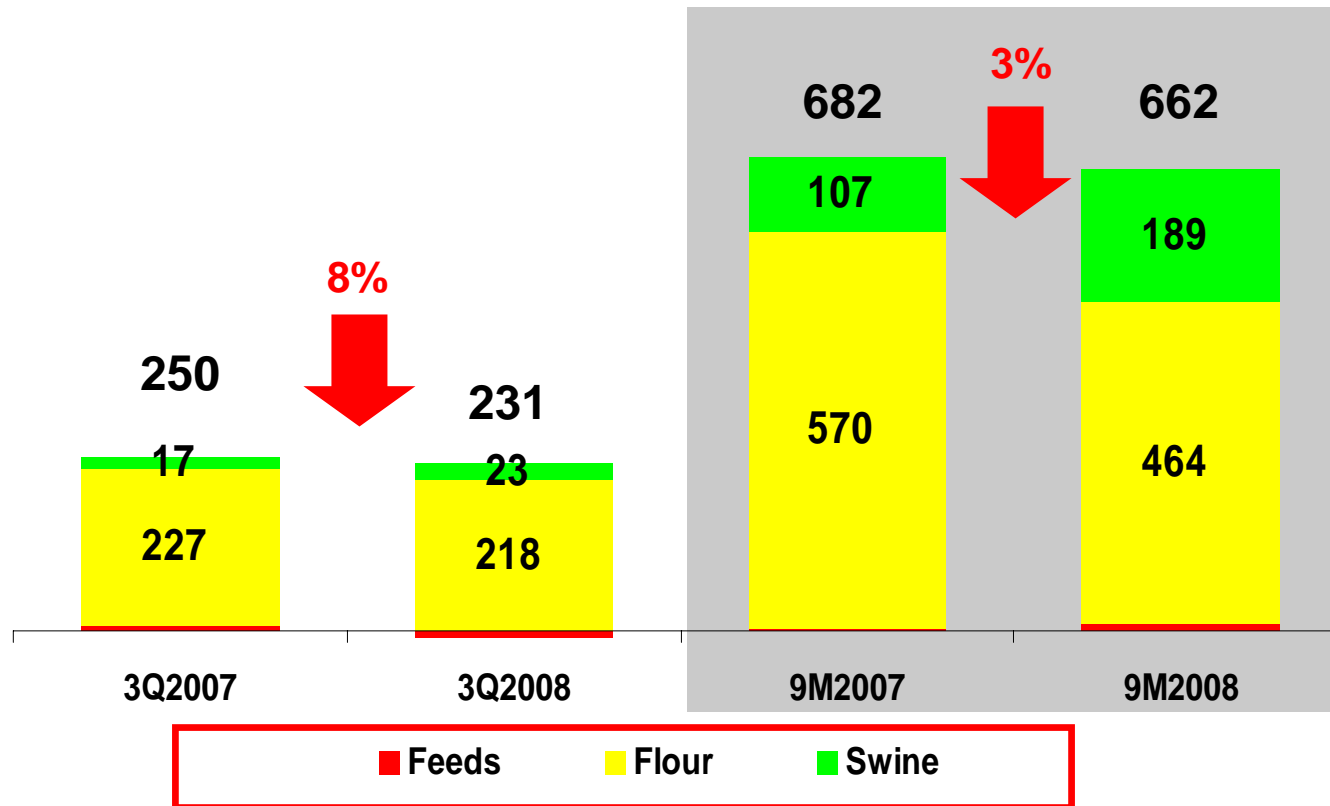
# FINANCIAL HIGHLIGHTS



PILMICO FOODS CORPORATION

## EBITDA

Higher contributions from the swine and feeds businesses partially offset the drop in the flour business



Amounts in  
Million Pesos

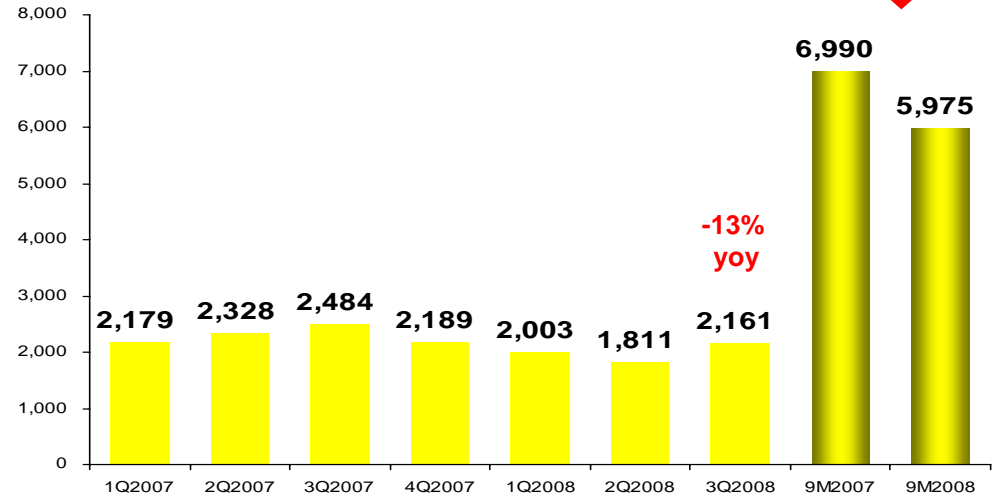
# OPERATING HIGHLIGHTS – Flour Business



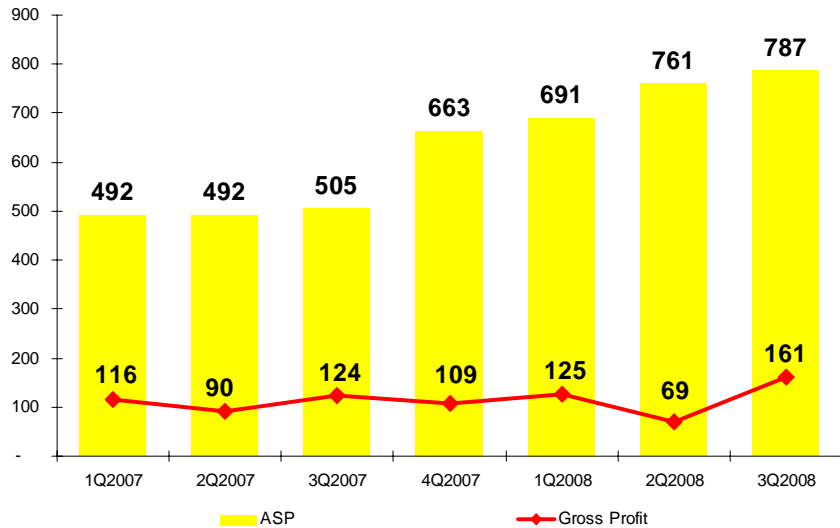
PILMICO FOODS CORPORATION

## Sales Volume

In '000 bags



Peso/bag

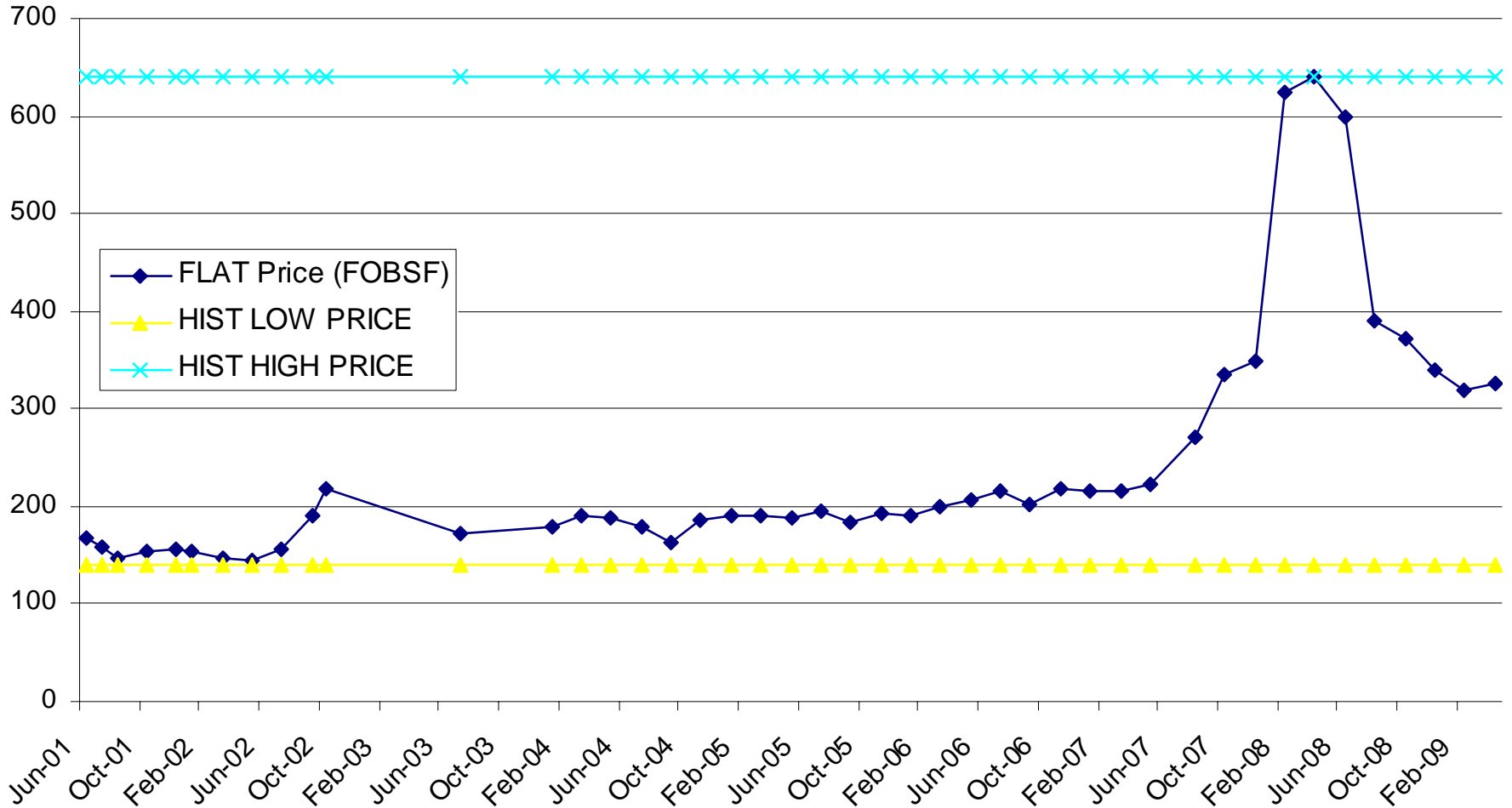


## Average Selling Prices and Gross Profit

# OPERATING HIGHLIGHTS – Flour Business

## Input Costs – Hard Wheat Prices

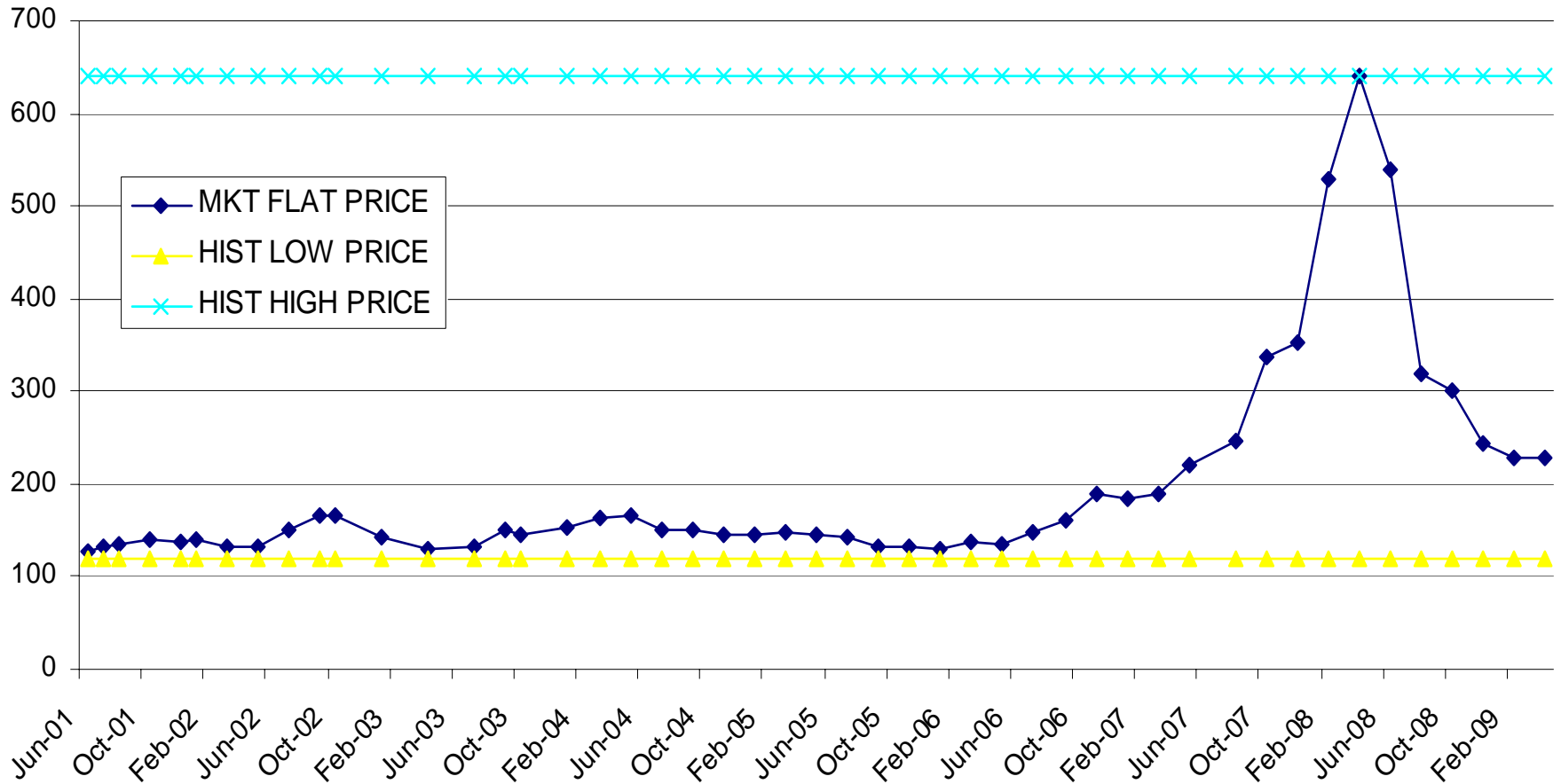
### PFC and Market Flat Prices (NS 14%)



# OPERATING HIGHLIGHTS – Flour Business

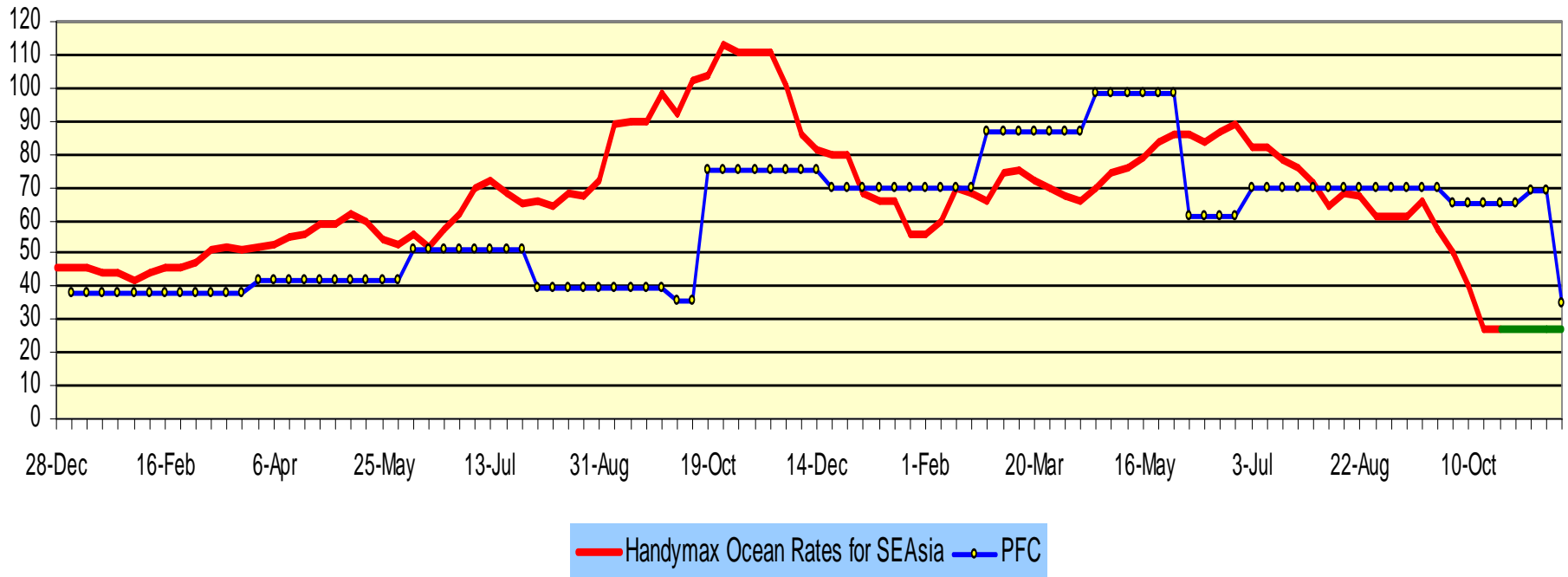
## Input Costs – Soft Wheat Prices

### SWW, PFC vs Market Flat Price



## Input Costs – Freight Cost

Ocean Freight Rates for Handymax Vessels  
for South East Asia



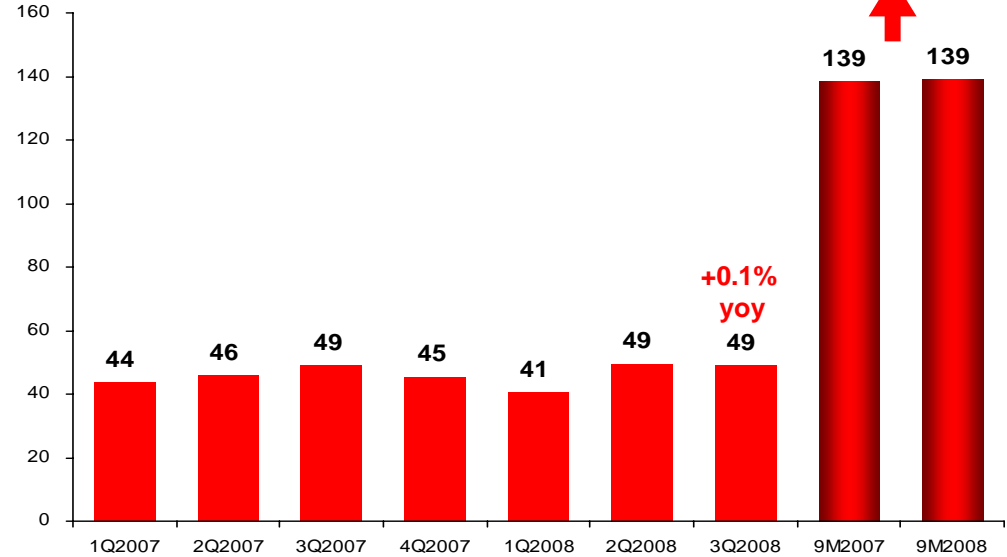
# OPERATING HIGHLIGHTS – Feeds Business



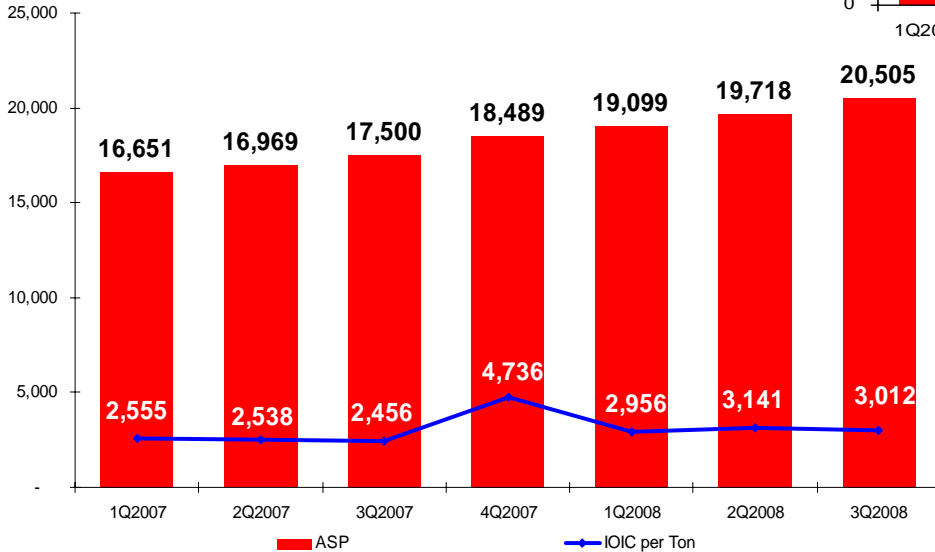
PILMICO FOODS CORPORATION

## Sales Volume

In '000 tons



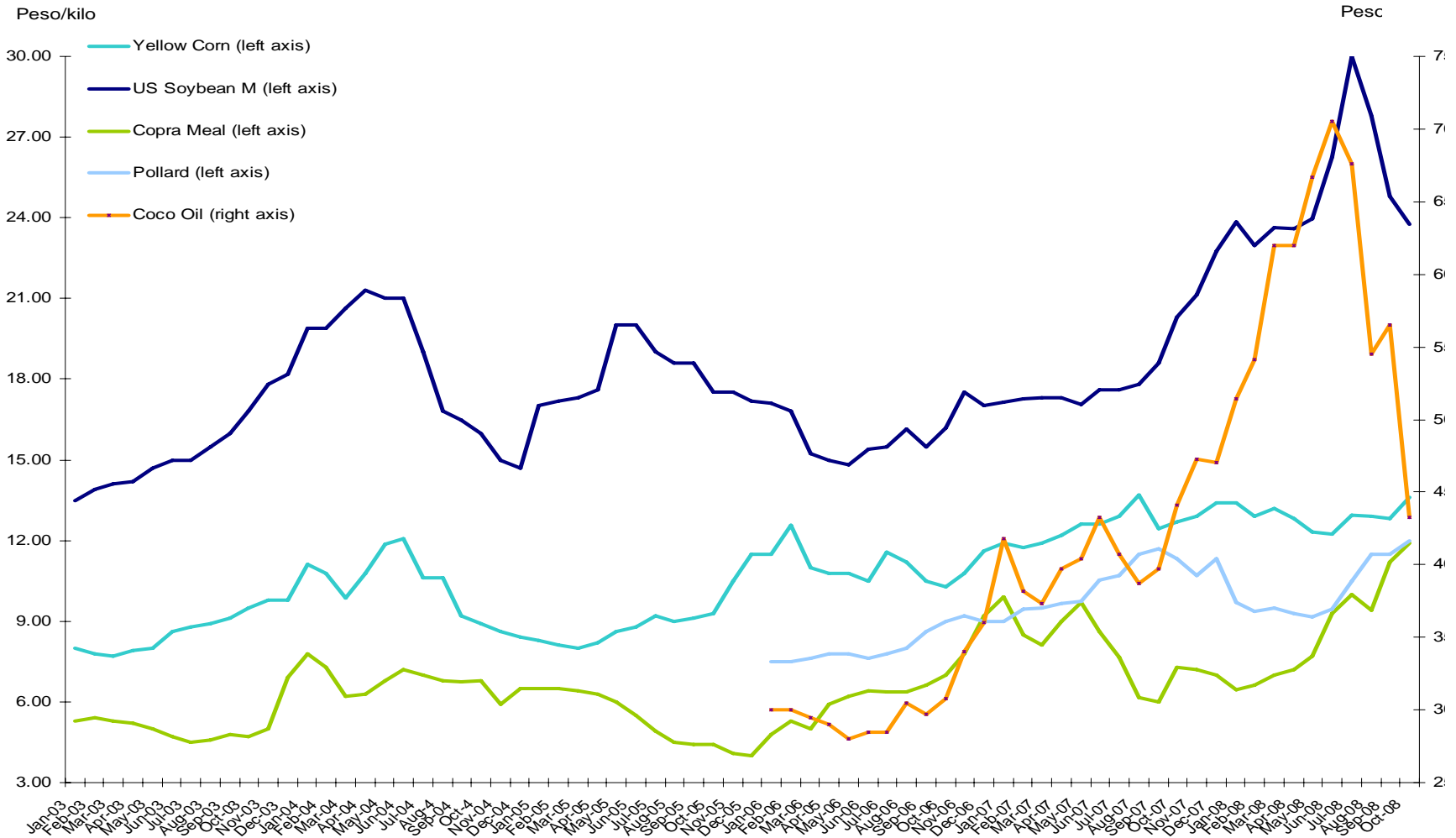
Peso/ton



## Average Selling Prices and Income Over Ingredient Cost

# OPERATING HIGHLIGHTS – Feeds Business

## Feeds Raw Material Cost, at Market (from January 2003 – October 2008)



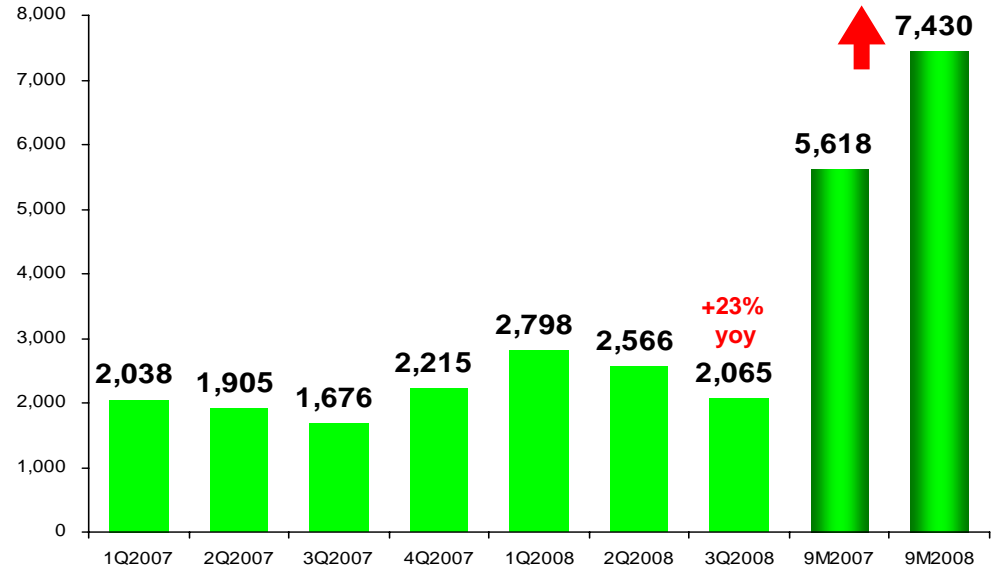
# OPERATING HIGHLIGHTS – Swine Business



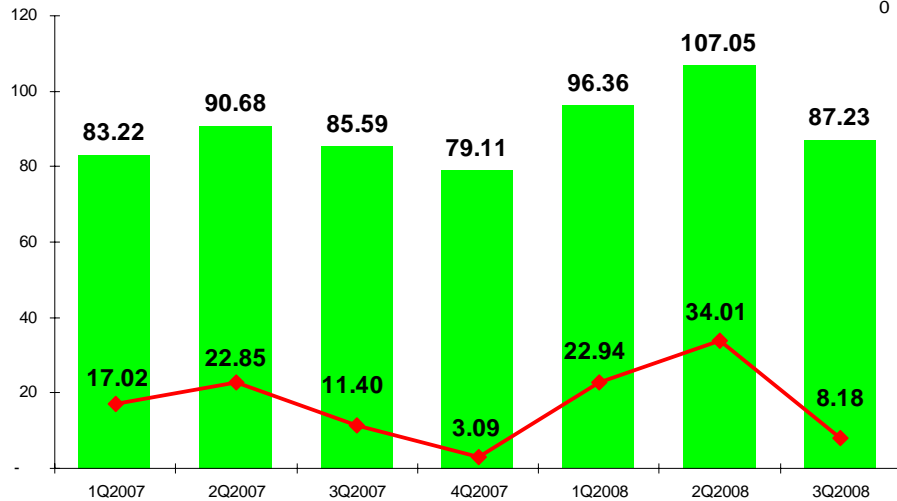
PILMICO FOODS CORPORATION

## Sales Volume

In '000 kilos



Peso/kilo



ASP

Gross Profit

## Average Selling Prices and Gross Profit



PILMICO FOODS CORPORATION



## **Iligan Feedmill**

- Commenced commercial operations on September 1, 2008
- Annual capacity at 108,000 MT
- To cater to FFI's VisMin market
- With its operation, freight savings seen to be incurred as product sourcing from FFI's Tarlac-based mill is no longer required.

## **Silo Capacity**

- With 27,000 MT silo capacity, Pilmico has the largest grain storage in the country and allows the company to bring in larger vessels into its private deep-water port as well as take advantage of opportunities in purchasing different origin wheat.

## **Capex**

- Capex for Pilmico Foods Corporation as of end-September 2008 was at P386 million

## **Breeder / Grow-Fin Expansion**

- Breeder farm was completed in 2007, increased sow level by 525 heads
- New grow-fin farm to increase company-owned farm capacity by 4,800 heads of market hogs, from a current capacity of 6,400 heads
- Grow-fin construction started in March 2008; completion expected by November 2008. Commercial operation is estimated to be in January 2009.
- Project cost at P103 million

## **Nucleus / Multiplier Farm Expansion**

- To increase sow capacity by 1,759 heads, or by 37% from current levels
- Project cost at P213 million
- Construction started in October 2007; completion by November 2008. Commercial operation is estimated to be in January 2010.

## **Biogas System**

- To convert the energy from hog waste to electricity and make the farm almost power self-sufficient. Farm to have a water effluent control system.
- Estimated capex at P85 million; completion by June 2009
- To register with the CDM Board to allow sale of carbon credits

## **Capex**

- As of end-September 2008 was at P202 million (vs. full year's P350 million)



*YTD SEPTEMBER 2008  
ANALYSTS' BRIEFING*

*Makati Shangri-la  
12 November 2008*