

August 3, 2009

MS. JANET ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
4th Floor, Philippine Stock Exchange Centre,
Exchange Road, Ortigas Center,
Pasig City

Re: Clarification to August 3, 2009 BusinessMirror article

Dear Ms. Encarnacion,

This has reference to your letter asking us to confirm the veracity of the information contained in the August 3, 2009 *BusinessMirror* article entitled, "Veco will have uninterrupted service despite strike threat," a portion of which is quoted hereunder:

"THE country's second-biggest distribution utility, Visayan Electric Co. (Veco), assured its customers of uninterrupted services despite the impending strike of half of its labor force. Veco vice president for administration Sebastian Lacson said the utility has enough people to keep its systems running..."

Aboitiz Power Corporation has been advised that the Visayan Electric Company Employees' Union (VECEU-ALU), the employee's union of the Visayan Electric Company, Inc. (VECO), obtained last Thursday, July 30, 2009, a strike vote from among its members, as indicated in the August 3, 2009 article of the *Business Mirror*.

Since May 17, 2009, VECO Management and the leadership of VECEU-ALU have met on nine occasions with the National Conciliation and Mediation Board (NCMB) of the Department of Labor and Employment.

VECO has assured its 300,000 customers as well as its shareholders that it is prepared to deal with any eventuality and that the delivery of electric service as well as other services ancillary thereto, such as application, customer support, billing and collection, will not be adversely affected by the ongoing labor dispute.

We hope we have sufficiently clarified this matter.

Very truly yours,

ABOITIZ POWER CORPORATION

By



M. JASMINE S. OPORTO

Corporate Secretary