

MALAYA (May 22, 2006, Monday)

Aboitiz confident of turning around transport unit

BY PRIAM NEPOMUCENO

DESPITE TAKING a drubbing in the first quarter, Aboitiz Equity Ventures (AEV) president and chief executive officer Jon Ramon Aboitiz is confident that its shipping arm, Aboitiz Transport System (ATS), will recover within the year.

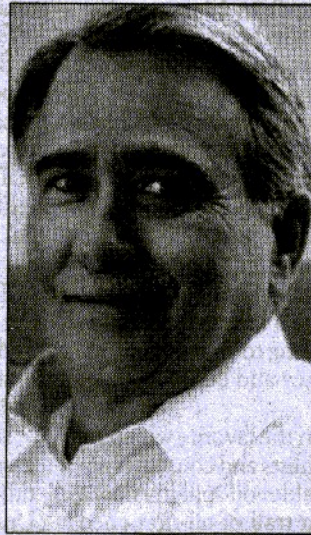
Aboitiz, in an interview, said that ATS's losses were mainly due to the spiraling fuel cost.

ATS, he pointed out that despite the losses continued to lead the industry in fuel efficiency.

He also said that the upsurge in the fuel prices has hit hard all players including airlines.

Aboitiz also said that he expects ATS to cut its losses and even post profits once oil prices stabilize later in the year.

He also said that he is confident that the measures being undertaken by ATS to reduce their losses like "improvement in the utilization of assets, selection of better margin cargoes, optimization of routes and schedules



ABOITIZ

and reduction in operating costs in all areas" will have a favorable effect on the company for the whole year.

ATS, operator of SuperFerry, the country's largest shipping line, posted a consolidated revenue of P2.5 billion for the first quarter, a 12 percent decrease compared to last year's figure.

The company said that the decrease in revenues is largely "attributable to the decline in the company's international charter business from its subsidiary company, Jepsen Management (BVI) Ltd. due to unfavorable market conditions and from lower volumes due to capacity reduction in its shipping business and rising fuel costs." This reduction contributed to the company's net loss of P192.4 million.

In spite of rising fuel prices, at 34 percent higher than last year, the company managed to lower its total costs and expenses by 8 percent from close to P3.0 billion in the first quarter 2005 to P2.7 billion in 2006.