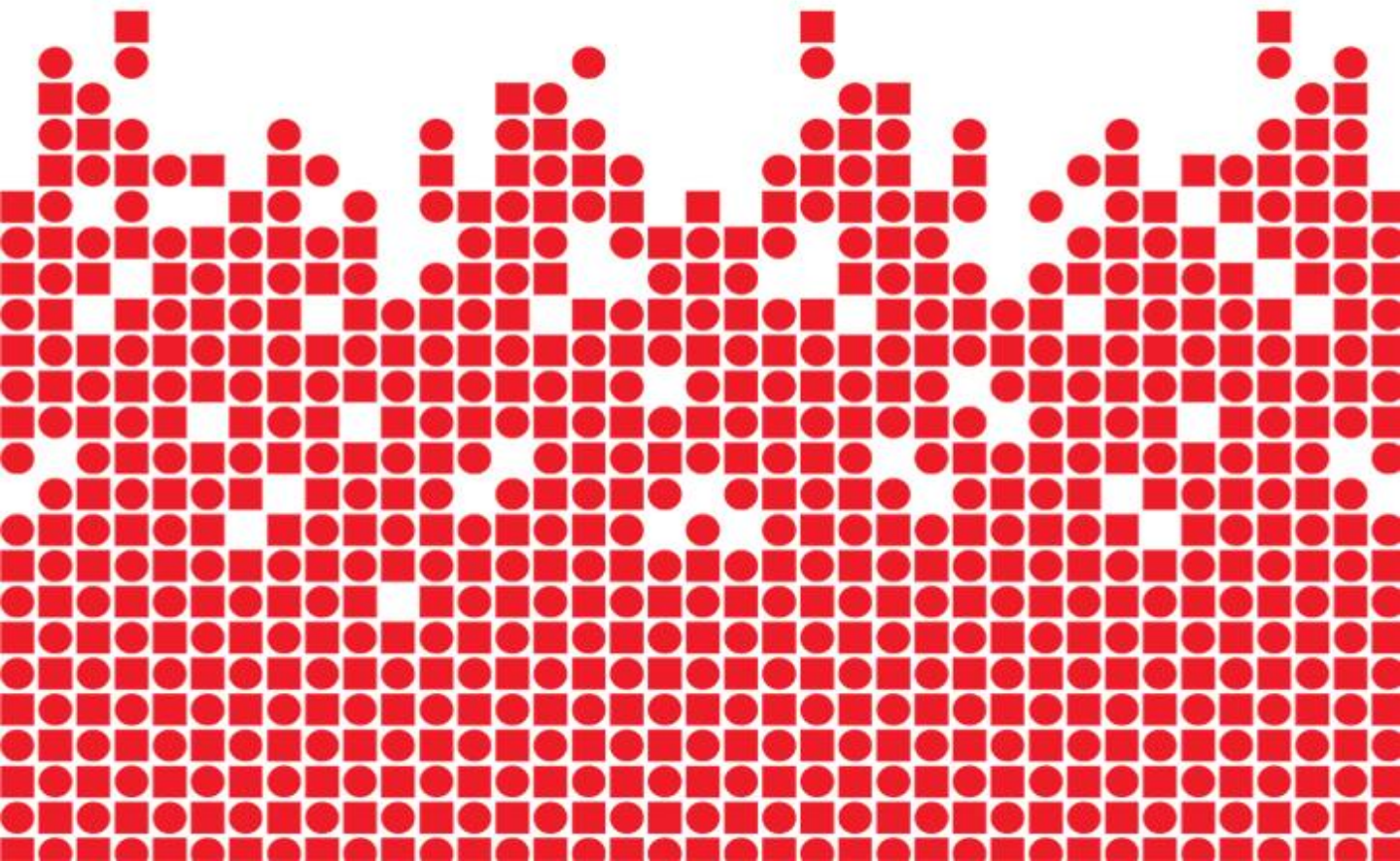


# Shareholders' Report 1H2015

## Investor Relations

**NET INCOME TOTALS P7.8 BILLION (-18%)  
AFFECTED BY LOWER POWER AND BANKING  
INCOME CONTRIBUTIONS.**



# 1H2015 Snapshot

## Financial Highlights

### Revenues

₱55.1Bn (+1%)

### EBITDA

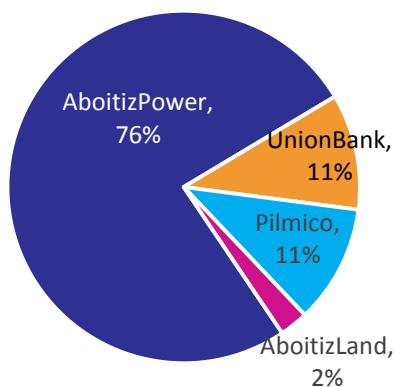
₱18.2Bn (-5%)

### Net Income

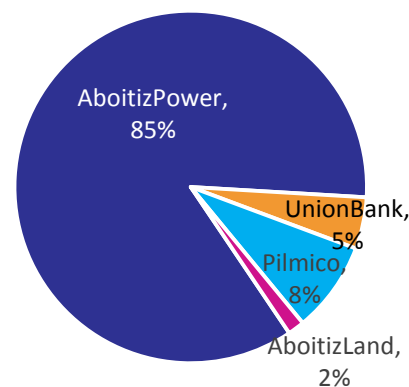
₱7.8Bn (-18%)

Consolidated figures as of 1H2015 (YoY)

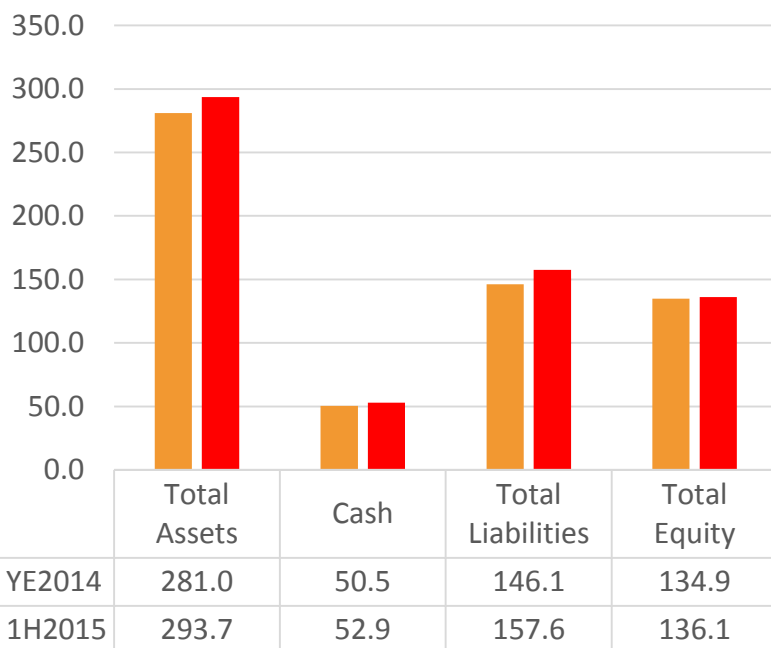
## Net Income Breakdown



## EBITDA Breakdown



## Financial Condition (in billion pesos)



## Key Ratios

	YE2014	1H2015
Book Value Per Share	19.49	19.80
Current Ratio	2.76x	2.24x
Debt to Equity	1.08x	1.16x
Net Debt to Equity	0.50x	0.53x

# Report to the Shareholders

## Aboitiz Equity Ventures

### Net income slid to P7.8 billion (-18% YoY)

- Due to the lower contributions of the Power and Banking units as well as the Parent's higher base in 2014 as it booked a one-time gain of P634 million from the sale of a couple of its subsidiaries.
- On the positive, the Food and Property units ended the period better than last year, with the former recording a 37% increase, while the latter posted growth of 18% in earnings contribution.
- AboitizPower contributed 76%, Pilmico & Unionbank, both contributed 11%, while AboitizLand contributed 3% of the earnings.
- Core net income decreased to P7.9 billion (-9%YoY) – bulk of non-recurring losses came from the power group's unrealized foreign exchange losses due to the revaluation of its consolidated dollar-denominated liabilities.

### EBITDA decreased to P18.2 billion (-5% YoY)

- Due to the lower EBITDA contribution by the Banking unit and by the Power.
- Partially offset by the higher EBITDA contribution of the food unit.

### Balance Sheet

- Total asset expanded by 5% to P293.7 billion. This was due to the increase in cash and capex invested under the various project pipelines of the Power, Food and Property units.
- Total liabilities stood at P157.6 billion, from P146.1 billion as of December last year. This was due to the drawdowns made on the loan facilities for our projects during the period.
- Equity attributable to the parent ended 2% higher to P110.0 billion. This was accounted for by the net income for the period and sale of treasury shares amounting to P885 million, reduced by the P6.2 billion cash dividend paid.

P&L (in billion Pesos)	2Q2015	YoY Chg	1H2015	YoY Chg	Non-Recurring Items (In Million Pesos)		
Revenues	28.0	-2%	55.1	1%		1H2014	1H2015
Equity Earnings	1.1	-18%	2.2	-23%	Parent	626	(0.1)
EBITDA	8.8	-7%	18.2	-5%	Power	159	(110)
Core Net Income	3.9	-10%	7.9	-9%	Total Gains/(Losses)	785	(110)
Net Income	3.7	-19%	7.8	-18%			

# Report to the Shareholders

## Results of Operations – Power Group

### AboitizPower's net income declined to P6.8 billion (-9% YoY)

- The Generation segment's net income contribution dropped to P4.9 billion (-15% YoY) due to the weaker contributions of APRI and SNAP Benguet.
- The Distribution group's income contribution amounted to P1.3 billion, 20% higher than last year.

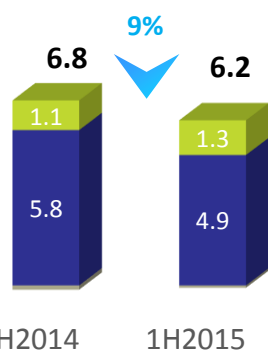
### Operating Highlights – Generation Business

- Attributable net generation rose 3% YoY, from 5,555 GWh to 5,709 Wh.
- Electricity sold through bilateral contracts, which made up 88% of total energy sold during the period expanded by 7% to 5,025 GWh.
- Spot sales decreased by 21% YoY from 863 GWh to 685 GWh.
- Higher capacity sales through bilateral contracts and ancillary services resulted to a 2% YoY increase in attributable capacity sales from 1,766 MW to 1,795 MW.
  - Increase in SN Aboitiz Power – Benguet, Inc. and Therna Mobile, Inc.'s capacity sales offset Tiwi-Makban's decline.
- Ancillary volume sales up to 908 GW/h (+32% YoY) as our dams benefitted from improvements in water flows during the period as compared to last year.
- Ancillary revenues increased to P1.9 billion (+10% YoY) as higher volume sales helped offset the lower ancillary rates under Binga's new ancillary contract, which was implemented last February 2014.

### Operating Highlights - Distribution Business

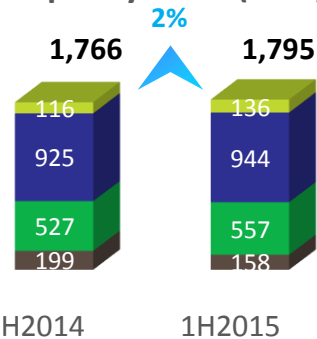
- Total attributable electricity sales increased to 2,338 GWh (+10% YoY) driven by the sales growth registered by Davao Light, VECO, Subic Enerzone, as well as the fresh contribution from Lima Enerzone.
- The group's gross margin was largely unchanged at P1.57 per kWh.
- All distribution units are within the regulator-imposed cap on system loss levels of 8.5%.

Net Income (in P billion)



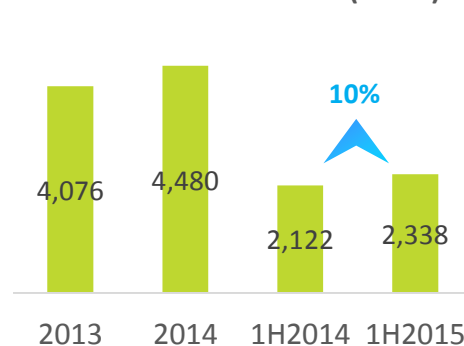
■ Generation ■ Distribution ■ Parent & Others

Capacity Sales (MW)



■ Spot Market ■ Energy Contracts  
■ Bilateral Contracts ■ Ancillary

Beneficial Power Sales (Gwhr)



2013 2014 1H2014 1H2015

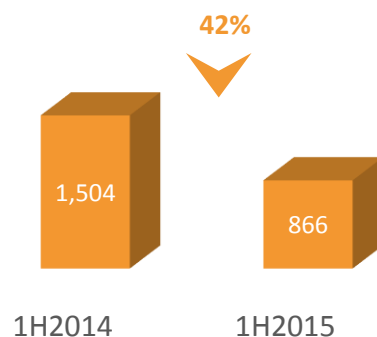
# Report to the Shareholders

## Results of Operations – Banking

**Unionbank's net income dropped to P866 million (-42% YoY)**

- The decline was mainly due to lower trading gains.
- Net Interest income increased by 4% to P5.7 billion due to higher interest income on loans and other receivables and lower deposit cost.
- Loans and other receivables picked up by 14% to P158.6 billion, anchored on robust corporate and consumer-lending activities.
- Total deposit liabilities contracted by 15% to P265.6 billion. The decline was predominantly led by time deposits that shed 28% to P129.1 billion, lifting CASA to total deposits ratio to 51% from 42%.

**Net Income**  
(in million pesos)

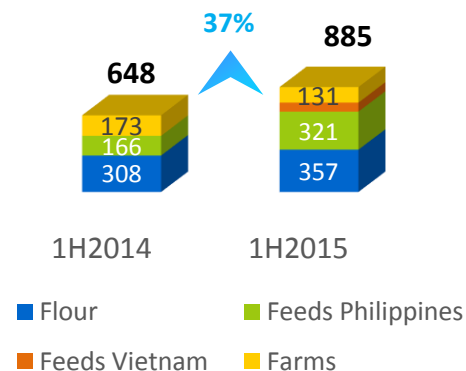


## Results of Operations – Food

**Pilmico's net income grew to P885 million (+37% YoY)**

- Propelled by the remarkable performance of Feeds-Philippines whose income contribution almost doubled from P166.4 million to P321.0 million, and the P79.5 million contribution of the newly acquired Feeds-Vietnam.

**Net Income**  
(in million pesos)

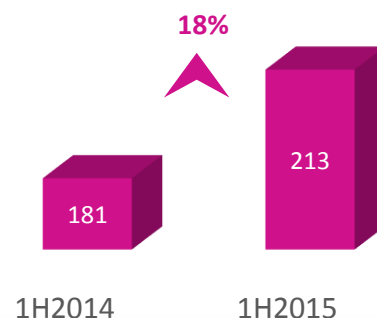


## Results of Operations – Property

**AboitizLand's net income increased to P213 million (+18% YoY)**

- Mainly driven by the strong performance of Lima Land.

**Net Income**  
(in million pesos)

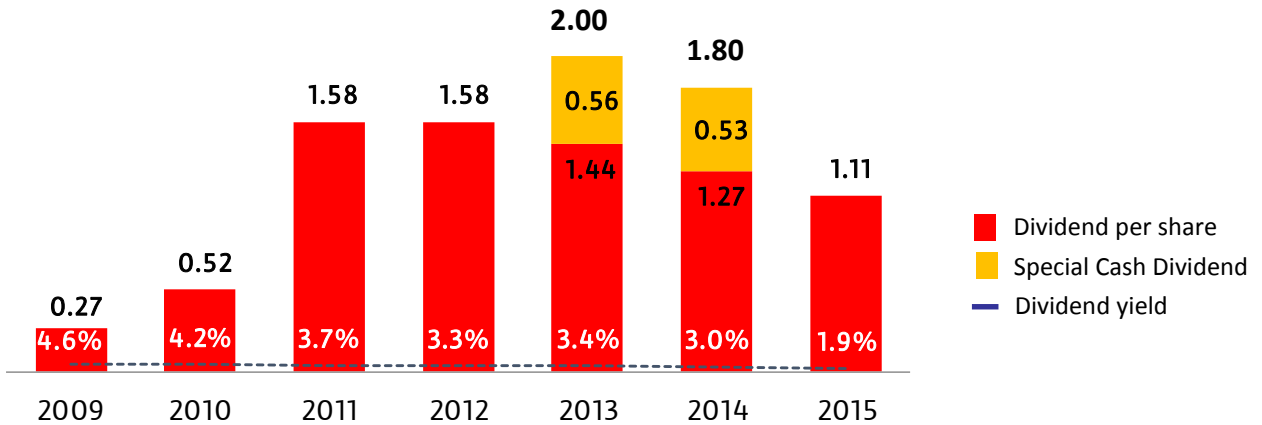


# Report to the Shareholders

## Dividends

Paid out over P6.2 billion in dividends on April 20, 2015

- Internal dividend policy is to payout 1/3 of previous year's net earnings

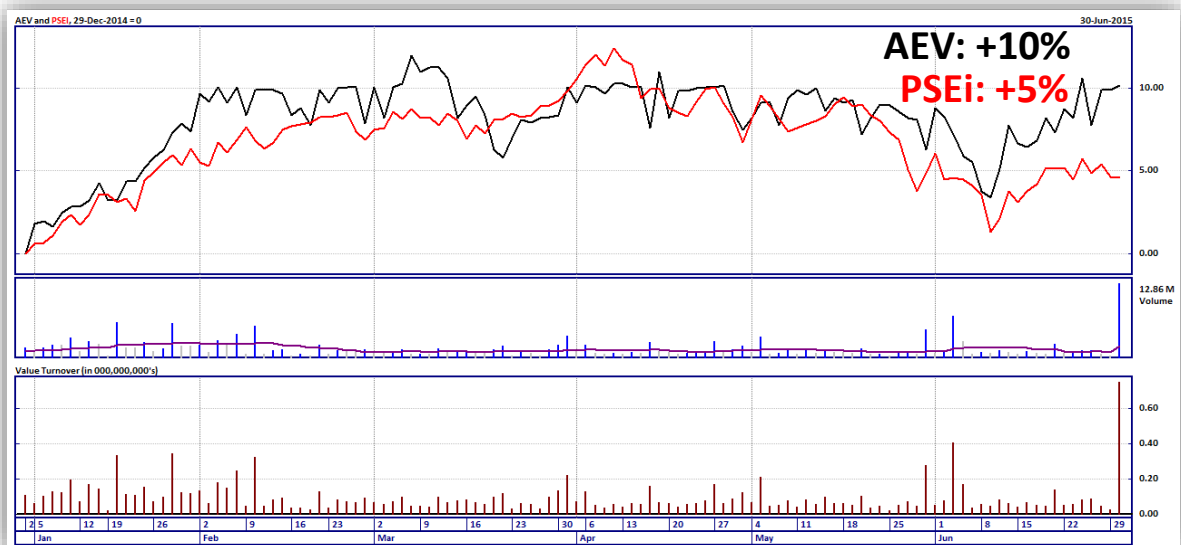


Note: Dividend yields are based on closing prices as of date of dividend declaration.

## Share Price Performance

Year-to-date June 2015

- Internal dividend policy is to payout 1/3 of previous year's net earnings



**Is there a better way?**