COVER SHEET

C E 0 2 5 3 6

S.E.C. Registration Number

A B O I T I Z E Q U I T Y V E N T U R E S , I N C .

(Company's Full Name)

3 2 N D S T R E E T . B O N I F A C I O G L O B A L C I T Y . T A G U I G C I T Y . M E T R O M A N I L A . P H I L I P P I N E S

(Business Address: No. Street City / Town / Province)

M. JASMINE S. OPORTO	**(02) 793-2729**
Contact Person	Company Telephone Number

Current Report

1 2 3 1	**1 7 - C**	**0 5 1 9**
Month *Day*	FORM TYPE	*Month* *Day*
Fiscal Year		Annual Meeting

Secondary License Type, if Applicable

S E C	
Dept. Requiring this Doc	Amended Articles Number/Section

9,632	x	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17.2(c) THEREUNDER

1. **March 11, 2014**
Date of Report (Date of earliest event reported)

2. SEC Identification Number **CEO2536**

3. BIR TIN **003-828-269-V**

4. **ABOITIZ EQUITY VENTURES, INC.**
Exact name of registrant as specified in its charter

5. **Philippines**
Province, country or other jurisdiction of incorporation

6. Industry Classification Code

7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** — **1634**
Address of principal office — Postal Code

8. **(02) 793-2800**
Registrant's telephone number, including area code

9. **N.A.**
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of September 30, 2013)
Common Stock ₱1 Par Value	**5,521,871,821**
Amount of Debt Outstanding	**₱69,136,978,000.00**

11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc. (AEV or the "Company") ended the fourth quarter of 2013 with a consolidated net income of ₱4.5 billion (bn), recording a decline of 24% year-on-year (YoY). Out of the total earnings contributions from the Company's strategic business units (SBU), Power accounted for 72% while the income contribution of the Banking, Food and Real Estate SBUs were at 18%, 7%, and 3% respectively.

For the three-month period in review, the revaluation of consolidated dollar-denominated liabilities and placements resulted in a non-recurring loss of ₱334.7 million (mn). This was partly offset by the gain registered by the Power SBU due to the step acquisition of a subsidiary. Adjusting for these, AEV closed the quarter with a core net income of ₱4.6 bn, reflecting a decrease of 20% YoY.

On a year-to-date (YTD) basis, AEV's consolidated net income declined by 12% YoY to ₱21.0 bn from ₱23.97 bn. This translates to ₱3.81 in earnings per share. Power accounted for 72%, followed by the Banking, Food and Real Estate SBUs with income contributions of 21%, 6%, and 1%, respectively.

For the period ending December 30, 2013, the revaluation of consolidated dollar-denominated liabilities and placements resulted in a non-recurring loss of ₱1,437.9 mn. On the other hand, a one-time net gain was also recognized by the Power SBU primarily due to the step acquisition of a subsidiary. AEV's share in this amounted to ₱161.4 mn. The Company also booked gains of ₱1,298.4 mn from the sale of City Savings Bank, Inc (CitySavings). Adjusting for these one-off's, AEV's core net income amounted to ₱21.0 bn, reflecting a decrease of 10% versus last year.

Strategic Business Units

Power

Aboitiz Power Corporation (AboitizPower) ended the year in review with an income contribution of ₱14.2 bn, registering a 24% decrease when compared to the previous year's ₱18.8 bn. When adjusted for non-recurring items, the Power SBU recorded a 15% YoY decrease in its earnings share, from ₱18.2 bn to ₱15.5 bn.

On a full-year basis, the generation group contributed earnings of ₱11.7 bn for 2013, down 33% YoY. The decline was mainly attributable to the lower margins registered by the Pagbilao plant, the higher fuel cost brought about by the implementation of the Geothermal Resource Supply Contract (GRSC) for the Tiwi-Makban plants, and lower ancillary sales by the Magat plant.

The group's average price for its power decreased by 3% YoY in 2013. This was mainly due to the 7% YoY decrease in the average selling price of the group's bilateral contracts. While average spot market prices increased by 9% during the same period, the group's exposure to the spot market has significantly declined during the year.

On the other hand, AboitizPower's attributable net generation for the period in review grew by 3% YoY, from 10,660 GWh to 10,949 GWh on the back of a 37% increase in spot sales from 1,398 GWh to 1,914 GWh. Meanwhile, power sales through bilateral contracts for the period declined by 2% from 9,261 GWh to 9,035 GWh.

The year 2013 saw the successful implementation of AboitizPower's strategy to shift the bulk of its contracts from energy-based contracts to capacity-based contracts. In general, the latter are essentially de-risked contracts since these provide a fixed capacity fee payment for the company covering capital recovery and operation and maintenance costs; allows for the full pass-through of fuel costs, which make up a significant portion of the company's operating costs; and includes provisions for inflation-related adjustments and where applicable, forex adjustments on these costs. The combination of these features allows the company to minimize revenue to cost mismatches. As such, the shift to capacity-based contracts will allow AboitizPower to benefit from more stable and predictable cash flows and minimize volatility in the company's cash flow generation. As of the end of 2013, the bulk of the group's capacity has already been contracted, with only 11% of its capacity exposed to spot, down by 15 percentage points from a year ago.

On a capacity basis, the company's attributable sales increased by 3% YoY from 1,547 MW to 1,590 MW with bilateral capacity and spot market sales making up for the decline in ancillary and bilateral energy sales. Ancillary volumes dropped by 35% during the year as a result of the lower acceptance rate by the NGCP.

Meanwhile, the power distribution group's earnings grew by 14% from ₱2.2 bn to ₱2.5 bn due to the improvement in volumes and margins. Total attributable electricity sales increased by 4% YoY, from 3,934 GWh to 4,076 GWh. The residential segment spearheaded the growth in sales with a 5% YoY expansion in volume sales, while commercial and industrial accounts both registered YoY growth of 3%. The group's year-to-date gross margin on a per kWh basis increased to ₱1.77 from ₱1.60 a year ago. This was due to the improvement in the systems loss levels of the distribution utilities, which were mostly maintained within the government-imposed cap of 8.5%. Approved adjustments under PBR also helped support the increase in gross margins.

Banking

Union Bank of the Philippines' (UnionBank) income contribution for full year 2013 increased by 7% YoY, from ₱3.9 bn to ₱4.1 bn. The record performance is attributed to the 19% increase in net revenue, in view of marked improvements in net interest income and other income.

Net interest income was up by 22% to ₱8.9 bn, as the ₱2.5 billion increase in interest income from higher average levels of earning assets more than offset the ₱0.8 bn uptick in funding costs from lower average costs of interest bearing liabilities. Total other income grew by 17% to ₱12.6 bn, principally due to higher service charges, fees and commissions, which surged by 2.8x to ₱2.4 bn. Total operating expenses figured at ₱10.5 bn from ₱8.6 bn the prior year, led by increases in taxes and licenses, and miscellaneous expenses.

As of end-2013, UnionBank's asset base expanded by 42% to ₱398.4 bn, fuelled by the 57% growth in total deposits to ₱298.2 bn. Net loans and other receivables rose by 19% to ₱142.1 bn on the back of the robust growth in retail lending, which now includes salary loans from the Bank's acquisition of CitySavings. Capital ratios remained well above the minimum regulatory requirements, with Tier 1 and total capital adequacy ratio at 16.0% and 18.5%, respectively.

Food

The Company's Food SBU, Pilmico Foods Corporation (Pilmico), contributed earnings of P1.3 bn in 2013, which is 3% lower YoY. The decrease is mainly attributable to the weaker performance of the Feeds division as input costs remained higher when compared to the previous year, resulting to a 19% slide in YoY income contribution to ₱540.3 mn. Meanwhile, the Flour division registered a 4% YoY growth in its bottomline to ₱528.6 mn. The increase is attributable to the division's lower interest expense as a result of the pretermination of a long-term loan. On the other hand, the Farms division's income recorded a hefty growth rate of 51% YoY due to higher average selling prices and lower input costs.

Real Estate

AEV's property SBU, Aboitiz Land, Inc. (AboitizLand), registered a consolidated net income contribution of ₱273.5 mn in 2013. Total revenues stood at ₱1.8 bn, the bulk of which came from the residential segment at 57% of total, followed by the industrial segment at 40%. The commercial and property management business segments comprised the balance.

The ₱708.4 mn revenues registered by the industrial segment includes ₱339.0 mn in revenue contribution from Lima Land. AboitizLand acquired 60% of Lima Land in October 2013. The remaining 40% stake in the latter was acquired in February 2014.

In 2013, AboitizLand's total capital spending amounted to ₱4.0 bn, exceeding the initial target of ₱1.0 bn. The bulk of capital expenditures were spent for land acquisition (47% of the total) and new investments and other project initiatives (36%). The 17% balance was spent for project construction. For the year 2014, it has budgeted ₱5.4 bn in capital expenditures, 51% of which is allocated for land acquisition, 40% allocated for the construction of existing and new projects, while the remaining balance will be utilized for other initiatives.

AboitizLand's balance sheet remained strong with adequate capacity to support its growth and expansion plans for 2014 and beyond. As of December 31, 2013, current ratio was at 1.57x, while net debt to equity stood at only 0.84x.

Financial Condition

As of December 31, 2013, the Company's consolidated assets amounted to ₱247.2 bn, 11% higher than the year-end 2012 level. Cash and cash equivalents was at ₱36.1 bn, 7% higher than the year-end 2012 level of ₱33.7 bn. Consolidated liabilities amounted to ₱124.6 bn while Equity Attributable to Equity Holders of the Parent increased by 6% to ₱97.0 bn. Current ratio as of December 31, 2013 was at 2.6x (versus year-end 2012's 2.6x), while the net debt-to-equity ratio was at 0.5x (versus year-end 2012's 0.5x). Note that 2012 figures have been restated to reflect adjustments resulting from the retroactive adoption of the revised Philippine Accounting Standards (PAS) 19 (Employee Benefits).

SIGNATURE (S)

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ABOITIZ EQUITY VENTURES, INC.
By

M. Jasmine S. Oporto

M. JASMINE S. OPORTO
Corporate Secretary

Date: March 11, 2014

Cc: **Securities and Exchange Commission**
Corporate Governance & Finance Department
SEC Building, EDSA Greenhills,
Mandaluyong City, Metro Manila

Attention: **Atty. Justina F. Callangan**
Acting Director

Philippine Dealing and Exchange Corporation
Market Regulatory Services Group
37/F, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City

Attention: **Ms. Ma. Concepcion M. Magdaraog**
Issuer Compliance and Disclosures Department