

COVER SHEET

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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	.
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(Company's Full Name)

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

M. JASMINE S. OPORTO									
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Contact Person

(032) 411-1801									
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Company Telephone Number

Current Report

1	2		3	1
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Month Day

Fiscal Year

1	7	-	C	
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FORM TYPE

0	5		2	1
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Month Day

Annual Meeting

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Secondary License Type, if Applicable

S	E	C
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Dept. Requiring this Doc

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Amended Articles Number/Section

9,778									
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Total No. of Stockholders

X									
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Domestic

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Foreign



To be accomplished by SEC Personnel concerned

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File Number

_____ LCU

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Document I.D.

_____ Cashier

STAMPS									
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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. **May 3, 2013**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CE02536** 3. BIR TIN **003-828-269-V**
4. **ABOITIZ EQUITY VENTURES, INC.**
Exact name of registrant as specified in its charter
5. **Cebu City, Philippines** 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City** **6000**
Address of principal office Postal Code
8. **(032) 411-1800**
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 December 31, 2012) |
|-----------------------------------|---|
| Common Stock P1 Par Value | 5,521,871,821 |
| Amount of Debt Outstanding | ₱85,061,009,000 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc. (AEV or the "Company") ended the first quarter of 2013 with a consolidated net income of ₱6.8 billion (bn), recording an increase of 17% year-on-year (YoY). This translates to an earnings per share of ₱1.24 for the period in review.

For the first quarter of 2013, one-off gains of ₱119 million (mn) were booked by AEV due to the revaluation of consolidated dollar-denominated loans and placements. In addition, AEV booked gains of ₱1,272 mn from the sale of City Savings Bank, Inc. (CitySavings). The pretermination of loans by the Power Strategic Business Unit (SBU) also resulted in a one-time write-off of the unamortized borrowing costs amounting to ₱71 mn. Adjusting for these one-off's, AEV's core net income amounted to ₱5.5 bn, which is 1.3% higher than last year.

Out of the total earnings contributions from the Company's SBU, Power accounted for 62.1% while the income contribution of the Banking, Food and Property SBUs were at 31.5%, 5.7%, and 0.7% respectively.

Strategic Business Units

Power

Aboitiz Power Corporation (AboitizPower) ended the quarter with income contribution of ₱3.5 bn, registering an 18% decrease when compared to the previous year's ₱4.3 bn. When adjusted for non-recurring items, the Power SBU recorded a 11% YoY decrease in its earnings share, from ₱3.9 bn to ₱3.5 bn.

The power generation business contributed ₱3.1 bn for the quarter, down 22% YoY. The decrease in earnings was mainly attributable to the drop in ancillary volumes due to the lower acceptance rate by the National Grid Corporation of the Philippines (NGCP). Lower water levels at the Company's impounding dams have also limited its ability to sell energy at the spot market.

AboitizPower's average price for its power decreased by 11% YoY during the quarter ended March 2013. This was on the back of a 6% YoY fall in average selling price of electricity sold to the spot market due to lower demand in the first two months of the year and lower capacity on outage for the quarter. Meanwhile, average selling prices under bilateral contracts decreased by 10% YoY in line with the Power SBU's efforts to shift some of its capacity into de-risked capacity-based contracts.

AboitizPower's net generation was flat, registering at 2,450 GWh for the period in review. While power sales through bilateral contracts decreased by 11% YoY to 1,948 GWh, spot market sales improved by 96% YoY from 256 GWh to 502 GWh. On a capacity basis, the Power SBU's attributable sales decreased by 4% YoY from 1,483 MW to 1,419 MW, as a result of lower sales for ancillary services. Ancillary volumes dropped by 66% during the quarter due to the lower acceptance rate by the NGCP.

Meanwhile, the power distribution group's income contribution for the first quarter increased by 2% from ₱563 mn to ₱576 mn. The growth was primarily driven by higher electricity sales from the residential and commercial segments, registering increases in YoY attributable electricity sales of 3% and 2% respectively. On the other hand, the industrial segment registered a slight YoY decline of 0.5% due to the effects of Typhoon Pablo which affected both the banana and coconut plantations in northern Davao, thereby causing a major decline in the consumption of customers that support these industries, as well as a shutdown of CEMEX operations in the Visayan Electric Company, Inc. (VECO) franchise for the months of February and March for major plant rehabilitation.

The group's year-to-date gross margin on a per kWh basis stood at ₱1.63. Adding to the group's gross margin was the improvement in systems loss levels of both VECO and Cotabato Light & Power Company which registered reductions of 0.8 and 2.7 percentage points, respectively.

Banking

Income contribution from the Banking SBU recorded a 35% growth YoY, from ₱1.3 bn to ₱1.8 bn. This was driven by hefty trading gains and a sharp increase in income from subsidiaries.

Net interest income grew by 16% to ₱2.0 bn on sustained improvement in net interest margins, resulting from the expansion in average loan portfolio, coupled with the growth in average levels of low cost deposits.

Total other income jumped by 35% to ₱5.3 bn from ₱3.9 bn a year ago, on the back of higher trading gains, service charges, fees and commissions, and miscellaneous income. Premium revenue, on the other hand, fell to ₱0.4 bn as a result of lower sales of First Union Plan's Inc. (FUPI) pre-need plans.

Total operating expenses rose to ₱3.1 bn, an increase of 19% from ₱2.6 bn last year, on increases in salaries and employee benefits, taxes and licenses and miscellaneous expenses. Trust fund contribution declined to ₱0.4 bn corresponding to the decline in premium revenue.

Union Bank of the Philippines (UnionBank) resources expanded by 13% to ₱315.1 bn as of end-March 2013, supported by the 12% growth in total deposits to ₱212.9 bn. Loans and other receivables amounted to ₱98.1 bn from ₱119.7 bn, mainly on lower levels of securities purchased under reverse repurchase agreements. UnionBank's capital ratios continue to support future growth, notwithstanding the acquisition of CitySavings, with Tier 1 ratio and total capital adequacy ratio at 15.9% and 18.4%, respectively, still well-above the existing regulatory minimum and forthcoming Basel III requirements.

Food

AEV's Food SBU, Pilmico Foods Corporation, recorded a 48% YoY increase in its first quarter income contribution in 2013. All business segments registered improvements in their income for the period in review, 70% of which was contributed by the upswing in the Farm division's bottomline. The Farms division ended the quarter with an income contribution of ₱56.5 mn, in spite of a 1% drop in volume sales, due to an improvement in the average selling price of market hogs. This is a big improvement from last year's performance when it registered a net loss of ₱16.4 mn. Meanwhile, the Flour business logged in a 2% increase in volume but this was compensated by the improvement on its margins. On the other hand, a 13% growth in volume sales resulted to a slight increase in the income contribution of the Feeds division to ₱125.3 mn.

Real Estate

AEV's recently acquired real estate unit, Aboitiz Land, Inc. (AboitizLand), posted a net income contribution of ₱43.1 mn in the first quarter of 2013. Total revenues amounted to ₱258.0 mn, 63% of which came from the residential segment. Meanwhile, the industrial segment posted ₱92.0 mn in revenues, equivalent to 36% of total revenues for the quarter. The remaining amount of ₱3.8 mn came from the commercial and property management segments.

AboitizLand plans to spend ₱1 bn over the year for the construction of various projects, namely, Priveya Hills Phase 1 which it launched early in 2012, the Persimmon Studios and Ajoya. Of this amount, ₱55.4 mn has already been spent as of the first quarter of 2013. AboitizLand's balance sheet continued to be strong with adequate capacity to support its growth plans for 2013 and beyond. Current ratio as of end-March 2013 was at 2.97x, while net debt to equity stood at only 0.28x.

Financial Condition

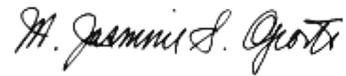
For the period ending March 31, 2013, the Company's consolidated assets amounted to ₱207.7 bn, 7% lower than the year-end 2012 level. Cash and cash equivalents was at ₱30.2 bn, 10% lower than the year-end 2012 level of ₱33.7 bn. Consolidated liabilities amounted to ₱86.7 bn while Equity Attributable to Equity Holders of the Parent increased by 8% to ₱98.3 bn. Current ratio as of March 31, 2013 was at 2.5x (versus year-end 2012's 2.6x), while net debt-to-equity ratio was at 0.3x (versus year-end 2012's 0.5x).

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

A handwritten signature in black ink, appearing to read "M. Jasmine S. Oporto". The signature is written in a cursive, flowing style.

M. JASMINE S. OPORTO

Corporate Secretary

Dated: May 3, 2013