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)

A B O I T I Z   C O R P O R A T E   C E N T E R

G O V . M A N U E L   C U E N C O   A V E .

K A S A M B A G A N , C E B U   C I T Y

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

M. JASMINE S. OPORTO	(032) 411-1800
Contact Person	Company Telephone Number

1st Quarterly Report

1 2 3 1	1 7 - Q	0 5 2 0
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

9,757	x	
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2013**

2. Commission identification number CE02536 3. BIR Tax Identification No. 003-828-269-V

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

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

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City, Philippines **6000**

8. Issuer's telephone number, including area code

   (032) 231-2580

9. Former name, former address and former fiscal year, if changed since last report

   N.A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common stock, P1.00 par value	**5,521,871,821**
Total debt	**₱71,368,332,000**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve

(12) months (or for such shorter period the registrant was required to file such reports)

Yes [x]   No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x]   No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of the financial condition and results of operations of Aboitiz Equity Ventures, Inc. (AEV or the Company or the Parent Company) and its subsidiaries should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures set forth elsewhere in this report.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of the registrant and its subsidiaries:

1. EQUITY IN NET EARNINGS OF INVESTEES
   Equity in net earnings (losses) of investees represents the group's share in the undistributed earnings or losses of its associates for each reporting period subsequent to acquisition of said investment, net of goodwill impairment cost, if any. Goodwill is the difference between the purchase price of an investment and the investor's share in the value of the net identifiable assets of investee at the date of acquisition. Equity in net earnings (losses) of investees indicates profitability of the investments and investees' contribution to the group's consolidated net income.

   Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)
   The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the group's ability to service its debts and to finance its capital expenditure and working capital requirements.

3. CASH FLOW GENERATED
   Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the group manages its profit and uses its internal and external sources of capital. This aids management in

identifying the impact on cash flow when the group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. **CURRENT RATIO**
Current ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the group's short-term debt paying ability. The higher the ratio, the more liquid the group.

5. **DEBT-TO-EQUITY RATIO**
Debt-to-Equity ratio gives an indication of how leveraged the group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by stockholders' equity.

KEY PERFORMANCE INDICATORS (KPI)
(Amounts in thousands except financial ratio data)

	JAN-MAR 2013	JAN-MAR 2012
EQUITY IN NET EARNINGS OF INVESTEES	**2,762,975**	3,246,552
EBITDA	**9,257,042**	9,823,527
CASH FLOW GENERATED:		
Net cash provided by operating activities	**4,939,638**	7,933,399
Net cash provided by (used in) investing activities	**3,113,033**	(776,571)
Net cash used in financing activities	**(11,533,736)**	(1,837,915)
Net Increase (Decrease) in Cash & Cash Equivalents	**(3,481,064)**	5,318,913
Cash & Cash Equivalents, Beginning	**33,730,531**	29,543,492
Cash & Cash Equivalents, End	**30,241,322**	34,802,849
	MAR 31 2013	**DEC 31/2012**
CURRENT RATIO	**2.46**	2.57
DEBT-TO-EQUITY RATIO	**0.72**	0.96

All the KPI values were within management's expectation during the period under review.

Management teams of the different businesses continued to effectively handle their respective operations and financial requirements. As a result, profitability had been sustained and financial position remained strong and liquid.

Despite the 15% decline in their income contribution to the Group, associates continued to generate substantial earnings and enhance the consolidated bottomline. Consolidated EBITDA translated into additional cash inflows coming from subsidiaries' operations and from dividend payments of associates. The internally-generated funds were then used to finance capital expenditures and prepay debt.

With the substantial long-term debt prepayment and the growth in equity during the current period, debt-to-equity ratio improved to 0.72x (versus end-2012's 0.96x), while current ratio stood at 2.46x.

Review of 1st Quarter 2013 Operations versus 1st Quarter 2012

Results of Operations

For the first quarter of 2013, AEV and its subsidiaries posted a consolidated net income of ₱6.85 billion, a 17% YoY increase. This translates to an earnings per share of ₱1.24. In terms of income contribution, power group still accounted for the bulk at 62.1%, followed by the banking, food and real estate groups at 31.5%, 5.7% and 0.7%, respectively.

The Group generated a non-recurring net gain of ₱1.32 billion (versus ₱396 million in 1Q2012), which comprised the following: 1.) ₱119 million share of power group's net foreign exchange gains from the revaluation of dollar-denominated loans and placements; 2.) ₱1.27 billion gain from the sale of City Savings Bank, Inc. shares by AEV and Pilmico Foods Corporation; and 3.) ₱71 million share of power group's one-time write-off of the corresponding unamortized borrowing costs upon pretermination of certain long-term loans. Stripping out these one-off items, the Group's core net income for the current period amounted to ₱5.53 billion, up 1% YoY.

Business Segments

The individual performance of the major business segments are discussed as follows:

Power

Aboitiz Power Corporation (AP or AboitizPower) ended the quarter with an income contribution of ₱3.53 billion, an 18% decrease from last year's ₱4.30 billion.

AP's generation group reported a 22% YoY dip in earnings contribution to AEV, from ₱3.90 billion to ₱3.05 billion, attributed to the decrease in: 1.) ancillary sales; 2.) power sales volume; and 3.) selling prices. The decline in ancillary service revenue of certain power associates was mainly due to the lower acceptance rate by the National Grid Corporation of the Philippines (NGCP). At the same time, these associates' ability to sell energy in the spot market was hampered by the lower water levels at their impounding dams. As compared to 2012 levels, average selling prices decreased by 11% as spot market prices fell 6% YoY due to lower demand for electricity in the first two months of the year and lesser plant outages during the quarter. Likewise, average selling prices under bilateral contracts decreased by 10% YoY in line with the generation companies' shift into de-risked capacity-based contracts. The decline in selling prices negatively affected the revenues of both generation subsidiaries and associates.

Generation group's attributable net generation for the current quarter was flat at 2,450 GWh of which, 1,948 GWh were sold under bilateral contracts and 502 GWh sold through the spot market. On a capacity basis, the group's attributable sales decreased by 4% YoY to 1,419 MW, at the back of lower sales for ancillary services.

Meanwhile, AP's distribution group registered a 2% YoY rise in earnings contribution to AEV, from ₱563 million to ₱576 million. Driving this growth was the 3% and 2% YoY expansion in the power consumption of residential and commercial customers, respectively. Lower systems loss as a result of the initiatives implemented during the current period, also enhanced the group's profit margins.

Banking

Income contribution from this industry group grew by 35%, from ₱1.33 billion to ₱1.79 billion. With Union Bank of the Philippines' (UBP or UnionBank) purchase of City Savings Bank, Inc. (CSB or CitySavings) and the resulting consolidation of CSB into UBP, the banking group is now comprised of only UBP.

UBP's full-quarter 2013 net income was higher at ₱4.0 billion (vs ₱2.8 billion in 1Q2012) mainly due to the 35% YoY increase (₱5.3 billion vs ₱3.9 billion) in non-interest income on the back of hefty trading gains. This improvement was boosted by the 16% growth to ₱2.0 billion in net interest income, due largely to the expansion in loan portfolio and growth in average levels of low cost deposits. The over-all increase in revenue was partially offset by the 19% rise in operating expenses, from ₱2.6 billion to ₱3.1 billion.

Food

Income contribution from Pilmico Foods Corporation (PFC or Pilmico) and its subsidiaries amounted to ₱325 million, up 48% YoY, mainly attributed to the increase in profit margins of all the business segments. The group reported a rise in sales due to increase in sales volume of the flour business and feeds division, and to higher average selling prices of farms division.

Real Estate

The fresh income contribution of the newly-acquired real estate subsidiary, Aboitiz Land, Inc. (AboitizLand), amounted to ₱43 million. Revenues of ₱258 million mainly came from the residential segment which generated 63% of the sales. Meanwhile, the industrial segment contributed 36% to total revenues, with commercial and property management segments accounting for the remaining 1%.

Material Changes in Line Items of Registrant's Statements of Income and Comprehensive Income

For the period ended March 31, 2013, consolidated net income allocable to the equity holders of AEV registered a 17% growth, reaching ₱6.85 billion from the ₱5.85 billion posted in the same period last year.

Operating profit for the current period amounted to ₱5.34 billion, a 2% decline YoY, mainly attributed to the performance of the power group.

Power subsidiaries reported a 2% YoY dip in operating margins resulting from the ₱1.79 billion decline in revenues which surpassed the corresponding ₱1.68 billion reduction in costs and expenses. The decrease in revenues was substantially due to the drop in average selling prices of the generation subsidiaries. This was attributed to soft spot market prices brought about by lower electricity demand, and the shift into de-risked capacity-based contracts. Meanwhile, the decline in consolidated costs and expenses was mainly due to lower fuel costs.

Share in net earnings of associates likewise dropped by 15% YoY (₱2.76 billion vs ₱3.25 billion in 1Q2012) principally due to the decline in income contribution of power associates. SN Aboitiz Power Magat, Inc. (SNAP-Magat) and SN Aboitiz Power-Benguet, Inc. (SNAP-Benguet) reported sharp decrease in ancillary service revenue at the back of lower acceptance rate by the NGCP. Lower water levels at these associates' impounding dams also negatively affected their ability to sell energy in the spot market.

The decrease in net interest expense and income tax provision, and the increase in other income, which more than compensated for the decline in operating profit and equity earnings in associates, pulled up the Group's over all profitability. The 19% YoY drop in net interest expense (₱1.41 billion

vs ₱1.75 billion in 1Q2012) was attributed to lower level of long-term debt resulting from the pre-termination of loans during the second half of 2012 and the first quarter of 2013.

Other income rose by 121% YoY substantially due to the ₱1.27 billion gain generated from the sale of CSB shares by AEV and Pilmico during the period in review. This was partially offset by lower foreign exchange (FX) gains (₱165 million vs ₱518 million in 1Q2012), resulting from the restatement of the dollar-denominated debt of the power group under a lower appreciating peso scenario as of 1st quarter-end 2013, as compared to that of March 2012.

The 28% decrease in provision for income tax (₱309 million vs ₱426 million in 1Q2012) was mainly due to the reduction in deferred tax provisions due to realization of some foreign exchange differentials by the power group.

The 17% YoY decline in net income attributable to non-controlling interests was largely due to the decrease in power group's net income, 23% of which belongs to minority shareholders.

AEV's consolidated comprehensive income attributable to equity holders correspondingly rose by 38%, from ₱5.29 billion in 1Q2012 to ₱7.30 billion in 1Q2013. The 17% increase in consolidated net income, complemented by the combined 181% increase in AEV's share of the fair valuation differential and cummulative translation adjustments of associates, accounted for this improvement.

Changes in Registrant's Resources, Liabilities and Shareholders Equity

Assets

Compared to year-end 2012 level, consolidated assets decreased 7% to ₱207.72 billion as of March 31, 2013, due to the following:

a. Cash & Cash Equivalents decreased by 10% (₱30.24 billion vs ₱33.73 billion in December 2012) mainly due to substantial funds used in prepaying long-term loans during the quarter in review.

b. Trade and Other Receivables, inclusive of non-current portion, decreased by 56% (₱10.76 billion vs ₱24.64 billion in December 2012) mainly due to the de-consolidation of CSB's loans receivable amounting to ₱13.33 billion. Before AEV and Pilmico's sale of their investment in CSB to UBP, CSB was treated as a subsidiary whose accounts were consolidated into the Group's financial statements. As a result of this sale to UBP, an associate, CSB is now also classified as an associate whose accounts were de-consolidated from the Group's financial statements starting 1st quarter of 2013.

c. Derivative asset decreased by ₱2.5 million (₱0.1 million vs ₱2.6 million in December 2012) due to winding down of forward contracts during the current period.

d. Pension Asset decreased by 13% (₱196 million vs ₱225 million in December 2012) due to accrual of defined benefit expense during the current period.

e. Goodwill decreased by 39% or ₱644 million (₱996 million vs ₱1.64 billion in December 2012) due to the de-consolidation of CSB's accounts from the Group's financial statements. The investment in CSB carried with a ₱644 million goodwill which had to be de-consolidated.

f. Other Noncurrent Assets decreased by 10% (₱5.02 billion vs ₱5.57 billion in December 2012) mainly due to reclassification of input VAT from this account to "Other Current Assets" account by certain power subsidiaries.

The above decreases were tempered by the following increases:

a. Inventories increased by 9% (₱6.36 billion vs ₱5.82 billion in December 2012) mainly due to the increase in wheat inventory of food group.

b. Other Current Assets increased by 47% (₱3.65 billion vs ₱2.48 billion in December 2012) due to the build-up of input VAT by the power group resulting from the ongoing construction of its coal power plant and other capital expenditures, and the reclassification of input VAT from "Other Noncurrent Assets" account to this account.

c. Investments in and Advances to Associates increased by ₱1.56 billion (₱50.01 billion vs ₱48.45 billion in December 2012) mainly due to the recording of ₱2.76 billion share in earnings of associates and ₱406 million share of a banking associate's fair valuation gain on its AFS investments during the current period. This increase was partially reduced by the ₱630 million cash dividends receive, and the ₱1.03 billion eliminated gain on the sale of CSB which was booked as a decrease in the carrying value of UBP investment.

d. Gross of depreciation expense, the resulting ₱1.40 billion increase in Property Plant and Equipment (PPE) and Land and Improvements (LI) was mainly due to the following: 1.) rehabilitation of geothermal power plant and power barges; 2.) on-going construction of Davao coal and Tudaya hydro power plants; and 3.) various capital expenditures of power and food groups.

e. Deferred Income Tax Assets increased by 74% (₱468 million vs ₱268 million in December 2012) mainly due to the corresponding tax effect on the realization of some foreign exchange differentials by the power group during the current period.

Liabilities

Consolidated short-term bank loans grew by 27% (₱8.37 billion vs ₱6.59 billion in December 2012) while long-term liabilities declined by 20% (₱63.28 billion vs ₱78.74 billion in December 2012). The increase in short-term loans was mainly due to the ₱2.2 billion loan availed by the Company to partially finance its purchase of AboitizLand shares in November, 2012, reduced by the repayments made by food and power groups. The ₱15.46 billion decrease in long-term debt was due to the following: 1.) pretermination of ₱7.8 billion AEV and AP fixed-rate notes and of ₱3.0 billion Hedcor Sibulan, Inc. long-term loan; 2.) de-consolidation of CSB's ₱4.2 billion long-term loans; and 3.) amortization payments on existing loans and on a payable to a preferred shareholder of a subsidiary.

Trade and other payables and deposit liabilities, inclusive of noncurrent portion, were lower by 46%, from ₱20.02 billion to ₱10.73 billion, mainly due to the de-consolidation of CSB's deposit liabilities and accounts payable amounting to ₱5.43 billion and ₱3.50 billion, respectively.

Income tax payable increased by 24%, from ₱214 million to 267 million, due to the recording of the additional income tax liability for the current period as a result of the growth in taxable net income of food group.

Derivative liabilities decreased by 29%, from ₱29 million to ₱21 million, due to the mark-to-market gains recognized by a power subsidiary on its interest rate swap contract.

Deferred income tax liabilities rose by 19%, from ₱1.15 million to ₱1.37 billion, mainly due to the set up of the corresponding income tax provision on the additional unrealized foreign exchange gains booked during period in review.

Equity

Equity attributable to equity holders of the parent grew by 8% from year-end 2012 level of ₱90.99 billion to ₱98.28 billion, mainly due to the following: 1.) ₱6.85 billion increase in Retained Earnings resulting from the net income recorded during the current period; 2.) ₱409 million share in a banking associate's unrealized fair valuation gains on its AFS investments; and c.) ₱41 million share of current translation adjustments recorded by power generation associates using US dollars as functional currency .

Material Changes in Liquidity and Cash Reserves of Registrant

For the first quarter ended 2013, the Group continued to support its liquidity mainly from cash generated from operations and dividends received from associates.

Compared to the cash inflow in 1Q2012, consolidated cash generated from operating activities in 1Q2013 decreased by ₱2.99 billion to ₱4.94 billion, mainly due to the lower EBITDA recorded by subsidiaries and more funds used in purchasing inventories during the current period.

Net cash provided by investing activities reached ₱3.11 billion, a substantial swing from the ₱776 million spent during the same period last year. This increase was mainly due to the net proceeds generated from the sale of CSB investment in the current period.

Net cash used in financing activities was higher at ₱11.53 billion, compared to ₱1.84 billion in 1Q2012. This increase was attributed to higher debt prepayments made during current period.

For the quarter in review, net cash outflows surpassed cash inflows, resulting to a 10% decrease in cash and cash equivalents, from ₱33.73 billion as of year-end 2012 to ₱30.24 billion as of March 31, 2013.

Financial Ratios

Backed by strong operating and investing cash inflows, liquidity was adequately preserved. Cash and cash equivalents stood at ₱30.24 billion as of March 31, 2013, keeping current ratio at the same high level of 2.46:1. Debt-to-equity improved to 0.72:1 (versus year-end 2012's 0.97:1) and net debt-to-equity ratio was also lower at 0.34x (versus year-end 2012's 0.45x). This improvement was due to the substantial decrease in total liabilities which was complemented by the growth in equity.

Outlook for the Upcoming Year/ Known Trends, Events, Uncertainties which may have Material Impact on Registrant

The Philippines' strong GDP growth, the roll-out of the government's Public-Private Partnership Program, as well as the robustness and liquidity of the country's financial system, provides AEV and its business units opportunities to sustain growth over the long-term. To complement the business units' various initiatives, AEV also formed the AEV Business Development Team, whose key objectives are to scan the market for opportunities, and if deemed acceptable from both a risk and return basis, develop and execute the project.

Nevertheless, several major challenges facing its subsidiary AboitizPower will ultimately impact on the holding company's financial performance in 2013.

New Business Development

AEV seeks to capture opportunities in sectors in which it believes it could further leverage on its core competencies, is scalable, and with strong recurring profits and cash flow. To this end, the Company formed a Business Development Team in late 2011 to evaluate new business opportunities that don't fall squarely into the company's traditional core business areas of power, banking, and food. In 2012, AEV disclosed a couple of initiatives which it hopes will serve as new avenues of growth in the years to come.

1. Production of Liquid Biomethane

AEV signed a Memorandum of Agreement in June 2012 with UK-based Gazasia Ltd. (Gazasia) to jointly develop, construct, and operate plants to produce liquid bio-methane from organic waste. The liquid biomethane will be used as a renewable source of fuel for buses and heavy vehicles.

Gazasia will provide technical expertise, specialized equipment and project management, while AEV will provide the core funding for the project and access to regional markets in the Philippines.

AEV's wholly-owned subsidiary AseaGas Corporation will invest $30 million for an initial plant with capacity of around 5,000-8,000 metric tons of bio-methane per year. Construction on the first site is targeted to commence within the year and completion is targeted in 18 months. Should the pilot project be successful, then operations could be easily scaled up.

2. Bid for Mactan-Cebu International Airport Project

AEV, through real-estate subsidiary AboitizLand, has partnered with Ayala Corporation and ADC & HAS Airports, Inc. to bid for the construction of a new passenger terminal and rehabilitation and operation of the existing one.

Power (Generation Business)

1. Ancillary Services

SN Aboitiz Power (SNAP) a partnership between AboitizPower and SN Power Invest AS (SN Power), is currently providing ancillary services to National Grid Corporation of the Philippines (NGCP) under an Ancillary Services Procurement Agreement (ASPA). The ASPA for Magat expired last November 5, 2012 while Binga's ASPA will expire on July 25, 2013. The Company recently disclosed that its affiliates, SN Aboitiz Power Magat, Inc. (SNAP-Magat), SN Aboitiz Power – Benguet, Inc., have respectively signed ASPAs with NGCP for the provision of regulating and contingency reserves from the Magat and Ambuklao Hydroelectric Power Plants. Implementation of the terms under the contracts will start once the approval of the Energy Regulatory Commission (ERC) for the contract has been secured and shall be valid for three years thereafter.

Another affiliate, Therma Luzon, Inc. (TLI), which runs the Pagbilao Coal Plant, also signed an ASPA with the NGCP covering both firm and non-firm capacities for contingency reserve. The TLI ASPA is valid for a period of five years from the date of approval by the ERC.

AboitizPower believes that the implementation of the new ASPAs will result in a significant reduction in the Company's ancillary revenues due to the restructuring of the pricing mechanism for ancillary services, which is currently linked to spot market rates. On the other hand, the addition of the Ambuklao and Pagbilao plants as licensed ancillary service providers will help offset the expected decline in ancillary revenue.

2. Conversion of AP Renewables, Inc.'s (APRI) existing steam contract to a Geothermal Resource Sales Contract

On May 2013, APRI's current steam supply contract with Chevron will shift to a Geothermal Resource Sales Contract (GRSC). The change is due to an existing provision under the government's existing contract with Chevron when the Tiwi-Makban facilities were bidded out under the former's privatization program.

The shift to the GRSC will result in a change in the determination of the cost that Chevron can charge to APRI for the steam supply. Consequently, APRI's annual steam cost will be significantly higher and will adversely impact operating margins.

3. Continued growth in the Power Group's attributable capacity

Notwithstanding the challenges over the short-term, 76%-owned subsidiary AboitizPower has built the necessary foundation to sustain its growth trajectory over the long term. Over the next several years, AboitizPower looks to expanding its portfolio of generation assets by implementing the following projects.

- Rehabilitation of the Binga Hydro Power Plant

  In 2011, SNAP commenced the programmed rehabilitation of the 100 MW Binga hydropower plant, which is consisted of four units with a capacity of 25 MW each. The program involves the increase of each unit's capacity by 5 MW. Rehabilitation of the first, second, and third units were completed in December 2011, July 2012, and January 2013 respectively. Works on the fourth unit has commenced with expected completion targeted by July 2013. Full completion will result to Binga's total capacity reaching 120 MW, from the current 115 MW. AboitizPower has an effective stake of 50% in this facility.

- Rehabilitation of the Tiwi-Makban Geothermal Power Facilities

  100%-owned APRI has successfully completed the refurbishment activity of the 14 generation units at the Tiwi and Makban facilities. The last two remaining units to undergo refurbishment, Units 5 and 6 at Makban were successfully tested in March for 72 hours, at full load per the requirements of the Asset Purchase Agreement. The successful completion of the performance tests will trigger the return of the Performance Bond and the assignment of the Geothermal Resource Service Contract to APRI. Significant improvements in reliability and steam usage efficiency have been realized following the completion of the refurbishment activity.

- Greenfield and Brownfield developments

  600 MW (net) Coal-fired Power Plant in Subic. This is a project by Redondo Peninsula Energy, Inc. (RP Energy), a joint venture among Meralco PowerGen Corporation (MPGC), Aboitiz subsidiary Therma Power, Inc. and Taiwan Cogeneration International Corporation (TCIC). The project involves the construction and operation of a 2x300 MW circulating-fluidized-bed (CFB) coal-fired power plant located within the Subic Bay Freeport Zone. On November 15, 2012, RP Energy was issued an amended Environmental Compliance Certificate to cover two high-efficiency 300-MW (net) units with main steam reheat systems. Site preparation is substantially completed. The EPC contract has been awarded to Hyundai with Foster Wheeler and Toshiba as major subcontractors/suppliers of the CFB boilers and turbines, respectively. Hyundai has not been issued a notice to proceed with the works, however, because of the filing of a petition for a Writ of Kalikasan and environmental protection order. The petition was denied, but the court decision is the subject of motions for reconsideration that may require most of 2013 to resolve. Thus,

commercial operation of the power plant now is estimated to begin in early 2017. AboitizPower, through TPI will have an equity interest of 25% in RP Energy.

300 MW Coal-fired Power Plant in Davao. AboitizPower, through 100%-owned subsidiary Therma South, Inc. (TSI), is putting up a 2x150 MW coal-fired power plant in Davao, which is the biggest load center in the island of Mindanao. The project broke ground in 2012. The EPC contract for the power block was awarded to Formosa Heavy Industries (FHI) with FHI supplying the CFB boilers and Fuji as major subcontractor/supplier of the turbines. The EPC contract for the balance of plant equipment and their integration with the power block was awarded to a consortium of Black & Veatch Corporation and Leighton Contractors (Philippines), Inc. The first generating unit (150 MW) is expected to be completed 34 months after (or March 2015), with the second unit (150 MW) to follow in 3 months (or June 2015).

400 MW (net) Coal-fired Power Plant in Pagbilao, Quezon. On September 27, 2011, AboitizPower signed a Memorandum of Understanding with Marubeni Corporation (Marubeni) to formalize their intention to jointly develop, construct and operate a coal-fired power plant with a capacity of approximately 400 MW (net). The proposed location will be within the premises of the existing 735 MW (net) Pagbilao Units I and II Coal Fired Thermal Power Plant in Quezon province. The terms and conditions of the joint investment will be finalized in a definitive shareholder agreement to be agreed upon by the parties. Marubeni and Tokyo Electric are part-owners of TeaM Energy Corporation (TeaM Energy), which owns and operates the Pagbilao Units I and II under a build-operate-transfer contract with the National Power Corporation (NPC). On the other hand, AboitizPower, through wholly owned subsidiary TLI, is the Independent Power Producer Administrator of the Energy Conversion Agreement between TeaM Energy and NPC under an IPP Administration Agreement with the Power Sector Assets and Liabilities Management Corporation (PSALM), which manages the assets and IPP contracts of NPC. Commercial operations of the first generating unit are targeted within the year 2017.

300-MW (net) Coal-Fired Project in Toledo City, Cebu. AboitizPower, through 100%-owned subsidiary, Therma Visayas, Inc. (TVI), is developing a 2 x 150-MW (net) coal-fired power project in Toledo City. The project site was acquired in December 2011. The Environmental Compliance Certificate for the project was issued in May 2013.

150 MW Coal-fired Power Plant in Misamis Oriental. On June 28, 2010, AboitizPower and its partners in STEAG State Power, Inc., owner of the 232 MW coal plant located at the Phividec Industrial Estate in Villanueva, Misamis Oriental, firmed up their collective intention to develop a third unit of approximately 150 MW capacity adjacent to the existing facility. AboitizPower and its partners agreed to maintain their shareholdings in the same proportions in the new corporation to be established for the planned additional capacity. Certain essential facilities, such as the jetty, coal handling facilities and stockyards and the 138-kV interconnection with the Mindanao Grid are to be shared with the existing facilities. Majority control of SPI has since changed, so the development of a third unit is being reevaluated.

7 MW Tudaya 1 Hydro Power Plant Project. Hedcor Sibulan, Inc. (Hedcor Sibulan) started the construction of Tudaya 1 which is located upstream of the existing Sibulan A pondage in the third quarter of 2012. Almost 50% complete, it is scheduled to be finished in the first quarter of 2014. The energy to be produced by Tudaya 1 will be sold to Davao Light through the power supply agreement signed in 2007.

6.6 MW Tudaya 2 Hydro Power Plant Project. AboitizPower's wholly owned subsidiary Hedcor Tudaya, Inc. (Hedcor Tudaya) has started the construction of Tudaya 2 located downstream of the existing Sibulan B. The project which commenced construction in the

third quarter of 2012 is already 75% complete. The project is estimated to be completed by the first quarter of 2014.

13.2 MW Sabangan Hydro Power Plant Project. This involves the construction and operation of a hydropower plant facility in Mt. Province, a province located in Northern Luzon. This project will be undertaken by a wholly owned subsidiary of AboitizPower, Hedcor Sabangan, Inc. The project was granted all the permits and licenses in the first quarter of 2013. The construction which will take approximately 24 months has commenced in May 2013.

12 MW Hedcor Tamugan, Inc. (Hedcor Tamugan) Hydro Power Plant Project. In 2010, AboitizPower's wholly owned subsidiary, Hedcor Tamugan, has reached an agreement with the Davao City Water District on the use of the Tamugan river. Originally planned as a 27.5 MW run-of-river facility, Hedcor Tamugan submitted a new proposal, which involves the construction of a 12 MW hydropower plant. Hedcor Tamugan is waiting for the Davao City council to approve the project. Once approval and permits are secured, the two-year construction period will commence.

Other Greenfield and Brownfield developments. AboitizPower, together with its subsidiaries and associate company, is conducting feasibility studies for potential Greenfield and Brownfield projects.

- SNAP is in the process of evaluating several hydropower plant projects. A Brownfield project is being evaluated for its Magat hydropower plant, which involves the construction of a pumped storage facility that could potentially increase its capacity by at least 90 MW. SNAP is likewise evaluating several Greenfield hydropower plant projects that have at least 70 MW of potential capacity each.

- Hedcor is conducting feasibility studies for potential hydropower projects located in in Luzon, Visayas, and Mindanao. Based on current findings, Hedcor sees the potential of building plants with capacities ranging from 5 MW to 50 MW. When the projects pass the evaluation stage and once permits are secured, the two-year construction period for the hydropower plant facilities will commence.

4. Participation in the Government's Privatization Program for its Power Assets

AboitizPower continues to closely evaluate the investment viability of the remaining power generation assets that PSALM intends to auction off.

AboitizPower is also keen on participating in PSALM's public auction for the Independent Power Producer (IPP) Administrator contracts, which involves the transfer of the management and control of total energy output of power plants under contract with NPC to the IPP Administrators.

Power (Distribution Business)

AboitizPower remains optimistic that it will realize modest growth on its existing distribution utilities. It continually seeks efficiency improvements in its operations to maintain healthy margins.

On December 13, 2006, the ERC issued the Rules for Setting Distribution Wheeling Rates (RDWR) for privately-owned distribution utilities entering PBR for the second and later entry points, setting out the manner in which this new PBR rate-setting mechanism for distribution-related charges will be implemented. PBR replaces the Return on Rate Base (RORB) mechanism which has historically determined the distribution charges paid by customers. Under PBR, the distribution-related

charges that distribution utilities can collect from customers over a 4-year regulatory period is set by reference to projected revenues which are reviewed and approved by the ERC and used by the ERC to determine a distribution utility's efficiency factor. For each year during the regulatory period, a distribution utility's distribution charges are adjusted upwards or downwards taking into consideration the utility's efficiency factor as against changes in overall consumer prices in the Philippines.

The ERC has also implemented a Performance Incentive Scheme whereby annual rate adjustments under PBR will take into consideration the ability of a distribution utility to meet or exceed service performance targets set by the ERC, such as the average duration of power outages, the average time of restoration to customers and the average time to respond to customer calls, with utilities being rewarded or penalized depending on their ability to meet these performance targets.

Cotabato Light & Power Company (CLP)was supposed to start with its Third Regulatory Period on April 1, 2013. The reset process, however, is potentially delayed due to the absence of the Position Paper, the document covering the issues at hand and the information requirements for the upcoming reset. This is a result of the ERC's direction of adopting a new set of procurement process for its Regulatory Reset Experts which has not been finalized. For the meantime, CLP shall file a MAP adjustment & rate translation application for 2 regulatory years. The application is targeted to be done this May 2013.

On March 2013, Visayan Electric Company, Inc. and Davao Light & Power Company Inc. filed their rate translation application for the Fourth Regulatory Year July 1, 2013 to June 30, 2014. The public hearings have recently been concluded.

For Subic Enerzone Corporation (SEZC)and San Fernando Electric Light and Power Co., Inc.'s (SFELAPCO) Second Regulatory Year covering October 1, 2012 to September 30, 2013, SEZC was able to implement the new rate schedule starting February 2013 while SFELAPCO implemented beginning April 2013. Filing for the Third Regulatory Year is scheduled this July.

Market and Industry Developments

Open Access and Retail Competition (Open Access)

Per EPIRA, the conditions for the commencement of the Open Access and Retail Competition are as follows:

(a) Establishment of the WESM;
(b) Approval of unbundled transmission and distribution wheeling charges;
(c) Initial implementation of the cross subsidy removal scheme;
(d) Privatization of at least 70% of the total capacity of generating assets of NPC in Luzon and Visayas; and
(e) Transfer of the management and control of at least 70% of the total energy output of power plants under contract with NPC to the IPP administrators.

Under Open Access and Retail Competition, an eligible contestable customer, which is defined as an end-user with a monthly average peak demand of at least 1 MW for the preceding 12 months, will have the option to source their electricity from eligible suppliers that have secured a RES license from the ERC. Eligible suppliers shall include the following:

- Generation companies that own, operate or control 30% or less of the installed generating capacity in a grid and/or 25% or less of the national installed capacity

- NPC-Independent Power Producers with respect to capacity which is not covered by contracts

- IPP Administrators with respect to the uncontracted energy which is subject to their administration and management

- Retail Electricity Suppliers (RES) duly licensed by the ERC

The implementation of Open Access presents a big opportunity for AboitizPower, as it has two wholly owned subsidiaries (i.e. Aboitiz Energy Solutions, Inc. and Adventenergy Inc.) that are licensed Electricity Retail Suppliers, which can enter into contracts with the eligible contestable customers. Moreover, AboitizPower's generation assets that have uncontracted capacity will be able to have direct access to eligible contestable customers through AboitizPower's licensed RES.

In June 2011, ERC declared December 26, 2011 as the Open Access Date to mark the commencement of the full operations of the competitive retail electricity market in Luzon and Visayas. However, after careful deliberation, the ERC acknowledged that not all the necessary rules, systems and infrastructures required for the implementation of the Open Access and Retail Competition have been put in place to meet the contemplated timetable for implementation. In October 2011, the ERC announced the deferment of the Open Access Date. In September 2012, the ERC declared the start of Open Access on December 26, 2012. A trial run will be in place by March 2013 while commercial transactions under an interim development system shall be implemented starting June 26, 2013.

Financial Services

UnionBank's initiatives on strengthening its customer franchise will continue to be at the forefront as it prioritizes customer satisfaction through enhanced retail focus, superior innovation and product customization, and stronger sales management approach. UnionBank will continue to invest in technology, cultivate partnerships and rationalize branch network expansion in strategic areas to maximize growth channels with respect to both deposits and loan accounts.

UnionBank will continue to focus on improving the performance of its earning assets portfolio, with loan asset acquisition in the retail, middle-market and corporate sectors. The bank will implement a disciplined asset allocation built on good governance and effective risk management to ensure momentum of recurrent income stream. At the same time, UnionBank is focusing on improving its deposit liabilities mix by targeting low-cost funds (i.e. CASA).

Likewise, UnionBank will continue to enhance operating efficiencies through cost containment efforts and improvements in its business processes and systems to align with international standards and best practices, and increase in manpower productivity with the help of functional and developmental trainings as well as appropriate matching of job, skills and capabilities.

CitySavings, the newly acquired subsidiary thrift bank of UnionBank, will continue with its unique focus as the preferred Teachers' Bank in the Philippines, particularly expanding its customer franchise in areas outside of its present coverage. It will continuously enhance its products and services to strengthen its market position in its present niche and tap other civil servant market segments.

The combined unique strengths of UnionBank and CitySavings'management team as well as its attainted technological and financial capabilities will catapult both to greater heights towards elevating the lives of its stakeholders and the communities it serves.

Food Manufacturing

For the Farm's business, Pilmico's goal is to increase its sow capacity by 30% by 2014, with 70% of the finishing farms owned and operated by the company. In support of this initiative, construction

of a new nursery farm has been completed. Additionally, it will continue to expand the existing breeder farm and increase the capacity of the growing-finishing farms.

Aside from the expansion and improvement of the company's facilities in Iligan and Tarlac, and farms in Luzon, projects to ensure sustainability and reduce the company's carbon footprint are being eyed. A biogas project for two farms is projected to produce 300,000 kWh annually, whereas the construction of biomass boilers will reduce fuel cost in steam production.

Real Estate

AboitizLand sees its Residential Business Unit as its main revenue driver for the coming year. With the bulk of its business mainly in Cebu, the property unit will focus on launching two new horizontal projects in addition to the second phase of its 60-hectare high end lot-only development. The company is also working towards a third industrial zone and is confident of launching up to three more commercial projects in 2013, bringing consolidated commercial GLA to nearly 42,000 sq.m. This figure includes a 3,000 sq.m. commercial area inside the West Cebu Industrial Park in Balamban, Cebu.

To complement its operational growth strategy, AboitizLand looks forward to the Mactan Airport bid and is intensely focusing on it. This project shall optimize the tourism potential of Cebu and is a suitable growth platform for the company as a Cebu-based property developer. The company sees its partnership with Ayala Corporation and ADC & HAS Airports, Inc. as a strong one, and hopes that its experience in this project will serve as an opening towards other Public-Private Partnership opportunities in the future.

Meanwhile, the condominium sector is seen to be a challenging play with more local and national real estate developers coming into Cebu. To maintain AboitizLand's stable market position, its residential unit shall focus on non-vertical developments for 2013 while the company and Ayala Land, Inc. have agreed to jointly develop strategic real estate properties within the province. Additionally, AboitizLand believes that its premium brand name in Cebu will be further strengthened over the long term by its inclusion in the AEV portfolio when it was acquired by the latter in November 2012.

PART II--OTHER INFORMATION

There are no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

SIGNATURES

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.

Issuer: **ABOITIZ EQUITY VENTURES, INC.**

Principal Accounting Officer: **Melinda R. Bathan**

Signature and Title: **First Vice President – Controller**

Date: MAY 15 2013

Corporate Secretary: **M. Jasmine S. Oporto**

Signature and Title: **Senior Vice President – Chief Legal Officer/ Corporate Secretary/ Compliance Officer**

Date: MAY 15 2013

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT MARCH 31, 2013 AND DECEMBER 31, 2012
(Amounts in Thousands)

	UNAUDITED MAR 2013	RESTATED UNAUDITED DEC 2012	RESTATED UNAUDITED JAN 2012
ASSETS			
Current Assets			
Cash and cash equivalents	**30,241,321**	33,730,531	29,543,492
Trade and other receivables - net	**10,619,786**	24,436,347	22,024,385
Inventories - net	**6,357,765**	5,821,033	4,932,659
Derivative asset	**142**	2631	-
Other current assets	**3,648,832**	2,482,311	2,220,068
Total Current Assets	**50,867,847**	66,472,853	58,720,604
Noncurrent Assets			
Investments in and advances to associates	**50,007,087**	48,450,452	48,456,523
Property, plant, and equipment - net	**90,666,898**	90,228,776	82,608,589
Intangible asset - service concession right	**3,662,673**	3,685,417	4,162,768
Land and improvements	**1,584,539**	1,584,203	-
Investment properties - net	**4,034,269**	4,012,665	341,381
Trade Receivables - net of current portion	**141,029**	207,160	-
Available-for-sale (AFS) investments	**72,919**	74,539	74,569
Net pension asset	**196,626**	225,019	137,701
Deferred income tax assets	**468,342**	268,333	321,572
Goodwill	**996,006**	1,639,518	1,639,518
Other noncurrent assets - net	**5,023,431**	5,569,979	4,222,586
Total Noncurrent Assets	**156,853,818**	155,946,060	141,965,208
TOTAL ASSETS	**207,721,664**	222,418,912	200,685,812
LIABILITIES AND EQUITY			
Current Liabilities			
Bank loans	**8,369,458**	6,594,043	5,301,008
Trade and other payables	**10,283,267**	14,143,696	12,667,610
Income tax payable	**267,147**	214,560	222,895
Current portion of long-term debt	**937,327**	4,072,757	1,604,750
Current portion of obligations on Power Distribution System	**40,000**	40,000	40,000
Current portion of obligations under finance lease	**725,471**	725,471	-
Current portion of payable to preferred shareholder of a subsidiary	**11,651**	20,705	16,902
Derivative liabilities	**20,824**	29,173	7,580
Total Current Liabilities	**20,655,145**	25,840,405	19,860,745
Noncurrent Liabilities			
Obligations under finance lease - net of current portion	**53,320,096**	53,654,843	52,714,959
Long-term debt - net of current portion	**7,994,955**	19,967,827	26,077,970
Deposit liabilities of CSB	**-**	5,431,967	4,472,252
Obligations on Power Distribution System - net of current portion	**239,099**	230,843	237,046
Payable to preferred shareholder of a subsidiary	**9,374**	25,363	46,068
Customers' deposits	**2,461,672**	2,493,421	2,170,028
Trade Payables - net of current	**444,522**	444,522	-
Net pension liability	**235,806**	229,597	260,277
Deferred income tax liability	**1,370,748**	1,154,097	378,759
Total Noncurrent Liabilities	**66,076,272**	83,632,480	86,357,359
Total Liabilities	**86,731,416**	109,472,885	106,218,105
Equity Attributable to Equity Holders of the Parent			
Capital stock	**5,694,600**	5,694,600	5,694,600
Additional paid-in capital	**6,110,957**	6,110,957	6,110,957
Net unrealized gains on AFS investments	**7,553**	4,852	9,638
Unrealized Actuarial Losses	**(375,890)**	(375,890)	(358,654)
Cumulative translation adjustments	**(132,088)**	(132,763)	(43,705)
Share in cumulative translation adjustments of associates	**(608,030)**	(648,552)	(417,661)
Share in Unrealized Actuarial Losses of Associates	**(394,485)**	(394,485)	(342,548)
Share in net unrealized gains on AFS investments and underwriting accounts of an associate	**1,256,854**	850,631	1,116,924
Gain on dilution	**5,376,176**	5,376,176	5,376,176
Acquisition of non-controlling interest	**(1,165,931)**	(1,165,931)	(527,203)
Excess of book value over acquisition cost of an acquired subsidiary	**469,540**	469,540	-
Retained earnings	**83,340,673**	76,492,084	61,257,752
Treasury stock at cost	**(1,295,163)**	(1,295,163)	(1,295,163)
	98,284,766	90,986,056	76,581,112
Non-controlling Interests	**22,705,481**	21,959,972	17,886,595
Total Equity	**120,990,248**	112,946,028	94,467,707
TOTAL LIABILITIES AND EQUITY	**207,721,664**	222,418,912	200,685,812

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012
(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/13	JAN-MAR/12
REVENUES	**17,792,338**	19,578,898
COSTS AND EXPENSES	**12,447,121**	14,121,627
GROSS PROFIT	**5,345,217**	5,457,271
OTHER INCOME (CHARGES)		
Share in net earnings of associates	**2,762,975**	3,246,552
Interest income	**179,420**	201,090
Interest expense	**(1,586,795)**	(1,947,769)
Other income	**1,626,477**	735,229
	2,982,076	2,235,102
INCOME BEFORE INCOME TAX	**8,327,293**	7,692,373
PROVISION FOR INCOME TAX	**308,750**	426,005
NET INCOME	**8,018,543**	7,266,368
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE PARENT	**6,848,590**	5,854,724
NON-CONTROLLING INTERESTS	**1,169,953**	1,411,644
	8,018,543	7,266,368
Earnings Per Common Share		
Basic, for income for the period attributable to ordinary holders of the parent	**1.240**	1.060

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012
(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/13	JAN-MAR/12
Profit for the period attributable to:		
Equity holders of the parent	**6,848,590**	5,854,724
Non-controlling interests	**1,169,953**	1,411,644
Profit for the period	**8,018,543**	7,266,368
Other comprehensive income:		
Net unrealized valuation gains (losses) on AFS investments	**2,701**	(2,856)
Movement in cumulative translation adjustments of associates	**903**	(34,094)
Share in movement in net unrealized valuation gains (losses) on AFS investments of associates	**406,223**	(515,262)
Share in movement in cumulative translation adjustments of associates	**52,740**	(44,668)
Other comprehensive income for the period, net of tax	**462,567**	(596,881)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**8,481,111**	6,669,487
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**7,298,710**	5,287,507
Non-controlling interests	**1,182,400**	1,381,980
	8,481,111	6,669,487

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2013 AND 2012
(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/13	JAN-MAR/12
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	**8,327,293**	**7,692,373**
Adjustments for:		
Share in net earnings of associates	**(2,762,975)**	(3,246,554)
Depreciation and amortization	**959,137**	922,293
Interest income	**(179,420)**	(201,090)
Interest expense and dividends on redeemable preferred shares	**1,586,795**	1,947,769
Amortization of computer softwares and other intangibles	**6,691**	5,709
Dividend income	**-**	(394)
Provision for impairment loss on receivables	**3,730**	31,246
Unrealized fair valuation losses on derivatives	**-**	258
Provision for retirement benefits	**-**	3,299
Unrealized foreign exchange gains	**(151,786)**	(499,557)
Gain on sale of investments in shares of stock	**(1,272,144)**	(27,087)
Loss on sale of available for sale investments	**-**	1,259
Gain on sale of property, plant & equipment	**(5,695)**	(1,097)
Operating income before working capital changes	**6,511,628**	6,628,427
Changes in:		
Decrease (increase) in operating current assets	**(1,330,403)**	294,047
Increase (decrease) in operating current liabilities	**(30,232)**	1,066,898
Cash provided by operations	**5,150,993**	7,989,372
Income and final taxes paid	**(211,355)**	(55,973)
Net cash provided by operating activities	**4,939,638**	7,933,399
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	**630,007**	637,619
Interest received	**247,875**	273,171
Additions to investments	**(0)**	(1,496)
Collection of advances to associates	**-**	1,267
Acquisitions of property, plant and equipment - net	**(1,650,659)**	(1,191,310)
Acquisitions of land and improvements	**(336)**	
Disposals (acquisitions) of available for sale investments	**4,320**	(4,608)
Disposal (acquisition) of subsidiaries, net of cash acquired (disposed)	**3,418,631**	(933,702)
Proceeds from sale of investments in shares of stock	**-**	318,509
Decrease (increase) in intangible assets	**3,653**	(13,861)
Decrease in other assets	**459,543**	137,840
Net cash provided by (used in) investing activities	**3,113,034**	(776,571)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from (settlements of) bank loans	**1,775,415**	(1,629,366)
Proceeds from (payments of) long-term debt	**(10,908,092)**	647,838
Payments of finance lease obligation	**(1,651,649)**	(273,460)
Payments of payable to preferred shareholders of a subsidiary	**(31,070)**	(19,344)
Interest and dividends on redeemable preferred shares paid	**(337,714)**	(556,441)
Decrease in derivative assets and liabilities	**(5,860)**	(7,431)
Cash dividends and other accounts paid to non-controlling interest	**(374,766)**	289
Net cash used in financing activities	**(11,533,736)**	(1,837,915)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,481,064)**	5,318,913
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	**(8,145)**	(59,556)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**33,730,531**	29,543,492
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	**30,241,321**	34,802,848

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2013 AND DECEMBER 31, 2012

	Attributable to owners of the parent																
	Share Capital		Additional Paid-in Capital	Net Unrealized Valuation Gains (Losses) on AFS Investments	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates	Share in Net Unrealized Gains (Losses) on AFS Investments & Underwriting Accounts of an Associate	Net Unrealized Actuarial Gains (Losses)	Share in Net Unrealized Actuarial Gains (Losses) of Associates	Excess of book value over acquisition cost of an acquired subsidiary	Gain on Dilution	Acquisition of Non-controlling Interest	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total
	Common	Preferred															
Balances at December 31, 2012	**5,694,600**	**-**	**6,110,957**	**4,852**	**(132,763)**	**(648,552)**	**850,631**	**-**	**-**	469539.7797	**5,376,176**	**(1,165,931)**	**76,257,409**	**(1,295,163)**	**91,521,756**	**21,981,510**	**113,503,266**
Effects of adoption of amended PAS 19								(375,890)	(394,485)				234,675		(535,699)	(21,538)	(557,238)
Balances at December 31, 2012, as restated	**5,694,600**	**-**	**6,110,957**	**4,852**	**(132,763)**	**(648,552)**	**850,631**	**(375,890)**	**(394,485)**	**469,540**	**5,376,176**	**(1,165,931)**	**76,492,084**	**(1,295,163)**	**90,986,056**	**21,959,972**	**112,946,028**
Changes in equity for Jan-Mar 2013:																	
Net income for the year													6,848,590		6,848,590	1,169,953	8,018,543
Other comprehensive income				2,701	675	40,521	406,223								450,121	12,447	462,567
Total comprehensive income for the year	-	-	-	2,701	675	40,521	406,223	-	-	-	-	-	6,848,590	-	7,298,710	1,182,400	8,481,111
Changes in minority interest															-	(62,124)	(62,124)
Cash dividends paid to minority interests															-	(374,766)	(374,766)
Balances at March 31, 2013	**5,694,600**	**-**	**6,110,957**	**7,553**	**(132,088)**	**(608,030)**	**1,256,854**	**(375,890)**	**(394,485)**	**469,540**	**5,376,176**	**(1,165,931)**	**83,340,674**	**(1,295,163)**	**98,284,767**	**22,705,481**	**120,990,248**

	Attributable to owners of the parent																
	Share Capital		Additional Paid-in Capital	Net Unrealized Valuation Gains (Losses) on AFS Investments	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates	Share in Net Unrealized Gains (Losses) on AFS Investments & Underwriting Accounts of an Associate	Net Unrealized Actuarial Gains (Losses)	Share in Net Unrealized Actuarial Gains (Losses) of Associates	Excess of book value over acquisition cost of an acquired subsidiary	Gain on Dilution	Acquisition of Non-controlling Interest	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total
	Common	Preferred															
Balances at December 31, 2011	**5,694,600**	**-**	**6,110,957**	**9,638**	**(43,705)**	**(417,661)**	**1,116,924**				**5,376,176**	**(527,203)**	**61,053,321**	**(1,295,163)**	**77,077,883**	**17,899,843**	**94,977,727**
Effects of adoption of amended PAS 19								(358,654)	(342,548)				204,431		(496,771)	(13,248)	(510,020)
Balances at December 31, 2011, as restated	**5,694,600**	**-**	**6,110,957**	**9,638**	**(43,705)**	**(417,661)**	**1,116,924**	**(358,654)**	**(342,548)**	**-**	**5,376,176**	**(527,203)**	**61,257,752**	**(1,295,163)**	**76,581,112**	**17,886,595**	**94,467,707**
Changes in equity for Jan-Dec 2012:																	
Net income for the year													23,958,889		23,958,889	6,175,926	30,134,814
Other comprehensive income				(4,786)	(89,058)	(230,890)	(266,293)	(17,235)	(51,937)						(660,200)	(95,930)	(756,130)
Total comprehensive income for the year	-	-	-	(4,786)	(89,058)	(230,890)	(266,293)	(17,235)	(51,937)	-	-	-	23,958,889	-	23,298,689	6,079,995	29,378,684
Excess of acquisition cost over carrying value of non-controlling interests												(638,727)			(638,727)	1,115	(637,613)
Changes in minority interest															-	704,807	704,807
Acquisition of a subsidiary										469,540					469,540		469,540
Cash dividends													(8,724,557)		(8,724,557)		(8,724,557)
Cash dividends paid to minority interests															-	(2,712,541)	(2,712,541)
Balances at December 31, 2012	**5,694,600**	**-**	**6,110,957**	**4,852**	**(132,763)**	**(648,552)**	**850,631**	**(375,890)**	**(394,485)**	**469,540**	**5,376,176**	**(1,165,931)**	**76,492,084**	**(1,295,163)**	**90,986,056**	**21,959,972**	**112,946,028**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2012

	Attributable to owners of the parent															
	Share Capital Common	Share Capital Preferred	Additional Paid-in Capital	Net Unrealized Valuation Gains (Losses) on AFS Investments	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates	Share in Net Unrealized Gains (Losses) on AFS Investments & Underwriting Accounts of an Associate	Net Unrealized Actuarial Gains (Losses)	Share in Net Unrealized Actuarial Gains (Losses) of Associates	Gain on Dilution	Acquisition of Non-controlling Interest	Retained Earnings	Treasury Stock	Total	Non-controlling Interests	Total
Balances at December 31, 2011	**5,694,600**	**-**	**6,110,957**	**9,638**	**(43,705)**	**(417,661)**	**1,116,924**			**5,376,176**	**(527,203)**	**61,053,321**	**(1,295,163)**	**77,077,883**	**17,899,843**	**94,977,727**
Effects of adoption of amended PAS 19								(358,654)	(342,548)			204,431		(496,771)	(13,248)	(510,020)
Balances at December 31, 2011, as restated	**5,694,600**	**-**	**6,110,957**	**9,638**	**(43,705)**	**(417,661)**	**1,116,924**	**(358,654)**	**(342,548)**	**5,376,176**	**(527,203)**	**61,257,752**	**(1,295,163)**	**76,581,112**	**17,886,595**	**94,467,707**
Changes in equity for Jan-Mar 2012:																
Net income for the year												5,854,724		5,854,724	1,411,644	7,266,368
Other comprehensive income				6,311	(26,603)	(34,071)	(512,854)							(567,216)	(29,664)	(596,881)
Total comprehensive income for the year	-	-	-	6,311	(26,603)	(34,071)	(512,854)	-	-	-	-	5,854,724	-	5,287,507	1,381,980	6,669,487
Excess of acquisition cost over carrying value of non-controlling interests											(638,728)			(638,728)	-	(638,728)
Changes in minority interest														-	(300,532)	(300,532)
Cash dividends paid to minority interests														-	289	289
Balances at March 31, 2012	**5,694,600**	**-**	**6,110,957**	**15,949**	**(70,308)**	**(451,733)**	**604,070**	**(358,654)**	**(342,548)**	**5,376,176**	**(1,165,931)**	**67,112,476**	**(1,295,163)**	**81,229,892**	**18,968,332**	**100,198,223**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULES AND DISCLOSURES
AT MARCH 31, 2013 AND MARCH 31, 2012
(peso amounts in thousands)

A. COMPONENTS OF OTHER COMPREHENSIVE INCOME

		JAN-MAR/13		JAN-MAR/12
Available-for-sale financial assets:				
Net unrealized valuation gains (losses) arising during the period	**2,701**		(2,856)	
Less: Reclassification adjustments for losses included in profit or loss	-	**2,701**	**-**	(2,856)
Exchange differences in translating foreign-denominated transactions		**903**		(34,094)
Share in movement in net unrealized valuation gains (losses) on AFS investments of an associate		**406,223**		(515,262)
Share in movement in cumulative translation adjustments of associates		**52,740**		(44,668)
Other comprehensive income (loss)		**462,567**		(596,881)
Income tax relating to components of other comprehensive income		**-**		-
Other comprehensive income (loss) for the period		**462,567**		(596,881)

B. TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

	JAN-MAR/13			JAN-MAR/12		
	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) Benefit	Net-of-Tax Amount
Available-for-sale financial assets	**2,701**	**-**	**2,701**	(2,856)	-	(2,856)
Exchange differences in translating foreign-denominated transactions	**903**	**-**	**903**	(34,094)	-	(34,094)
Share in movement in net unrealized valuation gains (losses) on AFS investments of an associate	**406,223**	**-**	**406,223**	(515,262)	-	(515,262)
Share in movement in cumulative translation adjustments of associates	**52,740**	**-**	**52,740**	(44,668)	-	(44,668)
Other comprehensive income (loss) for the period	**462,567**	**-**	**462,567**	(596,881)	-	(596,881)

C. INVESTMENTS AND ADVANCES

	% OWNERSHIP 2013	MAR 2013	DEC 2012
Investments in shares of stock			
At equity			
Acquisition cost:			
Union Bank of the Philippines	44.82%	**7,099,765**	7,099,765
Accuria, Inc.	49.54%	**719,739**	719,739
Western Mindanao Power Corporation	20.00%	**79,099**	79,099
Cebu International Container Terminal, Inc.	20.00%	**240,125**	240,125
Hijos de Escaño, Inc.	46.73%	**858,070**	858,070
San Fernando Electric Light & Power Co., Inc.	20.29%	**180,864**	180,864
Pampanga Energy Ventures, Inc.	42.84%	**209,465**	209,465
Southern Philippines Power Corporation	20.00%	**99,166**	99,166
Visayan Electric Co., Inc.	55.25%	**662,456**	662,456
Manila Oslo Renewable Enterprise, Inc.	83.33%	**9,290,416**	9,290,416
East Asia Utilities Corporation	50.00%	**180,616**	180,616
STEAG State Power Inc.	34.00%	**4,400,611**	4,400,611
Redondo Peninsula Energy Corporation	25.00%	**5,000**	5,000
Cebu Energy Development Corp.	44.00%	**2,438,621**	2,438,621
South Western Cement Corporation	20.00%	**28,995**	28,995
Cordillera Hydro Corporation	35.00%	**88**	88
CSB Land, Inc.	0.00%	**-**	2,000
Hapag-Lloyd Philippines, Inc.	15.00%	**1,800**	1,800
Jebsens People Solutions AS	50.00%	**3,600**	3,600
JAIB, Inc.	49.00%	**1,884**	1,884
Balance at end of period		**26,500,382**	26,502,382
Accumulated share in net earnings:			
Balance, beginning of year		**20,483,005**	20,231,696
Share in net earnings for the period		**2,762,975**	13,311,552
Disposals during the period			(16,658)
Eliminated gain on sale of a subsidiary to an associate (sale of CSB to UBP in 2013)		**(1,033,205)**	
Accumulated equity of associates owned by disposed subsidiaries		**(90)**	
Cash dividends received and receivable		**(630,007)**	(13,043,586)
Balance, end of period		**21,582,677**	20,483,005
Gain on dilution		**1,014,136**	1,014,136
Share in net unrealized gains on available-for-sale investments of an associate		**1,269,605**	863,382
Share in cumulative translation adjustments of associates		**(794,848)**	(847,589)
		49,571,952	48,015,316
Allowance for impairment losses		**(28,995)**	(28,995)
Investments, at equity		**49,542,957**	47,986,321
Advances to investees		**821,041**	821,041
		50,363,998	48,807,362

D. ACCOUNTS PAYABLE & ACCRUED EXPENSES

Trade	3,518,931
DOSRI	
Others	6,764,336

E. SHORT-TERM LOANS

	Effective Interest Rate	**MAR 2013**	DEC 2012
Financial institutions - unsecured:			
Peso loans	3.00% - 4.13%	**8,130,778**	6,436,000
US dollar loans	4.0% - 4.13%	**238,680**	158,043
		8,369,458	6,594,043

F. LONG-TERM LOANS

	Effective Interest Rate	**MAR 2013**	DEC 2012
Company:			
Financial institutions - unsecured			
Peso denominated loans	5.23%	**1,194,000**	3,982,300
		1,194,000	3,982,300
Subsidiaries:			
AP and subsidiaries:			
AP Parent			
Financial and non-institutions - unsecured			
Fixed rate notes	6.17%	**-**	5,000,000
CPPC			
Financial instituions - unsecured	3.84% - 4.65%	**159,827**	213,334
HEDCOR, INC.			
Financial institution - secured	8.36%	**387,600**	419,900
HEDCOR SIBULAN, INC.			
Financial institutions - secured	8.52%	**-**	3,043,895
SEZC			
Financial institution - secured	5.61% - 6.06%	**508,500**	508,500
LHC			
Financial institution - secured	2.00% - 3.51%	**2,042,448**	2,054,963
		3,098,375	11,240,592
Less deferred financing costs		**14,993**	64,643
		3,083,382	11,175,949
PILMICO and subsidiary:			
PILMICO			
Financial institutions - secured	4.97% - 7.10%	**2,690,000**	2,690,000
PANC			
Financial institution - secured	6.47%	**600,000**	600,000
		3,290,000	3,290,000
Less deferred financing costs		**15,214**	15,434
		3,274,786	3,274,566
CITY SAVINGS BANK			
Financial institutions	5.69% - 7.27%	**-**	4,199,500
Non-financial institutions	4.75% - 8.5%	**-**	79,767
		-	4,279,267
Less deferred financing costs			56,915
		-	4,222,352
Aboitizland and subsidiaries:			
Financial institutions:			
Peso loans - secured	0.0689	**232,500**	240,000
Peso loan - unsecured	7.21% - 7.68%	**992,000**	992,000
	90-day LIBOR plus 1%		
Dollar loan - secured	1.31% - 1.59%	**155,614**	160,587
		1,380,114	1,392,587
Less deferred financing costs		**0**	7,170
		1,380,114	1,385,417
Total		**8,932,282**	**24,040,584**
Less: Current portion		**937,327**	4,072,757
		7,994,955	19,967,827

G. DEBT SECURITIES

As of March 31, 2013, there are no outstanding debt securities issued by the Group.

H. EARNINGS PER SHARE

Earnings per common share amounts were computed as follows:

	MAR 2013	MAR 2012
a. Net income attributable to equity holders of the parent	**6,848,590**	5,854,724
b. Average number of outstanding shares	**5,521,871,821**	5,521,871,821
c. Earnings per share (a/b)	**1.240**	1.060

I. BUSINESS SEGMENT INFORMATION

Financial information on the operations of the business segment is summarized as follows:

	Power		Financial Services		Food Manufacturing		Real Estate		Parent Company and Others		Eliminations		Consolidated	
	Jan-Mar 2013	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012
REVENUES	**13,304,289**	15,097,218	**-**	511,666	**4,040,048**	3,715,422	**261,614**	-	**247,761**	254,592	**(61,374)**	-	**17,792,338**	19,578,898
RESULT														
Segment results	**4,884,341**	4,997,306	**-**	139,835	**455,197**	293,339	**59,272**	-	**(53,593)**	26,791	**-**	-	**5,345,217**	5,457,271
Unallocated corporate income	**331,754**	691,795	**-**	4,143	**819,609**	982	**1,598**	-	**473,516**	38,309	**-**	-	**1,626,477**	735,229
INCOME FROM OPERATIONS													**6,971,694**	6,192,500
Interest Expense	**(1,426,224)**	(1,831,536)	**-**	-	**(57,642)**	(36,357)	**(9,108)**	-	**(93,821)**	(79,876)	**-**	-	**(1,586,795)**	(1,947,769)
Interest Income	**166,138**	171,156	**-**	-	**1,785**	1,867	**3,882**	-	**7,615**	28,067	**-**	-	**179,420**	201,090
Share in net earnings of associates	**960,121**	2,010,910	**1,793,625**	1,230,247	**-**	39,738	**-**	-	**4,705,080**	4,624,720	**(4,695,851)**	(4,659,063)	**2,762,975**	3,246,552
Provision for Income tax	**(225,379)**	(331,768)	**-**	(44,632)	**(78,225)**	(40,481)	**(3,810)**	-	**(1,336)**	(9,124)	**-**	-	**(308,750)**	(426,005)
NET INCOME													**8,018,543**	7,266,368
OTHER INFORMATION	**Mar 2013**	Restated Dec 2012	**Mar 2013**	Restated Dec 2012	**Mar 2013**	Restated Dec 2012	**Mar 2013**	Restated Dec 2012	**Mar 2013**	Restated Dec 2012	**Mar 2013**	Restated Dec 2012	**Mar 2013**	Restated Dec 2012
Segment assets	**35,213,738**	42,008,832	**-**	15,228,507	**7,781,852**	5,117,847	**2,040,821**	-	**5,832,089**	5,481,490	**(655)**	(1,363,823)	**50,867,847**	66,472,853
Investments and advances	**26,322,172**	25,939,318	**23,784,150**	22,619,597	**-**	1,339,171	**-**	-	**75,728,965**	72,636,153	**(75,828,200)**	(74,083,787)	**50,007,088**	48,450,452
Unallocated corporate assets	**95,502,022**	95,312,325	**(0)**	369,347	**3,255,942**	3,121,822	**5,633,672**	-	**2,455,094**	8,048,601	**1**	643,513	**106,846,730**	107,495,608
Consolidated total assets													**207,721,664**	222,418,913
Segment liabilities	**68,393,939**	79,635,763	**-**	13,158,252	**6,048,320**	5,820,336	**2,402,493**	-	**7,987,976**	10,973,809	**24,987**	(1,713,529)	**84,857,716**	107,874,631
Unallocated corporate liabilities	**1,320,067**	999,633	**-**	68,455	**111,119**	20,872	**371,171**	-	**71,344**	509,294	**-**	-	**1,873,701**	1,598,254
Consolidated total liabilities													**86,731,416**	109,472,885
	Jan-Mar 2013	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012	**Jan-Mar 2013**	Jan-Mar 2012
Depreciation	**854,001**	818,734	**-**	12,811	**72,209**	62,682	**2,410**	-	**30,517**	28,066	**-**	-	**959,137**	922,293

J. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group’s principal financial instruments comprise cash and cash equivalents, AFS investments, bank loans, long-term debt, obligations under finance lease and non-convertible, cumulative, redeemable preferred shares. The main purpose of these financial instruments is to raise finances for the Group’s operations and its investments in existing subsidiaries and associates and in new projects. The Group has other financial assets and liabilities such as trade and other receivables and trade and other payables and customer deposits which arise directly from operations.

The main risks arising from the Group’s financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term debt; credit risk involving possible exposure to counter-party default on its cash and cash equivalents, AFS investments and trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk. The Group’s exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of March 31, 2013, 26.40% of the Group’s long-term debt had floating interest rates ranging from 1.31% to 4.65%, and 73.60% are with fixed rates ranging from 4.97% to 8.36%. As of December 31, 2012, 10.18% of the Group’s long-term debt had floating interest rates ranging from 1.31% to 4.65%, and 89.82% are with fixed rates ranging from 4.75% to 8.52%.

The following table set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

As of March 31, 2013

	< 1 year	**1 - 5 years**	**> 5 years**	**Total**
Floating rate - long-term debt	**384,227**	**1,279,349**	**679,320**	**2,342,896**
Fixed rate - long-term debt	**553,100**	**4,550,786**	**1,485,500**	**6,589,386**
Payable to preferred shareholders of a subsidiary - floating	**11,651**	**9,374**	**-**	**21,025**
	948,978	**5,839,509**	**2,164,820**	**8,953,307**

As of December 31, 2012

	< 1 year	1 - 5 years	> 5 years	Total
Floating rate - long-term debt	453,634	940,584	1,011,062	2,405,280
Fixed rate - long-term debt	3,619,123	12,387,893	5,628,288	21,635,304
Payable to preferred shareholders of a subsidiary - floating	20,705	25,363	-	46,068
	4,093,462	13,353,840	6,639,350	24,086,652

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Interest expenses recognized during the comparative periods are as follows:

	MAR 2013	MAR 2012
Long term debt	**320,372**	487,471
Bank loans	**57,113**	3,592
Customers' deposits	**215**	956
Obligations under finance lease	**1,194,414**	1,440,886
Long-term obligation on PDS	**8,256**	8,449
Payable to preferred shareholder of a subsidiary	**6,027**	3,542
Advances from related parties	**398**	2,873
	1,586,795	1,947,769

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) as of March 31, 2013 and 2012:

	Increase/decrease in basis points	Effect on income before tax
Mar 2013	**200**	**(5,894)**
	(100)	**2,947**
Mar 2012	100	(2,310)
	(100)	1,155

Foreign exchange risk. TThe foreign exchange risk of the Group pertains significantly to its foreign currency denominated borrowings, including obligations under finance lease. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. As of March 31, 2013 and December 31, 2012, foreign currency denominated borrowings account for 40.12% and 33.90%, respectively, of total consolidated borrowings.

	MARCH 31, 2013		DECEMBER 31, 2012	
	US Dollar	**Peso Equivalent[1]**	US Dollar	Peso Equivalent[2]
Current Financial Assets				
Cash and cash equivalents	**13,024**	**531,379**	17,120	702,765
Trade and other receivables	**21,872**	**892,371**	14,875	610,607
Total Financial Assets	**34,896**	**1,423,750**	31,994	1,313,372
	US Dollar	**Peso Equivalent**	US Dollar	Peso Equivalent
Current Financial Liabilities				
Bank loans	**5,857**	**238,966**	3,850	158,043
Trade and other payables	**18,592**	**758,552**	17,491	718,015
Long-term debt	**53,874**	**2,198,066**	53,972.12	2,215,555.60
Obligations under finance lease	**642,373**	**26,208,818**	645,025	26,478,276
Total Financial Liabilities	**720,696**	**29,404,402**	720,338	29,569,890
Net foreign currency denominated assets (liabilities)	**(685,800)**	**(27,980,652)**	(688,344)	(28,256,518)
[1]USD1 =	40.80			
[2]USD1 =	41.05			

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, of the Group's profit before tax as of March 31, 2013.

	Increase (decrease) in US dollar rate	Effect on income before income tax
US dollar denominated accounts	5%	(1,399,033)
US dollar denominated accounts	-5%	1,399,033

The increase in US dollar rate represents the depreciation of the Philippine peso while the decrease in US dollar rate represents appreciation of the Philippine peso.

There is no other impact on the Group's equity other than those already affecting the consolidated statement of income.

Equity price risk. Equity price risk is the risk that the fair value of traded equity instruments decrease as the result of the changes in the levels of equity indices and the value of the individual stocks.

As of March 31, 2013 and 2012, the Group's exposure to equity price risk is minimal.

Credit risk. For its cash investments, AFS investments and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these assets. With respect to cash and AFS investments, the risk is mitigated by the short-term and or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures. The Group has no significant concentration risk to a counterparty or group of counterparties.

Liquidity risk. Liquidity risk is the risk that an entity in the Group will be unable to meet its obligations as they become due. The Group manages liquidity risk by effectively managing its working capital, capital expenditure and cash flows, making use of a centralized treasury function to manage pooled business unit cash investments and borrowing requirements. Currently the Group is maintaining a positive cash position, conserving the Group's cash resources through renewed focus on working capital improvement and capital reprioritization. The Group meets its financing requirements through a mixture of cash generated from its operations and short-term and long-term borrowings. Adequate banking facilities and reserve borrowing capacities are maintained. The Group is in compliance with all of the financial covenants per its loan agreements, none of which is expected to present a material restriction on funding or its investment policy in the near future. The Group has sufficient undrawn borrowing facilities, which could be utilized to settle obligations.

In managing its long-term financial requirements, the policy of the Group, is that not more than 25% of long term borrowings should mature in any twelve-month period. As of March 31, 2013 and December 31, 2012, the portion of the total long-term debt that will mature in less than one year is 2.56% and 6.28%, respectively. For its short-term funding, the policy of the Group is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Cash and cash equivalents and trade and other receivables, which are all short-term in nature, have balances of P30,241,321 and P10,619,786 as of March 31, 2013 and P31,850,914 and P11,110,227 as of December 31, 2012, respectively. These financial assets will be used to fund short-term and operational liquidity needs of the Group.

The following table analyses the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity. The amounts disclosed in the table are the contractual undiscounted cash flows (amounts in thousands):

	Total Carrying Value	Contractual undiscounted principal payments				
		Total	On demand	Less than 1 year	1 to 5 years	> 5 years
Financial Liabilities						
Operating						
Trade and other payables	**7,998,273**	**7,983,106**	1,532	7,981,574	-	-
Customers' deposits	**2,461,672**	**2,461,672**	-	-	32,617	2,429,055
Financing						
Bank loans	**8,369,458**	**8,369,458**	-	8,369,458	-	-
Long-term debt	**8,932,282**	**8,932,282**	-	938,077	5,829,385	2,164,820
Obligations under finance lease	**54,045,567**	**106,915,224**	-	-	36,904,374	70,010,850
Obligations on power distribution system	**279,099**	**279,099**	-	40,000	200,000	39,099
Others						
Derivative liabilities	**20,824**	**20,824**	-	20,824	-	-
Payable to preferred shareholder of a subsidiary	**21,025**	**21,025**	-	11,651	9,374	-
Total	**82,128,200**	**134,982,690**	1,532	17,361,584	42,975,750	74,643,824

Capital management. Capital includes equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the periods ended March 31, 2013 and December 31, 2012.

Certain entities within the Group that are registered with the BOI are required to raise minimum amount of capital in order to avail of their registration incentives. As of March 31, 2013 and December 31, 2012, these entities have complied with this requirement as applicable.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 70% or below at the consolidated level. The Group determines net debt as the sum of interest-bearing short-term and long-term obligations (comprised of long-term debt, obligations under finance lease, redeemable preferred shares and payable to preferred shareholders of a subsidiary) less cash and short-term deposits and temporary advances to related parties.

Gearing ratios of the Group as of March 31, 2013 and December 31, 2012 are as follows:

	MAR 2013	DEC 2012
Bank Loans	**8,369,458**	6,594,043
Long - term debt	**62,998,874**	78,466,966
Cash and cash equivalents	**(30,241,321)**	(33,730,531)
Net Debt (a)	**41,127,011**	51,330,478
Equity attributable to equity holders of the parent	**120,990,248**	112,946,028
Equity and Net Debt (b)	**162,117,259**	164,276,506
Gearing Ratio (a/b)	**25.37%**	31.25%

K. FINANCIAL INSTRUMENTS

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the financial statements at other than fair values.

	MARCH 31, 2013		DECEMBER 31, 2012	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial assets				
Cash				
Cash and cash equivalents	**30,241,321**	**30,241,321**	33,730,531	33,730,531
Loans and receivables				
Trade and other receivables	**10,760,815**	**10,760,815**	24,643,507	24,643,507
	41,002,136	**41,002,136**	58,374,038	58,374,038
AFS				
AFS investments	**72,919**	**72,919**	74,539	74,539
Derivative Asset	**142**	**142**	2,631	2,631
Total	**41,075,197**	**41,075,197**	58,451,208	58,451,208

	MARCH 31, 2013		DECEMBER 31, 2012	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Financial liabilities				
Other financial liabilities				
Bank loans	**8,369,458**	**8,369,458**	6,594,043	6,594,043
Trade and other payables	**10,658,398**	**10,658,398**	11,650,381	11,650,381
Derivative liability	**20,824**	**20,824**	29,173	29,173
Deposit liabilities - net of current portion	**0**	**0**	5,431,967	5,404,211
Customers' deposits	**2,461,672**	**2,461,672**	2,493,421	2,493,421
Obligations on power distribution system	**279,099**	**466,542**	270,843	422,133
Obligations under finance leases				
Fixed rate	**54,045,567**	**64,966,806**	54,380,314	62,918,287
Long-term debt				
Fixed rate	**6,589,386**	**7,156,413**	21,635,304	22,457,829
Floating rate	**2,342,896**	**2,342,896**	2,405,280	2,405,280
Payable to preferred shareholder of a subsidiary (floating rate)	**21,025**	**21,025**	46,068	46,068
Total	**84,788,325**	**96,464,034**	104,936,794	114,420,826

As of March 31, 2013 and December 31, 2012, the group does not have any investment in foreign securities nor has it issued any traded foreign-denominated debt securities.

Fair Value of Financial Instruments

Fair value is defined as the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate. A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring maket transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available, and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with an inactive market, its fair value is determined using a valuation technique (e.g., discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables and trade and other payables

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate fair value due to the relatively short-term maturity of these financial instruments.

Fixed-rate borrowings

The fair value of fixed rate interest bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans.

Variable-rate borrowings and Obligations under finance lease

Where the repricing of the variable-rate interest bearing loan is frequent (i.e., three-month repricing), the carrying value approximates the fair value. Otherwise, the fair value is determined by discounting the principal plus the known interest payment using current market rates.

Customers' deposits

The fair value of bill deposits approximates the carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines. The timing and related amounts of future cash flows relating to transformer and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

Redeemable preferred shares

The fair values of the redeemable preferred shares are based on the discounted value of future cash flows using the applicable rates for similar types of borrowings.

AFS investments

The fair values of AFS investments are based on quoted market prices. The publicly-traded equity securities which are owned by the group are all actively traded in the stock market.

Obligations under Power Distribution System

The fair value of long term obligation on power distribution system is calculated by discounting expected future cash flows at prevailing market rates.

Derivative asset and liabilities

The fair value is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity. The Group enters into derivative financial instruments with financial institutions with investment grade credit ratings. Derivative valued using a valuation technique with market observable inputs pertains to a foreign exchange forward contract. The most applied valuation technique is forward pricing. The model incorporates various inputs including the credit quality of counterparty and foreign exchange spot and forward rates.

Fair Value Hierarchy

The Group uses the following hierarchy for determining the fair value of financial instruments by valuation

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

As of March 31, 2013 and December 31, 2012, the Group held the following financial instruments that are

MARCH 31, 2013

	Total	Level 1	Level 2	Level 3
AFS investments	**13,560**	**13,560**	**-**	**-**
Derivative asset	**142**	**-**	**142**	**-**
Derivative liability	**20,824**	**-**	**20,824**	**-**
	34,526	**13,560**	**20,966**	**-**

DECEMBER 31, 2012

	Total	Level 1	Level 2	Level 3
AFS investments	10,843	10,843	0	–
Derivative asset	2631	0	2631	–
Derivative liability	29,173	0	29,173	–
	42,647	10,843	31,804	-

During the periods ended March 31, 2013 and December 31, 2012, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.

Derivative financial instruments

The Group enters into non-deliverable short-term forward contracts with counterparty banks to manage foreign currency risks associated with foreign currency-denominated liabilities and purchases.

As of March 31, 2013 and December 31, 2012, the Group recognized derivative liability relating to these contracts amounting to nil and P7.6 million, respectively.

The movements in fair value changes of all derivative instruments for the year ended March 31, 2013 and December 31, 2012 are as follows:

	MAR 2013	DEC 2012
At beginning of period	**(26,542)**	(7,580)
Net changes in fair value of derivatives designated as accounting hedges	**8,349**	(32,112)
Net changes in fair value of derivatives not designated as accounting hedges	**-**	292
Fair value of settled instruments	**(2,489)**	12,858
At end of period	**(20,682)**	(26,542)

The gain amounting to nil in 2013 and P0.3 million in 2012 from the net fair value changes relating to the forward contracts are included as “Foreign exchange gains - net” under “Other income - net”. The changes in the fair value of the interest rate swap designated as a cash flow hedge were deferred in equity under “Cumulative translation adjustment.”

L. DISCLOSURES

1. Basis of Preparation, Statement of Compliance and Changes in Accounting Policies

Basis of Preparation

The consolidated financial statements of the Group are prepared on a historical cost basis, except for derivative financial instruments, AFS investments and investment properties which are measured at fair value, and agricultural produce and biological assets which are measured at fair value less estimated point-of-sale costs. The consolidated financial statements are presented in Philippine peso and all values are rounded to the nearest thousands, except for earnings per share and exchange rates and as otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group are prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the new and revised PFRS and Philippine Interpretations which the Group has adopted starting January 1, 2013. Except as otherwise indicated, adoption of the following new and amended PFRS and Philippine Interpretations did not have any significant impact to the Group's consolidated financial statements:

• PAS 1, Financial Statement Presentation (Amendment) - Presentation of Items of Other Comprehensive Income (OCI)
The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance..

• PAS 19, Employee Benefits (Revised)
Amendments to PAS 19 include the following requirements:
(a) actuarial gains and losses are recognized immediately in OCI; this change removes the corridor method and eliminates the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss; and
(b) expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation.

With the retroactive application of the above amendments, the Group restated its previous years' consolidated financial statements to effect the following adjustments:

	DECEMBER 31, 2012	JANUARY 31, 2012
Increase (decrease) in:		
Balance sheet		
Net pension liability	**213,445**	223,185
Net pension asset	**(59,683)**	(52,569)
Deferred income tax liabilities	**(5,462)**	(19,229)
Deferred income tax asset	**67,338**	52,908
Investments in Associates	**(356,910)**	(306,403)
Other comprehensive income	**(770,374)**	(701,202)
Retained earnings	**234,675**	204,431
Noncontrolling Interests	**(21,538)**	(13,248)

The consolidated statements of income and of comprehensive income for the period ended March 31, 2012 are not restated since 2012 remeasurements of defined benefit obligation and plan assets would have been done at year end 2012, and impact to interim profit or loss resulting from the revised manner of computing net benefit expense or income is very immaterial.

• PAS 27, Separate Financial Statements (as revised in 2011)
As a consequence of the new PFRS 10, Consolidated Financial Statement and PFRS 12, Disclosure of Interests in Other Entities, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate parent company financial statements.

• PAS 28, Investments in Associates and Joint Ventures (as revised in 2011)
As a consequence of the new PFRS 11, Joint Arrangements and PFRS 12, PAS 28 has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.

• PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

• PFRS 10, Consolidated Financial Statements
PFRS 10 replaces the portion of PAS 27 that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, Consolidation - Special Purpose Entities. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

• PFRS 11, Joint Arrangements
PFRS 11 replaces PAS 31, Interests in Joint Ventures and SIC-13, Jointly-controlled Entities - Non-monetary Contributions by Venturers. PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.

• PFRS 12, Disclosure of Interests with Other Entities
PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

• PFRS 13, Fair Value Measurement
PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard is applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13.

New Accounting Standards and Amendments to Existing Standards Effective Subsequent to March 31, 2013

• PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)
The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and also clarify the application of PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Group’s financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

• PFRS 9, Financial Instruments
PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, Financial Instruments: Recognition and Measurement. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

After evaluating the impact of PFRS 9 and considering that it will not have any significant effect on the Group's operating results or financial condition, management has decided not to early adopt the said standard. It will be implemented only when it becomes effective on January 1, 2015. Thus, the interim consolidated financial statements do not reflect the impact of the said standard.

2. Seasonality of Interim Operations

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This provides continuous water flow and thus makes it favorable to all ‘run-of-river’ hydropower plants’ operations.

Any unexpected change in the seasonal aspects will have no material effect on the Group's financial condition or results of operations. During and as of the end of the current interim period, no seasonal aspect had any material effect on the Group’s results of operations or financial condition.

3. Material Events and Changes

a. AEV Dividend Declaration

On March 5, 2013, the BOD of the Company approved the declarations of a regular cash dividend of P1.44 a share (P7.95 billion) and a special cash dividend of P0.56 a share (P3.09 billion) to all stockholders of record as of March 19, 2013, payable on April 15, 2013.

b. Sale of City Savings Bank (CSB) Shares

AEV and PILMICO, a wholly-owned subsidiary of the Company, own 99.54% of CSB. On January 8, 2013, the BOD of AEV approved the offer from Union Bank of the Philippines (UBP) to purchase its 59.54% shareholdings in CSB. Likewise, the BOD of PILMICO also accepted the offer of UBP to acquire its 40% interest. This acquisition by UBP was payable in cash, and subject to the required Monetary Board approval from the BSP.

Upon securing the Monetary Board approval on March 22, 2013, the parties signed the Deeds of Absolute Sale setting forth the final terms and conditions of the sale, including the total consideration of P5.73 billion.

Except for the above developments and as disclosed in some other portions of this report, no other significant event occurred that would have a material impact on the registrant and its subsidiaries, and no other known trend, event or uncertainty came about that had or were reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations, since the end of the most recently completed fiscal year. There were also no significant elements of income or loss that did not arise from the continuing operations of the registrant and its subsidiaries. Likewise, during and as of the end of the current interim period, there were no other unusual items (due to their nature, size or incidents) that affected liabilities, assets, equity, net income, or cash flows.

Other than those disclosed above, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons were created during the interim period. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or accelaration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles & practices, estimates inherent in the preparation of financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

Lastly, there were no changes in estimates of amounts reported in prior interim period and financial year that would have a material effect in the current interim period.

4. Events After the Reporting Period

On April 24, 2013, Aboitiz Land, Inc., the newly-acquired subsidiary of AEV, entered into an agreement with Ayala Land, Inc. to form a 50-50 joint venture company for the acquisition and development of parcels of land located within the Province of Cebu.

5. Material Adjustments

Except for the adjustments related to the retroactive application of revised PAS 19 (Employee Benefits), there were no other material, non-recurring adjustments made during the period that would require appropriate disclosures. All other adjustments are of a normal recurring nature.

6. Contingencies

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the likely outcome of these proceedings and legal cases will not have a material adverse effect on the Group's financial position and operating results. It is possible, however, that the future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these proceedings and legal cases.

AP obtained standby letters of credit (SBLC) and is acting as surety for the benefit of certain subsidiaries and associates in connection with loans and credit accommodations.

M. SCHEDULE OF RELEVANT FINANCIAL RATIOS

	FORMULA	RESTATED DEC 2012	**MAR 2013**
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	2.57	**2.46**
Acid test ratio	Cash + Marketable Securities + Accounts Receivable+ Other Liquid Assets / Current liabilities	2.25	**1.98**
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	0.97	**0.72**
Asset to equity ratio	Total assets / Total equity	1.97	**1.72**
Net debt to equity ratio	Debt - cash & cash equivalents / Total equity	0.45	**0.34**
Gearing ratio	Debt - cash & cash equivalents / Total equity + (Debt - cash & cash equivalents)	31.25%	**25.37%**
Interest coverage ratio	EBIT / Interest expense	5.88	**6.92**
PROFITABILITY RATIOS			
Operating Margin	Operating Profit / Total revenues	28.3%	**30.0%**

ABOITIZ EQUITY VENTURES, INC. & SUBSIDIARIES

AGING OF RECEIVABLES

AS OF : MAR 31/2013

(amts in P000's)

	30 Days	60 Days	90 Days	Over 90 Days	Total
Trade Receivables					
Transport Services	559,689	32,027	2,920	4,283	598,919
Power	4,681,359	394,955	234,195	1,735,639	7,046,148
Food Manufacturing	1,266,769	8,669	8,295	61,779	1,345,512
Realty	885,908	592	43	141,079	1,027,622
Holding and Others	402,638	28,488	5,411	46,834	483,371
	7,796,363	**464,731**	**250,864**	**1,989,614**	**10,501,572**
Others	1,064,386	71,024	35,930	254,160	1,425,500
	8,860,749	**535,755**	**286,794**	**2,243,774**	**11,927,072**
Less Allowance for Doubtful Accounts					**1,166,257**
					10,760,815

ACCOUNTS RECEIVABLE DESCRIPTION

Type of Receivable	Nature / Description	Period
Trade	uncollected billings to customers for sale of power, goods and services	30 - 60 days
Non-Trade	claims, operating cash advances and advances to suppliers & employees	30 - 120 days

NORMAL OPERATING CYCLE

Power Subsidiaries

- Distribution - 60 days
- Generation - 65 days

Food Subsidiary - 90 days

Aviation Subsidiary - 60 days

Real Estate Subsidiary - 30 days

Transport Subsidiary - 40 days