

October 28, 2015

SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA Greenhills,
Mandaluyong City, Metro Manila

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.,**
Director, Markets and Securities Regulation Department

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

ATTENTION : **MS. JANET ENCARNACION**
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORP.

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

ATTENTION : **MS. VINA VANESSA S. SALONGA**
Head - Issuer Compliance and Disclosures
Department

Gentlemen:

We submit for your files the SEC Form 17-C (Current Report) of Aboitiz Equity Ventures, Inc.

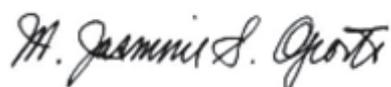
Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By:



M. JASMINE S. OPORTO
Corporate Secretary

COVER SHEET

C E O 2 5 3 6

S.E.C. Registration Number

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

(Company's Full Name)

3 2 N D S T R E E T , B O N I F A C I O G L O B A L

C I T Y , T A G U I G C I T Y , M E T R O M A N I L A

P H I L I P P I N E S

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

CATHERINE R. ATAY

Contact Person
Contact Person

(02) 886-2451

Company Telephone Number

1 2 3 1

Month Day
Fiscal Year

1 7 - C

FORM TYPE

3rd Monday of
0 5 1 8

Month Day
Annual

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles

Total No. of Stockholders

x

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = Pls. use black ink for scanning purposes

SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **October 28, 2015**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CEO2536** 3. BIR TIN **003-828-269-V**
4. **ABOITIZ EQUITY VENTURES, INC.**
Exact name of registrant as specified in its charter
5. **Philippines** 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines** **1634**
Address of principal office Postal Code
8. **(02) 793-2800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding |
|--|--|
| Common Stock ₱1 Par Value | 5,554,266,807 |
| Amount of Debt Outstanding (As of September 30, 2015) | ₱168,142,881,000.00 |
11. Indicate the item numbers reported herein: 9

Item 9 : Other Events

Aboitiz Equity Ventures, Inc. (AEV or the "Company") ended the third quarter of 2015 with a consolidated net income of ₱4.1 billion (bn), recording a decrease of 15% year-on-year (YoY). Out of the total earnings contributions from the Company's strategic business units (SBU), Power accounted for 74% while the income contribution of the Financial Services, Food, Real Estate and Infrastructure SBUs were at 13%, 11%, 1% and 1%, respectively.

For the three-month period in review, the Company registered a non-recurring loss amounting to ₱513.5 million (mn). This was mainly due to the revaluation of the Power SBU's consolidated dollar-denominated liabilities and placements. Adjusting for these one-offs, AEV closed the quarter with a core net income of ₱4.6 bn, lower by 11% YoY.

On a year-to-date (YTD) basis, AEV's consolidated net income declined by 17% YoY to ₱11.9 bn from ₱14.3 bn. This translates to ₱2.14 in earnings per share. Power accounted for 75%, followed by the Financial Services, Food and Real Estate SBUs with income contributions of 12%, 11%, and 2%, respectively.

For the period ending September 30, 2015, the Company incurred a non-recurring loss of ₱623.2 mn (versus last year's gain of ₱379.6 mn), which resulted from the revaluation of the Power SBU's consolidated dollar-denominated liabilities and placements. Adjusting for these one-off's, AEV's core net income amounted to ₱12.5 bn, which was 10% lower than last year.

Strategic Business Units

Power

For the first nine months of 2015, Aboitiz Power Corporation (AboitizPower) reported an income contribution of ₱9.4 bn, registering a 7% decrease when compared to the previous year's ₱10.1 bn. When adjusted for non-recurring items, the Power SBU recorded a 3% YoY decline in its earnings share, from ₱10.3 bn to ₱10.0 bn.

AboitizPower's generation group registered a 12% YoY decline in its income contribution from ₱8.3 bn to ₱7.3 bn. The decline is attributed to the lower sales registered by the Tiwi-Makban plants due to the lower available steam flow; the full-year impact of the implementation last February 2014 of the Binga plant's new ancillary contract and the unrealized forex loss of Therma Luzon, Inc. due to the revaluation of its liabilities. The income contribution of the generation group should have been higher if not for the expiration of Magat plant's income tax holiday. Netting out one-off items, the income contribution of AboitizPower's generation business for the period amounted to ₱8.0 bn, which was 6% lower than last year.

For the first nine months of 2015, AboitizPower's attributable net generation rose by 9% YoY, from 8,395 GWh to 9,161 GWh, as electricity sold through bilateral contracts, which made up 90% of total energy sold during the period, expanded by 16% to 8,254 GWh. On the other hand, spot market sales decreased by 28% from 1,266 GWh to 907 GWh. In terms of capacity, higher sales through bilateral contracts and ancillary services resulted to a 5% YoY increase in AboitizPower's attributable sales from 1,782 MW to 1,866 MW. Meanwhile, ancillary sales improved by 38% due to better water levels during the first nine months of 2015 as compared to the same period last year.

In line with the company's ongoing capacity expansion program, Unit 1 of Davao Coal, with a net sellable capacity of 130 MW, began commercial operations last September 18, 2015. Unit 2, on the other hand, is expected to be commissioned within the first half of 2016. Meanwhile, construction has also begun for the power unit's 59 MW Negros Solar Energy Project. Furthermore, AboitizPower recently disclosed that it entered into agreements to explore and develop a potential 2x55 MW geothermal plant with PT Medco Power Indonesia in East Java Province, Indonesia and a 127 MW hydropower generation project with SN Power AS and PT Energi Infranasantara along the Lariang River in Central Sulawesi, Indonesia. A Memorandum of Agreement was also signed with the National Irrigation Administration for the construction of an 8.5 MW hydroelectric power plant along the Maris Main (South) Canal in Magat.

Meanwhile, AboitizPower's distribution group registered income contribution of ₱2.0 bn for the first nine months of 2015, up 6% from the same period last year. Spearheaded by a 9% growth in industrial sales, total attributable electricity sales increased by 7% YoY, from 3,299 GWh to 3,546 GWh. Meanwhile, the group's gross margin during the period decreased by 3% YoY from ₱1.68 per kWh to ₱1.64 per kWh. The decline mostly came from Davao Light & Power Company, Inc. as it incurred higher direct cost due to the lag in recovery of pass through charges and the additional cost for running its embedded plant during the period.

Banking

Union Bank of the Philippines' (UnionBank) income contribution for the period ending September 30, 2015 recorded a 40% decrease YoY, from ₱2.4 bn to ₱1.4 bn. The decline was essentially due to trading losses coupled with the increase in operating expenses. This performance translated to annualized return on average equity of 7.9% and return on average assets of 1.1%.

For the first nine months of 2015, net interest income grew by 8% to ₱8.6 bn boosted by higher interest income on loans and other receivables coupled with relatively flat funding cost. Total other income, meanwhile, slid by 22% to ₱4.6 bn driven by trading losses amounting to ₱0.2 bn as compared to ₱1.7 bn trading gains posted in the same period last year. Total operating expenses rose by 16% to ₱8.4 bn in view of the increase in trust fund due to the strong pre-need sales of First Union Plans as well as higher salaries and employee benefits consequent to the Bank's expansion.

As of end-September 2015, UnionBank's total resources posted a slight drop of 13% to ₱385.3 bn. The decline was a result of the reduction of low-yielding liquid assets, particularly due from Bangko Sentral ng Pilipinas and Interbank loans receivable, which are funded by high cost deposits. Net loans and other receivables, on the other hand, expanded by 18% to ₱164.2 bn. Total capital funds fell by 8% to ₱48.7 bn with the increase in net unrealized fair value losses on investment securities arising from unfavorable market conditions. Capital ratios (solo basis) remained healthy and above the minimum regulatory requirements, with Common Equity Tier 1 and total capital adequacy ratio at 13.2% and 17.1%, respectively.

Food

AEV's non-listed food subsidiary, Pilmico Foods Corporation (Pilmico), recorded a stellar growth of 46% YoY in the first three quarters of 2015, from ₱942.2 mn to ₱1.4 bn. The increase was propelled by the spectacular performance of Feeds-Philippines, whose income contribution more than doubled from ₱282.2 mn to ₱573.7 mn. Feeds-Vietnam, which celebrated its first anniversary last August under the international arm of Pilmico, has continuously beat expectations, adding ₱90 mn to the bottomline. Flour's earnings also strengthened by ₱112.5 mn to ₱526.0 mn due to the 5% increase in sales volume amplified by higher non-core income from the sale of by-products. The growth in income of both the Feeds and Flour businesses were able to boost the Food Group's income contribution for the period despite the decline in Farms' contribution to the bottomline. Farms' income contribution fell by 27% to ₱179.0 mn on lower prevailing market selling price.

Real Estate

AEV's property unit, Aboitiz Land Inc. (AboitizLand), registered a YoY decline of 56% in its net income contribution for the period ending September 30, 2014, from ₱565.4 mn to ₱249.0 mn. This was due to a 20% decrease in its consolidated revenue for the period to ₱1.7 bn, mainly resulting from lower sales in Lima Land, Inc. industrial lots and higher manpower cost due to ongoing organizational expansion.

AboitizLand has already spent ₱1.4 bn in capital expenditures during the first nine months of this year, the bulk of which was spent on project completion (63 percent of the total), while the remaining balance was used for land acquisition and other initiatives. AboitizLand will employ more CAPEX this year to sustain the company's growth trajectory in the coming years.

Other Developments

Meanwhile, AEV's newly acquired companies – PetNet, Inc. and Lafarge Republic, Inc., (to be renamed Republic Cement & Building Materials, Inc.), which only began contributing last June and mid-September of the year, respectively, posted income contributions of ₱14.7 mn and ₱22.4 mn for the period in review.

Financial Condition

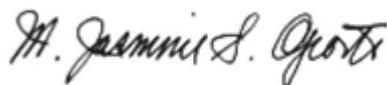
As of September 30, 2015, the Company's consolidated assets amounted to ₱339.4 bn, reflecting a 21% increase as compared to the year-end 2014 level. Cash and cash equivalents was at ₱73.7 bn, 46% higher than the year-end 2014 level of ₱50.5 bn. Consolidated liabilities amounted to ₱199.6 bn while Equity Attributable to Equity Holders of the Parent increased by 4% to ₱112.6 bn. Current ratio as of September 30, 2015 was at 2.3x (versus year-end 2014's 2.8x), while the net debt-to-equity ratio was at 0.7x (versus year-end 2014's 0.5x).

SIGNATURE (S)

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

ABOITIZ EQUITY VENTURES, INC.

By:



M. JASMINE S. OPORTO

Corporate Secretary

Date: October 28, 2015

PRESS RELEASE

28 Oct 2015

AEV posts P11.9 billion net income in first nine months

Aboitiz Equity Ventures, Inc. (AEV) reported a 17% year-on-year (YoY) consolidated net income decline from P14.3 billion to P11.9 billion from January to September 2015. This translates to P2.14 in earnings per share. Power accounted for 75% of the total earnings contributions, followed by the Banking and Financial Services, Food and Land Strategic Business Units (SBUs) with income contributions of 12%, 11%, and 2%, respectively.

During the nine-month period, the Company incurred a non-recurring loss of P623.2 million (versus last year's gain of P379.6 million), which resulted from the revaluation of the Power SBU's consolidated dollar-denominated liabilities and placements. Adjusting for these one-off's, AEV's core net income amounted to P12.5 billion, which was 10% lower than last year.

Strategic Business Units

Power

For the first nine months of 2015, Aboitiz Power Corporation (AboitizPower) reported an income contribution of P9.4 billion, registering a 7% decrease when compared to previous year's P10.1 billion. When adjusted for non-recurring items, the Power SBU recorded a 3% YoY decline in its earnings share, from P10.3 billion to P10 billion.

As of end-September, AboitizPower's attributable net generation rose by 9% YoY, from 8,395 GWh to 9,161 GWh, as electricity sold through bilateral contracts, which made up 90% of total energy sold during the period, expanded by 16% to 8,254 GWh. On the other hand, spot market sales decreased by 28% from 1,266 GWh to 907 GWh.

In terms of capacity, higher sales through bilateral contracts and ancillary services resulted to a 5% YoY increase in AboitizPower's attributable sales from 1,782 MW to 1,866 MW. Meanwhile, improving water levels boosted ancillary sales improved by 38%.

As part of the Company's ongoing capacity expansion program, Unit 1 of Davao Coal, with a net sellable capacity of 130 MW, began commercial operations last September 18 while Unit 2 is expected to be commissioned within the first half of 2016. Construction has also commenced for the Company's 59-MW Negros Solar Energy Project.

AboitizPower recently disclosed that it entered into agreements to explore and develop a potential 2x55 MW geothermal plant with PT Medco Power Indonesia in East Java Province, Indonesia and a potential 127 MW hydropower generation project with SN Power AS and PT Energi Infranasantara along the Lariang River in Central Sulawesi, Indonesia.

SN Aboitiz Power-Magat, Inc. also signed a Memorandum of Agreement with the National Irrigation Administration (NIA) for the construction of an 8.5 MW hydroelectric power plant along the Maris Main (South) Canal in Magat.

Meanwhile, the power distribution group's earnings share for the first nine months of 2015 increased by 6% to P2 billion. Spearheaded by a 9% growth in industrial sales, total attributable electricity sales increased by 7% YoY, from 3,299 GWh to 3,546 GWh.

The group's gross margin during the period, however, decreased by 3% YoY from P1.68 per kWh to P1.64 per kWh. The drop mostly came from Davao Light & Power Company, Inc., which incurred higher direct cost due to the lag in recovery of pass through charges and the additional cost for running its embedded plant during the period.

Banking and Financial Services

Union Bank of the Philippines' (UnionBank) income contribution from January to September recorded a 40% decrease YoY, from P2.4 billion to P1.4 billion. The decline was essentially due to trading losses coupled with the increase in operating expenses. This performance translated to annualized return on average equity of 7.9% and return on average assets of 1.1%.

By end-September, net interest income grew by 8% to P8.6 billion boosted by higher interest income on loans and other receivables coupled with relatively flat funding cost. Total other income, meanwhile, slid by 22% to P4.6 billion due to trading losses amounting to P0.2 billion as compared to P1.7 billion trading gains posted in the same period last year.

Food

AEV's non-listed food subsidiary, Pilmico Foods Corporation (Pilmico), recorded a stellar growth of 46% YoY in the first nine months, from P942.2 million to P1.4 billion. The increase was propelled by the spectacular performance of Feeds-Philippines whose income contribution more than doubled from P282.2 million to P573.7 million. Its international arm Feeds-Vietnam, which turned a year last August, added P90 million to the bottom line.

Flour's earnings also strengthened by P112.5 million to P526 million due to the 5% increase in sales volume amplified by higher non-core income from the sale of by-products. The growth in income of both the Feeds and Flour businesses were able to boost the Food Group's income contribution for the period despite the decline in Farms contribution to the bottom line. Farms' income contribution fell by 27% to P179 million on lower prevailing market selling price.

Land

AboitizLand Inc. (AboitizLand) registered a YoY decline of 56% in its net income contribution for the period from P565.4 million to P249 million. Lower sales in Lima Land industrial lots and higher manpower cost due to organizational expansion prompted a 20% decrease in consolidated revenue amounting to P1.7 billion.

The company spent P1.4 billion in capital expenditures during the first nine months of this year, the bulk of which was spent on project completion (63% of the total), while the remaining balance was used for land acquisition and other initiatives. AboitizLand will employ more capital expenditure this year to sustain the company's growth trajectory in the coming years.

Other Developments

Meanwhile, AEV's newly acquired companies – PetNet, Inc. (PetNet) and Lafarge Republic, Inc. (LRI) (to be renamed Republic Cement & Building Materials, Inc.), which only began contributing last June and mid-September of the year respectively, posted income contributions of P14.7 million and P22.4 million for the period in review.

“Despite the slight slide in profits, our strategic growth plans – whether at home or abroad – remain intact. Our recent foray into infrastructure through LRI, for instance, represents an excellent opportunity to be involved in nation building and participate in the robust growth expectations in that sector,” said AEV President and Chief Executive officer Erramon I. Aboitiz.

“We believe progressive infrastructure is what will propel our country’s economic growth and what will ultimately lead to a better life for our fellow Filipinos. Overseas, we remain on the lookout for growth opportunities that fit into our investment parameters, ensuring that will deliver value to our stakeholders,” he added.

About Aboitiz Equity Ventures

Aboitiz Equity Ventures, Inc. (AEV) is the publicly listed holding and investment company of the Aboitiz Group with major investments in power, banking, food, land, and infrastructure. AEV is recognized as one of the best-managed companies in the Philippines and in the region, and is acknowledged for its good corporate governance.

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For further queries on this Press Release, please contact:

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