

August 2, 2017

via facsimile (632) 584-5593 and by hand
SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex
Roxas Boulevard, Pasay City, 1307

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

via PSE EDGE
PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

ATTENTION : **MR. JOSE VALERIANO B. ZUÑO III**
OIC – Head, Disclosure Department

via electronic mail
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:

Attached is the SEC Form 17-C (Current Report) of Aboitiz Equity Ventures, Inc. filed in compliance with the Securities Regulation Code, its 2015 Implementing Rules and Regulations, the Revised Disclosure Rules of the Philippine Stock Exchange (PSE), and the Issuer Disclosure Operating Guidelines of the Philippine Dealing Exchange Corp. (PDEX).

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By:



MAILENE M. DE LA TORRE
Assistant 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)

M. JASMINE S. OPORTO

Contact Person

(02) 886-2729

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

1 7 - C

FORM TYPE

3rd Monday of

0 5 1 5

Month Day

Annual Meeting

N/A

Secondary License Type, if Applicable

SEC

Dept. Requiring this Doc

N/A

Amended Articles Number/Section

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. **August 2, 2017**
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) 886-2800**
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	5,633,792,557
Amount of Debt Outstanding (December 31, 2016)	₱255,786,255,493.00

11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc. (AEV or the "Company") ended the second quarter of 2017 with a consolidated net income of ₱5.6 bn, 3% higher than last year's ₱5.4 bn. The Company recognized non-recurring losses of ₱53 million (mn) (versus last year's loss of ₱86 mn) coming from forex losses recognized upon revaluation of dollar-denominated liabilities. Without the one-off losses, core net income for the quarter was 2% higher YoY, from ₱5.5 bn to ₱5.6 bn. AEV recorded an increase of 14% YoY in consolidated earnings before interest, tax, depreciation and amortization (EBITDA), from ₱11.6 bn to ₱13.3 bn.

On a year-to-date (YTD) basis, AEV's net income for the first half of 2017 was ₱10.3 bn, 2% lower than last year's ₱10.5 bn. The Company recognized non-recurring losses of ₱495 mn (versus last year's gain of ₱100 mn) coming from forex losses from the revaluation of dollar denominated loans. Without the one-offs, AEV's core net income increased 3% YoY, from ₱10.4 bn to ₱10.8 bn. AEV recorded a 14% increase in consolidated EBITDA, from ₱22.8 bn to ₱26.0 bn.

Strategic Business Units

Power

Aboitiz Power Corporation's (AboitizPower) income contribution to AEV decreased by 2% YoY, from ₱7.7 bn to ₱7.5 bn.

On a stand-alone basis, AboitizPower recorded an increase of 6% YoY in core net income for the half, from ₱9.8 bn to ₱10.5 bn. It recognized non-recurring losses of ₱744 mn (versus last year's gain of ₱130 mn) comprising forex losses resulting from restatement of dollar-denominated debt. These one-off losses brought AboitizPower's net income for the first half of 2017 to ₱9.7 bn, 2% lower YoY.

The generation business accounted for 82% of earnings contributions from AboitizPower's business segments, recording an income share of ₱8.1 bn for the first half of 2017, almost flat compared to the same period last year. When adjusted for non-recurring items, generation group registered an 8% YoY increase in its core net income, from ₱8.2 bn to ₱8.9 bn. Its consolidated EBITDA was likewise higher by 22%, from ₱14.8 bn to ₱18.0 bn, attributed to the strong performance of the hydro units and fresh GNPowder Mariveles Coal Plant Ltd. Co. (GNPower-Mariveles) contribution.

For the period, AboitizPower's capacity sold increased by 33% YoY, from 2,033 MW to 2,706 MW, mainly driven by the additional capacity of GMCP and higher capacity sold from the hydro units due to better hydrology in 2017.

The power distribution group's earnings share for the first half of 2017 increased by 3% YoY, to ₱1.8 bn. This is equivalent to 18% of earnings contributions from AboitizPower's business segments. Its attributable sales for the period was at 2,546 GWh, registering a 1.4% increase from the same period last year.

Distribution group's gross margin on a per kWh basis for the period increased to ₱1.63 from ₱1.50 in the first half of 2016. The improved margins came from better supply mix and recoveries on purchased power costs.

Banking & Financial Services

Union Bank of the Philippines' (UnionBank or the "Bank") income contribution to AEV increased by 9% YoY, from ₱1.9 bn to ₱2.1 bn.

On a stand-alone basis, UnionBank and its subsidiaries recorded a net income of ₱4.3 bn for the first half of 2017, 8% higher compared to the ₱4.0 bn earned for the same period last year. Growth of net income was in view of the sustained growth in recurring income, coupled with trading profits. The strong earnings performance translated to a return on equity and return on average assets of 14.7% and 1.7%, respectively.

Net interest income and fees were up by 11% to ₱10.3 bn from ₱9.2 bn a year ago. Net interest income increased by 11% to ₱8.1 bn, anchored on the sustained expansion of earning asset portfolio. Meanwhile, fee income rose by 13% to ₱2.2 bn, underpinned by the continuous customer acquisition in both loans and deposits. Operating expenses went up by 18% to ₱6.2 bn as a result of business expansion.

As of end-June 2017, UnionBank's total resources was up by 6% to ₱548.9 bn from ₱515.8 bn at year-end 2016. Loans and other receivables increased by 13% to ₱265.3 bn in view of strong growth across all major business segments. Deposit liabilities,

likewise, registered a 15% growth to P434.2 bn, anchored on the Bank's continuous thrust on cash management. The Bank's capitalization remains healthy, with a total capital adequacy ratio of 14.51% and Common Equity Tier 1 ratio of 12.03%.

Likewise, the income contribution of PETNET, the other financial service company, increased by 138% YoY to P9 mn.

Food

AEV's 100%-owned food subsidiaries' (Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation and Pilmico International Pte Limited) income contribution for the first half of 2017 decreased by 19% YoY from P885 mn to P717 mn.

Feeds Philippines and Flour reported a drop in net income contributions largely driven by higher raw material (RM) and operating costs. Feeds Philippines' bottomline weakened 36% to P280 mn on account of the change in sales mix in favor of the low-margin lines and higher RM costs. Higher wheat cost and increase in operating cost dragged Flour's income for the period to P138 mn, 62% lower YoY.

On the other hand, Feeds Vietnam and Farms showed remarkable improvements in net income. Feeds Vietnam's income more than doubled from P24 mn to P57 mn driven by the 6% volume growth, a result of its expansion in new markets: export and commercial, and better margins. The recovery in live hog selling prices of Farms resulted to a 4x higher YoY NIAT of Farms division to P226 mn. The dramatic improvement in Farms' selling price per kilogram from P100 to P130 was due to the low inventory of hogs in the market with the rampant occurrence of Porcine epidemic diarrhea (PED) in the backyard.

Real Estate

AEV's real estate segment comprised of 100%-owned AboitizLand and other 100% and majority-owned subsidiaries, registered a net income of P202 mn, 138% higher than last year's P85 mn.

The increase in net income was mainly attributable to higher sales booked by the industrial business unit, and improved sales and construction progress by the residential business unit.

AboitizLand posted revenues of P1.5 bn, an increase of 49% YoY. Of AboitizLand's revenue, the residential business unit contributed 50% (P764 mn), the industrial business unit 45% (P684 mn), and the commercial business unit and others 5% (P76 mn). Residential sales amounted to P1.7 bn – a substantial increase of 65% compared to the same period last year. On top of consistent sales from its existing projects, Seafront Residences (H&L) continued to drive sales, making up over 40% of Residential Sales to date – of which, a staggering 90% was booked in just the second quarter. Thus, Seafront Residences became AboitizLand's largest sales contributor to date with just 3 months of sales.

In the first half of the year, AboitizLand spent P1.2 bn out of its P5.0 bn CAPEX budget for the year, with 88% of the spending going towards project development. The company expects CAPEX spending to pick up in the remainder of the year with increased construction activity and project launches.

Infrastructure

From the infrastructure group, Republic Cement and Building Materials, Inc.'s (Republic) income contribution to AEV decreased by 43% YoY from ₱869 mn to ₱494 mn. Cement demand slowdown was experienced in the first half of 2017, as compared to the same period last year when there was strong demand due to the election season.

Financial Condition

As of June 30, 2017, the Company's consolidated assets amounted to ₱473.3 bn, reflecting a 2% increase as compared to the year-end 2016 level. Cash and cash equivalents was at ₱61.0 bn, 5% lower than the year-end 2016 level of ₱63.9 bn. Consolidated liabilities amounted to ₱293.9 bn while Equity Attributable to Equity Holders of the Parent increased by 4% to ₱145.6 bn. Current ratio as of June 30, 2017 stood at 2.2x (versus year-end 2016's 2.5x), while the net debt-to-equity ratio was at 1.1x (versus year-end 2016's 1.1x).

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:


Mailene M. de la Torre
Assistant Corporate Secretary

Date: August 2, 2017