

March 8, 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 : **MR. JOSE VALERIANO B. ZUÑO**
OIC - Head, Disclosure 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).

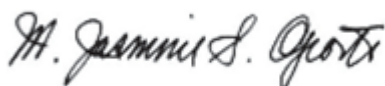
Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ EQUITY VENTURES, INC.

By:



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)

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. **March 8, 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
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Common Stock ₱1 Par Value	5,633,792,557
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Amount of Debt Outstanding (December 31, 2016)	₱255,786,255,493.00
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11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc. (AEV or the "Company") ended the fourth quarter of 2016 with a consolidated net income of ₱5.4 billion (bn), recording a decrease of 7% year-on-year (YoY). Out of the total earning contributions from the Company's strategic business units (SBU), Power accounted for 70% while the income contribution of the Financial Services, Food, Infrastructure and Real Estate SBUs were at 18%, 7%, 5% and 1%, respectively.

For the three-month period in review, the Company registered a non-recurring loss amounting to ₱330 million (mn). This was mainly due to the foreign exchange losses generated from the revaluation of consolidated dollar-denominated liabilities and refinancing costs. Adjusting for these one-offs, AEV closed the quarter with a core net income of ₱5.7 bn, lower by 1% YoY.

On a full-year basis, AEV's consolidated net income increased by 27% YoY to ₱22.5 bn from ₱17.7 bn in 2015. This translates to ₱4.02 in earnings per share. Power accounted for 65%, followed by the Financial Services, Food, Infrastructure and Real Estate SBUs with income contributions of 21%, 7%, 7% and 1%, respectively.

For the period ending December 31, 2016, the Company incurred a non-recurring loss of ₱347 mn (versus last year's loss of ₱602 mn), which mainly resulted from Power business units' refinancing costs and goodwill impairment, partly offset by the net forex gains from revaluation of dollar-denominated assets and liabilities. Adjusting for these one-off's, AEV's core net income amounted to ₱22.8 bn, which was 25% higher than last year.

Strategic Business Units

Power

Aboitiz Power Corporation's (AboitizPower) income contribution to AEV increased by 14% YoY, from ₱13.5 bn to ₱15.4 bn.

On a stand-alone basis, AboitizPower's income performance recorded a 14% YoY increase, from ₱17.6 bn to ₱20.0 bn. Adjusting for non-core items, AboitizPower's core net income for 2016 amounted to ₱20.6 bn, up by 12% YoY.

The generation business accounted for 82% of earnings contributions from AboitizPower's business segments, recording an income share of ₱16.3 bn for 2016, up 17% YoY. The growth was largely driven by Therma South's new contribution. Netting out one-off items, AboitizPower's generation business generated ₱17.2 bn for the period, which was 16% higher than last year.

For full year 2016, AboitizPower's attributable net energy sold rose by 8% YoY, from 12,550 GWh to 13,495 GWh, as electricity sold through bilateral contracts, which made up 91% of total energy sold during the period, expanded by 8% to 12,279 GWh. On the other hand, spot market sales increased by 4% from 1,168 GWh to 1,216 GWh.

As of year-end 2016, AboitizPower's net sellable capacity stood at 2,975 MW after the Philippine Competition Commissions approval of the acquisition of GNPowder Mariveles Coal Plant Ltd. Co.

The power distribution group's earnings share for 2016 decreased by 4%, from ₱3.8 bn to ₱3.7 bn. This is equivalent to 18% of earnings contributions from AboitizPower's business segments. Total attributable electricity sales increased by 7% YoY, from 4,759 GWh to 5,105 GWh as energy sales grew across all customer segments. Meanwhile, the group's gross margin on a per kWh basis in 2016 decreased to ₱1.59 from ₱1.61 a year ago. The decline mostly came from the under-recoveries as a result of a shift in supply mix.

Banking & Financial Services

Union Bank of the Philippines' (UnionBank or the "Bank") income contribution to AEV increased by 94% YoY, from ₱2.5 bn to ₱4.9 bn.

On a stand-alone basis, UnionBank and its subsidiaries recorded a net income of ₱10.1 bn for 2016, almost double the ₱5.3 bn posted in 2015. The surge in net income was largely attributable to the profits from securities sold in the second half of the year to support the Bank's loan growth strategy which accounted for ₱3.8bn. The remaining increase is attributable for the growth of recurring revenues (net interest income and fees), which accounted for 76% of total operating income. The strong earnings performance translated to return on average equity and return on average assets of 18% and 2%, respectively.

Recurring revenues increased by 22% to ₱19.2 bn. Net interest income rose by 24% to ₱14.8 bn as the Bank continued the build-up of its earning asset portfolio. Fee-income, likewise, increased by 19% to ₱4.4 bn buoyed by the expanded customer base in both loans and deposits. Operating expenses moved up by 3% to ₱11.8 bn as a result of business expansion.

As of end-2016, UnionBank's total resources breached the half trillion mark as it rose by 19% to ₱515.8 bn from ₱433.3 bn the previous year. Loans and other receivables – net grew

31% owing to the robust expansion of all major segments. Deposit liabilities, similarly, posted strong growth of 21% to ₱376.5 bn. Meanwhile, the Bank's capitalization remains healthy, with a total capital adequacy ratio of 16% and Common Equity Tier 1 ratio of 13%.

Food

AEV's food subsidiaries Pilmico Foods Corporation, Pilmico Animal Nutrition Corporation and Pilmico International Pte. Ltd.'s total earnings and income contribution slightly increased, posting a 1% growth YoY in net income for 2016 at ₱1.7 bn.

Feeds Philippines' income contribution to Pilmico increased by 13% to ₱963 mn on the back of strong volume growth. Despite lower margins brought about by depressed selling prices, the Flour segment's income contribution was slightly higher by 1% YoY to ₱557 mn on better performance of Flour's by-products.

On the other hand, Feeds Vietnam and Farms reported a decrease in income contributions mainly driven by lower prevailing selling prices. Feeds Vietnam dropped to ₱90 mn with the decline in selling prices and volume. Despite the increase in Farms' volume attributable to the sow level expansion, the significant YoY drop in live hog prices resulted to the 7% decrease in its income contribution to ₱204 mn.

Real Estate

AEV's real estate subsidiary, Aboitiz Land Inc.'s (AboitizLand) total earnings and income contribution to AEV decreased by 65% YoY, from ₱536 mn to ₱188 mn.

AboitizLand posted a revenue of ₱2.4 bn in 2016, 7% lower YoY. The drop in Net Income After Taxes was mainly due to deferred industrial business unit revenue recognition, planned increases in operating expenses intended for the organization's future growth. Additionally, in 2015 there was a recognized fair valuation gain on investment properties which did not recur in 2016. Although the industrial business unit's revenue contribution fell, reservation targets were fulfilled and remained on-track for the year.

Of AboitizLand's revenue, the residential business unit contributed 56% (₱1.4 bn), the industrial business unit 38% (₱928 mn), and the commercial business unit and others 6% (₱147 mn). For 2016, residential sales remained robust, amounting to ₱1.93 bn, and performed more consistently on a quarterly basis compared to the ₱1.92 bn sales from the same period last year.

AboitizLand spent ₱2.5 bn out of its ₱4.6 bn capex budget in 2016, and plans to utilize unspent capex in the upcoming year. With an expanding project pipeline and projects ready for launch, AboitizLand is keen to execute and is expected to spend ₱5.0 bn in capex for 2017. Of the amount, 65% will go towards Project Development, 30% for Land Acquisition, and 5% for Other Initiatives.

Infrastructure

AEV's investment in infrastructure, Republic Cement and Building Materials, Inc.'s (RCBM) income contribution to AEV increased by 700% YoY from ₱194 mn to ₱1.6 bn. RCBM only started contributing last mid-September of 2015. As compared to proforma 2015 full year accounts, operating profit of RCBM was ahead due to higher selling prices and lower variable costs.

For full year 2016, Cement Manufacturers' Association of the Philippines reported cement demand increased by 6.6% vs. 2015. However, cement demand in Q4 2016 declined by 3.9% vs. Q4 2015 as the latter included pre-election spending and the country experienced more rains in Q4 2016.

Financial Condition

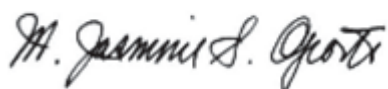
As of December 31, 2016, the Company's consolidated assets amounted to ₱464.5 bn, reflecting a 37% increase as compared to the year-end 2015 level. Cash and cash equivalents was at ₱66.0 bn, 4% higher than the year-end 2015 level of ₱63.6 bn. Consolidated liabilities amounted to ₱290.7 bn while Equity Attributable to Equity Holders of the Parent increased by 19% to ₱140.5 bn. Current ratio as of December 31, 2016 stood at 2.5x, while the net debt-to-equity ratio was at 1.1x (versus year-end 2015's 0.7x).

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: March 8, 2017