

COVER SHEET

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S.E.C. Registration Number

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

(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)

LEAH I. GERALDEZ

Contact Person

(032) 411-1804

Company Telephone Number

Current Report

1	2		3	1
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Month Day

Fiscal Year

1	7	-	C
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FORM TYPE

0	5		2	1
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Month Day

Annual Meeting

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Secondary License Type, if Applicable

S	E	C
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Dept. Requiring this Doc

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Amended Articles Number/Section

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Total No. of Stockholders

X

Domestic

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Foreign



To be accomplished by SEC Personnel concerned

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File Number

LCU

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Document I.D.

Cashier


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SECURITIES & EXCHANGE COMMISSION

SEC FORM 17-C

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

1. **August 7, 2007**
Date of Report (Date of earliest event reported)
2. SEC Identification Number **CE02536** 3. BIR TIN **003-828-269-V**
4. **ABOITIZ EQUITY VENTURES, INC.**
Exact name of registrant as specified in its charter
5. **Cebu City, Philippines** 6. 
Province, country or other jurisdiction of incorporation Industry Classification Code
7. **Gov. Manuel A. Cuenco Ave., Kasambagan, Cebu City** **6000**
Address of principal office Postal Code
8. **(032) 411-1800**
Registrant's telephone number, including area code
9. **N.A.**
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding
(as of June 30, 2007) |
|-----------------------------------|---|
| Common Stock P1 Par Value | 5,694,599,621 |
| Amount of Debt Outstanding | P21,773,833,892 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc.'s (AEV) consolidated net income for the first half of 2007 rose by 57% to P2.44 billion from P1.56 billion in the same period last year. Earnings per share improved to P0.43 from P0.32 for the comparative period in review. The strong showing was driven by the robust performance of the power and banking groups, accounting for 46% and 33% of total income, respectively. Food continued to be a stable source of earnings (9% of total income) while the transport group's operations (12% of total income) has returned to profitability.

On May 10, 2007, Union Bank of the Philippines (UBP) had a follow-on offering listing 90 million common shares at an offer price of P59 per share. AEV and the two other major shareholders of UBP waived its pre-emptive rights to subscribe to improve the bank's shares free float. AEV's equity ownership was diluted to 36% from 42%, which resulted to a gain on dilution of P682 million. Taking the conservative approach, AEV recognized the gain on dilution directly in equity instead of recording it as part of the consolidated net income.

Business Segments

Power

First half 2007 income contribution from the power group was up by 16% year-on-year, from P965 million to P1.12 billion. This earnings performance was at the back of a consolidated total revenue growth of 26%, from P4.17 billion in 2006 to P5.26 billion in 2007, where distribution and generation accounted for 81% and 19%, respectively.

First half 2007 income contribution from the power distribution business was up by 9% year-on-year, from P612 million to P669 million. This was at the back of a 7% year-on-year growth in total electricity sales, from 1,711 Gwh and 1,830 Gwh. Higher volume sales led to total consolidated first half 2007 revenues of P4,266 million, an 8% improvement over last year.

The power generation business shored in P468 million in net earnings contribution for the first half of 2007, recording an increase of 41% from last year's P331 million. Robust electricity sales accounted for the group's strong showing as total net generated power attributable to the company totaled to 266 Gwh, 121% higher than last year's 120 Gwh. This can be credited to the increase in the company's generating capacity by 151% through the acquisition of 50% of the 360MW Magat hydro power plant in Isabel, 60% of Cebu Private Power Corp. that owns and operates a 70MW thermal power plant and 50% of East Asia Utilities Corp. that owns and operates a 50MW thermal power plant in Mactan, Cebu. The three facilities started contributing to AP's results in the second quarter of 2007 only. Total consolidated revenue for the first semester was at P984 million, recording an increase of 310%, from P240 million of the same period last year. The growth can be attributed to the topline contribution of Cebu Private Power Corporation.

Financial Services

The financial services group contributed net earnings of P802 million in the first semester, 62% higher than previous year's P495 million. This can be attributed to the strong showing of both UBP and City Savings Bank (CSB).

UBP ended the semester with revenues at P5.0 billion, up 88% year-on-year. This was spurred by a 90% year-on-year growth in non-interest income derived from fees, commissions and trading gains, while net interest income grew by 87%. Strong revenue growth, coupled with lower loan loss provisions, offset the increase in operating expenses brought on by the combined operations of UBP and iBank. Consolidated net income for the period in review was at P1.84 billion, 70% higher than previous year's P1.08 billion. UBP's total assets as of end June 2007 reached P201.2 billion, with net loans and receivables at P39.26 billion.

System integration between UBP and iBank has been completed. Cost synergies are expected to be realized from the elimination of overlaps and the implementation of better systems and updated technologies. To date, UBP has realized almost P500 million in cost savings from the merger.

City Savings Bank (CSB), a non-listed thrift bank, contributed earnings of P30 million during the period in review. This was a 173% expansion from last year's P11 million. The bank recorded a 59% year-on-year growth in loans while total deposits grew by 92% year-on-year. CSB's branch network increased by 5 from last year, which led to a 22% increase in depositor base. CSB continues to experience strong growth in its consumer lending activities to its identified market niche. The bank currently has 65,000 depositors and 57,000 borrowers.

Transport

The transport group ended the first half of 2007 with a net income contribution of P284 million. This was a reversal from previous year's net loss of P1 million. 77%-owned ATS accounted for the bulk at P283 million, or 99.5% of total.

ATS' revenues for the first semester of 2007 recorded a decline of 4% to P5.54 billion. Despite the drop, the company was able to return to profitability with its continuous aggressive cost-saving measures and its improved operating efficiencies. Total costs and expenses for the period in review declined by 6% year-on-year.

In the second quarter, ATS completed the sales of SuperFerry 16 and SuperFerry 17. Proceeds from the transaction were used to lower the company's interest-bearing debt by 73%, from P2.4 billion as of December 2006 to P646 million as of June 2007. Net finance costs were consequently reduced by 59%. All told, ATS' net income for the first half of 2007 was at P367 million, a complete reversal from last year's loss of P2 million.

Food

The food group shored in an income contribution of P230 million, up by 16% from last year's P199 million. This was at the back of a 15% year-on-year growth in revenues, from P3.55 billion to P4.07 billion. Price adjustments, coupled with improved mill operating efficiencies, offset the high input costs in the flour and feeds businesses.

Financial Condition

As of June 30, 2007, the company's total assets was at P54.36 billion, up by 33% from year-end 2006. This can be mainly attributed to higher investments for the period as the company acquired additional power assets. Cash and equivalents was at P5.49 billion, lower by P2.52 billion from year-end 2006 levels. Current ratio as of period end was at 1.53x (versus year-end 2006's 2.07x), while debt-to-equity ratio was at 0.67x (versus year-end 2006's 0.68x).

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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:


LEAH I. GERALDEZ
Assistant Corporate Secretary

Date: August 7, 2007