

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(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

STAMPS

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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. **March 6, 2008**
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**
Province, country or other jurisdiction of incorporation
6. 
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 September 30, 2007)
Common Stock P1 Par Value	5,694,599,621
Amount of Debt Outstanding	P22,338,208,286
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc.'s (AEV) net income for the year 2007 grew by 54% to P5.8 billion from P3.8 billion in 2006. Earnings per share improved to P1.02 from P0.76 for the comparative period in review.

Leading the company's record performance was the Aboitiz Power Corporation (AP) accounting for the bulk of AEV's income at 61%. This was followed by the banking group with its income share amounting to 23% of total. The food group maintained its performance and continued to be a stable source of earnings with a 10% income share, while the transport group's sustained profit performance for the year resulted to a 6% contribution.

For the period in review, the company had a non-recurring income of P783 million, which includes (1) a foreign exchange net gain of P470 million at parent and

subsidiary levels and (2) a P313 million share in gains on asset sale made by its subsidiary, Aboitiz Transport System Corporation (ATS). On a recurring basis, AEV's net income of P5.0 billion in 2007 still recorded a robust growth of 37% year-on-year.

Business Segments

Power

Despite AEV's ownership dilution in AP, the power group continued to be AEV's main earnings contributor for the year with its income contribution growing by 47% year-on-year, from P2.3 billion to P3.3 billion. This was on the back of a 30% year-on-year consolidated revenue growth recorded for the period.

The power distribution business contributed net earnings of P1.3 billion to AEV, recording an 11% improvement over last year's P1.2 billion. Riding on the strong economic growth experienced in 2007, AP's distribution utilities recorded strong sales growth in its franchise areas. On an organic basis, the group's kilowatt-hour electricity sales improved by 7%, from 2,507 GwH to 2,673 GwH. 2007 electricity sales further increased to 2,790 GwH with the sales contribution of the acquisitions made during the year (i.e. 100% ownership in Mactan Enerzone Corporation, 60% ownership in Balamban Enerzone Corporation and an additional 36% ownership in Subic Enerzone Corporation), recording an 11% year-on-year growth rate. Total consolidated revenues amounted to P8.8 billion, up by 11% year-on-year.

The power generation business had a strong showing for the period in review with earnings contribution recording an 88% expansion, from P1.1 billion to P2.0 billion. AP's aggressive acquisition strategy has increased the company's attributable generating capacity to 490MW, an increase of 200%. This resulted to a 176% improvement in electricity sales, from 369 GwH in 2006 to 1,018 GwH in 2007. Total consolidated revenues of the business was at P2.5 billion, up by 219% from P782 million, primarily due to the topline contribution of Cebu Private Power Corporation.

Financial Services

The financial services group contributed net earnings of P1.24 billion in 2007, 11% higher than previous year's P1.12 billion. This can be attributed to the strong showing of both Union Bank of the Philippines (UBP) and City Savings Bank (CSB).

UBP ended the year with an earnings contribution of P1.18 billion, 10% higher than previous year's P1.07 billion. This was on the back of a 15% year-on-year revenue growth, primarily due to a 15% expansion in both the bank's net interest income and non-interest income derived from fees, commissions, trading and other income.

UBP's asset base as of year-end 2007 reached P188 billion, with net loans and receivables at P44 billion. Capital base rose by 34% to P25.7 billion due to strong internal capital generation and proceeds from the follow-on equity offering in the first half of 2007. Non-performing loans ratio declined to 3.6% in 2007 from 4.9% partly as a result of the sale of P2 billion worth of bad loans to a Special Purpose Vehicle company. The bank also sold P282 million worth of real and other properties acquired.

AEV's non-listed thrift bank, CSB, contributed earnings of P63 million during the period in review. This was a 32% expansion from last year's P48 million. The bank recorded a 44% year-on-year growth in loans while total deposits grew by 61%

year-on-year. CSB continues to experience strong growth in its consumer lending activities to its identified market niche. With 17 branches in the Visayas and Mindanao regions, the bank currently has over 70,000 depositors and 60,000 borrowers.

Transport

Led by the strong performance of 77%-owned ATS, the transport group ended the year with a net income contribution of P318 million, recording a 124% improvement over last year's share of P142 million.

Despite operating at reduced capacity due to the sale of vessels as well as the dry-docking of majority of its fleet, ATS recorded total consolidated revenues of P11.1 billion in 2007, an improvement versus last year's P10.6 billion. Robust freight revenues coupled with increased service fees generated from its supply chain management services led to the topline improvement.

The company continued to rationalize its assets to improve fleet productivity and enhance earnings performance. ATS converted unused passage capacity to make room for increasing freight demand, especially for its RoRo services. The company also entered into a joint venture with the A.P. Moller-Maersk Group to form MCC Transport Philippines Inc., which currently operates a 600 TEU container ship, offering regular weekly sailings, servicing the ports of Manila, Cebu and Cagayan de Oro.

For the year in review, three vessels have been sold. The proceeds of the vessel sales were utilized to pay down P1.8 billion of debt, bringing down the company's total interest bearing debt from P2.4 billion in 2006 to P570 million as of year-end. Consequently, net finance costs decreased by 79%, from P338 million in 2006 to P70 million in 2007. With total Cash and Cash Equivalents at P821 million, ATS is in a net cash position at P251 million as of year-end 2007.

ATS' enhanced operating performance, gains on asset sale and lower financing costs resulted to a net income of P420 million, a 113% improvement versus last year's P197 million.

Food

Income contribution from AEV's non-listed food subsidiary, Pilmico Foods Corporation ('Pilmico'), amounted to P530 million, 4% higher than last year's P510 million. Consolidated revenues grew by 17% year-on-year, to P5.4 billion from P4.6 billion. Higher selling prices for flour and its efficient milling operations enabled the company to achieve a 24% year-on-year expansion in operating income, from P547 million to P680 million. In the meantime, the company's feeds business and swine operations recorded a 19% year-on-year growth in combined revenues, from P2.8 billion to P3.3 billion. Net earnings from these businesses amounted to P83 million in 2007.

Financial Condition

On January 26, 2007, AEV successfully placed its entire treasury shareholdings representing 742,511,938 shares at a price of P8.20. The transaction raised approximately P6.1 billion. This increased AEV's total number of issued shares to 5,694,599,621.

As of year-end 2007, the company's total assets amounted to P65.2 billion, up by 60% from year-end 2006. Cash and cash equivalents amounted to P18.6 billion, higher by P10.6 billion from year-end 2006 levels. Total liabilities grew by 12% to

P18.5 billion, while Equity Attributable to Equity Holders of the Parent increased by 64% to P37.8 billion. Current ratio as of period end was at 2.5x (versus year-end 2006's 2.1x), while net debt-to-equity ratio was at -0.15x (versus year-end 2006's 0.11x).

Dividends

On February 7, 2008, AEV declared a regular cash dividend in the amount of P0.31 per share or for a total amount of P1.8 billion to all stockholders of record as of the close of business hours on February 21, 2008, payable on March 3, 2008.

In addition, a special cash dividend was declared in the amount of P0.30 per share or for a total amount of P1.7 billion to all stockholders of record as the close of business hours on February 21, 2008, payable on March 3, 2008.

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 6, 2008