

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		1	9
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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. **May 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** 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 December 31, 2007) |
|-----------------------------------|---|
| Common Stock P1 Par Value | 5,694,599,621 |
| Amount of Debt Outstanding | P18,516,264,180.00 |
11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc. (AEV) ended the first quarter of 2008 with a total net income of ₱1.18 billion, up 9% year-on-year. This translates to an earnings per share of ₱0.21 for the first quarter of 2008.

Aboitiz Power Corporation (AP) continued to account for the bulk of AEV's income at 67%. This was followed by the banking group with its income share amounting to 21% of total. The food group maintained its performance and continued to be a stable source of earnings with a 14% income share, while the transport group turned in a negative contribution for the period in review.

Business Segments

Power

Despite the reduced ownership in AP, the power group's income contribution for the quarter grew by 83% year-on-year, from ₱415 million to ₱761 million. This was on the back of a consolidated total revenue growth of 41% year-on-year.

The power generation business shored in the bulk of AP's income contribution to AEV. The business ended the quarter with net earnings contribution of ₱481 million, up 429% year-on-year. This strong showing can be attributed to the ₱439 million earnings contribution provided by the acquisitions made by the company in 2007. Leading the pack was the 360MW Magat hydro plant, which was able to turn in significant profit contributions as it realized favorable average selling prices at the electricity spot market. With a 200% expansion in its attributable generating capacity, from 164MW to 490MW, AP recorded a 942% year-on-year expansion in energy sales, from 36 GwH to 377 GwH.

On the other hand, the power distribution business contributed net earnings of ₱288 million to AEV, recording an 11% decline year-on-year mainly due to AEV's ownership dilution in its power subsidiary. AP's distribution utilities continued to record healthy electricity sales growth rates with the first quarter posting a 17% year-on-year improvement, from 633 GwH to 744 GwH. Excluding the sales contribution of the distribution utilities acquired last year, the group recorded an organic growth of 7% year-on-year.

Financial Services

The financial services group contributed net earnings of ₱232 million for the first quarter, 61% lower than previous year's ₱599 million.

Union Bank of the Philippines (UBP) ended the quarter with an earnings contribution of ₱222 million, 62% lower than the previous year's ₱582 million. The decline was primarily due to the base effect of the large trading gain that the bank realized in the same period last year. Core bank earnings and operating cost enhancements were the main drivers of the bank's earnings performance for the quarter in review.

UBP's core bank earnings showed significant improvement as it increased its lending business resulting from a more aggressive stance in accounts acquisition. Net loan portfolio expanded by 18% to ₱46.9 billion, which translated to a 7% year-on-year growth in interest income from its lending activities. This, coupled with a 38% growth in income from trading and investment securities and a 36% decline in interest expense, resulted to a 22% year-on-year improvement in the bank's net interest income.

The UBP-iBank integration activities done last year and the bank's continued enhancements in productivity and cost management resulted to sustained improvements in the bank's operating efficiency. This was evidenced by a 7% year-on-year reduction in its total operating expenses for the period.

UBP's asset base as of quarter-end reached ₱159.4 billion, while deposit level was at ₱107.7 billion. Capital base rose by 27% to ₱25.8 billion due to strong internal capital generation and proceeds from the follow-on equity offering in the first half of 2007. The bank's capital adequacy ratio was at 14.6%, inclusive of credit, market and operational risk charges.

AEV's non-listed thrift bank, City Savings Bank (CSB), contributed earnings of ₱10 million during the period in review, down 39% from the same period last year. The bank's lower earnings contribution could be attributed mainly to lower net interest margins and increased manpower costs. Total resources increased by 48% to ₱4.1 billion from 2007 year-end level of ₱2.7 billion. The bank's NPL ratio stood at 2.4% while its NPL coverage ratio was at 113%. Total capital funds amounted to ₱543 million with a capital adequacy ratio of 19%.

Transport

The transport group ended the quarter with a net loss contribution of ₱22 million, vis-à-vis last year's net loss of ₱20 million.

Despite recording lower total volumes due to vessels sold, Aboitiz Transport System Corporation's (ATS) total consolidated revenues grew by 17% year-on-year, from ₱2.5 billion to ₱3 billion. This topline growth was mainly on the back of an improving freight business and growing supply chain management services.

ATS' freight revenues for the period increased by 23% year-on-year. Volumes of its RoRo service continued to grow at a rate of 29%, now contributing 28% of freight business vis-à-vis an 18% share in the same period last year. Service fees also grew by 45%, which was in line with the company's strategy of building its supply chain management services.

The continued rise in fuel prices and higher charter-related expenses, however, led to a 20% increase in the company's total costs and expenses. This resulted to a negative earnings contribution to AEV for the period in review.

Food

Income contribution from AEV's non-listed food subsidiary, Pilmico Foods Corporation (Pilmico), amounted to ₱156 million, 20% higher than last year's ₱130 million. Revenues of its flour business grew by 28% year-on-year, mainly due to higher selling prices. Earnings from its wholly-owned subsidiary, Fil-Am Foods Inc. grew by 125% with strong volume sales for its swine business and favorable prices for both swine and feeds.

Financial Condition

For the quarter ending March 31, 2008, the company's total assets amounted to ₱60.4 billion, down by 8% from year-end 2007 level. Cash and cash equivalents amounted to ₱18.6 billion, lower by ₱6.6 billion from year-end 2007 levels. Total liabilities decreased by 8% to ₱17 billion, while Equity Attributable to Equity Holders of the Parent decreased by 8% to ₱35.1 billion. Current ratio as of period end was at 2.0x (versus year-end 2007's 2.5x), while net debt-to-equity ratio was at -0.05x (versus year-end 2007's -0.15x).

Other Developments

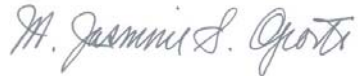
On February 7, 2008, the Board of Directors of AEV approved a buyback program, which authorized management to opportunistically buy back AEV's own shares as well as the shares of AP and UBP with AEV's excess cash. As of the period ending March 31, 2007, AEV has bought back 5,696,000 of its own shares and 135,200,000 AP shares.

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:

A handwritten signature in cursive script, appearing to read "M. Jasmine S. Oporto".

M. JASMINE S. OPORTO

Corporate Secretary

Date: May 6, 2008