COVER SHEET

C E 0 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)

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

Fiscal Year	FORM TYPE	Annual Meeting
1 2 / 3 1 (*Month* / *Day*)	1 7 - C	0 5 / 1 8 (*Month* / *Day*)

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc

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

S T A M P S

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 12, 2009
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 June 30, 2009)
Common Stock P1 Par Value	5,574,942,121
Amount of Debt Outstanding	₱42,198,283,717

11. Indicate the item numbers reported herein: 9

Item 9: Other Events

Aboitiz Equity Ventures, Inc. (AEV or the Company) ended the period January to June 2009 with a total net income of ₱3.4 billion, recording an increase of 55% year-on-year (YoY). This translates to ₱0.62 in earnings per share for the first semester of 2009.

For the period in review, the Company had a non-recurring net income of ₱430 million, versus a non-recurring loss of ₱43 million in the same period last year. Aside from a foreign exchange loss of ₱62 million at the parent and subsidiary levels, AEV realized a non-recurring income of ₱633 million, which consists of (1) a ₱575 million reversal of impairment provision to adjust the carrying amount of the assets of Aboitiz Transport System Corporation (ATS) in consideration of the termination of the planned sale of ATS and (2) a ₱58 million booked revenue (net of income tax provision), which represents the option money paid to AEV for the planned sale of ATS. Moreover, Aboitiz Power Corporation (AP) booked one-off expenses that relate to the acquisition of the Tiwi-Makban geothermal power plants, contributing ₱141 million to AEV's non-recurring expenses. Accounting for these one-off items, AEV's core net income still recorded a robust growth of 33% YoY, from ₱2.3 billion to ₱3.0 billion.

For the period in review, the power group accounted for 42% of AEV's total earnings contributions from the various business segments. This was followed by the banking group with earnings contribution amounting to 31% of total. The food and transport groups' income share were each at 13% of total.

Business Segments

Power

AP ended the first half of the year with an income contribution of ₱1.2 billion, recording a 22% YoY decline. When adjusted for non-recurring items, the group recorded a 14% YoY contribution drop to ₱1.4 billion for the semester in review.

Despite higher net generation levels, the power generation business had an income contribution of ₱796 million, which is 20% lower YoY. The earnings decline was mainly due to lower spot market prices. When adjusted for non-recurring items, the decline in the business' earnings is reduced to 8% YoY, from ₱1.1 billion to ₱1.0 billion.

Wholly owned AP Renewables, Inc. (APRI), owner and operator of the Tiwi-Makban geothermal power plants, recorded ₱316 million in operating income for the period in review. However, APRI had to book one-off expenses totaling ₱265 million, which include ₱113 million in acquisition-related costs and ₱152 million in losses due to the settlement of its foreign exchange forward contracts used to hedge the downpayment made to the Power Sector Assets and Liabilities Management Corporation (PSALM) (40% of the $447 million acquisition price). On a recurring basis, APRI contributed ₱146 million to the power generation's core earnings contribution to AEV for the first semester of 2009.

For the period in review, the total attributable power sold was 36% higher than last year, from 806 GwH to 1,093 GwH. The expansion can be mainly attributed to the operation of the 100 MW Binga hydropower plant and the Tiwi-Makban geothermal power plants. As of end-June 2009, AP's attributable capacity was at 1,040 MW, posting a 112% YoY expansion. The increase was due to the turnover of the 175 MW Ambuklao-Binga hydropower plants in July 2008 and the 462 MW Tiwi-Makban geothermal power plants in May 2009.

On a quarter-on-quarter (QoQ) basis, the group's total attributable power sold improved by 150%, mainly due to the hydropower plants' higher generation levels and the one-month sales contribution of the geothermal power plants. With the higher rainfall during the second quarter, the hydropower plants recorded a 152% QoQ increase in attributable energy sales for the months of April-June 2009. In the meantime, the Tiwi-Makban geothermal power plants contributed 253 GwH of net generation.

The electricity spot market's load weighted average price for the first semester of 2009 recorded a 26% YoY decline. This can be attributed to several factors, which include (1) the significant reduction in fuel costs, particularly oil and coal, (2) the increase in average generated power offered in the spot market resulting from the improved operating efficiency of privatized power plants, and (3) the System

Operator's settlement of offers made by the Limay oil-fired power plant outside of the electricity spot market.

The power distribution group's electricity sales for the period grew by 5% YoY, from 1,532 GwH to 1,603 GwH. Power consumption of both residential and non-residential customers improved by 7% and 4%, respectively. This was on the back of an improved customer base with residential and non-residential accounts growing by 4% and 2%, respectively.

Despite the robust volume growth recorded, the distribution group's income contribution for the period recorded a 16% YoY decline to ₱485 million. The lower earnings can be attributed mainly to the under recovery of cost of purchased power by AP's distribution utilities in March 2009, which resulted from the increase in the National Power Corporation's grid rates.

<u>Financial Services</u>
The financial services group contributed net earnings of ₱899 million in the first semester, recording a 96% YoY improvement from previous year's ₱459 million.

Union Bank of the Philippines (UBP) ended the period with an earnings contribution of ₱869 million, up by 98% YoY. An 83% YoY increase in the bank's net income for the period, coupled with the increase in AEV's equity ownership to roughly 39%, led to the higher contribution.

Interest income for the period increased by 39% YoY to ₱6.1 billion. This was mainly attributable to a 67% YoY expansion in interest earnings on loans and receivables to ₱3.5 billion. UBP's loan portfolio recorded a 46% YoY increase, from ₱54.5 billion to ₱79.4 billion, as efforts on accounts acquisition were implemented in the corporate, commercial and consumer finance market segments. Interest earnings from investments and trading securities improved by 37% YoY to ₱2.1 billion. Net interest income rose by 17% YoY, from ₱2.7 billion to ₱3.2 billion, despite the 74% YoY increase in total interest expense brought about by the bank's higher deposit level.

Higher net trading gains led to a 108% YoY increase in the bank's other income. Meanwhile, other expenses only grew by 18% as UBP continued to implement cost containment and efficiency improvements.

UBP's asset base stood at ₱218 billion as of period end, with a deposit level of ₱174 billion. UBP's capital adequacy ratio was at 11.4%, inclusive of credit, market and operational risk charges, which remains above the industry minimum requirement of 10%.

AEV's non-listed thrift bank, City Savings Bank (CSB), contributed earnings of ₱30 million during the period in review, up 49% from the same period last year. CSB's higher earnings contribution could be attributed mainly to the 64% expansion in its interest income on loans. CSB ended the period in review with a total loan book of ₱3.9 billion, up from ₱2.7 billion in the same period last year. Total resources increased to ₱5.2 billion from the 2008 year-end level of ₱4.7 billion. CSB's NPL ratio stood at 1.68% while its NPL coverage ratio was at 113%. Total capital funds amounted to ₱605 million with a capital adequacy ratio of 14.64%.

<u>Transport</u>
The 28% YoY reduction in fuel costs, coupled with the improved asset utilization and the development of the value added supply chain and logistics business, resulted in the transport group's strong showing for the period in review. Income

contribution for the first semester recorded a robust growth of 1,966% YoY, from ₱19 million to ₱384 million.

ATS' total consolidated revenue for the period was at ₱6.2 billion, recording a 3% YoY increase. Improvements in its freight shipping operations and expanded value added business offset the decline in the company's international chartering business.

Higher average rates and the operation of its full fleet this year led to the 16% YoY increase in ATS's freight shipping operations. Freight capacity is being utilized by its own supply chain and value added business, which registered a 228% YoY revenue growth to ₱789 million. The growth in this business was fueled by the topline contribution of ScanAsia Overseas, Inc., a company ATS acquired in June 2008.

The decline in ATS' international chartering business led to a 19% YoY decline in the freight business' revenue, while passage revenue (inclusive of ancillary revenues) grew by 5% to ₱1.6 billion. The passage business has been successfully transformed into a low cost, high yield model with vessel utilization at 82%, the highest in the last five years.

Food

Income contribution from AEV's non-listed food subsidiary, Pilmico Foods Corporation, recorded a 67% YoY increase to ₱386 million. The flour business recorded a 14% YoY earnings reduction due to lower average selling prices realized in the period, while lower sales volume and average selling prices resulted in a 51% YoY drop in the swine business' earnings. Feeds, in the meantime, recorded a significant improvement in earnings on the back of improved margins due to higher prices, coupled with freight cost savings resulting from the operation of the Iligan feedmill.

Financial Condition

For the period ending June 30, 2009, the Company's total assets amounted to ₱91.5 billion, up by 21% from year-end 2008 level. Cash and cash equivalents amounted to ₱7.6 billion, lower by ₱9.0 billion from year-end 2008 levels. Total consolidated liabilities increased by 45% to ₱42.2 billion, while Equity Attributable to Equity Holders of the Parent increased by 6% to ₱40.2 billion. Current ratio as of period end was at 1.2x (versus year-end 2008's 1.9x), while net debt-to-equity ratio was at 0.5x (versus year-end 2008's 0.07x).

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

M. JASMINE S. OPORTO
Corporate Secretary

Date: August 12, 2009