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)

Contact Person	Company Telephone Number
LEAH I. GERALDEZ	(032) 411-1800

1st Quarterly Report

Fiscal Year (Month / Day)	FORM TYPE	Annual Meeting (Month / Day)
12 31	17-Q	05 19

Secondary License Type, if Applicable

Dept. Requiring this Doc	Amended Articles Number/Section
SEC	

Total No. of Stockholders	Domestic	Foreign
	X	

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2008

2. Commission identification number CE02536 3. BIR Tax Identification No. 003-828-269-V

4. Exact name of issuer as specified in its charter ABOITIZ EQUITY VENTURES, INC.

5. Province, country or other jurisdiction of incorporation or organization Cebu City, Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   Gov. Manuel A. Cuenco Avenue, Kasambagan, Cebu City, Philippines 6000

8. Issuer's telephone number, including area code

   (032) 2312580

9. Former name, former address and former fiscal year, if changed since last report

   N.A.

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common stock, P1.00 par value	5,688,903,621
Total debt	17,027,708,559

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [x] No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    Philippine Stock Exchange Common

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Top Five Key Performance Indicators

Management uses the following indicators to evaluate the performance of registrant Aboitiz Equity Ventures, Inc. ("AEV" or the "Company" or the "Parent Company") and its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the "Group"):

1. EQUITY IN NET EARNINGS OF INVESTEES
   Equity in net earnings (losses) of investees represents the group's share in the undistributed earnings or losses of its investees for each reporting period subsequent to acquisition of said investment, net of goodwill impairment cost, if any. Goodwill is the difference between the purchase price of an investment and the investor's share in the value of the net identifiable assets of investee at the date of acquisition. Equity in net earnings (losses) of investees indicates profitability of the investments and investees' contribution to the group's consolidated net income.

   Manner of Computation: Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

2. EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)
   The Company computes EBITDA as earnings before extra-ordinary items, net finance expense, income tax provision, depreciation and amortization. It provides management and investors with a tool for determining the ability of the group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the group's ability to service its debts and to finance capex and working capital requirements.

3. CASH FLOW GENERATED
   Using the Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on cash

flow when the group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. CURRENT RATIO
   Current ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the group's short-term debt paying ability. The higher the ratio, the more liquid the group.

5. DEBT-TO-EQUITY RATIO
   Debt-to-Equity ratio gives an indication of how leveraged the group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total debt by stockholders' equity.

All the key performance indicators were within management's expectations during the period under review.

Despite the anticipated decline in earnings of the banking associates, equity in net earnings of investees registered a 15% year-on-year growth. This increase was attributed to the fresh income contributions from newly-acquired power companies which more than made up for the decrease in earnings of the banks.

The 14% increase in EBITDA was attributable to the robust operating margins generated by the group as a result of higher revenues and effectively-controlled costs and expenses. The additional margin and equity in net earnings contributions of the newly-acquired companies (i.e., SN Aboitiz - Magat Inc., Cebu Private Power Corporation, East Asia Utilities Corporation, STEAG State Power, Inc., Mactan Enerzone Corporation and Balamban Enerzone Corporation) further enhanced growth in earnings.
Despite the challenging economic environment, the group has consistently managed its cashflows and operations effectively, generating positive cash inflows and registering healthy financial ratios. This strong financial position enables the group to deliver higher value directly to its shareholders, while continuing to invest in its growth opportunities.

	MAR 31/2008	MAR 31/2007	DEC 31/2007
EQUITY IN NET EARNINGS OF INVESTEES	897,699	781,037	
EBITDA	2,068,596	1,809,276	
CASH FLOW GENERATED:			
Net cash provided by (used in) operating activities	(525,613)	1,302,414	
Net cash used in investing activities	(244,258)	(298,034)	
Net cash provided by (used in) financing activities	(5,800,497)	3,538,816	
Net Increase (Decrease) in Cash & Cash Equivalents	(6,570,368)	4,543,196	
Cash & Cash Equivalent, Beginning	18,568,226	8,009,957	
Cash & Cash Equivalent, End	12,014,158	12,527,814	
CURRENT RATIO	2.01		2.48
DEBT-TO-EQUITY RATIO	0.39		0.39

Financial Results of Operations

AEV's consolidated net income for the first quarter of 2008 rose by 9% to ₱1.18 billion from ₱1.08 billion during the same period last year. Earnings per share improved to ₱0.21 from ₱0.19 for the comparative period in review.

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 current period.

Despite AEV's ownership dilution in AP, the power group continued to be AEV's main earnings contributor for the period with its income contribution growing 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. These newly-acquired companies started to contribute to AP only during the second and third quarters of 2007. Leading the pack was the 360 megawatt (MW) 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 gigawatt-hours (GWh) to 377 GWh. On the other hand, the power distribution business contributed net earnings of P288 million to AEV, recording an 11% decline 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.

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, while City Savings Bank (CSB), contributed earnings of ₱10 million down 39% from the same period last year.

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. The group generated negative operating margins during the current period as a result of the 20% increase in total costs and expenses which more than offset the 17% increase in consolidated revenues.

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.

Material Changes in Line Items of Registrant's Income Statement

Consolidated net income attributable to equity holders increased by 9% due to the following:

Gross profit for the 1st quarter 2008 amounted to ₱570 million, an 8% increase over the ₱527 million posted during the same period last year. The 27% or ₱1.77 billion growth in consolidated revenues more than offset the ₱1.73 billion hike in costs and expenses.

The power and food groups reported improvement in margins due to increase in sales during the current period. Power distribution subsidiaries reported a 12% increase in revenue, mainly coming from the fresh revenue contributions of newly-acquired companies, Mactan Enerzone Corporation (MEZ) and Balamban Enerzone Corporation (BEZ). Likewise, generation subsidiaries recorded an unprecendented growth of 1,088%, substantially as a result of the consolidation of the revenue of Cebu Private Power Corporation (CPPC). MEZ, BEZ and CPPC were acquired by and consolidated into AP during the second and third quarters of 2007. On a consolidated level, power revenues increased 41% year-on-year to ₱2.97 billion and operating margins improved by 30% to ₱407 million.

The 23% boost in sales (1Q08 - ₱2.41 billion; 1Q07 - ₱1.96 billion) for the food group was attributed to better selling prices in its flour business, strong volume sales for its swine business and favorable prices for both swine and feeds businesses. Upgraded and more efficient milling operations, which countered the impact of higher input costs for both flour and feeds, also contributed to the 11% growth in operating margins (1Q08 - ₱277 million; 1Q07 - ₱250 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 ₱2.54 billion to ₱2.98 billion. This topline growth was mainly on the back of an improving freight business and growing supply chain management services. Its freight revenues for the period increased by 23% year-on-year as a result of the 29% growth in volume of its RoRo service and the improvement of its international chartering business. Said increase was offset by the 3% reduction in passage revenues. 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 and eroded ATS's margins. As a result, the transport group reported negative operating margins during the period under review. At the AEV consolidated level, transport group's decline in margins was more than made up by the year-on-year surge in combined operating profits of power and food groups.

Share in net earnings of associates registered a 15% increase (₱898 million vs ₱781 million) primarily due to the fresh income contributions of newly-acquired power generation associates (i.e., SN Aboitiz Power - Magat Inc., East Asia Utilities Corp., and STEAG State Power Inc.). These associates which all posted positive bottomlines started contributing to AEV consolidated income during the second half of 2007. For the quarter under review, the group's share in income of these associates amounted to ₱531 million, making up 59% of total equity earnings.

The over-all increase in share in net equity earnings was partially reduced by the decrease in the income contributions of banking associates, UBP and CSB. Their combined earnings contribution declined by 61% from ₱599 million to ₱232 million in 1Q2008. UBP posted a net income of ₱574 million, a 58% decrease from the similar quarter last year, mainly due to the exceptional trading gains recorded during the 1st quarter of 2007. The decline in trading gains more than offset the 22% growth in net interest income and the 8% reduction in operating costs. The improvement in net interest income was due to the increased lending business as a result of more aggressive credit positioning. Likewise, AEV's non-listed thrift bank, CSB, ended the quarter with a ₱29 million net income, down 39% from 1Q2007's ₱48 million, mainly due to lower net interest margins and increased manpower costs.

Other Income increased to ₱194 million, 269% higher than the ₱52 million recorded in the first quarter of 2007. This was substantially due to the higher gains generated on the sale of various assets and reversal of certain loss provisions during the current period.

The overall improvement in consolidated operating income was further boosted by the 66% increase in interest income, coupled with the 10% reduction in finance expense. Higher average cash balances maintained at AP parent company level and decrease in average debt accounted for this improvement. Provision for income tax increased by 16% as a result of the higher taxable income reported by the group.

The ₱270 million increase in net income attributable to minority interests was mainly due to AEV's ownership dilution in AP, from 100% during the 1st quarter of 2007 to 75.27%, as a result of the AP initial public offering in July 2007.

Changes in Registrant's Resources, Liabilities and Shareholders Equity

Compared to year-end 2007 levels, consolidated assets decreased by 8%, from ₱65.50 billion in December 2007 to ₱60.38 billion in March 2008, due to the following:

a. Cash & Cash Equivalents stood at ₱12.01 billion, 35% lower than the ₱18.57 billion reported as at year-end 2007. This decrease was mainly due to AEV parent's payment of ₱3.47 billion in cash dividends to common shareholders and prepayment of its ₱1.2 billion long-term loan. AP parent also reported a lower cash balance due to its payment of ₱1.32 billion in cash dividends, release of advances for Cebu coal project and acquisitions of remaining shares in SEZ and BEZ.

b. Deferred Income Tax Asset decreased by ₱37 million or 9%, mainly due to reversal of cost provisions which required a corresponding reversal in deferred income tax benefit, with deferred tax asset as contra-account.

c. Other Noncurrent Assets decreased by 8% to ₱529 million, substantially due to reclassification of project costs to Property, Plant & Equipment account.

The above decreases were partially offset by the following increases:

a. Inventories increased by 49% (₱2.30B vs ₱1.54B) due to higher wheat inventory carried by Pilmico as of quarter ended March 2008.

b. Other Current Assets increased by 16% from ₱1.62 billion to ₱1.88 billion, mainly due to higher unapplied VAT input taxes and accumulation of unutilized prepaid taxes by AEV and ATS parent companies. These prepaid taxes represent creditable taxes withheld by customers and creditable senior citizen discounts which can be used as payment of future income taxes by these companies.

c. Property, plant & equipment (PPE) and Investment properties registered a combined increase of 4% from ₱10.8 billion to ₱11.25 billion, substantially due to the acquisition of power utility equipment and a piece of land, and additional costs incurred for the on-going construction of the Sibulan hydro plant.

Consolidated short-term bank loans increased by ₱191 million due to the additional loan availment by the transport group to finance its working capital requirements. On the other hand, long-term liabilities decreased by 20% or ₱1.36 billion compared to 2007 year-end level, mainly due to prepayment of debt at the AEV parent level.

Trade and other payables were lower by 9% from ₱6.25 billion to ₱5.68 billion mainly due to the settlement of accounts by the transport and power groups.

Income tax payable increased by ₱222 million due to additional regular income tax provisions recorded by subsidiaries during the current period. Likewise, deferred income tax liability was higher by ₱37 million due to deferred income tax provision set up on unrealized foreign exchange gains recorded during the quarter in review.

Equity attributable to equity holders of the parent decreased by 8% from year-end 2007 level of ₱38.13 billion to ₱35.12 billion, due to the following:

a. Retained earnings decline by ₱2.30 billion as at March 31, 2008, mainly due to the payment of ₱3.47 billion in cash dividends by AEV parent to its common shareholders. Said decrease was partially offset by the ₱1.18 billion in consolidated net income posted during the quarter.

b. Share in unrealized gains on AFS investments and underwriting accounts decreased by ₱447 million due the decline in the market prices of these financial instruments as of the end of the current period.

c. Acquisition of minority interest decreased by ₱243 million, representing the premium paid by the group in acquiring the additional 40% interest in BEZ.

The ₱623 million decrease in minority interests was mainly due to AEV's increase of ownership in AP, from 73.44% as of year-end 2007 to 75.27% as of quarter-end 2008, as a result of the AEV's acquisition of more AP shares during the quarter under review.

Material Changes in Liquidity and Cash Reserves of Registrant

For the quarter ended 2008, the group continues to support its liquidity mainly from cash generated from operations and dividends received from associates. External borrowings are also a source of liquidity. When opportunity arises, it raises capital or disposes of certain assets to strengthen its cash position and be financially prepared to partake in major investment projects.

Consolidated cash generated from operating activities decreased by 140%, from ₱1.30 billion during the 1st quarter of 2007 to -₱526 million during the current quarter. This decrease was largely a result of higher inventory level and settlement of trade payables during the period in review.

The current period ended up with a ₱244 million net cash used in investing activities, compared to the ₱298 million used during the previous comparable period. The decrease was mainly due to higher cash dividends received from associates and interest income received.

Net cash used in financing activities was ₱5.80 billion, compared to the ₱3.54 billion net cash provided in Mach 2007. The treasury share sale made by the AEV parent in January, 2007 added ₱5.94 billion to cash during the 1st quarter of 2007. On the other hand, bigger cash dividends paid by AEV parent (₱3.47 billion vs ₱1.14 billion in 2007) and higher debt settlement (₱1.19 billion vs ₱1.02 billion in 2007) resulted in a net-cash-used position during the quarter in review.

For the quarter ended March, 2008, net cash outflows were higher than cash inflows, resulting to a 35% decrease in cash and cash equivalents, from ₱18.57 billion in December 2007 to ₱12.01 billion in March, 2008.

Financial Ratios

Lower cash balances accounted for the decrease in current ratio, from 2.48:1 as of December 2007 to 2.01:1 as of March 2008. On the other hand, debt-to-equity ratio remained 0.39:1 while net debt-to-equity ratio stood at -0.05:1, from -0.15:1 as of December 2007.

Outlook for the Upcoming Year/Known Trends, Events, Uncertainties, which may have Material Impact on Registrant

Notwithstanding external and uncontrollable economic and business factors that affect its businesses, AEV believes that it is in a good position to benefit from the foreseen opportunities that will arise in the current year. Its sound financial condition, coupled with a number of industry and company specific developments, should bode well for AEV and its investee companies. These developments are as follows:

Power Sector (Generation)

AP, AEV's holding company in power, increased its beneficial generation capacity by 200% in 2007 through the acquisition of ownership stakes in three generating utilities (i.e. 60% in the 70 MW oil fired plant of Cebu Private Power Corp., 50% in the 50 MW oil fired plant of East Asia Utilities Corp., and 34% in the 232 MW coal fired plant of STEAG State Power), and the start of operations of its 360 MW Magat hydroelectric plant in Isabela.

The significant earnings contributions in 2007 of these plants are expected to further improve in 2008, with their first full year of operations.

SNAP Magat, the operator and owner of the 360MW Magat hydroelectric facility, was able to refinance its US$380 million loan in October 2007 significantly lowering its interest cost. It is estimated that cost savings of US$10 million per annum will be achieved.

On November 28, 2007, SNAP Hydro, a consortium between AP and SN Power AS of Norway, submitted the highest bid for the Ambuklao-Binga Hydroelectric Power Complex consisting of the 75MW Ambuklao Hydroelectric Power Plant located at Bokod, Benguet and the 100MW Binga Hydroelectric Power Plant located at Itogon, Benguet. The price offered amounted to US$325 million. The Power Sector Assets and Liabilities Management Corporation (PSALM) issued the Notice of Award to SNAP Hydro on December 19, 2007. Turnover of the facility to SNAP Hydro is expected by mid-year 2008.

Furthermore, AP, on its own and/or with strategic partners, plans to participate in the upcoming bids for the privatization of the government's power assets.

NPC, through PSALM, intends to reach its privatization level to at least 70% of the total capacity of generating assets of NPC in Luzon and Visayas by end-2008. Power plants that are scheduled for bidding include the 747MW Tiwi-Makban geothermal plants, with its bid date scheduled on June 4, 2008.

AP is also keen on participating in PSALM's public auction for the Independent Power Producers (IPP) Administrator contracts, which involves the transfer of the management and control of total energy output of power plants under contract with NPC to the IPP administrators. The auction will be done in batches, with the first tentatively set in August 2008.

AP is also involved in Greenfield projects – the coal-fired power plant in Subic, the Sibulan and Tamugan hydropower plants in Davao and the Toledo coal fired plant in Cebu.

On February 17, 2007, AP entered into a Memorandum of Agreement with Taiwan Cogeneration International Corporation, a Taipei-based generation company, to collaborate in the building and operation of a 300MW coal-fired power plant in the Subic Bay Freeport Zone. On May 30, 2007, Redondo Peninsula Energy was incorporated as the 50:50 joint venture company for this project. Groundbreaking is expected to take place by the third quarter of 2008. The project is estimated to cost approximately $500 million.

On June 26, 2007, AP's 100%-owned subsidiary, Hedcor Sibulan began construction work on the 42.5MW run-of-river hydropower plant in Barangay Sibulan, Sta. Cruz, Davao del Sur. The project entails the construction of two cascading hydropower generating facilities tapping the Sibulan and Baroring Rivers. These facilities can generate an estimated 212 million kilowatt-hours of clean and emissions-free energy annually. The generation from these plants will supply Davao Light and Power Company (DLPC) starting August 2009.

Another wholly owned subsidiary, Hedcor Tamugan, is also currently in the detailed design stage for three run-of-river hydropower plants with combined capacity of 34.5MW. Construction is expected to commence in August 2008 and completion by August 2010. The three plants, which will be located in Davao, will supply power to DLPC.

In August 2007, AP, together with Vivant Energy Corporation of the Garcia Group, signed a Memorandum of Agreement with Metrobank Group's Global Business Power Corporation for the construction and operation of a 246 MW coal-fired power plant in Toledo City, Cebu. Completion of the project is expected by first quarter of 2010. AP will have an effective participation of 26% in the project.

Power Sector (Distribution)

AP's distribution utilities are expected to turn in strong results in 2008. Topline growth will mainly come from higher volume sales, specially, with full-year contributions from its acquired distribution utilities in 2007. These are:

- 100% of MEZ;
- 100% of BEZ; and
- an additional 36% of SEZ.

Efficiency improvements in operations will continue and should result to healthy margins being maintained.

Cotabato Light and Power Company (CLPC) has formed a team to study, facilitate and implement the company's shift to the PBR scheme. CLPC entered its regulatory reset period on October 31, 2007 and will end in March 31, 2009. This process involves the issuance by the company of its position paper, asset revaluation, development of the financial model, review of operating expenses and capital expenditures, among others. The 4-year regulatory period is expected to commence on April 1, 2009.

Visayan Electric Co., Inc. and DLPC will enter their respective reset period by end 2008, and are expected to enter the 4-year regulatory period in July 2010.

Financial Services

With the full integration of iBank in 2007, UBP expects additional operational cost savings from the merger this year.

UBP will also focus on the expansion of its existing loan portfolio focusing on the corporate and consumer sectors.

UBP aims to remain at the forefront of technology-based banking in the Philippines. It believes that use of technology and its operational structure will enable it to further capture and secure a loyal customer base as well as achieve high levels of efficiency and productivity. As part of its future growth strategy, UBP will continue to tap into the market of small and medium-sized companies by offering corporate solutions (e.g. cash management, receivables and payables management products and services) previously available only to large local and multinational corporate clients.

UBP will likewise rationalize, redeploy and expand its branch network in strategic areas throughout the country. It aims to expand its branch network with the opening of 29 new branches in key strategic areas in the next 18 months.

CSB will continue to strengthen its market position in its present niche by improving its products and services further. Improvements in its systems to enhance operating efficiency will continue to ensure customer satisfaction

Other government employees, aside from public school teachers, will be tapped. CSB plans to expand its branch network by putting up new branches and extension offices in areas outside of its present coverage. CSB plans to open its first branch in Luzon in 2008 (Region IV).

Food Manufacturing

To strengthen its geographic market position (i.e. by providing additional capacity closer to its major customer base), Pilmico is constructing new grains silos, which will add 27,000 metric tons of new storage capacity at its Iligan plant. This will give Pilmico the largest storage capacity attached to the plant of any flourmill in the Philippines.

It is likewise building a new feedmill plant in Iligan with a production capacity of 108,000 metric tons per year. This is expected to redound to cost enhancements as savings are incurred in the following: (1) freight costs as the new capacity will be closer to its customers in the Visayas-Mindanao region; and (2) input costs due to proximity to sources of raw materials, particularly corn in the Northern Mindanao region.

Both the grains silo and feedmill are expected to be operational by July 2008.

For its swine business, Fil-Am has two ongoing swine population projects. One is the grower-finisher farm expansion in its Aranguren, Tarlac farm and the other is the nucleus farm construction in Sto Rosario, Tarlac. The grower-finisher farm will increase farm capacity by 4,800 heads. The nucleus breeder farm will increase sow level by 1,759 heads, thus improving piglet production by over 35,000 heads. The grower-finisher and nucleus farms will start commercial operations by 2009 and 2010, respectively.

Transport

The Transport Group will continue its program of asset rationalization, cost containment and enhancing its assets' earning capacity, in order to meet the competitive challenges of its industry.

ATS sold three vessels in 2007 to pay off debt, and converted unused passenger capacity to freight. MCC Transport Philippines Inc., its joint venture with Maersk Group, has expanded its containerized shipping vessel capacity by 50% to 900 TEUs.

ATS expects the result of these efforts to positively impact the group by this year, as it continues its efforts to become the leading total logistics and supply chain solutions provider in the country.

Except for the developments disclosed in some other portion of this report and the audited financial statements, there are, as of December 31, 2007 no known trends, events or uncertainties that have had or are reasonably expected to have a material impact on net sales, revenues, income from continuing operations or on relationship between costs and revenues. There were also no events that would trigger substantial or contingent financial obligations or cause any default or acceleration of an existing obligation.

PART II--OTHER INFORMATION

There are no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer	Aboitiz Equity Ventures, Inc.
Principal Accounting Officer	Melinda R. Bathan
Signature and Title.	Vice President – Controller
Date	15 MAY 2008
Corporate Secretary	M. Jasmine S. Oporto
Signature and Title.	First Vice President - Legal / Corporate Secretary
Date	15 MAY 2008

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AT MARCH 31, 2008 AND DECEMBER 31, 2007
(Amounts in Thousands)

	UNAUDITED MAR 2008	AUDITED DEC 2007
ASSETS		
Current Assets		
Cash and cash equivalents	**12,014,158**	18,568,226
Trade and other receivables - net	**4,347,661**	4,252,945
Inventories - net	**2,296,050**	1,537,984
Other current assets	**1,882,246**	1,617,952
Total Current Assets	**20,540,115**	25,977,107
Noncurrent Assets		
Property, plant, and equipment - net	**11,006,511**	10,574,780
Investment Property	**242,267**	231,016
Investments and advances	**25,926,129**	25,961,311
Available-for-sale (AFS) investments	**99,275**	102,368
Goodwill	**1,571,109**	1,571,516
Pension Asset	**81,136**	80,088
Deferred income tax assets	**390,367**	427,589
Other noncurrent assets - net	**528,857**	578,586
Total Noncurrent Assets	**39,845,651**	39,527,254
TOTAL ASSETS	**60,385,766**	65,504,361
LIABILITIES AND EQUITY		
Current Liabilities		
Bank loans	**3,835,248**	3,643,760
Trade and other payables	**5,677,527**	6,248,541
Dividends payable	**11,236**	11,520
Income tax payable	**377,169**	154,907
Current portion of long-term debt	**173,318**	312,190
Current portion of obligations under finance lease	**112,182**	90,732
Current portion of payable to preferred shareholder of a subsidiary	**7,506**	7,506
Total Current Liabilities	**10,194,186**	10,469,156
Noncurrent Liabilities		
Long-term debt - net of current portion	**3,045,641**	4,262,778
Redeemable preferred shares	**2,141,687**	2,141,687
Obligations under finance lease - net of current portion	**28,878**	72,096
Customers' deposits	**1,428,378**	1,382,405
Payable to preferred shareholder of a subsidiary	**70,552**	97,225
Pension liability	**42,033**	51,564
Deferred income tax liability	**76,354**	39,353
Total Noncurrent Liabilities	**6,833,523**	8,047,108
Total Liabilities	**17,027,709**	18,516,264
Equity Attributable to Equity Holders of the Parent		
Capital stock	**5,694,600**	5,694,600
Additional paid-in capital	**5,791,324**	5,791,324
Net unrealized gains on AFS investments	**14,498**	16,248
Cumulative translation adjustments	**(7,855)**	(7,855)
Share in cumulative translation adjustments of associates	**(442,688)**	(462,175)
Share in net unrealized gains (losses) on AFS investments and underwriting accounts of associates	**(317,171)**	129,796
Gain on Dilution	**5,023,252**	5,023,252
Acquisition of Minority Interest	**(327,988)**	(84,544)
Retained earnings	**19,729,338**	22,026,840
Treasury stock at cost	**(37,028)**	-
	35,120,282	38,127,486
Minority Interests	**8,237,775**	8,860,611
Total Equity	**43,358,057**	46,988,097
TOTAL LIABILITIES AND EQUITY	**60,385,766**	65,504,361

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED MARCH 31, 2008 AND 2007
(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/08	JAN-MAR/07
REVENUES	**8,416,890**	6,646,995
COSTS AND EXPENSES	**7,847,311**	6,119,809
GROSS PROFIT	**569,579**	527,186
OTHER INCOME (CHARGES)		
Share in net earnings of associates	**897,699**	781,037
Interest income	**206,822**	124,316
Interest expense	**(139,319)**	(157,802)
Dividends on redeemable preferred	**(39,972)**	(41,344)
Other income	**194,092**	52,532
	1,119,322	758,739
INCOME BEFORE INCOME TAX	**1,688,901**	1,285,925
PROVISION FOR INCOME TAX	**249,664**	215,919
NET INCOME	**1,439,237**	1,070,006
ATTRIBUTABLE TO:		
EQUITY HOLDERS OF THE PARENT	**1,176,203**	1,076,508
MINORITY INTERESTS	**263,034**	(6,502)
	1,439,237	1,070,006
Earnings Per Common Share **		
Basic, for income for the period attributable to ordinary holders of the parent	**0.207**	0.189
Diluted, for income for the period attributable to ordinary holders of the parent	**0.207**	0.189

** Refer to Disclosure F for the computation of Earnings per Common Share.

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2008 AND DECEMBER 31, 2007

	Attributable to equity holders of the parent												
	Capital Stock Common	Preferred	Additional Paid-in Capital	Net Unrealized Gains (Losses) on Noncurrent Marketable Equity Securities and AFS Investments	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates	Share in Net Unrealized Gains (Losses) on AFS Investments & Underwriting Accounts of an Associate	Gain on Dilution	Acquisition of Minority Interest	Retained Earnings	Treasury Stock	Minority Interests	Total
Balances at December 31, 2007	**5,694,600**	**-**	**5,791,324**	**16,248**	**(7,855)**	**(462,176)**	**129,796**	**5,023,252**	**(84,543)**	**22,026,840**	**-**	**8,860,611**	**46,988,097**
Purchase of treasury shares											(37,029)		(37,029)
Net income for the period										1,176,204		263,033	1,439,237
Acquisition of minority interest									(243,445)			(23,364)	(266,809)
Cash dividends										(3,473,706)			(3,473,706)
Movement of unrealized valuation gains on AFS investments				(1,750)								(2,083)	(3,833)
Share in movement of unrealized valuation gains on AFS investments of associates							(446,966)						(446,966)
Movement of cumulative translation adjustments												9,649	9,649
Share in movement of cumulative translation adjustment of associates						19,487						9,465	28,952
Changes in minority interest												(879,535)	(879,535)
Balances at March 31, 2008	**5,694,600**	**-**	**5,791,324**	**14,498**	**(7,855)**	**(442,688)**	**(317,170)**	**5,023,252**	**(327,988)**	**19,729,337**	**(37,029)**	**8,237,776**	**43,358,057**

	Attributable to equity holders of the parent												
	Capital Stock Common	Preferred	Additional ʾaid-in Capit	Net Unrealized Gains (Losses) on Noncurrent Marketable Equity Securities and AFS Investments	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates	Share in Net Unrealized Gains (Losses) on AFS Investments & Underwriting Accounts of an Associate	Gain on Dilution	Acquisition of Minority Interest	Retained Earnings	Treasury Stock	Minority Interests	Total
Balances at December 31, 2006	**5,694,600**	**-**	**1,341,245**	**16,058**	**(4,189)**	**107,427**	**39,519**	**-**	**-**	**17,368,629**	**(1,485,025)**	**1,204,972**	**24,283,237**
Sale of treasury shares			4,450,079								1,485,025		5,935,104
Net income for the period										5,797,132		1,024,490	6,821,622
Gain on Dilution								5,023,252					5,023,252
Acquisition of minority interest									(84,543)			(30,281)	(114,824)
Cash dividends										(1,138,921)			(1,138,921)
Movement of unrealized valuation gains on AFS investments				190								(1,602)	(1,412)
Share in movement of unrealized valuation gains on AFS investments of associates							90,277						90,277
Movement of cumulative translation adjustments					(3,666)							(1,080)	(4,746)
Share in movement of cumulative translation adjustment of associates						(569,603)						(167,171)	(736,774)
Changes in minority interest												6,831,282	6,831,282
Balances at December 31, 2007	**5,694,600**	**-**	**5,791,324**	**16,248**	**(7,855)**	**(462,176)**	**129,796**	**5,023,252**	**(84,543)**	**22,026,840**	**-**	**8,860,611**	**46,988,097**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2007

	Attributable to equity holders of the parent										
	Capital Stock Common	**Preferred**	**Additional Paid-in Capital**	**Net Unrealized Gains (Losses) on Noncurrent Marketable Equity Securities and AFS Investments**	**Cumulative Translation Adjustments**	**Share in Cumulative Translation Adjustments of Associates**	**Share in Net Unrealized Gains (Losses) on AFS Investments & Underwriting Accounts of an Associate**	**Retained Earnings**	**Treasury Stock**	**Minority Interests**	**Total**
Balances at December 31, 2006	**5,694,600**	**-**	**1,341,244**	**16,058**	**(4,189)**	**107,427**	**39,519**	**17,368,629**	**(1,485,025)**	**1,204,973**	**24,283,237**
Sale of treasury shares			4,450,079						1,485,025		5,935,104
Net income for the period								1,076,508		(6,502)	1,070,006
Cash dividends								(1,138,920)			(1,138,920)
Movement of unrealized valuation gains of AFS investments				2,998							2,998
Movement of cumulative translation adjustments										1,934	1,934
Share in movement of cumulative translation adjustment of associates						(34,138)					(34,138)
Balances at March 31, 2007	**5,694,600**	**-**	**5,791,323**	**19,056**	**(4,189)**	**73,290**	**39,519**	**17,306,217**	**-**	**1,200,405**	**30,120,221**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2008 AND 2007
(Amounts in Thousands)
(UNAUDITED)

	JAN-MAR/08	JAN-MAR/07
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	**1,688,901**	1,285,925
Adjustments for:		
Share in net earnings of associates	**(897,699)**	(781,037)
Depreciation and amortization	**409,943**	428,591
Interest income	**(206,822)**	(124,316)
Interest expense	**179,291**	199,146
Dividend income	**(1,259)**	(706)
Provision for decline in value of assets	**-**	65
Provision for retirement benefits	**1,844**	1,288
Unrealized foreign exchange loss (gain)	**(16,300)**	22,030
Gain on sale of available for sale investments	**-**	(46)
Gain on sale of property, plant & equipment	**(21,148)**	(339)
Operating income before working capital changes	**1,136,751**	1,030,601
Changes in:		
Decrease (increase) in operating current assets	**(1,083,823)**	255,880
Increase (decrease) in operating current liabilities	**(513,684)**	134,981
Cash provided by (used in) operations	**(460,756)**	1,421,462
Income and final taxes paid	**(64,857)**	(119,048)
Net cash provided by (used in) operating activities	**(525,613)**	1,302,414
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends received	**254,334**	104,182
Interest received	**173,569**	98,611
Decrease (increase) in investments and advances	**(17,971)**	589
Collection of advances to associates	**279,764**	-
Acquisitions of property, plant and equipment - net	**(831,777)**	(503,023)
Disposals of available for sale investments	**1,342**	1,360
Decrease in acquisition of minority interest	**(133,950)**	-
Decrease in other assets	**30,431**	247
Net cash used in investing activities	**(244,258)**	(298,034)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (payments of) loans payable	**191,488**	(521,753)
Payments of long-term debt	**(1,377,777)**	(502,437)
Payments of payable to preferred shareholders of a subsidiary	**(26,673)**	-
Interest paid	**(190,932)**	(235,112)
Cash dividends paid	**(3,473,706)**	(1,138,920)
Increase (decrease) in minority interest	**(885,868)**	1,934
Re-issuance (Acquisition) of treasury shares	**(37,029)**	5,935,104
Net cash provided by (used in) financing activities	**(5,800,497)**	3,538,816
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(6,570,368)**	4,543,196
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH & CASH EQUIVALENTS	**16,300**	(25,338)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**18,568,226**	8,009,956
CASH AND SHORT-TERM INVESTMENTS AT END OF PERIOD	**12,014,158**	**12,527,814**

ABOITIZ EQUITY VENTURES, INC. AND SUBSIDIARIES
FINANCIAL STATEMENT SCHEDULES AND DISCLOSURES
AT MARCH 31, 2008 AND DECEMBER 31, 2007
(peso amounts in thousands)

A. INVESTMENTS AND ADVANCES

	% OWNERSHIP 2008	MAR 2008	DEC 2007
Investments in shares of stock			
At equity			
Acquisition cost:			
Union Bank of the Philippines	36.22%	**4,184,474**	4,184,474
Accuria, Inc.	49.54%	**719,739**	719,739
Western Mindanao Power Corporation	20.00%	**263,665**	263,665
Cebu International Container Terminal, Inc.	20.00%	**240,125**	240,125
Hijos de Escaño, Inc.	46.66%	**857,237**	857,197
San Fernando Electric Light & Power Co., Inc.	20.29%	**180,864**	180,864
Pampanga Energy Ventures, Inc.	42.84%	**209,465**	209,465
Southern Philippines Power Corporation	20.00%	**152,587**	152,587
Visayan Electric Co., Inc.	55.09%	**654,207**	652,843
Manila Oslo Renewable Enterprise, Inc.	83.33%	**3,822,043**	3,822,043
East Asia Utilities Corporation	50.00%	**1,009,143**	1,009,143
STEAG State Power Inc.	34.00%	**4,400,611**	4,384,045
City Savings Bank	34.42%	**78,998**	78,998
South Western Cement Corporation	20.00%	**28,995**	28,995
Luzon Hydro Corporation	50.00%	**1,048,251**	1,048,251
Cordillera Hydro Corporation	35.00%	**88**	88
Aboitiz Projects TS Corp.	50.00%	**1,888**	1,888
MCC Phils.	33.00%	**16,500**	16,500
WG&A Jebsen Ship Management, Inc.	40.00%	**400**	400
Hapag-Lloyd Philippines, Inc.	15.00%	**1,800**	1,800
JAIB, Inc.	49.00%	**1,885**	1,885
Balance at end of period		**17,872,965**	17,854,995
Accumulated equity in net earnings:			
Balance, beginning of year		**8,044,060**	5,050,712
Share in net earnings for the year		**897,699**	3,976,017
Accumulated equity of associates qualified as consolidated subsidiaries			(14,420)
Cash dividends received		**(253,074)**	(968,249)
Balance, end of period		**8,688,685**	8,044,060
Gain on dilution		**661,212**	661,211
Share in net unrealized gains (losses) on available-for-sale securities & underwriting accounts of an associate		**(317,171)**	129,795
Share in associates' cumulative translation adjustments		**(600,394)**	(629,346)
		26,305,297	26,060,715
Allowance for decline in value		**(28,995)**	(28,995)
Investments, at equity		**26,276,302**	26,031,720
Advances to investees		**(350,173)**	(70,409)
		25,926,129	**25,961,311**

B. ACCOUNTS PAYABLE & ACCRUED EXPENSES

Trade	3,012,347
DOSRI	-
Others	2,665,180
TOTAL	**5,677,527**

C. SHORT-TERM LOANS

	Effective Interest Rate	SEP 2007	DEC 2006
Financial institutions - unsecured	5.46% - 8.10%	**3,835,248**	3,643,760

D. LONG-TERM LOANS

	Effective Interest Rate	SEP 2007	DEC 2006
Company:			
Financial institutions - unsecured			
peso denominated loans	various	**1,400,000**	2,700,000
Non-financial institutions	11.00% - 12.00%	**19,500**	19,500
		1,419,500	2,719,500
Subsidiaries:			
ATSC and subsidiaries			
Financial institutions - secured:			
Peso loans due until 2008	various	**30,769**	46,154
Australian (AU) dollar loan due until 2008	LIBOR + 1.75%	**4,025**	8,929
		34,794	55,083
HEDCOR			
Financial institution - secured	2.25% over the applicable three-month Treasury Securities rate	**647,000**	648,000
PILMICO			
Financial institutions - secured	various	**667,500**	683,333
SEZC			
Financial institution - secured	9.50%	**182,974**	182,847
FILAM			
Financial institution - secured	7.22% - 10.04%	**262,500**	279,167
CLP			
Financial institution - secured	8.78%	**4,692**	7,038
		1,799,460	1,855,468
Total		**3,218,960**	4,574,968
Less: Current portion		**173,318**	312,190
		3,045,642	4,262,778
Less: Liabilities directly associated with noncurrent asset classified as held for sale		**-**	-
		3,045,642	4,262,778

E. DEBT SECURITIES

The P300 million long-term Commercial Papers issued in 1997 by Davao Light & Power Co., Inc., one of the subsidiaries, were fully prepaid in December 2001. Since then, there have been no new debt security issuances made by the registrant or its subsidiaries.

F. EARNINGS PER SHARE

Earnings per common share amounts were computed as follows:

	MAR 2008	MAR 2007
a. Net income to common stockholders	**1,176,203**	1,076,508
b. Average number of outstanding shares	**5,688,903,621**	5,694,599,621
c. Earnings per share (a/b)	**0.207**	0.189

G. BUSINESS SEGMENT INFORMATION

Financial information on the operations of the business segment is summarized as follows:

	Power		Food Manufacturing		Transport Services		Parent Company and Others		Eliminations		Consolidated	
	Jan-Mar 2008	Jan-Mar 2007	**Jan-Mar 2008**	Jan-Mar 2007	**Jan-Mar 2008**	Jan-Mar 2007	**Jan-Mar 2008**	Jan-Mar 2007	**Jan-Mar 2008**	Jan-Mar 2007	**Jan-Mar 2008**	Jan-Mar 2007
REVENUES	**2,969,353**	2,163,835	**2,407,958**	1,957,228	**2,985,833**	2,531,521	**141,554**	102,550	**(87,807)**	(108,139)	**8,416,890**	6,646,995
RESULT												
Segment results	**380,952**	312,895	**215,550**	201,479	**(99,328)**	(30,156)	**71,425**	42,968	**980**	-	**569,579**	527,186
Unallocated corporate income (expenses)	**66,141**	21,263	**35,421**	7,128	**64,512**	15,343	**28,997**	8,799	**(980)**	-	**194,091**	52,532
INCOME FROM OPERATIONS											**763,671**	579,718
Interest Expense	**(76,064)**	(27,191)	**(8,574)**	(10,664)	**(15,654)**	(44,824)	**(78,999)**	(116,467)	**-**	-	**(179,291)**	(199,146)
Interest Income	**148,654**	10,259	**1,395**	3,203	**7,619**	2,590	**49,154**	108,264	**-**	-	**206,822**	124,316
Share in net earnings of associates	**686,487**	97,656	**-**	-	**(11,850)**	3,676	**1,116,680**	1,116,860	**(893,619)**	(437,155)	**897,699**	781,037
Provision for Income tax	**(187,010)**	(88,721)	**(87,706)**	(71,041)	**31,678**	22,592	**(6,626)**	(78,749)	**-**	-	**(249,664)**	(215,919)
NET INCOME											**1,439,237**	1,070,006
OTHER INFORMATION	**Mar 2008**	Dec 2007	**Mar 2008**	Dec 2007	**Mar 2008**	Dec 2007	**Mar 2008**	Dec 2007	**Mar 2008**	Dec 2007	**Mar 2008**	Dec 2007
Segment assets	**13,492,522**	15,671,784	**2,763,983**	2,173,838	**3,587,536**	3,721,540	**720,822**	4,610,079	**(24,747)**	(200,134)	**20,540,115**	25,977,107
Investments and advances	**15,088,594**	14,888,057	**-**	-	**12,851**	24,701	**37,783,197**	37,691,957	**(26,958,513)**	(26,643,403)	**25,926,129**	25,961,311
Unallocated corporate assets	**5,821,132**	5,603,119	**1,717,272**	1,641,252	**4,952,442**	4,892,765	**868,229**	868,360	**560,448**	560,447	**13,919,523**	13,565,943
Consolidated total assets											**60,385,766**	65,504,361
Segment liabilities	**6,877,040**	8,354,342	**2,020,623**	1,583,413	**4,042,273**	4,112,866	**3,631,656**	4,430,639	**(39,440)**	(210,819)	**16,532,153**	18,270,440
Unallocated corporate liabilities	**337,939**	166,083	**119,098**	46,229	**23,897**	22,500	**14,622**	11,012	**-**	-	**495,556**	245,824
Consolidated total liabilities											**17,027,709**	18,516,264
Depreciation	**110,855**	97,587	**28,650**	27,511	**254,620**	292,591	**15,818**	10,902	**-**	-	**409,943**	428,591

H. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, AFS investments, bank loans, long-term debt, obligations under finance lease and non-convertible, cumulative, redeemable preferred shares. The main purpose of these financial instruments is to raise finances for the Group's operations and its investments in existing subsidiaries and associates and in new projects. The Group has other financial assets and liabilities such as trade and other receivables and trade and other payables and customer deposits which arise directly from operations.

The main risks arising from the Group's financial instruments are interest rate risk resulting from movements in interest rates that may have an impact on outstanding long-term debt; credit risk involving possible exposure to counter-party default on its cash and cash equivalents, AFS investments and trade and other receivables; liquidity risk in terms of the proper matching of the type of financing required for specific investments; and foreign exchange risk in terms of foreign exchange fluctuations that may significantly affect its foreign currency denominated placements and borrowings. The Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk. The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund raising activities. As of March 31, 2008, 52.87% of the Group's long-term debt had floating interest rates ranging from 5.49% to 12.55%, and 47.13% are with fixed rates ranging from 6.75% to 12.00%. As of December 31, 2007, 44.47% of the Group's long-term debt had floating interest rates ranging from 5.10% to 12.55%, and 55.53% are with fixed rates ranging from 6.75% to 12.00%.

The following table set out the carrying amount, by maturity, of the Group's financial instruments that are exposed to interest rate risk:

As of March 31, 2008

	< 1 year	**1 - 5 years**	**> 5 years**	**Total**
Floating rate - long-term debt	63,025	2,026,000	-	**2,089,025**
Fixed rate - long-term debt	110,294	922,459	97,182	**1,129,935**
Payable to preferred shareholders of a subsidiary - floating	7,506	70,552	-	**78,058**
Redeemable preferred shares - floating	-	641,687	-	**641,687**
Redeemable preferred shares - fixed	-	1,500,000	-	**1,500,000**
Obligations under finance lease - floating	112,181	28,878	-	**141,059**
	293,006	5,189,576	97,182	**5,579,764**

As of December 31, 2007

	< 1 year	1 - 5 years	> 5 years	Total
Floating rate - long-term debt	159,165	2,037,764	-	2,196,929
Fixed rate - long-term debt	153,025	2,115,333	109,682	2,378,040
Payable to preferred shareholders of a subsidiary - floating	7,506	97,225	-	104,731
Redeemable preferred shares - floating	-	641,687	-	641,687
Redeemable preferred shares - fixed	-	1,500,000	-	1,500,000
Obligations under finance lease - floating	90,732	72,095	-	162,827
	410,428	6,464,104	109,682	6,984,214

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

Interest expenses recognized during the comparative periods are as follows:

	MAR 2008	**MAR 2007**
Bank loans and long term debt	117,744	116,600
Customers' deposits	1,338	894
Obligations under finance lease	5,215	34,088
Advances from related parties	15,022	6,220
	139,319	157,802

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) as of March 31, 2008 and 2007:

	Increase/decrease in basis points	Effect on income before tax
Mar 2008	100	7,457
	50	3,728
Mar 2007	100	8,384
	50	4,192

Foreign exchange risk. The foreign exchange risk of the Group pertains significantly to its foreign currency denominated borrowings, including obligations under finance lease. To mitigate the risk of incurring foreign exchange losses, foreign currency holdings are matched against the potential need for foreign currency in financing equity investments and new projects. As of March 31, 2008 and December 31, 2007, foreign currency denominated borrowings account for 4.2% and 4.1%, respectively, of total consolidated borrowings.

Credit risk. For its cash investments, AFS investments and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these assets. With respect to cash and AFS investments, the risk is mitigated by the short-term and or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to enter into transactions with a diversity of credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures. The Group has no significant concentration risk to a counterparty or group of counterparties

Liquidity risk. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay dividend declarations. The Group, in general, matches the appropriate long-term funding instruments with the general nature of its equity investments.

In managing its long-term financial requirements, the Group's policy is that not more than 25% of long-term borrowings should mature in any twelve-month period. As of March 31, 2008 and December 31, 2007, the portion of the total long-term debt that debt will mature in less than one year is 4.18% and 4.91%, respectively. For its short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

Capital management. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended March 31, 2008 and December 31, 2007.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 40% or below at the consolidated level. Depending on the quality of cash flows, associates and subsidiaries that can secure limited recourse project financing can maintain a gearing ratio of 70%. The Group determines net debt as the sum of interest-bearing short-term and long-term loans (comprising long-term debt, obligations under finance lease, redeemable preferred shares and payable to preferred shareholders of a subsidiary) less cash and short-term deposits and temporary advances to related parties.

Gearing ratios of the Group as of March 31, 2008 and December 31, 2007 are as follows:

	MAR 2008	**DEC 2007**
Bank Loans	3,835,248	3,643,760
Long - term debt	5,579,764	6,984,214
Temporary advances from related parties	306,838	882,326
Cash and cash equivalents	(12,014,158)	(18,568,226)
Net Debt (a)	(2,292,308)	(7,057,926)
Equity attributable to equity holders of the parent	43,358,058	46,988,097
Equity and Net Debt (b)	41,065,750	39,930,171
Gearing Ratio (a/b)	**(5.58%)**	**(17.68%)**

I. DISCLOSURES

1. Basis of Preparation and Accounting Policies

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for AFS investments and derivatives which are measured at fair value, and agricultural produce and biological assets which are measured at fair value less estimated point-of-sale costs. The consolidated financial statements are presented in Philippine peso and all values are rounded to the nearest thousand except as otherwise indicated.

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

The same accounting policies are followed in the preparation of the interim financial statements as compared with those of the most recent annual financial statements, except as follows:

- Philippine Interpretation IFRIC 12, *Service Concession Arrangements*
- Philippine Interpretation IFRIC 14, PAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

Philippine Interpretation IFRIC 12, *Service Concession Arrangements*

Philippine Interpretation IFRIC 12 outlines an approach to account for contractual arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognize a financial asset and/or an intangible asset. A financial asset is recognized to the extent that the operator has a contractual right to receive cash from the grantor or has a guarantee from the grantor. An intangible asset is recognized to the extent that the entity has a right to charge the public for use of the asset.

Philippine Interpretation FRIC 12 is effective on January 1, 2008. The Group is currently assessing the impact of this Interpretation on the Distribution Management Service Agreement (DMSA) of SEZC and the power purchase agreements of its power generation companies namely Luzon Hydro Corporation (LHC) and STEAG State Power, Inc. (STEAG) with the National Power Corporation (NPC).

Philippine Interpretation IFRIC 14, PAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

Philippine Interpretation IFRIC 14 was issued in July 2007 and becomes effective for annual periods beginning on or after January 1, 2008. This Interpretation provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognized as an asset under PAS 19, Employee Benefits. This Interpretation has no impact on the Group's financial position or performance.

2. Seasonality of Interim Operations

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This provides continuous water flow and thus makes it favorable to all ‘run-of-river’ hydropower plants’ operations.

There were no unexpected seasonal aspects that had a material effect on the Group's financial condition or results of operations.

3. Material Events and Changes

a. <u>AEV Dividend Declaration and Buy-back Program</u>

On February 7, 2008, the Board of Directors (BOD) of the Company approved the declarations of a regular cash dividend of P0.31 a share (P1.765 billion) and a special cash dividend of P0.30 a share (P1.708 billion) to all stockholders of record as of February 21, 2008, payable on March 3, 2008.

During the same meeting, the BOD also approved the buy-back program that involves the purchase of the shares of stock of the Company and its publicly-listed investee companies, AP and UBP. As of March 31, 2008, AEV has purchased into treasury 5.696 million of its own shares and 135.2 million of AP shares.

b. <u>Acquisition of Minority Interest in Balamban Enerzone, Inc. (BEZC)</u>

On March 7, 2008, Aboitiz Power Corp. (AP) purchased Tsuneishi Holdings (Cebu), Inc.'s 40% equity in BEZC for approximately 178 million to be paid out of the proceeds of the initial public offering of AP. This increases AP's ownership in BEZC to 100%.

Except for the above developments and as disclosed in some other portions of this report, no other significant event occurred that would have a material impact on the registrant and its subsidiaries, and no other known trend, event or uncertainty came about that had or were reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations, since the end of the most recently completed fiscal year. There were also no significant elements of income or loss that did not arise from the continuing operations of the registrant and its subsidiaries.

Other than those disclosed above, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons entities or other persons were created during the interim period. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or accelaration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles & practices, estimates inherent in the preparation of financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

Lastly, there were no changes in estimates of amounts reported in prior interim period and financial year that would have a material effect in the current interim period.

4. Material Adjustments

There were no material, non-recurring adjustments made during period that would require appropriate disclosures. All other adjustments are of a normal recurring nature.

5. Contingencies

There are legal cases filed against certain subsidiaries in the normal course of business. Management and its legal counsel believe that the subsidiaries have substantial legal and factual bases for their position and are of the opinion that losses arising from these cases, if any, will not have a material adverse impact on the consolidated financial statements.

ABOITIZ EQUITY VENTURES, INC. & SUBSIDIARIES

AGING OF RECEIVABLES

AS OF : MAR 31/2008

	30 Days	60 Days	90 Days	Over 90 Days	Total
A/R - Trade:					
Power Generation/Distribution Customers	651,793	85,559	24,529	98,918	860,799
Food Production Customers	642,572	7,945	5,411	37,018	692,946
Aviation Services Customers	4,492	220	0	10	4,722
Real Estate Lessees	9,730	148	159	298	10,335
Transport Services Customers	725,157	205,655	65,717	509,138	1,505,667
Management Services Customers	46,640	324	162	45,063	92,189
Sub-total - A/R - Trade	**2,080,384**	**299,851**	**95,978**	**690,445**	**3,166,658**
Less : Allowance for Doubful Accounts					**326,436**
Net Trade Receivables					**2,840,222**
A/R - Non Trade	**660,200**	**75,320**	**182,365**	**589,554**	**1,507,439**
Grand Total	**2,740,584**	**375,171**	**278,343**	**1,279,999**	**4,347,661**

ACCOUNTS RECEIVABLE DESCRIPTION

Type of Receivable	Nature / Description	Period
Trade	uncollected billings to customers for sale of power, goods and services	30 - 60 days
Non-Trade	claims, operating cash advances and advances to suppliers & employees	30 - 120 days

NORMAL OPERATING CYCLE

Power Subsidiaries
- Distribution - 60 days
- Generation - 65 days

Food Subsidiary - 90 days

Aviation Subsidiary - 60 days

Real Estate Subsidiary - 30 days

Transport Subsidiary - 40 days