

Ayala Corp. posts ₱5-B net income in Q1

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Ayala Corporation posted an 8.0 percent hike in net profits to ₱5.0 billion in the first quarter of the year, driven by sustained positive momentum in its real estate, banking, telecom, and electronics manufacturing businesses.

In a disclosure to the Philippine Stock Exchange, the firm said this is while its new businesses, particularly in power generation, have moved to execution phase.

Without the effect of the ₱1.8 billion divestment gains from its business process outsourcing unit in 2014, Ayala's first quarter earnings grew 39 percent.

Ayala's positive earnings momentum in the first quarter is further reflected in the 11 percent sequential growth from the strong fourth quarter results in 2014.

The overall strong performance of Ayala's business units in the first three months of the year contributed a total of ₱6.4 billion in equity earnings, 27 percent higher year-on-year.

Compared to net income inclusive of the net divestment gain in the same period last year, equity earnings declined 7 percent in the first quarter of the year.

"We continue to be encouraged by the strong performance of the businesses across the group. We remain optimistic that we can sustain the strong first quarter results throughout the rest

of the year, and stay on track to meet our strategic goals and financial targets," SAID Ayala President Fernando Zobel de Ayala.

Most of Ayala's core businesses reported double-digit earnings growth year-on-year in the first quarter. Its real estate unit, Ayala Land, reported a 19 percent growth in net earnings to P4.1 billion, boosted by a 13 percent growth in real estate revenues.

In banking, Bank of the Philippine Islands' net income climbed 36 percent to P4.9 billion from the same period last year while Globe Telecom's bottomline grew 43 percent over the same period last year to P4.2 billion.

Integrated Microelectronics Inc.'s earnings increased 27 percent to P288 million vis-à-vis its first quarter last year despite foreign exchange challenges, on the back of better margins on realized cost savings and productivity.

The strong performance of these units counterbalanced results from the remaining businesses in the portfolio. In water, Manila Water Company, Inc. reported flat net income at P1.4 billion, with stronger billed volume levels offsetting higher operating expenses.

Ayala's recent investments in power have come into fruition and started operations. In April, AC Energy Holdings, Inc. secured the Feed-in-Tariff for the 81 megawatt windfarm of the North Luzon Renewable Energy Company and the

19 megawatt expansion of Northwind Power Development Corp.

In addition, AC Energy commenced commercial operations for the first 135 megawatt unit of South Luzon Thermal Energy Corp. in April.