COVER SHEET

1	7	5	2	2	2

S.E.C. Registration Number

P.S.E. Control Number

VIVANT CORPORATION

(Company's Full Name)

Suites 907-908 Ayala Life-FGU
CEnter, Cebu BuSinesS Park,
Cebu City

(Business Address: No. Street City/Town Province)

Joan A. Giduquio-Baron	(032) 232-0283, 234-2256 and 234-2285
Contact Persons	Telephone Number of the Contact Person

1 2	3 1	**SEC FORM 17-Q (AMENDED)**	0 6	3 0
Month	Day	FORM TYPE	Month	Day

Fiscal Year

Secondary license Type, If Applicable

CFD

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q (AMENDED)

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

1. For the quarterly period ended: **June 30, 2014 (AMENDED)**

2. Commission identification number: **175222** 3. BIR Tax Identification No.: 242-603-734-000

VIVANT CORPORATION

4. Exact name of issuer as specified in its charter

Mandaluyong City

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

Suites 907-908 Ayala Life-FGU Center, Mindanao Ave. corner Biliran Road, Cebu Business Park, Cebu City **6000**

7. Address of issuer's principal office Postal Code

(032) 234-2256; (032) 234-2285

8. Issuer's telephone number, including area code

There has been no change in name, address and fiscal year since last report.

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares at P1.00 per share	**1,023,456,698**

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 Stock**

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 Company 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 see attached financial statements for the quarter ended June 30, 2014.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the Company’s consolidated financial condition and results of operations for the interim period ended June 30, 2014 compared with the interim period ended June 30, 2013. This report should be read in conjunction with the consolidated financial statements and the notes thereto.

KEY PERFORMANCE INDICATORS

Management uses the following key performance indicators to evaluate the performance of the Company and its investee companies:

1. **Equity in Net Earnings (or Loss) of Associates.** Equity in net earnings (or loss) of associates is the Company’s share in the income or loss of associates or investee companies, accounted for under the equity method. It indicates the profitability of the associates and measures their contribution to the profitability of the parent.

2. **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).** EBITDA is calculated by taking operating income and adding back to it the interest, depreciation and amortization expenses. Since EBITDA eliminates the effects of financing and accounting decisions, it can provide a relatively good comparison of the performance of the Company with other players in the industry. It also provides a good measure of the Company’s ability to generate cash from operations to cover financial charges and income taxes.

3. **Cash Flow Generated.** Cash flow generated indicates the ability of the Company to generate enough cash for operating, investing and financing activities.

4. **Debt-to-Equity Ratio (DER).** DER gives an indication of the Company’s leverage position and is computed by dividing total liabilities with total stockholders’ equity.

5. **Current Ratio.** Current ratio is computed by dividing current assets by current liabilities. This indicates the liquidity of the Company in the short term and measures the peso amount of current asset available to cover a peso amount of current liability.

Year-to-Date (YTD) June 30, 2014 versus YTD June 30, 2013

The table below shows the comparative figures of the key performance indicators for the period in review.

Key Performance Indicators *Amounts in Php '000, except for ratios*	**YTD June 2014**	**YTD June 2013**	**YE 2013**
Equity in Net Earnings of Associates	552,498	448,463	
EBITDA	1,325,291	815,280	
Cash Flow Generated	3,184,273	349,429	
Net cash flows from operating activities	398,035	(212,457)	
Net cash flows from investing activities	(207,497)	641,805	
Net cash flows from (used in) financing activities	2,993,735	(79,919)	
Debt-to-Equity Ratio (x)	0.64	0.17	0.25
Current Ratio (x)	4.03	3.45	2.51

The Company's share in the net earnings of associates for the period ended-June 2014 registered a 23% year-on-year (YoY) increase to Php 552.5 million (mn), from Php 448.5 mn. The expansion was due to the improved earnings of a number of the Company's power generation associates and the impact of the mandated compliance with the International Accounting Standards (IAS) 28[1], which resulted to the non-booking of the Company's share in the net loss of two of its associates, for the semester in review.

The boost in the topline performance of the Company's subsidiary, coupled with the higher recorded share in equity earnings from its associates and joint ventures, brought a 63% YoY increase in EBITDA for the period in review, from Php 815.3 mn to Php 1.3 billion (bn).

The Company's performance in the first half resulted in a net cash generation of Php 3.2 bn. This was a result of the combined effects of improvements in cash flows from operations and financing activities. During the first quarter of 2014, the Company issued Fixed Rate Corporate Notes (FRCN) with a total principal amount of Php 3 bn.

Debt-to-Equity ratio rose to 0.64x as of end-June 2014 from 0.25x as of year-end 2013. This was mainly a result of the FRCN issue.

The buildup in cash and cash equivalents during the period in review accounts for the improvement in the Company's current ratio to 4.03x as of end-June 2014 vis-a-vis 2.51x as of end-2013.

[1] IAS 28 *Losses in Excess of Investments.* If an investor's or joint venturer's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the investor or joint venturer discontinues recognising its share of further losses. If the associate or joint venture subsequently reports profits, the investor or joint venturer resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Results of Operations

The Company's consolidated net income in the first six months of 2014 amounted to Php 861 mn recording a 42% YoY expansion.

The Company's power generation business accounted for the bulk of earnings contributions at Php 758.8 mn, which is 46% higher than previous year. The Company's attributable net generation grew by 11% YoY, which was mainly driven by increased volume sales by the hydro and oil-fired generation assets. Approximately 80% of energy sold during the period in review were through bilateral contracts. Average selling prices recorded increases, which were a result of hikes in both bilateral and spot market prices.

The Company's electricity distribution business shored in an earnings contribution of Php 280 mn, which is 13% lower YoY. The decline in the bottomline performance was due to the lower margin resulting from the higher cost of purchased power during the period in review.

Material Changes in Line Items of Registrant's Income Statement
(YTD June 2013 vs. YTD June 2014)

As of end-June 2014, Vivant's total revenues amounted to Php 2.6 bn, recording a 64% YoY climb from Php 1.6 bn. The upturn is attributed to the following:

1. Energy fees earned by its subsidiary accounted for the bulk at 75%, or approximately Php 2.0 bn. The rise in energy sales and the favorable selling price for its net generation accounted for the subsidiary's enhanced revenue performance.

2. The Company's equity share in net earnings of its associates brought in 21% of the revenues (or Php 552.5 mn), registering an increase of 23% YoY. The application of the IAS 28 resulted to the higher figure booked for the period in review due to the unrecognized share in losses from results of operations of its joint ventures. Adjusting for this, the Company's equity share in net earnings during the period in review would have amounted to Php 482.8 mn, which is 8% higher than previous year's. For the same period last year, the recognized share in losses from results of operations of its joint ventures amounted to PhP 118.9 mn.

3. Management fees dropped by 5% YoY to Php 60.2 mn due to a downward rate adjustment in the management fees of an associate.

4. The 7% YoY rise in Interest income, from Php 15.7 mn to Php 18.5 mn, resulted from the increase in money market placements brought about by the significant free cash buildup.

5. Other income went up 76% YoY to Php 4.3 mn as rental rates escalated and hourly charges for technical and other support services provided to associates increased.

Total operating expenses for the first half of 2014 grew by 66% YoY, from Php 762.8 mn to Php 1.3 bn. The said movement is attributed to the following:

1. Generation cost during the period went up by 70% YoY to Php 1.1 bn, which was driven by the increase in power generation and by higher cost of fuel incurred by the Company's subsidiary.

2. Management fees rose 34% YoY to Php 67.0 mn from Php 49.8 mn due to the agreed rate increases this year.

3. There was an 87% YoY increase in salaries and employee benefits to Php 37.0 mn from Php 19.8 mn mainly on account of additional manpower and an upward adjustment in salaries and benefits. In addition, accruals on bonuses and retirement benefits were made during the period in review while there was none for the same period last year.

4. Taxes and licenses shot up by 67% YoY to Php 30.6 mn from Php 18.3 mn, largely due to documentary stamp taxes on the FRCN and the subscription of shares in an associate.

5. Professional fees rose by 30% YoY to Php 22.9 mn from Php 17.6 mn. Cost items would include fees paid to legal, financial and other advisory services rendered to the Company and its subsidiaries in relation to the FRCN issue, business and project development among others.

6. The 28% YoY increase in depreciation and amortization expense that brought the account to Php 7.0 mn for the semester in review was a factor of the acquisition of additional depreciable assets, relating to the purchase of power plant equipment by a subsidiary, the expansion of the Company's office space, and the acquisition of vehicles.

7. Travel expenses grew by 68% YoY to Php 5.6 mn from Php 3.4 mn because of the increased frequency of trips related to business development, plant inspections, and meetings with partners and government agencies.

8. Communication and utilities increased by 35% YoY to Php 1.8 mn from Php 1.4 mn due to the recorded increases in personnel and office space.

9. Representation recorded a YoY decline of 48% to Php 0.5 mn from Php 0.9 mn. This variance is attributed to a non-recurring representation expense in 2013.

10. Security and janitorial expenses rose by 97% YoY to roughly Php 1.0 mn from Php 0.5 mn given rate adjustments made to comply with the mandated minimum wage and hiring of additional personnel.

11. Other general and administrative expenses went up by 50% YoY to Php 21.8 mn in view of royalty fees paid by a subsidiary for its use of the power plant and expenses related to corporate social responsibility that were not incurred in 2013.

Vivant's finance cost of Php 53.1 mn during the period in review is 705% higher versus last year's Php 6.6 mn. This significant increase in finance cost was due to the interest expense incurred for the FRCN issue.

On the other hand, an unrealized foreign exchange gain of Php 1.7 mn was taken up during the period in review, which pertains to the restatement of the US dollar and Euro cash balances of Vivant and a subsidiary.

Taking all of the above into account, Vivant recorded a total net income for the period ending June 30, 2014 of Php 1.2 bn, recording a 55% YoY growth. Net income attributable to parent amounted to Php 861.0 mn, up by 42% YoY.

<u>Changes in Registrant's Consolidated Resources, Liabilities and Shareholders' Equity</u>
(Year-end 2013 vs. End-June 2014)

The Company's total assets expanded by 45% from end-2013's level of Php 8.7 bn to Php 12.7 bn.

1. Cash and cash equivalents surged by 104% to Php 6.2 bn as of end-June 2014. The increase was mainly due to the proceeds from the FRCN issue and the dividends received during the period in review.

2. Trade and other current receivables registered a 9% decline to Php 679.6 mn as of end-June 2014, largely due to the collection of trade accounts by a subsidiary.

3. Advances to associates and stockholders went up by 107% to Php 238.8 mn from Php 115.5 mn as of end-2013. The increase was brought about by the advances made to a subsidiary for potential investments in power generation projects.

4. Inventories increased by 46% as of end-June 2014 to Php 144.5 mn from Php 99.2 mn as of end-2013 due to the increase in fuel prices and the purchases of spares and supplies.

5. Prepayments and other current assets as of end-June 2014 rose by 5% to Php 310.6 mn. This was brought about by the accumulation of creditable withholding taxes and a subsidiary's advances to suppliers for plant parts and supplies.

6. There was a 16% (or Php 632.2 mn) increase in Investments in subsidiaries and associates, which was substantially due to an investment made by a subsidiary in a power generation company that is involved in the construction of a coal-fired power generation facility in Mindanao.

7. Property and equipment expanded by 26% to Php 78.6 mn as a result of the acquisition of a power plant equipment by a subsidiary coupled by the expansion of the Company's office space and its acquisition of vehicles.

8. Other non-current assets were up by 9% to Php 31.9 mn as of end-June 2014. The security deposit paid by a subsidiary to the National Grid Corporation of the Philippines (NGCP) accounted for this movement.

Total liabilities posted a significant increase of 179% to Php 4.9 bn as of end-June 2014. During the semester in review, Vivant issued 7-year fixed rate notes with a total principal amount of Php 3 bn. The issue was fully subscribed by a consortium of local banks composed of Metropolitan Bank and Trust Company, China Banking Corporation, Development Bank of the Philippines, Philippine Savings Bank, Rizal Commercial Banking Corporation and Robinsons Savings Bank.

The FRCN issue was done in two tranches. The first tranche of notes worth Php 1 bn were issued on February 3, 2014 at an interest rate of 5.7271% p.a. Meanwhile, the second tranche of notes worth Php 2 bn were issued on March 31, 2014 at an interest rate of 5.4450% p.a.

In addition to the impact of the FRCN, trade and other current payables escalated by 24% to Php1.8 bn from Php1.4 bn from the recognition of dividends declared during the period and accrued financing costs related to the FRCN issue.

Partly mitigating the effect of the FRCN issue on the Company's liability accounts is the 100% reduction in income tax payables as of June 30, 2014. Payments made during the period in review brought down the account to Php 0.04 mn from Php 162.1 mn as of end-2013.

As a result of net income generated during the period in review, total stockholders' equity increased by 11%, from Php 7.0 bn as of year-end 2013 to Php 7.7 bn as of end-June 2014. Equity attributable to parent meanwhile ended higher by 10% at Php 7.1 bn as of the end of June 2014.

Material Changes in the Consolidated Liquidity and Cash Reserves of Registrant
(End-June 2013 vs. End-June 2014)

For the period ending June 30, 2014, the net cash provided by the Company's operations amounted to Php 398.0 mn, recording a turnaround from the net cash utilization of Php 212.5 mn over the same period last year. The improved operating performance of the Company's subsidiary mainly accounted for the movement.

Net cash used in investing activities for the six (6) months ended June 30, 2014 amounted to Php 207.5 mn, a reversal from last year's inflow of Php 641.8 mn. This was mainly due to the advances made to a subsidiary relating to an investment in a coal-fired power generation project, coupled with the lower cash dividends received during the period in review.

As of end-June 2014, the Company raised cash of Php 3.0 bn from financing activities, which is a reversal from last year's comparable period where cash used for financing activities amounted to Php 79.9 mn. The proceeds from the FRCN issue comprise the cash inflow for the period in review, net of partial settlement of advances from associates. Conversely, the usage in 2013, included cash dividend payments and the partial settlement of short term loans, net of advances from associates.

As of June 30, 2014, net cash inflows surpassed cash outflows resulting in a 104% expansion in cash and cash equivalents, from Php 3.1 bn as of year-end 2013 to Php 6.2 bn.

Financial Ratios

Current ratio increased from 2.51x as of year-end 2013 to 4.03x as of end June 2014. The improved ratio is mainly driven by the increase in cash due to the FRCN proceeds and dividends received during the period.

Debt-to-equity ratio increased from year-end 2013 level of 0.25x to 0.64x as of June 30, 2014 given higher liabilities resulting from the Php 3 bn FRCN issue and the payable arising from the dividend declaration.

Material Events and Uncertainties

- Any known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way. The following conditions shall be indicated: whether or not the registrant is having or anticipates having within the next twelve (12) months any cash flow or liquidity problems; whether or not the registrant is in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments; whether or not a significant amount of the registrant's trade payables have not been paid within the stated trade terms.

The Company does not expect any liquidity problems and is not in default of any financial obligations.

- Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

  None.

- Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

  None.

- Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

  The Company has projects in the pipeline, at varying degrees of development. These projects are being undertaken through wholly owned subsidiary, Vivant Energy Corporation.

  - Calamian Islands Power Corporation (CIPC) is the project proponent for a new 8 MW bunker- and 750 kW diesel-fired power generation plants in the municipalities of Coron and Busuanga, respectively. CIPC broke ground in April 2013 for the construction of these facilities. The Company expects to complete the construction and be commercially available in 2014. To partly fund the construction of these generation plants, CIPC obtained a Php 430 mn project financing facility via a 10-year Term Loan Agreement with the Metropolitan Bank and Trust Company. Said loan facility should cover at least 70% of the total project funding requirements, where the balance will be covered by equity infusions by CIPC's shareholders. VEC has a 50% equity stake in CIPC.

  - Vivant Malogo Hydropower Inc. (VMHI) is a joint venture that will serve as the project proponent for the development and implementation of a greenfield power plant. The project will involve the construction and operation of a series of run-of-river hydropower facilities that will be located in Barangay Kapitan Ramon in Silay City, Negros Occidental. The project will be designed to feed off the Malogo River and will consist of three (3) phases. The first phase of the project will have a total capacity of 6 MW. VMHI is currently in the process of obtaining the necessary permits and contract approvals. Once done, construction will commence and is estimated to be completed after 24 months. The project will be funded via a combination of debt (70%) and equity (30%). VMHI is majority owned by VEC (75%).

  - Minergy Coal Corporation (MCC) is the project proponent for a new 3x55 MW coal-fired power generation plant in Balingasag, Misamis Oriental. The plant is expected to feed into the franchise area of Cagayan de Oro Electric Power and Light Corporation (CEPALCO), which covers the City of Cagayan de Oro and adjoining towns by 2017. This project will be funded via a combination of debt (70%) and equity (30%). Through wholly-owned Vivant Integrated Generation Corporation, the Company has an equity ownership of 40% in MCC.

  - The Company, through its Business Development Group, continuously looks for opportunities in the power generation business, whether it be via greenfield, brownfield or acquisition. The Company conducts an extensive evaluation process before any proposed project is undertaken. Several factors are assessed and considered, which include but not limited to, the project's land use requirements, access to the grid, fuel supply availability and arrangements, permits and licenses, competitiveness of the plant and presence of potential offtakers. The Company intends to bankroll these projects via a combination of equity (30%) and debt (70%), where debt will be booked at the project company.

- Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations should be described.

  The overall economic performance of the Philippines is a key factor in the sale of electricity. Thus, the performance of the Company, including its subsidiaries and associates, is affected by the economic state of the country.

  Given the uncontracted portion of the Company's attributable generation capacity, any movement in the spot market price of electricity could have a significant impact on the Company's overall financial performance. Spot price of electricity is mostly determined by the supply and demand situation prevailing in the market.

- Any significant elements of income or loss that did not arise from the registrant's continuing operations

  None.

- Any material changes in estimates of amounts reported in prior interim period of the current financial year and interim period of the prior financial year, respectively.

  None.

- Any seasonal aspects that had a material effect on the financial condition or results of operations

  The Company currently has two run-of-river hydropower plant facilities in its power generation portfolio. In the absence of any storage capability, the plants' operations are dependent on water availability in the form of river water flow. These plants are at minimal operating levels during the dry months, or the first half, of the year. These are reversed in the second semester, or at the onset of the rainy season, which result to high generation capability given the increased river water flow.

- Any material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period

  None.

PART II--OTHER INFORMATION

Other than what has been reported, no event has since occurred.

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.

VIVANT COMPANY

By:

MINUEL CARMELA N. FRANCO
VP - Finance

MARIA VICTORIA E. SEMBRANO
AVP - Finance

August 13, 2014

VIVANT CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
As of June 30, 2014 (with Comparative Audited Consolidated Figures as of
December 31, 2013) and for the Six Months Ended June 30, 2013

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS OF JUNE 30, 2014
(With Comparative Figures as of December 31, 2013)
(Amounts in Philippine Pesos)

	Notes	**June 30, 2014**	December 31, 2013
ASSETS			
Current Assets			
Cash and cash equivalents	1	**₱6,241,547,636**	₱3,057,406,413
Trade and other receivables – net	2	**679,585,733**	746,093,162
Advances to associates and stockholders	2	**238,823,153**	115,486,983
Inventories		**144,483,112**	99,160,004
Prepayments and other current assets	3	**310,613,089**	294,771,279
Total Current Assets		**7,615,052,723**	4,312,917,841
Noncurrent Assets			
Available-for-sale (AFS) investments	4	**3,846,131**	3,846,131
Investments in subsidiaries and associates	7	**4,618,998,938**	3,986,834,990
Property, plant and equipment - net	5	**78,625,670**	62,647,848
Investment property	6	**274,071,000**	274,071,000
Deferred tax assets		**21,402,497**	21,399,283
Goodwill		**42,559,451**	42,559,451
Other non-current assets – net	8	**31,917,160**	29,396,656
Total Noncurrent Assets		**5,071,420,847**	4,420,755,359
TOTAL ASSETS		**₱12,686,473,569**	₱8,733,673,200

	Notes	**June 30, 2014**	December 31, 2013
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other current payables		**₱1,753,796,315**	₱1,415,791,742
Advances from related parties		**136,479,313**	142,744,333
Income tax payable		**40,800**	162,125,636
Total Current Liabilities		**1,890,316,428**	1,720,661,711
Noncurrent Liabilities			
Notes payable - net of current portion		**3,000,000,000**	–
Pension liability		**18,724,619**	18,724,619
Deferred tax liabilities		**27,527,364**	27,527,364
Total Noncurrent Liabilities		**3,046,251,983**	46,251,983
Total Liabilities		**4,936,568,411**	1,766,913,694

	Notes	**June 30, 2014**	December 31, 2013
Equity Attributable to Shareholders of the Parent			
Capital stock	9	**1,023,456,698**	1,023,456,698
Additional paid-in capital		**8,339,452**	8,339,452
Other components of equity:			
Revaluation reserve		**1,292,314,175**	1,292,314,176
Remeasurement loss on employee benefits		**(67,944,717)**	(67,944,717)
Unrealized valuation gain on AFS		**191,083**	191,083
Retained earnings:			
Appropriated for business expansion		**1,856,476,291**	1,856,476,291
Unappropriated		**2,992,745,622**	2,357,237,719
Equity Attributable to Shareholders of the Parent		**7,105,578,605**	6,470,070,702
Noncontrolling Interest		**644,326,553**	496,688,804
Total Equity		**7,749,905,159**	6,966,759,506
TOTAL LIABILITIES AND EQUITY		**₱12,686,473,569**	₱8,733,673,200

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD JANUARY 1 TO JUNE 30, 2014
(With Comparative Figures for the same period in 2013)
(Amounts in Philippine Pesos)

	Notes	**2014**	2013
REVENUE			
Energy fees		**₱1,951,799,710**	₱1,042,955,000
Equity in net earnings of associates		**552,497,665**	448,462,756
Management fees		**60,246,742**	63,556,200
Interest income		**18,468,343**	15,746,370
Other income		**4,289,576**	2,441,003
		2,587,302,037	1,573,161,329
GENERATION COSTS		**1,071,828,456**	628,959,000
OPERATING EXPENSES			
Management fees		**66,929,920**	49,827,750
Salaries and employees' benefits		**37,046,444**	19,766,832
Taxes and licenses		**30,555,701**	18,341,554
Professional fees		**22,884,817**	17,603,500
Depreciation and amortization		**6,984,640**	5,473,968
Travel		**5,641,120**	3,351,880
Rent and association dues		**2,016,947**	2,087,817
Communication and utilities		**1,842,216**	1,368,201
Representation		**489,717**	933,515
Security and janitorial		**979,932**	497,973
Other general and administrative expenses		**21,795,273**	14,578,505
		197,166,726	133,831,495
INCOME FROM OPERATIONS		**1,318,306,855**	810,370,834
OTHER INCOME (CHARGES)			
Finance costs		**(53,105,221)**	(6,593,055)
Foreign exchange gains		**1,719,297**	–
		(51,385,924)	(6,593,055)
INCOME BEFORE INCOME TAX		**1,266,920,931**	803,777,779
TAX EXPENSE (BENEFIT)		**25,015,415**	456,750
NET INCOME		**1,241,905,516**	803,321,029
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME		**₱1,241,905,516**	₱803,321,029

	Notes	**2014**	2013
NET INCOME ATTRIBUTABLE TO:			
Shareholders of the parent company		**₱860,975,415**	₱604,663,196
Non-controlling interests		**380,930,101**	198,657,833
		₱1,241,905,516	₱803,321,029
BASIC AND DILUTED EARNINGS PER SHARE		**₱0.841**	₱0.591

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED JUNE 30, 2014
(With Comparative Figures for the same period in 2013)
(Amounts in Philippine Pesos)

	Notes	**2014**	2013
REVENUE			
Energy fees		**₱1,613,204,245**	₱833,167,000
Equity in net earnings of associates		**330,648,402**	298,855,752
Management fees		**27,921,303**	31,295,850
Interest income		**11,747,108**	8,423,299
Other income		**2,437,908**	1,242,029
		1,985,958,965	1,172,983,930
GENERATION COSTS		**865,022,304**	435,443,000
OPERATING EXPENSES			
Management fees		**63,593,730**	42,530,581
Salaries and employees' benefits		**24,039,078**	11,139,643
Professional fees		**12,100,408**	5,710,253
Depreciation and amortization		**3,581,147**	2,883,981
Travel		**4,058,634**	2,259,301
Rent and association dues		**1,066,654**	1,170,499
Taxes and licenses		**15,731,671**	1,067,888
Communication and utilities		**1,149,936**	848,211
Security and janitorial		**723,466**	276,754
Representation		**424,482**	(616,172)
Other general and administrative expenses		**7,322,280**	2,292,437
		133,791,486	69,563,376
INCOME FROM OPERATIONS		**987,166,037**	667,977,554
OTHER INCOME (CHARGES)			
Finance costs		**(52,241,474)**	(2,974,653)
Foreign exchange losses		**(2,887,701)**	–
		(55,129,175)	(2,974,653)
INCOME BEFORE INCOME TAX		**932,015,998**	665,002,901
TAX EXPENSE (BENEFIT)		**25,015,415**	(26,000)
NET INCOME		**907,000,584**	665,028,901
OTHER COMPREHENSIVE INCOME		**–**	–
TOTAL COMPREHENSIVE INCOME		**₱907,000,584**	₱665,028,901

	Notes	**2014**	2013
NET INCOME ATTRIBUTABLE TO:			
Shareholders of the parent company		**₱580,077,213**	₱481,405,356
Non-controlling interests		**326,807,559**	183,623,545
		₱906,884,772	₱665,028,901
BASIC AND DILUTED EARNINGS PER SHARE		**₱0.567**	₱0.470

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2014
(With Comparative Figures for the same period in 2013)
(Amounts in Philippine Pesos)

	Notes	**2014**	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**₱1,266,920,931**	₱803,777,779
Adjustments for:			
Equity in net earnings of associates		**(552,497,665)**	(448,462,756)
Finance costs		**53,105,221**	6,593,055
Interest income		**(18,468,343)**	(15,746,370)
Depreciation and amortization		**6,984,640**	4,909,633
Unrealized foreign exchange gains		**132,128**	–
Realized forex gains		**–**	(786,448)
Operating income before working capital changes		**756,176,912**	350,284,893
Decrease (increase) in:			
Trade and other current receivables		**66,507,429**	(273,628,502)
Inventories		**(45,323,108)**	9,327,769
Prepayments and other current assets		**(15,841,810)**	57,390,665
Other non-current assets		**(2,520,504)**	–
Increase (decrease) in:			
Trade and other current payables		**(196,195,330)**	(248,728,841)
Non-current liabilities		**75,440,040**	(2,348,818)
Cash generated from operations		**638,243,629**	(107,702,834)
Income tax paid		**(187,103,465)**	(98,160,641)
Interest paid		**(53,105,221)**	(6,593,055)
Net cash provided by (used in) operating activities		**398,034,943**	(212,456,530)

CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends from associates	**573,870,308**	643,387,116
Interest received	**18,468,343**	15,746,370
Additions to property, plant and equipment	**(22,962,463)**	(18,828,475)
Advances to affiliates	**(123,336,170)**	–
Increase (decrease) in investments in associates	**(653,536,591)**	–
Increase (decrease) in other noncurrent assets	**–**	1,499,838
Net cash flows provided by (used in) investing activities	**(207,496,572)**	641,804,849
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from fixed rate corporate notes	**3,000,000,000**	–
Proceeds from loans	**–**	(50,000,000)
Cash dividends paid	**–**	(116,471,300)
Advances from associates and stockholders	**(6,265,020)**	86,552,200
Net cash provided by (used in) financing activities	**2,993,734,980**	(79,919,100)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**3,184,273,351**	349,429,219
EFFECT OF EXCHANGE RATE CHANGES	**(132,128)**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**3,057,406,413**	1,800,270,312
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**₱6,241,547,636**	₱2,149,699,531

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2014
(With Comparative Figures for the same period in 2013)
(Amounts in Philippine Pesos)

	Notes	**2014**	2013
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT			
CAPITAL STOCK - ₱1 par value			
Authorized – 2,000,000,000 shares			
Issued and outstanding – 1,023,456,698 shares		**₱1,023,456,698**	₱1,023,456,698
ADDITIONAL PAID-IN CAPITAL			
Balance at beginning of period		**8,339,452**	8,339,452
Balance at end of interim period		**8,339,452**	8,339,452
REVALUATION RESERVE			
Balance at beginning of period		**1,292,314,176**	454,642,913
Depreciation on the revaluation increment of an associate		**–**	(12,288,236)
Balance at end of interim period		**1,292,314,176**	442,354,677
FAIR VALUE RESERVE			
Balance at beginning of period		**191,083**	191,083
Balance at end of interim period		**191,083**	191,083
REMEASUREMENT LOSS ON EMPLOYEE BENEFITS			
Balance at beginning of period		**(67,944,717)**	–
Balance at end of interim period		**(67,944,717)**	–
RETAINED EARNINGS			
Balance at beginning of period		**4,213,714,010**	3,352,794,527
Dividends declared		**(225,467,512)**	–
Depreciation on the revaluation increment of an associate		**–**	12,288,236
Net income		**860,975,415**	604,663,196
Balance at end of interim period		**4,849,221,913**	3,969,745,959
		7,105,578,605	5,444,087,869

NON-CONTROLLING INTEREST		
Balance at beginning of period	**496,688,804**	901,042,145
Property dividend	**–**	(328,062,737)
Cash dividends	**(233,292,352)**	(116,471,300)
Minority income for the period	**380,930,101**	198,657,833
Balance at end of interim period	**644,326,553**	655,165,941
TOTAL EQUITY	**₱7,749,905,159**	₱6,099,253,810

See accompanying Notes to Consolidated Financial Statements.

VIVANT CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
June 30, 2014

1. Cash and Cash Equivalents

This account consists of:

	June 30, 2014	December 31, 2013
Cash on Hand and in Banks	₱228,723,721	₱1,711,048,047
Short Term Placements	6,012,823,915	1,346,358,366
	₱6,241,547,636	**₱3,057,406,413**

2. Trade receivables, advances and other current receivables

This account consists of:

	June 30, 2014	December 31, 2013
Trade Receivables	₱ 666,747,503	₱741,768,887
Advances to Officers and Employees	9,667,176	2,236,002
Others	3,504,086	2,421,305
	₱679,918,765	₱746,426,194
Less:		
Allowance for impairment loss	333,032	333,032
	₱679,585,733	**₱746,093,162**

Advances to associate and Stockholders	**₱ 238,823,153**	**₱115,486,983**

2.1 Aging of Trade receivables, advances and other current receivables

	June 30, 2014				December 31, 2013			
	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL	0-30 DAYS	31-60 DAYS	OVER 60 DAYS	TOTAL
Trade receivables, advances and other current receivables	₱ 84,186,950	₱ 242,387,963	₱ 353,343,852	₱ 679,918,765	₱619,464,974	₱27,756,231	₱99,204,989	₱746,426,194
Less: Allowance for impairment loss			333,032	333,032			333,032	333,032
	₱ 84,186,950	**₱ 242,387,963**	**₱353,010,820**	**₱679,585,733**	**₱619,464,974**	**₱27,756,231**	**₱98,871,957**	**₱746,093,162**

3. Prepayments and other current assets

The composition of this account is shown below:

	June 30, 2014	December 31, 2013
Advances to suppliers	₱235,133,130	₱199,904,425
Prepaid expenses	18,050,697	42,146,936
Input tax	40,248,064	51,154,197
Creditable withholding tax	16,606,693	-
Others	574,505	1,565,721
	₱ 310,613,089	**₱294,771,279**

4. Available-for-sale investments

This account is composed of investments in shares of stock of the following entities:

	June 30, 2014	December 31, 2013
At Fair Value:		
Aboitiz Equity Ventures	₱395,500	₱395,500
PLDT	600	600
Paper Industries of the Phils.	31	31
San Miguel Corp	-	-
	396,131	396,131
Add (Less) Fair Value Adjustment	-	-
	396,131	396,131
At Cost:		
VC Exchange Inc.	8,345,118	8,345,118
Cebu Country Club, Inc.	3,400,000	3,400,000
INCA Plastic Phils., Inc.	50,000	50,000
	11,795,118	11,795,118
Less:		
Impairment loss on AFS	8,345,118	8,345,118
	3,450,000	3,450,000
Total Available for Sale Investments	**₱3,846,131**	**₱3,846,131**

5. Property and Equipment

Property and equipment consists of the following major classifications:

	Condominium Unit, Building and Improvement	Plant Machineries and Equipment	Leasehold and Improvement	Office Furniture, Fixtures and Equipment	Transportation Equipment	Construction in Progress	Tools and Other Assets	Total
Cost								
Beg. Balance, Dec. 31, 2013	₱25,149,566	₱714,286	₱21,107,717	₱19,657,549	₱28,615,583	₱1,658,836	₱505,670	₱97,409,207
Additions	12,857	16,944,000	255,646	3,210,347	1,962,648	1,734,637	-	24,120,135
Retirement	-	-	-	-	-	-	-	-
Total	25,162,423	17,658,286	21,363,363	22,867,896	30,578,231	3,393,473	505,670	121,529,342
Less: Accumulated Depreciation								
Beg. Balance, Dec. 31, 2013	8,344,696	83,333	5,443,252	10,630,359	10,056,234	-	203,485	34,761,359
Depreciation & Amortization	398,822	1,725,295	1,054,968	2,556,633	2,364,049	-	42,546	8,142,313
Carrying value, June 30, 2014	**₱ 16,418,905**	**₱ 15,849,658**	**₱ 14,865,143**	**₱ 9,680,904**	**₱ 18,157,949**	**₱ 3,393,473**	**₱ 259,639**	**₱ 78,625,670**

6. Investment Properties

Investment properties consist of parcels of land, building and improvements held by Hijos De F. Escano, Inc. for capital appreciation, rather than for administrative purposes or sale in the ordinary course of business.

Investment properties are valued at fair value based on the valuation carried out by independent appraisers as at February 2012.

Details of investment properties as at June 30, 2014 and December 31, 2013 are as follows:

	June 30, 2014	December 31, 2013
Land		
Cost	₱3,473,986	₱3,473,986
Fair Value Adjustment	266,629,014	266,629,014
	270,103,000	270,103,000
Building		
Cost	₱-	₱-
Fair Value Adjustment	3,968,000	3,968,000
	3,968,000	3,968,000
Total Investment Properties	**₱274,071,000**	**₱274,071,000**

7. Investment in subsidiaries and associates:

The components of the carrying values of investment in an associate are as follows:

	June 30, 2014	December 31, 2013
Investment in VECO:		
Acquisition Cost	₱840,333,112	₱840,333,112
Accumulated Equity Earnings	890,765,768	883,153,380
Revaluation Surplus	525,045,410	525,045,410
Carrying Value	2,256,144,290	2,248,531,902
Investment in Delta P:		
Acquisition Cost	102,117,231	102,117,231
Accumulated Equity Earnings	15,681,584	2,399,863
Revaluation Surplus	-	-
Carrying Value	117,798,815	104,517,094
Investment in CPPC:		
Acquisition Cost	305,119,049	305,119,049
Accumulated Equity Earnings	(136,844,736)	(221,630,844)
Revaluation Surplus	-	-
Carrying Value	168,274,313	83,488,205
Investment in ABOVANT:		
Acquisition Cost	1,127,984,699	1,127,984,699
Accumulated Equity Earnings	263,560,199	417,906,527
Revaluation Surplus	-	-
Carrying Value	1,391,544,898	1,545,891,226
Investment in VSNRGC:		
Acquisition Cost	46,000,000	46,000,000
Accumulated Equity Earnings	(46,000,000)	(46,000,000)
Revaluation Surplus	-	-
Carrying Value	-	-
Investment in AHPC:		
Acquisition Cost	11,500,000	11,500,000
Accumulated Equity Earnings	(8,017,087)	(7,597,146)
Revaluation Surplus	-	-
Carrying Value	3,482,913	3,902,854
Investment in PEI:		
Acquisition Cost	500,000	500,000
Accumulated Equity Earnings	3,709	3,709
Revaluation Surplus	-	-
Carrying Value	503,709	503,709
Investment in CIPC:		
Acquisition Cost	3,125,000	3,125,000
Accumulated Equity Earnings	(3,125,000)	(3,125,000)
Revaluation Surplus	-	-
Carrying Value	-	-
Investment in MCC:		
Acquisition Cost	681,250,000	-
Accumulated Equity Earnings	-	-
Revaluation Surplus	-	-
Carrying Value	681,250,000	-
Total Carrying Value of Investments	**₱4,618,998,938**	**₱3,986,834,990**

The Group has unrecognized share in losses from results of operations of its joint ventures amounting to P69.67 million as of June 30, 2014 and P212.8 million as of December 31, 2013.

8. Other Non-Current Assets

The details of this account are shown below:

	June 30, 2014	December 31, 2013
Advances to suppliers	₱25,955,554	₱26,311,872
Pension Asset	1,525,382	1,525,382
Software Cost	683,172	313,113
Others	3,753,052	1,215,530
	₱31,917,160	**₱29,396,656**

9. Capital Stock

The details of the capital stock account are as follows:

	June 30, 2014	December 31, 2013
Authorized Capital Stock – P1.00 par value	₱2,000,000,000	₱2,000,000,000
Issued – 1,023,456,698 shares	1,023,456,698	1,023,456,698

10. Earnings Per Share

The financial information pertinent to the derivation of earnings per share follows:

	June 30, 2014	June 30, 2013
Basic Earnings Per Share		
Net income (loss) attributable to Parent shareholders	860,975,415	604,663,196
Less: Preferred shares	-	-
Net income (loss) identified with Common stock	860,975,415	860,975,415
Actual number of shares Outstanding	1,023,456,698	1,023,456,698
	0.841	**0.591**

11. Other Disclosures

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

The principal accounting policies and methods of computation used in the annual financial statements were also followed in the preparation of the interim financial statements.

There are no significant changes in estimates in amounts reported in prior financial years that have a material effect in the current interim period.

There are no material events subsequent to the end of the interim period that has not been reflected in the financial statements for the interim period.

There are no material contingencies, events or transactions that are material to an understanding of the current interim period.

Vivant Corporation issued 7-year fixed rate notes with a total principal amount of Php 3 bn. The issue was fully subscribed by a consortium of local banks composed of Metropolitan Bank and Trust Company, China Banking Corporation, Development Bank of the Philippines, Philippine Savings Bank, Rizal Commercial Banking Corporation and Robinsons Savings Bank.

The FRCN issue was done in two tranches. The first tranche of notes worth Php 1 bn were issued on February 3, 2014 at an interest rate of 5.7271% p.a. Meanwhile, the second tranche of notes worth Php 2 bn were issued on March 31, 2014 at an interest rate of 5.4450% p.a.

Vivant Corporation declared on June 25, 2014 combined cash dividends per share of P0.2203 (regular cash dividend of P0.1714 and special cash dividend of P0.0489) for stockholders of record as of July 9, 2014. The said cash dividends were paid on July 30, 2014.

The Company is not required to disclose segment information in its annual financial statements.

There have been no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

There are no contingent liabilities or contingent assets since the last annual balance sheet date.

Financial Instruments and Financial Risk Management

The Company and its subsidiaries (the "Group") are exposed to a variety of financial risks which resulted from its operating and investing activities. The Group focuses on actively securing its short-to-medium term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described below.

Credit Risk

Credit Risk represents the risk of loss the Group would incur if counterparties fail to perform their contractual obligations. The Group's credit risk arises principally from its receivables.

Generally, the maximum credit risk exposure of financial assets is their carrying amount as shown in the balance sheets. Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount. The Group's receivables are actively monitored to avoid significant concentrations of credit risk. Please refer to the Note 2 of the Notes to the interim Financial Statements as of June 30, 2014 for the aging analysis of the Group's receivables.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors and maintains a level of cash deemed adequate by management to finance its operations and mitigate the effects of fluctuations in cash flows. Additional short-term funding is obtained from related party advances and short-term loans when necessary.

Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Philippine Peso (PHP), which are United States Dollar (USD) and European Euro (€).

The Group's exposure to foreign currency risk based on amounts is as follows:

	June 30, 2014
Loan Receivables	USD -
Trade Receivables	USD -
Cash	USD 131,856
	Euro 584
Gross Exposure	USD
	Euro

The average exchange rate for the quarter ended June 30, 2014 are as follows:

US Dollar-Philippine Peso	US$1 = Php44.01
Euro-Philippine Peso	Eu€1 = Php60.31

The exchange rate applicable as of June 30, 2014 are the following:

US Dollar-Philippine Peso	US$1 = Php43.65
Euro-Philippine Peso	Eu€1 = Php59.76

Sensitivity Analysis

A 10% strengthening of the Philippine Peso against US Dollar and European Euro as of June 30, 2014 would have increased equity and profit by Php 579,041. A 10% weakening of the Philippine Peso against the US Dollar and European Euro as of June 30, 2014 would have an equal but opposite effect, on the basis that all other variables remain constant.

The Group absorbs the risk and favorable and unfavorable exchange rate movement as they arise.

The Company neither issues nor invests in complex securities, particularly on derivatives.

The Company does not have investments in foreign securities.

The carrying values of cash and cash equivalents, receivables, trade, and other payables approximate their fair values due to short-term maturity of these instruments.

The Company has minimal financial instruments in the form of available for sale shares of stock which are traded in the market. These financial instruments are however not traded actively