ASIAN TERMINALS INC.
ISO 14001 & OHSAS 18001 certified
Delivering reliable and consistent services.

Asian Terminals Incorporated Head Office,
A. Bonifacio Drive, Port Area,
Manila, Philippines 1018
P.O. Box 3021, Manila, Philippines
Tel. No. (632) 528 6000
Fax (632) 527 2467

May 10, 2013

PHILIPPINE STOCK EXCHANGE, INC.
Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue,
Makati City

Attention : **MS. JANET ENCARNACION**
Head-Disclosure Department

RE : SEC Form 17-Q (March 31, 2013)

Gentlemen,

Please find our SEC Form 17-Q for the first quarter of 2013.

Thank you.

Truly yours,

Atty. Rodolfo G. Corvite, Jr.
Corporate Secretary/ CIO

SEC Number: 133653
File Number: ______

ASIAN TERMINALS, INC.
(Company's Full Name)

A. Bonifacio Drive, Port Area Manila, Philippines
(Company's Address)

(632) 528-6000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC Form 17-Q
Form Type

____
Amendment Designation (if applicable)

March 31, 2013
Period Ended Date

____
(Secondary License Type and File Number)

cc: Philippine Stock Exchange

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 quarter ended : **March 31, 2013**

2. Commission identification Number : **133653**

3. BIR Tax Identification No. : **330-000-132-413-V**

4. Exact name of issuer as specified in its charter : **ASIAN TERMINALS, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Manila, Philippines**

6. Industry Classification Code :______________ (SEC Use Only)

7. Address of issuer's principal office : **A. Bonifacio Drive South Harbor, Port Area, Manila**

8. Issuer's telephone number, including area code : **528-6000 (telephone number), 1018 (area code)**

9. Former name, former address and former fiscal year, if changed since last report: **A. Bonifacio Drive, South Harbor Port Area, Manila**

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
Capital stock – common	2,000,000,000 shares

11. Are any or all of the securities listed on the 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 Shares

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 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 90 days.

Yes [X] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

With reference to the attached interim financial statements:

- There were no common stock equivalents issued during the period. As such, basic and diluted earnings per share were the same. Earnings per share for the period is shown in the accompanying Consolidated Statements of Comprehensive Income.
- The Company applied Philippine Financial Reporting Standards (PFRS) in preparing the consolidated financial statements.
- The same accounting policies and methods of computations were followed in the interim financial statements as compared with the most recent annual financial statements.
- Information regarding the business segment is reported under item 1 of the attached Selected Explanatory Notes.
- There was no material event subsequent to the end of this interim that had not been reflected in the financial statements of this interim period.
- There had been no uncertainties known to management that would cause the financial information not to be indicative of future operating results and financial condition.

New Standards, Amendments to Standards and Interpretations

The following are the new standards, amendment to standards, and interpretations, which are effective January 1, 2013 and are applicable to the Company:

- *Presentation of Items of Other Comprehensive Income (Amendments to PAS 1).* The amendments: (a) require that an entity present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss; (b) do not change the existing option to present profit or loss and other comprehensive income in two statements; and, (c) change the title of the statement of comprehensive income to the statement of profit or loss and other comprehensive income. However, an entity is still allowed to use other titles. The amendments do not address which items are presented in other comprehensive income or which items need to be reclassified. The requirements of other PFRSs continue to apply in this regard.

- *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7).* These amendments include minimum disclosure requirements related to financial assets and financial liabilities that are: (a) offset in the statement of financial position; or (b) subject to enforceable master netting arrangements or similar agreements. They include a tabular reconciliation of gross and net amounts of financial assets and financial liabilities, separately showing amounts offset and not offset in the statement of financial position.

- PFRS 10, *Consolidated Financial Statements.* PFRS 10 introduces a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees. An investor controls an investee when: (a) it is exposed or has rights to variable returns from its involvement with that investee; (b) it has the ability to affect those returns through its power over that investee; and (c) there is a link between power and returns. Control is reassessed as facts and circumstances change. PFRS 10 supersedes PAS 27 (2008), *Consolidated and Separate Financial Statements* and Philippine Interpretation SIC-12, *Consolidation - Special Purpose Entities.*

- PFRS 12, *Disclosure of Interests in Other Entities.* PFRS 12 contains the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e., joint operations or joint ventures), associates and/or unconsolidated structured entities, aiming to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities; and the effects of those interests on the entity's financial position, financial performance and cash flows.

- *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance (Amendments to PFRS 10, PFRS 11, and PFRS 12).* The amendments simplify the process of adopting PFRSs 10 and 11, and provide relief from the disclosures in respect of unconsolidated structured entities. Depending on the extent of comparative information provided in the financial statements, the amendments simplify the transition and provide additional relief from the disclosures that could have been onerous. The amendments limit the restatement of comparatives to the immediately preceding period; this applies to the full suite of standards. Entities that provide comparatives for more than one period have the option of leaving additional comparative periods unchanged. In addition, the date of initial application is now defined in PFRS 10 as the beginning of the annual reporting period in which the standard is applied for the first time. At this date, an entity tests whether there is a change in the consolidation conclusion for its investees.

- PFRS 13, *Fair Value Measurement.* PFRS 13 replaces the fair value measurement guidance contained in individual PFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value when it is required or permitted by other PFRSs. It does not introduce new requirements to measure assets or liabilities at fair value nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- PAS 19, *Employee Benefits* (Amended 2011). The amended PAS 19 includes the following requirements: (a) actuarial gains and losses are recognized immediately in other comprehensive income; this change will remove the corridor method and eliminate the ability for entities to recognize all changes in the defined benefit obligation and in plan assets in profit or loss, which is currently allowed under PAS 19; and, (b) expected return on plan assets recognized in profit or loss is calculated based on the rate used to discount the defined benefit obligation. The adoption of this amendment will have a minimal impact on the Company's consolidated financial statements as a result of using the discount rate to compute the expected return on plan assets.

- PAS 27, *Separate Financial Statements* (2011). PAS 27 (2011) supersedes PAS 27 (2008). PAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

- PAS 28, *Investments in Associates and Joint Ventures* (2011). PAS 28 (2011) supersedes PAS 28 (2008), *Investments in Associates.* PAS 28 (2011) makes the following amendments: (a) PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations* applies to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held for sale; and, (b) on cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or *vice versa*, the entity does not remeasure the retained interest.

- *Annual Improvements to PFRSs 2009 - 2011 Cycle* contain amendments to 5 standards with consequential amendments to other standards and interpretations. Those which may be relevant to the Company are set below, none of which has a significant effect on the consolidated financial statements of the Company:

    - PAS 1 *Presentation of Financial Statements - Comparative Information beyond Minimum Requirements.* This is amended to clarify that only one comparative period - which is the preceding period - is required for a complete set of financial statements. If an entity presents additional comparative information, then that additional information need not be in the form of a complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with PFRSs. For example, if an entity elects to present a third statement of comprehensive income, then this additional statement should be accompanied by all related notes, and all such additional information should be in accordance with PFRSs. However, the entity need not present other primary statements for that additional comparative period, such as a third statement of cash flows or the notes related to these other primary statements.

- PAS 1 - *Presentation of the Opening Statement of Financial Position and Related Notes*. This is amended to clarify that: (a) the opening statement of financial position is required only if: a change in accounting policy, a retrospective restatement or a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under PAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented. This is regardless of whether an entity provides additional comparative information beyond the minimum comparative information requirements. The amendment explains that the requirements for the presentation of notes related to additional comparative information and those related to the opening statement of financial statements are different, because the underlying objectives are different.

- PAS 16, *Property, Plant and Equipment - Classification of Servicing Equipment*. The amendment is to clarify the accounting of spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in PAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using PAS 2, *Inventories*.

The Company is currently evaluating the impact of these applicable standards, however, none of these is expected to have a significant effect on the consolidated financial statements.

The following are the new standards, amendment to standards, and interpretations, which are effective January 1, 2013 but are not applicable to the Company:

- Amendments to PFRS 1, *Government Loans*
- PFRS 11, *Joint Arrangements*

To be adopted on January 1, 2015

- PFRS 9, *Financial Instruments* (2009) introduces new requirements for the classification and measurement of financial assets. Under PFRS 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. PFRS 9, *Financial Instruments* (2010) introduces additions relating to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of PFRS 9 and add new requirements to address the impairment of financial assets and hedge accounting. The adoption of PFRS 9 (2010) is expected to have an impact on the Company's financial assets, but not any impact on the Company's financial liabilities. PFRS 9 (2010 and 2009) are effective for annual periods beginning on or after January 1, 2015 with early adoption permitted.

  After consideration of the result of its impact evaluation, the Company has decided not to early adopt PFRS 9 (2009) or PFRS 9 (2010) for its 2013 financial reporting.

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

Consolidated Results of Operations for the three months ended March 31, 2013

Revenues in the three months ended March 31, 2013 of P1,129.4 million were up by 4.4% from P1,081.6 million in the same period last year. Revenues in South Harbor international operations were higher by 7.8% due to higher volumes and favorable unit rates. Revenues from Port of Batangas increased by 23.7% on account of higher volumes. Revenues from South Harbor domestic terminal operations went down by 5.1% due to decrease in cargo volumes and number of passengers.

Cost and expenses in the first quarter of 2013 totaled P622.4 million, 2.2% higher compared to P608.9 million in the same period last year. Labor costs went up by 10.5% to P217.7 million in 2013 from P196.9 million last year due to higher volumes handled and salary rate increases. Equipment running costs increased by 12.2% to P131.7 million this year from P117.4 million last year due to higher repairs and maintenance and parts replacement costs for quay cranes (QCs) and rubber-tired gantries (RTGs). Depreciation and amortization increased by 6.9% to P120.8 million in 2013 from P113.1 million last year on account of additions to intangible assets. Management fees this year of P24.0 million were higher by 12.2% compared to P21.4 million last year as a result of higher net income. Taxes and licenses in 2013 rose by 4.7% to P38.3 million from P36.6 in 2012 due to higher business tax. Security, health, environment and safety of P22.1 million in 2013 were 19.7% higher than P18.4 million in 2012 due to higher security costs brought about by rate increase and additional security posts. Rental of P16.9 million in 2013 increased by 29.5% from P13.1 million in the same period last year due to forklift rentals relative to higher volumes and additional space rental. Facilities-related expenses of P17.5 million in 2013 were 32.1% higher than P13.2 million in 2012 due to higher costs for pavements and lightings.

Insurance in 2013 of P20.1 million were lower by 4.0% compared to P20.9 million in 2012 due to savings in insurance premiums. General transport declined by 40.8% to P7.6 million in 2013 from P12.9 million on account of lower trucking costs. Other expenses in 2013 totaled P517k, down by 101.4% from P39.8 million last year due to reversal of excess provisions for claims relating to cargo, labor, and civil cases.

Finance costs in 2013 was negative P13.6 million resulting from reversal of interest expense, in 2012 finance costs amounted to P745k. Finance income increased to P21.3 million this year from P18.0 million last year due to higher average balance of cash and cash equivalents. Others-net of P7.7 million in 2013 was 148.4% higher than P3.1 million in 2012 due to lower forex loss.

Income before income tax in the first quarter of 2013 of P549.6 million was 11.5% higher than P493.0 million in the same period last year. Provision for income tax increased by 7.5% to P153.5 million in 2013 from P142.9 million in the same period last year.

Net income amounted to P396.1 million for the three months ended March 31, 2013, was up by 13.1% compared to P350.1 million for the same period last year. Earnings per share this year was P0.20, last year was P0.17.

The Company is affected by the local and global trade environment. Factors that could cause actual results of the Company to differ materially include, but are not limited to:

- material adverse change in the Philippine and the global economic and industry conditions;
- natural events (earthquake and other major calamities); and
- material changes in foreign exchange rates.

In the three months of 2013:

- There had been no known trend, demand, commitment, event or uncertainty that had or are reasonably expected to have a material favorable or unfavorable impact on the Company's liquidity or revenues from continuing operations, other than those discussed in this report.
- There had been no significant element of income that did not arise from the Company's continuing operations.
- There had been no seasonal factor that had a material effect on the financial condition and results of operations.

- There had been no event known to management that could trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- There had been no material off-balance sheet transaction, arrangement, obligation (including contingent obligation), and other relationship of the Company with unconsolidated entity or other person created during the period that would address the past and would have a material impact on future operations.

Consolidated Financial Condition

Total assets as of March 31, 2013 of P10,265.1 million grew by 3.0% from P9,962.2 million as of December 31, 2012. Current assets went up by 7.3% to P3,888.1 million as of March 31, 2013 from P3,623.8 million as of December 31, 2012. Cash and cash equivalents of P3,206.0 million as of March 31, 2013 was higher by 6.2% compared to P3,019.2 million as of December 31, 2012. Trade and other receivables-net decreased by 3.5% to P274.2 million as of March 31, 2013 from P284.3 million as of end 2012 due to improved collection efforts. Spare parts and supplies-net of P199.9 million as of March 31, 2013 increased by 3.8% from P192.6 million as of December 31, 2012 in support of operational requirements and equipment maintenance program. Prepaid expenses as of March 31, 2013 amounted to P208.0 million, 63.0% up from P127.7 million as of December 31, 2012 on account of the unamortized portion of prepaid real property and business taxes for the year.

Total noncurrent assets rose by 0.6% to P6,376.9 million as of March 31, 2013 from P6,338.5 million as of December 31, 2012. Investment in an associate of P46.5 million as of March 31, 2013 decreased by 29.6% from P66.0 million as of December 31, 2012 resulting from cash dividend received from an associate. Property and equipment-net of P430.2 million as of March 31, 2013 were lower by 1.3% compared to P435.8 million as of December 31, 2012 due to depreciation for the period. Additions to property and equipment which were not subject of the service concession arrangement totaled P11.4 million. Intangible assets-net grew by 1.6% to P5,746.4 million as of March 31, 2013 from P5,657.9 million as of December 31, 2012. Additions to intangible assets which consisted of cargo handling equipment and civil works that were subject of the service concession arrangement totaled to P192.4 million. Other noncurrent assets went down by 7.2% to P64.8 million as of March 31, 2013 from P69.9 million as of December 31, 2013 due to amortization of input taxes on additions to property and equipment and intangible assets.

Total liabilities declined by 6.4% to P1,371.2 million as of March 31, 2013 from P1,464.4 million as of December 31, 2012. Trade and other payables of P1,030.5 million as of March 31, 2013 were lower by 10.7% compared to P1,153.4 million as of December 31, 2012 brought about by payments on equipment acquisitions. Trade and other payables are covered by agreed payment schedules. Provisions for claims went down by 40.8% to P48.5 million as of March 31, 2013 from P81.9 million as of December 31, 2011 following the reversal of excess provisions for claims relating to cargo, labor, and civil cases. Income and other taxes payable of P161.2 million as of March 31, 2013 was higher by 102.4% compared with P79.6 million as of December 31, 2012 due to income tax for the first quarter of 2013. Pension liability of P131.0 million decreased by 12.4% as of March 31, 2013 from P149.5 million as of December 31, 2012 on account of the contribution made to retirement fund.

Consolidated Cash Flows

Net cash provided by operating activities in the first quarter of 2013 amounted to P339.5 million, while net cash used in operating activities was P25.3 million in the same period last year due to movement in trade and other payables resulting from payments on equipment acquisitions and dividends.

Net cash used in investing activities in the three months of 2013 was P152.4 million, 108.5% higher compared to P73.1 million in the same period last year due to higher acquisition of property and equipment and intangible assets.

Key Performance Indicators (KPI)

KPIs discussed below were based on consolidated amounts as portions pertaining to the Company's subsidiary ATI Batangas, Inc. (ATIB) were not material. As of end March 2013:

- ATIB's total assets were only 5.0% of the consolidated total assets
- Income before other income and expense for ATIB was only 11.2% of consolidated income before other income and expenses.

Consolidated KPI	Manner of Calculation	As of March 31		Discussion
		2013	2012	
Return on Capital Employed	Percentage of annualized income before other income and expenses over capital employed	24.5%	30.8%	Decreased due to higher capital employed.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	18.2%	18.3%	Decrease due to higher equity.
Current ratio	Ratio of current assets over current liabilities	3.14 : 1.00	2.58 : 1.00	Increased due to lower current liabilities.
Asset to equity ratio	Ratio of total assets over equity attributable to equity holders of the parent	1.15 : 1.00	1.17 : 1.00	Decreased due to higher equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.15 : 1.00	0.17 : 1.00	Decrease resulting from reduction in liabilities and increase in stockholders' equity.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	11 days	14 days	Due to improved collection efforts.
Lost Time Injury	No. of lost time from injuries per standard man-hours	0	0	No lost time from injuries in both periods.

Note: Income before other income and expenses is defined as Revenues less Costs and expenses. Capital employed is defined as Total assets less Current liabilities.

PART II. OTHER INFORMATION

On April 25, 2013, the Board of Directors of ATI approved a cash dividend of P0.35 per share to stockholders on record as of May 17, 2013 payable on June 11, 2013. As of date of this report, the Company has ordinary shares only.

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
January 15, 2013	SEC 17-C	Certification of Attendance of Directors in 2012 Meetings
January 16, 2013	SEC 17-C	Resignation of Director and Election of Replacement and Appointment to the committees vacated by resigning director
January 25, 2013	SEC 17-C	Certification of Compliance with the Manual on Corporate Governance
February 15, 2013	SEC 17-C	Notice of Guidelines for Nominations for Election to the Board of Directors
February 22, 2013	SEC 17-C	Setting the date, venue, agenda and record date of the 2013 Annual Stockholders' Meeting
April 26, 2013	SEC 17-C	Declaration of cash dividends, appointment of independent auditors, approval of the audited financial statements; results of the 2013 annual stockholders' meeting and organizational meeting

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASIAN TERMINALS, INCORPORATED
by:

Tristan P. Carpio

JOSE TRISTAN P. CARPIO
Vice President and Chief Financial Officer

Date : May 10, 2013

Principal Financial/Accounting Officer:

MPleno

MARICAR B. PLENO
Assistant Vice President for Accounting and Financial Planning

Date : May 10, 2013

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Thousands)

		March 31, 2013 (Unaudited)		December 31, 2012 (Audited)
ASSETS				
Current Assets				
Cash and cash equivalents	P	**3,205,991**	P	3,019,190
Trade and other receivables - net		**274,199**		284,284
Spare parts and supplies - at net realizable value		**199,897**		192,631
Prepaid expenses		**208,046**		127,655
Total Current Assets		**3,888,133**		3,623,760
Noncurrent Assets				
Investment in an associate - at equity		**46,485**		65,993
Property and equipment - net		**430,232**		435,796
Intangible assets - net		**5,746,401**		5,657,882
Other financial assets		**27,873**		27,642
Deferred tax assets - net		**61,109**		81,295
Other noncurrent assets		**64,828**		69,877
Total Noncurrent Assets		**6,376,928**		6,338,485
TOTAL ASSETS	P	**10,265,061**	P	9,962,245
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	P	**1,030,530**	P	1,153,412
Provisions for claims		**48,470**		81,868
Income and other taxes payable		**161,206**		79,641
Total Current Liabilities		**1,240,206**		1,314,921
Noncurrent Liabilities				
Pension liability		**130,980**		149,523
Total Noncurrent Liabilities		**130,980**		149,523
Equity Attributable to Equity Holders of the Parent				
Capital stock		**2,000,000**		2,000,000
Additional paid in capital		**264,300**		264,300
Retained earnings		**6,633,067**		6,237,415
Other reserves		**(5,820)**		(5,820)
		8,891,547		8,495,895
Non-controlling Interest		**2,328**		1,906
Total Equity		**8,893,875**		8,497,801
TOTAL LIABILITIES AND EQUITY	P	**10,265,061**	P	9,962,245

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(Unaudited, In Thousands, Except Per Share Data)

		For the three months Ended March 31		
		2013		2012
REVENUES	P	**1,129,388**	P	1,081,626
COSTS AND EXPENSES		**(622,444)**		(608,946)
OTHER INCOME AND EXPENSES				
Finance cost		**13,648**		(745)
Finance income		**21,300**		17,954
Others - net		**7,731**		3,113
INCOME BEFORE INCOME TAX		**549,623**		493,002
INCOME TAX EXPENSE				
Current		**133,362**		141,534
Deferred		**20,187**		1,329
		153,549		142,863
NET INCOME	P	**396,074**	P	350,139
OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER, NET OF TAX		-		-
TOTAL NET INCOME AND OTHER COMPREHENSIVE INCOME	P	**396,074**	P	350,139
Attributable To:				
Owners of the Parent Company	P	**395,652**	P	349,773
Non-controlling interest		**422**		366
	P	**396,074**	P	350,139
Basic/Diluted Earnings Per Share Attributable to Owners of the Parent Company	P	**0.20**	P	0.17

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands)

	Common Stock	Additional Paid-in Capital	Retained Earnings: Appropriated for Port Development	Retained Earnings: Unappropriated	Other Reserves	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2013	**P 2,000,000**	**P 264,300**	**P 1,000,000**	**P 5,237,415**	**(P 5,820)**	**P 8,495,895**	**P 1,906**	**P 8,497,801**
Net income for the period				**395,652**		**395,652**	**422**	**396,074**
Balance at March 31, 2013	**P 2,000,000**	**P 264,300**	**P 1,000,000**	**P 5,633,067**	**(P 5,820)**	**P 8,891,547**	**P 2,328**	**P 8,893,875**
Balance at January 1, 2012	P 2,000,000	P 264,300	P 1,000,000	P 4,218,963	(P 5,820)	P 7,477,443	P 1,135	P 7,478,578
Net income for the period				349,773		349,773	366	350,139
Balance at March 31, 2012	P 2,000,000	P 264,300	P 1,000,000	P 4,568,736	(P 5,820)	P 7,827,216	P 1,501	P 7,828,717

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	For the three months ended March 31	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P 549,623	P 493,002
Adjustments for:		
Depreciation and amortization	120,831	113,079
Finance cost	(13,648)	745
Finance income	(21,300)	(17,954)
Contribution to retirement fund	(28,036)	(2,597)
Net unrealized foreign exchange losses	259	3,147
Equity in net earnings of an associate	(5,567)	(5,218)
Gain on disposals of:		
Property and equipment	(5)	(236)
Intangible Assets	-	277
Amortization of noncurrent prepaid rental	246	246
Operating income before working capital changes	602,403	584,491
Decrease (increase) in:		
Trade and other receivables	9,673	(21,400)
Spare parts and supplies	(7,267)	6,809
Prepaid expenses	(80,392)	(37,305)
Increase (decrease) in:		
Trade and other payables	(99,994)	(528,576)
Provisions for claims	(33,398)	2,075
Income and other taxes payable	(51,797)	(31,146)
Net cash generated from operations	339,228	(25,052)
Finance cost paid	253	(242)
Net cash provided by (used in) operating activities	339,481	(25,294)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and Equipment	(11,363)	(8,972)
Intangible assets	(192,423)	(104,719)
Finance income received	21,481	17,732
Increase in other noncurrent assets	4,803	5,740
Proceeds from disposals of:		
Property and Equipment	5	236
Intangible assets	-	267
Decrease in deposits	-	(1,311)
Dividends received	25,076	17,911
Net cash used in investing activities	(152,421)	(73,116)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash used in financing activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	187,060	(98,410)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(259)	(1,727)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	3,019,190	2,512,975
CASH & CASH EQUIVALENTS AT END OF YEAR	3,205,991	2,412,838

SELECTED
EXPLANATORY NOTES
March 31, 2013
(Amounts in Thousands)

1. Segment Information

The Company's segment information became solely Ports in 2010, following the discontinued non-port operations in August 2010. Information with regard to the Company's Port business segment is presented below:

	For the three months ended March 31	
	2013	2012
Revenue	**1,129,388**	1,081,626
Intangible Assets (excluding goodwill)	**5,704,341**	5,198,966
Property and equipment - net	**430,232**	398,908
Total assets	**10,265,061**	9,155,462
Total liabilities	**1,371,186**	1,326,745
Capital expenditures		
Intangible Assets	**192,423**	104,719
Property and equipment	**11,363**	8,972
Depreciation and amortization	**120,831**	113,079

2. Trade Receivables - net

Presented below is the aging of the Company's trade receivables - net.

	As of March 31, 2013	As of December 31, 2012
Up to 6 months	**P 218,353**	P 244,529
Over 6 months to 1 year	-	-
Over 1 year	-	-
Total	**P 218,353**	P 244,529

3. Property and Equipment

A summary of property and equipment follows:

	Port facilities and equipment	Leasehold improvements	Furnitures, fixtures and equipment	Transportation and other equipment	Construction In-progress	March 31, 2013	December 31, 2012 (Audited)
Cost							
Balance at beginning of year	P 174,532	P 521,032	P 540,922	P 115,631	P 25,677	P 1,377,794	P 1,305,847
Additions	-	1,326	2,103	818	7,116	11,363	92,070
Disposals	-	-	(98)	-		(98)	(23,986)
Reclassifications	525	-	18,992	-	(19,517)	-	5,239
Retirements	-	-	(383)	-	-	(383)	(1,376)
Balance at end of year	175,057	522,358	561,536	116,449	13,276	1,388,676	1,377,794
Accumulated depreciation and amortization:							
Balance at beginning of year	135,624	302,525	427,919	75,930		941,998	907,929
Additions	3,300	2,857	7,121	3,649	-	16,927	60,522
Disposals	-	-	(98)	-	-	(98)	(23,986)
Reclassification	-	-	-	-	-	-	-
Retirements	-	-	(383)	-		(383)	(2,467)
Balance at end of year	138,924	305,382	434,559	79,579	-	958,444	941,998
Net book value	P 36,133	P 216,976	P 126,977	P 36,870	P 13,276	P 430,232	P 435,796

4. Intangible Assets

		March 31, 2013		December 31, 2012 (Audited)
Service concession	P	**5,704,341**	P	5,615,822
Goodwill		**42,060**		42,060
Total	P	**5,746,401**	P	5,657,882

The movements of service concession are as follows:

		March 31, 2013		December 31, 2012 (Audited)
Cost				
Balance at beginning of year	P	**9,279,830**	P	8,540,744
Additions		**192,423**		823,714
Derecognition		**(9,972)**		(84,628)
Balance at end of year		**9,462,281**		9,279,830
Accumulated amortization				
Balance at beginning of year		**3,664,008**		3,313,108
Amortization for the year		**103,904**		400,238
Derecognition		**(9,972)**		(49,338)
Balance at end of year		**3,757,940**		3,664,008
Carrying amount	P	**5,704,341**	P	5,615,822

Service concession represents property and equipment which is the subject of the concession arrangement that will be transferred to the Philippine Ports Authority (PPA) at the end of the operating contracts.

5. Trade and Other Payables

		March 31, 2013		December 31, 2012 (Audited)
Trade	P	**105,024**	P	67,226
Accrued expenses:				
Personnel costs		**130,340**		116,468
Rental		**54,794**		56,253
Repairs and maintenance		**25,033**		48,084
Finance costs		**372**		13,857
Security expenses		**14,066**		9,354
Professional fees		**9,164**		8,675
Safety and environment		**1,609**		1,409
Others		**257,910**		267,459
Due to government agencies		**322,533**		385,679
Equipment acquistions		**15,039**		89,444
Shippers' and brokers' deposits		**44,320**		42,550
Due to related parties		**7,563**		9,247
Others		**42,763**		37,707
Total	P	**1,030,530**	P	1,153,412

6. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and cash equivalents, trade and other receivables and deposits, which arise directly from its operations. Other financial instruments include available-for sale investments.

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, credit risk, and liquidity risk. The Board of Directors reviews and agrees on policies for managing each of these risks.

Interest Rate Risk
The Company's interest rate risk management policy centers on reducing the Company's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Company's cash and cash equivalents.

As of March 31, 2013, the Company's interest bearing financial instruments are its cash and cash equivalents.

Fair Value Sensitivity Analysis for Fixed Rate Instruments
The Company has no derivative instruments, therefore, a change in interest rates at the reporting date would not affect profit or loss.

Liquidity Risk
The Company monitors its risk to a shortage of funds using a liquidity planning tool. This tool considers the maturity of both the Company's financial investments and financial assets and projected cash flows from operations, among others. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

		Contractual Cash Flows					
As of March 31, 2013	**Carrying Amount**	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**>5 years**	**Total**
Trade and other payables	**P 1,030,530**	**P 435,311**	**P 86,490**	**P 508,729**	**P -**	**P -**	**P 1,030,530**

		Contractual Cash Flows					
As of December 31, 2012	Carrying Amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	P 1,153,412	P 475,715	P 200,861	P 476,836	P -	P -	P 1,153,412

Credit Risk

The Company trades only with recognized, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. A regular review and evaluation of accounts is being executed to assess the credit standing of customers. In addition, a portion of revenues is on cash basis.

With respect to credit risk arising from the other financial assets of the Company, which comprise of cash and cash equivalents, nontrade receivables, deposits, and available-for-sale investments, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Since the Company trades only with recognized third parties, there is no requirement for collateral.

There are no significant concentrations of credit risk within the Company.

As of March 31, 2013, 100% of the total trade and other receivables which are neither past due nor impaired are of high grade quality.

Foreign Currency Risk

The Company has foreign currency financial assets and liabilities arising from US dollar (USD)-denominated revenues, lease payments, PPA fees, and other foreign currency-denominated purchases by operating units.

The Company's policy is to manage its foreign currency risk by using a combination of natural hedges and selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Company's foreign currency-denominated accounts are as follows:

	As of March 31, 2013	As of December 31, 2012
Assets:		
Cash and cash equivalents	**US$ 1,077**	US$ 415
Trade and other receivables	**271**	255
	1,348	670
Liabilities:		
Trade and other payables	**417**	661
Net foreign currency-denominated assets	**US$ 931**	US$ 9
Peso equivalent	**P 37,985**	P 364

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's income before income tax and equity.

Increase/Decrease in U.S. dollar Exchange Rate	Effect on Income Before Income Tax	Effect on Equity
March 31, 2013		
+5%	**P 1,899**	**P 1,330**
-5%	**(1,899)**	**(1,330)**
December 31, 2012		
+5%	P 18	P 13
-5%	(18)	(13)

Capital Management

The primary objective of the Company'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 Company considers capital to include paid-up capital, retained earnings, and other reserves. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust the dividend payment to shareholders, return to capital shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended March 31, 2013.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

		As of March 31, 2013		As of December 31, 2012
Capital Stock	P	2,000,000	P	2,000,000
Additional paid-in capital		264,300		264,300
Retained Earnings		6,633,067		6,237,415
Other reserves		(5,820)		(5,820)
Total	P	8,891,547	P	8,495,895

7. **Financial Instruments**

The table below presents a comparison by category of carrying amounts and estimated fair values of all the Company's financial instruments.

	As of March 31, 2013				As of December 31, 2012			
		Carrying Amount		Fair Values		Carrying Amount		Fair Values
Financial assets:								
Loans and receivables:								
Cash and cash equivalents	P	3,205,991	P	3,205,991	P	3,019,190	P	3,019,190
Trade and other receivables		274,199		274,199		284,284		284,284
Deposits		25,221		35,269		24,990		34,014
		3,505,411		3,515,459		3,328,464		3,337,488
AFS financial assets		2,652		2,652		2,652		2,652
	P	3,508,063	P	3,518,111	P	3,331,116	P	3,340,140
Financial liability:								
Other financial liabilities								
Trade and other payables	P	1,030,530	P	1,030,530	P	1,153,412	P	1,153,412
	P	1,030,530	P	1,030,530	P	1,153,412	P	1,153,412

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value.

a. Nonderivative financial instruments

The fair values of cash and cash equivalents, trade and other receivables, and trade and other payables are approximately equal to their carrying amounts due to the short-term nature of these transactions.

Quoted market prices have been used to determine the fair values of listed available-for-sale investments. The fair values of unlisted AFS financial assets are based on cost since the fair values are not readily determinable.

For noninterest-bearing deposits, the fair value is estimated as the present value of all future cash discounted using the prevailing market rate of interest for a similar instrument. The discount rates used were 3.39% and 6.13% in 2013 and 2012, respectively.

b. Derivative instruments

As of March 31, 2013 and December 31, 2012, respectively, the Company has no derivative financial instruments.

Fair Value Hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	**Level 2**	**Level 3**
As of March 31, 2013			
AFS financial assets	**P 933**	**P -**	**P 1,719**
As of December 31, 2012			
AFS financial assets	P 933	P -	P 1,719

There have been no transfers from one level to another in 2013 and 2012.