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

March 20, 2013

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

Attention : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen,

In connection with the Company's forthcoming Annual Stockholders' Meeting scheduled on April 25, 2013 we are submitting a copy of the Definitive Information Statement. A copy of the same has also been filed with the Securities and Exchange Commission

Thank you.

Truly yours,

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

SEC No. 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 20-IS
Definitive Information Statement
Form Type

Not applicable
Amendment Designation (if applicable)

December 31, 2012
Period Ended Date

____
(Secondary License Type and File Number)

ASIAN TERMINALS, INC.
A. Bonifacio Drive, Port Area, Manila
Tel. No. 528-6000

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the Stockholders of Asian Terminals, Inc.:

Notice is hereby given that the Annual Meeting of the Stockholders of ASIAN TERMINALS, INC. (ATI) will be held on April 25, 2013, 2:00 p.m., at the Diamond Ballroom, Diamond Hotel, Dr. J. Quintos Street, Manila, Philippines, to consider and take action upon the following matters:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on April 26, 2012
4. Chairman's Address
5. Election of Directors
6. Approval of the Audited Financial Statements for the Year Ended December 31, 2012
7. Appointment of Independent Auditors
8. Approval and Ratification of the Acts of the Board and the Management during the year 2012
9. Other Matters
10. Adjournment

Registration will start at 1:00pm and will end at exactly 2:00pm.

All stockholders of record at the close of business on March 26, 2013 are entitled to notice and to vote at the annual meeting and at any adjournment thereof. The stock and transfer books of the Company will be closed from March 26 up to April 25, 2013.

If you cannot attend the meeting personally, you may designate a representative by submitting a PROXY instrument in accordance with Section 58 of the Corporation Code to the office of the Stock Transfer Agent at the address below. Proxies will be validated on April 19, 2013 at the said address.

Rizal Commercial Banking Corporation
Stock Transfer Department
Ground Floor West Wing, 221
GPL (Grepalife) Building, Sen. Gil Puyat Avenue,
Makati City

Manila, Philippines, March 7, 2013.

RODOLFO G. CORVITE, JR.
Corporate Secretary

Information Statement Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:

[ ] Preliminary Information Statement
[X] Definitive Information Statement

2. Name of Registrant as Specified in its Charter	:	ASIAN TERMINALS, INC.
3. Province, Country or other jurisdiction of Incorporation or organization	:	Manila, Philippines
4. SEC Identification Number	:	133653
5. BIR Tax Identification Code	:	033-000-132-413-V
6. Address of Principal Office	:	A. Bonifacio Drive Port Area, Manila 1018
7. Registrant's telephone number	:	(632) 528-6000
8. Date, time and place of the meeting of security holders	:	April 25, 2013, 2:00 p.m. Diamond Ballroom, Diamond Hotel, Manila
9. Approximate date on which the Information Statement is first to be sent or given to security holders	:	March 26, 2013

10. Securities registered pursuant to Section 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 or Amount of Debt Outstanding
Common	2,000,000,000 shares

11. Are any or all of registrant's securities listed on a stock exchange?

Yes [X]   No [   ]

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange, Inc.; common shares

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

a)	Date of Meeting Time of Meeting	April 25, 2013 2:00 p.m.
	Place of Meeting	Diamond Ballroom, Diamond Hotel, Manila
	Registrant's Mailing Address	ATI Head Office A. Bonifacio Drive, Port Area Manila, Philippines 1018 P.O. Box 3021, Manila
b)	Approximate date on which the Information Statement is first to be sent or given to security holders	March 26, 2013

Item 2. Dissenter's Right of Appraisal

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Corporation Code.[1]

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a) The incumbent Directors and Executive Officers and their associates have no substantial interest in any matter to be acted upon other than election to the office.

b) No director has informed the Company in writing that he intends to oppose any action to be taken by the registrant at the annual meeting.

[1] The right of appraisal means the right of a dissenting stockholder to demand payment of the fair market value of his shares, in the instances provided under the Corporation Code. In such instances, the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the Corporation within 30 days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

a) As of February 28, 2013, the Company has 2,000,000,000 issued and outstanding common and unclassified shares. All of these 2 billion shares are entitled to vote at one vote per share.

b) Only stockholders of record at the close of business on March 26, 2013 are entitled to notice and to vote at the Annual Stockholders' Meeting.

c) Cumulative voting is allowed for election of members of the board in a stock corporation. Every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing in his own name on the stock transfer books of the Company. Each stockholder may vote such number of shares for as many persons as there are directors to be elected; or he may cumulate his shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal; or he may distribute these shares on the same principle among as many candidates as he shall see fit; provided that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the total number of directors to be elected.

d) Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

As of February 28, 2013, the Company knows of no one who owns in excess of 5% of its common stock except as set forth in the table below:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Amount of Record Ownership	% of Class
Common	DP World Australia (POAL) Limited Level 21 400 George St., Sydney NSW 2000, GPO Box 4084, Sydney NSW 2001 Australia (Stockholder)	DP World Australia (POAL) Limited	Australian	346,466,600	17.32%
Common	ATI Holdings, Inc.[2] 3rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City (Stockholder)	ATI Holdings, Inc.	Australian	291,371,230	14.57%

[2] Please refer to Item 5 (a) (5).

Common	Pecard Group Holdings, Inc. 3rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City (Stockholder)	Pecard Group Holdings, Inc.	Filipino	198,203,968	9.91%
Common	Philippine Seaport, Inc. 3rd Floor SSHG Law Centre, 105 Paseo de Roxas Makati City (Stockholder)	Philippine Seaport, Inc.	Filipino	196,911,524	9.85%
Common	PCD Nominee Corp. (Filipino.)* G/F MKSE Bldg. 6767 Ayala Ave., Makati City	(Beneficial Owners unknown to Issuer) *(**AsiaSec Equities, Inc.** 8/F Chatham House 116 Valero cor. V. A. Rufino Sts. Salcedo Village, Makati City)*	Filipino	195,623,746 *(116,797,748)*	9.78% *(5.84%)*
Common	Daven Holdings 7th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City (Stockholder)	Daven Holdings	Filipino	155,906,071	7.80%
Common	PCD Nominee Corp. (Non-Fil.)* G/F MKSE Bldg. 6767 Ayala Ave., Makati City	(Beneficial Owners unknown to Issuer) *(**The Hongkong and Shanghai Banking Corp., Ltd.** HSBC Securities Services, 12th Flr, The Enterprise Center, Tower I 6766 Ayala Ave. cor. Paseo de Roxas, Makati City)*	Non-Filipino	145,688,278 *(137,824,000)*	7.28% *(6.89%)*
Common	SG Holdings Inc. 7th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City (Stockholder)	SG Holdings, Inc	Filipino	130,000,000	6.50%
Common	Morray Holdings, Inc. 7th Floor, Philfirst Building, 6764 Ayala Avenue, Makati City (Stockholder)	Morray Holdings, Inc.	Filipino	100,000,000	5.00%

**As of the filing of the Preliminary Information Statement, the Company has no knowledge on the name of the beneficial owners and their respective representatives.*

The Board of Directors generally has the power to vote on behalf of their respective corporations. A proxy is usually designated to cast the vote for each corporation.[3]

2. Security Ownership of Management

Owners of record of ATI shares among Management as of February 28, 2013, are as follows:

Title of Class	Name of Beneficial/Record Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class
Common	Suhail Al Banna	1/direct	UAE	.00 %
-do-	Felino A. Palafox, Jr.	15,300/direct	Filipino	.00%
-d0-	Monico V. Jacob	1/direct	Filipino	.00%
-do-	Kwok Leung Law	1/direct	Chinese	.00%
-do-	Kun Wah Wong	1/direct	Chinese	.00%
-do-	Rashed Ali Hassan Abdulla	1/direct	UAE	.00%
-do-	Eusebio H. Tanco	15,257,663/ direct 26,627,884/indirect	Filipino	2.11%
-do-	Arsenio N. Tanco	133,333/direct 3,338,667/indirect	Filipino	.17%
-do-	Artemio V. Panganiban (independent director)	1/direct	Filipino	.00%
-do-	Teodoro L. Locsin, Jr. (independent director)	1/direct	Filipino	.00%
--do-	Rodolfo G. Corvite, Jr.	222,398/direct	Filipino	.01%
	TOTAL	45,595,252		2.28%

To the best knowledge of the Company, the above list of share ownership includes the shares beneficially owned by the foregoing officers and directors.

3. There are no voting trusts or similar agreements with respect to any portion of the outstanding shares, nor any agreement which may result in a change in control of the Company.

4. There was no change in control of the registrant during the year.

Item 5. Directors and Executive Officers

a) 1. The following persons are the incumbent Directors[4], Executive Officers and key personnel of the Company (brief description of their respective business experience for the past five (5) years included):

Kun Wah Wong, 59**,** Chinese. Since January 2006, he is the Senior Vice-President and Managing Director of DPWorld Asia Pacific which is based in Hong Kong. As such, he is responsible for the group activities overseeing all DP World's existing businesses and future development projects in China, Hong Kong, Korea, and South East Asia. He has 36 years experience in the logistics industry, operating from locations around the world and has extensive knowledge of the container shipping industry. He is also a fellow of the Association of Certified Accountants. He obtained his Bachelor of Science degree in

[3] As of the filing of the Preliminary Information Statement, the Company has no knowledge who will represent the corporations.
[4] The Directors are elected annually and each Director holds office until the next annual meeting held after his election and until his successor has been elected and has qualified, or until his death or until he resigns or has been removed. (Sec. 2, Article IV, By-laws)

Commerce major in Economics and Finance from the University of Hong Kong. Mr. Wong joined the Board and became its Chairman in April 2009. He was re-elected as a Director and Chairman last April 26, 2012.

Eusebio H. Tanco, 63, Filipino, is the President of the Company from 1995 to 2001 and 2007 to present. He is the Chairman of PhilPlans First, Inc. (since 2009), Philhealthcare Inc. (since 2009), Banclife Insurance (since 2011), DLS-STI College (since 2003), DLS-STI Hospital (since 2005) and DLS-STI Megaclinic (since 2006), Insurance Builders Inc. (since 1979), Rescom Developers, Inc (since 1983), Agatha Builders Corp. (since 1982), Mar-Bay Homes Inc. (since 1980) and STI Education Systems Holding (formerly JTH Davies Holdings, Inc., since 2010), Capital Managers and Adviser (since 1995), Prime Power Holdings (since 1999), STI Investments (since 2007), Philippine Life Financial Assurance (formerly Asian Life Financial Assurance, since 2012) the Vice Chairman of the Philippine Women's University (2012), and the executive committee chairman of STI Education Services Group.Inc. (since 2003). He is also the president of Philippines First Insurance Co. (since 1973), Global Resource for Outsourced Workers, Inc. (GROW, Inc.) (since 2002), Mactan Electric Company (since 1988), Venture Securities, Inc.(since 1980), STMI Logistics, Inc (since 1988), Total Consolidated Asset Management Inc. (TCAMI) (since 2006), Eujo Philippines, Inc. (since 1986) and a member of the board of United Coconut Chemicals, Inc.(since 1995), J & P Coats Manila Bay (since 1980), Philippine Racing Club (since 2011), Leisure & Resorts World Corporation (since 2011) and Philippine Stock Exchange (since 2007). His professional associations include the Philippines-Thailand Business Council, Philippines-UAE Business Council, and the Philippine Chamber of Commerce and Industry. He obtained his Master of Science in Economics from the London School of Economics and Political Science. He has been a member of the ATI Board since 1993.

Suhail Al Banna, 55, UAE national, was formerly the Company's Executive Vice-President - Technical from February 2007 to June 2008. He was a part of the world of information technology for 20 years and brings with him a wealth of experience and knowledge of the latest technology trends and developments, vis-à-vis the management and control of ports and terminals. A graduate of San Diego State University, USA, he also enhanced his management proficiency and expertise through participation in Executive Training and General Management Programmes at well-reputed institutions, viz. Kellog Business School and Harvard Business School, respectively. Whilst he continues to function as a Board Member of ATI, his involvement in DP World's present and future business development is now more global. Since 2008, he is the Senior Vice President - Government Relations, DP World and is based at the organization's Head Office in Dubai. He is a Member of the Board of DP World Dakar in Senegal since 2008. In 2012, he was appointed as Chairman of the Board of Tejari Solution, a JV company established between Tejari World and Bravo Solution. He has been with the Board since 2007.

Monico Jacob, 67, Filipino, is presently the President and CEO of the STI Education Services Group PhilPlans First Inc. and Philhealthcare, Inc. (since 2009) and the President STI Education Systems Holdings Inc. (since 2011). He was the former President and CEO of Information and Communications Academy (iAcademy, from 2003-2010). He is also the Chairman and Managing Partner of CEOs, Inc., (since 1999) and Chairman of Global Resource for Outsourced Workers, Inc. (GROW, Inc., since 2000), STI-Universal Workers, Inc. (STI-UWI, since 2002) and Total Consolidated Asset Management Inc. (since 2006). He is currently an independent director of Jollibee Foods, Inc. (since 2001), Mindanao Energy and Phoenix Petroleum Philippines (since 2008). Prior to his current engagements, he was the General Manager of the National Housing Authority (NHA) (from 1989 to 1991); Chairman and CEO of Petron Corporation from 1991 to 1998 and Philippine National Oil Company (PNOC) and all of its subsidiaries from 1991 to 1994; and CEO of the Home Development Mutual Fund (PAG-IBIG Fund) from 1988 to 1989. Mr. Jacob also served as an Associate Commissioner for the Securities and Exchange Commission in 1986. He is a member of the Integrated Bar of the Philippines and the Management Association of the Philippines (MAP) and served as its President in 1998. Mr. Jacob finished his Bachelor of Arts degree with a Major in Liberal Arts from the Ateneo de Naga University in 1966 and his Bachelor of Laws degree from the Ateneo de Manila University in 1971. He joined the Board last August 20, 2009.

Felino A. Palafox, Jr., 63, Filipino**,** has 40 years of experience in the field of architecture and 38 years in planning. He is the Principal Architect-Urban Planner, Founder and Managing Partner of Palafox Associates which was founded in 1989. For more than 20 years, he led and managed his firm in carrying out the planning of more than 12 billion square meters of land area and the architecture of more than 8 million square meters of building floor area in 35 countries. Palafox Associates ranks 89th in the London–based/ BD World architecture magazine's list of world's top architectural firms and also cited Top 8 in the world for Leisure projects. In 2011, he became the first Architect/Environmental Planner to be elected as President of the Management Association of the Philippines. He is also an international associate of the American Institute of Architects, country leader of the Council on Tall Buildings and Urban Habitat, member of the U.S. Green Building, Urban Land Institute, Congress for the New Urbanism, American Planning Association, and the International Council of Shopping Centers, all U.S.-based. He is currently the President of the Philippine Institute of Environmental Planners. He finished his Bachelor of Science in Architecture in 1972 from the University of Santo Tomas, Manila, and his Master in Environmental Planning from the University of the Philippines as a scholar of the United Nations Development Program (UNDP), in 1974. He took up Advanced Management Development Program for Real Estate in 2003, and 5 other continuing education courses, from the Harvard University. Architect Palafox is a registered APEC Architect and a recipient of several local and international awards. He joined the Board last August 20, 2009.

Arsenio Tanco, 84, Filipino, is the President and Executive Chairman of Coats Manila Bay, Inc. (since 2000) and the CEO of Manila Bay Spinning Mills, Inc (since 1993). He is currently a director of Philippines First Insurance Co., Inc. (since 1973), Philippine Belt Manufacturing Corporation (since 1971), Manila Bay Hosiery Mills, Inc.(since 1950) Federation of Philippine Industries, Inc.(since 2002). Since 2006, he serves as director of Total Consolidated Asset Management Inc. and Delos Santos-STI Mega Clinic. He was the Chairman of Federation of Philippine Textile Industries from 2003 to 2007 and a member of the Board of Trustees of Philippine Employer-Labor Social Partners, Inc. since 2007. He holds a Bachelor's degree in Mechanical Engineering from Mapua Institute of Technology and BS Textiles and MS Textile Manufacturing from North Carolina State University where he graduated with High Honors. He was elected to the Board last August 20, 2009.

Kwok Leung Law, 49, Chinese, is the Finance Director of DP World Southeast Asia since 2010. He was the Finance Director for Saigon Premier Container Terminal (DPWorld) in HCMC, Vietnam from 2008 to 2010. In 2003, he became the Chief Operating Officer/General Manager Finance of ATL Logistics Centre Hong Kong Limited and the Financial Controller of Sea-Land in Hong Kong in 1996. He is a Fellow Member of Chartered Association of Certified Accountants and an Associate Member of Hong Kong Institute of Certified Public Accountants. Mr. Law is a holder of Bachelor's Degree in Business Administration from National Chung Hsing University in Taiwan and holds a Master's Degree in Business Administration from the Chinese University of Hong Kong. He joined the Board last February 18, 2010.

Rashed Ali Hassan Abdulla, 41, UAE national, is the Senior Vice-President in the Global Operations of DP World in Dubai, since November 2011. Prior to this, he was the Terminal Manager of DP World Constanta, Romania (from 2004 to July 2007), Director for Operations of DP World Jebel Ali Container Terminal 2 (July 2007 to 2008), Deputy Chief Operating Officer of DP World UAE Region (2008 to September 2009) then became the Chief Operating Officer in September 2009 to November 2011. Mr. Abdulla obtained a Bachelor's Degree in Geography from UAE University in 1995. He also holds a Diploma in Maritime and Port Management from the National University of Singapore (2002) and Managing Terminal Operations in P & O Institute, Cardiff, UK (2006). He was elected to the Board last January 15, 2013.

Artemio V. Panganiban, 76, Filipino, was elected as an independent director of the Company last April 22, 2010. He served as Chief Justice of the Supreme Court from 2005 to 2006 and as Associate Justice from 1995 to 2005. Prior to his appointment to the Supreme Court, he was a senior partner at Panganiban Benitez Parlade Africa and Barinaga Law Offices from 1963 to 1995. He is a recipient of over 250 prestigious awards and recognitions from various associations and groups for his role as a jurist, lawyer, civic leader, Catholic lay worker, entrepreneur and youth leader. Among such awards is the "Renaissance Jurist of the 21st Century" given by the Supreme Court of the Philippines upon his retirement in 2006. Chief Justice Panganiban holds a Bachelor's Degree in Law from the Far Eastern University where he graduated *cum laude*. He was a 6th placer in the 1960 Bar Examinations. He was also conferred Doctor of Laws (*Honoris Causa)* by several universities. At present, he writes a column for the Philippine Daily Inquirer and sits as an independent director in following listed companies, aside from Asian Terminals, Inc.,: GMA Network, Inc., (2007-present); First Philippine Holdings Corp., (2007-present); Metro Pacific Investments Corp. (2007-present); Manila Electric Company, (2008-present); Robinsons Land Corp., (2008-present); GMA Holdings, Inc., (2009-present); Bank of the Philippine Islands (2010-present); Metro Pacific Tollways Corp. (2010-present); Petron Corporation (2010-present); and as Regular Director at Jollibee Foods Corporation (2012- present). He is also an independent adviser of the Philippine Long Distance Telephone Company (2009-present); chairman; board of advisers of Metrobank Foundation, Inc. (2010-present); and senior adviser of Metrobank (2007-present) and the World Bank (2009-present). He is a member of the Company's Compensation Committee and Nomination Committee.

Teodoro Locsin, Jr., 64**,** Filipino**,** was elected as an independent director last April 22, 2010. He served as member of the House of Representatives from 2001 to 2010. Since 2005, he is an independent director of The Medical City, and a member of the Board of Governors of iAcademy. He is an editor, publisher, television host and speechwriter of former presidents Corazon Aquino, Joseph Ejercito Estrada and Gloria Arroyo. He also served as a Minister of Information during President Aquino's term. Atty. Locsin, Jr., worked as an associate at Angara Abello Concepcion Regala and Cruz Law Offices. He also worked as an executive assistant to the Chairman of Ayala Corporation, Enrique Zobel. He obtained his Bachelor of Law from the Ateneo de Manila University and Master of Laws from Harvard University. Atty. Locsin, Jr. is the Chairman of the Audit Committee and is a member of the Executive Committee.

Andrew R. Hoad, 46, British, is the Executive Vice President-Technical. He held various positions with P & O Group and CSX World Terminals since 1988. He became the General Manager for DPWorld Sales Asia based in Hongkong from 2004 to 2005. Thereafter, he was assigned to Dubai and the Far East as Commercial Director for Asia and Indian Subcontinent from 2005 to 2008. Prior to joining ATI, he was the CEO of DPWorld Caucedo Container Terminal In the Dominican Republic from 2008 to 2011 and CEO of DP World Callao Container terminal in Peru in 2011. Mr. Hoad holds both

Bachelor and Masters degrees in History and Economic History from Pembroke College, Cambridge University. He joined ATI last February 1, 2012.

Jose Tristan P. Carpio, 44, Filipino, is the Vice-President for Finance and Chief Financial Officer (CFO) of the Company since July 2012. He joined ATI in 2000 as Assistant Vice President for Treasury and Special Projects. Prior to joining ATI, he was the Assistant Vice President for Capital Markets of All Asia Capital & Trust Corporation from 1997 to 2000. Mr. Carpio obtained his degree in B.S. Management Engineering from Ateneo de Manila University.

Rodolfo G. Corvite, Jr., 53, Filipino, is the Corporate Secretary since 1997 and the Vice President for Business Support Services. He held various positions in the Company handling Administration, Legal, Human Resources, Procurement, Industrial Relations, HSES, Insurance and Claims, Risk Management and Corporate Communications. He was a Law Partner of Diaz, Corvite and Associates. He is a member of the Integrated Bar of the Philippines. He obtained his Bachelor of Laws from the Ateneo de Manila University. He has been with the Company since 1989.

Sean James L. Perez, 47, Filipino, is the Vice-President for Marketing and Commercial. He was the Vice-President for Marketing, Commercial and MGT from October 2008 to January 2010, Vice President for Domestic and Outports from January 2007 to September 2008, Vice-President for Domestic/Marketing and Commercial Services (2004-2006). He has held various positions in the Company from the position of being the Terminal Manager of Batangas, Container Division and General Stevedoring Division for South Harbor to Vice-President for Operations, Marketing and Outports. He obtained his degree in Bachelor of Arts, Major in Economics from the University of Santo Tomas. He has been with the Company since 1996**.**

Sasedharan Vasudevan, 43, Malaysian, is the Vice President for ATI Batangas, Batangas Container Terminal and Inland Clearance Depot. When he joined ATI in July 2011, he was the Vice President for South Harbor Operations until September 2012. Prior to ATI, he was the former General Manager for Terminal Operations at the Port of Tanjung Pelepas, Johore, Malaysia from 2003 to 2005. In November 2005 until August 2008, he became the General Manager for Container Terminal Operations at the APMT Terminals Nhava Sheva in India. In August 2008 to July 2011, he worked as the Director of Operations (Container Terminal) at the Dubai Ports World, Surabaya, Indonesia. Mr. Vasudevan holds a degree in Business Administration Management and numerous trainings in terminal operating systems including Management and Leadership Program for Terminal Managers from the University of Kent in the UK, and in Copenhagen, Denmark.

Bastiaan W. Hokke, 50, Dutch, is ATI's Vice President for South Harbor Operations. When he joined ATI in April 2011, he was the Vice President for ATI Batangas, Batangas Container Terminal and Inland Clearance Depot until September 2012. Prior to joining ATI, he worked at Port of Tanjung Pelepas in Malaysia as General Manager for Operations from 2005 to 2007. In 2007, he worked as Chief Operating Officer at Salalah Port services in Oman. From 2009 to 2011, he was appointed as Chief Services Officer in the said port. Mr. Hokke attended Erasmus University, Faculty of Law in Rotterdam. He also took up Account Management in the said university.

Note: The Securities Regulation Code requires any corporation with a class of equity shares listed for trading in an Exchange to have at least two (2) independent directors.

The nomination, pre-screening and election of independent directors were made in accordance with Section 38 of the Securities and Regulation Code, SRC Rule 38 (as amended), Article IV, Section 3 of the By-laws of the Corporation (as amended) and the Company's Revised Nominating Committee Guidelines.[5] The nominated independent directors have signified their acceptance of the nominations. The independent directors are nominated by a stockholder. The Company's Nomination Committee passes upon the qualifications of the nominee for independent director and ascertains that the nominee does not possess any of the disqualifications.

As determined by the Company's Nomination Committee, the following are the qualified nominees for election to the Board of Directors[6] at the forthcoming Annual Stockholders' Meeting:

Name	Age	Citizenship
1. Suhail Al Banna	55	UAE
2. Rashed Ali Hassan Abdulla	41	UAE
3. Monico V. Jacob	67	Filipino
4. Kwok Leung Law	49	Chinese
5. Felino A. Palafox, Jr.	63	Filipino
6. Arsenio N. Tanco	84	Filipino
7. Eusebio H. Tanco	63	Filipino
8. Kun Wah Wong	59	Chinese
9. Teodoro L. Locsin, Jr.[7] *(Independent Director)*	64	Filipino
10. Artemio V. Panganiban[8] *(Independent Director)*	76	Filipino

2. Significant Employees

All employees are expected to make reasonable contribution to the success of the business of the Company. There is no "significant employee" as defined in Part IV (A) (2) of SRC Rule 12 (i.e., a person who is not an executive officer of the registrant but who is expected to make a significant contribution to the business).

[5] The composition of the Nomination Committee is as follows: Kun Wah Wong (Chairman), Eusebio H. Tanco, Felino A. Palafox, Jr., Artemio V. Panganiban and Kwok Leung Law. (Members).
[6] The first eight (8) nominees for regular director receiving the highest number of votes and the first two (2) nominees for independent director receiving the highest number of votes shall be deemed elected.
[7] Stockholder Kwok Leung Law nominated Atty. Teodoro Locsin Jr. Atty. Locsin, Jr. is not related to the stockholder who nominated him.
[8] Stockholder ATI Holdings, Inc., through Mr. Kwok Leung Law nominated Justice Artemio Panganiban (ret.). Justice Panganiban is not related to the stockholder who nominated him.

3. Family Relationships

   Mr. Arsenio N. Tanco, a director, is the uncle of Mr. Eusebio H. Tanco, President and Director.

   Except for the disclosure made above, there are no other family relationships among the directors and officers listed.

4. Pending Legal Proceedings

   The Company has no knowledge that the current members of its Board of Directors or its executive officers have been involved during the last five years up to the present in any legal case affecting/involving themselves and/or their properties before any court of law or administrative body in the Philippines or elsewhere, which are material to an evaluation of the ability or integrity of any of the said directors or executive officers. Also, the said persons have not been convicted by final judgment during the last five years up to the present of any offense punishable by the laws of the Philippines or of the laws of any other country.

5. Certain Relationships and Related Transactions

   a) The Company renewed the management agreement with P & O Management Services, Phils., Inc. (POMS) for a period of five years from September 1, 2010 until August 31, 2015. Forty percent (40%) of the outstanding capital stock of POMS is owned by DP World Australia (POAL) Limited. As of February 28, 2013, POAL owns 17.32% of the total outstanding capital stock of ATI. In addition, POAL owns 100% of ATI Holdings, Inc. which owns 14.57% (as of February 28, 2013) of the outstanding capital stock of ATI. Other expenses are further discussed in Note 23 of the Audited Consolidated Financial Statements.

   The Company avails of leases from Insurance Builders and Mar-Bay Homes, Inc. where Mr. Eusebio H. Tanco is Chairman, and Eujo Philippines, Inc. where Mr. Tanco is the President. Insurance and health care services were also availed from Philippines First Insurance Co. and PhilCare where Mr. Eusebio H. Tanco is President and Mr. Arsenio N. Tanco is a Director.

   Since February 2010, ATI has engaged Global Resource for Outsourced Workers, Inc. (GROW), to provide manpower services for the Company. In November 2012, ATI Batangas has also engaged GROW for manpower services. Atty. Monico V. Jacob is the Chairman of GROW and Mr. Eusebio Tanco is its President.

   b) There is no director who has declined to stand for re-election to the Board of Directors since the date of the last annual meeting of stockholders because of disagreement with the Company on matters relating to operations, policies and practices.

Item 6. Compensation of Directors and Executive Officers

1) The total annual compensation of the Company’s President and the most highly compensated officers amounted to P65 million in 2012 and P54 million in 2011. The projected annual compensation in 2013 is P76 million.

   The total annual compensation of all other officers and directors in 2012 amounted to P69 million and in 2011 amounted to P68 million. The projected annual compensation in 2013 is P79 million.

		(in millions of pesos)			
Name and Principal Position	**Year**	**Salary**	**Bonus**	**Other Annual Compensation**	**Total**
Eusebio H. Tanco President					
Andrew R. Hoad * Executive Vice President-Technical					
Sasedharan Vasudevan * Vice President for ATI Batangas, BCT and ICD					
Rodolfo G. Corvite, Jr. * Vice President for Business Support Services					
Sean Perez Vice President for Marketing and Commercial					
Bastiaan W. Hokke * Vice President for South Harbor Operations					
Jose Tristan P. Carpio Vice President for Finance					
CEO and most highly compensated officers	2013 (Projected)	66	10	0	76
All other officers** and directors as a group unnamed	2013 (Projected)	72	7	0	79

**most highly compensated*
***Managers and above*

		(in millions of pesos)			
Name and Principal Position	**Year**	**Salary**	**Bonus**	**Other Annual Compensation**	**Total**
Eusebio H. Tanco President					
Andrew R. Hoad * Executive Vice President-Technical					
Sasedharan Vasudevan * Vice President for ATI Batangas, BCT and ICD					
Rodolfo G. Corvite, Jr. * Vice President for Business Support Services					
Sean Perez Vice President for Marketing and Commercial					
Bastiaan W. Hokke * Vice President for South Harbor Operations					
Jose Tristan P. Carpio Vice President for Finance					
CEO and most highly compensated officers	2012 (Actual)	61	4	0	65
All other officers** and directors as a group unnamed	2012 (Actual)	63	7	0	70

**most highly compensated*
***Managers and above*

		(in millions of pesos)			
Name and Principal Position	**Year**	**Salary**	**Bonus**	**Other Annual Compensation**	**Total**
Eusebio H. Tanco President					
Ernst T. A. Schulze * Executive Vice President-Technical					
Sasedharan Vasudevan Vice President for South Harbor Operations and Engineering					
Gloriann V. Magto Vice President for Finance					
Sean Perez * Vice President for Marketing and Commercial					
Rodolfo G. Corvite, Jr. * Vice President for HR, HSES, and Administration					
Bastian Hokke * Vice President for ATI Batangas, BCT and ICD					
CEO and most highly compensated officers	2011 (Actual)	46	8	0	54
All other officers** and directors as a group unnamed	2011 (Actual)	61	7	0	68

**most highly compensated*
***Managers and above*

2) The Directors do not receive compensation for services provided as a director other than reasonable per diems[9] for attendance at meetings of the Board and the Board Committees. This is in accordance with Article IV, Section 14 of the Company's By-Laws which states that "Except for reasonable per diems, directors, as such shall be entitled to receive only such compensation as may be granted to them by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock at a regular or a special meeting of the stockholders. In no case shall the total yearly compensation of the directors, as such, exceed ten percent (10%) of the net income before income tax of the Company during the preceding year.

   The Board of Directors specified the duties and responsibilities of the elected Company officers. Other officers, whose duties and responsibilities are set by the Management, are considered regular employees of the Company.

3) There is no bonus, profit sharing, stock options, warrants, rights or other compensation plans or arrangements with directors and officers that will result from their resignation, retirement, termination of employment, or change in the control of the Company.

[9] Directors' per diem amounted to Php2,730,000.00 (for 2012) and Php2,630,00.00 (for 2011). The Chairman receives Php60,000.00 per diem, for every board meeting attended, while members of the Board receive Php50,000.00. The President does not receive any per diem.

Item 7. Independent Public Accountants

The accounting firm Manabat Sanagustin served as the Company's external auditors for the last fiscal year. The signing partner of Manabat Sanagustin is Mr. Jose Javier. There was no change in or disagreement with the external auditors on accounting and financial disclosures.

The Company's Manual on Corporate Governance and SRC Rule 68, provide that the Company's external auditor shall either be rotated or the handling partner be changed every five (5) years or earlier, subject to the provisions of SRC Rule 68 paragraph 3 (b) (ix) on the two-year cooling off period. Mr Javier has been the signing partner for ATI since 2008. Mr. Enrico Baluyut will be replacing Mr. Jose Javier starting 2013 to comply with the provisions of the Manual on Corporate Governance and the SRC Rule 68 on rotation of handling partner.

In accordance with the Company's Manual on Corporate Governance, the Audit Committee recommends the appointment of external auditors. The Audit Committee is composed of Atty. Teodoro L. Locsin, Jr. (independent director) as Chairman, Atty. Monico V. Jacob and Mr. Kwok Leung Law as members. The Board approved the Audit Committee's recommendation for the appointment of Manabat Sanagustin as external auditors and resolved to submit the approval of the appointment to the stockholders during the annual stockholders' meeting.

Representatives of Manabat Sanagustin will be present during the scheduled stockholders' meeting and will be given the opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

Items 8 to 14
Not Applicable

D. OTHER MATTERS

Item 15. Action with Respect to Reports

a) The approval of the minutes of the annual stockholders' meeting held on April 26, 2012 will be taken up during the meeting. No matters arising from the said minutes of meetings shall be taken up during the April 25, 2013 annual meeting.

The matters taken up during the April 26, 2012 annual stockholders' meeting were as follows:

1. Call to Order
2. Proof of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on April 28, 2011
4. Chairman's Address
5. Election of Directors
6. Approval of the Audited Financial Statements for the Year Ended December 31, 2011
7. Appointment of Independent Auditors

8. Approval and Ratification of the Acts of the Board and the Management during the year 2011
9. Other Matters
10Adjournment

SUMMARY OF THE MINUTES OF THE17th ANNUAL STOCKHOLDERS' MEETING OF ASIAN TERMINALS, INC.
(April 26, 2012, 2:00pm)
Diamond Ballroom, Diamond Hotel
Manila

The Company President, Mr. Eusebio H. Tanco presided and called the meeting to order at 2:00 p.m. The Corporate Secretary, Atty. Rodolfo Corvite, Jr. certified that written notices were sent to all stockholders in accordance with the By-Laws and that there was quorum, for which stockholders representing shares1,792,467,964 or 86.62%% of the outstanding capital stock of the company were present either in person or represented by proxy.

The Minutes of the Annual Stockholders' Meeting held on April 28, 2011 were approved.

In his message, the Chairman of the Board of Directors, Mr. Kun Wah Wong, reported that year 2011 was an important milestone for Asian Terminals, Inc. (ATI) as it turned 25 in the business of delivering efficient and reliable port and logistics services in the Philippines.

ATI's success to this day has been driven by operational discipline, fiscal prudence and skillful execution of business plans – the same guideposts upon which the business was built 25 years back. These, combined with the innovation and team spirit of its people, support the long-term viability of the company, ensure healthy returns for investors and guarantee service excellence for its customers.

ATI came across challenging periods. The year 2011 was marked with highly competitive and ever-changing business environment followed by the natural calamities that hit neighbouring countries that dampened regional trade.Despite the impediments, ATI still capped the year with a respectable consolidated performance as its units handling international and domestic containers and passenger operations contributed a balanced output to offset the shortfall in general cargo operations.

Overall, ATI's resilient port operations delivered gross revenues amounting to 4.39 billion pesos and a net income of 1.5 billion pesos, representing a slight decline of 3.0 percent and 4.5 percent, respectively from 2010 figures.Despite the challenging times, ATI was able to almost match its 2010 results (on a like-for-like basis) on the backdrop of higher productivity, efficiency and prudent cost management.

In the same light, the fundamental strength of the business enabled ATI to provide robust dividends to stockholders, capped by record releases in 2011 totalling 1.1 billion pesos.

ATI's accomplishments have also earned the sustained confidence of the investing public as reflected in the strong appreciation of its stocks which averaged seven pesos and fifty cents in 2011. This even reached the 9-peso mark in the mid-March trading which is far the highest since its listing with the local bourse in 1996.

The Chairman announced that the ATI Board of Directors declared a cash dividend of Php0.30 per share or a total of Php600 million, payable on June 7, 2012 to stockholders of record as of May 14, 2012.

The Chairman expressed gratitude to the Board, the employees and the stockholders. He also welcomed the new Executive Vice President-Technical, Mr. Andrew R. Hoad.

He added that ATI will consistently achieve greater levels of operational and financial success in 2012 and beyond, as it looks for new growth opportunities and as it pursues the continuous upgrade of facilities, equipment and technologies. ATI's aggressive capital investment plan includes the deployment of new cranes, the extension of Pier 3 crane rail length, the expansion of our container yard and an upgrade to the truck management modules of our Terminal IT System.

The stockholders approved the following: a) Minutes of the last Annual Stockholders' Meeting held on April 28, 2011; b) Election of the ten (10) nominees to the Board, Messrs. Glen C. Hilton, Eusebio H. Tanco, Suhail Al Banna, Kwok Leung Law, Kun Wah Wong, Monico V. Jacob, Arsenio N. Tanco and Felino A. Palafox, Jr. Messrs. Teodoro L. Locsin Jr. and Artemio V. Panganiban were elected as independent directors; c) audited financial statements for the year ended December 31, 2011; d) appointment of Manabat Sanagustin as the Company's independent auditors; f) acts of the Board and the Management for 2011.

There being no further questions or business to discuss, and upon motion duly made and seconded, the meeting was adjourned at 2:20 p.m.

b) The approval of the audited financial statements and supplementary schedules to such financial statements will also be taken up during the meeting.

c) The Management seeks the approval and ratification by the stockholders of all the acts of the Board and the Management during the year 2012. These are reflected in the minutes of the meetings of the Board of Directors, in the reports to the Philippines Stock Exchange and the Securities and Exchange Commission. The affirmative vote of a majority of the stockholders is necessary for the ratification of all acts of the Board and the Management, which are as follows:

January 6, 2012

Resignation of Executive Vice President Technical and election of his replacement.

February 23, 2012

Setting of the date, time and venue of the 2012 Annual Stockholders' Meeting and record date; Approval of 2011 audited financial statements; Re-appointment of Manabat Sanagustin as independent auditors for 2012 and authorizing signatory to the engagement contract; Approval of capital expenditures; Change of nominees in club memberships; Authorities given to signatories of the Performance Bond and Indemnity Agreement with the GSIS as required by the Philippine Ports Authority (PPA) and the revocation of the previous authority give to the former EVP Technical.

April 26, 2012

Declaration of cash dividends and setting of record and payment dates; Approval of capital expenditures; Change of nominees in club memberships; Authority to designate the proxies for the annual meetings in ATI Batangas, Inc. and South Cotabato Integrated Port Services, Inc.(SCIPSI) and the person authorized to sign the proxy; Designation of officer authorized to sign judicial bonds in relation to any case filed by or against ATI at any stage of the proceedings.

July 18, 2012

Resignation of the Vice President for Finance/ Corporate Treasurer and the election of her replacement.

August 23, 2012

Approval of the transfer of Php100M from the Retirement Fund with Banco De Oro (BDO) to Deutsche Bank (DB); Approval of capital expenditures; Renewal of the ATI-ATIB Management Contracts for another five (5) years (until September 2017); Authority and designation of officers to transact with Maritime Industry Authority (MARINA); Change of nominees in club memberships; approval of internal reorganization.

November 22, 2012

Authority and designation of officers to transact with Bureau of Customs (BOC) on transfer of overstaying cargoes, in accordance with the guidelines to be provided by the BOC; Approval of capital expenditures; Approval of the settlement of claims with Advent Capital; Cancellation of club membership; Revision of the list of signatories in the escrow account with Metropolitan Bank.

December 10, 2012

Review and approval of the 2013 Budget.

Items 16 to 18
Not applicable.

Item 19. Voting Procedures

a) Voting requirement for approval or election

Article III Section 7 of the By-Laws of the Company provides that at all meetings of the stockholders, all elections and all questions shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, except in cases otherwise provided by statute.

Each stockholder shall have one vote for each share of stock entitled to vote and recorded in his name in the books of the Company.

b) The method by which the votes will be counted.

Votes shall be counted in accordance with the provisions of Article III Section 7 of the By-Laws of the Corporation:

“Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him."

The auditors from Manabat Sanagustin will assist in the counting of votes.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information statement set forth in this report is true, complete and correct. This report is signed in the City of Manila on 20 March 2013.

RODOLFO G. CORVITE, JR.
Corporate Secretary and Compliance Officer

MANAGEMENT REPORT
(UNDER RULE 20.4, AMENDED IRR OF THE SRC)

Management's Discussion and Analysis

The Company's net income for the year ended December 31, 2012 went up by 10.4% to P1,678.3 million from P1,520.5 million last year. Earnings per share was up to P0.84 in 2012 from P0.76 in 2011.

Revenues for the year ended December 31, 2012 of P4,858.7 million grew by 10.7% from P4,390.6 million last year. Revenues from South Harbor international containerized cargo increased by P490.8 million or 14.0% on account of higher volume and tariff increase on vessel-related charges and cargo-related charges. Pursuant to PPA Memorandum Circular No. 13-2011, tariffs on vessel-related services for foreign containerized cargoes at South Harbor were increased by 17.0%, 6.0% effective on November 18, 2011 and 11.0% effective on May 18, 2012. Further, pursuant to PPA Memorandum Circular No. 7-2012, cargo-related tariff for foreign containerized and non-containerized cargoes at South Harbor were increased by 15%, 8% effective on July 15, 2012 and 7% on January 15, 2013. Revenues from South Harbor international non-containerized cargo and the Port of Batangas were higher by P20.8 million or 11.5% and P102.6 million or 32.4%, respectively, due to higher volumes. On the other hand, revenues from South Harbor domestic terminal operations dropped by P57.0 million or 15.6% due to lower volumes.

Cost and expenses in 2012 amounted to P2,613.6 million, 10.8% higher than P2,359.9 million last year. Labor costs in 2012 of P856.1 million were higher by 7.2% compared to P798.2 million in 2011 due to higher volumes handled. Equipment running costs increased by 19.2% to P560.5 million in 2012 from P470.3 million in 2011 brought about by higher electricity, higher cost of replacement parts of equipment and higher fuel price and consumption. Depreciation and amortization in 2012 went up by 9.7% to P460.8 million from P420.0 million in 2011 due to additions to intangible assets. Taxes and licenses of P144.3 million in 2012 were higher by 6.8% from P135.1 million in 2011 due to increase in realty tax rate from 2% to 3% for certain real properties. Management fees grew by 9.2% to P102.4 million in 2012 from P93.8 million in 2011, on account of higher net income. Insurance in 2012 of P83.6 million increased by 15.3% from P72.5 million in 2011 due to higher insurance premiums and additional insurance coverage. Security, health, environment and safety costs in 2012 were up by 8.6% to P79.4 million from P73.1 million in 2011 due to higher waste water treatment costs and security costs. Facilities-related expenses of P70.1 million this year increased by 39.4% from P50.3 million last year due to higher maintenance costs for pavements and lightings. Rentals of P62.6 million in 2012 rose by 18.6% from P52.8 million in 2011 on account of higher rentals for equipment, forklifts, and tugboats. Professional fees in 2012 went up by 28.2% to P23.7 million from P18.5 million in 2011 on account of consultancy, survey and legal fees. Other expenses this year totaled P114.6 million, 1.3% higher compared to P113.2 million last year, due to higher travel costs, processing-related expenses (brokerage, wharfage, etc.), and office expenses, among others. On the other hand, General transport costs decreased by 11.6% to P51.0 million in 2012 from P57.6 million in 2011 on account of lower trucking costs.

Finance costs in 2012 of P2.0 million were significantly lower by 96.8% compared to P61.7 million in 2011 as last year included interest costs from loans of P300 million. Finance income decreased by 11.2% to P73.8 million in 2012 from P83.2 million in 2011 due to lower interest income rate. Others-net declined to P33.8 million in 2012 from P85.5 million in 2011 brought about by lower income from insurance claims and lower foreign exchange rate.

Income before income tax in 2012 increased by 10.0% to P2,350.6 million from P2,137.7 million for 2011. Provision for income tax of P672.3 million in 2012 was 8.9% higher than P617.2 million in 2011.

Plans for 2013

Asian Terminals Inc. is gearing up for greater growth ahead while continuously fulfilling its mission of delivering comprehensive and competitive ports and logistics services to Philippine port users.

ATI is improving efficiencies and capacities for its containerized cargo, general cargo and passengers handling business, driven by continuous enhancements, systems upgrade and investments in its key facilities in Manila, Batangas and Laguna.

For 2013, ATI is allocating Php1.8 billion in capital investments for various projects. This includes the development of additional container storage areas within the Manila South Harbor expanded port zone, the deployment of new equipment such as rubber-tired gantries, loaders and prime movers, and other container handling equipment as well as exploring additional back-up areas outside the port to allow greater flexibility and convenience for customers. All the capital expenditures will be sourced from internally-generated funds (as discussed in Note 18 of the Audited Consolidated Financial Statements).

ATI will continue to capitalize on the synergies derived by its Business Units through which the Company offers a formidable combination of port solutions in support of the country's major industries. Working in harmony, ATI's Manila South Harbor, Port of Batangas, the Batangas Container Terminal and Inland Clearance Depot-Laguna will continue to deliver flexible and value-added port services to clients such as inter-Terminal transfers for Domestic to Foreign transshipment and vice versa, segregation of storage area for volume accounts, flexible delivery arrangements and storage periods, among other ancillary services.

Efforts at promoting the Batangas Container Terminal as the best alternative gateway for Cavite, Laguna, Batangas, Rizal and Quezon (Calabarzon) locators will also be sustained as part of ATI's on-going initiatives to further increase market share.

Consolidated Financial Condition

Total assets as of December 31, 2012 of P9,962.2 million were 7.7% higher than P9,252.5 million as of December 31, 2011. Total current assets as of December 31, 2012 increased by 8.3% to P3,623.8 million from P3,345.2 million as of December 31, 2011. Cash and cash equivalents were up by 20.1% to P3,019.2 million as of December 31, 2012 from P2,513.0 million as of December 31, 2011 mainly due to lower dividend payments. Trade and other receivables-net as of December 31, 2012 decreased by 21.2% to P284.3 million from P361.0 million as of December 31, 2011 on account of improved collection efforts. Spare parts and supplies-net as of December 31, 2012 of P192.6 million were 12.1% higher compared to P171.8 million as of December 31, 2011 in support of operational requirements. Prepaid expenses of P127.7 million as of December 31, 2012 were 57.4% lower than P299.5 million as of December 31, 2011 mainly due to reduction in advances to contractors.

Total non-current assets amounted to P6,338.5 million as of December 31, 2012, 7.3% higher compared to P5,907.3 million as of December 31, 2011. Property and equipment-net went up by 9.5% to P435.8 million as of December 31, 2012 from P397.9 million as of December 31, 2011.

Acquisitions of property and equipment which were not subject of the service concession arrangement totaled P92.1 million in 2012. Intangible assets-net grew by 7.4% to P5,657.9 million as of December 31, 2012 from P5,269.7 million as of December 31, 2011. Acquisitions of intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement amounted to P823.7 million in 2012. Other financial assets went up by 10.9% to P27.6 million as of December 31, 2012 from P24.9 million as of December 31, 2011 due to increase in deposits. Deferred tax assets-net as of December 31, 2012 amounted to P81.3 million, 34.6% higher than P60.4 million as of December 31, 2011 as a result of movements in underlying transactions related to pension. Other noncurrent assets as of December 31, 2012 went down by 25.6% to P69.9 million from P94.0 million as of December 31, 2011 due to lower input taxes on asset acquisitions.

As of December 31, 2012, total liabilities of P1,464.4 million were 17.4% lower compared to P1,773.9 million as of December 31, 2011. Trade and other payables decreased by 25.6% to P1,153.4 million as of December 31, 2012 from P1,550.4 million as of December 31, 2011 as last year included dividends payable of P500 million already paid in 2012. Trade and other payables are covered by agreed payment schedules. Provision for claims were down by 7.0% to P81.9 million as of December 31, 2012 from P88.0 million as of December 31, 2011 on account of settlement of claims. Income and other taxes payable declined by 12.8% to P79.6 million as of December 31, 2012 from P91.3 million as of December 31, 2010 due to lower value added taxes payable.

Consolidated Cash Flows

Net cash provided by operating activities of P1,921.3 million in 2012 was lower by 6.8% compared to P2,062.3 million in 2011 due to working capital changes.

Net cash used in investing activities increased by 77.0% to P807.0 million in 2012 from P455.8 million in 2011. Funds used in acquisitions of property and equipment and intangible assets totaled P915.8 million this year, 81.7% higher against P503.9 million last year.

Cash used in financing activities in 2012 of P600.8 million were lower by 57.1% than P1,400.8 million in 2011. Cash dividends paid were P600 million and P1,100 million in 2012 and 2011, respectively. The remaining long-term debt of P300.0 million was pre-terminated in 2011.

Changes in Accounting Policies

The Company has adopted the following amendments to standard starting January 1, 2012 and accordingly, changed its accounting policies. The adoption of this amendments to standard did not have any significant impact on the Company's consolidated financial statements.

> *Disclosures - Transfers of Financial Assets (Amendments to PFRS 7)*, require additional disclosures about transfers of financial assets. The amendments require disclosure of information that enables users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets.

Other information:

- The Company's businesses are 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 global economic and industry conditions;
- natural events (earthquake, typhoons and other major calamities); and
- material changes in exchange rates.

- There was no known trend, event or uncertainty that had or may have a material impact on liquidity and on revenues or income from continuing operations. There was no known event that may cause a material change in the relationships between costs and revenues.
- There was no seasonal factor that had a material effect on the financial condition and results of operations.
- There was no event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- Except for the commitments and contingencies mentioned in Note 27 of the consolidated financial statements, the Company has no knowledge of any material off-balance sheet (statement of financial position) transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period that would address the past and would have material impact on future operations.
- Projected capital expenditures for 2013 is P1.8 billion, which includes yard and berth development as well as equipment acquisition. The capital expenditure will strengthen the Company's operations and capability to handle growth and will be sourced from internal funds.

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 2012:

- ATIB's total assets were only 4.7% of the consolidated total assets
- Income before other income and expense from ATIB was only 9.0% of consolidated income before other income and expense*.

Consolidated KPI	Manner of Calculation	2012	2011	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	26.9%	28.2%	Decreased due to higher assets.
Return on Equity attributable to equity holders of the parent	Percentage of net income over equity attributable to equity holders of the parent	21.0%	20.9%	Slightly increased on account of higher net income for the period.
Current ratio	Ratio of current assets over current liabilities	2.76 : 1.00	1.93 : 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	1.17 : 1.00	1.24 : 1.00	Decreased due to higher equity

Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.17:1.00	0.24:1.00	Decreased due to payments of interest-bearing loans and higher stockholders' equity.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	12 days	14 days	Lower due to improved collection efforts.
Lost Time Injury	Number of lost time from injuries per standard manhours	0.44	0.88	Improved as a result of extensive safety campaign and strict implementation of policy on health, safety and environment.

*Note: Income before other income and expense is defined as income before net financing costs, net gains on derivative instruments and others.

Summary of Selected Financial Data (in millions)

Description	*Year ended December 31, 2012*	*Year ended December 31, 2011*
Revenues	*P 4,858.7*	*P 4,390.6*
Net income	*1,678.3*	*1,520.5*
Total assets	*9,962.2*	*9,252.5*
Total liabilities	*1,464.4*	*1,773.9*

Years ended December 31, 2011 and 2010

Consolidated Results of Operations

The Company's net income of P1,520.5 million for the year ended December 31, 2011 was lower by 29.1% than P2,145.2 million last year. Earnings per share was down to P0.76 in 2011 from P1.07 in 2010.

A. Continuing Operations

Revenues for the year ended December 31, 2011 of P4,390.6 million dropped by 3.0% from P4,526.3 million last year. Revenues from South Harbor international non-containerized cargo and the Port of Batangas went down by P123.2 million or 40.6% and P50.4 million or 13.7%, respectively, due to lower volumes. On the other hand, revenues from South Harbor international containerized cargo went up by P51.7 million or 1.5%. Pursuant to PPA Memorandum Circular No. 13-2011, tariffs on vessel-related services for foreign containerized cargoes at South Harbor were increased by 17.0%, 6.0% effective on November 18, 2011 and 11.0% effective on May 18, 2012. Revenues from South Harbor domestic terminal operations also increased by P22.2 million or 6.5% due to higher container volume.

Cost and expenses in 2011 amounted to P2,359.9 million, slightly lower than P2,377.4 million last year. Labor costs in 2011 of P798.2 million were lower by 3.2% than P825.0 million in 2010 due to lower volumes. Management fees declined by 24.6% to P93.8 million in 2011 from P124.4 million in 2010, on account of lower net income. Rentals of P52.8 million in 2011 decreased by 3.7% from P54.8 million in 2010. Professional fees in 2011 were down by 46.4% to P18.5 million from P34.5 million in 2010 as last year included engagements of surveyors in relation to insurance claims. Other expenses this year totaled P113.2 million, 39.3% lower compared to P186.5 million last year, due to lower processing-related expenses (brokerage, wharfage, etc.), and office expenses, among others.

Equipment running costs increased by 5.6% to P470.3 million in 2011 from P445.1 million in 2010 brought about by higher fuel price and consumption. Depreciation and amortization in 2011 increased by 7.2% to P420.0 million from P391.9 million in 2010 due to property and equipment acquisitions. Taxes and licenses of P135.1 million in 2011 went up by 49.6% from P90.3 million in 2010 due to higher real property and business taxes. Security, health, environment and safety costs in 2011 were up by 1.8% to P73.1 million from P71.8 million in 2010 due to higher security costs. Insurance in 2011 of P72.5 million rose by 29.6% from P55.9 million in 2010 due to higher insurance premiums and additional insurance coverage. General transport costs increased by 23.3% to P57.6 million in 2011 from P46.7 million in 2010 on account of higher trucking costs. Facilities-related expenses of P50.3 million this year was 8.4% higher than P46.4 million last year due to higher maintenance costs for pier, radio equipment, and lightings.

Finance costs in 2011 amounted to P61.7 million, lower by 46.9% than P116.3 million in 2010 due to pre-payment of interest-bearing loans during the year. Finance income went up by 90.0% to P83.2 million in 2011 from P43.8 million in 2010 on account of higher balance of cash and cash equivalents. Others-net decreased to P85.5 million in 2011 from P125.4 million in 2010 mainly due to lower income from insurance claims.

Income before income tax in 2011 were down by 2.9% to P2,137.7 million from P2,201.7 million for 2010. Provision for income tax of P617.2 million in 2011 was 1.3% higher than P609.3 million in 2010.

Income from continuing operations in 2011 of P1,520.5 million were lower by 4.5% than P1,592.4 million in 2010.

B. Discontinued Operations

On August 9, 2010, the Company sold all its shares in Mariveles Grain Corporation (MGC), owner of the Mariveles Grains Terminal (MGT). The Company transferred control of MGT and received the proceeds from the transaction (net of the amount in escrow) on the same day.

As required under PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the results of operations of MGT was presented as a separate item under “Income from Discontinued Operations –Net of Tax” in the consolidated statements of income. MGT was not a discontinued operation and was not classified as held for sale at December 31, 2009 and 2008. The comparative figures for the consolidated statements of income for the year ended December 31, 2009 have been restated to show the discontinued operations separately from continuing operations. Of the Income from discontinued operations of P552.8 million in 2010, P326.6 million was the gain on sale of investment. The results of discontinued operations are reported in Note 7 of the notes to the consolidated financial statements.

After the discontinued operations in MGT, the significant unit in the non-port segment, the remaining unit did not meet the criteria for a reportable segment. Hence starting in 2010, the Company only had ports as its reportable segment.

Plans for 2012

The Company is committed to continuous improvements in efficiencies of its services and facilities.

For 2012, the projected investment in capital expenditures is P1.4 billion, mostly for Crane Rail extension in Pier 3 in order to increase the berthing capacity of South Harbor. To increase the capacity and improve service level to the port users, the planned investments in South Harbor will include upgrades and development in infrastructure; acquisitions and refurbishments of cargo handling equipment; and systems enhancements. Investments in Batangas Container Terminal will include infrastructure development and cargo handling equipment acquisition. All the capital expenditures will be sourced from internally-generated funds.

Marketing initiatives will focus on developing the synergies within Business Units of the Company in order to come up with value-added service enhancements to the clients such as inter-Terminal transfers for Domestic to Foreign transshipment and vice versa, delivery by appointment, segregation of storage area for volume accounts and our recently opened back up off dock yard at Sta. Mesa which allows a strategic location for clients. With the ongoing expansion at our Terminal and additional equipment particularly the Quay Cranes, Rubber Tyred Gantry Cranes, and other yard handing equipment, the Company will be in a stronger position to address the Terminal-related logistics requirements of clients through the South Harbor, Batangas Port and Inland Clearance Depot at Laguna thereby improving our market share.

Consolidated Financial Condition

Total assets as of December 31, 2011 slightly grew by 0.6% to P9,252.5 million from P9,198.9 million as of December 31, 2010. Total current assets as of December 31, 2011 of P3,345.2 million were 2.8% lower than P3,439.9 million as of December 31, 2010. Cash and cash equivalents were up by 8.6% to P2,513.0 million as of December 31, 2011 from P2.313.4 million as of December 31, 2010 mainly due to cash provided by operating activities. Trade and other receivables-net as of December 31, 2011 decreased by 58.9% to P361.0 million from P877.9 million as of December 31, 2010. The balance as of end 2010 included non-recurring items of P309.8 million receivable from escrow fund that is related to the sale of MGC and P293.8 million receivable from insurance. Due to improved collection efforts, trade receivables amounted to P247.3 million as of end 2011, 11.5% down from P279.6 million as of end 2010. Spare parts and supplies-net as of December 31, 2011 of P171.8 million were 12.2% higher than P153.2 million as of December 31, 2010 to support of operational requirements. Prepaid expenses went up by 213.6% to P299.5 million as of December 31, 2011 from P95.5 million as of December 31, 2010 mainly due to the advance payment for an equipment acquisition.

Total non-current assets rose by 2.6% to P5,907.3 million as of December 31, 2011 from P5,759.0 million as of December 31, 2010. Property and equipment-net were down by 3.5% to P397.9 million as of December 31, 2011 from P412.5 million as of December 31, 2010 on account of end of useful lives of property and equipment. Acquisitions of property and equipment which were not subject of the service concession arrangement amounted to P48.2 million in 2011. Intangible assets-net increased by 1.6% to P5,269.7 million as of December 31, 2011 from P5,184.9 million as of December 31, 2010. Acquisitions of intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement totaled P455.6 million in 2011. Other financial assets of P24.9 million as of December 31, 2011 was higher by 4.9% compared to P23.8 million as of December 31, 2010 due to increase in deposits. Deferred tax assets-net as of December 31, 2011 increased to P60.4 million from P37.3 million as of December 31, 2010 as a result of movements in underlying transactions related to, among others, pension and provision for claims. Other noncurrent assets as of December 31, 2011 went up to P94.0 million from P33.9 million as of December 31, 2010 due to increase in input taxes on asset acquisitions.

As of December 31, 2011, total liabilities amounted to P1,773.9 million, down by 16.7% from P2,129.6 million as of December 31, 2010. Trade and other payables as of December 31, 2011 slightly went down to P1,550.4 million from P1,554.9 million as of December 31, 2010. Included in this account are payables related to equipment acquisitions of P79.9 million. Trade and other payables are covered by agreed payment schedules. Provision for claims increased by 89.4% to P88.0 million as of December 31, 2011 from P46.5 million as of December 31, 2010 on account of additional cargo claims. Income and other taxes payable decreased by 58.3% to P91.3 million as of December 31, 2011 from P219.0 million as of December 31, 2010 due to lower income, withholding and value added taxes payable.

Interest-bearing loans and other financial liabilities (current and noncurrent) amounted to zero and P298.0 million as of December 31, 2011 and 2010, respectively. The remaining P300 million loan as of December 31, 2010, denominated in Philippine Peso and is subject to fixed interest rate, was pre-paid on December 13, 2011.

Consolidated Cash Flows

Net cash provided by operating activities increased by 13.3% to P2,062.3 million in 2011 from P1,819.6 million in 2010 due to favorable working capital changes.

In 2011, net cash used in investing activities was P455.8 million while in 2010, net cash provided by investing activities was P1,313.7 million. Funds used in acquisitions of property and equipment and intangibles totaled P503.9 million this year, 44.1% lower compared to 901.6 million last year. Last year included the acquisition of the 2 new quay cranes.

Cash used in financing activities in 2010 of P1,400.8 million were lower by 14.1% than P1,630.8 million in 2010. Cash dividends paid were P1,100.0 million in 2011 and P1,080.0 million in 2010. Payments of long-term debt were P300.0 million in 2011 and P550.0 million in 2010.

Changes in Accounting Policies

The Financial Reporting Standards Council (FRSC) approved the adoption of a number of new or revised standards, amendments to standards, and interpretations as part of Philippine Financial Reporting Standards (PFRS). The following are the amendments to standards and interpretations which are effective January 1, 2011, and have been applied in preparing the consolidated financial statements.

- Revised PAS 24, *Related Party Disclosures* (2009), amends the definition of a related party and modifies certain related party disclosure requirements for government-related entities. The revised standard is effective for annual periods beginning on or after January 1, 2011. The adoption of this revised standard did not have a material effect on the consolidated financial statements.

- *Prepayments of a Minimum Funding Requirement (Amendments to Philippine Interpretation IFRIC 14: PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction)*. These amendments remove unintended consequences arising from the treatment of prepayments where there is a minimum funding requirement and result in prepayments of contributions in certain circumstances being recognized as an asset rather than an expense. The amendments are effective for annual periods beginning on or after January 1, 2011. The adoption of these amendments did not have a material effect on the consolidated financial statements.

- *Improvements to PFRSs 2010* contain 11 amendments to 6 standards and 1 interpretation. The following are the said amendments to PFRSs and interpretation:

  - PFRS 7, *Financial Instruments: Disclosures*. The amendments add an explicit statement that qualitative disclosure should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from the financial instruments. In addition, the International Accounting Standards Board (IASB) amended and removed existing disclosure requirements. The amendments are effective for annual periods beginning on or after January 1, 2011. The adoption of these amendments did not have a material effect on the consolidated financial statements.

  - PAS 1, *Presentation of Financial Statements*. The amendments clarify that disaggregation of changes in each component of equity arising from transactions recognized in other comprehensive income also is required to be presented either in the statement of changes in equity or in the notes. The amendments are effective for annual periods beginning on or after January 1, 2011. The adoption of these amendments did not have a material effect on the consolidated financial statements.

  - PAS 34, *Interim Financial Reporting*. The amendments add examples to the list of events or transactions that require disclosure under PAS 34 and remove references to materiality in PAS 34 that describes other minimum disclosures. The amendments are effective for annual periods beginning on or after January 1, 2011. The adoption of these amendments did not have a material effect on the consolidated financial statements.

Other information:

- The Company's businesses are 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 global economic and industry conditions;
  - natural events (earthquake, typhoons and other major calamities); and
  - material changes in exchange rates.
- There was no known trend, event or uncertainty that had or may have a material impact on liquidity and on revenues or income from continuing operations. There was no known event that may cause a material change in the relationships between costs and revenues.
- There was no seasonal factor that had a material effect on the financial condition and results of operations.
- There was no event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- Except for the commitments and contingencies mentioned in Note 27 of the consolidated financial statements, the Company has no knowledge of any material off-balance sheet (statement of financial position) transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period that would address the past and would have material impact on future operations.

- Projected capital expenditures for 2012 is P1.4 billion. Of this amount, about 88.5% is planned for cargo handling equipment, civil works and other items for the South Harbor. Funding is expected to be sourced from internal funds.

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 2011:

- ATIB's total assets were only 4.1% of the consolidated total assets
- Income before other income and expense from ATIB was only 6.8% of consolidated income before other income and expense*.

Consolidated KPI	Manner of Calculation	2011	2010	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	28.2%	38.6%	Decrease resulted from lower income before other income (expense) during the period.
Return on Equity attributable to equity holders of the parent	Percentage of net income over equity attributable to equity holders of the parent	20.9%	32.7%	Decrease resulted from lower net income for the period.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.24:1.00	0.30:1.00	Improved due to payments of interest-bearing loans and increase in stockholders' equity.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	14 days	15 days	Due to improved collection efforts.
Lost Time Injury	Number of lost time from injuries per standard manhours	0.88	0.91	Decrease brought about by lower number of injuries.

*Note: Income before other income and expense is defined as income before net financing costs, net gains on derivative instruments and others.

Summary of Selected Financial Data (in millions)

Description	*Year ended December 31, 2011*	*Year ended December 31, 2010*
Revenues (continuing operations)	*P 4,390.6*	*P 4,526.3*
Net income	*1,520.5*	*2,145.2*
Total assets	*9,252.5*	*9,198.9*
Total liabilities	*1,773.9*	*2,129.6*

Information on Independent Accountant and External Audit Fees

The appointment of Manabat Sanagustin & Co. as the external auditors of Asian Terminals, Inc. for 2012 was approved by the shareholders during the annual meeting held on April 26, 2012. The same external auditors are being recommended for re-election at the scheduled annual meeting of the Stockholders.

In compliance with Securities Regulation Code Rule 68, Mr. Jose P. Javier, Jr. has been the Manabat Sanagustin & Co. Partner-in Charge for not more than five years.

The aggregate fees for audit services rendered were as follows:

	2012 (P'000)	2011 (P'000)
Audit Fees	3,250	3,400

Audit Fees are for professional services rendered in connection with the audit of our annual financial statements and services provided by the external auditors in connection with statutory and regulatory filings or engagements.

There was no engagement for tax or other services with Manabat Sanagustin & Co. in 2012 and 2011.

Audit Committee Pre-Approval Policy

The Audit Committee pre-approves and recommends to the Board of Directors all audit and non-audit services to be rendered by the external auditors as well as the engagement fees and other compensation to be paid. When deciding whether to approve these items, the Audit Committee takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the Audit

Committee actively engages in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take appropriate action to ensure their independence.

Financial Statements

The audited consolidated financial statements are herein attached as Exhibit 1.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

There was no change in or disagreement with external auditors on accounting and financial disclosures.

Description of the General Nature and Scope of the Business

Corporate Background

Asian Terminals, Inc. (ATI), formerly known as Marina Port Services, Inc. (MPSI), was incorporated on July 9, 1986 to provide general services with respect to the operation and management of port terminals in the Philippines. In August 1990, a consortium of local and foreign companies acquired all the issued and outstanding capital stock of ATI.

South Harbor

ATI manages and operates the South Harbor pursuant to a Third Supplement to the Contract for Cargo Handling Services and Related Services granted by the Philippine Ports Authority (PPA) extending ATI's current contract for twenty five (25) years or until May 2038.

The Container Terminal Division handles stevedoring, arrastre, warehousing, storage, cranage, container freight station (CFS) and other port-related services for international shipping lines. ATI has a 5-year lease contract commencing on 1 February 2011 over two parcels of land located in Sta. Mesa, City of Manila. This land is being exclusively used as an off-dock container depot.

The General Stevedoring Division provides arrastre, stevedoring and storage services to international shipping lines.

The Domestic Terminal Division offers domestic cargo-handling and passenger terminal services and includes stevedoring, arrastre, and storage services. On 24 October 2012, ATI entered into a 1-year contract with Asian Marine Transport Corp. for the rendering of terminal services to the latter's cargoes. Aboitiz Transport Shipping Corporation (now 2Go) is still utilizing the facility.

The ATI South Harbor facility has been certified with the International Ship and Port Facility Security (ISPS) Code issued by the Office for Transportation Security, DOTC valid until December 2014.

The ATI South Harbor facility is certified for ISO 14001:2004 (EMS) and OSHAS 18001:2007. The certificate is valid until December 2013.

The ATI South Harbor is re-certified for ISO 28001:2007 (Supply Chain Security Management System). The certificate is valid until January 2016.

Inland Clearance Depot

The Inland Clearance Depot (ICD) was established pursuant to Customs Memorandum Order No. 11-97 which designated ICD as an extension of the Port of Manila and as a customs bonded facility. This permits the immediate transfer of cargoes to the facility while still being cleared by customs in Manila. This provides savings in storage charges and efficient just in time delivery for clients in the CALABARZON area. The facility provides storage, trucking, just-in-time delivery, brokerage and maintenance and repair services for its clients.

The ICD also serves as an empty container depot for shipping lines like NYK, Maersk Line and OOCL. This provides greater operational efficiency and minimizes locators' costs.

The facility is equipped with CCTV cameras for security monitoring.

ICD is certified for ISO 14001:2004 Environmental Management System. Their certificate is valid until December 04, 2014.

Port of Batangas

ATI Batangas, Inc. (ATIB), a 98.8%-owned subsidiary of ATI, is the sole cargo handling contractor operating at the Port of Batangas. ATI provides management services to ATIB relating to operations, marketing, training and administration.

ATIB has an existing 10-year Cargo Handling Contract in Phase 1 of the Port of Batangas effective until October 2015, under which it provides arrastre, stevedoring, storage and related cargo handling services. By virtue of the same contract, ATIB was also given the right to manage and operate the Fastcraft Passenger Terminal and to provide specific services and amenities to all passengers, both for fastcraft and RO-RO vessels.

A Lease Agreement for the management and operation of additional assets and facilities in Phase 1 was signed by ATIB effective August 1, 2009 and co-terminous with the above-mentioned 10-year agreement. Pursuant to this Lease Agreement, the Passenger Terminal Building 2 was turned over to ATIB in May 2010.

On January 18, 2010, the PPA issued to ATI the Notice to Proceed to Award the Contract for the Management, Operation, Maintenance, Development and Promotion of the Container Terminal "A-1", Phase II of the Port of Batangas for a period of 25 years. The contract was signed on March 25, 2010 and is effective for a term of 25 years. The Notice to Proceed dated June 16, 2010 allowed ATI to start and commence operations at the Terminal on 1 July 2010.

The container terminal handles stevedoring, arrastre, storage, container freight station (CFS) and other port related activities for domestic and international shipping lines. Other special services include ship's husbanding, maintenance and repair services, and trucking.

ATI has a 5-year lease agreement with PPA effective 3 April 2012 covering a land adjacent to the CFS area of the Container Terminal "A-1". This area is being utilized for a fee by ATI's client CEVA Logistics Philippines for the latter's pre-delivery inspection facility for completely built units of vehicles.

ATIB is certified for ISO 14001:2004 valid until October 2014, OHSAS 18001:2007 valid until August 2015 and ISO 9001:2008 valid until December 2014.

ATIB and Batangas Container Terminal been certified with the International Ship and Port Facility Security (ISPS) Code issued by the Office for Transportation Security, DOTC valid until October 2017 and July 2017 respectively.

Batangas Supply Base

On February 13, 2007, ATIB entered into a contract to lease the Main Passenger Terminal Building for the purpose of operating a supply base for companies engaged in oil and gas exploration. The contract was effective for five (5) years, and has been renewed to be effective until 19 October 2015.

ATI operates and manages the Batangas Supply Base within the Port of Batangas under a contract with Shell Philippines Exploration B.V. (SPEX). The Supply Base provides logistics support to the Malampaya Gas-to-Power-Project which includes cargo-handling, crane and equipment hire, transport, labor, vessel agency and waste management. The negotiations for the renewal of the SPEX contract are ongoing. The life of the Malampaya Gas field is approximately 20 years. Its other major client is GALOC Production Company (GALOC).

The Batangas Supply Base is certified for ISO 14001:2004 valid until October 2014, OHSAS 18001:2007 valid until August 2015 and ISO 9001:2008 valid until December 2014.

South Cotabato Integrated Port Services, Inc.

ATI owns 35.71% of the issued and outstanding capital stock of South Cotabato Integrated Port Services, Inc. (SCIPSI).

SCIPSI is the existing cargo handling operator at the Makar Wharf in the Port of General Santos, General Santos City. It is located near the business center of the city and caters to the needs of local businesses (which are engaged mainly in agriculture, fisheries, livestock and poultry) as well as importers and exporters.

The services provided by SCIPSI includes container terminal handling, arrastre, stevedoring, bagging, domestic cargo handling and equipment services.

SCIPSI is ISO 14001:2004, OHSAS 18001:2007 and ISO 9001:2008 certified since 2003. It is Investors in People (IiP) certified beginning June 16, 2009. In September 2012, SCIPSI reached the IiP – Bronze level.

The Port of General Santos is certified complaint with the International Ship and Port Facility Security Code issued by the Office of Transport Security (OTS) valid until October 8, 2017.

Directors and Executive Officers

Please refer to the write-ups under Item 5 of the Information Statement.

Market Price and Dividends

Stock Prices

The Company's common equity is traded at the Philippine Stock Exchange. Following are the high and low prices sales prices for each quarter within the last two fiscal years:

2011	High	Low
First Quarter (Jan. – Mar.)	7.60	7.10
Second Quarter (Apr. – June)	8.00	7.20
Third Quarter (July – Sept.)	8.30	750
Fourth Quarter (Oct. - Dec.)	8.30	7.30
2012	**High**	**Low**
First Quarter (Jan. – Mar.)	9.10	7.60
Second Quarter (Apr. – June)	10.68	8.51
Third Quarter (July – Sept.)	9.80	8.53
Fourth Quarter (Oct. - Dec.)	10.50	8.30

As of February 28, 2013, ATI shares were traded at its highest for the price of Php13.04, lowest for Php13.04 and closed at Php13.04.

Cash Dividends

The Company declared cash dividends for the last two fiscal years, as follows:

Date	Dividend Per Share	Record Date
April 28, 2011	0.29	May 12, 2011
December 21, 2011	0.25	January 5, 2012
April 26, 2012	0.30	May 14, 2012

Except for the availability of sufficient retained earnings, there is no restriction on the payment of dividend on common shares.

Holders

The following are the Top 20 Stockholders of ATI as of February 28, 2013:

Name	No. of Shares	% to Total
DP World Australia (POAL) Ltd.	346,466,600	17.32
ATI Holdings, Inc.	291,371,230	14.57
Pecard Holdings, Inc.	198,203,968	9.91
Philippine Seaport Inc.	196,911,524	9.85
PCD Nominee Corporation (Filipino)	195,623,746	9.78
Daven Holdings, Inc	155,906,071	7.80
PCD Nominee Corporation (Non-Filipino)	145,688,278	7.28
SG Holdings, Inc.	130,000,000	6.50
Morray Holdings Inc.	100,000,000	5.00
Harbourside Holding Corp.	80,000,000	4.00
Aberlour Holding Co. Inc.	71,517,463	3.58
Rescom Developers, Inc.	26,627,884	1.33
Agatha Builders Corp.	20,761,899	1.04
Tanco, Eusebio, H.	15,257,663	0.76
Southern Textile Mills, Inc..	4,470,335	0.22
Saw, Nancy	3,926,000	0.20
Granite Realty Corporation	1,000,000	0.05
Luym, Douglas	800,000	0.04
Tanco, Joseph Luym	795,000	0.04
Oben, Reginaldo Oben &/or Teresa	784,266	0.04
TOTAL	1,986,111,927	99.31

Recent Sale of Unregistered Securities
None.

Compliance on Corporate Governance

The Company has substantially complied with the provisions of its Manual on Corporate Governance which was adopted in August 30, 2002 and amended on February 25, 2011. A Certification of Compliance with the Manual was submitted to the SEC in January 25, 2013.

The Company commits to the principles and best practices of good governance to attain its goals and objectives. Its principal officers and directors have attended Corporate Governance seminars or orientation. with accredited providers such as the Institute of Corporate Directors, De La Salle Professional Schools, Insurance Institute for Asia and the Pacific, Bankers' Institute of the Philippines Inc., Corporate Governance Institute of the Philippines and Asian Institute of Management The Company's Manual on Corporate Governance contains the specific principles which institutionalize good corporate governance in the organization.

The Company has not deviated from its Manual since the time of the self-rating process previously conducted and reported to the Securities and Exchange Commission on July 31, 2003. Formulation of evaluation system to determine level of compliance of the Board and top level management is under process.

Continuous monitoring and compliance with the Corporate Governance Manual and other corporate standards are ensured through the Board and the board committees, Compliance Officer, President, Chief Financial Officer and the Internal and External Auditors.

UNDERTAKING

A copy of the Company's annual report in SEC Form 17-A shall be provided free of charge to any stockholder upon his/her written request addressed to the Office of the Corporate Secretary, Asian Terminals, Inc., P.O. Box 3021, Manila.

ASIAN
TERMINALS
INCORPORATED
ISO 28000, ISO 14001 & OHSAS 18001 certified
Delivering reliable and consistent services

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of ASIAN TERMINALS, INC. is responsible for the preparation and fair presentation of the consolidated financial statements as at December 31, 2012 and 2011 and for each of the three years in the period ended December 31, 2012, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the Stockholders.

Manabat Sanagustin & Co., CPAs, the independent auditors, appointed by the stockholders for the years ended December 31, 2012 and 2011, respectively, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

KUN WAH WONG
Chairman of the Board

EUSEBIO H. TANCO
President

JOSE TRISTAN P. CARPIO
Chief Financial Officer

Signed this 21st of February, 2013

FEB 2 5 2013

SUBSCRIBED AND SWORN TO before me this ____ day of _____ 2013, the signatories exhibiting to me their respective Passports/Driver's License Nos., as follows:

Name	Passport Nos.	Date/Place Issued
1. Kun Wah Wong	KJ0120558	5/06/10; Hongkong
2. Eusebio H. Tanco	XX5485551	2/9/10; Manila
3. Jose Tristan P. Carpio	XX5436358	2/3/10; Manila

Notary Public

Doc. No. 133
Page No. 27
Book No. 20
Series of 2013.

ATTY. RAMIL JOSELITO B. TAMAYO
NOTARY PUBLIC
PTR No. 1405527 Issued 12-28-12 Until 12-31-2013
IBP No. 868931 Until 12-31-2013 Comm. No. 2012-018 MANILA
Office Add: Legaspi Towers 300 Roxas Blvd. Cor. Ocampo St. Malate Manila

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2012, 2011, and 2010

KPMG

Manabat Sanagustin & Co., CPAs
The KPMG Center, 9/F
6787 Ayala Avenue
Makati City 1226, Metro Manila, Philippines

Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
E-Mail manila@kpmg.com.ph

Branches: Bacolod · Cebu · Iloilo · Subic

REPORT OF INDEPENDENT AUDITORS

The Stockholders and Board of Directors
Asian Terminals, Inc.
A. Bonifacio Drive
Port Area, Manila

We have audited the accompanying consolidated financial statements of Asian Terminals, Inc. and a Subsidiary, which comprise the consolidated statements of financial position as at December 31, 2012 and 2011, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2012, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Asian Terminals, Inc. and a Subsidiary as at December 31, 2012 and 2011, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2012, in accordance with Philippine Financial Reporting Standards.

MANABAT SANAGUSTIN & CO., CPAs

JOSE P. JAVIER, JR.
Partner
CPA License No. 0070807
SEC Accreditation No. 0678-AR-1, Group A, valid until March 30, 2014
Tax Identification No. 112-071-224
BIR Accreditation No. 08-001987-16-2011
Issued February 4, 2011; valid until February 3, 2014
PTR No. 3669514MC
Issued January 2, 2013 at Makati City

February 21, 2013
Makati City, Metro Manila

ASIAN TERMINALS, INC. AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Thousands)

		December 31	
	Note	2012	2011
ASSETS			
Current Assets			
Cash and cash equivalents	*8, 26*	P3,019,190	P2,512,975
Trade and other receivables - net	*9, 26*	284,284	360,953
Spare parts and supplies - at net realizable value	*5*	192,631	171,803
Prepaid expenses	*10*	127,655	299,467
Total Current Assets		3,623,760	3,345,198
Noncurrent Assets			
Investment in an associate - at equity	*11*	65,993	60,337
Property and equipment - net	*12*	435,796	397,918
Intangible assets - net	*13*	5,657,882	5,269,696
Other financial assets	*14, 26*	27,642	24,930
Deferred tax assets - net	*15*	81,295	60,404
Other noncurrent assets		69,877	93,991
Total Noncurrent Assets		6,338,485	5,907,276
		P9,962,245	P9,252,474
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables	*16, 21, 26*	P1,153,412	P1,550,382
Provisions for claims	*17*	81,868	88,029
Income and other taxes payable		79,641	91,305
Total Current Liabilities		1,314,921	1,729,716
Noncurrent Liability			
Pension liability	*22*	149,523	44,180
Equity			
Equity Attributable to Equity Holders of the Parent Company	*18*		
Capital stock		2,000,000	2,000,000
Additional paid-in capital		264,300	264,300
Retained earnings		6,237,415	5,218,963
Other reserves		(5,820)	(5,820)
		8,495,895	7,477,443
Non-controlling Interest		1,906	1,135
Total Equity		8,497,801	7,478,578
		P9,962,245	P9,252,474

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands, Except Per Share Data)

		Years Ended December 31		
	Note	**2012**	2011	2010
REVENUES	*2*	**P4,858,659**	P4,390,611	P4,526,282
COSTS AND EXPENSES	*19, 21, 22*	**(2,613,650)**	(2,359,862)	(2,377,356)
OTHER INCOME AND EXPENSES				
Finance cost	*20*	**(1,988)**	(61,734)	(116,340)
Finance income	*20*	**73,837**	83,168	43,769
Others - net	*20*	**33,763**	85,503	125,383
INCOME BEFORE INCOME TAX		**2,350,621**	2,137,686	2,201,738
INCOME TAX EXPENSE	*15*			
Current		**668,256**	629,810	601,642
Deferred		**4,070**	(12,601)	7,690
		672,326	617,209	609,332
INCOME FROM CONTINUING OPERATIONS		**1,678,295**	1,520,477	1,592,406
INCOME FROM DISCONTINUED OPERATIONS - Net of tax	*7*	**-**	-	552,775
NET INCOME		**P1,678,295**	P1,520,477	P2,145,181
Attributable to:				
Owners of the Parent Company		**P1,676,675**	P1,519,397	P2,144,066
Non-controlling interest		**1,620**	1,080	1,115
		P1,678,295	P1,520,477	P2,145,181
Basic/Diluted Earnings per Share Attributable to Owners of the Parent Company	*23*	**P0.84**	P0.76	P1.07
Basic/Diluted Earnings per Share Attributable to Owners of the Parent Company - Continuing Operations	*23*	**P0.84**	P0.76	P0.80

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

		Years Ended December 31		
	Note	**2012**	2011	2010
NET INCOME FOR THE YEAR		**P1,678,295**	P1,520,477	P2,145,181
OTHER COMPREHENSIVE INCOME				
Actuarial losses	*22*	**(83,203)**	(35,060)	(54,431)
Reversal of other reserves	*18*	**-**	14,181	-
Tax on items taken directly to equity	*15*	**24,961**	10,518	16,329
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(58,242)**	(10,361)	(38,102)
TOTAL COMPREHENSIVE INCOME		**P1,620,053**	P1,510,116	P2,107,079
Attributable to:				
Owners of the Parent Company		**P1,618,433**	P1,509,036	P2,106,005
Non-controlling interest		**1,620**	1,080	1,074
		P1,620,053	P1,510,116	P2,107,079

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands, Except Per Share Data)

	Years Ended December 31							
	Attributable to Equity Holders of the Parent Company							
			Retained Earnings					
	Common Stock	Additional Paid-in Capital	Appropriated for Port Development	Unappropriated	Other Reserves	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2012	**P2,000,000**	**P264,300**	**P1,000,000**	**P4,218,963**	**(P5,820)**	**P7,477,443**	**P1,135**	**P7,478,578**
Cash dividends - P0.30 a share for ATI	-	-	-	**(600,000)**	-	**(600,000)**	**(830)**	**(600,830)**
Net income for the year	-	-	-	**1,676,675**	-	**1,676,675**	**1,620**	**1,678,295**
Other comprehensive income								
Actuarial loss, net of tax	-	-	-	**(58,223)**	-	**(58,223)**	**(19)**	**(58,242)**
Balance at December 31, 2012	**P2,000,000**	**P264,300**	**P1,000,000**	**P5,237,415**	**(P5,820)**	**P8,495,895**	**P1,906**	**P8,497,801**
Balance at January 1, 2011	P2,000,000	P264,300	P1,000,000	P3,824,091	(P20,001)	P7,068,390	P902	P7,069,292
Cash dividends - P0.55 a share for ATI	-	-	-	(1,100,000)	-	(1,100,000)	(830)	(1,100,830)
Net income for the year	-	-	-	1,519,397	-	1,519,397	1,080	1,520,477
Other comprehensive income								
Reversal of other reserves	-	-	-	-	14,181	14,181	-	14,181
Actuarial loss, net of tax	-	-	-	(24,525)	-	(24,525)	(17)	(24,542)
Balance at December 31, 2011	P2,000,000	P264,300	P1,000,000	P4,218,963	(P5,820)	P7,477,443	P1,135	P7,478,578

Forward

Years Ended December 31

	Attributable to Equity Holders of the Parent Company							
			Retained Earnings					
	Common Stock	Additional Paid-in Capital	Appropriated for Port Development	Unappropriated	Other Reserves	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2010	P2,000,000	P264,300	P500,000	P3,298,086	(P20,001)	P6,042,385	P658	P6,043,043
Appropriations for the year	-	-	500,000	(500,000)	-	-	-	-
Cash dividends - P0.54 a share for ATI	-	-	-	(1,080,000)	-	(1,080,000)	(830)	(1,080,830)
Net income for the year	-	-	-	2,144,066	-	2,144,066	1,115	2,145,181
Other comprehensive income:								
Actuarial loss, net of tax	-	-	-	(38,061)	-	(38,061)	(41)	(38,102)
Balance at December 31, 2010	P2,000,000	P264,300	P1,000,000	P3,824,091	(P20,001)	P7,068,390	P902	P7,069,292

See Notes to the Consolidated Financial Statements.

ASIAN TERMINALS, INC. AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

		Years Ended December 31		
	Note	**2012**	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax from continuing operations		**P2,350,620**	P2,137,686	P2,201,738
Income from discontinued operations, before income tax	*7*	**-**	-	297,568
Gain on sale of discontinued operations, net of tax	*7*	**-**	-	326,553
Income before income tax		**2,350,620**	2,137,686	2,825,859
Adjustments for:				
Gain on sale of discontinued operations, net of tax	*7*	**-**	-	(326,553)
Depreciation and amortization	*12, 13*	**460,760**	419,998	474,375
Finance cost	*20*	**1,988**	61,734	119,869
Finance income	*20*	**(73,837)**	(83,168)	(45,587)
Net gains on derivative instruments		**-**	-	(59,445)
Contributions to retirement funds	*22*	**(2,597)**	(14,753)	(2,455)
Net unrealized foreign exchange losses		**10,080**	8,615	3,417
Equity in net earnings of an associate	*6*	**(23,568)**	(20,509)	(19,707)
Income from insurance claims		**-**	-	(199,173)
Loss (gain) on disposals of:				
Property and equipment		**(625)**	6,567	(393)
Intangible assets		**51**	(4,766)	(1,123)
Amortization of noncurrent prepaid rental		**984**	984	1,136
Reversal of losses on receivables		**-**	(12)	(84)
Operating income before working capital changes		**2,723,856**	2,512,376	2,770,136
Provisions (reversals) for inventory obsolescence	*5*	**-**	2,216	(1,680)
Decrease (increase) in:				
Trade and other receivables	*9*	**76,660**	511,567	(531,319)
Spare parts and supplies	*5*	**(21,952)**	(20,864)	(17,757)
Prepaid expenses	*10*	**171,812**	(203,987)	(171,577)
Increase (decrease) in:				
Trade and other payables	*16*	**(341,074)**	45,953	549,142
Provisions for claims	*17*	**(6,161)**	41,542	(6,527)
Income and other taxes payable		**(26,177)**	(84,351)	(42,248)
Cash generated from operations		**2,576,964**	2,804,452	2,548,170
Finance cost paid		**(1,988)**	(68,976)	(125,643)
Income tax paid		**(653,743)**	(673,161)	(602,946)
Net cash provided by operating activities		**1,921,233**	2,062,315	1,819,581

Forward

	Note	2012	2011	2010
		Years Ended December 31		
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and equipment	*12*	**(P92,070)**	(P48,245)	(P58,981)
Intangible assets	*13*	**(823,714)**	(455,646)	(842,662)
Finance income received		**67,826**	82,919	41,590
Disposal of discontinued operations, net		**-**	-	1,999,902
Decrease (increase) in other noncurrent assets		**23,129**	(73,049)	10,126
Proceeds from insurance claims		**-**	-	136,927
Proceeds from disposals of:				
Property and equipment		**625**	269	672
Intangible assets		**1,162**	11,542	8,225
Decrease (increase) in deposits		**(1,876)**	(451)	25
Dividends received		**17,911**	26,851	17,856
Net cash provided by (used in) investing activities		**(807,007)**	(455,810)	1,313,680
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Long-term debt		**-**	(300,000)	(550,000)
Cash dividends	*18*	**(600,000)**	(1,100,000)	(1,080,000)
Cash dividends to non-controlling interest		**(830)**	(830)	(830)
Net cash used in financing activities		**(600,830)**	(1,400,830)	(1,630,830)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**513,396**	205,675	1,502,431
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(7,181)**	(6,053)	(3,417)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	*8*	**2,512,975**	2,313,353	814,339
CASH AND CASH EQUIVALENTS AT END OF YEAR	*8*	**P3,019,190**	P2,512,975	P2,313,353

See Notes to the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Per Share Data)

1. Reporting Entity

Asian Terminals, Inc. (ATI or the Parent Company) was incorporated in the Philippines. The accompanying consolidated financial statements comprise the financial statements of the Parent Company and its Subsidiary, ATI Batangas, Inc. (ATIB), (collectively referred to as the "Company"). The Parent Company is a public company under Section 17.2 of the Securities Regulation Code and its shares are listed on the Philippine Stock Exchange, Inc. (PSE). The Company operates and manages the South Harbor Port of Manila and the Port of Batangas in Batangas City. The registered office address of the Parent Company is A. Bonifacio Drive, Port Area, Manila.

P & O Management Services Phils., Inc. (POMS) manages ATI by virtue of a management agreement with ATI (see Note 21). Forty percent of the outstanding capital stock of POMS is owned by DP World Australia (POAL) Limited. POAL directly owns 17.32% of the total outstanding capital stock of ATI.

2. Operating Contracts

Following are the Company's operating contracts:

a. South Harbor, Port of Manila

   ATI's exclusive right to manage, operate and develop South Harbor until 2013 was extended on October 19, 2007 for another 25 years until 2038 pursuant to the Third Supplement to the Contract for Cargo Handling and Related Services with the Philippine Ports Authority (PPA).

b. Port of Batangas

   ATIB's exclusive right to manage and render arrastre, stevedoring, storage and related cargo handling services at the Port of Batangas by ATIB for Phase I was renewed on October 20, 2005 for a period of 10 years until 19 October 2015, renewable for another 10 years upon mutual agreement of PPA and ATIB. The contract with the PPA includes cargo handling and operation and management of the Fast Craft Passenger Terminal.

   A Lease Agreement for the management and operation of additional assets and facilities in Phase I was signed with PPA effective August 1, 2009 until 20 October 2015. Pursuant to this Lease Agreement, the Passenger Terminal Building 2 was turned over to ATIB in May 2010.

   On January 18, 2010, the PPA issued to ATI the Notice to Award the Contract for the Management, Operation, Maintenance, Development and Promotion of the Container Terminal "A-1", Phase II of the Port of Batangas for a period of 25 years. The Contract was signed on March 25, 2010. The Notice to Proceed dated June 16, 2010 allowed ATI to start and commence operations at the Terminal on July 1, 2010.

3. Basis of Preparation

Statement of Compliance
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). PFRSs consist of PFRSs, Philippine Accounting Standards (PASs), and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

The accompanying consolidated financial statements were authorized for issue by the Board of Directors (BOD) on February 21, 2013.

Basis of Measurement
The consolidated financial statements of the Company have been prepared on a historical cost basis of accounting, except for the following:

- available-for-sale (AFS) financial assets measured at fair value; and
- pension asset (liability) measured at the net total of the present value of the pension obligation less fair value of the plan assets.

Functional and Presentation Currency
The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional currency. All financial information are rounded off to the nearest thousand pesos (P000), except when otherwise indicated.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of ATI and ATIB as of December 31, 2012. ATIB is a 98.82% owned subsidiary. The financial statements of ATIB are prepared for the same financial reporting year as ATI, using consistent accounting policies.

All intra-group balances, transactions, income and expenses resulting from intra-group transactions are eliminated in full.

ATIB is fully consolidated from the date of acquisition, being the date when ATI obtained control, and continues to be consolidated until the date that such control ceases.

Non-controlling interest represents the portion of profit and loss and net assets in ATIB not held by ATI and are presented separately in the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity, and within equity in the consolidated statements of financial position, separate from equity attributable to equity holders of the Parent Company.

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently by the Company to all years presented in these consolidated financial statements, except for the changes in accounting policies as explained below.

Adoption of Amendments to Standard

The Company has adopted the following amendments to standard starting January 1, 2012 and accordingly, changed its accounting policies. The adoption of this amendments to standard did not have any significant impact on the Company's consolidated financial statements.

- *Disclosures - Transfers of Financial Assets (Amendments to PFRS 7)*, require additional disclosures about transfers of financial assets. The amendments require disclosure of information that enables users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and to evaluate the nature of, and risks associated with, the entity's continuing involvement in derecognized financial assets.

New or Revised Standards, Amendments to Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2012, and have not been applied in preparing these consolidated financial statements. Except as otherwise indicated, none of these is expected to have a significant effect on the consolidated financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early.

To be Adopted on January 1, 2013

- *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. These amendments are effective for annual periods beginning on or after July 1, 2012 with earlier application permitted and are applied retrospectively.

- *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. These amendments will be effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods and are to be applied retrospectively.

- 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*. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

- 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. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

- *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. These amendments are effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

- 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. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

- 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. This amendment is effective for annual periods beginning on or after January 1, 2013 and is applied retrospectively with early adoption permitted. 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 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. This standard is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted.

- *Annual Improvements to PFRSs 2009 - 2011 Cycle* contain amendments to 5 standards with consequential amendments to other standards and interpretations. The amendments are effective for annual periods beginning on or after January 1, 2013. 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.*

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.

Financial Assets and Financial Liabilities

Date of Recognition. The Company recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

Initial Recognition of Financial Instruments. Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those classified as financial assets at fair value through profit or loss (FVPL), includes transaction costs.

Financial assets are classified into the following categories: financial assets at FVPL, loans and receivable, held-to-maturity (HTM) investments, and AFS financial assets. Financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. The Company determines the classification of financial instruments at initial recognition and, where allowed and appropriate, re-evaluates this designation at every reporting date.

The Company does not have HTM investments and financial assets and liabilities at FVPL.

Determination of Fair Value. The fair value of financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there is no significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments and maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method, less any impairment in value. Any interest earned on loans and receivables shall be recognized as part of "Finance income" in the consolidated statements of income on an accrual basis. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral part of the effective interest rate. The periodic amortization is also included as part of "Finance income" in the consolidated statements of income. Gains or losses are recognized in profit or loss when loans and receivables are derecognized or impaired, as well as through the amortization process.

Cash includes cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

The Company's cash and cash equivalents, trade and other receivables and deposits are included in this category (Notes 8, 9, 14 and 26).

The combined carrying amounts of financial assets under this category amounted to P3.3 billion and P2.9 billion as of December 31, 2012 and 2011, respectively (Note 26).

AFS Financial Assets. AFS financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other financial asset categories. Subsequent to initial recognition, AFS financial assets are measured at fair value and changes therein, other than impairment losses and foreign currency differences on AFS debt instruments, are recognized in other comprehensive income and presented in the "Other reserves" in equity. The effective yield component of AFS debt securities is reported as part of "Finance income" in the consolidated statements of income. Dividends earned on holding AFS equity securities are recognized as dividend income when the right to receive payment has been established. When individual AFS financial assets are either derecognized or impaired, the related accumulated unrealized gains or losses previously reported in equity are transferred to and recognized in profit or loss.

AFS financial assets also include unquoted equity instruments with fair values which cannot be reliably determined. These instruments are carried at cost less impairment in value, if any.

The Company's investments in quoted and unquoted shares are included under "AFS financial assets" account classified under this category (Note 14).

The carrying amount of financial assets under this category amounted to P2.7 million as of December 31, 2012 and 2011, respectively (Note 26).

Financial Liabilities

Other Financial Liabilities. This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability.

Included in this category is the Company's trade and other payables (Note 16).

The combined carrying amounts of financial liabilities under this category amounted to P1.2 billion and P1.6 billion as of December 31, 2012 and 2011, respectively (Note 26).

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

- the right to receive cash flows from the asset have expired; or
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred the control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Assets Carried at Amortized Cost. For assets carried at amortized cost such as loans and receivables, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If no objective evidence of impairment has been identified for a particular financial asset that was individually assessed, the Company includes the asset as part of a group of financial assets pooled according to their credit risk characteristics and collectively assesses the group for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in the collective impairment assessment.

Evidence of impairment for specific impairment purposes may include indications that the borrower or a group of borrowers is experiencing financial difficulty, default or delinquency in principal or interest payments, or may enter into bankruptcy or other form of financial reorganization intended to alleviate the financial condition of the borrower. For collective impairment purposes, evidence of impairment may include observable data on existing economic conditions or industry-wide developments indicating that there is a measurable decrease in the estimated future cash flows of the related assets.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Time value is generally not considered when the effect of discounting the cash flows is not material. If a loan or receivable has a variable rate, the discount rate for measuring any impairment loss is the current effective interest rate, adjusted for the original credit risk premium. For collective impairment purposes, impairment loss is computed based on their respective default and historical loss experience.

The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The impairment loss for the period shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

Assets Carried at Cost. If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets. If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair values, less any impairment loss on that financial asset previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as AFS financial assets are not recognized in profit or loss. Reversals of impairment losses on debt instruments are recognized in profit or loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit or loss.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Spare Parts and Supplies

Spare parts and supplies are stated at the lower of cost and net realizable value (current replacement cost). Cost is determined using the weighted average method and includes all expenditures incurred in acquiring and bringing them to their existing location and condition.

Investment in an Associate

The Parent Company's 35.71% investment in its associate, South Cotabato Integrated Port Services, Inc. (SCIPSI), is accounted for under the equity method of accounting. An associate is an entity in which the Parent Company has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is presumed to exist when the Parent Company holds between 20 and 50 percent of the voting power of another entity.

Under the equity method, the investment in the associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the Parent Company's share of the profit or loss of the associate after the date of acquisition. The Parent Company's share in the profit or loss of the associate is recognized in the Parent Company's profit or loss. Dividends received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount, may also be necessary for changes in the Parent Company's proportionate interest in the associate arising from changes in the associate's other comprehensive income.

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortized.

After application of the equity method, the Parent Company determines whether it is necessary to recognize any additional impairment loss with respect to the Parent Company's net investment in the associate. Profits and losses resulting from transactions between the Parent Company and the associate are eliminated to the extent of the interest in the associate.

The Parent Company reviews impairment when events or changes in circumstances indicate the carrying amount of the investment in the associate may not be recoverable. If such indication exists, the amount of impairment loss is the difference between the carrying amount and the present value of estimated future cash flows discounted at original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of investment in an associate shall be reduced either directly or through use of an allowance account. The amount of loss is recognized in the statements of income. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount that exceeds the investment would have been had the impairment not been recognized at the date the impairment is reversed. The amount of reversal is recognized in the statements of income.

The financial statements of the associate are prepared for the same reporting period as the Parent Company. The accounting policies of the associate conform to those used by the Parent Company for like transactions and events in similar circumstances.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of such property and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Cost also includes interest incurred during the construction period on funds borrowed to finance the construction of the projects. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the items can be measured reliably.

Port facilities and equipment include spare parts that the Company expects to use for more than one year. These are not depreciated until put into operational use. However, these are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the spare parts may not be recoverable.

Construction in progress represents structures under construction and is stated at cost. This includes the costs of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property and equipment are capitalized during the construction period. Construction in progress is not depreciated until such time that the relevant assets are substantially completed and put into operational use.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives of the assets:

	Number of Years
Port facilities and equipment	2 - 25 years or life of the operating contract, whichever is shorter
Leasehold improvements	2 - 40 years or term of the lease, whichever is shorter
Furniture, fixtures and equipment	5 years
Transportation and other equipment	4 - 5 years

The remaining useful lives, residual values, depreciation and amortization method are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement or disposal.

Intangible Assets

Service Concession

The Company recognizes an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. Intangible assets acquired in a service concession arrangement are measured on initial recognition at cost. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortization and impairment losses, if any.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized using the straight-line method over the period covered by the contract or economic lives, whichever is shorter. The amortization period and the amortization method are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statements of income in the expense category consistent with the function of the intangible asset. Gains or losses arising from derecognition of an intangible asset are recognized in the consolidated statements of income and measured as the difference between the net disposal proceeds and the carrying amount of the asset.

Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired.

Impairment is determined by assessing the recoverable amount of the investment to which the goodwill relates. Where the recoverable amount is less than the carrying amount of the investment, an impairment loss is recognized. Where part of the operation within the investment is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment of Non-financial Assets

The carrying amounts of property and equipment and intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses of continuing operations are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions

Provisions are recognized when the Company has: a) a present obligation (legal or constructive) as a result of past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and those risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Share Capital

Common Stock

Common stocks are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, net of discounts, rebates and applicable taxes.

The following are specific recognition policies of the Company:

- Revenues from cargo handling operations are recognized when services are rendered.
- Passenger terminal fees are recognized upon sale of terminal tickets.
- Finance income is recognized on a time proportion basis that reflects the effective yield on the investment.

Cost and Expense Recognition

Costs and expenses are recognized upon receipt of goods, utilization of services or at the date they are incurred.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after the inception of the lease only if one of the following applies:

(a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) a renewal option is exercised or extension granted, unless the term of the renewal or extension was initially included in the lease term;
(c) there is a change in the determination of whether fulfillment is dependent on a specific asset; and
(d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gives rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Operating Lease
Company as Lessee. Leases which do not transfer to the Company substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term. Associated costs such as maintenance and insurance are expensed as incurred.

Pension
ATI and ATIB have funded, defined benefit pension plans, administered by a common pension trustee, covering their permanent employees. The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

All actuarial gains and losses in the period in which they occur are recognized outside profit or loss in the consolidated statements of comprehensive income.

The past service cost is recognized as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognized immediately.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less unamortized past service cost and less the fair value of plan assets out of which the obligation is to be settled directly. The value of any plan asset recognized is restricted to the sum of any past service cost not yet recognized and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Borrowing Costs
Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

Foreign Currency Transactions

The consolidated financial statements are presented in PHP, which is the Parent Company's functional currency. Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. All differences are taken to the consolidated statements of income. Foreign currency gains and losses are reported on a net basis.

Taxes

Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred Tax. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associate.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Discontinued Operations
A discontinued operation is a component of the Company's business that represents a separate major line of business that has been disposed of or is held for sale, or is a subsidiary that has been disposed of. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative consolidated statements of income are re-presented as if the operation had been discontinued from the start of the comparative period and show the results of discontinued operation separate from the results of continuing operation.

Related Parties
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. Transactions between related parties are on an arm's length basis in a manner similar to transactions with non-related parties.

Earnings Per Share (EPS)
Basic EPS is calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to any stock dividends declared during the year.

The Company does not have potential common share or other instruments that may entitle the holder to common shares. Hence, diluted EPS is the same as basic EPS.

Operating Segments
The Company's operating businesses are organized and managed separately according to the lines of business, with each segment representing a strategic business unit that serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements. Management reviews segment reports on a regular basis.

Segment capital expenditure is the total cost incurred during the year to acquire property and equipment and intangible assets other than goodwill.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefit is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date
Post year-end events that provide additional information about the Company's financial position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future periods affected.

In the process of applying the Company's accounting policies, management has made the following judgments and estimates, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Operating Lease. The Company has entered into various lease agreements as a lessee. The Company had determined that significant risks and rewards for properties leased from third parties are retained by the lessors.

Rent expense charged to profit or loss amounted to P62.6 million, P52.8 million, and P54.8 million in 2012, 2011 and 2010, respectively (Note 19).

Determining Fair Values of Financial Instruments. Where the fair values of financial assets and financial liabilities recorded in the consolidated statements of financial position cannot be based on active markets, they are determined using a wide range of valuation techniques that include the use of mathematical models. The Company uses judgment to select from a variety of valuation models and make assumptions regarding considerations of liquidity and model inputs such as correlation and volatility for longer dated financial instruments. The input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair value.

Fair values of financial instruments are discussed in Note 26 to the consolidated financial statements.

Allowance for Impairment Losses on Trade and Other Receivables. Provisions are made for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts on the basis of factors that affect the collectibility of the accounts. These factors include, but are not limited to, the length of the Company's relationship with the customers and counterparties, the customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience, and historical loss experience. The amount and timing of recorded expenses for any period would differ if the Company made different judgments or utilized different methodologies. An increase in allowance for impairment losses would increase the recorded operating expenses and decrease current assets.

The allowance for impairment losses amounted to P24.0 million as of December 31, 2012 and 2011, respectively. The carrying amounts of trade and other receivables amounted to P284.3 million and P361.0 million as of December 31, 2012 and 2011, respectively (Note 9).

Spare Parts and Supplies Valuation. The Company writes down spare parts and supplies for estimated obsolescence or non-moving items equal to the difference between the cost and the estimated net realizable value based on assumptions about future use and technology that would affect replacement cost of spare parts and supplies.

The cost of spare parts and supplies amounted to P220.4 million and P201.6 million as of December 31, 2012 and 2011, respectively. The net realizable values of spare parts and supplies are lower than cost by P27.8 million and P29.8 million as of December 31, 2012 and 2011, respectively. The carrying amounts of spare parts and supplies amounted to P192.6 million and P171.8 million as of December 31, 2012 and 2011, respectively.

Provisions for Claims. The Company records provisions for claims for property, equipment and cargo damage and for pending civil and labor cases when it is determined that an unfavorable outcome is probable and the amount of the claim can be reasonably estimated. The determination of the amount of reserves required, if any, is based on management's analysis of each individual issue, often with the assistance of outside legal counsel.

The carrying amounts of provision for claims amounted to P81.9 million and P88.0 million as of December 31, 2012 and 2011, respectively (see Note 17).

Estimated Useful Lives of Property and Equipment and Intangible Assets with Definite Useful Lives. The Company reviews annually the estimated useful lives of property and equipment and intangible assets with definite useful lives based on expected asset utilization, market demands and future technological developments consistent with the Company's pursuit of constant modernization of equipment fleet to ensure the availability, reliability and cost-efficiency of the equipment. It is possible that the factors mentioned may change in the future, which could cause a change in estimated useful lives. A reduction in the estimated useful lives could cause a significant increase in depreciation and amortization of property and equipment and intangible assets with definite useful lives.

The carrying amount of property and equipment amounted to P435.8 million and P397.9 million as of December 31, 2012 and 2011, respectively (see Note 12). The carrying amount of intangible assets with definite useful lives amounted to P5.6 billion and P5.2 billion as of December 31, 2012 and 2011, respectively (see Note 13).

Asset Impairment. The Company assesses impairment on property and equipment, intangible assets with definite useful lives and investment in an associate whenever events or changes in circumstances indicate that the carrying amount of the asset may no longer be recoverable. The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance related to the expected or projected operating results;
- significant changes in the manner of use of the assets; and
- significant negative industry or economic trends.

The Company determined that there are no impairment indicators related to its property and equipment, intangible assets with definite useful lives and investment in an associate. The carrying amount of investment in an associate amounted to P66.0 million and P60.3 million as of December 31, 2012 and 2011, respectively (see Note 11). There were no accumulated impairment losses as of December 31, 2012 and 2011 (see Notes 11, 12 and 13).

Impairment of Goodwill. The Company determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of ATIB, the cash-generating unit to which the goodwill is allocated. Estimating the value in use requires the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount of goodwill amounted to P42.1 million as of December 31, 2012 and 2011 (see Note 13). There are no impairment losses as of December 31, 2012 and 2011.

Deferred Tax Assets. Management uses judgment in reviewing the carrying amount of deferred tax assets. Deferred tax assets are reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of such deferred tax assets to be utilized.

There is no unrecognized deferred tax asset as of December 31, 2012 and 2011. The carrying amounts of deferred tax assets (gross of deferred tax liabilities) amounted to P115.5 million and P96.5 million as of December 31, 2012 and 2011, respectively (see Note 15).

Pension Cost. The determination of the obligation and cost for pension benefits is dependent on the selection of certain assumptions used by the Company and its actuary in calculating such amounts. Those assumptions are described in Note 22 to the consolidated financial statements and included among others, discount rate, expected rate of return on plan assets and salary increase rate. While it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Company's pension obligations.

Pension liability recognized by ATI as of December 31, 2012 and 2011 amounted to P136.2 million and P32.7 million, respectively. Pension liability recognized by ATIB as of December 31, 2012 and 2011 amounted to P13.3 million and P11.5 million, respectively (see Note 22).

6. Segment Information

For management reporting purposes, the Company is organized into two major lines of business: (1) Ports and (2) Non-Port. The lines of business are the basis on which the Company reports its operating segment information. The Ports segment provides services related to the handling of containers to and from vessels, loading and unloading of cargoes, storage and operation of passenger shipping terminal. The Non-Port segment provides services such as planning, implementing and controlling the efficient, cost-effective and just-in-time flow and storage of raw materials, in-process inventories and finished goods.

There are no inter-segment revenues in 2012, 2011 and 2010.

Mariveles Grains Terminal (MGT), the significant unit in the Non-Port segment of the Company, was discontinued as a result of the sale of Mariveles Grain Corporation (MGC) in August 2010 (see Note 7). Consequently, the Company's segment information became exclusively Ports in 2010.

Information with regard to the Company's significant business segments is shown below.

	2012			2011			2010		
	Ports	Non-Ports	Total	Ports	Non-Ports	Total	Ports	Non-Ports (Discontinued)	Total
					(In Thousands)				
Revenue	P4,858,659	P -	P4,858,659	P4,390,611	P -	P4,390,611	P4,526,282	P226,000	P4,752,282
Intangible assets (excluding goodwill)	5,615,822	-	5,615,822	5,227,636	-	5,227,636	5,142,810	-	5,142,810
Property and equipment - net	435,796	-	435,796	397,918	-	397,918	412,463	-	412,463
Total assets	9,962,245	-	9,962,245	9,252,474	-	9,252,474	9,198,921	-	9,198,921
Total liabilities	1,464,444	-	1,464,444	1,773,896	-	1,773,896	2,129,629	-	2,129,629
Capital expenditures									
Intangible assets	823,714	-	823,714	455,646	-	455,646	842,662	-	842,662
Property and equipment	92,070	-	92,070	48,245	-	48,245	58,981	-	58,981
Depreciation and amortization	460,760	-	460,760	419,998	-	419,998	391,913	82,462	474,375
Noncash expenses (income) other than depreciation and amortization	-	-	-	2,204	-	2,204	(84)	(1,680)	(1,764)

The Company operates principally in one geographical location, which is Philippines.

The Company does not have a single external customer from which revenue generated amounted to 10% or more of the total revenues of the Company.

The carrying amount of investment in SCIPSI of P66.0 million and P60.3 million as of December 31, 2012 and 2011, respectively (see Note 11), and related equity in net earnings of P23.6 million and P20.5 million in 2012 and 2011, respectively, are included in the Ports segment.

7. Discontinued Operations

ATI has the right to develop and operate a bulk grain terminal in Mariveles, Bataan or the MGT for a period of 20 years until 2013. A 20-year lease agreement with the Province of Bataan covering the land occupied by MGT for a similar period was contracted in 1993, and the lease is renewable for another 20 years under terms and conditions mutually acceptable to the parties.

On October 4, 2007, the Company, thru a Deed of Assignment, assigned its property and equipment in MGT amounting to P1.5 billion as payment for its subscription to shares of stock of MGC. On November 27, 2007, the SEC approved the increase in the authorized capital stock of MGC to 1,500,000,000 shares. On December 4, 2007, a tax free exchange ruling was obtained from the BIR for the exchange of property and equipment of the Company with shares of stock of MGC.

A special Stockholders' Meeting was held on July 30, 2010 whereby 1,793,430,023 shares (89.67%) or more than 2/3 of the outstanding capital stock resolved to offer and sell all the shares of the Parent Company in MGC to Philippine Grain International Corporation (Purchaser). Closing of the transaction was on August 9, 2010 with the submission of the closing deliverables to the Purchaser. Control of the MGT facility was transferred to the Purchaser and ATI received the proceeds of the transaction (net of the amount in escrow) on the same day.

As required by PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, the results of operations of MGT was presented as a separate item under "Income from Discontinued Operations-Net of Tax" in the consolidated statements of income.

The result of discontinued operation is presented below:

	Note	2010
		(In Thousands)
Revenues		P226,000
Costs and expenses		(203,305)
Other income - net		274,873
Income before income tax		297,568
Income tax expense:	*15*	
Current		89,270
Deferred		(17,924)
		71,346
Income from discontinued operations		226,222
Gain on sale of investment - net of tax of P53.7million		326,553
Net income from discontinued operations		P552,775
Attributable to:		
Owners of the parent company		P552,775
Non-controlling interest		-
		P552,775
Basic/diluted earnings per share attributable to owners of the Parent Company	*23*	P0.27

Cash flow provided by discontinued operations is presented below:

	2010
	(In Thousands)
Net cash used in operating activities	(P344,657)
Net cash provided by investing activities	1,999,902
Net cash provided by discontinued operations	P1,655,245

The effect of disposal on the consolidated financial position of the Company is as follows:

	2010
	(In Thousands)
Cash and cash equivalents	P98
Trade and other receivables - net	297,180
Spare parts and supplies - at net realizable value	7,703
Prepaid expenses	152,109
Property and equipment - net	1,010,645
Income and other taxes payable	(372)
Net Assets Disposed of	P1,467,363
Cash consideration received	P2,000,000
Less cash and cash equivalents disposed of	98
Net cash inflows	P1,999,902

8. Cash and Cash Equivalents

	2012	2011
	(In Thousands)	
Cash on hand and in banks	**P139,721**	P145,336
Short-term investments	**2,879,469**	2,367,639
	P3,019,190	P2,512,975

Cash in banks earns interest at floating rates based on daily bank deposit rates. Short-term investments are made for varying periods of between one and thirty days depending on the cash requirements of the Company, and earn interest at the prevailing short-term deposit rates.

9. Trade and Other Receivables

	Note	2012	2011
		(In Thousands)	
Trade receivables		**P259,558**	P247,338
Receivable from escrow fund	*7*	**11,891**	15,481
Receivable from client - nontrade		**10,040**	4,749
Receivable from pension fund	*21*	**6,073**	11,203
Receivable from insurance		**3,211**	99,671
Interest receivable		**2,159**	1,912
Amounts due from related parties	*21*	**1,505**	1,379
Other receivables		**13,850**	3,223
		308,287	384,956
Allowance for impairment losses		**(24,003)**	(24,003)
		P284,284	P360,953

Trade and other receivables are noninterest-bearing and are short-term in nature.

Movements in the allowance for impairment losses on trade and other receivables are as follows:

	Individually Impaired	Collectively Impaired	Total
		(In Thousands)	
Balance at December 31, 2010	P7,703	P16,312	P24,015
Provisions during the year	-	2,746	2,746
Reversals during the year	(2,746)	-	(2,746)
Write-offs during the year	(12)	-	(12)
Balance at December 31, 2011	4,945	19,058	24,003
Provisions during the year	-	1,586	1,586
Reversals during the year	(1,586)	-	(1,586)
Write-offs during the year	-	-	-
Balance at December 31, 2012	**P3,359**	**P20,644**	**P24,003**

As of December 31, 2012 and 2011, the aging analysis of trade and other receivables is as follows:

2012

	Total	Neither Past Due nor Impaired	Past Due but Not Impaired <30 Days	30-60 Days	61-90 Days	Over 90 Days	Past Due and Impaired
			(In Thousands)				
Trade receivables	P259,558	P244,528	P -	P -	P -	P -	P15,030
Other receivables	48,729	39,756	-	-	-	-	8,973
	P308,287	P284,284	P -	P -	P -	P -	P24,003

2011

	Total	Neither Past Due nor Impaired	Past Due but Not Impaired <30 Days	30-60 Days	61-90 Days	Over 90 Days	Past Due and Impaired
			(In Thousands)				
Trade receivables	P247,339	P232,309	P -	P -	P -	P -	P15,030
Other receivables	137,617	128,644	-	-	-	-	8,973
	P384,956	P360,953	P -	P -	P -	P -	P24,003

10. Prepaid Expenses

	Note	2012	2011
		(In Thousands)	
Advances to contractors		**P48,080**	P207,158
Insurance		**48,186**	60,219
Taxes		**10,826**	9,163
Rental	*14*	**9,728**	11,841
Advances to government agencies		**3,706**	2,349
Others		**7,129**	8,737
		P127,655	P299,467

11. Investment in an Associate

ATI has a 35.71% interest in SCIPSI, which is engaged in arrastre, stevedoring and other related cargo handling services, except porterage, in Makar Wharf, General Santos City, Philippines. SCIPSI is not listed in any public exchange. The carrying amount of investment in an associate are P66.0 million and P60.3 million as of December 31, 2012 and 2011, respectively.

The following table illustrates summarized financial information of SCIPSI:

	2012	2011
	(In Thousands)	
Current assets	**P150,017**	P132,771
Noncurrent assets	**27,044**	34,193
Total assets	**P177,061**	P166,964
Current liabilities	**P19,268**	P22,230
Total liabilities	**P19,268**	P22,230
Revenue	**P206,746**	P194,526
Expenses	**140,748**	136,783
Net income	**P65,998**	P57,743

Dividend income of P17.9 million was received in March 2012. Total dividend income of P26.9 million was received in 2011 (P5.4 million on February 21, 2011 and P21.5 million on September 30, 2011).

12. Property and Equipment

The movements in this account are as follows:

2012

	Port Facilities and Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation and Other Equipment	Construction In-progress	Total
			(In Thousands)			
Cost:						
Balance at beginning of year	P166,538	P520,176	P497,766	P107,288	P14,079	P1,305,847
Additions	4,915	1,256	34,691	19,620	31,588	92,070
Disposals	-	-	(13,747)	(10,239)	-	(23,986)
Reclassifications	3,079	(400)	22,212	338	(19,990)	5,239
Retirements	-	-	-	(1,376)	-	(1,376)
Balance at end of year	174,532	521,032	540,922	115,631	25,677	1,377,794
Accumulated depreciation and amortization:						
Balance at beginning of year	123,550	291,237	419,006	74,136	-	907,929
Additions	12,074	11,288	23,751	13,409	-	60,522
Disposals	-	-	(13,747)	(10,239)	-	(23,986)
Reclassifications	-	-	-	-	-	-
Retirements	-	-	(1,091)	(1,376)	-	(2,467)
Balance at end of year	135,624	302,525	427,919	75,930	-	941,998
Net book value	P38,908	P218,507	P113,003	P39,701	P25,677	P435,796

2011

	Port Facilities and Equipment	Leasehold Improvements	Furniture, Fixtures and Equipment	Transportation and Other Equipment	Construction In-progress	Total
			(In Thousands)			
Cost:						
Balance at beginning of year	P165,738	P519,426	P512,331	P126,930	P10,955	P1,335,380
Additions	800	1,721	28,017	5,062	12,645	48,245
Disposals	-	-	(1,330)	(5,825)	-	(7,155)
Reclassifications	-	-	8,968	553	(9,521)	-
Retirements	-	(971)	(50,220)	(19,432)	-	(70,623)
Balance at end of year	166,538	520,176	497,766	107,288	14,079	1,305,847
Accumulated depreciation and amortization:						
Balance at beginning of year	111,822	281,031	442,143	87,921	-	922,917
Additions	11,728	11,174	21,981	11,071	-	55,954
Disposals	-	-	(1,268)	(5,424)	-	(6,692)
Reclassifications	-	-	-	-	-	-
Retirements	-	(968)	(43,850)	(19,432)	-	(64,250)
Balance at end of year	123,550	291,237	419,006	74,136	-	907,929
Net book value	P42,988	P228,939	P78,760	P33,152	P14,079	P397,918

13. Intangible Assets

	2012	2011
	(In Thousands)	
Service concession	**P5,615,822**	P5,227,636
Goodwill	**42,060**	42,060
	P5,657,882	P5,269,696

The movements of the intangible asset which relate to the service concession are as follows:

	2012	2011
	(In Thousands)	
Cost		
Balance at beginning of year	**P8,540,744**	P8,154,734
Additions	**823,714**	455,646
Derecognition	**(84,628)**	(69,636)
Balance at end of year	**9,279,830**	8,540,744
Accumulated Amortization		
Balance at beginning of year	**3,313,108**	3,011,924
Amortization for the year	**400,238**	364,044
Derecognition	**(49,338)**	(62,860)
Balance at end of year	**3,664,008**	3,313,108
Carrying Amount	**P5,615,822**	P5,227,636

Service Concession

Service concession represents property and equipment which is the subject of the concession arrangement that will be transferred, on an "as is" basis, to the PPA at the end of the term of the contracts (see Notes 2 and 24). No borrowing costs were capitalized in 2012 and 2011. The unamortized capitalized borrowing costs as of December 31, 2012 and 2011 amounted to P103.5 million and P108.6 million, respectively.

Goodwill

Key Assumptions

In testing impairment of goodwill, the recoverable amount of ATIB is the value in use, which has been determined by calculating the present value of cash flow projections from the operations of ATIB for the remaining period of the term of its long-term contract with the PPA. The average revenue growth rate assumption used was 2%. The discount rate applied to cash flow projections is 8.10% in 2012 and 8.72% in 2011. Management believes that no reasonably possible change in the key assumptions would cause the carrying amount of the investment in ATIB to which the goodwill relates to materially exceed its recoverable amount.

Sensitivity to Changes in Assumptions

The estimated recoverable amount of ATIB exceeds its carrying amount by approximately P26.2 million and P115.7 million in 2012 and 2011, respectively. Management has identified that earnings before interest and tax and discount rates are the key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount.

14. Other Financial Assets

	Note	2012	2011
		(In Thousands)	
Deposits	*26*	**P24,990**	P22,278
AFS financial assets	*26*	**2,652**	2,652
		P27,642	P24,930

Deposits mainly represent payments related to property leases and utilities. This account includes noninterest-bearing rental deposits on a lease agreement that was carried at fair value as of initial recognition determined based on the present value of future cash flows discounted using effective interest rate of 15.61%. The carrying amounts of these deposits at amortized cost amounted to P5.8 million and P5.0 million as of December 31, 2012 and 2011, respectively. The difference between the original amount of noninterest-bearing rental deposits and their present values at "Day 1" qualified for recognition as prepaid rental. The prepaid rental (included in current and noncurrent prepayment) amounted to P8.2 million and P9.2 million as of December 31, 2012 and 2011, respectively.

The current portion of such prepaid rental, presented under "Prepaid expenses - rental" amounted to P1.0 million as of December 31, 2012 and 2011.

AFS financial assets consist of investments in quoted and unquoted shares.

15. Income Tax

The components of deferred tax assets and liabilities are as follows:

	2012	2011
	(In Thousands)	
Deferred tax assets:		
Pension liability	**P63,808**	P41,650
Provisions for claims	**24,560**	26,409
Excess of cost over net realizable value of spare parts and supplies	**8,339**	8,951
Impairment losses on receivables	**6,919**	6,919
Accrued operating lease	**6,685**	7,920
Rental deposit	**2,154**	2,109
Unrealized foreign exchange losses	**3,023**	2,584
	115,488	96,542
Less deferred tax liability:		
Capitalized borrowing costs and custom duties	**34,193**	36,138
Net deferred tax assets	**P81,295**	P60,404

Deferred income tax related to items charged directly to equity is as follows:

	2012	2011	2010
		(In Thousands)	
Actuarial losses reported in equity	**(P24,961)**	(P10,518)	(P16,329)

The details of the Company's income tax expense from continuing and discontinued operations for the years ended December 31 are as follows:

	2012	2011	2010
		(In Thousands)	
Income tax expense from continuing operations	**P672,326**	P617,209	P609,332
Income tax expense from discontinued operations (excluding gain on sale)	**-**	-	71,346
Total income tax expense	**P672,326**	P617,209	P680,678

A reconciliation between the statutory tax rate and the effective tax rate on income before income tax follows:

	2012	2011	2010
Statutory income tax rate	**30.00%**	30.00%	30.00%
Changes in income tax rate resulting from:			
Nondeductible expenses and others	**-**	0.41	0.16
Income subjected to final tax	**(1.12)**	(1.09)	(0.74)
Income subject to capital gains tax	**-**	-	(5.12)
Others	**(0.28)**	(1.34)	(0.21)
Effective income tax rate	**28.60%**	27.98%	24.09%

16. Trade and Other Payables

	Note	**2012**	2011
		(In Thousands)	
Trade		**P67,226**	P77,795
Accrued expenses:			
Personnel costs		**116,468**	132,451
Rental	*24*	**56,253**	61,763
Repairs and maintenance		**48,084**	57,689
Finance costs		**13,857**	16,358
Security expenses		**9,354**	10,009
Professional fees		**8,675**	9,177
Safety and environment		**1,409**	2,175
Others		**267,459**	193,407
Dividends		**-**	500,000
Due to government agencies	*24*	**385,679**	308,536
Equipment acquisitions		**89,444**	79,858
Shippers' and brokers' deposits		**42,550**	34,927
Due to related parties	*21*	**9,247**	6,853
Others		**37,707**	59,384
		P1,153,412	P1,550,382

Following are the terms and conditions of the above financial liabilities:

- Trade payables are non interest-bearing and are normally settled on 30 to 60-day terms.

- Accrued finance costs are normally settled quarterly and semi-annually throughout the financial year.

- Other financial liabilities are non interest-bearing and are normally settled within twelve months from inception date.

17. Provisions for Claims

	2012	2011
	(In Thousands)	
Balance at beginning of year	**P88,029**	P46,487
Provisions during the year	**11,716**	50,276
Payments during the year	**(17,877)**	(8,734)
Balance at end of year	**P81,868**	P88,029

Provisions relate to property, equipment and cargo damage and other claims, which were recognized in connection with services rendered during the year. It is expected that most of these provisions will be settled within the next financial year or on demand.

18. Equity

Pursuant to the registration statement rendered effective by the SEC and permit to sell issued by the SEC both dated April 7, 1995, 1 billion common shares of the Parent Company were registered and may be offered for sale at an offer price of P5.10 per common share. On March 26, 1999, another registration statement was rendered effective by the SEC and permit to sell issued by the SEC for 1 billion common shares of the Parent Company and may be offered for sale at an offer price of P1.00 per common share. As of December 31, 2012, the Parent Company has a total of 2 billion issued and outstanding common shares and 888 stockholders.

Common Stock - P1 Par Value

The Parent Company has authorized and issued and fully paid capital stock of 4 billion common shares and 2 billion common shares, respectively, as of December 31, 2012 and 2011.

Retained Earnings

The balance of the Company's retained earnings includes a subsidiary and an associate's undistributed net earnings of P175.7 million and P208.0 million as of December 31, 2012 and 2011, respectively, which are available for distribution only upon declaration of dividends by such subsidiary and associate to the Parent Company. Cash dividends are distributed yearly since 2000.

On December 10, 2012, the Company's BOD approved a budget amounting to P4.2 billion for capital expenditure which includes yard and berth development as well as equipment acquisition over the next 3 years. The capital expenditure will strengthen the Company's operations and capability to handle growth. The three-year capital expenditure will be sourced from internal funds.

Other Reserves

	2012	2011	2010
		(In Thousands)	
Balance at beginning of year	**(P5,820)**	(P20,001)	(P20,001)
Reversal of other reserves	**-**	14,181	-
Balance at end of year	**(P5,820)**	(P5,820)	(P20,001)

Other reserves represents unrealized loss on AFS financial assets.

19. Costs and Expenses

	Note	2012	2011	2010
			(In Thousands)	
Labor costs	*21, 22*	**P856,096**	P798,186	P825,031
Equipment running		**560,498**	470,282	445,133
Depreciation and amortization	*12, 13*	**460,760**	419,998	391,913
Taxes and licenses		**144,262**	135,058	90,257
Management fees	*21*	**102,446**	93,822	124,411
Insurance		**83,638**	72,516	55,947
Security, health, environment and safety		**79,409**	73,130	71,801
Facilities-related expenses		**70,128**	50,324	46,415
Rental	*24*	**62,616**	52,782	54,831
General transport		**50,953**	57,646	46,745
Professional fees		**23,684**	18,478	34,487
Entertainment, amusement and recreation		**4,510**	4,469	3,891
Others		**114,650**	113,171	186,494
		P2,613,650	P2,359,862	P2,377,356

Labor costs include salaries, benefits and pension expense.

Spare parts and supplies used and included under equipment running amounted to P130.7 million, P120.8 million and P117.9 million in 2012, 2011 and 2010, respectively.

20. Other Income and Expenses

Finance cost is broken down as follows:

	Note	2012	2011	2010
			(In Thousands)	
Interest on bank loans		**P1,988**	P59,577	P121,238
Amortization of debt issue costs		**-**	2,002	3,434
Interest component of pension expense	*22*	**-**	155	(8,332)
		P1,988	P61,734	P116,340

Finance income is broken down as follows:

	Note	2012	2011	2010
			(In Thousands)	
Interest on cash in banks and short-term investments	8	**P67,825**	P82,452	P43,156
Interest component of pension expense	22	**5,177**	-	-
Accretion of rental deposits	24	**835**	716	613
		P73,837	P83,168	P43,769

Others consisted of the following:

	Note	2012	2011	2010
			(In Thousands)	
Income from insurance claims		**P13,018**	P56,662	P99,551
Equity in net earnings of an associate	11	**23,568**	20,489	19,708
Lease and other income - net		**7,679**	3,249	9,725
Management income	21	**5,969**	5,581	5,411
Foreign exchange losses - net		**(16,471)**	(478)	(9,012)
		P33,763	P85,503	P125,383

Income from insurance claims pertain to claims on damaged quay crane and reach stacker in South Harbor.

21. Related Party Transactions

The Company, in the normal course of business, has transactions with related parties, which are made on an arm's length basis, consist of the following:

a. The Parent Company's management agreement with POMS was renewed on September 1, 2010 for another five years until August 31, 2015. The terms of the agreement provide for the payment of a monthly management fee equivalent to 5% of ATI's consolidated income before income tax of the immediately preceding month.

b. Amount owed by DP World South East Asia Regional Office pertains to reimbursements for expenses paid by the Company.

c. Amount owed by SCIPSI pertains to management fees equivalent of 6% of gross revenue.

d. The Parent Company and its subsidiary have separate, noncontributory, defined benefit retirement plans covering all its regular employees, in the form of a trust being maintained by a trustee bank. The benefits are based on the employee's years of service and final plan salary. Total contributions made amounted to P2.6 million and P14.8 million for 2012 and 2011, respectively (see Note 22).

The transactions with related parties for the years ended December 31 are as follows:

Category	Related Party	Year	Management Fees (Note 19)	Advances	Management Income (Note 20)
				(In Thousands)	
Under common stockholder	POMS	2012	P102,446	P -	P -
		2011	93,822	-	-
		2010	124,411	-	-
Under common significant influence	DP World South East Asia Regional Office	2012	-	5,472	-
		2011	-	7,122	-
		2010	-	4,739	-
Associate	SCIPSI	2012	-	-	5,969
		2011	-	-	5,581
		2010	-	-	5,411
		2012	P102,446	P5,472	P5,969
		2011	P93,822	P7,122	P5,581
		2010	P124,411	P4,739	P5,411

The balances with related parties as at December 31 are as follows:

Category	Related Party	Year	Amounts Owed by Related Parties (Note 9)	Amounts Owed to Related Parties (Note 16)	Terms
			(In Thousands)		
Under common stockholder	POMS	2012	P -	P9,247	Payable within ten (10) days of the following month
		2011	-	6,853	
Under common significant influence	DP World South East Asia Regional Office	2012	862	-	Payable on demand
		2011	846	-	
Associate	SCIPSI	2012	643	-	Payable on demand
		2011	533	-	
Post employment its benefit plan	Retirement Fund	2012	6,073	-	Payable on demand
		2011	11,203	-	
		2012	P7,578	P9,247	
		2011	P12,582	P6,853	

None of the balances mentioned above is secured and impaired.

The short-term compensation and benefits of key management personnel are as follows:

	2012	2011	2010
		(In Thousands)	
Short-term employee benefits	P116,164	P107,333	P89,866
Post-employment pension benefits	10,473	5,140	2,298
	P126,637	P112,473	P92,164

22. Pensions

The following tables summarize the components of pension expense recognized in the consolidated statements of income and the funded status and amounts recognized in the consolidated statements of financial position for the plans of ATI and ATIB:

Pension Expense

	ATI			ATIB		
	2012	2011	2010	**2012**	2011	2010
			(In Thousands)			
Current service cost	**P28,195**	P23,022	P24,885	**P1,718**	P1,437	P983
Interest cost	**26,500**	27,866	26,564	**2,046**	2,222	1,747
Expected return on plan assets	**(32,036)**	(28,716)	(35,555)	**(1,687)**	(1,217)	(1,088)
Pension expense	**P22,659**	P22,172	P15,894	**P2,077**	P2,442	P1,642
Actual return on plan assets	**P59,748**	P43,217	P40,528	**P3,186**	P1,891	P1,664

Current service cost is included in "Costs and expenses" account in the consolidated statements of income. Interest cost, net of expected return on plan assets, is included in "Finance cost" account in the consolidated statements of income.

Pension Asset (Liability) as of December 31

	ATI		ATIB	
	2012	2011	**2012**	2011
		(In Thousands)		
Present value of pension obligation	**(P551,040)**	(P414,063)	**(P38,746)**	(P31,572)
Fair value of plan assets	**414,804**	381,381	**25,459**	20,074
Pension liability	**(P136,236)**	(P32,682)	**(P13,287)**	(P11,498)

Changes in the Present Value of Pension Obligation

	ATI		ATIB	
	2012	2011	**2012**	2011
		(In Thousands)		
Present value of pension obligation at beginning of year	**P414,063**	P338,181	**P31,572**	P26,118
Interest cost	**26,500**	27,866	**2,046**	2,222
Current service cost	**28,196**	23,022	**1,718**	1,437
Benefits paid	**(26,325)**	(22,583)	**(398)**	(864)
Actuarial loss	**108,606**	47,577	**3,808**	2,659
Present value of pension obligation at end of year	**P551,040**	P414,063	**P38,746**	P31,572

Changes in the Fair Value of Plan Assets

	ATI		ATIB	
	2012	2011	**2012**	2011
	(In Thousands)			
Fair value of plan assets at beginning of year	**P381,381**	P350,196	**P20,074**	P14,844
Expected return on plan assets	**32,036**	28,716	**1,687**	1,217
Contributions	**-**	10,550	**2,597**	4,203
Benefits paid	**(26,325)**	(22,583)	**(398)**	(864)
Actuarial gain	**27,712**	14,502	**1,499**	674
Fair value of plan assets at end of year	**P414,804**	P381,381	**P25,459**	P20,074

The major categories of plan assets as percentages of the fair value of total plan assets are as follows:

	ATI		ATIB	
	2012	2011	**2012**	2011
Bonds	**83.8%**	83.8%	**73.3%**	73.1%
Equities	**12.4%**	10.3%	**20.9%**	18.0%
Others	**3.8%**	5.9%	**5.8%**	8.9%
	100.0%	100.0%	**100.0%**	100.0%

The overall expected rate of return on assets is determined based on the market prices prevailing on valuation date, applicable to the period over which the obligation is to be settled.

The cumulative amount of actuarial losses recognized in the consolidated statements of comprehensive income is P137.3 million and P54.1 million as of December 31, 2012 and 2011.

The principal assumptions used in determining pension benefit obligations for both of the Company's plans are shown below:

	ATI		ATIB	
	2012	2011	**2012**	2011
Discount rate at end of year	**5.6%**	6.4%	**5.7%**	6.5%
Expected rate of return on plan assets at end of year	**8.3%**	8.4%	**8.3%**	8.4%
Salary increase rate	**7.0%**	6.0%	**7.0%**	6.0%

The historical information for the current and previous four annual periods is as follows:

	ATI				
	2012	2011	2010	2009	2008
			(In Thousands)		
Present value of pension obligation	P551,040	P414,063	P338,181	P278,165	P272,644
Fair value of plan assets	414,804	381,381	350,196	355,556	312,592
Excess (deficit)	(136,236)	(32,682)	12,015	77,391	39,948
Experience adjustments on plan liabilities	(21,377)	18,847	6,803	13,398	(34,162)

	ATIB				
	2012	2011	2010	2009	2008
			(In Thousands)		
Present value of pension obligation	P38,746	P31,572	P26,118	P18,017	P22,337
Fair value of plan assets	25,459	20,074	14,844	10,879	12,281
Deficit	(13,287)	(11,498)	(11,274)	(7,138)	(10,056)
Experience adjustments on plan liabilities	3,128	3,432	(163)	3,638	(2,432)

The Company expects to pay P27.2 million in contributions to defined benefit plans in 2013.

23. Earnings Per Share (EPS) Attributable to Owners of the Parent Company

Basic EPS is computed as follows:

	2012	2011	2010
(a) Net income attributable to owners of the Parent Company (in thousands)	P1,676,675	P1,519,397	P2,144,066
(b) Net income attributable to owners of the Parent Company (in thousands) - continuing	P1,676,675	P1,519,397	P1,591,291
(c) Weighted average number of common shares outstanding	P2,000,000,000	P2,000,000,000	P2,000,000,000
Basic EPS attributable to owners of the Parent Company (a/c)	P0.84	P0.76	P1.07
Basic EPS attributable to owners of the Parent Company - continuing (b/c)	P0.84	P0.76	P0.80

The Parent Company does not have potential common shares or other instruments that may entitle the holder to common shares. Hence, diluted EPS is the same as basic EPS.

24. Commitments and Contingencies

a. The Parent Company is authorized by the PPA to render cargo handling services at the South Harbor until May 2013. On October 19, 2007, the cargo handling services contract was extended until May 2038 under the terms mutually agreed upon with the PPA.

(i) In accordance with the Investment Plan, in the Third Supplement to the Cargo Handling Contract, the Parent Company has committed to invest US$300.5 million from 2009 to 2022, for the rehabilitation, development and expansion of the South Harbor facilities. The commitment is dependent on container volume, and the Investment Plan is subject to joint review every two (2) years, or as often as necessary as mutually agreed, to ensure that the same conforms to actual growth levels, taking into account introduction of new technologies and allowing the Company the opportunity of a fair return on investment.

(ii) Fees to the PPA

- For storage operations, the Company shall pay an annual fixed fee of P55 million payable quarterly and a variable fee of 30% of its annual gross storage revenue in excess of P273 million.

- For international containerized cargo operations, the Company shall pay a quarterly fixed fee of US$1.15 million plus a variable fee of 8% of its total gross income, or 20% of its total quarterly gross income, whichever is higher, until May 2013. After May 2013, the Company shall pay quarterly fixed fee of US$2.25 million plus a variable fee of 20% of its total gross income.

- For general cargo operations, the Company shall pay 20% of its total gross income collected from arrastre services and 14% of its total gross income collected from stevedoring services for general cargoes.

- For domestic terminal operations, the Company shall pay 10% of its total gross income derived from its domestic cargo handling and passenger terminal operations.

The PPA fees in 2012, 2011 and 2010 amounted to P1.2 billion, P1.1 billion and P1 billion, respectively.

The future minimum payments as of December 31 are as follows:

Storage Operations

	2012	2011
	(In Thousands)	
Within one year	**P55,000**	P55,000
After one year but not more than five years	**220,000**	220,000
After more than five years	**1,122,917**	1,177,917
	P1,397,917	P1,452,917

International Containerized Cargo Operations - South Harbor

	2012	2011
	(In Thousands)	
Within one year	**US$7,533**	US$4,600
After one year but not more than five years	**36,000**	34,533
After more than five years	**183,750**	192,750
	US$227,283	US$231,883

b. The Parent Company is authorized by the PPA to render cargo handling services at the Container Terminal "A-1", Phase 2 at the Port of Batangas for 25 years starting July 1, 2010. For arrastre operations, the Company shall pay an annual fixed fee of US$2.26 million for the first 2 years, US$4.68 million for the 3rd year, US$5.08 million for the 4th-7th year, and US$5.33 million for the 8th-25th year. The Company shall also pay annual variable fees based on committed yearly percentage share multiplied by whichever is higher of the projected gross income in the bid proposal or actual gross income.

The future minimum payments as of December 31 are as follows:

Arrastre, Stevedoring and Specialized Services - Batangas Phase 2

	2012	2011
	(In Thousands)	
Within one year	**US$4,880**	US$3,470
After one year but not more than five years	**17,780**	20,120
After more than five years	**95,940**	98,480
	US$118,600	US$122,070

c. ATIB has the following lease agreements:

(i) lease agreement until October 19, 2015 covering the Passenger Terminal Building 1 at the Port of Batangas, Phase 1 to be used for the purpose of operating a supply base for companies engaged in oil and gas exploration.

(ii) 10-year lease agreement until October 19, 2015 covering the Terminal Building 3 at the Port of Batangas, Phase 1.

(iii) 6-year lease agreement with PPA effective August 1, 2009 and until October 20, 2015 covering the land for Batangas Phase 1 and the Terminal Building 2.

The future minimum rentals payable under operating lease as of December 31 are as follows:

	2012	2011
	(In Thousands)	
Within one year	**P21,344**	P12,828
After one year but not more than five years	**40,688**	35,359
	P62,032	P48,187

d. The Parent Company has a 5-year lease agreement with PPA effective April 3, 2012 covering a land adjacent to the CFS area of the Container Terminal "A-1". This area is being utilized for a fee by the Parent Company's client CEVA Logistics Philippines for the latter's pre-delivery inspection facility for completely built units of vehicles. The future minimum rentals payable under operating lease as of December 31 are as follows:

	2012
	(In Thousands)
Within one year	**P4,981**
After one year but not more than five years	**17,946**
	P22,927

e. ATIB is authorized by the PPA to render arrastre, stevedoring, storage and related cargo handling services at the Port of Batangas until October 2015. For domestic cargo operations, ATIB shall pay 10% of its domestic cargo revenues. For foreign cargo operations, ATIB shall pay 20% of its foreign cargo revenues. For Fast Craft Passenger Terminal operation, ATIB shall pay monthly fixed fee of P0.4 million. For Cargo Handling and Passenger Terminal in Phase 1, ATIB shall pay annual fixed annual fee of P4 million. The future minimum payments as of December 31 are as follows:

	2012	2011
	(In Thousands)	
Within one year	**P11,930**	P4,800
After one year but not more than five years	**23,430**	15,820
	P35,360	P20,620

f. The Parent Company has a 25-year lease agreement until April 2021 covering the land in Calamba, Laguna to be used exclusively as an Inland Container Depot. The future minimum rentals payable under operating leases as of December 31 are as follows:

	2012	2011
	(In Thousands)	
Within one year	**P11,428**	P11,428
After one year but not more than five years	**51,344**	49,443
After more than five years	**59,888**	73,218
	P122,660	P134,089

g. The Parent Company has a 5-year lease contract commencing on February 1, 2011 over two parcels of land located in Sta. Mesa, City of Manila. This land is being exclusively used as an off-dock container depot. The future minimum rentals payable under operating lease as of December 31 are as follows:

	2012	2011
	(In Thousands)	
Within one year	**P9,140**	P4,800
After one year but not more than five years	**10,880**	15,820
	P20,020	P20,620

h. The Company had two undrawn committed borrowing facilities totaling to P500 million as of December 31, 2011. However, these were terminated on November 15, 2012.

i. The Company has contingent liabilities for lawsuits and various other matters occurring in the ordinary course of business. On the basis of information furnished by its legal counsel, management believes that none of these contingencies will materially affect the Company's consolidated financial position and financial performance.

25. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise of cash and cash equivalents, and loans from banks and other financial institutions. The main purpose of these financial instruments is to raise financing for the Company's capital expenditures and operations. The Company has various financial assets and liabilities such as trade and other receivables, trade and other payables and deposits, which arise directly from its operations. Other financial instruments include AFS financial assets.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, credit risk and foreign currency risk. The BOD 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 December 31, 2012 and 2011, the interest rate profile of the Company's interest bearing financial instrument is as follows:

	2012	2011
	(In Thousands)	
Fixed Rate Instruments		
Cash and cash equivalents	**P3,016,928**	P2,510,829

Fair Value Sensitivity Analysis for Fixed Rate Instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore, a change in interest rates at the reporting date would not affect profit or loss.

Liquidity Risk

The Company monitors its risk of 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:

As of December 31, 2012	Carrying Amount	Contractual Cash Flows On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
				(In Thousands)			
Trade and other payables	P1,153,412	P475,715	P200,861	P476,836	P -	P -	P1,153,412

As of December 31, 2011	Carrying Amount	Contractual Cash Flows On Demand	Less than 3 Months	3 to 12 Months	1 to 5 Years	> 5 Years	Total
				(In Thousands)			
Trade and other payables	P1,550,382	P283,796	P765,467	P501,119	P -	P -	P1,550,382

Credit Risk

The Company trades only with recognized and 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/annual 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 cash in bank and cash equivalents, trade receivables, deposits and AFS financial assets, 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.

Financial information on the Company's maximum exposure to credit risk as of December 31, 2012 and 2011, without considering the effects of collaterals and other risk mitigation techniques, is presented below.

	Note	**2012**	2011
		(In Thousands)	
Cash and cash equivalents	*8*	**P3,016,928**	P2,510,829
Trade and other receivables - net	*9*	**284,284**	360,953
Deposits	*14*	**24,990**	22,278
AFS financial assets	*14*	**2,652**	2,652
		P3,328,854	P2,896,712

There are no significant concentrations of credit risk within the Company. Of the total trade and other receivables which are neither past due nor impaired, 96% are of high grade quality instruments because there were few or no history of default on the agreed terms of the contract. The remaining 4% which are past due by less than 30 days are of standard quality because they are nevertheless collectible.

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 as of December 31 are as follows:

	2012	2011
	(In Thousands)	
Assets:		
Cash and cash equivalents	**US$415**	US$1,027
Trade and other receivables	**255**	2,290
	670	3,317
Liabilities:		
Trade and other payables	**661**	1,172
Net foreign currency-denominated assets (liabilities)	**US$9**	US$2,145
Peso equivalent	**P364**	P94,030

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
		(In Thousands, Except Percentages)	
2012			
	+5%	**P18**	**P13**
	-5%	**(18)**	**(13)**
2011			
	+5%	4,701	3,291
	-5%	(4,701)	(3,291)

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 capital stock, additional paid-in 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 capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes as of December 31, 2012 and 2011.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company as of December 31:

	2012	2011
	(In Thousands)	
Capital stock	**P2,000,000**	P2,000,000
Additional paid-in capital	**264,300**	264,300
Retained earnings	**6,237,415**	5,218,963
Other reserves	**(5,820)**	(5,820)
Total	**P8,495,895**	P7,477,443

26. 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 December 31, 2012 and 2011.

	Note	2012 Carrying Amount	2012 Fair Values	2011 Carrying Amount	2011 Fair Values
		(In Thousands)			
Financial assets:					
Loans and receivables:					
Cash and cash equivalents	*8*	**P3,019,190**	**P3,019,190**	P2,512,975	P2,512,975
Trade and other receivables - net	*9*	**284,284**	**284,284**	360,953	360,953
Deposits	*14*	**24,990**	**34,014**	22,278	30,156
		3,328,464	**3,337,488**	2,896,206	2,904,084
AFS financial assets	*14*	**2,652**	**2,652**	2,652	2,652
		P3,331,116	**P3,340,140**	P2,898,858	P2,906,736
Financial liability:					
Other financial liabilities					
Trade and other payables	*16*	**P1,153,412**	**P1,153,412**	P1,550,382	P1,550,382
		P1,153,412	**P1,153,412**	P1,550,382	P1,550,382

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.

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 AFS financial assets. The fair values of unquoted 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 flows discounted using the prevailing market rate on interest for a similar instrument. The discount rates used are 4.26% in 2012 and 5.35% in 2011.

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., as 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).

As of December 31, 2012	*Note*	**Level 1**	**Level 2**	**Level 3**
			(In Thousands)	
AFS financial assets	*14*	**P933**	**P -**	**P1,719**

As of December 31, 2011	*Note*	Level 1	Level 2	Level 3
			(In Thousands)	
AFS financial assets	*14*	P933	P -	P1,719

There have been no transfers from one level to another in 2012 and 2011.

COVER SHEET

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S.E.C. Registration Number

A S I A N   T E R M I N A L S ,   I N C .   A N D   A

S U B S I D I A R Y

(Company's Full Name)

A .   B o n i f a c i o   D r i v e ,   P o r t   A r e a

M a n i l a

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

Jose Tristan D. Carpio	528-6000
Contact Person	Company Telephone Number

1 2 (*Month*) 3 1 (*Day*)

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

KPMG

Manabat Sanagustin & Co., CPAs
The KPMG Center, 9/F
6787 Ayala Avenue
Makati City 1226, Metro Manila, Philippines

Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
E-Mail manila@kpmg.com.ph

Branches: Bacolod · Cebu · Iloilo · Subic

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Stockholders and Board of Directors
Asian Terminals, Inc.
A. Bonifacio Drive
Port Area, Manila

We have audited in accordance with Philippine Standards on Auditing, the accompanying consolidated financial statements of Asian Terminals Inc.(the Company) and a Subsidiary as at and for years ended December 31, 2012 and 2011, included in this Form 17-A, and have issued our report thereon dated February 21, 2013.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Company taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Company's management.

- Reconciliation of Retained Available for Dividend Declaration
- Map of the Conglomerate
- Schedule of Philippine Financial Reporting Standards
- Supplementary Schedules of Annex 68-E

This supplementary information is presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended, and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

MANABAT SANAGUSTIN & CO., CPAs

JOSE P. JAVIER, JR.
Partner
CPA License No. 0070807
SEC Accreditation No. 0678-AR-1, Group A, valid until March 30, 2014
Tax Identification No. 112-071-224
BIR Accreditation No. 08-001987-16-2011
Issued February 4, 2011; valid until February 3, 2014
PTR No. 3669514MC
Issued January 2, 2013 at Makati City

February 21, 2013
Makati City, Metro Manila

ASIAN TERMINALS, INC. AND A SUBSIDIARY
Schedule H. Capital Stock
December 31, 2012
(in thousands)

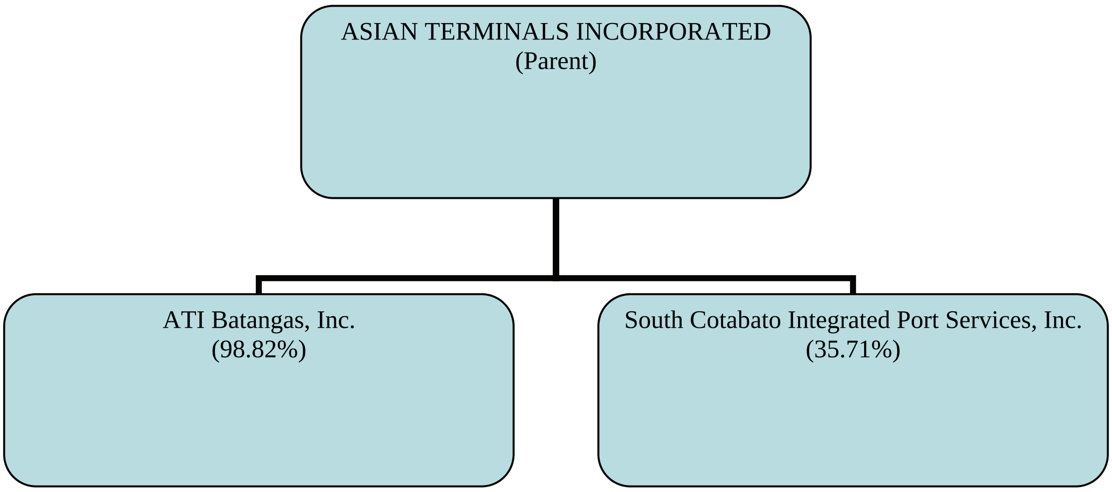
Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversions, and Other Rights	Number of Shares Held By		
				Affiliates	Directors, Officers and Employees	Oth
Common shares	4,000,000	2,000,000	None	637,838	16,004	1

Asian Terminals Inc.
A. Bonifacio Drive, Port Area, Manila

Reconciliation of Retained Earnings for Cash Dividend Declaration

		in PHP
Unappropriated Retained Earnings available for dividend declaration, beginning		3,973,700,072
Add: Dividend declarations in 2011	1,100,000,000	
Actuarial losses, net of tax, reclassed to Retained Earnings from Other Reserves	23,152,417	
Realized deferred tax liabilities	12,803,223	
Other adjustments (effect from prior years reconciliation)	239,844,172	1,375,799,812
		5,349,499,884
Less: Net income during the period closed to Retained Earnings - 2011		1,497,352,485
Unappropriated Retained Earnings available for dividend declaration as of December 31, 2011, as reported		3,852,147,399
Add: Net income actually earned/realized during the period		
Net income during the period closed to Retained Earnings		1,584,742,219
Net income actually earned during the period		5,436,889,618
Less: Dividend declarations during the period	600,000,000	
Actuarial losses, net of tax	56,626,146	656,626,146
Total Retained Earnings available for dividend as of December 31, 2012		**4,780,263,472**

Asian Terminals, Inc.
Subsidiary and an Associate
December 31, 2012



ASIAN TERMINALS, INC. AND A SUBSIDIARY
List of Effective Standards and Interpretations as of December 31, 2012

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics				
PFRSs Practice Statement Management Commentary				
Philippine Financial Reporting Standards				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✔
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✔		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✔
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✔
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✔
	Amendments to PFRS 1: Government Loans			✔
PFRS 2	Share-based Payment			✔
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✔
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✔
PFRS 3 (Revised)	Business Combinations	✔		
PFRS 4	Insurance Contracts			✔
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✔
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✔		
PFRS 6	Exploration for and Evaluation of Mineral Resources			✔
PFRS 7	Financial Instruments: Disclosures	✔		
	Amendments to PFRS 7: Transition	✔		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✔		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✔		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✔		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✔		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✔		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✔		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
PFRS 8	Operating Segments	✔		
PFRS 9	Financial Instruments	✔		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	✔		
PFRS 10	Consolidated Financial Statements	✔		
PFRS 11	Joint Arrangements			✔
PFRS 12	Disclosure of Interests in Other Entities	✔		
PFRS 13	Fair Value Measurement	✔		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✔		
	Amendment to PAS 1: Capital Disclosures	✔		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✔
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✔		
PAS 2	Inventories	✔		
PAS 7	Statement of Cash Flows	✔		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✔		
PAS 10	Events after the Balance Sheet Date	✔		
PAS 11	Construction Contracts			✔
PAS 12	Income Taxes	✔		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✔		
PAS 16	Property, Plant and Equipment	✔		
PAS 17	Leases	✔		
PAS 18	Revenue	✔		
PAS 19	Employee Benefits	✔		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✔		
PAS 19 (Amended)	Employee Benefits	✔		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✔
PAS 21	The Effects of Changes in Foreign Exchange Rates	✔		
	Amendment: Net Investment in a Foreign Operation			✔
PAS 23 (Revised)	Borrowing Costs	✔		
PAS 24 (Revised)	Related Party Disclosures	✔		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✔		
PAS 27 (Amended)	Separate Financial Statements	✔		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	✔		
PAS 29	Financial Reporting in Hyperinflationary Economies			✔

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
PAS 31	Interests in Joint Ventures	✔		
PAS 32	Financial Instruments: Disclosure and Presentation	✔		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✔
	Amendment to PAS 32: Classification of Rights Issues			✔
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✔		
PAS 33	Earnings per Share	✔		
PAS 34	Interim Financial Reporting	✔		
PAS 36	Impairment of Assets	✔		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✔		
PAS 38	Intangible Assets	✔		
PAS 39	Financial Instruments: Recognition and Measurement	✔		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✔		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✔
	Amendments to PAS 39: The Fair Value Option			✔
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✔
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✔		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✔		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✔
	Amendment to PAS 39: Eligible Hedged Items			✔
PAS 40	Investment Property	✔		
PAS 41	Agriculture			✔
Philippine Interpretations				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✔		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✔
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✔		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✔
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✔
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✔
IFRIC 8	*Scope of PFRS 2*			✔
IFRIC 9	Reassessment of Embedded Derivatives			✔

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2012		Adopted	Not Adopted	Not Applicable
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✔
IFRIC 10	*Interim Financial Reporting and Impairment*	✔		
IFRIC 11	PFRS 2- Group and Treasury Share Transactions			✔
IFRIC 12	Service Concession Arrangements	✔		
IFRIC 13	Customer Loyalty Programmes			✔
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✔		
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement	✔		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✔
IFRIC 17	Distributions of Non-cash Assets to Owners			✔
IFRIC 18	Transfers of Assets from Customers			✔
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✔
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✔
SIC-7	Introduction of the Euro			✔
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✔
SIC-12	Consolidation - Special Purpose Entities			✔
	Amendment to SIC - 12: Scope of SIC 12			✔
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✔
SIC-15	Operating Leases - Incentives			✔
SIC-21	Income Taxes - Recovery of Revalued Non-Depreciable Assets			✔
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✔
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✔		
SIC-29	Service Concession Arrangements: Disclosures.	✔		
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✔
SIC-32	Intangible Assets - Web Site Costs			✔

Asian Terminals Inc.
Schedule of Financial Soundness Indicators

Consolidated KPI	Manner of Calculation	2012	2011	Discussion
Return on Capital Employed	Percentage of income before interest and tax over capital employed	26.9%	28.2%	Decreased due to higher assets.
Return on Equity attributable to equity holders of the parent	Percentage of net income over equity attributable to equity holders of the parent	21.0%	20.9%	Slightly increased on account of higher net income for the period.
Current ratio	Ratio of current assets over current liabilities	2.76 : 1.00	1.93 : 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	1.17 : 1.00	1.24 : 1.00	Decreased due to higher equity
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.17:1.00	0.24:1.00	Decreased due to payments of interest-bearing loans and higher stockholders' equity.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	12 days	14 days	Lower due to improved collection efforts.
Lost Time Injury	Number of lost time from injuries per standard manhours	0.44	0.88	Improved as a result of extensive safety campaign and strict implementation of policy on health, safety and environment.

*Note: Income before other income and expense is defined as income before net financing costs, net gains on derivative instruments and others.