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

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

May 14, 2015

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

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

RE : SEC Form 17-Q (March 31, 2015)

Gentlemen,

Please find our SEC Form 17-Q for the first quarter of 2015.

Thank you.

Truly yours,

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

SEC Number: 133653
File Number: ______

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

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

(632) 528-6000
(Telephone Number)

December 31
Calendar Year Ending
(Month & Day)

SEC Form 17-Q
Form Type

____
Amendment Designation (if applicable)

March 31, 2015
Period Ended Date

____
(Secondary License Type and File Number)

cc: Philippine Stock Exchange

ASIAN TERMINALS, INCORPORATED

Securities and Exchange Commission

SEC FORM 17-Q

Quarterly Report Pursuant to Section 17 of the Securities Regulation Code and SRC Rule 17-2(b) thereunder

1. For the quarter ended	:	**March 31, 2015**
2. Commission identification Number	:	**133653**
3. BIR Tax Identification No.	:	**330-000-132-413-V**
4. Exact name of issuer as specified in its charter	:	**ASIAN TERMINALS, INC.**

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

6. Industry Classification Code	:	______________ (SEC Use Only)
7. Address of issuer's principal office	:	**A. Bonifacio Drive South Harbor, Port Area, Manila**
8. Issuer's telephone number, including area code	:	**528-6000 (telephone number), 1018 (area code)**

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

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

Title of Each Class	Number of shares of common stock outstanding and amount of debt outstanding
Capital stock – common	2,000,000,000 shares

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

Yes [X] No [ ]

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

Philippine Stock Exchange Common Shares

12. Indicate by check mark whether the registrant:

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

Yes [X] No [ ]

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

Yes [X] No [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

With reference to the attached interim financial statements:

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

New Standards, Amendments to Standards and Interpretations

The following are the new standards, amendment to standards, and interpretations, which are effective January 1, 2015 and are applicable to the Company and none of these is expected to have a significant effect on the consolidated financial statements:

- *Defined Benefit Plans: Employee Contributions (Amendments to PAS 19).* The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- *Annual Improvements to PFRSs: 2010 – 2012 and 2011 - 2013 Cycles* – Amendments were made to a total of nine standards, with changes made to the standards on business combinations and fair value measurement in both cycles. Most amendments will apply prospectively for annual periods beginning on or after July 1, 2014. Earlier application is permitted, in which case the related consequential amendments to other PFRSs would also apply. Special transitional requirements have been set for amendments to the following standards: PFRS 2, PAS 16, PAS 38 and PAS 40.

To be adopted on January 1, 2018

- PFRS 9 *Financial Instruments*. PFRS 9, published in July 2014, replaces the existing guidance in PAS 39, *Financial Instruments: Recognition and Measurement.* PFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from PAS 39.

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

Consolidated Results of Operations for the three months ended March 31, 2015

Revenues for the first quarter of 2015 amounted to P2,359.0 million, 23.7% up from P1,907.7 million in the same period last year. Revenues were higher than last year due to the following: 1) higher international containerized volume in Batangas, up by 672.3% compared to last year; 2) higher general cargo volume in South Harbor by 22.4% vs. last year; and 3) higher RORO units and number of passengers in Batangas port by 17.7% and 8.7%, respectively.

Cost and expenses in the first quarter of 2015 went up by 8.4% to P1,322.8 million from P1,220.0 million in the same period last year. Port authorities' share in gross revenues in 2015 increased by 0.5% to P386.3 million from P384.3 million last year. Labor costs grew by 17.4% to P281.4 million in 2015 from P239.6 million last year due to increase in headcount to support higher volumes handled and salary rate increases. Depreciation and amortization of P223.7 million in 2015 was higher by 10.5% compared to P202.4 million last year on account of additions to intangible assets. Taxes and licenses in 2015 increased by 24.6% to P66.4 million from P53.3 in 2014 due to higher realty tax on account of additional areas and equipment, and higher business tax on account of higher revenues. Rental of P49.2 million in 2015 went up by 49.1% from P33.0 million in the same period last year due to forklift and crane rentals relative to higher volumes and additional space rentals. Security, health, environment and safety totaled P48.2 million in 2015, 65.5% higher than P29.1 million in 2014 due to additional deployment of security guards to ease traffic congestion, rate increases, and higher safety costs. Management fees this year of P39.8 million increased by 84.7% compared to P21.6 million last year as a result of higher net income. Professional fees of P10.0 million in 2015 were 32.3% higher than P7.5 million last year due to higher consultancy fees and survey costs. Other expenses in 2015 of P50.8 million increased by 37.6% to P36.9 million last year due to higher expenses related to travel, advertising, and corporate social responsibility.

Insurance in 2015 of P14.4 million declined by 24.9% from P19.2 million in 2014 due lower property insurance premiums. Facilities-related expenses amounted to P34.4 million in 2015, 19.8% lower than P43.0 million in 2014 due to lower repair costs for pavements and buildings. General transport dropped by 43.1% to P7.6 million in 2015 from P13.3 million in 2014 on account of lower trucking costs. Equipment running costs decreased by 19.4% to P109.4 million this year from P135.8 million last year due to lower fuel price and lower expenses for replacement parts.

Finance costs in 2015 of P134.4 million were lower by 1.1% vs. P135.9 million in 2014 due to lower interest expense on concession rights payable. Finance income in 2015 of P12.3 million were higher by 52.8% against P8.1 million last year due to higher interest rates for Money Market Placement and higher cash balance. Others-net went down by 89.4% to negative P6.3 million in 2015 from negative P59.5 million in 2014 due to lower forex loss on revaluation of dollar-denominated concession rights payable.

Income before income tax in the first quarter of 2015 of P907.9 million was 81.5% higher than P500.3 million in the same period last year. Provision for income tax increased by 84.0% to P258.3 million in 2015 from P140.4 million in the same period last year.

Net income amounted to P649.6 million for the three months ended March 31, 2015, 80.5% up from P360.0 million for the same period last year. Excluding the foreign exchange gain (losses) attributable to port concession rights payable, net income would have been P660.2 million for the three months ended March 31, 2015, 61.1% higher than P409.8 million for the same period last year. Earnings per share this year was P0.32, last year was P0.18.

The Company is affected by the local and global trade environment. Factors that could cause actual results of the Company to differ materially include, but are not limited to:
- material adverse change in the Philippine and the global economic and industry conditions;
- natural events (earthquake and other major calamities); and
- material changes in foreign exchange rates.

In the three months of 2015:

- There had been no known trend, demand, commitment, event or uncertainty that had or are reasonably expected to have a material favorable or unfavorable impact on the Company's liquidity or revenues from continuing operations, other than those discussed in this report.
- There had been no significant element of income that did not arise from the Company's continuing operations.
- There had been no seasonal factor that had a material effect on the financial condition and results of operations.
- There had been no event known to management that could trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- There had been no material off-balance sheet transaction, arrangement, obligation (including contingent obligation), and other relationship of the Company with unconsolidated entity or other person created during the period that would address the past and would have a material impact on future operations.

Consolidated Financial Condition

Total assets as of March 31, 2015 totaled P20,411.2 million, 2.7% above P19,870.7 million as of December 31, 2014. Current assets increased by 13.8% to P5,374.2 million as of March 31, 2015 from P4,723.2 million as of December 31, 2014. Cash and cash equivalents of P4,169.0 million as of March 31, 2015 was higher by 15.6% compared to P3,606.9 million as of December 31, 2014. Trade and other receivables-net decreased by 10.9% to P426.8 million as of March 31, 2015 from P478.8 million as of end 2014 on account of collections for the first quarter. Spare parts and supplies-net of P194.2 million as of March 31, 2014 were slightly lower by 0.1% compared to P194.3 million as of December 31, 2014. Prepaid expenses as of March 31, 2015 amounted to P584.3 million, 31.8% up from P443.3 million as of December 31, 2014 on account of the unamortized portion of prepaid real property and business taxes for the year.

Total noncurrent assets declined by 0.7% to P15,036.9 million as of March 31, 2015 from P15,147.5 million as of December 31, 2014. Investment in an associate went down by 15.8% to P50.0 million as of March 31, 2015 from P59.4 million as of December 31, 2014 on account of cash dividend received from an associate. Property and equipment-net of 464.7 million as of March 31, 2015 increased by 2.0% from P455.6 million as of December 31, 2014. Additions to property and equipment which were not subject of the service concession arrangement totaled P25.0 million. Intangible assets-net decreased by 0.8% to P14,057.3 million as of March 31, 2014 from P14,175.4 million as of December 31, 2014 on account of depreciation for the period. Acquisitions of intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement amounted to P91.8 million in 2014. Deferred tax assets – net of P340.0 million as of March 31, 2015 were 3.4% higher than P386.9 million as of December 31, 2014 due to additional deferred tax on concession rights payable. Other noncurrent assets decreased by 7.5% to P64.9 million as of March 31, 2015 from P70.2 million as of December 31, 2014 due to amortization of input taxes on additions to property and equipment and intangible assets.

Total liabilities dropped by 1.2% to P9,756.0 million as of March 31, 2015 from P9,873.3 million as of December 31, 2014. Trade and other payables decreased by 17.1% to P1,542.9 million as of March 31, 2015 from P1,861.7 million as of December 31, 2014. Trade and other payables are covered by agreed payment schedules. Provisions for claims of P49.2 million as of March 31, 2015 were lower by 3.0% compared to P50.8 million as of December 31, 2014 following settlement of claims related to cargo, labor, and civil cases. Concession rights payable (current and noncurrent) slightly decreased by 0.4% to P7,595.6 million as of March 31, 2015 from P7,629.4 million as of December 31, 2014 due to payments of PPA fixed fees. Income and other taxes payable of P434.7 million as of March 31, 2015 was higher by 107.4% compared to P209.6 million as of December 31, 2014 due to income tax for the first quarter of 2015. Pension liability of P133.6 million went up by 9.7% as of March 31, 2015 from P121.8 million as of December 31, 2014.

Consolidated Cash Flows

Net cash provided by operating activities in the first quarter of 2015 was P819.6 million, 56.0% higher than P525.4 million in the same period last year due to higher operating income.

Net cash used in investing activities in the first quarter of 2015 was P93.0 million, 73.1% higher than P53.7 million in the same period last year due to higher acquisition of property and equipment and intangible assets.

Net cash used in financing activities in the first quarter of 2015 was P164.4 million, same in 2014.

Key Performance Indicators (KPI)

KPIs discussed below were based on consolidated amounts as portions pertaining to the Company's subsidiary ATI Batangas, Inc. (ATIB) were not material. As of end March 2015:

- ATIB's total assets were only 4.5% of the consolidated total assets
- Income before other income and expense for ATIB was only 7.6% of consolidated income before other income and expenses[1].

Consolidated KPI	Manner of Calculation	As of March 31		Discussion
		2015	2014	
Return on Capital Employed	Percentage of annualized income before other income and expenses over capital employed	16.2%	16.2%	Same as last year.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	17.0%	17.2%	Decrease due to higher equity.
Current ratio	Ratio of current assets over current liabilities	2.48 : 1.00	2.10 : 1.00	Increase due to higher current assets.
Asset to equity ratio	Ratio of total assets over equity attributable to equity holders of the parent	1.92 : 1.00	2.04 : 1.00	Decrease due to higher equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.92 : 1.00	1.04 : 1.00	Decrease due to higher equity.
Days Sales in Receivables (DSR)	Gross trade receivables over revenues multiplied by number of days	8 days	10 days	Improved due to improved collection efforts.
Reportable Injury Frequency Rate (RIFR)[2]	Number of reportable injuries within a given accounting period relative to the total number of hours worked in the same accounting period.	1.96	0	Due to higher number of injuries.

[1] Income before other income and expenses is defined as income before net financing costs, forex gains or losses and others.

[2] RFIR is the new KPI for injuries introduced in 2014 to replace LTIFR. RIFR is a more stringent KPI as it covers not only Lost Time Injuries (LTIs) but also Medical Treatment Injuries (MTIs) and Fatalities incidents.

PART II. OTHER INFORMATION

On April 23, 2015, the Board of Directors of ATI approved a cash dividend of P0.41 per share to stockholders on record as of May 15, 2015 payable on June 10, 2015. As of date of this report, the Company has ordinary shares only.

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
February 12, 2015	SEC 17-C	Notice of Guidelines for Nominations for Election to the Board of Directors
February 25, 2015	SEC 17-C	Setting the date, venue, agenda and record date of the 2015 Annual Stockholders' Meeting and closing of stock and transfer book
March 11, 2015	SEC 17-C	Approval of the 2014 Audited Financial Statements and appointment of the independent auditors for 2015

SIGNATURES

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

ASIAN TERMINALS, INCORPORATED
by:

Tristan P. Carpio

JOSE TRISTAN P. CARPIO
Vice President and Chief Financial Officer

Date : May 14, 2015

Principal Financial/Accounting Officer:

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

Date : May 14, 2015

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

	March 31, 2015 (Unaudited)	December 31, 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**P4,168,952**	P3,606,926
Trade and other receivables - net	**426,802**	478,795
Spare parts and supplies	**194,164**	194,263
Prepaid expenses	**584,329**	443,250
Total Current Assets	**5,374,247**	4,723,234
Noncurrent Assets		
Investment in an associate	**50,017**	59,374
Property and equipment - net	**464,718**	455,625
Intangible assets - net	**14,057,292**	14,175,435
Deferred tax assets - net	**399,944**	386,883
Other noncurrent assets	**64,939**	70,179
Total Noncurrent Assets	**15,036,909**	15,147,496
TOTAL ASSETS	**P20,411,156**	P19,870,730
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	**P1,542,859**	P1,861,686
Provisions for claims	**49,231**	50,750
Port concession rights payable - current portion	**136,175**	134,029
Income and other taxes payable	**434,694**	209,567
Total Current Liabilities	**2,162,959**	2,256,032
Noncurrent Liabilities		
Port concession rights payable - net of current portion	**7,459,445**	7,495,409
Pension liability	**133,593**	121,829
Total Noncurrent Liabilities	**7,593,038**	7,617,238
	9,755,997	9,873,270
Equity		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	**2,000,000**	2,000,000
Additional paid-in capital	**264,300**	264,300
Retained earnings	**8,490,202**	7,841,267
Hedging reserve	**(98,748)**	(106,838)
Fair value reserve	**(5,820)**	(5,820)
	10,649,934	9,992,909
Non-controlling Interest	**5,225**	4,551
Total Equity	**10,655,159**	9,997,460
TOTAL LIABILITIES AND EQUITY	**P20,411,156**	P19,870,730

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In Thousands, Except Per Share Data)

	For the three months Ended March 31	
	2015	2014
REVENUES FROM OPERATIONS	**P2,359,032**	P1,907,730
COSTS AND EXPENSES	**(1,322,760)**	(1,220,025)
OTHER INCOME AND EXPENSES		
Finance cost	**(134,398)**	(135,919)
Finance income	**12,307**	8,052
Others - net	**(6,286)**	(59,519)
	(128,377)	(187,387)
CONSTRUCTION REVENUES	**91,803**	67,036
CONSTRUCTION COSTS	**(91,803)**	(67,036)
	-	-
INCOME BEFORE INCOME TAX	**907,895**	500,318
INCOME TAX EXPENSE		
Current	**274,814**	174,723
Deferred	**(16,528)**	(34,361)
	258,286	140,362
NET INCOME	**P649,609**	P359,956
Income Attributable to		
Equity Holders of the Parent Company	**P648,935**	P359,375
Non - controlling interest	**674**	581
	P649,609	P359,956
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**P0.32**	P0.18

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands)

		For the three months Ended March 31		
		2015		2014
NET INCOME FOR THE PERIOD	**P**	**649,609**	P	359,956
OTHER COMPREHENSIVE INCOME				
Items that are or may be reclassified to profit or loss				
Cash flow hedge - effective portion		**2,989**		-
Cash flow hedge - reclassified to profit or loss		**8,569**		-
Tax on items taken directly to equity		**(3,467)**		-
		8,091		-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD - Net of tax		**8,091**		-
TOTAL COMPREHENSIVE INCOME	**P**	**657,700**	P	359,956
Total Comprehensive Income Attributable to				
Equity Holders of the Parent Company	**P**	**657,026**	P	359,376
Non - controlling interest		**674**		581
	P	**657,700**	P	359,956

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands, Except Per Share Data)

	Attributable to Equity Holders of the Parent Company								
			Retained Earnings						
	Common Stock	Additional Paid-in Capital	Appropriated for Port Development	Unappropriated	Hedging Reserve	Fair Value Reserves	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2015	**P2,000,000**	**P264,300**	**P4,700,000**	**P3,141,267**	**(P 106,838)**	**(P 5,820)**	**P9,992,909**	**P4,551**	**P9,997,460**
Net income for the period	**-**	**-**	**-**	**648,935**	**-**	**-**	**648,935**	**674**	**649,609**
Other comprehensive income									
Cash flow hedge - effective portion - net of tax	-	-	-	-	**2,092**	-	**2,092**	-	**2,092**
Cash flow hedge - reclassified to profit or loss - net of tax	-	-	-	-	**5,998**	-	**5,998**	-	**5,998**
Balance at March 31, 2015	**P2,000,000**	**P264,300**	**P4,700,000**	**P3,790,202**	**(P 98,748)**	**(P 5,820)**	**P10,649,934**	**P5,225**	**P10,655,159**
Balance at January 1, 2014	P2,000,000	P264,300	P4,700,000	P1,953,749	P -	(P 5,820)	P8,912,230	P3,104	P8,915,334
Net income for the period	-	-	-	359,375	-	-	359,375	581	359,956
Balance at March 31, 2014	P2,000,000	P264,300	P4,700,000	P2,313,124	P -	(P 5,820)	P9,271,604	P3,685	P9,275,290

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	For the three months ended March 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**P 907,895**	P 500,318
Adjustments for:		
Depreciation and amortization	**223,712**	202,448
Finance cost	**134,398**	135,919
Finance income	**(12,307)**	(8,052)
Net unrealized foreign exchange losses	**8,622**	64,937
Equity in net earnings of an associate	**(8,553)**	(7,246)
Loss (gain) on disposals of:		
Property and equipment	**(157)**	485
Intangible assets	**2,005**	-
Amortization of noncurrent prepaid rental	**-**	246
Provisions for inventory obsolescence	**-**	2,608
Operating income before working capital changes	**1,255,615**	891,663
Decrease (increase) in:		
Trade and other receivables	**52,824**	44,934
Spare parts and supplies	**101**	1,212
Prepaid expenses	**(141,080)**	(76,869)
Decrease in:		
Trade and other payables	**(308,267)**	(310,303)
Provisions for claims	**(1,521)**	(1,603)
Income and other taxes payable	**(49,688)**	(30,573)
Cash generated from operations	**807,984**	518,459
Finance income received	**11,163**	7,828
Finance cost paid	**476**	(880)
Net cash provided by operating activities	**819,623**	525,407
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property and Equipment	**(25,011)**	(8,033)
Intangible assets	**(91,803)**	(67,036)
Decrease in other noncurrent assets	**5,565**	4,663
Proceeds from disposals of:		
Property and Equipment	**156**	(431)
Intangible assets	**147**	-
Decrease (Increase) in deposits	**(9)**	972
Dividends received	**17,911**	16,120
Net cash used in investing activities	**(93,044)**	(53,744)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of:		
Port concession rights payable	**(164,415)**	(164,415)
Net cash used in financing activities	**(164,415)**	(164,415)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**562,164**	307,249
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(138)**	462
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	**3,606,926**	2,750,116
CASH & CASH EQUIVALENTS AT END OF YEAR	**4,168,952**	3,057,828

SELECTED
EXPLANATORY NOTES
March 31, 2015
(Amounts in Thousands)

1. Segment Information

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

	For the three months ended March 31	
	2015	2014
Revenue	**P 2,359,032**	P 1,907,730
Intangible Assets (excluding goodwill)	**14,015,232**	13,987,816
Property and equipment - net	**464,718**	337,645
Total assets	**20,411,156**	18,877,522
Total liabilities	**9,755,996**	9,602,233
Capital expenditures		
Intangible Assets	**91,803**	67,036
Property and equipment	**25,011**	8,033
Depreciation and amortization	**223,712**	202,448
Noncash expenses (income) other than depreciation and amortization	-	2,608

2. Trade Receivables - net

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

	As of March 31, 2015	As of December 31, 2014 (Audited)
Up to 6 months	**P 285,378**	P 346,681
Over 6 months to 1 year	-	-
Over 1 year	-	-
Total	**P 285,378**	P 346,681

3. Property and Equipment

A summary of property and equipment follows:

	Port facilities and equipment	Leasehold improvements	Furnitures, fixtures and equipment	Transportation and other equipment	Construction In-progress	March 31, 2015	December 31, 2014 (Audited)
Cost							
Balance at beginning of year	P 58,529	P 534,887	P 344,782	P 145,305	P 65,054	P 1,148,558	993,834
Additions	8,384	3,264	3,549	5,142	4,671	25,011	163,471
Disposals	-	-	(12,400)	(690)	-	(13,090)	(8,748)
Reclassifications	-	-	9,507	1,400	(10,907)	-	-
Retirements	-	-	(21,215)	-	-	(21,215)	-
Balance at end of year	66,913	538,151	324,223	151,157	58,818	1,139,262	1,148,556
Accumulated depreciation and amortization:							
Balance at beginning of year	47,655	326,426	231,639	87,212	-	692,932	652,116
Additions	1,048	3,478	7,262	4,129	-	15,917	49,511
Disposals	-	-	(12,400)	(690)	-	(13,090)	(8,695)
Retirements	-	-	(21,215)	-	-	(21,215)	-
Balance at end of year	48,703	329,904	205,286	90,651	-	674,544	692,932
Net book value	P 18,210	P 208,247	P 118,937	P 60,506	P 58,818	P 464,718	P 455,625

4. Intangible Assets

As of March 31, 2015

	Port Concession Rights					
	Upfront Fees	**Fixed Fees**	**Port Infrastructure**	**SubTotal**	**Goodwill**	**Total**
			(In Thousands)			
Cost:						
Balance at beginning of year	**P 282,000**	**P 8,342,270**	**P 11,833,032**	**P 20,457,302**	**P 42,060**	**P 20,499,362**
Additions	**-**	**-**	**91,803**	**91,803**	**-**	**91,803**
Disposals	**-**	**-**	**(11,770)**	**(11,770)**	**-**	**(11,770)**
Balance at end of year	**282,000**	**8,342,270**	**11,913,065**	**20,537,335**	**42,060**	**20,579,395**
Accumulated depreciation and amortization:						
Balance at beginning of year	**18,254**	**1,696,695**	**4,608,977**	**6,323,926**	**-**	**6,323,926**
Additions	**2,820**	**73,214**	**131,762**	**207,797**	**-**	**207,797**
Disposals	**-**	**-**	**(9,620)**	**(9,620)**	**-**	**(9,620)**
Balance at end of year	**21,074**	**1,769,909**	**4,731,119**	**6,522,103**	**-**	**6,522,103**
Net book value	**P 260,926**	**P 6,572,361**	**P 7,181,946**	**P 14,015,232**	**P 42,060**	**P 14,057,292**

As of December 31, 2014 (Audited)

	Port Concession Rights					
	Upfront Fees	Fixed Fees	Port Infrastructure	SubTotal	Goodwill	Total
			(In Thousands)			
Cost:						
Balance at beginning of year	282,000	8,342,270	11,091,944	19,716,214	42,060	19,758,274
Additions	-	-	853,046	853,046	-	853,046
Disposals	-	-	(62,268)	(62,268)	-	(62,268)
Retirements	-	-	(49,690)	(49,690)	-	(49,690)
Balance at end of year	282,000	8,342,270	11,833,032	20,457,302	42,060	20,499,362
Accumulated depreciation and amortization:						
Balance at beginning of year	6,974	1,403,844	4,194,223	5,605,041	-	5,605,041
Additions	11,280	292,853	508,332	812,465	-	812,465
Disposals	-	-	(61,162)	(61,162)	-	(61,162)
Retirements	-	-	(32,417)	(32,417)	-	(32,417)
Balance at end of year	18,254	1,696,697	4,608,976	6,323,927	-	6,323,927
Net book value	P 263,746	P 6,645,573	P 7,224,056	P 14,133,375	P 42,060	P 14,175,435

5. Trade and Other Payables

	As of March 31, 2015	As of December 31, 2014 (Audited)
Trade	**P 84,793**	P 115,591
Accrued expenses:		
Finance costs	**135,298**	135,806
Personnel costs	**117,641**	90,912
Rental	**75,444**	68,566
Security expenses	**27,716**	24,931
Repairs and maintenance	**26,076**	27,101
Professional fees	**11,851**	13,043
Safety and environment	**6,493**	4,677
Others	**313,590**	285,918
Equipment acquisitions	**177,399**	458,555
Due to government agencies	**443,023**	503,370
Shippers' and brokers' deposits	**58,941**	75,189
Due to related parties	**8,735**	8,943
Others	**55,859**	49,084
	P 1,542,859	P 1,861,686

6. Other Income and Expenses

Finance cost is broken down as follows:

	For the three months ended March 31			
		2015		2014
Interest on port concession rights payable	**P**	**133,161**	P	135,141
Interest component of pension expense		**1,205**		618
Interest on bank loans/credit facilities		**32**		159
	P	**134,398**	P	135,919

Finance income is broken down as follows:

	For the three months ended March 31			
		2015		2014
Interest on cash in banks and short-term investments	**P**	**11,995**	P	7,785
Accretion of rental deposits		**313**		268
	P	**12,307**	P	8,052

Others consisted of the following:

	For the three months ended March 31			
		2015		2014
Equity in net earnings of an associate	**P**	**8,554**	P	7,246
Management income		**1,155**		1,614
Foreign exchange gains (losses) - others		**(209)**		(71,135)
Lease and other income - net		**(681)**		1,030
Foreign exchange gains (losses) - port concession rights payable		**(6,619)**		1,725
Foreign exchange losses - Hedging reserve		**(8,486)**		-
	P	**(6,286)**	P	(59,519)

Foreign exchange gains (losses) – port concession rights payable resulted from revaluation of foreign currency denominated port concession rights payable.

7. Financial Risk Management Objectives and Policies

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

<u>Interest Rate Risk</u>
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.

The interest rate profile of the Company's interest bearing financial instrument is as follows:

	As of March 31, 2015	As of December 31, 2014 (Audited)
Fixed Rate Instruments		
Cash and cash equivalents	**P4,160,088**	P3,600,303

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 consolidated statements of income, therefore, a change in interest rates at the reporting date would not affect consolidated statements of income.

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

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

			Contractual Cash Flows					
As of March 31, 2015	**Carrying Amount**	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**>5 years**	**Total**
Trade and other payables	**P 1,542,859**	**P 765,477**	**P 257,887**	**P 519,495**	**P -**	**P -**	**P 1,542,859**
Port concession rights payable	**7,595,620**		**164,415**	**493,244**	**3,342,596**	**10,531,409**	**14,531,664**
Total	**P 9,138,479**	**P 765,477**	**P 422,302**	**P1,012,739**	**P 3,342,596**	**P 10,531,409**	**P 16,074,523**

			Contractual Cash Flows				
As of December 31, 2014 (Audited)	Carrying Amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Trade and other payables	P 1,861,686	P 1,129,022	P 269,713	P 462,951	P -	P -	P 1,861,686
Port concession rights payable	7,629,438	-	164,415	493,244	3,339,738	10,379,669	14,377,066
Total	P 9,491,124	P 1,129,022	P 434,128	P 956,195	P 3,339,738	P 10,379,669	P 16,238,752

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

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

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

	As of March 31, 2015	As of December 31, 2014 (Audited)
Cash and cash equivalents	**P4,160,088**	P3,600,303
Trade and other receivables – net	**426,802**	478,795
Deposits	**33,197**	32,875
AFS financial assets	**2,652**	2,652
	P4,622,739	P4,114,625

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

As of March 31, 2015, 100% of the total trade and other receivables which are neither past due nor impaired are of high grade quality.

Foreign Currency Risk

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

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

As part of its foreign currency risk strategy, commencing July 1, 2014, the Company hedges the spot exchange risk on the highly probable forecast US dollar revenue transactions using a non-derivative financial instrument, port concession rights payable, which is denominated in US dollar. The financial liability creates an exposure to the functional currency which offsets the foreign currency exposure on the highly probable US dollar revenue stream. This type of hedging relationship is designated as cash flow hedge.

The Company has assessed that 80% of the US dollar denominated stevedoring revenue for the designated period is highly probable. However, the Company has designated 67% of the monthly US dollar revenue as the hedged item for the next three years from the date of designation i.e. July 1, 2014.

The Company uses the port concession rights payable as a hedging instrument to hedge the spot exchange risk in the highly probable forecast transactions.

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

	As of March 31, 2015	As of December 31, 2014 (Audited)
Assets		
Cash and cash equivalents	**US$1,467**	US$2,347
Trade and other receivables	**480**	416
	1,947	2,763
Liabilities		
Trade and other payables	**4,273**	4,775
Port concession rights payable	**154,228**	154,882
	158,501	159,657
Net foreign currency-denominated liabilities	**(US$156,554**	(US$156,894)
Peso equivalent	**P6,997,964**	(P7,016,300)

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

Increase/Decrease in U.S. dollar Exchange Rate		Effect on Income Before Income Tax		Effect on Equity
March 31, 2015				
+5%	**P**	**(349,588)**	**P**	**(244,929)**
-5%		**349,588**		**244,929**
December 31, 2014 (Audited)				
+5%	P	(350,815)	P	(245,570)
-5%		349,588		245,570

Capital Management

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

The Company considers capital to include paid-up capital, retained earnings, and other reserves. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust the dividend payment to shareholders, return to capital shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended March 31, 2015.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	As of March 31, 2015	As of December 31, 2014 (Audited)
	(In Thousands)	
Capital stock	**P2,000,000**	P2,000,000
Additional paid-in capital	**264,300**	264,300
Retained earnings	**8,490,202**	7,841,267
Hedging reserve	**(98,748)**	(106,838)
Fair value reserve	**(5,820)**	(5,820)
Total	**P10,649,934**	P9,992,909

8. Financial Instruments

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

	As of March 31, 2015		As of December 31, 2014 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets:				
Loans and receivables:				
Cash and cash equivalents	**P 4,168,952**	**P 4,168,952**	P 3,606,926	P 3,606,926
Trade and other receivables - net	**426,802**	**426,802**	478,795	478,795
Deposits	**33,197**	**42,099**	32,875	41,368
	4,628,951	**4,637,853**	4,118,596	4,127,089
AFS financial assets	**2,652**	**2,652**	2,652	2,652
	P 4,631,603	**P 4,640,505**	P 4,121,248	P 4,129,741
Financial liabilities:				
Other Financial liabilities:				
Trade and other payables	**P 1,542,859**	**P 1,542,859**	P 1,861,686	P 1,861,686
Port concession rights payable	**7,595,620**	**7,595,620**	7,629,438	7,629,438
	P 9,138,479	**P 9,138,479**	P 9,491,124	P 9,491,124

Fair Value of 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.

Nonderivative Financial Instruments

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

For noninterest-bearing deposits, the fair value is estimated as the present value of all future cash discounted using the prevailing market rate of interest for a similar instrument. The discount rates used were 3.47% and 4.0% in 2015 and 2014, respectively.

The fair value of port concession rights payable was estimated at the present value of all future cash flows discounted using 5.92% and 11.48% for South Harbor and Batangas Container Terminal, respectively.

Fair Value Hierarchy

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

The different levels have been defined as follows:

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

As of March 31, 2015		**Level 1**		**Level 2**		**Level 3**
AFS financial assets	**P**	**933**	**P**	**-**	**P**	**1,719**

As of December 31, 2014 (Audited)		Level 1		Level 2		Level 3
AFS financial assets	P	933	P	-	P	1,719

There have been no transfers from one level to another in 2015 and 2014.