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

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

May 16, 2011

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, 2011)

Gentlemen,

We submit our SEC Form 17-Q for the first quarter of 2011.

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, 2011
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, 2011**
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 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 Income.
- The Company applied Philippine Financial Reporting Standards (PPRS) 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.
- Segment revenue and segment result for business segments are 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 Effective 2011

- *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.

- *Improvements to PFRSs 2010* contain 11 amendments to 6 standards and 1 interpretation.

The adoption of the above new or revised standards and amendments to standards did not have a significant effect on the Company's consolidated financial statements.

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, 2011

Net income for the three months ended March 31, 2011 grew by 13.3% to P368.0 million from P324.9 million for the same period last year. Earnings per share this year went up to P0.18 from P0.16 last year.

A. Continuing Operations

Revenues in the first quarter of 2011 went up by 1.8% to P1,118.6 million from P1,099.4 million in the same period last year. In South Harbor, revenues from international containers were higher by 7.4% or P60.1 million due to favorable container mix, from international non-containers were lower by 38.3% or P33.4 million due to decrease in volumes of rice and steel cargoes and from domestic terminal operations were higher by 25.0% or P18.2 million due to increases in cargo volumes and in number of passengers. Revenues from Port of Batangas Phase 1 decreased by 16.2% or P15.7 million due to volume factor.

Cost and expenses in the first quarter of 2011 of P605.3 million were 8.0% higher than P560.6 million in the same period last year. Equipment running costs of P119.7 million this year, were 34.9% higher than P88.7 million last year due to increases in prices of fuel and lubricants, rates of electricity and costs of equipment repairs and maintenance. Depreciation and amortization in 2011 went up by 2.6% to P101.2 million from P98.6 million in 2010 mainly due to acquisitions of intangible assets. Taxes and licenses of P31.8 million in 2011 increased by 22.2% from P26.0 million last year mainly due to increase in local taxes. General transport costs amounted to P23.8 million in 2011, P10.6 million in 2010 due to volume-related increase in trucking costs. Management fees this year increased by 14.0% to P22.9 million from P20.1 million last year on account of higher net income. Insurance costs amounted to P18.6 million this year, up from P12.5 million last year due to increases in rates and in coverage. Security, health, environment and safety costs rose by 16.2% to P18.3 million in 2011 from P15.7 million in 2010 due to increases in security posts and in rates for security guards and to higher site cleaning costs. Facilities-related expenses this year went up by 16.5% to P12.5 million from P10.7 million last year due to building renovations, lighting improvements, road pavements and maintenance of wharves.

Labor costs declined by 3.5% to P197.1 million this year from P204.3 million last year due to volume-related reduction in contract labor. Moreover, amount last year included retrenchment costs. Rentals amounted to P12.3 million in 2011, 27.8% lower than P17.0 million in 2010 due to volume-related reductions in equipment rentals. Professional fees decreased by 22.1% to P5.4 million in 2011 from P7.0 million in 2010 as last year included non-recurring engagements of surveyors in relation to insurance claims. Other expenses of P40.3 million in the first quarter of 2011 went down by 17.0% from P48.6 million in the same period last year, due to decreases in communication costs, travel expenses, and processing-related expenses (brokerage, wharfage, etc.), among others.

Finance costs in 2011 were down by 51.6% to P11.7 million from P24.3 million in 2010 due to the significant reduction of interest bearing loans to P300 million as of end March 2011 from P850 million as of end March 2010. Finance income increased to P15.5 million this year from P4.2 million last year as cash and cash equivalents as of end March 2011 rose to P2.4 billion from P1.3 billion as of end March 2010. Others-net of P6.9 million in 2011 were 48.6% higher than P4.6 million in 2010 due to gain on disposal of certain assets and to favorable exchange rate factor.

Income before income tax in the first quarter of 2011 was slightly up to P524.0 million from P523.4 million in the same period last year. Provision for income tax increased to P156.0 million in the three months of 2011 from P154.2 million in the same period last year.

Income from continuing operations amounted to P368.0 million in the first quarter of 2011, P369.1 million in the same period last year.

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.

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, was combined with the ports segment.

The results of the discontinued operations in MGT are reported in item 2 of the attached Selected Explanatory Notes.

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 2011:

- 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 of P9,380.0 million as of March 31, 2011 grew by 2.0% from P9,198.9 million as of December 31, 2010. Current assets increased by 3.7% to P3,567.9 million as of end March 31, 2011 from P3,439.9 million as of end 2010. Cash and cash equivalents rose by 3.7% to P2,397.9 million as of March 31, 2011 from P2,313.4 million as of December 31, 2010. Trade and other receivables-net decreased by 4.1% to P842.3 million as of end March 31, 2011 from P877.9 million as of end 2010. Included in this account are receivable from escrow fund of P306.7 million as of end March 2011, P309.8 million as of end 2010 and receivable from insurance of P286.2 million as of end March 2011, P293.8 million as of end 2010. These amounts will be collected in full in 2011. On account of improved collections, trade receivables-net, of P244.3 million as of end March 2011 were 7.6% lower than P264.6 million as of end 2010. Spare parts and supplies-net were up by 5.7% to P161.9 million as of March 31, 2011 from P153.2 million as of December 31, 2010 in support of operational requirements and equipment maintenance program. Prepaid expenses as of March 31, 2011 amounted to P165.8 million, increased from P95.5 million as of December 31, 2010 due to prepayments of local taxes and additional creditable withholding taxes..

Total noncurrent assets increased by 0.9% to P5,812.1 million as of March 31, 2011 from P5,759.0 million as of December 31, 2010. Investment in an associate of P65.7 million as of March 31, 2011 decreased by 1.5% from P66.7 million as of December 31, 2010 on account of cash dividend from the investment. Property and equipment-net of P404.5 million as of March 31, 2011 were lower by 1.9% against P412.5 million as of December 31, 2010 mainly due to depreciation for the period. Additions to property and equipment, which were not subject of the service concession arrangement, totaled P5.3 million. Intangible assets-net of P5,196.9 million as of March 31, 2011 were higher compared to P5,184.9 million as of December 31, 2010. Additions to intangible assets which consisted of civil works and cargo handling equipment that were subject of the service concession arrangement amounted to P100.0 million. Other noncurrent assets increased by 147.1% to P83.9 million as of end March 31, 2011 from P33.9 million as of end 2010 mainly due to increase in input taxes on account of additions to intangible assets.

Total liabilities amounted to P1,942.7 million as of March 31, 2011, down by 8.8% from P2,129.6 million as of December 31, 2010. Trade and other payables of P1,249.8 million as of end March 31, 2011 decreased by 19.6% from P1,554.9 million as of end 2010 due to payments on equipment acquisitions and payments to government agencies. Trade and other payables are covered by agreed payment schedules. Provisions for claims went down by 2.6% to P45.3 million as of March 31, 2011 from P46.5 million as of December 31, 2010 on account of settlement of certain claims. Income and other taxes payable amounted to P337.7 million as of March 31, 2011, up by 54.2% from P219.0 million as of December 31, 2010 due to the addition of income tax for the first quarter of 2011.

Interest-bearing loans (non-current) as of March 31, 2011 amounted to P298.1 million, P298.0 million as of December 31, 2010. The remaining interest-bearing loan which will mature in December 2014 is denominated in Philippine Peso and is at fixed interest rate. There are no derivative liabilities as of March 31, 2011 and December 31, 2010.

Consolidated Cash Flows

While cash from operating income before working capital changes was up by 3.8% to P611.8 million in the first quarter of 2011 from P589.3 million in the same period last year, net cash provided by operating activities decreased by 60.5% to P219.8 million in the three months of 2011 from P556.4 million in the same period last year mainly due to the decrease in trade payables as a result of payment on equipment acquisitions and payments to government agencies.

Net cash used in investing activities in the three months of 2011 was P139.4 million vs. P93.1 million in the same period last year due to the increase in other noncurrent assets relative from input taxes on additions to intangibles. Funds used in acquisitions of property and equipment and intangible assets totaled P105.3 million this year, slightly up from P104.4 million last year.

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 2011:

- ATIB's total assets were only 4.1% of the consolidated total assets
- Income before other income and expense for ATIB was only 7.5% of consolidated income before other income and expenses.

Consolidated KPI	Manner of Calculation	As of March 31		Discussion
		2011	2010	
Return on Capital Employed	Percentage of income before interest and tax over capital employed	28.4%	25.4%	Increase resulted from higher income before other income and expenses during the period.
Return on Equity attributable to equity holders of the parent	Percentage of annualized net income over equity attributable to equity holders of the parent	20.3%	20.9%	Decrease resulted from increase in average stockholders' equity.
Debt to equity ratio	Ratio of total liabilities over equity attributable to equity holders of the parent	0.26 : 1.00	0.34 : 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	No. of lost time from injuries per standard manhours	1.72	0	On account of higher number of injuries.

Note: Income before other income and expenses is defined as Revenues less Costs and expenses.

PART II. OTHER INFORMATION

On April 28, 2011, the Board of Directors of ATI approved a cash dividend of P0.30 per share to stockholders on record as of May 12, 2011 payable on June 2, 2011. As of date of this report, the Company has ordinary shares only.

Submissions of SEC Form 17-C:

Date Filed	Reference	Particulars
January 25, 2011	SEC 17-C	Certification of Attendance of Directors during Board Meetings for the year 2010
January 28, 2011	SEC 17-C	Certification of Compliance with the Manual on Corporate Governance
February 18, 2011	SEC 17-C	Notice of Guidelines for Nomination for Election to the Board
February 25, 2011	SEC 17-C	2011 Annual Stockholders' Meeting, Agenda and Record Date; Amendment of By-Laws
April 4, 2011	SEC 17-C	Appointment of Mr. Bastiaan Hokke as VP for ATI Batangas, Batangas Container Terminal and Inland Clearance Depot

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:

MA. LUISA E. NOGRALES
Vice President and Chief Financial Officer

Date : May 13, 2011

Principal Financial/Accounting Officer:

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

Date : May 13, 2011

ASIAN TERMINALS, INC. AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		March 31, 2011 (Unaudited)		December 31, 2010 (Audited)
		(In Thousands)		
ASSETS				
Current Assets				
Cash and cash equivalents	P	2,397,946	P	2,313,353
Trade and other receivables - net		842,283		877,932
Spare parts and supplies - at net realizable value		161,893		153,156
Prepaid expenses		165,789		95,480
Total Current Assets		3,567,911		3,439,921
Noncurrent Assets				
Investment in an associate - at equity		65,683		66,679
Property and equipment - net		404,493		412,463
Intangible assets - net		5,196,855		5,184,870
Other financial assets		24,038		23,763
Deferred tax assets - net		37,187		37,284
Other noncurrent assets		83,869		33,941
Total Noncurrent Assets		5,812,125		5,759,000
TOTAL ASSETS	P	9,380,036	P	9,198,921
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	P	1,249,803	P	1,554,862
Provisions for claims		45,261		46,487
Income and other taxes payable		337,717		219,008
Total Current Liabilities		1,632,781		1,820,357
Noncurrent Liabilities				
Interest bearing loans		298,094		297,998
Pension liability		11,868		11,274
Total Noncurrent Liabilities		309,962		309,272
Equity Attributable to Equity Holders of the Parent				
Capital stock		2,000,000		2,000,000
Additional paid in capital		264,300		264,300
Retained earnings		5,191,817		4,824,091
Other reserves		(20,001)		(20,001)
		7,436,116		7,068,390
Non-controlling Interest		1,177		902
Total Equity		7,437,293		7,069,292
TOTAL LIABILITIES AND EQUITY	P	9,380,036	P	9,198,921

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

		For the three months Ended March 31		
		2011		2010
REVENUES	P	**1,118,625**	P	1,099,367
COSTS AND EXPENSES		**(605,280)**		(560,578)
OTHER INCOME AND EXPENSES				
Finance cost		**(11,732)**		(24,258)
Finance income		**15,523**		4,188
Others - net		**6,888**		4,636
INCOME BEFORE INCOME TAX		**524,024**		523,355
INCOME TAX EXPENSE				
Current		**155,925**		154,249
Deferred		**98**		-
		156,023		154,249
INCOME FROM CONTINUING OPERATIONS		**368,001**		369,106
INCOME FROM DISCONTINUED OPERATIONS - Net of Tax		-		(44,202)
NET INCOME/TOTAL COMPREHENSIVE I	**P**	**368,001**	P	324,904
Attributable To:				
Owners of the Parent Company	P	**367,726**	P	324,651
Non-controlling interest		**275**		253
	P	**368,001**	P	324,904
Basic/Diluted Earnings Per Share Attributable to Owners of the Parent Company	P	**0.18**	P	0.16

ASIAN TERMINALS, INC. AND A SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands)

			Retained Earnings						
	Common Stock	Additional Paid-in Capital	Appropriated for Port Development	Unappropriated	Other Reserves	Total	Non-controlling Interests	Total Equity
Balance at January 1, 2011	**P 2,000,000**	**P 264,300**	**P 1,000,000**	**P 3,824,091**	**P (20,001)**	**P 7,068,390**	**P 902**	**P 7,069,292**
Net income for the period	**-**	**-**	**-**	**367,726**	**-**	**367,726**	**275**	**368,001**
Balance at March 31, 2011	**P 2,000,000**	**P 264,300**	**P 1,000,000**	**P 4,191,817**	**P (20,001)**	**P 7,436,116**	**P 1,177**	**P 7,437,293**
Balance at January 1, 2010	P 2,000,000	P 264,300	P 500,000	P 3,273,393	P 4,692	P 6,042,385	P 658	P 6,043,043
Net income for the period	-	-	-	324,651		324,651	253	324,904
Balance at March 31, 2010	P 2,000,000	P 264,300	P 500,000	P 3,598,044	P 4,692	P 6,367,036	P 911	P 6,367,947

ASIAN TERMINALS, INC. AND A SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

		For the three months ended March 31		
		2011		2010
		(in thousands)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	P	**524,024**	P	460,209
Adjustments for:				
Depreciation and amortization		**101,243**		115,584
Finance cost		**11,732**		24,268
Finance income		**(15,523)**		(4,438)
Net losses on derivative instruments		**-**		(6,402)
Net unrealized foreign exchange losses (gains)		**(4,185)**		4,023
Equity in net earnings of an associate		**(4,362)**		(4,278)
Gain on disposals of:				
Property and equipment		**(11)**		-
Intangible Assets		**(1,325)**		-
Amortization of noncurrent prepaid rental		**246**		322
Impairment of losses on receivables		**-**		53
Operating income before working capital changes		**611,840**		589,340
Provisions for:				
Inventory obsolescence		**1,108**		-
Decrease (increase) in:				
Trade and other receivables		**35,765**		43,550
Spare parts and supplies		**(9,845)**		(8,101)
Prepaid expenses		**(70,309)**		(112,769)
Increase (decrease) in:				
Trade and other payables		**(309,544)**		36,240
Provisions for claims		**(1,226)**		(4,330)
Income and other taxes payable		**(37,216)**		12,531
Net cash generated from operations		**220,572**		556,460
Finance cost paid		**(800)**		(46)
Net cash provided by operating activities		**219,772**		556,414
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property and Equipment		**(5,328)**		(3,503)
Intangible assets		**(99,989)**		(96,919)
Finance income received		**15,239**		3,854
Decrease (increase) in other noncurrent assets		**(55,930)**		3,477
Proceeds from disposals of:				
Property and Equipment		**11**		-
Intangible assets		**1,384**		-
Increase in deposits		**(106)**		(41)
Dividends received		**5,357**		-
Net cash used in investing activities		**(139,362)**		(93,133)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash used in financing activities		**-**		-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**80,410**		463,281
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**4,183**		(4,023)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,313,353**		814,339
CASH & CASH EQUIVALENTS AT END OF YEAR		**2,397,946**		1,273,597

SELECTED EXPLANATORY NOTES
March 31, 2011
(Amounts in Thousands)

1. Segment Information

Information with regard to the Company's significant business segments of continuing operations is presented below:

	As of and for the three months ended March 31, 2011			As of and for the three months ended March 31, 2010		
	Ports	Non-Ports (Discontinued)	Total	Ports	Non-Ports	Total
		(In Thousands)			(In Thousands)	
Revenue	1,118,625	-	1,118,625	1,074,824	92,464	1,167,288
Intangible Assets (excluding goodwill)	5,154,795	-	5,154,795	4,683,461	-	4,683,461
Property and equipment - net	404,493	-	404,493	320,729	1,371,800	1,692,529
Total assets	9,380,037	-	9,380,037	6,909,647	1,612,420	8,522,067
Total liabilities	1,942,744	-	1,942,744	1,880,013	274,107	2,154,120
Capital expenditures						
Intangible Assets	99,989	-	99,989	96,919	-	96,919
Property and equipment	5,328	-	5,328	2,987	516	3,503
Depreciation and amortization	101,243	-	101,243	97,591	17,994	115,585
Noncash expenses (income) other than depreciation and amortization	1,108	-	1,108	43	-	43

2. 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.

Results of operations of the discontinued operations are as follows:

	For the three months ended March 31			
	2011		2010	
Revenues	P	-	P	67,920
Costs and expenses		-		(137,723)
Other Income and expenses				6,656
Income before income tax		-		(63,147)
Income tax expense				
Current		-		(20,865)
Deferred		-		1,921
Net Income from operations		-		(44,203)
Gain from sale of discontinued operations		-		-
Net income from discontinued operations	P	-	P	(44,203)

Cash flows provided by (used in) discontinued operation are as follows:

	For the three months ended March 31			
	2011		2010	
Net cash provided by (used in) operating activities	P	-	P	(45,782)
Net cash provided by (used in) investing activities		-		842
Net cash provided by (used in) financing activities		-		-
Net cash provided by (used in) discontinued operation	P	-	P	(44,940)

3. Trade Receivables - net

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

	As of March 31, 2011	As of December 31, 2010
Up to 6 months	**P244,349**	P264,560
Over 6 months to 1 year	-	-
Over 1 year	-	-
Total	**P244,349**	P264,560

4. 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 30, 2011**	December 31, 2010 (Audited)
Cost							
Balance at beginning of year	P 165,738	P 519,426	P 512,330	P 126,931	P 10,955	**P 1,335,380**	P 3,456,686
Additions	800	781	840	124	2,783	**5,328**	58,981
Disposals	-	-	-	(488)		**(488)**	(6,159)
Reclassifications	(600)	-	6,180	600	(6,180)	**-**	-
Retirements	-	-	(33)	-	-	**(33)**	(2,174,128)
Balance at end of year	165,938	520,207	519,317	127,167	7,558	**1,340,187**	1,335,380
Accumulated depreciation and amortization:							
Balance at beginning of year	111,822	281,030	442,143	87,921		**922,916**	1,738,507
Additions	2,948	2,768	4,804	2,779	-	**13,299**	130,628
Disposals	-	-	-	(488)	-	**(488)**	(5,880)
Reclassification	-	-	-	-	-	**-**	(21,976)
Retirements	-	-	-	(33)		**(33)**	(918,362)
Balance at end of year	114,770	283,798	446,947	90,179	-	**935,694**	922,917
Net book value	P 51,168	P 236,409	P 72,370	P 36,988	P 7,558	**P 404,493**	P 412,463

5. Intangible Assets

	March 31, 2011	December 31, 2010 (Audited)
Service concession	**P 5,154,795**	P 5,142,810
Goodwill	**42,060**	42,060
Total	**P 5,196,855**	P 5,184,870

The movements of service concession are as follows:

		March 31, 2011		December 31, 2010 (Audited)
Cost				
Balance at beginning of year	P	**8,154,734**	P	7,432,086
Additions		**99,989**		842,662
Derecognition		**(22,089)**		(120,014)
Balance at end of year		**8,232,633**		8,154,734
Accumulated amortization				
Balance at beginning of year		**3,011,924**		2,759,113
Amortization for the year		**87,945**		343,747
Derecognition		**(22,031)**		(90,936)
Balance at end of year		**3,077,838**		3,011,924
Carrying amount	P	**5,154,795**	P	5,142,810

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

6. Trade and Other Payables

		March 31, 2011		December 31, 2010 (Audited)
Trade	P	**79,595**	P	44,624
Equipment acquistions		**277,520**		605,699
Accrued expenses:				
Personal costs		**171,001**		151,949
Rental		**61,365**		61,043
Repairs and maintenance		**17,114**		33,118
Finance costs		**28,746**		25,757
Professional fees		**18,911**		23,018
Security expenses		**11,261**		10,962
Safety and environment		**1,482**		3,530
Others		**242,867**		212,850
Due to government agencies		**251,826**		298,824
Shippers' and brokers' deposits		**30,120**		31,434
Due to related parties		**7,989**		9,621
Others		**50,006**		42,433
Total	P	**1,249,803**	P	1,554,862

7. Interest bearing loan

This account consists of long-term debt. The Company does not have any derivative instruments as of March 31, 2011 and December 31, 2010.

Long-term Debt

There was no movement of long-term debt during the three-month period.

Additional information on the Company's long-term debt as of March 31, 2011:

	Outstanding Amount	Maturity Date(s)	Interest rate
Syndicated FFRN-Tranche 3	P300,000	December 13, 2014	Applicable 10-year MART1 plus spread
Total	P300,000		
Less current portion	0		
Net	P300,000		

As of end March 31, 2011, the Company had no outstanding foreign debt.

The Company's long-term debt is at fixed interest rates.

Financial Liabilities

		March 31, 2011		December 31, 2010 (Audited)
Noncurrent				
Long term debt	**P**	**300,000**	P	300,000
Debt issue cost		**(1,906)**		(2,002)
Total	**P**	**298,094**	P	297,998

8. Financial Risk Management Objectives and Policies

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

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

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

As of March 31, 2011, the Company's interest bearing financial instruments are its cash and cash equivalents and interest-bearing loan, which is at fixed interest rate.

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 and loss, and the Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Liquidity Risk

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

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

As of March 31, 2011	Carrying Amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans	P298,094	P-	P-	P-	P452,741	P-	P452,741
Trade and other payables	1,249,803	218,738	242,176	788,889	-	-	1,249,803
Total	**P1,547,897**	**P218,738**	**P242,176**	**P788,889**	**P452,741**	**P-**	**P1,702,544**
As of December 31, 2010 (Audited)	Carrying Amount	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans	P297,998	P-	P-	P-	P462,924	P-	462,924
Trade and other payables	1,554,862	486,700	287,917	780,245	-	-	1,554,862
Total	P1,852,860	P486,700	P287,917	P780,245	P462,924	P-	P2,017,786

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

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

As of March 31, 2011, 98% of the total trade and other receivables which are neither past due nor impaired are of high grade quality and the remaining 2% are of standard quality.

Foreign Currency Risk

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

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

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

	As of March 31, 2011	As of December 31, 2010
Assets:		
Cash and cash equivalents	US$1,435	US$2,254
Trade and other receivables	6,706	6,853
	8,141	9,107
Liabilities:		
Trade and other payables	5,976	12,901
Net foreign currency-denominated assets	**US$2,165**	(US$3,794)
Peso equivalent	**P93,941**	(P166,334)

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, 2011		
+5%	**P4,697**	**P3,288**
-5%	**(4,697)**	**(3,288)**
December 31, 2010		
+5%	(P8,317)	(P5,822)
-5%	8,317	5,822

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, 2011.

The Company is not subject to externally imposed capital requirements.

The table below shows the capital structure of the Company.

	As of March 31, 2011	As of December 31, 2010
Capital Stock	**P2,000,000**	P2,000,000
Additional paid-in capital	**264,300**	264,300
Retained Earnings	**5,191,818**	4,824,091
Other reserves	**(20,001)**	(20,001)
TOTAL	**P7,436,117**	P7,068,390

9. 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, 2011		As of December 31, 2010	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets:				
Loans and receivables:				
Cash and cash equivalents	P2,397,946	P2,397,946	P2,313,353	P2,313,353
Trade and other receivables	842,283	842,283	877,932	877,932
Deposits	21,386	27,203	21,111	28,026
	3,261,615	3,267,432	3,212,396	3,212,396
Available-for-sale financial assets	2,652	2,652	2,652	2,652
	P3,264,267	**P3,270,084**	P3,215,048	P3,221,963
Financial liabilities:				
Trade and other payables	1,249,803	1,249,803	1,554,862	1,554,862
Interest-bearing loans and borrowings (Fixed rate)	298,094	404,172	297,998	413,873
	P1,547,897	**P1,653,975**	P1,852,860	P1,968,735

Fair Value of Financial Instruments

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

a. Nonderivative financial instruments

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

The fair value of fixed rate interest bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans. The discounts rates used range from 1.26% to 5.80% in 2011.

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 rate used 7.23% in 2011.

b. Derivative instruments

As of March 31, 2011 and December 31, 2010, respectively, the Company has no derivative financial instruments.

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

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

	Level 1	**Level 2**	**Level 3**
As of March 31, 2011			
Available-for-sale financial assets	**P933**	**P-**	**P1,719**
As of December 31, 2010			
Available-for-sale financial assets	P933	P-	P1,719

There have been no transfers from one level to another in 2011 and 2010.