

SEC Number AS093-04369  
TIN 002-825-058

**BENPRES HOLDINGS CORPORATION  
AND SUBSIDIARIES**

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(Company's Full Name)

**4th Floor, Benpres Building  
Meralco Avenue, Pasig City**

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(Company's Address)

**910-3040**

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(Telephone Number)

**December 31**

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(Fiscal Year Ending)  
(month & day)

**Form 17 - Q**

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Form Type

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Amendment Designation (If applicable)

**September 30, 2004**

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Period Ended Date

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(Secondary License Type and File Number)

# THE 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. **September 30, 2004**  
Date of Report (Date of earliest event reported)
2. SEC Registration No. **AS093-04369**      3. BIR TIN. **002-825-058**
4. **Benpres Holdings Corporation**  
Exact name of registrant as specified in its Articles of Incorporation
5. **Metro Manila**      6. \_\_\_\_\_  
Place of incorporation      Industry Classification Code
7. **4th Floor Benpres Building, Exchange Road cor. Meralco Ave. Pasig City**  
Address of principal office
8. **(02) 910-3040**  
Registrant's telephone number, including area code
9. **Not Applicable**  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Section 4 and 8 of RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
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<b><u>Common Shares</u></b>	<b><u>4,581,544,408 shares</u></b>
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<b><u>Long Term Commercial Papers</u></b>	<b><u>P2,000,000,000.00</u></b>
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11. Are any or all of the securities listed on the Philippine Stock Exchange:  
Yes []      No [  ]
12. Indicate by check mark whether the registrant:
  - (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)  
Yes []      No [  ]
  - (b) has been subject to such filing requirements for the past 90 days.  
Yes []      No [  ]

## **PART I – FINANCIAL INFORMATION**

### **Item I. Financial Statements**

The unaudited consolidated financial statements are filed as part of the Form. It is prepared in conformity with accounting principles generally accepted in the Philippines.

### **Item II. Management Discussion and Analysis of Financial Condition and Results of Operations (Unaudited, Historical)**

Benpres Holdings Corporation posted unaudited historical revenues of P5.478 billion in the first nine months of 2004, 13.3% lower than P6.323 billion in the same period last year. Equity in net earnings of investees declined by 33% to P1.145 billion from P1.710 billion due to the lower income of First Holdings. Costs of sales and services increased by 15.3% to P3.312 billion on account of Maynilad, which had to pay almost double the price for chemicals used for water treatment. General and administrative expenses (GAEX) dropped 33.1% to P1.248 billion from P1.866 billion. The 2003 GAEX included arbitration costs which were reduced as Maynilad's arbitration case drew to a close in 2004. Maynilad's financial performance remains consolidated under Benpres on account of Benpres's 59% ownership in the water utility. Interest and other expenses (net) were down by 35% to P2.074 billion from P3.194 billion due to the slower depreciation of the peso against the dollar during the period. The peso-dollar rate applied to Benpres accounts depreciated by P1.623 or 3% per the September 2003 unaudited statements and only by P0.838 or 2% per the September 2004 unaudited statements. Net loss for January to September 2004 stood at P292 million, 74.5% smaller than the P1.145 billion net loss in the first nine months of 2003.

Core investment ABS-CBN Broadcasting Corporation posted consolidated gross revenues of P11,844 million (up by 6% year-on-year) and net income of P735 million (down 17% YoY). EBITDA slipped 10% YoY to P3.162 billion as cash expenses overtook revenue growth in the nine-months period of 2004.

Airtime revenues were flat at P8,432 million in the first nine months of the year, up by only 1% from P8,323 million in the same period last year. The slight increase in airtime revenues was contributed by Channel 2 and Studio 23 as advertising revenues from cable channels declined from the year ago. Airtime revenues from Channel 2 grew by 2% due to an increase in advertising rates as its advertising minutes declined by 2% year-on-year.

Broadcast related revenues continued to grow, recording a 13% increase to P177 million from P157 million in the previous year. The growth of broadcast related revenues came from a combination of new SMS services and promos in tandem with ABS-CBN programs.

Net sales and services from ABS-CBN's various subsidiaries sustained its growth momentum in the first nine months of the year with a 19% increase to P3,234 million from P2,728 million the year ago. ABS-CBN Global still accounted for bulk of net sales and services, contributing 68% of the total.

First Holdings booked profits of P3.1 billion for the three quarters ended September 30, 2004, 6% lower than in the previous year. The 2004 net income includes a P228.7 million-gain on the sale of investments as First Holdings sold its 1.1 million preferred shares in SIRF Technology Holdings, Inc., a San Jose, California-based supplier of GPS semiconductor and software solutions. Total revenues increased by 9% to P30.314 billion YoY.

On September 30, 2004, BayanTel made P134 million in interest payments in compliance with its Court-approved rehabilitation plan to BayanTel creditors.

On September 9, 2004, Maynilad submitted a revised rehabilitation plan to the Regional Trial Court (RTC) of Quezon City, Branch 90. The Court-appointed receiver is currently evaluating the plan.

As a holding company, Benpres receives revenues from asset sales and dividends from investees. Hence, the key performance indicator with the most direct impact on Benpres is the net income of investees. The dividends received by Benpres is based on the investees' net income in the previous year. For the period in review, the financial performance of investees was within expectations.

### **Financial Condition**

Cash and cash equivalents increased by 86% as result of the continued non-payment by Maynilad of Concession Fees. This resulted in an increase in Total current assets by 45%.

Unaudited consolidated current liabilities increased by 9% to P41.813 billion as of September 30, 2004. This amount includes a P2.090 billion or 30% YoY increase in Maynilad's unpaid Concession Fees to P8.96 billion. Accounts payable and other current liabilities also increased by P1.183 billion or 31% to P5.005 billion mainly due to accrual interest on outstanding loans based on contracted rates.

There are no any known trends, demands, commitments, events or uncertainties that will have material impact on the Company's liquidity other than those disclosed above and in the notes to financial statements herein attached. Also, the Company has no material commitments for capital expenditures.

## **PART II – OTHER INFORMATION**

The Company has no other information that needs to be disclosed other than disclosures made under SEC Form 17-C.

## BENPRES HOLDINGS CORPORATION AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

(Amounts in Millions, Except Par Value and Number of Shares)

	Sept. 30, 2004 (Unaudited)	December 31, 2003 (Audited)	Sept. 30, 2004 (Unaudited)	December 31, 2003 (Audited)
	Historical		Pro forma	
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	P3,719	P1,994	P5,084	P3,575
Marketable equity securities - net	390	390	390	390
Receivable - net	576	695	5,388	4,483
Current portion of program rights - net	-	-	951	881
Materials and supplies	278	325	278	474
Other current assets - net	220	166	1,102	579
Total Current Assets	5,183	3,570	13,193	10,382
<b>Noncurrent Assets</b>				
Investments and advances - net	22,336	22,225	16,410	14,790
Property and equipment - net	3,995	3,967	14,558	15,144
Due from affiliated companies	6	6	352	336
Program rights - net of current portion	-	-	678	936
Other noncurrent assets - net	12,789	13,970	16,328	16,889
	39,126	40,168	48,326	48,095
	P44,309	P43,738	P61,519	P58,477
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Bank loans (Note 4)	P7,077	P7,007	P7,576	P7,228
Payable to MWSS	8,960	6,870	8,960	6,870
Accounts payable and other current liabilities	5,005	3,822	9,795	6,645
Current portion of long-term debt (Note 5)	10,330	10,338	10,330	12,454
Estimated liabilities from guarantees and commitments	10,441	10,358	11,031	10,358
Total Current Liabilities	41,813	38,395	47,692	43,555
<b>Noncurrent Liabilities</b>				
Long-term debt - net of current portion (Note 5)	12	12	5,398	3,466
Other noncurrent liabilities	1,759	1,297	2,157	1,629
Total Noncurrent Liabilities	1,771	1,309	7,555	5,095
Minority interest	(2,150)	867	3,397	6,660
<b>Stockholders' Equity</b>				
Capital stock	4,581	4,581	4,581	4,581
Capital in excess of par value	6,766	6,766	6,766	6,766
Share in equity adjustment from translation	53	53	53	53
Deficit	(8,525)	(8,233)	(8,525)	(8,233)
Total Stockholders' Equity	2,875	3,167	2,875	3,167
	P44,309	P43,738	P61,519	P58,477

See accompanying Notes to Consolidated Financial Statements.

**BENPRES HOLDINGS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME****(UNAUDITED)****(Amounts in Millions, Except Per Share Amounts)**

	Nine Months Ended September 30			
	2004	2003	2004	2003
	Historical		Pro forma	
<b>REVENUES</b>				
Net sales and services	<b>₱3,871</b>	₱3,977	<b>₱7,115</b>	₱6,706
Equity in net earnings of investees	<b>1,145</b>	<b>1,710</b>	<b>1,112</b>	<b>1,540</b>
Accretion of earnings on Notes	<b>307</b>	<b>256</b>	–	–
Interest on Notes	<b>101</b>	<b>101</b>	–	–
Gain on sale of investments	–	<b>126</b>	–	<b>126</b>
Airtime - net	–	–	<b>7,036</b>	<b>6,941</b>
Others	<b>54</b>	<b>153</b>	<b>55</b>	<b>200</b>
	<b>5,478</b>	<b>6,323</b>	<b>15,318</b>	<b>15,513</b>
<b>COSTS AND EXPENSES</b>				
Costs of sales and services	<b>3,312</b>	<b>2,873</b>	<b>4,948</b>	<b>4,302</b>
General and administrative	<b>1,137</b>	<b>1,866</b>	<b>3,670</b>	<b>4,063</b>
Provision for losses	<b>111</b>	–	<b>111</b>	–
Depreciation and amortization	<b>46</b>	<b>79</b>	<b>1,000</b>	<b>1,088</b>
Production costs	–	–	<b>3,044</b>	<b>2,562</b>
Amortization of program rights	–	–	<b>692</b>	<b>636</b>
Interest and others - net	<b>2,074</b>	<b>3,194</b>	<b>2,410</b>	<b>3,649</b>
	<b>6,680</b>	<b>8,012</b>	<b>15,875</b>	<b>16,300</b>
<b>INCOME (LOSS) BEFORE INCOME TAX AND MINORITY INTEREST</b>	<b>(1,202)</b>	<b>(1,689)</b>	<b>(557)</b>	<b>(787)</b>
<b>PROVISION FOR INCOME TAX</b>	–	–	<b>(347)</b>	<b>(527)</b>
<b>LOSS BEFORE MINORITY INTEREST</b>	<b>(1,202)</b>	<b>(1,689)</b>	<b>(904)</b>	<b>(1,314)</b>
<b>MINORITY INTEREST</b>	<b>910</b>	<b>544</b>	<b>612</b>	<b>169</b>
<b>NET LOSS</b>	<b>(₱292)</b>	<b>(₱1,145)</b>	<b>(₱292)</b>	<b>(₱1,145)</b>
<b>Basic Loss Per Share (Note 7)</b>	<b>(₱0.0637)</b>	<b>(₱0.2500)</b>	<b>(₱0.0637)</b>	<b>(₱0.2500)</b>

*See accompanying Notes to Consolidated Financial Statements.*

**BENPRES HOLDINGS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF INCOME****(UNAUDITED)****(Amounts in Millions, Except Per Share Amounts)**

	Third Quarter Ended September 30			
	2004	2003	2004	2003
	Historical		Pro forma	
<b>REVENUES</b>				
Net sales and services	<b>P1,320</b>	<b>P1,197</b>	<b>P2,509</b>	<b>P2,267</b>
Equity in net earnings of investees	<b>191</b>	<b>785</b>	<b>191</b>	<b>694</b>
Gain on sale of investments	<b>–</b>	<b>126</b>	<b>–</b>	<b>126</b>
Accretion of earnings on Notes	<b>117</b>	<b>100</b>	<b>–</b>	<b>–</b>
Interest on Notes	<b>34</b>	<b>34</b>	<b>–</b>	<b>–</b>
Airtime - net	<b>–</b>	<b>–</b>	<b>2,476</b>	<b>2,573</b>
Others	<b>24</b>	<b>–</b>	<b>25</b>	<b>–</b>
	<b>1,686</b>	<b>2,242</b>	<b>5,201</b>	<b>5,660</b>
<b>COSTS AND EXPENSES</b>				
Costs of sales and services	<b>1,155</b>	<b>797</b>	<b>1,753</b>	<b>1,345</b>
General and administrative	<b>308</b>	<b>541</b>	<b>1,223</b>	<b>1,382</b>
Provision for losses	<b>73</b>	<b>–</b>	<b>73</b>	<b>–</b>
Depreciation and amortization	<b>12</b>	<b>–</b>	<b>405</b>	<b>352</b>
Accretion of losses on Notes	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Equity in net losses of investees	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Production costs	<b>–</b>	<b>–</b>	<b>1,134</b>	<b>966</b>
Amortization of program rights	<b>–</b>	<b>–</b>	<b>200</b>	<b>215</b>
Interest and others - net	<b>784</b>	<b>2,264</b>	<b>927</b>	<b>2,399</b>
	<b>2,332</b>	<b>3,602</b>	<b>5,715</b>	<b>6,659</b>
<b>LOSS BEFORE INCOME TAX AND MINORITY INTEREST</b>	<b>(646)</b>	<b>(1,360)</b>	<b>(514)</b>	<b>(999)</b>
<b>PROVISION FOR INCOME TAX</b>	<b>–</b>	<b>–</b>	<b>(79)</b>	<b>(198)</b>
<b>LOSS BEFORE MINORITY INTEREST</b>	<b>(646)</b>	<b>(1,360)</b>	<b>(593)</b>	<b>(1,197)</b>
<b>MINORITY INTEREST</b>	<b>545</b>	<b>172</b>	<b>492</b>	<b>9</b>
<b>NET LOSS</b>	<b>(P101)</b>	<b>(P1,188)</b>	<b>(P101)</b>	<b>(P1,188)</b>

*See accompanying Notes to Consolidated Financial Statements.*

**BENPRES HOLDINGS CORPORATION AND SUBSIDIARIES****CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY  
(UNAUDITED)**

(Amounts in Millions, Except Number of Shares and Par Value Amounts)

	<b>September 30</b>	
	<b>2004</b>	<b>2003</b>
<b>CAPITAL STOCK - ₱1 par value</b>		
Authorized - 5,500,000,000 shares		
Issued - 4,581,544,408 shares	<b>₱4,581</b>	<b>₱4,581</b>
<b>CAPITAL PAID IN EXCESS OF PAR VALUE</b>	<b>6,766</b>	<b>6,766</b>
<b>EQUITY ADJUSTMENT FROM TRANSLATION</b>	<b>53</b>	<b>55</b>
<b>RETAINED EARNINGS (DEFICIT)</b>		
Balance at beginning of period, as previously reported	<b>(8,233)</b>	<b>(867)</b>
Change in accounting for intangible assets	<b>–</b>	<b>(4,443)</b>
Prior period adjustment - Share in Meralco's contingent losses for refund (Note 6)	<b>–</b>	<b>(2,445)</b>
Balance at beginning of period, as restated	<b>(8,233)</b>	<b>(7,755)</b>
Net loss	<b>(292)</b>	<b>(1,145)</b>
Balance at end of period	<b>(8,525)</b>	<b>(8,900)</b>
	<b>₱2,875</b>	<b>₱2,502</b>

*See accompanying Notes to Consolidated Financial Statements.*



**BENPRES HOLDINGS CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**  
**(Amounts in Millions)**

	Nine Months Ended September 30			
	2004	2003	2004	2003
	Historical		Pro forma	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net loss	(P292)	(P1,145)	(P292)	(P1,145)
Adjustments to reconcile net loss to net cash provided by operating activities:				
Equity in net earnings of investees	(1,145)	(1,710)	(1,112)	(1,540)
Minority interest	(910)	544	(612)	169
Accretion of earnings	(307)	(256)	-	-
Dividends received from an investee	286	-	286	-
Provision for losses	111	1,601	111	1,601
Interest on Notes	(101)	(101)	-	-
Depreciation and amortization	46	79	1,692	1,724
Gain on sale of investments	-	(126)	-	(126)
Others	173	177	173	177
Changes in assets and liabilities:				
Decrease (increase) in current assets	112	345	(1,736)	(329)
Increase in current liabilities	3,273	2,302	5,240	3,073
Net cash provided by operating activities	1,246	1,710	3,750	3,604
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of investments	-	145	-	145
Increase (decrease) in:				
Investments and advances	1,045	(3,896)	(921)	(4,360)
Property and equipment and other assets	1,107	1,440	147	1,133
Net cash provided by (used in) investing activities	2,152	(2,311)	(774)	(3,082)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from (payment of) loans and long term debt	(28)	(782)	656	(1,054)
Increase (decrease) in:				
Other noncurrent liabilities	462	(87)	528	(285)
Minority interest	(2,107)	1,633	(2,651)	1,929
Net cash provided by (used in) financing activities	(1,673)	764	(1,467)	590
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,725	163	1,509	1,112
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	1,994	1,859	3,575	2,574
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	P3,719	P2,022	P5,084	P3,686

See accompanying Notes to Consolidated Financial Statements.

## **BENPRES HOLDINGS CORPORATION AND SUBSIDIARIES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**(Amounts in Millions, Except Par Value and Per Share Amounts, Percentage of Ownership, Number of Shares and Units, and Number of Employees)**

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#### **1. Corporate Information and Status of Operations**

##### **a. Corporate Information**

Benpres Holdings Corporation (the Parent Company) is incorporated in the Philippines. The Parent Company is a 56.39% owned subsidiary of Lopez, Inc. (Lopez), also a Philippine entity. In the historical consolidated financial statements, the Parent Company and its subsidiaries (collectively referred to as "The Company") are mainly involved in investment holdings and water distribution. In the pro forma consolidated financial statements, the subsidiaries also include a broadcasting and entertainment company. In the historical and pro forma consolidated financial statements, the Company's associates are involved in telecommunications, power generation and distribution, cable television, real estate and infrastructure. The registered office address of the Parent Company is 4th Floor, Benpres Building, Meralco Avenue, Pasig City. The average number of employees of the Parent Company is 19.

##### **b. Balance Sheet Management Plan**

In June 2002, the Parent Company announced a plan called Balance Sheet Management Plan (BSMP) to address all its financial obligations. The execution of the BSMP has a three-pronged approach:

- 1) Debt reduction by getting the relevant subsidiaries to repay their debts as guaranteed by the Company;
- 2) Raise cash through orderly asset sales; and
- 3) Cost reduction and suspension of capital investment.

This BSMP is also designed to accommodate various scenarios depending on the success of the Parent Company's asset sale and debt reduction initiatives.

Long-term direct obligations of the Parent Company that fell due for payment in December 2003 amounted to about P10,338 million. In addition, by virtue of its guarantee and commitments, based on the BSMP, the Parent Company may be liable for certain obligations that already fell due amounting to approximately US\$356 million as of December 31, 2003. As of March 31, 2004 and December 31, 2003 2002, historical consolidated current liabilities exceeded consolidated current assets by P35,492 million and P34,825 million, respectively. Net loss for the period ended June 30, 2004 amounted to P191 while net income for the period ended June 30, 2003 P43 million. In 2003, guarantees with respect to First Philippine Infrastructure Development Corporation (FPIDC) and Manila North Tollways Corporation (MNTC) have been removed. The Parent Company's guarantees in Maynilad Water Services, Inc. (Maynilad Water) may be resolved upon approval of Amendment No. 2 as discussed in Note 26(a) and item (d).

Starting in 2002, the Parent Company defaulted on its principal and interest payments on its long-term direct obligations and guarantees and commitments (see Notes 15 and 26). As proposed in the BSMP, all liabilities of the Parent Company were computed as of May 31, 2002. Credit Suisse First Boston were appointed as financial adviser to assist the Parent Company in reviewing its capital structure as well as in preparing the BSMP that will enable it to address its maturing direct obligations, as well as contingent obligations that may arise from its outstanding guarantees and commitments. The creditors formed an Overall Creditors

Committee (OCC) to facilitate the overall process for the BSMP. As of August 13, 2004, negotiations with the creditors are still on going.

As proposed in the BSMP, the Parent Company would make good faith semi-annual payments on its direct and contingent obligations. The first payment was made on December 2, 2002. Succeeding payments were made in June 2003, December 2003 and May 2004.

On March 13, 2003, the Parent Company convened a Special Stockholders' Meeting to obtain stockholders' consent to delegate to the BOD the authority to take all actions and matters necessary and desirable for the restructuring of the Parent Company's obligations under the BSMP. The stockholders granted full authority to the BOD to negotiate with the creditors without the need for prior stockholders' approval to fast track the debt negotiation process.

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## **2. Transfer of Media Interest and Presentation of Pro Forma Financial Statements**

On April 17, 1997, the stockholders of the Parent Company approved the transfer of its ownership interest in ABS-CBN Broadcasting Corporation (ABS-CBN) and Sky Vision Corporation (SkyVision) to Lopez, a majority stockholder. On March 16, 1998, the National Telecommunications Commission (NTC) authorized the transfer of the ABS-CBN and SkyVision shares and on April 21, 1998, the transfer was approved by the creditors of the Parent Company, thus, the release of the ABS-CBN and SkyVision shares from the negative pledge covenants included in the terms of outstanding long-term commercial papers (LTCPs).

On April 24, 1998, the Parent Company transferred 553,457,304 shares of ABS-CBN at its market value of ₱16.50 per share equivalent to ₱9,132 million and 162,463,400 shares of SkyVision at its book value of ₱2.75 per share equivalent to ₱447 million in exchange for cash of ₱75 million and Convertible and Nonconvertible Notes (Notes) of ₱9,504 million (Convertible Notes of ₱5,504 million and Nonconvertible Notes of ₱4,000 million). The excess of the market value of ABS-CBN shares against its carrying value, amounting to ₱4,310 million, is credited to "Deferred income" and was offset against the value of the Notes in the historical consolidated balance sheets. The Notes are secured by a pledge of the shares transferred and all subsequent shares distributed to Lopez by reason of its holdings of ABS-CBN and SkyVision shares. After the transfer, Lopez assumed all voting rights associated with the shares.

The Notes shall be repaid on April 24, 2013 (Maturity Date). Lopez has the option to redeem the Notes, at any time, subject to certain conditions provided for in the Agreement by both parties. The Parent Company has the option to convert the Convertible Notes into 553,457,304 shares of ABS-CBN and 162,463,400 shares of SkyVision (Conversion Quantity) at a conversion price of ₱5,504 million until Maturity Date or redemption date, as the case may be. The conversion quantity and price are subject to adjustments as provided for in the Agreement. The Notes may be repaid in whole or in part on or before the Maturity Date. The Notes shall terminate on any earlier date if the Convertible Notes shall have been properly converted and Lopez has satisfied its obligations with respect to all such Convertible Notes. The Notes bear an annual interest of 1.5%, subject to adjustments as agreed by both parties.

As of September 30, 2004 and December 31, 2003, the carrying value of the Notes amounted to ₱7,915 million and ₱7,792 million, respectively. The underlying shares totaled 446,800,022 ABS-CBN shares [including 568,415 Philippine Depositary Receipts (PDRs)] and 162,463,400 SkyVision shares.

Pro forma consolidated financial statements are presented to show the effect assuming the Parent Company exchanged the Notes for the underlying ABS-CBN and SkyVision shares immediately after the transfer. The pro forma adjustments were made to reflect the consolidation of the financial statements of ABS-CBN with those of the Parent Company and the application of the equity method of accounting for the investment in SkyVision.

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### 3. Summary of Significant Accounting Policies

#### Basis of Preparation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the Philippines under the historical cost basis.

#### Adoption of New Statement of Financial Accounting Standards (SFAS)/ International Accounting Standards (IAS)

The Company adopted the following SFAS/IAS which became effective in 2003:

- SFAS 10/IAS 10, "Events After the Balance Sheet Date," prescribes the accounting policies and disclosures related to adjusting and non-adjusting subsequent events. Additional disclosures required by the standard were included in the consolidated financial statements, principally the date of authorization for release of the consolidated financial statements.
- SFAS 22/IAS 22, "Business Combinations," requires that an acquisition, where an acquirer can be identified, be accounted for by the purchase method. Any goodwill arising from the acquisition should be amortized generally over 20 years. The change in accounting policy did not result in restatement of prior year consolidated financial statements.
- SFAS 37/IAS 37, "Provisions, Contingent Liabilities and Contingent Assets," provides the criteria for the recognition and bases for measurement of provisions, contingent liabilities and contingent assets. The new standard requires that a provision should be recognized when (a) an enterprise has a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations; and (c) a reliable estimate can be made of the amount of the obligation. Following the new recognition criteria, MERALCO reversed the recorded provision for self-insurance on properties not covered by the insurance policies.
- SFAS 38/IAS 38, "Intangible Assets," establishes the criteria for the recognition and measurement of intangible assets. It also requires that expenditures on research, start-up, training, advertising and relocation be expensed as incurred. Accordingly, the Parent Company and certain subsidiaries and associates changed the method of accounting for pre-operating expenses, development costs and deferred charges by charging to expense the unamortized portion of preoperating expenses, development costs and deferred charges. Previously, such expenses were deferred and amortized.

#### New Accounting Standards Effective Subsequent to 2003

The Philippine Accounting Standards Council (ASC) has approved the following accounting standards, which will be effective subsequent to 2003:

- SFAS 12/IAS 12, "Income Taxes," prescribes the accounting treatment for current and deferred income taxes. The standard requires the use of the balance sheet liability method in accounting for deferred income taxes. It requires the recognition of a deferred tax liability and, subject to certain conditions, deferred tax asset for all temporary differences, with certain exceptions. The standard provides for the recognition of a deferred tax asset when it is probable that taxable income will be available against which the deferred tax asset can be used. It also provides for the recognition of a deferred tax liability with respect to asset revaluations. The Company and its associates will adopt SFAS 12/IAS 12 in 2004. The Company and its associates have not yet determined the financial impact of the adoption of this standard.

- SFAS 17/IAS 17, "Leases," which prescribes the accounting policies and disclosures to apply to finance and operating leases. The Company and its associates will adopt SFAS 17/IAS 17 in 2004. The Company and its associates have not yet determined the financial impact of the adoption of this standard.
- SFAS 21/IAS 21, "The Effects of Changes in Foreign Exchange Rates", provides restrictive conditions for the capitalization of foreign exchange losses. The Company believes that the adoption of SFAS 21/IAS21 has no material effect on Maynilad Water since Maynilad Water is allowed to recover foreign exchange losses on its foreign currency denominated borrowings as part of customers' billings under the Amendment No. 1 of the Concession Agreement. The practice of First Philippine Holdings Corporation (FPHC) and its subsidiaries has been to capitalize foreign exchange adjustments arising from foreign currency-denominated obligations incurred to finance major construction projects. Foreign exchange adjustments incurred during the construction period that are regarded as adjustments to borrowing costs may qualify for capitalization as part of the costs of the constructed assets under SFAS 25, "Borrowing Costs", and, accordingly, will not be affected by the adjustments required under SFAS 21/IAS 21 in 2005. However, the capitalized foreign exchange losses that are not regarded as adjustments to interest cost as defined in SFAS 25 will be written off as an adjustment to the beginning retained earnings of 2005. SFAS 21/IAS 21 further provides that upon adoption, any undepreciated capitalized foreign exchange adjustments will be adjusted against beginning retained earnings of 2005. For purposes of applying the equity method, capitalized foreign exchange losses are reversed in the consolidated financial statements in compliance with the requirement of SFAS 28/IAS 28, "Accounting for Investments in Associates," for uniform accounting policies.

The International Accounting Standards Board has recently issued an amended IAS 21 which, among others, removes the limited option in the previous version of IAS 21 to capitalize exchange differences resulting from a severe devaluation or depreciation of a currency against which there is no practical means of hedging. Such exchange differences will be recognized directly in profit or loss under the amended IAS 21. The amended IAS 21 further requires a company to determine its functional currency and measure its results and financial position in that currency. Translation procedures are specified when the presentation currency used for reporting differs from the company's functional currency. The ASC has yet to adopt the amended IAS 21.

The Philippine Securities and Exchange Commission (SEC) has recently issued SEC Memorandum Circular No. 14, Series of 2003, Guidelines on Preparation of Functional Currency Financial Statements, which gives qualified companies the option to file functional currency financial statements covering periods ending on or after October 31, 2003, subject to compliance with certain criteria. Based on the criteria set forth in the SEC Memorandum Circular, management believes that certain subsidiaries of FPHC, the First Gen Group, are qualified for functional currency reporting. Once the First Gen Group obtains the necessary SEC approval for functional currency reporting, with the US dollar as its functional currency, the capitalized foreign exchange differences arising on the US dollar-denominated obligations of First Gen will be eliminated in the translation process without negatively affecting retained earnings. FPHC has yet to determine the full impact of the potential adoption of functional currency reporting by First Gen on its consolidated financial statements.

#### Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated on the date on which control is transferred out of the Company.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Intercompany balances and transactions, including intercompany profits and unrealized profits and losses are eliminated.

Minority Interest

The proportionate amount of the fair values of identifiable assets and liabilities upon acquisition of a consolidated subsidiary and any subsequent changes in equity of a consolidated subsidiary attributable to a minority shareholder's interest are shown separately as "Minority interest" in the consolidated balance sheets. A minority shareholder's interest in the net income of a subsidiary is shown separately as "Minority interest" in the consolidated statements of operations. Any losses applicable to a minority shareholder in a consolidated subsidiary in excess of the minority shareholder's equity in the subsidiary are charged against the minority interest to the extent that the minority shareholder has binding obligation to, and is able to, make good the losses.

Minority interest represents the interest in subsidiaries not held by the Company.

Investments in Associates

The Company's investments in associates where the Company owns 20% to 50% or has significant influence, are accounted for under the equity method of accounting in the consolidated financial statements. These are carried in the consolidated balance sheets at cost plus post-acquisition changes in the Company's share in net assets of the associates, less any impairment in value. The statements of operations reflect the Company's share in the results of operations of the associates. Unrealized gains arising from transactions with its associates are eliminated against the investments accounts. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred. The Company's investments in its associates include goodwill (net of accumulated amortization) on acquisition, which is treated in accordance with the accounting policy for goodwill stated below.

Equity adjustment from translation represents the Company's share in the adjustments of an associate resulting from the translation into Philippine pesos of the foreign currency financial statements of the associate's investee.

Business Segments

For management purposes, the Company is organized into 2 major operating businesses, namely, investment holdings and water distribution. Financial information on business segments is presented in Note 8.

For purposes of pro forma information, ABS-CBN is considered as another operating business. ABS-CBN recognizes three business activities - broadcasting, cable and satellite and other businesses. Other business activities of ABS-CBN include movie production, consumer products and services. ABS-CBN operates in three major geographical areas namely, the Philippines, Unites States and other locations (which include Middle East and Milan). Financial information on ABS-CBN's business and geographical segments is presented in Note 8.

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4. **Bank Loans**

	Historical		Pro Forma	
	Sept. 30 2004	Dec. 31 2003	Sept. 30 2004	Dec. 31 2003
Peso loans	<b>₱1,427</b>	₱1,427	<b>₱1,927</b>	₱1,648
Dollar loans	<b>5,649</b>	5,580	<b>5,649</b>	5,580
	<b>₱7,076</b>	₱7,007	<b>₱7,576</b>	₱7,228

In the historical consolidated financial statements, peso and dollar loans mainly represent loans of Maynilad Water, with annual interest rates range from 1.90% to 4.50% for US dollar denominated loans, and from 13.50% to 14.75% for peso denominated loans. Maynilad Water secured these loans as a bridge financing while negotiating for a long-term loan of US\$350 million. These loans are guaranteed by its stockholders, the Parent Company and Suez, through its own parent company, Suez S.A., either alone or together (but on a several basis).

On February 28, 2002, Maynilad Water, together with the Parent Company and Suez as guarantors, entered into a Third Amendment Agreement relating to the US\$100 million bridge loan which amended, among others, the maturity date of the bridge loan to December 16, 2002 subject to certain conditions specified in the Third Amendment Agreement. The banks, however, have the put option to require Maynilad Water to pay all or a portion of the bridge loan on any day after August 31, 2001 until Maturity Date, provided that the relevant bank(s) has (have) given not less than two business days prior written notice, as defined in the Third Amendment Agreement.

On September 17, 2002, Maynilad Water, together with the Parent Company and Suez as guarantors, entered into a Fourth Amendment Agreement relating to the US\$100 million bridge loan which amended, among others, the maturity date of the bridge loan to March 17, 2003 subject to certain conditions specified in the Fourth Amendment Agreement.

In view of the on-going arbitration on the early termination of the Concession Agreement, as discussed in Note 1, Maynilad Water formally suspended payments of all principal and interest amortizations on the bridge loan on October 7, 2003. As a result of the suspension of payment, the entire unpaid principal amount of the bridge loan and interest thereon as of October 7, 2003 totaling ₱4,450 million or US\$80.80 million became due and demandable. On October 22, 2003, Suez paid ₱1,920 million (US\$34.57 million) for its 40% share as guarantor on the bridge loans.

On October 31, 2003, Credit Agricole Indosuez Merchant Bank Asia Ltd (Caimbal) terminated its Credit Facility Agreement with Maynilad Water and demanded the payment of the principal outstanding loan amount, together with the accrued interests due up to November 6, 2003 totaling ₱1,200 million (US\$21.82 million). On November 6, 2003, Maynilad Water made a partial payment amounting to ₱110 million (US\$2.13 million), and the remaining balance of ₱1,090 million (US\$19.68 million) was paid in full by Suez on November 20, 2003. Caimbal subrogates Suez for ₱1,100 million (US\$19.71 million), including default interest, into the rights towards the Company.

As of December 31, 2003, Maynilad Water's liability to Suez arising from Suez's payment of a portion of the Company's debt amounted to ₱3,017 million. These amounts are reflected as part of dollar-denominated loans.

The portion of the dollar-denominated bridge loan and peso-denominated bank loans guaranteed by the Parent Company totaling ₱3,985 million has remained outstanding as of December 31, 2003. The guarantees of the Parent Company will be resolved upon approval of Amendment No. 2.

The original terms of the loans provide for the payment of penalties should there be an event of default on interest and/or principal computed at 2% per annum from the date of default. Total penalties accrued by Maynilad Water for the year ended December 31, 2003 amounted to ₱8 million.

#### ABS-CBN

In the pro forma consolidated financial statements, average annual interest rates of ABS-CBN loans are 9.92% for peso loans and 5.0% for dollar loans.

## 5. Long-Term Debt

Type/Creditor	Interest rates	Maturity date	Historical	Pro Forma
<b>Parent Company</b>				
7.875% Notes	7.875%	December 19, 2002	8,441	8,441
LTCPs - Series A-2	1-1/8% over 91-day TB rate	October 1, 2003	2,000	2,000
4.2% Perpetual Convertible Bonds	4.20%	Upon conversion	12	12
			10,453	10,453
<b>ABS-CBN</b>				
Senior Credit Facility:				
First drawdown	Various		-	4,286
Second drawdown	-do-		-	1,690
			-	5,976
Total			10,453	16,429
Less current portion			10,441	11,031
Net of current portion			12	5,398

## 6. Manila Electric Company (MERALCO)

MERALCO is a 17%-owned associate of FPHC. MERALCO distributes power under a franchise granted by the Philippine government. On March 24, 2003, the Energy Regulatory Commission (ERC) granted MERALCO a Provisional Authority (PA) to continue to operate electric services in the cities of Manila, San Juan, Las Piñas, Quezon, Malabon, Makati, Caloocan, Pasay, Mandaluyong and Parañaque and the municipality of Navotas.

On June 9, 2003, Republic Act (RA) No. 9209 was signed into law granting MERALCO a 25-year franchise to construct, operate and maintain an electric distribution system in its existing service area. RA No. 9209 consolidated 50 previously held franchises covering cities and a municipality in Metro Manila and other cities and municipalities in six provinces adjoining Metro Manila.

MERALCO is subject to the ratemaking regulations and policies of the ERC that replaced the Energy Regulatory Board (ERB) under RA No. 9136, also known as the Electric Power Industry Reform Act (EPIRA) of 2001.

### Case with the Supreme Court (SC) on the Refund

The ERB rendered a decision on February 16, 1998 ordering MERALCO to refund to its customers ₱0.167 per kilowatt hour (kwh) starting with MERALCO's billing cycles beginning February 1994 until February 1998, or correspondingly credit the same, in favor of the customers, against their future consumption. The ERB's decision superseded and modified the provisional relief of ₱0.184 per kwh that the ERB granted to MERALCO on January 28, 1994.

MERALCO contested the ERB decision with the Court of Appeals (CA) which rendered a decision setting aside the contested ERB decision. The case was then brought to the SC by ERB. On November 15, 2002, the Third Division of the SC reversed the CA decision; correlatively, the SC decision affirmed the ERB's directive to MERALCO to refund its customers. MERALCO filed Motions for Consideration and Reconsideration with the SC on various dates. On April 30, 2003, the Third Division of the SC denied the Urgent Motion for Reconsideration filed by MERALCO, rendering its decision dated November 15, 2002 final and executory.



MERALCO has reached an agreement with the ERC that the refund be carried out in four phases, based on the average monthly electric consumption of the customers. Phases I to III cover residential and general service customers consuming monthly 100kwh or less of electricity (Phase I), 101 to 300kwh (Phase II), and over 300 kwh (Phase III) based on their April 2003 consumption. Phase IV involves commercial and industrial customers. The ERC has approved the Phase I, II and III refund plans in June 2003, July 2003 and November 2003, respectively. The proposal for the Phase IV refund plan will soon be filed. The Phase IV refund plan proposes to pay the refund over a period of around 5 years starting May 2005.

As of December 31, 2003, the balance of each of the four refund phases follows:

Phase	Refund Amount	Cash Payments	Application against Billings	Balance
<i>(Amounts in Millions)</i>				
I	₱2,170	₱1,214	₱329	₱627
II	4,559	403	2,769	1,387
III	4,905	—	—	4,905
IV	18,689	—	—	18,689
	<b>₱30,323</b>	<b>₱1,617</b>	<b>₱3,098</b>	<b>₱25,608</b>

Certain consumer groups have asked the ERC to clarify whether MERALCO will be required to refund an additional ₱6,200 million to ₱6,800 million in interest on the excess charges MERALCO was ordered to refund. MERALCO has obtained an external legal counsel's opinion interpreting the SC Decision that MERALCO is not required to pay interest.

#### Rate Applications with the ERC

MERALCO filed in 2003 applications for rate increases with the ERC. On May 30, 2003, the ERC released an order granting MERALCO an over-all increase of ₱0.17 per kwh over May 2003 levels, after giving effect to the reduction of rates ordered by the SC in April 2003. This consists of ₱0.0835 per kwh increase reflecting higher generation and transmission charges and a ₱0.0865 per kwh increase in Meralco-related charges (distribution, supply, and metering). This tariff increase was implemented in June 2003.

On November 27, 2003, the ERC approved a provisional adjustment in MERALCO-related charges of ₱0.12 per kwh, effective January 2004. However, the SC issued a resolution on January 13, 2004, in response to petitions filed by various parties seeking the revocation of the November 23, 2003 provisional increase, for the ERC and MERALCO to observe the status quo prevailing before the filing of the petition. The status quo order remains until lifted by the SC.

#### Comprehensive Liability Management Plan (CLMP)

On December 24, 2002, MERALCO created a special committee to oversee the formulation and execution of a sustained viability plan and program under the CLMP. MERALCO has short-term and long-term debts due in 2004 totaling ₱12,954 million. MERALCO has identified various options and formulated plans for the refinancing of its debts maturing in 2004. MERALCO obtained the agreement of its short-term lenders to further extend the payment of short-term loans due in March 2004 for another 90 days and will consider further extensions until MERALCO can complete its refinancing program in 2004.

#### Contingent Asset

As a result of the refund ordered by the SC, MERALCO has effectively overpaid income taxes during the periods covered by the refund order. As of year-end, MERALCO has filed its claim for overpaid income taxes estimated at ₱7,119 million with the Bureau of Internal Revenue (BIR). The BIR has already issued Letters of Authority for the examination of MERALCO's books for the said periods.

MERALCO accounts for its utility plant at revalued amounts. Appropriate adjustments have been made on the financial statements of MERALCO to conform to the cost method followed by the Company in accounting for property and equipment. The adjustment to conform to the cost method increased MERALCO's net income in 2003 by P704 million and decreased total assets by P28,900 million in 2003.

## 7. Earnings Per Share

Basic earnings per share are calculated by dividing the net income for the period attributable to common shareholders by the weighted average number of common shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net income attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares from conversion of Perpetual Convertible Bonds. The number of common shares is the weighted average number of common shares plus the weighted average number of common shares which would be issued on the conversion of all the dilutive potential common shares into common shares. For calculation purposes, Perpetual Convertible Bonds are deemed to have been converted into common shares at the date of the issue of the convertible bonds.

<u>Net Income (loss)</u>	<b>September 30</b>	
	<b>2004</b>	2003
(a) Net loss	<b>(P292)</b>	(P1,145)
Interest on convertible bonds and amortization of bond issue cost	<b>1</b>	1
<b>(b) Net loss – diluted</b>	<b>(P291)</b>	<b>(P1,144)</b>
 <u>Shares</u>		
(c) Weighted average number of common shares - basic	<b>4,581,544,408</b>	4,581,544,408
Conversion of bonds	<b>3,421,410</b>	3,421,410
<b>(d) Adjusted weighted average common shares - diluted</b>	<b>4,584,965,818</b>	4,584,965,818
 <u>Per Share Amounts</u>		
Basic (a/c)	<b>P0.0637</b>	P0.2500
Diluted (b/d)	–	–

The effect of the conversion of the Perpetual Convertible Bonds is anti-dilutive for the period ended September 30, 2004 and 2003.

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## 8. Segment Information

Segment information is prepared on the following bases:

### Historical

Business segments: The Company's main businesses are investment holdings and water distribution.

### Pro Forma

Business segments: For management purposes, ABS-CBN is recognized into three business activities - broadcasting, cable and satellite, and other businesses. This segmentation is the basis upon which ABS-CBN reports its primary segment information. The broadcasting segment is principally the television and radio broadcasting activities which generates revenue from sale of national and regional advertising time. Cable and satellite service, cable television channels and blocked time on television stations. Other businesses include movie production, consumer products and services.

Geographical segments: although ABS-CBN is organized into three business activities, it operates in three major geographical areas. In the Philippines, its home country, ABS-CBN is involved in broadcasting, cable operations and other businesses. In the United States and other locations (which includes Middle East and Milan), ABS-CBN operates its cable and satellite operations to bring television programming outside the Philippines.

Inter-segment transactions: segment revenue, segment expenses and segment results include transfers among business segments and among geographical segments. Such transfers are accounted for at competitive market prices charged to unaffiliated customers for similar services. Those transfers are eliminated in consolidation.

**HISTORICAL**

	Investment Holdings		Water distribution		Services		Eliminations		Consolidated	
	September 30 <b>2004</b>	2003	September 30 <b>2004</b>	2003	September 30 <b>2004</b>	2003	September 30 <b>2004</b>	2003	September 30 <b>2004</b>	2003
Revenues	<b>1,073</b>	1,544	<b>3,870</b>	3,996	<b>1</b>	8	<b>534</b>	775	<b>5,478</b>	6,323
Segment assets	<b>Sept. 2004</b>	Dec. 31 2003	<b>Sept. 2004</b>	Dec. 31 2003	<b>Sept. 2004</b>	Dec. 31 2003	<b>Sept. 2004</b>	Dec. 31 2003	<b>Sept. 2004</b>	Dec. 31 2003
Investment in equity method	<b>16,168</b>	15,365	<b>18,425</b>	17,206	<b>23</b>	23	<b>(644)</b>	(1,947)	<b>33,972</b>	30,647
Consolidated total assets	<b>13,534</b>	13,531	-	-	<b>19</b>	19	<b>(3,165)</b>	(459)	<b>10,388</b>	13,091
	<b>29,702</b>	28,896	<b>18,425</b>	17,206	<b>42</b>	42	<b>(3,809)</b>	(2,406)	<b>44,360</b>	43,738
Segment liabilities	<b>16,372</b>	15,378	<b>13,565</b>	10,976	<b>26</b>	23	<b>(3,909)</b>	(3,162)	<b>26,054</b>	23,215

**PRO FORMA**

	Investment Holdings		Water distribution		Services		Broadcasting		Eliminations		Consolidated	
	Sept. 30 <b>2004</b>	Dec. 31 2003	Sept. 30 <b>2004</b>	Dec. 31 2003	Sept. 30 <b>2004</b>	Dec. 31 2003	Sept. 30 <b>2004</b>	Dec. 31 2003	Sept. 30 <b>2004</b>	Dec. 31 2003	Sept. 30 <b>2004</b>	Dec. 31 2003
Segment assets	<b>8,253</b>	15,365	<b>18,425</b>	17,206	<b>23</b>	23	<b>23,957</b>	23,009	<b>(753)</b>	(10,576)	<b>49,905</b>	45,027
Investment in equity method	<b>21,449</b>	13,531	-	-	<b>19</b>	19	<b>342</b>	2,540	<b>(10,999)</b>	(2,640)	<b>10,811</b>	13,450
Consolidated total assets	<b>29,702</b>	28,896	<b>18,425</b>	17,206	<b>42</b>	42	<b>24,299</b>	25,549	<b>(11,752)</b>	(13,216)	<b>60,716</b>	58,477
Segment liabilities	<b>16,372</b>	15,378	<b>13,565</b>	10,976	<b>26</b>	23	<b>5,184</b>	5,041	<b>(3,906)</b>	(3,162)	<b>31,241</b>	28,256

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

### **BENPRES HOLDINGS CORPORATION**

By:

**MA. VICTORIA M. MARCELINO**  
AVP - Financial Controls

November 16, 2004  
Date

**JORGE A. LICHAUCO**  
Chief Financial Officer

November 16, 2004  
Date

**BENPRES HOLDINGS CORPORATION**  
**AGING OF ACCOUNTS RECEIVABLES**  
**AS OF SEPTEMBER 30, 2004**  
**(Amounts in Thousands)**

<b>TYPE OF ACCOUNTS RECEIVABLES</b>	<b>TOTAL</b>	<b>NOT YET DUE</b>	<b>CURRENT</b>	<b>30 DAYS</b>	<b>60 DAYS</b>	<b>90 DAYS</b>	<b>120-360 DAYS</b>	<b>OVER 360</b>
<b><u>I. TRADE RECEIVABLES</u></b>								
Trade	<b>5,986</b>	1,837	801	324	434	276	633	1,682
Allowance	<b>1,466</b>							
Net A/R	<b><u>4,521</u></b>							
<b><u>II. NON - TRADE RECEIVABLES</u></b>								
Accrued interest	<b>7</b>							
Advances to suppliers	<b>157</b>							
Advances to talents	<b>61</b>							
Advances against claims - sss	<b>7</b>							
Others	<b>636</b>							
	<b><u>867</u></b>							
	<b><u>5,388</u></b>							

**ACCOUNTS RECEIVABLE DESCRIPTION**

1 TRADE RECEIVABLES

- accumulated through the normal course of business, i.e. sale of airing spots

2 NON TRADE RECEIVABLES

- accumulated through transactions other than the normal course of business, i.e. sale of airing spots