

PRIME MEDIA HOLDINGS INC.

(Formerly 1st e-Bank Corporation)

10Flr. MGO Building, Legazpi corner Dela Rosa Streets, Legazpi Village, Makati City

Tel. Nos. (632)889-9009 Telefax (632) 888-0811

14 August 2013

PHILIPPINE STOCK EXCHANGE

Disclosure Department

3/F PSE Plaza

Ayala Triangle, Ayala Avenue

Makati City

SECURITIES AND EXCHANGE COMMISSION

Corporation & Finance Department

S.E.C. Building, EDSA

Mandaluyong City

Attention : **MS. JANET A. ENCARNACION**
HEAD
Disclosure Department

DIR. JUSTINA F. CALLANGAN
Corporation & Finance Department

In compliance with the Revised Disclosure Rules of the Exchange and the Securities Regulation Code, Prime Media Holdings, Inc. submits the attached SEC Form 17-Q .

Very truly yours,

PRIME MEDIA HOLDINGS, INC.

By:



Tanua Pamela C. Caronongan
Corporate Information Officer

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 quarterly period ended 30 June 2013
2. Commission identification number 22401 3. BIR Tax Identification No. 000-491-007

PRIME MEDIA HOLDINGS, INC.

4. Exact name of issuer as specified in its charter

PASIG CITY, PHILIPPINES

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code:  (SEC Use Only)

#3 SAN ANTONIO ST. BO. KAPITOLYO PASIG CITY

1603

7. Address of issuer's principal office Postal Code

889-9009

8. Issuer's telephone number, including area code

Not Applicable

9. Former name, former address and former fiscal year, if changed since last report

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
Common Stock, P1 par value	387,144,437
Preferred Stock, P1 par value	48,601,490

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

Yes 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 or Sections 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 twelve (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 ninety (90) days.

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

Item 1a.

**Prime Media Holdings, Inc.
Comparative Statements of Financial Position
(In Thousands)**

	Unaudited June 30, 2013	Unaudited June 30, 2012	Audited December 31, 2012
ASSETS			
Current Assets			
Cash on hand and in banks	P2,013	P1,312	P4,674
Loans and receivables	6,506	6,967	7,015
Other current assets	417	585	381
Total current assets	8,936	8,864	12,070
Noncurrent Assets			
Investment property	38,020	38,020	38,020
Available-for-sale investments	180	190	180
Other noncurrent assets	270	2,965	270
Total noncurrent assets	38,470	41,175	38,470
	P47,406	P50,039	P50,540
LIABILITIES AND EQUITY			
Due to an affiliate	-	595,850	P600,462
Loans payable	-	67,087	67,087
Accrued interest, taxes and other expenses	136,189	164,375	140,832
Other liabilities	77,063	76,980	77,345
Total liabilities	213,252	904,292	885,726
EQUITY			
Capital stock – P1 par value			
Paid-in – Preferred	48,601	48,601	48,601
Paid-in – Common	387,144	387,144	387,144
Deposit for future subscription	670,462		
Paid-in surplus	1,614,379	1,614,379	1,614,379
Deficit	(2,886,412)	(2,904,367)	(2,885,290)
Net unrealized gain on available-for-sale investment	(20)	(10)	(20)
Total Capital Deficiency	(165,846)	(854,253)	(835,186)
	P47,406	P50,039	P50,540

Item 1b.

Prime Media Holdings, Inc.
Comparative Statement of Comprehensive Income
(Amounts in Thousands)

	Six months ended June 30		Three months ended June 30	
	2013	2012	2013	2012
REVENUES				
Rental income	P1,004	P919	502	435
Interest income	4	6	2	2
Other income	-	200	-	8
	1,008	1,125	504	445
EXPENSES				
General and administrative expenses	1,078	1,386	379	438
Taxes and licenses	90	592	15	356
Financing and other charges	961	2,210	122	1,089
Legal fees	-	-	-	-
	P2,129	P4,188	516	1,883
NET LOSS FROM OPERATIONS	(1,121)	(3,063)	(12)	(1,438)
Provision for income tax	1	1	-	-
NET LOSS	(P1,122)	(P3,064)	(P12)	(P1,438)
Earnings (loss) per share				
Computed as follows:				
Net income (loss)	(1,122)	(3,064)	(12)	(1,438)
Divided by weighted average number of common shares	387,144	387,144	387,144	387,144
Loss per share – basic/diluted	(P0.003)	(P0.008)	(P0.000)	(P0.004)

Item 1 c.

PRIME MEDIA HOLDINGS, INC.

STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY

(Amounts In thousands)

	Deposit on future subscription	Common Stock	Preferred Stock	Additional Paid-in Capital	Deficit	Unrealized Gain (Loss) on Available-for-Sale Investment	Total Capital Deficiency
Balance at January 1, 2013	₱ --	387,144	₱48,601	₱1,614,379	(₱2,885,290)	(₱20)	(₱835,186)
Net loss for the period		--	--	--	(1,122)	--	(1,122)
Other comprehensive income		--	--	--	--	--	--
Total comprehensive loss		--	--	--	(1,122)	--	(1,122)
Additional share subscription	670,462	--	--	--	--	--	670,462
Balances at June 30, 2013	₱670,462	₱387,144	₱48,601	₱1,614,379	(₱2,886,412)	(₱20)	(₱165,846)
Balance at January 1, 2012	₱ --	₱387,144	₱48,601	₱1,614,379	(₱2,901,303)	(₱10)	(₱851,189)
Net loss for the period		--	--	--	(3,064)	--	(3,064)
Other comprehensive income		--	--	--	--	--	--
Total comprehensive loss		--	--	--	(3,064)	--	(3,064)
Balances at June 30, 2012	₱ --	₱387,144	₱48,601	₱1,614,379	(₱2,904,367)	(₱10)	(₱854,253)

Item 1d

**PRIME MEDIA HOLDINGS, INC.
STATEMENTS OF CASH FLOWS**

	Six months ended June 30	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P1,121)	(P3,063)
Adjustments for:		
Interest expense	961	2,209
Movement in pension asset	-	300
Reversal of bad debts provision		(178)
Interest income	(4)	(6)
Operating income (loss) before working capital changes	(164)	(738)
Changes in operating assets and liabilities		
Decrease (increase) in:		
Loans and receivables	509	(548)
Other current assets	(36)	(41)
Increase (decrease) in:		
Accrued expenses	(3,032)	(3,307)
Other liabilities	(282)	130
Net cash used for operations	(3,005)	(4,504)
Interest received	4	6
Interest paid	(2,572)	(2,612)
Income taxes paid	(1)	(1)
Net cash used in operating activities	(5,574)	(7,111)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share subscription	70,000	
Payments of loans payable	(67,087)	(1,147)
Increase in due to affiliates	-	4,089
Net cash provided by financing activities	2,913	2,942
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	(2,661)	(4,169)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	4,674	5,481
CASH ON HAND AND IN BANKS AT END OF YEAR	P2,013	P1,312

Prime Media Holdings, Inc.
Notes to Financial Statements

1. The Company's interim financial statements were prepared in compliance with Philippine Financial Reporting Standards (PFRS).
2. In preparing the interim financial statements, the issuer adopted the same accounting policies and methods of computation followed in the preparation of the previous year's annual financial statements, i.e., financial statements as of December 31, 2012.
3. The Company did not conduct an evaluation on the possible financial impact of the adoption of Philippine Financial Reporting Standard 9 as this standard is not expected to have a material effect on the classification and measurement of the Company's financial asset and liabilities because of the short-term nature of these accounts. The carrying values of these assets and liabilities approximate their fair values.
4. There were no unusual changes affecting the assets, liabilities, equity, net income or cash flows for the interim period nor were there material events subsequent to the end of the interim period that have not been reflected in the financial statements. Certain accounts reflected changes from last year's balances as a result of the Company's continuing activity relating to the transfer of assets in favor of the Philippine Deposit Insurance Corporation (PDIC) and Bangko Sentral Ng Pilipinas (BSP) and certain activities geared towards cleaning up of accounts, generating funds and eliminating/reducing capital deficiency. The major changes in the asset and liability accounts versus last year are as follows:
 - a. Cash on hand was depleted by 57% due to continuous disbursements for transfer expenses and operating costs.
 - b. Loans and receivables declined by 7% largely due to collections from a terminated investment management account
 - c. Other current assets increased by 9% due to recognition of creditable withholding taxes paid on rental income
 - d. Due to affiliates was reduced to zero due to the conversion of P600.5 million advances to equity.
 - e. Loans payable of P67 million was extinguished with proceeds from the initial payment of new subscription to common shares of the Company.
 - f. Total capital deficiency decrease significantly by 80% from a capital deficiency of P835.2 million as of December 31, 2012 to only P166 million as of June 30, 2013 mainly due to the conversion of the P600.5 million advances to equity and subscription to new shares of P70 million (net of subscriptions payable of P109 million).

The significant changes in the income accounts for the six month period versus the same period last year are as follows:

- a. Rental income increased by 9% this year versus last year due to rate escalation on a sub-leased property.
- b. Other income was nil this year versus last year when a one-time unexpected collection of certain loans which carried bad debt provisions was realized.

- c. General and Administrative expenses decreased by 22% mainly due to lower activities relating to transfer of assets to PDIC in the six months of this year versus same period last year.
 - d. Financing charges dropped by 57% due to the full repayment of the bank loan in April 2013.
 - e. Taxes and licenses decreased by 85% due to non-renewal of the bank loan this year which activity required payment of documentary stamp tax last year.
5. In April 2013, the major stockholder of the Company, Neo Oracle Holdings, Inc., together with its subsidiary, Metro Tagaytay Land Company Inc. subscribed to 71.6 million common shares of the Company at a price of P2.50 per share. The same stockholders also converted a total of P600.5 million advances to equity at a price of P2.50 per share or a total of 284,184,770 common shares. These activities are part of the overall plan to reduce capital deficiency to a manageable level to pave the way for prospective investors to come in so that the company can resume normal operations. The related applications for exemption from registration and for the listing of the underlying shares are currently under process.

Management Discussion and Analysis of Financial Condition and Results of Operation

The company continues to actively pursue the clean-up of its books and the transfer of the remaining assets from its former banking operation to the two regulatory bodies, the PDIC and the BSP during the first half of the year. As part of the clean-up of its books, the company was able to accomplish the planned capital raising exercises with the conversion of the P600.5 million advances from its major stockholder and a related party into 240.2 million common shares and the subscription to new shares amounting to P179 million for 71.6 million common shares. With the initial proceeds from the new subscription of P70 million, the Company was able to fully pay its bank loan ahead of the loan's maturity date of June 21, 2013. Collectively, these capital raising exercises resulted in the reduction of the Company's capital deficiency from its yearend 2012 level of P835.2 million to only P165.8 million as of June 30, 2013.

The Company intends to complete the transfer of the remaining assets to PDIC and BSP and pay-off its remaining obligations as funds are available from the new shares subscriptions. For the first half of the year, the Company transferred about P13.2 million of properties to PDIC and BSP leaving a balance of P227 million still to be transferred. The transfer of assets, mostly situated in the Mindanao area was delayed by additional requirements imposed by government entities regulating the transfer of properties in the area, such as Land Registration Authority, Register of Deeds, BIR and Municipal Assessor's offices

Financial Risk Disclosure

The Company's principal financial instruments consist of cash on hand and in banks, AFS investment, loans and receivables, due to an affiliate, loans payable, accrued expenses and other liabilities.

The main risks arising from the Company's financial instruments are market risk (i.e., interest rate risk), liquidity risk, and credit risk. There has been no change in the Company's risk management policies and the classification and measurements applied to each financial instrument from last year's treatment that would have a material impact on the financial condition of the Company.

The methods and assumptions used in estimating the fair value of financial instruments are:

Cash in bank, loans and receivables, other current asset, due to an affiliate, loans payable, accrued expenses and other liabilities - carrying amounts approximate fair values due to short-term nature of these financial instruments.

AFS investment - the fair value is based on the quoted price published in the market for golf club share.

Key Performance Indicators

Financial Ratios	June 30	December 31
	2013	2012
Current Ratio ^(a)	0.04	0.014
Solvency Ratio ^(b)	-0.005	0.018
Total Liabilities-to-Equity Ratio ^(c)	-1.286	-1.061
Asset-to-Equity Ratio ^(d)	-.286	-0.061
Interest Rate Coverage Ratio ^(e)	-.166	518.93%
Return on Assets ^(f)	-2.29%	30.71%
Return on Equity ^(g)	-0.22%	-1.90%

^(a) Current ratio is measured as total current assets divided by total current liabilities

^(b) Solvency ratio is measured as net income plus depreciation and amortization divided by total liabilities

^(c) Total liabilities-to-equity ratio is measured as total liabilities divided by total equity

^(d) Asset-to-equity ratio is measured as total assets divided by total equity

^(e) Interest rate coverage ratio is measured as earnings before interests and taxes divided by net interest expense

^(f) Return on assets is measured as net income divided by average total assets

^(g) Return on equity is measured as net income divided by average total equity

Aging of Receivables

(Amounts in Thousands)

Type	June 30, 2013 (Unaudited)					Balance
	Current	0 - 30 days	31 - 60 days	61 - 90 days	Over 120 days	
Loans Receivable	P 2,000	-	-	-	P 60,278	P 62,278
Accounts Receivable	2,839	-	-	-	-	2,839
Other receivables	1,667	-	-	-	-	1,667
TOTAL	6,506	-	-	-	60,278	66,784

Allowance for impairment/loss

Loans Receivables	(60,278)
Accounts Receivable	-
Other Receivables	-
TOTAL	(60,278)
NET RECEIVABLES	₱ 6,506

December 31, 2012 (Audited)						
Type of Accounts Receivable	Current	0 - 30 days	31 - 60 days	61 - 90 days	Over 120 days	Balance
Loans Receivable	₱ 2,000	-	-	-	₱ 60,278	₱ 62,278
Accounts Receivable	3,228	-	-	-	-	3,228
Other receivables	1,786	-	-	-	-	1,786
TOTAL	7,015	-	-	-	60,278	67,293
Allowance for impairment/loss						
Loans Receivables						(60,278)
Accounts Receivable						-
Other Receivables						-
TOTAL						(7,015)
NET RECEIVABLES						₱ 7,015

PART II – OTHER INFORMATION

- There are no known trends, demands, commitments, events or uncertainties that have a material impact on the Company's liquidity.
- There are no events that will trigger direct or contingent financial obligation that is material to the Company.
- There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the company with unconsolidated entities, or other persons created during the interim period.
- There are no material commitments for capital expenditures during the interim period.
- There are no known trends, events or uncertainties that have or are reasonably expected to have a material impact on net sales/ revenues/ income from continuing operations.
- There is no significant income or expense that did not arise from the Company's continuing operations.
- There is no seasonal aspect that had a material effect on the financial condition or results of operation.


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.

Issuer: **Prime Media Holdings Inc.**

By:

Signature:



MANOLITO A. MANALO

Title:

Chairman of the Board /President & CEO

Signature:



VIVIAN S. LIBAN


Title:

Treasurer

SUBSCRIBED AND SWORN to before me this AUG 14 2013, affiants exhibiting to me their Driver's License as follows:

<u>Name</u>	<u>Driver's License</u>	<u>Expiry Date</u>
1. MANOLITO A. MANALO	N-17-75-012369	July 27, 2014
2. VIVIAN S. LIBAN	N-04-88-081813	March 3, 2015

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Series of 2013



TANYA PAMELA C. CARONONGAN
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Notary Public for Makati City
Until December 31, 2013
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Legazpi Village, Makati City 0721 Philippines
Roll No. 61154/City of Manila/03-27-2012
PTR No. 3676707/01/07/13/Province of Rizal
IDP Lifetime Member No. 011031