

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 November 2012

PHILIPPINE STOCK EXCHANGE

Disclosure Department
4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

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

Re: PRIME MEDIA HOLDINGS, INC.
("PMHI") (PSE:PRIM)
SEC FORM 17-Q FOR THE 3rd QUARTER OF 2012

In compliance with the Revised Disclosure rules of the Exchange, attached is SEC Form 17-Q for the 3rd quarter ending September 30, 2012 for PRIME MEDIA HOLDINGS, INC.

Thank you.

Very truly yours



VIVIAN S. LIBAN
Corporate Information Officer



111142012001162



SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

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Industry Classification
Company Type Stock Corporation

Document Information

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S.E.C. Registration Number

P R I M E M E D I A H O L D I N G S , I N C .

(f o r m e r l y F I R S T E - B A N K)

(Company's Full Name)

N O . 3 S A N A N T O N I O S T .

B O . K A P I T O L Y O P A S I G C I T Y

(Business Address: No. Street/City/Province)

VIVIAN S. LIBAN

Contact Person

889-9009

Company Telephone Number

1 2 3 1

Month Day

Fiscal Year

SEC Form 17 - Q

FORM TYPE

May

Every 3rd Tuesday of

0 5

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles
Number/Section

1,921

Total No. of Stockholders

Total Amount of Borrowings

P67,087 thousand

Domestic

none

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

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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 September 2012
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

MANILA
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.

Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

Item 1a.

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

	Unaudited September 30, 2012	Audited December 31, 2011
ASSETS		
Current Assets		
Cash on hand and in banks	₱4,566	₱5,481
Loans and receivables	6,389	6,240
Other current assets	606	545
Total current assets	11,561	12,266
Noncurrent Assets		
Investment property	38,020	38,020
Available-for-sale investments	190	190
Other noncurrent assets	2,774	3,265
Total noncurrent assets	40,984	41,475
	₱52,545	₱53,741
LIABILITIES AND EQUITY		
Due to an affiliate	600,461	₱591,761
Loans payable	67,087	68,234
Accrued interest, taxes and other expenses	163,421	168,086
Other liabilities	77,021	76,849
Total liabilities	907,990	904,930
EQUITY		
Capital stock – ₱1 par value		
Paid-in – Preferred	48,601	48,601
Paid-in – Common	387,144	387,144
Paid-in surplus	1,614,379	1,614,379
Deficit	(2,905,559)	(2,901,303)
Net unrealized gain on available-for-sale investment	(10)	(10)
Total Capital Deficiency	(855,445)	(851,189)
	₱52,545	₱53,741

Item 1b.

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

	Nine months ended September 30		Three months ended September 30	
	2012	2011	2012	2011
REVENUES				
Rental income	₱1,400	₱1,263	₱481	1,243
Interest income	9	11	3	2
Other income	200	55	-	2,456
	1,609	3,730	484	3,701
EXPENSES				
General and administrative expenses	1,869	2,959	483	1,313
Taxes and licenses	607	260	15	137
Financing and other charges	3,386	4,244	1,176	1,393
Legal fees	-	-	-	-
	5,862	7,463	1,674	2,843
NET LOSS FROM OPERATIONS	(4,253)	(3,733)	(1,190)	858
Provision for income tax	2	2	-	-
NET LOSS	(₱4,255)	(₱3,735)	(₱1,190)	₱858
Earnings (loss) per share				
Computed as follows:				
Net income (loss)	(4,255)	(3,735)	(1,190)	858
Divided by weighted average number of common shares	387,144	387,144	387,144	387,144
Loss per share – basic/diluted	₱(0.01)	₱(0.01)	₱(0.003)	₱0.002

Item 1 c.

PRIME MEDIA HOLDINGS, INC.
STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY
(Amounts In thousands)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Deficit	Unrealized Gain (Loss) on Available-for-Sale Investments	Total Capital Deficiency
Balance at January 1, 2012	₱387,144	₱48,601	₱1,614,379	(₱2,901,303)	(₱10)	(₱851,189)
Net loss for the period	--	--	--	(4,255)	--	(4,255)
Other comprehensive income	--	--	--	--	--	--
Total comprehensive loss	--	--	--	(4,255)	--	(4,255)
Balances at September 30, 2012	₱387,144	₱48,601	₱1,614,379	(₱2,905,558)	(₱10)	(₱855,444)
Balance at January 1, 2011	₱387,144	₱48,601	₱1,614,379	(₱2,895,236)	₱20	(₱845,092)
Net loss for the period	--	--	--	(3,735)	--	(3,735)
Other comprehensive income	--	--	--	--	--	--
Total comprehensive loss	--	--	--	(3,735)	--	(3,735)
Conversion to common stock	--	--	--	--	--	--
Balances at September 30, 2011	₱387,144	₱48,601	₱1,614,379	(₱2,898,971)	₱20	(₱848,827)

Item 1d

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

	For the nine months Ending September 30	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(P4,254)	(P3,733)
Adjustments for:		
Interest expense	3,386	4,244
Movement in pension asset	490	300
Interest income	(9)	(11)
Operating income (loss) before working capital changes	(387)	800
Changes in operating assets and liabilities		
Increase in:		
Loans and receivables	(149)	(2,460)
Other current assets	(61)	-
Increase (decrease) in:		
Accrued interest, taxes and other expenses	(4,665)	(57,866)
Other liabilities	172	(1,328)
Net cash used for operations	(5,090)	(60,854)
Interest received	9	11
Interest paid	(3,386)	(4,544)
Income taxes paid	(2)	(2)
Net cash used in operating activities	(8,469)	(65,389)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of loans payable	(1,147)	(8,589)
Increase in due to affiliates	8,700	67,995
Net cash provided by financing activities	7,553	59,406
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in investment property	-	6,840
Decrease in other non-current assets	-	300
Net cash provided by investing activities	-	7,140
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS	(916)	1,157
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR	5,481	196
CASH ON HAND AND IN BANKS AT END OF YEAR	P4,565	P1,353

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, 2011.
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. The Company incurred net losses for the nine-month period and in prior years and had a capital deficiency of ₱855.4 million and ₱851.2 million as at September 30, 2012 and December 30 2011, respectively. These factors, among others, greatly hampered the Company's ability to continue as a going concern. The company's operating life will expire on February 6, 2013 based on its Articles of Incorporation and efforts to find a new investor so far have been unsuccessful due to disagreements on warranties required by prospective investors. Funds required to completely undertake the clean-up of the Company have been eroded by higher transfer taxes brought about by higher zonal values of properties to be transferred to PDIC and BSP. Extension of the company's corporate life would entail substantial additional funding, for which the company has no immediate source at this point. The accompanying financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern.
5. 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 and generating funds. The major changes in the asset and liability accounts versus last year are as follows:
 - a. Cash on hand was depleted by 17% due to continuous disbursements for transfer expenses.
 - b. Other current assets increased by 11% due to recognition of creditable withholding taxes paid on rental income
 - c. Other non-current assets decreased by 15% due to continuous liquidation of assets to generate funds

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

- a. Rental income increased 11% this year versus last year due to recognition of rental income on a property that is due for transfer to PDIC.
 - b. Other income increased by 264% mainly derived from higher unexpected collection of certain loans which carried bad debt provisions.
 - c. General and Administrative expenses decreased by 37% mainly due to lower activities relating to transfer of assets to PDIC in the nine months of this year versus same period last year.
 - d. Financing charges dropped by 20% due to lower loan level resulting from loan payments made last year and during the nine month period.
6. There were neither issuances nor repurchases of equity securities for the interim period. Since the company continues to suffer a capital deficiency, no dividends were paid on any of the company's shares.

Management Discussion and Analysis of Financial Condition and Results of Operation

The company has not been actively operating other than the continuing activities focused on the transfer of real estate properties to PDIC /BSP and the clean-up of the Company's books. The first nine months reflected a slowdown in activities relating to the transfer of properties versus last year as the company's efforts were hampered by natural calamities in regions outside of Metro Manila where the properties are located, additional documentary requirements of government agencies such as Department of Agrarian Reform and Bureau of Lands for the transfer of agricultural lands to PDIC and higher transfer taxes. The Company transferred properties valued at P276 million to PDIC in the nine months of last year as against only P25 million this year. As of 30 September 2012 the remaining properties valued at P250 million are under various stages of processing and are located mostly in Mindanao. Funding has been mostly provided by an affiliated company, with a small contribution from the sale or generation of income from remaining properties.

As mentioned above the Company's ability to continue as a going concern was held back by the existing capital deficit, erosion of its available funds to continue with the clean-up of the Company and its inability to attract new investors due to warranty issues. Other than mentioned above, there are no known trends, events or material commitments that are expected to have a material favorable or unfavorable impact on the financial condition or on income from continuing operations.

The key performance indicators shown on Part II of this report basically indicates the inevitable discontinuance of operation as the company has no recurring income from operations and the company continues to suffer from a capital deficiency.

Financial Risk Disclosure

The Company's principal financial instruments consist of cash in banks, AFS investment, loans and receivables, due to affiliates, 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 and foreign currency risk), liquidity risk, and credit risk. The BOD reviews and agrees on the policies for managing these risks, which are summarized as follows:

Market Risk

Market risk is the risk of change in the fair value of financial instruments from fluctuations in market interest rates (interest rate risk) and foreign exchange rates (foreign currency risk), whether such change in price is caused by factors specific to individual instrument or its issuer or factors affecting all instruments traded in the market.

Interest rate risk

The Company follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates are kept within acceptable limits. In addition, the Company's policy also requires that they obtain the most favorable interest rates available. As at September 30 2012 and December 31 2011, the Company had no floating rate financial instruments. Accordingly, its exposure to interest rate fluctuation is minimal.

Foreign currency risk

Foreign exchange is the risk to earnings or capital arising from changes in foreign exchange rates. The Company takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial performance and cash flows.

As at September 30, 2012 and December 31, 2011, the Company has no foreign currency deposits, thus it has no exposure to foreign currency risk.

Liquidity Risk

Short-term funding is obtained to finance cash requirements for operations. Excess funds, if any, are placed with reputable banks based on approved investment limits.

The table below summarizes the maturity profile of the Company's financial assets held for liquidity purposes and financial liabilities based on undiscounted payments.

Financial assets

In thousand pesos	September 30, 2012		
	On Demand	Within 1 Year	Total
Cash in banks	₱4,565	₱-	₱4,565
Loans and receivables (net of provision)	3,383	3,006	6,389
AFS investments	190	-	190
	₱8,138	₱3,006	₱11,144

	December 31, 2011		
	On Demand	Within 1 Year	Total
Cash in banks	₱5,481	₱-	₱5,481
Loans and receivables (net of provision)	2,561	3,679	6,240
AFS investments	190	-	190
	₱8,232	₱3,679	₱11,911

Financial liabilities

In thousand pesos	September 30, 2012		
	On Demand	Within 1 Year	Total
Due to affiliates	₱480,808	₱119,653	₱600,461
Loans payable	-	67,087	67,087
Accrued expenses	163,421	-	163,421
Other liabilities			
Due to PDIC/BSP/BDO	49,947	-	49,947
Dividends payable	10,985	-	10,985
Rental deposits	8,550	-	8,550
Accounts payable	7,463	-	7,463
Miscellaneous	76	-	76
	₱721,250	₱186,740	₱907,990

	December 31, 2011		
	On Demand	Within 1 Year	Total
Due to affiliates	₱480,808	₱110,953	₱591,761
Loans payable	-	68,234	68,234
Accrued expenses	168,086	-	168,086
Other liabilities			
Due to PDIC/BSP/BDO	49,947	-	49,947
Dividends payable	10,985	-	10,985
Rental deposits	8,552	-	8,552
Accounts payable	7,218	-	7,218
Miscellaneous	147	-	147
	₱725,743	₱179,187	₱904,930

Credit Risk

With respect to credit risk arising from the financial assets of the Company, 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. The carrying amounts of cash in banks, AFS investment and loans and receivables represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Company's financial assets are classified as either high grade, standard grade, or sub-standard grade.

Cash in banks are considered high grade which represents cash funds deposited with a reputable local bank belonging to the top ten (10) banks in the Philippines in terms of resources and profitability.

AFS investment which represents golf share is considered standard grade financial asset because it is susceptible to untoward consequences due to the current financial position of counterparty. Receivables are considered high grade which represent receivables with positive collection experience.

As at September 30, 2012 and December 31, 2011, loans and receivables amounting to ₱60.3 million and ₱60.5 million, respectively, have full provisioning as these accounts are past due for more than a year.

Fair Value Assumptions

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

Cash in banks, loans and receivables, due to affiliates, 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 of the golf club share is based on quoted price published in the market.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- quoted (unadjusted) prices in active markets for identical assets or liabilities (Level 1);
- other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly (Level 2); and
- techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (Level 3).

The AFS investment of the Company falls under level 1 as at September 30, 2012 and December 31, 2011, respectively. No financial asset falls under levels 2 and 3 as at September 30, 2012 and December 31, 2011.

As at September 30, 2012 and December 31, 2011, the carrying amounts of the Company's financial assets and financial liabilities approximate their fair values.

PART II – OTHER INFORMATION

Key performance indicators and financial soundness indicators

Financial Ratios	September 30 2012	December 31, 2011
Current Ratio (a)	0.013	0.014
Solvency Ratio (b)	(0.005)	(0.005)
Total Debt to Equity Ratio (c)	(1.061)	(1.063)
Asset-to-Equity Ratio (d)	(0.061)	(0.063)
Interest Rate Coverage Ratio (e)	(0.256)	(.610)
Return on Assets (f)	(0.080)	(0.085)
Return on Equity (g)	(.005)	(0.005)

- (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 debt to equity ratio is measured total debts 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

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: _____

Title: **DIONNE M. SANCHEZ**
President & CEO

Signature: _____

Title: **VIVIAN S. LIBAN**
Treasurer

SUBSCRIBED AND SWORN to before me this NOV 14 2012, affiants exhibiting to me their Driver's License as follows:

<u>Name</u>	<u>Driver's License</u>	<u>Expiry Date</u>
1. DIONNE M. SANCHEZ	D16-00-224730	August 25, 2013
2. VIVIAN S. LIBAN	N-04-88-081813	March 3, 2015

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Series of 2012

MA. ESMERALDA R. CUNANAN
Notary Public
Until December 31, 2013
Appt. No. M-45 (2012-2013) Attorney's Roll No. 34562
MCLE Compliance No. III - 0611439 / 4-7-2010
PTR No. 3179912 / 1-4-2012 / Makati City
IBP Lifetime Member Roll No. 05413