

# COVER SHEET

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S.E.C. Registration Number

[illegible]

(Company's Full Name)

[illegible]

**MR. MANUEL A. GANA**  
Contact Person

**(632) 635-3016**  
Company Telephone Number

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3	1
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Month                  Day  
 Fiscal Year

1	7	-	Q	
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FORM TYPE

Month      Day      Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

1,998

Total No. of Stockholders

### Total Amount of Borrowings

**P5.8 billion**

Domestic

**US\$22 Million**

Foreign

To be Accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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SEC No. 52412  
File No.

**BELLE CORPORATION**  
(Company's Full Name)

**28/F, East Tower, Philippine Stock Exchange Centre**  
**Exchange Road, Ortigas Center, Pasig City**  
(Company's Address)

**635-30-16**  
(Telephone Numbers)

**December 31**  
(Fiscal Year ending)  
(Month and Day)

**Form 17Q for the First Quarter of 2012**  
(Form Type)

**NA**  
Amendment Designation (If applicable)

**NA**  
Period Ended Date

**N/A**  
(Secondary License Type and File Number)

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 **March 31, 2012**
2. Commission Identification Number: **52412**
3. BIR Tax Identification No. **000-156-011**
4. Exact name of registrant as specified in its charter: **BELLE CORPORATION**
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6. (SEC use only)  
Industry Classification Code:
7. **28/F, East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City 1600**  
Address of registrant's principal office Postal Code
8. **632 / 635-3016**  
Registrant's telephone number, including area code
9. **Not applicable**  
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  
**Preferred Stock, ₱1.00 par value**

Number of Shares of Stock  
Outstanding  
**1,000,000**

**Common Stock, ₱1.00 par value**

**10,559,382,799\***

\* Subscriptions receivable on which amounted to nil.

**Amount of Debt Outstanding**  
**₱6.8 billion**

11. Are any or all of these securities listed on a Stock Exchange?  
Yes [ ☒ ] No [ ☐ ]

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

**Philippine Stock Exchange (PSE)**

**Common Stock**

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 Section 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 90 days.

Yes ☒ ]No ☐ ]**PART 1 – FINANCIAL INFORMATION****Item 1. Financial Statements**

The following financial statements are submitted as part of this report:

- a.) Unaudited Consolidated Statements of Comprehensive Income for the three months ended March 31, 2012 and March 31, 2011;
- b.) Consolidated Statements of Financial Position as of March 31, 2012 (unaudited) and December 31, 2011 (audited);
- c.) Unaudited Consolidated Statements of Changes in Equity for the three months ended March 31, 2012 and March 31, 2011; and
- d.) Unaudited Consolidated Statements of Cash Flows for the three months ended March 31, 2012 and March 31, 2011.

**Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations****March 31, 2012 versus December 31, 2011 Results of Operations (in thousands)**

	Three Months Ended March 31		Horizontal Analysis		Vertical Analysis	
	2012	2011	Increase (Decrease)		2011	2010
<b>REVENUE</b>						
Sale of real estate and club shares	79,751	190,122	(110,371)	-58.1%	82.3%	95.1%
Lease income	7,750	-	7,750	100.0%	8.0%	0.0%
Others	9,441	9,818	(377)	-3.8%	9.7%	4.9%
	96,942	199,939	(102,997)	-51.5%	100.0%	100.0%
<b>COST OF REAL ESTATE AND CLUB SHARES SOLD</b>	(34,887)	(85,426)	50,539	-59.2%	-36.0%	-42.7%
<b>OPERATING EXPENSES</b>	(56,187)	(49,799)	(6,388)	12.8%	-58.0%	-24.9%
<b>INTEREST EXPENSE</b>	(33,498)	(54,463)	20,965	-38.5%	-34.6%	-27.2%
<b>EQUITY IN NET EARNINGS OF ASSOCIATES</b>	38,083	37,344	739	2.0%	39.3%	18.7%
<b>NET FOREIGN EXCHANGE GAIN</b>	15,859	9,941	5,918	59.5%	16.4%	5.0%
<b>INTEREST INCOME</b>	28,891	296	28,595	9664.8%	29.8%	0.1%
<b>OTHER CHARGES - Net</b>	(2,201)	(5,425)	3,224	-59.4%	-2.3%	-2.7%
<b>INCOME BEFORE INCOME TAX</b>	53,002	52,408	594	1.1%	54.7%	26.2%
<b>PROVISION FOR INCOME TAX</b>						
Current	2,016	3,830	(1,814)	-47.4%	2.1%	1.9%
Deferred	(1,474)	(1,430)	(44)	3.1%	-1.5%	-0.7%
	542	2,401	(1,859)	-77.4%	0.6%	1.2%
<b>NET INCOME</b>	52,460	50,007	2,453	4.9%	54.1%	25.0%
Net profit attributable to:						
Equity holders of the parent	52,475	50,012	2,463	4.9%	54.1%	25.0%
Non-controlling interests	(15)	(5)	(10)	196.4%	0.0%	0.0%
	52,460	50,007	2,453	4.9%	54.1%	25.0%
<b>Basic Earnings per Share</b>	0.006	0.008				

### **Revenues**

Belle Corporation ("Belle" or the "Company") realized consolidated net income of ₱52.5 million for the three months ended March 31, 2012. This is ₱2.5 million (5%) higher than the consolidated net income of ₱50.0 million for the three months ended March 31, 2011. Gross revenue of ₱96.9 million was lower by ₱103.0 million (52%), compared to ₱199.9 million in March 31, 2011, due to lower revenues from the sale of real estate. Gross profit as of March 2012 of ₱62.1 million was lower than gross profit as of March 2011 of ₱114.5 million by ₱52.4 million (46%), due to the lower revenues for the period. The Company has been devoting significant resources to development activities connected with Belle Grande Manila Bay (the "Belle Grande Project"), its integrated resort project located in Parañaque City, which is targeted for its grand opening during 2013.

### **Costs and Expenses**

The cost of real estate and clubs shares sold decreased by ₱50.5 million (59%) to ₱34.9 million for the three months ended March 31, 2012 from ₱85.4 million for the three months ended March 31, 2011, due mainly to lower unit sales of real estate and club shares sold in 2012. Total operating expenses increased by ₱6.4 million (13%) to ₱56.2 million during the first quarter of 2012, from ₱49.8 million during the first quarter of 2011, due to higher administrative expenses.

### **Operating Income (EBIT)**

Based on the preceding, the Company realized operating income from real estate operations (e.g. sales, lease and related revenues, less cost of sales and operating expenses) in March 2012 of ₱5.9 million, which was ₱58.8 million (91%) lower than the operating income level of ₱64.7 million in March 2011, due to the lower sales revenues in the 2012 period.

### **Financial Income (Expense)**

Interest expenses decreased by ₱21.0 million (39%), to ₱33.5 million in March 2012, from ₱54.5 million in March 2011. The decrease was caused in large part by lower interest rates during the 2012 period. Moreover, the Company capitalized borrowing costs for the construction of Belle Grande amounting to ₱41.7 million during the first quarter of 2012.

Interest income increased by ₱28.6 million, from ₱0.3 million in March 2011 to ₱28.9 million in 2012, due to increases in cash levels in anticipation of requirements for the Belle Grande Project. This includes a US\$50 million deposit required to be maintained for the Belle Grande Project under the license issued by the Philippine Amusements and Gaming Corporation ("PAGCOR"), until required investments have been accomplished (the "Escrow Deposit"). The significant increase in 2012 deposit levels of the Company was funded mainly by new long-term loan drawdowns amounting to ₱2,200.0 million (which funded the Escrow Deposit) and the stock rights offering, with the second and last installments therefor providing proceeds amounting to ₱2,082.9 million received during the first quarter of 2012.

### **Equity in Net Earnings of Associates**

The Company's equitized net earnings from associated companies increased by ₱0.8 million (2%) to ₱38.1 million in March 2012 from ₱37.3 million in March 2011 due to equitized earnings mainly from its 35%-owned associate, Pacific Online Systems Corporation ("Pacific Online"), with equitized earnings of ₱37.3 million out of net income of ₱106.9 million. Pacific Online leases on-line equipment to the Philippine Charity Sweepstakes Office for their lottery operations in the Visayas and Mindanao.



**Net Foreign Exchange Gain**

The foreign exchange translation gain of ₱15.9 million for the first quarter of 2012 (based on an foreign exchange rate of ₱42.92:US\$1 as of March 31, 2012 vs. foreign exchange rate of ₱43.84:US\$1 as of December 31, 2011) was ₱6.0 million (61%) higher than the foreign exchange translation gain of ₱9.9 million for the first quarter of 2011 (foreign exchange rate of ₱43.39:US\$1 as of March 31, 2011 vs. foreign exchange rate of ₱43.84:US\$1 as of December 31, 2010).

The foreign exchange translation gain of the Company was derived from its foreign-currency denominated Floating Rate Notes due in 2014 of US\$22 million (the "FRNs"). It was partially offset by a foreign exchange translation loss on the Company's Escrow Deposit, which was deposited during the first quarter of 2012.

**Other Charges**

Other charges decreased by ₱3.2 million (59%) to ₱2.2 million for the three months ended March 31, 2012 from ₱5.4 million for the three months ended March 31, 2011 due mainly to lower bank service charges.

**Provision for Income Tax**

Provision for income tax decreased by ₱1.9 million (79%), to ₱0.5 million in March 2012, from ₱2.4 million in March 2011, due to lower sales in real estate and club shares.

**Net Income**

As a result of the foregoing, the Company realized consolidated net income of ₱52.5 million for the three months ended March 31, 2012. This is ₱2.5 million (5%) higher than the consolidated net income of ₱50.0 million for the three months ended March 31, 2011. The Company's consistent profitability has allowed it to post positive consolidated retained earnings of ₱390.7 million as of March 31, 2012.

### March 31, 2012 vs December 31, 2011 Statement of Financial Position (in thousands)

	March 31, 2012	December 31, 2011	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Increase (Decrease)		March 31, 2012	December 31, 2011
			Amount	%		
<b>ASSETS</b>						
Cash and Cash Equivalents	3,698,917	2,766,880	932,037	33.7%	15.0%	12.2%
Short-term Investments	15,366	9,668	5,698	58.9%	0.1%	0.0%
Receivables - net	929,331	930,124	(793)	-0.1%	3.8%	4.1%
Subscription Receivables	-	2,082,920	(2,082,920)	-100.0%	0.0%	9.2%
Real estate for sale - at cost	3,154,184	3,036,153	118,031	3.9%	12.8%	13.4%
Club Shares - at cost	2,796,129	2,786,148	9,981	0.4%	11.4%	12.3%
Investments in and advances to associates	2,152,151	2,118,168	33,983	1.6%	8.7%	9.4%
Available-for-sale Investments	24,265	22,334	1,931	8.6%	0.1%	0.1%
Advances to related parties	464,953	457,764	7,189	1.6%	1.9%	2.0%
Investment Properties	3,173,464	2,434,195	739,269	30.4%	12.9%	10.8%
Property and Equipment - net	170,203	175,599	(5,396)	-3.1%	0.7%	0.8%
Intangible Asset	5,261,186	5,261,186	-	0.0%	21.4%	23.2%
Other Assets - net	2,787,031	562,388	2,224,643	395.6%	11.3%	2.5%
Total Assets	24,627,180	22,643,527	1,983,653	8.8%	100.0%	100.0%
<b>LIABILITIES AND EQUITY</b>						
<b>Liabilities</b>						
Loans payable	2,064,770	2,155,857	(91,087)	-4.2%	8.4%	9.5%
Accounts payable and other liabilities	1,651,637	1,759,193	(107,556)	-6.1%	6.7%	7.8%
Long-term debt	4,690,910	2,559,584	2,131,326	83.3%	19.0%	11.3%
Pension liability	7,849	8,354	(505)	-6.0%	0.0%	0.0%
Deferred tax liabilities - net	83,994	85,467	(1,473)	-1.7%	0.3%	0.4%
Total Liabilities	8,499,160	6,568,455	1,930,705	29.4%	34.5%	29.0%
<b>Equity</b>						
Attributable to equity holders of the parent:						
Preferred stock	1,000,000	1,000,000	-	0.0%	4.1%	4.4%
Common stock	10,559,383	9,865,076	694,307	7.0%	42.9%	43.6%
Subscribed stock	-	694,307	(694,307)	-100.0%	0.0%	3.1%
Additional paid-in capital	5,502,265	5,503,731	(1,466)	0.0%	22.3%	24.3%
Equity share in cost of Parent Company shares held by associates	(731,696)	(731,696)	-	0.0%	-3.0%	-3.2%
Cost of Parent Company common shares held by subsidiaries	(497,758)	(497,758)	-	0.0%	-2.0%	-2.2%
Unrealized gain on available-for-sale investments	10,515	8,585	1,930	100.0%	0.0%	0.0%
Retained earnings	390,718	338,243	52,475	15.5%	1.6%	1.5%
Other reserves	(52,345)	(52,369)	24	0.0%	-0.2%	-0.2%
Total Equity Attributable to Equity Holders of the Parent	16,181,082	16,128,119	52,963	0.3%	65.7%	71.2%
Non-controlling interests	(53,062)	(53,047)	(15)	0.0%	-0.2%	-0.2%
Total Equity	16,128,020	16,075,072	52,948	0.3%	65.5%	71.0%
	24,627,180	22,643,527	1,983,653	8.8%	100.0%	100.0%



## **ASSETS**

Total assets of the Company increased by ₱1,983.6 million (9%), to ₱24,627.1 million as of March 31, 2012, from ₱22,643.5 million as of December 31, 2011, due to increases in cash and cash equivalents, investment properties and the US\$50 million Escrow Deposit (which is included in "Other Assets").

### **Cash and cash equivalents**

Cash and cash equivalents increased by ₱932.0 million (34%), to ₱3,698.9 million in March 2012 from ₱2,766.9 million in December 31, 2011, due to collection of subscription receivable of ₱2,082.9 million in February 2012. It was partly offset by construction cost of Belle Grande amounting to ₱739.3 million.

### **Receivables and Subscription receivables**

Receivables decreased by ₱2,083.7 million (69%), to ₱929.3 million in March 2012 from ₱3,013.0 million in December 2011. The reduction was mainly due to the collection of subscription receivable in February 2012.

### **Real estate for sale and Club shares**

Real estate for sale increased by ₱118.0 million (4%), to ₱3,154.2 million in March 2012 from ₱3,036.2 million in December 2011, due to the development of raw lands for various projects.

Club shares held by the Company, valued at historical cost, increased by ₱10.0 million (0.4%), to ₱2,796.1 million in March 2012 from ₱2,786.1 million in December 2011.

### **Investments in and advances to associates**

Investments and advances increased by ₱34.0 million (2%), to ₱2,152.2 million in March 2012 from ₱2,118.2 million in December 2011, due mainly to equity in net earnings of associates for the quarter.

### **Available-for-sale investments**

Available-for-sale investments increased by ₱2.0 million (9%) to ₱24.3 million in March 2012 from ₱22.3 million in December 2011, due mainly to increase in fair value of investments.

### **Investment properties**

Investment properties increased by ₱739.3 million (30%), from ₱2,434.2 million as of December 31, 2011 to ₱3,173.5 million as of March 31, 2012, due mainly to the continuing construction of Belle Grande, an integrated resort complex to be located on approximately 6.2 hectares of land (of which 4.2 hectares are owned by the Company) along Roxas Boulevard in Parañaque City.

### **Other assets**

Other assets increased by ₱2,224.6 million (396%) to ₱2,787.0 million as of March 31, 2012 from ₱562.4 million as of December 31, 2011 due to the US\$50 million Escrow Deposit required to be maintained for the Belle Grande Project by PAGCOR's provisional license, with a Peso equivalent of ₱2,146.0 million.

## **LIABILITIES**

Total liabilities increased by ₱1,930.6 million (29%) to ₱8,499.1 million as of March 31, 2012, from ₱6,568.5 million as of December 31, 2011, due to borrowings for The Belle Grande Project and for the establishment of the Escrow Deposit.



### **Loans payable and Long-Term Debt**

Total debt amounting to ₱6,755.7 million were comprised mostly of Peso loans from various local financial institutions, with interest at an approximate range of 7.0% to 7.5% per annum, amounting to ₱2,064.8 million, the FRNs with a Peso equivalent amounting to ₱944.7 million and Peso long-term debt incurred for the Belle Grande Project of ₱3,746.2 million as of March 31, 2012. The FRNs have a principal amount of US\$22 million due on May 10, 2014 and carry interest at a floating rate of 2% per annum above the six-month LIBOR rate.

Total debt increased by ₱2,040.3 million (43%), from ₱4,715.4 million in December 2011 to ₱6,755.7 million in March 2012. The increase was due mainly to the availment of new Peso long term loans for The Belle Grande Project, including the establishment of the Escrow deposit.

### **Accounts payable and other liabilities**

Accounts payable and other liabilities decreased by ₱107.6 million (6%), to ₱1,651.6 million in March 2012 compared to ₱1,759.2 million in December 2011. Comprising accounts payable and other liabilities are principally trade payables of ₱630.9 million, advances from related parties of ₱215.7 million, accrued expenses of ₱690.6 million, non-trade payables of ₱78.4 million and customers' deposits of ₱35.9 million.

### **Equity**

The Company's equity as of March 31, 2012 of ₱16,128.0 million was higher by ₱52.9 million (0.3%) compared to the year-end 2011 level of ₱16,075.1 million, due mainly to the net income recorded for the first quarter of 2012. Due to its consistent profitability, the Company attained consolidated retained earnings of ₱390.7 million as of March 31, 2012, compared to consolidated retained earnings of ₱338.2 million as of December 31, 2011.

Below are the comparative key performance indicators of the Company and its subsidiaries:

		31Mar 2012 (unaudited)	31Mar 2011 (unaudited)	31 Dec 2011 (audited)
Asset to equity ratio	Total assets over equity	1.53 : 1.00	1.76 : 1.00	1.41 : 1.00
Current or Liquidity ratio	Current assets over current liabilities	3.11 : 1.00	2.10 : 1.00	3.17 : 1.00
Debt-to-equity ratio	Interest-bearing debt over equity	0.42 : 1.00	0.50 : 1.00	0.29 : 1.00
Net debt-to-equity ratio	Interest-bearing debt less cash and cash equivalents over equity	0.19 : 1.00	0.49 : 1.00	0.12 : 1.00
Interest rate coverage ratio	EBIT over interest expense	2.58 : 1.00	1.96 : 1.00	2.41 : 1.00
Return on assets	Annualized net income over average total assets during the period	0.9%	1.9%	1.2%
Return on equity	Annualized net income over average equity during the period	1.3%	3.2%	1.8%

The Company does not foresee any cash flow or liquidity problems over the next twelve months. The ₱2,064.8 million of debt obligations classified as loans payable have historically

been mostly renewed or rolled-over, with Belle paying only the interest. Belle also has a number of revenue-generating real estate projects in the pipeline to enhance cash flow. Meanwhile, the Company continues to be in compliance with the terms of all of its debt obligations.

As of March 31, 2012, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company during the three months ended March 31, 2012 and the three months ended March 31, 2011.

## **PART II - OTHER INFORMATION**

### **Other Required Disclosures**

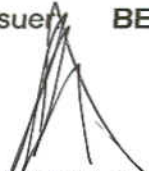
- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2011. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurement of financial liabilities.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuances, repurchases and repayments of debt and equity securities.
- E.) There were no material events subsequent to March 31, 2012 up to the date of this report that needs disclosure herein.
- F.) There were no changes in the composition of the Company during the interim period such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.
- G.) There were no changes in contingent liabilities or contingent assets since December 31, 2011.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.




## 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.

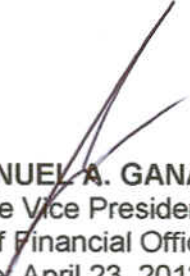
Issuer **BELLE CORPORATION**



**WILLY N. OCIER**  
Vice Chairman  
Date: April 23, 2012



**ROGELIO R. CABUNAG**  
President  
Date: April 23, 2012



**MANUEL A. GANA**  
Executive Vice President and  
Chief Financial Officer  
Date: April 23, 2012

## Segment Information

The Company is in the business of real estate development, gaming, and gaming-related activities, among others. Information with regards to the Company's significant business segments are shown below (amounts in thousands):

For the Three Months Ended March 31, 2012				
	Real Estate	Gaming and		
	Development	Gaming-Related	Others	Consolidated
		Activities		
Revenues	96,942	-	-	96,942
Equity in net earnings of associates	748	37,335	-	38,083
Interest expense	(33,498)	-	-	(33,498)
Interest income	28,890	1	-	28,891
Provision for income tax	542	-	-	542
Net income (loss)	19,838	32,688	(66)	52,460

For the Three Months Ended March 31, 2011				
	Real Estate	Gaming and		
	Development	Gaming-Related	Others	Consolidated
		Activities		
Revenues	199,939	-	-	199,939
Equity in net earnings of associates	(7,212)	44,556	-	37,344
Interest expense	(54,463)	-	-	(54,463)
Interest income	296	-	-	296
Provision for income tax	2,401	-	-	2,401
Net income (loss)	5,582	44,501	(76)	50,007

**BELLE CORPORATION and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
(Amounts in Thousands)

Three Months Ended March 31				
		2012	2011	
		Unaudited		
<b>Net Revenue</b>				
Sales of real estate and club shares				
(less commissions and selling expenses)	P	79,751	P	190,122
Lease income		7,750		-
Other operating revenues		9,441		9,818
		96,942		199,939
<b>Costs and expenses</b>				
Cost of real estate and club shares sold		34,887		85,426
Salaries, wages and employee benefits		20,077		13,186
Pension expense		1,778		1,708
Depreciation and amortization		6,660		6,648
Administrative and general expenses		23,190		19,817
Others		4,482		8,441
		91,074		135,225
<b>Income from real estate operations</b>		5,868		64,714
<b>Other income (expenses)</b>				
Interest expense		(33,498)		(54,463)
Net foreign exchange gain		15,859		9,941
Equity in net earnings of associates		38,083		37,344
Gain on disposal of property and equipment		165		-
Interest income		28,891		296
Other expenses		(2,366)		(5,425)
		47,134		(12,306)
<b>Income before income tax</b>		53,002		52,408
<b>Provision for (benefit from) income tax</b>				
Current		2,016		3,830
Deferred		(1,474)		(1,430)
<b>Net income</b>	P	52,460	P	50,007
Attributable to:				
<b>PARENT EQUITY HOLDERS</b>	P	52,475	P	50,012
Non-Controlling Interests		(15)		(5)
	P	52,460	P	50,007
<b>Basic Earnings Per Share</b>				
	P	0.006	P	0.008



**BELLE CORPORATION and SUBSIDIARIES**  
**Consolidated Statements of Financial Position**  
(Amounts in Thousands)

		March 31, 2012		December 31, 2011
		Unaudited		Audited
<b>ASSETS</b>				
Cash and cash equivalents	P	3,698,917	P	2,766,880
Short-term Investments		15,366		9,668
Receivables		929,331		3,013,044
Real estate for sale		3,154,184		3,036,153
Club shares		2,796,129		2,786,148
Investments in and advances to associates		2,152,151		2,118,168
Available-for-sale Investments		24,265		22,334
Advances to related parties		464,953		457,764
Investment properties		3,173,464		2,434,195
Property and equipment		170,203		175,599
Intangible assets		5,261,186		5,261,186
Other assets		2,787,031		562,388
<b>Total Assets</b>	P	<b>24,627,180</b>	P	<b>22,643,527</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Loans payable	P	2,064,770	P	2,155,857
Accounts payable and other liabilities		1,651,637		1,759,193
Deferred tax liabilities		83,994		85,467
Long-term debt		4,690,910		2,559,584
Pension liability		7,849		8,354
<b>Total Liabilities</b>		<b>8,499,160</b>		<b>6,568,455</b>
<b>Equity</b>				
Preferred at P1 par value		1,000,000		1,000,000
Common at P1 par value		10,559,383		9,865,076
Paid-in capital stock		11,559,383		10,865,076
Subscribed Stock		-		694,307
Additional paid-in capital		5,502,265		5,503,731
Parent Company shares held by subsidiaries and associates		(1,229,454)		(1,229,454)
Unrealized gain on available-for-sale investments		10,515		8,585
Other reserves		(52,345)		(52,369)
Retained Earnings		390,718		338,243
		16,181,082		16,128,119
Non-Controlling Interests		(53,062)		(53,047)
<b>Total Equity</b>		<b>16,128,020</b>		<b>16,075,072</b>
<b>Total Liabilities and Equity</b>	P	<b>24,627,180</b>	P	<b>22,643,527</b>

**BELLE CORPORATION and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
(Amounts in Thousands)

For the Three Months Ended March 31				
		2012	2011	
Unaudited				
PREFERRED STOCK - P1 par value (subscribed)	P	1,000,000	P	1,000,000
COMMON STOCK - P1 par value				
Issued		10,559,383		6,350,900
ADDITIONAL PAID-IN CAPITAL		5,502,265		-
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Equity share in cost of parent company shares held by associates		(731,696)		(731,696)
Cost of parent company common shares held by subsidiaries		(497,758)		(497,758)
Unrealized gain on available-for-sale investments		10,515		-
		(1,218,939)		(1,229,454)
OTHER RESERVES				
Share in cumulative translation adjustments of an associate		(26,393)		(26,393)
Share in unrealized gain (loss) on available-for-sale investments of associates		(25,952)		5,930
		(52,345)		(20,463)
RETAINED EARNINGS (DEFICIT)				
Balance at beginning of year		338,243		(327,809)
Net income		52,475		50,012
		390,718		(277,797)
NON-CONTROLLING INTERESTS		(53,062)		(52,995)
TOTAL EQUITY	P	16,128,020	P	5,770,191

**BELLE CORPORATION and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
(Amounts in Thousands)

		For the Three Months Ended March 31	
		2012	2011
		Unaudited	
<b>Cash Flows from Operating Activities</b>			
Income before income tax	P	53,002	P 52,408
Adjustments for:			
Interest expense		33,498	54,463
Unrealized foreign exchange gain (loss) - net		16,318	(9,913)
Equity in net earnings of associates		(38,083)	(37,344)
Depreciation and amortization		6,660	6,648
Amortization of discount on trade receivables		(6,327)	(20,048)
Pension costs		1,778	1,708
Interest income		(28,891)	(296)
Impairment loss on investments and advances		-	(60)
Gain on sale of:			
Property and equipment		(165)	-
Dividend income		(1)	-
Income before changes in working capital		37,789	47,566
Decrease (increase) in:			
Receivables		9,072	(5,809)
Real estate for sale		(118,030)	(94,314)
Club shares		(9,981)	(20,735)
Other assets		(2,224,644)	(62,858)
Decrease in accounts payable and other liabilities		(126,069)	(18,395)
Contributions to the retirement fund		(2,283)	(2,283)
Net cash used in operations		(2,434,146)	(156,828)
Income tax paid		2,016	(1,495)
Interest received		26,939	296
Net cash used in operating activities		(2,405,191)	(158,027)
<b>Cash Flows from Investing Activities</b>			
Expenditures on investment properties		(739,269)	(164,703)
Acquisitions of:			
Short-term investments		(5,698)	-
Property and equipment		(1,263)	(7,598)
Decrease (increase) in investments in and advances to associates and related parties		(3,089)	3,274
Proceeds from disposal of:			
Property and equipment		165	-
Dividends received		1	-
Net cash used in investing activities		(749,153)	(169,027)
<b>Cash Flows from Financing Activities</b>			
Proceeds from:			
Availment of loans		2,200,000	403,791
Stock rights offering		2,082,920	-
Payments of:			
Loans payable		(180,077)	(1,302)
Interest		(17,622)	(50,187)
Assignment of receivables with recourse		-	(1,181)
Increase (decrease) in advances from related parties		1,133	(3,375)
Net cash provided by financing activities		4,086,354	347,746
Effect of exchange rate changes on cash and cash equivalents		27	8
Net increase in Cash and Cash Equivalents		932,037	20,700
Cash and Cash Equivalents at Beginning of Year		2,766,880	41,052
Cash and Cash Equivalents at End of Period	P	3,698,917	P 61,752



ATTACHMENT TO FINANCIAL STATEMENTS	
AGING OF ACCOUNTS RECEIVABLES - TRADE	
As of March 31, 2012	

(a) Collectible within 1 year.	
(b) Collectible after more than 1 year.	