COVER SHEET

P W 2

SEC Registration Number

A SORIANO CORPORATION

(Company's Full Name)

7/F PACIFIC STAR BLDG.
COR. MAKATI AVE. & G. PUYAT AVE.
MAKATI CITY

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

MS. NARCISA M. VILLAFLOR

(Contact Person)

819-0251

(Company Telephone Number)

1 2 | 3 1

Month *Day*

(Fiscal Year)

S E C 17 Q

(Form Type)

THIRD WEDNESDAY

0 4 |

Month *Day*

(Annual Meeting)

Not Applicable

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FROM 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 September 30, 2010

2. Commission identification number: PW-2 3. BIR Tax Identification No. 000-103-216

A. SORIANO CORPORATION
4. Exact name of issuer as specified in its charter

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

6. Industry Classification Code: (SEC Use Only)

7/F Pacific Star Bldg., Gil J. Puyat Ave. corner Makati Avenue, Makati City
7. Address of issuer's principal office Postal Code

8190251
8. Issuer's telephone number, including area code

N/A
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	2,500,000,000

………………………………………………………………………………………………………
………………………………………………………………………………………………………

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

Yes [x] No [ ]

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

Philippine Stock Exchange Common

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 [x]   No   [   ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes   [   ]   No.   [x]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and content of Financial Statements, shall be furnished as specified therein.

Please see SEC FORM 17-Q - Table of Contents

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Furnish the information required by Part III, Paragraph (A)(2)(b) of "Annex "C".

Please see SEC FORM 17-Q - Table of Contents

PART II – OTHER INFORMATION

The issuer may, at its option, report under item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

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: A. SORIANO CORPORATION

Signature and Title: (Sgd.) JOSHUA CASTRO
Asst. Corporate Secretary

Date: November 15, 2010

Principal Financial/Accounting Officer/Controller: (Sgd.) ERNEST K. CUYEGKENG
Signature and Title EVP – Chief Financial Officer

Date: November 15, 2010

SECForm17-Q
November 15, 2010

SEC FORM 17 – Q

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PART I – FINANCIAL INFORMATION

A. SORIANO CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(In Thousand Pesos)

	2010	2009
	September 30	December 31
ASSETS		
Current Assets		
Cash and cash equivalents	**694,481**	594,527
Fair value through profit and loss (FVPL) investments	**864,702**	733,786
Receivables	**1,142,542**	220,021
Inventories	**18,596**	14,426
Prepayments and other current assets	**59,815**	40,137
Total Current Assets	**2,780,135**	1,602,896
Noncurrent Assets		
Investments and advances	**1,088,706**	1,040,734
Available for sale (AFS) investments	**5,698,663**	4,682,992
Investment properties	**261,934**	264,082
Property, plant and equipment	**176,584**	200,493
Goodwill	**473,034**	503,111
Other noncurrent assets	**62,029**	60,401
Total Noncurrent Assets	**7,760,950**	6,751,812
TOTAL ASSETS	**10,541,085**	8,354,708

LIABILITIES AND EQUITY		
Current Liabilities		
Notes payable	**59,289**	344,554
Accounts payable and accrued expenses	**240,678**	248,822
Dividends payable	**121,684**	121,684
Income tax payable	**3,168**	659
Current portion of long-term debt	**5,485**	14,438
Total Current Liabilities	**430,303**	730,156
Noncurrent Liabilities		
Advances from customer	**19,386**	21,787
Deferred revenues	**80,245**	84,457
Long-term debt	**19,198**	20,213
Deferred income tax	**7,933**	8,297
Total Noncurrent Liabilities	**126,762**	134,753
Total Liabilities	**557,065**	864,909

	2010	2009
	September 30	December 31
Equity Attributable to Equity Holdings of the Parent		
Capital stock - 1 par value	**2,500,000**	2,500,000
Additional paid-in capital	**1,574,104**	1,574,104
Unrealized valuation gains on AFS investments	**2,161,109**	656,731
Cumulative translation adjustment	**(65,470)**	(30,974)
Equity reserve on acquisition of minority interest	**(26,357)**	(26,357)
Retained earnings	**5,626,181**	4,297,532
	11,769,568	8,971,037
Less cost of shares held by a subsidiary	**1,826,754**	1,517,163
	9,942,814	7,453,873
Minority Interest	**41,207**	35,926
Total Equity	**9,984,021**	7,489,799
TOTAL LIABILITIES AND EQUITY	**10,541,085**	8,354,708

A. SORIANO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(In Thousand Pesos Except Earnings Per Share)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
REVENUES				
Services	**633,896**	857,642	**200,256**	283,428
Dividend income	**106,033**	103,608	**16,877**	50,844
Equity in net earnings of associates	**90,270**	61,258	**25,034**	33,734
Interest income	**76,277**	86,855	**25,092**	26,565
Management fee	**26,056**	20,632	**9,037**	9,863
	932,533	1,129,995	**276,296**	404,434
INVESTMENT GAINS				
Gain (Loss) on sale of AFS investments	**1,385,490**	(19,857)	**673,013**	6,952
Gain on increase in market values of FVPL investments	**26,597**	110,572	**23,009**	63,482
	1,412,087	90,715	**696,022**	70,434
	2,344,620	1,220,710	**972,318**	474,868
Cost of services rendered	**(505,353)**	(709,598)	**(164,891)**	(224,654)
Operating expenses	**(280,217)**	(298,433)	**(81,063)**	(95,563)
Foreign exchange gain (loss)	**(70,417)**	9,268	**(30,064)**	(8,238)
Interest expense	**(12,948)**	(3,089)	**(2,221)**	452
Valuation allowances - net	**(392)**	(72,963)	**(392)**	(103,180)
Other income (expense)	**2,839**	5,818	**(729)**	(13,639)
	(866,487)	(1,068,996)	**(279,360)**	(444,821)
INCOME BEFORE INCOME TAX	**1,478,133**	151,714	**692,959**	30,047
Provision for (benefit from) income tax - net	**494**	6,795	**(23,658)**	23,909
NET INCOME	**1,477,639**	144,918	**716,617**	6,138
Attributable to:				
Equity holdings of the parent	**1,472,698**	151,030	**715,268**	7,291
Minority interest	**4,941**	(6,112)	**1,348**	(1,154)
	1,477,639	144,918	**716,617**	6,138
EARNINGS PER SHARE - basic, for net income attributable to equity holdings of the parent	**1.13**	0.10	**0.55**	0.01

A. SORIANO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousand Pesos)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
NET INCOME FOR THE PERIOD	**1,477,639**	144,918	**716,617**	69,966
OTHER COMPREHENSIVE INCOME				
Gain on increase in market value of AFS investments	**1,510,380**	1,074,478	**224,149**	512,243
Cumulative translation adjustments	**(34,496)**	(14,325)	**(36,754)**	(7,988)
Income tax effect	**(6,002)**	(81,407)	**(22,238)**	(31,059)
OTHER COMPREHENSIVE INCOME	**1,469,882**	978,746	**165,156**	473,196
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,947,521**	1,123,664	**881,772**	543,162

A. SORIANO CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousand pesos)

	Attributable to equity holders of the parent								
	Capital Stock	Additional Paid-in Capital	Equity Reserve on Acquisition of Minority Interest	Unrealized Valuation Gains on AFS Investments	Cumulative Translation Adjustment	Retained Earnings	Cost of Shares Held by a Subsidiary	Minority Interest	Total
Balance at 12/31/2008	**2,500,000**	**1,574,104**	**(26,357)**	**(612,662)**	**3,429**	**4,094,476**	**(1,514,380)**	**44,987**	**6,063,597**
Valuation gain taken to equity	-	-	-	993,071	-	-	-	-	993,071
Foreign exchange loss taken to equity	-	-	-	-	(14,325)	-	-	-	(14,325)
Net income (loss) for the year	-	-	-	-	-	151,030	-	(6,112)	144,918
Cash dividends -net	-	-	-	-	-	(86,588)	-	-	(86,588)
Share repurchased – January to September 2009	-	-	-	-	-	-	(2,877)	-	(2,877)
Movement in minority interest	-	-	-	-	-	-	-	(5,116)	(5,116)
Balance at 09/30/2009	**2,500,000**	**1,574,104**	**(26,357)**	**380,409**	**(10,896)**	**4,158,918**	**(1,517,257)**	**33,760**	**7,092,682**
Balance at 12/31/2009	**2,500,000**	**1,574,104**	**(26,357)**	**656,731**	**(30,974)**	**4,297,532**	**(1,517,163)**	**35,926**	**7,489,799**
Cash dividends	-	-	-	-	-	(144,048)	-	-	(144,048)
Valuation gain taken to equity	-	-	-	1,504,378	-	-	-	-	1,504,378
Foreign exchange loss taken to equity	-	-	-	-	(34,496)	-	-	-	(34,496)
Net income for the year	-	-	-	-	-	1,472,698	-	4,941	1,477,639
Share repurchased – January to September 2010	-	-	-	-	-	-	(309,591)	-	(309,591)
Movement in minority interest	-	-	-	-	-	-	-	340	340
Balance at 09/30/2010	**2,500,000**	**1,574,104**	**(26,357)**	**2,161,109**	**(65,470)**	**5,626,181**	**(1,826,754)**	**41,207**	**9,984,021**

A. SORIANO CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousand Pesos)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**1,478,133**	151,714	**692,959**	33,008
Adjustment for:				
Foreign exchange loss (gain) - net	**70,417**	(9,268)	**30,064**	10,456
Depreciation and amortization	**40,585**	40,281	**13,712**	15,453
Interest expense	**12,948**	3,089	**2,221**	875
Provisions (recoveries) for market decline	**392**	72,963	**392**	(30,395)
Gain on sale of AFS	**(1,385,490)**	19,857	**(673,013)**	21,054
Dividend income	**(106,033)**	(103,608)	**(16,877)**	(6,037)
Equity in net earnings of associates	**(90,270)**	(61,258)	**(25,034)**	(18,626)
Interest income	**(76,277)**	(86,855)	**(25,092)**	(30,660)
Gain on increase in market values of FVPL investment	**(26,597)**	(110,572)	**(23,009)**	(32,584)
Operating loss before working capital changes	**(82,193)**	(83,658)	**(23,678)**	(37,456)
Decrease (increase) in:				
FVPL investments	**(50,382)**	29,189	**(158,524)**	(55,302)
Receivables	**(922,913)**	94,665	**(930,187)**	16,832
Inventories	**(4,169)**	(2,802)	**(1,834)**	(1,320)
Increase (decrease) in:				
Accounts payable & accrued expenses	**(8,145)**	58,954	**(6,471)**	64,530
Advances from customers	**(2,400)**	(13,745)	**(3,019)**	(13,271)
Net cash generated from (used in) operations	**(1,070,202)**	82,602	**(1,123,714)**	(25,986)
Dividend received	**138,033**	103,608	**16,877**	6,037
Interest received	**73,595**	84,022	**23,488**	29,595
Interest paid	**(12,948)**	(3,089)	**(2,221)**	(875)
Income taxes paid	**(4,352)**	(7,112)	**(3,321)**	(3,991)
Net cash flows from (used in) operating activities	**(875,874)**	260,031	**(1,088,891)**	4,780
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of :				
AFS investments	**4,199,614**	1,135,251	**2,146,950**	421,732
Addition to:				
AFS investments	**(2,373,663)**	(1,714,304)	**(790,479)**	(703,800)
Long-term investments		(350)		-
Property and equipment	**(12,325)**	(41,168)	**(6,131)**	12
Investments properties	**(2,204)**	(4,441)	**-**	-
Decrease (increase) in:				
Other assets	**(21,306)**	5,224	**6,707**	(4,007)
Advances to affiliates	**10,297**	19,249	**(1,607)**	15,692
Net cash flows from (used in) investing activities	**1,800,414**	(600,538)	**1,355,440**	(270,371)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of notes payable	**(285,265)**	(46,909)	**(149,137)**	11,773
Payment of:				
Long-term debt	**(9,968)**	(8,852)	**(6,299)**	(3,601)
Dividends	**(144,048)**	(230,700)	**0**	193
Company shares purchased by a subsidiary	**(309,591)**	(2,877)	**(3,755)**	(2,877)
Increase (decrease) in:				
Deferred revenue	**(4,212)**	(2,798)	**(4,413)**	(1,309)
Minority interest	**340**	(5,116)	**334**	(680)
Net cash flows from (used in) financing activities	**(752,744)**	(297,250)	**(163,270)**	3,500
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	**(71,842)**	(10,796)	**(50,219)**	(5,853)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**99,954**	(648,554)	**53,059**	(267,944)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**594,527**	1,218,631	**641,422**	838,021
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**694,481**	570,077	**694,481**	570,077

A. SORIANO CORPORATION

PARENT COMPANY BALANCE SHEETS

(In Thousand Pesos)

	2010	2009
	September 30	December 31
ASSETS		
Cash and Cash Equivalents	**627,102**	474,116
Fair Value through Profit and Loss (FVPL) Investments	**857,808**	726,544
Available for Sale (AFS) Investments	**5,529,552**	4,533,013
Receivables - net	**1,022,823**	98,710
Investments and Advances- net	**2,449,590**	2,352,772
Investment Property - net	**73,987**	78,340
Property and Equipment - net	**49,660**	56,258
Other Assets	**18,636**	18,416
TOTAL ASSETS	**10,629,158**	8,338,169
LIABILITIES AND EQUITY		
Liabilities		
Notes Payable	**-**	278,451
Dividends Payable	**121,684**	121,684
Accounts Payable and Accrued Expenses	**93,838**	96,432
Due to Affiliates	**536**	140,280
Total Liabilities	**216,058**	636,847
Equity		
Capital Stock - 1 Par Value	**2,500,000**	2,500,000
Additional Paid-in Capital	**1,589,800**	1,589,800
Unrealized Valuation Gains on AFS Investments	**2,128,842**	634,073
Retained Earnings	**4,194,459**	2,977,450
Total Equity	**10,413,101**	7,701,322
TOTAL LIABILITIES AND EQUITY	**10,629,158**	8,338,169

A. SORIANO CORPORATION

PARENT COMPANY STATEMENTS OF INCOME

(In Thousand Pesos Except Earnings Per Share)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
REVENUES				
Dividend income	**137,891**	103,608	**16,735**	6,037
Interest Income	**73,549**	80,760	**24,201**	28,487
Management fees	**23,181**	18,810	**8,084**	7,628
	234,621	203,177	**49,020**	42,152
INVESTMENT GAINS				
Gain (loss) on sale of AFS investments	**1,384,715**	(21,020)	**673,013**	(22,089)
Gains on increase in market values of FVPL investments	**26,605**	110,572	**23,078**	32,584
	1,411,320	89,552	**696,092**	10,495
	1,645,941	292,730	**745,111**	52,647
Foreign exchange gain (loss)	**(102,587)**	(87,411)	**(29,485)**	
Operating expenses	**(102,587)**	(87,411)	**(29,485)**	(28,163)
Interest expense	**(10,901)**	(1,428)	**(1,508)**	(444)
Provision for valuation allowances (recoveries) – net	**-**	(72,485)	**-**	30,546
Others	**444**	15,021	**161**	5,351
	(184,121)	(134,605)	**(62,578)**	(3,627)
INCOME BEFOR INCOME TAX	**1,461,820**	158,124	**682,533**	49,020
PROVISION FOR INCOME TAX – NET	**(5,189)**	(5,740)	**(21,134)**	(43,106)
NET INCOME	**1,467,009**	163,864	**703,668**	92,126
Earnings Per Share*	**0.59**	0.07	**0.28**	0.04

* Based on outstanding shares of 2,500,000,000 in 2010 and 2009.

A. SORIANO CORPORATION

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

(In Thousand Pesos)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
NET INCOME FOR THE PERIOD	**1,467,009**	163,864	**703,668**	92,126
OTHER COMPREHENSIVE INCOME				
Gain on increase in market value (AFS) investments	**1,501,134**	1,081,983	**219,254**	508,388
Income tax effect	**(6,364)**	(83,114)	**(22,084)**	(29,294)
OTHER COMPREHENSIVE INCOME	**1,494,769**	998,869	**197,171**	479,094
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,961,778**	1,162,733	**900,838**	571,219

A. SORIANO CORPORATION

PARENT STATEMENTS OF CHANGES IN EQUITY

(In Thousand Pesos)

	Capital Stock	Additional Paid-in Capital	Unrealized Valuation Gains on AFS Investments	Retained Earnings	Total
Balance at 12/31/2008	**2,500,000**	**1,589,800**	**(629,714)**	**2,742,615**	**6,202,700**
Cash dividends	-	-	-	(150,000)	(150,000)
Valuation gain taken to equity	-	-	998,869	-	998,869
Net income for the year	-	-	-	163,864	163,864
Balance at 09/30/2009	**2,500,000**	**1,589,800**	**369,155**	**2,756,479**	**7,215,433**
Balance at 12/31/2009	**2,500,000**	**1,589,800**	**634,073**	**2,977,450**	**7,701,322**
Cash dividends	-	-	-	(250,000)	(250,000)
Valuation gain taken to equity	-	-	1,494,769	-	1,494,769
Net income for the year	-	-	-	1,467,009	1,467,009
Balance at 09/30/2010	**2,500,000**	**1,589,800**	**2,128,842**	**4,194,459**	**10,413,101**

A. SORIANO CORPORATION

PARENT COMPANY STATEMENTS OF CASH FLOWS
(In Thousand Pesos)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax	**1,461,820**	158,124	**682,533**	49,020
Adjustment for:				
Net foreign exchange loss (gain)	**71,076**	(11,698)	**31,746**	10,917
Interest expense	**10,901**	1,428	**1,508**	444
Depreciation and amortization	**11,125**	12,694	**3,698**	4,164
Loss (gain) on sale of AFS investments	**(1,384,715)**	21,020	**(673,013)**	22,089
Dividend income	**(137,891)**	(103,608)	**(16,735)**	(6,037)
Interest income	**(73,549)**	(80,760)	**(24,201)**	(28,487)
Loss (gain) on increase in market values of FVPL investment	**(26,605)**	(110,572)	**(23,078)**	(32,584)
Recoveries from market decline	**-**	72,485	**-**	(30,546)
Operating loss before working capital changes	**(67,837)**	(40,886)	**(17,543)**	(11,021)
Decrease (increase) in:				
Receivables	**(924,113)**	14,266	**(945,478)**	1,140
FVPL investments	**(50,723)**	29,189	**(158,882)**	(55,302)
Increase (decrease) in accounts payable and accrued expenses	**(2,594)**	(10,033)	**(4,447)**	377
Net cash used in operations	**(1,045,267)**	(7,465)	**(1,126,349)**	(64,806)
Dividend received	**137,891**	103,608	**16,735**	6,037
Interest received	**70,866**	77,926	**22,596**	27,422
Interest paid	**(10,901)**	(1,428)	**(1,508)**	(444)
Income tax paid	**(1,176)**	(2,493)	**(949)**	(600)
Net cash flows from (used in) operating activities	**(848,588)**	170,148	**(1,089,475)**	(32,390)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from the sale of :				
AFS investments	**4,183,626**	1,069,321	**2,146,950**	355,929
Additions to:				
AFS investments	**(2,342,609)**	(1,657,750)	**(790,479)**	(699,851)
Long-term investments	**-**	(350)	**-**	-
Property and equipment	**(174)**	(774)	**(99)**	-
Increase(decrease) in:				
Advances to affiliates	**(109,594)**	55,001	**(7,878)**	67,394
Other assets	**(220)**	(227)	**(89)**	35
Net cash flows from (used in) investing activities	**1,731,030**	(534,780)	**1,348,405**	(276,493)

	Periods Ended September 30		Quarters Ended September 30	
	2010	2009	**2010**	2009
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from notes payable	**(278,451)**	(35,029)	**(150,000)**	11,773
Payment of cash dividends	**(250,000)**	(294,112)	**-**	193
Increase (decrease) in due to affiliates	**(126,968)**	99,925	**(346)**	36,513
Net cash flows from (used in) financing activities	**(655,419)**	(229,216)	**(150,346)**	48,479
EFFECT OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	**(74,037)**	2,572	**(52,062)**	(2,599)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**152,986**	(591,276)	**56,523**	(263,003)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**474,116**	1,016,969	**570,579**	688,696
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**627,102**	425,693	**627,102**	425,693

A. SORIANO CORPORATION AND SUBSIDIARIES

Additional Notes to Consolidated Financial Statements

1. Segment Information

Information with regard to the Company's significant business segments are shown below (in thousand pesos):

	Before Eliminations					**After Eliminations**
	US-based Nurse/PT Staffing Co**.	Other Operations (Note 1)	Holding Co. (Parent)	Total	Eliminations	**Consolidated**
SEPTEMBER 30, 2010						
REVENUES	506,305	240,100	1,645,941	2,392,346	(47,726)	**2,344,620**
NET INCOME	(39,052)	97,352	1,467,009	1,525,309	(47,670)	**1,477,639**
TOTAL ASSETS	713,837	709,670	10,629,158	12,052,665	(1,511,580)	**10,541,085**
INVESTMENT PORTFOLIO *	-	520,867	8,910,938	9,431,805	(1,517,800)	**7,914,005**
PROPERTY, PLANT & EQUIPMENT	5,333	121,591	49,660	176,584	-	**176,584**
TOTAL LIABILITIES	152,004	851,466	216,058	1,219,528	(662,463)	**557,065**
DEPRECIATION AND AMORTIZATION	6,136	23,325	11,125	40,585	-	**40,585**

****** Inclusive of FVPL investments, AFS investments, advances & investments and investment properties.***

******* Excluding IQHPC operations which were consolidated into IQMAN, the latter formed part of other operations.***

Note 1 Other than IQMAN consolidated operations, also included are the operations of A. Soriano Air Corporation, Anscor International, Inc. and Anscor Property Holdings, Inc.

	Before Eliminations					After Eliminations
	US-based Nurse/PT Staffing Co**.	Other Operations (Note 1)	Holding Co. (Parent)	Total	Eliminations	**Consolidated**
SEPTEMBER 30, 2009						
REVENUES	730,549	185,124	292,730	1,208,403	12,307	**1,220,710**
NET INCOME	(67,593)	52,565	163,864	148,836	(3,917)	**144,918**
TOTAL ASSETS	849,386	757,137	7,702,370	9,308,893	(1,506,737)	**7,802,156**
INVESTMENT PORTFOLIO *	-	502,167	7,144,834	7,647,001	(1,482,592)	**6,164,409**
PROPERTY, PLANT & EQUIPMENT	7,180	82,098	58,720	147,998	-	**147,998**
TOTAL LIABILITIES	167,706	880,998	486,937	1,535,641	(826,167)	**709,475**
DEPRECIATION AND AMORTIZATION	5,865	21,722	12,694	40,281	-	**40,281**

**** Inclusive of FVPL investments, AFS investments, advances & investments and investment properties.***

***** Excluding IQHPC operations which were consolidated into IQMAN, the latter formed part of other operations.***

Note 1 Other than IQMAN consolidated operations, also included are the operations of A. Soriano Air Corporation, Anscor International, Inc. and Anscor Property Holdings, Inc.

- The Company and its subsidiaries' operating businesses are organized and managed separately according to the nature of the products or services offered.
- Nurse staffing segment engages in the contract and temporary staffing and permanent placement of nurses and allied healthcare professional (e.g. physical therapists) in the USA.
- Holding company segment pertains to the operation of the parent company with earnings from income of its financial and operating investment assets.
- Other operations include hangarage, real estate holding and management and manpower services.

2. Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and revised standards, amendments to existing standards and new and amendments to Philippine Interpretations effective January 1, 2009.

- PFRS 8, *Operating Segments*, replaces PAS 14, *Segment Reporting*, upon its effective date and adopts a full management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. The adoption of this standard did not have a significant impact on the consolidated financial statements.

- Amendment to PAS 1, *Presentation of Financial Statements*, separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income, which presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Group has elected to present all items of income and expense in two linked statements.

- Amendments to PFRS 7, *Financial Instruments: Disclosures* - *Improving Disclosures about Financial Instruments*, require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class, for all financial instruments recognized at fair value. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and financial assets used for liquidity management.

Adoption of these changes in PFRS did not have an impact on the Group's financial statements:

- Revised PAS 23, *Borrowing Costs*
- Amendments to PAS 32, *Financial Instruments: Presentation*, and PAS 1, *Presentation of Financial Statements - Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*, and PAS 27, *Consolidated and Separate Financial Statements - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

- Amendment to PFRS 2, *Share-based Payment - Vesting Conditions and Cancellations*
- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes*
- Philippine Interpretation IFRIC 16, *Hedges of a Net Investment in a Foreign Operation*
- Philippine Interpretation IFRIC 18, *Transfers of Assets from Customers*
- Amendments to Philippine Interpretation IFRIC 9, *Reassessment of Embedded Derivatives*, and PAS 39, *Financial Instruments: Recognition and Measurement - Embedded Derivatives*

Improvements to PFRSs 2008
The omnibus amendments to PFRSs issued in 2008 were issued primarily with a view to remove inconsistencies and clarify wording. There are separate transitional provisions for each standard. The adoption of these amendments resulted in changes in accounting policies but did not have any impact on the financial position or performance of the Group.

New Accounting Standards, Interpretations, and Amendments to
<u>Existing Standards Effective Subsequent to December 31, 2009</u>
The Group will adopt the following standards and interpretations enumerated below when these become effective subsequent to January 1, 2010. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its consolidated financial statements. The relevant disclosures will be included in the notes to the consolidated financial statements when these become effective.

Effective in 2010

- Revised PFRS 3, *Business Combinations*, and PAS 27, *Consolidated and Separate Financial Statements*, introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. The revised PAS 27 requires, among others, that (a) change in ownership interests of a subsidiary (that do not result in loss of control) will be accounted for as an equity transaction and will have no impact on goodwill nor will it give rise to a gain or loss; (b) losses incurred by the subsidiary will be allocated between the controlling and non-controlling interests (previously referred to as "minority interests"), even if the losses exceed the non-controlling equity investment in the subsidiary; and (c) on loss of control of a subsidiary, any retained interest will be remeasured to fair value and this will impact the gain or loss recognized on disposal. The changes introduced by the revised PFRS 3 must be applied prospectively, while the revised PAS 27 must be applied retrospectively, with certain exceptions. These changes will affect future acquisitions and transactions with non-controlling interests.

- Amendments to PFRS 2, *Share-based Payment - Group Cash-settled Share-based Payment Transactions*, clarifies the scope and the accounting for group cash-settled share-based payment transactions.

- Amendment to PAS 39, *Financial Instruments: Recognition and Measurement - Eligible Hedged Items*, addresses only the designation of a one-sided risk in a hedged item, and the designation of inflation as a hedged risk or portion in particular situations. The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item.

- Philippine Interpretation IFRIC 17, *Distributions of Non-cash Assets to Owners*, covers accounting for all non-reciprocal distribution of non-cash assets to owners. It provides guidance on when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability and the consequences of doing so. This interpretation does not apply to a distribution of a non-cash asset that is ultimately controlled by the same party or parties before and after the distribution.

Improvements to PFRSs 2009
The omnibus amendments to PFRSs issued in 2009 were issued primarily with a view to remove inconsistencies and clarify wording. The amendments are effective for annual periods beginning on or after January 1, 2010, except otherwise stated. The Group has not yet adopted the following amendments and anticipates that these changes will have no material effect on the consolidated financial statements.

- PFRS 2, *Share-based Payment*, clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of PFRS 2 even though they are out of scope of PFRS 3, *Business Combinations (Revised)*. The amendment is effective for financial years on or after July 1, 2009.

- PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in PFRS 5. The disclosure requirements of other PFRSs only apply if specifically required for such non-current assets or discontinued operations.

- PFRS 8, clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.

- PAS 1, clarifies that the terms of a liability that could result at anytime in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.

- PAS 7, *Statement of Cash Flows*, explicitly states that only expenditure that results in a recognized asset can be classified as a cash flow from investing activities.

- PAS 17, *Leases*, removes the specific guidance on classifying land as a lease. Prior to the amendment, leases of land were classified as operating leases. The amendment now requires that leases of land are classified as either "finance" or "operating" in accordance with the general principles of PAS 17. The amendments will be applied retrospectively.

- PAS 36, *Impairment of Assets*, clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in PFRS 8 before aggregation for reporting purposes.

- PAS 38, *Intangible Assets*, clarifies that if an intangible asset acquired in a business combination is identifiable only with another intangible asset, the acquirer may recognize the group of intangible assets as a single asset provided the individual assets have similar useful lives. It also clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used.

- PAS 39, *Financial Instruments: Recognition and Measurement*, clarifies the following:
  (a) that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract; (b) that the scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken; and (c) that gains or losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged forecast cash flows affect profit or loss.

- Philippine Interpretation IFRIC 9, *Reassessment of Embedded Derivatives*, clarifies that it does not apply to possible reassessment at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities or businesses under common control or the formation of joint venture.

- Philippine Interpretation IFRIC 16, *Hedge of a Net Investment in a Foreign Operation*, states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of PAS 39 that relate to a net investment hedge are satisfied.

Effective in 2012

- Philippine Interpretation IFRIC 15, *Agreement for Construction of Real Estate*, covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Philippine Interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts*, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion.

Effective in 2013

- PFRS 9, *Financial Instruments*, will eventually replace PAS 39, *Financial Instruments: Recognition and Measurement*, and introduces new requirements for classifying and measuring financial assets. Under PFRS 9, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. All financial assets that are currently in the scope of PAS 39 are divided into two classifications, namely (a) those measured at amortized cost and (b) those measured at fair value. Classification is made at the time the financial asset is initially recognized, which is when the entity becomes a party to the contractual provisions of the instrument.

3. Financial Risk Management Objectives and Policies

The Company's principal financial instruments comprise cash and cash equivalents, receivables, investments in debt instruments, quoted and unquoted equity securities, investments in mutual and hedge funds, and short-term and long term bank loans.

The Company's investment objectives consist mainly of:

a) maintaining a bond portfolio that earns adequate cash yields and,
b) maintaining a stable equity portfolio that generates capital gains through a combination of long-term strategic investments and short-term to medium-term hold type investment.

The main risks arising from the use of these financial instruments are foreign currency risk, credit risk, liquidity risk, interest rate risk and equity price risk. These risks are monitored by the Company's Investment Committee (the Committee).

The Committee evaluates the performance of all investments and reviews fund allocation to determine the future strategy of the fund. The Committee is formed by the Company's Chairman, Vice Chairman, Chief Finance Officer, and an independent consultant. The evaluation and meetings occur at least every quarter.

The BOD reviews and approves the Company's risk management policies. The Company's policies for managing each of these risks are summarized below.

Credit risk
The Group is exposed to credit risk primarily because of its investing and operating activities. Credit risk losses may occur as a result of either an individual, counterparty or issuer being able to or unwilling to honor its contractual obligations. The Group is exposed to credit risk arising from the counterparties (i.e., foreign and local currency denominated debt instruments and receivables) to its financial assets.

Credit risk management
In managing credit risk on these investments, capital preservation is paramount. The Group transacts only with recognized and creditworthy counterparties. For investments in bonds, funds are invested in highly recommended, creditworthy debt instruments that provides satisfactory interest yield and capital appreciation. Investments in foreign equity funds are made in mutual funds and/or hedge funds with investments in A-rated companies with good dividend track record as well as capital appreciation. The investment portfolio mix between debt and equities is reviewed regularly by the Committee.

Credit risk exposures
The carrying amounts of the assets represent maximum credit exposure.
Credit quality per class of financial asset
For the Group's receivables, credit quality is monitored and managed using internal credit ratings. Internal risk ratings are derived in accordance with the Group's rating policy.

The Group evaluates credit quality on the basis of the credit strength of the security and/or counterparty/issuer. High grade financial assets reflect the investment grade quality of the investments and/or counterparty; realizability is thus assured. Standard grade assets are considered moderately realizable.

Liquidity risk
Liquidity risk is defined as the risk that the fund may not be able to settle or meet its obligations as they fall due. Aside from yielding good returns, the Group ensures investments have ample liquidity to finance operations and capital requirements. Short-term bank loans are secured to fill in temporary mismatch of funds for new investments.

Where applicable, long-term debt or equity are used for financing when the business requirement calls for it to ensure adequate liquidity in the subsidiaries and affiliates' operation.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due, this is done by primarily investing in highly liquid investments. The Group is exposed to liquidity risk arising from its short-term bank loans from local and investment banks.

Market risks
Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is the risk coming from adverse movements in factors that affect the market value of financial instruments of the Group. The Group is exposed primarily to the financial risks of changes in interest rates, foreign currency risk and equity price risks.

Investments exposed to market risk are foreign and local currency denominated quoted debt instruments, foreign and local currency denominated equity instruments and mutual fund/hedge fund investments.

The Group's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

a. Interest rate risks

   Cash flow interest rate risk
   Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

   Fair value interest rate risk
   The Group accounts for its debt investments at fair value. Changes in benchmark interest rate will cause changes in the fair value of quoted debt instruments.

b. Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the values of individual stocks. The equity price risk exposure arises from the Group's investment in stocks listed in the PSE index (PSEi). For investments in Philippine equities, majority of funds are invested in equities listed in the PSE.

c. Price interest risk of mutual funds

The Group is exposed to the risks of changes in the fund's net asset value due to its market risk exposures.

d. Foreign exchange risks

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financials and cash flows. This arises primarily from investments in foreign currency denominated debt investments and equity securities.

The Company and a subsidiary's foreign exchange risk arises primarily from investments in foreign currency denominated debt and equity securities. To minimize income volatility due to exchange rate movements, liquid investments are held in a basket of currencies, including Philippine peso and other major currencies such as U.S. dollar and Euro. This also enables the Company and a subsidiary to access investment opportunities in those currencies. The Company and a subsidiary occasionally engage in foreign currency forward contracts as a defensive measure against foreign currency volatility.

On borrowings, it is the Company's group-wide policy for its subsidiaries and associates where it has significant influence to minimize any foreign exchange risks. Thus, all borrowings whether short-term or long-term, in general, should be in Philippine peso. Any foreign currency borrowings may be engaged only if matched by the entities' corresponding currency revenue flows or by a foreign currency asset. As such, SSRLI and IQMAN can borrow in U.S. dollar as their revenues are dollar-based. It is also the policy of the Group to minimize any foreign exchange exposure in its management of payables. Any substantial exposure is covered by foreign exchange contracts, if necessary.

Capital Management

Due to the diversity of the operations of each company in the Group, capital risk management processes in place are specific to each company. Below are the capital risk management policies of the Company and its more significant subsidiary and associate:

a. The primary objective of the Company's capital management is to ensure an adequate return to its shareholders and to maximize its value to its shareholders. In pursuance of this goal, the Company establishes an optimum risk return investment objectives through a sound diversified investment portfolio and in ensuring a fair credit rating, the Company establishes prudent financial policies through appropriate capitalization ratios in its investments and maintain reasonable liquidity.

   No changes were made in the objectives, policies or process as of September 30, 2010.

b. Cirrus' and IQMAN's capital management objectives are:

   - To ensure its ability to continue as a going concern; and
   - To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

   IQMAN monitors capital on the basis of the carrying amount of equity as presented on the face of the balance sheet.

   IQMAN sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. It manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying business.

4. Financial Condition

There was no significant change in the Company's Balance Sheet as of September 30, 2010 versus December 31, 2009.

Cash and Cash Equivalents

The increase in cash and cash equivalents can be attributed to net cash flows from investing activities total of P1.8 billion reduced by cash used in operating activities, loan payment made by the group, payment of dividends and purchased of Company shares by a subsidiary.

(Please see attached consolidated cash flow statements for detailed analysis of cash movements.)

Fair Value Through Profit and Loss (FVPL) Investments

The increase in the account can be attributed to the net addition for the period of about P50.4 million. Also, the market value of foreign denominated investment in bonds, stocks and funds increased by P26.6 million vs. December 31, 2009 market values.

Receivables

The increase in receivables was due to outstanding receivables as of September 30, 2010, relating to proceeds from sale of AFS investments from ATR-KIM Eng Capital Partners, Inc. which were subsequently collected.

Inventories

Minimal purchases were made in 2010 that brought up a slight increase in inventories from P14.4 million to P18.6 million, mainly spare parts and supplies needed by the aviation subsidiary.

Prepayments and Other Current Assets

Increase in this account can be attributed mainly to additional refundable deposits made by aviation subsidiary in relation to the maintenance service plan for its aircrafts.

Investments and Advances

The increase in investments and advances was mainly due to equity earnings of associates of about P90.3 million, partially offset by cash dividend received and payment of advances.

Available for Sale (AFS) Investments

Change in the account can be attributed mainly to the P1.5 billion increase in market value of AFS investments with a corresponding increase in the unrealized valuation gain in the balance sheet's equity portion. Net additions that were mostly in bonds, equity funds and traded equities amounted to P533.3 million. Foreign exchange loss from translation of foreign currency-denominated AFS investments of about P65.1 million partially decreased the value of AFS investments.

Investment Properties

Minimal capitalizable costs on real estate holdings of Anscor Property Holdings, Inc. (a wholly owned subsidiary of Anscor) caused the increase.

Depreciation for the period amounted to P4.4 million.

Property, Plant and Equipment - net

Depreciation charged to operations amounted to P34.3 million. Additions to property and equipment amounted to P10.4 million.

Goodwill
The goodwill from January 1 to September 30 2010 decreased by P30.1 million due to foreign exchange gain of the peso equivalent of the dollar investment in the US-based staffing business.

Notes Payable
The decrease in the account was due to payments made by the Group of its short-term loans.

Income Tax Payable
Movement in the account was attributable to income taxes for the 3rd quarter of 2010 of the aviation subsidiary.

Current Portion of Long-term Debt
The decrease in the account can be attributed to current portion of debt paid by a subsidiary.

Deferred Income Tax Liability
This account decreased mainly by deferred tax effect of unrealized foreign exchange loss for the period ended September 30, 2010.

Unrealized valuation gains on AFS investments (equity portion)
Available for sale (AFS) investments are carried at fair value as of September 30, 2010. The increase in market values from December 31, 2009 to September 30, 2010 is about P1.5 billion, net of deferred income taxes. When the assets are sold, the gain is realized or reflected in the consolidated statements of income.

Cumulative Translation Adjustment
This account includes translation adjustments of Anscor International, Inc., Cirrus Medical Staffing, Inc. and International Quality Healthcare Professional Connection, LLC**.**

Minority Interest
Increase in minority interest was mainly due to share of minority shareholders on income of the aviation subsidiary, net of share in losses of minority shareholders of IQMan and Cirrus Medical Staffing, Inc. for the period ended September 30, 2010.

Others
There were no commitments for major capital expenditures in 2010.

5. Results of Operation

Management is not aware of any known trends, events or uncertainties except for political and market uncertainties that may have material impact on the Company's recurring revenues and profits.

The following are the key performance indicators for the Parent Company (In thousand pesos except earnings per share and market price per share):

	For the period ended September 30	
	2010	***2009***
Revenues (excluding investment gains or losses)	*234,621*	*203,177*
Investment Gains	*1,411,320*	*89,552*
Net Income	*1,467,009*	*163,864*
Earnings Per Share	*0.59*	*0.07*
Market Price Per Share (PSE)	*3.12*	*3.36*

The discussions below were based on the consolidated results of the Company and its subsidiaries.

Revenues

This year's consolidated gross revenues of P2.3 billion was 92% higher than last year's revenue of P1.2 billion. Anscor posted higher equity earnings and investment gain from sale of locally traded shares (AFS investments) amounting P90.3 million and P1.4 billion, respectively. The increase in revenues was partially reduced by the lower service revenues of Cirrus Medical Staffing, Inc., from P703.5 million to P506.3 million.

Cost of Services Rendered

Decrease in cost of services rendered was mainly attributable to decline in business activities of the nurse staffing and recruitment services.

Operating Expenses

Operating expenses decreased slightly which is also due to decline in business activities of the nurse staffing and recruitment services

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Valuation Allowances

As a result of recovery in market values of some AFS investments in as of September 30, 2010, minimal provision was setup for 2010.

Foreign Exchange Loss

Due to the appreciation of peso vis-à-vis US dollar and euro, the peso value of foreign currency-denominated investments of the Group decreased which resulted to foreign exchange loss.

Interest Expense

The Group reported higher charges for interest expense resulting from additional loans obtained by the parent company and its subsidiary.

Other Income

Other income pertains mainly to reversal of previously accrued expense by a subsidiary.

Provision for (benefit from) Income Tax

The current provision for income tax of the group was offset by benefit from income tax arose mainly from set up of deferred tax asset relating to unrealized foreign exchange loss up to the extent of the deferred tax liability for unrealized valuation gain on AFS investments (excluding listed shares traded in the stock exchange).

Minority Interest

Increase in minority interest was mainly due to share of minority shareholders on income of the aviation subsidiary, net of share in losses of minority shareholders of IQMan and Cirrus Medical Staffing, Inc. for the period ended September 30, 2010.

6. Cash Flows

Management has no knowledge of known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

7. Financial information

- There is neither a change in composition of the registrant, no business combination nor any restructuring.
- There are no seasonality or cyclicality trends in the business that would have material effect on the Company's result of operations and financial condition.

In the interim period:

- There was no significant change in the composition of assets, liabilities, equity, net income and cash flows in the consolidated financial statements reported by the Group.
- No issuance or repayment of equity securities.

- The parent company has not repurchased its equity securities but its 100%-owned subsidiary, Anscor Consolidated Corporation, purchased 140.2 million Anscor shares amounting P309.5 million during the nine months of 2010 and todate owns 1,198,379,093 shares of Anscor.

- No contingent assets or liabilities since the last annual balance sheet date.

- No material contingencies and any event or transactions that are material to the understanding of the operating results of the current interim period.

- No events that will trigger direct or contingent financial obligations that is material to the company, including any default or acceleration of an obligation.

- No material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities of other persons created during the reporting period.

9. Subsequent Events

- On October 14, 2010, the Board of Directors approved a special cash dividend of Twelve Centavos (P0.12) per share payable on November 26, 2010 to all stockholders of record as of November 4, 2010.

- On November 2, 2010, Anscor sold its 5,000,000 common shares in ATR Holdings, Inc. for P97.0 million, resulting in net gain of P24.3 million. Proceeds from sale were used to buy 41,936,663 shares in ATR Kim Eng Financial Corporation (ATRKE Financial) with total purchase price of P115.7 million.

  The resulting shares of Anscor in ATRKE Financial constitute less than 10% of the latter's total outstanding shares.

  ATR Financial is a publicly-listed diversified financial services company, specializing in capital markets, insurance, real estate and other investments. Its wholly-owned subsidiary, ATR KmEng Capital Partners, Inc. is the country's largest non-bank related investment house, while its stockbrokerage arm, ATR KimEng Securities Inc. is the leading Philippine-owned securities company.

8. Subsidiaries and Affiliates

Phelps Dodge Philippines (PDP)

The following are the key performance indicators for Phelps Dodge Philippines (In thousand pesos except volume and earnings per share):

	For the Periods Ended September 30	
	2010	*2009*
Volume sold (MT)		
Domestic	**7,345**	*6,717*
Export	**813**	*143*
Total	**8,158**	*6,860*
Revenues	**3,753,431**	*2,602,754*
Marginal Income	**443,494**	*325,174*
Operating Income	**249,902**	*175,888*
Net Income	**169,159**	*111,968*

Phelps Dodge's sales volume for the first nine months of 2010 increased by 18.9% as compared to the same period in 2009. The main reason for the volume increase was due to the higher levels of exports to General Cable Australia by PD Energy International (the PDP subsidiary that was registered with the Philippine Export Zone Authority) as well as increased demand in the domestic market.

Revenues rose by 44.2% as a result of the combination of the increase in volume and the higher average selling prices due to the increased cost of copper as compared to the first nine months of 2009.

PDP recorded a net Income of P169.2 million for the nine months ending September 30 that was 51.1% higher than the P112.0 million recorded in the same period of the prior year.

During the period PDP declared and paid dividends to shareholders in the total amount of P80.0 million.

Seven Seas' Amanpulo Resort ended up with an occupancy rate of 47.58% for this period, lower than the 2009 average occupancy rate of 48.18%. Average room rate was higher at US$902.77, compared to last year's average US$841.77. Total hotel revenues amounted to P367.1 million, higher than last year's revenues of P342.1 million. Gross operating profit (GOP) of P245.2 million, increased versus 2009's GOP by 5.55%.

Seven Seas reported a net income of P49.1 million, higher from last year's net profit of P46.1 million despite its lower occupancy rate due to availment of the PEZA income tax incentive (5% gross income tax on income generated from its foreign clientele).

Cirrus Medical Staffing, Inc.' consolidated year to date September revenue in 2010 was US$11.1 million, a 25% decline from the same period in 2009. The decline was driven by a drop in nursing revenue due to the current high US unemployment rate that has driven a decrease in hospital need for temporary nursing staff. The therapy division's revenue remains flat relative to the same period last year. The Company has taken steps to reduce its administrative costs and simplify its business strategy.

Cirrus Global, Inc. (formerly IQMan) registered consolidated revenue of P3.9 million for the nine months of 2010, a decrease from last year's consolidated revenues of P6.3 million. The U.S. State Department's continuing ban on the issuance of immigrant visas prevented it from deploying nurses to the US. The Company has outstanding orders from 9 US customers and has maintained the infrastructure to deploy those nurses. Increased unemployment in the United States contributed to the continuing availability of H1B visas, and Cirrus Allied, a US affiliate, contracted with the Company to provide Filipino Physical Therapists for placement into US healthcare facilities. In 2010 the Company will focus on the recruitment of Physical therapists and provide back-office support to US affiliates, Cirrus Allied and Cirrus Medical.

A. SORIANO CORPORATION (Parent Only)
Receivables
September 30, 2010

Particulars	Current	1-30 days	31-60 days	61-120	121-180	181-360	Over 1 yr.	TOTAL
ATR Kim-Eng	588,201	379,137	-	-	-	-	-	967,338
Bureau of Internal Revenue - Creditable Withholding tax	1,369	83	864	834	242	315	14,458	18,166
Phelps Dodge - Management fees	7,854	600	600	956	-	-	-	10,010
Int. Receivable-Bonds-ING Asia	3,406	4,040	4,907	-	-	-	-	12,353
Int. Receivable-Bonds-ING Phil	2,314	2,914	1,881	-	-	-	-	7,109
Int. Receivable - Bonds - Morgan Stanley	1,180	766	947	708	-	-	-	3,601
Ibazeta, Jose C.	1	-	1	2	-	-	2,133	2,138
Others	137	168	205	463	705	-	432	2,109
Total Receivable	604,462	387,708	9,405	2,963	948	315	17,023	1,022,823