

SEC Number 39121
File Number

PHILWEB CORPORATION

(Company's Full Name)

**The Penthouse, Alphaland Southgate Tower
2258 Chino Roces Avenue cor. EDSA, Makati City**

(Company's Address)

338-5599

(Telephone Number)

December 31

(Fiscal Year Ending)
(month & day)

**Quarterly Report Pursuant to Section 17
of the Securities Regulation Code and SRC Rule 17
(2) (b) Thereunder**

Form Type

Amendment Designation (if applicable)

March 31, 2015

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, 2015
2. Commission identification number 39121 3. BIR Tax Identification No 000-141-527-000
4. Exact name of issuer as specified in its charter PhilWeb Corporation
5. Province, country or other jurisdiction of incorporation or organization Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Avenue corner EDSA, Makati City Postal Code 1232
8. Issuer's telephone number, including area code (632)338-5599
9. Former name, former address and former fiscal year, if changed since last report NA

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 (net of treasury shares of 81,380,938)
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Common P1 par value	1,432,616,314 *
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** Inclusive of 260,392,307 number of shares held by PCC, a wholly-owned subsidiary of PhilWeb Corporation*

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 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 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 See attached

The interim financial statements have been prepared in accordance with Philippine Financial Reporting Standard.

The same accounting policies and methods of computation are followed in the interim and annual financial statements.

There are no seasonal aspects that have an effect on the Company's results of operations.

There are no unusual items affecting Assets, Liabilities, Equity, Net income, or Cash Flows.

There are no changes in estimates of amounts reported in the prior financial periods.

There is no disclosure on segment information in the Company's annual financial statements.

There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements.

There are no major changes in the Company, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations, other than the following:

1. The Company acquired in December 2006, April, June and September 2007, 100% ownership of four companies established in British Virgin Islands, namely, Immediate Focus Investment Limited, Leadwood Investment Limited, Now Gain Investment Limited and Nottendale Investments Limited. These are the companies that own the 2.285 billion ISM Communications Corporation shares registered under the name of SIIS Investment Holdings Limited.
2. In 2007, the Company registered with the Securities and Exchange Commission (SEC) the following subsidiaries:
 - a.) PhilWeb Gaming Solutions Corporation (PGSC) with primary purpose to develop, create, market, promote, manage, operate and license game promotions and gaming solutions, either by itself or in conjunction with other companies. On July 17, 2012, PGSC has changed its corporate name to e-Magine Gaming Corporation and its registered activity to engage in developing technology for gaming industry.
 - b.) PhilWeb Leisure & Tourism Corporation (PLTC) primary purpose to establish, operate, and maintain leisure and tourism oriented activities. As of March 31, 2015, PLTC has not commenced its operation.
 - c.) PhilWeb Tourism and Entertainment Corporation (PTEC) with primary purpose to establish, operate and maintain leisure and tourism oriented activities, except in the travel agency business, and facilities such as but not limited to hotels, courts, stadiums and other facilities for the conduct of any

and all kinds of sports and games. As of March 31, 2015, PTEC has not commenced its operation.

d.) PhilWeb Casino Corporation (PCC) with primary purpose to develop, engage and maintain gaming systems and applications for all types of casino operations whether land-based, internet-based or virtual. PCC has not commenced its operation as of March 31, 2015.

3. On February 26, 2007, the Parent Company was registered with the BOI, under Registration No. 2007-030, on a pioneer status as new IT Service Firm in the field of an Application Service Provider. ITH entitlement period started on March 1, 2007 to February 28, 2013.
4. On February 16, 2009, the Parent Company exercised its right to subscribe to 1 share for every 1.92 common shares of ISM Communications Corporation held. The subscription payment amounted to P166,225,645 which covers 16,622,564,499 shares of ISM Communications Corporation. This subscription increased the Parent Company's holdings in ISM Communications Corporation from 24.5 billion shares or 19.4% in 2008 to 41.1 billion shares or 21.5% in February 2009.
5. On June 1, 2009, the Parent Company purchased 5,428,740,000 common shares of ISM Communications Corporation through Uscon Limited, a Hongkong based company. The total additional investment amounted to P172,250,000 which was also paid in the same month. This brings the holdings of the Parent Company to ISM Communications Corporation from 41.1 billion shares or 21.5% to 46.6 billion shares or 24.3%.
6. On September 14, 2009, the Securities and Exchange Commission approved the Company's Amended Articles of Incorporation which increased the par value of the Company's common shares from P0.01 per share to P1.00 per share. The amount of authorized capital stock of the Company remains at P2.6 billion. The number of authorized shares decreased from 260 billion at P0.01 per share to 2.6 billion shares at P1.00 per share.
7. In October 2009, PhilWeb International Gaming Corp. (PIGC) was registered with the Securities and Exchange Commission to engage in international gaming which are legal in the countries in which it will operate. On July 13, 2010, PIGC established PhilWeb Asia Pacific Corp. (PAPC) to engage in international gaming ventures including all forms of gaming which are legal in countries in which it will operate.
8. On December 22, 2009, the Parent Company entered into an Agreement relating to the sale and purchase in January 2010 of certain shares of Acentic GmbH with LBC Capital Sarl (LBC Capital), Host Union International Limited and ISM Communications Corporation.
9. On January 11, 2010, the Parent Company completed the acquisition of 32.5% of Acentic GmbH, a Germany based company engaged in hotels and other multi-dwelling establishment thru Host Union International Limited in the amount equivalent to P658 million.

10. On February 3, 2010, PhilWeb Mobile Lottery Corp. (PMLC) was registered with the SEC with primary purpose to operate, as may be permitted by law, either alone or in partnership with others, mobile-based lottery games and other related mobile game offerings. PMLC has not commenced operation as of March 31, 2015.
11. On August 19, 2010, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on September 20, 2010 to shareholders of record as of September 3, 2010. The total amount paid for such declaration was P125 million.
12. On April 13, 2011, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on May 13, 2011 to shareholders of record as of April 28, 2011. The total amount paid for such declaration was P126 million.
13. On September 07, 2011, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on October 04, 2011 to shareholders of record as of September 21, 2011. The total amount paid for such declaration was P126 million.
14. On February 15, 2012, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on March 16, 2012 to shareholders of record as of March 1, 2012. The total amount paid for such declaration was P126 million.

Also on the same date, the Board of Directors' declared 20% stock dividend payable on May 30, 2012 to shareholders of record as of May 4, 2012. The stock dividends distributed amounted to P252 million.

15. On April 19, 2012, the Stock Option Plan Committee of the Company approved the awarding to selected officers and employees of options to subscribe a total of 8.9 million shares at a price of P14.00 per share.
16. On July 10, 2012, ePLDT Inc. and the Company signed the Share Purchase Agreement covering 397,892,307 shares or 26.28% of the total outstanding capital of the Company. The sale of shares priced at P10.70 will be executed in four tranches to be completed by the end of 2013.

Acquisition of shares in the first tranche was consummated on July 13, 2012.

17. On July 17, 2012, PGSC has amended its Articles of Incorporation changing its primary purpose to "to develop technology for gaming industry" and its principal office address to Penthouse, Alphaland Southgate Tower 2258 Chino Roces Avenue corner EDSA Makati City.
18. On September 24, 2012, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on October 15, 2012 to shareholders of record as of October 8, 2012. The total amount paid for such declaration was P142 million.
19. In relation to Note 16, the Company sold the first tranche representing 93,457,944 of Company-owned shares to PhilWeb Casino Corporation (PCC), a wholly owned subsidiary, on October 18, 2012.

20. On October 19, 2012, PCC, on behalf of the Company, accelerated the acquisition of the second tranche of shares from ePLDT which also comprise of 93,457,944 shares of the Company at the same price of Php10.70 per share.
21. On October 22, 2012, the Company and PCC entered into a Placement Agreement with UBS AG and Religare Capital Markets (Hong Kong) Limited acting as placement agents for the sale of 137.5 million shares of the Company to qualified buyers at a price of P15.00 per share or a total aggregate price of P2,062.5 million.
22. On November 15, 2012, the Company executed an investment agreement with Pure Corporate Investments Ltd., a company organized and existing under the laws of the British Virgin Islands, where the Parent Company, in consideration for 100% ownership in PCIL, exchanged its 50% ownership in Host Union.
23. On November 21, 2012, the BOD approved the creation of a share buyback program.
24. On November 29, 2012, the Philippine Economic Zone Authority approved the application for registration of e-Magine Gaming Corporation (formerly PhilWeb Gaming Solutions Corporation), a subsidiary of PhilWeb Corporation, as an Ecozone Export Enterprise to develop and manufacture electronic machines at the Laguna Technopark - Special Economic Zone.
25. On December 14, 2012, the BOD approved the disposal of investment of PCIL in Host Union for a total consideration of P810.0 million.
26. In relation to Note 3, on January 23, 2013, the BOI approved a one year extension of the Company's ITH covering the period from March 1, 2013 to February 28, 2014.
27. On February 19, 2013, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on March 15, 2013 to shareholders of record as of March 5, 2013. The total amount paid for such declaration was P138 million.
28. In relation to Notes 19 and 20, PCC and ePLDT transacted the third tranche of Philweb shares totaling 93,457,944 shares on June 13, 2013. The total price paid for third tranche is P1,015 million or P10.86 per share.
29. On November 19, 2013 as approved by the BOD, the Parent Company executed a Stock Purchase Agreement with Monfortino Holdings, Inc. (MHI) and agreed to sell its 466 million shares or 24.30% interest on ISM for a price of P1.50 per share.
30. PCC and ePLDT transacted the fourth and last tranche of Philweb shares totaling 117,518,475 shares on December 13, 2013. The total price paid for last tranche is P1,297 million or P11.04 per share.
31. On February 13, 2014 the BOI approved the registration of this new project under New Creative Industries/Knowledge-Based Services Provider (Software Development) on a Non-Pioneer Status. This will entitle the Parent Company to an ITH for four (4) years for all the income generated thru this new location, provided however that certain conditions in investment and employment requirements are met as provided under the Parent Company's registration terms and conditions.

32. On March 4, 2014, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on March 28, 2014 to shareholders of record as of March 18, 2014. The total amount paid for such declaration was P117 million.
33. On May 26, 2014, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on June 23, 2014 to shareholders of record as of June 9, 2014. The total amount paid for such declaration was P117 million.
34. On July 11, 2014, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on September 15, 2014 to shareholders of record as of September 1, 2014. The total amount paid for such declaration was P117 million.

Also on the same date, the Company's Board of Directors approved the declaration of cash dividends of P0.10 per share payable on December 5, 2014 to shareholders of record as of November 21, 2014.

35. On January 14, 2015, the Company's Board of Directors approved the declaration of cash dividend of P0.15 per share payable on February 16, 2015 to the holders of common stock as of January 30, 2015. The total amount paid for such declaration was P175.8 million.
36. On April 17, 2015, the Company's Board of Directors approved the declaration of cash dividend of P0.15 per share payable on May 21, 2015 to the holders of common stock as of May 7, 2015. The total amount payable for such declaration is P175.8 million.

There are no contingent liabilities or contingent assets since the last annual balance sheet date.

There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

Earnings Per Share

Earnings per share is determined by dividing net income for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed as aforementioned and assuming further that all outstanding options are exercised at the beginning of the period.

The weighted average number of common shares used in determining basic and diluted earnings per share is shown below:

	Basic*	Diluted*
March 31, 2015	1,172,224,060	1,173,474,060
March 31, 2014	1,172,220,560	1,172,220,560

* Net of treasury shares directly held by PhilWeb and PCC, a wholly-owned subsidiary.

Financial Instruments: Recognition and Measurements and Disclosure: (PAS 39 and PFRS 7)

Non-derivative Financial Instruments

Non-derivative Financial instruments comprise of cash and cash equivalents, receivables, due to/from related parties and accounts payable and accrued expenses.

A financial instrument is recognized if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the Company's obligations specified in the contract expire or are discharged or cancelled.

Financial assets are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held-to-maturity (HTM) investments, or available-for-sale (AFS) financial assets, as appropriate. When financial assets are initially recognized, they are measured at fair value. In the case of investments not at FVPL, fair value at initial recognition includes directly attributable transaction costs. The Company determines the classification of its financial assets and financial liabilities upon initial recognition and, where allowed and appropriate, re-evaluates this designation at each reporting date. The Company has no HTM investment, AFS financial asset and financial assets and liabilities at FVPL as of March 31, 2015.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as expenses or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents

Cash includes cash on hand and in banks and is stated at its face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of change in value.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payment dates that are not quoted in an active market. These are recognized initially at fair value and subsequently measured at amortized cost using effective interest method, less allowance for impairment loss. An allowance for impairment loss of receivables is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

Other financial liabilities

This category pertains to financial liabilities that are not designated as at FVPL at the inception of the liability. This includes liabilities arising from operations or borrowings. There are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

New or Revised Standards, Amendments to Standards and Interpretations Not Yet Adopted

A number of new and revised standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2015, and have not been applied in preparing these interim consolidated financial statements. Except as otherwise indicated, none of these is expected to have a significant effect on the interim consolidated financial statements of the Group. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

Effective January 1, 2015

- *PAS 24, Related Party Disclosures - Definition of 'related party'*
- *PFRS 2, Share Based Payments - Definition of 'vesting conditions'*
- *PFRS 8, Operating Segments - Disclosures on the aggregation of operating segments*
- *PFRS 13, Fair Value Measurement - Measurement of short-term receivables and payables*

To be Adopted on January 1, 2018

- *PFRS 9 Financial Instruments (2014). PFRS 9 (2014) replaces PAS 39 Financial Instruments: Recognition and Measurement*

The new standard is to be applied retrospectively for annual periods beginning on or after January 1, 2018 with early adoption permitted.

The Group is assessing the potential impact on its interim consolidated financial statements resulting from the application of PFRS 9.

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

The Company became an Internet Services company in January 18, 2000 upon the stockholders' approval of a restructuring plan which involved changes in the Company's name, primary purpose, increase in capital stock, declassification of shares, increase in the number of directors, and adoption of new by-laws, among other matters. At the same meeting, the stockholders likewise authorized the Board of Directors to sell all or substantially all of the assets of the Company, and approved the sale of the mining properties and tangible mining assets.

On January 18, 2000, the Company entered into a Deed of Assignment with All-Acacia Resources, Inc. whereby the Company transferred all its rights over its mining claims located in the Provinces of Samar and Surigao and all of its mining assets, both tangible and intangible, used in the Company's mining operations. In consideration therefore, All-Acacia agreed to assume all liabilities and obligations of the Company, including those relating to the assignment of advances from stockholders and/or deposits on subscriptions in excess of ₱18 million which had been agreed to be converted to equity of the Company, and arrange for the resignation, retirement or termination of all the Company's personnel relating to the mining business and pay their

corresponding separation or retirement pay, as well as hold the Company free and harmless from any expense, liability or obligation arising from the operation of the Company as of the date of the Agreement.

The change in the Company's corporate name to "PhilWeb.Com, Inc.", its primary purpose from a mining and oil exploration company to that of an Internet Service company, increase in the number of directors to 15, and adoption of new By-laws became effective upon the approval by the SEC on February 8, 2000. The SEC subsequently approved the increase in the Company's authorized capital stock to P2.6 Billion and the declassification of its common shares to one class on March 6, 2000.

At the annual stockholders' meeting on May 31, 2002, the stockholders approved the change in corporate name from "PhilWeb.Com, Inc." to "PhilWeb Corporation". The stockholders also approved the inclusion of the gaming business as an additional secondary purpose of the Company. The SEC approved these changes on November 5, 2002.

On November 28, 2002, the Company signed a Memorandum of Agreement with Philippine Amusement and Gaming Corporation (PAGCOR) for the Company to provide PAGCOR with technical consultancy and marketing services related to Internet Sports Betting. PAGCOR has launched its Internet Sports Betting website called BasketballJackpot.Net, with the objective of getting a slice of the US\$10 billion worldwide Sports Betting market. In April 2004, the Company launched its internet casino business.

At the annual stockholders' meeting on May 29, 2003, the stockholders approved the change in the primary purpose of the Company to develop, design, build, install, own, possess, use, operate, manage, market and maintain gaming systems, applications, programs, and operating platforms and facilities of every description, including but not limited to integrated and on-line computer systems, terminals, software, servers and routers together with interconnecting and interlinking telecommunications systems for voice data and multimedia transmission and interexchange for the transport, storage and processing of messages and data; to do any and all acts, activities and undertakings in relation to, arising out of and incidental to the development, design, building, installment, ownership, possession, usage, operation, management, marketing and maintenance of such gaming systems, applications, programs, and operating platforms and facilities, including but not limited to the sale and the leasing of such gaming systems, applications, programs, and operating platforms and facilities, and the supply and provision of management, operation, technical and marketing expertise and other advisory and consultation services in relation thereto, including but not limited to services to Philippine Amusement and Gaming Corporation (PAGCOR) and, as permitted by law, other gaming operators.

PhilWeb's current main revenue business consists of licensing proprietary software and providing technical, marketing and cash management services to PAGCOR's over 310 e-Games Cafés formerly known as Internet Casino Stations.

PAGCOR e-Games cafés

In 2003, we received a license from the Philippine Amusement and Gaming Corporation (PAGCOR) to launch e-Games stations, which are Internet cafés exclusively dedicated to casino games. With technology provided by PhilWeb, patrons can choose from close to three hundred casino games, including baccarat, blackjack, various slot machine games, video poker and others. Most e-Games cafés operate on a 24/7 basis.

As of the first quarter 2015, the Company's core business, the PAGCOR e-Games stations (PeGS Cafès) grew to 314 cafès. The network of total gaming terminals increased by 2.8% from the same period last year to 8,069.

Gross bets placed as of the first quarter of 2015 slightly decreased to P33.2 billion, 1.6% lower compared to last year's P33.7 billion of the same period.

In 2014, Realtime Gaming (RTG), e-Games' backend software provider, together with the new server enabled e-Games to accommodate more players and paved the way for account-based play. e-Games also achieved the highest winnings in one day of P22 million, set in December. Apart from RTG, Microgaming continues to provide its suite of casino games into various cafes.

e-Games site renovations, which began in 2013, continued into 2014. Each site renovation brought about an enhanced player experience, with newly-installed bars, lounges and crap tables. In 2015, e-Games will continue renovating its sites. The Company will also explore new trends to keep its core business at par with current industry standards.

Marketing Highlights

Launched in 2013, e-Games' Membership and Rewards Program enjoyed continued patronage in 2014. As of this writing, there are 70,000 registered accounts. As card-carrying members, e-Games players have access to a web-based interface that allows them to manage their accounts, participate in quarterly promotions, and redeem exclusive reward items. Raffle draws were also held in 2014, with more than P12 million in prizes given away.

In 2014, e-Games initiated the Club Platinum Program, a player retention program exclusive only for e-Games' super VIP (SVIP) players. SVIP clients are identified as high-rollers who have accumulated considerable playing time and significant wins. They are assigned with Relationship Managers who they can call at any time. Relationship Managers ensure that personalized attention is given toward delighting each and every client in this category and on infrequent instances, the timely resolution of any concerns SVIP members may have, from game play issues to general dissatisfaction.

The final component of the SVIP program is the Platinum card, which can be used to avail of discounts and upgrades from e-Games' high-end partner establishments. These partner establishments consist of selected retail stores, hotels, and restaurants.

SVIP clients enjoy more perks. A rewards program has been established wherein members may redeem their accumulated points for premium items such as high-end designer bags and trips to exclusive destinations like Balesin Island Club.

Goals for 2015

e-Games key initiative in 2015 will be the activation of the Electronic Wallet (e-Wallet), which will allow players to leave credits in their accounts. This is a significant step forward from the current cash-only transaction model, reducing the various risks involved in the handling of cash. Players will enjoy the portability and security of keeping their credits within their electronic player account, knowing they have instant access to their balance at any e-Games terminal across the country. The e-Wallet will be launched in Q2 2015.

With the SVIP program launched in 2014, e-Games marketing will launch programs which will cater to different segments of the market. In terms of games, e-Games will introduce slots games

which carry multi-level progressive jackpots. Instead of just one payout, there will be multiple jackpot winning opportunities.

e-Games will continue with its events and product activations, with focus on specific geographic segments.

BigGame, Inc.

BigGame, Inc. or BGI, is a wholly owned subsidiary of PhilWeb Corporation. BGI owns and operates 20 PeGS Cafés making it one of the largest operators in the business. Total gaming terminals increased by 5.1% from the same period last year to 1,063.

BGI's revenue as of the first quarter 2015 slightly decreased to P49.3 million, 3.9% lower compared to 2014 of the same period.

In 2014, BGI introduced several new concepts which were successfully met. These included the VIP Couple Seats which allowed couples to play alongside each other, VIP Pods that were patterned after business class airline seats, curved terminals, lounge chairs with dedicated tables and VIP booths with push recliner chairs. These were all well-received by BGI's clients.

Another new improvement that was introduced in BGI sites was the conversion of bar set-ups to lounge set-ups. Through extensive research, it was noted that customers enjoyed playing far longer on comfortable sofas rather than on bar stools. In 2015, BGI looks forward to deploying the Genesis line of gaming terminals from e-Magine Gaming, which will in turn provide a more engaging customer experience.

BGI Marketing

In 2014, BGI's marketing efforts consisted of several key activities. The first was "Tis the Season to be Lucky," a three-month raffle activity which was launched in November. All BGI members were eligible to participate, with several of the winners of P100,000 coming from Cebu.

Another major event in 2014 that BGI participated in was the 14th Grand Wine Experience. Considered to be the biggest wine event in Southeast Asia, the event was held November 14, 2014 at the Grand Ballroom of the Marriott Hotel, Newport City. Organized annually by Philippine Wine Merchants the event focuses on fostering the promotion of wine drinking and was well-attended by wine enthusiasts, celebrities, international VIPs and members of Philippine society. BGI made its presence felt via a demonstration booth which was located at the ballroom's entrance. Here, guests could play and experience e-Games for free. Towards the end of the night, vouchers were given out as raffle prizes.

BGI also celebrated the renovation of its Buendia branch with a launch. Held on December 21, 2014, the Buendia Renovation Launch featured numerous fun activities for its clients. These included "VIPs of the Day" promo, Random Seat Promo, Attendance Promo, and a Slots Tournament. Two new games were introduced during the Slots Tournament - White Rhino and Hen House. These two games represent the first of many Multi-level Progressive Jackpot games, which are differentiated by having both a major and minor cash prize.

BGI in 2015

In 2015, BGI will carry on with its site expansions and renovations to existing cafés and are planning four additional sites for the year.

BGI will continue to look out for innovative ways to keep player experience fresh and up-to-date with the current trends in the gaming industry. The group will adapt to these new trends to ensure continuous improvements are being carried out at its sites.

BGI's marketing group will focus on its VIP program, which will target its high-roller customers. There will also be retention programs that will offer perks for VIPs when they reach a certain deposit amount or play at specific BGI sites. BGI will also conduct site promotions that aim to grow the player base and keep players engaged.

e-Magine Gaming

e-Magine gaming is a subsidiary of PhilWeb Corporation. The Company's primary purpose is to develop and manufacture gaming terminals. Launched in 2012, e-Magine's goal is to strengthen PhilWeb's revenues and support its local business operations.

e-Magine's Genesis 103 is a sleek and user-friendly console, utilizing a Windows-based operating platform to handle a multitude of unique and varied gaming applications.

The Genesis 103 is built for online casino gaming. Offering a greater experience with its 21-inch touch screen and all-in-one terminal capabilities, players begin their game play through the 103's casino lobby screen via their membership card. Players can insert money and collect tickets from the terminal without having to leave their seats.

e-Magine achieved two key highlights in 2014. The first was the Gaming Labs International, Inc. (GLI) certification which was awarded to the Company in December 2014. Since Q2 of 2014, e-Magine had been coordinating with GLI representatives to discuss and define the local and international requirements of the unit.

On August 7, 2014, e-Magine sent two units to GLI Macau Technical Center for initial testing then transferred the units to Adelaide, Australia for further testing. On December 18, 2014, Gaming Laboratories Australia issued PA-308-EMA-14-01 certifying the Genesis 103 for the hardware requirements of PAGCOR Technical Standards for Electronic Gaming Machine Version 1.0. This certification represents the local version of GLI-11.

In the future, PAGCOR will require local operators to comply with GLI certification or other similar equivalents. This puts e-Magine ahead of its competitors as the Company already has the certification requirements. Moving forward, the Company will keep adding to its GLI certification. GLI certification is an important component for e-Magine when it pushes into international markets requiring this industry standard.

Another highlight for e-Magine is the roll-out of 146 units of the Genesis 103 units in selected BGI branches. To date, BGI branches have utilized the traditional desktop computer setup for its gaming consoles. With the introduction of these sleek Genesis 103 units, players will now enjoy a more interactive gaming experience. Boasting a modern design with touchscreen terminals, the Genesis is a modular, customizable gaming machine that can be adjusted to one's preferred viewing angle.

Corporate Services

Customer Support

In 2014, changes were made to the Customer Support Department in an effort to streamline the service. The Field Support Group was merged into the IT Division to exploit possible synergies; and the remaining Contact Center operation was merged into the Gaming Division to provide a venue for customer feedback on the various projects that were being undertaken.

Despite these changes, the team continued to render multi-channel support 365 days a year, 24 hours a day for all PhilWeb products, to include e-Games members and operators and site staff, as well as customers of Premyo sa Resibo and MegaSportsWorld. There was an 8% increase in the number of transactions in 2014 – over 300,000 calls and e-mails. Despite the volume, CS has maintained low single-digit call abandonment rates, enabling the team to answer at least 92% of all calls in 20 seconds coming from a 90% average in 2013, while majority of emails were responded to within the first 30-minutes. The nature of transactions were varied. Apart from incoming queries from customers and various stakeholders, the group also provided outbound call and e-mail support for other departments: Marketing - for promo announcements, reminders and contacts with promo winners; Information Technology - for advisories on the terminal migrations and other maintenance activities; and Finance - for cash collection and replenishment.

The team believes that the past year's success is the product of their sustained focus on (1) process improvements - to simplify handling of inquiries or fast track processing of requests and complaints, and (2) weekly team calibrations, mentoring and targeted coaching - to reinforce soft skills.

In 2015, the encompassing goal for all CS activities is to maximize significant opportunities for customer engagement with focus on strengthening direct to player relationships. The group plans to achieve this through expanded contact channels, a more regular and extended Customer Satisfaction survey, staff empowerment, new processes and support systems to better serve our customers, reduce service times and better tailoring of the customer experience.

Finance

The PhilWeb Finance Department demonstrates excellence in maintaining the integrity of our financial reports. It continuously develops and implements financial systems and internal control policies to safeguard the Company's assets and resources. Its role has also evolved from pencil pushers or number generators for the organization to a business partner of the other departments. Our Finance Department has become the catalyst for other areas to achieve their respective cost and revenue targets, thereby allowing the whole organization to achieve its objective for the Stakeholders.

One of the critical, if not the most critical, role of finance is to make sure that all cash from the nationwide network of e-Games are collected in a timely and accurate manner. Thru our Company-proprietary POS system and 24/7 operation of our Cash Centers, we are able to monitor cash exposure thereby making it possible for us to collect or replenish the cash needs of each site almost immediately. Coupled with the strict implementation of collection policies, we are able to manage our cash with very minimal risk to the Company. The Company also has partner banks that accept payments or fund transfers on behalf of the Company.

In 2014, we established another business location right in the heart of the business district of Pasig City. The new location includes Field, IT, Customer Service and Cash Center departments. This enabled us to provide faster and more efficient services to our clientele and partners.

Information Technology

PhilWeb's Information Technology group is composed of five functional departments. These departments were put in place to support the Company's 24/7 operations. The IT division consists of the following: Infrastructure, Software Development, Service Delivery, Service Support, and Security & Compliance. Each department's functions are aligned with PhilWeb's operational requirements as well as its corporate needs.

The Infrastructure Department's primary role is to provide all the components - hardware, software, network resources, facilities and services - needed to deliver IT services for PhilWeb's casino and corporate operations. The team is also responsible for the monitoring and maintenance of these components to ensure that operations are supported 24/7.

The Software Development Department is in charge of creating and implementing software vital to PhilWeb's casino operations. As of this writing, a number of homegrown applications are in production which will allow PhilWeb to provide a better gaming experience to its customers through the management of their membership credentials and loyalty points. Internally, the group has also developed tools to provide the operational teams such as Customer Support, Finance Operations, and Casino Operations with the information they need for their day-to-day activities.

The Service Delivery Department is responsible for the implementation and management of quality IT services. Guided by industry best practices, the group manages delivery of services through the disciplines of Project Management and Change Management. In line to its vision to ensure quality, the team also has a Quality Assurance unit which conducts testing on homegrown software prior to customer endorsement in order to ensure that business requirements are met.

The Service Support Department is charged with providing first level technical support and ensuring that IT services are available 24/7 to both internal and external customers of the Company. There are two groups under this department: a) the Technical Support team, which monitors and performs first level troubleshooting on services pertaining to PhilWeb's corporate & casino infrastructure and b) Field Support, which is tasked to providing first level troubleshooting for e-Games sites. Tickets reported by site personnel and operators are first escalated to this team for validation and resolution.

The Security and Compliance Department is primarily concerned with ensuring that proper security measures are in place. These measures cover network, software, application, and the social engineering of PhilWeb's IT infrastructure.

Highlights in 2014

After strengthening network security in 2013, the objective for 2014 was focused on supporting Philweb's goals in providing a better gaming experience for its E-Games patrons. This year, the account-based play, for which IT has provided a new infrastructure, will be fully integrated with the existing e-Games Membership and Rewards platform, which will also include enhanced monitoring, management and support tools.

2015 Goals

While its goal of providing the right technology and technical services remains unchanged, PhilWeb's IT Department is also looking to enhance the Company's operations through the efficient delivery of IT services. The group will also focus on aligning its services to the industry's best practices and trends to improve both the external and internal customer experience.

RESULTS OF OPERATION

	For the First Quarter Ended March 31, 2015	For the First Quarter Ended March 31, 2014
Income Statement		
Revenues	396,282,690	390,333,695
Costs and Expenses	146,957,936	151,342,321
Other Income (Expense) - Net	(4,413,337)	(9,237,684)
Income Tax Expense	34,950,506	10,211,539
Net Income After Tax	209,960,911	219,542,151
Retained Earnings at Beginning of Period	2,521,083,685	2,085,982,906
Retained Earnings at End of Period	2,555,123,604	2,188,258,255
Balance Sheet		
Current Assets	1,199,512,667	1,185,334,856
Total Assets	2,057,169,430	2,155,198,353
Total Liabilities	1,034,733,389	1,495,123,052
Total Equity	1,022,436,041	660,075,301

Total revenues increased by P6.0 million, or 1.5%, to P396.3 million as of the first quarter of 2015 from P390.3 million registered in the same period last year. The increase was contributed mainly by the PeGS business.

Cost and expenses decreased by P4.4 million, or 2.9%, to P146.9 million for the three months ended March 31, 2015 from P151.3 million posted in the same period last year. This was mainly due to lesser rental rate of the new office location and operating cost in Asia-Pacific businesses.

Other expense - net decreased by P4.8 million, or 52.2%, to P4.4 million as of the first quarter of 2015 from P9.2 million recorded in the same period last year. This was mainly due to lower interest expense as a result of payment of loans.

Overall, the Company's operating income grew by 4.3% and EBITDA also increased by 5.2%. Net income however, declined mainly due to higher income tax expense recognized in 2015.

The Company's key performance indicators for the three months ended March 31, 2015 and 2014 are the following:

Financial Ratios	March 31, 2015	March 31, 2014
Net Income Margin (Net Income / Net Revenues)	53.0%	56.2%
Operating Income Margin (Operating Income / Net Revenue)	62.9%	61.2%
Current Ratio (Current Assets/Current Liabilities)	1.25:1.00	0.84:1.00
Asset to Equity Ratio (Total Assets / Total Equity)	2.01:1.00	3.27:1.00
Debt to Equity Ratio (Total Liabilities / Total Equity)	1.01:1.00	2.27:1.00
Return on Total Assets (Net Income / Total Assets)	10.2%	10.2%
Return on Total Equity (Net Income / Total Equity)	20.5%	33.3%
Interest Rate Coverage Ratio (EBIT / Interest Expense)	28.6:1.00	15.7:1.00

Performance for the Period January 1, 2015 to March 31, 2015
(Comparison of Balance Sheets as of March 31, 2015 and December 31, 2014)

Cash and Cash Equivalents

The cash and cash equivalents decreased by P38.8 million or 10.3% versus last year. The Company operations generated cash amounting to P316.4 million and used its cash mainly for CAPEX P6.8 million, payments of dividends P175.8 million and payment of loan P165.0 million.

Receivables

The receivables increased by P18.4 million or 6.2% versus last year mainly due to advances and deposits to suppliers.

Inventories

The increased in inventories amounting to P3.4 million or 3.2% mainly pertains to the increase of inventory of raw materials for the production of gaming terminal of e-Magine Gaming Corporation.

Notes Receivable

The decreased in notes receivable of P23.1 million or 6.4% versus last year, was mainly due to foreign exchange losses on notes receivable that are being charged to advances to non-affiliate.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P5.8 million or 6.3% versus last year mainly due to input VAT claimed on purchases and prepaid rent.

Investment in Associates

Investment in associates of P15.1 million pertains to investment in Alphaforce Security Agency, Inc. of P9.3 million and Choice Insurance Brokerage, Inc. of P5.8 million.

Noncurrent Receivable

Noncurrent receivable of P583.2 million represents the noncurrent portion of the receivables arising from the sale of investment in Acentic.

Property and Equipment

The decreased in property and equipment of 15.1 million or 6.9% represents the total acquisitions of P6.8 million less depreciation amounting to P21.9 million.

Deferred Tax Assets

Deferred tax assets decreased by P14.7 million due to application of deferred tax asset during the period.

Other Noncurrent Assets

Other noncurrent assets increased by P6.8 million or 13.6% mainly due to the increase in rental deposits as a result of BGI business expansions.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses increased by P52.2 million or 22.9% mainly due to increase in trade payable and accrual of expenses.

Income Tax Payable

The increased in income tax payable by P20.2 million or 16.0% was due to provision for income tax during the period.

Notes payable

Notes payable pertains to unpaid bank loans amounting to P535.0 million. P165.0 million was paid during the period.

Retirement Benefits Liability

The increase in retirement benefits liability of P1.7 million or 9.2% represents additional provision for employees' retirement benefits.

Operators' deposit

The increase of operators' deposit of P1.2 million or 2.3% represents the cash received from operators that serves as a bond/security in case the operators defaults from payments. This deposit is to be returned to the operators after termination of the contract.

Retained earnings

The increase in retained earnings of P34.0 million or 1.4% was attributable to the net income during the period of P202.9 million, net of cash dividends of P175.8 million.

Cumulative translation adjustment

The cumulative translation adjustment represents the foreign currency differences that are recognized in other comprehensive income.

Quantitative and Qualitative Disclosures on Financial Instruments

The Company's principal financial instruments consist of cash and cash equivalents, receivables, due from related parties and accounts payable and accrued expenses.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and market risk. The policies for managing each of these risks are provided below:

- a. Credit Risk is limited to the risk arising from inability of a debtor to make payments when receivables are due. The Company's internet gaming business is made on cash basis and internet gaming operators are covered by required security deposits. Other receivables arise from one of transactions and are due and demandable on a short-term basis. Due to this reasons, the Company has no significant exposures to credit risk as of March 31, 2015.

The carrying amount of receivables represents the Company's maximum exposure to credit risks in relation to financial assets.

- b. Liquidity risk is the risk that the Company will be unable to meet its obligations as they fall due. To effectively manage liquidity risk, the Company monitors its cash flows and ensures that credit facilities are available to meet its obligation when they fall due.
- c. Market risks is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Fair values

The fair values of the Company's financial instrument approximate their carrying amounts as of balance sheet date either because of their relatively short-term nature or the interest rates they carry approximate interest rates for comparable instruments in the market.

Key Performance Indicators of Subsidiaries for the three months ended March 31, 2015.

BigGame, Inc. is the operating subsidiary as of March 31, 2015. Thus, there is no key performance indicators discussed herein for other subsidiaries.

BigGame, Inc. (BGI), is a wholly owned subsidiary that started commercial operations in July 2005. BGI's total revenue for the three months ended March 31, 2015 was at P49.3 million, 3.9% lower as compared to 2014 total revenue of P51.3 million of the same period.

Premyo sa Resibo Program (PSR), a joint activity among Department of Finance, BIR and PhilWeb's fully owned subsidiary, Premyo sa Resibo, Inc., was launched in June 2006. The main objective of PSR was to encourage consumers to ask for their Official Receipts (OR) and find

innovative solutions to our government's massive tax leakage problem. The program is currently providing vital information to BIR for its tax collection campaign.

On October 1, 2014, PSR ceased operation as agreed with BIR and PhilWeb.

Philweb Asia-Pacific, thru its subsidiaries, started commercial operations in Timor in November 2011, in Cambodia in March 2012, and in Guam in October 2011.

The respective Board of Directors of the following subsidiaries, in their meeting held on May 31, 2007 had approved the amendment in the corporate existence of the companies from 50 years to a period ending September 30, 2007:

1. PhilWeb Software Corporation
2. PhilWeb Cyberworld Corporation

Clearances from the Bureau of Internal Revenue are presently being obtained in relation to the shortening of the corporate existence of the above mentioned subsidiaries.

There were no events that triggered direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The current capitalization of the Company and expected future revenues from its various activities are projected to sufficiently meet the Company's operating cash requirements.

Acquisition of computer and equipment and other facilities is not expected to be of material amounts.

No extraordinary purchase of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through internally generated funds and existing capitalization.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the Company's revenues or continuing operations.

There are no seasonal aspects that had a material effect on the Company's financial condition or results of operations.

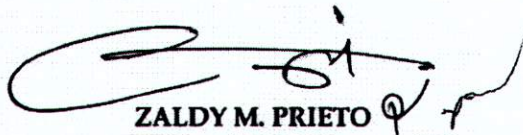
Part II - Other Information

There are no disclosures not reported under SEC Form 17-C.

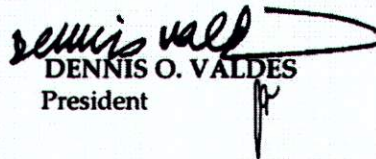
SIGNATURES

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.

PHILWEB CORPORATION
Registrant



ZALDY M. PRIETO
SVP and Chief Finance Officer



DENNIS O. VALDES
President

May 14, 2015

Quarterly Report - January 1, 2015 - March 31, 2015

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31 2015 (Unaudited)	December 31 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	336,156,626	374,949,875
Accounts receivable - net	318,058,698	299,627,945
Inventories	109,602,266	106,252,113
Notes receivable	337,189,859	360,248,864
Prepaid expenses and other current assets	98,505,218	92,707,211
Total Current Assets	1,199,512,667	1,233,786,008
Noncurrent Assets		
Noncurrent receivable	583,200,000	583,200,000
Investment in associates	15,090,229	15,090,229
Property and equipment - net	203,077,340	218,178,406
Deferred tax assets	-	14,724,999
Other assets	56,289,194	49,536,262
Total Noncurrent Assets	857,656,763	880,729,896
	2,057,169,430	2,114,515,904
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	279,928,124	227,705,155
Income tax payable	146,343,383	126,117,876
Notes payable	535,000,000	700,000,000
Total Current Liabilities	961,271,507	1,053,823,031
Noncurrent Liabilities		
Retirement benefits liability	20,206,882	18,497,425
Operators' deposits	53,255,000	52,055,000
Total Noncurrent Liabilities	73,461,882	70,552,425
Total Liabilities	1,034,733,389	1,124,375,456
Equity		
Capital stock	1,388,916,731	1,388,916,731
Additional paid-in capital	1,081,882,866	1,081,882,866
Stock options reserve	4,604,050	4,604,050
Retained earnings	2,555,123,604	2,521,083,685
Cumulative translation adjustment	3,664,265	5,495,982
Actuarial loss on pension obligation	(1,148,147)	(1,148,147)
Treasury stock	(3,941,779,041)	(3,941,779,041)
	1,091,264,328	1,059,056,126
Non-controlling interest	(68,828,287)	(68,915,678)
Total Equity	1,022,436,041	990,140,448
	2,057,169,430	2,114,515,904

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	January - March 2015	January - March 2014
	(Unaudited)	(Unaudited)
NET SERVICE REVENUES		
Internet application service income	346,983,388	332,843,724
Scratch cards	-	6,201,476
Commission income	49,299,302	51,288,495
	396,282,690	390,333,695
OPERATING EXPENSES		
General and administrative expenses	125,008,429	126,260,610
Depreciation and amortization	21,949,507	25,081,711
	146,957,936	151,342,321
OPERATING INCOME	249,324,754	238,991,374
OTHER INCOME (CHARGES)		
Interest income	3,471,344	5,173,954
Interest expense	(7,493,333)	(14,629,236)
Miscellaneous - net	(391,348)	217,598
	(4,413,337)	(9,237,684)
INCOME BEFORE INCOME TAX	244,911,417	229,753,690
Income tax expense	34,950,506	10,211,539
NET INCOME	209,960,911	219,542,151
OTHER COMPREHENSIVE INCOME		
Foreign exchange translation adjustments	(1,831,717)	6,612,352
TOTAL COMPREHENSIVE INCOME	208,129,194	226,154,503
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	209,873,520	219,497,400
Minority interest	87,391	44,751
	209,960,911	219,542,151
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	208,060,120	226,043,628
Minority interest	69,074	110,875
	208,129,194	226,154,503
EARNINGS PER SHARE:		
Basic	0.1790	0.1872
Diluted	0.1788	0.1872
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)	278,078,587	264,290,683

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	2015 (Unaudited)		March	
	Number of Shares	Amount	2014 (Unaudited) Number of Shares	Amount
CAPITAL STOCK				
Authorized				
Authorized	2,600,000,000	-	2,600,000,000	-
Issued and outstanding				
Common shares at beginning of year	1,350,618,379	1,350,618,379	1,350,614,879	1,350,614,879
Subscribed				
Subscribed shares	163,378,780	38,298,352	163,378,780	38,298,352
	1,513,997,159	1,388,916,731	1,513,993,659	1,388,913,231
ADDITIONAL PAID-IN CAPITAL				
Balance at end of period		1,081,882,866		1,081,837,366
STOCK OPTIONS RESERVE				
Balance at end of year		4,604,050		4,042,818
RETAINED EARNINGS				
Balance at beginning of year		2,521,083,685		2,085,982,906
Cash dividends		(175,833,601)		(117,222,051)
Net income for the year		209,873,520		219,497,400
Balance at end of year		2,555,123,604		2,188,258,255
CUMULATIVE TRANSLATION ADJUSTMENT				
Balance at beginning of year		5,495,982		2,332,768
Additions during the year		(1,831,717)		6,612,352
Balance at end of year		3,664,265		8,945,120
ACTUARIAL LOSS ON PENSION OBLIGATION				
Balance at end of year		(1,148,147)		(1,385,865)
TREASURY STOCK, At cost				
Balance at end of year	(341,773,099)	(3,941,779,041)	(341,773,099)	(3,941,779,041)
NON-CONTROLLING INTEREST				
Balance at beginning of year		(68,915,678)		(68,801,334)
Net income		87,391		44,751
Balance at end of year		(68,828,287)		(68,756,583)
		1,022,436,041		660,075,301

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	March 31 2015 (Unaudited)	March 31 2014 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	244,911,417	229,753,690
Adjustments for:		
Depreciation and amortization	21,949,507	25,081,711
Impairment losses	7,195,674	-
Retirement benefits cost	1,709,457	2,410,251
Gain on disposals of property and equipment	79,076	-
Interest income	(3,471,344)	(5,173,954)
Interest expense	7,493,333	14,629,236
Operating income before working capital changes	279,867,120	266,700,934
Decrease (increase) in:		
Receivables	4,054,185	(77,993,910)
Inventories	(10,764,716)	(23,388,557)
Prepaid expenses and other current assets	(5,579,118)	(15,555,730)
Increase (decrease) in accounts payable and accrued expenses	53,264,011	(739,300)
Cash generated from operations	320,841,482	149,023,437
Interest received	4,045,411	5,173,954
Interest paid	(8,534,375)	(14,629,236)
Net cash provided by operating activities	316,352,518	139,568,155
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(6,848,441)	(23,366,612)
Increase in other assets	(6,752,932)	(1,744,297)
Proceeds from disposals of property and equipment	(79,076)	-
Decrease (increase) in investment in associates	(1,831,717)	6,612,352
Increase in notes receivable	-	(4,263,799)
Net cash used in investing activities	(15,512,166)	(22,762,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of notes payable	(165,000,000)	-
Increase in operators' deposits	1,200,000	1,400,000
Cash dividends paid	(175,833,601)	(117,222,051)
Net cash used in financing activities	(339,633,601)	(115,822,051)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,793,249)	983,748
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	374,949,875	341,990,428
CASH AND CASH EQUIVALENTS AT END OF YEAR	336,156,626	342,974,176

PHILWEB CORPORATION AND SUBSIDIARIES
AGING OF RECEIVABLES SCHEDULE
AS OF MARCH 31, 2015

	TOTAL	NUMBER OF PAST DAYS DUE		
		1-30	31-60	>60
Various Trade and Non-Trade Receivables	315,421,794	37,585,336	91,357,299	186,479,159
Advances to Employees	2,636,904	222,087	202,837	2,211,980
Total	318,058,698	37,807,423	91,560,136	188,691,139
Notes Receivable	337,189,859	3,443,321	2,323,699	331,422,839

PHILWEB CORPORATION AND SUBSIDIARIES

A Schedule Showing Financial Soundness Indicators in Two Comparative Period as Follows:

	January - March 2015 (Unaudited)	January - March 2014 (Audited)
Current assets (ca)	1,199,512,667	1,185,334,856
Total assets (ta)	2,057,169,430	2,155,198,353
Current liabilities (cl)	961,271,507	1,412,591,017
Total liabilities (tl)	1,034,733,389	1,495,123,052
Total equity (te)	1,022,436,041	660,075,301
Net income (ni)	209,960,911	219,542,151
EBIT	213,982,900	228,997,433
Interest income	3,471,344	5,173,954
interest expense (ie)	(7,493,333)	(14,629,236)
Interest - net	(4,021,989)	(9,455,282)

<i>Ratios</i>	January - March 2015 (Unaudited)	January - March 2014 (Unaudited)
current ratio (ca/cl)	1.25	0.84
debt to equity (tl/te)	1.01	2.27
debt to asset (tl/ta)	0.50	0.69
asset to equity (ta/te)	2.01	3.27
ROA (NI/TA)	10.2%	10.2%
ROE (NI/TE)	20.5%	33.3%
%coverage ratio (EBIT/ie)	28.56	15.65
Book value (te/outstanding shares)	0.87	0.56
Net Income Margin (Net Income / Net Revenues)	53.0%	56.2%
Operating Income Margin (Operating Income / Net Revenue)	62.9%	61.2%