COVER SHEET

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SEC Registration Number

J G S U M M I T H O L D I N G S , I N C . A N D S U B S I D I A R I E S

(Company's Full Name)

4 3 r d F l o o r , R o b i n s o n s - E q u i t a b l e T o w e r , A D B A v e n u e c o r n e r P o v e d a R o a d , P a s i g C i t y

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

Constante T. Santos

(Contact Person)

633-7631

(Company Telephone Number)

1 2 | 3 1

Month *Day*

(Fiscal Year)

1 7 Q

(Form Type)

Month *Day*

(Annual Meeting)

(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

S T A M P S

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **March 31, 2006**

2. Commission identification number **184044**

3. BIR Tax Identification No **000-775-860**

4. Exact name of registrant as specified in its charter **JG Summit Holdings, Inc.**

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

   Pasig City, Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of registrant's principal office Postal Code

   43rd Floor, Robinsons-Equitable Tower ADB Ave. corner Poveda Road, Pasig City 1600

8. Registrant's telephone number, including area code

   (632) 633-7631

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

   Not Applicable

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock	**6,797,191,657**

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

    Yes [/] No [ ]

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

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

Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited consolidated financial statements are filed as part of this Form 17-Q .

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

<u>Results of Operations</u>

Three Months Ended March 31, 2006 vs. March 31, 2005

JG Summit posted a net income of ₱3.88 billion during the 1st quarter of the year, showing a huge 417% increase over last year's net income of ₱750.4 million for the same period. The significant increase was boosted by the gain derived from the offering of URC common shares in February 2006. In February 2006, URC completed a primary and secondary offering of its common shares. Excluding non-recurring items, net income still increased by 17.7% from ₱573.2 million to ₱674.8 million.

Consolidated revenues were up by 45.9%, from ₱16.13 billion last year to ₱23.54 billion for the same period this year. The substantial growth was driven by the continued improvement in sales and revenues of our core businesses, foods and real estate development, plus the revenue contribution of our petrochemicals business. Our interest income from various investment portfolios boosted our company's revenues, reflecting a 74.8% increase from ₱0.91 billion last year to ₱1.59 billion this year. Other income registered a significant increase from ₱0.46 billion last year to ₱4.92 billion this year, mainly due to the recognition of gain on sale from equity investment amounting to ₱3.21 billion. Other income account also includes unrealized foreign exchange gains from the restatement of our dollar-denominated assets and borrowings. Due to the appreciation of the Philippine Peso against the US Dollar and the substantial dollar-denominated borrowings, the group has recognized a net gain of ₱1.71 billion this year. Not all business units, however, registered a rosy picture as service revenues from our telecommunications business dropped by 6%, while the textile business decreased by 25%.

Gross profit for the 1st three months of the year amounted to ₱5.50 billion, higher by 13% from last year's ₱4.85 billion. Rising costs of services in the air transportation and mobile phone businesses have limited the growth of our gross margins. Operating expenses went up 24.5% from ₱3.99 billion for the first three months last year to ₱4.97 this year. Again, costs of operating the mobile phone business and air transportation and the expansion of our foods business into regional operations have all contributed to such increase.

Financing costs and other charges incurred for the 1st quarter was up by 37.3%, from ₱1.64 billion last year to ₱2.25 billion this year. The increase in level of the Company's financial debt contributed to higher finance cost this year.

EBITDA (earnings before interest, taxes, depreciation and amortization) increased from ₱4.41 billion last year to ₱8.93 billion the first quarter this year. Excluding the non-recurring items, EBITDA increased by 35.2% to ₱5.72 billion this year.

FOODS

Universal Robina Corporation (URC) posted a consolidated net sales and services of ₱9.2 billion for the three months ended December 31, 2005, a 21.7% increase over the same period of last year. The principal reasons for this increase were as follows: (1) ₱1.07 billion or a 19.3% increase in net sales of URC's branded consumer foods segment (excluding packaging) from ₱5.57 billion in 2005 to ₱6.64 billion in 2006, primarily due to a 17.9% increase in net sales of domestic operations. The net sales of the packaging division on the other hand, slightly decreased by 14.6% from ₱377 million in the first quarter of 2005 to ₱322 million in 2006 as a result of decrease in sales volume and selling price. (2) ₱294 million or 35.4% revenue growth of agro-industrial segment brought about by 58.5% increase in net sales of URC's animal feeds business as a result of higher sales volume and 21.3% increase in net sales of the farm business. (3) ₱316 million increase in net sales of URC's commodity foods segment primarily due to increase in net sales of flour and sugar as a result of higher sales volume plus higher sales price of sugar.

URC's cost of sales and services increased by ₱1.26 billion or 22.4%, to ₱6.90 billion in the first quarter of fiscal 2006 from ₱5.64 billion in 2005 due to higher sales and generally higher costs or many major raw materials such as coffee, wheat, potatoes and packaging materials. URC's gross profit improved by 19.3% from ₱1.89 billion last year to ₱2.25 billion this year, however gross margin was slightly lower at 24.6% this year compared to 25.1% last year. Income from operations increased by 13.7% to ₱706.2 million compared to ₱621.0 million recorded last year despite higher operating expenses. Operating expenses increased by 22.0% to ₱1.55 billion due to increase in freight and other selling expenses brought about by higher volume of exports and increased freight rate charges associated with higher fuel prices. Net income for the first quarter of fiscal year 2006 increased by ₱159 million or 28.8% from ₱550 million last year to ₱709 million this year as a result of the factors discussed above.

URC generated EBITDA (earnings before interest, taxes, depreciation and amortization and other non-cash items) of ₱1.96 billion for the three months ended December 31, 2005, reflecting a 36.5% increase from ₱1.44 billion realized in the same period last year.

URC will continue to expand its regional operations and domestically firm up its leadership in its core categories and has again set an aggressive target this year to maintain its dominance in the Philippine market as well as in the ASEAN regional market.

URC and its majority-owned subsidiaries' key performance indicators are sales, EBIT (income from operations), EBITDA (earnings before interest, taxes, depreciation and amortization and other non-cash items), net income and total assets.

PROPERTY

Robinsons Land Corporation (RLC) recorded gross revenues of ₱1.72 billion for the first quarter of fiscal year 2006, up by 38% from last year's ₱1.25 billion. The Company was able to achieve a 47.9% growth in Income from Operations, from last year's ₱417.7 million to ₱617.9 million this year.

EBITDA amounting to ₱926.7 million this year shows 28.8% increase from last year's balance of ₱719.6 million. Net income for the three months ended December 31, 2005 stood at ₱419.0 million, up by 28% from last year's ₱328.0 million.

The largest revenue contributor remains to be the Commercial Centers Division, contributing 50.7% of the Company's gross revenues. Revenues from Commercial Centers amounted to ₱872.7 million as against last year's ₱778.9 million. The Company flagship malls, Robinsons Galleria and Robinsons Place Manila continue to enjoy excellent rental income, while newer malls such as Robinsons Place Pioneer and Robinsons Place Angeles and the redeveloped Robinsons Place Novaliches are also contributing significantly to the rental growth.

RLC's High Rise Buildings Division registered an 84% growth in revenues from ₱286.3 million last year to ₱526.7 million this year due to the recognition of realized revenues from its residential condominium projects particularly the One Gateway Place, a middle-cost residential condominium building in Pioneer Street, Mandaluyong and One Adriatico Place located along Adriatico Street, Malate Manila. Likewise, the division's office buildings including the newly opened Cybergate Center in the Pioneer Complex, are enjoying almost full occupancy. Rental income from these buildings amounted to ₱79.0 million to ₱56.9 million over the same period last year.

The Hotel Division registered gross revenues of ₱219.3 million for the first quarter compared to last year's P116.8 million due to the excellent reception in the opening of Crowne Plaza Hotel. Holiday-Inn Galleria Manila (HIGM) remained steady while Cebu Midtown Hotel and Robinsons Apartelle in Mandaluyong registered revenue growth of 24% and 50%, respectively. The Company continues to renovate the hotel rooms and facilities on a regular basis.

The Company's Housing and Land Development Division, through its two housing subsidiaries, Robinsons Homes, Inc. and Trion Homes Development Corp., reported realized revenues amounting to ₱101.3 million, 57% higher than last year's ₱64.5 million. The Division's new projects such as Bloomfields Tagaytay, Bloomfields Davao and Robinsons Residenza Milano in Batangas are very well received by the market. The division is actively negotiating several joint-ventures in key provinces that it currently has operations to further expand its growth.

Real Estate cost increased by 20% from ₱503.2 million last year to ₱605.8 million mainly due to additional units sold by High Rise and Housing Divisions. Hotel costs and expenses increased due to the opening of Crown Plaza Hotel. General and Administrative expenses increased by 31% mainly as a result of higher marketing and selling expenses on account of higher units sold by High-Rise Division.

RLC's key performance indicators are Gross Revenues, EBIT, EBITDA, Net Income and Debt to Equity Ratio all of which showed improvement during the quarter.

TELECOMMUNICATIONS

DIGITEL's consolidated net revenues registered a 30.7% increase from ₱2,388.3 million for the three months ended March 31, 2005 to ₱3,122.1 million for the three months ended March 31, 2006.

Among the business segments, the wireless communication services posted an increase of ₱20.1M million or 3% increase from ₱730 million service revenue of first quarter last year to ₱750.2 million of same period this year while the wireline data communication services which posted an increase of ₱4.5 million or 7% increase from ₱67.7million service revenue for first quarter last year to ₱72.1 million revenue of same period this year. However, the increases were tempered by lower wireline voice communication service and wireless non-service revenue. There had been a drop of ₱112.7 million or 9% in the wireline voice communication service while non-service revenue of wireless communication segment decreased by ₱41.8 million or 76%.

Although the impact of the stronger Philippine peso against the the U.S.dollar adversely affected the service revenues of the company, it registered a positive effect in the valuation and servicing of foreign currency denominated loans; thus, DIGITEL posted foreign exchange gains of ₱1,066 million for the first quarter this year.

Consolidated costs and expenses amounted to ₱2,723.6 million for the three months ended March 31, 2006, or a 2.6% decrease from ₱2,794.4 million for the three months ended March 31, 2005. The decrease is largely due to the ₱453.2 million or 38.8% decrease in financing cost and other charges due to extinguishment of debt and in lower cost of sales on SIM pack sales. The said decrease is partially offset by the increase in the general and administrative expenses, depreciation and amortization, in the aggregate amount of ₱378 million or 23.9%.

As a result, consolidated income before tax amounted to ₱398.5 million for the three months ended March 31, 2006 compared to loss before tax of ₱409.1 million for the three months ended March 31, 2005.

DIGITEL registered a consolidated EBITDA of ₱591.9 million for the three months ended March 31, 2006 against ₱732.6 million last year.

TEXTILES

Litton Mills, Inc.'s reported revenue for the three-month period ended December 31, 2005 amounted to ₱475.2 million, lower by 25% over last year's ₱631.8 million. Gross margin went down by 30% from 25.1% last year to 17.6% this year brought about by higher direct labor and fuel costs. Despite lower sales, variable selling expenses still went up by 51% during the first quarter of this year amounting to ₱42.4 million this year from ₱28.0 million last year. Aside from this, interest and financing charges also increased substantially from ₱4.5 million last year to ₱14.6 million this year relative to higher loans payable. These factors contributed to the complete turnaround of the net results of operations, from a net income of ₱6.5 million last year to a net loss of ₱54.4 million this year.

PETROCHEMICALS

JG Summit Petrochemicals Corporation's (JGSPC) revenue increased by 27% during the period from last year's ₱1.11 billion to this year's ₱1.41 billion, as a result of increase in sales volume by 28%. However, gross margin still went down by 7% from 10.9% last year to 10.2% this year. As of December 31, 2005, operating expenses decreased by 12% from ₱198.2 million last year to ₱175.3 million this year. Net loss decreased from ₱130.3 million last year to ₱16.7 million this year.

AIR TRANSPORTATION

Cebu Air, Inc. (Cebu Pacific) reported revenues of ₱1.96 billion for the three-month period ended March 31, 2006, a 6% increase over last year's ₱1.85 billion for the same period. Costs and operating expenses increased by 15%, from ₱1.9 billion last year to ₱2.2 billion this year brought about by higher depreciation expense related to acquisition of new airbus and higher aircraft lease. The Company also recognized interest expense this year amounting to ₱63.9 million and foreign exchange gain amounting to ₱202.0 million, both of which were related to its dollar-denominated finance lease obligation. Net loss increased to ₱92.9 million from last year's ₱54.1 million.

EQUITY EARNINGS

Equity earnings from associated companies and joint ventures were reported at ₱246.1 million for the three-month period ended March 31, 2006, higher by 12% from last year's equity earnings of ₱219.8

million. The growth was attributable to increase in equity ownership in United Industrial Corp., Limited from 26.1% last year to 30.7% this year.

Financial Position

March 31, 2006 vs. December 31, 2005

As of March 31, 2006, the Company's balance sheet remains solid, with consolidated assets of ₱213.59 billion from ₱201.23 billion as of December 31, 2005.

Cash and cash equivalents showed a significant increase from ₱5.46 billion as of December 31, 2005 to ₱14.53 billion as of March 31, 2006. The principal sources of cash were from operating activities amounting to ₱7.97 billion. As of March 31, 2006, net cash used in investing activities amounted to ₱3.93 billion, while net cash provided by financing activities amounted to ₱ 5.03 billion. Investment in bonds and equity securities, presented under financial assets at fair value through profit and loss, available for sale investments and held-to-maturity investments, slightly decreased by 1.1% from ₱33.47 billion as of December 31, 2005 to ₱33.10 billion as of March 31, 2006. The Company does not expect any liquidity problems that may arise in the near future.

Receivables went up by 4.7% from ₱22.6 billion as of December 31, 2005 to ₱23.7 billion as of March 31, 2006 mainly due to higher installment sales of the property sector.

Inventories grew by 2.9% from ₱11.10 billion as of December 31, 2005 to ₱11.42 billion as of March 31, 2006 due to increase in raw materials and subdivision lots.

Accounts payable and accrued expenses increased by 5.5% from ₱26.06 billion as of year-end 2005 to ₱27.49 billion mainly due to higher accrued expenses.

Other current liabilities increased by 21.8% to ₱5.42 billion as of March 31, 2006 from ₱4.45 billion as of December 31, 2005 due to higher customer deposits and recognition of derivative liability from our capital markets business.

Short-term debt decreased by 20.7% from ₱19.09 billion as of December 31, 2005 to ₱15.14 billion as of March 31, 2006 due to settlement of loans during the period.

Estimated land development costs, including current portion decreased by 17.9% to ₱1.23 billion in 2006 from ₱1.5 billion in 2005 due to payment for construction cost of units sold.

Long-term debt, including current portion, increased by 4% from ₱66.72 billion as of December 31, 2005 to ₱69.64 billion due to the USD 300 million bond issuance of an offshore company. This was offset by settlement of long-term debt from various subsidiaries.

Stockholders' equity grew to ₱82.85 billion as of March 31, 2006 from ₱71.87 billion at the end of 2005. Book value per share improved from ₱9.43 per share as of December 31, 2005 to ₱9.92 per share as of March 31, 2006.

KEY PERFORMANCE INDICATORS

The Company sets certain performance measures to gauge its operating performance periodically and to assess its overall state of corporate health. Listed below are the major performance measures, which the Company has identified as reliable performance indicators. Analyses are employed by comparisons and measurements on a consolidated basis based on the financial data as of March 31, 2006 and December 31, 2005 and for the three months ended March 31, 2006 and

2005:

- Revenues amounted to ₱23.54 billion for the three months ended March 31, 2006, up by 46% from last year's ₱16.13 billion.
- EBIT increased by 49.6% to ₱3.68 billion as against last year's ₱2.46 billion.
- EBITDA including non-recurring items increased 102% from ₱4.41 billion in 2005 to ₱8.93 billion in 2006. EBITDA excluding non-recurring items also increased by 35.2% from ₱4.23 billion in 2005 to ₱5.72 billion for the three months ended March 31, 2006.
- As of March 31, 2006, current ratio stood at 1.64:1 compared to 1.24:1 as of December 31, 2005.
- Financial debt to equity ratio stood at 1.05:1 as of March 31, 2006 as against 1.22.1 as of December 31, 2005 while Net debt to equity ratio decreased to 0.49:1 from 0.70:1 as of December 31, 2005.

The manner by which the Company calculates the above key performance indicators for both year-end 2006 and 2005 is as follows:

- Revenues;
- EBIT (earnings before interest and taxes) computed as Net income add or deduct Provision (benefit from) for income tax, Interest and financing charges and Nonrecurring items;
- EBITDA (earnings before interest, taxes and depreciation and amortization charges) computed as Net income add or deduct Provision (benefit from) for income tax, Interest and financing charges, Nonrecurring items and Depreciation & amortization;
- Current Ratio computed as Current assets divided by current liabilities; and
- Financial Debt to Equity ratio computed as total financial debt divided by total equity plus minority interest. Net Debt to equity ratio computed as total financial debt less cash and temporary investments over total equity plus minority interest.

As of March 31, 2006, the Company is not aware of any events and uncertainties that would have a material impact on the Company's net sales, revenues, and income from operations and future operations.

The Company, in the normal course of business, makes various commitments and has certain contingent liabilities that are not reflected in the accompanying consolidated financial statements. The commitments and contingent liabilities include various guarantees, commitments to extend credit, standby letters of credit for the purchase of equipment, tax assessments and bank guarantees through its subsidiary bank. The Company does not anticipate any material losses as a result of these transactions.

PART II – OTHER INFORMATION

NONE.

SIGNATURES

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JG SUMMIT HOLDINGS, INC.

By:

JAMES L. GO
Chairman and Chief Executive Officer
Date: 5-15-06

CONSTANTE T. SANTOS
SVP - Corporate Controller
Date 5-15-06

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Thousands)

	March 31, 2006	December 31, 2005
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**P14,527,773**	P5,459,047
Financial assets at fair value through profit and loss	**28,313,400**	29,122,632
Available-for-sale investments	**4,194,681**	3,929,698
Receivables - net	**23,660,166**	22,595,364
Inventories - net (Note 2)	**11,416,053**	11,095,943
Other current assets	**4,034,994**	4,093,565
Total Current Assets	**86,147,067**	76,296,249
Noncurrent Assets		
Held-to-maturity investments	**590,705**	419,243
Investments in associates and joint ventures - net	**17,558,542**	17,106,587
Investment properties - net	**19,734,805**	18,627,034
Property, plant and equipment - net	**81,770,563**	81,200,781
Goodwill - net	**1,581,066**	1,619,423
Intangibles - net	**421,085**	435,159
Other noncurrent assets	**5,784,486**	5,524,233
Total Noncurrent Assets	**127,441,252**	124,932,460
	P213,588,319	P201,228,709
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	**P27,485,145**	P26,056,016
Short-term debt	**15,141,192**	19,090,343
Current portion of:		
Long-term debt (Note 3)	**4,360,077**	11,440,033
Estimated liability for property and land development	**239,790**	418,091
Other current liabilities	**5,424,179**	4,454,525
Total Current Liabilities	**52,650,383**	61,459,008
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 3)	**65,278,944**	55,276,295
Estimated liability for property and land development		
- net of current portion	**995,139**	1,085,427
Cumulative redeemable preferred shares	**2,107,819**	2,107,819
Deferred income tax liabilities - net	**2,332,908**	2,252,210
Other noncurrent liabilities	**7,371,061**	7,174,601
Total Noncurrent Liabilities	**78,085,871**	67,896,352
Total Liabilities	**130,736,254**	129,355,360
Equity		
Equity attributable to equity holders of the parent:		
Paid-up capital	**12,856,988**	12,856,988
Retained earnings	**54,999,342**	51,118,018
Other reserves	**313,742**	832,982
Treasury shares	**(721,848)**	(721,848)
	67,448,224	64,086,140
Minority interest	**15,403,841**	7,787,209
Total Equity	**82,852,065**	71,873,349
	P213,588,319	P201,228,709

See accompanying Notes to Unaudited Consolidated Financial Statements.

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Amounts)

	Three Months Ended March 31	
	2006	2005 (As restated)
REVENUES		
Sales and services:		
Foods	**P9,153,252**	P7,523,740
Telecommunications	**2,018,785**	2,148,782
Air transportation	**1,962,577**	1,848,001
Real estate and hotels	**1,718,745**	1,245,425
Petrochemicals	**1,411,010**	1,113,148
Textiles	**475,193**	631,858
Other supplementary businesses	**33,982**	29,685
Interest income	**1,590,022**	909,674
Equity in net earnings of associates and joint ventures	**246,083**	219,782
Others	**4,925,744**	460,165
	23,535,393	16,130,260
EXPENSES		
Cost of sales and services	**11,277,627**	9,693,019
Operating and other expenses	**4,973,915**	3,994,184
Financing costs and other charges	**2,247,285**	1,636,312
	18,498,827	15,323,515
INCOME BEFORE INCOME TAX	**5,036,566**	806,745
PROVISION FOR INCOME TAX	**754,118**	247,772
NET INCOME	**P4,282,448**	P558,973
ATTRIBUTABLE TO		
Equity holders of the parent	**P3,881,323**	P750,420
Minority interest	**401,125**	(191,447)
	P4,282,448	P558,973
BASIC EARNINGS PER SHARE (Note 4)	**P0.57**	P0.11

See accompanying Notes to Unaudited Consolidated Financial Statements.

Certain accounts on March 31, 2005 Unaudited Consolidated Financials Statements were restated to conform with the March 31, 2006 Unaudited Consolidated Financial Statements.

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In Thousands)

	Three Months Ended March 31	
	2006	2005 (As restated)
Capital stock - P1 par value		
Authorized:		
Common - 12,850,800,000 shares		
Preferred - 2,000,000,000 shares		
Issued:		
Common - 6,895,273,657 shares	**P6,895,274**	P6,895,274
Additional paid-in capital	**5,961,714**	5,961,714
Accumulated translation adjustment	**313,742**	1,273,210
Retained earnings		
Beginning	**51,118,018**	50,440,412
Effect of changes in accounting policies	**-**	(167,230)
As restated	**51,118,018**	50,273,182
Cumulative effect of change in accounting policy for financial instruments as of January 1, 2005	**-**	46,153
As adjusted	**51,118,018**	50,319,335
Net income	**3,881,324**	750,420
End	**54,999,342**	51,069,755
Treasury stock -at cost	**(721,848)**	(721,848)
	P67,448,224	P64,478,105

See accompanying Notes to Unaudited Consolidated Financial Statements.

JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31	
	2006	2005 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**P5,036,566**	P806,745
Adjustments for:		
Depreciation and amortization	**2,047,622**	1,801,061
Interest expense	**2,238,429**	1,611,595
Interest income	**(1,590,022)**	(851,543)
Equity in net earnings of associates and joint ventures	**(246,083)**	(219,782)
Provisions for impairment losses on trade and other receivables	**47,503**	47,538
Operating income before changes in operating accounts	**7,534,015**	3,195,614
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	**(975,381)**	(1,231,330)
Inventories	**(588,699)**	(1,374,919)
Other current assets	**58,571**	(217,328)
Increase (decrease) in:		
Accounts payable and accrued expenses	**786,194**	1,509,367
Other current liabilities	**969,654**	1,186,905
Net cash generated from (used in) operations	**7,784,354**	3,068,309
Interest received	**1,453,099**	834,153
Interest paid	**(1,595,494)**	(1,176,434)
Income taxes paid	**324,363**	314,619
Net cash provided by operating activities	**7,966,322**	3,040,647
CASH FLOWS FROM INVESTING ACTIVITIES		
Net decrease (increase) in:		
Financial assets at fair value through profit and loss	**809,231**	-
Available-for-sale investments	**(264,983)**	-
Held-to-maturity investments	**(171,461)**	-
Temporary investments	**-**	(375,500)
Other noncurrent assets	**(328,045)**	(434,070)
Investments in associates and joint ventures	**(397,639)**	-
Property, plant and equipment - net	**(2,471,206)**	(1,958,407)
Investment properties - net	**(1,107,771)**	(385,280)
Net cash used in investing activities	**(3,931,874)**	(3,153,257)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in:		
Short-term debt	**(3,949,151)**	2,045,354
Long-term debt	**2,896,718**	(1,386,237)
Other noncurrent liabilities	**(182,151)**	6,830
Minority interest in consolidated subsidiaries	**6,268,862**	(51,871)
Net cash provided by financing activities	**5,034,278**	614,076
NET INCREASE IN CASH AND CASH EQUIVALENTS	**9,068,726**	501,466
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**5,459,047**	8,015,823
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P14,527,773**	P8,517,289

See accompanying Notes to Unaudited Consolidated Financial Statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The accompanying consolidated financial statements have been prepared in compliance with accounting principles generally accepted in the Philippines (Philippine GAAP), as set forth in Philippine Financial Reporting Standards (PFRS). The consolidated financial statements are presented in Philippine Peso and have been prepared under the historical cost convention method, except for financial assets at fair value through profit and loss (FVPL), available for sale (AFS) investments and certain derivative financial instruments which are measured ar fair value, and hog market stocks which are measured at fair value less cost to sell.

The preparation of financial statements in accordance with Philippine GAAP requires the Group to make estimates and assumptions that affect the reported amounts on income, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management believes that actual results will not be materially different from those estimates.

These interim financial statements followed the same accounting policies and methods of computation by which the most recent annual audited financial statements have been prepared. The Group adopted the following new or revised accounting standards in 2005:

- PFRS 1, First-time Adoption of PFRS
- PFRS 2, Share-Based Payment
- PFRS 3, Business Combination
- PFRS 5, Noncurrent Assets Held for Sale and Discontinued Operations
- PAS 16, Property, Plant and Equipment
- PAS 19, Employment Benefits
- PAS 21, The Effects of Changes in Foreign Exchange Rates
- PAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions
- PAS 32, Financial Instruments: Disclosures and Presentation
- PAS 38, Intangible Assets
- PAS 39, Financial Instruments: Recognition and Measurement
- PAS 40, Investment Property
- PAS 41, Agriculture

The comparative figures in 2005 were restated to reflect the adjustments resulting from the adoption of the abovementioned accounting standards.

Principles of Consolidation

The unaudited consolidated financial statements as of and for the quarter ended March 31, 2006 and 2005 represent the consolidation of the financial statements of JG Summit Holdings, Inc. (the Parent Company) and the following subsidiaries directly and indirectly owned by the Parent Company:

	Effective Percentage of Ownership	
Companies	**2006**	2005
Foods		
Universal Robina Corporation and Subsidiaries	**59.18**	86.12
Textiles		
Litton Mills, Inc.	**100.00**	100.00
Westpoint Industrial Mills Corporation	**100.00**	100.00
Real estate and Hotels		
Robinsons Land Corporation and Subsidiaries	**85.00**	90.11
Adia Development and Management Corporation	**100.00**	100.00
Telecommunications		
Digital Telecommunications Philippines, Inc. and Subsidiaries	**49.80**	49.90

Companies	**2006**	2005
International Capital and Financial Services		
JG Summit (Cayman), Ltd.	**100.00**	100.00
JG Summit Philippines Ltd. and Subsidiaries	**100.00**	100.00
JG Summit Limited	**100.00**	100.00
JG Summit Capital Services Corporation and Subsidiaries	**100.00**	100.00
Express Holdings, Inc. and a Subsidiary	**100.00**	100.00
Multinational Finance Group Ltd.	**100.00**	100.00
Petrochemicals		
JG Summit Petrochemical Corporation	**82.28**	82.28
Air Transportation		
Cebu Air, Inc.	**100.00**	100.00
CP Air Holdings, Inc.	**100.00**	100.00
Supplementary Businesses		
Premiere Printing Company, Inc.	**100.00**	100.00
Terai Industrial Corporation	**100.00**	100.00
Unicon Insurance Brokers Corporation	**100.00**	100.00
Hello Snack Foods Corporation	**100.00**	100.00
JG Cement Corporation	**100.00**	100.00
Cebu Pacific Manufacturing Corporation	**100.00**	100.00
Savannah Industrial Corporation	**100.00**	100.00

Under Philippine GAAP, it is acceptable to use, for consolidation purposes, financial statements of subsidiaries for fiscal periods differing from that of the Company if the difference is not more than three months. Subsidiaries in the following businesses have a financial year-end of September 30: foods, textiles, real estate and hotels, petrochemicals, and substantially all subsidiaries in supplementary businesses.

2. INVENTORIES

Inventories consist of:	**March 31, 2006 (Unaudited)**	December 31, 2005 (Audited)
At cost:		
Finished Goods	**P2,994,357**	P3,037,364
Raw materials	**2,621,675**	2,412,095
	5,616,032	5,449,459
At NRV:		
Spare parts, packaging materials and other supplies	**2,473,592**	2,426,719
Work in process	**416,933**	458,036
Subdivision land & condominium units held for sale	**988,097**	647,977
By-products	**9,777**	7,217
	3,888,399	3,539,949
At fair value less cost to sell:		
Poultry and hog market stock	**817,597**	848,543
Materials in-transit	**1,094,025**	1,257,992
	P11,416,053	P11,095,943

Under the terms of the agreements covering liabilities under trust receipts, certain raw materials have been released to the Company in trust for the Banks. The Company is accountable to the banks for the value of the trusteed inventories or their sales proceeds.

3. LONG-TERM DEBT

Long-term debt is summarized as follows:

	March 31, 2006 (Unaudited)	December 31, 2005 (Audited)
Parent Company:		
Foreign Currency:		
Bayerische HypoVereinsbank AG (HypoVereinsbank) loan	**P5,633,515**	P6,067,727
Philippine Peso:		
Loan from a local bank	**750,000**	750,000
	6,383,515	6,817,727
Subsidiaries		
Foreign currencies:		
Supplier's credit agreements with maturities up to 2007 at interest rates of 1.5% to 2% over 180-day LIBOR	**55,626**	60,336
US$ 100 million 9.25% Notes Due 2006	**-**	4,970,930
US$ 102.3 million Guaranteed Floating Rate Notes and Term Loan Facility, Due 2006	**626,246**	2,613,170
US$100 million 8 3/8% Notes Due 2006	**2,759,276**	2,902,668
US$300 million 8.25% Notes Due 2008	**14,761,612**	15,320,137
US$125 million 9% Notes Due 2008	**5,765,921**	6,954,603
US$200 million 8.25% Notes Due 2012	**10,482,710**	11,055,229
US$300 million 8% Notes Due 2013	**13,656,240**	-
Zero Coupon 12% Convertible Bonds Due 2013	**11,328**	10,421
Various borrowings from HypoVereinsbank, interest rates ranging from 1.12% to LIBOR + 0.75%	**470,085**	684,527
Various term loan facilities, interest rates ranging from LIBOR + 0.75% to 2.70%	**4,063,472**	4,265,731
Finance lease obligations	**5,187,243**	5,477,173
Minimum purchase agreement	**332,313**	345,085
	58,172,070	54,660,010
Philippine Pesos:		
Capital lease obligation	**2,475,540**	2,475,540
Borrowing from a local bank	**700,000**	700,000
P1,000 Million Loan	**1,000,000**	1,000,000
P1,000 Million Bonds	**850,000**	1,000,000
Philippine Sugar Corporation, restructured loan payable in twenty five equal annual amortizations	**57,895**	63,051
	5,083,435	5,238,591
	69,639,021	66,716,328
Less current portion	**4,360,077**	11,440,033
	P65,278,944	P55,276,295

The exchange rate used to restate the foreign currency denominated long-term borrowings as of March 31, 2006 was P51.125:US$1, except for the foreign currency denominated borrowings of certain subsidiaries with fiscal year ending September 30 where such borrowings were restated at the rate of P53.090:US$1.

4. EARNINGS PER SHARE

The following table presents information necessary to calculate EPS as of March 31, 2006 and 2005:

	2006	2005
Net income	**P3,881,324**	P750,420
Weighted average number of common shares	**6,797,191,657**	6,797,191,657
Earnings per share		
Basic	**P 0.57**	P 0.11

5. BUSINESS SEGMENT INFORMATION

The industry segments where the Group operates are as follows:

a. Food, agro-industrial and commodities businesses
b. Property development and hotel management
c. Telecommunications
d. Textiles
e. Petrochemicals
f. International Capital and financial services
g. Air transportation
h. Other supplementary businesses

	REVENUES		**EXPENSES**	
	2006	2005	**2006**	2005
Foods	**P9,153,252**	P7,523,740	**P8,733,880**	P7,050,065
Telecom	**2,018,785**	2,148,782	**1,997,262**	2,373,977
Petrochemicals	**1,411,010**	1,113,148	**1,424,719**	1,220,385
Air transportation	**1,962,577**	1,848,001	**2,055,507**	1,902,128
Real estate & hotels	**1,718,745**	1,245,425	**1,362,625**	949,894
Textiles and other supplementary business	**509,175**	661,543	**562,914**	664,523
Parent/International, capital & financial services	**6,761,850**	1,589,621	**3,517,164**	1,218,869
	P23,535,393	P16,130,260	**P19,654,070**	P15,379,840

	NET INCOME		**TOTAL ASSETS**	
	2006	2005	**2006**	2005
Foods	**P419,372**	P473,675	**P54,552,892**	P45,177,454
Telecom	**21,523**	(225,195)	**55,049,504**	52,860,305
Petrochemicals	**(13,709)**	(107,237)	**8,574,244**	11,979,603
Air transportation	**(92,930)**	(54,127)	**13,524,113**	6,004,145
Real estate & hotels	**356,120**	295,531	**27,286,593**	23,949,554
Textiles and other supplementary business	**(53,739)**	(2,980)	**4,192,964**	4,291,791
Parent/International, capital & financial services	**3,244,686**	370,752	**50,408,010**	37,012,703
	P3,881,324	P750,420	**P213,588,319**	P181,275,555

	LIABILITIES		NET ASSETS (EQUITY + MI)	
	2006	2005	**2006**	2005
Foods	**P29,000,484**	P21,268,235	**P25,552,408**	P23,909,219
Telecom	**52,451,719**	45,424,576	**2,597,785**	7,435,729
Petrochemicals	**5,852,566**	4,815,371	**2,721,678**	7,164,232
Air transportation	**12,882,487**	5,246,421	**641,627**	757,724
Real estate & hotels	**13,264,041**	10,797,909	**14,022,552**	13,151,645
Textiles and other supplementary business	**1,825,958**	1,947,989	**2,367,006**	2,343,803
Parent/International, capital & financial services	**15,458,999**	14,581,746	**34,949,011**	22,430,957
	P130,736,254	P104,082,247	**P82,852,065**	P77,193,308

JG SUMMIT HOLDINGS, INC. & SUBSIDIARIES
AGING OF RECEIVABLES
March 31, 2006

	TOTAL	UP TO SIX MONTHS	OVER SIX MONTHS TO ONE YEAR
TRADE RECEIVABLES	12,574,713	9,074,194	3,500,519
Less: Allowance for impairment losses	(3,050,562)	-	(3,050,562)
NET TRADE RECEIVABLES	9,524,152	9,074,194	449,957
NON-TRADE RECEIVABLES			
Finance receivables	3,926,122	3,926,122	-
Others	10,209,893	7,511,234	2,698,659
	14,136,015	11,437,356	2,698,659
	23,660,166	20,511,550	3,148,616