



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

1. For the quarterly period ended: September 30, 2006
2. Commission identification number: 225
3. BIR Tax Identification No.: 000-477-902
4. Exact name of issuer as specified in its charter: MIC HOLDINGS CORPORATION
5. Province, country or other jurisdiction of incorporation or organization: Metro Manila
6. Industry Classification Code:  (SEC Use Only)
7. Address of issuer's principal office: 5/F Asiatrust Bank Bldg., 1424 Quezon Ave., Quezon City  
Postal Code: 1103
8. Issuer's telephone number, including area code: (632) 374-9905 & (632) 374-8827
9. Former name, former address and former fiscal year, if changed since last report:  
6/F Triumph Bldg. 1610 Quezon Avenue, Quezon City
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
<u>Common stock, P 100.00</u>	<u>502,163</u>

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, Inc.                      Common

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes  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.** - Please see Annex "A"

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

- Please see Annex "B"

**PART II - OTHER INFORMATION**


No contingent liabilities or contingent assets or known trend and events that may materially affect the company's operation nor there are estimates of amounts reported in prior interim periods or of the current financial year that have material effect on the foregoing financial statements.

**SIGNATURES**

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

Issuer: MIC HOLDINGS CORPORATION

  
PHILIP ELLA JUICO  
President

 Nov. 9, 2006  
Date

  
ARTURO M. HILADO  
Treasurer

10 November 2006  
Date

07 November, 2006

MIC HOLDINGS CORPORATION  
BALANCE SHEETS

	September 30 2006	December 31 2005 ( AUDITED )	September 30 2005
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents (Note 2)	57,897	442,792	214,923
Receivables (Note 3)	2,069,834	2,369,348	3,016,685
Other Current Assets (Note 4)	5,893,275	5,998,222	6,035,215
TOTAL CURRENT ASSETS	<u>8,021,007</u>	<u>8,810,362</u>	<u>9,266,823</u>
NONCURRENT ASSETS			
Computer Software - net (Note 5)	45,793,359	49,892,979	51,259,520
Property and Equipment (Note 6)	1,033,828	1,630,034	1,830,915
Other Assets (Note 7)	72,285	72,285	72,285
TOTAL NONCURRENT ASSETS	<u>46,899,472</u>	<u>51,595,298</u>	<u>53,162,719</u>
TOTAL ASSETS	<u>54,920,479</u>	<u>60,405,660</u>	<u>62,429,542</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts Payable and Accrued Expenses (Note 8)	15,452,202	16,141,775	3,532,577
Due to Affiliates (Note 9)	37,262,988	35,561,245	47,903,053
	<u>52,715,190</u>	<u>51,703,020</u>	<u>51,435,630</u>
Stockholders' Equity			
Capital Stock - P 100 par value			
Authorized - 1,000,000 sh; Issued - 502,103 sh	50,210,300	50,210,300	50,210,300
Contributed Surplus	270,209	270,209	270,209
Retained Earnings (Note 10)	(47,680,109)	(41,182,758)	(38,891,487)
Cost of 2,015 Shares Held in Treasury	(595,111)	(595,111)	(595,111)
	<u>2,205,289</u>	<u>8,702,640</u>	<u>10,993,911</u>
	<u>54,920,479</u>	<u>60,405,660</u>	<u>62,429,542</u>

MIC HOLDINGS CORPORATION  
STATEMENTS OF INCOME AND RETAINED EARNINGS

	FOR THE PERIOD Jan - Sept 2006	FOR THE PERIOD Jan - Sept 2005	FOR THE PERIOD Jul - Sept 2006	FOR THE PERIOD Jul - Sept 2005
REVENUES	2,501,779	4,251,702	869,990	1,332,600
COST OF SERVICE (Note 11)	4,130,623	4,099,620	1,376,874	1,366,540
	<u>(1,628,844)</u>	<u>152,082</u>	<u>(506,884)</u>	<u>(33,940)</u>
OPERATING EXPENSES (Note 12)	4,868,623	5,269,936	1,579,573	1,801,634
LOSS FROM OPERATIONS	(6,497,467)	(5,117,854)	(2,086,457)	(1,835,574)
INVESTMENT AND OTHER INCOME - Net				
Interest	-	-	-	-
Others	116	-	-	-
NET INCOME (LOSS) BEFORE INCOME TAX	(6,497,351)	(5,117,854)	(2,086,457)	(1,835,574)
PROVISION FOR INCOME TAX	-	-	-	-
NET INCOME (LOSS)	<u>(6,497,351)</u>	<u>(5,117,854)</u>	<u>(2,086,457)</u>	<u>(1,835,574)</u>

EARNINGS PER SHARE FOR THE QUARTER

<u>Net Income (Loss)</u>	<u>(6,497,351)</u>	<u>1,343,218</u>	<u>(2,086,457)</u>	<u>957,303</u>
No. of shares	502,103	502,103	502,103	502,103
Income (Loss) Per Share	(12.94)	2.68	(4.16)	1.91

MIC HOLDINGS CORPORATION  
STATEMENTS OF CASH FLOWS

	FOR THE PERIOD Jan-Sept 2006	FOR THE PERIOD Jan-Sept 2005	FOR THE PERIOD July-Sept 2005	FOR THE PERIOD July-Sept 2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net Income (Loss)	(6,497,351)	1,343,218	(2,086,457)	(1,835,574)
Adjustment to reconcile net income (loss) to net cash provided by (used) in operating activities:				
Provision for impairment loss				
Depreciation and Amortization	4,695,826	(894,865)	1,565,274	1,565,275
Changes in operating assets and liabilities:				
Decrease (increase) in:				
Receivables	299,514	(3,350,695)	90,982	46,435,828
Other current assets	104,947	4,952,782	103,408	120,522
Increase (decrease) in:				
Accounts payable and expenses	(689,573)	(814,755)	8,583	(2,190,541)
Deferred reinsurance commissions				
Net Cash Provided by Operating Activities	<u>(2,086,638)</u>	<u>1,235,685</u>	<u>(318,210)</u>	<u>44,095,512</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Reduction in (Additions to):				
Investment in stocks				
Property and Equipment				
Software Cost				
Other assets	(0)			
Net Cash Provided by (Used for) Investing Activities	<u>(0)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Increase in amounts due to affiliates	1,701,743	2,742,643	300,000	(43,951,983)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR PERIOD COVERED</b>	<b>(384,895)</b>	<b>3,978,328</b>	<b>(18,210)</b>	<b>143,529</b>
CASH AND CASH EQUIVALENTS, BEG. OF YEAR	<u>442,792</u>	<u>302,857</u>	<u>76,107</u>	<u>71,394</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u><u>57,897</u></u>	<u><u>4,281,185</u></u>	<u><u>57,897</u></u>	<u><u>214,923</u></u>

MIC HOLDINGS CORPORATION  
 STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	FOR THE PERIOD Jan-Sept 2005	FOR THE PERIOD Jan-Sept 2005	FOR THE PERIOD July-Sept 2005	FOR THE PERIOD July-Sept 2005
<b>CAPITAL STOCK - P 100 par value</b>				
Authorized - 1,000,000 shares				
Issued - 502,103 shares	50,210,300	50,210,300	50,210,300	50,210,300
<b>CONTRIBUTED SURPLUS</b>	270,209	270,209	270,209	270,209
<b>RETAINED EARNINGS</b>				
Beginning Balance	(41,182,758)	(33,773,633)	(41,182,758)	(37,055,913)
Net Income (Loss)	(6,497,351)	(6,497,351)	(2,086,457)	(2,086,457)
Balance at the end of the quarter	(47,680,109)	(40,270,984)	(43,269,215)	(39,142,370)
<b>COST OF TREASURY SHARES - 2,015 shares</b>	(595,111)	(595,111)	(595,111)	(595,111)
	2,205,289	9,614,414	6,616,183	10,743,028

**NOTES TO FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements are prepared in conformity with accounting principles generally accepted in the Philippines and on the historical cost basis as used in the December 31, 2005 audited Financial Statement. The company has followed the same accounting policies and methods of computation used with the most recent annual financial statements. No new accounting policy has been adopted for this interim report.

**2. CASH AND CASH EQUIVALENTS**

This account consists of:

	Sept. 30, 2006
Cash on hand	10,000
Cash in banks	47,897
	<u>57,897</u>

**3. RECEIVABLES**

This account consists of:

	Sept. 30, 2006
Trade	285,186
Advances	1,784,648
	<u>2,069,834</u>

**Aging Summary of Trade Receivables**

	1-30 days	31-60 days	61-90 days	over 90 days
Asian Navigation Tracking System	285,186	0	0	0

**4. OTHER CURRENT ASSETS**

This account consists of:

	Sept. 30, 2006
Input Tax	5,436,529
Prepayments	56,196
Creditable Withholding Tax	400,550
	<u>5,893,275</u>



## 5. COMPUTER SOFTWARE

This account consists of:

	Sept. 30,2006
Installed System - Hardware	989,464
Installed System - Software	53,555,991
Project in Progress	
Find Precinct	111,629
MapCentral	27,335,315
	81,992,399
Allowance for Impairment	(20,000,000)
Accum Dep'n-Software cost	<u>(16,199,040)</u>
	<u>45,793,359</u>

## 6. PROPERTY AND EQUIPMENT

Property and Equipment are carried at cost less accumulated depreciation. Depreciation is computed over the estimated useful lives of the properties using the straight-line method.

This account consists of:

	Sept. 30,2006
Furniture & Fixture	14,000
Office Equipment	1,318,789
Software & Licenses	28,273
Transportation Equipment	<u>1,795,455</u>
Total Property and Equipment	3,156,517
Less: Accumulated Depreciation	
Furniture & Fixture	(13,995)
Office Equipment	(949,893)
Software & Licenses	(28,271)
Transportation Equipment	<u>(1,130,530)</u>
	<u>(2,122,689)</u>
	<u>1,033,828</u>

## 7. OTHER ASSETS

This represents two months deposit on office rental.

## 8. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

	Sept. 30,2006
Accounts Payable	2,447,853
Advances from Others	12,922,743
SSS, HDMF and other liabilities	7,309
Withholding Tax Payable	74,297
	<u>15,452,202</u>

## 9. RELATED PARTY TRANSACTIONS

Transactions with affiliated companies consisted mainly of non interest-bearing operational advances and reimbursement of expenses incurred by affiliated companies in behalf of the Company.

Below is a summary of amounts owed that resulted from transactions with these affiliated companies.

This account consists of:

	Sept. 30,2006
Cyan Management Corporation	37,262,988
	<u>37,262,988</u>

## 10. RETAINED EARNINGS

The difference in the beginning balance of the retained earnings was due to the accumulated net loss for 2006 amounting to ₱ 6,497,351.

## 11. COST OF SERVICES

This account consists of:

	Sept. 30,2006
Amortization Exp - Software Cost	<u>4,130,623</u>

## 12. OPERATING EXPENSES

This account consists of:

	Sept. 30, 2006
Salaries and Wages	1,395,456
Service Fee	922,950
Professional Fees	698,824
Depreciation Expense	596,206
Repairs & Maintenance	235,430
Employees Welfare	168,825
Dues and Subscriptions	157,500
Light & Water	157,073
Telecommunication & Postage	99,895
Penalties and Surcharges	5,625
Accounting Service Fee	108,000
Rental-Office	103,500
Taxes and Licenses	36,613
Interest Expense	48,236
SSS PHIC & HDMF Contribution	39,192
Office Supplies	16,871
Insurance	17,528
Transportation & Travel	9,126
Meeting & Conference	14,674
Miscellaneous	36,118
Marketing Campaign & Materials	467
Bank Service Charges	516
	<u>4,868,623</u>

## 13. OTHERS

- a.) These financial reports are prepared in compliance with the quarterly reportorial requirements of SEC.
- b.) There were no material transactions affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- c.) There were no material contingencies and any other events or transactions that are material to the understanding of the interim report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### A. Financial Condition

Compared from last year's report, the company has revenue amounting to 0.869 million pesos for this quarter. However, operating expenses amounted to Php 1.579 million, resulting to an operating loss of Php 2.086 million. EBITDA for the third quarter of 2006 is (Php 521,183). Total depreciation and amortization for the quarter is Php 1,565,276. There was a decrease in cash amounting to P 18,210; this was brought by the use of cash for its operating expenses and paying its payables. The decreased in the accounts receivable was brought by payment of due to the affiliates. The decrease in property and equipment was mainly due to accumulated depreciation for the quarter

The management further discloses the following:

- 1.) There was no known trend, demands, commitments, events or uncertainties that will have a material impact on the issuer's liquidity.
- 2.) There were no material off-balance sheet transactions, arrangements, obligations, and other relationships to the company with unconsolidated entities or other persons created during the reporting period.
- 3.) We are expecting approximately same amount of revenue earned this quarter to be earned next quarter.
- 4.) The revenues this quarter and expected revenues next quarters are the effects of the company's continued operations

### B. Result of Operations Third Quarter 2005

Map support was continuously provided to the Content Provider of the Person Finder service of Smart Communications.

Continued updating of map database for key cities in the Philippines.

The planned re-launch of a Virtual Tourist Guide was put in abeyance due to problems encountered in updating the tourism database by the database owners, and existence of similar service offered by the Department of Tourism with an existing mobile network.

New enhancements for existing service with partner company may be launched that could improve usage of MIC maps and help increase revenues.

### C. Key Performance Indicators

- 1) To assist user acceptance testing for new service developed by ANTS that will take advantage of location-based features of Person Finder
- 2) To continue updating mapcentral database

- 3) To prepare plans for product/services involving GIS business solutions that may be offered to corporate clients.
- 4) To help ANTS in its marketing of location-based related services.
- 5) To offer the mapcentral geographic data assets to developers of GPS (global positioning system ) boxes for Vehicle tracking of ASSET Management Service.