

COVER SHEET

1 4 7 5 8 4

SEC Registration Number

P R E M I E R E E N T E R T A I N M E N T

P R O D U C T I O N S , I N C .

(Company's Full Name)

2 9 T H F L R . , J O L L I B E E P L A Z A

C O N D O M I N I U M , E M E R A L D A V E

O R T I G A S C E N T E R , P A S I G C I T Y

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

ANASTACIO P. DIAZ, JR.

Contact Person

637-2711

Company Telephone Number

SEC FORM 17-Q

1 2 3 1

Month Day
Fiscal Year

FORM TYPE

0 5

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

198

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

PSE No. HT-040

SEC No. 147584

FILE No. _____

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended March 31, 2006
2. Commission identification number 147584
3. BIR Tax Identification No 043-002-727-376
4. Exact name of registrant as specified in its charter
PREMIERE ENTERTAINMENT PRODUCTIONS, INC.
5. Province, country or other jurisdiction of incorporation or organization PHILIPPINES
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office: Postal Code
29th Flr. Jollibee Plaza BLDG., EMERALD AVENUE, ORTIGAS CENTER, PASIG CITY 1605
8. Registrant's telephone number, including area code:
632/637-27-11 TO 12
9. Former name, former address and former fiscal year, if changed since last report
NOT APPLICABLE
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the
RSA

Title of each Class amount outstanding	Number of shares of common stock outstanding and of debt
<u>COMMON STOCK P 1 PAR VALUE</u>	<u>520,000,000 COMMON SHARES</u>
.....	
.....	
.....	

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 17 of the Code and SRC Rule 17 thereunder or Sections 11 of 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 Not applicable - issuer has less than 100 holders of securities

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

Yes No Not applicable - issuer has less than 100 holders of securities

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements

Financial Statements for the firstquarter of 2006 are attached to this report.

6. The accompanying financial statements are prepared in accordance with the generally accepted accounting principles in the Philippines.
7. a) The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.
- b) For this quarter the Company has no recorded revenue. Roving Cinema has no project within the quarter, however, there are on-going negotiations with some advertising companies.
- c) The company is also negotiating with interested parties for sale of its film library which is also another possible source of income.
- d) No items unusual because of their nature, size or incident affect assets, liabilities, equity, net income of cash flows during this period.
- e) The nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, if those changes have a material effect in the current interim period. None.
- f) No issuance, repurchases, nor repayments of debt and equity securities for this period.
- h) No Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
There was no changes in the composition of the company during this period.
- i) Changes in contingent liabilities or contingent assets since the last annual balance sheet date. None.
- j) Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period. None.

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

Discussion and analysis of the company and its majority-owned subsidiaries' top five (5) key performance indicators, including the manner by which the company calculates or identifies the indicators on a comparative basis.

The Company with its subsidiary uses the following key performance indicators: 1) revenues; 2) net income before tax; 3) debt-to-equity ratio (computed as total liabilities divided by total Stockholders' Equity); 4) Current Ratio (computed as total current assets divided by total current liabilities); and return on investments (computed as net income divided by the book value of assets).

	MARCH 31, 2006	MARCH 31, 2005	YoY Change
1 REVENUES	0,000	0,000	(00%)
2 NET INCOME/(LOSS) BEFORE TAX	(368,482)	(1,244,490)	70.39%
3 DEBT-TO-EQUITY RATIO	23.60%	22.74%	(0.86)%
4 CURRENT RATIO	34.45%	21.63%	12.82%
5 RETURN ON INVESTMENT	(0.21%)	(3.13%)	17.87

Discussion and analysis of material events and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- ❖ Any known trends, demands, commitments, events or uncertainties that will have material impact on the issuer's liquidity. - None.
- ❖ Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation. - There is no event that will trigger direct or contingent financial obligation that is material to the company.
- ❖ All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reported period. - None
- ❖ Any material commitment for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures. - None.
- ❖ Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. - 1) Decline of marketing budget for Roving Cinema; 2) Higher taxes, piracy, foreign films.

- ❖ Any significant elements of income or loss that did not arise from the issuer's continuing operations. - None.
- ❖ The Causes for any material change from period to period which shall include vertical and horizontal analyses of any material item; The term "material" refer to changes or items amounting to five percent (5%) of the relevant accounts or such lower amount.
 - Cash and cash equivalent increased by 6.99% from P0.4 million in December 31, 2005 to P0.43 million in March 31, 2006. The partial settlement of loan by the Company's debtors and the disposition of some idle assets made this possible.
 - Notes Receivable-Net decreased by 7.24% from 64.6 million as of December 31, 2005 compared to 59.9 million as of March 31, 2006. This also due to some partial settlements of Notes Receivable.
 - Accounts receivable net decreased by 8.19% from 1.998 Million in December 2005 to P2.8 Million in the first quarter of 2006. This is due to some collections made during this quarter.
 - Property and Equipment-Net decreased by only 2.14%, some of the properties and equipment were fully amortized. Depreciation decreased by 16.7% from 0.5 million in 2005 to the same quarter this year.
 - Accounts payable and accrued expenses decreased by 14% from P6.2 Million in December, 2005 to P5.3 Million as of March 3, 2006. The decrease was due to the payment of current liabilities and accrued expenses made by the company within the first three months of 2006.
 - Income tax payable as of December, 2005 was fully paid during the first quarter of 2006.
 - No revenue was realized this first quarter of 2006, since December 31, 2005. Roving Cinema had no project this year, likewise no sales of Company's film library.
 - Salaries and wages did not change, recorded at 0.231 million for both first quarters of 2005 & 2006.
 - Taxes and licenses increased by 28% this period. mainly due the payment of real property tax compared to non-payment during the same period last year.
 - No production cost which refers mostly to roving cinema operating expenses, was recorded this three quarters due to non-operation of the roving cinema.
 - Professional fees decreased by 50% from P16 thousand in this first quarter of 2005 to P8 thousand on the same period of this year.
 - The employee benefits this first quarter of 2006 compared to the first quarter of 2005.
 - Likewise, repairs and maintenance increased by 134.98%. Roving cinema needed to be repaired in preparation for the future roving cinema projects.
 - Communication expenses went down by 31% from 0.24 million in March 2005 to 16.7million as of March 31, 2006.

- Rental & Utilities went down by 39 % from 0.64 million in 2005 to 0.39 million this quarter.
- Transportation & travel went up by 330 % from 0.1 million in March 31, 2005 compared to 4.5 million for the quarter this year.
- Miscellaneous expenses had a slight increase from 0.20 million in 2005 to 0.25 this period.
- ❖ Any seasonal aspects that had a material effect on the financial condition or results of operation. - None.

The company reported a pre-tax net income of P0.368 million this first three months of 2006, compared to P1.2 million net loss reported a year ago. It is due to the increase in interest and other non-operating income and expenses from 0.049 million as of March 31, 2005 to 1.6 million this quarter.

No operating revenues were recorded for both 2005 and 2006 first three months.

Total cost and expenses for March 31, 2006 amounted to P1.28 million, or a slight decrease of 1% compared to the P1.29 million reported during the same period of last year. Salaries and wages this period did not change recorded at P0.2 million for the first quarters of 2005 & 2006. Production costs comprising primarily of roving cinema expenses registered at P0.0 for both first quarters of 2005 & 2006.

Operating expenses recorded at P1.29 million during the first three months of 2005 went down by 1% compared to P1.28 million this period. Depreciation and amortization decreased by a 16.7%.

Interest and other non-operating income increased by a great percentage from P0.049 million during the first quarter of months of 2005 to P1.6 million on the same period of 2006.

The company was not able to deploy any of its roving cinema units. However, shooting equipment was rented out during the third month of 2005. Moreover, it has maintained its financial position during the period due to the partial settlements of its debtors.

Cash balance increased to P0.43 million at the end of this year's first three months from P0.40 million recorded last December 31, 2005.

As of March 31, 2006, total assets recorded was P179.2 million reflecting a decrease of 0.19% compared to the December 31, 2005 total assets of P179.6 million.

The total liabilities registered at P34 million at the end of the first three months of 2006, is 2.5% lower than the total liabilities of P35.0 as of December 31, 2005 and almost unchanged compared to the P34.0 million total liabilities a year ago.

The stockholders' equity, at the end of the first three months of 2006 amounted to P145 million, 0.37% higher than the total stockholders' equity amounting to P145 million as of December 31, 2005.

In Item 2: 3a & 3c, no disclosure was made since there is no event that will trigger direct or contingent financial obligation that is material to the company. Likewise, no material

off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reported period.

PART II - OTHER INFORMATION

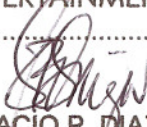
1. Disclosure not made under SEC Form 17-C. - None.

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.

PREMIERE ENTERTAINMENT PRODUCTIONS, INC.

Issuer.....


ANASTACIO P. DIAZ, JR.
Principal Executive Officer

Signature and Title.....

May 12, 2006
Date.....

Principal Financial/Accounting Officer/Comptroller.....


EFREN M. TIBAY
Accounting Officer

Signature and Title.....

May 12, 2006
Date

PREMIERE ENTERTAINMENT PRODUCTIONS, INC.

Balance Sheets

	31-Mar-06	Audited 31-Dec-05
ASSETS		
CASH & CASH EQUIVALENT	433,254	404,951
NOTES RECEIVABLE-net	59,953,093	64,635,593
RECEIVABLE-net	1,834,685	1,998,400
PREPAID EXPENSES	2,998,141	2,963,726
FILM COST INVENTORY-net	45,753,848	45,753,848
INVESTMENT	47,340,268	42,461,001
AVAILABLE-FOR-SALE INVESTMENTS	566,000	566,000
PROPERTY & EQUIPMENT-(Net)	19,930,853	20,367,578
OTHER ASSETS	415,924	415,923
	179,226,065	179,567,020
LIABILITIES AND STOCKHOLDERS' EQUITY		
ACCOUNTS PAYABLE & ACCRUED EXPENSES	5,325,006	6,201,385
INCOME TAX PAYABLE	0	4,882
SUBSCRIPTION PAYABLE	28,900,000	28,900,000
	34,225,006	35,106,267
STOCKHOLDERS' EQUITY		
CAPITAL STOCK - P 1 par value		
Authorized - 1,000,000,000 shares		
Issued - 520,000,000 shares		
	520,000,000	520,000,000
DEFICIT	(374,998,940)	(375,629,247)
NET UNREALIZED GAIN ON		
AVAILABLE-FOR-SALE INVESTMENTS	0	90,000
	145,001,060	144,460,753
	179,226,065	179,567,020

PREMIERE ENTERTAINMENT PRODUCTIONS, INC.
Income Statement

	Three months ending March 31	
	2006	2005
INCOME		
SPONSORED FILM EXHIBITS	0	0
	0	0
COST AND EXPENSES		
DEPRECIATION	436,662	524,265
TAXES & LICENSES	254,822	198,649
SALARIES & WAGES	231,000	231,000
RENTAL & UTILITIES	38,923	63,789
REPAIRS & MAINTENANCE	19,200	8,171
COMMUNICATIONS	16,692	24,255
SUPPLIES & MATERIALS	9,041	3,348
PROFESSIONAL FEES	8,000	16,000
EMPLOYEE BENEFITS	7,151	400
INSURANCE	6,600	20,147
TRANSPORTATION & TRAVEL	4,479	1,041
REPRESENTATION	1,402	0
PRODUCTION COST	0	0
MISCELLANEOUS	247,148	203,090
	1,281,119	1,294,155
NET INCOME / (LOSS) FROM OPERATIONS	(1,281,119)	(1,294,155)
INTEREST AND OTHER NON-OPERATING		
INCOME AND EXPENSES	1,649,601	49,665
INCOME / (LOSS) BEFORE EQUITY IN		
NET LOSSES OF AN AFFILIATE	368,482	(1,244,490)
EQUITY IN NET LOSS OF AN AFFILIATE	0	0
NET INCOME / (LOSS) BEFORE TAX	368,482	(1,244,490)
PROVISION FOR INCOME TAX		
CURRENT	0	0
NET INCOME / (LOSS)	368,482	(1,244,490)
DEFICIT AT BEGINNING OF YEAR	(375,367,422)	(367,238,392)
DEFICIT AT END OF MONTH / YEAR	(374,998,940)	(368,482,882)
EARNINGS / (LOSS) PER SHARE	0.0007	(0.0024)
NO. OF SHARES ISSUED	520,000,000	520,000,000

**PREMIERE ENTERTAINMENT PRODUCTIONS INC.
STATEMENT OF CASH FLOWS**

	Three months ended	
	31-Mar-06	31-Mar-05
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income / (Loss)	368,482	(1,244,490)
Adjustments to reconcile net loss to net		
Cash provided by (used in) operating activities:		
Equity in net losses of an affiliates		
Depreciation	(6,880,401)	524,265
Changes in operating assets & liabilities:		
Decrease (Increase) in:		
Receivable	1,197,189	2,460,758
Prepaid expenses	(13,752)	(78,543)
Film cost inventory	0	0
Increase (Decrease) in :		
Accounts payable & accrued expenses	(30,211)	(881,034)
Cash provided by (used in) operating activities	(5,358,692)	780,956
Income taxes paid		
Interest received	0	
Interest paid		
Net cash provided by (used in) operating activities	(5,358,692)	780,956
CASH FLOWS FROM INVESTING ACTIVITIES		
(Additions to) / sale of property & equipment	7,317,126	524,266
(Increase) / Decrease in other assets	0	
Net cash provided by (used in) investing activities	7,317,126	524,266
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Installment payable	0	0
Net cash provided by (used) in financing activities	0	0
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,958,434	1,305,222
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	406,239	340,973
CASH & CASH EQUIVALENTS AT END OF YEAR	2,364,674	1,646,195

PREMIERE ENTERTAINMENT PRODUCTIONS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY

	Three months ended	
	31-Mar-06	31-Mar-05
CAPITAL STOCK	520,000,000	520,000,000
DEFICIT		
Deficit at beginning of year	(375,367,422)	(367,238,392)
Net income / (loss)	368,482	(1,244,490)
Balance at end of year	(374,998,941)	(368,482,882)
	145,001,059	151,517,118

PREMIERE ENTERTAINMENT PRODUCTIONS INC.
SCHEDULE OF ACCOUNTS PAYABLE & ACCRUED EXPENSES

	31-Mar-06	31-Dec-05
ACCOUNTS PAYABLE		
1 Provision for vat	1,315,474	1,315,474
2 Withholding tax	(79,750)	(63,805)
3 SSS Premium	(5,339)	(1,539)
4 Philhealth Insurance	450	5,988
5 Pag-ibig fund	1,987	5,687
6 Pag-ibig loan	(1,700)	17,365
7 SSS Loan	(1,837)	13,038
	<u>1,229,286</u>	<u>1,292,208</u>
ACCRUED EXPENSES	4,095,720	4,714,077
TOTAL	<u>5,325,006</u>	<u>6,006,285</u>

PREMIERE ENTERTAINMENT PRODUCTIONS INC.
 AGING OF ACCOUNTS RECEIVABLES
 AS OF MARCH 31, 2006

Account Title	TOTAL	DAYS				
		1-30	31-60	61-90	91-120	OVER 120
1 Trade	(157,892)					(157,892)
2 Non-trade	0					0
3 Advances for liquidation	1,428,412	49,500	46,000	165,500		1,167,412
4 Others	564,165	6,000		3,500		554,665
TOTAL-NET	1,834,685	55,500	46,000	169,000	0	1,564,185