

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 30- September 2006
2. Commission identification number 22401 3. BIR Tax Identification No. 000-491-007

PRIME MEDIA HOLDINGS, INC.

4. Exact name of issuer as specified in its charter
- MANILA
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (Use Only)
7. Address of issuer's principal office # 3 San Antonio St. Bo. Kapitolyo Pasig City 1603
Postal Code
- 637-52-83
8. Issuer's telephone number, including area code

Not Applicable

9. Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P1 par value	386,613,648
Preferred Stock, P1 par value	61,871,250

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 Shares

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.

Item 1a.

**Prime Media Holdings, Inc.
Comparative Balance Sheets
(In Thousands)**

<u>ASSETS</u>	<u>Sept. 30, 2006</u>	<u>Sept. 30, 2005</u>	<u>Audited Dec. 31, 2005</u>
Cash on Hand and in Banks	13,076	11,530	4,775
Available-for-Sale Investments	190	-	190
Held-to-Maturity Investments	7	-	34,328
Investment in Bonds and Other Debt Instrument – net	-	49,592	-
Loans and Receivables – net	4,372	16,575	7,238
Equity Investments – net	-	3,000	-
Leasehold Improvements	166	-	-
Furniture, Fixtures and Equipment – net	29	97	80
Real & Other Properties Owned or Acquired – net	-	87,512	-
Properties Held for Sale – net	44,860	-	44,860
Other Assets – net	4,098	46,309	3,816
	<hr/>	<hr/>	<hr/>
Total Assets	66,798	214,615	95,287

LIABILITIES AND STOCKHOLDERS' EQUITY

Liabilities

Due to an affiliate	480,808	480,808	480,808
Accrued Taxes and Other Expenses	300,013	401,688	332,825
Loans Payable	12,000	-	-
Income Tax Payable	-	-	1
Other Liabilities	108,117	137,127	108,969
	<hr/>	<hr/>	<hr/>
	900,938	1,019,623	922,604

Stockholders' Equity

Capital Stock – P1 par value			
Paid-In – Preferred	61,871	61,871	61,871
Paid-In – Common	386,614	386,614	386,614
Paid-In Surplus	1,601,640	1,601,640	1,601,640
Surplus			
Free	(2,891,892)	(2,862,770)	(2,885,069)
Reserves	7,637	7,637	7,637
Unrealized loss on available-for-sale investment	(10)	-	(10)
	<hr/>	<hr/>	<hr/>
	(834,140)	(805,008)	(827,317)
	<hr/>	<hr/>	<hr/>
Total Liabilities & Stockholders' Equity	66,798	214,615	95,287

Item 1b.

Prime Media Holdings, Inc.
Comparative Income Statements
(In Thousands)

	For the period ending		For the quarter ending	
	30-Sept-06	30-Sept-05	30-Sept-06	30-Sept-05
Revenues				
Interest Income	1,229	6,166	192	269
Rental Income	775	-	277	-
Cash Dividend	96	-	-	-
Other Income	254	3,788	-	1,403
	<u>2,354</u>	<u>9,954</u>	<u>469</u>	<u>1,672</u>
Expenses				
General & Administrative Expenses	5,737	11,351	1,433	3,999
Taxes & Licenses	562	820	39	574
Financing & Other Charges	434	2	365	-
Legal Fees	1,364	636	337	185
Other Expenses	1,080	1,278	404	209
	<u>9,177</u>	<u>14,087</u>	<u>2,578</u>	<u>4,967</u>
Net Earnings before provisions	(6,823)	(4,133)	(2,109)	(3,295)
	<u>(6,823)</u>	<u>(4,133)</u>	<u>(2,109)</u>	<u>(3,295)</u>
Net Earnings (Loss)	(6,823)	(4,133)	(2,109)	(3,295)
Surplus (Free) at beginning of year	(2,885,069)	(2,858,637)	(2,889,783)	(2,859,475)
Surplus (Free) at end of period	<u>(2,891,892)</u>	<u>(2,862,770)</u>	<u>(2,891,892)</u>	<u>(2,862,770)</u>
Earnings per share	(0.02)	(0.01)	(0.01)	(0.01)
Computed as follows:				
Net Income (Loss)	(6,823)	(4,133)	(2,109)	(3,295)
Divided by weighted average number of common shares	386,614	386,614	386,614	386,614
	<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.01)</u>

Item 1c.

Prime Media Holdings, Inc.
Statement of Changes in Equity
(In Thousands)

	<u>Sept. 30, 2006</u>	<u>Sept. 30, 2005</u>
Capital Stock – P1 par value		
Beginning Balance – Preferred	61,871	138,185
Conversion of Preferred to Common shares	-	(76,314)
	<u>61,871</u>	<u>61,871</u>
Beginning Balance – Common	386,614	383,561
Conversion of Preferred to Common shares	-	3,053
	<u>386,614</u>	<u>386,614</u>
Additional Paid-In Capital		
Beginning Balance	1,601,640	1,528,379
Additional paid-in capital arising from conversion of Preferred to common shares	-	73,261
	<u>1,601,640</u>	<u>1,601,640</u>
Retained Earnings, Appropriated		
Beginning Balance	7,637	7,637
	<u>7,637</u>	<u>7,637</u>
Retained Earnings, Unappropriated		
Beginning Balance	(2,885,069)	(2,858,637)
Prior year-end adjustment	(10)	
Net Income/ (Loss) for 9 month period From January to Sept.	(6,823)	(4,133)
	<u>(2,891,902)</u>	<u>(2,862,770)</u>
	<u>(834,140)</u>	<u>(805,008)</u>

Item 1d.

Prime Media Holdings, Inc.
Comparative Cash Flow Statement
(In Thousands)

	For the Period ending	
	<u>September</u>	
	2006	2005
Cash Beginning	4,775	24,652
Add: Receipts from Operations	2,354	9,954
(Inc.)/Dec. in Held to Maturity Investment	34,321	-
(Inc.)/Dec. in Short-term investment	-	70
(Inc.)/Dec. in Equity Investment	-	456
(Inc.)/Dec. in Loans and Receivables	2,866	-
(Inc.)/Dec. in Other Assets	-	20,926
Inc./(Dec) in Loans Payable	12,000	-
Total Cash Sources	51,541	31,406
Less: Uses		
Total expenses	9,177	14,087
Inc. /(Dec.) in Leasehold Improvements	166	-
Inc./(Dec) in Other Assets	282	-
(Inc.)/ Dec. in Accrued interest, taxes & other exp.	32,763	23,224
(Inc.) /Dec. in Other Liabilities	852	7,217
Total Cash Uses	43,240	44,528
Cash Ending	13,076	11,530

Prime Media Holdings, Inc.
Notes to Financial Statements

1. The issuer's interim financial report was prepared in accordance with generally accepted accounting principles; and the adoption of PAS 39 for recognizing and measuring the company's financial assets and financial liabilities and PAS 40 accounting treatment for investment property and related disclosure requirements.
2. In preparing the interim financial statements, the issuer followed the same accounting policies and methods of computation followed in the preparation of its latest annual financial statements, i.e., financial statements as of December 31, 2005.
3. There were no unusual changes affecting the assets, liabilities, equity, net income or cash flows for the interim quarter. Additional ₱=7.0 million loan was availed of to fund the payment of capital gains, documentary stamp and other transfer taxes pending the sale of some assets.
4. There were no issuance and repurchases of equity securities for the quarter.

Management Discussion and Analysis or Plan of Operation

The company has not been actively operating for almost four years. For this reason and as indicated in the notes to financial statements, there has been no material change in its financial condition because of its non-operational status.

The activity of the Company for the last three years has been limited to settlement negotiations with creditors.

Aging of Receivables Account (In thousand)

As of September 30, 2006

	<u>TOTAL</u>	<u>OVER 120 DAYS</u>
Loans Receivable	2,000	2,000
Escrow Account -IDHI	2,000	2,000
Others	372	372
TOTAL	4,372	4,372

PART II – OTHER INFORMATION

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 thereto duly authorized.


Issuer

Prime Media Holdings Inc.

Signature and Title


CORAZON R. ESTRELLA
President & CEO

Signature and Title


JOSE ALFREDO L. VILLANUEVA
Director/Treasurer

SUBSCRIBED AND SWORN TO before me this NOV 08 2006, affiants exhibiting to me their Community Tax Certificates, as follows:

<u>Name</u>	<u>CTC No. or Passport No.</u>	<u>Date / Place of Issue</u>
1. CORAZON R. ESTRELLA	12318707	Jan. 10, 2006 / Manila
2. JOSE ALFREDO VILLANUEVA	12540624	Jan. 6. 2006 / Quezon City

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Series of 2006


LYNE L. ARNALDO-VEGA
Appointment No. M-475
Notary Public for Makati City
Valid December 31, 2007
18th 19th & 20th Floors, Liberty Center
100 N.M. and Caste Street
Salcedo Village, Makati City
Roll of Attorneys No. 5137
PTR 0244010/Makati City/05-19-2006
IBP 680347/Quezon City/04-10-2006