

COVER SHEET

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SEC Registration Number

S W I F T , F O O D S , I N C .

(Company's Full Name)

R F M B u i l d i n g , C o r n e r P i o n e e r a n d S h e r i d a n S t r e e t s , M a n d a l u y o n g C i t y

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

Irene M. Joven
(Contact Person)

631-8101
(Company Telephone Number)

1 2 3 1
Month Day
(Calendar Year)

SEC 17 Q
(Form Type)

Month Day
(Annual Meeting)

Not Applicable
(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Not Applicable
Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

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**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

QUARTERLY REPORT PURSUANT TO SECTION 11 OF THE SECURITIES
REGULATION CODE AND SRC RULE 11(a)-1(b)(2) THEREUNDER

1. For the quarterly period ended September 30, 2006
2. SEC Identification Number AS094-005066 3. BIR Tax Identification No. 003-973-161
4. Exact name of registrant as specified in its charter: SWIFT FOODS, INC.
5. Philippines 6. _____ Industry Classification Code (SEC use only)
Province, Country, or other jurisdiction of incorporation or organization
7. RFM Corporate Center, Pioneer corner Sheridan Streets, Mandaluyong City 1603
Address of principal office Postal Code
8. (632) 631-81-01 Registrant's telephone number, including area code
9. Not applicable Former name, former address, and former fiscal year, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the SRC

<u>Title of Each Class</u>	<u>Numbers of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Stock, P1 par value	912,098,273
Preferred Stock, P1 par value	150,365,802

11. Are any or all of these securities listed on the Philippines Stock Exchange?
Yes No

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Securities Regulation Code (SRC) and SRC 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 that 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 I. Financial Statements

Please refer to pages 4 to 8 of the attached report.

Item II. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations:

The Company registered revenues as of 3rd quarter of 2006 of P1.036 billion as compared to P1.037 billion for the same period last year or a slight decrease of about .06%. Cost of sales and operating expenses decreased by about .05% when compared to same period of 2005. The decrease in operating expenses was due to strict implementation of cost saving measures. This resulted to a net income before tax of P2.4million and P40 million for the 3rd quarter 2006 and for the period ended September 30, 2006 respectively.

Financial Position. The Company’s assets as of September 30, 2006 amounted to P1.88 billion as compared to audited December 31, 2005 of P2.035 billion. Current ratio for the 3rd quarter 2006 was 0.48:1 while 0.50:1 as of December 31, 2005. Available cash on hand and in banks have been reduced due to payable payments. Accounts Receivable decreased by about 35% due to collections made. Biological assets-current increased by about 42% due to increase in volume. Biological assets-non-current decreased by 13% due to culling of matured breeder stocks. Accounts Payable and Accrued expenses went down by 11% due to payments made and the decline of bulk raw material purchases due to implementation of just-in-time method for inventories. Bank loans and Long-term debt decreased due to payments made. Retirement benefits obligation decreased due to payments made.

Key Performance Indicators:

	3rd Quarter 2006	^{3rd} Quarter 2005
Sales Revenue Growth	(0.06%)	14.69%
Operating Margin	0.64%	0.76%
Net Income (Loss)	2.42M	(5.43)M
ROS	0.23%	(0.52%)
	^{3rd} Quarter 2006	December 2005(audited)
Current Ratio	0.48	0.50

$$\text{Sales Revenue Growth} = \left[\frac{\text{Sales this period}}{\text{Sales prior period}} \right] - 1$$

$$\text{Operating Margin} = \frac{\text{Income from operations}}{\text{Net Sales}}$$

$$\text{ROS} = \frac{\text{Net Income}}{\text{Net Sales}}$$

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

PART II - OTHER INFORMATION

Other than appearing on page 8 (Notes to Financial Statements), there are no significant or material information that occurred during the 3rd quarter of the year 2006 that require to be disclosed in this report or in SEC Form 11-C.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code (SRC), the registrant has duly caused this report to be signed on its behalf by the undersigned thereto duly authorized.

SWIFT FOODS, INC.
Issuer
November 10, 2006


IRENE M. JUVEN
Chief Finance Officer/VP-Comptroller
11/13/06
Date signed

SWIFT FOODS, INC.**BALANCE SHEETS**

(Amounts in Thousands)

	Unaudited	Audited
	Sept. 30, 2006	December 2005
ASSETS		
Current Asset		
Cash and cash equivalents	₱16,168	₱51,027
Accounts receivable - net	209,696	323,354
Inventories - net	209,342	223,306
Biological assets	180,949	127,042
Other current assets	55,898	60,115
Total Current Assets	672,053	784,844
Noncurrent Assets		
Investment properties	744,595	744,484
Property, plant and equipment – net	298,156	322,317
Biological assets	136,207	156,690
Other noncurrent assets - net	25,568	26,685
Total Noncurrent Assets	1,204,526	1,250,176
TOTAL ASSETS	₱1,876,579	₱2,035,020
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Bank loans	₱5,000	₱14,000
Accounts payable and accrued expenses	1,292,355	1,448,073
Trust receipts and acceptances payable	61,504	57,817
Current portion of long-term debt	43,200	62,761
Total Current Liabilities	1,402,059	1,582,651
Noncurrent Liabilities		
Long-term debt - net of current portion	141,950	145,100
Retirement benefits obligation	1,652	16,895
Deferred income tax liabilities	95,086	95,086
Total Noncurrent Liabilities	238,688	257,081
Total Liabilities	1,640,747	1,839,732
Stockholders' Equity		
Capital stock	1,062,464	1,062,464
Capital in excess of par value	2,097,119	2,097,119
Deficit	(3,134,346)	(3,174,890)
Revaluation Increment	321,577	321,577
Treasury Shares (preferred)	(110,982)	(110,892)
Total Stockholders' Equity	235,832	195,288
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	₱1,876,579	₱2,035,020

SWIFT FOODS, INC.
STATEMENTS OF INCOME

(Amounts in Thousands, Except Basic Loss Per Share)

	Unaudited Jul-Sept, 2006	Unaudited Jan-Sept, 2006	Unaudited Jul-Sept, 2005	Unaudited Jan-Sept., 2005
NET SALES	₱1,036,386	₱2,591,320	₱1,037,036	₱2,677,065
COST OF GOODS SOLD	979,597	2,401,813	975,559	2,562,041
GROSS INCOME (LOSS)	56,789	189,507	61,477	115,024
SELLING & GEN & ADM. EXPENSES	(50,149)	(138,738)	(53,635)	(178,197)
FINANCE EXPENSE				
Interest expense-net	(6,874)	(20,489)	(7,988)	(26,272)
OTHER INCOME (CHARGES)	2,657	10,264	(5,282)	16,984
INCOME (LOSS) BEFORE INCOME TAX	2,423	40,544	(5,428)	(72,461)
TAX				
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	-	-	-	-
Deferred	-	-	-	-
	-	-	-	-
NET INCOME (LOSS)	₱2,423	₱40,544	(₱5,428)	(₱72,461)
Basic Earnings (Loss) Per Share	₱0.003	₱0.04	₱0.01	(₱0.08)
Common Stocks Outstanding	912,098,273	912,098,273	912,098,273	912,098,273

SWIFT FOODS, INC.**STATEMENTS OF CASH FLOWS**

(Amounts in Thousands)

	Unaudited	Unaudited
	Sept. 30, 2006	Sept. 30, 2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	₱40,545	(₱88,619)
Adjustments for:		
Depreciation and amortization	26,586	29,961
Operating income (losses) before working capital changes	67,131	(58,658)
Decrease (increase) in:		
Accounts receivable	113,658	69,503
Inventories	13,965	95,703
Biological Assets-Current	(53,906)	(49,519)
Biological Assets-Noncurrent	20,483	49,984
Other current assets	4,217	19,620
Increase (decrease) in:		
Accounts payable and accrued expenses	(155,716)	(159,771)
Trust receipts and acceptances payable	3,687	(11,017)
Cash generated from (used in) operations	53,612	(44,155)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in:		
Other noncurrent assets	(1,118)	2,289
Additions to property, plant and equipment	(2,425)	(7,783)
Investment property	112	-
Net cash from (used in) investing activities	(3,431)	(5,494)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term debt & current portion of long-term debt	(22,713)	(58,734)
Net repayments of bank loans	(9,000)	(3,000)
Net cash used in financing activities	(8,100)	(61,734)
INCREASE (DECREASE) IN CASH AND CASH		
EQUIVALENTS	(34,859)	(111,385)
CASH AND CASH EQUIVALENTS		
AT BEGINNING OF YEAR	51,027	125,495
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱16,168	₱14,110

SWIFT FOODS, INC.
STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY
September 30, 2006 & 2005
in Thousand Pesos

CAPITAL STOCK	Sept. 30, 2006	Sept. 30, 2005
PREFERRED STOCK		
Balance, beginning of the year	139,267	139,268
Redemption of shares	-	-
Balance, Sept 30, 2006 & 2005	139,267	139,268
COMMON STOCK		
Issued	912,098	912,098
Payment of subscription receivable	-	-
Balance, , Sept. 30, 2006 & 2005	912,098	912,098
CAPITAL IN EXCESS OF PAR VALUE		
PREFERRED STOCK		
Balance, beginning of the year	1,130,340	1,130,347
Redemption of shares	-	-
Balance, , Sept. 30, 2006 & 2005	1,130,340	1,130,347
COMMON STOCK	866,895	866,895
Total Capital in excess of par value	2,097,119	1,998,590
RETAINED EARNINGS (DEFICIT)		
Balance, beginning	(3,174,890)	(3,084,615)
Net Income (loss)	40,545	(88,619)
Revaluation increment	322,577	322,577
Balance, , June 30, 2006 & 2005	(2,815,191)	(2,851,658)

SWIFT FOODS, INC.
AGING OF ACCOUNTS RECEIVABLE-
TRADE
AS OF SEPTEMBER 30, 2006

IN THOUSAND PESOS

CURRENT	47,895
1 - 30 days	55,364
31 - 60 days	8,313
61 - 90 days	1,452
Over 90 days	62,163

Total	175,187
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SWIFT FOODS, INC.

The accompanying financial statements have been prepared in compliance with accounting principles generally accepted in the Philippines as set forth in the PFRS.

The principal accounting policies and methods of computation used in the annual financial statements were also followed in the preparation of the interim financial statements.

The effect of seasonality on the company's operation is immaterial.

There are no unusual items affecting assets, liabilities, equity, net income or cash flows.

There are no significant changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

There are no issuances, repurchases, and repayments of debt and equity securities in the current interim period.

There are no dividends paid for both Common and Preferred shares in the current interim period.

There are no changes in the composition of the issuer during the interim period.

The Company has no contingent assets or liabilities.

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

Several events can trigger direct or contingent financial obligation. One of these is the Bird Flu, which hit many countries in Asia in 2002. However, the Philippines continue to be Bird Flu free. In fact the ban on export of poultry products has already been lifted last May 2006.

There are 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 other than what is disclosed in Page 2, Part II-Other Information.

There are no material commitments for Capital Expenditures.

Segment Information - This is no longer applicable