COVER SHEET

9 1 4 2

S.E.C. Registration Number

FIL ESTATE CORPORATION

(Company's Full Name)

7TH FLOOR RENAISSANCE TOWERS

MERALCO AVENUE PASIG CITY

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

MR. RAMON G. JIMENEZ

Contact Person

633 6205

Company Telephone Number

12	31	SEC FORM - 17Q (2nd Quarter 2012)	06	30
Month	Day	FORM TYPE	Month	Day

2012

calendar year

Regitered/Listed

Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic	Foreign

****

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning

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 **June 30, 2012**

2. Commission identification number **9142** 3. BIR Tax Identification No **043-000-194-408**

4. Exact name of issuer as specified in its charter **FIL-ESTATE CORPORATION**

Philippines

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

6. Industry Classification Code: (SEC Use Only)

7th Floor Renaissance Tower,
Meralco Avenue, Pasig City 1600

7. Address of registrant's principal office Postal Code

8. **633-6205**
Issuer'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 8 n 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 - P 1 par value	**2,000,000,000 shares**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [**X**] No [ ]
If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine and Makati 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 SRC and SRC Rule 17 thereunder or Section 11of the RSA and SRA Rule 11(1a)-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 [**X**] No [ ]

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

Yes [ ] No [**X**]

FIL-ESTATE CORPORATION
BALANCE SHEETS
AS OF JUNE 2012
(With Comparative Figures as of Calendar Year Ended December 31, 2011)

A S S E T S

		June 2012		December 2011
Current Asset				
Cash on hand and in banks	P	103,781	P	141,646
Noncurrent Assets				
Available-for-sale financial assets		1,774,237,878		1,774,237,878
	P	1,774,341,659	P	1,774,379,524

LIABILITIES AND CAPITAL DEFICIENCY

		June 2012		December 2011
Current Liabilities				
Accrued expenses and other current liabailities	P	350,629,946	P	351,037,996
Noncurrent Liabilities				
Due to stockholder		1,848,572,520		1,846,224,982
Due to other related parties		333,468,624		333,468,624
Total Noncurrent Liabilities		2,182,041,144		2,179,693,606
Capital Deficiency				
Capital Stock		998,403,181		998,403,181
Additional paid-in capital		589,120,804		589,120,804
Cumulative changes in fair value of available-for-sale financial assets		7,975,056		7,975,056
Deficit		(2,353,828,472)		(2,351,851,119)
Net Capital Deficiency		(758,329,431)		(756,352,078)
	P	1,774,341,659	P	1,774,379,524

FIL-ESTATE CORPORATION
STATEMENTS OF INCOME & DEFICIT
FOR THE QUARTER ENDED JUNE 30, 2012
(With Comparative Figures for Months Ended June 30, April to June CY2011 & 2012)

		January to June				April to June		
		2012		2011		2012		2011
EXPENSES								
General & Administrative expenses	P	(1,977,549)	P	(1,528,303)		(730,275)	P	(525,676)
Realized Forex Gain/Loss				(275)				(275)
Interest Income		196		773		133		75
NET LOSS	P	(1,977,353)	P	(1,527,805)		(730,142)	P	(525,876)
DEFICIT AT BEGINNING OF THE QUARTER		(2,351,851,119)		(2,277,335,645)		(2,353,098,330)		(2,278,337,573)
DEFICIT AT END OF THE MONTH	P	(2,353,828,472)	p	(2,278,863,450)		(2,353,828,472)	p	(2,278,863,450)

**Note: LOSS PER SHARE

The computation of loss per share is as follows:

	Six Months ended June 30		April to June	
	2012	2011	2012	2011
(a) Net Income/loss	(1,977,353)	(1,527,805)	**(730,142)**	(525,876)
(b) Weighted average number of shares outstanding	998,403,181	998,403,181	998,403,181	998,403,181
	(0.00198)	(0.00153)	(0.00073)	(0.00053)

FIL-ESTATE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED JUNE 30, 2012
(With Comparative Figures for Months Ended June 30, April to May CY2011& 2012)

		January to June			April to June	
		2012	2011		2012	2011
NET LOSS FOR THE PERIOD	P	(1,977,353)	(1,527,805)	P	(730,142)	(525,876)
OTHER COMPREHENSIVE INCOME						
Market-To-Market Gain (Loss) on Available-For-Sale Financial Assets		0.00	0.00		0.00	0.00
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	P	(1,977,353)	(1,527,805)	P	(730,142)	(525,876)

FIL-ESTATE CORPORATION

STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY

	For the six months ended June 30	
	2012	2011
CAPITAL STOCK P 1 par value		
Authorized - 2,000,000,000 shares		
Issued and subscribed - 999,850,000 shares		
(net of subscription receivables of P1,446,819)	998,403,181	998,403,181
ADDITIONAL PAID IN CAPITAL	589,120,804	589,120,804
CUMULATIVE CHANGES IN FAIR VALUE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Balance at beginning of the year	7,975,056	7,134,100
Balance at end of the year	7,975,056	7,134,100
Deficit at the beginning of the Quarter	(2,353,828,472)	(2,278,863,450)
Net Loss		
Balance at end of year	(2,345,853,416)	(2,271,729,350)
TOTAL STOCKHOLDERS' EQUITY	(758,329,431)	(684,205,365)

FIL-ESTATE CORPORATION
STATEMENT OF CASH FLOWS

		Six Months Ended June 30		
		2012		2011
CASH FLOW FROM OPERATING ACTIVITIES				
Net Loss	P	(1,977,353)	P	(1,527,804)
Net cash provided by operating activities	P	(1,977,353)	P	(1,527,804)
CASH FLOW FROM FINANCING ACTIVITIES				
Increase(Decrease) in Due to stockholder		2,347,538		943,794
Increase(Decrease) in Accrued Expenses & Other Liabilities		(408,050)		(1,041,303)
Net cash from financing activities	P	1,939,488	P	(97,509)
Net Increase/Decrease in Cash	P	(37,865)	P	(1,625,313)
Beginning of period		141,646		1,741,144
End of Period	P	103,781	P	115,830

FIL-ESTATE CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting and Financial Reporting Policies

Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the quoted equity securities included under available-for-sale (AFS) financial assets, which are carried at fair value. The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency.

Statement of Compliance

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the following new and amended PFRSs and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) which were effective as at January 1, 2011. Adoption of these new and amended PFRSs and Philippine Interpretations did not have any impact on the financial position and performance of the Company.

- Philippine Accounting Standards (PAS) 24 (Amendment), "Related Party Disclosures"
- PAS 32 (Amendment) "Financial Instruments: Presentation"
- Philippine Interpretation IFRIC 19, "Existing Financial Liabilities with Equity Instruments"

Improvements to PFRSs (issued 2010)

Improvements to PFRSs, omnibus of amendments to standards, deal primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the accounting policies, financial position or financial performance of the Company.

- PFRS 7, "Financial Instruments – Disclosure"
- PAS 1, "Presentation of Financial Statements"

Other amendments resulting from the 2010 Improvements to PFRSs to the following standards and interpretations and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Company:

- PFRS 3,"Business Combinations (Measurement options available for non-controlling interest)

- PFRS 3 (as revised), Business Combinations (Contingent consideration arising from business combination prior to adoption of PFRS 3)

- PFRS 3 Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)

- PAS 27, "Consolidated and Separate Financial Statements"

- PAS 34, "Interim Financial Reporting"

- Philippine Interpretation IFRIC 13, “Customer Loyalty Programmes”

- Philippine Interpretation IFRIC 14 (Amendment), “Prepayments of a Minimum Funding Requirement”

Standards Issued but not yet Effective
Standards issued but not yet effective up to the date of issuance of the Company’s financial statements are listed below. The listing is of standards and interpretations issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

■ PFRS 7, “Financial Instruments: Disclosures – Enhanced Derecognition Disclosure requirements” (effective for annual periods beginning on or after July 1, 2011) — The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Company’s financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities .In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity’s continuing involvement in those derecognized assets. The amendment affects disclosure only and has no impact on the Company’s financial position or financial performance.

■ PAS 12, “Income Taxes – Recovery of Underlying Assets” (effective for annual periods beginning on or after January 1, 2012) — The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in PAS 40, “Investment Property” should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in PAS 16, “Property, Plant and Equipment” always be measured on a sale basis of the asset. The application of this new standard has no impact on the financial position or performance of the Company.

■ Philippine Interpretation IFRIC 15, “Agreements for the Construction of Real Estate” (effective for annual periods beginning on or after January 1, 2012) — This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, “Construction Contracts”, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council have deferred the effectivity of this interpretation until the final Revenue standard is issued by International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. The Company does not conduct such activity and, therefore, does not expect this interpretation to have an impact on the Company’s financial statements.

■ PAS 1 (Amended), “Financial Statement Presentation – Presentation of Items of Other Comprehensive Income” (effective for annual periods beginning on or after July 1, 2012) —The amendment changes the grouping of items presented in other comprehensive income. Items that could be reclassified (‘recycled’) to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Company’s financial position or performance.

■ PAS 19 (Amendment), “Employee Benefits” (effective for annual periods beginning on or after January 1, 2013) — These amendments range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Company currently recognizes actuarial gains and losses under the corridor approach. Upon adoption of the amended PAS 19, unrecognized actuarial gains or losses will be recognized immediately as other comprehensive income.

■ PAS 27 (Revised), "Separate Financial Statements" (effective for annual periods beginning on or after January 1, 2013) — As a consequence of the new PFRS 10, "Consolidated Financial Statement" and PFRS 12, "Disclosure of Interests in Other Entities" what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The Company does not present separate financial statements.

■ PAS 28 (Revised), "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after January 1, 2013) — As a consequence of the new PFRS 11, "Joint Arrangements" and PFRS 12, PAS 28, "Investments in Associates" has been renamed PAS 28, "Investments in Associates and Joint Ventures", and describes the application of the equity method to investments in joint ventures in addition to associates. This amendment will have no impact on the Company's financial position or performance.

■ PFRS 7, "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after January 1, 2013) — These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end
of the reporting period:

a) The gross amounts of those recognized financial assets and recognized financial liabilities;
b) The amounts that are set-off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
c) The net amounts presented in the statement of financial position;
d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
   i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
   ii. Amounts related to financial collateral (including cash collateral); and
e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments affect disclosures only and have no impact on the Company's financial position or performance.

■ PFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after January 1, 2013) — PFRS 10 replaces the portion of PAS 27, "Consolidated and Separate Financial Statements", that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, "Consolidation - Special Purpose Entities". PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. This amendment will have no impact on the Company's financial position and performance.

■ PFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after January 1, 2013) — PFRS 11 replaces PAS 31, "Interests in Joint Ventures" and SIC-13, "Jointlycontrolled Entities - Non-monetary Contributions by Venturers". PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The amendment will have no impact on the Company's financial position or performance.

- PFRS 12, "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after January 1, 2013) — PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities.

- PFRS 13, "Fair Value Measurement" (effective for annual periods beginning on or after January 1, 2013) — The standard establishes a single source of guidance under PFRS for all fair value measurements. The standard does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. The Company is currently assessing the impact that this standard will have on the financial position and financial performance.

- Philippine Interpretation IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after January 1, 2013) — This interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs") and provides guidance on the recognition of production stripping costs as an asset and measurement of the stripping activity asset. The Company does not conduct such activity and, therefore, does not expect this interpretation to have an impact on the Company's financial statements.

- PAS 32, (Amended), "Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities" (effective for annual periods beginning on or after January 1, 2014) — These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment is expected not to have any impact on the net assets of the Company, any changes in offsetting is expected to impact leverage ratios. The Company is currently assessing the impact of these amendments.

- PFRS 9, "Financial Instruments: Classification and Measurement" (effective for annual periods beginning on or after January 1, 2015) — The standard, as issued, reflects the first phase of the IASBs work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The completion of this project is expected on the first half of 2012. The adoption of the first phase of PFRS 9 will potentially have no effect on the classification and measurement of the Company's financial assets and financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

Financial Instruments

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place are recognized on the settlement date.

Initial Recognition. Financial instruments are recognized initially at fair value. Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments at fair value through profit or loss (FVPL). The subsequent measurement of financial assets depends on their classification.

Determination of Fair Value and Fair Value Hierarchy. The fair value for financial assets and financial liabilities traded in active markets at reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For financial instruments where there is no active market, except for investment in unquoted equity securities, fair value is determined by using appropriate valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis; and options pricing models. In the absence of a reliable basis for determining fair value, investments in unquoted equity securities are carried cost, net of impairment.

Determination of amortized Cost. Amortized cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Offsetting. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal rights to offset the recognized amounts and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master setting agreements and the related assets and liabilities are presented at gross amount in the statements of financial position.

Day 1 Profit. When the transaction price in non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a Day 1 profit) in profit or loss in the statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where data used is not observable, the difference between the transaction price and model value is only recognized in profit or loss in the statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" profit amount.

<u>Financial Assets</u>
Financial assets within the scope of PAS 39 are classified as financial assets at FVPL, loans and receivables, held-to-maturity investments (HTM), AFS financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

The Company has no financial assets designated as at FVPL, HTM investments and derivatives designated as hedging instruments as at June 30, 2012 and December 31, 2011.

Loans and Receivables. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale. After initial measurement, loans and receivables are subsequently measured at amortized cost less any allowance on impairment. Amortization is determined using the effective interest method. Amortized cost is calculated taking into account any discount or premium on acquisition and include fees that are integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss in the statement of comprehensive income when the loans and receivables are derecognized or impaired as well as through the amortization process. Loans and receivables are included in current assets if maturity is within twelve months from the reporting date. Otherwise, these are classified as noncurrent assets.

Classified under this category are the Company's cash in banks as at June 30, 2012 and December 31, 2011.

AFS Financial Assets. AFS financial assets include equity securities. Equity investments classified as available-for sale are those, either designated in this category or not classified in any of the other categories. After initial measurement, AFS financial assets are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the cumulative changes in fair value of AFS financial assets until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is recognized in profit or loss in the statement of comprehensive income in finance costs and removed from the cumulative changes in fair value of AFS financial assets.

The Company evaluated its AFS financial assets whether the ability and intention to sell them in the near term is still appropriate. When the Company is unable to trade these financial assets due to inactive markets and management's intent significantly changes to do so in the foreseeable future, the Company may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial asset meets the definition of loans and receivables and has the intent and ability to hold these assets for the foreseeable future or maturity. The reclassification to HTM is permitted only when the entity has the ability and intent to hold until the financial asset accordingly.

For a financial asset reclassified out of the AFS category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the effective interest method. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the effective interest method. If the asset is subsequently determined to be impaired then the amount recorded in equity is reclassified to profit or loss.

AFS financial assets consist of the Company's investments in quoted equity securities currently traded in the Philippine Stock Exchange and unquoted securities like investments in shares of stock of MRTHI and MRTH II.

<u>Financial Liabilities</u>
Financial liabilities are further classified into two categories: financial liabilities at FVPL and other financial liabilities. The Company determines the classification at initial recognition and re-evaluates this designation at every reporting date.

The Company has not designated any financial liabilities at FVPL as at June 30, 2012 and December 31, 2011.

Other financial liabilities pertain to financial liabilities that are not held for trading or not designated as at FVPL upon the inception of the liability as at June 30, 2012 and December 31, 2011.

This category includes accrued expenses and other current liabilities and due to a stockholder as (excluding settlement in equity shares).

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

<u>Impairment of Financial Assets</u>

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Assets Carried at Cost. If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

AFS Financial Assets. In the case of equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss – (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss) is removed from equity and recognized profit or loss . Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognized as other comprehensive income.

<u>Derecognition of Financial Assets and Financial Liabilities</u>

Financial Assets. A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

■ The Company's rights to receive cash flows from the asset have expired; or
■ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the isks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Investment in an Associate

The Company carries its investment in Monumento Rail, where the Company has the ability to exercise significant influence since the date of acquisition, under the equity method of accounting. Under the equity method, the investment is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share in net assets of the associate, less any impairment in value. The statement of comprehensive income reflects the Company's share of the financial performance of the associate. Where there has been a change recognized directly in equity of the associate, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in capital deficiency. Unrealized gains and losses arising from transactions with the associate are eliminated to the extent of the Company's interest in the associate, against the investment in the associate.

The share of profit of associates is shown in the statement of comprehensive income. This is the profit attributable to equity holders of the associate and therefore is profit after tax and non-controlling interest in the subsidiaries of the associate.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal are recognized in profit or loss.

Impairment of Investment in an Associate

In assessing impairment of investment in an associate, the Company determines, after application of the equity method, whether it is necessary to recognize an additional impairment loss. The Company determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Company calculates the amount of impairment as being the difference between the fair value of the associate and the acquisition cost and recognizes the amount in profit or loss. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss in the statement of comprehensive income, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Equity

Capital stock is measured at par value for all shares issued. Incremental costs directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax. Proceeds and/or fair value of consideration received in excess of par value are recognized as additional paid-in capital.

Deficit represents the accumulated losses incurred by the Company.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Interest income is recognized as the interest accrues, taking into account the effective interest on the asset using the effective interest method.

Cost and Expenses

Cost and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to stockholders. General and administrative expenses and interest expense are recognized in profit or loss on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when expenditures produces no future economic benefits or when, and the extent that, future economic benefits do not qualify, for recognition in the statement of financial position as an asset.

Borrowing Costs

Borrowing costs are generally expenses as incurred.

Borrowing costs are capitalized if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalization of borrowing costs commences when the activities necessary to prepare the asset for intended use are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the asset is available for their intended use. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized. Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds, as well as exchange differences arising from foreign currency borrowings used to finance these projects, to the extent that they are regarded as an adjustment to interest costs.

Foreign Currency Transactions and Translations

Transactions denominated in foreign currency are recorded in Philippine peso by applying to the foreign currency amount the exchange rate between the Philippine peso and the foreign currency at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rate at the reporting date. All differences are recognized in profit or loss in the statement of comprehensive income.

Income Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax. Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all temporary differences and net operating loss carryover (NOLCO) to the extent that it is probable that taxable income will be available against which the deductible temporary differences NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

<u>Loss Per Share</u>

Loss per share is computed by dividing the net loss for the year by the weighted average number of shares outstanding during the year, with retroactive adjustments for stock dividends declared, if any.

<u>Business Segments</u>

The Company's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products.

Segment Assets and Liabilities. Segment assets include all operating assets used by a segment and consist principally of operating cash. Segment liabilities include all operating liabilities and consist principally of accrued expenses and other current liabilities. Segment assets and liabilities do not include AFS financial assets and borrowings, respectively.

Inter-segment Transactions. Segment revenue, segment expenses and segment performance include transfers among business segments. The transfers, if any, are accounted for at competitive market prices charged to unaffiliated customers for similar products.

<u>Contingencies</u>

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed in the notes to financial statements when an inflow of economic benefit is probable.

2. Significant Accounting Judgment and Estimate

The Company's financial statements prepared under PFRS require management to make judgment and estimates that effect amounts reported in the financial statements and related notes. Future events may occur which will cause the judgment and assumption used in arriving at the estimates to change. The effects of any change in judgment and estimates are reflected in the financial statements as they become reasonably determinable.

Judgment and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgment

In the process of applying the Company's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Determination of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the company, the functional currency of the Company has been determined to be the Philippine Peso. The functional currency is the currency of the primary economic environment in which the Company operates.

Determination of Fair Value of Financial Assets and Liabilities. Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility.

The fair value of financial assets amounted to ₱1,774.4 million and ₱1,774.4 million as at June 30, 2012 and December 31, 2011, respectively. The fair value of financial liabilities amounted to ₱433.1 million and ₱360.6 million as at December 31, 2011 and 2010, respectively.

Determination of Fair Value of Financial Assets not Quoted in an Active Market. The Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arms' length basis.

The fair values of the Company's investments in MRTHI and MRTH II cannot be reasonably determined as the shares are unquoted nor were there any expected future cash flows in view of the sale of future distributions as discussed in Note 4 of the Audited Financial Statements of the Company as at December 31, 2011 and 2010, and that the investments, pursuant to the option agreement as also discussed in Note 4, will be used to settle the Company's liability to FEMI. The carrying amount of unquoted investments amounted to ₱1,763.7 million as at June 30, 2012 and December 31, 2011.

Determination of Impairment of AFS Financial Assets. The Company treats AFS financial assets as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires judgment. The Company treats "significant decline" when the difference between its cost and fair value is 20.0% or more and "prolonged decline" when the fair value of quoted equity securities is lower than its cost for more than 12 months. In making this judgment, the Company evaluates, among other factors, the normal volatility in share price for quoted equities.

In the case of unquoted shares, AFS financial assets are considered impaired when management believes that future cash flows generated from the investment is expected to decline significantly. The Company's management makes significant estimates and assumptions on the future cash flows expected and the appropriate discount rate to determine if impairment exists. Impairment may also be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance.

There were no impairment for quoted equity securities in 2011, 2010 and 2009. The carrying amount of quoted equity securities amounted to ₱10.5 million as at June 30, 2012 and December 31, 2011.

There were no impairment for unquoted equity securities in 2011, 2010 and 2009. Management believes that the carrying amount of the unquoted equity securities, after the application of the proceeds from the sale of the share of the future share distributions and cooperation agreement with MPIC as further discussed in Note 4, can be realized in the future through: a) the Company's share in any additional variable equity rental payments (ERP) received by MRTC from DOTC in the form of a ridership bonus or sharing scheme which were not included in the future share distributions sold; b) the Company's share in the benefits arising from the residual rights in the expansion project; and c) the Company's put option to use the shares of stocks of MRTHI and MRTH II to pay-off its net advances from FEMI pursuant to the "Letter of Agreement". The carrying amount of unquoted equity securities amounted to ₱1,763.7 million as at June 30, 2012 and December 31, 2011.

Estimate

The key assumption concerning future and other key source of estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Recognition of Deferred Tax Assets. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that sufficient taxable income will be generated to allow all or part of the deferred tax assets to be utilized.

Unrecognized deferred tax assets as at December 31, 2011 and 2010 amounted to ₱67.9 million and ₱69.5 million, respectively.

3. Financial Risk Management Objectives and Policies

The Company's financial assets and liabilities are cash in banks, AFS financial assets, accrued expenses and other current liabilities and due to a stockholder. The BOD reviews and approves policies of managing each of the risks.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet or settle its obligations and supporting the Company's operations and activities.

Other than accrued expenses and other current liabilities which are payable on demand, the remaining liabilities have no fixed repayment terms. As discussed in Note 4 of the audited financial statements, the Company has the option to use its investment in MRTHI and MRTH II in payment for its outstanding advances to FEMI while the other due to related parties shall be applied against future dividends. In addition, as discussed in Note 1, FEMI committed not to demand payment of the amount due from the Company which therefore reduces the Company's exposure to liquidity risk.

The Company coordinates and negotiates closely with its principal stockholder to manage cash flow risks by jointly identifying new sources of cash flows through potential future investment and/or cash flow infusions in to the Company over the next five years.

Credit Risk

Credit risk arises from the possibility of the Company incurring a loss date to the failure of the debtors to meet their contractual debt obligations.

The Company's exposure to credit risk relates primarily to its deposits from banks with good credit rating. The maximum exposure to credit risk is equivalent to the carrying amount of these cash in banks and AFS financial assets.

The Company's financial assets consisting of cash and AFS financial assets with aggregate fair values of ₱1,774.4 million and ₱1,775.1 million as at December 31, 2011 and 2010, respectively, are neither past due nor impaired.

The credit quality of these financial assets are considered high grade because of the following factors considered by management:

Cash. These are deposited with reputable banks that belonged to the top three banks in the Philippines and approved by management. The Company has not experienced any difficulty transacting through these banks.

AFS Financial Assets. Unquoted AFS financial assets are unrated while quoted AFS financial assets are assessed as high grade based on financial status of the counterparty and its current stockprice performance in the market.

<u>Equity Price Risk</u>
The Company is exposed to fair value changes on its AFS financial assets in listed equity securities.

The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The following table demonstrates the sensitivity of the Company's equity to a reasonable change in market prices on December 31, 2011 and 2010, with all variables held constant:

	Increase (decrease)	Effect on Equity
2011	0.90	₱52,037
	(0.90)	(52,037)
2010	1.11	₱64,179
	(1.00)	(64,179)

*Average of percentage movement in market prices of listed AFS financial assets for a year.

<u>Capital Management</u>
The Company treats its payables to FEMI as part of the aggregate capital base. The primary objective of the Company's management is to maintain a substantial capital base sufficient to support its long-term investment and holding company mandate.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or business directions as approved by the Company's BOD. To maintain or adjust the capital structure, the issuance of new shares and the conversion of shareholder advances into capital stock.

The Company monitors capital using a targeted gearing ratio, which is net debt divided by total capital (inclusive of payables to FEMI as part of capital base) plus net debt. The Company's policy is to keep a gearing ratio of 60.0% or lower. The Company includes within net debt, accrued expenses and other current liabilities and due to other related parties, less cash.

The Company continuously conducts an internal review its capital and financial risk management objective and policies.

4. Other Information

There was no dividend yet declared by MRTC. With regards to debt and equity securities, there were no issuances, repurchases incurred in the quarter ended, June 30, 2012.

Fil-Estate Corporation has not made any reorganization, entered into any merger or consolidation or any business combinations. Also, the Company was not involved in any acquisition or disposal of subsidiaries and long term investments, restructurings and discontinuing operations since the last reporting period of December 31, 2011.

Based on the last annual report submitted as of December 31, 2011 up to this quarter period reporting, no contingent liabilities or contingent assets has been declared.

PART 1 – FINANCIAL INFORMATION

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

Fil-Estate Corporation continues to be a stakeholder of the Metro Manila Rail Transit Project through its holding company Metro Rail Transit Holdings, Inc. and its subsidiary Monumento Rail Transit Corporation.

FEC also plans to continue its strategy in maintaining itself as a holding corporation with key investment in the form of equity interest in Metro Rail Transit Holdings (MRTH), Inc. and Metro Rail Transit Holdings II (MRTH II). The combined investment in these two holding companies represents approximately 29% interest in the EDSA MRT Systems. The Phase 1 of the MRT Project (LRTS Phase 1) started full operation on July 15, 2000, which involved 13 stations covering the North Triangle to Taft Avenue. \the operation for the next 12 months will be strictly confined to that of an investee Corporation.

The Company will continue, through its holdings in Monumento Rail to actively pursue its participation in the train system extensions (e.g. Makati Loop) and capacity extension through procurement of additional trains/vehicles.

Equity Infusion On March 19, 2007, the company accepted the proposal of Fil-Estate, Management Inc. (FEMI) to infuse its 30% equity ownership in Camp John Hay Development Corporation (CJH) in exchange for up to 450 million shares of the Company at ₱1.00 par value, subject to the approval of the SEC.

On September 11, 2007, the Company signed a Deed of Assignment whereby the 30% equity ownership of FEMI in CJH is transferred to the Company in exchange for 450.0 million shares at P1.00 par values subject to the approval of the Bases Conversion Development Authority (BCDA).
The Deed of Assignment by FEMI of its equity interest in CJH in favor of the Company was signed in 2007 in conjunction with CJH's active discussions with certain property developers and business process outsourcing operators who intend to invest in the CJH area. The expansion of the CJH tourism and leisure complex in the northern resort destination of Baguio City will involve about 20 hectares of new development out of the total 247-hectare former rest and recreation facility of the United States Military. It is further expected that the profitability of CJH will also be

boosted by such investments and which, in turn, will positively affect the financial performance of the Company.

On July 1, 2008, the Bases Conversion Development Authority (BCDA) gave its consent on the transfer made by FEMI of its 30.0% equity interest in CJH in exchange for new shares of stocks of
the Company.

On April 23, 2009, the Company and FEMI (the parties) executed an Amendment to the Deed of Assignment which (a) amends the number of shares to be transferred to 1.5 million shares still representing 30.0% equity interest in CJH, and (b) extends date of closing of transaction to June 30, 2010 or any date agreed upon by the parties in writing, in order to allow the parties to fully comply with the conditions precedent to closing as set forth in the Deed of Assignment, particularly the consent from the SEC.

On January 9, 2012, CJH rescinded the Restructured Memorandum of Agreement it entered into with BCDA on July 1, 2008, in view of the continuing inability of BCDA to make good its one-stop shop 30-day permit issuance guaranty. CJH subsequently filed a case against BCDA for arbitration with the Philippine Dispute Resolution Center, Inc.

On March 14, 2012, the House of Representatives passed a resolution creating a technical working group aimed to assisting CJH and BCDA in amicably resolving the dispute.

On April 12, 2012, the Board of Directors (BOD) approved the deferment of the assignment, transfer and conveyance in favor of the Company, of FEMI'S 30.0% equity in Camp John Hay Development Corporation (CJHDEVCO) until the resolution of the dispute between CJH and BCDA.

Conversion of liabilities to equity. On January 28, 2008, the Board of Directors approved the conversion of a portion of the liabilities to FEMI amounting to about P400.0 million into equity shares of the Company at a par value of P1.00 per share. In view of the increase in the balance of liabilities to FEMI, the amount to be converted to equity was increased to P600.0 million as approved by the BOD on April 18, 2011. The amount of liability for conversion was further increased to P800.0 million as subsequently approved by the BOD on April 12, 2012. As at May 14, 2012, the Company has yet to seek approval from the SEC and submit to other statutory requirements in relation to the conversion of liabilities into equity accounts.

Infusion of certain properties. On April 12, 2012, the Company accepted the infusion by FEMI of certain properties of Mt. Zion Memorial, Inc. (MZMI) worth P500.0 million shares of the Company at P1.00 par values. MZMI is wholly-owned subsidiary of FEMI engaged in the development of Class A memorial parks. Organized in 1999, MZMI now has twelve (12) memorial parks nationwide with a total combined saleable memorial lots aggregating 50 hectares, with an estimated value of P2,500.0 million. A significant amount of annual income is expected to be generated from this infusion. As at May 14, 2012, the Company has yet to seek approval from the SEC in relation to the said transaction.

Cooperation Agreement. On November 12, 2010, the Company, Fil-Estate Properties, Inc. (FEPI) and FEMI (collectively termed as the "Fil-Estate Companies") entered into a Cooperation Agreement with Metro Pacific Investment Corporation (MPIC) relating to the Fil-Estate Companies' rights and interests in the MRT Companies. Under the Cooperation Agreement, the Fil-Estate Companies shall appoint MPIC as its attorney-in-fact in connection with the exercise of the rights and interests of the Fil-Estate Companies in the MRT Co. The completion and consummation of the transaction contemplated by the parties is subject to certain conditions, which as at April 19, 2012 has not yet occurred. As such, MPIC and Fil-Estate Companies are now discussing possible scenarios on how to implement the transactions contemplated by the parties when they entered into the Cooperation Agreement.

The administrative, operation, finance and executive function of the Company are being handled by its parent company FEMI. FEC is not expecting to hire any employee within the next 12 months.

Cash decreased by about ₱37.8 Thousand, from P141 thousand in 2011 and P103 Thousand in 2012. This was due to payment of current year's operating expenses.

The Due to a Stockholder account increased by ₱2.3 Million due to advances received from a stockholder and the fund was used to pay off the regular operating expenses of the Company.

Decreased in Accrued Expenses account of about ₱408 Thousand represents adjustments of previous accruals.

Net Loss for the 2nd quarter of 2012 of about ₱1.9 Million was brought about by the regular operating expenses of the company.

The company's performance indicator cannot be effectively measured or discussed, since its operation is strictly confined as a holding company.

There are no material events, trends, commitments or uncertainties known to management that would address the past and would have an impact on the liquidity and on future operation of the company in general.

There are no any material commitments for capital expenditures, nor any events that will trigger direct or contingent financial obligation that is material to the company.

No material off-balance sheet transactions, arrangements, obligations and other relationships with unconsolidated entities or other persons created during this 2nd quarter period.

PART II – OTHER INFORMATION

A. On April 12, 2012, the Board of Directors of Fil-Estate Corporation resolved and approved:

1. The conversion into equity of an additional Two Hundred Million Pesos(P200,000,000.00) liabilities of the Company to Fil-Estate Management, Inc. (FEMI) into Two Hundred Million (200,000,000) common shares of the Company at par value of One Peso (P1.00) per share;

2. The deferment of the assignment, transfer and conveyance, in favor of the Company,of FEMI's thirty percent (30%) equity in Camp John Hay Development Corporation (CJHDEVCO) until the resolution of the dispute between CJHDEVCO and the bases Conversion Development Authority;

3. The acceptance by the Company of the infusion by Mt. Zion Memorial, Inc. of properties valued at Five Hundred Million Pesos (P500,000,000.00) in exchange of Five Hundred Million (500,000,000) common shares of the Company at par value of One Peso (P1.00) per share.

COVER SHEET

9142
SEC Registration No.

FIL-ESTATE CORPORATION

(Company's Full Name)

7TH FLOOR RENAISSANCE TOWERS
MERALCO AVENUE PASIG CITY
(Business Address: No. Street City/ Town/ Province)

ATTY. ALICE ODCHIGUE-BONDOC
Contact Person

02-6370100 loc. 7048
Company Telephone Number

12 31
Month Day
fiscal year

SEC Form 17-C dated April 17, 2012
FORM TYPE

1st Thursday of June
Month Day
annual meeting

Registered/Listed
Secondary License Type, If Appplicable

Dept. Requiring this Doc.

Amended Articles Number/ Section

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Dociment I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. **April 17, 2012**
Date of Report (Date of earliest event reported)

2. SEC Identification Number: **ASO9124** 3. BIR Tax Identification No. **041-000-194-408**

4. **Fil-Estate Corporation**
Exact name of issuer as specified in its charter

5. .... 6. [ ] (SEC Use Only)
Province, country or other jurisdiction of incorporation — Industry Classification Code:

7. **7/F Renaissance Towers, Meralco Ave., Pasig City** — **1600**
Address of principal office — Postal Code

8. **(632) 637-0100**
Issuer's telephone number, including area code

9. N.A-
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC 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 Shares	**998, 403,181 (out of the total share)**

11. Indicate the item numbers reported herein:

REPORT

Please be informed that during the meeting of the Board of Directors of FIL-ESTATE CORPORATION (the "Company") held on April 12, 2012, the following resolutions were approved:

1. The conversion into equity of an additional Two Hundred Million Pesos (P200,000,000.00) liabilities of the Company to Fil-Estate Management, Inc. (FEMI) into Two Hundred Million (200,000,000) common shares of the Company at par value of One Peso (P1.00) per share;

2. The deferment of the assignment, transfer and conveyance, in favor of the Company, of FEMI's thirty percent (30%) equity in Camp John Hay Development Corporation (CJHDEVCO) until the resolution of the dispute between CJHDEVCO and the Bases Conversion Development Authority;

3. The acceptance by the Company of the infusion by Mt. Zion Memorial, Inc. of properties valued at Five Hundred Million Pesos (P500,000,000.00) in exchange for Five Hundred Million (500,000,000) common shares of the Company at par value of One Peso (P1.00) per share."

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 hereunto duly authorized.

FII-ESTATE CORPORATION
Issuer

Date: April 17, 2012

By:

ALICE ODCHIGUE-BONDOC
Corporate Information Officer

SIGNATURES

Pursuant to the requirements of the Revised Securities Act, the registrants has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized

Registrant: Fil-Estate Corporation

Signature and Title ____________________
Atty. Ferdinand T. Santos
President

Date : August 14, 2012

Principal Financial/Accounting Officer/Controller:

Signature and Title ____________________
Ramon G. Jimenez
Vice President for Accounting