



Transpacific Broadband Group
INTERNATIONAL, INC.

formerly: Transpacific Broadcast Group International, Inc.

CORPORATE OFFICE: 9/F SUMMIT ONE TOWER,
530 SHAW BOULEVARD, MANDALUYONG CITY,
PHILIPPINES, 1550
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November 13, 2012

JANET A. ENCARNACION
HEAD, DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE
PSE Center, Exchange Road
Ortigas Complex, Pasig City

Dear Ms. Encarnacion,

In compliance with PSE's requirement, we are sending you herewith SEC Form 17Q for quarter ending September 30, 2012.

Thank you.

Very truly yours,


CELINIA FAELMOOCA

SEC Number AS095-006755
File Number _____

**TRANSPACIFIC BROADBAND GROUP
INTERNATIONAL, INC.**

(Company)

9th Floor Summit One Tower
530 Shaw Boulevard, Mandaluyong City

(Address)

717-0523

(Telephone Number)

DECEMBER 31

(Fiscal Year Ending)
(month & day)

SEC Form 17Q

(Form Type)

Amendment Designation (if applicable)

September 30, 2012

(Period Ended Date)

(Secondary License Type and File Number)

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 September 30, 2012
2. Commission identification no. AS095-006755 3. BIR Tax Identification No. 004-513-153
4. TRANSPACIFIC BROADBAND GROUP INT'L, INC.
5. Philippines
6. Industry Classification Code:
7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City
Bldg. 1751 Chico St. Clark Special Economic Zone, Angeles, Pampanga
(Satellite Center)
8. Telephone No. (0632) 717-0523
9. The Company did not change its name, address or fiscal year during the period covered by this report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	222,019,330

11. These securities are listed on the Philippine Stock Exchange.

(a) The company 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 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)

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

I. Financial Statements.

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF FINANCIAL POSITION

Notes	(Unaudited) 30-Sep 2012	(Audited) 31-Dec 2011
ASSETS		
Current Assets		
Cash and cash equivalents	2 P 1,321,522 P	2,051,769
Trade receivables	3 37,843,004	31,092,958
Loans and interest receivables	4 10,678,017	13,542,203
Other shortterm investments	5 12,775,600	12,775,600
Spares inventory	6 4,101,220	4,101,220
Other current assets	74,708	-
Total Current Assets	66,794,071	63,563,750
Noncurrent Assets		
Advances for projects	7 26,900,000	26,900,000
Property and equipment - net	8 163,285,445	170,219,413
Investment property	9 50,287,400	50,287,400
Investment in associates	10 7,500,000	7,500,000
Franchise - net	11 6,892,405	7,342,405
Other non-current assets	12 4,307,149	3,771,936
	259,172,399	266,021,154
	P 325,966,470 P	329,584,904
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	13 P 470,795 P	1,536,468
Current portion of interest bearing liabilities	14 5,255,293	5,849,729
Income tax payable	-	25,230
Total Current Liabilities	5,726,088	7,411,427
Noncurrent Liabilities		
Interest-bearing liabilities-net of current portion	14 412,870	412,870
Subscription payable	5,625,000	5,625,000
Pension liability	962,383	962,383
Deferred tax liability	168,848	256,669
Total Noncurrent Liabilities	7,169,101	7,256,922
Total Liabilities	12,895,189	14,668,349
Equity		
Share Capital	222,019,330	222,019,530
Share premium	29,428,022	29,428,022
Share options outstanding	8,921,814	8,921,814
Revaluation increment on property and equipment	6,081,515	7,750,126
Retained earnings	47,058,400	47,235,063
Treasury shares	(437,800)	(437,800)
Total Equity	313,071,281	314,916,555
	P 325,966,470 P	329,584,904

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Quarter Ending		Nine (9) month ending	
		30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
REVENUES FROM UPLINK AND OTHER DATA-RELATED SERVICES		9,395,665	8,827,146	P 25,694,245	P 26,113,634
DIRECT COST	15	9,145,132	8,075,020	25,738,350	24,034,303
GROSS PROFIT (LOSS)		250,533	752,126	(44,105)	2,079,331
OTHER INCOME		60,844	264,774	374,405	727,894
TOTAL INCOME		311,377	1,016,900	330,300	2,807,225
ADMINISTRATIVE EXPENSES	16	(534,301)	(606,877)	(2,079,148)	(2,589,550)
FINANCE COST		(68,612)	(75,957)	(184,247)	(280,007)
PROFIT (LOSS) BEFORE INCOME TAX		(291,536)	334,066	(1,933,095)	(62,332)
INCOME TAX EXPENSE		(67,263)	(74,001)	-	(140,361)
PROFIT (LOSS) FOR THE YEAR		(358,799)	260,065	(1,933,095)	(202,693)
OTHER COMPREHENSIVE INCOME					
Revaluation increment of property and equipment absorbed through depreciation		585,477	585,477	1,756,432	1,756,432
TOTAL COMPREHENSIVE INCOME		226,678	845,542	P (176,663)	P 1,553,739
EARNINGS PER SHARE				(0.0087)	(0.0009)

See Notes to Financial Statements

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2012 and 2011

	Share Capital	Share Premiums	Share Options Outstanding	Revaluation Increment on Property and Equipment-net of tax	Retained Earnings	Treasury Shares	Total Equity
Balance at January 1, 2012	222,019,330	29,428,022	8,921,814	7,750,126	47,235,063	(437,800)	314,916,555
Share option granted	-	-	-	-	-	-	-
Revaluation increment absorbed through depreciation	-	-	-	(1,668,611)	-	-	(1,668,611)
Total comprehensive income (loss) for the period	-	-	-	-	(176,663)	-	(176,663)
Total Equity as of September 30, 2012	222,019,330	29,428,022	8,921,814	6,081,516	47,058,400	(437,800)	313,071,281
Balance at January 1, 2011	222,019,330	29,428,022	8,921,814	9,974,940	49,517,539	(437,800)	319,423,845
Share option granted	-	-	-	(1,668,611)	-	-	(1,668,611)
Revaluation increment absorbed through depreciation	-	-	-	-	1,553,739	-	1,553,739
Total comprehensive income (loss) for the period	-	-	-	-	51,071,278	(437,800)	319,308,973
Total Equity as of September 30, 2011	222,019,330	29,428,022	8,921,814	8,306,329	51,071,278	(437,800)	319,308,973

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC
STATEMENT OF CASH FLOWS

	Quarter Ending		Nine (9) month ending	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (Loss) after income tax	P (379,655)	P 260,065	P (1,933,095)	P (202,693)
Adjustments for:				
Depreciation and amortization	3,950,044	3,770,266	11,880,728	11,310,799
Amortization of franchise	150,000	150,000	450,000	450,000
Provision for retirement benefits	-	-	-	(219,802)
Interest expense	68,612	75,957	184,247	280,007
Interest income	(60,838)	(212,982)	(374,405)	(598,414)
Operating income before working capital changes	3,728,163	4,043,306	10,207,475	11,019,897
Decrease (increase) in Operating Assets:				
Trade receivables - net	253,667	(6,046,145)	(6,750,046)	(12,288,900)
Loans and interest receivables	1,624,396	3,287,556	2,864,186	2,140,307
Other current assets	(67,265)	-	(74,709)	-
Decrease (increase) in Other non-current assets	(165,865)	(67,480)	(535,213)	(192,575)
Increase/(decrease) in Operating liabilities				
Accounts payable and accrued expenses	(1,992)	207,143	(1,065,673)	(1,756,567)
Income taxes payable	1.00	7,642	(25,229)	(39,328)
Net Cash Provided by/(Used in) Operating Activities	5,371,105	1,432,022	4,620,791	(1,117,166)
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in available for sale-financial assets	-	-	-	-
Acquisition of property and equipment	(4,946,760)	-	(4,946,760)	-
Interest received	60,838	212,982	374,405	598,414
Net Cash Used in Investing Activities	(4,885,922)	212,982	(4,572,355)	598,414
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans				
Principal	(123,489)	(199,303)	(594,436)	(574,312)
Interest	(68,612)	(75,957)	(184,247)	(280,007)
Net Cash Provided by/(used in) Financing Activities	(192,101)	(275,260)	(778,683)	(854,319)
NET INCREASE (DECREASE) IN CASH EQUIVALENTS	<u>293,082</u>	<u>1,369,744</u>	<u>(730,247)</u>	<u>(1,373,071)</u>
CASH AT THE BEGINNING OF THE YEAR			2,051,769	4,639,114
CASH AT END OF YEAR			P 1,321,522	P 3,266,043

TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS

1. Basis for Financial Presentation

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

2. Cash and cash equivalents

As of September 30, 2012 and December 31, 2011 cash and cash equivalents represent cash on hand and cash in banks of P1,321,522 and P2,051,769 respectively. Cash in bank represents current account and USD dollar account that earn interest at the prevailing bank deposit rates.

3. Trade receivables

This account consists of:

	Sept. 30, 2012	Dec. 31, 2011
Trade	P44,197,170	P37,447,124
Less: Allowance for doubtful accounts	6,354,166	6,354,166
	P37,843,004	P31,092,958

4. Loans and interest receivables

This account consists of:

	Sept. 30, 2012	Dec. 31, 2011
Loans receivable	P10,678,017	12,779,299
Interest receivable	-	762,904
	P10,678,017	P13,542,203

5. Other short term investment

Other short term investments are foreign currency deposit earmarked for the acquisition of capital equipments to augment the Company's expansion plans.

These investments with carrying value of P12,775,600 earns interest of 8% annually.

6. Spare parts inventory

Spare parts inventory consist of communication supplies and materials that are normally provided to the customers in the delivery of services. Spare parts inventory amounting to P4,101,219.60 are carried at cost.

7. Advances for projects

As of Sept. 30, 2012 the funds amounting to P26.9 million have been released to HRH to cover projects in the pipeline that HRH and the company are pursuing. The proposed projects have not been commenced and the funds remained unspent.

8. Property and equipment

The movements within this account as of Sept. 30, 2012 are shown below:

	Building and Improvements	Uplink/Data Equipment	Transportation Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Gross carrying amount:						
Balance, January 1	P21,393,402	P247,158,409	P10,785,148	P4,795,726	P18,280,657	P302,413,342
Additions		4,946,758				4,946,758
Transfers/Sold						
Balance	21,393,402	252,105,167	10,785,148	4,795,726	18,280,657	307,360,100
Accumulated dep'n:						
Balance, January 1	13,905,724	101,670,739	8,255,392	1,358,501	7,003,572	132,193,928
Provisions	802,254	9,357,614	937,394	152,583	630,882	11,880,727
Transfers/sold						
Balance	14,707,978	111,028,353	9,192,786	1,511,084	7,634,454	144,074,655
Carrying amount:						
Beginning	P7,487,678	P145,487,670	P2,529,756	P3,437,225	P11,277,085	P170,219,413
End	P6,685,424	P141,076,814	P1,592,362	P3,284,642	P10,646,203	P163,285,445

Building and improvements, uplink equipment, leasehold improvements and data equipment (installation-in-progress) were revalued on October 28, 2002 by a firm of independent professionally qualified appraisers at market prices. The net appraisal increment resulting from the revaluation is credited to the "Revaluation Increment" account shown under stockholders' equity. The amount of revaluation increment absorbed through depreciation is transferred from the revaluation increment to retained earnings.

9. **Investment property**

The breakdown of properties is shown below:

9F Condominium at Summit	P43,368,400
Land and Improvements in Cavite	6,919,000
	<u>P50,287,400</u>

10. **Investment in associates**

During 2010, the Company subscribed to 7.5 million shares in ATN Solar Energy Group, Inc., (ATN Solar) representing 30% ownership interest. From the 7.5 million shares subscribed P1.875 million have been paid and the balance is presented in the liability section as "Subscription Payable" amounting to P5.625 million. ATN Solar is engaged in renewable energy generation and trade distribution of renewal energy equipment and accessories.

11. **Franchise**

This account consists of:

	Sept. 30, 2012	Dec. 31, 2011
Franchise	P7,342,405	7,942,405
Amortization	450,000	600,000
	<u>P6,892,405</u>	<u>P7,342,405</u>

12. **Other non-current assets**

This account consists of:

	Sept. 30, 2012	Dec. 31, 2011
ATN Holdings	P997,074	P997,074
Palladian Land Dev. Inc.	2,854,570	2,319,358
Others	455,505	455,505
	<u>P4,307,149</u>	<u>P3,771,937</u>

13. **Accounts payable and accrued expenses**

This account consists of non interest trade payables in the amount of P472,787.

14. **Interest-bearing liabilities**

This account consists of:

	Sept. 30, 2012	Dec. 31, 2011
Foreign currency loans	P5,184,299	P5,213,522
Obligation under finance lease	483,863	1,049,079
	5,791,652	6,262,601
Less: current portion	5,255,293	5,849,729
	<u>P412,872</u>	<u>P412,872</u>

Long-term loans pertain to the principal amount of foreign currency loans with China Banking Corporation ("CBC") payable up to 2012. Annual interest ranges from 3.00% to 6.00% and is payable quarterly in arrears. The loan is secured by a real estate mortgage executed by Palladian Land Development, Inc., a related party.

15. Direct Cost

This account consist of the following:

	Sept. 30, 2012	Sept. 30, 2011
Amortization of franchise	P450,000	P450,000
Depreciation and amortization	11,880,728	11,310,799
Insurance	189,377	228,446
Office supplies	128,563	625,587
Rental expense	1,411,265	1,287,814
Repairs and maintenance	-	21,750
Salaries, wages and other benefits	1,243,565	1,217,714
Security services	332,250	503,066
Taxes and licenses	770,395	747,006
Transponder lease	8,084,907	6,491,609
Transportation and travel	533,209	483,762
Utilities and communication	714,091	666,750
	P25,738,350	P24,034,303

16. Administrative expenses

This account consist of:

	Sept. 30, 2012	Sept. 30, 2011
Legal and professional fee	P405,000	P397,700
Permits, taxes and licenses	404,399	732,785
Power, dues and communication	746,010	1,002,633
Representation and entertainment	-	25,000
Salaries, wages and other benefits	386,195	620,477
Transportation expense	106,658	158,625
Miscellaneous	30,886	12,330
	P2,079,148	P2,589,550

17. Early Adoption of PFRS**PFRS 9, Financial Instruments: Classification and Measurement**

PFRS 9 as issued reflects the first phase on the replacement of PAS 39, Financial Instruments: Recognition and Measurement, and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or after January 1, 2015.

In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project. The Company decided not to early adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

18. Financial risk management objectives and policiesFinancial Risk

The Company's activities expose it to variety of financial risk. These risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below:

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The table below shows the gross maximum exposure to credit risk of the Company's as at Sept. 30, 2012 and December 31, 2011.

	Gross Maximum Exposure	
	September 30, 2012	December 31, 2011
Cash and cash equivalents	P1,321,522	P2,051,769
Trade receivables	37,843,004	31,092,957
Loans and interest receivable	10,678,017	13,542,203
Advances for projects	26,900,000	26,900,000
Other receivables	4,307,149	3,316,432
	P81,049,692	P76,903,361

The credit risk on cash and cash equivalents are limited since funds are invested in financial institutions with high credit ratings.

Sept. 30, 2012					
	Neither past due High grade	nor impaired Standard grade	Past due but not impaired	Past due and Impaired	Total
Cash and cash equivalents	P1,321,522				P1,321,522
Receivables					
Trade		10,642,332	27,200,672		37,843,004
Loans and interest			10,678,017		10,678,017
Advances					
For projects			26,900,000		26,900,000
For related parties			4,307,149		4,307,149
	P1,321,522	P10,642,332	P69,085,838	P-	P81,049,692

High-grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

The aging analysis of past due but not impaired receivables is as follows:

Sept. 30, 2012					
	Trade	Loans and interest receivable	Advances for projects	Advances to related party	Total
30-60 days past due	P3,855,200				P3,855,200
61-90 days past due	14,090,832				14,090,832
Over 90 days	19,896,972	10,678,017	26,900,000	4,307,149	61,782,138
	P37,843,004	P10,678,017	P26,900,000	4,307,149	P79,728,170

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Either liquidity risk may result from the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or insurance liability falling due for payment earlier than expected; or inability to generate cash inflows as anticipated.

The Company manages its liquidity profile to (i) ensure that adequate funding is available at all times; (ii) meet commitments as they arise without incurring unnecessary costs; (iii) to be able to access funding when needed at the least possible cost, and (iv) maintain an adequate time spread of financing maturities.

The table below summarizes the maturity profile of the Company's financial liabilities.

Sept. 30, 2012

	<1 month	>1month and <3months	.3months and <1 year	>1year and 5 years	Total
Accounts payable and Accrued expenses	P470,795				P470,795
Interest bearing liabilities					
Loans payable			5,184,299		5,184,299
Obligation under finance lease	63,979		419,884	-	607,353
	P534,774	P-	P5,604,182	P-	P6,138,958

Market Risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

Market risk is the risk to an institution's financial condition from volatility in the price movements of the assets contained in a portfolio. Market risk represents what the Company would lose from price volatilities. Market risk can be measured as the potential gain or loss in a position or portfolio that is associated with a price movement of a given probability over a specified time horizon.

i. Currency risk

The Company is exposed to foreign exchange risk arising from currency exposures primarily with respect to the US Dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the company's functional currency. Significant fluctuations in the exchanges rates could significantly affect the Company's position.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at reporting date are as follows:

	Sept. 30, 2012	December 31, 2011
Cash and cash equivalents	US\$(8,121)	US\$(8,147)
Bank loans	US\$116,169	US\$118,683
	US\$108,048	US\$110,536

The following table demonstrates the sensitivity to a reasonable change in the US\$ exchange rate, with all other variables held constant, the Company's income before tax.

Effect on Income before taxes	Sept. 30, 2012	December 31, 2011
Increase/decrease in Peso to US\$ Rate		
+P5.00	US\$5,402	US\$5,527
-P5.00	US\$(5,402)	US\$(5,527)

There is no other impact on the Company's equity other than those affecting the profit and loss.

ii. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk.

The Company's interest risk policy requires it to manage interest rate risk by maintaining an appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest bearing financial assets. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until maturity.

Exposure to interest rate risk is as follows:

	Sept. 30, 2012		December 31, 2011	
	Principal	Interest rate	Principal	Interest rate
Foreign currency loans	P5,184,299	1M LIBOR +2.75% 1M LIBOR +3.00%	P5,213,521	1M LIBOR +2.75% 1M LIBOR +3.00%
Obligation under finance lease	P483,863	11%-19%	P1,049,079	11%-19%
	P5,668,162		P6,262,600	

Operational risk

Operational risk is the risk of loss from system failure, human error, fraud, or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company cannot expect to eliminate all operational risk but initiating a rigorous control framework and by monitoring and responding to potential risks, the Company is able to manage the risks. Controls include effective segregation of duties, access controls, authorization and reconciliation procedures, staff education, and assessment processes. Business risk such as changes in environment, technology, and industry are monitored through the Company's strategic planning and budgeting processes.

Fair values

Comparative carrying amounts and fair values of financial instruments as at Sept. 30, 2012 and December 31, 2011 follow:

	30-Sept.-12		30-Dec-11	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Cash and cash equivalents	P1,321,522	P1,321,522	P2,051,769	P2,051,769
Trade receivables	37,843,004	37,843,004	31,092,957	31,092,957
Loans and interest receivables	10,678,017	10,678,017	13,542,203	13,542,203
Other short term investment	12,775,600	12,775,600	12,775,600	12,775,600
Advances for projects	26,900,000	26,900,000	26,900,000	26,900,000
	P89,518,143	P89,518,143	P86,362,529	P86,362,529
Accounts payable and accrued expenses	470,795	470,795	P1,536,466	P1,536,466
Interest bearing liabilities	5,668,163	5,668,163	6,262,601	6,262,601
	P6,138,958	P6,138,958	P7,799,067	P7,799,067

Due to short-term nature of transactions, Cash on hand and in banks' fair values approximates the carrying amounts at initial recognition.

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The capital structure of the Company consists of issued capital, additional paid-in capital, revaluation increment and retained earnings.

The financial ratio at the year-end, which is within the acceptable range of the Company, is as follows:

	Sept. 30, 2012	December 31, 2011
Equity	P313,071,281	P314,916,555
Total assets	325,966,470	P329,584,904
Ratio	096	0.96

Management Discussion and Analysis of Operation

The earnings per share (EPS) are computed based on the following number of outstanding shares:

	Sept. 30, 2012	Sept. 30, 2011
Profit (Loss) for the period	(P1,933,095)	(P202,693)
Number of Outstanding Shares	221,581,530	221,581,530
Earnings per Share	(0.0087)	(P0.0009)

Disclosures on the issuer's interim financial report, in compliance with Philippine Financial Reporting Standards:

- 1 The same accounting policies and methods of computation are followed in the interim financial statements as compared to the most recent and previous financial statements.
- 2 There is no seasonality or cyclicity of interim operations.
- 3 There is no item that has unusual effect on asset, liabilities, equity, net income and cash flows.
- 4 There is no change in the nature and amounts reported in prior interim periods of the current financial year or prior financial year.
- 5 There is no issuance, repurchase nor repayment of debt and equity securities during the interim period.
- 6 There is no dividend paid for ordinary or other shares.
- 7 Disclosure on segment revenue is not required.
- 8 There is no material event subsequent to the end of the interim period that has not been reflected in the financial statements.
- 9 There is no change in the composition of the issuer such as business combination, acquisition, disposal of subsidiary and long-term investment, and restructuring during the interim period.
- 10 There is no change in contingent assets or contingent liabilities since the last annual balance sheet date.
- 11 There is no seasonal effect that had material effect on financial condition or result of operation.

Disclosure on material events and uncertainties

- 1 There is no known trend, demands, commitments, events or uncertainties that will have material impact on the issuer's liquidity
- 2 There is no event that will trigger direct or contingent financial obligation that is material to the company.
- 3 There is no material off-balance sheet transaction, arrangement, obligations and other relationships of the company.
- 4 There is no material commitment for capital expenditures.
- 5 There is no known unfavorable trend, events, or uncertainties that have material impact on net sales.
- 6 There is no significant element of income that did not arise from the issuer's operations.

Vertical and Horizontal Analysis

Total corporate assets almost remain the same from Php329 million in December 31, 2011 compared to Php326 million as of Sept. 30, 2012. The net decrease of Php3.6 million (-1%) in total assets arose from the following items:

- 1 Decrease in cash by Php0.73 million (-36%) due to payment of trade payable and bank loans.
- 2 Increase in trade receivable by Php6.75 million (22%) due to slower collection of trade receivables.
- 3 Decrease in loans and interest receivable by Php2.8 million (-21%) due to partial payment of principal.

Total liabilities decreased by Php1.773 million (-12%) from Php14.668 million in December 2011 to Php12.9 million in Sept. 30, 2012. The net decrease in liabilities resulted from the following significant items:

- 1 Decrease in accounts payable and accrued expenses by Php1.06 million (-69%) due to payment.
- 2 Decrease in interest bearing liabilities Php594 thousand (-10%) due to payment of monthly amortization.
- 3 Decrease in deferred tax liability by Php88 thousand (-34%) due to amortization of revaluation increment absorbed through depreciation.

Stockholders' equity remains the same as of September 30, 2012 and December 31, 2011.

Total revenue decreased by Php0.419 million (-2%) from Php26 million as of Sept. 30, 2011 to PhpP25.7 million as of Sept. 30, 2012.

Direct costs increased from Php24 million in the 3rd quarter ending Sept. 30, 2011 to Php16.6 million (4%) in the 3rd quarter ending September 30, 2012. The net increase arose from the following accounts:

- 1 Depreciation and amortization increased by Php570 thousand (5%) from Php11.3 million to Php11.9 due to increase in depreciable property.

- 2 Insurance decreased by Php39 thousand (-17%) from Php228 thousand to Php189 thousand due to adjustment in the principal amount of the insured property.
- 3 Office supplies decreased by Php497 thousand (-77%) from Php625 thousand to Php128 thousand due to lesser procurement and cost cutting.
- 4 Rent expense increased by Php123 thousand (10%) from Php1.3 million to Php1.4 million due to increase in monthly rent.
- 5 Security services decreased by Php170 thousand (-34%) from Php503 thousand to Php322 due to decrease in contract rate.
- 6 Transportation increased by Php49 thousand (10%) due to increase in transportation cost.
- 7 Transponder lease increase by Php1.6 million (25%) from Php6.5 million to Php8 million due to adjustment in contract rate.
- 8 Utilities and communication increased by Php47 thousand (7%) from Php667 thousand to Php714 thousand due to increase in electric rate.

Administrative expenses almost the same from Php1.982 million for the 2nd quarter ending June 30, 2011 to Php1.545 million (6%) in the 2nd quarter ending June 30, 2012. The following significant changes are as follows:

- 1 Permits, taxes and licenses increased by Php31 thousand (8%) due to payment of non recurring taxes.
- 2 Power, dues and communication decreased by Ph256 thousand (-26%) from Php1 million to Php746 thousand due to cost cutting program.
- 3 Salaries, wages and other benefits decreased by Php234 thousand (-38%) from Php620 thousand to Php386 thousand due to lesser personnel.
- 4 Transportation and travel decreased by Php52 thousand (-33%) from Php158 thousand to Php106 thousand due to lesser errands.

The following are 7 (seven) important performance indicators of the company:

Current Ratio	Calculated ratio of current assets into current liabilities. Indicates the ability of the company to finance current operations without need for long term capital
Debt-to Equity Ratio	Calculated ratio of total debt into total equity. Indicates the level of indebtedness of the company in relation to buffer funds provided by equity against any operating losses. Also indicates the capacity of the company to absorb or take in more debt.
Asset-to-Equity Ratio	Calculated ratio of total asset into total equity. Indicates the long-term or future solvency position or general financial strength of the company.
Interest Rate Coverage Ratio	Calculated ratio of earnings before interest and taxes into interest expenses. Indicates the ability to meet its interest payments.
Gross profit Margin	Calculated ratio expressed in percentage of the gross margin into total revenues. Indicates the ability of the company to generate margin sufficient to cover administrative charges, financing charges and provide income for the stockholders.
EBITDA	Calculated earnings before income tax, and non-cash charges. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses.
Net Income to Sales Ratio, and Earnings per Share	Calculated ratio of net income into total revenues. Indicates the efficiency of the company in generating revenues in excess of cash operating expenses and non-cash charges, and the ability of the company to declare dividends for stockholders.

Computed performance indicators are as follows:

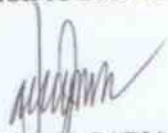
	Sept. 30, 2012	Sept. 30, 2011
Current Ratio	12	9
Debt-to-Equity Ratio	0.041	0.047
Asset-to-Equity Ratio	1.04	1.047
Interest Rate Coverage Ratio	-9.49	-0.78
Gross Profit Margin	-0.17%	7.96%
EBITDA	P9,947,633	P11,248,467
Net Income to Sales Ratio	-7.52%	-0.78%
Earnings per Share	(0.0087)	(0.0009)


SIGNATURES

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

COMPANY : TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.

Signature and Title:


PAUL B. SARIA
Principal Operating Officer
November 9, 2012


CELINIA FAELMOCA
Principal Accounting Officer
November 9, 2012