



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 quarter ended MARCH 31, 2006
- 2 SEC Identification No. A1999-04544 3. BIR Tax Identification No. 203-420-423
- 4 Exact name of the registrant as specified in its charter
ABS-CBN HOLDINGS CORPORATION
- 5 Philippines 6. _____ (SEC use only)
Province, Country or other jurisdiction of Industry Classification code:
Incorporation or organization
- 7 4/F Benpres Building, Meralco Ave. corner Exchange Road, Pasig City, 1605
Address of principal office Postal code
- 8 (632) 631-3111
Registrant's telephone number, including area code
- 9 Worldtech Holdings Corporation
Former name, former address, and former fiscal year, if changed since last year
- 10 Securities registered pursuant to Sections 8 and 12 of the Code. Or Sections 4 and 8
of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Philippine Depository Receipts	267,814,800 shares

- 11 Are any or all of these securities listed on the Philippine Stock Exchange?
Yes No
- 12 Check whether the registrant:
 - a) has filed all reports to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes No
 - b) has been subject to such filing requirements for the past 90 days.
Yes No

Part I FINANCIAL INFORMATION

Item I Financial Statements

The unaudited Financial Statements for the period ended March 31, 2006 with comparative to audited figures for year ended December 31, 2005 are filed as part of this form. It is prepared in conformity with accounting principles generally accepted in the Philippines.

Item II Management Discussion and Analysis of Financial Condition and Results of Operations

The Company has undertaken not to conduct any business other than in connection with the issuance of Philippine Depositary Receipts [PDRs (see Note 3 of the financial statements)], the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Broadcasting Corporation (ABS-CBN) in respect of which PDRs are issued.

Any cash dividends or other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied towards its operating expenses then due (including but not limited to applicable taxes, fees and maintenance costs charged by the Philippine Stock Exchange) of the Company (the "Operating Expenses") for the current and preceding year. Any further amount equal to the operating expenses in the preceding year (The "Operating Fund") shall be set aside to meet operating or other expenses for the succeeding year. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as "Interest") shall be distributed to Holders *pro rata* on the day after such cash dividends are received by the Company.

The Company's **key performance indicators** are focused only on the dividends received by the registrant to meet the PDR holders' expectation and monitor the cash and cash equivalents level to meet its obligations with respect to the Company's current and preceding year's operations.

There was no dividends declared for year 2005 and as of March 31, 2006.

1st Quarter Ended March 31, 2006

The Company posted revenues of ₱50,369 for the three months ended March 31, 2006 registering 6x the year ago level of ₱ 309,179. It is mainly due to lower conversion of PDRs to ABS-CBN shares for the first quarter ended March 31, 2006. Consequently, exercise fees, realized deferred income and loss on conversion decline by 85%. Also interest income decreased by 76% due to lower interest rate on short-term investments and decreased in cash level. Net loss for the period amounted to ₱434,842.

Financial condition. Cash and cash equivalents decreased by ₱469,305 or 16% mainly due to payment of annual listing fee to Philippine Stock Exchange, where unexpired portion is booked under "Prepaid expenses" account in the 2006 balance sheet. Accrual of operating expenses in 2006 resulted to an increase in "Accounts payable and accrued expenses" account.

Net loss for the period increased capital deficiency to ₱22,434,633 as of March 31, 2006.

1st Quarter Ended March 31, 2005

The Company posted revenues of ₱309,179 for the three months ended March 31, 2005 registering 46x the year ago level of ₱6,792. It is mainly due to conversion of 1,330,000 PDRs to ABS-CBN shares for the first quarter ended March 31, 2005 that resulted into receipt of exercise fee of ₱133,000, loss on conversion and realization of deferred income of the same amount (see Note 3 to financial statements). The foregoing affected the net loss of the Company for the period that decreased from ₱482,100 in 2004 to ₱289,880 in 2005. Interest income increased to ₱41,690 for the period ended March 31, 2005 as the Company made short-term money market placements that earned interest at its respective short-term deposit rates.

Financial condition. Cash and cash equivalents decreased by ₱266,758 or 7% mainly due to payment of annual listing fee to Philippine Stock Exchange, where unexpired portion is booked under "Prepaid expenses" account in the 2005 balance sheet. Accrual of operating expenses in 2005 resulted to an increase in "Accounts payable and accrued expenses" account.

Net loss for the period increased capital deficiency to ₱20,862,764 as of March 31, 2005.

Part II OTHER INFORMATION

The Company has no other information that needs to be disclose other than disclosures made under SEC Form 17-C, if any.

ABS-CBN HOLDINGS CORPORATION

BALANCE SHEETS

MARCH 31, 2006 AND DECEMBER 31, 2005

	March 31 2006 (Unaudited)	December 31 2005 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,393,204	P 2,862,508
Prepaid Expenses	299,797	11,216
Total Current Assets	2,693,001	2,873,724
Noncurrent Asset		
Investments in ABS-CBN Shares - at cost (Note 3)	12,612,905,286	12,615,155,286
	P 12,615,598,287	P 12,618,029,010
LIABILITIES AND CAPITAL DEFICIENCY		
Current Liability		
Accrued Expenses	P 2,028,278	P 1,774,528
Noncurrent Liabilities		
Philippine Depository Receipts (Note 3)	12,586,123,806	12,588,353,806
Deferred Income (Note 3)	26,781,480	26,801,480
	12,612,905,286	12,615,155,286
Capital Deficiency		
Capital stock - P100 par value	30,000	30,000
Advances from a shareholder intended for equity conversion (Note 4)	23,069,356	23,069,356
Deficit	(22,434,633)	(22,000,160)
	664,723	1,099,196
	P 12,615,598,287	P 12,618,029,010

ABS-CBN HOLDINGS CORPORATION

STATEMENTS OF INCOME

FOR THE PERIODS ENDED MARCH 31, 2006 AND 2005

(UNAUDITED)

	Three months ended	
	March 31	
	2006	2005
REVENUES		
Interest	P 10,369	P 43,179
Exercise fees	20,000	133,000
Realized deferred income (Note 3)	20,000	133,000
	50,369	309,179
EXPENSES		
Operating expenses (Note 5)	464,842	466,059
Loss on conversion of PDRs (Note 3)	20,000	133,000
	484,842	599,059
NET LOSS	P (434,473)	P (289,880)
Loss Per Share (Note 7)	P 1,086	P (725)

See accompanying Notes to Financial Statements.

ABS-CBN HOLDINGS CORPORATION**STATEMENTS OF CHANGES IN CAPITAL DEFICIENCY****MARCH 31, 2005 AND 2004**

(UNAUDITED)

	March 31	
	2006	2005
CAPITAL STOCK - P100 par value		
Authorized - 1,000 shares		
Subscribed - 400 shares	P 40,000	P 40,000
Subscriptions receivable	(10,000)	(10,000)
	30,000	30,000
DEFICIT		
Balance at beginning of periods	(22,000,160)	(20,572,884)
Net loss	(434,473)	(289,880)
Balance at end of periods	(22,434,633)	(20,862,764)
	P (22,404,633)	P (20,832,764)

See accompanying Notes to Financial Statements.

ABS-CBN HOLDINGS CORPORATION**STATEMENTS OF CASH FLOWS****FOR THE PERIODS ENDED MARCH 31, 2006 AND 2005**

(UNAUDITED)

	Three months ended	
	March 31	
	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	P (434,473)	P (289,880)
Adjustment to reconcile net loss to net cash used in operating activities:		
Increase in:		
Prepaid expenses	(288,581)	(412,965)
Accrued expenses	253,750	436,086
Net cash used in operating activities	(469,304)	(266,758)
CASH IN BANK AT BEGINNING OF PERIODS	2,862,508	3,635,634
CASH IN BANK AT END OF PERIODS	P 2,393,204	P 3,368,876
SUPPLEMENTAL INFORMATION ON NON CASH INVESTING AND FINANCING ACTIVITIES		
Conversion of PDRs into ABS-CBN shares	P (2,250,000)	P (21,492,500)
Acquisition of ABS-CBN shares through issuance of PDRs	-	-

See accompanying Notes to Financial Statements.

ABS-CBN HOLDINGS CORPORATION

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

The Company was incorporated on March 30, 1999 as Worldtech Holdings Corporation, for the primary purpose of investing, purchasing and holding real and personal property, including but not limited to, shares of stock, bonds, debentures, notes, evidences of indebtedness or other securities or obligations. On September 16, 1999, the Securities and Exchange Commission approved the change in the Company's corporate name to ABS-CBN Holdings Corporation.

The Company has not conducted any business other than in connection with the issuance of Philippine Depositary Receipts [(PDRs) see Note 3], the performance of obligations under the PDRs and the acquisition and holding of shares of ABS-CBN Broadcasting Corporation (ABSCBN) in respect of PDRs issued.

The Company is 50% owned by Lopez, Inc., a Philippine entity, and 50% owned by certain directors and officers of Lopez, Inc.

The registered office address of the Company is 4th Floor, Benpres Building, Exchange Road corner Meralco Avenue, Pasig City.

2. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements have been prepared in compliance with the accounting principles generally accepted in the Philippines, except for the matter discussed in Note 3, as set forth in Philippine Financial Reporting Standards (PFRS). PFRS include standards named PFRS and Philippine Accounting Standards (PAS), including interpretations issued by the Philippine Accounting Council. There are the Company's first financial statements prepared in compliance with PFRS.

The financial statements have been prepared on a historical cost basis and are presented in Philippine peso, which is the Company's functional and presentation currency, and all values are rounded to the nearest peso except when otherwise indicated.

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 reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Exercise fees. Revenue is recognized upon payment of exercise price by the PDR holders.

Realized deferred income. Revenue is recognized upon exercise of PDRs.

Interest income. Revenue is recognized as the interest accrues.

Dividends. Dividend income is recognized when the shareholders' right to receive the payment is established.

Investment in ABS-CBN Shares

Investment in ABS-CBN shares is carried at cost. The cost of ABS-CBN shares issued in exchange for PDRs exercised is based on the average cost of all the shares held at the time of exercise.

Income Tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet 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, except where the deferred tax liability arises from the initial recognition of goodwill or 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; and

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference 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; and

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognize directly in equity is recognized in equity and not in the income statement.

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

Earnings (Loss) Per Share

Earnings (loss) per share is calculated by dividing the net income (loss) for the year attributable to shareholders by the weighted average number of shares issued and outstanding during the year after giving retroactive adjustment for stock dividends declared during the year, if any.

3. Philippine Depositary Receipts (PDRs)

On September 29, 1999, the Company offered 132,000,000 PDRs relating to 132,000,000 ABS-CBN shares. Each PDR was issued for a total consideration of ₱46.00, which consists of a deposit of ₱45.90 and a PDR option price of ₱0.10. The deposits are shown as "Philippine Depositary Receipts" while the PDR option price is shown as "Deferred income" in the accompanying balance sheets. The deferred income will be realized upon exercise of the PDRs (shown as "Realized deferred income"). The difference between the PDR and investment in ABSCBN shares is shown as "Loss on conversion of PDRs."

Each PDR grants the holders, upon payment of the exercise price and subject to certain other conditions, the delivery of one ABS-CBN share or the sale of and delivery of the proceeds of such sale of one ABS-CBN share. The ABS-CBN shares are still subject to ownership restrictions on shares of corporations engaged in mass media and ABS-CBN may reject the transfer of shares to persons other than Philippine nationals. The PDRs were listed in the Philippine Stock Exchange on October 7, 1999, and it may be exercised at any time from said date. Any cash dividend or

other cash distributions distributed in respect of ABS-CBN shares received by the Company (or the Security Agent on its behalf) shall be applied towards the operating expenses then due (including but not limited to applicable taxes, fees and maintenance costs charged by the

Philippine Stock Exchange) of the Company (the "Operating Expenses") for the current and preceding year. Any further amount equal to the Operating Expenses in the preceding year (the "Operating Fund") shall be set aside to meet operating or other expenses for the succeeding year. Any amount in excess of the aggregate of the Operating Expenses paid and the Operating Fund for such period (referred to as "Interest") shall be distributed to Holders *pro rata* on the day after such cash dividends are received by the Company.

Upon exercise of the PDRs, an exercise price of P0.10 per share is paid by the PDR holders. This exercise price is shown as "Exercise fees" account in the 2004 and 2003 statements of income. Prior year exercise fees were reflected as part of "Reversal of accrued expenses" account in the 2002 statement of income.

Immediately prior to the closing of the PDR offering described above, the Lopez, Inc., to which the Company is affiliated, transferred 132,000,000 ABS-CBN shares to the Company in relation to which the PDRs were issued. These shares are shown separately as "Investment in ABS-CBN Shares" in the balance sheets. For as long as the PDRs are not exercised, these shares underlying the PDRs are, and will continue to be registered in the name of and owned by, and all rights pertaining to these shares, including voting rights, shall be exercised by the Company. The obligations of the Company to deliver the ABS-CBN shares on exercise of the right contained in the PDRs are secured by the Pledge of Shares in favor of the Security Agent acting on behalf of each holder of a PDR over the ABS-CBN shares.

At any time after the initial offering, a shareholder may, at his option and from time to time, deliver shares to the Company in exchange for an equal number of PDRs. The exchanges are based on prevailing traded values of ABS-CBN shares at the time of transaction with the corresponding PDR option price shown as "Deferred Income" account in the balance sheets.

The details and movements of this account follow:

	Number of Shares	Investment in ABS-CBN Shares	PDRs
Balance at December 31, 2004	270,574,800	₱12,652,370,286	₱12,625,312,806
Conversion of PDRs s	(2,580,000)	(37,475,000)	(37,217,000)
Exchanges of ABS-CBN shares with PDRs	20,000	260,000	258,000
Balance at December 31, 2005	268,014,800	₱12,615,155,286	₱12,588,353,806
Conversion of PDRs s	(200,000)	(2,250,000)	(2,230,000)
Exchanges of ABS-CBN shares with PDRs	-	-	-
Balance at March 31, 2006	267,814,800	₱12,612,905,286	₱12,586,123,806

ABS-CBN shares were converted into PDRs at a price ranging from P13.00 to P.10.25 in 2006 and P10.75 to P17.25 in 2005.

PAS 39 establishes the accounting and reporting standards for recognizing and measuring a company's financial assets and financial liabilities. It also establishes the conditions when financial assets and financial liabilities should be derecognized. The Company was advised that under PAS 39, financial asset should be derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement ('pass through' test as discussed below); or

- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset (risks and rewards test), or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset (control test).

The Company retains its rights to received cash flows from its investment in ABS-CBN and assumes a contractual obligation to pay those cash flows to the PDR holders (a 'pass-through' arrangement). The 'pass-through' test is met because the Company (a) has no obligation to the PDR holders unless it collects equivalent amounts from its investment in ABS-CBN, (b) is contractually prohibited from selling or pledging its investment in ABS-CBN other than as security to the PDR holders for the obligation to pay the cash flows, and (c) has an obligation to remit any cash flows from the investment in ABS-CBN to the PDR holders without material delay.

Also under the arrangement, the Company has transferred substantially the risks and rewards of investment in ABS-CBN. Accordingly, the investment in ABS-CBN and the related PDRs and deferred income should have been derecognized under PAS 39.

The Company, however, maintains that the legal and factual situation is that it exercises significant influence over ABS-CBN, that it is the registered owner of ABS-CBN shares and that it ha liabilities to the PDR holders. The Company is of the view that it still retains the voting rights as well as the right to receive cash flows from the assets and has not transferred the risks and rewards nor control of the ABS-CBN shares to the PDR holders.

The Company further believes that a presentation following PAS 39 by derecognizing the investment in ABS-CBN shares and the corresponding liabilities to PDR holders would only result in misinterpretation by the readers of 2005 balance sheets. Thus, the Company chose not to adopt PAS 39 in the presentation of its 2005 balance sheet with respect to the ABS-CBN shares and the PDRs it issued.

4. Advances from a Shareholder

This account represents advances and additional funding made in 1999, 2003 and 2004 by a shareholder, for the Company's operating expenses.

On April 26, 2006, the Board of Director approved a resolution to convert the advances from a shareholder as of December 31, 2005 into equity. These advances, amounting to P23,069,356 as December 31, 2005, is shown separately as "Advances from shareholder intended for equity conversion" in the balance sheets.

5. Operating Expenses

Operating expenses comprises of the following:

	March 31	
	2006	2005
Outside services	P160,000	P148,978
Listing fees	93,994	137,655
Security and general services	105,000	105,000
Professional services	49,750	48,750
Miscellaneous	56,098	25,676
	P464,842	P466,059

6. Income Tax

The significant components of the deferred tax assets follows:

	March 31 2006	December 31 2005
NOLCO	P61,008,882	P60,856,817
Deferred income	9,373,518	9,380,518
	P70,382,400	P70,237,335

As of March 31, 2005, NOLCO that can be applied as deductions from normal taxable income is as follows:

Date Incurred	Expiry dates	Amounts
December 31, 2003	December 31, 2006	1,719,008
December 31, 2004	December 31, 2007	170,165,335
December 31, 2005	December 31, 2008	1,542,827
March 31, 2006	December 31, 2009	434,473
		P174,311,092

7. Loss Per Share

	March 31	
	2006	2005
Net loss	(P434,473)	(P 289,880)
Divide by weighted average shares Outstanding	400	400
Loss per share	(P 1,086)	(P 725)

8. Note to Statements of Cash Flows

Supplemental information on noncash investing and financing activities:

	2006	2005
Acquisition of ABS-CBN shares through issuance of PDRs	P -	P 260,000
Conversion of PDRs into ABS-CBN shares	(P 2,250,000)	(P 37,475,000)

9. Financial Risk Management Objectives and Policies

The Company's principal financial instruments is cash. The main purposed of these financial instruments I to finance the Company's operations. The Company has various other financial liabilities such as accounts payable and accrued expenses. Which arise directly from its operations.

It is, and has been throughout the year under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the Company's financial instruments is liquidity risk. The BOD reviews and approves the policies for managing each of this risk. Short-term funding is obtained to finance cash requirements for operations.

SIGNATURES

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

ABS-CBN HOLDINGS CORPORATION

By:



ENRIQUE I. QUIASON
Corporate Secretary

May 12, 2006

Date



ROMMEL S. DURAN
Board Member and Comptroller

May 12, 2006

Date