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SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	0000196206
Company Name	SPLASH CORPORATION
Industry Classification	Wholesale Trade And Commission Trade, Except Of Motor Vehicles
Company Type	Stock Corporation

Document Information

Document ID	111142011000991
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
Document Code	17-Q
Period Covered	September 30, 2011
No. of Days Late	0
Department	CFD
Remarks	

COVER SHEET

AS091962 06

SEC Registration Number

SPLASH CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

5F W-OFFICE BUILDING 11TH
AVENUE CORNER 28TH STREET
BONIFACIO GLOBAL CITY
TAGUIG CITY

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

Ms. VENERANDA M. TOMAS	(632) 491-7707
(Contact Person)	(Company Telephone Number)

12	31	17-Q	06	18
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(Fiscal Year)			(Annual Meeting)	

Not Applicable

(Secondary License Type, if applicable)

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Total Amount of Borrowings

Total Number of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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SPLASH CORPORATION

(Company's Full Name)

5th Floor W-Office Building, 11th Avenue corner 28th Street, Bonifacio Global City, Taguig City

(Company Address)

(632) 491–7707

(Telephone Number)

September 30, 2011

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

PART I – FINANCIAL INFORMATION

Splash Corporation and Subsidiaries
(A Subsidiary of Ang·Hortaleza Corporation)
Condensed Consolidated Interim Financial Statements
September 30, 2011 and 2010 (Unaudited)
and
December 31, 2010 (Audited)

SPLASH CORPORATION AND SUBSIDIARIES
(A Subsidiary of Ang·Hortaleza Corporation)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**₱ 726,247,167**	₱1,405,705,242
Receivables (Notes 5 and 9)	**809,048,043**	759,284,070
Inventories (Note 6)	**623,470,863**	379,817,899
Current portion of note receivable (Note 9)	**72,829,731**	40,945,117
Current portion of advances to ultimate Parent Company (Note 9)	–	33,738,738
Other current assets	**137,311,844**	108,131,723
Total Current Assets	**2,368,907,648**	2,727,622,789
Noncurrent Assets		
Note receivable - net of current portion (Note 9)	**149,139,289**	85,370,062
Advances to ultimate Parent Company - net of current portion (Note 9)	–	67,477,477
Property, plant and equipment (Note 10)	**464,451,931**	246,914,378
Intangible assets (Note 8)	**844,446,136**	392,183,609
Available-for-sale investments	**283,370,000**	283,370,000
Land held for development	**141,956,454**	141,956,454
Deferred income tax assets - net	**55,741,679**	55,219,748
Other noncurrent assets	**64,527,197**	82,039,008
Total Noncurrent Assets	**2,003,632,686**	1,354,530,736
TOTAL ASSETS	**₱4,372,540,334**	₱4,082,153,525
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	**₱862,692,118**	₱527,772,884
Current portion of:		
Floating rate notes payable	**797,018,124**	46,819,411
Obligations under finance lease	**1,645,475**	6,788,635
Provisions	**13,800,000**	13,800,000
Total Current Liabilities	**1,675,155,717**	595,180,930
Non-Current Liabilities	**2,911,065**	797,813,271
Floating rate notes payable - net of current portion		
Obligations under finance lease - net of current portion	**16,697,333**	13,258,209
Retirement benefits liabilities	**54,066,168**	37,804,135
Accrued rent-net of current portion	–	2,442,726
Total Noncurrent Liabilities	**73,674,565**	851,318,341
Total Liabilities	**1,748,830,282**	1,446,499,721
Equity		
Attributable to equity holders of the Company:		
Share Capital	**₱746,160,357**	₱746,160,357
Share Premium	**1,635,475,119**	1,635,501,454
Unrealized valuation gain on available-for-sale investments	**51,598,100**	51,598,100
Cumulative translation adjustments	**385,195**	226,491
Retained earnings	**490,994,147**	496,565,423
Treasury shares	**(304,048,441)**	(294,111,041)
	2,620,564,478	2,635,940,784
Non-controlling interest	**3,145,574**	(286,530)
Total Equity	**2,623,710,052**	2,635,654,254
TOTAL LIABILITIES AND EQUITY	**₱4,372,540,334**	₱4,082,153,525

SPLASH CORPORATION AND SUBSIDIARIES
(A Subsidiary of Ang·Hortaleza Corporation)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME
For the Nine Months Ended Sept 30

			For the Quarter Ended	
	2011 (Unaudited)	2010 (Unaudited)	2011 (Unaudited)	2010 (Unaudited)
NET SALES				
Sale of goods	₱2,367,996,341	₱2,194,244,106	₱762,314,139	₱ 815,567,793
Sale of services	2,549,142	2,027,461	202,303	179,345
	₱2,370,545,483	2,196,271,567	762,516,442	815,747,138
COST OF GOODS SOLD AND SERVICES				
Cost of goods	(1,037,697,863)	(888,510,711)	(371,469,219)	(320,050,644)
Cost of services	(1,204,659)	(1,657,673)	(187,010)	(591,646)
	(1,038,902,522)	(890,168,384)	(371,656,229)	(320,642,290)
GROSS PROFIT	1,331,642,961	1,306,103,183	390,860,213	495,104,848
SELLING EXPENSES	(819,546,066)	(821,619,254)	(148,029,832)	(282,732,938)
GENERAL AND ADMINISTRATIVE EXPENSES	(448,049,564)	(391,185,500	(232,700,470)	(182,959,852)
INTEREST INCOME	31,253,248	40,050,539	8,213,552	10,155,066
INTEREST EXPENSE	(27,454,981)	(41,086,791)	(9,455,653)	(14,082,066)
OTHER INCOME (CHARGES)	11,990,496	(17,330,347)	11,628,230	(5,308,850)
INCOME BEFORE INCOME TAX	79,836,094	74,931,830	20,516,040	20,176,208
PROVISION FOR INCOME TAX				
Current	13,747,925	14,269,095	9,815,183	8,273,692
Deferred	(537,578)	–	4,849	–
	13,210,347	14,269,095	9,820,032	8,273,692
NET INCOME FOR THE PERIOD	₱66,625,747	₱60,662,736	₱10,696,008	₱11,902,516
OTHER COMPREHENSIVE LOSS				
Exchange differences on translation of foreign subsidiaries	162,918	344,003	278,782	98,487
TOTAL COMPREHENSIVE INCOME	₱66,788,665	₱61,006,739	₱10,974,790	₱12,001,003
Net income attributable to:				
Equity holders of the Company	₱66,346,742	₱60,990,689	₱10,302,321	₱12,564,647
Non-controlling interest	279,005	(327,953)	393,687	7,870
	₱ 66,625,747	₱60,662,736	₱10,696,008	₱12,572,517
Total comprehensive income attributable to:				
Equity holders of the Company	₱ 66,505,446	₱ 61,336,691	₱ 8,756,980	₱12,676,071
Non-controlling interest	283,219	399,903	399,903	(5,067)
	₱66,788,665	₱61,006,739	₱9,156,883	₱12,671,004
Basic/Diluted Earnings Per Share	₱0.10	₱.09	₱0.02	₱0.02

SPLASH CORPORATION AND SUBSIDIARIES
(A Subsidiary of Ang·Hortaleza Corporation)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the Nine Months Ended Sept 30

	2011 (Unaudited)	2010 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱79,836,094**	₱60,662,736
Adjustments for:		
Depreciation and amortization	**74,681,407**	49,493,541
Interest income	**(31,253,248)**	(40,050,539)
Interest expense	**27,454,981**	41,086,791
Provisions for retirement benefits	**16,262,032**	14,432,635
Unrealized foreign exchange loss (gain) – net	**735,719**	2,393,653
Unrealized loss on impairment	**-**	15,863,467
Dividend income	**(7,525,000)**	-
Gain on sale of property and equipment, net of loss on write-off	**(1,440,423)**	(1,361,341)
Operating income before working capital changes	**158,751,562**	142,520,942
Decrease (increase) in:		
Receivables	**(36,834,600)**	408,112,068
Inventories	**(243,652,964)**	(194,518,400)
Other current assets	**(24,896,142)**	7,716,436
Increase in accounts payable and accrued expenses	**340,615,530**	21,553,048
Cash generated from operations	**193,983,385**	385,384,095
Interest received	**32,279,376**	40,050,539
Income taxes paid	**(16,733,793)**	(14,269,095)
Net cash flows from operating activities	**209,528,968**	411,165,540
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of intangible assets	**(484,244,108)**	(290,658,232)
Additions to property and equipment	**(260,385,954)**	(23,423,960)
Collections of note receivable	–	(98,138,501)
Collections of cash advances to ultimate Parent Company	–	135,819,000
Proceeds from sale of property and equipment	**1,589,000**	522,389
Dividends received	**25,000**	
Net cash flows used for investing activities	**(726,802,364)**	(289,096,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Acquisition of treasury shares	**(9,963,735)**	(163,821,464)
Long term debt	**-**	60,000,000
Payments of:		
Long term debt	**(50,000,000)**	(50,000,000)
Interest	**(27,017,399)**	(41,086,791)
Bank loan	**-**	(2,500,00)
Dividends	**(71,918,018)**	-
Obligations under finance lease	**(1,704,036)**	-
Net cash flows used in financing activities	**(160,603,188)**	(197,408,255)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(1,581,490)**	–
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	**(679,458,074)**	(75,339,064)
CASH AND CASH EQUIVALENTS AT JANUARY 1	**1,405,705,242**	1,468,402,370
CASH AND CASH EQUIVALENTS AT SEPTEMBER 30	**₱726,247,167**	₱1,393,063,306

SPLASH CORPORATION AND SUBSIDIARIES
(A Subsidiary of Ang·Hortaleza Corporation)

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent Company								
	Capital Stock	APIC	Unrealized Valuation Gain (Loss) on AFS	Cumulative Translation Adjustment	Retained Earnings	Treasury Stock	Total	Non-Controlling Interest	Total
(Unaudited)									
Balances at January 1, 2011	**746,160,357**	**1,635,501,453**	**51,598,100**	**226,491**	**496,565,423**	**(294,111,041)**	**2,635,940,784**	**(286,530)**	**2,635,654,254**
Net income (loss) for the period					66,346,742		66,346,742	279,005	66,625,747
Other comprehensive income(loss)				158,704			158,704	4,214	162,918
Total comprehensive income	-	-	-	158,704	66,346,742	-	66,505,446	283,219	66,788,665
Transactions with owners									
Acquisition of BFMC							-	3,148,885	3,148,885
Dividend Declaration/Payment		-			(71,918,018)		(71,918,018)		(71,918,018)
Acquistion of treasury shares		(26,335)				(9,937,400)	(9,963,735)		(9,963,735)
Balances at September 30, 2011	**746,160,357**	**1,635,475,119**	**51,598,100**	**543,899**	**557,340,890**	**(304,048,441)**	**2,687,069,924**	**3,428,793**	**2,690,498,717**
(Unaudited)									
Balances at January 1, 2010	**746,160,357**	**1,635,776,027**	**4,553,100**	**(674,798)**	**344,483,482**	**(130,289,577)**	**2,600,008,591**	**111,171**	**2,600,119,762**
Net income (loss) for the period					60,883,536		60,883,536	103,836	60,987,371
Other comprehensive income (loss)				344,000			344,000		344,000
Total comprehensive income	-	-	-	344,000	60,883,536	-	61,227,536	103,836	61,331,371
Transactions with owners									
Acquistion of treasury shares		-				(163,821,464)	(163,821,464)		(163,821,464)
Balances at September 30, 2010	**746,160,357**	**1,635,776,027**	**4,553,100**	**13,202**	**466,250,554**	**(294,111,041)**	**2,558,642,198**	**318,842**	**2,558,961,041**

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General Information

Splash Corporation (the Parent Company or the Company) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on September 30, 1991 primarily to develop, manufacture, bottle, pack and market cosmetics and other beauty products, and pharmaceutical products in the Philippines and abroad. On March 4, 2009, the SEC approved the Company's amendment of the primary purpose of the Articles of Incorporation to include the development or acquisition of technology to manufacture and sell personal care, pharmaceuticals, food, health, home, household care and other ancillary products in the Philippines and abroad.

The Company's registered office address is 5th Floor W Office Building 11th Avenue corner 28th St. Bonifacio Global City, Taguig City.

This condensed consolidated interim financial information was approved by the BOD for issue on November 14, 2011.

2. Basis of preparation

The condensed consolidated interim financial statements for the period ended September 30, 2011 has been prepared in accordance with PAS 34, *Interim Financial Reporting.* The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2010, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

The preparation of the financial statements in compliance with PFRS requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated interim financial statements and accompanying notes. The estimates and assumptions used in the accompanying condensed consolidated interim financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the condensed consolidated interim financial statements. Actual results could differ from such estimates.

In preparing these consolidated interim financial statements, the significant judgments made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2010.

The condensed consolidated interim financial statements include the accounts of the Parent Company and its wholly-owned subsidiaries Acceleron Distribution Corp. (ADC), P.T. Splash Cahaya (PTSC), Splash H&B Sdn. Bhd (SHSB), Splash H&B Limited (SHL), Splash Global Pte. Ltd. (SGPL) and Splash Foods Corporation and the 80% owned Barrio Fiesta Manufacturing Corporation, collectively referred to as "the Group". The condensed consolidated interim financial statements are presented in Philippine Peso (Peso), which is the Parent Company's functional and presentation currency. All amounts are rounded to the nearest peso, except when otherwise indicated.

Financial Risk

Credit risk and Concentration risk
Credit risk is the risk that the Group will incur a loss because its customers or counterparties failed to discharge their contractual obligations. Credit risk arises from cash and cash equivalents which are deposited in financial institutions, as well as credit exposure to wholesale and retail customers and distributors.

The Group trades only with recognized, creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures taking into account the customer's past experience and other factors. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Outstanding receivables are mostly from big retail store chains which the Group services directly. Credit lines on these accounts are reviewed on a semi-annual basis.

Individually assessed the concentration of credit risk related to the two largest customers of the Group did not exceed 20% of the total sales at any time for each three years ended September 30, 2011. These customers have been evaluated by the Group to have the financial capability and reputation to honor its contractual obligation.

The credit risk on cash and cash equivalents with banks and financial institutions is limited because the transactions are with reputable local banks and related party.

Interest rate risk
Interest rate risk is the risk that future cash flows from a financial instrument (cash flow interest) or its fair value (fair value interest rate risk) will fluctuate because of changes in market interest rates.

The group notes receivables and floating rate notes payable are exposed to cash flow interest rate risk . The re-pricing of these instruments is done on intervals of three months.

The group regularly monitors interest rate movements and on the basis of current and projected economic and monetary data, decides on the best alternative to take. The Company has a one time option at any interest setting date under its Notes Facility to convert the interest rate from floating to fixed rate. The Group monitors the interest rate validity to determine whether the option to change the interest rate to fixed rate has to be exercised to protect it from spiraling interest costs should interest rates go up.

There is no other impact on the Group's equity other than those already affecting the consolidated statements of income.

The Group has cash and cash equivalents with banks which are subject to prevailing bank interest rates. Changes in interest rates relating to cash equivalents are not expected to change significantly and the Group believes that the effect of the change is not material.

Equity price risk
Equity price is the risk that fair value of equities will decrease as a result of changes in the levels of equity indices and value of individual stock. Management believes that the Group's exposure to equity price risk is not significant since the substantial portion of its investment in equity shares is unquoted.

Foreign price risk
The Group has significant exposure to foreign currency exchange risk arising from its exposure to the U.S. dollar rate fluctuation on its trade receivables from export sales and cash and cash equivalents denominated in U.S. dollar. The Group is also exposed on the operations of PTSC (its foreign subsidiary) where transactions are denominated in IDR. The Group's exposure to other currencies from its other foreign subsidiaries is not yet significant.

It is not considered practical or cost effective at present to use financial instruments or derivatives to manage the Group's exposure to foreign exchange rate fluctuation. Instead, foreign exchange rates are reviewed and monitored periodically by the Group's BOD. The Group maintains U.S. dollar accounts to manage its foreign currency-denominated transactions.

Liquidity risk
Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall under normal and stress circumstances. The Group's objective is to always maintain a certain level of cash of up to 14 days sales. Receivable monitoring is performed on a daily basis to ensure positive liquidity. Standby credit lines are available from overdraft facilities and omnibus lines provided by banks. Excess funds are deposited in high-interest yield placements with terms of between 7 to 30 days.

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business, continue to provide returns to shareholders and benefits to other stakeholders, and to maintain an optional capital structure that would reduce the cost of capital.

The Group regularly monitors its use of capital using leverage ratios, such as debt-to-equity ratio, and makes adjustments in the light of changes in economic conditions and its own financial position. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

3. Changes in Accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements as of September 30, 2011 are consistent with those followed in the preparation of the consolidated financial statements for the year ended December 31, 2010, except for the adoption of the following new and amended PFRS and Philippine Interpretations International Financial Reporting Interpretation Committee (IFRIC) interpretations and amendments to existing Philippine Accounting Standards (PAS).

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected annual profit or loss.

Adoption of the following standards and interpretations did not have significant effect on the condensed consolidated interim financial statements.

- PAS 24 (Amended), *Related Party Disclosures*
  The amended standard is effective for annual periods beginning on or after January 1, 2011. It clarified the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised standard introduces a partial exemption of disclosure requirements for government-related entities. The Group does not expect any significant impact on its financial position or performance. Early adoption is permitted for either the partial exemption for government-related entities or for the entire standard.

- Philippine Interpretation IFRIC 14 (Amendment), *Prepayments of a Minimum Funding Requirement*
  The amendment to Philippine Interpretation IFRIC 14 is effective for annual periods beginning on or after January 1, 2011, with retrospective application. The amendment provides guidance on assessing the recoverable amount of a net pension asset. The amendment permits an entity to treat the prepayment of a minimum funding requirement as an asset. The amendment is deemed to have no impact on the condensed consolidated interim financial statements of the Group.

Improvements to PFRS
Improvements to PFRS are an omnibus of amendments to PFRS. The amendments have not been adopted as they become effective for annual periods on or after either July 1, 2010 or January 1, 2011. The amendments listed below, are considered to have no impact on the Group's condensed consolidated interim financial statements.

- Revised PFRS 3, *Business Combinations*

  Transition requirements for contingent consideration from a business combination that occurred before the effective date of the revision, clarifies that the amendments to PFRS 7, *Financial Instruments: Disclosures*, PAS 32, *Financial Instruments: Presentation* and PAS 39, *Financial Instruments: Recognition and Measurement*, that eliminate the exemption for contingent consideration, do not apply to contingent consideration that arose from business combinations whose acquisition dates precede application of PFRS 3 (as revised in 2008).

  Measurement of non-controlling interests: Limits the scope of the measurement choices that only the components of non-controlling interest that are present ownership interests that entitle their holders to a proportionate share of the entity's net assets, in the event of liquidation, shall be measured either: (i) at fair value or (ii) at the present ownership instruments' proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interest are measured at their acquisition date fair value, unless another measurement basis is required by another PFRS, e.g., PFRS 2.

  Un-replaced and voluntarily replaced share-based payment awards: Requires an entity (in a business combination) to account for the replacement of the acquiree's share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. However, if the entity replaces the acquiree's awards that expire as a consequence of the business combination, these are recognized as post-combination expenses.

The amendment also specifies the accounting for share-based payment transactions that the acquirer does not exchange for its own awards: if vested - they are part of non-controlling interest and measured at their marked-based measure; if unvested - they are measured at market based value as if granted at acquisition date, and allocated between non-controlling interest and post-combination expense.

- Amendment to PFRS 7, *Financial Instruments: Disclosures*, emphasizes the interaction between quantitative and qualitative disclosures and the nature and extent of risks associated with financial instruments. The improvement also amended certain quantitative and credit risk disclosures.

- Amendment to PAS 1, *Presentation of Financial Statements*, clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the consolidated statement of changes in equity or in the notes to the consolidated financial statements.

- Amendment to PAS 27, *Consolidated and Separate Financial Statements*, clarifies that the consequential amendments from PAS 27 made to PAS 21, *The Effect of Changes in Foreign Exchange Rates*, PAS 28, *Investments in Associates* and PAS 31, *Interests in Joint Ventures*, apply prospectively for annual periods beginning on or after July 1, 2010 or earlier when PAS 27 is applied earlier.

- Philippine Interpretation IFRIC 13, *Customer Loyalty Programmes*, clarifies that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.

- PFRS 9, *Financial Instruments (Recognition and Measurement)* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The Group will be adopting the new standards beginning in January 1, 2013 subject for any deferral and/or changes in the effectivity of the standards.

4. Seasonality of Operations

Higher revenues and operating profits are usually expected towards the second quarter and fourth quarter of the year in relation to the number of holidays and events in these periods.

5. Receivables

	Sept. 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Trade	**₱ 800,911,443**	₱758,254,752
Non-trade:		
Advances to officers and employees	**23,606,216**	16,847,599
Due from related parties	**9,995,031**	4,753,985
Receivable from insurance companies	**-**	7,565,676
Interest receivable	**1,142,099**	2,168,227
Other receivables	**13,134,730**	9,435,307
	47,878,076	40,770,794
	848,789,519	799,025,546
Less: provision for impairment of receivables	**39,741,476**	39,741,476
	₱ 809,048,043	₱759,284,070

Aging analysis of trade receivables as of September 30, 2011 is as follows:

	Amount on Php000s	% to Total
Domestic		
0 days/current	445,058	66.1%
1-30 days	106,049	15.8%
Over 30 days	31,083	4.6%
Over 60 days	29,137	4.3%
Over 90 days	9,913	1.5%
Over 120 days	21,670	3.2%
Over 360 days	29,958	4.5%
Total Domestic	**672,868**	100%
International		
0 days/current	43,656	34%
1-30 days	7,643	6%
Over 30 days	9,113	7%
Over 60 days	4,465	3%
Over 90 days	2,332	2%
Over 120 days	21,495	17%
Over 360 days	39,338	31%
Total International	**128,043**	100%

All accounts over ninety days overdue were reviewed individually to assess its collectability. The assessment showed all accounts which were not provided with provision for impairment of receivables have payment plans and are therefore still collectible pending resolution of related issues or customer concerns. The management believes that the existing provision for impairment of receivables amounting to ₱39,741,476 is adequate to cover possible uncollected accounts in the future.

6. Inventories

	Sept. 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Finished goods	**₱ 334,253,540**	₱238,157,026
Work in process	**12,749,918**	12,164,970
Raw materials	**283,765,170**	187,403,734
Raw materials in transit	–	1,775,701
	630,768,628	439,501,431
Less: provision for inventory obsolescence	**(7,297,765)**	(59,683,532)
	₱ 623,470,863	₱379,817,899

The inventories written-off during the first three quarters of 2011 amounting to ₱53,010,165 were fully provided for as of December 31, 2010.

7. Other Current Assets

	Sept. 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Tax credit certificates	**₱21,058,368**	₱47,469,548
Advances to suppliers	**53,361,706**	15,651,463
Creditable withholding taxes	**12,734,502**	15,298,111
Supplies inventory	**12,677,639**	14,774,940
Prepaid insurance	**5,760,592**	3,757,683
Input VAT	**5,297,306**	1,471,740
Deferred input VAT	**3,029,495**	314,824
Other prepaid expenses	**23,392,235**	9,393,414
	₱137,311,844	₱108,131,723

Increase in other prepaid expenses include payments on advance rentals for leased offices here and outside the country, advertising and promotions including talent fees of certain endorsers, HBC rent, real property taxes, and other services.

8. Intangible Assets

The Group's intangible assets consist of the following:

As of September 30, 2011 (Unaudited)

	Patents	Trademarks	Software Costs	Goodwill	Total
Cost					
Beginning balances	300,000,000	100,848,214	20,151,974	-	421,000,188
Additions	-	3,212,203	21,985,776	459,046,129	484,244,108
Ending balances	300,000,000	104,060,417	42,137,750	459,046,129	905,244,296
Accumulated Amortization					
Beginning balances	10,000,000	3,361,607	15,454,972	-	28,816,579
Amortization	22,500,000	2,521,205	6,960,377	-	31,981,582
Ending balances	32,500,000	5,882,812	22,415,349	-	60,798,161
Net Book Values	267,500,000	98,177,605	19,722,401	459,046,129	844,446,135

As of December 31, 2010 (Audited)

	Patents (Note 18f)	Trademarks (Note 18g)	Software Costs	Total
Cost				
Beginning balances	-	100,254,464	20,151,974	120,406,438
Additions	300,000,000	593,750	-	300,593,750
Ending balances	300,000,000	100,848,214	20,151,974	421,000,188
Accumulated Amortization				
Beginning balances	-	-	6,307,797	6,307,797
Amortization (Note 21a)	10,000,000	3,361,607	9,147,175	22,508,782
Ending balances	10,000,000	3,361,607	15,454,972	28,816,579
Net Book Values	290,000,000	97,486,607	4,697,002	392,183,609

a. Software

In April 2011, the Group purchased "Noah" software from Forecasting and Planning Technologies, Inc. amounting to Php 15.7 million. The 30% downpayment for software development cost amounting to Php 741,000 was paid in May 2011. An initial payment for software license amounting to Php 5 million was also paid in August 2011.

b. Goodwill

In a special meeting last August 4, 2011, the Board of Directors (BOD) of Splash Corporation (SPH) approved the acquisition of 80% or 5,280,000 of the outstanding common shares of Barrio Fiesta Manufacturing Corporation (BFMC) for P 472 million. The said acquisition resulted to goodwill of P 459 million lodged under Intangible Assets. The goodwill arises from a number of factors such as expected synergies through combining a highly skilled workforce and obtaining economies of scale and unrecognized assets.

Recognized amounts of identifiable assets acquired and liabilities assumed, at fair value, are as follows:

Cash and cash equivalents	P 6,068,618
Receivables	17,787,794
Inventories	14,398,780
Other current assets	10,599,518
Property, plant and equipment	20,409,202
Total Assets	*69,263,912*
Accounts payable and accrued expenses	46,163,353
Loans payable	7,370,999
Total Liabilities	*53,534,352*

Acquisition related expenses were charged to the appropriate general and administrative expenses.
The amount of consideration for the acquisition was determined by using the Discounted Cash Flow (DCF) method and was paid out of the proceeds of the IPO allocated for the acquisition of brands and expansion.

Revenues and profit generated by BFMC from August to September 30, 2011 amounted to P32M and P2.249M, respectively.

Had BFMC been consolidated from January 1, 2011, the consolidated income statements for the nine months ended September 30, 2011 would show revenue of P151.6M and profit of P2.369M.

9. Related Party Transactions

The Group has the following transactions with related parties:

For the period ended September 30, 2011 (Unaudited):

	Sales	Service Income	Rent Expense	Donation	Interest Income
Ultimate Parent Company-AHC	₱–	₱–	₱–	₱–	₱2,536,819
Fellow subsidiaries through AHC:					
HBC, Inc.	39,402,086	2,549,142	7,646,977	–	–
PTSI	–	–	–	–	3,635,371
WPB	–	–	–	–	9,130,801
WPFC	–	–	–	–	961,680
Related company – Ang. Hortaleza Foundation (AHF)	–	–	–	6,750,000	–
Close family members:					
Hantrade Phils.	252,183	–	–	–	–
Stockholder	–	–	–	–	–
	₱39,654,269	₱2,549,142	₱7,646,977	₱6,750,000	₱16,264,671

For the year ended December 31, 2010 (Audited):

	Sales	Service Income	Purchases	Rent Expense (Note 24b)	Donation	Interest Income (Notes 4, 8 and 23)	Purchase of Patents (Note 12)
Fellow subsidiaries through AHC:							
HBC, Inc.	₱73,760,734	₱2,155,676	₱–	₱15,451,799	₱–	₱–	₱–
PTSI	8,297,999	–	5,744,405	–	–	17,703,824	–
WPB	–	–	–	–	–	17,634,166	–
Related company – Ang. Hortaleza Foundation (AHF)	–	–	–	–	7,283,276	–	–
Close family members:							
Hantrade Phils.	2,938,549	–	–	–	–	–	–
Individuals	4,468,830	–	–	–	–	–	
Stockholder	–	–	–	–	–	–	300,000,000
	₱89,466,112	₱2,155,676	₱5,744,405	₱15,451,799	₱7,283,276	₱35,337,990	₱300,000,000

The Group has the following account balances with related parties:

As of September 30, 2011 (Unaudited):

	Cash and Cash Equivalents	Trade Receivables	Due from Related Parties	Interest Receivable	Note Receivable	Trade Payable to a Fellow Subsidiary
Ultimate Parent Company-AHC	₱–	₱–	₱7,500,000	₱–	₱95,653,841	₱–
Fellow subsidiaries through AHC:						
WPB	126,177,509	–	–	98,579	–	–
HBC, Inc.	–	41,801,277	–	–	–	–
HBC Global	–	35,393,731	–	–	–	–
PTSI	–	8,750,067	1,406,155	299,854	126,315,179	–
SII	–	–	1,088,876	–	–	164,919
WPFC	51,308,450	–	–	2,841,244	–	–
	₱177,485,959	₱85,945,075	₱9,995,031	₱3,239,677	₱221,969,020	₱164,919

As of December 31, 2010 (Audited):

	Cash and Cash Equivalents (Note 4)	Trade Receivables (Note 5)	Due from Related Parties (Note 5)	Interest Receivable (Notes 5 and 8)	Note Receivable (Note 8)	Advances to Ultimate Parent Company	Trade Payable to a Fellow Subsidiary (Note 14)
Ultimate Parent Company-AHC	₱–	₱–	₱–	₱–	₱–	₱101,216,215	₱–
Fellow subsidiaries through AHC:							
WPB	502,622,305	–	–	785,657	–	–	–
HBC, Inc.	–	37,572,164	–	–	–	–	–
HBC Global	–	34,565,034	–	–	–	–	–
PTSI	–	8,787,415	2,334,596	429,970	126,315,179	–	–
SII	–	–	1,145,385	–	–	–	164,919
WPFC	–	–	1,274,004	–	–	–	–
Close family members - Individuals	–	19,732	–	–	–	–	–
	₱502,622,305	₱80,944,345	₱4,753,985	₱1,215,627	₱126,315,179	₱101,216,215	₱164,919

The Group has the following transactions with related parties:

a. The restructuring of the advances to AHC from noninterest-bearing to interest-bearing advances with interest rate similar to the Company's FRNs and are payable quarterly for a period of three years became effective on January 1, 2011 as approved by the BOD on April 13, 2010.

b. Entered into lease agreements with HBC, Inc. for the lease of the Company's office space. The lease was pre-terminated in May 2011 due to transfer of corporate office to Taguig City.

c. Donates to AHF to support AHF's various outreach programs.

10. Property, Plant and Equipment

	Sept. 30, 2011 (Unaudited)	Dec. 31, 2010 (Audited)
Cost:		
Land	149,614,340	149,614,341
Building & Improvements	432,607,231	385,194,972
Machinery & Equipment	166,004,213	155,287,771
Transportation Equipment	73,332,251	43,416,986
Office Furniture & Fixtures	8,462,144	7,549,895
Other Equipment	75,670,741	60,081,956
Leashold Improvements	134,768	139,541
Assets for Installation	167,361,210	4,220,291
	1,073,186,898	805,505,752
Total		
Less:		
Accumulated Depreciation	608,734,967	558,591,374
Net Book Values	464,451,931	246,914,378

The increase in Assets for installation by P163 M is mainly attributable to expansion projects, particularly construction of new soap plant, automation and other capacity expansion projects. Moreover, the increase in building and improvements by P 47 M is due to cost of design and construction of new head office and additional direct sales branches, among others.

11. Equity

On April 15, 2011, the Board of Directors declared cash dividends of P .11 per share, with record date of May 8, 2011, and payment date of May 16, 2011.

12. Segment Reporting

The Group's reportable segments are as follows:

Philippine Operations - sells and markets personal, health and beauty products through distributors located within the Philippines. These also include toll manufacturing services to a related party and payday sale operations.

International Operations - sells and markets personal, health and beauty products through foreign distributors located outside the Philippines and through local consolidators located within the Philippines. The foreign distributors include its foreign subsidiaries.

Direct Selling Business - is tasked to distribute the Group's product lines such as cosmetics and fragrances through networking groups and business partners. The direct selling business has started only in 2009.

Food Business - sells and markets food products. It started only in August 2011 with the Group's acquisition of 80% of Barrio Fiesta Manufacturing Corporation..

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on Net sales and Operating profit or loss. Operating profit is obtained only by deducting operating expenses from gross profit. Finance costs, finance income and income taxes are managed at the Group level. Segment assets only include receivables and inventories. All other assets are not allocated to the segments as part of information provided to CODM. Segment liabilities are not reported to the CODM.

The Group's segment information is as follows (in thousands):

	For Nine Months Ended September 30, 2011				
	Philippine Operations	**International Operations**	**Direct Selling Business**	**Food Business**	**Total**
Net sales (Notes a and b)	**₱1,797,481**	**₱337,011**	**₱201,121**	**₱32,384**	**₱2,367,997**
Service income (Notes a and b)	**2,549**	**–**	**–**	**–**	**2,549**
Total	**1,800,030**	**337,011**	**201,121**	**32,384**	**2,370,546**
Costs of goods sold and services (Note b)	**820,823**	**131,013**	**64,697**	**22,370**	**1,038,903**
Gross profit	**979,207**	**205,998**	**136,424**	**10,013**	**1,331,642**
Operating expenses	**975,809**	**152,532**	**129,819**	**9,436**	**1,267,596**
Operating profit (loss) (Note c)	**₱3,398**	**₱53,466**	**₱6,605**	**₱577**	**₱64,046**
Segment Assets (Note d):					
Trade receivables (Notes a and b)	**₱521,352**	**₱117,209**	**₱148,207**	**₱14,143**	**₱800,911**
Inventories (Notes b and e)	**451,726**	**64,84**	**81,395**	**32,804**	**630,769**
Total	**₱973,078**	**₱182,053**	**₱229,602**	**₱46,947**	**₱1,431,680**

	For Nine Months Ended September 30, 2010			
	Philippine Operations	International Operations	Direct Selling Business	Total
Net sales (Notes a and b)	₱1,853,402	₱323,970	₱16,873	₱2,194,245
Service income (Notes a and b)	2,027	–	–	2,027
Total	1,855,429	323,970	16,873	2,196,272
Costs of goods sold and services (Note b)	757,063	128,121	4,984	890,169
Gross profit	1,098,366	195,849	11,888	1,306,103
Operating expenses	1,028,024	152,325	32,456	1,212,805
Operating profit (loss) (Note c)	₱70,342	₱43,524	(₱20,568)	₱93,298
Segment Assets (Note d):				
Trade receivables (Notes a and b)	₱469,203	₱136,807	₱87,396	₱693,406
Inventories (Notes b and e)	433,397	34,871	29,889	498,157
Total	₱902,600	₱171,678	₱117,285	₱1,191,563

Notes:

a. Segment revenues and related receivables for the Philippine operations, international operations and direct selling business are recognized when the goods are delivered to distributors/local consolidators/dealers (for sale of goods) and by reference to the stage of completion (for service income) which are the same revenue recognition being followed and reflected in the consolidated financial statements.
b. There are no inter-segment sales or transactions. Consequently, the sum of the Philippine operations, international operations, direct selling and Foods business segment accounts agrees with the amounts reflected in the consolidated statements of income.
c. Operating profit (loss) is obtained only by deducting operating expenses from gross profit. Other revenue and expenses to arrive at net income such as finance costs, finance income and income taxes are managed at the Group level.
d. Total segment assets include receivables and inventories. All other assets such as cash and cash equivalents, other financial instruments and property, plant and equipment are not allocated to the segments.
e. Inventories are presented at cost; thus, allowance for inventory obsolescence is not deducted from the amounts reported.

13. Other Explanatory Notes

Unusual Items - During the current interim period, there are no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.

Changes in estimates or amounts reported in prior periods - There are no changes in estimates or amounts reported in prior interim periods or prior financial years that would have a material effect in the current interim period

Material events - Material events, if any, subsequent to the end of the prior interim period are reflected in the financial statements for the current interim period.

Changes in composition of Company – The registration of Splash Foods Corporation was approved by the Securities and Exchange Commission on August 31, 2011 and on September 7, 2011, Splash Corporation closed the purchase of 80% of the shares of stocks of Barrio Fiesta Manufacturing Corporation, thus, formalizing the group's entry and expansion into the foods business. With these developments, SPH now has seven (7) subsidiaries.

Earnings per Share (EPS) - EPS is determined by dividing net income by the weighted average number of shares issued and outstanding, after giving retroactive adjustments for any stock split and stock dividends or reverse stock splits during the year. The Company does not have dilutive potential common shares.

	Sept 30, 2011 (Unaudited)	June 30, 2011 (Unaudited)	Sept 30, 2010 (Unaudited)
Net income (loss)	**₱66,346,742**	₱56,044,421	₱60,990,689
Weighted average number of shares	**652,294,499**	653,800,166	710,290,326
Earnings per share	**₱0.10**	₱0.086	₱0.086

14. Other events subsequent to September 30, 2011

a. On October 24, 2011, the Board of Directors approved the sale of 5,280,000 shares it bought from Barrio Fiesta Manufacturing Corporation to Splash Foods Corporation at the same cost it acquired said shares.

splash
corporation
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PART I – FINANCIAL INFORMATION

Splash Corporation and Subsidiaries
(A Subsidiary of Ang·Hortaleza Corporation)

Management's Discussion and Analysis of Financial Condition and Results of Operations
September 30, 2011

Item 2. Management's Discussion and Analysis (MD&A) of Financial Condition and Results of Operations

The MD&A should be read in conjunction with our unaudited financial statements and the accompanying notes. All financial information is reported in Philippine Pesos (₱) unless otherwise stated.

Additional information about the Company can be found on our corporate website www.splash.com.ph.

FINANCIAL CONDITION

As of September 30, 2011, the Group's total assets grew by 7.8% when compared with the December 31, 2010.

The significant movements in the Group's Balance Sheet line items include:

- Cash and cash equivalents declined by 48% mainly due to the acquisition of 80 % of the shares of stocks of Barrio Fiesta Manufacturing Corporation and capital expenditures for Plant facility improvements and capacity expansion.
- Increase in prices and stocking level of major raw materials and packaging materials inventory in preparation for the expected surge in sales in the next quarter and new product introductions.
- Increase in pre-payments and other current assets such as advance payment for soap noodles, rental for new office, new endorsers' fees, and real property taxes.
- Conversion of the advances of the parent company to Notes Receivable in January 2011.

The current ratio as of September 30, 2011 is at 1.41 which is below the FRN covenant of 2 mainly due to the movement of loan balance of ₱800M from long-term to current liability based on the FRN repayment term. The debt to equity ratio is 0.67 times which is better than the FRN covenant of 1.5 times. The note holders were accordingly apprised of the reasons for the decline in the current ratio and the options SPH will pursue to improve the ratio.

KEY PERFORMANCE INDICATORS (KPI)

The Group uses the following key performance indicators to track performance and achievement of standards set year on year.

KPI	CALCULATION	PERFORMANCE ACHIEVEMENT (in millions)	
		Q3 2011	**Q3 2010**
CONSOLIDATED NET SALES	Includes sales of the Company and its subsidiaries net of applicable discounts and valid returns from customers.	**2,371**	2,196
NEW PRODUCT SALES	Sales of new products launched during the period under review.	**124**	123
EBITDA	Computed as Operating Income plus Amortization and Depreciation in order to provide an immediate indication of the Company's ability to generate cash flows from operations, incur and service debt, finance capital expenditures (CAPEX) and working capital changes.	**139**	143
NET INCOME AFTER TAX	Income before tax minus provision for Income Tax	**67**	61
MARKET SHARES OF CORE BRANDS	Market share of the Company's Core brands (from which about 80% of sales are generated). It is based on the Retail Audit of AC Nielsen at specific cut-off dates. Provides indication of the relative market strength of the Company's core brands vis-a vis competition.		
Maxi peel Exfoliant Solution		**86%**	84%
Skin White Whitening Lotion		**24%**	26%
Skin White Whitening Scientific Soap		**24%**	42%
Vitress Cuticle Coat		**68%**	64%
Kolours Premium Hair Dye		**49%**	49%

NET SALES

Net Sales this year through September was ₱2,371 million or ₱174 million (7.9%) higher than that of the same period in 2010.

NET PRODUCT SALES

New products introduced during the period are as follows:

- Maxi-Peel Exfoliant Lotion with Papaya Extract
- Maxi-Peel Exfoliant Lotion with Moisturizing Rose Essence
- Maxipeel Micro Exfoliant Solution
- Hygienix Liquid Hand Soap
- Skin Medix Body Spray
- Livemore Dietary Suppliment Oh So Sexy
- Hydrating Mist
- Nutress Hair Polish
- Nutress Hair Spa
- Baby Cologne
- Baby Shampoo
- Teen Factor Hand Gel
- Pediatreats Suppliment
- Dishwashing Liquid
- Nutress Shampoo
- Nutress Conditioner
- Baby Lotion
- Alchemy For Her
- Dr. Nutri Juice

MARKET SHARES OF CORE BRANDS

Presented below is the market share of our top product category:

Product Category	Total Philippines – Volume % Share
Exfoliant	Maxi-Peel's market performance continues to shine as its facial solution line yet again gained another 2 share points to further cement its dominance in the facial solution segment. Maxi-Peel's soap line also followed the same trend as it gained another 3 share points catapulting it to an all time high of 77% in the exfoliant soap category. Both gains can be attributed to heavy in-store programs that aimed to ride on the momentum generated by the awareness of its TVC campaign last May.

Whitening	Skin White's lotion and soap shares remained stable and unchanged from the previous reading, as did Extract, the company's lead brand in the economy whitening segment. The stable shares of Skin White Lotion and Soap reflect the on-going transition at trade level where the brand depleted its stocks of old packaging to make way for the introduction of its new lotion and soap packs.
Hair	While Kolours Premium Hair Dye slipped back down to 48% market share, Vitress, the company's lead brand in the hair styling segment gained a significant 6 share points to reach its all time high of 67%. Consistent in-store promos and presence helped catapult the brand to its all time high.

EBITDA

	In Thousand Pesos		Increase (Decrease)	
	Q3 2011	**Q3 2010**	**Amount**	**%**
Net Operating Income	**64,047**	93,298	(29,251)	-31%
Depreciation	**74,681**	31,257	43,424	139%
EBITDA	**138,729**	124,556	14,173	11%

Changes in net operating income and depreciation are also discussed below.

NET INCOME AFTER TAX

Net income after tax increased to ₱67 million from ₱60.7 million in the previous year. The 7.9% increase in sales and the corresponding 2% increase in gross profit were negated by the increase in selling and general and administrative expenses mainly due to the build- up of manpower resources related to the expansion into direct selling, international and foods business operations. The increase in other income by ₱29 million mainly contributed to the 9.8% increase in net income after tax.

Interest expense for the nine months ended September 30, 2011 decreased by 33.2% compared to same period last year mainly due to lower interest rates and payment of the annual installment of the Floating Rate Notes (FRN) amounting to ₱50 million in August 2011.

Non-cash operating expenses consist of:

	In Thousand Pesos		Increase (Decrease)	
	Q3 2011	Q3 2010	Amount	%
Depreciation and Amortization	**74,681**	49,494	25,187	51%

Depreciation and amortization increased by 51% mainly due to the amortization of intangible assets.

OTHER MATTERS

Any known trends, demands, commitments, events or uncertainties that will have a material effect on the issuer's liquidity increasing or decreasing in any material way

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the registrant's liquidity increasing or decreasing in any material way.

Event(s) that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation

The Notes Facility provides, among other terms and conditions, that for as long as the FRNs remain outstanding, the Company is subject to negative covenants requiring prior written approval from the majority of the Note Holders for specified acts which include:

- Amendment of Articles of Incorporation and other organization documents, e.g., materially changing the nature of its present business;
- Entering into merger or consolidation;
- Granting of loans or advances to or investment in which its directors, officers, stockholders, other related persons except those made in the ordinary course of business;
- Creation of lien with respect to any of its properties;
- Sale or lease of assets;
- Guaranteeing indebtedness;
- Prepaying long-term indebtedness except for those provided in Section 2.07 of the Notes Facility;
- Entering into additional loans;
- Entering into any new management contracts;
- Declaration or payment of dividends in excess of fifty percent (50%) of the Company's net income for the most recent fiscal year;
- Purchase, redeem, retire or otherwise acquire for value it's capital stock; declare or pay management bonuses or profit sharing; and
- Execute any act which shall have a material adverse effect

In addition, the Notes facility provides that the Company has to maintain a ratio of current assets to current liabilities of at least 2.0 times and its debt to equity ratio should not be more than 1.5 times until final payment date.

Except for the current ratio as previously explained (Financial Condition discussion on page 17), as of September 30, 2011, the group continues to be compliant with the above covenants.

Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company within consolidated entities or other persons created during the reporting period

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and or other relationships of the Company within consolidated entities or other persons created during the reporting period.

Material commitments for capital expenditures, the general purpose of such commitment and the expected sources of funds for such expenditures

For 2011, the CAPEX budget is ₱426 million, mainly for the expansion of plant capacity, improvement of facilities and enhancement of management information systems for International and Direct Selling Operations. As approved by the Board of Directors on April 15, 2011, the expected source of funds for such expenditures will come from the IPO Proceeds and from borrowings, if necessary.

Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/ revenues/income from continuing operations

The company produces and markets fast-moving consumer goods so that the most significant risk that it faces is inflation. Food items comprise about half of the basket of goods, with personal care items accounting for roughly 40% at most. With inflation, consumption will skew to the more essential items, with consumers postponing or even foregoing the purchase of non-essentials including personal care products.

In addition, inflation exerts upward pressures on product inputs as well as on operating costs. As prices are not normally automatically adjusted in line with production and operating costs, profit margins may decline.

Significant elements of income or loss that did not arise from the issuer's continuing operations

All of the Company's income/earnings are from its continuing operations.

Causes for any material change from period to period which shall include vertical and horizontal analyses of any material item.

Significant changes in the Company's financial statements are explained or disclosed in previous sections of this report and likewise in the accompanying notes to financial statements.

Seasonal aspects that had a material effect on the financial condition or results of operations

Sales in the early months of the year, particularly January, tend to be lower due to the December inventory build-up at the trade and distributor levels (for the high consumer demand during the holiday season.) However, sales begin to increase in February and peaks in May when traditional summer events (fiestas and festivals) occur. Demand normally declines during the third quarter as a result of the wet/typhoon season. This lower demand is more evident in rural or agricultural areas where farmers wait for harvest. Demand then rises in the 4th quarter with harvest and the holiday season.

PART II – OTHER INFORMATION

Splash Corporation
(A Subsidiary of Ang·Hortaleza Corporation) and Subsidiaries

Legal, Regulatory and Corporate Developments
September 30, 2011

MAJOR STOCKHOLDERS

As of September 28, 2011, the total number of stockholders was 77 and the stock price was ₱2.09.

LIST OF TOP 20 STOCKHOLDERS AS OF SEPTEMBER 30, 2011

Rank	Name	Number of Shares Held	Percent to Total Outstanding
1	Ang Hortaleza Corporation	435,888,888	67.13%
2	PCD Nominee Corp. (Fil)	203,303,252	31.31%
3	PCD Nominee Corp. (Non-Fil.)	7,415,900	01.14%
4	Alfredo M. Yao	599,000	00.09%
5	BNC Ingredients Corporation	400,000	00.06%
6	Benito N. Chua Co Kiong	400,000	00.06%
7	William T. Enrile	320,000	00.05%
8	Joy O. Go	180,000	00.03%
9	Paul L. Gotianse	100,000	00.02%
10	Benjamin S. Geli	60,000	00.01%
11	David Limqueco Kho	50,000	00.01%
12	Nilo C. Zantua	50,000	00.01%
13	Melanie Dianne T. Chua	50,000	00.01%
14	Winston L. Duy	50,000	00.01%
15	Annika Sherryn Yao	50,000	00.01%
16	Eric Roel E. Domagas	41,000	00.01%
17	Alfonso Iñigo A. Hortaleza	40,000	00.01%
18	Benjamin Luzod Angel	29,021	00.00%
19	Margarito R. Miral	27,000	00.00%
20	Alexander Dela Paz &/or Rosanna C. Rabang	25,000	00.00%

BOARD OF DIRECTORS AS OF SEPTEMBER 30, 2011

As of September 30, 2011, the members of the Board of Directors of Splash Corporation as follows:

Name	Position
Rolando B. Hortaleza, M.D.	Chairman & Chief Executive Officer
Rosalinda A. Hortaleza, M.D.	Vice-Chairman
Eric Roel E. Domagas	Director, President &Chief Operating Officer
Allue Krisanne A. Hortaleza	Director
Maurice P. Ligot	Director
Rafael C. Lopa	Independent Director
Jimmy T. Yaokasin, Jr.	Independent Director
Bonifacio D. De Jesus	Independent Director
Emily A. Abrera	Independent Director

EXECUTIVE OFFICERS AS OF SEPTEMBER 30, 2011

As of September 30, 2011, the executive officers of Splash Corporation are as follows:

Name	Position
Rolando B. Hortaleza, M.D.	Chief Executive Officer
Eric Roel E. Domagas	President and Chief Operating Officer
Veneranda M. Tomas	EVP and Chief Finance Officer
Weena Roja N. Pineda	Senior Vice President & General Manager for Philippine Operations
Pedro G. Picornell	VP and GM, Production and Logistics
Lynneth P. Malabanan	VP, Corporate Quality and Technology Development
Ace Vincent V. Villareal	VP and GM, International Operations
Joseph C. Bautista	VP, Comptrollership
Ma. Chantelle C. Batac	VP, Human Resources and Administration
Fernando M. Manotok	VP, Management Finance and Business Development
Glenda D. Pingol	VP and GM, Direct Sales
Teresita D. Panganiban	General Manager for Splash Foods Business

SIGNATURE

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

Issuer **SPLASH CORPORATION**

By: **VENERANDA M. TOMAS**
Chief Finance Officer

Date: November 14, 2011