

SEC Number 37535
File Number _____

ATN HOLDINGS, INC.

(Company)

**9th Floor, Summit One Tower,
530 Shaw Blvd., Mandaluyong**

(Address)

533-4052 / 717-0523

(Telephone Number)

March 31

(Fiscal Year Ending)
(month & day)

SEC 17-Q

(Form Type)

Amendment Designation (if applicable)

June 30, 2008

(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 June 30, 2008.
2. Commission identification no. 37535 3.BIR Tax Identification No. 005-056-869
4. ATN Holdings, Inc. (the "Company")
5. Philippines
6. Industry Classification Code:
7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City
8. Telephone No. 533-4052/717-0523
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 Stock, P1.00	
Class "A"	120,000,000
Class "B"	80,000,000

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.

ATN HOLDINGS, INC. and Subsidiaries
CONSOLIDATED BALANCE SHEET

	(Unaudited) June 30 2008	Audited March 31 2008
ASSETS		
Current Assets		
Cash and cash equivalent (Note 2)	P8,723,982	P9,667,712
Financial assets at fair value through profit or loss (Note 3)	1,199,590	1,199,590
Receivables (Note 4)	7,158,630	6,876,907
Real estate inventories (Note 5)	38,302,334	41,140,667
Other current assets (Note 6)	11,031,607	11,487,357
	66,416,143	70,372,233
Noncurrent Assets		
Receivables from related parties (Note 7)	9,162,765	13,407,762
Available for sale financial assets (Note 8)	146,214,771	137,164,312
Investment in properties (Note 9)	1,604,246,402	1,598,618,828
Deferred tax assets	3,642,168	3,642,168
Property and equipment - net (Note 10)	72,284,720	74,208,485
	1,835,550,826	1,827,041,555
	P1,901,966,969	P1,897,413,788
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	P6,348,793	P8,462,436
Income tax payable	45,122	64,665
Bank loans (Note 11)	54,427,710	55,632,648
Deposits (Note 12)	24,285,132	30,763,350
	85,106,757	94,923,099
Noncurrent Liabilities		
Payable to related parties (Note 13)	56,065,263	44,412,153
Deferred tax liabilities	444,538,835	443,298,274
	500,604,098	487,710,427
Total Liabilities	585,710,855	582,633,526
Stockholders' Equity		
Capital stock	200,000,000	200,000,000
Additional paid-in capital	22,373,956	22,373,956
Deposit for future subscription	220,000,000	220,000,000
Unrealized gain on available-for sale financial asset-net of tax	70,216,026	70,216,026
Retained earnings	803,666,131	802,190,280
	1,316,256,113	1,314,780,262
	P1,901,966,969	P1,897,413,788

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENT OF INCOME AND DEFICIT

	First Quarter Ending	
	June 30, 2008	June 30, 2007
REVENUES	P11,273,609	P10,714,867
Direct Cost (Note 14)	9,883,789	8,733,933
Gross profit	1,389,820	1,980,934
Other operating income		
Rent	2,035,591	2,042,599
Interest	50,474	395,532
Unrealized gain on financial assets at fair value through profit and loss	3,544,459	-
	7,020,345	4,419,065
OPERATING EXPENSES		
Association and membership dues	742,701	644,467
Utilities and communication	738,116	676,269
Real property tax	425,112	439,072
Professional fees	260,000	200,000
Transportation and travel	202,310	359,411
Taxes and licenses	186,423	145,321
Repairs and maintenance	119,457	131,553
Insurance	103,646	123,304
Representation and entertainment	98,792	205,590
Office supplies	93,320	71,456
Salaries, wages and benefits	93,062	294,312
Depreciation and amortization	17,903	17,903
Miscellaneous	160,628	72,786
	3,241,470	3,381,444
INCOME FROM OPERATIONS	3,778,876	1,037,621
FINANCE COST		
Interest on short term loans	1,017,342	592,452
INCOME BEFORE TAX	2,761,534	445,169
Provision for income tax	1,285,683	145,725
NET INCOME	P1,475,851	P299,444
EARNINGS PER SHARE	0.00738	0.00150

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	1st Qtr. Ending	
	June 30, 2008	June 30, 2007
Capital stock		
Authorized - 200,000,000 shares at P1 per share		
Issued and outstanding - 200,000,000 shares	200,000,000	200,000,000
Additional paid-capital	22,373,956	22,373,956
Deposit for future subscription	220,000,000	220,000,000
Unrealized gain on available-for-sale financial asset	70,216,026	28,029,811
Retained earnings		
Balance at beginning of the year	802,190,280	148,277,683
Net income	1,475,851	299,444
Balance at the beginning of the year	803,666,131	148,577,127
	1,316,256,113	618,980,894

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. and Subsidiaries
CONSOLIDATED STATEMENT OF CASH FLOWS

	First Quarter Ending	
	June 30, 2008	June 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	P1,475,851	P299,444
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	2,207,247	2,225,149
Unrealized gain on financial assets at fair value through profit and loss	(3,544,459)	
Interest income	(50,474)	(395,532)
Interest expense	1,017,342	592,452
Operating income before working capital changes	1,105,506	2,721,513
Decrease (increase) in current assets:		
Marketable securities - net	-	-
Receivables	(281,723)	(162,001)
Real estate inventories	2,838,333	4,300,833
Other current assets	455,750	(175,715)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(2,113,643)	2,044,263
Deposits	(6,478,218)	2,234,294
Cash generated from operating activities	(4,473,995)	10,963,187
Interest income	50,474	395,532
Interest expense	(1,017,342)	(592,452)
Income taxes paid	(19,543)	(25,861)
Cash flows from Operating Activities	(5,460,405)	10,740,406
CASH FLOWS FROM INVESTING ACTIVITIES		
Receivable to related parties	4,244,997	5,303,988
Increase in available for sale financial assets	(5,506,000)	-
Investment properties	(5,627,574)	-
Property and equipment	(283,481)	(3,552,343)
	(7,172,059)	1,751,645
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of bank loans	(1,204,938)	(9,750,511)
Increase in deferred tax liabilities	1,240,561	-
Increase in payable to related parties	11,653,110	5,978,011
	11,688,733	(3,772,500)
NET INCREASE/(DECREASE) IN CASH	(943,730)	8,719,551
CASH AT BEGINNING OF PERIOD	9,667,712	3,601,370
CASH AT END OF PERIOD	P8,723,982	P12,320,921

See accompanying Notes to Financial Statements.

ATN HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS FOR FINANCIAL STATEMENT PRESENTATION

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

Name of Subsidiary	Principal Activity	% of Ownership
Palladian Land Development ,Inc.	Real property developer	100%
Advanced Home Concept Development Corp.	Real property developer	100%
Managed Care Philippines, Inc.	Healthcare	100%

2. CASH AND CASH EQUIVALENT

Cash on hand and in bank	8,723,982
--------------------------	-----------

Cash in banks earn interest at the prevailing bank deposit rates.

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Balance at beginning of year	3,157,221
Unrealized gain (loss) on financial assets at fair value through profit or loss (FVTPL)	(1,957,631)
	<u>1,199,590</u>

4. RECEIVABLES

		Current	1-60 days
Trade	3,977,230	2,447,917	1,529,313
Others	3,181,400		3,181,400
	<u>7,158,630</u>	<u>2,447,917</u>	<u>4,710,713</u>

No allowance for doubtful accounts was provided as all of the accounts are fully collectible.

5. REAL ESTATE INVENTORIES

Beginning balance	41,140,667
Additions during the year	-
Less: Sold	(2,838,333)
	<u>38,302,334</u>

Portion of these inventories is mortgaged to secure the Company's bank loans.

6. OTHER CURRENT ASSETS

Input VAT	10,100,941
Prepaid VAT	173,849
Prepaid tax	29,269
Rental deposit	727,548
	<u>11,031,607</u>

7. RECEIVABLES FROM RELATED PARTIES

Unipage Management Inc.	9,162,765
Transpacific Broadband Group, Inc.	-
	<u>9,162,765</u>

No allowance for doubtful accounts was provided as management believes that all of the accounts are fully collectible. These receivables are interest-free.

8. AVAILABLE FOR SALE FINANCIAL ASSETS

The breakdown of shares is shown below:

Quoted	
Transpacific Broadband Group Int'l, Inc. (TBGI)	125,797,329
Unquoted	
Mariestad Mining Corp.	12,506,000
Ambulatory Health Care Institute	7,911,442
	<u>146,214,771</u>

In 1998 and prior years, the Group acquired 68% equity in Ambulatory Health Care Institute, Inc. In 2006, ownership of certain blocks of shares were declared null and void by the Court due to technical issues. With the declaration, equity ownership was reduced to 47% and the Group was denied significant influence.

9. INVESTMENT PROPERTIES

The breakdown of properties is shown below:

Condominium properties at Summit	270,911,924
Land/lot for development at Montalban	1,321,564,624
Land at Pampanga	11,769,855
	<u>1,604,246,402</u>

10. PROPERTY AND EQUIPMENT

	1-Apr-08 Balance	Acquisitions/ (Disposals)	30-Jun-08 Balance
Cost:			
Medical equipment & fixtures	29,465,106	-	29,465,106
Office furniture & fixtures	7,786,088	283,482	8,069,570
Leasehold improvements	19,792,673		19,792,673
Portal/Website development	15,000,000	-	15,000,000
Transportation equipment	995,536	-	995,536
	<u>73,039,403</u>	<u>283,482</u>	<u>73,322,885</u>
Accumulated depreciation:			
Medical equipment & fixtures	3,457,180	902,882	4,360,062
Office furniture & fixtures	3,408,377	224,633	3,633,010
Leasehold improvements	2,279,662	605,178	2,884,840
Portal/Website development	750,000	375,000	1,125,000
Transportation equipment	215,699	99,555	315,254
	<u>10,110,918</u>	<u>2,207,247</u>	<u>12,318,165</u>
Construction in progress	11,280,000	-	11,280,000
Net book value	<u>74,208,485</u>		<u>72,284,720</u>

11. BANK LOANS

Bank loans consist of various loans represented by promissory notes. Interest on the loan as at balance sheet date ranges from 3% to 7.5% per annum. These loans are collateralized by a mortgage on certain investments in real properties.

12. DEPOSITS

This principally consists of reservation fees from customers pending full payment of amounts as required in the "Contract to Sell".

13. PAYABLE TO RELATED PARTIES

Transpacific Broadband Group Int'l., Inc. Stockholder	1,041,894
	<u>55,023,369</u>
	<u>56,065,263</u>

14. DIRECT COSTS

Cost of land	2,838,333
Depreciation	2,189,344
Salaries, wages and benefits	1,568,426
Utilities	710,470
Medical supplies	793,490
Rent	909,191
Professional fees	716,372
Miscellaneous	158,163
	<u>9,883,789</u>

Item 2. Management's Discussion and Analysis of Operation

(B) Interim Periods

Corporate revenues are segmented as follows:

Revenue from Real Estate Business	Php	6,626,294
Revenue from Health Care Business	Php	6,577,359

The company and its three majority-owned subsidiaries use current ratio and debt to equity ratio to measure liquidity, and gross profit margin and net income to sales ratio as key performance indicators. Current ratio is calculated using current accounts cash, marketable securities, receivables, accounts payable, income tax payable and other liabilities maturing in one year. Debt to equity ratio is derived from division of total debt by total amount of stockholders' equity. Profit margin is computed based on ratio of income from operation (before financing charges and other income/loss) to total revenues.

The company uses past year performance as basis for expected results in current year. With the bulk of its business in real estate, the company has no productivity program. It adopts a prudent policy of matching expenditures with revenues to keep current accounts position in balance.

The following table shows the financial indicators during the interim period and comparable period in the past year. Net profit on consolidated basis came from positive margins realized from real estate business units.

	ATN Holdings		Palladian Land		Advanced Home		Managed Care	
	2008	2007	2008	2007	2008	2007	2008	2007
Current Ratio	33.79	28.71	0.44	0.43	1.45	1.15	2.96	2.34
Debt to Equity Ratio	0.00	0.04	0.61	0.43	-12.53	17.61	-1.79	0.16
Gross Profit Margin	54%	12%	0.17	25%	41%	35%	-0.05	9%
Net Income to Sales Ratio	54%	12%	0.00	5%	6%	14%	1.94	0.00%
Net Income (Loss) in Pesos	P2,010,286	P53,240	9,143.85	P107,885	P74,652	P162,748	-P618,231	-P24,429

On a consolidated basis, ATN accounts that changed by more than 5% compared to quarter ending June 30, 2007 financial statements are as follows:

- Cash and cash equivalents decreased to Php8.724 million from Php9.668 million (-9.76%) due to payment of payables.
- Receivables increased to Php7.159 million from Php6.877 million (-4.10%) due to slow in collection.
- Real estate inventories decreased from Php41.141 million to P38.302 million (-6.90%) due to sales.
- Receivable from related party decreased from Php13.407 million to Php9.163 million (-31.66%) due to inter company transactions.
- Available for sale financial assets increased from Php137 million to Php146 million (6.60%) due to additional investment in Mariestad Mining Corp. and increase in market value of TBGI share.
- Accounts payable decreased to Php6.348 million from Php8.462 million (-24.98%) due to payment of payables.
- Deposits decreased to Php24.285 million from Php30.763 million (-21.06%). This principally consists of reservation fees from customers pending full payment of amounts as required in the "Contract to Sell".
- Payable to related parties increased to Php56.065 million from Php44.412 million (26.24%). These advances made are without interest to augment working capital requirements.
- Increase in gross profit to Php7.020 million as of June 30, 2008 from Php4.419 million (58.86%) due to increase in gross income in healthcare business by 5.21% and an unrealized gain on financial assets of Php53.544 million compared to June 30, 2007.
- Operating expenses decreased to Php3.24 million compared to Php3.381 (-4.14%) due to the following:
 - Increase in association and membership dues by 15.24% due to payment of special assessment from the association.
 - Increase in utilities and communication by 9.15% due to higher in energy rate.
 - Increase in professional fees by 30% due to increase in professional consultation.
 - Decrease transportation and travel expenses by -43.71% due to lesser messenger errands.
 - Increase in taxes and licenses by 28.28% due to higher tax rate.
 - Decrease in repairs and maintenance by -9.19% due lesser maintenance cost.
 - Decrease in insurance expense by -15.94% due to adjustment on premium on medical equipment.
 - Decrease in representation and entertainment by -51.95% due to cost cutting program of the company.
 - Increase in office supplies by 30.60% due to increase in usage.
 - Decrease in salaries and wages by -68.38% million due to decrease in the number of personnel.

Corporate Development

In line with corporate thrust to improve asset utilization, ATN established a surgical center of Managed Care in Summit One Tower to replace the mall-based Clinica Manila that has been entangled in ownership issue. At its present operating stage, the investment in Managed Care has reached Php 30 million, which had been funded mainly by advances from ATN affiliates. The surgical center has been operating since June 2006 and new pieces of equipment have yet to be acquired to enable it to render medical services not only to HMO patients and beauty enhancement services but also to expand the variety of its product lines, principally involving plastic surgery, dental and ophthalmologic services, and minor orthopedic services. The surgical center consists of 14 surgery rooms, 16 consultation rooms and patient recovery cubicles.

Based on the experience in the mall-based clinic, which had only 2 surgery rooms, the surgical center should be able to generate revenues for ATN of more than five times the rental rates in the real estate industry. This revenue expectation will further improve dramatically when the surgical center is able to attain its long-term objective of becoming the leader in medical and beauty enhancement tourism in the Philippines.

Medical tourism industry participants estimate that there is a global backlog in the supply of services worth US\$ 20 billion. Countries competing for this market include India, Singapore, Malaysia, Thailand, Hong Kong Saudi Arabia, Russia, and the Philippines. The Philippines has a competitive advantage against its Asian neighbors in the compassionate care and communicating skills of nurses and caregivers.

The medical and beauty enhancement tourism market in the Philippines in the next five years is very large given that the country can be considered as the only English speaking destination in Asia where clients from developed countries, mainly the USA, can get more value for their money. A buy out of 100 US hospitals for US\$ 21 billion recently done by private equity in anticipation of medical needs of baby boomers in the next five years is a major development signaling a large market for Philippine medical tourism. Given that medical costs in the USA are 6 to 8 times more expensive than their Asian counterparts, ATN expects the same aging baby boomers (and other patients with constrained budgets) to eventually come to get medical attention in the Philippines, especially when long-term medical rehabilitation becomes necessary for the 65 to 75-age bracket.

With the company's sound financial condition, ATN can ride the global mass-market trend in healthcare, TV satellite and digital data services investments. Hence there is no foreseeable event, which may have a material impact on its short-term liquidity, and no seasonal aspect had material effect on the financial condition of the Company's operation.

Improvements of real estate assets will be funded by borrowings and augmented by internally generated funds. To the best knowledge of Management there are no unusual or non-recurrent accounts that adversely affect the financial condition of the company.

The company expects to continue its focus on its existing principal activities and actively pursue opportunities for investment in the healthcare and technology sectors in the Philippines.

SIGNATURES

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

Company : **ATN HOLDINGS. INC.**

Signature and Title :


PAUL B. SARIA
Principal Financial Officer


CELINIA FAELMOQA
Principal Accounting Officer

Date : **August 13, 2008**

August 13, 2008