SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended ....**September 30, 2013**

2. Commission identification number….**A200117595**

3. BIR Tax Identification No....................**214-815-715-000**

4. Exact name of issuer as specified in its charter.....**EMPERADOR INC.**

5. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: [ ] (SEC Use Only)

7. **10th Floor, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City**
   Address of issuer's principal office Postal Code

8. Issuer's telephone number, including area code……**632-709-20-38 to -41**

9. **TRILLIONSTARS HOLDINGS, INC., formerly TOUCH SOLUTIONS, INC.**
   Unit 901 Jafer Place, 19 Eisenhower Street, Greenhills, San Juan
   Former name, former address and former fiscal year, if changed since last report

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
COMMON	**15,000,000,000**

11. Are any or all of the securities listed on a Stock Exchange?If yes, state the name of such Stock Exchange and the class/es of securities listed therein.

    Yes [✔] No [ ]**PHILIPPINE STOCK EXCHANGE, INC.** **Common Shares**

12. Indicate by check mark whether the registrant:

    (a) 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 Rule 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)

    Yes [✔] No [ ]

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

    Yes [✔] No [ ]

PART I - FINANCIAL INFORMATION

1.Financial Statements

The following interim financial statements, notes and schedules are submitted as part of this report:

- Consolidated Statements of Financial Position
- Consolidated Statements of Comprehensive Income
- Consolidated Statements of Changes in Equity
- Consolidated Statements of Cash Flows
- Notes to Interim Consolidated Financial Statements
- Schedule of Financial Soundness Indicators
- Aging of Trade and Other Receivables

The nine-month period saw the transformation of Emperador Inc. ('EMP' or 'the Company') into a holding company. During the period, it divested its information technology business, which is a losing business, and increased its authorized capital stock as it prepares to widen its base.

In the second quarter, the Company disposed all its net assets related to its information-technology (IT) business, including its investment in a wholly-owned subsidiary Sagesoft Solutions, Inc. (SSI), which is an IT company. SSI was deconsolidated already in the second quarterly report filed by the Company. (See Notes 1.2 and 1.5 to Interim Consolidated Financial Statements)

On August 28, 2013, the Company acquired a wholly-owned subsidiary, Emperador Distillers, Inc. ('EDI'), the Philippines' largest liquor company and the world's largest brandy producer, from Alliance Global Group, Inc. ('AGI' or Ultimate Parent). This is in connection with AGI's entry as the new controlling stockholder, which concurrently acquired 90% interest in the Company on this date. AGI presently owns 87.55%, after it offered and sold a portion of its shares in September to increase public float. (See Notes 1.3 and 19.1)

The Company's acquisition of EDI is accounted for as a reverse acquisition under Philippine Financial Reporting Standards (PFRS) 3, *Business Combinations.* In a reverse acquisition under the PFRS, EDI was deemed to be the acquirer and EMP to be the acquiree for accounting purposes because based on the substance of the transaction, the legal subsidiary, i.e. EDI, is determined to be the entity that gained control over the legal parent, i.e. EMP. Thus, the consolidated financial statements prior to the acquisition date have been prepared as a continuation of the consolidated financial statements of EDI and its subsidiaries (collectively referred to as the 'EDI Group'), except for the capital structure which represent that of the Company. The difference between the capital structures of EDI and the Company was shown under the Equity Reserves account in the statements of changes in equity prior to the acquisition date. The interim consolidated financial statements as of September 30, 2013, which is after the acquisition date, represent that of the Company and EDI Group (collectively referred to as the 'Group').

The interim consolidated financial statements (ICFS) have been prepared in accordance with PFRSs and Philippine Accounting Standard 34, *Interim Financial Reporting.* The accounting policies and methods of computations used are consistent with those applied in the audited consolidated financial statements of the Group as at and for the year ended December 31, 2012. The ICFS have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expenses.

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

Results of Operations – First Nine Months

The Group ended the first nine months of the year with net profit of P4.49 billion, a 31% jump from P3.44 billion a year ago. This was after the net loss from discontinued IT operations which amounted to P17.1 million. Net profit from continuing operations, i.e. from EDI Group, amounted to P4.51 billion, a 31% growth from P3.44 billion a year ago.

EDI Group produces and markets its own products under two brand labels which are Emperador brandy (in three variants, namely Brandy, Light brandy and Deluxe) and The BaR flavored alcoholic beverage (in gin, vodka and tequila). Emperador Deluxe Spanish Edition is a premium brandy produced in Spain and introduced locally in March 2013. EDI also imports and distributes locally the E&J Gallo wines from California. According to Drinks International 2013, Emperador Brandy is the number one selling brandy in the world in terms of volume sold, as well as the world's second largest selling spirit brand. According to Nielsen Retail Index for the first nine months of 2013, Emperador garnered 96% share of the brandy volume while EDI got 48% of total spirits volume nationwide.

Revenues, which are derived from sale of alcoholic beverages and from other sources such as interest income and valuation gains from foreign currency and financial assets, went up by 22% year-on-year to P20.59 billion from P16.87 billion primarily due to an increase in sales prices of alcoholic beverages at the beginning of the current year, which was also the date when the Sin Tax Reform Law of 2012 took effect. The said Law imposed higher excise tax on alcohol products. Sales volumes remained relatively at last year's level, which was then 33% higher than 2011. Revenues from other sources, such as interest income and foreign currency exchanges, improved from a year ago.

Costs and expenses, which include cost of goods sold, selling and distribution expenses, and general and administrative expenses, expanded by 21% to P14.61 billion from P12.08 billion a year ago. Cost of goods sold jumped 21% primarily because of the higher excise tax on alcohol products. Operating expenses went up by 5% due to higher costs of freight (rates increase), advertisements (new air for Emperador Deluxe), outside services (labor supply and insurance), and taxes and licenses (documentary stamp tax on property acquisitions).

Income tax expense increased by 9% year-on-year to P1.47 billion from P1.35 billion because of higher taxable income.

As a result of the foregoing, net profit from continuing operations increased by 31% to P4.51 billion from P3.44 billion a year ago.

The information technology (IT) business, on the other hand, which was discontinued and disposed of in April, resulted in net loss of P17 million in the first quarter.

The Group, thus, closed the period with net profit of P4.49 billion as compared to P3.44 billion a year ago, an improvement of 31%.

EBITDA, which is computed as profit before tax, depreciation and amortization, amounted to P6.28 billion and P4.98 billion for the nine months ended September 30, 2013 and 2012, respectively. Depreciation and amortization went up because of two major property acquisitions, i.e. the manufacturing plant of Diageo Philippines and the distillery plant of Consolidated Distillers of the Far East, Inc. (Condis), which were concluded in May 2012 and February 2013, respectively.

Financial Condition

Total assets grew by 161% to P33.48 billion from P12.83 billion as of September 30, 2013 and December 31, 2012, respectively. The Group is strongly liquid with current assets exceeding current liabilities by 7.5 times. Working capital or liquidity was sourced internally from operations and capital stock issuances. Current assets amounted to P29.64 billion while current liabilities amounted to P3.95 billion at end-September 2013. The Group has no long-term debt.

Cash and cash equivalents increased significantly by 363% or P16.9 billion over the nine-month period, primarily due to the recent subscriptions in capital stock, both in EMP and EDI level. AGI, in particular, remitted an additional subscription price of P11.2 billion to the Company (see Note 19.1) and fully paid its P7.5 billion subscriptions to EDI shares. The Group ended with P21.56 billion in its coffers.

Trade and other receivables grew by 66% or P1.3 billion, primarily due to increase in sales and advances to contractors for the construction of a new distillery plant in Batangas.

Inventories went up by 38% or P1.3 billion, due to the building up of finished products in preparation for the coming holiday season, which is a peak season for consumer products.

Prepayments and other current assets grew by 117% or P94 million, due to prepaid excise tax on alcohol products and prepaid rent, insurance and security deposits on the new sales offices opened from a year ago.

Property, plant and equipment went up by 55% or P1.1 billion, due to acquisition of the distillery plant from Condis and vineyards in Spain. Also, a bigger warehouse is being constructed in the main bottling plant and new logistics equipments were added during the period. The Group operates two bottling plants in Sta. Rosa, Laguna where its products are manufactured. It is leasing the main plant from a related party (see Note 18.3). It owns a glass plant in Canlubang, a nearby town, and a distillery plant in Batangas which supply the bottles and alcohol requirements in the bottling plants. Construction of a new distillery plant is in progress.

Other non-current assets increased by 117% or P94 million, due to additional deferred input vat.

Trade and other payables decreased by 9% or P343 million, due to settlement of expenses accrued as of last year-end and of advances from related parties.

The changes in capital accounts, i.e. capital stock, additional paid-in capital, and equity reserves, are shown in the statement of changes in equity. The significant increase is attributed to new subscriptions during the year from AGI and other investors. (See Note 19)

Accumulated translation adjustments refer to the resulting difference in the translation of the foreign subsidiary's financial statements to Philippine pesos. Monetary assets and liabilities are translated at the closing rate, non-monetary ones at historical cost, and income and expenses at average exchange rates.

Retained earnings included the accumulated net loss from TSI's IT business which amounted to P42 million as of September 30, 2013.

With P21.56 billion cash and cash equivalents in its coffers, the Group is ready to embark on its expansion and investment program.

Five Key Performance Indicators

	Jan-Sep 2013	Jan-Sep 2012	Growth %	3rd Qtr 2013	3rd Qtr 2012	Growth %
Revenues	20,594	16,871	22.1	6,605	5,360	23.2
Net profit	4,489	3,440	30.5	1,333	1,133	17.6
Net profit rate	21.8%	20.4%		20.2%	21.1%	
Return on investment	13.4%	30.1%				
	Sep 30, 2013	Sep 30, 2012	Dec 31, 2012			
Current ratio	7.49x	2.75x	2.38x			
Quick ratio	6.28x	2.02x	1.59x			

- Revenue growth – measures the percentage change in revenues over a designated period of time.
- Net profit growth – measures the percentage change in net profit over a designated period of time.
- Net profit rate– computed as percentage of net profit to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- Return on investment [or capital employed] – the ratio of net profit to total assets - measures the degree of efficiency in the use of resources to generate net income
- Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.

Financial Soundness Indicators

Please see submitted schedule.

Other Required Disclosures

As of September 30, 2013, except for what has been noted, there were no other known items –such as trends, demands, commitments, events or uncertainties- affecting assets, liabilities, equity, sales, revenues, net income or cash flows that were unusual because of their nature, size, or incidents, and that will result in or that are reasonably likely to result in the liquidity increasing or decreasing in any material way, or that would have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There were no other known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Group's liquidity increasing or decreasing in any material way. The Group does not have nor anticipate having any cash flow or liquidity problems within the year. The Group is not in default or breach of any note, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Group, including any default or acceleration of an obligation. There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

There are no other significant elements of income or loss that did not arise from continuing operations.

There were no other material issuances, repurchases or repayments of debt and equity securities.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

EMPERADOR INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
SEPTEMBER 30, 2013

	9/30/2013	**12/31/12**
Current ratio	7.49 : 1.00	2.38 : 1.00
Quick ratio	6.28 : 1.00	1.59 : 1.00
Debt-to-equity ratio	0.14 : 1.00	0.51 : 1.00
Asset -to-equity ratio	1.14 : 1.00	1.51 : 1.00
		9/30/2012
Solvency ratio	115.07%	95.67%
Net profit margin	21.80%	20.39%
Return on assets	19.39%	34.23%
Return on equity/investment	15.23%	43.25%

LIQUIDITY RATIOS measure the business' ability to pay short-term debt.
Current ratio - computed as current assets divided by current liabilities
Quick ratio - computed a cash, marketable securities, accounts receivable divided by current liabilities.

SOLVENCY RATIOS measure the business' ability to pay all debts, particularly long-term debt.
Solvency ratio - computed as net profit, plus non-cash depreciation and amortization, divided by average total liabilities.
Debt-to-equity ratio - computed as total liabilities divided by stockholders'equity.

ASSET-TO-EQUITY RATIOS measure financial leverage and long-term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders'equity.

INTEREST RATE COVERAGE RATIOS measure the business' ability to meet its interest payments.
It is computed as profit before income tax and interest expense ("EBIT") divided by interest.
This is not applicable to the Group as it does not have any long-term interest-bearing debt.

PROFITABILITY RATIOS measure the business' ability to generate earnings.
Net margin - computed as net profit divided by revenues
Return on assets - net profit divided by average total assets
Return on investment - net profit divided by total stockholders' equity

EMPERADOR INC. AND SUBSIDIARIES
(Formerly TrillionStars Holdings, Inc.)
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2013
(With Comparative Figures for December 31, 2012)
(Amounts in Philippine Pesos)

	Notes		September 30, 2013 (Unaudited)		December 31, 2012* (Audited)
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents	6	P	21,558,597,328	P	4,656,449,593
Trade and other receivables - net	7		3,302,985,088		1,991,369,147
Financial assets at fair value through profit or loss	8		-		170,070,472
Inventories	9		4,606,714,978		3,338,145,804
Prepayments and other current assets			174,617,428		80,433,437
Total Current Assets			29,642,914,822		10,236,468,453
NON-CURRENT ASSETS					
Property, plant and equipment - net	10		3,121,559,647		2,013,925,725
Trademarks - net	11		354,776,530		415,238,652
Deferred tax assets			16,470,969		16,470,969
Other non-current assets - net	12		346,988,899		147,556,760
Total Non-current Assets			3,839,796,045		2,593,192,106
TOTAL ASSETS		P	33,482,710,867	P	12,829,660,559
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	13	P	3,511,444,886	P	3,854,169,163
Income tax payable	17		444,371,605		442,020,490
Total Current Liabilities			3,955,816,491		4,296,189,653
NON-CURRENT LIABILITY					
Retirement benefit obligation			41,391,565		41,391,565
Total Liabilities			3,997,208,056		4,337,581,218
EQUITY	19				
Capital stock			15,000,000,000		61,750,005
Additional paid-in capital			11,155,461,023		99,789,060
Equity reserves	1.4		-		5,838,460,935
Accumulated translation adjustments			72,181,785	(	3,531,605)
Retained earnings			3,257,860,003		2,495,610,946
Total Equity			29,485,502,811		8,492,079,341
TOTAL LIABILITIES AND EQUITY		P	33,482,710,867	P	12,829,660,559

See Notes to Interim Consolidated Financial Statements.

* These consolidated financial statements represent continuation of the financial statements of Emperador Distillers, Inc. and its subsidiaries, except for the capital structure (see Note 1).

EMPERADOR INC. AND SUBSIDIARIES
(Formerly TrillionStars Holdings, Inc.)
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED SEPTEMBER 30, 2013 AND 2012
(Amounts in Philippine Pesos)
(Unaudited)

	Notes	2013* JUL-SEP	2013* JAN-SEP	2012* JUL-SEP	2012* JAN-SEP
REVENUES	14	P 6,605,037,467	P 20,594,434,921	P 5,360,247,013	P 16,870,762,844
COSTS AND EXPENSES					
Cost of goods sold	15	4,243,695,580	13,061,885,625	3,391,897,275	10,777,150,680
Selling and distribution expenses	16	509,572,777	1,452,778,004	304,320,662	1,228,124,141
General and administrative expenses	16	53,780,787	101,132,552	46,038,880	79,559,548
		4,807,049,144	14,615,796,181	3,742,256,817	12,084,834,369
PROFIT BEFORE TAX		1,797,988,323	5,978,638,740	1,617,990,196	4,785,928,475
TAX EXPENSE	17	465,035,955	1,472,064,974	485,013,226	1,346,197,327
NET PROFIT FROM CONTINUING OPERATIONS		1,332,952,368	4,506,573,766	1,132,976,970	3,439,731,148
NET LOSS FROM DISCONTINUED OPERATIONS	1.5	-	(17,075,486)	-	-
NET PROFIT		1,332,952,368	4,489,498,280	1,132,976,970	3,439,731,148
OTHER COMPREHENSIVE INCOME (LOSS)		(10,703,779)	75,713,390	(7,888,237)	(33,290,122)
TOTAL COMPREHENSIVE INCOME		P 1,322,248,589	P 4,565,211,670	P 1,125,088,733	P 3,406,441,026
			-	-	-
Earnings Per Share	20	P 0.14	P 0.47	P 0.52	P 1.59

See Notes to Interim Consolidated Financial Statements.

* These consolidated financial statements represent continuation of the financial statements of Emperador Distillers, Inc. and its subsidiaries, except for the capital structure (see Note 1).

EMPERADOR INC. AND SUBSIDIARIES
(Formerly TrillionStars Holdings, Inc.)
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(With Comparative Figures for December 31, 2012)
(Amounts in Philippine Pesos)

	Note	**September 30, 2013** (Unaudited)	September 30, 2012* (Unaudited)	December 31, 2012* (Audited)
CAPITAL STOCK	19.1			
Balance at beginning of year		**P 61,750,005**	P 55,750,005	P 55,750,005
Subscriptions during the year		**14,938,249,995**	-	6,000,000
Balance at end of period		**15,000,000,000**	55,750,005	P 61,750,005
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		**99,789,060**	72,789,060	72,789,060
Subscriptions during the year	19.1	**11,055,671,963**	-	27,000,000
Balance at end of period		**11,155,461,023**	72,789,060	99,789,060
EQUITY RESERVES	1.4	**-**	2,871,460,935	5,838,460,935
ACCUMULATED TRANSLATION ADJUSTMENTS				
Balance at beginning of year		**(3,531,605)**	49,828,913	49,828,913
Currency translation adjustments during the period		**75,713,390**	(33,290,122)	(53,360,518)
Balance at end of period		**72,181,785**	16,538,791	(3,531,605)
RETAINED EARNINGS				
Balance at beginning of year		**2,495,610,946**	1,496,158,812	1,496,158,812
Balance at beginning of the period from discontinued operations		**(25,115,172)**		
Dividends declared and paid	19.2	**(3,702,134,051)**	-	(4,000,000,000)
Net profit for the period		**4,489,498,280**	3,439,731,148	4,999,452,134
Balance at end of the period		**3,257,860,003**	4,935,889,960	2,495,610,946
TOTAL EQUITY		**P 29,485,502,811**	P 7,952,428,751	P 8,492,079,341

See Notes to Interim Consolidated Financial Statements.

* These consolidated financial statements represent continuation of the financial statements of Emperador Distillers, Inc. and its subsidiaries, except for the capital structure (see Note 1).

EMPERADOR INC. AND SUBSIDIARIES
(Formerly Trillion Stars Holdings, Inc.)
(A Subsidiary of Alliance Global Group, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2013 AND 2012
(Amounts in Philippine Pesos)
(Unaudited)

	Notes	2013*	2012*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		P 5,978,638,740	P 4,785,928,475
Adjustments for:			
Depreciation and amortization	10	229,229,717	118,697,191
Amortization of trademarks	11,16	76,616,037	75,942,957
Fair value (gain) loss on financial assets at fair value through profit or loss	8	221,535,353	(227,270,855)
Interest income	6,14	(53,263,173)	(19,681,910)
Gain on sale of property and equipment	10	(1,534,684)	-
Operating profit before working capital changes		6,451,221,990	4,733,615,858
Decrease (increase) in trade and other receivables	7	(1,386,307,267)	276,339,307
Decrease (increase) in financial assets at fair value through profit or loss	8	(2,459,777)	20,279,732
Increase in inventories	9	(1,268,569,174)	(310,310,339)
Increase in prepayments and other current assets		(92,336,411)	(381,364,254)
Increase in other non-current assets	12	(199,432,139)	(38,641,236)
Decrease in trade and other payables	13	(296,818,242)	(1,172,613,614)
Cash generated from operations		3,205,298,980	3,127,305,454
Cash paid for income taxes		(1,414,220,282)	(1,164,311,589)
Net Cash From Operating Activities		1,791,078,698	1,962,993,865
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment	10	(1,338,392,250)	(562,380,159)
Interest received		53,263,173	19,681,910
Acquisition of trademark	11	(16,153,915)	-
Proceeds from sale of property and equipment	10	3,063,295	-
Acquisition of a subsidiary	18	-	(100,000,000)
Net Cash Used in Investing Activities		(1,298,219,697)	(642,698,249)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid by a subsidiary	19.2	(3,702,134,051)	-
Proceeds from additional capital subscriptions	19.1	19,993,921,958	-
Net Cash From Financing Activities		16,291,787,907	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		16,784,646,908	1,320,295,616
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		4,656,449,593	2,732,835,724
CASH FROM DISCONTINUED OPERATION		117,500,827	-
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS OF NEW SUBSIDIARY		-	4,882,682
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		P 21,558,597,328	P 4,058,014,022

See Notes to Interim Consolidated Financial Statements.

* These consolidated financial statements represent continuation of the financial statements of Emperador Distillers, Inc. and its subsidiaries, except for the capital structure (see Note 1).

EMPERADOR INC. AND SUBSIDIARIES
(Formerly TrillionStars Holdings, Inc.)
(A Subsidiary of Alliance Global Group, Inc.)
NOTES TO INTERIM CONSOLIDATEDFINANCIAL STATEMENTS
SEPTEMBER 30, 2013 AND 2012
(With Comparative Figures for December 31, 2012)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Change in Corporate Name

The Company was incorporated and first listed under the name of Touch Solutions, Inc. (TSI). On June 19, 2013, the Board of Directors (BOD) approved the change in corporate name to TrillionStars Holdings, Inc. This was ratified by the stockholders and approved by the Philippine Securities and Exchange Commission (SEC) on August 27 and September 5, 2013, respectively.

On August 28, September 16 and September 27, the BOD, stockholders by written assent, and SEC, respectively, approved the change in corporate name to Emperador Inc.

1.2 Corporate Update

Emperador Inc. (hereon referred to as 'the Parent Company', 'the Company' or 'EMP') was incorporated in the Philippines and registered with SEC, primarily as an information-technology (IT) services and products provider on November 26, 2001

On March 1, April 10 and July 31, 2013, the Board of Directors (BOD), stockholders and SEC respectively approved the change in the primary purpose of the Company to become a holding company. Consequently, TSI disposed of its IT-related net assets in April 2013 (see Note 1.5). As of September 30, 2013, the Parent Company's assets consisted principally of cash and cash equivalents.

On June 19, August 27 and September 5, 2013, the BOD, stockholders and SEC respectively approved, among others, the increase in authorized capital stock to 20 billion shares from 100 million shares. (See Note 19.1)

On August 28, 2013, Alliance Global Group, Inc. (AGI or Ultimate Parent) obtained a controlling interest in the Company by its subscription to new capital stock, and the Company acquired Emperador Distillers, Inc. (EDI) from AGI. (See Notes 1.3 and 19.1)

The common shares of the Company and AGI were first listed in the Philippine Stock Exchange (PSE) on December 19, 2011 and April 19, 1999, respectively.

The registered principal office of EMP is located at 10th floor, Liberty Center, 104 H.V. De la Costa Street, Salcedo Village, Makati City. The business address of EMP and the registered office of AGI are located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

1.3 Acquisition of EDI

On August 28, 2013, the Company acquired 100% ownership interest in EDI from AGI, as a condition to AGI's subscription to TSI shares (see Notes 1.4 and 19.1).
EDI was incorporated in the Philippines on June 6, 2003 to primarily engage in the manufacturing and trading of brandy, wine or other similar alcoholic beverage products. The liquor production business was acquired in 2007 from the Andrew Tan family who started it in 1979. EDI currently has two principal brands, namely, Emperador brandy (in three variants, namely Brandy, Light brandy and Deluxe) and The BaR flavored alcoholic beverage (in gin, vodka and tequila). EDI and its subsidiaries (collectively referred to as 'EDI Group') are all engaged in businesses related to the main business of EDI. EDI's subsidiaries are as follows:

Name of Subsidiaries	Explanatory Notes	Percentage of Ownership **Sept 30, 2013**	Percentage of Ownership Dec 31, 2012
Anglo Watsons Glass, Inc. (AWGI)	(a)	**100%**	100%
The Bar Beverage, Inc. (The Bar)	(b)	**100%**	100%
Emperador International, Ltd. (EIL)	(c)	**100%**	100%

Notes:

(a) AWGI is a domestic corporation presently engaged in flint glass container manufacturing and primarily supplies EDI's bottle requirements. EDI acquired it from AGI in 2012.

(b) Incorporated to carry out a general and commercial business of manufacturing, making, processing, importing, exporting, buying, and selling any and all kinds of alcohol, wine or liquor products.

(c) A foreign entity incorporated in the British Virgin Islands primarily to handle the international sales, marketing and merchandising of EDI's products. EIL is presently operating as an investment holding entity and it owns Grupo Emperador Spain which in turn had acquired Bodega San Bruno from Gonzales Byass SA.

AGI is a domestic holding company with diversified investments in real estate, food and beverage manufacturing, quick service restaurants and tourism-oriented businesses. Included under the AGI umbrella are the publicly-listed Megaworld Corporation and Global-Estate Resorts, Inc.; McDonald's master franchiser Golden Arches Development Corp.; and Resorts World Manila's owner Travellers International Hotel Group, Inc., which went public on November 5, 2013. As of September 30, 2013, AGI holds 87.55% ownership interest in EMP (see Note 19.1).

1.4 Reverse Acquisition Accounting for the Acquisition of EDI

The acquisition of EDI by the Company was effectively an acquisition of a group of assets because the Company does not constitute a business as defined under Philippine Financial Reporting Standards (PFRS) 3, *Business Combinations.* The acquisition is accounted for similar to a reverse acquisition of a non-operating shell company, wherein the legal subsidiary, which is EDI, is deemed as the acquirer and the legal parent, which is EMP, is deemed as the acquired for accounting purposes.

As such, the consolidated financial statements prior to the business acquisition date are presented as a continuation of the consolidated financial statements of the EDI Group except for the capital accounts which are presented as that of the Company. The difference between the capital accounts of EDI and the Company is presented as Equity Reserves. Therefore, the 2012 consolidated financial statements presented here represent that of the EDI Group, as adjusted retroactively to reflect the legal capital of the Company, and not the consolidated financial statements as originally presented in the consolidated financial statements previously reported/issued by the Company; while the 2013 interim consolidated financial statements represent that of the Company and the EDI Group (collectively referred hereon as 'the Group').

1.5 Discontinuance of IT operations

On March 1 and April 10, 2013, the Company's BOD and stockholders approved the transfer of all or substantially all the assets and liabilities related to the IT business. In April 2013, TSI disposed of its investment in Sagesoft Solutions, Inc. (SSI) to TSI's minority stockholders and transferred and conveyed its IT-related net assets to SSI (see Note 1.2). SSI is engaged in establishing and operating IT services and products.

SSI was a wholly owned subsidiary as of March 31, 2013. The accumulated share in SSI's net losses as of December 31, 2012 totaling P4,416,924 and in SSI's net profit for the first quarter of 2013 amounting to P2,163,508 can no longer be seen in the consolidated financial statements because of the application of reverse acquisition accounting under PFRS 3 as discussed in Note 1.4.

TSI's accumulated net losses on its own IT operations amounted to P25,115,172 at the beginning of the year and a net loss of P17,075,486 was incurred in the first quarter. Total accumulated net losses amounted to P42,190,658 as of September 30, 2013.

1.6 Approval of the Interim Consolidated Financial Statements

The interim consolidated financial statements of the Group as of and for the periods ended September 30, 2013 (including the comparatives for the periods ended September 30, 2012) were authorized for issue by the BOD on November 12, 2013.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL STATEMENTS

These interim consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with PFRS, and should be read in conjunction with the Group's audited consolidated financial statements as of and for the year ended December 31, 2012.

The significant accounting policies and methods of computations used in the preparation of these interim consolidated financial statements are consistent with those applied in the most recent annual consolidated financial statements as of and for the year ended December 31, 2012, except for the application of adopted standards that became effective on January 1, 2013, as discussed in Note 3.

These interim consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

3. CHANGES AND UPDATES IN THE GROUP'S ACCOUNTING POLICIES

The following accounting policies become applicable from January 1, 2013 and were used in the preparation of the Group's interim consolidated financial statements:

3.1 New Standards, Amendments and Improvements to PFRS

(a) Effective in 2013 that are Relevant to the Group

The Group applies, for the first time, certain new standards, amendments and improvements to PFRS which include the following:

PAS 1 (Amendment)	:	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
PAS 19 (Amendment)	:	Employee Benefits
PFRS 7 (Amendment)	:	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
PFRS 13	:	Fair Value Measurements
Consolidation Standards		
PFRS 10	:	Consolidated Financial Statements
PAS 27 (Amendment)	:	Separate Financial Statements
Various Standards	:	Annual Improvements to PFRS (2009-2011 Cycle)

Discussed below and in the succeeding pages are the relevant information about these new and amended standards and its effect to the Group's interim consolidated financial information.

(i) PAS 1 (Amendment), *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income*. The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRS: (a) will not be reclassified subsequently to profit or loss; and, (b) will be reclassified subsequently to profit or loss when specific conditions are met. This amendment had no significant impact on the Group's financial position or performance since the Group has only one item in its other comprehensive income.

(ii) PAS 19 (Amendment), *Employee Benefits*. The revision made a number of changes as part of the improvements throughout the standard. The main changes relate to defined benefit plans as follows:

- eliminates the corridor approach under the existing guidance of PAS 19 and requires an entity to recognize all gains and losses arising in the reporting period;

- streamlines the presentation of changes in plan assets and liabilities resulting in the disaggregation of changes into three main components of service costs, net interest on net defined benefit obligation or asset, and remeasurement; and,

- enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The Group's management opted not to effect this revision in PAS 19 on its interim consolidated financial statements. This revision will be applied retroactively in accordance with its transitional provisions in the Group's consolidated financial statements for the year ended December 31, 2013. EDI Group's unrecognized actuarial loss as of December 31, 2012 amounted to P12.7 million which will be retroactively recognized as loss in other comprehensive income in 2013.

(iii) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*. The amendment requires qualitative and quantitative disclosures relating to gross and net amounts of recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation*. The amendment also requires disclosure of information about recognized financial instruments subject to enforceable master netting arrangements or similar agreements, even if they are not set-off in the statement of financial position, including those which do not meet some or all of the offsetting criteria under PAS 32 and amounts related to a financial collateral. These disclosures allowed financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with recognized financial assets and financial liabilities on the entity's financial position. This amendment did not have a significant impact on the Group's consolidated interim financial information as the Group is not setting off financial instruments in accordance with PAS 32 and does not have relevant offsetting arrangements.

(iv) Consolidation Standards

In 2013, the Group has adopted the following consolidation standards that are relevant to the Group and effective as of January 1, 2013:

- PFRS 10, *Consolidated Financial Statements*. This standard builds on existing principles of consolidation by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard also provides additional guidance to assist in determining control where this is difficult to assess. Under this standard, subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The adoption of this new standard did not have a significant impact on the Group's interim consolidated financial information as all of its subsidiaries are wholly owned by the Parent Company.

- PAS 27 (Amendment), *Separate Financial Statements*. This amended standard now covers the requirements pertaining solely to separate financial statements after the relevant discussions on control and consolidated financial statements have been transferred and included in PFRS 10. This amendment did not result to a significant impact in the Group's interim consolidated financial information.

(v) PFRS 13, *Fair Value Measurement*. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across PFRS. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards. This new standard has no significant effects on the fair value measurements carried out by the Group and on the Group's interim consolidated financial statements since its current fair value measurement methods are already in accordance with the requirements of other relevant accounting standards.

(vi) Annual Improvements to PFRS. Annual improvements to PFRS (2009-2011 Cycle) made minor amendments to a number of PFRS, which are effective for annual period beginning on or after January 1, 2013. Among those improvements, the following amendments are relevant to the Group:

- PAS 1 (Amendment), *Presentation of Financial Statements – Clarification of the Requirements for Comparative Information*. The amendment clarifies that when an entity applies an accounting policy retroactively or makes a retroactive restatement or reclassification of items in its financial statements that has a material effect on the information in the statement of financial position at the beginning of the preceding period (i.e., opening statement of financial position), it shall present a third statement of financial position as at the beginning of that preceding period.

  Other than disclosures of certain specified information, related notes to the opening consolidated statement of financial position are no longer required to be presented. Under PAS 34, the minimum items required for interim condensed financial statements do not include an opening statement of financial position. The amendment has no impact on the Group's consolidated financial position or performance.

- PAS 16 (Amendment), *Property, Plant and Equipment – Classification of Servicing Equipment*. The amendment addresses a perceived inconsistency in the classification requirements for servicing equipment which resulted in classifying servicing equipment as part of inventory when it is used for more than one period. It clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognized as property, plant and equipment when they meet the definition of property, plant and equipment, otherwise, these are classified as inventory. This amendment has no impact on the consolidated interim financial information of the Group since it does not have such items which are covered by this amendment.

- PAS 32 (Amendment), *Financial Instruments: Presentation – Tax Effect of Distributions to Holders of Equity Instruments*. The amendment clarifies that the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with PAS 12, *Income Taxes*. Accordingly, income tax relating to distributions to holders of an equity instrument is recognized in profit or loss while income tax related to the transaction costs of an equity transaction is recognized in equity. The adoption of this amendment did not have an impact on the Group's consolidated financial position or performance as it did not distribute any equity instruments to its stockholders during the period.

- PAS 34 (Amendment), *Interim Financial Reporting – Interim Financial Reporting and Segment Information for Total Assets and Liabilities*. This standard clarifies the requirements on segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in paragraph 23 of PFRS 8, *Operating Segments*. It also clarifies that the total assets and liabilities for a particular reportable segment are required to be disclosed if, and only if: (a) a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; and, (b) there has been a material change from those measures disclosed in the last annual financial statements for that reportable segment. The adoption of this amendment did not have a significant impact in the Group's consolidated interim financial information as the Group only has one operating segment.

(b) *Effective in 2013 that are not Relevant to the Group*

The Group has not adopted the following new PFRS, amendments and improvement to PFRS, which are mandatory for accounting periods beginning on or after January 1, 2013 as these are not relevant to the Group.

PFRS 1 (Amendment)	:	First-time Adoption of PFRS – Government Loans
PFRS 11	:	Joint Arrangements
PFRS 12	:	Disclosures of Interest in Other Entities
PAS 28 (Amendment)	:	Investments in Associates and Joint Ventures
Philippine Interpretation International Financial Reporting Interpretations Committee 20	:	Stripping Costs in the Production Phase of a Surface Mine
Annual Improvement 2009-2011 Cycle		
PFRS 1 (Amendment)	:	First-time Adoption of PFRS – Repeated Application of PFRS 1 and Borrowing Costs

(c) *Effective Subsequent to 2013 but not Adopted Early*

The Group has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's interim consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the amounts reported in the interim consolidated financial information and related explanatory notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from those estimates.

The judgments, estimates and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's consolidated financial statements for the year ended December 31, 2012.

4.1 Critical Management Judgments in Applying Accounting Policies

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

(a) *Distinction Between Operating and Finance Leases*

The Group has entered into various lease agreements as a lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(b) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies.

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

4.2 Key Sources of Estimation and Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(a) Impairment of Trade and Other Receivables

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectibility of the accounts, including, but not limited to, the length of the Group's relationship with the customers, the customers' current credit status, average age of accounts, collection experience and historical loss experience.

The allowance account is presented under Note 7.

(b) Determining Net Realizable Values of Inventories

In determining the net realizable values of inventories, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to changes in market factors that directly affect the demand for alcoholic beverages such as purchasing power of consumers, degree of competition, and other market-related factors. Future realization of inventories is affected by price changes in the costs incurred necessary to make a sale. These aspects are considered as key sources of estimation uncertainty and may cause significant adjustments to the Group's inventories within the next financial year. No allowance for inventory decline was recognized in 2013 and 2012 as the carrying amounts of the inventories are lower than their net realizable values (see Note 9).

(c) Estimating Useful Lives of Property, Plant and Equipment and Trademarks

The Group estimates the useful lives of property, plant and equipment, and trademarks based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, and trademarks are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property, plant and equipment and trademarks are presented in Notes 10 and 11, respectively.

(d) Determining Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets will be fully utilized in the coming years.

(e) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment losses were recognized on non-financial assets in 2013 and 2012 based on management's assessment.

(f) Valuation of Post-employment Defined Benefit

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, salary rate increase, and employee turnover rate. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the expense and the carrying amount of post-employment obligation in such future periods.

5. SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's strategic steering committee; its chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's product and service lines. Presently, the Group's only significant operating segment is related to its manufacturing and trading operations. Such segment refers to the sale of goods, which include among others, brandy, wine or other similar alcoholic beverage products. This is being monitored and strategic decisions are made on the basis of operating results.

Furthermore, the Group's operations are presently concentrated in one location; hence, it has no geographical segment classification. The Group, however, continues to acquire properties for future development in different locations. Sales to any of the Group's major customers did not exceed 10% of the Group's revenues in all of the periods presented.

Since the Group has only one significant operating segment, the items presented in the interim consolidated financial statements corresponding to assets and liabilities represent virtually the entire segment assets and liabilities.

6. CASH AND CASH EQUIVALENTS

This account includes the following components:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Cash on hand and in banks	**P 1,086,209,288**	P 777,954,753
Short-term placements	**20,472,388,040**	3,878,494,840
	P21,558,597,328	P 4,656,449,593

Cash in banks generally earn interest at rates based on daily bank deposit rates.

Short-term placements have an average maturity of 30 days and earn effective annual interest rates ranging from 1.0% to 3.1% and 2.4% to 3.7% for the nine months ended September 30, 2013 and 2012, respectively. Interest earned amounted to P53.3 million and P19.7million for the nine months ended September 30, 2013 and 2012, respectively, and is presented as part of Other revenues - net under Revenues account in the consolidated statements of comprehensive income(see Note 14).

A portion of short-term placements with a certain foreign bank is covered by a set-off provision. The loans set-off against short-term placements amounted to P342.4 and P397.8 million as of September 30, 2013 and December 31, 2012, respectively.

7. TRADE AND OTHER RECEIVABLES

Details of this account are as follows:

	Note	**September 30, 2013 (Unaudited)**	December 31, 2012 (Audited)
Trade receivables	18.4	**P2,918,831,214**	P 1,935,365,800
Allowance for impairment		**(12,628,992)**	(12,628,992)
		2,906,202,222	1,922,736,808
Advances to suppliers		**359,349,839**	38,966,698
Advances to officers and employees	18.5	**29,969,441**	21,585,570
Other receivables – net of allowance for impairment amounting to P882,669		**7,463,586**	8,080,071
		396,782,866	68,632,339
		P 3,302,985,088	P 1,991,369,147

All of the Group's trade and other receivables have been reviewed for indications of impairment. Certain trade receivables and other receivables were found to be impaired; hence, adequate amounts of allowance for impairment have been recognized.

A reconciliation of the allowance for impairment is shown below.

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Balance at beginning of period	**P 13,511,661**	P 8,556,884
Impairment losses	**-**	4,072,108
Allowance carried from acquired subsidiary	**-**	882,669
Balance at end of period	**P 13,551,661**	P 13,511,661

Trade receivables are usually due within 30 days and do not bear any interest. All trade receivables are subject to credit risk exposure.

The carrying amounts of these financial assets are a reasonable approximation of their fair values due to their short-term duration.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As of September 30, 2013 and December 31, 2012, this account consists of derivative liability (see Note 13) and assets which amounted to P49.0 million and P170.1 million, respectively. These derivatives pertain to foreign exchange margins trading forward contracts entered into. The term of these forward contracts is usually one month.

The net changes in fair values of these financial assets are presented in the interim consolidated statements of comprehensive income as part of Other revenues- net under the Revenues account (see Note 14). The Group recognized fair value loss amounting to P221.5 million and fair value gain amounting to P227.3 million for the nine months ended September 30, 2013 and 2012, respectively.

9. INVENTORIES

Inventories as of September 30, 2013 and December 31, 2012 are all stated at cost, which is lower than their net realizable values. The details of inventories are shown below.

	Notes	**September 30, 2013 (Unaudited)**	December 31, 2012 (Audited)
Finished goods	15, 18.1	**P 1,773,420,488**	P 424,547,140
Raw materials	15, 18.1	**2,539,877,571**	2,585,740,667
Work-in-process	15, 18.1	**6,896,746**	7,793,883
Packaging materials	18.1	**184,143,463**	225,701,215
Machinery spare parts, consumables and factory supplies		**102,376,710**	94,362,899
		P 4,606,714,978	P 3,338,145,804

10. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property, plant and equipment as of September30, 2013 and December 31, 2012 are shown below.

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Cost	**P 4,086,552,071**	P 2,751,331,962
Accumulated depreciation and amortization	**(964,992,424)**	(737,406,237)
Net carrying amount	**P 3,121,559,647**	P 2,013,925,725

A reconciliation of the carrying amounts of property, plant and equipment is shown below.

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Balance at beginning of period, net of accumulated depreciation and amortization	**P 2,013,925,725**	P 785,799,636
Additions from acquisition of a subsidiary	**-**	134,009,166
Additions during the period	**1,338,392,250**	1,310,447,798
Disposals during the period	**(1,528,611)**	(2,356,917)
Depreciation and amortization charges for the period	**(229,229,717)**	(213,973,958)
Balance at the end of the period , net of accumulated depreciation and amortization	**P 3,121,559,647**	P 2,013,925,725

During 2012, the EDI Group contracted the construction of additional warehouses at the main bottling plant located at Sta. Rosa, Laguna. In 2012, it acquired a bottling plant in Biñan, Laguna from Diageo Philippines which now serves as EDI's annex plant, and it consolidated the glass manufacturing plant of AWGI.

In 2013, the EDI Group acquired the distilling facility of Consolidated Distillers of the Far East, Inc. (Condis), a related party owned by certain stockholders of AGI (see Note 18), located in Laguna; and vineyards in Spain.

The amount of depreciation and amortization is allocated as follows:

		For the Nine Months Ended	
	Notes	Sep 30, 2013 (Unaudited)	Sep 30, 2012 (Unaudited)
Cost of goods sold	15	**P 195,746,469**	P 86,964,488
Selling and distribution expenses	16	**28,408,050**	28,143,302
Administrative expenses	16	**5,075,198**	3,589,401
		P 229,229,717	P 118,697,191

11. TRADEMARKS

The Group's trademarks as of December 31, 2012 were acquired from Condis, to manufacture and sell distilled spirits, particularly brandy, under the brand names "Emperador Brandy" and "Generoso Brandy." The Group also has another trademark for its flavored-alcoholic beverage under the brand name "The Bar."

In 2013, the Group registered another trademark under the new brand name "Emperador Deluxe" which was introduced during the period.

The remaining useful lives of the trademarks are as follows:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Emperador Brandy	**3.25 years**	4 years
Generoso Brandy	**3.25 years**	4 years
The Bar	**4.75 years**	5.5 years
Emperador Deluxe	**9.75 years**	-

Management believes that the trademarks are not impaired as of September 30, 2013 and December 31, 2012 as the Group's products that carry such brands and trademarks are still selling fast.

The net carrying amount of trademarks is as follows:

	Note	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Balance at beginning of period		**P 415,238,652**	P 516,495,929
Addition during the period		**16,153,915**	-
Amortization during the period	16	**(76,616,037)**	(101,257,277)
Balance at end of period		**P 354,776,530**	P 415,238,652

12. OTHER NON-CURRENT ASSETS

This account is composed of the following:

	Note	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Deferred input VAT		**P 246,775,230**	P 109,507,928
Refundable security deposits - net	18.3	**36,367,504**	38,048,832
Others assets		**63,846,165**	-
		P 346,988,899	P 147,556,760

13. TRADE AND OTHER PAYABLES

The breakdown of this account is as follows:

	Notes	**September 30, 2013 (Unaudited)**	December 31, 2012 (Audited)
Trade payables	18.1, 18.2, 18.3	**P 2,200,704,035**	P 2,099,762,973
Advances from related parties	18.6	**912,682,964**	1,264,150,739
Accrued expenses		**119,266,575**	315,515,416
Output VAT payable		**181,596,543**	89,880,150
Derivative Liability	8	**49,005,104**	-
Others		**48,189,665**	84,859,885
		P 3,511,444,886	P 3,854,169,163

Management considers the carrying amounts of trade and other payables to be a reasonable approximation of their fair values due to their short duration.

14. REVENUES

The details of revenues are shown below:

		For the Nine Months Ended	
	Notes	**Sep 30, 2013 (Unaudited)**	Sep 30, 2012 (Unaudited)
Sale of goods		**P 19,771,600,422**	P16,605,047,045
Other revenues - net	6, 8	**822,834,499**	265,715,799
		P20,594,434,921	P 16,870,762,844

15. COST OF GOODS SOLD

The details of cost of goods sold are shown below:

	Notes	For the Nine Months Ended Sep 30, 2013 (Unaudited)	Sep 30, 2012 (Unaudited)
Finished goods at Beginning of period	9	**P 424,547,140**	P 599,931,660
Finished goods purchased	18.1	**552,886,521**	534,921,547
Cost of goods manufactured			
Raw materials			
At beginning of period	9	**2,585,740,667**	783,267,706
Net purchases during the period		**12,734,703,159**	10,140,651,658
At end of period	9	**(2,539,877,571)**	(1,127,237,580)
Raw materials used during the period		**12,780,566,255**	9,796,681,784
Work-in-process at beginning of period	9	**7,793,883**	-
Manufacturing overhead			
Fuel and oil		**237,033,313**	80,820,788
Depreciation and amortization	10	**195,746,469**	86,964,488
Communication, light and water		**138,197,810**	44,942,099
Rentals	18.3	**92,262,200**	53,838,833
Labor		**80,197,157**	39,728,104
Indirect materials		**73,432,373**	-
Repairs and maintenance		**63,696,839**	39,500,729
Consumables and supplies		**54,174,225**	44,426,040
Outside services		**53,482,983**	31,227,961
Management fee		**36,000,000**	-
Miscellaneous		**52,185,691**	15,134,833
Work-in-process at end of period	9	**(6,896,746)**	(9,823,454)
		13,857,872,452	10,223,442,205
Finished goods at end of period	9	**(1,773,420,488)**	(581,144,732)
		P13,061,885,625	P10,777,150,680

16. OTHER OPERATING EXPENSES

The details of other operating expenses are shown below.

	Notes	For the Nine Months Ended Sep 30, 2013 (Unaudited)	Sep 30, 2012 (Unaudited)
Freight out		**575,210,032**	494,412,786
Advertising		**298,448,075**	212,191,772
Repairs and maintenance		**22,962,643**	20,771,279
Salaries and employee benefits		**175,511,939**	176,297,824
Representation		**82,676,348**	87,542,904
Amortization of trademarks	11	**76,616,037**	75,942,957
Fuel and oil		**47,839,665**	50,100,681
Taxes and licenses		**43,888,165**	27,781,172
Travel and transportation		**40,843,754**	42,247,253
Rentals	18.3	**40,522,230**	36,451,075
Depreciation and amortization	10	**33,483,248**	31,732,703
Outside services		**28,340,875**	10,438,136
Utilities		**9,706,621**	7,415,154
Insurance		**5,562,617**	4,630,343
Raw materials and other consumables		**4,734,073**	4,426,236
Miscellaneous		**67,564,234**	25,301,414
		P 1,553,910,556	P 1,307,683,689

These expenses are classified in profit or loss in the consolidated statements of comprehensive income as follows:

	For the Nine Months Ended Sep 30, 2013 (Unaudited)	Sep 30, 2012 (Unaudited)
Selling and distribution	**P 1,452,778,004**	P 1,228,124,141
Administrative expenses	**101,132,552**	79,559,548
	P 1,553,910,556	P 1,307,683,689

17. TAXES

In 2013 and 2012, the Group opted to claim itemized deductions in computing its income tax due, except for AWGI which opted to claim optional standard deduction in computing its regular corporate income tax.

18. RELATED PARTY TRANSACTIONS

The Group's related parties include the ultimate parent company, stockholders, officers and employees, and other related parties under common ownership as described below. Transactions with related parties are also discussed below.

The summary of the Group's transactions with its related parties for the nine months periods ended September 30, 2013 and 2012 and the related outstanding balances as of September 30, 2013 and December 31, 2012 are as follows:

Related Party Category	Notes	Amount of Transaction For the Nine Months Ended September 30 2013	September 30 2012	Outstanding Balance as of September 30, 2013	December 31, 2012
Ultimate Parent Company:					
Advances obtained (payment made)	18.6	**(P 13,751,812)**	P -	**P -**	P 13,751,812
Lease of properties	18.3	**6,000,000**	6,000,000	**6,825,576**	405,576
Acquisition of subsidiary	1.3	**-**	100,000,000	**-**	-
Related Parties Under Common Ownership:					
Purchase of raw materials	18.1	**381,646,174**	2,270,610,062	**464,181,809**	789,565,615
Purchase of imported goods	18.1	**140,094,060**	363,547,616	**4,441,932**	119,069,000
Lease of properties	18.3	**76,393,468**	51,651,129	**47,750,000**	45,812,082
Advances obtained (payment made)	18.6	**(337,715,963)**	(81,623,517)	**909,612,249**	1,247,328,212
Acquisition of machineries and equipment	18.2	**-**	-	**191,584,700**	191,584,700
Acquisition of distilling facility	10	**897,569,335**	-	**-**	-
Sale of goods	18.4	**29,128,105**	3,915,044	**6,337,105**	4,690,584
Stockholder -					
Advances obtained	18.6	**-**	-	**3,070,715**	3,070,715
Officers and Employees -					
Advances granted (payment)	18.5	**8,383,871**	(7,899,758)	**29,969,441**	21,585,570

The Group's outstanding receivables from and payables to related parties arising from the above transactions are unsecured, noninterest-bearing and payable on demand, unless otherwise stated. No impairment loss was recognized for the nine months ended September 30, 2013 and 2012 for related party receivables.

18.1 Purchase of Goods

The Group sources its raw materials such as alcohol, molasses, flavorings and other items from Condis and Andresons Global, Inc., both related parties under common ownership. Total purchases for the nine months ended September 30, 2013 and 2012 amounted to P0.4 billion and P2.3 billion, respectively. These are payable within 30 days. The related unpaid purchases as of September 30, 2013 and December 31, 2012 amounting to P0.5 billion and P0.8 billion, respectively, are shown as part of Trade Payables under the Trade and Other Payables account in the consolidated statements of financial position (see Note 13).

Total finished goods purchased from Condis amounted to P140.1 million and P363.5 million for the nine months ended September 30, 2013 and 2012, respectively (see Notes 9 and15). As of September 30, 2013 and December 31, 2012, outstanding liability related to the purchases made amounted to P4.4 million and P119.1 million, respectively, and are presented as part of Trade Payables under Trade and Other Payables account in the consolidated statements of financial position (see Note 13).

18.2 Acquisition of Machineries and Equipment

In 2010, the Group purchased certain machineries and equipment from Tradewind Estates, Inc. (TEI) for P285.4 million. Of the total purchase price, P191.6 million remained unpaid as of September 30, 2013 and December 31, 2012 and is shown as part of Trade Payables under the Trade and Other Payables account in the consolidated statements of financial position (see Note 13).

18.3 Lease Agreements

The Group has a renewable lease agreement with TEI as the lessor, covering its main manufacturing plant facilities, which will expire at the end of the year. The parties mutually agreed to renew the contract annually thereafter unless mutually terminated by both parties. Also, as part of the lease agreement, the lessor provides skilled workers who remain as employees of the lessor. Total rental expense arising from this lease amounted to P63.0 million and P39.40 million for the nine months ended September 30, 2013 and 2012, respectively, and presented as part of Rentals account under Cost of Goods Sold in the consolidated statements of comprehensive income (see Note 15). As of September 30, 2013 and December 31, 2012, unpaid rental relating to this lease agreement amounted to P47.8 million and P45.8 million, respectively, and is presented as part of Trade Payables under Trade and Other Payables account in the consolidated statements of financial position (see Note 13).

The Group has a five-year lease contract with Megaworld Corporation as the lessor, for the head office space, which will mature in 2014. Total rental expense from this contract for the nine months ended September 30, 2013 and 2012 amounted to P13.4 million and P12.3 million, respectively, and presented as part of Rentals under the Selling and Distribution Expenses and General and Administrative Expenses accounts in the consolidated statements of comprehensive income (see Note 16). There are no unpaid rentals regarding this lease agreement as of September 30, 2013 and December 31, 2012.

In relation to the above lease agreements, the Group paid the lessors refundable security deposits shown as part of Other Non-current Assets – Net in the consolidated statements of financial position with carrying amounts of P23.9 million and P23.5 million as of September 30, 2013 and December 31, 2012, respectively (see Note 12).

Meanwhile, AWGI leases the glass manufacturing plant located in Laguna from AGI. The amount of rental is mutually agreed annually between AGI and AWGI. Rentals amounting to P6.0 million for the nine months ended September 30, 2013 and 2012 were charged to operations under Cost of Goods Sold in the consolidated statements of comprehensive income (see Note 15).The outstanding liability from this transaction amounted to P6.8 million and P0.4 million as of September 30, 2013 and December 31, 2012 and is shown as Trade payables under the Trade and Other Payables account in the consolidated statement of financial position (Note 13).

18.4 Sale of Goods

The Group sold finished goods to some of its related parties. Goods are sold on the basis of the price lists in force and terms that would be available to non-related parties. Total sales for the nine months ended September 30, 2013 and 2012 amounted to P29.1 million and P3.9 million respectively. The outstanding receivables from sale of goods amounted to P6.3 million and P4.7 million as of September 30, 2013 and December 31, 2012, respectively, and are generally noninterest-bearing, unsecured and settled through cash.

These receivables are presented as part of Trade Receivables under Trade and Other Receivables account in the consolidated statements of financial position (see Note 7).

18.5 Advances to Officers and Employees

In the normal course of business, the Group grants noninterest-bearing, unsecured, and payable on demand cash advances to certain officers and employees. The outstanding balance arising from these transactions as of September 30, 2013 and December 31, 2012 are presented as Advances to Officers and Employees under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 7).

The movements in the balance of Advances to Officers and Employees are as follows:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Balance at beginning of period	**P 21,585,570**	P 29,485,328
Additions during the period	**11,957,930**	19,190,039
Repayments during the period	**(3,574,059)**	(27,089,797)
Balance at end of period	**P 29,969,441**	P 21,585,570

18.6 Advances from Related Parties

Certain entities within the AGI Group and other related parties grant cash advances to the EDI Group for its working capital, investment and inventory purchases requirements. These advances are unsecured, non-interest bearing and repayable upon demand in cash. These are presented as Advances from Related Parties under the Trade and Other Payables account in the consolidated statements of financial position (see Note 13).

The movements in the balance of Advances from Related Parties are as follows:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Balance at beginning of period	**P 1,264,150,739**	P 1,345,848,435
Additions during the period	**82,651,858**	-
Repayments during the period	**(434,119,633)**	(81,697,696)
Balance at end of period	**P 912,682,964**	P 1,264,150,739

19. EQUITY

19.1 Capital Stock

Capital stock consists of:

	Shares		Amount at P1 Par	
	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)	**September 30, 2013 (Unaudited)**	December 31, 2012 (Audited)
Common stock – P1 par value				
Authorized no. of shares	20,000,000,000	100,000,000	20,000,000,000	100,000,000
Issued:				
Balance at beginning of period	**61,750,005**	55,750,005	**P 61,750,005**	P 55,750,005
Issued during the period	**14,938,249,995**	6,000,000	**14,938,249,995**	6,000,000
Balance at end of period	**15,000,000,000**	61,750,005	**P 15,000,000,000**	P 61,750,005

On June 19, 2013 and August 27, 2013, the Company's BOD and stockholders, respectively, approved the increase in authorized capital stock of the Company from P100.0 million divided into 100.0 million shares to P20.0 billion divided into 20.0 billion shares with par value of P1.00per share. On September 5, 2013, the Company's application for the increase in authorized common stock was approved by the SEC. (See Notes 1.1)

On July 4, 2013, the Company's BOD approved the issuance of 6.5 million shares at par value to two foreign investors.

On August 28, 2013, AGI and other investors subscribed to an aggregate of 14.9 billion shares. Under the terms of AGI's subscription, the Company acquired all of EDI shares held by AGI. (See Notes 1.2 and 1.3)

On September 17, 2013, AGI launched an offering of 1.8 billion shares of the Company's shares, which is approximately 12% of the total issued shares. The said offering was priced at P8.98 per share and crossed on September 20, 2013. On September 25, the settlement date, the amount of P11.2 billion out of the net proceeds was directly remitted to the Company as an additional subscription price under the terms of AGI's amended subscription; such amount is recorded as Additional Paid-In Capital (APIC). Costs related to the issuances were deducted from APIC.

On September 25, AGI acquired two of the Company's minority corporate shareholders which hold 9.55% of the total issued shares. Thus, AGI beneficially owns 87.55% of EMP as of September 30, 2013.

19.2 Declaration of Dividends

In 2012, the BOD of EDI approved cash dividends of P4.0 billion (P0.80 per share), payable to stockholders of record as of December 17, 2012. All dividends are paid as of December 31, 2012.

In 2013, the BOD of EDI approved cash dividends of P3.7 billion, payable to stockholders of record as of July 16, 2013. The dividends, which totaled P3.7 billion were fully paid as of August 22, 2013.

The Company, on the other hand, has not declared any cash dividends during the year.

20. EARNINGS PER SHARE

Earnings per share were computed as follows:

	For the Nine Months Ended	
	Sep 30, 2013 (Unaudited)	Sep 30, 2012 (Unaudited)
Net profit	**P 4,489,498,280**	P 3,439,731,148
Divided by the weighted average number of outstanding common shares of EDI	**9,494,065,934**	2,160,000,000
	P 0.47	P 1.59

The Group has no potentially dilutive instruments; thus, basic and dilutive earnings per share are the same.

21. COMMITMENTS AND CONTINGENCIES

The Group entered into non-cancellable leases covering certain manufacturing plant facilities, storage tanks and office spaces. The leases are for a period of one and five years, respectively, which are renewable thereafter upon mutual agreement of both parties. Several warehouse lease agreements with different lessors were likewise executed in 2013 and 2012 with lease period ranging from one to three years, which are renewable thereafter upon mutual agreement between the parties. The future minimum rentals payable under these operating leases as of September 30, 2013 and December 31, 2012 are as follows:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Within one year	**P 57,025,855**	P 72,829,084
After one year but not more than five years	**46,577,021**	63,484,852
	P 103,602,876	P 136,313,936

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's interim consolidated financial statements.

22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from its operating activities. The Group's risk management is coordinated with AGI, in close cooperation with the BOD appointed by AGI, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets.

There have been no significant changes in the Group's financial risk management objectives and policies during the period.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described in the succeeding paragraphs.

22.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from both its operating, investing and financing activities.

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's foreign currency-denominated transactions, which are primarily denominated in U.S. dollars (USD).

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Foreign currency denominated financial assets and liabilities (all denominated in USD), translated into Philippine pesos at the closing rate, are as follows:

	September 30 2013	December 31 2012
Financial assets	**P 3,178,630,665**	P 2,886,211,610
Financial liabilities	**921,550,862**	1,645,282,302
	P 2,257,079,803	P 1,240,929,308

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine pesos against USD exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 99% confidence level.

	2013	2012
Reasonably possible change in rate	**16%**	14%
Effect in profit before tax	**P 361,132,768**	P 173,730,103

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

(b) Interest Rate Risk

As at September 30, 2013 and December 31, 2012, the Group is exposed to changes in market rates through its cash in banks and short-term placements which are subject to 30-day re-pricing intervals (see Note 6). Due to the short duration of short-term placements, management believes that interest rate sensitivity and its effect on the net results and equity are not significant.

22.2 Credit Risk

Generally, the maximum credit risk exposure of financial assets is the total carrying amount of the financial assets as shown in the consolidated statements of financial position, as summarized below.

	Notes	**September 2013**	2012
Cash and cash equivalents	5	**P 21,558,597,328**	P 4,656,449,593
Trade and other receivables – net	6	**2,943,635,249**	1,952,402,449
Marketable debt securities		**-**	-
Refundable security deposits	12	**36,367,504**	38,048,832
		P 24,538,600,081	P 6,646,900,874

The Group's management considers that all the above financial assets that are not impaired as at the end of reporting period under review are of good credit quality.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure. In determining credit risk, trade and other receivables excludes advances to supplier amounting to P359.3 million and P39.0 million as of September 30, 2013 and December 31, 2012, respectively (see Note 7).

The age of trade and other receivables that are past due but unimpaired is as follows:

	September 2013	2012
Not more than 3 months	**P 1,168,790,829**	P 783,691,528
More than 3 months but not more than six months	**106,661,867**	95,037,427
	P 1,275,452,696	P 878,728,955

The Group has no trade and other receivables that are past due for more than six months.

None of the financial assets are secured by collateral or other credit enhancements.

22.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 60-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The contractual maturities of trade and other payables, and derivative liabilities reflect the gross cash flows, which approximates the carrying values of the liabilities at the end of each reporting period. As at September 30, 2013 and December 31, 2012, the Group's financial liabilities, which have contractual maturities of less than 12 months, are presented below.

	September 2013		2012	
	Within 6 Months	**6 to 12 Months**	Within 6 Months	6 to 12 Months
Trade and other payables	**P 1,749,240,625**	**P 1,593,932,582**	P 1,977,710,058	P 1,560,943,689
Derivative liability	**49,005,104**	**-**	-	-
	P 1,798,245,729	**P 1,593,932,582**	P 1,977,710,058	P 1,560,943,689

The Group maintains cash to meet its liquidity requirements for up to seven-day periods. Excess cash funds are invested in time deposits.

23. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of the financial assets and liabilities approximate their fair values.

As of September 30, 2013 and December 31, 2012, the Group's financial assets and liabilities measured at fair value only pertain to derivative liability and financial assets at FVTPL which are classified as part of Level 1 of the fair value hierarchy.

24. CAPITAL MANAGEMENT OBJECTIVES POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented in the face of the consolidated statements of financial position. Capital at the end of each reporting period is summarized as follows:

	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Total liabilities	**P3,997,208,056**	P4,337,581,218
Total equity	**29,485,502,811**	8,492,079,341
Debt-to-equity ratio	**0.14 : 1**	0.51: 1

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

EMPERADOR INC. AND SUBSIDIARIES
AGING SCHEDULE OF TRADE AND OTHER RECEIVABLES
SEPTEMBER 30, 2013
(Amounts in Thousand Philippine Pesos)

Trade Receivables	
Current	P 1,630,749
1 to 30 days	981,778
31 to 60 days	91,994
Over 60 days	201,681
Total	2,906,202
Other receivables	396,783
Balance at September 30, 2013	**P 3,302,985**

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.

Issuer: **EMPERADOR INC.**

By:

DINA D.R. INTING
Corporate Information Officer
& Duly Authorized Officer
(Principal Financial/Accounting Officer)
November 14, 2013