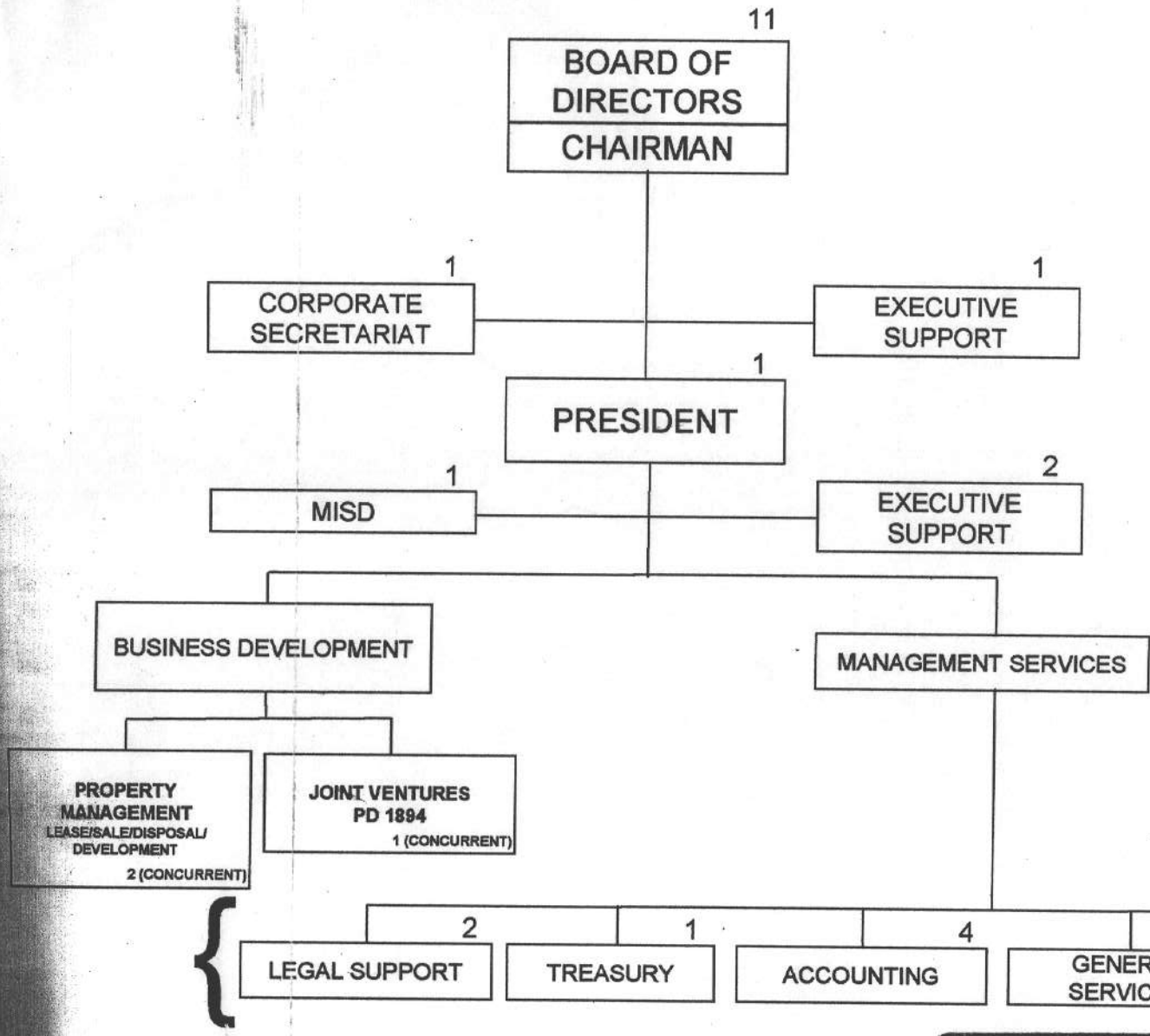


**PROPOSED TABLE OF ORGANIZATION
AND MANPOWER COMPLEMENT BY YEAR END 2013**



PNCC BOARD		
BOARD OF DIRECTORS	11	11
OFFICE OF THE CHAIRMAN	2	2
TOTAL	13	13

MANAGEMENT		
OFFICE OF THE PRESIDENT	6	4
BUSINESS DEVELOPMENT	CONC	CONC
TREASURY	2	1
ACCOUNTING	6	4
GEN. SERVICES	9	6
LEGAL SUPPORT	5	2
SPECIAL PROJ.	2	0
MMD	3	1
TOTAL	33	18

PNCC-CORP. CONTROLLERSHIP
 DATE: FEB 07 2013
 TIME: 5:10
 REC'D BY: *[Signature]*

ASSET DISPOSAL
1 CONCURRENT

PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
 SCHEDULE OF MANPOWER UNLOADING
 BUDGET 2013

PLANTILLA:

Offices	Dec 2012	Manpower Movements				Dec 2013	Remaining Officers/Employees
		Transfer of Office		Resignation/Separation			
		Count	Name/s	Count	Name/s		
Board: Office of the Chairman	2					2	Monsanto/Libongco
Management: 1 Office of the President	6			-1	Lago (March 2013)	4	Sison/Punsalan/Delivios/Madrona
2 Special Project	2	-1	Faminiano	-1	Namocatcat (May 2013)	0	
3 Legal Support	5	1	Lopez-de Leon	-4	Sales (December 2012)	2	Salazar/Nepomuceno
4 Treasury	2			-4	Lopez-de Leon (Apr 2013)		
5 Accounting	6			-1	Lim (April 2013)	1	Silvestre
6 General Services (formerly HR and Admin)	9	1	Faminiano	-2	Javier (May 2013)	4	Vales/Mejorada/Vicente/Orallo
7 Materials Management	3	-1	Lopez-de Leon	-1	Paco (June 2013)	6	Erece/Faminiano/dela Cruz/ Hernandez/Hugo/Simbulan
Sub-total	33	0		-2	Pasetes (May 2013)	18	
Total	35	0		-15	Cordero (May 2013)	20	
					Talusan (October 2013)		
					Alejandrino (June 2013)		
					Bassig (June 2013)		
					Calimag (June 2013)		
					Pangilinan (May 2013)		
					Manlawe (July' 2013)		

02/14/2013

Effective Date of Separation	Manpower Reduction	Manpower Count	
		as of Covering Period	Headcount
Dec 31, 2012	-1	Jan to Mar	34
Mar 31, 2013	-1	April 30	33
April 30, 2013	-2	May 31	31
May 31, 2013	-5	June 30	26
June 30, 2013	-4	July 31	22
July 31, 2013	-1	Aug to Oct	21
Oct 31, 2013	-1	Nov to Dec	20
	<u>-15</u>		

Thirteen (13) or 86.67% of the total manpower reduction of fifteen (15) personnel is projected to be attained beginning of July 2013.

2013 BUDGET ASSUMPTIONS

The budget was prepared in accordance with the basic guidelines and assumptions distributed to the offices/divisions on October 22, 2012. Among the significant assumptions are the following:

1. INCOME STATEMENT:

1.1 Revenues:

- Accrual of the 10% revenue/dividend share in Joint Venture Companies (pending instruction to consider the DOF's position that there is no legal basis for PNCC to retain the dividend share).
- Accrual of the rental income from the leased area of the FCA property (the unoccupied portion will be bidded-out to settle the debt to the National Government and to correspondingly stop the P21.25M penalty charges per month imposed by the TRB on unpaid concession fee).
- Accrual of rental income from DISC at P58,625 (net of VAT) per month.

1.2 Overhead:

- Manpower cost and related benefits: gradual manpower reduction from 35 at the end of CY 2012 to 20 (i.e. board and management with 2 and 18 employees, respectively) at the end of CY 2013.
- Grant of the allowable benefits, such as: rice subsidy, clothing allowance, cash gift, and year-end benefit.
- Employee economic assistance is likewise provided, but payment of which is subject to the approval of the Governance Commission for GOCCs (GCG).
- Group hospitalization insurance (Medicaid) per entitlement/premium rate provided by HR. The following are initially provided for in the budget:
 - Directors/Spouses; and
 - Executives, Officers, and Employees/qualified spouses and maximum of two (2) qualified dependent children.
- Provision of shuttle service to employees to and from place of office is discontinued starting March 01, 2013.
- Per diems (rates as provided for in EO 24) are considered based on the hereunder presented schedule of board and committee meetings:

- Regular Board - Monthly;
- Special Board - Every other month;
- Joint Finance/Audit Committee - Every other month;
- Legal Committee - Quarterly;
- Compensation Committee - Semi-annual; and
- Task Force - Quarterly.

➤ Director's reimbursable expenses per month:

- Transportation - P15,000.00;
- Representation - P20,000.00; and
- Communication - P 2,000.00.

➤ COA audit fee: from residency to visitorial audit basis.

1.3 Other Income (Charges):

- Accrual of the 2% penalty charges on unpaid concession fee (awaiting the decision of the DOF on PNCC's request for the suspension of the same).
- Parking fee collections, net of value-added tax and related costs and expenses.
- Gain on disposal of property and equipment and other inventory/scrap materials covered under Batch No. 58.

2. BALANCE SHEET/CASH FLOW:

2.1 Collections:

Particulars	Covering Month	Month of Collection
1 Share in JVC's Gross Revenue: 10% of 6% Share in MNTC 10% of 3.5% Share in CMMTC 10% of 1.75% Share in SLTC	December 2012 Jan to Nov 2013 Within 30 days after reference month Within 30 days after reference month	July 2013 December 2013
2 Dividend Income: 10% of Equity Share in MNTC 10% of Equity Share in TMC	June 2013 December 2013 February 2013 July 2013	Within the reference month
3 Rental Income	Every 5 th day of the month (except monthly rental of Mr. Sedano which is applied against the remaining P10 million advance)	

Particulars	Covering Month	Month of Collection
	rental as of December 2012 (i.e. January to May 2013).	
4 Oil Companies		
APY (P2.068 M)	May 2010 to Apr 2012	April 2013
Total Phils. (P0.867M)	Mar 2010 to April 2012	January 2013
Big "3" Oil Companies (P53,233M)	Referred to Legal/Under Reconciliation	

2.2 Disbursements:

- Suppliers of goods and services on account of 30 days.
- Net output tax, if any, payable the following month.
- Payroll payable within the reference month.
- Employer share on premium contributions (SSS, Philhealth, and Pag-ibig) due the following month.

2.3 Others:

- Disposal of property and equipment and other inventory/scrap materials covered under Batch No. 58 with an indicative price of P15.232 million (awarded price should not be lower than the indicative price). Schedule of disposal is March 2013.
- Collection of parking fee at the FCA property (trial period for three months only, i.e. from January 21, 2013 to April 20, 2013) based on average daily collection of P13,858.87 (net of Vat). After which, the property will be rented out to interested party and projected to earn additional P3M revenue.

FINANCIAL HIGHLIGHTS

2013 Budget (P000):

Statement of income:

	Actual	Budget	Increase (Decrease)	
	2012	2013	Amount	%
Revenue	116,169	148,101	31,932	27
Gen. and Adm. Overhead:				
Board	9,950	12,132	2,182	22
Resident Auditor	2,996	800	(2,196)	(73)
Management	69,409	50,176	(19,233)	(28)
Total Overhead	82,355	63,108	(19,247)	(23)
Income from Operation	33,814	84,993	51,179	151
Other Income (Charges)	(241,649)	(248,174)	(6,525)	(3)
Net Loss	(207,835)	(163,181)	44,654	21

General and Administrative Overhead:

Account	Amount	Percentage to Total Overhead
Salaries, Wages, and Allowances	21,834	34.60
Bonus and Gratuities	3,974	6.30
Fringe Benefit/Tax Expenses	3,204	5.08
Employees Terminal Pay-VL/SL	1,964	3.11
Other Payroll Related Accounts	1,563	2.48
Sub-total	32,539	51.56
Transportation and Travelling	4,458	7.06
Directors' Fees and Allowances	3,939	6.24
Light and Water	3,514	5.57
Taxes and Licenses	2,673	4.24
Entertainment, Amusement & Recreational Exp.	2,649	4.20
Security Services-Salaries of Guards/Agency Fee	1,986	3.15
Janitorial and Messengerial Services	1,941	3.08
Professional Fees	1,922	3.05
Legal and Documentation Expenses	1,865	2.96
Other Outside Services	1,807	2.86
Repairs and Maintenance-Materials and Labor	1,119	1.77
Postage and Other Communications	1,110	1.76
Others (less than P1M/account title)	1,586	2.51
	30,569	48.44
	63,108	100.00

Payroll and related accounts cover 51.56% or P32.539 million of the total overhead of P63.108 million.

Result of Operation:

The overhead account of P63.108 million is 42.61% of the total projected revenue of P148.101 million (inclusive of revenue share of P80.578 million, dividend share of P15.481 million, and rental income of P52.042 million). This resulted to net income from operation in the amount of P84.993 million.

After considering the other income (charges) account, the bulk of which is the penalty charges of P254.587 million, the company projected a net loss of P163.181 million.

2012 Financial Performance (P000):

	Actual 2012	Budget 2012	Increase (Decrease)	
			Amount	%
Revenue	116,169	117,759	1,590	1
Gen. and Adm. Overhead	82,355	80,408	(1,947)	(2)
Income from Operation	33,814	37,351	3,537	10
Other Income (Charges)	(241,649)	(259,197)	(17,548)	(7)
Net Loss	(207,835)	(221,846)	(14,011)	(7)

For the period ended December 31, 2012, the company incurred losses of P207.835 million, P14.011 million lower than the projected net loss of P221.846 million. The favorable variance is attributable to the recognition of dividend from ASDI (P10M) and gain on sale of property and equipment/scrap materials (P4.5M).

Worthwhile to note from the above presentation that if not for the accrual of penalty charges on unpaid concession fees amounting to P254.587 million, the Company could have realized a net income of P46.752 million in 2012.

A	B	C	D	E	F
1	PHILIPPINE NATIONAL CONSTRUCTION CORPORATION				
2	INCOME STATEMENT BUDGET				
3	FOR THE YEAR 2013				
4	(In Thousand Pesos)				
5					
6	EXPENSE TITLE	ACTUAL 2012	BUDGET 2013	INC. / (DEC.)	
7				AMOUNT	%
8	REVENUE				
9	Revenue Share:				
10	10% of 6% Share in MNTC Gross Revenue	35,987	46,103	10,116	28
11	10% of 3.5% Share in CMMTC Gross Revenue	22,773	23,315	542	2
12	10% of 1.75% Share in SLTC Gross Revenue	6,911	11,160	4,249	61
13	Dividend Income:				
14	10% Share in the Equity Share in MNTC	4,262	5,135	873	20
15	10% Share in the Equity Share in TMC	4,534	10,346	5,812	128
16	10% Share in the Equity Share in SLTC	0	0	0	0
17	10% Share in the Equity Share in MATES	0	0	0	0
18	Rental Income	74,467	96,059	21,592	29
19		41,702	52,042	10,340	25
20	Total Revenue	116,169	148,101	31,932	27
21	GENERAL AND ADMINISTRATIVE OVERHEAD				
22	Board:				
23	Office of the Chairman	9,950	12,132	2,182	22
24	COA:				
25	Office of the Resident Auditor	2,996	800	(2,196)	(73)
26	Management:				
27	Office of the President	12,441	10,765	(1,676)	(13)
28	Legal Support	8,870	6,883	(1,987)	(22)
29	Treasury	3,000	1,654	(1,346)	(45)
30	Accounting	5,538	5,095	(443)	(8)
31	General Services	13,752	9,458	(4,294)	(31)
32	Materials Management	5,439	3,938	(1,501)	(28)
33	Common Account	17,345	12,383	(4,962)	(29)
34	Special Project	2,646	0	(2,646)	(100)
35	Office of the Support Services Group	42	0	(42)	(100)
36	Corporate Audit	30	0	(30)	(100)
37	Daang-Hari SLEX Linkroad Project	306	0	(306)	(100)
38	Subtotal - Management	69,409	50,176	(19,233)	(28)
39	Total General and Administrative Overhead	82,355	63,108	(19,247)	(23)
40	INCOME FROM OPERATION	33,814	84,993	51,179	151
41	OTHER INCOME (CHARGES)				
42	Penalty Charges	(254,587)	(254,587)	0	0
43	Depreciation	(10,497)	(7,701)	2,796	27
44	Dividend Income	10,043	0	(10,043)	(100)
45	Gain on Sale of Property and Equipment	4,472	7,815	3,343	75
46	Gain on Sale of Inventory	0	2,893	2,893	100
47	Interest Income	1,245	0	(1,245)	(100)
48	Miscellaneous Income	7,675	0	(7,675)	(100)
49	Parking Fee	0	3,406	3,406	100
50		(241,649)	(248,174)	(6,525)	(3)
51	NET LOSS	(207,835)	(163,181)	44,654	21
52					
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PHILIPPINE NATIONAL CONSTRUCTION CORPORATION

INCOME STATEMENT BUDGET

FOR THE YEAR 2013

(In Thousand Pesos)

EXPENSE TITLE	ACTUAL 2012	BUDGET 2013	INC. / (DEC.)		JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
			AMOUNT	%												
REVENUE																
Revenue Share:																
10% of 6% Share in MNTC Gross Revenue	35,987	46,103	10,116	28	3,810	3,510	3,849	4,037	4,062	3,687	3,793	3,690	3,634	3,960	3,794	4,277
10% of 3.5% Share in CMMTC Gross Revenue	22,773	23,315	542	2	1,882	1,750	1,958	1,843	2,046	1,942	1,919	1,834	1,923	2,027	2,000	2,191
10% of 1.75% Share in SLTC Gross Revenue	6,911	11,160	4,249	61	643	643	643	1,055	1,055	1,055	997	997	997	1,025	1,025	1,025
Dividend Income:																
10% Share in the Equity Share in MNTC	4,262	5,135	873	20	-	-	-	-	-	2,054	-	-	-	-	-	-
10% Share in the Equity Share in TMC	4,534	10,346	5,812	128	-	5,346	-	-	-	-	-	-	-	-	-	3,081
10% Share in the Equity Share in SLTC	0	0	0	0	-	-	-	-	-	-	5,000	-	-	-	-	-
10% Share in the Equity Share in MATES	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	74,467	96,059	21,592	29	6,335	11,249	6,450	6,935	7,163	8,738	11,709	6,521	6,554	7,012	6,819	-
	41,702	52,042	10,340	25	4,324	4,324	4,324	4,324	4,324	4,324	4,325	4,325	4,326	4,326	4,326	4,470
Total Revenue	116,169	148,101	31,932	27	10,659	15,573	10,774	11,259	11,487	13,062	16,034	10,846	10,880	11,338	11,145	15,044
GENERAL AND ADMINISTRATIVE OVERHEAD																
Board:																
Office of the Chairman	9,950	12,132	2,182	22	1,220	837	1,090	939	1,081	874	1,229	835	1,099	940	1,114	874
COA:																
Office of the Resident Auditor	2,996	800	(2,196)	(73)	67	67	67	67	67	67	67	67	66	66	66	66
Management:																
Office of the President	12,441	10,765	(1,676)	(13)	995	1,042	1,017	958	956	838	836	817	835	819	817	835
Legal Support	8,870	6,883	(1,987)	(22)	836	850	859	843	703	601	363	355	364	355	389	835
Treasury	3,000	1,654	(1,346)	(45)	248	244	255	243	248	66	59	55	63	55	55	63
Accounting	5,538	5,095	(443)	(8)	451	446	466	456	438	427	437	401	424	401	364	384
General Services	13,752	9,458	(4,294)	(31)	921	950	1,001	968	918	984	624	594	646	594	612	646
Materials Management	5,439	3,938	(1,501)	(28)	392	397	405	392	392	339	337	267	272	239	264	242
Common Account	17,345	12,383	(4,962)	(29)	3,067	950	1,221	775	773	919	929	749	740	742	740	778
Special Project	2,646	0	(2,646)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Office of the Support Services Group	42	0	(42)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Audit	30	0	(30)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Daang-Hari SLEX Linkroad Project	306	0	(306)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal - Management	69,409	50,176	(19,233)	(28)	6,910	4,879	5,224	4,635	4,428	4,174	3,585	3,238	3,344	3,205	3,241	3,313
Total General and Administrative Overhead	82,355	63,108	(19,247)	(23)	8,197	5,783	6,381	5,641	5,576	5,115	4,881	4,140	4,509	4,211	4,421	4,253
INCOME FROM OPERATION	33,814	84,993	51,179	151	2,462	9,790	4,393	5,818	5,911	7,947	11,153	6,706	6,371	7,127	6,724	10,791
OTHER INCOME (CHARGES)																
Penalty Charges	(254,587)	(254,587)	0	0	(21,623)	(19,530)	(21,623)	(20,925)	(21,623)	(20,925)	(21,622)	(21,622)	(20,925)	(21,622)	(20,925)	(21,622)
Depreciation	(10,497)	(7,701)	2,796	27	(722)	(722)	(722)	(615)	(615)	(615)	(615)	(615)	(615)	(615)	(615)	(615)
Dividend Income	10,043	0	(10,043)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Gain on Sale of Property and Equipment	4,472	7,815	3,343	75	-	-	7,815	-	-	-	-	-	-	-	-	-
Gain on Sale of Inventory	0	2,893	2,893	100	-	-	2,893	-	-	-	-	-	-	-	-	-
Interest Income	1,245	0	(1,245)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	7,675	0	(7,675)	(100)	-	-	-	-	-	-	-	-	-	-	-	-
Parking Fee	0	3,406	3,406	100	31	57	202	116	375	375	375	375	375	375	375	375
	(241,649)	(248,174)	(6,525)	(3)	(22,314)	(20,195)	(11,435)	(21,424)	(21,863)	(21,165)	(21,862)	(21,862)	(21,165)	(21,862)	(21,165)	(21,862)
NET LOSS	(207,835)	(163,181)	44,654	21	(19,852)	(10,405)	(7,042)	(15,906)	(15,952)	(13,218)	(10,709)	(15,156)	(14,794)	(14,735)	(14,441)	(11,071)