

MEGAWIDE

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1234 Main Street
New York, NY 10001

Attention: Mr. Robert A. [Name]
[Address]

1234 Main Street

New York, NY

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Corporate Secretary
Corporate Information Office

1234 Main Street
New York, NY 10001
Corporate Secretary
Corporate Information Office

MEGAWIDE CONSTRUCTION CORPORATION

Company's Full Name

**2/F Spring Bldg.,
Armaiz Ave. cor. P. Burgos St., Pasay City**
Company's Address

414-0680; 376-3425
Telephone Number

December 31
Fiscal Year Ending
(Month & Day)

SEC FORM 17 - Q
Form Type

March 31, 2011
Period Ended Date

(Secondary License Type and File Number)

cc: Philippine Stock Exchange

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 **March 31, 2011**
2. SEC Identification Number **CS200411461**
3. BIR Tax Identification No. **232-715-069-000**
4. Exact name of issuer as specified in its charter **Megawide Construction Corporation**
5. Province, Country or other jurisdiction of incorporation or organization **Philippines**
6. Industry Classification Code (SEC Use Only)
7. Address of Principal Office **2/F Spring Bldg. Arnaiz Ave. cor. P. Burgos St., Pasay City, Metro Manila**
Postal Code
8. Issuer's telephone number, Including area code **(02) 376-3425; (02) 414-0680**
9. Former name, former address and fiscal year, if changed since last report **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder of 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 that the registrant was required to file such reports):

Yes

No

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

Yes

No

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

The interim Consolidated Financial Statement

Metro Manila which it hopes to win within the year. These anticipated new contracts will sustain the growth momentum of Megawide moving forward.

On the expense side, Management performed very well in improving operating efficiency and cost controls thus significantly improved Net Profit Margin to 7.69% from 5.29% for the same period. As a result, Megawide reported a jump of 200% in its first quarter net income to P104.10 million from P35.73 million it earned during the same period in 2010.

Review of financial condition as of March 31, 2011 as compared with financial condition as of December 31, 2010

Financial Condition

As of the end of the first quarter of 2011, Megawide's total assets stood at P5.67 billion, 78% higher than its value of P3.18 billion as of the end of 2010. This was mainly due to the Initial Public Offering (IPO) Proceeds derived by Megawide when it sold its shares of stock to the public this February. Current assets grew by

90% increase in Contract Costs

Bigger Project Accomplishments directly related to the increase in revenue

186% increase in Operating Expenses

Increase in construction activities or number of ongoing projects

16% increase in Finance Income

Increase in cash from operations placed in short-term money market placements

219% increase in Finance Cost

Due to Higher Finance Lease costs and increase in bank loans

191% increase in Net Income

Increase in Contract Revenues and Operating Efficiency

Material Changes to Megawide's Balance Sheet as of March 31, 2011 compared to the Balance Statement as of December 31, 2010 (increase/decrease of 5% or more)

8% increase in Cash and Cash Equivalents

Due to higher cash flow derived from operations

313% increase in Short Term Investments

Due to IPO Proceeds temporarily placed in short-term investments

46% increase in Trade and other Receivables

Increase in project accomplishments for the period in review

28% increase in Inventories

Higher inventory levels

85% decrease in Costs in excess of billings on uncompleted contracts

The increase is due to the newly awarded projects

39% increase in Property and Equipment (net)

Increase in purchases of construction and transportation equipment

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

As stated in page 30 of its Prospectus, Megawide has a material commitment for capital expenditures consisting of the following:

Use of Proceeds	Estimated amount (in P)	Schedule of Disbursement
Construction and development of a pre-cast concrete manufacturing plant:		2011 to 2013
Site development and building structure	Up to 97,500,000	
Heavy (logistics) equipment	Up to 124,000,000	
Pre-cast machineries	Up to 700,000,000	
Support facilities	Up to 31,000,000	
Training and development	Up to 15,500,000	
Warehousing and yard	Up to 77,500,000	
<i>Subtotal</i>	<i>Up to 1,045,500,000</i>	
Acquisition of new tower cranes and other earthmoving equipment	Up to 506,400,000	2011 to 2014
Acquisition of new formworks	Up to 465,000,000	2011 to 2014
Working capital	Up to 163,100,000	2011
Total	Up to 2,180,000,000	

The source of such funds is the IPO proceeds of Megawide.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of Megawide.

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature; neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The following table sets forth information from Megawide's pro forma statements of cash flows for the periods indicated:

(Amounts in P millions)	For three (3) months ended March 31	
Cash Flow	2010 (unaudited)	2011 (unaudited)
Net cash provided by (used in) operating activities	<u>(147)</u>	<u>(440)</u>

PART II – OTHER INFORMATION

Submissions of SEC Form 17-C:

Date Filed	Particulars
February 8, 2011	<p>Designation of Banco de Oro Unibank, Inc. – Trust and Investment Group (“BDO Trust”) as Receiving and Stock Transfer Agent, Dividend Paying Agent and Escrow Agent;</p> <p>Designation of the Chairman and Chief Executive officer and President and Chief Operating Officer as authorized signatories to the Receiving Agency Agreement, Stock Transfer and Dividend Paying Agency Agreement and Escrow Agreement;</p> <p>Execution of the Receiving Agency Agreement, Stock Transfer and Dividend Paying Agency Agreement and Escrow Agreement by Megawide and BDO Trust;</p>
February 21, 2011	Election of Assistant Corporate Secretary, Compliance Officer and Corporate Information Officers
March 16, 2011	<p>Resignation of Floria Saavedra as member of the Board of Directors and as member of the Audit, Nomination and Compensation Committees effective March 16, 2011;</p> <p>Election of Ms. Elizabeth Anne Uychaco as member of the Board of Directors to serve the unexpired term of Mrs. Saavedra;</p> <p>Designation of Ms. Uychaco as member of the Audit Committee vice Mrs. Saavedra;</p> <p>Designation of Mr. Michael Cosiquien as member of the Audit Committee vice Mr.</p>

March 28, 2011

Designation of Mr. Edgar Saavedra as member of the Compensation Committee vice Mrs. Saavedra;

Proposal to create an Executive Committee;

Information on the ground-breaking of the Pre-Cast Plant of Megawide in Taytay, Rizal

	Ownership Report as of March 31, 2011
April 11, 2011	Resignation of Irving Cosiquien as member of the Board of Directors and member of the Compensation Committee Election of Atty. Florentino A. Tuason, Jr. as member of the Board of Directors and member of the Compensation Committee vice Irving Cosiquien
April 14, 2011	List of Top 100 Stockholders as of March 31, 2011
April 27, 2011	Public Ownership Report as of March 31, 2011
May 6, 2011	Report on the number of shareholders owning 1 board lot each and Foreign Ownership Report as of April 30, 2011

According to the requirements of the STC, the design and the design issue has duly
shown you with the STC on this day in the presence of the STC members.

Approved by the STC members on this day in the presence of the STC members.

By: _____ Date: _____

_____ Date: _____

_____ Date: _____

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_____ Date: _____

Date: May-20, 2011

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	<u>2011</u>	<u>2010</u>
CONTRACT REVENUES	P 1,353,891,359	P 675,645,708
CONTRACT COSTS	<u>1,125,393,922</u>	<u>593,400,193</u>
GROSS PROFIT	228,497,437	

	<u>2011</u>	<u>2010</u>
CAPITAL STOCK		
Balance at beginning of year	P 565,000,002	P 30,000,000
Issuance during the year	<u>291,999,998</u>	<u>-</u>
Balance at end of year	<u>857,000,000</u>	<u>30,000,000</u>
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	60,000,000	60,000,000
Additions during the year		

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 148,691,349	P 51,035,318
Adjustments for:		
Depreciation	37,819,675	16,494,105
Interest expense	7,135,974	2,234,020
Loss on disposals of property and equipment	93,184	786,700
Interest income	(1,610,832)	(1,394,300)
Operating profit before working capital changes	192,129,350	69,155,843
Increase in trade and other receivables	(663,482,986)	(489,437,193)
Decrease (increase) in inventories	(7,344,250)	9,728,181
Decrease in costs in excess of billings on uncompleted contracts	104,300,761	

	<u>Current</u>	<u>30 Days</u>	<u>60 Days</u>	<u>90 Days</u>	<u>120 Days over</u>	<u>Total</u>
SMDC	387,206,791	148,107,452	32,007,789	30,677,220	3,510,114	601,509,366
Ground 18 Realty Inc./Suyen corp	24,938,144	10,954,536	-	-		35,892,680
Belle Corp	60,321,474	-	-	-		60,321,474
Dynamic Realty Corp	20,647,140	7,215,460	-	-	9,312,378	37,174,978
Malate Bayview Dev't. Corp.	17,779,841	16,271,955	-	-		34,051,796
Antel Land Holdings Inc.	18,624,606	-	-	-	31,674,292	50,298,898
Prince Jun Development Corp.	68,872,012	13,809,380	15,675,520	-	9,757,723	108,114,636
Banff	-	-	-	-	5,649,826	5,649,826
Goldland	-	-	-	-	4,652,291	4,652,291
Stalwart	-	-	-	-	27,236,392	27,236,392
Keppelland	-	-	-	-	3,645,971	3,645,971
Bellevue	-	-	-	-	13,629,123	13,629,123
Others	-	-	-	-	-	-