

MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED
CORPORATION

Canlubang Industrial Estate, Bo. Pittland
4025 Cabuyao, Laguna

May 4, 2012

MS. JANET A. ENCARNACION

Head, Disclosure Department

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre, Exchange Road
Ortigas Center, Pasig City, Metro Manila

Dear *Ms. Encarnacion*:

Please find attached Manchester International Holdings Unlimited Corporation's (formerly Interphil Laboratories, Inc.) Preliminary Information Statement for 2011.

Thank you.

Very truly yours,


CAROLINE O. VILLASERAN

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in this Charter: **MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION**
3. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **58648**
5. BIR Tax Identification Code **TIN-000-410-840-000**
6. **CANLUBANG INDUSTRIAL ESTATE, BO. PITTLAND, 4025 CABUYAO, LAGUNA** **4025**
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(049) 549-2345 to 49; 549-3096 to 98**
8. Date, time and place of the meeting of security holders
 Date - **June 15, 2012**
 Time - **3:00 P. M.**
 Place - **Doña Juana Garden Resort Clubhouse
East Emerald Banay-Banay, Cabuyao, Laguna**
9. Approximate date on which the Information Statement is first to be sent or given to security **May 25, 2012**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the registrants): **(As of April 30, 2012)** RSA (information on number of shares and amount of debt is applicable only to corporate

Title of Each Class	No. of Shares of Common Stock Issued and Amount of Debt		Outstanding Common Stock
	Outstanding	Treasury Shares	
<u>Common Class A</u>	<u>337,500,000</u>	<u>64,803,449</u>	<u>272,696,551</u>
<u>Common Class B</u>	<u>225,000,000</u>	<u>85,631,955</u>	<u>139,368,045</u>
<u>TOTAL</u>	<u>562,500,000</u>	<u>150,435,404</u>	<u>412,064,596</u>

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

If yes, state the name of such stock exchange and the classes of securities listed therein:
 The Company's Class A and Class B Common Shares are listed on the Philippine Stock Exchange.

**WE ARE NOT ASKING FOR A PROXY AND
YOU ARE REQUESTED NOT TO SEND US A PROXY**

MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION
Canlubang Industrial Estate, Bo. Pittland
4025 Cabuyao, Laguna

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

NOTICE IS HEREBY GIVEN that the annual meeting of the stockholders of **MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION** will be held at the **Doña Juana Garden Resort Clubhouse, East Emerald, Banay-Banay, Cabuyao, Laguna** on **June 15, 2012, Friday at 3:00 P.M.**


The Agenda for the meeting shall be as follows:

1. Call to order;
2. Certification by the Corporate Secretary on the sending of notices and existence of a quorum;
3. Reading and approval of minutes of the last Stockholders' Meeting held on June 17, 2011;
4. Report of the President;
5. Approval of the Financial Statements for the calendar year ended December 31, 2011;
6. Ratification by a majority vote of the stockholders, of actions taken by the Board of Directors and Officers of the Corporation since the last annual meeting of the stockholders;
7. Election of Directors
8. Appointment of External Auditors;
9. Transactions of such other matters as may properly come before the meeting;
10. Other Matters
11. Adjournment

If you are unable to attend the meeting, but would like to be represented thereat, you may submit your proxy to the Corporate Secretary at Zuellig Pharma Corporation, Km. 14, West Service Road, South Superhighway corner Edison Street, Barangay Sun Valley, Paranaque City on or before June 8, 2012, together with a board resolution authorizing your representative, in case of corporate stockholders. Proxies received after June 8, 2012 shall not be recognized for the meeting.

Registration starts at 2:00 P. M. Only stockholders of record as of April 27, 2012 are entitled to vote and be voted during the meeting. For your convenience in registering your attendance, please have available some form of identifications such as your Community Tax Certificate, passport or Driver's License.

Canlubang, Laguna, April 18, 2012.


ANA LIZA A. PERALTA
Corporate Secretary

MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION

A. GENERAL INFORMATION

Item 1. Date, time and place of meeting of security holders

Date	-	June 15, 2012
Time	-	3:00 P.M.
Place	-	Doña Juana Garden Resort Clubhouse East Emerald Banay-Banay, Cabuyao, Laguna
Registrant's Mailing Address	-	Canlubang Industrial Estate, Bo. Pittland, 4025 Cabuyao, Laguna
Approximate date on which Information Statement is first to be sent or given to security holders	-	May 25, 2012

Item 2. Dissenter's Right of Appraisal

Shareholders of the Company shall have appraisal right, or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- In case of any amendment to the Articles of Incorporation, which has the effect of changing or restricting the rights of shareholders or any class of shares, or the authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of the Company's corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the Company's assets as provided under the Corporation Code; and
- In case of merger or consolidation of the Company with another corporation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares: Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or affected, Manchester International Holdings Unlimited Corp. shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and Manchester cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by Manchester, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by Manchester within thirty (30) days after such award is made. Provided, that no payment shall be made to any dissenting stockholder unless Manchester has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by Manchester of the agreed or awarded price, the stockholder shall forthwith transfer his shares to Manchester.

There are no corporate actions or matters to be taken up at the Annual Stockholders' Meeting that may give rise to the exercise by the stockholders of the right of appraisal.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current director or officer of the Corporation or nominee for election as directors of the Corporation or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

B. CONTROL AND COMPENSATION INFORMATION

The Company has a total of 412,064,596 shares outstanding as of December 31, 2011 (net of 150,435,404 issued shares held by the Company as treasury shares, of which 64,803,449 are class "A" shares and 85,631,955 are class "B" shares) consisting of 260,514,926 class "A" shares and 130,074,485 class "B" shares and 21,475,185 class "A" and class "B" shares. 416 stockholders hold class "A" shares, 73 hold class "B" shares and 27 stockholders own both class "A" and "B" shares for a total of 516 stockholders.

Item 4. Voting Securities and Principal Holders Thereof:

- a) Pursuant to the Resolution of the Board of Directors at a meeting held on April 16, 2012, the Board of Directors fixed the record date for purpose of determining stockholders entitled to notice of and to vote at the 2012 Annual Meeting of Stockholders on April 27, 2012.
- b) Pursuant to Article V Section 6 of the Corporation's By-Laws, a stockholder may vote in person or by proxy.

In accordance with Section 24 of the Corporation Code, each stockholder may vote as follows:

- (a) The stockholder may vote such number of shares for as many persons as there are directors to be elected;
- (b) The stockholder may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by such stockholders' shares; or
- (c) The stockholder may distribute his vote on the same principle among as many candidates as he shall see fit.

Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

As of **March 31, 2012**, Manchester International Holdings Unlimited Corp (formerly Interphil Laboratories, Inc.) knows of no one who beneficially owns in excess of 5% of the Company's common stock except as set forth below:

Title	Name and Address of Record/ Beneficial Owner	Relationship to Issuer	Citizenship	No of Shares Held	Percent to Outstanding Shares
Common "A"	Interpharma Holdings & Management Corporation ¹ Unit 310, 3/F Atrium Building, Makati Avenue Makati City Kasigod V. Jamias (designated representative)	Stockholder	Filipino	255,264,483 of record	61.95%
Common "B"	Pharma Industries Holdings Limited (formerly Khatibi Holdings Limited c/o Unit 310, 3/F Atrium Building, Makati Avenue, Makati City Kasigod V. Jamias (designated representative)	Stockholder	British	128,208,993 of record	31.11%

¹Interpharma Holdings & Management Corporation's representative authorized to direct the voting of the shares in behalf of the Corporation is Mr. Kasigod V. Jamias.

Security Ownership of Management

Following are the securities owned and held by directors and executive officers of the Company as of March 31, 2012:

Title Common	Name of Beneficial Owner	Citizenship	Amount and Nature of Record/Beneficial Ownership	Percent to Total Outstanding Shares
Directors				
"B"	Francisco R. Billano	Filipino	17,773 of record	.0043131587%
"A & B"	Kasigod V. Jamias	Filipino	570,861 of record	.1385367745%
"A"	Jose O. Juliano	Filipino	13,267 of record	.0032196408%
"A"	Paul Kleiner	Filipino	2,017 of record	.0004894864%
"B"	Renato B. Magadia	Filipino	273 of record	.0000662517%
"B"	Ricardo J. Romulo	Filipino	125 of record	.0000303350%
"B"	Salvador C. Medialdea	Filipino	125 of record	.0000303350%
"B"	Ramon Y. Dimacali	Filipino	25 of record	.0000060670%

Title Common	Name of Beneficial Owner	Citizenship	Amount and Nature of Record/Beneficial Ownership	Percent to Total Outstanding Shares
Executive Officers				
"B"	Francisco R. Billano	Filipino	17,773 of record	.0043131587%
"A & B"	Kasigod V. Jamias	Filipino	570,861 of record	.1385367745%
"A"	Jose O. Juliano	Filipino	13,267 of record	.0032196408%
"B"	Ricardo J. Romulo	Filipino	125 of record	.0000303350%

Item 5. Directors and Executive Officers

Name And Position	Age	Citizenship	Term of Office As Director/ Officer	Period Served As A Director/Officer
Francisco R. Billano Director/President & General Manager	65	Filipino	1	Since 1995
Kasigod V. Jamias Director / Treasurer	64	Filipino	1	Since 1991
Jose O. Juliano Director / Vice-Chairman of the Board	79	Filipino	1	Since 1987
Paul Kleiner Director	84	Filipino	1	Since 19 74
Renato B. Magadia Director	74	Filipino	1	Since 1975
Ricardo J. Romulo Director/Chairman of the Board	79	Filipino	1	Since 1995
Salvador C. Medialdea Director	60	Filipino	1	Since 2009
Ramon Y. Dimacali Director	63	Filipino	1	Since 2008
Ana Liza A. Peralta Corporate Secretary	43	Filipino	1	Since 1997

DIRECTORS AND OFFICERS

The names of the incumbent Directors and Executive Officers of the Company and their respective ages, current positions held, periods of service and business experience during the past five years are as follows:

Atty. Ricardo J. Romulo 79, Filipino, Director / Chairman of the Board of Directors/Chairman of the Nominating Committee and member of the Audit Committee

He is a senior partner of the Romulo, Mabanta, Buenaventura, Sayoc and De los Angeles Law Office since 1977. He is Chairman of the Board of Federal Phoenix Assurance Co., Inc., since 1993, Cebu Air, Inc. since December 29, 1995, and Sime Darby Filipinas, Inc. since 1988, and Interphil Laboratories, Inc. since 2008. He also serves as director of Honda Philippines, Inc. since 1983 and Maersk Filipinas, Inc. since April 1, 1990.

Dr. Jose O. Juliano 79, Filipino, Independent Director / Vice-Chairman and member of the Nominating Committee
He has served as Director since 1983. He used to be the President and General Manager of the Company. He is likewise the President and Chief Executive Officer of the Calamba Medical Center (since 1999) and Southern Luzon Hospital and Medical Center since 2004, a Director of Luzon Development Bank and Mabuhay Vinyl Corporation since May 2004 and the President of Pharmahex Corporation.

Mr. Francisco R. Billano 65, Filipino, Director / President and member of the Nominating Committee
He has been the President of the Company since 1995. He is also the Director/President of Interphil Laboratories, Inc. and the Director of Lancashire Realty Holding Corporation. He was previously connected with other companies like Union Carbide Phils. (from 1973 to 1983), Pepsi Cola Phils. (from 1983 to 1989), and Reynolds Aluminum Phils. (from 1990 to 1994) in senior management positions.

Mr. Kasigod V. Jamias 64, Filipino, Director / Treasurer and member of the Nominating and Audit Committees
He is the Chairman/President of Interpharma Holdings and Management Corporation and the Zuellig Corporation, President of Mercator Holdings and Management Corporation, Filstar Development Corporation, F. E. Zuellig (M), Inc. and serve as officer and director in other companies in the Zuellig Group.

Mr. Renato B. Magadia 74, Filipino, Director and member of the Nominating Committee
He is the Chairman of Metro Alliance Holdings and Equities Corporation, and Waterfront Philippines, Inc. since 1999; Lancashire Realty Holding Corporation since 2008.

Mr. Paul Kleiner, 84, Filipino, Director and member of the Nominating Committee
Director since 1974 and was formerly the Chairman of the Board of Directors of the Company from 1980 to 1996. He was formerly the President of Zuellig Pharma Corporation from 1977 to 1986.

Atty. Salvador C. Medialdea, 60, Filipino, Independent Director and Chairman of the Audit Committee and member of the Nominating Committee
He is a senior partner of Medialdea Ata Bello Guevarra & Suarez Law Office since 1990.

Mr. Ramon Y. Dimacali, 63, Filipino, Director and member of the Nominating Committee
He is the President and CEO of Federal Phoenix Assurance Co., Inc. since 2002. He is an Independent Director of Roxas & Company, Inc. since 2004 and of Manchester Holdings Unlimited Corporation since July, 2008. He is the Chairman of Asia Pacific College since 1994 and served previously as President and GM of IBM Philippines (from 1994 to 1997), Chairman and CEO of IBM Phils. from 1997 to 2002, Chairman of Software Ventures International Corporation (from 2003 to 2006) and Director of Interpharma Investments (from 1998 to 2006).

Atty. Ana Liza A. Peralta, 43, Filipino, Corporate Secretary
She is likewise the Corporate Secretary of the following companies namely: AIZ Information Services Phils., Inc. (since 2000 to present), Accette Life & Accident Insurance Brokers, Inc. (since June 5, 1997 to present), Asia Warranty Services Phils., Inc. (since April 15, 2005 to present), Cambert (Pilipinas), Inc., F. E. Zuellig (M), Inc. (since May 11, 1997 to present), Federal Phoenix Assurance Company, Inc. (since April 15, 1997 to present), Filstar Development Corporation (since March 31, 2006 to present), Howden Insurance & Reinsurance Brokers (Phil.), Inc. (since May, 1997 to present), Intermilling Corporation (since October 6, 1997 to present), Interpharma Holdings & Management Corporation (since June 20, 1997 to present), Interphil Laboratories, Inc. (from December, 2008 to present), Lancashire Realty Holdings Corporation (from December, 2008 to present), Mercator Holdings & Management Corporation (since April 14, 1997 to present), The Zuellig Corporation (since December 11, 1996 to present), Ultramar Reinsurance Brokers, Inc. (since July 18, 1997 to present), ZCM Corporation (since May 7, 1997 to present), Zagro Corporation (since April 11, 1997 to present), Zeta Holdings & Management Corporation (since October 12, 1999 to present), ZI-Techasia (Pilipinas), Inc. (since July 12, 2001 to present) and Zuellig Pharma Corporation (ZPC). She is also the Assistant Vice-President for Legal Affairs of ZPC since April 10, 1997. Prior to this, she was the Secretary of The Zuellig Foundation, Inc. (from March 17, 1997 to April, 2008), an associate of Bito, Lozada, Ortega and Castillo Law Office (from July, 1994 to February, 1997) and Chief Legal Consultant of the Office of the former Secretary of the Department of Health, the Honorable Carmencita N. Reodica (from April, 1996 to March 1997). She was one of the Department of Health's representatives to the Board of Directors of Chemfields Inc. from 1996 to 1997.

The Directors of the Company are elected at the Annual Stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Officers are appointed or elected annually by the Board of Directors at its first meeting following the annual stockholders' meeting, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

The Company believes that all descriptions provided by its directors and officers are correct and complete.

Certain Relationships and related transactions

During the last three (3) years, the Company was not a party to any transaction in which a Director or Executive Officer of the Company, any nominee for election as director, or any security holder owning more than 10% of any class of the Company's issued and outstanding shares and/or his immediate family had a material interest thereon. Neither the Company nor its related parties have relationships with other parties which enable the parties to negotiate terms of material transactions that may be available from other, more clearly independent parties of any arm's length basis.

Disagreement with a Director

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of disagreement/s with the registrant on any matter relating to the registrant's operations, policies or practices, and no director has furnished the registrant a letter describing such disagreement.

Nominations Procedure

- The Board shall constitute a Nominations Committee consisting of all the members of the Board of Directors, two of whom shall be Independent Directors. Action of the Nominations Committee shall be approved by a majority of the members thereof.
- The Nominations Committee shall have the authority to promulgate and issue the guidelines for the conduct of the nominations.
- Nominees to the Board of Directors (including the independent directors) shall be submitted to the Nominations Committee for consideration by the latter prior to the annual meeting of the stockholders or a special meeting called for the purpose of electing the Company Directors.
- The Nominations Committee shall review the qualifications of the nominees for directors and prepares a final list of candidates.
- All nominations for election of Directors by stockholders must be submitted in writing to the Board of Directors at least thirty (30) business days prior to the date of the relevant stockholders' meeting.
- After such nomination process, the Nominations Committee shall prepare a Final List of Candidates containing all information about all nominees for directors, which list shall be made available to the Securities and Exchange Commission and to all stockholders through the Information or Proxy Statement. The name of the person or group of persons who submitted a particular nominee's name shall be identified in such report including any relationship with the nominee.
- Only nominees whose names appear in the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained or allowed on the floor during the annual stockholders' meeting.
- Subject to existing laws, rules and regulations of the SEC or any stock exchange having jurisdiction over the Company, for conduct of election of directors shall be made in accordance with the standard election procedures contained in the By-Laws.
- It shall be the responsibility of the Chairman of the Meeting to inform all stockholders of the requirement of electing independent directors. The Chairman of the meeting shall ensure that the independent directors are elected during the stockholders' meeting.
- Specific acts for independent directors shall not be filled up by unqualified nominees.
- In the event of a failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

The nominees for election as independent directors of the Board of Directors for 2011 are as follows:

Nominees for Independent Directors (A)	Person Recommending Nomination (B)	Relation of A & B
Jose O. Juliano	Francisco R. Billano	None
Salvador C. Medialdea	Ricardo J. Romulo	None

The Corporation has not received any written information from any director of any intention to oppose any action to be taken up at the meeting.

Family Relationship

There are no family relationships up to the fourth civil degree, either by consanguinity or affinity, among directors, executive officers or persons nominated or chosen by the registrant to become directors or executive officers.

Involvement of Directors and Officers in Certain Legal Proceedings

During the past five (5) years and until **March 31, 2012**, the members of the Board of Directors and the executive officers:

- a) have not filed any bankruptcy petitions or have not had bankruptcy petitions filed against them;
- b) have not been convicted by final judgment or have any pending criminal cases;
- c) have not been subject to any order, judgment or decree, or any court of competent jurisdiction (in a civil action), not subsequently reversed or vacated limiting its involvement in any type of business, securities, commodities or banking activities; and
- d) have not been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law.

Significant Employees

There is not a person who is not an Executive Officer expected by the Company to make significant contribution to the business.

Beneficial Ownership of Directors and Officers (as a group unnamed):

TITLE OF CLASS	AMOUNT OF BENEFICIAL OWNERSHIP	PERCENT OF CLASS
Common Class A	479,801	.116438%
Common Class B	124,665	.030254%

There are no voting trust holders of 5% or more of the common shares.

There were no arrangements which have resulted in a change in control of the Company in the last fiscal year.

Item 6. Compensation of Directors and Executive Officers

Information as to the aggregate compensation consisting of salaries, bonuses and other annual compensation paid or accrued during the last two fiscal years and to be paid in the ensuing year to the Company's President & General Manager and other four most highly compensated executive officers and other officers and directors (as a group unnamed) are as follows:

NAME & PRINCIPAL POSITION	YEAR	SALARIES	BONUS	TOTAL
Mr. F. R. Billano President and General Manager } } Mr. Joseph G. Soliman Vice-President for Operations } } Mr. Ruth F Tan Corporate Human Resources Manager } } Ms. C. T. Francisco Chief Financial Officer } } Ms. H. F. Tanwangco Quality Assurance Manager } }	2012 (Estimate)	36,384,492	13,265,316	49,649,808
Mr. F. R. Billano President and General Manager } } Ms. Ruth F. Tan Corporate Human Resources Manager } } Ms. H. F. Tanwangco Quality Assurance Manager } } Ms. C. T. Francisco Chief Financial Officer } } Mr. Joseph G. Soliman Vice President for Operations } }	2011 (Actual)	31,156,710	11,787,988	42,944,698
Mr. F. R. Billano President and General Manager } } Ms. Ruth F. Tan Corporate Human Resources Manager } } Ms. H. F. Tanwangco Quality Assurance Manager } } Ms. C. T. Francisco Chief Financial Officer } } Mr. Joseph G. Soliman Vice President for Operations } }	2010 (Actual)	30,035,794	10,934,479	40,970,273
All officers and directors as a group unnamed } } } } } }	2012 (Estimate) 2011 (Actual) 2010 (Actual)	36,384,492 31,156,710 30,035,794	13,265,316 11,787,988 10,934,479	49,649,808 42,944,698 40,970,273

Except for the regular Company retirement plan, which by its very nature will be received by the officers concerned only upon retirement from the Company, the above-mentioned officers do not receive any other compensation in the form of warrants, options or rights to purchase any securities. The amount accrued for retirement plan benefits for the above officers in 2011 is ₱ 0.765 million.

Compensation of Directors

Directors are paid a per diem of ₱15,000 per month.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

None

Warrants and Options Outstanding

The Company has no outstanding stock warrants or stock options.

Business

Manchester International Holdings Unlimited Corporation (Manchester), (formerly Interphil Laboratories, Inc.) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on November 6, 1974 primarily to manufacture, process and package drugs, chemicals, pharmaceuticals and veterinary products.

During the annual shareholders and board of directors meeting of the company held on July 10, 2008, the Board approved several resolutions one of which is the creation of two new wholly-owned subsidiaries under Interphil (now Manchester). The two companies are First Pharma Industries Inc. (later renamed to Interphil Laboratories, Inc.), a toll manufacturing company, and Lancashire Realty Holding Corp (Lancashire), a realty company.

Likewise, a resolution was also passed to change the name of:

1. Interphil Laboratories, Inc. to Manchester International Holdings Unlimited Corporation
2. First Pharma Industries Phil. Inc to Interphil Laboratories, Inc. and
3. Change in primary purpose of Manchester International Holdings Unlimited Corporation

The change in name, primary purpose and transfer of assets of Manchester (formerly Interphil) was approved by SEC only on November 21, 2008.

The operating assets of Manchester (formerly Interphil) were moved to Interphil (formerly First Pharma) and the real estate assets to Lancashire.

As of 31st December 2011, the Company's consolidated total assets stood at ₱1,431,919,776. During the year 2011, consolidated revenues of the Company amounted to ₱1,767,314,256.

The Company is not connected in any activities other than and in relation with the holding of shares of Interphil Laboratories, Inc. and Lancashire Realty Holding Corp. Manchester (formerly Interphil) also remains to believe in the prospects of the healthcare manufacturing business and real estate.

Interphil Laboratories, Inc constitutes the Company's ongoing presence in the pharmaceutical manufacturing industry. Even when faced with a lot of challenges within the industry, Interphil Laboratories, Inc provides the Company great assurance for the coming years, as it develops to new export markets and obtain additional local clients.

As markets grow more demanding, the Company implements a planned mindset that values quality at all times.

Manchester International Holdings Unlimited Corp has the following direct subsidiaries as of December 31, 2011:

Company	Percentage of Ownership	Business	Jurisdiction
Interphil Laboratories Inc. (formerly First Pharma)	100%	Toll Manufacturing	Philippines
Lancashire Realty Holding Corp	100%	Realty Holding	Philippines

Customers/Foreign Sales. Manchester's (formerly Interphil's) main businesses conducted through its subsidiaries can be classified in two categories as follows: toll manufacturing of pharmaceutical products and real estate business.

Product Lines. As a holding company, Manchester (formerly Interphil) has no principal products or services nor does the Company derive revenues or sales from any product or services.

Competition. With the continuous mergers of pharmaceuticals, Manchester (formerly Interphil) will confront stiffer competition with other holding companies that engage in the manufacture of healthcare products. Manchester (formerly Interphil) will also deal with competition in the real estate development business despite a projected strong demand in 2012.

Suppliers. Manchester (formerly Interphil), not being engaged in the manufacture of any product, does not need any raw materials or any items from suppliers for its business. Purchase of raw material requirements are made at the subsidiary level.

Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements. As a holding company, Manchester (formerly Interphil) does not require any patent, trademark, copyright, license, franchise, concession and royalty agreement with other companies.

License to Operate. The Company being a holding company is not required to get any License to Operate.

Research and Development. Manchester (formerly Interphil), as a holding company does not have research and development activities.

Environmental Laws. Manchester (formerly Interphil), as a holding company, does not engage in business operations subject to regulations requiring compliance with environmental laws.

Related Party Transactions. Parties are considered to be related if one party has the ability to control, directly or indirectly, the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

- a. The Company, in the normal conduct of business, manufactures and processes, for agreed tolling fees at prevailing prices, pharmaceutical products for Zuellig Pharma Corporation (ZPC, a stockholder up to November 2006) and GPI (a joint venture entity with other joint venturers). Tolling and other service fees amounted to ₱14.1 million in 2011, ₱40.4 million in 2010, and ₱53.0 million in 2009. Related receivables, included under "Trade and other receivables" account in the consolidated balance sheets, amounted to ₱1.8 million and ₱17.3 million as of December 31, 2011 and 2010, respectively.
- b. The Company has renewable lease agreements with ZPC covering its Canlubang warehouse. On July 2011, ZPC and Interphil amended the lease agreement to effect the following: (a) extend the lease period for a period of one year beginning on January 1, 2011 and to expire at midnight of December 31, 2011; (b) monthly rental to increase to ₱2.5 million exclusive of VAT. The aggregate minimum annual rental under these lease agreements amounts to ₱30.3 million. Lease rentals charged to operations amounted to ₱30.3 million in 2011, ₱29.6million in 2010, ₱29.1million in 2009. The Company has no outstanding liability related to these agreements as of December 31, 2011 and 2010.
- c. The Company leases out a portion of its Canlubang plant facilities to GPI. The original term of the lease is from May 1, 1998 to April 30, 2003, but has been subsequently renewed on a yearly basis. Rent income included under "Other income" account in the consolidated statements of comprehensive income amounted to ₱4.5 million in 2011, ₱3.6 million in 2010, and ₱0.4 million in 2009. The related rent receivable, included under "Trade and other receivables" account in the consolidated balance sheets, amounted to ₱1.0 million and ₱0.5 million as of December 31, 2011 and 2010, respectively.
- d. The Company obtains insurance coverage, at prevailing prices, for its property, plant and equipment through Accette Insurance Brokerage (Accette). Insurance expense amounted to ₱6.6 million in 2011, ₱6.6 million in 2010, and ₱6.3 million in 2009.

e. Compensation of key management personnel of the Company are as follows:

	2011	2010	2009
Short-term employee benefits	₱78,061,746	₱70,657,037	₱68,880,323
Post-employment benefits:			
Retirement benefits	765,077	873,237	810,991
Long-term sick leave benefits	714,000	589,541	156,300
	₱79,540,923	₱72,119,815	₱69,847,614

f. ZPC, Accette and the Company have common ultimate stockholders.

Employees. As of December 31, 2011, the Company has no existing employees and does not anticipate having within the ensuing year. There are no Collective Bargaining Agreements with employees.

Major Business Risks. The Company's business deals mainly with the owning of shares of other companies, thereby there is no more risks of labor, business strife and terrorism. The foregoing discussion on financial risks is applicable only to its consolidated business as the Company does not have any financial instruments other than Cash.

Item 1. Financial risks

The Company's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as trade and other receivables, deposits, available-for-sale financial asset and trade and other payables which arise directly from its operations.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and foreign exchange risk. The Company's overall risk management program seeks to minimize these risks on the Company's financial performance.

Risk management is carried out by the Company's Finance Department under policies approved by the BOD. The Company's Finance Department identifies and evaluates financial risks in coordination with the Company's operating units. The BOD approves formal policies for overall risk management, as well as written policies covering specific areas, such as credit risk, liquidity risk, and foreign exchange risk.

Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company manages credit risk by following strict credit policies and procedures in granting of credit to customers and monitoring of schedule of aged receivables.

The Company trades only with recognized, creditworthy third parties. It is the policy of the Company that all customers who wish to trade on credit terms are subjected to credit verification procedures. Receivables from customers are usually settled after approved credit terms. Trade and other receivables are monitored on an on-going basis with the result that the exposure of the Company to bad debts is not significant. The Company does not offer credit terms to third parties, without the specific approval of management.

With respect to credit risk from other financial assets of the Company, which mainly composed of cash and cash equivalents, and receivables from related parties, the exposure of the Company to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

There is no significant concentration of credit risk in the Company.

Liquidity Risk

Liquidity risk is the potential of not meeting obligations as they become due because of an inability to liquidate assets or obtain adequate funding or is the risk that the Company will not be able to meet its obligations associated with financial difficulties.

The objective of the Company is to maintain a balance between continuity of funding and flexibility through the use of credit lines available from local banks. The Company seeks to manage its liquid funds through cash planning on a monthly basis. The Company uses historical data and forecasts from its collection and disbursement. The Company also places funds in the money market which are exceeding the Company's requirements. Placements are strictly made based on cash planning assumptions and covers only a short period of time.

Foreign Exchange Risks

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Company has transactional currency exposures arising from sales or purchases in foreign currencies. Foreign exchange risks are considered minimal. The Company decides not to hedge these immaterial currency exposures considering the cost of hedging being higher than the currency exposure.

FINANCIAL ASSETS AND LIABILITIES

Date of Recognition. The Company recognizes a financial asset or a financial liability in the consolidated balance sheet when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using trade date accounting.

Initial and Subsequent Recognition of Financial Instruments. Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those at fair value through profit or loss, includes transaction cost.

Subsequent to initial recognition, the Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial liabilities are classified as financial liabilities at fair value through profit or loss or other financial liabilities at amortized cost. The classification depends on the purpose for which the instruments were acquired or liabilities incurred and whether they are quoted in an active market. Management determines the classification at initial recognition and, where allowed and appropriate, re-evaluates this classification at every reporting date. The Company has no financial assets or liabilities at fair value through profit or loss and held-to-maturity investments as of December 31, 2011 and 2010.

Determination of Fair Value. The fair value for financial instruments traded in active markets at balance sheet date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

The Company considers a market as active if it is one in which transactions is taking place regularly on an arm's length basis. On the other hand, the Company considers a market as inactive if there is a significant decline in the volume and level of trading activity and the available prices vary significantly over time among market participants or the prices are not current.

'Day 1' Profit. Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' profit) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset. In cases where unobservable data is used, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' profit amount.

Loans and Receivables. Loans and receivables are nonderivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. Loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees and costs that are an integral part of the effective interest. Gains and losses are recognized in the consolidated statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Loans and receivables are included in current assets if maturity is within 12 months from the reporting date otherwise, these are classified as noncurrent assets.

Classified as loans and receivables are the Company's cash and cash equivalents, and trade and other receivables and deposits. The carrying values and fair values of loans and receivables amounted to ₱ 591.1 million as of March 31, 2012, ₱ 666.1 million as of December 31, 2011, and ₱ 622.3 million as of December 31, 2010.

Available-for-sale Financial Assets. Available-for-sale financial assets are those nonderivative financial assets that are not classified as fair value through profit or loss, loans and receivable or held-to-maturity investments. These are purchased and held indefinitely, and maybe sold in response to liquidity requirements or changes in market conditions. After initial recognition, available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized in the "other comprehensive income" section of the consolidated statement of comprehensive income. When the investment is disposed of, the cumulative gain or loss previously recorded in other comprehensive income is recorded as part of profit or loss in the consolidated statement of comprehensive income. Interest earned on the investments is reported as interest income using the effective interest method. Dividends earned on investments are recognized in the consolidated statement of comprehensive income when the right to receive payment has been established. Available-for-sale financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from balance sheet date.

The fair value of available-for-sale financial assets consisting of any investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

The Company classified its investment in a certain country club as available-for-sale financial asset. The carrying value and fair value of the available-for-sale financial asset, which is presented as part of "Other noncurrent assets" account in the consolidated balance sheets amounted to ₱ 0.33 million as of December 31, 2011 and 2010.

Other Financial Liabilities. This category pertains to financial liabilities that are not held for trading or not designated as at fair value through profit or loss upon the inception of the liability. These include liabilities arising from operations and loans and borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through amortization process.

This category includes trade and other payables amounting to ₱ 387.2 million as of March 31, 2012, ₱ 296.9 million as of December 31, 2011, and ₱ 309.7 million in December 31, 2010.

Fair Value of Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments as of March 31, 2012, December 31, 2011 and 2010:

	March 31, 2012		December 31, 2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱316,512,656	₱316,512,656	₱381,099,825	₱381,099,825
Trade and other receivables:				
Trade	258,743,056	258,743,056	255,458,593	255,458,593
Receivables from related parties	2,379,034	2,379,034	1,352,264	1,352,264
Others	13,484,975	13,484,975	25,005,005	25,005,005
Deposits	0	0	3,214,262	3,214,262
	591,119,721	591,119,721	666,129,949	666,129,949
Available-for-sale financial asset (included as part of "Other noncurrent assets")				
	330,000	330,000	330,000	330,000
	₱591,449,721	₱591,449,721	₱666,459,949	₱666,459,949

Financial Liabilities

Other financial liabilities:

Trade and other payables (excluding government and statutory liabilities)	₱387,191,468	₱387,191,468	₱296,921,301	₱309,737,079
	₱387,191,468	₱387,191,468	₱296,921,301	₱296,921,301

	December 31, 2011		December 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Loans and receivables:				
Cash and cash equivalents	₱381,099,825	₱381,099,825	₱342,030,954	₱342,030,954
Trade and other receivables:				
Trade	255,458,593	255,458,593	234,048,092	234,048,092
Receivables from related parties	1,352,264	1,352,264	16,370,141	16,370,141
Others	25,005,005	25,005,005	29,137,191	29,137,191
Deposits	3,214,262	3,214,262	388,451	388,451
	666,129,949	666,129,949	621,974,829	621,974,829
Available-for-sale financial asset (included as part of "Other noncurrent assets")				
	330,000	330,000	330,000	330,000
	₱666,459,949	₱666,459,949	₱622,304,829	₱622,304,829

Financial Liabilities

Other financial liabilities:

Trade and other payables (excluding government and statutory liabilities)	₱296,921,301	₱296,921,301	₱309,737,079	₱309,737,079
	₱296,921,301	₱296,921,301	₱309,737,079	₱309,737,079

Investments

Interphil Laboratories Inc. (formerly First Pharma)

Interphil Laboratories, Inc. (Interphil) (formerly First Pharma Industries Phil., Inc.) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 5, 2008 primarily to manufacture, process and package drugs, chemicals, pharmaceuticals and veterinary products.

The Company is still the recognized leader among pharmaceutical contract manufacturers in the Philippines and in Asia. About 23 transnational pharmaceutical companies (84% local and 16% export) are patronizing Interphil.

Major clients include Boehringer Ingelheim, Johnson & Johnson, Pfizer Consumer Healthcare, Pfizer Consumer Healthcare Pty Ltd., Roche Philippines, sanofi-aventis Philippines, GlaxoSmithkline, and Novartis Healthcare Philippines, Inc.

Interphil (formerly First Pharma) has two plants that are capable of manufacturing various pharmaceutical dosage forms as follows:

- A. Non-sterile products
 - A.1 Liquid dosage forms (syrups, solutions, suspensions, liquid emulsions)
 - A.2 Semi-solid dosage forms (creams, ointments, pastes, gels)
 - A.3 Solid dosage forms
 - A.3.1 Unit dose form (tablets, hard and soft gel capsules, lozenges, Suppositories)
 - A.3.2 Multi dose form (powders, granules)
- B. Specifically toxic and hazardous substances
 - B.1 Penicillins
 - B.2 Cephalosporins
 - B.3 Others – corticosteroids
- C. Packaging only
 - C.1 Liquid dosage forms
 - C.2 Semi-solid dosage forms
 - C.3 Solid dosage forms
- D. Others
 - D.1 Cosmetics

Clients undertake to take delivery of their products at Interphil's (formerly First Pharma's) Cabuyao, Laguna plant.

The principal product lines and percentage of contribution to sales are as follows:

PRODUCT LINES	PERCENTAGE TO TOTAL
Liquids	29.90%
Dry Products	46.98%
Creams and Ointments	7.64%
Repackaging	0.10%
Penicillin	2.82%
Cephalosporin	2.58%
QA/TSD	9.97%
TOTAL	100.00%

Volume for 2011 went down versus last year and will keep on sliding based on the Philippine Pharmaceutical Industry indices. Industry growth is now down to single digit.

Interphil's market participation is eroding as market share of its MNC clients have dropped as local companies have also been marketing and aggressively advertising "me-too" products at very much lesser prices to compete with legacy or originator brands. Likewise, there are some sourcing issues with regards to the (APIs) Active Pharmaceutical Ingredient of some clients.

Matching resources to the declining toll manufacturing volume is the foremost concern for the ensuing periods.

Interphil has moved towards increasing its export revenues and developing manufacturing and laboratory services to local companies.

Interphil Laboratories purchases various raw and packaging materials for its multinational clients from approved and qualified suppliers and sources. Our supplier portfolio is a mix of local and international sources spanning different continents around the world. This diversity allows us to choose the best quality and most cost competitive source to maintain competitive for material sourcing business.

We do business only with suppliers that have passed Interphil and client's supplier qualification process. We also maintain key supplier linkages, volume leverage, price locks and established supply/quality agreements, in order to get the best prices in the market. There are also common materials that we leverage from a purchasing standpoint. These include sorbitol, glycerine, sucrose granulate (sugar), magnesium stearate, alcohol, and vitamins. Packaging materials purchased include foil, amber/plastic bottles, aluminum caps, printed boxes, & corrugated cases.

Interphil has existing supply & quality agreements with local and foreign industry leaders like San Miguel-Yamamura Inc., CADP, Roquette, DSM, Capsugel, Dow Chemicals, IFF, Givaudan, Kao, Boehringer Ingelheim, Merck, Pfizer Centre Source, Alucon, Flexo, I-Print, Vision, Moldex, and Netpack. We also train our suppliers on the latest GMP (Good Manufacturing Practices) in order to align them with our evolving quality requirements.

Materials procurement from our approved suppliers completes what we proudly call the "All-In Service". This service ensures that products are delivered on time at competitive prices. It also helps our clients to focus on core aspects of their business like marketing, regulatory and brand growth. The full spectrum of our supply chain service include order management, materials planning & procurement, logistics, import/export, warehousing, materials sourcing, supplier qualification, delivery monitoring and supplier management.

In all of these aspects, we consider our suppliers as a valuable strategic partner of Interphil Laboratories.

The Company defrayed approximately ₱2.3 million in 2011 for environmental waste management. This amount consists of payment for permits renewal, electricity consumed and salaries paid to operate and maintain the wastewater treatment plant.

As of December 31, 2011, Interphil has a total of 468 employees composed of managers and rank and file. At present, the Company has a unionized workforce. But the Company was not subjected to any employees' strike nor is in danger with a union initiated work stoppage for the following year. The Company provides employee benefits including health care and retirement benefits and has enjoyed good labor relations over the years..

Lancashire Realty Holding Corp.

Lancashire Realty Holding Corp. was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 13, 2008 primarily to invest in companies engaged in a wide range of activities.

Item 2. Properties

Manchester (formerly Interphil) does not own any real property. It does not even lease any real property and has no intention of acquiring any real property in the next twelve months.

On a consolidated basis, 2010 total property plant and equipment of Manchester were valued at ₱ 549,284,720 as compared to ₱ 530,654,062 for 2011 and ₱ 527,922,615 as of March 31, 2012.

Information regarding properties of its subsidiaries are:

- Interphil (formerly First Pharma) main plant is situated on a 50,365 sq m owned by Interphil's (formerly First Pharma) affiliate Lancashire Realty Holding Corp in Canlubang Industrial Estate, Cabuyao, Laguna. The other plant in Canlubang Industrial Estate, Calamba, Laguna is subleased from a client.
- Lancashire owns a 50,365 sq m of land in Canlubang Industrial Estate, Cabuyao, Laguna.

Item 3. Legal Proceedings Affecting the Registrant or its Affiliates

Interphil is a defendant in two (2) labor cases being handled by its legal counsel, Castillo, Laman, Tan, Pantaleon and San Jose Law Offices. In the opinion of management, the ultimate liability, if any, resulting from these matters will not have a material effect on the Company's financial position.

Below is an outline of labor cases handled by the Company's lawyers:

1. *Isagani C. Camson vs. Interphil Laboratories, Inc., et al.*
NLRC Case No. RAB IV-10-18357-03-L
(Our Ref. 1529.30.33)

Complainant Isagani Camson ("Mr. Camson") was dismissed for dishonesty at the labor union's instance for which he filed a complaint for illegal dismissal. On June 19, 2007, the Labor Arbiter dismissed the complaint for lack of merit. Mr. Camson then appealed to the NLRC on July 26, 2007. On May 19, 2008, the NLRC dismissed Mr. Camson's appeal for lack of merit. It likewise denied Camson's Motion for Reconsideration on January 27, 2009. On April 16, 2009, we received a copy of Mr. Camson's Petition for Certiorari ("Petition") elevating the case to the CA. On January 17, 2011, the CA denied Mr. Camson's Petition. On February 8, 2011, we received Mr. Camson's Motion for Reconsideration of the CA's Decision, to which we filed our Comment on February 18, 2011. On May 25, 2011, we received a copy of the CA's Resolution dated May 19, 2011 denying Mr. Camson's Motion for Reconsideration. Undaunted, Mr. Camson filed a Petition for Review on Certiorari dated June 7, 2011 ("Petition") in the Supreme Court. The Supreme court however denied Mr. Camson's Petition in its Resolution dated August 8, 2011, to which Mr. Camson replied by filing his Motion for Reconsideration dated November 3, 2011 ("Motion"). On January 18, 2012 the Supreme Court resolved to deny Mr. Camson's motion with finality and ordered that the Entry of Judgment for the case be issued. We can now consider this case closed.

2. *In Re: Labor Dispute in Interphil Laboratories, Inc.*
NCMB RB IV-A-LAG-PM-07-043-11
(Our Ref. 1529.3046)

Sometime in May 2011, or after the signing of the Collective Bargaining Agreement ("CBA") between Interphil and Interphil Laboratories Employees' Union-FFW ("Union"), a group of CI and CII employees approached the Union seeking their inclusion in the grant of the educational assistance benefit under the CBA. Maintaining that CI and CII employees are outside the bargaining unit and hence outside the scope of the CBA, the Union refused the said request. Thus, the CI and CII employees approached Interphil and asked for their inclusion in the educational assistance benefit. In view of its equal treatment to its employees and after noting that the CI and CII employees have been paying agency fees to the Union, Interphil, in turn, asked the Union that the CI and CII employees be included in the educational assistance benefit. The Union however maintained its position and continued to refuse such request.

To resolve the issue, both Interphil and the Union decided to discuss the same through their Grievance Machinery. After several meetings, the issue remained unresolved prompting the parties to proceed to mediation and conciliation under DOLE-National Conciliation and Mediation Board. A series of mediation and conciliation conferences soon followed but to no avail. Thus, the Union decided to elevate the issue to voluntary arbitration. With the filing of the parties' respective pleadings, the case is now deemed submitted for resolution.

The Company is also a defendant in one (1) civil case being handled by its legal counsel, Sebastian Liganor & Galinato Law Offices.

OEP Philippines, Inc. vs. Interphil Laboratories, Inc.
CA G.R. CV No. 92550
15th Division, Court of Appeals, Manila

This is an action for Sum of Money and Damages which was filed by OEP Philippines Inc (“OEP”) against INTERPHIL for the recovery of the costs and expenses which it allegedly incurred in connection with the recall and destruction of Diltelan capsules consisting of 4,924 boxes of 90mg Diltelan capsules which Interphil undertook to package under their Manufacturing Agreement. As prayed for in its complaint, OEP is claiming Five Million One Hundred Eighty Three Thousand Five Hundred Twenty-Five and 05/100 (₱ 5,183,525.05) as actual damages, Three Hundred Six Thousand Six Hundred Forty-Eight and 81/100 (₱ 306,648.81) and as way of compensatory damages, One Hundred Thousand (₱ 100,000.00) as and by way of exemplary damages, Fifty Thousand (₱ 50,000.00) as attorney’s fees, litigation expenses, and costs of the suit. In its Decision dated 21 October 2011, the Court of Appeals rendered its decision denying the appeal made by INTERPHIL seeking the reversal and annulment of the Decision dated 24 January 2008, rendered by the Regional Trial Court of Makati City, Branch 62, in Civil Case No. 03-907, which ordered INTERPHIL to pay all of the claims of OEP above-mentioned. INTERPHIL filed its Motion for Reconsideration on 11 November 2011 seeking the reconsideration of the Decision dated 21 October 2011, and is now pending resolution before the Court of Appeals. As previously mentioned, the Regional Trial Court of Makati City has ordered INTERPHIL to pay all the above-mentioned claims of OEP in its Decision dated 24 January 2008. However, considering that the facts and law upon which the said Decision was based is weak and does not stand on a strong foundation, there is a great possibility that the said Decision will be eventually reversed and set aside.

We confirm having no knowledge of any other matters other than above.

MANAGEMENT REPORT

The following discussion and analysis of the Company’s consolidated financial conditions and results of operations should be read in combination with the consolidated financial statements and accompanying schedules and disclosures present elsewhere in this report.

OPERATIONS IN 2011

Manchester recorded a consolidated net income of ₱ 89.6M for 2011 which was down by 33% from last year mainly due to lower revenues. Interest income increased by 48% to ₱ 4.7M from ₱ 3.2M due to higher cash and cash equivalents balance in banks.

Interphil Laboratories, Inc.

Although Interphil’s volume continues to decline over the years, the Company has maintained its profitability as shown in the accumulated earnings as of December 31, 2011 of ₱ 343.6M. For the year 2011, net income before tax is ₱ 123.7M due to favorable purchase price variances, toll fee increases, and favorable product mix.

Lancashire Realty Holding Corp

Lancashire posted revenues of ₱ 6.0M for the year ended December 31, 2011 from rental of its land.

Plan of Operations in 2011

To maintain the business, the Parent Company aims to focus on its venture in manufacturing and property development.

The Company expects that Interphil will reasonably contribute to its retained earnings.

Key Performance Indicators

The Company's Consolidated top five (5) key performance indicators are shown below with their relevant results for March 31, 2012, December 31, 2011 and December 31, 2010.

	% INCREASE (DECREASE)	March 31, 2012 (Unaudited*)	March 31, 2011 (Unaudited*)
REVENUES (P000)	8.4%	379,398	349,017
GROSS INCOME (P000)	(38.1%)	31,814	51,380
NET INCOME(LOSS) (P000)	(445%)	(31,788)	9,211
PROFIT(LOSS) PER SHARE (P)	(445%)	(0.077)	0.022

	% INCREASE (DECREASE)	December 31, 2011 (Audited*)	December 31, 2010 (Audited*)
REVENUES (P000)	(3.6%)	1,767,314	1,832,976
GROSS INCOME (P000)	(16.7%)	305,158	366,400
NET INCOME(LOSS) (P000)	(33.5%)	89,551	134,581
PROFIT(LOSS) PER SHARE (P)	(33.5%)	0.217	0.327
TOTAL ASSETS (P000)	5.1%	1,436,454	1,367,352

Interphil Laboratories, Inc (formerly First Pharma)

	% INCREASE (DECREASE)	December 31, 2011 (Audited*)	December 31, 2010 (Audited*)
VOLUME ('000 SPUs)	(13.0%)	58,355	67,053
REVENUES (P000)	(3.6%)	1,767,314	1,832,976
GROSS INCOME (P000)	(17.0%)	299,495	360,737
NET INCOME (P000)	(33.1%)	89,353	133,609
TOTAL ASSETS (P000)	5.3%	1,296,173	1,230,917
STOCKHOLDERS' EQUITY(P000)	10.6%	931,768	842,415

Lancashire Realty Holding Corp.

	% INCREASE (DECREASE)	December 31, 2011 (Audited*)	December 31, 2010 (Audited*)
REVENUES (P000)	0%	6,044	6,044
GROSS INCOME (P000)	0%	5,663	5,663
NET INCOME(LOSS) (P000)	(74.3%)	241	935
TOTAL ASSETS (P000)	0.2%	114,317	114,064
STOCKHOLDERS' EQUITY (P000)	0.2%	114,152	113,912

* except for information on volume.

- a) **Volume Growth**
Measures the percentage change in volume over a period of time. Volume is regularly monitored on a per product and per client basis.
- b) **Revenue Growth**
Measures the percentage change in revenue over a period of time. It is regularly monitored on a per product and per client basis.
- c) **Gross Income**
Measures the pricing strategy of the Company. Computed as Revenue less Cost of Goods Sold.

- d) Net Income/(Loss)
Measures the profitability of the company.
- e) Profit(Loss) Per Share
Measures how much a stockholder earns in the net income or loss of the Company. Profit (Loss) per share is calculated by dividing net income or loss by the weighted number of common shares issued and outstanding during a particular period of time.
- f) Total Assets Growth
Measures the percentage change in assets over a period of time. Assets is regularly monitored on a per asset class.
- g) Stockholders' Equity Growth
Measures the percentage change in stockholders' equity over a period of time.

There were no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default on or acceleration of an obligation.

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

March, 2012 vs December, 2011

There were some significant changes in the **Company's Consolidated Balance Sheet** as of March 31, 2012 versus December 31, 2011.

Current assets

The Company's total cash and cash equivalents went down by 17% to ₱316,512,656 on March 31, 2012 from ₱381,099,825 as of December 31, 2011 mainly due to the decrease in short-term investments resulting from decreased revenues.

Trade and other receivables decreased by 3% to ₱274,607,065 from ₱281,815,862, mainly due to efficient management of receivables.

Inventories increased to ₱286,447,450 on March 31, 2012 from ₱190,440,252 as of December 31, 2011 due to increase in purchases to support next quarter's production requirements.

Advances to suppliers and other current assets went up to ₱55,642,923 from ₱32,883,061 mainly due to increase in the required deposits/advances to suppliers of imported materials and related import and shipping charges.

Non-Current Assets

Property, plant and equipment, net of accumulated depreciation, decreased to ₱415,727,615 on March 31, 2012 from ₱418,459,062 as of December 31, 2011. The decrease is due to lower construction in progress.

Retirement benefit assets remained at ₱4,534,651.

Other non-current assets increased to ₱23,373,814 from ₱15,026,714. The increase is primarily due to creditable withholding taxes which represents deductions made by clients from billings for services rendered.

Current Liabilities

Trade and other payables went up by 33% to ₱406,500,836 on March 31, 2012 from ₱306,331,341 as of December 31, 2011 mainly due to higher purchases.

Net Output tax decreased by 66% to ₱7,430,975 from ₱21,817,568, mainly due to higher input tax for the quarter.

Non-Current Liabilities

Deferred tax liabilities – net of deferred tax assets remained at ₱9,610,140.

The Company's long-term sick leave benefit liability decreased by 5% to ₱33,563,615 from ₱34,971,400 due to lower accrual for employee benefits.

Full Years 2011 vs 2010

There were some significant changes in the **Company's Consolidated Balance Sheet** as of December 31, 2011 versus December 31, 2010.

Current assets

The Company's total cash and cash equivalents went up by 11% to ₱381,099,825 in 2011 from ₱342,030,954 in 2010 because of additional income from operations. Likewise, short-term borrowings were fully settled in 2010.

Trade and Other receivables increased by 1% to ₱281,815,862 from ₱279,555,424 as a result of decrease in collections from client.

Inventories increased by 21% from ₱156,839,442 to ₱190,440,252 because of higher purchases of raw and packaging materials.

Advances to suppliers and other current assets went down by 6% from ₱34,979,835 to ₱32,883,061 due to decrease in advances to suppliers of imported materials and related import and shipping charges.

Noncurrent assets

Property, plant, and equipment, net of accumulated depreciation, decreased to ₱418,459,062 in 2011 from ₱437,089,720 in 2010. The decrease is due to the depreciation of ₱61,299,303 offset by acquisitions of ₱42,668,645.

Retirement benefit asset increased to ₱4,534,651 due to lower accrual of retirement benefits.

Other non-current assets increased by 222% from ₱4,662,080 to ₱15,026,714, due to additional deposit to MERALCO and deposit to a third party marketing company.

Current Liabilities

Trade and other payables went down to ₱306,331,341 due to decrease in intercompany payables.

Net Output tax decreased by 24% to ₱21,817,568 from ₱28,696,213, mainly due to lower collections generated in December.

Noncurrent Liabilities

Deferred tax liabilities – net of deferred tax assets went up to ₱9,610,140 on March 31, 2012 from ₱5,748,891 as of December 31, 2011 mainly due to lower deferred tax assets related to the provision for doubtful accounts and post employment benefits.

Retirement benefit liability decreased due to lower accrual of retirement benefits.

The Company's long-term sick leave benefits liability increased by 4% to ₱34,971,400 from ₱33,653,100 due to higher accrual of long term sick leave benefits.

Full Years 2010 vs 2009

There were some significant changes in the **Company's Consolidated Balance Sheet** as of December 31, 2010 versus December 31, 2009.

Current assets

Cash and Cash Equivalents is higher by 37% due to increase in short-term investments.

Trade and Other receivables decreased by ₱42,839,165 as a result of increased collections and settlement of past due accounts by a client.

Inventories decreased by 21% from ₱199,646,191 to ₱156,839,442 primarily due to better management and control of inventory.

Advances to suppliers and other current assets registered an increase of 37%, from ₱25,608,857 to ₱34,979,835, due to higher advances to suppliers of imported materials and related import and shipping charges and prepaid insurance.

Noncurrent assets

Property, plant, and equipment totaled ₱437,089,720, down from ₱490,900,240 due to the annual depreciation of ₱76,776,747 and acquisitions of ₱22,966,227.

Other non-current assets increased by 7% from ₱4,338,635 to ₱4,662,080, due to higher investment and advances in a joint venture.

Current Liabilities

Notes payable is down to zero from ₱130,000,000 as outstanding bank loans were fully settled during the year.

Trade and other payables are down by 9% to ₱323,712,436 as a result of decrease in purchases.

Output tax payable decreased due to lower collections in December.

Noncurrent Liabilities

Deferred income tax liabilities – net of deferred tax assets increased by ₱4,994,956 compared to 2009 year-end level. The reduction in deferred tax asset is mainly due to the collection of receivables amounting to ₱27,865,322 which were estimated to be doubtful for collection. Allowance was provided in 2009.

The 24% decrease in Retirement and long-term sick leave benefits liability is attributable to the lower provision for pension expense net of the sick leave benefits paid in 2010.

Full Years 2009 vs 2008

There were some significant changes in the **Company's Consolidated Balance Sheet** as of December 31, 2009 versus December 31, 2008.

Current assets

Cash and Cash Equivalents level increased by 161% to ₱249,272,878 due to cash received from principal stockholders as temporary advance and will be returned later.

Trade and Other receivables account decreased by 11% due to the decrease in sales revenue in December.

Inventories decreased by 18% (₱199,646,191 vs ₱243,622,387) mainly due to clean up of expired materials and reduction of purchases.

Advances to suppliers and other current assets decreased by 34% from ₱38,964,756 to ₱25,608,857 due to lower advances to suppliers of imported materials and related import and shipping charges and prepaid insurance.

Noncurrent assets

Property, plant, and equipment registered a decrease of 10% from ₱544,098,949 to ₱490,900,240 due to the annual depreciation of ₱83,561,952 and acquisitions of ₱30,399,567 (net of sale of miscellaneous assets of ₱36,324).

Creditable withholding tax decreased by 100% from last year's ₱123,357,278 which is the net effect of the partial application against income tax due for 2009 and the allowances for possible losses on creditable withholding taxes.

Receivable from Manila Electric Company (Meralco) – net of current portion pertains to the discounted present value of the long-term portion of refund from Meralco which has been fully collected.

Other non-current assets decreased by 73% from ₱16,013,876 to ₱4,338,635, mainly due to lower deposits made to service providers for major repairs and maintenance.

Current Liabilities

Notes payable decreased by 68% to ₱130,000,000 from ₱400,000,000 as partial payments were made during the year on bank loans.

Trade and other payables are up by 8% to ₱356,032,331 as a result of the year-end cash conservation program.

Output tax payable increased due to higher collections generated in December.

Noncurrent Liabilities

Deferred income tax liabilities decreased by 47% compared to 2008 year-end level, mainly due to the recognition of additional deferred tax assets related to the additional provision for post employment benefits, and doubtful accounts.

The 18% decrease in Retirement and long-term sick leave benefits liability is attributable to the lower provision for pension expense net of the sick leave benefits paid in 2009.

Discussion and Analysis of material event/s and uncertainties known to management that would have address the past and would have an impact on future operations of the following from 2008 to March 31, 2012:

- a) There are no known trends, events, or uncertainties that will have material impact on the Company's future liquidity.
- b) There are no known events that will trigger direct or indirect contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- c) There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- d) There are no material commitments for capital expenditures that occurred during the reporting period.
- e) There are no known trends, events, or uncertainties that are expected to have material impact on sales/revenues/income from continuing operations that occurred during the reporting period.
- f) There are no significant elements of income or loss that did not arise from the Company's continuing operations that occurred during the reporting period.
- g) There are no seasonal aspects that had a material effect on the financial condition or results of operations.

Results of Operations

March, 2012 vs. March, 2011

The Company registered consolidated revenues of ₱ 378,397,910 for the quarter ended March 31, 2012, 8% higher as compared to ₱349,016,780 for the same period in 2011. This is primarily due to higher volume and price increase of the manufacturing segment.

Consolidated cost of sales and services and operating expenses increased by 20%. For the quarter ended March 31, 2012, consolidated cost of sales and services and operating expenses is ₱ 410,282,642 compared with last year of ₱ 342,165,334, primarily due to significantly higher salaries and wages, utilities, and advertising expenses.

Consolidated net income decreased by 445% due to increase in cost of sales and services.

Full Years 2011 vs 2010

Consolidated revenues decreased by 4%, mainly due to the decline in volume of the manufacturing unit.

Consolidated cost of sales and services and operating expenses is almost the same at ₱1,462,155,996 in 2011 from ₱ 1,466,576,205 in 2010.

Consolidated net income is lower by 33% at ₱89,551,343 compared with ₱134,580,788 in 2010 due to lower revenues and higher operating expenses.

Full Years 2010 vs 2009

Manchester (formerly Interphil) registered consolidated revenues of ₱1,832,976,274 for the year ended December 31, 2010, down by 8% or ₱150,985,317 from last year's ₱1,983,961,591. The decrease was largely due to decrease in volume of the manufacturing segment.

Consolidated cost of sales and services and operating expenses dropped by ₱106,162,527 or 6.0% due to lower cost of materials, decrease in salaries and wages, and elimination of provision for possible losses on creditable withholding tax.

Net income for the year 2010 is at ₱134,580,788 versus ₱112,606,723 in 2009. This is primarily due to the impact of better negotiation from suppliers to lower cost of materials.

Full Years 2009 vs 2008

The Company's consolidated revenues posted a reduction in 2009 of 8% or ₱174,566,933 to ₱1,983,961,591 for the year ended December 31, 2009 from last year's ₱2,158,528,524. The decrease was largely due to the deterioration in volume of the manufacturing segment during the year.

Consolidated operating costs and operating expenses is lower by ₱216,958,045 due to lower cost of materials and personnel expenses.

Net income for the year 2009 is at ₱112,606,723 versus a net income of ₱66,779,440 in 2008. This is primarily due to the impact of cost containment measures.

Top 20 stockholders as of March 31, 2012 are as follows:

	NAME	NO. OF SHARES HELD	% TO TOTAL OUTSTANDING SHARES
1	INTERPHARMA HOLDINGS & MGT. CORP.	255,264,483	61.95
2	PHARMA INDUSTRIES HOLDINGS LIMITED (formerly KHATIBI HOLDINGS LIMITED)	128,208,993	31.11
3	PCD NOMINEE CORPORATION (FILIPINO)	19,536,513	4.74
4	PAULINO G. PE	756,250	0.18
5	KASIGOD V. JAMIAS	570,861	0.14
6	PCD NOMINEE CORPORATION (NON-FILIPINO)	393,750	0.10
7	PUA YOK BING	375,000	0.09
8	PAULINO G. PE	240,000	0.06
9	ROBERTO S. CHUA	228,750	0.06
10	JOSE CUISIA	187,500	0.05
10	VICTOR SY	187,500	0.05
11	LUMEN TIAOQUI	150,000	0.04
11	EDUARDO M. CABRERA	150,000	0.04
11	LEONARDO CHUA LIAN	150,000	0.04
12	JOSE VICENTE S. VILAR	143,750	0.03
13	ALBERTO ANGUSTIA &/OR FRANCISCO C. GONZALEZ	135,000	0.03
14	OSCAR CU	131,250	0.03
15	OSCAR CU	125,000	0.03
16	JOSEPHINE T. WILLER	118,750	0.03
17	ALEXANDER S. ARANETA	116,250	0.03
18	JOSE MARCEL ENRIQUEZ PANLILIO	112,500	0.03
19	BERNARD ONG AND/OR CONCHITA ONG	100,000	0.02
20	ELENA B. ALIKPALA	82,500	0.02
	TOTAL	407,267,600	98.84

* Net of Treasury Shares held by ATR-KIM Eng on behalf of Manchester (formerly Interphil) as Manchester's (formerly Interphil) executing broker.

Dividends Per Share. No cash dividend was declared for the years 2004-2010. A twelve centavos (₱0.12) per share cash dividend was declared by the Board of Directors in its Regular Meeting held on May 23, 2001 in favor of the stockholders of record as of June 28, 2001 and was paid last July 12, 2001.

Sale of Unregistered Securities. The Company did not sell unregistered securities in the last three (3) years.

Item 7. Information of Independent Accountant and other Related Matters

1. External Audit Fees and Services

For the years ended December 31, 2011 and 2010, the fees for audit work performed by Sycip Gorres Velayo & Co. for the parent company and its subsidiaries were as follows:

	2011	2010
External audit fees and services	₱800,000	₱575,000
Tax fees	-	-
Out-of-pocket expenses	104,397	126,527

- a) External audit fees were paid for the professional services rendered for the audit of the Company’s annual financial statements.
- b) Tax fees were paid for professional services rendered for tax accounting, tax compliance audit, and advice and planning.
- c) Out-of-pocket expenses were paid for incidental costs incurred in relation to the audit.

2. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

To the best of knowledge of the undersigned Corporate Secretary, there are no disagreements on any matter of accounting principles or practices, financial statement disclosure or accounting scope or procedure with the Company’s external auditor.

Audit Committee

The Audit Committee reviews and approves the proposals from Sycip, Gorres, Velayo and Company before implementation or engagement of their services. It performs the following duties and responsibilities:

- Check all financial reports for compliance with internal financial management requirements, general accounting standards, and regulatory requirements.
- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal, and other risks of the Company, and crisis management.
- Pre-approve all audit plans, scope and frequency at least (1) one month before the conduct of external audit.
- Perform direct interface functions with the external auditors.
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the Company through a step-by-step procedure and policies handbook that will be used by the entire organization; and
- Recommend the engagement of an internal auditor to perform internal audit functions, as may be deemed necessary.

Item 8. Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

Item 9. Authorization or issuance of Securities Other than the Exchange

Not applicable

Item 10. Modification or Exchange of Securities

Not applicable

Item 11. Financial and Other Information

The Audited Financial Statements of the Company for the period ended December 31, 2011 is hereto attached.

Representatives of the Company's external auditor, SGV, are expected to be present at the Annual Meeting, and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions from the stockholders. The Company has had no material disagreement with SGV on any matter of accounting principle or practices of disclosure in the Company's financial statements.

Market Price of and Dividends on Issuer's Common Equity and Related Stockholder Matters

Market Information. The principal market for the Company's common stocks is the Philippine Stock Exchange.

The following table indicates the high and low trading prices of the Company's shares for the fiscal years 2010 and 2011 and first quarter of 2012.

		CLASS A		CLASS B	
		HIGH	LOW	HIGH	LOW
2012					
	January	1.85	1.85	1.55	1.55
	February	1.72	1.57	1.80	1.80
	March	2.17	1.95	2.05	2.05
2011					
	First Quarter	1.25	1.25	1.26	1.26
	Second Quarter	1.50	1.50	1.50	1.50
	Third Quarter	1.32	1.32	1.33	1.33
	Fourth Quarter	1.39	1.38	1.38	1.37
2010					
	First Quarter	1.20	1.04	1.12	1.06
	Second Quarter	Nil	Nil	1.00	1.00
	Third Quarter	1.28	1.28	1.10	1.10
	Fourth Quarter	1.58	1.17	1.53	1.53

The majority of the Board of Directors, in their special meetings held on October 9, 2002, and March 19, 2003, voted for the approval of a Share Buyback Program of the Company covering up to One Hundred Seventy Five Million (175,000,000) shares at market price.

Stockholders. The percentage ownership of shareholders of record of the total outstanding shares (net of 150,435,404 issued shares held by the Company as treasury shares) as of March 31, 2012 was 69% Filipino and 31% Foreign. The Company has a total of 412,064,596 shares outstanding as of December 31, 2011 (net of 150,435,404 issued shares held by the Company as treasury shares, of which 64,803,449 are class "A" shares and 85,631,955 are class "B" shares) consisting of 260,514,926 class "A" shares and 130,074,485 class "B" shares and 21,475,185 class "A" and class "B" shares. 416 stockholders hold class "A" shares, 73 hold class "B" shares and 27 stockholders own both class "A" and "B" shares for a total of 516 stockholders.

Item 12. Acquisition or disposition of property

The operating assets of Manchester (formerly Interphil) were moved to Interphil (formerly First Pharma) and the real estate assets to Lancashire.

Item 13. Restatement of Accounts

The Bank is not taking any action, which involves the restatement of any of its assets, capital or surplus account.

OTHER MATTERS

Item 15. Actions with Respect to Reports

The following are included in the Agenda for the June 15, 2012 Annual Stockholders' Meeting for the approval of the Stockholders:

1. Call to order;
2. Certification by the Corporate Secretary on the sending of notices and existence of a quorum;
3. Reading and approval of minutes of the last Stockholders' Meeting held on June 17, 2011;
4. Report of the President;
5. Approval of the Financial Statements for the calendar year ended December 31, 2011;
6. Ratification by a majority vote of the stockholders, of actions taken by the Board of Directors and Officers of the Corporation since the last annual meeting of the stockholders;
7. Election of Directors
8. Appointment of External Auditors;
9. Transactions of such other matters as may properly come before the meeting;
10. Other Matters
11. Adjournment

Other Proposed Action

A summary of the matters taken up in the meetings of the Board of Directors and Stockholders of the Company from June 18, 2011 to April 16, 2012 is described in Section 2 hereof.

Voting Procedures

At the Stockholders' Meeting, every stockholder shall be entitled to vote for each share of stock which has voting power upon the matter in question, registered in his name in the books of the Corporation. The votes of the election of Directors, and upon demand by any stockholder, the votes upon any question before the meeting, except procedural questions which shall be determined by the Chairman of the Meeting, shall be by ballot and shall be conducted by two inspectors of election of judges, designated by the Chairman of the Meeting, who shall first take and subscribe an oath or affirmation, faithfully to execute the duties of inspector or judge at such meeting with strict impartiality and according to the best of their ability and who shall take charge of the polls and, after the balloting, shall make a certificate of the vote taken. No director or candidate for the office of Director shall be appointed as an inspector or an election of Directors.

A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said share and give one candidate as many votes as the number of directors to be elected multiplied by the number of his share shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected. Provided, however, that no delinquent stock shall be voted.

Vote Requirement

The foregoing matters will require the affirmative vote of a majority of the shares of the Company present or presented and entitled to vote at the Annual Stockholders' Meeting:

a. For Election of Directors

Per Section 9 of the Amended By-Laws of the Corporation, all nominations for election of directors by stockholders must be submitted in writing to the Board of Directors at least thirty (30) business days prior to the date of the annual stockholders' meeting. The nominations were subsequently processed and evaluated by the Nomination Committee in a meeting called for that purpose. It was determined by the Committee that all the nominees possess all the qualifications required by law, rules, regulations and Manchester's By-laws and Manual on Corporate Governance and no provision on disqualification would apply to any of the nominees. The Nomination Committee then prepares a Final List of Candidates containing all information about all nominees for directors, which list shall be made available to the Securities and Exchange Commission (SEC) and to all stockholders through the Information or Proxy Statement. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained or allowed on the floor during the annual stockholders' meeting. As of said date, there were only 8 nominees to the Board received by the Corporate Secretary and all the nominees confirmed their acceptance of said nomination.

b. For Election of External Directors

The nominee receiving the highest votes shall be declared as elected.

c. For approval and ratification of all the acts of the Board of Directors, Executive Committee & the officers for a period of June 18, 2011 to June 14, 2012.

Majority vote of the stockholders present or represented during the Regular Stockholders' Meeting shall carry the vote.

Method by which Vote will be Counted

The election is executed through balloting.

Votes shall be counted by Sycip, Gorres, Velayo & Co. and the Corporate Secretary who shall serve as members of the Committee on Elections.

Candidates receiving the highest number of votes shall be declared elected.

Discussion on Compliance with Leading Practice on Corporate Governance

The Company has adopted a Manual of Corporate Governance ("Manual") which was filed with and duly approved by the Securities and Exchange Commission (SEC). In accordance with the provisions of the Manual, the Company is required to assess compliance of its Board of Directors and Management annually.

In addition, the Compliance Officer is required to prepare an annual certification on the Company's compliance with the provisions of the Manual explaining reasons for any deviation. There has been no material deviation from the Company's Manual.

The Company has participated in the recent Corporate Governance Survey pursuant to SEC Memorandum Circular No. 2 Series of 2007, having submitted to the Securities and Exchange Commission copy of the Company's 2011 Corporate Governance Scorecard for Publicly-listed Companies.

The Company encourages its directors and management to attend and participate in training programs and seminars on good corporate governance.

Undertaking to Provide Annual Report

The Company undertakes to provide without charge each stockholder with a copy of its Annual Report upon written request to the Registrant addressed to:

**MANCHESTER INTERNATIONAL HOLDINGS UNLIMITED CORPORATION
OFFICE OF THE CORPORATE SECRETARY
Km. 14, West Service Road, South Superhighway corner Edison Street
Barangay Sun Valley, Paranaque City**

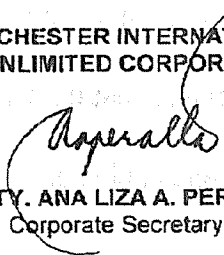
After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Paranaque City, Philippines on May 4, 2012.

SIGNATURE PAGE

Registrant

**MANCHESTER INTERNATIONAL HOLDINGS
UNLIMITED CORPORATION**

By:



**ATTY. ANA LIZA A. PERALTA
Corporate Secretary**

SECTION 2

SUMMARY OF BOARD RESOLUTIONS PASSED FROM JUNE 18, 2011 to APRIL 16, 2012:

DATE	NATURE OF BOARD MEETING	AGENDA
March 20, 2012	Special Meeting	Approval of the issuance of the Company's financial statements as of and for the year ended December 31, 2011
April 16, 2012	Special Meeting	Approval to hold the Annual Stockholders' Meeting on June 15, 2012 and setting of record date to April 27, 2012 Approval of the proposed agenda for the 2012 Annual Stockholders' Meeting

**SUMMARY OF MINUTES OF ANNUAL STOCKHOLDERS' MEETING
(June 17, 2011)**

In the Annual Meeting of stockholders held on June 17, 2011, at which a quorum was present, the stockholders approved the following resolutions:

1. Approval of the Financial Statements for the calendar year ended December 31, 2010;
2. Confirmation and ratification by a majority vote of the stockholders, of actions taken by the Board of Directors and Officers of the Corporation since the last annual meeting of the stockholders held from July 31, 2009 to June 11, 2010
3. Election of the following stockholders as Directors of the Company for the term 2011-2012:
 - Francisco R. Billano
 - Kim Campbell
 - Ramon Y. Dimacali
 - Kasigod V. Jamias
 - Jose O. Juliano
 - Paul Kleiner
 - Salvador C. Medialdea
 - Renatoi B. Magadia
 - Ricardo J. Romulo
4. Re-appointment of Sycip, Gorres, Velayo & Company as the Company's external auditor;