VITARICH

15 May 2012

PHILIPPINE STOCK EXCHANGE INC.
3RD Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention : **MS. JANET A. ENCARNACION**
Head - Disclosure Department

Gentlemen:

In compliance with SEC and PSE requirements, we are pleased to transmit herewith a copy of the Quarterly Report (SEC Form 17-Q) for the first quarter ended March 31, 2012.

Thank you.

Very truly yours,

JULIETA M. HERRERA
Controller

Main Office : Abangan Sur, McArthur Highway, Marilao, Bulacan
Tel. Nos. : (632) 843-3033 and (044) 711-2829 (Connecting All Depts.)
Fax No. : (632) 843-0297 loc. 400 ZIP CODE : 3019

COVER SHEET

2 1 1 3 4

S.E.C. Registration Number

VITARICH CORPORATION

(Company's Full Name)

MAC ARTHUR HIGHWAY ABANGAN SUR

MARILAO BULACAN

(Business Address: No. Street City / Town / Province)

TERESITA RIMANDO

Contact Person

843-30-33 connecting all dept.

Company Telephone Number

Last Friday of June

12 - 31

Month *Day*

Fiscal Year

17- Q

Form Type

0 6

Month Day

Secondary License Type. If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I. D.

Cashier

S T A M P S

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, 2012**

2. Commission Identification Number **21134**

3. BIR Tax Identification No. **- 000-234-398**

4. Exact name of registrant as specified in its charter **VITARICH CORPORATION**

5. **BULACAN**
   Province, Country or other jurisdiction of incorporation or organization

(SEC Use Only)
6. Industry Classification Code

7. **MC ARTHUR HIGHWAY, ABANGAN SUR, , MARILAO, BULACAN 3019**
   Address of principal office Postal Code

8. **843-30-33; 843-02-37 to47 Connecting all departments**
   Registrant's telephone number, including area code

9. **N/A**
Former name, address and/or former fiscal year if changed since last report.

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock - Shares outstanding	**409,969,764**

11. Are any or all the securities listed in the Philippine Stock Exchange?

Yes (**x**) No ( )

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes [**x**] No [ ]

(b) has been subject to such filing requirements for the past 90 days.
Yes [ ] No [**x**]

PART I - FINANCIAL INFORMATION

ITEM I - FINANCIAL STATEMENTS

VITARICH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED MARCH 31, 2012 AND THE YEAR ENDED DECEMBER 31, 2011
(in thousands)

	MARCH 2012	(audited) DECEMBER 31,2011
ASSETS		
Current Assets		
Cash	23,233	42,282
Trade and other receivables	819,925	812,636
Due from related parties - net	97,340	97,604
Inventories	460,156	451,983
Other current assets-net	20,510	14,954
Total Current Assets	1,421,164	1,419,458
Noncurrent Assets		
Property, plant and equipment	1,627,220	1,632,881
Investment property	767,010	767,517
Other noncurrent assets	20,398	20,470
Total Noncurrent Assets	2,414,628	2,420,868
	3,835,792	3,840,327
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	1,091,683	1,097,130
Current portion of restructured debt	30,946	30,946
Income tax payable	570	570
Total Current Liabilities	1,123,199	1,128,647
Noncurrent Lialbilities		
Restructured debt -net of current portion	2,139,427	2,139,427
Trade and other payables	168,822	168,822
Deferred tax liabilities-net	155,455	155,455
Retirement benefit obligation	102,370	101,159
Cash bond deposits	21,296	22,612
Total Noncurrent Liabilities	2,587,370	2,587,475
Equity		
Capital Stock	409,970	409,970
Additional paid-in capital	913,740	913,740
Revaluation reserve	806,331	806,331
Deficit	(2,004,817)	(2,005,835)
Total Equity	125,223	124,205
	3,835,792	3,840,327

VITARICH CORPORATION & SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED MARCH 31, 2012 AND 2011
(in thousands)

	2012 JAN - MARCH	2011 JAN - MARCH	AUDITED DEC 31, 2011
SALES OF GOODS	714,270	628,660	2,697,847
COSTS OF GOOD SOLD	647,342	565,500	2,506,176
GROSS PROFIT	66,928	63,160	191,671
OTHER OPERATING EXPENSES (INCOME)			
Operating Expenses	94,530	89,493	286,301
Other Operating Income	(28,620)	(24,077)	(106,863)
	65,910	65,416	179,437
OPERATING PROFIT (LOSS)	1,018	(2,256)	12,234
OTHER CHARGES (INCOME)			
Finance costs			190,083
Impairment loss on:			
Trade and other receivables			98,236
Project development cost			10,456
Due from related parties			3,950
Fair value loss(gain) from investment property			(35,640)
Finance income			(716)
	-	-	266,370
PROFIT (LOSS) BEFORE TAX	1,018	(2,256)	(254,136)
TAX BENEFIT			20,375
NET INCOME (LOSS)	1,018	(2,256)	(233,762)
OTHER COMPREHENSIVE INCOME			
Additional revaluation reserve on property, plant & equipment			83,167
Deferred income tax expense			(24,950)
	-	-	58,217
TOTAL COMPREHENSIVE INCOME (LOSS)	1,018	(2,256)	(175,544)

EARNING / (LOSS) PER SHARE:

Basic and diluted earnings (loss) per share were computed as follows:

Net income (loss)	1,018	(2,256)	(233,762)
Divided by the weighted average number of outstanding shares	409,970	409,970	409,970
EARNINGS / (LOSS) PER SHARE - basic & diluted	0.002	(0.006)	(0.57)

VITARICH CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED MARCH 31, 2012 AND 2011

	MARCH 2012	MARCH 2011	AUDITED DEC 31, 2011
CAPITAL STOCK	409,970	409,970	409,970
ADDITIONAL PAID-IN CAPITAL	913,740	913,740	913,740
REVALUATION RESERVE ON PROPERTY			
Balance, beginning of year	806,331	756,430	756,430
Transfer to deficit of revaluation reserve absorbed through depreciation			(8,316)
Other comprehensive income			58,217
Balance, end of the year / quarter	806,331	756,430	806,331
RETAINED EARNINGS			
Balance, beginning of year	(2,005,835)	(1,803,596)	(1,803,596)
Prior period adjustments			23,206
As restated	(2,005,835)	(1,803,596)	(1,780,390)
Transfer to deficit of revaluation reserve absorb through depreciation	-	-	8,316
Net income (loss)	1,018	(2,256)	(233,762)
Balance, end of the year / quarter	(2,004,817)	(1,805,852)	(2,005,835)
TOTAL EQUITY	125,224	274,288	124,205

VITARICH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED MARCH 31, 2012 AND 2011

	MARCH 2012	MARCH 2011	AUDITED DEC 31, 2011
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before tax	1,018	(2,256)	(254,136)
Adjustments for:			
Finance cost			190,083
Depreciation	18,924	19,644	60,714
Impairment loss on project development cost			10,456
Property plant & equipment			-
Retirement benefits			4,866
Fair value(gain) loss from investment property			(35,640)
Finance income			(716)
Operating profit before working capital changes	19,942	17,388	(24,374)
Decrease (increase) in:			
Trade & other receivables	(7,289)	(9,638)	5,898
Inventories	(8,173)	(14,422)	(14,351)
Other Current Assets	(5,556)	(4,362)	(4,433)
Net Due from related parties	264	1,207	5,101
Other non-current assets	72	(2,961)	(1,435)
Increase (decrease) in:			
Trade & other payables	(5,447)	(29,411)	52,248
Cash bond deposits	(1,316)	(306)	2,640
Retirement Benefit Obligation	2,582	2,267	
Total Changes in Working Capital	(4,922)	(40,238)	21,295
Interest received			485
Interest paid			(76)
Retirement benefits paid	(1,371)	(796)	(9,376)
Cash paid for income taxes			(6,242)
Net Cash Provided by Operating Activities	(6,293)	(41,034)	6,086
CASH FLOWS FROM INVESTING ACTIVITIES			
Net acquisitions of property and equipment	(13,263)	7,349	(31,329)
Acquisitions of investment property	507		(11)
Proceeds from sale of investment property			1,610
Net cash Used in Investing Activities	(12,756)	7,349	(29,730)
NET INCREASE(DECREASE) IN CASH	(19,049)	(33,685)	(23,644)
CASH AT BEGINNING OF YEAR	42,282	65,926	65,926
CASH AT END OF PERIOD	23,233	32,241	42,282

VITARICH CORPORATION AND SUBSIDIARIES
SEGMENT INFORMATION
FOR THE FIRST QUARTER ENDED MARCH 31, 2012
(in thousands)

The Company's operating businesses and those of its subsidiaries are organized and managed separately according to the nature of products and services provided , with each segment representing a strategic business unit that offers different products and serves different markets.

(a) The Food segment is engaged in the growing, production and distribution of chicken broilers, either as live or dressed . Its products are distributed to wet markets and supermarkets.
(b) The Feeds segment caters to the feed requirement of the poultry growers industry. It is engaged in the manufacture and distribution of animal and aqua feeds, animal health and nutritional products, and feed supplements.
(c) The Farms segment is involved in the production of day-old chicks and pullets.
(d) The Corporate and Others segment includes general and corporate income and expense items which are not specifically identifiable to a particular segment.

Segment assets and liabilities include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowance. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment liabilities do not include deferred tax liabilities.

The Group generally accounts for intersegment sales and transfers at cost.

The following table presents revenue and profit information regarding business segments for the first quarter ended March 31, 2012, and certain asset and liability information regarding business segments at March 31, 2012.
(in thousand pesos)

	Foods	Feeds	Farms	Corporate & Others	Eliminations	Consolidated
TOTAL REVENUES						
Net Sales						
External Sales	225,817	460,936	27,516			714,269
Inter-segment sales		10,656			(10,656)	-
	225,817	471,592	27,516	-	(10,656)	714,269
RESULTS						
Segment Results	(6,332)	31,709	1,541	(25,900)		1,018
Interest Expense						-
Minority Interest						
Income (Loss) before taxes						1,018
Income taxes						
Net Income (Loss)						1,018
OTHER INFORMATION						
Segment assets	1,063,066	2,002,855	671,558	183,730	(85,416)	3,835,793
Investment in and advances to subsidiaries and associates						-
Consolidated total assets	1,063,066	2,002,855	671,558	183,730		3,835,793
Segment liabilities	675,640	901,586	9,169	573,117	(619,316)	1,540,196
Interest-bearing loans				2,170,373		2,170,373
Consolidated total liabilities	675,640	901,586	9,169	2,743,490		3,710,569

VITARICH CORPORATION
AGING OF RECEIVABLE
AS OF MARCH 2012

TRADE RECEIVABLES

	TOTAL	CURRENT	1-30	31-60	61-90	91-120	OVER 120
FEEDS	881,821	309,022	22,223	2,457	1,170	4,482	542,466
FARMS	67,360	2,572	3,076	1,529	22	2	60,158
FOODS	220,090	40,899	1,636	94	222	168	177,072
TOTAL TRADE RECEIVABLES	1,169,271	352,493	26,935	4,081	1,414	4,652	779,696
ADVANCES TO OFFICERS & EMPLOYEES	5,304	5,263					41
OTHER RECEIVABLES	443,957	19,821	462	5,045	-	-	418,629
TOTAL TRADE & NON-TRADE RECEIVABLES	**1,618,532**	**377,577**	**27,397**	**9,126**	**1,414**	**4,652**	**1,198,366**
Less: Allowance for Bad Debts	798,607						**798,607**
NET RECEIVABLES	**819,925**	**377,577**	**27,397**	**9,126**	**1,414**	**4,652**	**399,759**

VITARICH CORPORATION & SUBSIDIARIES
SELECTED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Vitarich Corporation (the Company or Parent Company) was registered with the Securities and Exchange Commission (SEC) on July 31, 1962. On March 30, 2012, the SEC approved the extension of its corporate life for another 50 years. Its shares of stock are registered with the Philippine Stock Exchange. The Company has 100% interests in Gromax, Inc. (Gromax) and Philippines Favorite Chicken, Inc. (PFCI), which are both domestic corporations. PFCI ceased commercial operations in 2005.

The Company is presently engaged in the production and distribution of poultry products such as live and dressed chicken, day-old chicks, animal and aqua feeds, while Gromax is engaged in the manufacture and distribution of animal health and nutritional products.

The registered principal place of business of the Company and its subsidiaries (collectively referred to hereinafter as the Group) is located at Bo. Abangan Sur, McArthur Highway, Marilao, Bulacan. The Company has operating offices in Luzon, Iloilo and Davao, and maintains satellite offices in Southern Philippines.

The consolidated financial statements comprise the accounts of Vitarich Corporation, the parent company, and its wholly owned subsidiaries, PFCI and Gromax, after the elimination of material intercompany transactions.

The accounting policies and methods of computation have been consistently applied by the Company and its subsidiaries in the preparation of interim financial statement as compared with the most recent annual audited financial statements.

The consolidated financial statements of the Group have been prepared on the historical cost basis of accounting, except for property, plant and equipment and investment property which are stated at fair value and are presented in Philippine Peso, the Group's functional currency. All values represent absolute amounts except when otherwise stated.

Moreover, the consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council (FRSC) and adopted by the SEC.

Future Changes in Accounting Policies

- **PFRS 9, *Financial Instruments: Classification and Measurement,* reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and liabilities as defined in PAS 39. In subsequent phases, hedge accounting and de-recognition will be addressed. The completion of this project is expected in the middle of 2011. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.**

After consideration of the result of its impact evaluation, the Company has decided not to early adopt either PFRS 9 (2009) or PFRS 9 (2010) for its 2012 financial reporting in its interim financial statements as of March 31, 2012.

Trade and Other Receivables

Trade receivables are usually due within 30 to 90 days and do not bear any interest.

Advances to officers and employees are unsecured, noninterest-bearing and subject to liquidation for a specified period of time of about one year.

Other receivables comprised mainly of unsecured, noninterest-bearing advances to suppliers and other third parties, insurance claims receivables arising from claims from typhoon and other damages and outstanding receivables arising from incidental income of the Group such as tolling and rentals.

The trade and other receivables are composed of the following:

	Unaudited March, 2012	**Audited 2011**
Trade receivables	P 1,169,271	P1,153,368
Advances to officers and employees	5,304	6,668
Other receivables	443,957	450,835
	1,618,532	1,610,871
Allowance for impairment	(798,607)	(798,235)
	P 819,925	P 812,636

Inventories

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location are accounted for as follows:

> *Finished feeds, factory stocks and supplies and other livestock inventories* – first in, first out method. Finished goods include the cost of raw materials, direct labor and a proportion of manufacturing overheads based on normal operating capacity.
>
> *Raw materials, animal health products and feeds supplements* – weighted average method. All costs directly attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities are included as part of costs of these inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion of production and the estimated costs necessary to make the sale. Net realizable value of raw materials is the current replacement cost.

The details of inventories at the end of the period of March 31, 2012 and the year-ended December 31, 2011 are shown below:

	Unaudited March, 2012	**Audited 2011**
At cost:		
Finished goods	P 64,986	P59,050
Materials in-transit	-	1,868
At NRV:		
Raw materials and feeds supplement	177,549	162,345
Factory stocks and supplies	94,325	104,151
Livestock	93,724	100,641
Supplies and animal health products	29,572	23,928
	P460,156	P451,983

Property, Plant and Equipment

Property, plant and equipment (except for transportation equipment which are stated at cost less accumulated depreciation, amortization and any impairment in value) are stated at appraised values as determined by an independent firm of appraisers less accumulated depreciation and amortization, and any impairment losses.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for major additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Subsequent to initial recognition at cost, property, plant and equipment (except for transportation equipment) are carried at revalued amounts, as determined by independent appraisers, less any subsequent accumulated depreciation, amortization and any accumulated impairment losses. Fair market value is determined based on appraisals made by external professional valuers by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date. Any revaluation reserve is credited to Revaluation Reserve on Property account presented under the equity section of the consolidated statement of financial position. Any revaluation deficit directly offsetting a previous surplus in the same asset is charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and the remaining deficit, if any, is recognized in the consolidated profit or loss. Annually, an amount from the Revaluation Reserve on Property is transferred to Deficit for the depreciation relating to the revaluation reserve, net of related taxes. Upon disposal, any revaluation reserve relating to the particular asset sold is transferred to Deficit. Revaluations are performed with sufficient regularity ensuring that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets. The depreciation and amortization periods for property, plant and equipment, based on the above policies, are as follows:

Asset type	Number of years
Buildings	20 years
Machinery and equipment	10 to 20 years
Office furniture, fixtures and equipment	3 to 10 years
Transportation equipment	4 to 5 years
Leasehold and land improvements	2 to 5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount .

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in consolidated profit or loss in the year the item is derecognized.

Investment Property

Investment property, accounted for under the fair value model, is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is measured initially at acquisition cost, including transaction costs. Subsequently, investment property is stated at fair value as determined by independent appraisers on an annual basis. The carrying amounts recognized in the consolidated statement of financial position reflect the prevailing market conditions at the end of each reporting period.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognized in the statement of comprehensive income as Fair Value Loss (Gain) on Investment Property and Gain (Loss) on Sale of Investment Property, respectively, in the consolidated statement of comprehensive income.

No depreciation charges are recognized on investment property accounted for under the fair value method.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal.

Rental income and operating expenses from investment property are reported as part of Other Operating Income and Selling and Distribution Costs, respectively, in the consolidated statement of comprehensive income.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development.

Trade & Other Payables

This account consists of:

	Unaudited March, 2012	**Audited 2011**
Trade & non-trade payables	P 867,019	P 856,161
Accrued interest	233,803	233,803
Accrued expenses	70,478	93,509
Provisions	25,813	25,813
Customers' deposits	52,433	50,685
Other payables	10,959	5,981
	P1,260,505	P1,265,952
Less non-current portion	168,822	168,822
Current portion	P1,091,683	P 1,097,130

Trade payables primarily consist of liabilities arising from purchases of raw materials related to the normal course of business.

Non-trade payables primarily consist of liabilities arising from purchases of goods, other than raw materials, and various services giving rise to expenses such as trucking fees, utilities, security services and inspection fees, among others.

Provision pertains to PFCI obligations which include an estimated liability of ₱10.4 million from a legal case for non-payment of rentals. PFCI ceased operations in 2005. The case is pending decision before the Court of Appeals.

Other payables consist of short-term customer deposits, SSS, Pag-ibig and Philhealth premiums payable and withholding taxes payable, among others.

The noncurrent portion of trade and other payables, were liabilities held for payment in the same manner as the restructured debt. The payment terms and conditions, however, pursuant to the Plan are yet to be determined by the Court. Accordingly, these financial liabilities are carried at nominal values and are presented as noncurrent liabilities.

Revenue Recognition

Revenue is recognized to the extent that the economic benefits will flow to the Group and the amount of the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts and rebates. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods. Revenue is recognized when the risk and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Tolling. Revenue is recognized when the performance of contractually agreed tasks have been substantially rendered.

Rental. Revenue from operating leases is recognized on a straight-line basis over the lease term.

Interest. Income is recognized as the interest accrues taking into account the effective yield on the assets.

Cost and Expense Recognition

Costs and expenses are recognized in the consolidated statement of comprehensive income upon consumption of goods, utilization of the services or at the date they are incurred. Finance costs are reported on an accrual basis and are recognized using the effective interest method.

Issuances, repurchases, and repayments of debt & equity securites;

There were no issuances, repurchases, and repayments of debt and equity securities made for the first quarter of the year.

Dividends

In 1995, the Corporation declared cash dividend of P0.10/share. For 1996 up to first quarter of 2012, the Corporation did not declare any dividend because of the losses suffered by it.

Cash Bond Deposits

Cash bond deposits substantially consist of interest-bearing surety bond deposits obtained from contract growers, contract breeders, customers and salesmen.

The carrying amounts of the cash bond deposits are regarded as its amortized value since timing of the refund of the deposits could not be reasonably estimated.

Equity

The Company is authorized to issue 500 million common shares of stock with a par value of ₱ 1.00 per share, of which 409,969,764 common shares are issued and outstanding as at March 31, 2012 and December 31, 2011, or a total of ₱410.0 million.

The BOD approved the increase in the authorized capital stock from 500 million shares of stock with a par value of ₱1.00 for a total of ₱500 million to 1.0 billion shares of stock with a par value of ₱1.00 for a total of ₱1.0 billion on May 27, 2010. The increase was also approved by the stockholders during the annual meeting on June 25, 2010. However, the increase is still pending the approval of the SEC.

The share capital of the Company consists only of common stock. All shares are equally eligible to receive dividends and repayment of capital and each share is entitled to one vote at the shareholders' meeting of the Company.

As of March 31, 2012 and December 2011, capital stock consists of:
(in thousands pesos)

	Shares	Amount
Authorized – 500 million shares, P 1 par value		
Issued and outstanding	409,969,764	P 409,970

Earnings(Loss) Per Share (EPS)

Basic earnings (loss) per share is determined by dividing net profit (loss) by the weighted average number of issued and outstanding shares subscribed and issued during the year after retroactive effect for any stock dividend, stock split or reverse stock split during the current year, if any.

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares to assume conversion of dilutive potential shares.

Currently, the Group does not have dilutive potential shares, hence, diluted earnings (loss) per share is equal to the basic earnings per share.

Restructured Debt

Debt at Discounted Value

The debt was originally obtained from local creditor banks and was restructured pursuant to the Plan approved by the Court on May 31, 2007 as discussed in Note 1 of the AFS 2011 . Several of these creditor banks have transferred their interest in the loans to SPAV Companies. A summary of the restructured debt at discounted value is presented below:

	2011	2010 (As Restated - see Note 23)	2009 (As Restated - see Note 23)
Debt at original amount	**₱3,254,367,021**	₱3,254,367,021	₱3,254,367,021
Payments to date:			
Balance at beginning of year	**(177,838,883)**	–	–
Payments	**–**	(177,838,883)	–
Balance at end of year	**(177,838,883)**	(177,838,883)	–
	3,076,528,138	3,076,528,138	3,254,367,021
Unamortized discount at original amount	**1,596,973,858**	1,596,973,858	1,596,973,858
Accretion to date:			
Balance at beginning of year	**563,697,898**	415,135,966	244,009,708
Accretion	**127,120,788**	148,561,932	171,126,258
Balance at end of year	**690,818,686**	563,697,898	415,135,966

	2011	2010	2009
	906,155,172	1,033,275,960	1,181,837,892
Discounted value	**2,170,372,966**	2,043,252,178	2,072,529,129
Current maturing portion	**(30,946,243)**	(10,188,064)	–
Restructured debt - long term portion	**₱2,139,426,723**	₱2,033,064,114	₱2,072,529,129

The debt as at May 31, 2007 was remeasured at fair value (subsequently at amortized cost) based on the terms of the plan using the prevailing effective interest rate of 9% at that time.

The computation of the amortized cost of the loans, however, was revised in 2010 because of changes in the assumptions used. The terms of payment of the debt are on an annual basis, contrary to the previous assumption used, that is on a quarterly basis. This was affirmed by a Court order dated February 18, 2011. Moreover, as discussed in Note 11, the Company's sale of its non-core assets through dacion en pago in 2010 reduced the principal amount of the debt. The remeasurement resulted in a prior period adjustment in 2010 decreasing the original amount of the discount and increasing the deficit as at January 1, 2010 by ₱113.6 million.

In 2011, the restructured debt was revalued to recognize the accrued interest based on the Plan resulting in a decrease in deficit amounting to ₱67.9 million as at January 1, 2011.

<u>Debt at Original Amount and Terms Under the Plan</u>
As at December 31, 2011, 2010 and 2009, the outstanding balance of the debt (at original value) is due to the following:

	2011	2010	2009
Creditor banks	**₱1,546,458,088**	₱1,546,458,088	₱1,554,215,097
SPAV companies	**1,530,070,050**	1,530,070,050	1,700,151,924
	₱3,076,528,138	₱3,076,528,138	₱3,254,367,021

The Plan provides, among others, for the following:

(a) a modified debt restructuring scheme for a period not exceeding 15 years ;

(b) payment of interest to all the Company's creditors on the following basis:

(i) Years 1 to 3 - at 1% per annum
(ii) Years 4 to 6 - at 2% per annum
(iii) Years 7 to 9 - at 3% per annum
(iv) Years 10 to 15 - at 4% per annum

(c) implementation of certain programs as indicated in the Receiver's Report, particularly the change in the feeds distribution system by adopting the Farmers Enterprise System;

(d) implementation of the Plan will be reviewed on the 5th year to determine whether the effects of the Farmers Enterprise System are favorable and whether at that time, the finances of the Company could already sustain payments of increased interest rates from Year 6 onwards;

(e) also in Year 5, the creditors may be given the option to avail of Receiver's Payment and Capital Note so that 50% of the debt will be paid on a graduated scale as set out under the rehabilitation plan, without interest, but payment may be accelerated so that the debt can be paid in 5 years at the rate of 20% per year, and the remaining 50% thereof may be converted into 40% of the outstanding capital stock of the Company.

Based on the Plan, the Debt Scheduling Payment is summarized below:

	Principal	Interest	Accretion of Discount
Within 1 to 3 years	₱–	₱–	₱488,979,047
Within 4 to 6 years	251,829,694	187,292,955	390,846,002
Within 7 to 9 years	432,736,704	260,066,196	358,242,338
Within 10 to 15 years	2,569,800,623	521,154,604	358,906,471
	₱3,254,367,021	₱968,513,755	₱1,596,973,858

Compliance with the Plan

The Court denied the motion filed by the creditor banks to terminate the implementation of the Plan on February 18, 2011. The Company is not in default because the first installment on the debt is due on May 31, 2011 and not on June 1, 2010. When the Plan states that the payment is due in Year 4, it means that the Company has 365 days to pay the obligation from June 1, 2010, the start of Year 4. The Court further agreed with the Receiver that the Company was doing good until a typhoon destroyed its properties in 2009. Because of the delay in the release of the initial proceeds by the insurance company as discussed in Note 7, the Company had to use its working fund to repair machinery and equipment and replenish the damaged inventories. The Court ruled that the termination is premature and allowed the Company to comply with the Debt Scheduling Payment.

On May 13, 2011, the Company assigned to the creditors: ₱79.0 million of the receivable from Philippine Charter Insurance Company; receivable from the expropriation of Company properties, and; ₱21.0 million receivable from Luzco, Inc. to comply with the maturing obligation under the Debt Scheduling Payment.

On June 1, 2011, the Court directed Philippine Charter Insurance Corporation to pay ₱79.0 million to the Receiver as partial insurance proceeds to be distributed to the creditors as settlement for the first installment.

These Court Orders are subject to appeal by the creditor banks and are now pending with the Court of Appeals. Management and its legal counsel believe that the case will be ruled in its favor. Under the Interim Rules on Corporate Rehabilitation, the Court Order is executory. Thus, the appeal will not stay the Court Order.

Finance Costs
(in thousand pesos)

The breakdown of this account is as follows:

	Unaudited **March 2012**	Audited **2011**
Interest expense on restructured debt		
Accretion of discount	-	P 127,121
Nominal interest payable to creditor banks	-	62,886
		190,007
Others		76
		P190,083

Other Matters

- There were no contingent asset or liability since the last annual balance sheet date.
- There were no material commitments for capital expenditures.

- 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.

Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

Under the Second Amendment dated March 19, 2003, entered into by the Corporation with the creditor banks, if the Corporation defaults in its obligation under it, it shall be considered as an event of default under the Omnibus Agreement, and will result to an adverse financial liability of the Corporation.

However, with the approval of the Rehabilitation Plan, all the terms of the Second Amendment shall be subject to the decision of the Rehabilitation Court.

RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from its operating, financing and investing activities. The Group's overall risk management program focuses on the unpredictability of the markets and seeks to minimize potential adverse effects on the Group's performance.

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

Foreign Currency Sensitivity

To a certain extent, the Group has an exposure to foreign currency risks as some of its raw materials purchases are sourced outside the Philippines and are therefore denominated in foreign currencies. However, the Group has not yet experienced significant losses due to the effect of foreign currency fluctuations since purchases denominated in foreign currency are kept at a minimum.

Interest Rate Sensitivity

As of March 31, 2012, the Group has no significant floating rate financial assets or liabilities. The Group's operating cash flows are substantially independent of changes in market interest rates.

The Court's Approved Rehabilitation Plan allowed the Group to defer the payment of its interest-bearing loans and their related interest charges and certain trade payables for a period of three years from the date of approval of the rehabilitation plan .

The Group has no borrowings that carry variable interest rates which released the Group to cash flow interest rate risk.

Credit Risk

Generally, the maximum credit risk exposure of the financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position

The Group continuously monitors defaults of counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group’s trade and other receivables are not exposed to a concentration of credit risk as the Group deals with a number of customers. The Trade and Other Receivables are actively monitored and assessed and where necessary an adequate level of provision is maintained. In addition, to minimize credit risk, the Group requires collateral, generally land real estate, from its customers.

The Group’s management considers that trade and other receivables that are not impaired or past due for each reporting periods are of good credit quality.

Liquidity Risk

The Group’s petition for corporate rehabilitation, which resulted in the eventual approval of its rehabilitation plan, has significantly assisted in addressing the liquidity issue of the Group as the rehabilitation plan provides for deferment of borrowing repayments for a period of three years. Nevertheless, the Group manages its liquidity profile to be able to service its long-term debt as they will fall due in the near future by maintaining sufficient cash from operations.

The Group maintains cash to meet its liquidity requirements for up to 30-day periods.

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

Consolidated sales revenues for the first quarter ended March 2012 of P714.3 million rose by 14% from P629 million of same period last year. The upsurge in sales was anchored on increased demand, and aggressive distribution expansion.

Cost of goods sold consequently increased with the growth in consolidated revenues and likewise increased in line with higher commodity prices. Other operating income improved by almost 19% mainly due to mark-up in contract growing feeds and increased rental of facilities.

Operating expenses went up by 6% to P94.5 million from P89.5 million of same period last year on account of higher freight & handling costs and sales commissions expenses.

As a result, the Company still managed to post a net income of P1.0 million for the first quarter of the year 2012, better than same period last year's loss of P2.3 million and a marked improvement to propel the Company's recovery from its P175.5 million comprehensive losses for full year 2011 Profits improved mainly due by higher volumes, better selling prices in the market, improved efficiencies, and effective cost reduction projects across the Company.

Moreover, as the Company is under corporate rehabilitation, it will continue to focus on its core business and strive to improve operations. Likewise, the Company will also continuously institute the programs adopted by the management pursuant to the rehabilitation plan such as the following:

- corporate branding and image rebuilding;
- launching of new products in the market;
- expanding sales and distribution networks;
- strengthening business ties with trading partners, local and abroad; and
- continuously improving product quality including rehabilitation and standardization of certain plants to qualify for international standardization and accreditations.

Gromax, Inc. is a wholly-owned subsidiary of Vitarich which started commercial operation in January 1996. Previously, Gromax was a division of Vitarich which was spun off to a separate entity. Gromax was registered with SEC on November 10, 1995.

Gromax is presently engaged in the manufacture of animal health and nutritional products for commercial sales as well as for use of its parent company (Vitarich) in its contract breeding and contract growing operations.

Gromax manufactures, prepares, processes, mixes, distributes and sells innovative and high quality animal health and nutritional products, feed additives and commodities for poultry and livestock to contract growers, contract breeders, poultry and swine farms, feedmills, distributors, cooperatives, and poultry integrators throughout the country.

Aside from catering to its internal breeders and growers, it had expanded its animal health products to include hog and dairy products from cattle, goats and carabaos.

The registered office of Gromax is located at the Vitarich compound, Abangan Sur, Marilao, Bulacan. The registered office of its parent company is also the same with the registered office of the said company.

For the first quarter of 2012, Gromax yielded positive results as it posted a net income of P3.1 million, slightly lower than last year's net income of P3.8 million.

Philippine's Favorite Chicken Inc. (PFCI), one of the subsidiaries of Vitarich, entered into distribution agreements in 1995 with America's Favorite Chicken Company (AFC), a company that operates the Texas Chicken and Popeye's Chicken restaurants in the United States. Under these distribution agreements, PFCI will distribute the paper goods, restaurant supplies, equipment and food products to Texas Manok Atbp. Inc. (TMA). The latter corporation, which is owned by the Sarmiento family, in turn, entered into a development and franchise agreement with AFC. Under the development agreement between TMA and AFC, PFCI was granted the exclusive right to develop an aggregate of fifty (50) Texas Chicken and fifty (50) Popeye's Chicken restaurants in the Philippines in consideration for territorial and franchise fees payable to AFC as stipulated in the agreements. In addition, a 5% percent royalty fee based on sales is assessed for each franchised restaurant. This royalty is being paid by TMA, the operator of the restaurant.

The franchise agreement allowed the PFCI to use the Texas Chicken and Popeye's Chicken trade names, service marks, logos, food formulae and recipes, and other exclusive rights to the proprietary Texas and Popeye's Chicken System.

The development of the restaurants was scheduled over a period of seven years starting in 1995 for Texas Chicken and 1996 for Popeye's. The franchise agreement shall be for a period of ten (10) years for each restaurant unit, renewable for four additional periods of five years each, at the option of the franchisee. However, PFCI, in 2000, lost its right to develop Popeye's Chicken in the Philippines.

On October 1, 1998, the Board of Directors of PFCI approved the conversion into equity of the advances of Vitarich Corporation to PFCI amounting to P165 million to be applied to its unpaid subscriptions and for additional shares of stock of PFCI. Out of the P165 million advances to be converted into equity, P25 million was applied to Vitarich's unpaid subscription while the remaining P140 million was shown under Deposit on Future Stock Subscriptions account pending the approval from the SEC of the conversion.

In 2003, PFCI reverted the investment in shares of stock in PFCI to Advances to subsidiaries amounting to P140 million, as the Board of Directors of PFCI decided not to pursue its application with the SEC to convert into equity the advances received from Vitarich. PFCI initially recorded the transaction as an increase in investment in shares of stock in PFCI and a decrease in advances to subsidiaries when the proposed conversion was approved by the Board of Directors of PFCI in 1998.

AFC unilaterally terminated its development and franchise agreements with PFCI in 2001. As a result, in August 2001, PFCI and TMA filed a case against AFC and some of AFC's officers, such as Tom Johnson, Anthony Pavese and Loreta Sassen, among others, for undue termination of the development and franchise agreements with the Regional Trial Court of Pasig City, docketed as Civil Case No. 68583. The case called for injunction, specific performance, sum of money and damages against AFC and some of its officers.

In connection with such legal action, in 2001, PFCI recognized as claims receivable, as of December 31, 2001, certain losses arising from the closure of certain Texas Chicken restaurants and legal fees incurred relating to the case filed against AFC. Losses recognized as claims receivable include, among others, the loss on write-off of leasehold and building improvements relating to the closed stores. The total amount recognized as claims receivable (presented as part of Other Non-current Assets account in the consolidated balance sheets) totaled P23.2 million as of December 31, 2001.

The Regional Trial Court of Pasig City, in a decision dated April 3, 2002, approved the issuance of a preliminary writ of attachment on the properties of AFC in the Philippines upon posting of PFCI and TMA of a bond amounting to P100 million.

On September 24, 2003, the trial court granted the Motion to Dismiss filed by two of the defendants. PFCI, in turn, filed a Motion for Partial Reconsideration of the order. Moreover, AFC has filed a Petition for Certiorari before the Court of Appeals assailing the validity of the trial court's previously issued writ of attachment.

On December 22, 2004, the parties have entered into a compromise agreement for the settlement of the case of which the parties have filed a joint motion to dismiss before the Regional Trial Court of Pasig City, Branch 152.

On March 04, 2005, the Regional Trial Court of Pasig City, Branch 152 had approved the Joint Motion to Dismiss filed by the parties based on the Compromise Agreement entered into by them, thus, putting an end to the case.

In 2005, the Company discontinued operations of its Texas Manok's Restaurants. Accordingly, it terminated all its employees and provided full valuation allowances on all its remaining assets.

Although the Board of Directors and stockholders have not yet formally adopted a plan to liquidate the Company, the financial statements are presented under the liquidation basis of accounting to appropriately reflect the significant changes in the Company's status of operations.

Financial Condition
Unaudited Balance Sheet as of March 31, 2012 vs. Audited December 31, 2011

The Company's consolidated total assets as of March 31, 2012 stood at P3.8 billion, slightly higher than December 2011 level. Total current assets of P1.4 billion was also slightly higher from last year. Trade & other receivables of P819.9 million increased by only 1% versus last year. Other current assets account has likewise increased from P14.9 million to P20.5 million as of the period ended. However, inventories and due from related parties account almost maintained their last year level.

Cash balance declined to P23.2 million from P42.3 million as of end-2011. The reduction in cash was attributed to net cash outflows used in operating activities particularly for working capital requirements.

Trade and other payables account of P1.1 billion for the period ended March 2012 was slightly lower as compared to year-end balance. This was due to the company's decision to impose strict measures on cash disbursement to reserve cash for operations.

Stockholders' equity increased from P 124.2 million to P125.2 million, basically due to net income posted as of the first quarter ended.

The Corporation's top five (5) key performance indicators are described as follows:

1) Sales Volume, Price and Revenue Growth
Actual sales volume for feeds business increased by almost 8% from previous year's volume. Likewise, average selling price improved as compared to last year. Food sales volume as of the quarter ended increased by 29% as against same period last year.

2) Cost Contribution
This measures the cost efficiency of the products and trend of raw materials prices, particularly importations wherein there are foreign exchange exposures. Costs are analyzed on a regular basis for management's better strategic decisions in cost reduction and efficiency measures.

3) Gross Profit Rate
The review is done on a regular basis to check if the targets are being met based on the forecasted gross profit rate. This is being done on a regular basis for proper and immediate action.

4) Operating Margin
Operating margin is the result after operating expenses are deducted. Review of operating expenses is performed on a regular basis. These are being analyzed and compared against budget, last month and previous years, to ensure that cost reduction measures are being met and implemented.

5) Plant Capacity Utilization
This determines total usage of the plant capacity. The higher the plant utilization, the better the productivity, which translates to better margin.

Sales Revenue	March 2012			March 2011		
	Volume	Price	Revenue (000) omitted	Volume	Price	Revenue (000) omitted
Feeds						
Animal	242.8	1,083.24	263.1	237	1,071.23	235.5
Aqua	133.8	1,140.71	152.7	113	1,132.04	128.4
Poultry						
DOC	1,451.5	18.60	27.0	1,587.2	19.97	31.7
Hogs	0.2	2,991.08	.5	0.3	4,672.81	1.4
Foods	2.383.9	93.5	2,258	1,854	87.34	170.6

Cost Contribution	March 2012	March 2011
Feeds	(000 omitted in peso)	(000 omitted in peso)
Animal	223.4	220.4
Aqua	130.4	108.5
Poultry		
DOC	28.3	34.2
Hogs	1.2	1.1
Foods	231.3	169.3

Gross Profit Rate	March 2012	March 2011
Feeds		
Animal	15%	13%
Aqua	15%	16%
Poultry		
DOC	-5%	-8%
Hogs	-138%	27%
Foods	-3%	0%

Operating Margin	March 2012	March 2011
Feeds	(000 omitted in peso)	(000 omitted in peso)
Animal	21.9	14.3
Aqua	6.6	4.9
Poultry		
DOC	2.3	0.4
Hogs	-0.7	0.4
Foods	-6.1	-1.3

SIGNATURES

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

Registrant - **VITARICH CORPORATION**

By:

JULIETA M. HERRERA
Controller

TERESITA C. RIMANDO
Alternate Corporate Information Officer

Date: May 15, 2012

VitaSEC17Q-1stQ2012