

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands of Pesos)

	December 31	
	2008	2007
ASSETS		
Cash and cash equivalents	₱2,433,018	₱1,729,721
Mortgage, notes and contracts receivables	7,816,916	6,789,127
Other receivables	1,577,338	1,382,104
Due from related parties	81,993	80,804
Real estate inventories	20,541,998	17,108,877
Investment in an associate	3,821,853	3,754,284
Available-for-sale financial assets	49,730	58,220
Investment property - net	10,172,000	10,390,065
Property and equipment - net	870,020	419,259
Goodwill	5,445,488	5,445,488
Other assets	380,541	311,956
	₱53,190,895	₱47,469,905
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses	₱6,266,912	₱5,305,338
Income tax payable	110,444	84,363
Due to related parties	249,215	32,113
Pension liability	32,691	20,056
Deferred income tax liabilities - net	1,599,818	1,712,899
Long-term debt - net	6,972,300	3,515,864
Total Liabilities	15,231,380	10,670,633
Equity		
Common stock	24,470,708	24,470,708
Preferred stock	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock	(221,041)	-
Revaluation reserve on available-for-sale financial assets	(2,619)	(2,619)
Share in revaluation increment on land at deemed cost of an associate	1,876,422	1,876,422
Retained earnings	6,143,724	4,762,440
Total Equity	37,959,515	36,799,272
	₱53,190,895	₱47,469,905

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2008	2007	2006 (As restated)
REVENUES			
Real estate sales	₱3,507,560	₱3,155,624	₱2,716,401
Cost of real estate sales	1,585,592	1,473,019	1,099,902
Gross profit	1,921,968	1,682,605	1,616,499
OTHER INCOME			
Rental income	1,134,530	1,020,241	306,111
Interest income	370,243	358,649	272,206
Equity in net earnings of an associate	67,569	357,396	63,475
Others - net	250,596	237,577	161,343
Foreign currency exchange gain - net	7,347	–	–
	1,830,285	1,973,863	803,135
EXPENSES			
General and administrative	1,028,491	963,900	637,733
Selling and marketing	483,867	426,752	362,444
Interest expense	108,231	122,988	334,587
Foreign currency exchange loss - net	–	13,243	3,232
	1,620,589	1,526,883	1,337,996
INCOME BEFORE INCOME TAX	2,131,664	2,129,585	1,081,638
PROVISION FOR INCOME TAX			
Current	377,744	330,826	42,299
Deferred	(113,081)	94,366	167,513
	264,663	425,192	209,812
NET INCOME	₱1,867,001	₱1,704,393	₱871,826
EARNINGS PER SHARE			
Basic / Diluted	₱0.080	₱0.071	₱0.056

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserve on Available-for-Sale Financial Assets	Share in Revaluation Increment on Land at Deemed Cost of an Associate	Retained Earnings	Total
For the Year Ended December 31, 2008								
Balances as of January 1, 2008	₱24,470,708	₱80,000	₱5,612,321	₱-	(₱2,619)	₱1,876,422	₱4,762,440	₱36,799,272
Net income for the year	-	-	-	-	-	-	1,867,001	1,867,001
Dividends	-	-	-	-	-	-	(485,717)	(485,717)
Acquisition of treasury shares at cost	-	-	-	(221,041)	-	-	-	(221,041)
Balances as of December 31, 2008	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	(₱2,619)	₱1,876,422	₱6,143,724	₱37,959,515

For the Year Ended December 31, 2007								
Balances as of December 31, 2006, as previously reported	₱20,770,708	₱-	₱3,859,745	₱-	(₱909)	₱1,876,422	₱2,801,059	₱29,307,025
Cumulative effect of change in accounting for real estate sales	-	-	-	-	-	-	256,988	256,988
Balances as of January 1, 2007, as restated	20,770,708	-	3,859,745	-	(909)	1,876,422	3,058,047	29,564,013
Net income for the year	-	-	-	-	-	-	1,704,393	1,704,393
Changes in fair value of available-for-sale financial assets recognized directly in equity	-	-	-	-	(1,710)	-	-	(1,710)
Recognized income and expense for the year	-	-	-	-	(1,710)	-	1,704,393	1,702,683
Issuance of capital stock	3,700,000	80,000	1,752,576	-	-	-	-	5,532,576
Balances as of December 31, 2007	₱24,470,708	₱80,000	₱5,612,321	₱-	(₱2,619)	₱1,876,422	₱4,762,440	₱36,799,272

For the Year Ended December 31, 2006 (As restated)								
Balances as of December 31, 2005, as previously reported	₱7,819,261	₱-	₱248,548	₱-	₱34,561	₱1,876,422	₱8,092,189	₱18,070,981
Cumulative effect of change in accounting for real estate sales	-	-	-	-	-	-	202,986	202,986
Balances as of January 1, 2006, as restated	7,819,261	-	248,548	-	34,561	1,876,422	8,295,175	18,273,967
Net income for the year as previously reported	-	-	-	-	-	-	817,824	817,824
Effect of change in accounting for real estate sales	-	-	-	-	-	-	54,002	54,002
Net income for the year, as restated	-	-	-	-	-	-	871,826	871,826
Changes in fair value of available-for-sale financial assets recognized directly in equity	-	-	-	-	(35,470)	-	-	(35,470)
Recognized income and expense for the year	-	-	-	-	(35,470)	-	871,826	836,356
Issuance of capital stock	5,642,493	-	3,611,197	-	-	-	-	9,253,690
Bond conversion	1,200,000	-	-	-	-	-	-	1,200,000
Stock dividend	6,108,954	-	-	-	-	-	(6,108,954)	-
Balances as of December 31, 2006, as restated	₱20,770,708	₱-	₱3,859,745	₱-	(₱909)	₱1,876,422	₱3,058,047	₱29,564,013

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2008	2007	2006 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱2,131,664	₱2,129,585	₱1,081,638
Adjustments for:			
Depreciation and amortization	238,402	239,403	81,765
Interest expense	108,231	122,988	334,587
Provision for retirement benefits	12,635	17,599	13,013
Interest income	(370,243)	(358,649)	(272,206)
Equity in net earnings of an associate	(67,569)	(357,396)	(63,475)
Dividend income	(6,610)	(4,260)	(2,219)
Operating income before changes in operating assets and liabilities	2,046,510	1,789,270	1,173,103
Changes in operating assets and liabilities			
Decrease (increase) in:			
Mortgage, notes and contracts receivables	(1,027,789)	(1,101,450)	(80,961)
Other receivables	(191,854)	(339,080)	(559,876)
Real estate inventories - net of raw land acquisitions	(2,151,944)	(898,116)	452,963
Increase (decrease) in accounts payable and accrued expenses	1,029,074	1,392,207	(324,281)
Net cash generated from (used in) operations	(296,003)	842,831	660,948
Interest received	366,863	357,567	272,206
Dividends received	6,610	4,260	2,219
Income taxes paid	(351,663)	(251,489)	(36,267)
Interest paid	(403,765)	(418,022)	(697,564)
Net cash provided by (used in) operating activities	(677,958)	535,147	201,542
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of raw land	(985,643)	(1,086,918)	(61,884)
Acquisitions of property and equipment	(471,098)	(323,772)	(12,308)
Decrease (increase) in other assets	(60,095)	114,818	(139,179)
Acquisitions of investment property	—	(158,519)	(45,393)
Net cash used in investing activities	(1,516,836)	(1,454,391)	(258,764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from stock offering	₱—	₱5,532,576	₱—
Proceeds from notes payable, corporate notes and long-term debt	4,290,000	2,394,464	1,638,000
Increase (decrease) in amounts due to related parties	217,102	(18,772)	50,700
Payments of notes payable, corporate notes and long term debt	(901,064)	(5,750,000)	(1,664,230)
Acquisition of treasury shares	(221,041)	—	—
Payment of cash dividend	(485,717)	—	—
Decrease (increase) in amounts due from related parties	(1,189)	21,978	17,412
Net cash provided by financing activities	2,898,091	2,180,246	41,882
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	703,297	1,261,002	(15,340)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,729,721	468,719	484,059
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱2,433,018	₱1,729,721	₱468,719