



14 March 2011

**Philippine Stock Exchange**  
3rd Floor, Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

Dear Ms. Encarnacion,

Attached is the Press Release dated March 14, 2011 obtained from Philippine Rating Services Corporation maintaining the PRS Aaa rating for Filinvest Land, Inc.'s Php 5 billion bonds.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Apollo M. Escarez", is written over a horizontal line.

**ATTY. APOLLO M. ESCAREZ**  
VP & Corporate Information Officer

PhilRatings Maintains **PRS Aaa** Rating for Filinvest Land Inc.'s P5 Billion in Outstanding Bonds

The rating for the P5.0 billion in outstanding bonds of Filinvest Land, Inc (FLI) was maintained at **PRS Aaa** by Philippine Rating Services Corporation (PhilRatings). The bonds will mature in 2012 (P500 million) and in 2014 (P4.5 billion). "Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong."

The rating assigned reflects the following key considerations: steady growth in real estate and leasing operations resulting in healthy income generation; sound debt position and financial flexibility; established brand name; the company's diversified portfolio; and favorable industry conditions.

PhilRatings' ratings are based on available information and projections at the time that the rating review is on-going. PhilRatings shall continuously monitor developments relating to FLI and may change the rating at any time, should circumstances warrant a change.

For the first nine months of 2010, total revenues improved by a notable 48.64% to P4.69 billion as real estate and leasing operations posted a robust growth of 61.21% and 16.44%, respectively. Among the housing segments, the middle-income segment continued to show the most remarkable performance coming from the healthy take-up of the company's mid-rise buildings (MRB) and high-rise building (HRB).

Net income in the first nine months of 2010 reached P1.99 billion, up by 66.22% from last year's level. Even without the impact of the extraordinary gain from business combination, net income would still be 21% higher at P1.45 billion. The gain from business combination was a result of the acquisition of the 40% equity interest each in Cyberzone Properties Inc (CPI) and Filinvest AII Philippines, Inc.

Revenue growth for in the coming years will be derived from the middle-income and high-end segments. Higher rental income from Festival Supermall and Northgate Cyberzone will likewise contribute to the growth.

Despite the increase in borrowings, which were used to finance capital expenditures, the company's debt to equity ratio remained conservative at 0.31x as of September 30, 2010. In 2011, capital expenditure funding and debt servicing will come from internally-generated funds and additional loans. The company's moderate leverage provides it with enough leeway to avail of additional loans when the need arises. New loans may be obtained from the company's unavailed credit and rediscounting facilities with several banks.

FLI has through the years, built its image as a reputable property developer. In addition, the diversity of its projects, allow it to benefit from each area's economic development- be it socialized, affordable, middle-income or high-end. The company's established brand name, on top of the strong demand for housing, has resulted in healthy take-up for the company's projects. Even those which are still at the pre-selling stage already enjoy good market response.

Housing demand and demand for Business Process Outsourcing offices and buildings are expected to remain healthy in the succeeding years. Interest rates which have been kept low, as well as strong Overseas Filipino remittances which reached an all-time high of \$18.6 billion in 2010 (up by 8.2% from last year's level), will continue to bolster the demand for housing.

Projects which are presently being developed by FLI include Citta Di Mare and Il Corso, which will be situated at the South Road Properties in Cebu. MRBs and the company's first HRB project, The Linear, are also being constructed. Going forward, FLI plans to remain focused on its core residential real estate development.