

# FILINVEST LAND, INC.

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Mandaluyong City, Metro Manila  
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www.filinvestland.com

August 13, 2013

**Philippine Stock Exchange**

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

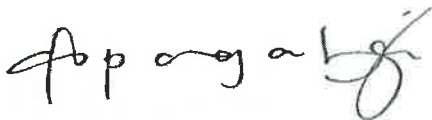
Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

Gentlemen:

Please find attached Quarterly Report of Filinvest Land, Incorporated for the period ended June 30, 2013.

Thank you.

Very truly yours,



**ATTY. SHARON P. PAGALING-REFUERZO**  
Corporate Information Officer



108132013002015



## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
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### Company Information

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Company Type Stock Corporation

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SEC Registration Number

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(Company's Full Name)

7 9   E D S A , B r g y .   H i g h w a y   H i l l s ,   M a n d  
a l u y o n g   C i t y

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

Venus A. Mejia

(Contact Person)

918-8188 (local 3008 )

(Company Telephone Number)

0 6   3 0   2 0 1 3

Month   Day  
(Fiscal Year)

1 7 - Q

(Form Type)

Month   Day  
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

5,902 shareholders

Total No. of Stockholders

Total Amount of Borrowings

₱26.37billion

Domestic

None

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q**

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATIONS CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2013
2. SEC Identification Number 170957 3. BIR Tax ID 000-533-224
4. Exact name of issuer as specified in its charter FILINVEST LAND, INC.
- Philippines
5. Province, Country or other jurisdiction of incorporation or organization
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
- Filinvest Building, #79 EDSA, Brgy. Highway Hills, Mandaluyong City 1550
7. Address of issuer's principal office Postal Code
- 02-918-8188
8. Issuer's telephone number, including area code
- Not Applicable
9. Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Section 8 and 12 of the SRC

<u>Title of Each Class</u>	<u>Number of shares of Common Stock Outstanding</u>	<u>Amount of Debt Outstanding</u>
Common Stock, P 1.00 par value	24,249,759,509	26,372,438,561

11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes

☒

No

☐

12. Indicate by check mark whether the issuer:

- (a) has filed reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Section 11 of the RSA Rule 1(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes

☒

No

☐

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

Yes

☒

No

☐

## PART 1 – FINANCIAL INFORMATION

### Item 1. Financial Statements

Please refer to Annex A for the Consolidated Financial Statements of Filinvest Land, Inc. and Subsidiaries covering the six-months period ended June 30, 2013 and June 30, 2012, and period ended December 31, 2012. The Aging Schedule for the Company's receivables as of June 30, 2013 is also presented in Annex B. Also attached are Supplementary Information and Disclosures required on SRC rules 68 and 68.1 as amended for the six-months period ending June 30, 2013.

#### FILINVEST LAND, INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

##### 1. Basis of Consolidation

The consolidated financial statements include the financial statements of the Filinvest Land, Inc. (the "Parent Company" or "FLI") and its subsidiaries together with the Company's proportionate share in its joint ventures. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

FLI has seven wholly-owned subsidiaries:

1. Property Maximizer Professional Corp. (Promax) incorporated on October 3, 1997.
2. Homepro Realty Marketing, Inc. (Homepro) incorporated on May 16, 2003 and started commercial operations on January 01, 2004.
3. Leisurepro, Inc. (Leisurepro) incorporated on April 21, 2004 and started commercial operations on January 1, 2006.
4. Property Specialists Resources, Inc. (Prosper) incorporated on June 10, 2002 and started commercial operations on January 01, 2004.

Promax, Homepro and Leisurepro are engaged in real estate marketing business and handle the marketing and sale of socialized, affordable, middle income, high-end and farm estate property development projects of FLI while Prosper handles the management of certain buildings/properties of the Group.

5. Cyberzone Properties, Inc. (CPI) was incorporated on January 14, 2000 and began commercial operations on May 1, 2001. CPI is registered with the PEZA as an Economic Zone Facilities Enterprise, which entitles CPI to certain tax benefits and non-fiscal incentives such as paying a 5% tax on its modified gross income in lieu of payment of national income taxes. CPI is also entitled to zero percent value-added tax on sales made to other PEZA-registered enterprises.

CPI operates the Northgate Cyberzone, which is located on a 10-hectare parcel of land within Filinvest City owned by FLI. Of the 10 hectares, approximately six hectares are available for future development.

6. Filinvest AII Philippines, Inc. (FAPI) was incorporated on September 25, 2006 as a joint venture corporation with Africa Israel Investments (Philippines), Inc. (AIPI) to develop the Timberland Nature & Sports Club and Phase 2 of Timberland Heights. On February 8, 2010, FAPI became a wholly-owned subsidiary of FLI with FLI's acquisition of the 40% interest of AIPI.

Timberland Heights is a 677-hectare township project anchored by the Timberland Sports and Nature Club, which was designed to be a world-class family country club in a mountain resort setting.

CPI and FAPI had become wholly-owned subsidiaries of FLI in February 2010.

7. Countrywide Water Services, Inc. (CWSI) was incorporated on May 18, 2012. CWSI has the technical expertise and skills in the operation, management, maintenance, and rehabilitation of waterworks and sewerage system of its residential projects. On August 2, 2012, FLI has engaged the services of CWSI in order to maintain and further improve the billing, collection and customer relation services in the waterworks and sewerage system of its residential projects.

#### Joint Ventures

FLI also has 60% interest in Filinvest Asia Corporation (FAC) which is accounted for as a joint venture.

FAC was incorporated on January 22, 1997 and as of the date of this report is 60%-owned by FLI and 40%-owned by Reco Herrera Pte.Ltd. (RHPL). RHPL is 100% beneficially owned by the Government of Singapore Investment Corporation Pte. Ltd (GIC). FAC owns 50% of the 52-story PBCom Tower, which is strategically located at the corner of Ayala Avenue and V.A. Rufino (formerly Herrera) Street in Makati City Central Business District. FAC owns 36,000 sq.m. of leasable office space. The remaining 50% of PBCom Tower is owned by the Philippine Bank of Communications.

The consolidated financial statements include the accounts of Filinvest Land, Inc. and the following subsidiaries and joint ventures:

	% of Ownership	
	June 30, 2013	Dec. 31, 2012
<b>Subsidiaries:</b>		
Property Maximizer Professional Corp. (Promax)	100	100
Homepro Realty Marketing, Inc. (Homepro)	100	100
Property Specialist Resources, Inc. (Prosper)	100	100
Leisurepro, Inc. (Leisurepro)	100	100
Cyberzone Properties Inc. (CPI)	100	100
Filinvest AII Philippines, Inc. (FAPI)	100	100
Countrywide Water Services, Inc. (CWSI)	100	100
<b>Joint Ventures:</b>		
Filinvest Asia Corporation (FAC)	60	60

### Major Developments

Driven by the buoyant sales take-up rate of its vertical residential projects within Metro Manila and Metro Cebu, FLI is on the lookout for additional land in urban areas to expand its inner-city developments. FLI recently acquired parcels of land in Bulacan, Cavite, and Metro Manila, located at Taguig City and Pasay City. As of June 30, 2013, the Company had a land bank of approximately 2,272.5 hectares of raw land for the development of its various projects, including approximately 379 hectares of land under joint venture agreements, which the Company's management believes is sufficient to sustain several years of development and sales. FLI plans to develop these properties into mix-use developments with residential and commercial components.

In 2012, FLI acquired four (4) parcels of land in Metro Manila, located at Taguig City, Quezon City, Las Pinas City and Manila, as well as in the urban centers of Iloilo City and Cagayan de Oro City.

On January 31, 2012, FLI won the bid for the Build Transfer Operate (BTO) of a 1.2-hectare property in Salinas Drive, Lahug, Cebu City in the Province of Cebu. The lot was previously occupied by the Bagong Buhay Rehabilitation Center and the Cebu City Treatment and Rehabilitation Center. FLI thru its wholly-owned subsidiary, Cyberzone Properties, Inc. plans to construct four BPO office buildings on the site. The construction of the first building has started and is targeted for completion in early 2013. This is FLI's first BPO office building project outside Metro Manila.

Details of the Parent Company's raw land inventory as of June 30, 2013 are set out in the table below:

FLI Land Bank as of June 30, 2013				
Area in Hectares				
Location	Company Owned	Under Joint Ventures	Total	% to Total
Luzon				
Metro Manila	25.4	7.6	33.0	1.5%
Rizal	733.0	84.9	817.9	36.0%
Bulacan	246.3	—	246.3	10.8%
Pampanga	—	58.3	58.3	2.6%

(Forward)

<b>FLI Land Bank as of June 30, 2013</b>				
<b>Area in Hectares</b>				
<b>Location</b>	<b>Company Owned</b>	<b>Under Joint Ventures</b>	<b>Total</b>	<b>% to Total</b>
Luzon (cont.)				
Cavite	366.4	83.7	450.1	19.8%
Laguna	183.4	—	183.4	8.1%
Batangas	140.6	43.7	184.3	8.1%
Palawan	—	8.2	8.2	0.4%
Sub-total	1,695.2	286.4	1,981.6	87.2%
Visayas				
Cebu	—	31.5	31.5	1.4%
Negros Occidental	51.0	—	51.0	2.2%
Iloilo	0.9	—	0.9	0.1%
Sub-total	51.9	31.5	83.4	3.7%
Mindanao				
General Santos	99.6	17.3	116.9	5.1%
Cagayan de Oro City	2.8	—	2.8	0.1%
Davao	43.8	44.0	87.8	3.9%
Sub-total	146.2	61.3	207.5	9.1%
Total	1,893.3	379.2	2,272.5	100.0%

In February 2009, FLI signed a joint venture agreement with the Cebu City Government to develop 50.6 hectares of the South Road Properties (SRP), a 300-hectare reclaimed land project located in the heart of the City. Under the Agreement, FLI will develop forty (40) hectares under a revenue sharing agreement with the City Government. The 40 hectares will be developed in four phases over a 20-year period with FLI contributing the development costs as well as the marketing and management services. Another parcel of land consisting of 10.6 hectares was purchased by FLI, the purchase price for which is payable in seven annual installments up to March 2015. FLI is developing the 40-hectare property into clusters of mid-rise residential buildings and the 10.6-hectare property, which has a kilometer-long sea frontage is being developed into three to four mixed-use clusters, which will include hotels, commercial retail space, offices and residential condominiums.

In August 2010, FLI launched Citta di Mare, a master-planned development composed of three different zones catering to a wide array of lifestyles and activities - Il Corso, the 10.6 hectare waterfront lifestyle strip, the 40-hectare residential clusters and The Piazza, nestled at the heart of the residential enclaves, puts lifestyle essentials such as a school, church, shops and restaurants within the neighborhood. Citta di Mare is envisioned to be a destination in itself, takes full advantage of the coastal ambience featuring seaside shopping, dining, beach and water sports and more, right by the water's edge.

In November 2010, groundbreaking rites for Amalfi Oasis were held, the first residential enclave at Città de Mare. Amalfi Oasis features nine (9) five-story buildings with luxuriant gardens, resort-style amenities and pedestrian-friendly environs, bask in fresh air, radiant sunshine and charming landscapes. The first building was completed in 2012, while two more buildings are scheduled for completion this year.



San Remo Oasis, the second residential enclave in Città di Mare involves the development of 3.4 hectares of land with well-planned living spaces with numerous choice units to choose from to suit anyone's lifestyle. The development consist of eight (8) five-story buildings, the first building was completed in 2012 while construction is on-going on four other buildings and are targeted for completion this year.

In late 2011, FLI started the land development of the first two phases of Il corso, covering seven hectares. Phase 1, which is targeted for partial completion by the end of 2013, will have a gross leasable area (GLA) of approximately 22,506 sq. m. Phase 2, which is targeted for completion in 2014, will have a GLA of approximately 12,680 sq.m.

## **2. Segment Reporting**

The Company's operating businesses are organized and managed separately in accordance with the nature of the products and services being provided, with each segment representing a strategic business unit that offers different products and serves different markets. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.

The Company derives its revenues from the following reportable segments:

### *Real estate*

This involves acquisition of land, planning, development and sale across all income segments of various real estate projects such as residential lots and housing units, entrepreneurial communities, large-scale townships, residential farm estates, private membership club, residential resort development, medium-rise buildings (MRBs), high-rise buildings and condotel.

### *Leasing*

This business segment involves the operations of Festival Supermall and the leasing of office spaces in Northgate Cyberzone in Alabang and PBCom Tower in Makati City.

**Comparative Financial Position and Results of Operations of Business Segment**

**(Amounts in Thousand Pesos)**

**As of and for the Six-Months Period ended June 30, 2013 (Unaudited)**

	<b>Real Estate Operations</b>	<b>Leasing Operations</b>	<b>Combined</b>	<b>Adjustments and Eliminations</b>	<b>Consolidated</b>
Revenue and other income except equity in net earnings of an associate:					
External	5,489,617	934,605	6,424,222	(243,961)	6,180,261
Inter-segment	49,618	—	49,618	(49,618)	—
	5,539,235	934,605	6,473,840	(293,579)	6,180,261
Equity in net earnings of an associate	42,963	—	42,963	—	42,963
Revenue and other income including equity in net earnings of an associate	5,582,198	934,605	6,516,803	(293,579)	6,223,224
Net income	1,364,165	582,349	1,946,514	(225,622)	1,720,892
Adjusted EBITDA	1,887,938	838,382	2,726,320	(259,348)	2,466,972
Segment assets	63,975,391	21,061,371	85,036,762	651,463	85,688,225
Less deferred tax assets	—	18,029	18,029	—	18,029
Net segment assets	63,975,391	21,043,342	85,018,733	651,463	85,670,196
Segment liabilities	35,536,741	3,791,043	39,327,784	(64,503)	39,263,281
Less deferred tax liabilities	1,863,644	—	1,863,644	148,379	2,012,023
Net segment liabilities	33,673,097	3,791,043	37,464,140	(212,882))	37,251,258
Cash flows from:					
Operating activities	848,464	1,183,433	2,031,897	(69,893)	1,962,004
Investing activities	(2,480,386)	(92,283)	(2,572,669)	—	(2,572,669)
Financing activities	960,401	(130,803)	829,598	(126,514)	703,084

**As of and for the Six-Months Period ended June 30, 2012**

	<b>Real Estate Operations</b>	<b>Leasing Operations</b>	<b>Combined</b>	<b>Adjustments and Eliminations</b>	<b>Consolidated</b>
Revenue and other income except equity in net earnings of an associate:					
External	4,284,795	929,206	5,214,001	–	5,214,001
Inter-segment	48,883	–	48,883	(48,883)	–
	4,333,678	929,206	5,262,884	(48,883)	5,214,001
Equity in net earnings of an associate	38,777	–	38,777	–	38,777
Revenue and other income including equity in net earnings of an associate	4,372,455	929,206	5,301,661	(48,883)	5,252,778
Net income	1,002,657	505,240	1,507,897	17,298	1,525,195
Adjusted EBITDA	1,426,924	740,116	2,167,040	(10,973)	2,156,067
Segment assets	58,955,557	17,933,835	76,889,392	484,306	77,373,698
Less deferred tax assets	–	20,809	20,809	–	20,809
Net segment assets	58,955,557	17,913,026	76,868,583	484,306	77,352,889
Segment liabilities	31,058,843	2,553,924	33,612,767	(293,400)	33,319,367
Less deferred tax liabilities	1,807,349	–	1,807,349	–	1,807,349
Net segment liabilities	29,251,494	2,553,924	31,805,418	(293,400)	31,512,018
Cash flows from:					
Operating activities	(2,505,917)	849,169	(1,656,748)	340,693	(1,316,055)
Investing activities	(1,051,517)	(1,808,224)	(2,859,741)	–	(2,859,741)
Financing activities	6,190,622	(104,491)	6,086,131	36,451	6,122,582

### 3. Long -Term Debt

The comparative details of this account are as follows (amounts in thousands pesos):

	<b>2013 June 30</b>	<b>2012 December 31</b>
Term Loans from a financial institution	900,000	1,125,000
Developmental loans from local banks	11,090,704	9,856,518
Bonds Payable	14,381,735	14,364,924
Total long-term debts	26,372,439	25,346,442

#### Term Loans from a Financial Institution

On June 17, 2005, the Company entered into a Local Currency Loan Agreement with a foreign financial institution whereby the Company was granted a credit line facility amounting to ₱2,250.00 million. In October 2005, the Company availed of ₱1.125 million or half of the total amount granted. The loan is payable in 10 semi-annual installments commencing December 2010 and ending June 2015. This loan carries a fixed interest rate of 7.72% per annum.

In July 2007, the Company availed the remaining balance of the facility amounting to ₱1,125.00 million. The loan is also payable in 10 semi-annual installments commencing December 2010 and ending June 2015. This loan has a fixed annual interest rate of 7.90%.

Both loans were guaranteed by Filinvest Development Corporation (FDC), the Company's parent company. Principal payments made in 2012 amounted to ₱450.00 million.

#### **Developmental Loans from Local Banks**

These are loans obtained from local banks with floating or fixed interest rates at different terms and repayment periods. Loan balance is presented net of unamortized deferred charges amounting to ₱32.13 million and ₱25.57 million as of June 30, 2013 and December 31, 2012, respectively.

#### **Bonds**

On November 19, 2009, FLI issued Fixed Rate Retail Bonds with aggregate principal amount of ₱5 billion comprised of ₱500 million Three (3) Year Fixed Rate Bonds due in November 2012 and ₱4.5 billion Five (5) Year Fixed Rate Bonds due in November 2014. The Three-Year Bonds carry a fixed interest rate of 7.5269% per annum. Interest on the Bonds is payable quarterly in arrears starting on February 20, 2010, while the Five-Year Bonds have a fixed interest rate of 8.4615% p.a. and is payable quarterly in arrears starting on February 20, 2010. The ₱500 million Three (3) Year Fixed Rate Bonds were paid on November 16, 2012.

Unamortized debt issuance cost on bonds payable amounted to ₱16.76 million and ₱22.27 million as of June 30, 2013 and December 31, 2012, respectively. Accretion as of six-months period ended June 30, 2013 and 2012 included as part of Interest and other finance charges amounted to ₱5.50 million and ₱5.07 million, respectively.

As part of the Company's fund raising activities, on June 27, 2011 FLI offered to the public five-year and three months fixed-rate retail bonds with an aggregate principal amount of Three Billion Pesos (₱3,000,000,000.00) due on October 07, 2016. The bonds were issued on July 07, 2011 with a fixed interest rate of 6.1962% per annum. The interest on the bonds is payable quarterly in arrears starting on October 07, 2011. The bonds shall be repaid at 100% of their face value on October 7, 2016.

Unamortized debt issuance cost on bonds payable amounted to ₱32.68 million and ₱37.04 million as of June 30, 2013 and December 31, 2012, respectively. Accretion as of six-months period ended June 30, 2013 and 2012 included as part of Interest and other finance charges amounted to ₱4.36 million and ₱4.10 million, respectively.

On May 24, 2012, The Securities and Exchange Commission authorized FLI to issue ₱11.0 billion 7-year fixed-rate bonds in two tranches. The first tranche, amounting to ₱7.0 billion, was issued to the public on June 8, 2012 with a rate of 6.2731% p.a., while the second tranche amounting to ₱4.0 billion is planned to be issued in the second quarter this year.

The Company received net proceeds from the issuance of the first tranche amounting to ₱6,915,976,960.00 after deducting fees, commissions and expenses.

As of June 30, 2013, proceeds of the offering were fully utilized to finance the development of existing and new projects of the Company as well as for the acquisition of new properties to sustain the Company's continued development of more projects in various locations. Out of ₱6.92 billion proceeds, ₱4.43 billion were consumed for project development and the ₱2.49 billion were used for land acquisitions.

Unamortized debt issuance cost on bonds payable amounted to ₱ 68.81 million and ₱73.11 million as of June 30, 2013 and December 31, 2012, respectively. Accretion as of six months period ended June 30, 2013 and 2012 included as part of Interest and other finance charges amounted to ₱4.30 million and nil, respectively.

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

### *Results of Operations for the six-months period ended June 30, 2013 compared to six -months period ended June 30, 2012*

For the six-months ended June 30, 2013, FLI's net income from its business segments registered a year-on-year growth of 12.83% or an increase of ₱195.70 million from ₱1,525.20 million in 2012 to ₱1,720.89 million in 2013.

#### ***Revenues***

Total consolidated revenues went up by 20.09% to ₱5,634.87 million during the first six months of 2013 from ₱4,692.37 million for the same period last year. The increase resulted from the continued robust real estate sales that reached ₱4,701.50 million (up by ₱863.26 million or by 22.49%) and rental revenue of ₱933.37 million (higher by ₱79.25 million or 9.28%). Real estate sales booked during the current period broken down by product type are as follows: Middle Income 81% (inclusive of Medium-Rise Buildings and High-Rise Buildings); Affordable 10%; High-End 2%; Farm Estate 2%; Socialized and others 5%. Major contributors to the good sales performance during the period included the launching of new MRB's and House and Lot projects in diverse new locations, intensive marketing activities and attractive pricing. The increase in rental revenues from the mall and office spaces was brought about mainly by higher occupancy in EDSA Transcom Building, Vector Two, and Plaza B. Other sources of rental income included the three ready-built-factories in Filinvest Technology Park in Calamba, Laguna, commercial spaces in Brentville, Mamlasan, Laguna and commercial lots in Brgy. Silang Junction, Tagaytay City.

Interest income for the six months ended June 30, 2013 decreased by 13.76% to ₱252.63 million from ₱292.93 million during the same period in 2012. The decrease was due to lower interest generated from installment contracts receivable and bank deposits. Other income increased by 30.76% to ₱293.47 million from ₱224.44 million or by ₱69.03 million due to increase in forfeited reservations and collections from customers and other fees. The Company's equity in net earnings of associates increased from ₱38.78 million in 2012 to ₱42.96 million in 2013 or increased by 10.80% due to ₱4.19 million increase in earnings recorded by Filinvest Alabang, Inc. (FAI) for the period. FLI has a 20% equity interest in FAI.

The Company also registered a foreign exchange loss of ₱ 0.71 million for the six months in 2013 compared to foreign exchange gain of ₱4.27 million in 2012 due to lower collection from foreign denominated accounts.

### ***Cost of real estate sales***

Cost of real estate sales increased from ₱2,159.33 million in 2012 to ₱2,722.48 million in 2013 mainly due to higher amount of sales booked during the current period as well as the increased share of sales of MRBs which historically had carried relatively lower profit margins. Revenues from MRBs significantly grew by ₱639.03 million or by 25% from ₱2,601.83 during the six months ended June 30, 2012 to ₱3,240.86 million for the same period of 2013.

### ***Expenses***

General and administrative expenses increased by ₱15.80 million during the six months of 2013 or by 3.16%, from ₱499.34 million in 2012 to ₱515.14 million in 2013. The increase was due to higher corporate advertising, outside services, taxes and licenses, communications, light and water, transportation and other representation expenses recorded for the current period. Likewise, selling and marketing expenses also went up by ₱79.07 million or by 23.79% due to increase in recruitment, seminars and training expenses, as well as the additional cost of new advertising and promotional materials brought about by the launch of new marketing campaign featuring our celebrity endorser, higher incentives, commissions and service fees paid to brokers and other sellers as a consequence of higher sales.

Provision for income tax decreased by 5.92% or by ₱21.04 million to ₱334.46 million for the six months of 2013 from ₱355.51 million for the same period in 2012.

Provision for current income tax decreased to ₱228.39 million in 2013 from ₱236.47 million in 2012 or a decrease of ₱8.09 million or by 3.42% due to higher income from BOI registered projects entitled to income tax holiday.

Provision for deferred income tax decreased by ₱12.96 million or by 10.88% from ₱119.03 million in 2012 to ₱106.08 million in 2013 due to lower capitalization of borrowing costs.

### ***Financial Condition as of June 30, 2013 compared to as of December 31, 2012***

As of June 30, 2013, FLI's total consolidated assets stood at ₱85,085.94 million, higher by 4.66% or by ₱3,787.48 million than the ₱81,298.46 million total consolidated assets as of December 31, 2012. The following are the material changes in account balances:

#### ***12.52% Increase in Contracts Receivable***

Contracts receivable increased due to additional sales booked during the period. Several attractive financing schemes are being offered by the Company to its real estate buyers to further increase sales.

#### ***27.30% Increase in Due from related parties***

The increase was due to temporary advances made to affiliates in the regular course of business. These advances are expected to be collected within the year.

#### ***12.50% Decrease in Other Receivables***

This account decreased due to aggressive collection efforts by the Company which reduced the amount due from tenants. Also advances to contractors representing down payments were applied against their billings.

**8.17% Increase in Investment property**

The increase was mainly due to the transfer of a building under construction to Investment properties account upon completion of its construction.

**19.61% Decrease in Deferred income tax assets**

The decrease in this account was mainly due to provisions made for doubtful accounts on other receivables and due to advance rental received during the period.

**11.90% Increase in Other assets**

The increase in this account was mainly due to higher prepaid expenses, advances for bidding to a certain property, and input vat.

**19.02% Increase in Accounts payable and accrued expenses**

The increase in this account was mainly due to dividends payable approved and declared by the Board of Directors in April 2013.

**65.20% Increase in Income tax payable**

The increase in income tax payable was due to tax accruing on the taxable income earned for the six-month period resulting from improved operational results.

**275.12% Increase in Due to related parties**

The increase was mainly due to advances made to AL Gotianun, Inc., the Company's ultimate parent company. These advances were obtained with interest at prevailing market rate, payable within the year.

**9.19% Increase in Loans payable**

The increase was due to additional borrowings to finance the various projects of the Company.

**10.22% Increase in Retirement Liabilities**

The increase was due to the accrual of the liability to the retirement fund for the year, net of cash contributions to the fund, and adoption to PAS 19, *Employee Benefits* (Revised).

**Performance Indicators**

<b>Financial Ratios</b>	<b>Particulars</b>	<b>As of and for the 6-months period ended June 30, 2013</b>	<b>As of Dec. 31, 2012 and for the 3-months period ended June 30, 2013, as restated</b>
Earnings per Share	Annualized	0.14	0.13
Debt to Equity Ratio	<u>Long Term Debt</u> Total Stockholder's Equity	0.56	0.55
Debt Ratio	<u>Total Liabilities</u> Total Assets	0.46	0.44
EBITDA to Total interest paid	<u>EBITDA</u> Interest payment	3.05 times	4.08 times
Price Earnings Ratio	<u>Closing Price of Share</u> Earnings per Share	11.98 times	10.18 times

Earnings per share (EPS) posted for the six months of 2013 went up by 12.83% compared to the EPS for the same period in 2012 on account of higher net income.

The Debt-to-equity (D/E) ratio and Debt ratio increased due to higher loan levels as of end of current period.

Price earnings multiple went up as the market share price as of end of the current period accelerated. As of June 30, 2013 and 2012, and as of December 31, 2012, market share price of FLI's stock was at ₱1.70, ₱1.28 and ₱1.49 per share, respectively.

## **PART II - OTHER INFORMATION**

### **Item 3. Business Development/New Projects**

In October 2012, FLI transferred to its new corporate headquarters located along EDSA, Mandaluyong City effectively ending the lease on FDC land and building in San Juan City. In December 2012, FLI purchased from FDC the parcel of land located in San Juan City which was previously being leased as its head office.

FLI will remain to be focused on its core residential real estate development business, which now includes MRBs, High-Rise Condominium units and Condotels. MRBs and High-Rise Condominiums are being developed in inner-city locations such as Ortigas and Santolan, both in Pasig City, Sta. Mesa, Manila, Pasay City, Filinvest Corporate City, Cebu City and Davao City. Properties in other key cities in the country were also acquired for this purpose.

Currently, FLI has the following on-going High-Rise Condominiums projects:

#### *The Linear*

FLI started to develop in 2009 The Linear, a master-planned residential and commercial hub in Makati City. Two-L-shaped towers, each 24 storeys high, comprise this dynamic condominium community that perfectly caters to the needs of young urban professionals. The construction of Tower 1 is on-going and is scheduled for completion in mid-2013, while Tower 2 is expected to be delivered in 2014.

#### *Studio City*

Studio City is a community composed of five-tower residential condominium complex within the Filinvest City to serve the demand for housing of the growing number of professionals working within Filinvest City and in the nearby Madrigal Business Park. Since it is located within the Filinvest City, residents will enjoy proximity to Festival Supermall, Westgate Center, Northgate Cyberzone, Asian Hospital and Medical Center, and other commercial, educational and medical institutions. The development consists of 18 story per building with commercial units at the ground floor. All residential floors will have 25 studio units per floor. Site development works are on-going and the first building is targeted for completion in 2014.

#### *The Levels*

Located at one of the highest points of Filinvest City at around 23 meters above sea level, The Levels is a one-block, four-tower residential condominium development that features laidback suburban living inside a fast-paced business district. The residential development is set in a tropical landscape, with its four towers uniquely designed with terracing levels, giving it a castle-effect look. The high-rise sections will be set in lush greenery, providing residents with views of the gardens. The first building "Anaheim", is expected to be completed in 2014.



### Vinia Residences

Vinia is a 25-storey condominium development located along EDSA in Quezon City, right across TriNoma and just steps away from the MRT-North Avenue station. With its coveted location, it offers a world of ease and convenience to yuppies and families looking for quality homes, as well as budding entrepreneurs who want to start a home-based business at the heart of the city.

### Studio Zen

Studio Zen is a 21-storey condominium development located along Taft Avenue in Metro Manila. Student-oriented amenities, Zen-inspired features, and functional building facilities makes it an ideal residence for students living independently and a great investment opportunity for entrepreneurs who want to take advantage of the ready rental market in the area.

### Studio A

Studio A is a single tower 34-story hi-rise residential condominium located in Loyola Heights in Quezon City. A community conveniently situated near premier universities, the LRT 2 line and other commercial establishments.

In 2013, FLI intends to retain its dominant position as the leader in MRB projects by launching six (6) new projects nationwide, with an estimated sales value of Php 11 billion. This will bring the Company's total MRB projects to 18.

These new MRB projects are part of the total Php 20 billion of new projects slated for launch by FLI in 2013. FLI plans to launch "Oasis" projects in Tagaytay, Iloilo and Cagayan de Oro. These projects will follow the success of One Oasis Ortigas, Bali Oasis, Bali Oasis 2, Sorrento Oasis and Capri Oasis in Pasig City, Maui Oasis in Manila, Asiana Oasis in Paranaque City, One Oasis Cebu, Amalfi Oasis and San Remo Oasis in Cebu, and One Oasis Davao.

FLI also plans to launch "The Signature", its first MRB project in Quezon City. Another MRB Project in the pipeline is "Fortune Hill" located on the site of the former head office of FLI along P. Gomez Street in San Juan City. The project will have two buildings and will offer a total of 92 units.

Aside from the MRB's, FLI has initially pipelined 11 horizontal residential projects comprising of around 4,323 residential units with an estimated revenue of about Php 3.9 billion.

The following table sets out FLI's projects with on-going housing and/or land development as of June 30, 2013.

Category / Name of Project	Location
<b>SOCIALIZED</b>	
Belvedere Townhomes	Tanza, Cavite
Blue Isle	Sto. Tomas, Batangas
Sunrise Place	Tanza, Cavite
Castillion Homes	Gen. Trias, Cavite
Mistral Plains	Gen. Trias, Cavite
Sandia Homes	Tanauan, Batangas
Sunrise Place Mactan	Mactan, Cebu
Valle Allegre	Calamba, Laguna

Category / Name of Project	Location
<b>AFFORDABLE</b>	
Alta Vida	San Rafael, Bulacan
Bluegrass County	Sto. Tomas, Batangas
Brookside Lane	Gen. Trias, Cavite
Fairway View	Dasmarinas, Cavite
Palmridge	Sto. Tomas, Batangas
Springfield View	Tanza, Cavite
Summerbreeze Townhomes	Sto. Tomas, Batangas
Westwood Place	Tanza, Cavite
Woodville	Gen. Trias, Cavite
Aldea Real	Calamba, Laguna
Costas Villas (Ocean Cove 2)	Davao City
Primrose Hills	Angono, Rizal
The Glens at Park Spring	San Pedro, Laguna
Sommerset Lane	Tarlac City
Claremont Village	Mabalacat, Pampanga
Westwood Mansions	Tanza, Cavite
Tierra Vista	San Rafael, Bulacan
Aldea del Sol	Mactan, Cebu
Raintree Prime Residences	Dasmarinas, Cavite
La Brisa Townhomes	Calamba, Laguna
Alta Vida Prime	San Rafael, Bulacan
Amare Homes	Tanauan, Batangas
Anila Park	Taytay, Rizal
Austine Homes	Pampanga
The Residences @ Castillon Homes	Tanza, Cavite
Valle Dulce	Calamba, Laguna
Primrose Townhomes	Havila, Angono, Rizal
East Bay Palawan	Puerto Princesa, Palawan
Meridian Place	Gen. Trias, Cavite
Savannah Fields	Gen. Trias, Cavite
<b>MIDDLE-INCOME</b>	
Corona Del Mar	Pooc, Talisay, Cebu City
Filinvest Homes- Tagum	Tagum City, Davao
NorthviewVillas	Quezon City
Ocean Cove	Davao City
Orange Grove	Matina, Pangi, Davao City
Spring Country	Batasan Hills, Quezon City
Spring Heights	Batasan Hills, Quezon City

<b>Category / Name of Project</b>	<b>Location</b>
<b>MIDDLE-INCOME (cont.)</b>	
Southpeak	San Pedro, Laguna
The Pines	San Pedro, Laguna
Villa San Ignacio	Zamboanga City
Highlands Pointe	Taytay, Rizal
Manor Ridge at Highlands	Taytay, Rizal
Ashton Fields	Calamba, Laguna
Montebello	Calamba, Laguna
Hampton Orchards	Bacolor, Pampanga
The Enclave at Filinvest Heights	Quezon City
Escala (La Constanera)	Talisay, Cebu
West Palms	Puerto Princesa, Palawan
Filinvest Homes - Butuan	Butuan, Agusan Del Norte
La Mirada of the South	Binan, Laguna
Tamara Lane (formerly Imari)	Caloocan City
Viridian at Southpeak	San Pedro, Laguna
Nusa Dua (Residential)	Tanza, Cavite
The Tropics	Cainta, Rizal
Princeton Heights	Molino, Cavite
One Oasis - Ortigas	Pasig, Metro Manila
One Oasis - Davao	Davao City
Bali Oasis 1	Pasig, Metro Manila
One Oasis Cebu	Mabolo, Cebu City
Maui Oasis	Sta. Mesa, Manila
Capri Oasis	Pasig, Metro Manila
Sorrento Oasis	Pasig, Metro Manila
Amalfi Oasis	South Road Properties, Cebu
San Remo Oasis	South Road Properties, Cebu
The Linear	Makati City
Studio City	Filinvest Corporate City, Alabang
The Levels	Filinvest Corporate City, Alabang
Somerset Lane, Ph 2	Tarlac
Asiana Oasis	Paranaque, Metro Manila
Bali Oasis 2	Pasig City, Metro Manila
Studio Zen	Pasay City, Metro Manila
Vinia Residences & Versaflats	Edsa, Quezon City
The Terraces Ph 1B & Ph 2	Havila, Taytay, Rizal

Category / Name of Project	Location
<b>MIDDLE-INCOME (cont.)</b>	
The Enclave at Highlands Pointe	Havila, Taytay, Rizal
Studio A	Quezon City
One Spatial	Pasig City, Metro Manila
The Glades	San Mateo, Rizal
<b>HIGH-END</b>	
Brentville International	Mamplasan, Binan, Laguna
Prominence 2	Mamplasan, Binan, Laguna
Village Front	Binan, Laguna
Mission Hills - Sta. Catalina	Antipolo, Rizal
Mission Hills - Sta. Isabel	Antipolo, Rizal
Mission Hills - Sta Sophia	Antipolo, Rizal
Banyan Ridge	San Mateo, Rizal
The Ranch	San Mateo, Rizal
The Arborage at Brentville Int'l	Mamplasan, Binan, Laguna
Banyan Crest	San Mateo, Rizal
Arista	Talisay, Batangas
Orilla	Talisay, Batangas
Bahia	Talisay, Batangas
Highlands Pointe	Havila, Taytay, Rizal
Kembali Arista	Samal Island, Davao
<b>LEISURE - FARM ESTATES</b>	
Forest Farms	Angono, Rizal
Mandala Residential Farm	San Mateo, Rizal
Nusa Dua	Tanza, Cavite
<b>LEISURE - PRIVATE MEMBERSHIP CLUB</b>	
Timberland Sports and Nature Club	San Mateo, Rizal
<b>LEISURE - RESIDENTIAL RESORT DEVELOPMENT</b>	
Kembali Coast	Samal Island, Davao
Laeuna De Taal	Talisay, Batangas

Category / Name of Project	Location
<b>Entrepreneurial - Micro Small &amp; Medium Enterprise Village</b> Asenso Village - Calamba	Calamba, Laguna
<b>INDUSTRIAL</b> Filinvest Technology Park	Calamba, Laguna
<b>CONDOTEL</b> Grand Cenia Hotel & Residences The Leaf	Cebu City Timberland Heights, San Mateo, Rizal

#### Registration with the Board of Investments (BOI)

As of the date of this report, FLI has registered the following projects with the BOI under the Omnibus Investments Code of 1987 (Executive order No. 226):

Name	Reg. No.	Date Registered	Type of Registration
La Brisa Townhomes	2011-117	9-Jun-11	New Developer of Low-Cost Mass Housing Project
One Oasis Ortigas Bldg. F to M	2011-120	15-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
The Linear	2011-121	15-Jun-11	New Developer of Low-Cost Mass Housing Project
Villa Monserrat 3	2011-132	27-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
Ocean Cove	2011-133	27-Jun-11	New Developer of Low-Cost Mass Housing Project
Bali Oasis 3 & 4	2011-134	27-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
Villa San Ignacio	2011-148	14-Jul-11	New Developer of Low-Cost Mass Housing Project
Villa Mercedita	2011-154	19-Jul-11	New Developer of Low-Cost Mass Housing Project
Escala at Corona Del Mar	2011-167	29-Jul-11	New Developer of Low-Cost Mass Housing Project
Filinvest Homes Tagum, ph 1	2011-171	2-Aug-11	New Developer of Low-Cost Mass Housing Project
Filinvest Homes Tagum, ph 2	2011-214	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Tierra Vista	2011-191	31-Aug-11	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 1,2,3,	2011-194	2-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Tamara Lane	2011-215	26-Sep-11	New Developer of Low-Cost Mass Housing Project

(Forward)

<b>Name</b>	<b>Reg. No.</b>	<b>Date Registered</b>	<b>Type of Registration</b>
The Glens at Parkspring, ph 2	2011-216	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 3	2011-217	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 4	2011-218	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Austine Homes	2011-252	25-Nov-11	New Developer of Low-Cost Mass Housing Project
Somerset Lane	2011-273	21-Dec-11	New Developer of Low-Cost Mass Housing Project
Aldea de Sol	2011-276	22-Dec-11	Expanding Developer of Low-Cost Mass Housing Project
Capri Oasis	2012-036	5-Mar-12	New Developer of Low-Cost Mass Housing Project
Studio City, Tower 1	2012-044	19-Mar-12	New Developer of Low-Cost Mass Housing Project
Anila Park, Ph 1	2012-052	26-Mar-12	New Developer of Low-Cost Mass Housing Project
San Remo Oasis	2012-069	14-May-12	New Developer of Low-Cost Mass Housing Project
One Oasis Cebu, Bldg. 1 to 3	2012-082	28-May-12	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 4	2012-093	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Filinvest Homes-Butuan	2012-094	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldg. A to H2	2012-095	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Maui Oasis, Bldgs. 2 & 3	2012-096	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Amare Homes	2013-014	18-Jan-13	New Developer of Low-Cost Mass Housing Project
Castillon Homes – The Residences	2013-064	11-Mar-13	New Developer of Low-Cost Mass Housing Project
Woodville Ph 2	2013-65	11-Mar-13	New Developer of Low-Cost Mass Housing Project

Aside from the residential projects, FLI will continue to construct business process outsourcing (BPO) office spaces at Northgate Cyberzone, Cebu and other selected areas to accommodate the increase in demand for BPO office space. Filinvest Building Alabang is in full swing while construction of Plaz@ E already started. Of the 10-hectare parcel of land within Filinvest City owned by FLI, approximately six hectares are available for future development. Current buildings are fully leased to the following:

- **Plaza A:** This is a six-story building with an approximate GFA of 11,575 sq.m. and an approximate GLA of 10,860 sq.m. Plaza A was completed in June 2006 and was substantially fully leased to GenPact Services LLC and eTelecare Global Solutions, Inc.

- **Plaza B and Plaza C:** Plaza B and Plaza C are four-story buildings, each with an approximate GFA of 7,150 sq.m. and an approximate GLA of 6,540 sq.m. for a combined GLA of 13,080 sq.m. Plaza B and Plaza C were both completed in 2001. Plaza B and Plaza C was substantially fully leased. Tenants for Plaza B include goFluent, AMS Express, Team Asia, Outboundphil, APPCO Direct Int'l., Treadyne and Seven Seven Global Services, Inc. All of Plaza C has been leased by APAC Customer Services, Inc.
- **Plaza D:** This is a six-story building with the same specifications as Plaza A and with an approximate GFA of 11,575 sq.m. and an approximate GLA of 10,860 sq.m. Plaza D had been leased to ICICI First Source Ltd., a 100% owned subsidiary of India's largest private sector bank, and Verizon Communications Phils Inc, the Philippine branch of Verizon Business solutions, a leading communications company in the United States of America.
- **Convergys Building:** This is a three-story building with an approximate GFA of 6,466 sq.m. and an approximate GLA of 5,839 sq.m. Completed in 2004, it was one of the first buildings completed in the Northgate Cyberzone and was "built-to-suit" (BTS) to meet the requirements of Convergys. Recently Convergys signed a contract to extend the lease for another five years.
- **HSBC Building:** This is another building that was constructed on a BTS basis to meet the requirements of HSBC. Completed in 2005, the HSBC building has an approximate GLA of 18,000 sq.m.
- **IT School:** This is a three-story building with an approximate GFA of 3,297 sq.m. and an approximate GLA of 2,595 sq.m. Its major tenant is currently Genpact Services LLC.
- **Building 5132:** This is a six-story building with an approximate GFA of 10,560 sq.m. and an approximate GLA of 9,408 sq.m. Building 5132 has been fully taken up by GenPact Services LLC.
- **iHub I and iHub II:** This is a two-tower complex (one with six stories and the other with nine stories) iHub I has an approximate GLA of 9,474 sq.m. and has been leased out to numerous tenant which includes GenPact, HSBC, W.R. Grace Philippines and Lattice Semiconductor. iHub II has an approximate GLA of 14,166 sq.m. and has been leased out primarily to Convergys and Integra.
- **Vector One :** an 11-storey building with an approximate GFA of 19,545 sq.m. and an approximate GLA of 17,951 sq.m. It was completed in 2010. Filinvest Alabang, Inc. (FAI) was its first tenant, occupying the fifth to seventh floors for its corporate headquarters. Other tenants of the building are Convergys and Flour Daniel.
- **Vector Two:** This building has the same configuration as with Vector One. It is also 11 stories high with an approximate GLA of 17,914 sq.m. It was completed in October 2011. Tenants of the building include Infosys and Flour Daniel.
- **AZ Building :** This is a 10-story building with a GLA of approximately 19,637 sq.m. Recently completed in December 2012 and is already committed to tenants.

- **EDSA Transcom Building:** This five-storey BPO building is located along EDSA in Mandaluyong City and have approximately 7,358 sq.m. of GLA. This is FLI's first BPO office building outside Northgate Cyberzone. EDSA Transcom Building is fully leased out to Anthem Solutions, Inc.

Construction of the first BPO building has started at the 1.2 –hectare joint venture project with the Provincial Government of Cebu. The first building will have a GLA of over 19,000 square meters. When completed, the project, which will be called Filinvest Cebu Cyberzone, is projected to have four (4) buildings with a GLA of over 100,000 square meters. Currently, FLI is one of the largest BPO office space providers in the country.

To further augment the Company's recurring income stream in the retail segment, land development has commenced on the expansion of Festival Mall at Filinvest Corporate City. The expansion project will add over 110,000 square meters of GLA, and is targeted to be completed in phases, from the fourth quarter of 2013. FLI is also developing the first phase of Il Corso lifestyle strip of Citta di Mare, in the South Road Properties in Cebu, which will contribute a GLA of around 35,000 sq.m. when fully completed. FLI will also start constructing two (2) malls, one in Tagaytay City and another at its Princeton Heights residential projects located in Cavite.

The Company will continue to carry out an intensive marketing campaign so as to maintain a high occupancy rate in Festival Supermall, PBCom Tower and Northgate Cyberzone properties, thereby maximizing its leasing revenues.

### **Financial Risk Exposures**

FLI's Finance and Treasury function operates as a centralized service for managing financial risk and activities as well as providing optimum investment yield and cost efficient funding for the Company. The Board of Directors reviews and approves the policies for managing each of these risks. The policies are not intended to eliminate risk but to manage it in such a way that risks are identified, monitored and minimized so that opportunities to create value for the stakeholders are achieved. The Company's risk management takes place in the context of the normal business processes such as strategic planning, business planning, technical, operational and support processes.

The main financial risk exposures for the Company are Liquidity Risk, Interest Rate Risk and Credit Risk.

#### ***Liquidity Risk***

The Company seeks to manage its liquidity profile to be able to finance capital expenditures and service debts as they fall due. To cover its financing requirements, the Company intends to use internally generated funds and available long-term and short-term credit facilities including receivables rediscounting facilities granted by several financial institutions as well as issuance of financial instruments to the public.

As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.



Under the current financial scenario, it is cheaper for the Company to finance its projects by drawing on its bank lines, tapping the local bond market and/or by rediscounting part of its receivables, to complement the Company's internal cash generation.

#### ***Interest Rate Risk***

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's loans from various financial institutions which carry floating interest rates. The Company regularly keeps track of the movements in interest rates and the factors influencing them.

Of the total ₱11,990.04 million loans outstanding as of June 30, 2013, ₱4,647.50 million are on floating rate basis. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Company's annualized profit before tax through the impact on floating rate borrowings.

	Increase (decrease) In basis points	Effect on annualized income before income tax (In Thousands)
June 30, 2013	+200	(₱92,950)
	- 200	₱92,950

#### ***Credit Risk***

The Company is exposed to risk that counter-party will not meet its obligations under a financial instrument or customer contract primarily on its mortgage notes and contract receivables and other receivables. It is the Company's policy that buyers who wish to avail of the in-house financing scheme are subject to credit verification process. Receivable balances are being monitored on a regular basis and are subjected to appropriate actions to manage credit risk. In addition to this, the Company has a mortgage insurance contract with the Home Guaranty Corporation for a retail guaranty line. With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents and AFS financial assets, the Company's exposure to credit risk arises from default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments. The maximum credit risk exposure of the Company to these financial assets as of June 30, 2013 is ₱14,867.39 million. All of these financial assets are of high-grade credit quality. Based on the Company's experience, these assets are highly collectible or collectible on demand. The Company holds as collaterals for its installment contract receivables the corresponding properties, which the third parties purchased in installments.

#### ***Foreign Currency Risk***

Financing facilities extended to the Company are exclusively denominated in Philippine Peso. As such, the Company's exposure to this risk is non-existent. However, there are some financial assets denominated in foreign currency which amounts to ₱7,810.23 million. Therefore, the Company's exposure to possible change in US dollar exchange rate is not significant.

The following table shows the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary asset).

	Increase (decrease) In US dollar rate	Effect on income before income tax (In Thousands)
June 30, 2013	+5%	(P390.51)
	-5%	P390.51

#### ***Financial Instruments***

The Company's principal financial instruments are composed of Cash and Cash Equivalents, Mortgage and installment contract receivables, other receivables and loans from financial institutions. The Company does not have any complex financial instruments like derivatives.

#### ***Comparative Fair Values of Principal Financial Instrument (In Thousand Pesos)***

	<i>June 30, 2013 Carrying Values</i>	<i>June 30, 2013 Fair Values</i>	<i>Dec. 31, 2012 Carrying Values</i>	<i>Dec. 31, 2012 Fair Values</i>
<b><i>Cash &amp; Cash Equivalents</i></b>	2,198,870	2,198,870	2,106,452	2,106,452
<b><i>Mortgage, Notes &amp; Installment Contract Receivables</i></b>	11,449,554	11,663,286	10,119,953	10,308,865
<b><i>Other Receivables</i></b>	2,679,519	2,679,519	3,062,157	3,062,157
<b><i>Long-term Debt</i></b>	26,372,439	24,016,984	25,346,442	23,416,114

Due to the short-term nature of Cash & Cash Equivalents, the fair value approximates the carrying amounts.

The estimated fair value of Mortgage, Notes and Installment Contracts Receivables, is based on the discounted value of future cash flows from these receivables.

Due to the short-term nature of Other Receivables, the fair value approximates the carrying amounts.

The estimated fair value of long-term debts with fixed interest and not subjected to quarterly re-pricing is based on the discounted value of future cash flows using the applicable risk free rates for similar type of loans adjusted for credit risk. Long-term debt subjected to quarterly re-pricing is not discounted since its carrying value approximates fair value.

#### ***Investment in foreign securities***

The Company does not have any investment in foreign securities.

#### Item 4. Other Disclosures

1. Except as disclosed in the Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
2. The Company's un-audited interim consolidated financial statements were prepared in accordance with PAS 34 (PAS 34, par. 19).
3. The Company's un-audited interim consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2012 (PAS 34, par 15).
4. The accounting policies and methods of computation adopted in the preparation of the un-audited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2012.
5. The Company has early adopted PAS 19, *Employee Benefits* (Revised) with date of initial application of January 1, 2012 as disclosed in the Company's 2012 audited financial statements. The impact of the adoption was thoroughly discussed in Note 2, page 3 of the audited consolidated financial statements and we quote:

*"On 1 January 2012, the Group adopted PAS 19, Employee Benefits (Revised).*

*For defined benefit plans, the Revised PAS 19 requires all actuarial gains and losses to be recognized in other comprehensive income and unvested past service costs previously recognized over the average vesting period to be recognized immediately in profit or loss when incurred.*

*Prior to adoption of the Revised PAS 19, the Group recognized actuarial gains and losses as income or expense when the net cumulative unrecognized gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognized unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the Revised PAS 19, the Group changed its accounting policy to recognize all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur. Moving forward, the Group will retain the recognized actuarial gains and losses in other comprehensive income and will not transfer this to other items of equity.*

*The Revised PAS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net balance sheet defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.*

*The Revised PAS 19 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. In addition, the Revised PAS 19 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognized at the earlier of when the offer cannot be withdrawn or when the related restructuring costs are recognized.*

*Changes to definition of short-term employee benefits and timing of recognition for termination benefits do not have any impact to the Group's financial position and financial performance."*

6. Except as otherwise indicated, the Company does not expect the adoption of the following new and amended standards and interpretations, effective for annual periods beginning on or after January 1, 2013, to have significant impact on its financial statements.

- *PFRS 7, Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments)*

These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32, Financial Instruments: Presentation. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:

- a) The gross amounts of those recognized financial assets and recognized financial liabilities;
- b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
- c) The net amounts presented in the statement of financial position;
- d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
  - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
  - ii. Amounts related to financial collateral (including cash collateral); and
- e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

The amendments affect disclosures only and have no impact on the Company's financial position or performance.

- *PFRS 10, Consolidated Financial Statements*

PFRS 10 replaces the portion of PAS 27, Consolidated and Separate Financial Statements, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, Consolidation - Special Purpose Entities. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

A reassessment of control was performed by the Company on all its interests in other entities and has determined that there are no additional entities that need to be consolidated or entities to be deconsolidated.

- *PFRS 11, Joint Arrangements*

PFRS 11 replaces PAS 31, Interests in Joint Ventures, and SIC 13, Jointly Controlled Entities - Non-Monetary Contributions by Venturers. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method.

Adoption of the standard will impact the current practice of the Company on proportionate consolidation.

- *PFRS 12, Disclosure of Interests in Other Entities*

PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, Investments in Associates. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.

The adoption of PFRS 12 will affect disclosures only and have no impact on the Company's consolidated financial position or performance.

- *PFRS 13, Fair Value Measurement*

PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13.

The Company does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

- *PAS 1, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI (Amendments)*

The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or “recycled”) to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Company’s consolidated financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

- *PAS 27, Separate Financial Statements (Revised)*

As a consequence of the issuance of the new PFRS 10 and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The Company does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

- *PAS 28, Investments in Associates and Joint Ventures (Revised)*

As a consequence of the issuance of the new PFRS 11 and PFRS 12, PAS 28 has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The Company does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

7. There are no known trends, events or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations of FLI.
8. Except for income generated from retail leasing, there are no seasonal aspects that have a material effect on the Company’s financial conditions or results of operations. There are no unusual operating cycles or seasons that will differentiate the operations for the period January to June 30, 2013 from the operations for the rest of the year.
9. Aside from any probable material increase in interest rates on the outstanding long-term debt with floating rates, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Company within the next 12 months.
10. There are no changes in estimates of amounts reported in prior year (2011) that have material effects in the current interim period.
11. Except for those discussed in the Management’s Discussion and Analysis of Financial Condition and Results of Operations, there are no other issuances, repurchases and repayments of debt and equity securities.

12. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Risk Exposures, there are no material events subsequent to June 30, 2013 up to the date of this report that have not been reflected in the financial statements for the interim period.
13. There are no changes in contingent liabilities or contingent assets since December 31, 2012 except for the sale of additional receivables with buy back provision in certain cases during the interim period.
14. There are no material contingencies and any other events or transactions affecting the current interim period.
15. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments, or any significant amount of the Company's payables that have not been paid within the stated trade terms.
16. There are no significant elements of income that did not arise from the Company's continuing operations.
17. There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Company.
18. Except for those discussed above there are no material changes in the financial statements of the Company from December 31, 2012 to June 30, 2013.
19. There are no 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 other than those that were previously reported.
20. There are no other information required to be reported that have not been previously reported in SEC Form 17-C.

## **SIGNATURES**

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

### **FILINVEST LAND, INC.**



Signature:

**JOSEPHINE G. YAP**

Title:

President / Chief Executive Officer

Date:

August 13, 2013

Signature:

**NELSON M. BONA**

Title:

Senior Vice-President / Chief Financial Officer

Date:

August 13, 2013



Signature:

**ANA VENUS A. MEJIA**

Title:

Deputy Chief Financial Officer/ Treasurer

Date:

August 13, 2013



**ANNEX A****PART 1 - FINANCIAL INFORMATION****Item 1 - Financial Statements**

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Amounts in Thousands of Pesos)

	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
<b>ASSETS</b>		
Cash and cash equivalents	2,198,870	2,106,452
Contracts receivable	11,925,260	10,597,950
Due from related parties	247,278	194,243
Other receivables	2,679,519	3,062,157
Financial assets at fair value through other comprehensive income	24,626	24,626
Real estate inventories	24,326,045	23,677,456
Land and land development	15,931,911	15,368,369
Investment in an associate	3,955,055	3,912,092
Investment properties	16,630,104	15,374,600
Property and equipment	1,291,218	1,327,943
Deferred income tax assets	18,029	22,427
Other assets	1,893,068	1,691,707
Goodwill	4,567,242	4,567,242
<b>TOTAL ASSETS</b>	<b>85,688,225</b>	<b>81,927,264</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	9,986,549	8,390,363
Income tax payable	29,782	18,028
Loans payable	11,990,704	10,981,518
Bonds payable	14,381,735	14,364,924
Due to related parties	686,398	182,979
Retirement liabilities	176,091	159,756
Deferred income tax liabilities - net	2,012,022	1,951,050
<b>Total Liabilities</b>	<b>39,263,281</b>	<b>36,048,618</b>
<b>Equity</b>		
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)	(221,041)
Remeasurement Losses on retirement plan	(105,686)	(105,686)
Retained earnings	16,229,467	15,683,169
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Share in other components of equity of an associate	361,794	361,794
<b>Total Equity</b>	<b>46,424,944</b>	<b>45,878,646</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>85,688,225</b>	<b>81,927,264</b>

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(Amounts in Thousands of Pesos)  
(Unaudited)

	Quarters ended June 30		Six-Months Period Ended June 30,	
	2013	2012	2013	2012
<b>REVENUE</b>				
Real estate sales	2,260,643	1,803,012	4,701,499	3,838,242
Rental services	465,879	443,673	933,373	854,124
<b>EQUITY IN NET EARNINGS OF AN ASSOCIATE</b>	<b>13,686</b>	<b>11,482</b>	<b>42,963</b>	<b>38,777</b>
<b>OTHER INCOME</b>				
Interest income	97,394	141,703	252,628	292,930
Foreign currency exchange gain - net	(1,717)	2,925	(705)	4,266
Others	201,289	87,400	293,466	224,439
	<b>3,037,174</b>	<b>2,490,195</b>	<b>6,223,224</b>	<b>5,252,778</b>
<b>COSTS</b>				
Real estate sales	1,303,319	1,025,782	2,722,480	2,159,328
Rental services	111,760	111,805	218,246	221,312
<b>OPERATING EXPENSES</b>				
General and administrative expenses	245,607	232,223	515,136	499,335
Selling and marketing expenses	236,322	173,031	411,469	332,402
<b>INTEREST AND OTHER FINANCE CHARGES</b>	<b>126,937</b>	<b>32,844</b>	<b>300,538</b>	<b>159,701</b>
	<b>2,023,945</b>	<b>1,575,685</b>	<b>4,167,869</b>	<b>3,372,078</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>1,013,229</b>	<b>914,510</b>	<b>2,055,355</b>	<b>1,880,700</b>
<b>PROVISION FOR INCOME TAX</b>				
Current	160,639	47,145	228,385	236,471
Deferred	65,411	90,279	106,078	119,034
	<b>226,050</b>	<b>137,424</b>	<b>334,463</b>	<b>355,505</b>
<b>NET INCOME</b>	<b>787,179</b>	<b>777,086</b>	<b>1,720,892</b>	<b>1,525,195</b>
<b>EARNINGS PER SHARE</b>				
<b>Basic/Diluted</b>				
a. Net income (annualized)			3,441,784	3,050,390
b. Weighted average number of outstanding common shares			24,249,759	24,249,759
c. Earnings per share - Basic/Diluted (a/b)			0.14	0.13

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(Amounts in Thousands of Pesos)

	Six-months Period Ended June 30	
	2013	2012
<b>NET INCOME FOR THE PERIOD</b>	<b>1,720,892</b>	<b>1,525,195</b>
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,720,892</b>	<b>1,525,195</b>

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(Amounts in Thousands of Pesos)  
(Unaudited)

	<b>June 30</b>	
	<b>2013</b>	<b>2012</b>
<b>Capital Stock</b>		
Common shares - P1 par value		
Authorized - 33 billion shares		
Issued - 24,470,708,509 shares		
Outstanding - 24,249,759,509	<b>24,470,708</b>	24,470,708
Preferred shares - P0.01 par value		
Authorized - 8 billion shares		
Issued and outstanding - 8 billion shares	<b>80,000</b>	80,000
Treasury shares	<b>(221,041)</b>	(221,041)
Additional paid-in capital	<b>5,612,321</b>	5,612,321
Revaluation reserve on financial assets at fair value through other comprehensive income	<b>(2,619)</b>	(2,619)
Share in components of equity of an associate	<b>361,794</b>	361,794
Remeasurement Losses on retirement plan	<b>(105,686)</b>	(49,364)
<b>Retained earnings</b>		
Balance at beginning of the period	<b>15,683,169</b>	13,403,597
Net income	<b>1,720,892</b>	1,525,195
Dividends	<b>(1,174,594)</b>	(1,151,865)
Share in revaluation increment on land of an associate	-	
Balance at end of the period	<b>16,229,467</b>	13,776,927
	<b>46,424,944</b>	44,028,726

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in Thousands of Pesos)  
(Unaudited)

	Six-Months Period Ended June 30,	
	2013	2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	2,055,355	1,880,700
Adjustments for:		
Interest expense	259,289	128,661
Depreciation and amortization	154,042	154,443
Equity in net earnings of an associate	(42,963)	(38,777)
Interest income	(252,628)	(292,930)
Operating income before changes in operating assets and liabilities	2,173,095	1,832,097
Changes in operating assets and liabilities		
Contracts receivables	(1,327,310)	(1,563,118)
Due from related parties	(53,035)	36,509
Other receivables	392,471	(360,309)
Real estate inventories	537,605	(3,921,960)
Other assets	(457,344)	(127,448)
Accounts payable and accrued expenses	438,748	2,891,914
Retirement liabilities	16,335	(30,120)
Net cash generated from (used for) operations	1,720,565	(1,242,435)
Interest received	242,795	292,930
Income taxes paid	(1,356)	(366,550)
Net cash provided by (used in) operating activities	1,962,004	(1,316,055)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment properties and property and equipment	(1,372,821)	(1,808,224)
Acquisition of rawland	(1,199,848)	(1,051,517)
Cash used in investing activities	(2,572,669)	(2,859,741)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans availments	2,949,000	9,360,000
Payments of loans payable	(1,933,250)	(1,581,750)
Increase (decrease) in due to related parties	503,419	24,764
Interest paid and transaction costs	(816,085)	(528,568)
Dividends paid	-	(1,151,864)
Net cash provided by financing activities	703,084	6,122,582
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>92,418</b>	<b>1,946,786</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>2,106,452</b>	<b>1,153,306</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>2,198,870</b>	<b>3,100,092</b>

**ANNEX B**

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**AGING OF RECEIVABLES**  
**(Amounts in Thousands of Pesos)**  
**As of June 30, 2013**

	Current	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
Type of Account Receivable							
a) Mortgage, Notes & Installment Contract Receivable							
1. Installment Contracts Receivable	11,193,162	25,045	12,652	7,310	5,752	205,632	11,449,554
2. Receivable from financing Institution	475,706						475,706
Sub-total	11,668,868	25,045	12,652	7,310	5,752	205,632	11,925,260
b) Other Receivables	2,679,519	-	-	-	-	-	2,679,519
Net Receivables	14,348,387	25,045	12,652	7,310	5,752	205,632	14,604,779

Account Receivable Description Type of Receivables	Nature/Description	Collection Period
Installment contracts receivables	This is the Company's in-house financing, where buyers are required to make downpayment and the balance will be in the form of a mortgage loan to be paid in equal monthly installments.	5-10 years
Receivable from financing institution	This represents proceeds from buyers' financing under one or more of the government programs granted to finance buyers of housing units and mortgage house financing of private banks.	Within 1 year
Other receivables	This represents claims from other parties arising from the ordinary course of business. It also includes advances for expenses/accommodations made by the Company in favor of officers and employees.	1 to 2 years
Normal Operating Cycle: 12 calendar months		

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON**  
**SRC RULE 68, AS AMENDED (2011)**  
**JUNE 30, 2013**

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as "Part I" and "Part II", respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68, As Amended (2011) that are relevant to the Company. This information is presented for purposes of filing with the SEC and is not required part of the basic consolidated financial statements.

**Schedule A. Financial Assets in Equity Securities**

The Company's financial assets at Fair Value through Other Comprehensive Income (FVTOCI) includes investments in quoted and unquoted equity securities.

Below is the detailed schedule of financial assets in equity securities of the Company as of June 30, 2013:

Name of Issuing Entity and Association of Each Issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
(In Thousands Except Number of Shares)				
<b>Financial assets at FVTOCI</b>				
<b>Quoted:</b>				
The Palms Country Club	1,000	₱3,060	₱3,060	₱-
Philippine Long Distance Telephone Company	26,100	261	261	-
		3,321	3,321	-
<b>Unquoted:</b>				
Manila Electric Company (MERALCO)	1,743,507	17,435	17,435	-
Timberland Sports and Nature Club	3,000	2,995	2,995	-
Filinvest Information Technology, Inc.	875,000	875	875	-
		21,305	21,305	-
		₱24,626	₱24,626	₱-

The Company's investment in MERALCO is an unlisted preferred shares acquired in connection with the infrastructure that it provides for the Company's real estate development projects. These are carried at cost less impairment, if any.

**Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)**

Below is the schedule of advances to employees of the Company with balances above ₱100,000 as of June 30, 2013:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
	(In Thousands)			
Amelia F. Encarnacion	₱753	₱223,121	₱214,581	₱9,293
Antonio E. Cenon	8,766	150,647	150,364	9,049
Noel V. Advincula	—	31,807	24,676	7,131
Kathryn Ann R. Lao	13,671	18,431	25,148	6,954
Alberto L. Cataluña	68	24,255	18,563	5,760
Boler L. Binamira Jr.	1,478	10	—	1,488
Reynaldo A. Ascaño	—	1,324	97	1,227
Lydwena R. Eco	—	4,743	3,529	1,214
Luis T. Fernandez	26	1,201	17	1,210
Winnifred H. Lim	844	4,384	4,163	1,065
Joseph M. Yap	—	863	—	863
Tristanail D. Las Marias	1,000	203	340	863
Alan J. Barquilla	20	1,805	1,056	769
Archie M. Igot	143	668	59	752
Wilfredo C. Abueva	738	3,086	3,330	494
Alexander James E. Jazmin	426	5	—	431
Eva Marie M. Bernardo	2	497	70	429
Marco Vicente P. Fermande	1,648	3,165	4,412	401
Geraldine Marie C. De Goro	1,940	7,762	9,335	367
Antonio M. Lopez	—	354	29	325
Jose O. Berroya Jr.	308	5	—	313
Andres J. Calizo	376	255	395	236
Remilyn M. Magallon	—	226	21	205
Marc Anthony G. Menina	—	209	12	197
Cesarine Janette C. Manla	1,997	5,094	6,904	187
Aubrey F. Ortega	55	387	255	187
Arvin L. Pamalaran	696	4,660	5,188	168
Enrique B. Lingad	166	40	44	162
Rogelio T. Chavez Jr.	1	207	67	141
Joseph Raul S. Geotina	1,155	929	1,953	131
Susana Y. Makabenta	154	1,613	1,639	128
Glenn Gerald D. Pantig	—	180	52	128
Rey Ferdinand C. Maribao	—	10,693	10,569	124
Emerson Santos	98	4	—	102
Elsa N. Marquez	39	63	—	102
	₱36,568	₱502,896	₱486,868	₱52,596

These advances were obtained by the Company's employees for expenses and disbursements necessary in carrying out their functions in the ordinary course of business such as for selling and marketing activities, official business trips, emergency and cash-on-delivery purchases of materials, equipment and supplies, repair of Company's vehicles, model units and housing units, registration of titles, etc. The advances will be liquidated when the purposes for which these advances were granted are accomplished or completed. There were no amounts written off during the year and all receivables are expected to be collected / liquidated within the next twelve months.



### Related Party Transactions

#### *Due from related parties*

Below is the list of outstanding receivables from related parties of the Company presented in the consolidated statements of financial position as of June 30, 2013 (amount in thousands):

	Relationship	Nature	Balance at period ending June 30, 2013
Timberland Sports and Nature Club	Affiliate	A	₱178,315
Filinvest Asia Corporation	Affiliate	A	59,887
Davao Sugar Central Corp.	Affiliate	A	8,694
The Palms Country Club	Affiliate	A	218
Filarchipelago Hospitality Inc.	Affiliate	A	151
GCK Realty	Affiliate	C, D	13
			<b>₱247,278</b>

#### *Nature of intercompany transactions*

The nature of the intercompany transactions with the related parties is described below:

- Expenses – these pertain to the share of the Company in various common selling and marketing and general and administrative expenses of related parties.
- Advances – these pertain to temporary advances to/from related parties for working capital requirements
- Management and marketing fee
- Reimbursable commission expense
- Rentals

### Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related parties, which are eliminated in the consolidated financial statements as of June 30, 2013 (amounts in thousands):

	Volume of Transactions		Receivable	Terms
Filinvest AII Philippines, Inc.	Share in expenses	₱23,135	₱80,302	Non-interest bearing and to be settled within the year
Property Maximizer Professional Corporation	Marketing fee expense	115,563	67,485	Non-interest bearing and to be settled within the year
	Share in expenses	63,985		
Cyberzone Properties, Inc.	Dividend Income	184,144		Non-interest bearing and to be settled within the year
	Rental income	49,618	24,960	
Property Specialist Resources, Inc.	Share in expenses	14,195	6,308	Non-interest bearing and to be settled within the year
Leisurepro, Inc.	Share in expenses	39	6,134	Non-interest bearing and to be settled within the year
Homepro Realty Marketing, Inc.	Share in expenses	39	4,351	Non-interest bearing and to be settled within the year
			<b>₱189,540</b>	

Name	Balance at beginning of year	Additions	Collections	Balance at period ending June 30, 2013
Filinvest All Philippines, Inc.	₱183,531	₱23,135	(₱126,364)	₱80,302
Property Maximizer Professional Corporation	118,632	63,985	(115,132)	67,485
Cyberzone Properties, Inc. (CPI)	18,255	233,761	(227,056)	24,960
Property Specialist Resources, Inc.	8,666	14,195	(16,553)	6,308
Leisurepro, Inc	6,095	39	—	6,134
Homepro Realty Marketing, Inc	4,312	39	—	4,351
	₱339,491	₱335,154	(₱485,105)	₱189,540

The intercompany transactions between the FLI and the subsidiaries pertain to share in expenses, rental charges, marketing fee and management fee. There were no amounts written off during the year and all amounts are expected to be settled within the year.

#### Schedule D. Intangible Asset

As of June 30, 2013, the Company's intangible assets consist of Goodwill. Goodwill in the Company's consolidated statements of financial position arose from the acquisition of two major assets consisting of (in thousands):

Festival Supermall structure	₱3,745,945
FAC	494,744
CPI	326,553
	₱4,567,242

#### Schedule E. Long term debt

Below is the schedule of long-term debt of the Company (amounts in thousands):

Type of Obligation	Amount	Current	Noncurrent
<u>Term loans</u>			
Guaranteed loan amounting to ₱1.13 billion and ₱1.12 billion obtained in October 2005 and July 2007, respectively. Both loan principal is payable in 10 semi-annual installments commencing December 2010 and ending June 2015. The loans carry a fixed interest rate of 7.72% and 7.90% per annum, respectively.	₱900,000	₱450,000	₱450,000
<u>Developmental loans</u>			
Unsecured loan obtained in June 2013 with interest rate equal to 5 yr. PDS Treasury Fixing (PDST-F) plus GRT (fixed rate) 4.98%, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting September 2015 up to June 2018.	1,142,766	—	1,142,766
Unsecured loan obtained in November 2012 with interest rate equal to 5 yr. PDS Treasury Fixing (PDST-F) plus a spread of 1% plus GRT or 5.5% (5 year fixed rate), payable quarterly in arrears. The principal is payable at maturity on November 2017.	995,545	—	995,545
Unsecured loan obtained in January 2012 with interest rate equal to 5 yr. PDST-F plus a spread of 1% plus GRT or 6.39% (5 year fixed rate) payable quarterly in arrears. The principal is payable at maturity on January 2017.	996,540	—	996,540
Unsecured loan obtained in April 2012 with interest rate equal to 5 yr. PDST-F plus a spread of 1% plus GRT or 6.12% (5 year fixed rate), payable quarterly in arrears. The principal is payable at maturity on January 2017.	996,319	—	996,319

(Forward)

Type of Obligation	Amount	Current	Noncurrent
<u>Developmental loans (cont.)</u>			
Unsecured loan obtained in June 2011 with interest at prevailing market rate, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting June 2013 up to June 2016.	₱746,777	₱248,256	₱498,521
Unsecured loan obtained in February 2013 with interest at prevailing market rate, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting May 2015 to February 2018.	746,498	—	746,498
Unsecured loan obtained in March 2011 with interest at prevailing market rate, payable quarterly in arrears, 50% of the principal is payable in twelve (12) equal quarterly installments starting June 2013 up to March 2016 and the balance is payable in full on March 2016.	716,972	124,222	592,750
Unsecured loans obtained in August 15, 2012 with interest rate equal to 5 yr. PDST-F plus a spread of 1% plus GRT or 5.79% (fixed rate for 5 yrs) subject to repricing at the end of the 5 <sup>th</sup> year. The Loan is payable quarterly in arrears and has a fixed term of 7 years, inclusive of 2 year grace period on principal repayment, 50% of the principal is payable in 20 equal quarterly installments to commence on November 2014 and the balance is payable at maturity on August 2019.	600,000	—	600,000
Unsecured loan obtained in October 2008 with interest at prevailing market rate, payable quarterly in arrears. 50% of the principal is payable in twelve (12) equal quarterly installments starting January 2011 up to October 2013 and lump sum full payment of the balance on October 2013.	583,333	583,333	—
Unsecured loan obtained in March 2013 with interest rate at prevailing market rate (Fixed rate) 4.50%, payable quarterly in arrears. The principal is payable at maturity on March 2014.	498,208	498,208	—
Unsecured loan obtained in December 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) 1 plus GRT 5 years (fixed rate) 5.29%, payable quarterly in arrears. The principal is payable at maturity on December 2017	497,737	—	497,737
Unsecured 5-year loan obtained in September 2008. 50% of the principal is payable in twelve (12) quarterly amortizations starting December 2010 with the balance due on maturity date on September 2013. Interest at prevailing market rate, payable quarterly.	352,083	352,083	—
Unsecured loan obtained in December 2011 with interest at prevailing market rate, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting March 2014 up to December 2016.	348,963	116,192	232,771
Unsecured loan obtained in May 2013 with interest rate at prevailing market rate (Fixed rate) 4.74%, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting August 2015 up to May 2018.	300,000	—	300,000
Unsecured loan obtained in May 17, 2012 with interest at prevailing market rate subject to repricing and, payable quarterly in arrears. The loan has a fixed term of 7 years, inclusive of 2 year grace period on principal repayment, 50% principal balance is payable in 20 equal quarterly installments to commence on August 2014 and the balance payable at maturity on May 2019.	300,000	—	300,000
Unsecured loan obtained in October 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% plus GRT or 6.03%, (5 year fixed rate), payable quarterly in arrears. The principal is payable at maturity on October 2017.	300,000	—	300,000

(Forward)

Type of Obligation	Amount	Current	Noncurrent
<u>Developmental loans (cont.)</u>			
Unsecured loan obtained in November 2008 with interest rate equal to 91-day PDST-F rate plus a spread of minimum of 1% per annum, payable quarterly in arrears. 50% of the principal is payable in twelve (12) equal quarterly installments starting February 2011 up to November 2013 and lump sum full payment on the balance in November 2013. Principal payments in 2012 and 2011 amounted to ₱83.33 million.	₱291,667	₱291,667	₱—
Unsecured loan obtained in May 2013 with interest rate at prevailing market rate (Fixed rate) 4.74%, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting August 2015 up to May 2018.	248,796	—	248,796
Unsecured loan granted on November 10, 2011 with a term of 5 years with 2 year grace period on principal repayment. Interest is based on prevailing market rates, subject to quarterly repricing and payable quarterly in arrears. 50% of principal is payable in 12 equal quarterly amortizations commencing on February 10, 2014 and the balance is payable on maturity.	120,000	6,000	114,000
Unsecured loan granted in May 2010 with a term of five years with 50% of principal payable in 12 equal quarterly amortizations to commence on August 2012 and the balance payable at maturity on May 2015. The loan carries interest equal to 3-month PDST-F rate plus a spread of minimum of 1% per annum payable quarterly in arrears.	100,000	20,000	80,000
Unsecured loan granted in December 2012 with a term of five years with 50% of principal payable in 20 equal quarterly amortization to commence on March 2013 and the balance payable at maturity on December 2017. The loan carries interest equal to 3-month PDST-F rate plus a spread of 1% per annum payable quarterly in arrears.	85,500	9,000	76,500
Unsecured loan granted in May 2012 payable over 7-year period inclusive of 2 year grace period; 50% of principal is payable in 20 equal quarterly amortizations to commence on August 2014 and the balanced payable at maturity on May 2019. The loan carries interest equal to 3-month PDST-F rate plus a spread of minimum of 1% per annum	60,000	—	60,000
Unsecured loans obtained in August 2008 with interest at prevailing market rate. The principal is payable in twelve (12) equal quarterly installments starting November 2010 up to August 2013. Principal payments in 2012 and 2011 amounted to ₱250.0 million.	62,500	62,500	—
Unsecured loan obtained in February 2013 with interest rate equal to 91-day PDS Treasury Fixing (PDST-F) rate plus a spread of up to 1% per annum, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting May 2015 to February 2018.	500	—	500
	11,990,704	2,761,461	9,229,243

#### Bonds

Fixed rate bonds with aggregate principal amount of ₱4.50 billion, comprised of five (5)-year fixed rate bonds due in 2014 was issued by the Company on November 19, 2009. The bonds have a term of 5 years and one (1) day from the issue date, with a fixed interest rate of 8.4615% per annum. Interest is payable quarterly in arrears starting on February 20, 2010.	4,483,236	—	4,483,236
Fixed rate bonds with principal amount of ₱3.00 billion and term of five (5) years from the issue date was issued by the Company on July 7, 2011. The fixed interest rate is 6.1962% per annum, payable quarterly in arrears starting on October 7, 2011.	2,967,318	—	2,967,318

(Forward)

Type of Obligation	Amount	Current	Noncurrent
<b>Bonds (cont.)</b>			
Fixed rate bonds with principal amount of ₱7.00 billion and term of seven (7) years from the issue date was issued by the Company on June 8, 2012. The fixed interest rate is 6.27% per annum, payable quarterly in arrears starting on September 10, 2012.	₱6,931,181	₱–	₱6,931,181
	14,381,735	–	14,381,735
	<b>₱26,372,439</b>	<b>₱2,761,461</b>	<b>₱23,610,978</b>

Each loan balance is presented net of unamortized deferred costs.

#### Schedule F. Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Below is the list of outstanding payables to related parties of the Company presented in its statements of financial position as of June 30, 2013 (amount in thousands):

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Filinvest Development Corp.	Company	A, C, E	₱100,921	₱83,771
Filinvest Alabang, Inc	Associate	A, C	41,901	37,289
Pacific Sugar Holdings, Corp.	Affiliate	A	26,768	27,200
Festival Supermall, Inc. – Management	Affiliate	A	8,206	4,215
Filarchipelago Hospitality Inc.	Affiliate	A	3,671	–
East West Banking Corporation	Affiliate	A	–	14,334
AL Gotianun, Inc.	Ultimate Parent	A, B	1,512	519,589
			<b>₱182,979</b>	<b>₱686,398</b>

#### Nature of intercompany transactions

The nature of the intercompany transactions with the related parties is described below:

- Expenses – these pertain to the share of the Company in various common selling and marketing and general and administrative expenses of related parties.
- Advances – these pertain to temporary advances to/from related parties for working capital requirements; interest bearing, payable upon maturity.
- Management and marketing fee
- Reimbursable commission expense
- Rentals

#### Schedule G. Guarantees of Securities of Other Issuers

The Company does not have guarantees of securities of other issuers as of June 30, 2013.

#### Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
(In Thousands)						
Common Shares	33,000,000	24,249,759	–	14,017,206	14,559	None
Preferred Shares	8,000,000	8,000,000	–	8,000,000	–	None

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS**  
**UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS**

Below is the list of all effective PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of June 30, 2013:

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of June 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>Framework for the Preparation and Presentation of Financial Statements</b> Conceptual Framework Phase A: Objectives and qualitative characteristics		√		
<b>PFRSs Practice Statement Management Commentary</b>				√
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	First-time Adoption of Philippine Financial Reporting Standards	√		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			√
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			√
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			√
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			√
	Amendments to PFRS 1: Government Loans			√
<b>PFRS 2</b>	Share-based Payment			√
	Amendments to PFRS 2: Vesting Conditions and Cancellations			√
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			√
<b>PFRS 3 (Revised)</b>	Business Combinations	√		
<b>PFRS 4</b>	Insurance Contracts			√
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
<b>PFRS 5</b>	Non-current Assets Held for Sale and Discontinued Operations			√
<b>PFRS 6</b>	Exploration for and Evaluation of Mineral Resources			√
<b>PFRS 7</b>	Financial Instruments: Disclosures	√		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	√		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	√		

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS</b> Effective as of June 30, 2013		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>PFRS 7 (cont.)</b>	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	√		
	Amendments to PFRS 7: Disclosures – Transfers of Financial Assets	√		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	√		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures		√	
<b>PFRS 8</b>	Operating Segments	√		
<b>PFRS 9</b>	Financial Instruments	√		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	√		
<b>PFRS 10</b>	Consolidated Financial Statements	√		
<b>PFRS 11</b>	Joint Arrangements	√		
<b>PFRS 12</b>	Disclosure of Interests in Other Entities	√		
<b>PFRS 13</b>	Fair Value Measurement	√		
<b>Philippine Accounting Standards</b>				
<b>PAS 1 (Revised)</b>	Presentation of Financial Statements	√		
	Amendment to PAS 1: Capital Disclosures			√
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			√
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	√		
<b>PAS 2</b>	Inventories	√		
<b>PAS 7</b>	Statement of Cash Flows	√		
<b>PAS 8</b>	Accounting Policies, Changes in Accounting Estimates and Errors	√		
<b>PAS 10</b>	Events after the Reporting Date	√		
<b>PAS 11</b>	Construction Contracts	√		
<b>PAS 12</b>	Income Taxes	√		
	Amendment to PAS 12 – Deferred Tax: Recovery of Underlying Assets			√
<b>PAS 16</b>	Property, Plant and Equipment	√		
<b>PAS 17</b>	Leases	√		
<b>PAS 18</b>	Revenue	√		
<b>PAS 19</b>	Employee Benefits	√		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	√		
<b>PAS 19 (Amended)</b>	Employee Benefits	√		
<b>PAS 20</b>	Accounting for Government Grants and Disclosure of Government Assistance			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2013		Adopted	Not Adopted	Not Applicable
PAS 21	The Effects of Changes in Foreign Exchange Rates			√
	Amendment: Net Investment in a Foreign Operation			√
PAS 23 (Revised)	Borrowing Costs	√		
PAS 24 (Revised)	Related Party Disclosures	√		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			√
PAS 27	Consolidated and Separate Financial Statements	√		
PAS 27 (Amended)	Separate Financial Statements	√		
PAS 28	Investments in Associates	√		
PAS 28 (Amended)	Investments in Associates and Joint Ventures	√		
PAS 29	Financial Reporting in Hyperinflationary Economies			√
PAS 31	Interests in Joint Ventures	√		
PAS 32	Financial Instruments: Disclosure and Presentation	√		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			√
	Amendment to PAS 32: Classification of Rights Issues			√
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities		√	
PAS 33	Earnings per Share	√		
PAS 34	Interim Financial Reporting			√
PAS 36	Impairment of Assets	√		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	√		
PAS 38	Intangible Assets	√		
PAS 39	Financial Instruments: Recognition and Measurement	√		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities			√
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			√
	Amendments to PAS 39: The Fair Value Option			√
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			√
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets			√
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition			√
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			√
	Amendment to PAS 39: Eligible Hedged Items			√



PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2013		Adopted	Not Adopted	Not Applicable
<b>PAS 40</b>	Investment Property	√		
<b>PAS 41</b>	Agriculture			√
<b>Philippine Interpretations</b>				
<b>IFRIC 1</b>	Changes in Existing Decommissioning, Restoration and Similar Liabilities			√
<b>IFRIC 2</b>	Members' Share in Co-operative Entities and Similar Instruments			√
<b>IFRIC 4</b>	<i>Determining Whether an Arrangement Contains a Lease</i>	√		
<b>IFRIC 5</b>	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			√
<b>IFRIC 6</b>	<i>Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment</i>			√
<b>IFRIC 7</b>	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			√
<b>IFRIC 8</b>	<i>Scope of PFRS 2</i>			√
<b>IFRIC 9</b>	Reassessment of Embedded Derivatives			√
	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			√
<b>IFRIC 10</b>	<i>Interim Financial Reporting and Impairment</i>			√
<b>IFRIC 11</b>	PFRS 2- Group and Treasury Share Transactions			√
<b>IFRIC 12</b>	Service Concession Arrangements			√
<b>IFRIC 13</b>	Customer Loyalty Programmes			√
<b>IFRIC 14</b>	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			√
	Amendments to Philippine Interpretations IFRIC- 14, Prepayments of a Minimum Funding Requirement			√
<b>IFRIC 16</b>	Hedges of a Net Investment in a Foreign Operation			√
<b>IFRIC 17</b>	Distributions of Non-cash Assets to Owners			√
<b>IFRIC 18</b>	Transfers of Assets from Customers			√
<b>IFRIC 19</b>	Extinguishing Financial Liabilities with Equity Instruments			√
<b>IFRIC 20</b>	Stripping Costs in the Production Phase of a Surface Mine			√
<b>SIC-10</b>	Government Assistance – No Specific Relation to Operating Activities			√
<b>SIC-12</b>	Consolidation – Special Purpose Entities			√
	Amendment to SIC – 12: Scope of SIC 12			√
<b>SIC-13</b>	Jointly Controlled Entities – Non-Monetary Contributions by Venturers			√
<b>SIC-15</b>	Operating Leases – Incentives			√
<b>SIC-21</b>	Income Taxes – Recovery of Revalued Non-Depreciable Assets			√
<b>SIC-25</b>	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders			√

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of June 30, 2013		Adopted	Not Adopted	Not Applicable
<b>SIC-27</b>	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			√
<b>SIC-29</b>	Service Concession Arrangements: Disclosures.			√
<b>SIC-31</b>	Revenue – Barter Transactions Involving Advertising Services			√
<b>SIC-32</b>	Intangible Assets – Web Site Costs			√

Standards tagged as “Not applicable” have been adopted by the Group but have no significant covered transactions for the six-months period ended June 30, 2013.

Standards tagged as “Not adopted” are standards issued but not yet effective as of June 30, 2013. The Group will adopt the Standards and Interpretations when these become effective.

**FILINVEST LAND, INC.****PARENT COMPANY UNAPPROPRIATED RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DISTRIBUTION****(Amounts in Thousands of Pesos)**

<b>Retained Earnings, January 1, 2013</b>	<b>₱10,811,644</b>
Adjustments:	
Prior-year adjustments	192,793
<b>Unappropriated Retained Earnings, as adjusted, January 1, 2013</b>	<b>11,004,437</b>
<b>Net income based on the face of audited financial statements</b>	<b>1,579,529</b>
Less: Non-actual/unrealized income net of tax	
Equity in net income of an associate	—
Unrealized foreign exchange gain – net	—
Unrealized actuarial gain	—
Fair value adjustment (marked-to-market gains)	—
Fair value adjustment of Investment Property resulting to gain	—
Adjustment due to deviation from PFRS/GAAP gain	—
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—
Add: Non-actual/unrealized losses net of tax	
Depreciation on revaluation increment	—
Adjustment due to deviation from PFRS/GAAP loss	—
Loss on fair value adjustment of Investment Property	—
Movement in deferred tax assets	(3,483)
<b>Net income actual/realized</b>	<b>1,576,046</b>
Less: Dividend declarations during the year	(1,174,594)
<b>Unappropriated Retained Earnings, as adjusted, June 30, 2013</b>	<b>₱11,405,889</b>

### Financial Soundness Indicator

Below are the financial ratios that are relevant to the Company for the year ended June 30, 2013 and 2012:

Financial ratios		2013	2012
Current ratio <sup>(1)</sup>	$\frac{\text{Current assets}}{\text{Current liabilities}}$	3.16	4.17
Long-term debt-to-equity ratio	$\frac{\text{Long-term debt}}{\text{Equity}}$	0.57	0.55
Debt ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	0.46	0.43
EBITDA to interest paid	$\frac{\text{EBITDA}}{\text{Total interest paid}}$	3.05	4.08
Price Earnings Ratio	$\frac{\text{Closing price}^{(2)}}{\text{Earnings per share}}$	11.98	10.18

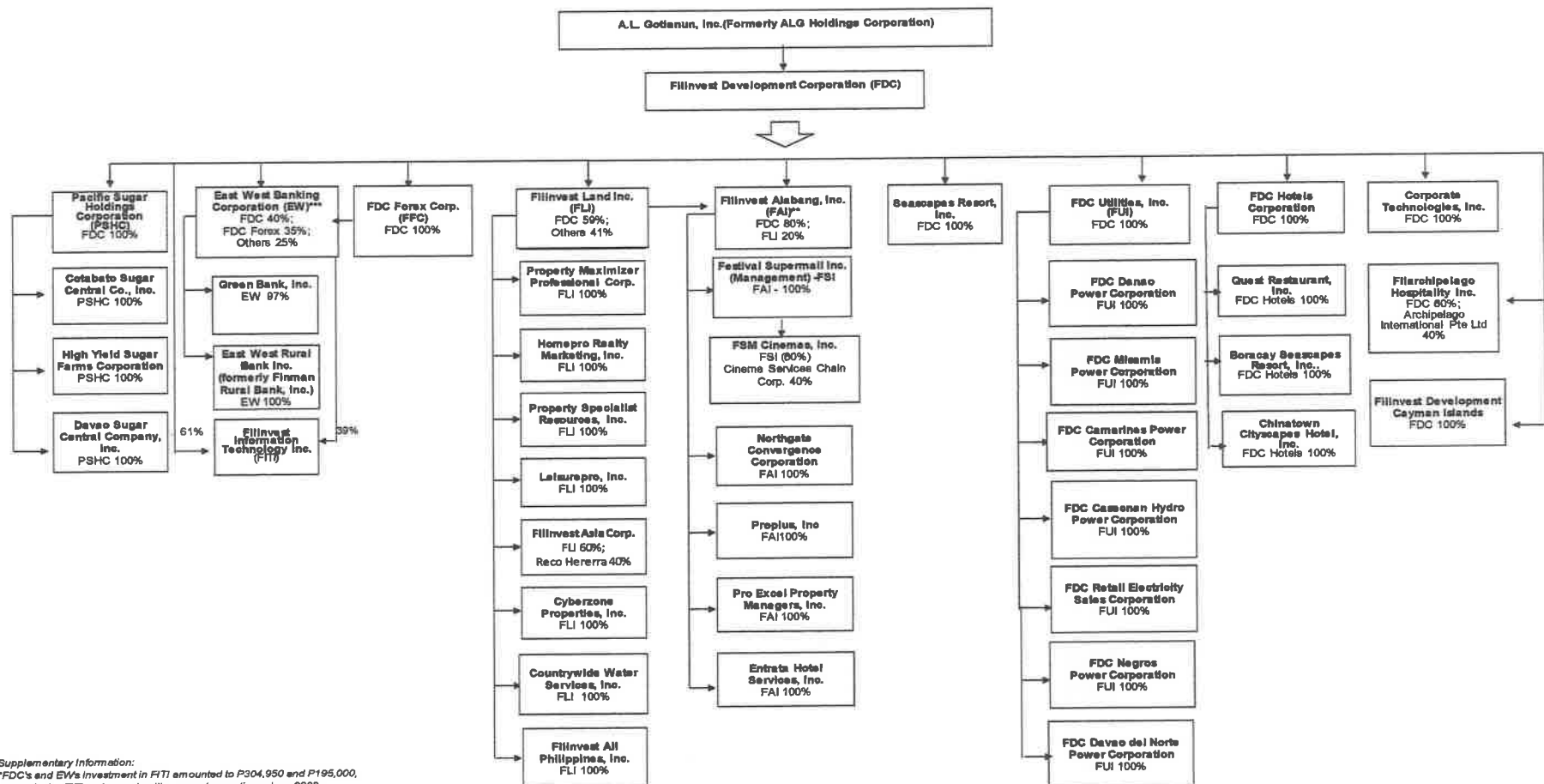
(1) In computing for the Company's current ratio, current assets include cash and cash equivalents, contracts receivables, due from related parties, other receivables and real estate inventories and current liabilities include accounts payable and accrued expenses, due to related parties, income tax payable, loans payable and bonds payable. Determination of current accounts is based on their maturity profile of relevant assets and liabilities.

(2) Closing price at June 28, 2013

## Group Structure

Below is a map showing the relationship between and among the Group and its ultimate Group, subsidiaries, and associates as of June 30, 2013.

### A.L. GOTIANUN, INC. (Formerly ALG Holdings Corporation) Group Structure



#### Supplementary Information:

\*FDC's and EW's investment in FITI amounted to P304,950 and P195,000, respectively. FITI, a dormant entity, ceased operations since 2003.

\*\*FDC's effective ownership in FAI is 92% (80% direct ownership and 11.8% indirect ownership through FLI)

\*\*\*FDC's effective ownership in EW is 75% (40% direct ownership and 35% indirect ownership through FFC)