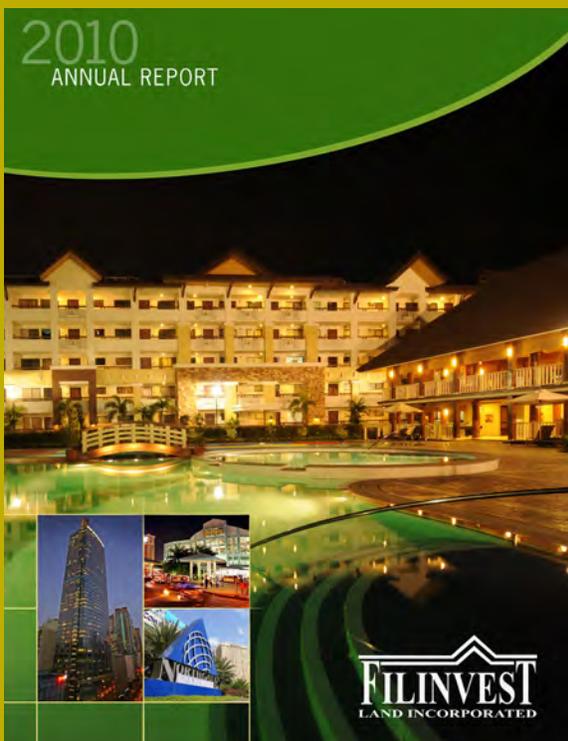


2010 ANNUAL REPORT



FILINVEST
LAND INCORPORATED



COVER STORY

DREAM BUILDER. Filinvest Land, Inc. (FLI) continues to grow and diversify as it carries out its mission of building Filipino dreams. Amidst a resurgent economy and a booming real estate sector, FLI goes into aggressive expansion mode in 2011. With innovative products such as its Oasis series of medium-rise condo communities, FLI will remain at the forefront of the real estate industry in providing quality and affordable housing for the average Filipino family.

Contents

Financial Highlights	1
Mission and Corporate Values	2
Message of the Chairman	3
Message of the President and CEO	4
Operational Highlights	8
Corporate Social Responsibility	21
Corporate Governance Report	24
Board of Directors & Senior Management	36
Consolidated Financial Statements	37
Map of Projects	42

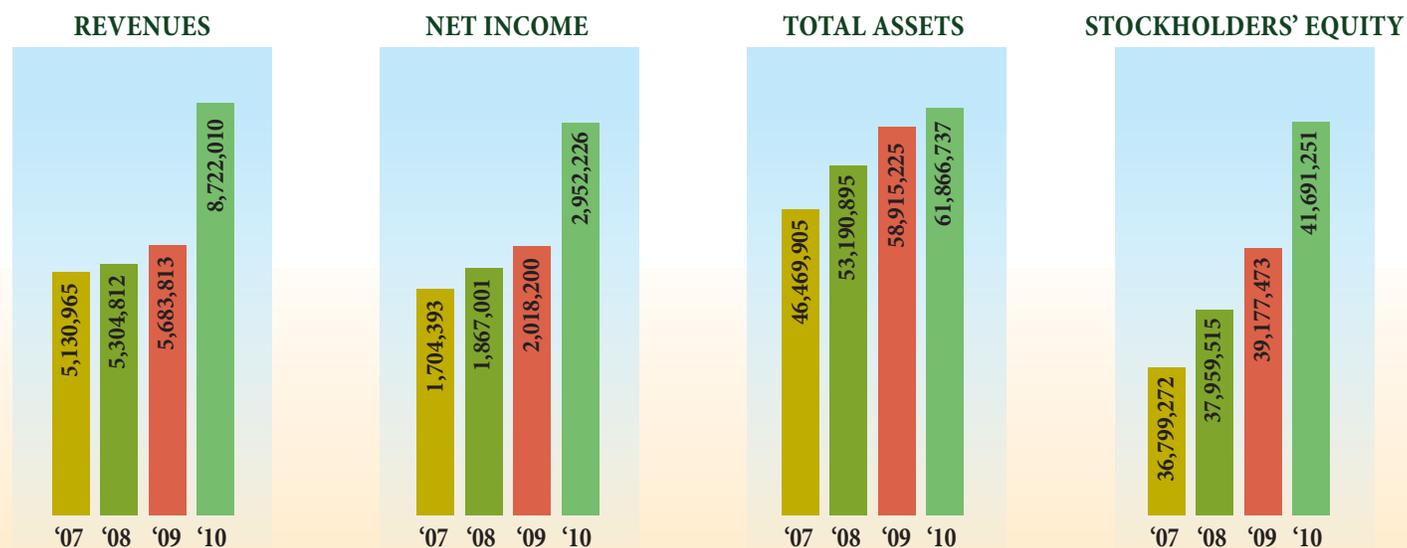
FILINVEST LAND, INC. AND SUBSIDIARIES

FINANCIAL HIGHLIGHTS

(Amounts in Thousands of Pesos, Except Per Share Data)

	2007	2008	2009	2010
OPERATING RESULTS				
Revenues	5,130,965	5,304,812	5,683,813	8,722,010
Net Income	1,704,393	1,867,001	2,018,200	2,952,226
Return on Assets (avg)	4%	4%	4%	5%
Return on Equity (avg)	5%	5%	5%	7%
FINANCIAL POSITION				
Total Assets	46,469,905	53,190,895	58,915,225	61,866,737
Total Long-term Debt	3,515,864	6,972,300	11,330,438	10,257,741
Stockholders' Equity	36,799,272	37,959,515	39,177,473	41,691,251
No. of Shares Issued and Outstanding (000's)	24,470,708	24,249,759	24,249,759	24,249,759
Debt to Equity *	10%	18%	29%	25%
Net Debt to Equity **	5%	12%	14%	20%
PER SHARE DATA				
Primary / Fully Diluted Earnings	PHP 0.074	PHP 0.080	PHP 0.087	PHP 0.122

* computed as long-term debt divided by Stockholders' Equity
 ** computed as long-term debt less cash and cash equivalents divided by Stockholders' Equity



MISSION

The mission of Filinvest Land, Inc. is to fulfill every Filipino's dream of having his own home. The primary responsibility of Filinvest is to the people that inhabit the cities, communities and homes it has created. Filinvest will continually contribute to the economic development of society and will always be a good corporate citizen.

OBJECTIVES

Filinvest shall provide its customers with universally competitive products that are valued not only for quality but in terms of affordability for all income levels. Only through research and development, innovation, and the use of appropriate technology can high quality services be provided.

Affordable housing shall always be a high priority in company endeavors. Coupled with safeguarding and maximum utilization of company assets, this long-term view (one of holding permanent the strategic health of Filinvest) should lead to better and sounder returns for stockholders.

The continuous pursuit of this mission can only result in industry leadership.

SHARED VALUES

In the delivery of service to its clients, high quality will be the one and only standard. A singularity of interest exists between the company and its employees. Providing good working conditions, compensation based on performance, opportunity for growth, and employment security are musts.

The core values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness are highly valued. The highest standards of business and moral ethics shall be exercised.

The long-term strategic health of Filinvest will always be paramount over short-term financial gains.

MESSAGE OF THE CHAIRMAN

2010 saw a peaceful political transition in the Philippines. Filipinos welcomed a new administration under President Noynoy Aquino, who won an overwhelming mandate in the May elections on an anti-corruption platform.

The country's Gross Domestic Product (GDP) grew by 7.3% in 2010, the highest growth rate achieved by the country since 1986, on the back of election-related stimulus spending in the first half, coupled with the recovery of the agricultural sector in the fourth quarter, as well as double-digit growth in exports and imports.

With renewed business confidence and optimism under President Noynoy Aquino's administration, the real estate industry as a whole, and your Company in particular, experienced record sales in 2010. This resulted in a 46% growth in Net Income to Php2.952 billion for Filinvest Land, Inc. (FLI).

Your Company currently has over 80 projects nationwide and FLI will continue to innovate and come up with projects to meet our customers' demands. For 2011, the number of units to be offered to our customers will be in the affordable and middle-income housing categories. We will also look into other projects of interest so that we can provide our customers from the affordable housing category and middle-income group with living units at the most affordable price in most convenient and accessible locations to avoid the inconvenience of travel and rising cost of transportation.

FLI will also expand its investment properties by increasing its retail space and BPO office buildings, which provide the Company with a recurring income stream.

I would like to thank our stakeholders, our shareholders, employees and business partners who have stood by the Company through the years. Together, we will work to bring the Company to even greater heights.



ANDREW L. GOTIANUN, SR.

Chairman of the Board



MESSAGE OF THE PRESIDENT & CEO



Although 2010 was relatively less turbulent than 2009, it still had its share of concerns especially in the first half of the year. Foremost were concerns about the May Presidential elections. In addition, the potential impact of the debt problems of some European Union member countries on OFW employment and remittances dampened business confidence in the early part of the year.

But these concerns were set aside as renewed optimism set in with the election of a new President with a significant mandate. The quick vote counting and proclamation boosted business and investor confidence.

In 2010, Gross National Product (GNP) grew by 7.2% while OFW remittances reached US\$18.8 billion or an 8.2% year-on-year growth. Interest rates dipped to record lows while inflation averaged at 3.8% with the prices of construction materials remaining relatively stable.

The strong economic environment enabled your Company to reach new heights in its performance.

FINANCIAL HIGHLIGHTS

FLI's net income for 2010 reached Php2.952 billion, a 46% increase from 2009. This was inclusive of Php496 million in Net Gain from Business Combination resulting from the February 2010 purchase of our partner's 40% stake in Cyberzone Properties, Inc. (CPI) and Filinvest AII Philippines, Inc. (FAPI). CPI is the developer of the 10-hectare Northgate Cyberzone while FAPI is the developer of the Timberland Sports and Nature Club and a phase of Timberland Heights in San Mateo, Rizal.

Excluding the Gain from Business Combination, net income from the regular operations of FLI still grew by a significant 22% to reach Php2.426 billion.

Real Estate Sales reached a record Php5.652 billion, 54% more than the year before. Around 91% were accounted for by your Company's core business of mass housing which includes socialized, affordable and middle-income residential lots, house & lot packages and condominium units of up to Php4 million each. The balance of 9% came from our other product lines such as high-end projects, farm estates, club shares, industrial lots and entrepreneurial lots (Asenso Village).

Meanwhile rental revenues grew by 19% year-on-year to Php1.411 billion. The growth in rental revenues is attributed to the higher

lease rates as well as higher occupancy rates at our BPO office buildings in Northgate Cyberzone. A new building, Vector One, also started contributing to revenues in December 2010. With eleven (11) office buildings currently operating, Northgate Cyberzone has a total gross leasable area (GLA) of 113,000 square meters.

Other sources of your Company's rental income are the PBCom Tower in Makati, the tallest office building in the country, and Festival Supermall in Filinvest Corporate City (FCC), the largest mall in southern Metro Manila.

Your Company's Balance Sheet remains very healthy with debt to equity ratio at 0.29:1 and a net debt to equity ratio of only 0.24:1 as of end-December 2010. FLI ended the year with a cash position of Php1.8 billion.

Because of its strong financial position, your Company has a credit rating of PRS Aaa for its retail bonds – the highest possible rating for a company.

STOCK MARKET PERFORMANCE

Your Company's share price closed at Php1.31 as of the end of 2010. This is 45.6% higher than the end-2009 close of Php0.90. FLI's share price outperformed the benchmark Philippine Stock Exchange index (PSEi) which rose by 37.6% during the same period.

The stock market was in consolidation mode in the first half of the year, primarily due to concerns about the Presidential Elections in May, as well as the possible impact on OFW remittances of the debt problems of some members of the European Union. With elections generally peaceful and the smooth transition of power, the stock market rose and peaked in early November. However, concerns over possible higher inflation due to rising prices of commodities, and the anticipated increase in interest rates, saw foreign investors exiting emerging markets, the Philippines included, which caused a correction in the local stock market, especially in early 2011.

For 2010, your Company paid a regular cash dividend of Php0.017 per share, representing the 20% dividend policy payout rate. In addition, your Company also paid a special cash dividend of Php0.016 per share,

bringing total dividends to Php800 million. The total cash dividends represent 40% of the previous year's net income of Php2.018 billion.

PROJECT HIGHLIGHTS

FLI generated sales reservations of Php10 billion in 2010, 42% more than the previous year, and another record in your Company's history. Our core business of mass housing accounted for over 90% of total, with MRBs, which fall under middle-income housing, contributing the most to the growth. We currently have nine (9) MRB projects in Metro Manila, Cebu and Davao.

2010 saw the launching of Citta di Mare, our 50.6 hectare premier mixed-use development project in Cebu – a joint venture with the Cebu City government. Citta di Mare, Italian for "City by the Sea," is a master-planned development composed of Il Corso, the 10.6-hectare waterfront lifestyle strip, and four resort-themed residential clusters, with The Piazza, the recreational and commercial anchor of the residential communities. Amalfi Oasis and San Remo Oasis, the first residential projects in Citta di Mare, were launched in July 2010.

As of the end of 2010, FLI had 86 ongoing projects nationwide. Nine new projects were launched during the year, which included three new socialized housing projects, namely Castillion Homes and Mistral Plains in Cavite and Sunrise Place Mactan in Metro Cebu. We also offered 18 additional phases in ongoing projects.

FLI also announced two residential projects within FCC. Studio City is mainly targeted at those working in the business process outsourcing (BPO) office buildings within Northgate Cyberzone while The Levels is a middle-income project located at one of the highest points of FCC.

OUTLOOK FOR 2011

2011 started with inflationary concerns as prices of some commodities hit all-time highs, brought about by floods in Australia, drought in China as well as adverse weather

conditions and natural disasters in other parts of the world. This has been exacerbated by the ongoing political unrest in the Middle-East and Northern Africa that has caused oil prices to soar.

The political unrest could also affect OFW remittances, as the countries in the Middle East accounted for close to 16% of OFW remittances in 2010. Moreover, the Philippine Overseas Employment Administration (POEA) expects a 6% drop in OFW deployment this year with the strict implementation of a new law intended to protect the rights of migrant workers by mandating, among others, the insurance coverage for every Filipino worker to be deployed abroad, which would entail additional costs for prospective employers. However, the Bangko Sentral ng Pilipinas (BSP) still expects remittances to grow by up to 8% in 2011 as more skilled workers are deployed. Other economists expect a slower growth rate of 3% to 7%.

On the other hand, local business sentiment remains optimistic with the country's economic growth expected to be sustained, although at a slower pace than in 2010.

Despite the challenges, your Company remains optimistic about the prospects for 2011. We believe that we are still in the early stages of a growth cycle and that 2011 will be a good year for the real estate sector. We plan to launch 17 new projects and 24 additional phases of existing projects. These projects have a total potential sales value of Php13 billion and are equivalent to over 14,000 units, or almost double the close to 7,300 units we launched in 2009. The new projects include four (4) socialized housing projects and six (6) affordable housing projects in Bulacan, Pampanga, Rizal, Laguna, Cavite and Batangas. We also plan to launch two new MRB projects in Metro Manila, namely, Bali Oasis 2 and Belize Oasis. This will bring to eleven (11) the number of your Company's MRB projects.

We will also be expanding our sources of recurring rental income. We will start the expansion of the Festival Supermall, which will add 44,000 square meters of Gross Leasable Area (GLA) to our retail anchor in FCC. Construction of the 18,000-square-meter Vector Two in Northgate Cyberzone is expected to be completed within the year, while we will commence construction of another BPO building. These two buildings will add 34,000 square meters of GLA to the current portfolio of eleven (11) BPO office buildings within Northgate Cyberzone.

We will also begin development of Il Corso, the 10.6-hectare waterfront lifestyle strip of Citta di Mare that will offer a wide range of retail, food, entertainment and seaside leisure activities. Phase 1 of the development covers four hectares and will include a boardwalk, beachfront retail spaces, restaurants, a 2,500-square-meter exhibition tent and a 4,500-square-meter sandbox that may be used for beach volleyball and other sports.

To support the development of our projects, we have budgeted Php12 billion for capital expenditure this year, more than double the Php5 billion we spent in 2010. We intend to fund these projects with internally generated funds and additional bank borrowings, as needed.

FLI is also planning new offerings within FLI's existing township developments. New socialized and affordable housing projects will be made available within Ciudad de Calamba in Laguna, as well as new residential clusters within Timberland Heights in San Mateo, Rizal and Havila in Antipolo and Taytay, Rizal.

True to our motto of "We Build the Filipino Dream," your Company will continue to bring to the market innovative products that are affordable to the majority of the Filipino population in order to fulfill every Filipino family's dream of owning their own home. We will constantly strive to provide quality and value in the markets we serve.

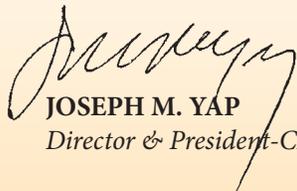
Your Company and its employees continue to share our blessings with our less fortunate brothers. In November last year, over 80 of our employees visited the Hospicio de San Jose in Manila to share with the over 150 orphans and their caregivers a half day of fun and games. Aside from groceries, toys and used clothing, we also donated Php70,000 to the institution.

FLI has also committed to give a monthly donation to the Bethlehem Day Care Foundation, Inc. located in the Inayawan Garbage Dumpsite across South Road Properties in Cebu. The day care center provides scholarships, food, uniforms and school supplies to the children of families who scavenge in the dumpsite. Recently, we also provided free medical check-ups and medicines for some 180 indigent persons at the Bubuyan High School in Calamba, Laguna.

Our employees are our most valued resource and in 2010 we continued to conduct training programs aimed at enhancing skills, improving productivity and developing leadership. In 2010, we conducted a total of 42 sessions for different training programs, participated in by 438 employees. These programs range from the orientation of new employees to technical training for engineers and customer service. We signed an agreement with the Philippine National Red Cross (PNRC) to establish an exclusive blood bank for Filinvest employees and their dependents, organize regular blood donation activities and provide training in first aid, emergency and rescue, trauma and cardiopulmonary resuscitation (CPR). We also offered wellness programs covering the awareness of cervical cancer, dangerous drugs and weight management, among others, to help the FLI family keep a healthy balance between their work and home life.

Your Company is also strongly committed to preserving the environment. In our Timberland Heights project, for example, we have our own in-house forester who is in charge of monitoring all the environment-related issues like pollution levels, vegetation and proper sewage disposal. We conduct regular tree-planting activities in cooperation with various schools and civic organizations that resulted in 2,800 trees planted in 2010 alone, and 10,000 trees planted so far. Aside from the required open spaces, an additional 7% to 12% of the total land area of Timberland Heights will be preserved for greenways, nature parks, hiking and biking trails. We have also set aside 6.3 hectares for a nature park and agro-forestry center in cooperation with the University of the Philippines-Los Baños Institute of Agro-Forestry.

2011 will be a challenging year. Your Company remains financially prudent in its undertakings, but at the same time ready to take advantage of opportunities when they arise and strengthen our position as a market leader in providing mass housing in the country. Your management and staff will continue to work together to make FLI even bigger and stronger.


JOSEPH M. YAP
Director & President-CEO

OPERATIONAL HIGHLIGHTS

Filinvest Land, Inc. (FLI) generated record sales take-up of Php10 billion in 2010, a 42% jump year-on-year.

In 2010, FLI launched Php10.3 billion worth of projects, 61% more than the Php6.4 billion in the previous year. This includes nine new projects and 18 additional phases in existing projects across the country. Among these were three new socialized housing projects in Cavite and Mactan, Cebu while two new mid-rise building (MRB) projects were introduced within Citta di Mare, FLI's flagship project in Cebu under a joint venture agreement with the Cebu City government. FLI also announced its first two high-rise residential projects within Filinvest Corporate City, namely, Studio City and The Levels.

RESIDENTIAL PROJECTS

FLI's core business is providing residential housing for the socialized, affordable and middle-income markets. The Company meets the needs of these markets by providing a variety of products that includes residential lots, traditional house and lots, townhouses and condominium units that are generally priced at Php4 million pesos and below.

Socialized Housing

Socialized housing projects brought in close to Php900 million, or 9% of the Company's total sales take-up in 2010, from over 2,300 units sold.

Mistral Plains community perspective view



Pabahay Dream Homes, FLI's division for socialized projects, the bulk of which are located in Cavite, Batangas, Bulacan, and Laguna, provides the lower-income market segment quality yet affordable homes. Through easy and affordable financing schemes, Pabahay Dream Homes makes it possible for its target market to enjoy the security, amenities and facilities of exclusive subdivision living.

Land development works, amenities, community features and model houses were completed in the newly launched Castillon Homes Phase 1 and Mistral Plains in Gen. Trias, Cavite, and Phase 2A of Blue Isle in Sto. Tomas, Batangas. Sales at Mistral Plains have been outstanding, with 95% of the total inventory taken up within a few months from launching.

In addition, Sunrise Place Mactan, located in Agus, Lapu-Lapu City, is completely sold out and is targeted for delivery in 2011.

Affordable Housing

Carlin house model



Affordable housing projects generated sales take-up of nearly Php700 million in 2010, 10% more than in 2009 and equivalent to about 7% of FLI's total sales in 2010. New house models like the P500-2G, P500-Crissa, Carlin and Preciosa were introduced in various projects to offer buyers more affordable choices.

Development of projects progressed at a steady pace. In Sto. Tomas, Batangas, the amenity areas of Summerbreeze and Phase 2 of Palmridge were completed, while land development started in Phase 3. In Tanza, Cavite, Woodville's clubhouse was opened to the community while development of Phase 2 is expected to be finished within 2011. At the Spanish-themed San Rafael Estates in Bulacan, additional ready-for-occupancy (RFO) units were constructed in Phase 3 in view of a strong sales take-up.

P500 townhomes at Summerbreeze



For 2011, FLI will introduce new model houses as well as launch new projects to strengthen its leadership position in this large but underserved market.

FLI will continue to expand its market leadership in mass housing with an aggressive rollout of new and more affordable housing products to meet market demand and maximize the use of the Company's extensive low-cost land bank. Alternative financing sources aside from Pag-IBIG will also be tapped to enable more Filipinos to acquire their first home.

Middle-Income Housing

In 2010, the Company reinforced its sales and development efforts for its core housing projects targeting the middle-income segment. This segment accounted for the bulk of FLI's sales take-up at over Php7 billion or 74% of total.

Traditional House and Lot

At Princeton Heights in Bacoor, Cavite, development is going full blast on road works, model units, community amenities and facilities. In The Glens, a 29-hectare development within Park Spring located in San Pedro, Laguna, Phase 2 was substantially completed while Phases 3 and 4 were opened for sale in late 2010.

In the 52-hectare Claremont, a Contemporary American-themed community in Mabalacat, Pampanga, additional RFO units were completed to meet market demand. Development works were also started for its Phase 3, Austine Homes, a residential enclave located within Claremont which offers two-bedroom townhouses at an affordable price.

Somerset Lane in Tarlac, a 10-hectare middle-income development, began the construction of the amenity area which is expected to be completed by 2011. In addition, RFO units of Redwood, Banyan and Albany house models have been completed and are now being offered for sale.

In the community of West Palms in Puerto Princesa City, the clubhouse and the amenities have been completed and are being enjoyed by the residents. Sales continue to be brisk and full sellout of the project is expected soon.

Meanwhile, development works continue full blast in FLI's residential communities in the Visayas and Mindanao with the completion of model units, amenities, facilities and other features in our projects in Cebu, Davao, Tagum, Butuan and Zamboanga.

Medium-Rise Buildings (MRBs)

The high demand for serene, accessible, and secure communities located at the heart of major urban areas has prompted FLI to strengthen its portfolio of medium-rise developments, which are under the "Oasis" series. FLI currently has nine (9) MRB projects that have been announced or are under construction. These are One Oasis Ortigas, Bali Oasis Marcos Highway, Maui Oasis Sta. Mesa, Sorrento Oasis Pasig and Capri Oasis Pasig in Metro Manila, One Oasis Cebu, Amalfi Oasis and San Remo Oasis in Metro Cebu, and One Oasis Davao. This year, the Company plans to start development on at least two additions to the "Oasis" series, namely Bali Oasis 2 and Belize Oasis within Metro Manila.

Construction works for MRB projects are going full blast. At One Oasis Ortigas, the last of the thirteen (13) buildings began construction in January of 2011. Five buildings have already been completed and two more are nearing completion, ahead of schedule. Club Oasis, the high-end resort-quality central amenity area of One Oasis Ortigas, was inaugurated last November. It features three swimming pools, a basketball court and a clubhouse with a fitness gym, billiards room, music room and a kids' playroom.



Orange Grove pool and clubhouse



Villa San Ignacio gate and guardhouse



Bali Oasis



One Oasis Ortigas



One Oasis Davao

At Bali Oasis along Marcos Highway, two buildings have already been completed, and the third is targeted to be finished in July this year, with construction of the fourth and last building commencing within the year. The amenity area of Bali Oasis has likewise been finished while that of Capri Oasis along Sixto Antonio Avenue in Maybunga, Pasig is expected to be completed within 2011.

Down south, One Oasis Davao's first three buildings have been completed, and construction of the fourth building will commence within the first half of this year.

Building construction in Sorrento Oasis, Capri Oasis, Maui Oasis and One Oasis Cebu are also being fast-tracked. Meanwhile, construction on the first buildings in two resort-town communities within the 40-hectare residential section of Citta di Mare, called Amalfi Oasis and San Remo Oasis, will commence within 2011.

High-rise Condominiums

The groundbreaking ceremony for The Linear, FLI's first high-rise residential development in Makati, was held in December 2010. The Linear targets start-up families and young professionals working in the Makati CBD, as well as OFWs looking for a rewarding investment. Construction of Tower 1 is ongoing and it is scheduled for turnover by December 2012. Tower 2 will be delivered in 2015.

FLI has also launched two high-rise projects within Filinvest Corporate City (FCC) in Alabang. These are The Levels and Studio City.

The Levels is located at one of the highest points of FCC and is a California-inspired condo community that features laid-back suburban living ideal for young families. It consists of four towers, with 27 to 34 floors each. Construction of the first building will start in the second quarter of 2011, on track for its target completion in 2013. The model units, which are located at Westgate, are already open for public viewing.

Studio City is a community of five residential buildings, each 18 storeys high. Its target market are those working in the business process outsourcing (BPO) firms within Northgate Cyberzone. As its name implies, this project will consist solely of studio units, with 425 units per building. Its grand launch and groundbreaking are scheduled within the first half of 2011.

High-End Housing and Others

At the world-class Brentville International community in Biñan, Laguna, construction of the man-made lagoon commenced in 2010. The Lagoon is the main amenity area of The Arborage cluster, the latest phase of six (6) residential clusters within the 53-hectare project.

The Arborage, which currently offers The Masterpieces collection of house models, will offer smaller lot cuts in 2011 to make it more attractive to first-time home buyers. The expected completion of the elevated skyway linking Makati to Alabang, or the Skyway Stage 2, in May 2011 is also expected to make Brentville and other Filinvest projects in the south more accessible to a wider public.

Construction of the Arista residential enclave at Laeuna de Taal began in March 2010. The first mid-rise condominium project within the lakeside resort community, Arista is located at one of the highest points of the development. The enclave is composed of 20 three-storey buildings and features balconies in all units so residents can enjoy the excellent view of Taal Lake from the comfort of their own home. Turnover of the first building, Calibato, is expected by the second quarter of 2011.

Laeuna de Taal will expand its residential offerings in 2011 by launching phase 2 of the Orilla enclave, with smaller lot cuts of 180 to 200 square meters. Across Orilla, the new Piedra enclave will also enjoy the advantage of being near the Lake Club. Both neighborhoods are designed to complement the tranquil, natural character of the entire development. Phase 1 of the Lake Club, located along the shoreline of Taal Lake, is scheduled for completion by the second quarter of 2011.

Entering the final stages of construction, Grand Cenia Hotel and Residences in Cebu City remains on track for the June 2011 turnover of the condominium units to buyers and the preparation of condotel rooms for hotel operations. The 25-storey structure has 119 condominium units and 432 condotel rooms. In addition, two floors have been earmarked for BPO office space with a gross leasable area of 4,500 square meters.

The Levels



Studio City



Grand Cenia Hotel and Residences



TOWNSHIP DEVELOPMENTS

Citta di Mare

In August 2010, FLI gave Cebu a preview of its most ambitious seaside development to date when it launched Citta di Mare at the Grand Ballroom of Crimson Resort and Spa in Mactan, Cebu.

Inspired by the world's best-loved coastal cities, Citta di Mare, which is Italian for "City by the Sea", spans 50.6 hectares at Cebu's South Road Properties. It is 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, the commercial and recreational anchor of the residential communities.

Citta di Mare has four resort-themed residential enclaves inspired by world-class resorts, with each 10-hectare development featuring a distinct architectural character. With over 65% of the property allocated for wide, open areas and landscaped greens, Citta di Mare provides the generous amenity of breathing space and a refreshing dose of nature throughout the site. Residences are spread out over the sprawling development, maximizing the abundant sunlight and allowing the invigorating sea air to circulate freely.

Amalfi Oasis perspective



For leisure activities, residents of Citta di Mare can choose between The Piazza and Il Corso. Located at the heart of the residential enclaves, The Piazza puts lifestyle essentials such as a school, church, shops and restaurants within the neighborhood. Across from the residential enclaves, Il Corso is a destination in itself, featuring seaside shopping, dining, beach and water sports, concerts and more, right by the water's edge.

In November 2010, groundbreaking rites for Amalfi Oasis, the first residential enclave at Citta di Mare, were held. Featuring clusters of five-storey buildings



Inspiration behind Citta di Mare

with luxuriant gardens, resort-style amenities and pedestrian-friendly environs, Amalfi Oasis was launched to offer a new dimension in seaside living. A second residential enclave called San Remo Oasis, targeted at the middle-class, has also been opened.

Ciudad de Calamba

Spanning 350 hectares, Ciudad de Calamba is a master-planned township located in Laguna that features themed residential communities and industrial and commercial components to offer a dynamic, self-sustaining community south of Metro Manila.

In 2010, construction of new house models, facilities and amenities was completed in the communities of Montebello, Aldea Real, Ashton Fields and La Brisa Townhomes. Plans for the construction of the church at the Town Center are underway after its first conceptual design was approved in 2010.

The industrial park component of Ciudad de Calamba, the 52-hectare Filinvest Technology Park Calamba (FTPC), is a PEZA-registered economic zone that caters to light and medium-sized non-polluting industries. The year 2010 saw the launching of Paseo San Andres Commercial Area in FTPC, the retail and restaurant hub of the development, making life within Ciudad de Calamba more convenient for residents and locators alike.



Ceremonial toast to the Filinvest-Cebu City partnership



Ciudad de Calamba gateway



Punta Altezza clubhouse



Filinvest Technology Park Calamba

In 2011, FLI will launch Pueblo Solana, a 68-hectare residential development targeted at the socialized and affordable end of the market. Valle Alegre and Valle Dulce will be the first two projects within this development.

Havila

Havila, FLI's 300-hectare township which stretches from Taytay to Antipolo and Angono, continues to attract people to live amidst "nature's beauty that inspires." Located just 12 kilometers east of the Ortigas Business District, Havila is home to four thriving residential communities – Mission Hills, Highlands Pointe, Villa Montserrat and Forest Farms with an ever growing community which currently stands at 300 families.

In 2010, Havila expanded its existing communities by launching Phase 3 of Villa Montserrat, introducing new and improved house models and completing the Forest Farms clubhouse and swimming pool. The Forest Farms clubhouse is a 490-square-meter multi-layer structure built on a well-landscaped 12,400-square-meter property with two function halls overlooking the 380-square-meter pool area. Meanwhile, the new house models have more contemporary façades, improved layouts and finishings. Floor areas range from 53 square meters at Phase 3 of Villa Monserrat to 213 square meters in Sta. Sophia in Mission Hills, catering to a broader range within the middle-income and high-end segments.

The Havila township is now connected by its spine road. The 3.2-kilometer link road connects the residential communities to each other and provides a fast and easier way to travel between Taytay and Antipolo, truly making Havila a township.

Also slated for launching in 2011 is Anila Park, a residential community that will offer affordable house-and-lot packages ranging from Php1.6 to Php1.9 million.

Highlands Pointe





Forest Farms

Mission Hills clubhouse

Timberland Heights

Timberland Heights is FLI's flagship project in the greater Manila area and offers residents an escape from the concrete jungle, just a few minutes from Metro Manila. It is a master-planned community that will include residential and mixed-use developments, commercial areas and a church. It will also include facilities that are aimed to attract local tourists, as well as make it a conference and wedding destination.

The 677-hectare Timberland Heights township is located on the outskirts of Quezon City, and current projects within the development include Mandala Farm Estates, Banyan Ridge, The Ranch, Banyan Crest and Timberland Sports and Nature Club.

FLI has developed approximately 100 hectares of the master-planned project. Land development of Mandala 2 and Banyan Crest is nearing completion, with both communities expected to be ready for turnover within the second half of 2011. In addition, the Banyan Ridge clubhouse and amenities, including the swimming pool, have been completed and are now being enjoyed by the residents of the subdivision. Construction of amenity areas in the other communities is also in progress.

Making use of its newly constructed administration building, classrooms and gymnasium, the Waldorf School in Timberland Heights marked its first school opening in July 2010. The school intends to establish fully integrated pre-school, grade school and high school programs within the next five years.

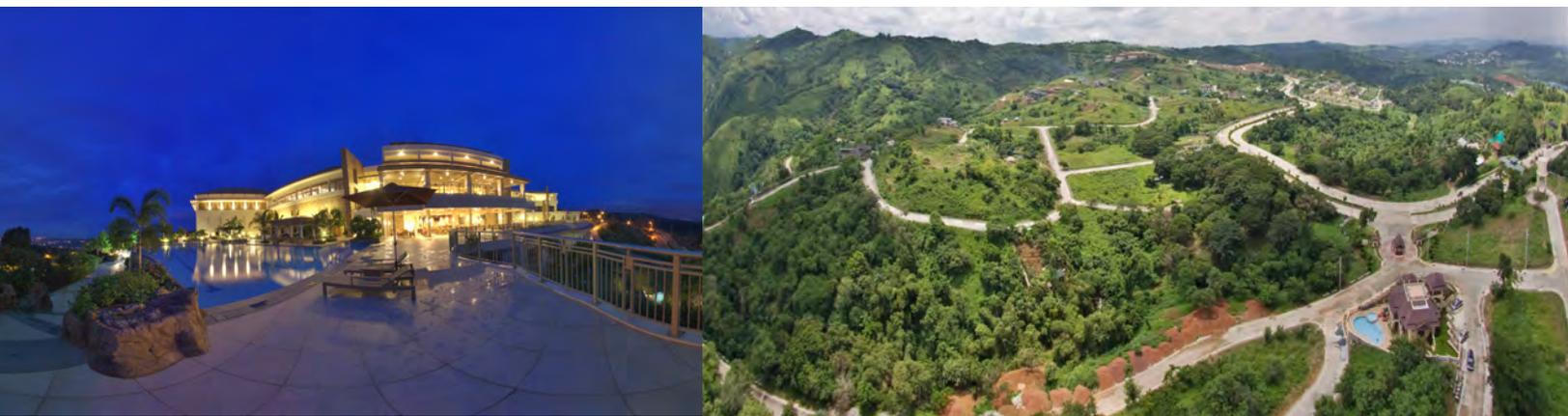
To enhance the nature-oriented concept of the township, outdoor amenities such as a zip line system, along with biking and running trails and a nature park, will be added in 2011. Fully operational, with almost all facilities in place,



Waldorf School

the exclusive Timberland Sports and Nature Club continued to provide the mountain resort country club experience to its growing number of members.

Within 2011, Timberland Heights will offer casitas for sale to investors. These casitas will be pooled together and run as a condotel. Initially, 64 units will be offered, and these will add to the current 24 rooms that are available at the Timberland Sports and Nature Club for those who wish to spend some nights at the Club amidst the beauty and serenity of Timberland Heights.



Timberland Sports and Nature Club (left) and aerial view of Banyan Ridge and Mandala communities (right)

INVESTMENT PROPERTIES

Office Buildings

Cyberzone Properties, Inc.

Cyberzone Properties, Inc. (CPI) is the operator of Northgate Cyberzone, a 10-hectare BPO campus located within Filinvest Corporate City in Alabang. On February 8, 2010, FLI finalized the purchase of its partner's 40% stake in CPI and made it a wholly owned subsidiary. In 2010, CPI contributed a net income of Php298 million to FLI.

Vector One, the newest addition to the growing number of BPO office buildings within Northgate Cyberzone, was completed in December 2010. It is a 14-storey building with three (3) floors earmarked for parking, eleven (11) floors available for lease with a gross leasable area (GLA) of 17,951 square meters. FLI's 20%-owned affiliate, Filinvest Alabang, Inc. (FAI), was the first tenant of the building, occupying the fifth to seventh floors for its corporate headquarters. Another tenant has recently finalized the lease for three floors, bringing the take-up rate to 54%.



Aerial view of Northgate Cyberzone (left) and Vector One (top)

With the addition of Vector One, there are currently eleven (11) operational BPO office buildings within Northgate Cyberzone with a total GLA of over 113,000 square meters by the end of 2010. There are now over 16,000 employees working in Northgate Cyberzone.

Take-up rate of the buildings improved in 2010, to an average of 91% as of end-2010 from only 85% as of end-2009. New tenants signed up to replace the ones that had to terminate their lease contracts, primarily as a consequence of the economic downturn in the United States. Over 25,000 square meters in new or renewed leases were finalized in 2010.

Meanwhile, construction of Vector Two is in full swing, on track for completion by August 2011. It is located next to Vector One and also has eleven (11) office levels with a GLA of close to 18,000 square meters and three (3) floors for parking.

To accommodate the expected increase in demand for BPO office space, CPI will commence construction of another building within Northgate Cyberzone this year. The ten-storey building with a GLA of 16,000 square meters will be located in front of the Alabang-Zapote Road and is targeted for completion in 2012.

CPI will also start construction on its first project outside Northgate Cyberzone this year. It is a five-storey building with a total GLA of 17,500 square meters along Epifanio de los Santos Avenue (EDSA) in Mandaluyong City. The building is expected to be completed within 2012.



PBCom Tower

Filinvest Asia Corporation

Filinvest Asia Corporation (FAC) owns 36,000 square meters of leasable office space in PBCom Tower, currently the tallest office building in the Philippines at 52 storeys high. Located at the corner of Ayala Avenue and Herrera Street in Makati City, PBCom Tower is home to some 30 multinational companies and BPO firms, which include Citibank N.A., ESS Manufacturing Company, Inc. (EMCI) and IBM Global Process Services.

PBCom Tower's occupancy rate was at 87% as of end-2010, a significant improvement over the occupancy rate of the end of 2009, as new tenants signed up for some of the spaces vacated in 2009. For the whole of 2010, FAC generated a net income of Php82 million.

PBCom Tower continues to attract both local and multinational locators with its coveted location at the heart of the Makati Central Business District, and its modern features and world-class facilities.

Retail Space

Festival Supermall

Festival Supermall continues to be the preferred mall destination south of the metro. It opened its doors to several new fashion stores in 2010, including Payless Shoe Source, Terranova, 101 New York, DC Shoes, Hot Flopzz, Res-Toe-Run, Free Tag, Banana Peel, Sandugo, Pinoy Lab, Lavish Lashes and Etude House, among others. Electronics franchisees of Olympus/Lenovo and Samsung also opened their stores at the third level of Festival Supermall. Meanwhile, Stavros Kebab and California Berry were the latest additions to its roster of food outlets. With these recent additions, Festival Supermall currently has a roster of 778 tenants.

Mall expansion perspective



As part of its promotional efforts, Festival Supermall was host to several events in 2010, such as “Road to Fame: Model, and Talent Congress,” a two-month search for potential models and talents for print and TV commercials, Chowking Cheerdance Competition, Manila Beer Grand Relaunch, Friendster Day Grand Eyeball, and a series of concerts by celebrities. It culminated the year with a much-celebrated Christmas special, which featured programs and attractions for kids and performances by Ballet Philippines.



To further strengthen its position as southern Manila’s biggest mall that offers the most diverse shops and services, plans are being finalized to expand the mall. An additional 44,000 square meters of GLA will be added to the current 135,000 square meters, and construction is targeted to start within 2011 with the initial phase coming onstream in 2013. The new wing will include a vast alfresco dining hub and a natural water feature that will be converted into a River Park with boat rides. This expansion venture will be spearheaded by RTKL, a multi-awarded design firm that offers end-to-end planning, architectural and creative design services to different companies worldwide. RTKL is behind architectural masterpieces like LA Live in California, 360 Mall in Kuwait, Bahrain City Centre, LaQua Tokyo Dome City and Alexa in Berlin, Germany.

Festival Supermall contributed Php341 million to FLI’s net income in 2010.

New shops at Festival Supermall

CORPORATE SOCIAL RESPONSIBILITY

Guided by its mission of “Building the Filipino Dream,” Filinvest Land, Inc. (FLI) goes beyond fulfilling the dreams of its clients and employees, to nurturing the dreams of the larger society where it belongs.

Heeding the call of social responsibility, the entire organization poured its efforts into advocacies and outreach programs where it can make a difference.

Educational Advocacy

By itself, and as a part of the Filinvest Group, FLI has been very active in supporting various organizations dedicated to providing educational opportunities for economically disadvantaged families. The company believes that the best way to improve the economy, the individual and the community as a whole is through education.

For over 35 years now, the Filinvest Group, as well as its directors and officers, has been a major supporter of the Educational Research and Development Assistance Foundation (ERDA), a non-profit organization founded by Father Pierre Tritz of the Society of Jesus. Through its flagship programs in education, ERDA strives to empower disadvantaged children, youth, women and communities in the country.

By way of annual contributions, construction of pre-school learning centers in Muntinlupa City, and fundraisers such as the Filinvest Run for a Child, the Company continues to support ERDA's advocacy of education as a gift of hope for indigent children.

Under the Andrew Gotianun Foundation, financial support amounting to Php2.6 million since 2003 has been donated to the Sandiganan sa Pagpapalambo sa Kabataan (SAPAK) Experimental Farm in Compostela, Cebu. Headed by Father Emmanuel V. Non, S.J., SAPAK is a pioneering effort at integrated human development for boys and girls from ages 7 to 21 who are victims of poverty and neglect.

In 2010, FLI donated Php500,000 to the scholarship fund of the Bethlehem Day Care Center (BDCC) Foundation in Cebu. The donation will cover the schooling and other related expenses of a number of preschoolers. The facility was established by the Cebu Archdiocesan Prison Apostolate to provide free day care and other support services to the children of scavengers at the Inayawan landfill site in Cebu City.

Also in 2010, FLI signed a Memorandum of Agreement (MoA) with the Ateneo de Manila High School Department to benefit the scholarship and facilities program of the school. Under the MoA, Filinvest will donate a portion of sales proceeds to support the school's scholars and upgrading of facilities.

Concern for the Environment

FLI is also a firm believer in sustainable development. As such, the company ensures that its projects contribute to the preservation and enhancement of the environment. In developing its projects, measures are taken to minimize, if any, the effects on the environment. Development plans also take into account the natural topography of the property.



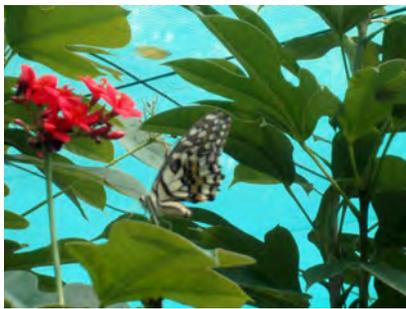
Filinvest-Ateneo MoA signing



Sponsorship of Bethlehem Daycare Foundation

Timberland Heights, the company's 670-hectare township project in Rizal, is a model for sustainable development where FLI forges a synergy between modernization and environmental preservation.

Out of the 120 hectares that have been developed to date, 60 hectares were launched as the Mandala 1 and 2 Farm Estates, encouraging property buyers to adopt the sloping agricultural land technology (SALT) method to maximize the use of the topography of the land. On these farm estates, buyers are required to plant at least one tree for every 250 square meters of their lots. More than 10,000 trees (2,800 in 2010) have been added to Timberland Heights because of regular tree-planting activities participated in by different sectors such as LGUs, NGOs, schools and corporations. Different species of trees are also being propagated in the in-house nursery. These are all overseen by the Department of Environment and Natural Resources (DENR) and the forester employed by the township.



Butterfly farm

Lot buyers are encouraged to design their homes with an Asian-tropical theme to maximize the use of natural light and ventilation. Residents are required to utilize three-chamber septic tanks to ensure the additional filtering of wastewater before it is pumped out into the sewage system. They are also asked to segregate their solid waste, maximize recycling and reduce residual waste to a minimum. FLI is also promoting the construction of catch water systems for collecting rainwater to water household plants.

A 6.3-hectare nature park is also integrated within the township. It is an agro-forestry center with a tie-up with the University of the Philippines-Los Baños Institute of Agro-Forestry. It currently features model farms that lot buyers can adapt, such as a butterfly farm, flower and herb gardens, organic vegetable farms and vermicomposting. There are also plans to offer back-to-basics farming courses for residents and visitors.

Inherent natural features in Timberland Heights will be preserved, including two waterfalls. This will encourage people to explore and enjoy nature, just a few kilometers from the urban jungle of Metro Manila. Existing hiking and biking trails and the upcoming 300-meter zip line and hanging bridge provide more avenues for communing with nature.

Even the school located within Timberland Heights reflects FLI's objective of providing a holistic environment that nurtures both body and spirit.

FLI donated one hectare of land for the Timberland Heights Rudolph Steiner School, which opened its doors to students in 2010. It espouses the non-traditional Waldorf education movement that makes nature an integral part of its curriculum. The school currently has around 300 students from kindergarten to high school.



Celebrating Christmas with the orphans at Hospicio de San Jose

Outreach Activities

In 2010, FLI and its employees engaged in activities to help those who have less in life by sharing time, money and material goods in various community service programs.

For its Christmas outreach program, over 80 employees visited the Hospicio de San Jose in Quiapo, Manila to share a day of fun and games with over 150 orphaned or abandoned children and their caregivers. Aside from groceries, toys and used clothing, FLI also donated Php70,000 to the institution.

Another recent initiative was the successful medical mission conducted by FLI at Bubuyan National High School in Calamba, Laguna. More than 180 children and adults availed of free medical check-ups and medicines. They also received snacks, toys and free haircuts courtesy of the Ricky Reyes Learning Institute.

Working together in these fulfilling activities helped strengthen bonds within the FLI organization and reinforced the company's ties with the community as well.

PERSONNEL DEVELOPMENT

Recognizing its employees as the company's most valued resource, FLI continued to conduct training programs aimed at enhancing skills, improving productivity and developing leadership aptitude.

In 2010, FLI conducted a total of 42 sessions for different training programs, participated in by 438 employees. These programs range from orientation of new employees, to technical training for engineers, supervisory development and customer service.

In December 2009, an agreement was signed with the Philippine National Red Cross (PNRC) to establish an exclusive blood bank for Filinvest employees and their dependents, to organize blood donation activities, and to provide training in first aid, emergency and rescue, trauma and cardiopulmonary resuscitation (CPR). Two blood donation sessions held in 2010 were able to collect a total of 65 units of blood at 450 milliliters per unit.

Employees were also encouraged to attend wellness programs organized by the Human Resources Department, covering topics such as cervical cancer awareness, dangerous drugs and weight management. A total of 119 employees attended these wellness programs.

The annual General Assembly was held in February, where the Company briefed the employees on the previous year's performance and shared the targets and goals of the company for the current year. This annual event also recognizes the achievements of various units, helps boost employee morale and rallies everyone to work together as a team.

To further foster camaraderie among FLI employees, a sportsfest was held at La Salle Greenhills in May 2010. Around 311 employees enjoyed a day of friendly competition with fun games, sports and a cheering competition.



Training program for engineers



Friendly competition at the sportsfest



General Assembly

CORPORATE GOVERNANCE REPORT

Your Company has always been a firm believer in good Corporate Governance and has always abided by the core values of its founder, Mr. Andrew L. Gotianun, of integrity, fairness and financial responsibility. These principles have been incorporated in the Company's Code of Ethics as well as in its Corporate Governance Manual. Today, Filinvest Land, Inc. (FLI) continues to operate guided by its corporate core values of Integrity, Team Work, Professionalism, Innovation, Customer Service and Cost Effectiveness.

Compliance with Best Practices on Corporate Governance

For the year 2010, FLI fully complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Manual for Corporate Governance. In particular, your Company wishes to highlight the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the audit, nomination and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) FLI's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by FLI.

On February 28, 2011, your Company filed a Revised Manual on Corporate Governance in order to update it to reflect current best practices.

In order to keep abreast of best practices in Corporate Governance, the members of the Board and top management have all attended seminars on corporate governance initiated by duly accredited institutions.

FLI constantly reviews its Corporate Governance practices and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

Board of Directors

Leading the practice of good Corporate Governance is the Board of Directors. Your Board of Directors is firmly committed to the adoption of and compliance with the best practices in Corporate Governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors.

The Nomination Committee receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Nomination Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FLI's Revised Manual on Corporate Governance and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Nomination Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with FLI's Manual on Corporate Governance. In 2008, FLI filed with the SEC its application for the amendment of the by-laws to include the procedure that will govern the nomination and election of independent directors. This procedure is consistent with FLI's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. The approval by the Commission on said application was issued on April 8, 2009. The power of the Board to amend the By-Laws has been delegated by the stockholders representing two-thirds (2/3) of FLI's outstanding capital stock in an annual meeting of said stockholders on May 27, 1994.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FLI multiplied by the whole number of directors to be elected.

The directors of FLI are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Corporation Code and FLI's Revised Manual on Corporate Governance. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings during CY2010.

Name of Director	Number of Meetings Attended	Percentage of Meetings Attended
Andrew L. Gotianun, Sr. <i>(Elected May 31, 2010)</i>	3 of 3	100%
Mercedes T. Gotianun <i>(Resigned May 19, 2010)</i>	4 of 4	100%
Andrew T. Gotianun, Jr.	5 of 7	71%
Joseph M. Yap	7 of 7	100%
Lourdes Josephine G. Yap	7 of 7	100%
Jonathan T. Gotianun	7 of 7	100%
Efren C. Gutierrez	7 of 7	100%
Cornelio C. Gison	7 of 7	100%
Cirilo T. Tolosa <i>(Independent Director)</i>	7 of 7	100%
Lamberto U. Ocampo <i>(Independent Director)</i>	5 of 7	71%

The following table lists down the attendance of the Board of Directors during the April 30, 2010 Annual Stockholders' Meeting and their memberships in the different Committees:

Name of Director	Attended April 30, 2010 Annual Stockholders' Meeting	Member of the Following Committees
Andrew L. Gotianun, Sr. *	No	Executive Committee, Compensation Committee (Chair), Nomination Committee (Chair)
Mercedes T. Gotianun**	Yes	Executive Committee, Compensation Committee, Nomination Committee
Andrew T. Gotianun, Jr.	Yes	Executive Committee, Technical Committee (Chair)
Joseph M. Yap	Yes	Executive Committee, Technical Committee
Lourdes Josephine G. Yap	Yes	Executive Committee (Chair), Compensation Committee, Nomination Committee
Jonathan T. Gotianun	Yes	Executive Committee, Audit Committee, Compensation Committee
Efren C. Gutierrez	Yes	None
Cornelio C. Gison	Yes	Audit Committee (Co-chair)
Cirilo T. Tolosa (<i>Independent Director</i>)	Yes	Audit Committee (Chair)
Lamberto U. Ocampo (<i>Independent Director</i>)	Yes	Compensation Committee, Nomination Committee, Technical Committee

* Elected May 31, 2010

** Resigned May 29, 2010

Duties and Responsibilities of the Different Board Committees

Executive Committee

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new by-laws; (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the Corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit Committee

The Board shall constitute an Audit Committee to be composed of at least three (3) Director-members, preferably with accounting and financial background, one of which shall be an independent director and another should have related audit experience.

The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

Duties and Responsibilities

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity,

and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Compensation Committee

The Board may constitute a Compensation Committee composed of at least three (3) Director-members, one of whom shall be an independent director.

Duties and Responsibilities

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully.
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- Disallow any director to decide his or her own remuneration.
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year.
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Nomination Committee

The Board may constitute a Nomination Committee consisting of at least three (3) Director-members, one of whom shall be an independent director. The Head of the Human Resources Department shall be a non-voting ex-officio member.

The Nomination Committee may review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board, and provide assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

The Nomination Committee may consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Nomination Committee may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FLI's Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission (SEC).

The Nomination of independent directors shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Compensation of the Board of Directors and Officers:

Except for per diem of Php25,000 being paid to non-executive directors of the Filinvest Group for every meeting attended, there are no other arrangements to which directors are compensated, for any services provided as director, including any amounts payable for committee participation or special assignments.

Meanwhile, the aggregate compensation paid or incurred during the last two fiscal years to the non-independent Directors and top officers of FLI are as follows:

Name and Principal Position	2010				2009			
	Salaries	Bonus	Others	Total	Salaries	Bonus	Others	Total
Andrew L. Gotianun, Sr. <i>Chairman</i>								
Mercedes T. Gotianun <i>Chairman Emeritus</i>								
Joseph M. Yap <i>President/CEO</i>								
Andrew T. Gotianun, Jr. <i>Vice-Chairman/EVP</i>								
Nelson M. Bona <i>Chief Finance Officer/SVP</i>								
Total of all officers and directors as a group Unnamed	Php32.2M	Php5.4M	-	Php37.6M	Php21.3M	Php3.5M	-	Php24.8M

Family Relationships

Mr. Andrew L. Gotianun, Sr. is the spouse of Mercedes T. Gotianun and the father of Mr. Andrew T. Gotianun Jr., Mr. Jonathan T. Gotianun, Mr. Michael Edward T. Gotianun and Ms. Josephine G. Yap. Ms. Yap is married to Mr. Joseph M. Yap.

External Auditor

The auditing firm of Sycip, Gorres, Velayo & Co. ("SGV") is the current independent auditor of FLI. There have been no disagreements with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the five-year rotation requirement of its external auditors, has designated Ms. Cril Jasmin B. Valencia as its new engagement partner starting CY2008. The representatives of SGV were present at the annual meeting held last April 30, 2010 where they had the opportunity to make a statement if they desired to do so. They were also expected to have been available to respond to appropriate questions at the meeting.

A. Audit and Audit-Related Fees

In consideration for the following professional services rendered by SGV as the independent auditor of FLI:

1. the audit of FLI's annual financial statements and such services normally provided by an external auditor in connection with statutory and regulatory filings or engagements for those fiscal years;
2. other assurance and related services by SGV that are reasonably related to the performance of the audit or review of FLI's financial statements,

SGV billed FLI for fees totaling P805,000 and P 866,000 for fiscal years 2009 and 2010, respectively.

B. Tax Fees

For each of the last two fiscal years, SGV did not render services for tax accounting, compliance, advice and planning for which it billed FLI the corresponding professional fees.

C. All Other Fees

For each of the last two years, SGV did not render services in addition to the services described above for which it billed FLI the corresponding professional fees.

D. Approval Policies and Procedures for Independent Accountant's Services of Management/Audit Committee

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit Committee, with inputs from the management of FLL, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards.

Shareholders' Rights

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its investors:

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
2. Cumulative voting is mandatory in the election of directors.
3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, during business hours and upon prior written notice to the Corporation and for good reason.

All Shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

D. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or

programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

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

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
 - In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
 - In case of merger or consolidation.
- F. The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation. The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.
- G. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

On January 8, 2007, the Board of Directors approved an annual cash dividend payment ratio for the Company's issued shares of twenty percent (20%) of its consolidated net income from the preceding fiscal year, subject to the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends, include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans of the Company.

On June 30, 2008, FLI paid cash dividends of Php0.02 per share or a total of Php485.72 million to all shareholders on record as of June 15, 2008. This equivalent to 28.5% of the Php1.704 billion in net income generated in 2007.

On June 9, 2009, FLI paid a cash dividend of Php0.033 per share or a total of Php800.242 million to all shareholders on record as of May 14, 2009. This is equivalent to 42.9% of the Php1.867 billion net income reported in 2008.

On June 9, 2010, FLI paid a regular cash dividend of Php0.017 and special cash dividend of Php0.016 per share or a total of Php800.242 million to all shareholders on record as of May 18, 2010. This is equivalent to 39.7% of 2009's Php2.018 billion net income.

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

Stockholders on record as of March 12, 2010 were entitled to attend and vote at the April 30, 2010 Annual Stockholders' Meeting.

Stockholders were informed that the Annual Stockholders' Meeting would be held at 9:00 am at Ballrooms 2 & 3, Mandarin Oriental, Makati Avenue, Makati City, Metro Manila.

On February 3, 2010, FLI disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting for April 30, 2010 with the record date for those entitled to attend set for March 12, 2010.

On March 31, 2010, FLI disclosed to the Philippine Stock Exchange the Notice of Annual Stockholders' Meeting. Notices of the Annual Stockholders' Meeting and Audited Financial Statements were delivered to stockholders on record as of March 12, 2010 starting April 5, 2010.

Procedures During the Annual Stockholders' Meeting

The following was the agenda of the Annual Stockholders' Meeting last April 30, 2010:

1. Call to order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on April 29, 2009
4. Presentation of the President's Report and Approval of the Audited Financial Statements for the Year 2009
5. Declaration of Php0.033 cash dividend to all shareholders
6. Chairman asks the stockholders present if there are any questions on the President's Report
- Members of the audience ask questions and these are answered by the Chair, President and other Members of the Board, when applicable.
7. Ratification of all acts of the Board of Directors and Corporate Officers
8. Election of the Members of the Board of Directors including two independent directors to serve for the year 2010-2011
9. Appointment of External Auditor
10. Adjournment

On the same day, right after the stockholders' meeting, FLI disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting which included the following:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 29, 2009
- b. Approval of the Audited Financial statements for the year ended 2009
- c. Ratification of the acts and resolutions of the Board of Directors and corporate officers for the year 2009
- d. Deferment of the appointment of the Corporation's external auditor for the year 2010-2011 pending review by the Audit Committee of the Corporation's audit requirements and in line with the practice of the Securities and Exchange Commission to rotate external auditors or the handling audit partner every 5 years. The Board of Directors was authorized to make the appointment of the Corporation's external auditor upon recommendation of the Audit Committee within thirty (30) days from today's meeting
- e. Election of the Board of Directors
- f. Declaration of cash dividend of Php0.033 for all stockholders of record as of May 18, 2010

Statutory Compliance

FLI fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Company's Reportorial Compliance Report:

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
General Form for Financial Statement	1
Quarterly Report (17-Q)	3
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	12
Initial Statement of Beneficial Ownership of Securities (23-A)	1
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Statement of Changes in Beneficial Ownership of Securities (23-B)	41
Top 100 Stockholders' List	4
Notices – Stockholders' Meetings/Briefings/Dividends	
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
Notice of Analysts' Briefing	3
Other Disclosures	
Certification – Affiliations of Independent Directors	2
Certification – Attendance of Directors in Board Meetings	1
Certification – Compliance with Manual on Corporate Governance	1
Clarifications of News Articles	6
Definitive Information Statement (20-IS)	1
General Information Sheet	1
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report) Which includes the following: a) Results of Annual Stockholders' Meeting/Board Meetings (6) b) Press Releases (7) c) Other Matters (1)	14

Investor Relations

FLI's website, www.filinvestland.com, makes available to the public, current information on the Company, including details of its operations.

The Investor Relations section of the website provides information on financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, notice of analysts' briefings, other reportorial requirements by the Philippine Stock Exchange.

The contact details of the Investor Relations Department are available in the website.

To meet the requirements of FLI's investors, the Company conducted three Analysts' Briefings in 2010:

1. On April 7, 2010 at the FCC Marketing Office in Filinvest Corporate City for FY2009 Results
2. On August 13, 2010 at The Palms Country Club in Filinvest Corporate City for 1H2010 results; and
3. On November 12, 2010 at the FCC Marketing Office in Filinvest Corporate City for 9M2010 results

In 2010, FLI also participated in six conferences organized by different stock brokerages in Manila, Hong Kong, Singapore and San Francisco.

FILINVEST LAND, INC.

Board of Directors



Andrew L. Gotianun, Sr.
Chairman



Mercedes T. Gotianun
Chairman Emeritus



Andrew T. Gotianun, Jr.
Co-Vice Chairman



Lourdes Josephine G. Yap
Co-Vice Chairman



Joseph M. Yap
President & CEO



Jonathan T. Gotianun
Director



Efren C. Gutierrez
Director



Cornelio C. Gison
Director



Lamberto U. Ocampo
Independent Director



Cirilo T. Tolosa
Independent Director

SENIOR MANAGEMENT

Senior Vice President

Nelson M. Bona
Francis V. Ceballos
Efren M. Reyes

First Vice Presidents

Ma. Teresita D. Abad-Santos
Reynaldo A. Ascaño
Antonio E. Cenon
Luis T. Fernandez
Tristaneil D. Las Marias
Winnifred H. Lim
Pablito A. Perez

Vice Presidents

Gilberto B. Abanto, Jr.
Grace Marie M. Bada
Julian V. Concepcion, Jr.
Harriet T. Ducepec
Victor M. Enriquez
Apollo M. Escarez
Ma. Michelle T. Judan
Reynaldo Juanito S. Nieva II
Jimmy S. Roque
Danilo R. Salonga

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

	December 31	
	2010	2009
ASSETS		
Cash and cash equivalents	₱1,758,725	₱5,757,272
Contracts receivable	7,845,871	7,570,778
Due from related parties	185,922	187,269
Other receivables	1,603,566	1,423,691
Available-for-sale financial assets	123,070	269,798
Real estate inventories	27,948,816	22,998,388
Investment in an associate	4,276,391	3,859,380
Investment properties	11,599,167	9,937,851
Property and equipment	1,474,952	995,776
Goodwill	4,567,242	5,445,488
Deferred tax assets	15,312	10,873
Other assets	467,703	458,661
	₱61,866,737	₱58,915,225
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses	₱6,340,028	₱6,154,250
Income tax payable	163,870	72,566
Due to related parties	82,643	46,720
Loans payable	6,961,167	6,984,800
Bonds payable	4,949,241	4,936,405
Retirement liabilities	48,440	37,398
Deferred tax liabilities - net	1,630,097	1,505,613
Total Liabilities	20,175,486	19,737,752
Equity		
Common stock	24,470,708	24,470,708
Preferred stock	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock	(221,041)	(221,041)
Retained earnings	9,513,666	7,361,682
Revaluation reserve on available-for-sale financial assets	(2,619)	(2,619)
Share in revaluation increment on land at deemed cost of an associate	1,876,422	1,876,422
Share in other components of equity of an associate	361,794	-
Total Equity	41,691,251	39,177,473
	₱61,866,737	₱58,915,225

FILINVEST LAND, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2010	2009	2008
REVENUE AND OTHER INCOME			
Real estate sales	₱5,652,374	₱3,674,751	₱3,507,560
Rental income	1,411,269	1,187,442	1,134,530
Interest income	565,355	400,708	370,243
Gain from remeasurement of previously held interest in a business combination	517,240	-	-
Equity in net earnings of an associate	55,217	37,527	67,569
Excess of fair value of net identifiable assets over consideration transferred in a business combination	9,058	-	-
Foreign currency exchange gain - net	8,565	2,404	7,347
Others	502,952	380,981	217,563
	8,722,030	5,683,813	5,304,812
COSTS AND EXPENSES			
Costs of real estate sales	2,996,824	1,788,853	1,585,592
General and administrative expenses	1,200,988	1,039,990	995,458
Selling and marketing expenses	593,588	480,215	483,867
Interest and other finance charges	416,655	208,281	108,231
	5,208,055	3,517,339	3,173,148
INCOME BEFORE INCOME TAX	3,513,975	2,166,474	2,131,664
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	475,029	253,351	377,744
Deferred	86,720	(105,077)	(113,081)
	561,749	148,274	264,663
NET INCOME	₱2,952,226	₱2,018,200	₱1,867,001
EARNINGS PER SHARE			
Basic / Diluted	₱0.12	₱0.09	₱0.08

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

	Years Ended December 31		
	2010	2009	2008
NET INCOME FOR THE PERIOD	₱2,952,226	₱2,018,200	₱1,867,001
OTHER COMPREHENSIVE INCOME			
Share in other components of equity of an associate	361,794	—	—
TOTAL COMPREHENSIVE INCOME	₱3,314,020	₱2,018,200	₱1,867,001

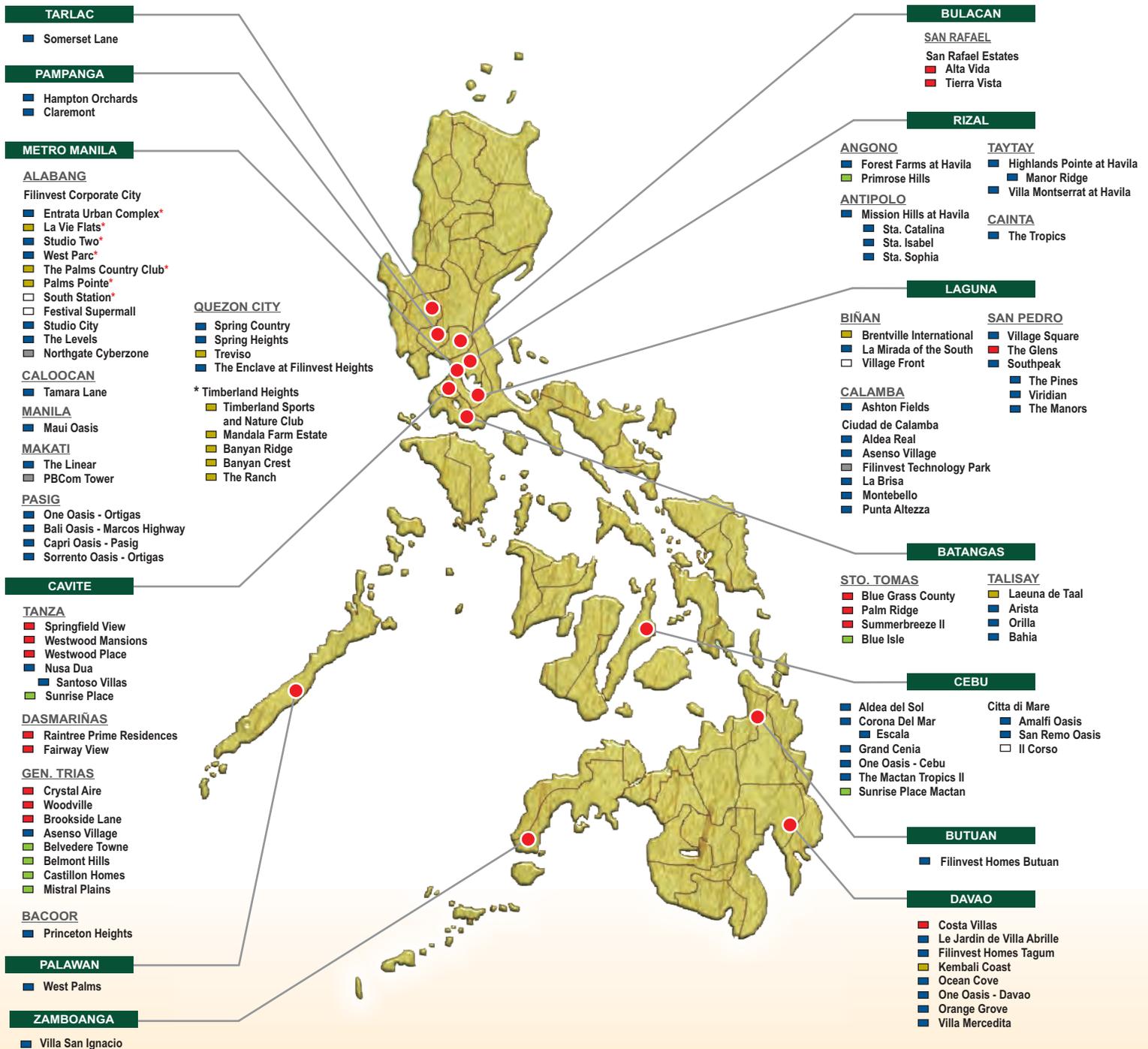
FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱3,513,975	₱2,166,474	₱2,131,664
Adjustments for:			
Interest expense	377,537	179,930	67,704
Depreciation and amortization	269,398	247,479	238,402
Interest income	(565,355)	(400,708)	(370,243)
Gain from remeasurement of previously held interest in a business combination	(517,240)	-	-
Equity in net earnings of an associate	(55,217)	(37,527)	(67,569)
Excess of fair value of net identifiable assets over consideration transferred in a business combination	(9,058)	-	-
Dividend income	(772)	(1,548)	(6,610)
Gain on sale of investment property	-	(14,454)	-
Operating income before changes in operating assets and liabilities	3,013,268	2,139,646	1,993,348
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	(183,205)	201,038	(1,027,789)
Due from related parties	42,636	(105,276)	(1,189)
Other receivables	(163,173)	163,270	(191,854)
Real estate inventories - net of raw land acquisitions	(2,673,950)	(1,429,335)	(2,151,944)
Other assets	3,365	(74,753)	(60,095)
Increase (decrease) in:			
Accounts payable and accrued expenses	(351,777)	(121,951)	1,073,197
Retirement liabilities	11,042	4,707	9,039
Net cash generated from (used in) operations	(301,794)	777,346	(357,287)
Interest received	572,311	390,927	366,863
Dividends received	772	1,548	6,610
Income taxes paid	(384,929)	(291,230)	(351,663)
Net cash provided by (used in) operating activities	(113,640)	878,591	(335,477)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of raw land	(762,241)	(506,713)	(985,643)
Acquisition of businesses - net of cash acquired	(920,698)	-	-
Acquisitions of investment properties and property and equipment	(221,422)	(163,678)	(471,098)
Acquisitions of available-for-sale securities	(95,444)	(219,910)	-
Proceeds from sale of investment properties	-	35,679	-
Proceeds from maturity of available-for-sale securities	242,172	-	-
Net cash used in investing activities	(1,757,633)	(854,622)	(1,456,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans availment	₱120,000	₱-	₱4,290,000
Proceeds from bond offering	-	4,936,405	-
Payments of cash dividend	(800,242)	(800,242)	(485,717)
Payments of loans payable	(606,833)	(61,600)	(901,064)
Interest paid	(876,122)	(571,783)	(403,765)
Increase (decrease) in amounts due to related parties	35,923	(202,495)	217,102
Acquisition of treasury shares	-	-	(221,041)
Net cash provided by (used in) financing activities	(2,127,274)	3,300,285	2,495,515
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,998,547)	3,324,254	703,297
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,757,272	2,433,018	1,729,721
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,758,725	₱5,757,272	₱2,433,018

MAP OF PROJECTS



LEGEND:

- PREMIERE (LEISURE & RESIDENTIAL / COUNTRY CLUB)
- RETAIL / COMMERCIAL
- FILINVEST
- OFFICE / IT / BUSINESS PARK
- FUTURA
- * Quezon City Environs
- SOCIALIZED
- * Filinvest Alabang, Inc. projects (20% owned)

FILINVEST

We build the Filipino dream.

173 P. Gomez St., San Juan, Metro Manila, Philippines
Tel. (632) 727-0431 Fax (632) 725-6321
www.filinvestland.com