



**FILINVEST**  
LAND INCORPORATED  
Annual Report 2004

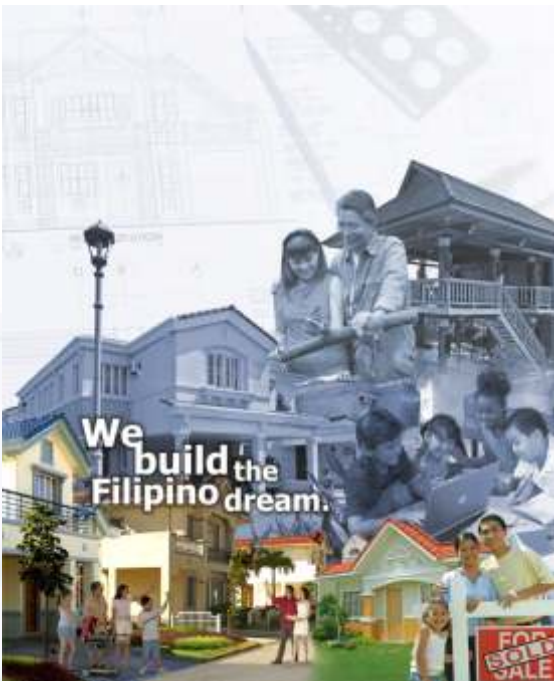


**We build the  
Filipino dream.**

**FOR  
SOLD  
SALE**

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## COVER STORY

We Build the Filipino Dream.

Every Filipino dreams of owning his own home. For almost forty years, Filinvest Land has dedicated itself to helping the average Filipino achieve this dream.

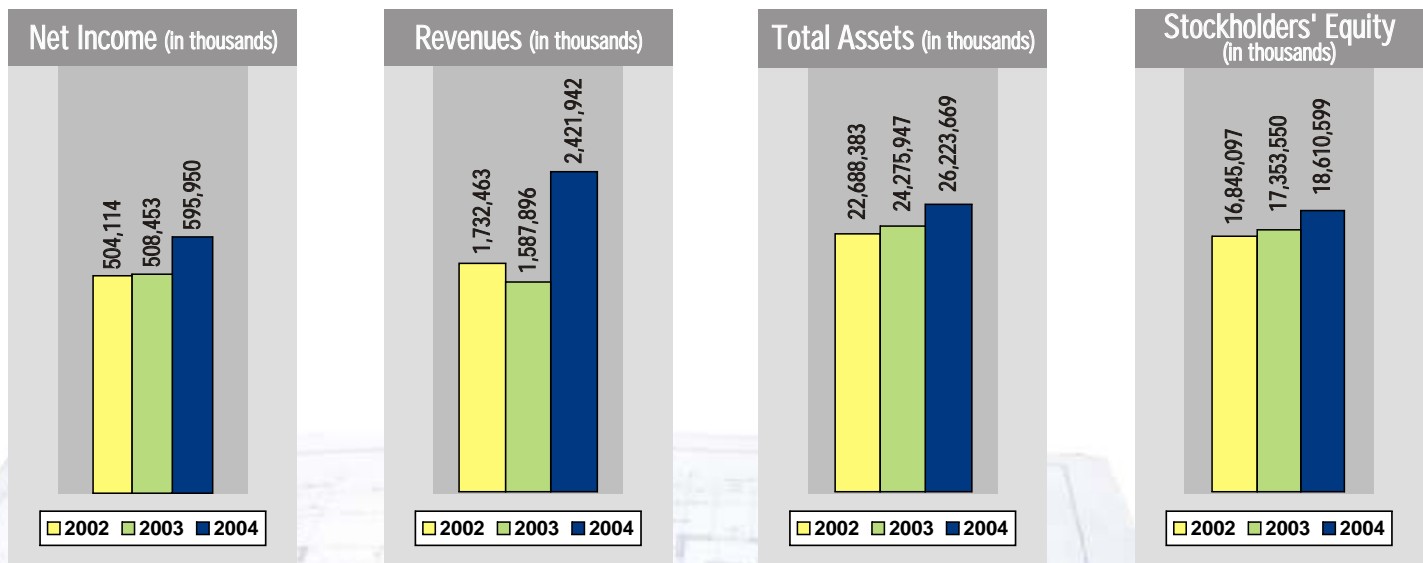
We strive to offer the best value homes whether in the socialized, affordable, middle-income or high-end market. Our communities have expanded to include farm estates, leisure clubs and townships. Today, Filinvest Land reaffirms its lifelong commitment to building the Filipino dream.

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**FINANCIAL HIGHLIGHTS**  
 (Amounts in Thousands of Pesos, Except Per Share Data)

	2004	2003	2002
<b>Operating Results</b>			
Revenues	₱ 2,421,942	₱ 1,587,896	₱ 1,732,463
Net Income	595,950	508,453	504,114
Return on Assets (ave.)	2%	2%	2%
Return on Equity (ave.)	4%	3%	3%
<b>Financial Position</b>			
Total Assets	26,223,669	24,275,947	22,688,383
Total Long-term Debt	3,950,000	3,240,778	3,269,004
Stockholders' Equity	18,610,599	17,353,550	16,845,097
No. of Shares Issued and Outstanding ('000)	7,819,261	7,819,261	7,819,261
Debt to Equity*	21%	19%	18%
Net Debt to Equity**	20%	18%	18%
<b>Per Share Data</b>			
Primary Earnings	0.078	0.066	0.066
Fully Diluted	0.070	0.060	0.061

\*long-term debt divided by stockholders' equity

\*\*long-term debt less cash equivalents divided by stockholders' equity



## JOINT MESSAGE TO THE SHAREHOLDERS

The Philippine economy again demonstrated its resiliency when it posted a respectable 6.1% GDP growth in 2004, which was well above the 4.7% set in 2003, the best our economy has seen in the past fifteen years. This was a welcome development amidst the uncertainties of an election year, increasing oil prices, resurgent inflation, and threats of a fiscal crisis.

Riding on the crest of this growth, the real estate industry posted a solid 6% growth in 2004 -- an improvement over the previous year's 4%. This increase can be credited to stronger demand generated by an increase in consumer confidence and the surge in overseas foreign worker (OFW) remittances being invested in housing.

Not only was 2004 a good year for the country, it was also a banner year for your Company. With the impetus provided by the strong performance of the economy, Filinvest Land, Inc. (FLI) was able to post a very strong 48% sales increase in 2004. Even more importantly, this growth was generated across the full range of your Company's product lines, from socialized to high end. For the first time since the financial crisis hit in 1997, there is growing optimism that the Philippine real estate industry may have finally turned the corner and is on its way to recovery.

### FINANCIAL HIGHLIGHTS

FLI earned P596 million in net income for the year 2004, compared to P508 million in 2003, a 17% growth.

Your Company's total consolidated assets stood at P26.2 billion, while stockholders' equity hit P18.6 billion. Debt to equity ratio remains low at .21:1.

Realized gross profit grew by 33% in 2004 compared to the previous year, due to higher sales booked in 2004. Booked sales grew 52%, from P1.47 billion to P2.24 billion.

On the other hand, operating expenses increased by 26% due to the increase in commission and other selling expenses, following the jump in sales reservations in 2004.

In 2004, your Company refinanced its maturing P2 billion long-term commercial paper with a new Corporate Note issue. The success of the corporate note issue is another testimony by the financial community of your Company's financial strength, stability and credit standing. The Corporate Notes were issued in November 2004 for a total of P2.75 billion. The 5-year notes mature in 2009, with amortizations starting in 2007. The only other outstanding debt is a P1.2 billion convertible bond maturing in February 2007. Since the Asian financial crisis, your Company has made debt reduction a major corporate objective. Since then, it has successfully reduced its leverage from P7 billion in 1997 to P3.95 billion by yearend 2004.

Financial prudence and stability have been ingrained in your Company since its inception. These values continue to be the

guiding principles for the financial policies and structure of Filinvest. We believe that this is the reason why your Company has been able to weather the Asian financial crisis.

### PROJECT HIGHLIGHTS

Your Company's sales performance hit a remarkable 48% increase in 2004, with sales coming from all segments of the market.

The highlight of 2004 was the groundbreaking for the 677-hectare premiere township, Timberland Heights. The size of this key land holding, so close to the heart of Metro Manila, provides FLI with the opportunity to offer a variety of innovative and high-quality projects to meet the pent up residential needs of northern Metro Manila. Just 15 minutes away from Batasan, this new township development offers the kind of growth and investment opportunities that other developers are offering much farther in the south of the metropolis.

FLI also increased its nationwide presence in 2004 thru the expansion and launching of new projects in Cebu and Davao. Aldea del Sol in Mactan, Cebu and Fuente de Villa Abrille in Davao City received an enthusiastic reception by a market eager for quality products at affordable prices.

FLI continued to increase its reach in basic housing through the launch of five new affordable and middle-income projects as well as the introduction of new housing models in 2004.

Increased investment confidence also led to the resurgence of interest in commercial property as reflected in the sales of our affiliate, Filinvest Alabang, Inc. (FAI). The strong demand for business process outsourcing and contact centers services from the Philippines has also made FAI a leading provider of Build to Suit I.T. offices with 35,000 sqm. in its portfolio. Together with its affiliate, Filinvest Asia Corp., the Filinvest group is a leader in this sector with 70,000 sqm. of prime office space.

### CORPORATE GOVERNANCE

As a result of your Company's commitment to good corporate governance, FLI took major steps to strengthen this important aspect of its business. Aside from the Executive Committee, which has been ably functioning for so many years, new committees were established and empowered. The Audit Committee and the Compensation and Remuneration Committee, in particular, were strengthened and their roles expanded. In addition, we took the necessary steps to insure compliance with all the new reporting requirements of the International Accounting Standards.

### OUTLOOK FOR 2005

Given the strong sales takeup in 2004, your Company is optimistic that its growth can be sustained well into 2005.

Best value housing for the affordable and middle-income

market will continue to be its main line of business. FLI will strengthen its franchise by opening new phases in its various township developments throughout Metro Manila while further increasing its presence outside Greater Metro Manila.

In addition to its traditional products, your Company intends to tap niche markets by expanding its reach in leisure communities. It is ready to expand its farm estates line in three areas - Mandala Farm Estate north of Manila, Forest Farms in the East and Nusa Dua in southern Cavite. In addition, the Timberland Sports and Nature Club will commence selling shares by mid 2005.

FLI continues to live up to its mandate of "We Build the Filipino Dream". Your Company is proud of its position as an industry leader. And with the continued support of you – our valued stockholders, employees and business partners, we remain focused in attaining our goal of meeting the Filipino's need for the best value quality housing. Thank you.

On behalf of the directors,



MERCEDES T. GOTIANUN  
Chairman & CEO



JOSEPH M. YAP  
President & COO



# OPERATIONAL HIGHLIGHTS

## FOCUS ON BASIC HOUSING

The year 2004 saw the continued increase in the sales of Filinvest Land, Inc. (FLI), across all residential sectors. Total sales reached P 3.01 billion, the highest level since 1996. These sales figures were generated by 3,690 units sold, a significant increase from the 2,799 units taken up in 2003.

Traditional housing continued to dominate sales, accounting for 90 % of its gross revenues. FLI currently has 61 projects spread throughout Greater Metro Manila, Calabarzon and the regional cities of Cebu and Davao.

### Middle-income Residential

Middle-income sales were contributed by PARKSPRING, AUBURN PLACE, SPRING COUNTRY, SERRA MONTE VILLAS, THE TROPICS, SERRA MONTE MANSIONS, and MOUNTAIN VIEW. Sales were also contributed by the newly launched IRVINE PLACE I and II projects in Cainta. Middle-income sales grew by 56% in 2004, the largest growth registered by any product category.

To ensure a continuous supply of middle-income products, several new middle-income projects are set for launch in 2005: NORTHVIEW VILLAS and SPRING HEIGHTS 2 in Quezon City, and BANYAN RIDGE in Timberland Heights.

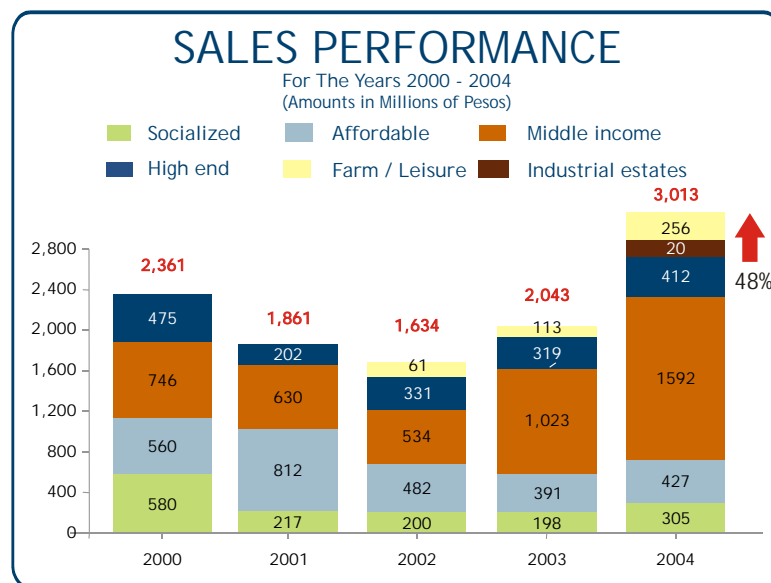
### Socialized and Affordable Housing

With the growing confidence in the property market, the demand for socialized and affordable housing continued and expanded. Socialized housing continued to make significant contributions to the overall sales of FLI.

SUNNYBROOKE, COUNTRY MEADOWS, SPRINGFIELD VIEW, WOODVILLE, WESTWOOD PLACE, BELVEDERE TOWNE, BELMONT and BELLEVIEW MEADOWS all contributed their share to the growth in sales in the socialized segment.

Demand remained high for the affordable projects. CRYSTAL AIRE, a Mediterranean-themed community in the heart of General Trias in Cavite, is a top-selling project, given its proximity and reasonably-priced products. BROOKESIDE LANE, a commercial development on a 19-hectare strip along Pasong Camachile Road in Cavite, was warmly received by entrepreneurs, professionals and OFWs, prompting the development of a second phase.

In the pipeline are new house models for the Futura affordable product line. These are the Sampaguita and Ilang-ilang models under the Bloom Series. These houses are targeted at the up and coming households who are interested in buying a start up home with the opportunity for upgrading and expanding it in the future as their income improves.



Parkspring community



Brentville main entrance



Brentville main clubhouse and pool



Ciudad de Calamba community



Selene model of Ciudad de Calamba

### High-end Residential

BRENTVILLE INTERNATIONAL has firmly established itself in the market as the premiere community south of Metro Manila. BRENTVILLE made its communities of PROMINENCE I & II and THE CLASSIQUES synonymous with world-class living. From its masterplanned features and amenities, to exclusive privileges such as access to the facilities of Brent International School and the first-class amenities of The Palms Country Club, a “resort-within-the-city” family club within the Filinvest Corporate City in Alabang, Muntinlupa, BRENTVILLE lives up to its reputation as the prestige address of the south.

### WIDER GEOGRAPHIC REACH

Regional sales improved substantially as a result of the opening of new projects, such as FUENTE DE VILLA ABRILLE and ALDEA DEL SOL. These two projects opened to very enthusiastic reception by the market.

For 2005, your Company is planning to open Mactan Tropics, a new upper-middle residential community in Cebu, located near the Mactan Export Processing Zone.

In Davao, FLI will be opening another quality subdivision to tap the affordable market segment. The project, called Villa Mercedita, is located in Dumoy, Davao City.

### BUILDING FRANCHISE THROUGH TOWNSHIP DEVELOPMENT

Filinvest is making its presence felt in the northern, southern as well as eastern sectors of Greater Metro Manila through its extensive township developments. These self-contained townships are designed to be complete communities with all the amenities including provisions for schools, hospitals and commercial areas within the community.

#### Ciudad de Calamba

Calamba, Laguna

CIUDAD DE CALAMBA, a 350-hectare township development in Calamba, Laguna, was officially introduced to serve the fast-growing Southern market with a launching in Intramuros in 2004.

Highly accessible, CIUDAD DE CALAMBA is only 25 kilometers from Alabang (or about 20 minutes' drive away) and 8 kilometers from Tagaytay City (about 15 minutes travel time). The township enjoys a direct link to the South Luzon Expressway via the Batino Exit and a wide access road. CIUDAD DE CALAMBA is the natural site for the next commercial, residential and industrial hub in the south of Metro Manila.

CIUDAD DE CALAMBA currently has three residential communities: PUNTA ALTEZZA, VISTA HILLS and MONTEBELLO. VISTA HILLS is fully sold, while MONTEBELLO and PUNTA ALTEZZA continue to generate strong sales.

Other developments within the township are the commercial business strip catering to big and small businesses alike, and the main commercial center.

Ciudad de Calamba is anchored by the FILINVEST TECHNOLOGY PARK. Six new locators moved into FILINVEST TECHNOLOGY PARK CALAMBA (FTPC) in 2004. Demand for industrial lots are slowly recovering, and FLI feels that sales of this product should improve in the years to come.

Upcoming plans for CIUDAD DE CALAMBA include the development of new products and the opening of new phases. New house models set for introduction include Molave, Cherry, Selene, Bianca, Chestnut, Magnolia and Aspen.

**Filinvest East County**

Taytay, Angono, and Antipolo, Rizal

FILINVEST EAST COUNTY (FEC), your Company's 300-hectare premiere township development in the east, continued to show an impressive performance. HIGHLANDS POINTE led the sales rally with its Daphne house and lot package in its newest community, THE VILLAS. A major milestone for 2004 was the opening of San Beda College, Rizal.

FEC can boast of San Beda College. Located on a 10-hectare site within Filinvest East County, it caters to the educational needs of the large middle class population of eastern Metro Manila. The opening of the school paved the way for the launching of VILLA MONTSERRAT, a residential cluster tailored to meet the needs of the San Beda College employees and students' families. This very successful project sold out its first phase of inventory in only three months time.

MISSION HILLS located in Antipolo opened phase 2 of its very successful upper middle-income Sta. Cecilia cluster in 2004. These new phase showcased several new house models - the 80 sqm. Roxanne, the 114 sqm. Bianca and the 112 sqm. Chestnut.

Another development slated for 2005 launching is FOREST FARMS, the first masterplanned residential mountain resort and farm estate east of Manila. Located in Angono, Rizal, this 39.2 hectare community stands approximately 200 meters above sea level. Its high altitude and cool mountain air make it a substitute for Tagaytay or Baguio, but without the long drive. Its unique feature is its forest cover. Its thick stands of old balete and acacia trees, gently rolling terrain and breathtaking vistas of Laguna Lake, the Makati and Ortigas skyline, as well as the rugged Sierra Madre Mountains all create a serene sanctuary for those who are seeking an oasis near the city.

**Timberland Heights**

15 Minutes from Batasan Pambansa, Quezon City

The breathtaking view and elevation of Timberland Heights found so close to the metropolis surprises many visitors of this premiere township. Made accessible by a new bridge spanning the Marikina river situated near the Batasan Pambansa (House of Congress), this mountain resort residential township is now a



Swiss Daphne model at Filinvest East County



Inside Forest Farms



Timberland Heights main entrance





Model farm at Mandala Residential Farm Estate



Artist's perspective of Timberland Sports & Nature Club



Taal lakeside view from Laeuna de Taal

mere 15 minutes away instead of the close to two hours that it used to take from Quezon City.

Rising inside our 677-hectare Timberland Heights in San Mateo, Rizal is the MANDALA RESIDENTIAL FARM ESTATE.

The only residential community with a farming component, the MANDALA RESIDENTIAL FARM ESTATE offers hobby farmers the best of both worlds: generous lot cuts and Tropical Asian-inspired homes that complement the mountain resort lifestyle. Geared towards agro-forestry, the MANDALA RESIDENTIAL FARM ESTATE is envisioned to be a sustainable habitat where man and nature can harmoniously co-exist.

The first phase of the farm estate, MANDALA WEST, offers 64 farm lots on 9.7 hectares. Market response has been very enthusiastic. As a result, the second phase, MANDALA NORTH, has been launched.

As a residential product alternative, FLI offers BANYAN RIDGE for those who prefer purely residential use and smaller lot sizes than the farm estate.

Sitting atop a high crest of the township, TIMBERLAND SPORTS AND NATURE CLUB will bring the highest level of sports club lifestyle to northern Metro Manilans. Following in the footsteps of The Palms Country Club, the highly successful premiere sports club in Filinvest Corporate City, TIMBERLAND CLUB is designed to be a world-class family country club in a mountain resort setting. It will offer 12,000 sqm. of indoor sports, recreational and social facilities on an 8-hectare elevated and rolling terrain setting.

### LEISURE , THE FILINVEST WAY

More than just providing a roof over the head of the Filipino, we aim to upgrade his living experience by enhancing his lifestyle through new farming and leisure communities we have established in the nearby suburban areas. Whether for relaxation, as an investment or a venue for pursuing your favorite hobby, these lifestyle communities give more options for homeowners, retirees and the investors alike.

### Laeuna de Taal

A lakeside resort community, LAEUNA DE TAAL located along the shores of Taal Lake, Talisay, Batangas, was launched in 2004. A nature-oriented, environmentally and culturally sensitive development, this 60-hectare development starts from an elevation of 350 meters above sea level, and slopes gradually toward the lake, where it enjoys a frontage of 110 meters.

The Lake Club will showcase a boardwalk, a spa, conference facilities, gardens for weddings and other functions, and a range of amenities for the whole family. It will also offer outdoor activities such as tours to Taal Volcano, hiking, picnics, boating, kayaking, sailing and windsurfing.



### Nusa Dua Farm Estate

New developments continue to enhance NUSA DUA, the first residential farm estate in Tanza, Cavite.

The grand entrance gate was finished in 2004. The construction of a clubhouse called the Wantilan is currently in full swing, with completion date set in May 2005. A wooden Balinese-themed, two-storey open air pavilion, its upper floor is devoted to a reception area with lounges, while the ground floor will be the dining and coffee area. Complementing this is a 370 sqm. swimming pool, a gameroom, a meditation garden with gazebo, and a children's playground. The pool area also features a jacuzzi, locker and shower rooms for men and women, and a pool deck for large parties. The gameroom, a separate open air pavilion structure, will be a venue for billiards, darts and game boards.

Residents have also started enjoying the fishing afforded by the fishpond. Amply stocked with tilapia, the fishpond provides a venue for families and friends to get together for some fun and relaxation.

### FILINVEST ALABANG, INC.

A revitalized real estate industry spurred the development activities of Filinvest Alabang, Inc. (FAI) in 2004 for Filinvest Corporate City (FCC), the 244-hectare satellite city and central business district in Alabang, Muntinlupa City. FLI maintains its 20% stake in FAI.

The net revenues of FAI grew to P1.29 billion last year from P1.09 billion in 2003, an 18% increase. EBIT hit P591million, up 43% from P413 million in 2003.

### Commercial Lots

In 2004, FAI sold close to 1.7 hectares to corporate investors. A major acquisition was South Supermarket's purchase of a 7,401-sqm lot near Westgate Center. With construction set to begin soon, this location will house a masterplanned commercial center, one of the supermarket chain's biggest branches.

Three new blocks were opened for sale in FCC to meet the various business requirements of prospective lot buyers. These mixed use lots located across Westgate Center, South Station and the Northgate Business Districts allow a combination of commercial, residential and/or office use.

As part of its land banking strategy, commercial lots were leased out near Westgate Complex with its latest locator Mazda, opening its showroom in November 2004.

### Palms Pointe

The residential lots of Palms Pointe already generated inquiries even before the official launch in January 2004. An unveiling activity was held at the site for clients and prospects to appreciate the many benefits of the project. Located in Laguna Heights, right across The Palms Country Club, Palms Pointe offers



Main Entrance of Nusa Dua Farm Estate



Filinvest Corporate City



Construction of 2301 Civic Place in full swing



Convergys at Northgate Cyberzone

a very limited inventory of 148 prime lots within an exclusive prime gated community. Land development will be completed by the first quarter of 2005, in time for the start of the turnover of lots to the buyers in April 2005.

### High-rise Condominiums

Filinvest Alabang, Inc. substantially sold out its three condominium projects in 2004. The 15-storey Alder Building of West Parc has been sold out with turnover scheduled for mid-2006. With the success of Alder, FAI has launched the Birch Building, second of a cluster of buildings in the West Parc complex.

FAI introduced the Shared Development concept with the 17-storey Vivant Flats, now under construction along the prestigious Parkway Avenue in FCC. Topping-off ceremonies for the building were held in December 2004. Almost completely sold out, turnover of units is scheduled for June 2006. Following the success of Vivant Flats, La Vie, the second tower in The Flats community, is scheduled for launching by the 2nd quarter of 2005 and is enthusiastically awaited.

2301 Civic Place, a 12-storey office condominium and another Shared Development project, was fully subscribed in 2004. Construction started in June 2004 and remains on schedule for the structural topping-off in June 2005. The enthusiastic market response caused the project value to appreciate rapidly even before its completion. From the original selling price of P60,000 - P65,000/sqm, the ground floor units were sold at P80,000 - P85,000/sqm a few months later.

Catering to the office segment, FAI has launched another innovative project called Civic Prime in 2005. Located right across Festival Supermall, near South Station, the 10-storey building will adopt the Small Office-Home Office (SOHO) concept by offering studio units zoned by commercial, office or home office use.

### Northgate Cyberzone

Convergys Corporation, the world's largest provider of integrated billing, customer care and employee services, moved into its 6,000-sqm building in Northgate CyberZone and started operations in August 2004. Meanwhile, topping-off ceremonies were held in November 2004 for the 5-storey building to be occupied by HSBC Electronic Data Processing (Phils.), Inc. and is scheduled to be operational by mid-2005. Both companies entered into a "Build to Suit" (BTS) arrangement with Cyberzone Properties, Inc. (CPI) for their contact center operations.

Plaz@ B and C buildings are fully leased out. In 2004, Plaz@ B welcomed two new tenants engaged in disaster recovery for international banks. With over 35,000 sqm. of space, CPI aims to further establish its leadership through more BTS arrangements. With a large landbank at its disposal and a proven on-time delivery track record, FAI has a competitive advantage in servicing new contact centers as well as their same area expansion plans.



### Festival Mall

In 2004, Festival Supermall remained the undisputed regional shopping center of south Metro Manila. Topping the major developments was the entry of three anchor tenants: Savemore Supermarket, Robinson's Department Store and Handyman Home Center.

Tenant sales increased by 33% while tenant roster increased by 10% to over 550 tenants by the 1st quarter of 2005.

The mall continues to redevelop areas to increase leasable space or create special retail concepts. A new retail concept was introduced on the 3rd level with Treasure Trove. The area was transformed into a lifestyle/home/novelty section with smaller shops offering a variety of merchandise.

The mall continued to be the preferred staging venue for trade fairs by the Department of Trade and Industry and various sponsored shows such as the Auto Summit.

To celebrate its seventh anniversary in 2005, Festival Supermall plans to relaunch the mall through a major advertising campaign. Bold and colorful outdoor mall merchandising will also be installed on all sides to enhance the mall's exteriors as well as to highlight important activities.



Festival Supermall



Locators at Westgate

### Westgate Center

A total of 17 lot and/or building leases were awarded in 2004, further establishing Westgate Center as an alternative lifestyle and recreation venue in Alabang. The 9.5-hectare development features a masterplanned retail, dining and entertainment concept in a park-like setting. Westgate Center now has 39 locators, accounting for 82% of the total gross leasable area. The 13,000 sqm. Westgate Home Depot is slated to open in 2005.



South Station

### South Station

South Station, the 6.2-hectare transport terminal and bargain center of FCC near the Muntinlupa public market, launched its retail component with the soft opening of the first cluster building in December 2004. The building features shops offering a wide range of merchandise at everyday low prices. A second cluster building is scheduled to break ground in 2005.

### The Palms Country Club

The Palms Country Club continues to attract new members. Now operating for over two years, The Palms has consistently received very positive feedback from its members and has become the preferred venue for social and business events in the south. For 2005, the club is putting even more emphasis on members' satisfaction through well-organized activities, good quality food and excellent service.



The Palms Country Club

## BOARD OF DIRECTORS

Mercedes T. Gotianun (Chairman & CEO)  
Andrew T. Gotianun, Jr. (Vice-Chairman)

From left to right: Jonathan T. Gotianun (Director), Joseph M. Yap (President & COO),  
Lourdes Josephine G. Yap (Director), Andrew L. Gotianun, Sr. (Chairman Emeritus),  
Mercedes T. Gotianun (Chairman/CEO), Andrew T. Gotianun, Jr. (Vice-chairman),  
Alfredo V. Asuncion (Independent Director), Lamberto Un Ocampo (Independent Director),  
Not in photo: Lim Swe Guan (Director), Richard Teo (Director)



## SENIOR MANAGEMENT

### Senior Vice President

Efren M. Reyes

### First Vice President

Antonio E. Cenon

Fely T. Ramos

Jose K. Pascual, Jr.

Luis T. Fernandez

Marking C. Que

### Vice President

Abner C. Gener, Jr.

Concepcion L. Fernandez

Emiliano D. Templo

Giovanni G. Gan

Irma B. Tan

Lucille M. Valley

Mary Eleanor A. Mendoza

Reynaldo A. Ascaño

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
 (Amounts In Thousands of Pesos)

	<b>December 31</b>	
	<b>2004</b>	<b>2003</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	₱171,464	₱55,348
Mortgage, Notes and Installment Contracts Receivables	2,816,189	2,173,050
Due from Affiliated Companies	12,364	12,792
Other Receivables	744,937	557,246
Subdivision Lots and Housing Units For Sale	6,719,812	6,236,547
Land and Land Development	10,987,160	11,102,887
Investments in Shares of Stock	4,432,105	3,705,800
Property and Equipment - net	110,399	98,025
Other Assets	229,239	334,252
	<b>₱26,223,669</b>	<b>₱24,275,947</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	₱2,103,093	₱1,704,953
Notes Payable	-	4,742
Income Tax Payable	215	156
Due to Affiliated Companies	195,528	800,468
Unrealized Gross Profit on Installment Contracts Receivables	136,288	177,782
Deferred Income Tax Liability - net	909,053	624,405
Estimated Liability for Land Development	318,893	369,113
Long-term Debt	3,950,000	3,240,778
Total Liabilities	<b>7,613,070</b>	<b>6,922,397</b>
<b>STOCKHOLDERS' EQUITY</b>		
Capital Stock	7,819,261	7,819,261
Additional Paid-in Capital	203,192	203,192
Share in Revaluation Increment in Land of Filinvest Alabang, Inc.	2,483,909	1,822,810
Retained Earnings	8,104,237	7,508,287
Total Stockholders' Equity	<b>18,610,599</b>	<b>17,353,550</b>
	<b>₱26,223,669</b>	<b>₱24,275,947</b>

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

	Years Ended December 31		
	2004	2003	2002
<b>REAL ESTATE SALES</b> - net of discount on sale of contracts receivables of ₱34,644 in 2004, ₱42,456 in 2003 and ₱14,016 in 2002	₱2,236,210	₱1,469,436	₱1,653,643
<b>COST OF REAL ESTATE SALES</b>	927,042	529,585	682,171
<b>GROSS PROFIT</b>	1,309,168	939,851	971,472
<b>REALIZED GROSS PROFIT ON PRIOR YEARS' REAL ESTATE SALES</b>	105,975	213,559	268,640
<b>DEFERRED GROSS PROFIT ON CURRENT YEAR'S REAL ESTATE SALES</b>	(131,234)	(189,281)	(166,209)
<b>REALIZED GROSS PROFIT</b>	1,283,909	964,129	1,073,903
<b>OPERATING EXPENSES</b>			
General and administrative	336,871	307,515	316,354
Selling and marketing	221,126	134,190	160,870
	557,997	441,705	477,224
<b>INCOME FROM OPERATIONS</b>	725,912	522,424	596,679
<b>OTHER INCOME</b>			
Equity in net earnings of an associate	46,383	17,693	5,915
Interest and others	139,349	100,767	72,905
	185,732	118,460	78,820
<b>INCOME BEFORE INCOME TAX</b>	911,644	640,884	675,499
<b>PROVISION FOR INCOME TAX</b>			
Current	31,046	18,675	22,403
Deferred	284,648	113,756	148,982
	315,694	132,431	171,385
<b>NET INCOME</b>	₱595,950	₱508,453	₱504,114
<b>EARNINGS PER SHARE</b>			
Basic	₱0.078	₱0.066	₱0.066
Diluted	₱0.070	₱0.060	₱0.061

**FILINVEST LAND, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN**  
**STOCKHOLDERS' EQUITY**  
 (Amounts In Thousands of Pesos, Except Per Share Figures)

	Years Ended December 31		
	2004	2003	2002
<b>CAPITAL STOCK - ₱1 par value</b>			
Balance at beginning of year	₱7,819,261	₱7,819,261	₱4,226,628
Stock dividends - 85% in 2002	-	-	3,592,633
Balance at end of year	7,819,261	7,819,261	7,819,261
<b>ADDITIONAL PAID-IN CAPITAL</b>			
Balance at beginning of year	203,192	203,192	3,843,683
Stock dividends - 85% in 2002	-	-	(3,592,633)
Expenses on stock dividends	-	-	(47,858)
Balance at end of year	203,192	203,192	203,192
<b>SHARE IN REVALUATION INCREMENT IN LAND OF FILINVEST ALABANG, INC. (FAI)</b>			
Balance at the beginning of the year			
As previously reported	2,680,603	2,680,603	2,680,603
Effect of recognition of deferred tax on revaluation increment in land	(857,793)	(857,793)	(857,793)
As restated	1,822,810	1,822,810	1,822,810
Additional share in revaluation increment in land of FAI during the year	661,099	-	-
Balance at end of year	2,483,909	1,822,810	1,822,810
<b>RETAINED EARNINGS</b>			
Balance at beginning of year	7,508,287	6,999,834	6,495,720
Net income	595,950	508,453	504,114
Balance at end of year	8,104,237	7,508,287	6,999,834
	<b>₱18,610,599</b>	<b>₱17,353,550</b>	<b>₱16,845,097</b>



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

	Years Ended December 31		
	2004	2003	2002
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Income before income tax	P911,644	P640,884	P675,499
Adjustments for:			
Interest expense	249,911	204,800	167,443
Discount on sale of installment contracts receivables	34,644	42,456	14,016
Depreciation and amortization	12,961	10,329	12,704
Loss on disposal of property and equipment	473	11,503	120
Equity in net earnings of an associate	(46,383)	(17,693)	(5,915)
Interest income	(141,968)	(99,825)	(141,858)
Operating income before changes in operating assets and liabilities	1,021,282	792,454	722,009
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Mortgage, notes and installment contracts receivables	(677,783)	(2,116,963)	(493,802)
Other receivables	(187,691)	256,726	(270,898)
Subdivision lots and housing units for sale	(483,265)	(508,344)	(996,652)
Land and land development	115,727	129,055	1,093,974
Increase (decrease) in:			
Accounts payable and accrued expenses	394,352	1,544,401	(237,924)
Unrealized gross profit on installment contracts receivables	(41,494)	125,153	(116,113)
Estimated liability for land development	(50,220)	(130,532)	(107,893)
Cash generated from (used in) operations	90,908	91,950	(407,299)
Income taxes paid	(30,987)	(18,749)	(23,012)
Net cash provided by (used in) operating activities	59,921	73,201	(430,311)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	141,968	96,046	518,712
Decrease (increase) in other assets	105,012	(79,913)	(42,544)
Acquisitions of property and equipment	(25,808)	(27,249)	(10,916)
Increase in investments in shares of stock	(18,823)	(15,373)	(10,555)
Net cash provided by (used in) investing activities	202,349	(26,489)	454,697
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid	(P246,122)	(P360,270)	(P310,325)
Payments of notes payable and long-term debt	(2,045,520)	(116,097)	(2,216,503)
Proceeds from issuance of corporate notes	2,750,000	-	-
Increase (decrease) in net amounts due to affiliated companies	(604,512)	451,660	1,031,716
Expenses on stock dividends	-	-	(47,858)
Net cash used in financing activities	(146,154)	(24,707)	(1,542,970)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>116,116</b>	<b>22,005</b>	<b>(1,518,584)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>55,348</b>	<b>33,343</b>	<b>1,551,927</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P171,464</b>	<b>P55,348</b>	<b>P33,343</b>

# MAP OF PROJECTS

## BULACAN

- MEYCAUAYAN
  - Medallion Townhomes
- SAN JOSE DEL MONTE
  - Melody Plains
  - Melody Heights
- SAN RAFAEL
  - San Rafael Estates
  - Alta Vida

## METRO MANILA

- NOVALICHES
  - Castlespring Heights
  - Citation Homes
- QUEZON CITY
  - Serra Monte Villas
  - Chatelaine
  - Aldea Verde
  - Spring Country
  - Spring Heights
  - Mountain View
  - Northview Villas (to be launched in 2005)
- PARAÑAQUE
  - Classic Estate
- LAS PIÑAS
  - Auburn Place

## CAVITE

- GEN. TRIAS
  - Belmont Hill
  - Sunny Brooke
  - Country Meadows
  - Crystal Aire
  - Brookside Lane
- DASMARIÑAS
  - Raintree West
  - Oakridge
  - Windward Hills
  - Fairway View

- TANZA
  - Belvedere Towne
  - Belview Meadows
  - Springfield View
  - Woodwood Place
  - Woodville
  - Nusa Dua Farm Estate

### LEGEND:

- PABAAY (Socialized)
- FUTURA (Affordable)
- CORTE BELLA (Middle Income)
- FILINVEST (High-End)
- FARM ESTATE / LEISURE

## RIZAL

- ANGONO
  - Primrose Hills
  - Forest Farms
- CAINTA
  - Serra Monte Mansions
  - La Mirada
  - The Tropics
  - Irvine Place
  - Eastville
- ANTIPOLO
  - Mission Hills
- TAYTAY
  - Highlands Pointe
  - Manor Ridge
  - The Villas
  - Villa Montserrat
- SAN MATEO
  - Timberland Heights
  - Timberland Sports and Nature Club
  - Mandala Farm Estate
  - Banyan Ridge

## LAGUNA

- SAN PEDRO
  - Southern Heights
  - Parkspring
  - Southpeak
  - The Manors
  - Summerfield

- BIÑAN
  - Brentville International
  - Prominence I & 2
  - The Village Front
  - The Classiques

- CALAMBA
  - Ciudad de Calamba
  - Punta Altezza
  - Vista Hills
  - Montebello

## BATANGAS

- STO. TOMAS
  - Blue Palm Estate
  - Blue Isle 1 & 2
  - Blue Grass County
  - Palmridge
  - Grand View Lane

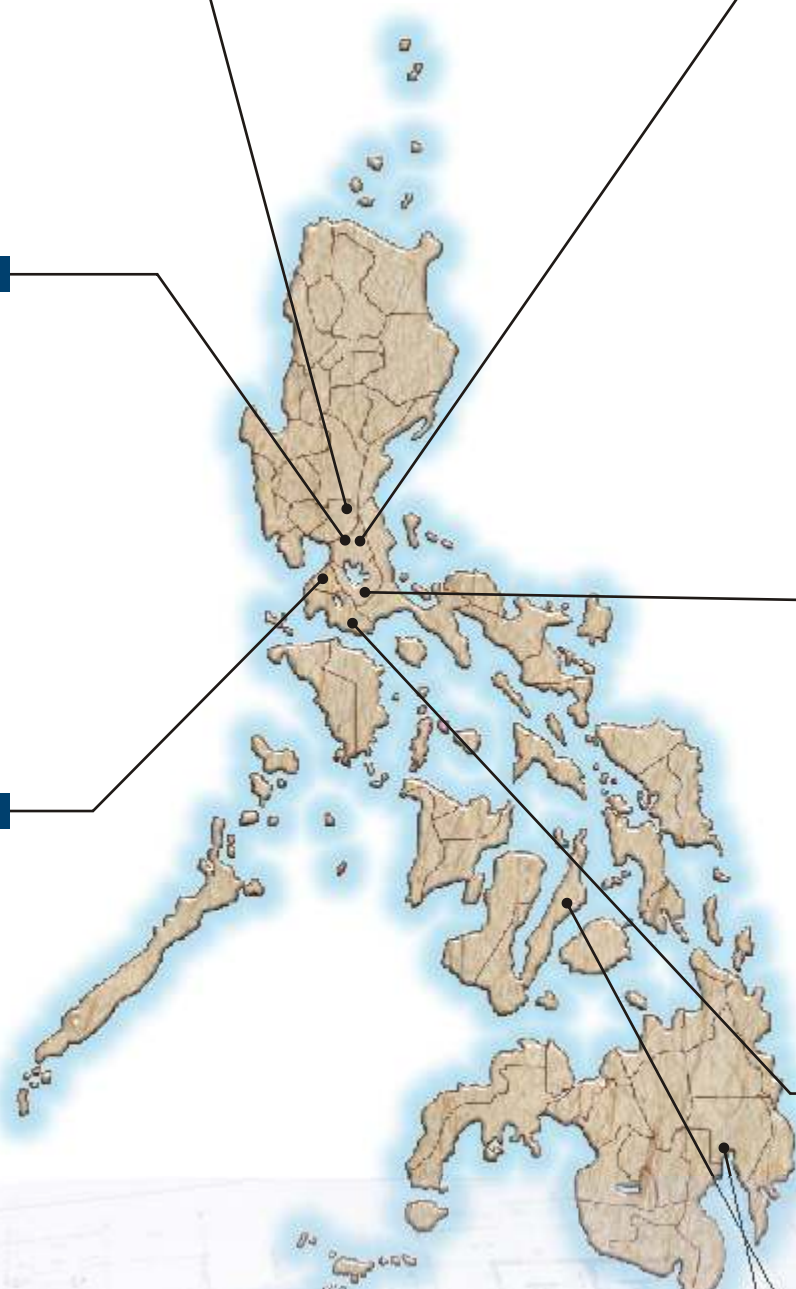
- TALISAY
  - Laguna de Taal

## CEBU

- Corona del Mar
- Aldea del Sol
- The Mactan Tropics (to be launched in 2005)

## D AVAO

- Orange Grove
- Fuente de Villa Abrille
- Villa Mercedes (to be launched in 2005)



1 GROUND FLOOR PLAN

SCALE 1:50 M

PROJECT  
WAMEN D. VILLAPAZA  
REGISTERED ARCHITECT NO. 1427  
TEL. NO. 727-424  
NO. 3007703 JAK, PH. 3008

PROJ. TITLE/LOCATION | PROJ.



PROPOSED MID  
EUROPEAN CI  
SINGLE

PROJ. NO. | SHEET NO. | DATE



OWNER/DEVELOPER  
**FILINVEST**  
LAND INCORPORATED  
PLANNING & ENGINEERING DEPARTMENT  
MIDDLE INCOME & HIGH END PROJECT GROUP

FDC Building, 173 P. Gomez St., San Juan, Metro Manila  
Tel. Nos.: 727-0431 to 55 / 727-0479 to 85  
[www.filinvestland.com](http://www.filinvestland.com)