

FILINVEST LAND, INC.

November 13, 2013

Philippine Stock Exchange

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

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

Gentlemen:

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

Thank you.

Very truly yours,



ATTY. SHARON P. PAGALING-REFUERZO
Corporate Information Officer



111132013001732

**SECURITIES AND EXCHANGE COMMISSION**

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SEC Registration Number

F I L I N V E S T L A N D , I N C . A N D S U B S I D I A
R I E S

(Company's Full Name)

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

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

Venus A. Mejia

(Contact Person)

918-8188 (local 3008)

(Company Telephone Number)

0 9

Month

3 0

Day

(Fiscal Year)

2 0 1 3

1 7 - Q

(Form Type)

Month

Day

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

5,902 shareholders

Total No. of Stockholders

₱29.38 billion

Domestic

None

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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

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

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

<u>Title of Each Class</u>	<u>Number of shares of Common Stock Outstanding</u>	<u>Amount of Debt Outstanding</u>
Common Stock, P 1.00 par value	24,249,759,509	29,382,825,634

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

Yes

☒

No

☐

12. Indicate by check mark whether the issuer:

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

Yes

☒

No

☐

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

Yes

☒

No

☐

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

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

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

1. Basis of Consolidation

The consolidated financial statements include the financial statements of Filinvest Land, Inc. (the “Parent Company” or “FLI”) and its wholly-owned and majority-owned subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

FLI has seven wholly-owned subsidiaries and one majority-owned subsidiary:

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

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

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

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

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

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

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

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

8. FLI has 60% interest in Filinvest Asia Corporation (FAC) which is now accounted for as a subsidiary due to adoption of PFRS 10, *Consolidated Financial Statements*.

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

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

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

Major Developments

Driven by the buoyant sales take-up rate of its vertical residential projects within Metro Manila and Metro Cebu, FLI is on the lookout for additional land in urban areas to expand its inner-city developments.

In 2013, FLI acquired parcels of land in Bulacan, Cavite, and in Metro Manila, located at Fort Bonifacio, Taguig City, Quezon City and Pasay City. As of September 30, 2013, the Parent Company had a land bank of approximately 2,393.9 hectares of raw land for the development of its various projects, including approximately 379 hectares of land under joint venture agreements, which the Parent Company's management believes is sufficient to sustain several years of development and sales. FLI plans to develop these properties into mix-use developments with residential and commercial components.

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

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

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

FLI Land Bank as of September 30, 2013				
Area in Hectares				
Location	Company Owned	Under Joint Ventures	Total	% to Total
Luzon				
Metro Manila	44.9	7.6	52.5	2.2%
Rizal	761.1	84.9	846.0	35.3%
Bulacan	259.2	—	259.2	10.8%
Pampanga	—	58.3	58.3	2.6%

(Forward)

FLI Land Bank as of September 30, 2013				
Area in Hectares				
Location	Company Owned	Under Joint Ventures	Total	% to Total
Luzon (cont.)				
Cavite	379.6	83.7	463.3	19.4%
Laguna	282.1	—	282.1	11.8%
Batangas	140.6	43.7	184.3	7.7%
Palawan	—	8.2	8.2	0.3%
Sub-total	1,867.6	286.4	2,154.0	90.0%
Visayas				
Cebu	—	31.5	31.5	1.3%
Iloilo	0.9	—	0.9	0.0%
Sub-total	0.9	31.5	32.4	1.3%
Mindanao				
General Santos	99.6	17.3	116.9	4.9%
Cagayan de Oro City	2.8	—	2.8	0.1%
Davao	43.8	44.0	87.8	3.7%
Sub-total	146.2	61.3	207.5	8.7%
Total	2,014.7	379.2	2,393.9	100.0%

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

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

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

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

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

2. Segment Reporting

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

The Group derives its revenues from the following reportable segments:

Real estate

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

Leasing

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

Comparative Financial Position and Results of Operations of Business Segment
(Amounts in Thousand Pesos)

As of and for the Nine-Months Period ended September 30, 2013 (Unaudited)

	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of an associate:					
External	8,027,115	1,528,626	9,555,741	(342,272)	9,213,469
Inter-segment	75,180	—	75,180	(75,180)	—
	8,102,295	1,528,626	9,630,921	(417,452)	9,213,469
Equity in net earnings of an associate	85,933	—	85,933	—	85,933
Revenue and other income including equity in net earnings of an associate	8,188,228	1,528,626	9,716,854	(417,452)	9,299,402
Net income	1,753,937	973,539	2,727,476	(289,272)	2,438,204
Adjusted EBITDA	2,426,046	1,390,119	3,816,165	(359,021)	3,457,144
Segment assets	65,539,005	22,508,523	88,047,528	751,615	88,799,143
Less deferred tax assets	—	16,610	16,610	—	16,610
Net segment assets	65,539,005	22,491,913	88,030,918	751,615	88,782,533
Segment liabilities	36,666,268	4,608,965	41,275,233	55,741	41,330,974
Less deferred tax liabilities	1,919,749	—	1,919,749	156,986	2,076,735
Net segment liabilities	34,746,519	4,608,965	39,355,484	(101,245)	39,254,239
Cash flows from:					
Operating activities	474,525	1,675,603	2,150,128	(56,564)	2,093,564
Investing activities	(3,512,666)	(92,283)	(3,604,949)	—	(3,604,949)
Financing activities	2,141,160	(206,241)	1,934,919	23,698	1,958,617

As of and for the Nine-Months Period ended September 30, 2012 (As restated)					
	Real Estate Operations	Leasing Operations	Combined	Adjustments and Eliminations	Consolidated
Revenue and other income except equity in net earnings of an associate:					
External	6,302,132	1,403,219	7,705,351	—	7,705,351
Inter-segment	75,801	—	75,801	(75,801)	—
	6,377,933	1,403,219	7,781,152	(75,801)	7,705,351
Equity in net earnings of an associate	108,259	—	108,259	—	108,259
Revenue and other income including equity in net earnings of an associate	6,486,192	1,403,219	7,889,411	(75,801)	7,813,610
Net income	1,308,536	803,237	2,111,773	(106,158)	2,005,615
Adjusted EBITDA	1,900,739	1,184,364	3,085,103	(194,104)	2,890,999
Segment assets	60,967,849	19,168,376	80,136,225	741,434	80,877,659
Less deferred tax assets	—	28,870	28,870	—	28,870
Net segment assets	60,967,849	19,139,506	80,107,355	741,434	80,848,789
Segment liabilities	32,562,763	3,421,783	35,984,546	91,009	36,075,555
Less deferred tax liabilities	1,859,896	—	1,859,896	—	1,859,896
Net segment liabilities	30,702,867	3,421,783	34,124,650	91,009	34,215,659
Cash flows from:					
Operating activities	(2,009,958)	662,894	(1,347,064)	(66,800)	(1,413,864)
Investing activities	(2,148,625)	(2,038,187)	(4,186,812)	—	(4,186,812)
Financing activities	6,321,548	(173,991)	6,147,557	(337)	6,147,220

3. Long -Term Debt

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

	September 30, 2013 (Unaudited)	December 31, 2012 (As restated)
Term Loans from a financial institution	900,000	1,125,000
Developmental loans from local banks	14,093,276	10,109,851
Bonds Payable	14,389,550	14,364,924
Total long-term debts	29,382,826	25,599,775

Term Loans from a Financial Institution

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

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

Both loans were guaranteed by Filinvest Development Corporation (FDC), the Group's parent company. Principal payments made in 2013 and 2012 amounted to ₱225.00 million and ₱450.00 million, respectively.

Developmental Loans from Local Banks

These are loans obtained from local banks with floating or fixed interest rates at different terms and repayment periods. Loan balance is presented net of unamortized deferred charges amounting to ₱40.31 million and ₱25.57 million as of September 30, 2013 and December 31, 2012, respectively.

Bonds

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

Unamortized debt issuance cost on bonds payable amounted to ₱13.87 million and ₱22.27 million as of September 30, 2013 and December 31, 2012, respectively. Accretion for the nine-months period ended September 30, 2013 and 2012 included as part of Interest and other finance charges amounted to ₱8.39 million and ₱7.71 million, respectively.

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

Unamortized debt issuance cost on bonds payable amounted to ₱30.41 million and ₱37.04 million as of September 30, 2013 and December 31, 2012, respectively. Accretion for the nine-months period ended September 30, 2013 and 2012 included as part of Interest and other finance charges amounted to ₱6.63 million and ₱6.23 million, respectively.

On May 24, 2012, The Securities and Exchange Commission authorized FLI to issue ₱11.0 billion 7-year fixed-rate bonds in two tranches. The first tranche, amounting to ₱7.0 billion, was issued to the public on June 8, 2012 with a rate of 6.2731% p.a., while the second tranche amounting to ₱4.0 billion was no longer issued to the public due to expiration of registration, instead FLI applied a new registration for a separate bond offering.

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

As of December 31, 2012, proceeds of the offering were fully utilized to finance the development of existing and new projects of the Group as well as for the acquisition of new properties to sustain the Group's continued development of more projects in various locations. Out of ₱6.92 billion proceeds, ₱4.43 billion were consumed for project development and the ₱2.49 billion were used for land acquisitions.

Unamortized debt issuance cost on bonds payable amounted to ₱68.81 million and ₱73.11 million as of September 30, 2013 and December 31, 2012, respectively. Accretion for the nine-months period ended September 30, 2013 and 2012 included as part of Interest and other finance charges amounted to ₱8.96 million and nil, respectively.

On November 8, 2013, FLI will issue to the public unsecured Fixed Rate Retail Bonds with aggregate principal amount of ₱7 billion comprised of ₱4.3 billion seven (7) year fixed rate bonds due in 2020 and ₱2.7 billion ten (10) year fixed rate bonds due in 2023. The Seven-Year Bonds carry a fixed interest rate of 4.8562% per annum while the Five-Year Bonds have a fixed interest rate of 5.4300% per annum.

The Parent Company expects to raise net proceeds of approximately ₱6,932,405,621 after deducting fees, commissions, and expenses relating to the issuance of the Bonds. The net proceeds of the Bonds will be utilized to partially finance the projects that are being targeted to be undertaken by the Parent Company in the fourth quarter of 2013 up to first quarter of 2014, the total capital expenditure of which amounts to ₱7.14 billion.

Consolidated financial statements of the Group covering the nine-month period ended September 30, 2013 presented in Annex A does not yet include this recent ₱7 billion retail bonds.

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

Results of Operations for the nine-month period ended September 30, 2013 compared to nine-months period ended September 30, 2012

For the nine-month period ended September 30, 2013, FLI's net income from its business segments registered a year-on-year growth of 21.57% or an increase of ₱432.59 million from ₱2,005.62 million in 2012 to ₱2,438.20 million in 2013.

Revenues

Total consolidated revenues went up by 25.60% to ₱8,469.64 million during the first nine months of 2013 from ₱6,743.45 million for the same period last year. The increase resulted from the continued robust real estate sales that reached ₱6,973.50 million (up by ₱1,615.40 million or by 30.15%) and rental revenue of ₱1,496.13 million (higher by ₱110.79 million or by 8.00%). Real estate sales booked during the current period broken down by product type are as follows: Middle Income 80.70% (inclusive of Medium-Rise Buildings and High-Rise Buildings); Affordable 10.50%; High-End 2.70%; Farm Estate 1.90%; Socialized and others 4.20%. Major contributors to the good sales performance during the period included the launching of new MRB's and House and Lot projects in diverse new locations, intensive marketing activities and attractive pricing. The increase in rental revenues is mainly attributable to rental income at Grand Cenia and higher occupancy brought about by mall and office spaces in EDSA Transcom Building, Vector Two, and Plaza B, and the three ready-built-factories in Filinvest Technology Park in Calamba,

Laguna, commercial spaces in Brentville, Mamplasan, Laguna and commercial lots in Brgy. Silang Junction, Tagaytay City.

Interest income for the nine months ended September 30, 2013 decreased by 14.62% to ₱334.65 million from ₱391.94 million during the same period in 2012. The decrease was due to lower interest generated from installment contracts receivable and bank deposits. Other income increased by 7.67% to ₱409.99 million from ₱380.79 million or by ₱29.20 million due to increase in forfeited reservations and collections from customers and other fees. The Group's equity in net earnings of associates decreased from ₱108.26 million in 2012 to ₱85.93 million in 2013 or decreased by 20.62% due to the decrease in earnings recorded by Filinvest Alabang, Inc. (FAI) for the period. FLI has a 20% equity interest in FAI.

The Group also registered a foreign exchange loss of ₱0.80 million for the nine months in 2013 compared to foreign exchange gain of ₱7.92 million in 2012 due to the recent strength of the Japanese yen against our local currency in the foreign exchange markets.

Cost of real estate sales

Cost of real estate sales increased from ₱2,986.32 million in 2012 to ₱4,056.89 million in 2013 mainly due to higher amount of sales booked during the current period as well as the increased share of sales of MRBs which historically had carried relatively lower profit margins. Revenues from MRBs significantly grew by ₱164.15 million or by 5.32% from ₱3,081.13 during the nine months ended September 30, 2012 to ₱3,245.28 million for the same period of 2013.

Expenses

General and administrative expenses increased by ₱ 28.91 million or 3.52%, from ₱820.82 million during the nine months ended September 30, 2012 to ₱849.73 million for the same period of 2013. The increase was due to higher repairs and maintenance, communications, light and water, transportation and outside services; offset by decrease in rental, taxes and licenses, recreation and other representation expenses recorded for the current period. Likewise, selling and marketing expenses also went up by ₱30.48 million or by 4.23% due to increase in recruitment, seminars and training expenses, as well as the additional cost of new advertising and promotional materials brought about by the launch of new marketing campaign featuring our celebrity endorser, higher incentives, commissions and service fees paid to brokers and other sellers as a consequence of higher sales.

Provision for income tax decreased by 9.88% or by ₱42.08 million to ₱383.88 million for the nine months of 2013 from ₱425.96 million for the same period in 2012.

Provision for current income tax decreased to ₱213.42 million in 2013 from ₱235.47 million in 2012 or a decrease of ₱22.05 million or by 9.37% due to higher income from BOI registered projects entitled to income tax holiday.

Provision for deferred income tax decreased by ₱20.02 million or by 10.51% from ₱190.49 million in 2012 to ₱170.47 million in 2013 due to lower capitalization of borrowing costs.

Financial Condition as of September 30, 2013 compared to as of December 31, 2012

As of September 30, 2013, FLI's total consolidated assets stood at ₱88,799.14 million, higher by 7.39% or by ₱6,114.41 million than the ₱82,684.73 million total consolidated assets as of December 31, 2012. The following are the material changes in account balances:

20.65% Increase in Cash and Cash Equivalents

The increase in this account was mainly due improved cash generation from operations and from fresh borrowings made by the Group during the nine months period for the development of existing and new projects.

13.00% Increase in Contracts Receivable

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

5.90% Decrease in Other Receivables

This account decreased due to advances to contractors representing down payments applied against their billings.

27.15% Decrease in Financial assets at fair value through other comprehensive income

This account decreased due to return of investments received from certain shares from an electric power distributor.

10.59% Increase in Land and Land Development

The increase in this account was mainly due to acquisition of parcels of land in Bulacan, Cavite, and in Metro Manila, located at Fort Bonifacio, Taguig City, Quezon City and Pasay City.

9.92% Increase in Investment property

The increase was mainly due to the transfer of a building under construction to Investment properties account and to the additional construction costs of Plaza E, Vector buildings, Filinvest One, Two & Three buildings.

14.27% Decrease in Property & equipment

The decrease was mainly due to depreciation during the current period and the reclassification of building into investment properties account.

49.94% Decrease in Deferred income tax assets

The decrease in this account was mainly due to decrease in advance rentals as majority were realized as income for the period.

36.24% Increase in Other assets

The increase in this account was mainly due to creditable withholding tax, input vat, various rental deposits and other non current assets acquired in relation to BTO agreement with the Government of Cebu..

63.00% Increase in Income tax payable

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

306.62% Increase in Due to related parties

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

33.45% Increase in Loans payable

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

6.15% Increase in Retirement Liabilities

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

6.15% Increase in Deferred Income Tax Liabilities

The increase was mainly due to the additional capitalized borrowing cost on long-term loans.

Performance Indicators

Financial Ratios	Particulars	As of and for the nine months period ended September 30, 2013 (Unaudited)	As of Dec. 31, 2012 and for the nine months period ended September 30, 2012 (As restated)
Earnings per Share	Annualized	0.13	0.11
Debt to Equity Ratio	<u>Long Term Debt</u> Total Stockholder's Equity	0.62	0.55
Debt Ratio	<u>Total Liabilities</u> Total Assets	0.47	0.44
EBITDA to Total interest paid	<u>EBITDA</u> Interest payment	2.88 times	3.18 times
Price Earnings Ratio	<u>Closing Price of Share</u> Earnings per Share	11.93 times	12.33 times

Earnings per share (EPS) posted for the nine months of 2013 went up by 21.57% compared to the EPS for the same period in 2012 on account of higher net income.

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

Price earnings multiple went up as the market share price as of end of the current period accelerated. As of September 30, 2013 and 2012, and as of December 31, 2012, market share price of FLI's stock was at ₱1.60, ₱1.36 and ₱1.49 per share, respectively.

The Group does not have any contingent liability or borrowings wherein financial assets were pledged to secure payment nor it has borrowings wherein properties were mortgaged to secure a loan.

PART II - OTHER INFORMATION

Item 3. Business Development/New Projects

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

FLI will remain to be focused on its core residential real estate development business, which now includes MRBs, High-Rise Condominium units and Condotels. MRBs and High-Rise Condominiums are being developed in inner-city locations such as Ortigas and Santolan, both in

Pasig City, Sta. Mesa, Manila, Pasay City, Filinvest Corporate City, Cebu City and Davao City. Properties in other key cities in the country were also acquired for this purpose.

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

The Linear

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

Studio City

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

The Levels

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

Vinia Residences

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

Studio Zen

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

Studio A

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

In 2013, FLI intends to retain its dominant position as the leader in MRB projects by launching six (6) new projects nationwide, with an estimated sales value of Php11 billion. This will bring the Company's total MRB projects to 18. These new MRB projects are part of the total Php20 billion of new projects slated for launch by FLI in 2013.

Recently, FLI launched its latest MRB projects, and new middle income and affordable projects as follows:

“One Oasis Cagayan de Oro”, a stylish seven-storey residential buildings and modern haven within the urban jungle, located right next to the NMPSA Shooting Range near Limketkai Center.

“Fortune Hill”, a premium condo community that will target the Fil-Chi neighborhoods of San Juan City, which is situated in prime area close to established Fil-Chi communities. Highly desirable because of its proximity to prominent schools such as Xavier School, Immaculate Conception Academy and La Salle Greenhills. The project will have two buildings and will offer a total of 92 units.

“The Signature”, an exclusive mid-rise community that enjoys an accessible location along A.Bonifacio Avenue, just a minute away from business and lifestyle essentials. It is the Company’s first MRB project in Quezon City

“Villas 2”, an expansion of The Villas which is part of Highlands Pointe Taytay. It has a total land area of 2.1 hectares with only 52 units providing exclusivity and has a theme of European Contemporary.

“Valle Dulce”, the newest 12.3 hectare residential housing project inside the community of Pueblo Solana, Calamba, Laguna. Valle Dulce shall offer a single attached house model with a modern, Spanish-minimalist architectural design.

“Futura Homes San Pedro”, feature townhouse model in modern-minimalist design. Its strategic location can be easily accessed via the SLEX’s San Pedro Exit or Muntinlupa. It is also 15 minutes away from the Filinvest Corporate City in Alabang.

Also, FLI plans to launch “Oasis” projects in Tagaytay and Iloilo. These projects will follow the success of One Oasis Ortigas, Bali Oasis, Bali Oasis 2, Sorrento Oasis and Capri Oasis in Pasig City, Maui Oasis in Manila, Asiana Oasis in Paranaque City, One Oasis Cebu, Amalfi Oasis and San Remo Oasis in Cebu, and One Oasis Davao.

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

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

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

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

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

Category / Name of Project	Location
MIDDLE-INCOME (cont.)	
Bali Oasis 2	Pasig City, Metro Manila
Studio Zen	Pasay City, Metro Manila
Vinia Residences & Versaflats	Edsa, Quezon City
The Terraces Ph 1B & Ph 2	Havila, Taytay, Rizal
The Enclave at Highlands Pointe	Havila, Taytay, Rizal
Studio A	Quezon City
One Spatial	Pasig City, Metro Manila
The Glades	San Mateo, Rizal
The Villas	Havila, Taytay, Rizal
One Oasis Cagayan de Oro	Cagayan de Oro City
Fortune Hill	San Juan, Metro Manila
The Signature	Quezon City
HIGH-END	
Brentville International	Mamplasan, Binan, Laguna
Prominence 2	Mamplasan, Binan, Laguna
Village Front	Binan, Laguna
Mission Hills - Sta. Catalina	Antipolo, Rizal
Mission Hills - Sta. Isabel	Antipolo, Rizal
Mission Hills - Sta Sophia	Antipolo, Rizal
Banyan Ridge	San Mateo, Rizal
The Ranch	San Mateo, Rizal
The Arborage at Brentville Int'l	Mamplasan, Binan, Laguna
Banyan Crest	San Mateo, Rizal
Arista	Talisay, Batangas
Orilla	Talisay, Batangas
Bahia	Talisay, Batangas
Highlands Pointe	Havila, Taytay, Rizal
Kembali Arista	Samal Island, Davao
LEISURE - FARM ESTATES	
Forest Farms	Angono, Rizal
Mandala Residential Farm	San Mateo, Rizal
Nusa Dua	Tanza, Cavite
LEISURE - PRIVATE MEMBERSHIP CLUB	
Timberland Sports and Nature Club	San Mateo, Rizal

Category / Name of Project	Location
LEISURE - RESIDENTIAL RESORT DEVELOPMENT	
Kembali Coast	Samal Island, Davao
Laeuna De Taal	Talisay, Batangas
Entrepreneurial - Micro Small & Medium Enterprise Village	
Asenso Village - Calamba	Calamba, Laguna
INDUSTRIAL	
Filinvest Technology Park	Calamba, Laguna
CONDOTEL	
Grand Cenia Hotel & Residences	Cebu City
The Leaf	Timberland Heights, San Mateo, Rizal

Registration with the Board of Investments (BOI)

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

Name	Reg. No.	Date Registered	Type of Registration
La Brisa Townhomes	2011-117	9-Jun-11	New Developer of Low-Cost Mass Housing Project
One Oasis Ortigas Bldg. F to M	2011-120	15-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
The Linear	2011-121	15-Jun-11	New Developer of Low-Cost Mass Housing Project
Villa Monserrat 3	2011-132	27-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
Ocean Cove	2011-133	27-Jun-11	New Developer of Low-Cost Mass Housing Project
Bali Oasis 3 & 4	2011-134	27-Jun-11	Expanding Developer of Low-Cost Mass Housing Project
Villa San Ignacio	2011-148	14-Jul-11	New Developer of Low-Cost Mass Housing Project
Villa Mercedita	2011-154	19-Jul-11	New Developer of Low-Cost Mass Housing Project
Escala at Corona Del Mar	2011-167	29-Jul-11	New Developer of Low-Cost Mass Housing Project
Filinvest Homes Tagum, ph 1	2011-171	2-Aug-11	New Developer of Low-Cost Mass Housing Project
Filinvest Homes Tagum, ph 2	2011-214	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Tierra Vista	2011-191	31-Aug-11	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 1,2,3,	2011-194	2-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Tamara Lane	2011-215	26-Sep-11	New Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 2	2011-216	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 3	2011-217	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
The Glens at Parkspring, ph 4	2011-218	26-Sep-11	Expanding Developer of Low-Cost Mass Housing Project
Austine Homes	2011-252	25-Nov-11	New Developer of Low-Cost Mass Housing Project
Somerset Lane	2011-273	21-Dec-11	New Developer of Low-Cost Mass Housing Project
Aldea de Sol	2011-276	22-Dec-11	Expanding Developer of Low-Cost Mass Housing Project
Capri Oasis	2012-036	5-Mar-12	New Developer of Low-Cost Mass Housing Project
Studio City, Tower 1	2012-044	19-Mar-12	New Developer of Low-Cost Mass Housing Project

(Forward)

Name	Reg. No.	Date Registered	Type of Registration
Anila Park, Ph 1	2012-052	26-Mar-12	New Developer of Low-Cost Mass Housing Project
San Remo Oasis	2012-069	14-May-12	New Developer of Low-Cost Mass Housing Project
One Oasis Cebu, Bldg. 1 to 3	2012-082	28-May-12	New Developer of Low-Cost Mass Housing Project
One Oasis Davao, Bldg. 4	2012-093	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Filinvest Homes-Butuan	2012-094	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Sorrento Oasis, Bldg. A to H2	2012-095	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Maui Oasis, Bldgs. 2 & 3	2012-096	7-Jun-12	New Developer of Low-Cost Mass Housing Project
Amare Homes	2013-014	18-Jan-13	New Developer of Low-Cost Mass Housing Project
Castillon Homes – The Residences	2013-064	11-Mar-13	New Developer of Low-Cost Mass Housing Project
Woodville Ph 2	2013-065	11-Mar-13	New Developer of Low-Cost Mass Housing Project

Aside from the residential projects, FLI will continue to construct business process outsourcing (BPO) office spaces at Northgate Cyberzone, Cebu and other selected areas to accommodate the increase in demand for BPO office space. Of the 10-hectare parcel of land within Filinvest City owned by FLI, approximately four hectares are available for future development.

Construction is ongoing for the following new BPO office buildings located at Northgate Cyberzone:

- Plaza E: This is a twelve-story building, situated between Plaz@ A and Plaz@ D, with approximate GFA of 16,281 sq.m. and an approximate GLA of 14,859 sq.m. The building is almost 100% completed.
- Filinvest Two and Three: This is a twin-tower project located along Alabang Zapote Road each building with 14 storeys and GLA of approximately 23,784 sqms each. Target completion is May 2014.
- Cebu Cyberzone Tower 1: This is one building of the four-buildings complex with 11 storeys and approximate GLA of 21,261 sqms. Target completion is August 2014.

Current buildings with leases are the following:

- Plaza A: This is a six-story building with an approximate GFA of 11,575 sq.m. and an approximate GLA of 10,860 sq.m. Plaza A was completed in June 2006 and was substantially fully leased to GenPact Services LLC and eTelecare Global Solutions, Inc.
- Plaza B and Plaza C: Plaza B and Plaza C are four-story buildings, each with an approximate GFA of 7,150 sq.m. and an approximate GLA of 6,540 sq.m. for a combined GLA of 13,080 sq.m. Plaza B and Plaza C were both completed in 2001. Plaza B and

Plaza C was substantially fully leased. Tenants for Plaza B include goFluent, AMS Express, Team Asia, Outboundphil, APPCO Direct Int'l., Treadyne and Seven Seven Global Services, Inc. All of Plaza C has been leased by APAC Customer Services, Inc.

- Plaza D: This is a six-story building with the same specifications as Plaza A and with an approximate GFA of 11,575 sq.m. and an approximate GLA of 10,860 sq.m. Plaza D had been leased to ICICI First Source Ltd., a 100% owned subsidiary of India's largest private sector bank, and Verizon Communications Phils Inc, the Philippine branch of Verizon Business solutions, a leading communications company in the United States of America.
- Convergys Building: This is a three-story building with an approximate GFA of 6,466 sq.m. and an approximate GLA of 5,839 sq.m. Completed in 2004, it was one of the first buildings completed in the Northgate Cyberzone and was "built-to-suit" (BTS) to meet the requirements of Convergys. Recently Convergys signed a contract to extend the lease for another five years.
- HSBC Building: This is another building that was constructed on a BTS basis to meet the requirements of HSBC. Completed in 2005, the HSBC building has an approximate GLA of 18,000 sq.m.
- IT School: This is a three-story building with an approximate GFA of 3,297 sq.m. and an approximate GLA of 2,595 sq.m. Its major tenant is currently Genpact Services LLC.
- Building 5132: This is a six-story building with an approximate GFA of 10,560 sq.m. and an approximate GLA of 9,408 sq.m. Building 5132 has been fully taken up by GenPact Services LLC.
- iHub I and iHub II: This is a two-tower complex (one with six stories and the other with nine stories) iHub I has an approximate GLA of 9,474 sq.m. and has been leased out to numerous tenant which includes GenPact, HSBC, W.R. Grace Philippines and Lattice Semiconductor. iHub II has an approximate GLA of 14,166 sq.m. and has been leased out primarily to Convergys and Integra.
- Vector One : an 11-storey building with an approximate GFA of 19,545 sq.m. and an approximate GLA of 17,951 sq.m. It was completed in 2010. Filinvest Alabang, Inc. (FAI) was its first tenant, occupying the fifth to seventh floors for its corporate headquarters. Other tenants of the building are Convergys and Flour Daniel.
- Vector Two: This building has the same configuration as with Vector One. It is also 11 stories high with an approximate GLA of 17,914 sq.m. It was completed in October 2011. Tenants of the building include Infosys and Flour Daniel.
- Filinvest One (*formerly called AZ Building*) : This is a 10-story building with a GLA of approximately 19,637 sq.m. It was completed in December 2012 and is already committed to tenants.
- EDSA Transcom Building: This five-storey BPO building is located along EDSA in Mandaluyong City and have approximately 7,358 sq.m. of GLA. This is FLI's first BPO office building outside Northgate Cyberzone. EDSA Transcom Building is fully leased out to Anthem Solutions, Inc.

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

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

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

Financial Risk Exposures

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

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

Liquidity Risk

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

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

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

Interest Rate Risk

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

Of the total ₱14,993.28 million loans outstanding as of September 30, 2013, ₱5,025.83 million are on floating rate basis. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Company's annualized profit before tax through the impact on floating rate borrowings.

	Increase (decrease) In basis points	Effect on annualized income before income tax (In Thousands)
September 30, 2013	+200	(₱100,517)
	- 200	₱100,517

Credit Risk

The Company is exposed to risk that counter-party will not meet its obligations under a financial instrument or customer contract primarily on its mortgage notes and contract receivables and other receivables. It is the Company's policy that buyers who wish to avail of the in-house financing scheme are subject to credit verification process. Receivable balances are being monitored on a regular basis and are subjected to appropriate actions to manage credit risk. In addition to this, the Company has a mortgage insurance contract with the Home Guaranty Corporation for a retail guaranty line. With respect to credit risk arising from other financial assets of the Company, which comprise cash and cash equivalents and AFS financial assets, the Company's exposure to credit risk arises from default of the counter-party, with a maximum exposure equal to the carrying amount of these instruments. The maximum credit risk exposure of the Company to these financial assets as of September 30, 2013 is ₱15,346.74 million. All of these financial assets are of high-grade credit quality. Based on the Company's experience, these assets are highly collectible or collectible on demand. The Company holds as collaterals for its installment contract receivables the corresponding properties, which the third parties purchased in installments.

Foreign Currency Risk

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

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

	Increase (decrease) In US dollar rate	Effect on income before income tax (In Thousands)
September 30, 2013	+5%	(₱391.53)
	-5%	₱391.53

Financial Instruments

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

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

	<i>September 30, 2013</i> <i>Carrying Values</i>	<i>September 30, 2013</i> <i>Fair Values</i>	<i>Dec. 31, 2012</i> <i>Carrying Values</i>	<i>Dec. 31, 2012</i> <i>Fair Values</i>
<i>Cash & Cash Equivalents</i>	2,612,689	2,612,689	2,165,457	2,165,457
<i>Mortgage, Notes & Installment Contract Receivables</i>	11,496,133	11,710,734	10,119,953	10,308,865
<i>Other Receivables</i>	2,917,420	2,917,420	3,100,288	3,100,288
<i>Long-term Debt</i>	29,382,826	27,268,360	25,599,775	23,669,447

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

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

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

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

Investment in foreign securities

The Company does not have any investment in foreign securities.

Item 4. Other Disclosures

1. Except as disclosed in the Notes to Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
2. The Company's unaudited interim consolidated financial statements were prepared in accordance with PAS 34 (PAS 34, par. 19).
3. The Company's unaudited interim consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2012 (PAS 34, par 15).

4. The accounting policies and methods of computation adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2012.
5. The Company has early adopted PAS 19, *Employee Benefits* (Revised) with date of initial application of January 1, 2012 as disclosed in the Company's 2012 audited financial statements. The impact of the adoption was thoroughly discussed in Note 2, page 3 of the audited consolidated financial statements and we quote:

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

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

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

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

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

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

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

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

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

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

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

- *PFRS 10, Consolidated Financial Statements*

PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. PFRS 10 also defined the concept of protective rights, which are designed to protect the party holding those rights without giving that party power over the entity to which those rights relate. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

The adoption of PFRS 10 affected the accounting for the Company's 60% equity interest in FAC. For all years up to December 31, 2012, FAC was considered as a jointly controlled entity under the previously existing PAS 31, Interest in Joint Ventures, and was accounted for using the proportionate consolidation method. Upon adoption of PFRS 10 effective January 1, 2013, the Company reassessed and determined that it has control over FAC, as the Company has the power to direct the relevant activity of FAC despite the existence of a contractual arrangement which grants the other investor rights over certain activities of FAC. Management assessed that the other rights held by the investor through contractual arrangement

are only designed to protect the other investor's interest and are merely held to prohibit fundamental changes in the activities of FAC rather than bestow the power to direct the relevant activity over FAC.

The assets, liabilities and equity of FAC have been retrospectively consolidated in full in the consolidated financial statements of the Company. The 40% equity of the other investor was accounted for as non-controlling interest measured based on the proportionate share of the net assets of FAC. The consolidated statement of financial position as of December 31, 2012 has been restated in the interim condensed consolidated financial statements to effect the retrospective application of PFRS 10. The retroactive effect of PFRS 10 has also been reflected in the comparative results of operations for the six month period ended September 30, 2012. The quantitative impact on the consolidated financial statements is provided below (amounts in thousands).

Impact on statement of financial position as of December 31, 2012 (increase in consolidated assets, liabilities and equity):

Cash and cash equivalents	₱59,005
Other receivables	38,131
Investment properties	603,911
Deferred income tax assets	10,753
Other assets	45,668
Total assets	757,468
Accounts payable and accrued expenses	120,926
Income tax payable	6,113
Loans payable	253,333
Due to related parties	506
Deferred income tax liabilities	9,283
Total liabilities	390,161
Net impact on equity	₱367,307

Attributable to:

Equity holders of the parent	₱-
Noncontrolling interest	367,307

Impact on statement of income and statement of comprehensive income for the nine months ended September 30, 2012; increase in consolidated net income:

Rental services	₱ 83,056
Cost of rental services	(16,126)
Interest income	1,226
Other income	2,256
Operating expenses:	
General and administrative expenses	(8,839)
Selling and marketing expenses	(808)
Interest and other finance charges	(9,705)
Income before income tax	51,060
Provision for income tax	(10,376)
Net income/Total comprehensive income	₱40,684

Attributable to:

Equity holders of the Parent

P=

Noncontrolling interests

40,684

The adoption did not affect the other comprehensive income for the period and the Company's basic or diluted earnings per share.

Impact on statement of cash flows for the nine months ended September 30, 2012 (increase/(decrease) in cash flows):

Operating	₱61,151
Financing	(34,749)
	<u>₱26,402</u>

- *PFRS 11, Joint Arrangements*

PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. Under PAS 31 (prior to the transition to PFRS 11), the Company's interest in FAC was classified as a jointly controlled entity and the Company's share of the assets, liabilities, revenue, income and expenses were proportionately consolidated in the consolidated financial statements. As discussed above, the Company reassessed its arrangement with respect to FAC and has determined it has sole control over FAC. Accordingly, the investment was accounted for retrospectively as a subsidiary

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

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

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

- *PFRS 13, Fair Value Measurement*

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

The application of PFRS 13 has not materially impacted the fair value measurements carried out by the Company.

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

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

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

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

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

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

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

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

SIGNATURES

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

FILINVEST LAND, INC.



Signature:

JOSEPHINE G. YAP

Title:

President / Chief Executive Officer

Date:

November 8, 2013



Signature:

NELSON M. BONA

Title:

Senior Vice-President / Chief Financial Officer

Date:

November 8, 2013

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

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

	September 30, 2013 (Unaudited)	December 31, 2012 (As restated)
ASSETS		
Cash and cash equivalents	2,612,689	2,165,457
Contracts receivable	11,975,556	10,597,949
Due from related parties	184,876	194,244
Other receivables	2,917,420	3,100,288
Financial assets at fair value through other comprehensive income	17,939	24,626
Real estate inventories	24,523,834	23,677,456
Land and land development	16,996,313	15,368,369
Investment in an associate	3,917,625	3,912,092
Investment properties	17,563,680	15,978,511
Property and equipment	1,138,417	1,327,943
Deferred income tax assets	16,610	33,180
Other assets	2,366,942	1,737,375
Goodwill	4,567,242	4,567,242
TOTAL ASSETS	88,799,143	82,684,732
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses	8,931,363	8,552,225
Income tax payable	39,351	24,141
Loans payable	14,993,276	11,234,851
Bonds payable	14,389,550	14,364,924
Due to related parties	731,116	179,803
Retirement liabilities	169,583	159,757
Deferred income tax liabilities - net	2,076,735	1,923,079
Total Liabilities	41,330,974	36,438,780
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)
Remeasurement Losses on retirement plan	(105,686)	(105,686)
Retained earnings	16,909,448	15,683,168
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Share in other components of equity of an associate	361,794	361,794
Equity attributable to equity holders of the Parent	47,104,925	45,878,645
Non-controlling interest	363,244	367,307
Total Equity	47,468,169	46,245,952
TOTAL LIABILITIES AND EQUITY	88,799,143	82,684,732

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

	Quarters ended September 30,		Nine-Months Period Ended	
	2013	2012	2013	2012
	(Unaudited)	(As restated)	(Unaudited)	(As restated)
REVENUE				
Real estate sales	2,272,002	1,519,863	6,973,501	5,358,105
Rental services	510,866	476,330	1,496,134	1,385,346
EQUITY IN NET EARNINGS OF AN ASSOCIATE	42,970	69,482	85,933	108,259
OTHER INCOME				
Interest income	81,610	98,169	334,651	391,937
Foreign currency exchange gain (loss) - net	(99)	3,656	(804)	7,922
Others	108,299	152,077	409,985	380,785
	3,015,648	2,319,577	9,299,400	7,632,354
COSTS				
Real estate sales	1,334,413	826,991	4,056,893	2,986,319
Rental services	121,033	107,309	350,030	345,594
OPERATING EXPENSES				
General and administrative expenses	345,879	340,174	849,731	820,821
Selling and marketing expenses	317,623	367,626	750,694	720,215
INTEREST AND OTHER FINANCE CHARGES	161,955	161,719	469,964	327,830
	2,280,903	1,803,819	6,477,312	5,200,779
INCOME BEFORE INCOME TAX	734,745	515,758	2,822,088	2,431,575
PROVISION FOR INCOME TAX				
Current	(23,296)	(10,856)	213,417	235,469
Deferred	64,626	74,271	170,467	190,491
	41,330	63,415	383,884	425,960
NET INCOME	693,415	452,343	2,438,204	2,005,615
Attributable to:				
Equity holders of the parent			2,390,268	1,965,361
Noncontrolling interest			47,936	40,254
			2,438,204	2,005,615
EARNINGS PER SHARE				
Basic/Diluted				
a. Net income (annualized)			3,250,939	2,674,153
b. Weighted average number of outstanding common shares			24,249,759	24,249,759
c. Earnings per share - Basic/Diluted (a/b)			0.13	0.11

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

	Nine-Months Period Ended September 30,	
	2013	2012
	(Unaudited)	(As restated)
NET INCOME FOR THE PERIOD	2,438,204	2,005,615
Remeasurement losses on retirement plan	-	(42,242)
TOTAL COMPREHENSIVE INCOME	2,438,204	1,963,374
Attributable to:		
Equity holders of the parent	2,390,268	1,923,120
Noncontrolling interest	47,936	40,254
	2,438,204	1,963,374

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

	Nine-Months Period Ended September 30,	
	2013 (Unaudited)	2012 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	2,822,089	2,431,575
Adjustments for:		
Interest expense	406,727	270,672
Depreciation and amortization	251,025	239,853
Equity in net earnings of an associate	(85,933)	(108,259)
Interest income	(334,651)	(391,937)
Dividend income	(3,699)	(3)
Operating income before changes in operating assets and liabilities	3,055,558	2,441,901
Changes in operating assets and liabilities		
Contracts receivables	(1,377,607)	(781,762)
Due from related parties	9,368	58,734
Other receivables	182,868	(735,681)
Real estate inventories	687,565	(6,757,422)
Other assets	(747,605)	(342,896)
Accounts payable and accrued expenses	16,527	4,726,652
Retirement liabilities	9,826	(24,526)
Net cash generated from (used for) operations	1,836,500	(1,415,001)
Interest received	334,651	391,937
Dividend received	3,699	3
Income taxes paid	(80,410)	(390,804)
Net cash provided by (used in) operating activities	2,094,440	(1,413,865)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment properties and property and equipment	(1,646,668)	(2,038,187)
Acquisition of rawland	(2,045,368)	(2,148,625)
Dividends received from associate	80,400	-
Proceeds from maturity of financial assets at fair value through other comprehensive income	5,812	-
Cash used in investing activities	(3,605,824)	(4,186,812)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans availments	6,299,000	10,000,000
Payments of loans payable	(2,525,833)	(1,872,833)
Increase (decrease) in due to related parties	551,313	79,708
Interest paid and transaction costs	(1,201,876)	(907,791)
Dividends paid	(1,163,988)	(1,151,864)
Net cash provided by financing activities	1,958,616	6,147,220
NET INCREASE IN CASH AND CASH EQUIVALENTS	447,232	546,543
CASH AND CASH EQUIVALENTS, BEGINNING	2,165,457	1,196,147
CASH AND CASH EQUIVALENTS, ENDING	2,612,689	1,742,690

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

	September 30	
	2013	2012
	(Unaudited)	(As restated)
Capital Stock		
Common shares - P1 par value		
Authorized - 33 billion shares		
Issued - 24,470,708,509 shares		
Outstanding - 24,249,759,509	24,470,708	24,470,708
Preferred shares - P0.01 par value		
Authorized - 8 billion shares		
Issued and outstanding - 8 billion shares	80,000	80,000
Treasury shares	(221,041)	(221,041)
Additional paid-in capital	5,612,321	5,612,321
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)
Share in components of equity of an associate	361,794	361,794
Remeasurement Losses on retirement plan	(105,686)	(91,606)
 Retained earnings		
Balance at beginning of the period	15,683,168	13,403,598
Net income	2,390,268	1,965,361
Dividends	(1,163,988)	(1,151,864)
Balance at end of the period	16,909,448	14,217,095
Equity attributable to equity holders of the Parent	47,104,925	44,426,652
Noncontrolling interest	363,244	375,452
Total Equity	47,468,169	44,802,104

ANNEX B

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

Type of Account Receivable	Current	1-30 days	31-60 days	61-90 days	91-120 days	>120 days	Total
a) Mortgage, Notes & Installment Contract Receivable							
1. Installment Contracts Receivable	11,244,981	24,531	12,395	7,161	5,635	201,429	11,496,133
2. Receivable from financing Institution	479,424						479,424
Sub-total	11,724,404	24,531	12,395	7,161	5,635	201,429	11,975,556
b) Other Receivables	2,917,420						2,917,420
Net Receivables	14,641,824	24,531	12,395	7,161	5,635	201,429	14,892,976

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

FILINVEST LAND, INC. AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68, AS AMENDED (2011) SEPTEMBER 30, 2013

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

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

Schedule A. Financial Assets in Equity Securities

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

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

Name of Issuing Entity and Association of Each Issue	Number of Shares	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at end of year	Income Received and Accrued
(In Thousands Except Number of Shares)				
Financial assets at FVTOCI				
Quoted:				
The Palms Country Club	1,000	₱3,060	₱3,060	₱-
Philippine Long Distance Telephone Company	26,100	261	261	-
		3,321	3,321	-
Unquoted:				
Manila Electric Company (MERALCO)	1,162,267	11,623	11,623	-
Timberland Sports and Nature Club	3,000	2,995	2,995	-
		14,618	14,618	-
		₱17,939	₱17,939	₱-

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

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

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

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of the period
(In Thousands)				
Arvin L. Pamalaran	₱695	₱31,597	₱4,676	₱27,616
Noel V Advincula	5,235	51,088	39,614	16,709
Amelia F Encarnacion	752	310,643	299,593	11,802
Kathryn Ann R Lao	15,812	21,910	31,779	5,943
Antonio E Cenon	8,809	216,779	220,208	5,380
Aubrey F Ortega	55	5,211	881	4,385
Rey Ferdinand C Maribao	106	36,546	33,346	3,306
Danilo C Calilap	5	2,341	5	2,341
Marco Vicente P. Fernandez	1,648	4,540	4,510	1,678
Geraldine Marie C De Gorostiza	1,936	6,183	7,056	1,063
Winnifred H Lim	834	1,237	1,115	956
Wilfredo C. Abuena	738	4,461	4,322	877
Tristaneil D Las Marias	950	71	159	862
Romeo M Estrella	34	919	116	837
Lydwena R. Eco	-	3,610	2,836	774
Alan J Barquilla	2,386	-	1,621	765
Archie M Igot	159	681	119	721
Boler L Binamira Jr.	1,489	246	1,017	718
Alexander James E. Jazmin	430	-	-	430
Eva Marie M Bernardo	502	55	132	425
Corazon A Rollon	10	397	19	388
Luis T Fernandez	26	20,983	20,625	384
Alberto L Cataluña	68	25,392	25,081	379
Cyel Auza	-	1,472	1,117	355
Jeffrey M Nisnisan	114	2,767	2,551	330
Jose O Berroya Jr.	312	-	-	312
Imelda Baldesoto	41	1,499	1,295	245
Fernando D. Luzaran	216	-	-	216
Joseph M Yap	863	200	858	205
Dexter T. Requiza	150	-	-	150
Ma. Cristina Bernabe	803	2,231	2,893	141
Remilyn M Magallon	-	236	101	135
Cesarine Janette C. Manlangit	1,996	457	2,327	126
Andres J. Calizo	376	218	476	118
Elsa N Marquez	78	36	1	113
Max Hernandez Jr	112	-	-	112
Enrico Maurice S. Librea	135	2,031	2,058	108
Joseph Raul S. Geotina	-	1,103	1,001	102
Emerson Santos	102	-	-	102
Eward Serrano	100	-	-	100
	₱48,077	₱757,140	₱713,508	₱91,709

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

Related Party Transactions

Due from related parties

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

	Relationship	Nature	Balance at period ending September 30, 2013
Timberland Sports and Nature Club	Affiliate	A	₱178,317
Davao Sugar Central Corp.	Affiliate	A	6,182
The Palms Country Club	Affiliate	A	218
Filarchipelago Hospitality Inc.	Affiliate	A	144
GCK Realty	Affiliate	C, D	13
FSM Cinemas, Inc.	Affiliate	A	2
			₱184,876

Nature of intercompany transactions

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

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

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

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

	Volume of Transactions	Receivable	Terms	
Filinvest All Philippines, Inc.	Share in expenses	₱25,793	₱82,960	Non-interest bearing and to be settled within the year
Property Maximizer Professional Corporation	Marketing fee expense	183,050	42,479	Non-interest bearing and to be settled within the year
	Share in expenses	110,759		
Cyberzone Properties, Inc.	Dividend Income	184,144	17,404	Non-interest bearing and to be settled within the year
	Rental income	75,180		
Property Specialist Resources, Inc.	Share in expenses	22,112	8,553	Non-interest bearing and to be settled within the year
Leisurepro, Inc.	Share in expenses	39	6,134	Non-interest bearing and to be settled within the year
Homepro Realty Marketing, Inc.	Share in expenses	39	4,351	Non-interest bearing and to be settled within the year
			₱161,881	

Name	Balance at beginning of year	Additions	Collections	Balance at period ending September 30, 2013
Filinvest All Philippines, Inc.	₱183,531	₱25,793	(₱126,364)	₱82,960
Property Maximizer Professional Corporation	118,632	110,759	(186,912)	42,479
Cyberzone Properties, Inc. (CPI)	18,255	259,324	(260,175)	17,404
Property Specialist Resources, Inc.	8,666	22,113	(22,226)	8,553
Leisurepro, Inc	6,095	39	—	6,134
Homepro Realty Marketing, Inc	4,312	39	—	4,351
	₱339,491	₱418,067	(₱595,677)	₱161,881

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

Schedule D. Intangible Asset

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

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

Schedule E. Long term debt

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

Type of Obligation	Amount	Current	Noncurrent
<u>Term loans</u>			
Guaranteed loan amounting to ₱1.13 billion and ₱1.12 billion obtained in October 2005 and July 2007, respectively. Both loan principal is payable in 10 semi-annual installments commencing December 2010 and ending June 2015. The loans carry a fixed interest rate of 7.72% and 7.90% per annum, respectively.	₱900,000	₱450,000	₱450,000
<u>Developmental loans</u>			
Unsecured loan obtained in July 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) 1 plus GRT (Fixed rate) 5.07%, payable quarterly in arrears. The principal is payable at maturity on July 2018.	1,492,925		1,492,925
Unsecured loan obtained in June 2013 with interest rate equal to 5 yr. PDS Treasury Fixing (PDST-F) plus GRT (fixed rate) 4.98% , payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting September 2015 up to June 2018.	1,143,135	—	1,143,135
Unsecured loan obtained in January 2012 with interest rate equal to 5 yr. PDST-F plus a spread of 1% plus GRT or 6.39% (5 year fixed rate) payable quarterly in arrears. The principal is payable at maturity on January 2017.	996,803	—	996,803
Unsecured loan obtained in April 2012 with interest rate equal to 5 yr. PDST-F plus a spread of 1% plus GRT or 6.12% (5 year fixed rate), payable quarterly in arrears. The principal is payable at maturity on January 2017.	996,582	—	996,582
Unsecured loan obtained in November 2012 with interest rate equal to 5 yr. PDS Treasury Fixing (PDST-F) plus a spread of 1% plus GRT or 5.5% (5 year fixed rate) . payable quarterly in arrears. The principal is payable at maturity on November 2017.	995,773	—	995,773
(Forward)			

Type of Obligation	Amount	Current	Noncurrent
<u>Developmental loans (cont.)</u>			
Unsecured loan obtained in August 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) 1 plus GRT (Fixed rate) 4.27%, payable quarterly in arrears. The 50% of principal payable in 20 equal quarterly amortization to commence on August 2015 and 50% payable at maturity on August 2010.	P995,502	P—	P995,502
Unsecured loan obtained in February 2013 with interest at prevailing market rate, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting May 2015 to February 2018.	746,864	—	746,864
Unsecured loan obtained in June 2011 with interest at prevailing market rate, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting June 2013 up to June 2016.	684,792	248,420	436,372
Unsecured loan obtained in March 2011 with interest at prevailing market rate, payable quarterly in arrears, 50% of the principal is payable in twelve (12) equal quarterly installments starting June 2013 up to March 2016 and the balance is payable in full on March 2016.	686,165	124,491	561,674
Unsecured loans obtained in August 15, 2012 with interest rate equal to 5 yr. PDST-F plus a spread of 1% plus GRT or 5.79% (fixed rate for 5 yrs) subject to repricing at the end of the 5 th year. The Loan is payable quarterly in arrears and has a fixed term of 7 years, inclusive of 2 year grace period on principal repayment, 50% of the principal is payable in 20 equal quarterly installments to commence on November 2014 and the balance is payable at maturity on August 2019.	600,000	—	600,000
Unsecured loan obtained in October 2008 with interest at prevailing market rate, payable quarterly in arrears. 50% of the principal is payable in twelve (12) equal quarterly installments starting January 2011 up to October 2013 and lump sum full payment of the balance on October 2013.	541,667	541,667	—
Unsecured loan obtained in August 2013 with interest rate equal to PDS Treasury Fixing (PDST-F) 1 plus GRT (Fixed rate) 4.27%, payable quarterly in arrears. The 50% of principal payable in 20 equal quarterly amortization to commence on August 2015 and 50% payable at maturity on August 2010.	500,000		500,000
Unsecured loan obtained in December 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) 1 plus GRT 5 years (fixed rate) 5.29%, payable quarterly in arrears. The principal is payable at maturity on December 2017	497,849	—	497,849
Unsecured loan obtained in March 2013 with interest rate at prevailing market rate (Fixed rate) 4.50%, payable quarterly in arrears. The principal is payable at maturity on March 2014.	498,841	498,841	—
Unsecured loan obtained in September 2013 with interest rate at prevailing market rate 4.80%. The principal is payable at maturity on December 2013.	350,000	350,000	—
Unsecured loan obtained in December 2011 with interest at prevailing market rate, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting March 2014 up to December 2016.	349,084	87,044	262,040
Unsecured loan obtained in May 2013 with interest rate at prevailing market rate (Fixed rate) 4.74%, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting August 2015 up to May 2018.	300,000	—	300,000
Unsecured loan obtained in May 17, 2012 with interest at prevailing market rate subject to repricing and, payable quarterly in arrears. The loan has a fixed term of 7 years, inclusive of 2 year grace period on principal repayment, 50% principal balance is payable in 20 equal quarterly installments to commence on August 2014 and the balance payable at maturity on May 2019.	300,000	—	300,000
(Forward)			

Type of Obligation	Amount	Current	Noncurrent
<u>Developmental loans (cont.)</u>			
Unsecured loan obtained in October 2012 with interest rate equal to PDS Treasury Fixing (PDST-F) plus 1% plus GRT or 6.03%, (5 year fixed rate) , payable quarterly in arrears. The principal is payable at maturity on October 2017.	P300,000	P—	P300,000
Unsecured loan obtained in November 2008 with interest rate equal to 91-day PDST-F rate plus a spread of minimum of 1% per annum, payable quarterly in arrears. 50% of the principal is payable in twelve (12) equal quarterly installments starting February 2011 up to November 2013 and lump sum full payment on the balance in November 2013. Principal payments in 2012 and 2011 amounted to P83.33 million.	270,833	270,833	—
Unsecured loan obtained in May 2013 with interest rate at prevailing market rate (Fixed rate) 4.74%, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting August 2015 up to May 2018.	248,878	—	248,878
Unsecured loan granted in November 10, 2011 with a term of 7 years with 2 years grace period on principal repayment. Interest is based on prevailing market rate, subject to quarterly repricing and payable quarterly in arrears. 50% of principal is payable in 12 quarterly amortization commencing on February 10, 2014 and 50% is payable on maturity.	200,000	15,000	185,000
Unsecured loan granted in May 2010 with a term of five years with 50% of principal payable in 12 equal quarterly amortization to commence on August 2012 and 50% payable at maturity in May 2015. The loan carries interest equal to 3-month PDST-F rate plus a spread of 1.5% per annum payable quarterly in arrears	158,333	33,333	125,000
Unsecured loan granted in December 2012 with a term of five years with 30% of principal payable in 20 equal quarterly amortization to commence on March 2013 and 50% payable at maturity on December 2017. The loan carries interest equal to BSP overnight rate plus a spread of 1% per annum payable quarterly in arrears.	138,750	15,000	123,750
Unsecured loan granted in May 2012 payable over 7-year period inclusive of 2 year grace period; 50% of principal is payable in 20 equal quarterly amortizations to commence on August 2014 and 50% payable at maturity on May 2019. The loan carries 5.09% interest equal to 3-month PDST-F rate plus a spread of 1.5% per annum payable.	100,000	2,500	97,500
Unsecured loan obtained in February 2013 with interest rate equal to 91-day PDS Treasury Fixing (PDST-F) rate plus a spread of up to 1% per annum, payable quarterly in arrears. The principal is payable in twelve (12) equal quarterly installments starting May 2015 to February 2018.	500	—	500
	14,093,276	2,187,129	11,906,147
<u>Bonds</u>			
Fixed rate bonds with aggregate principal amount of P4.50 billion, comprised of five (5)-year fixed rate bonds due in 2014 was issued by the Company on November 19, 2009. The bonds have a term of 5 years and one (1) day from the issue date, with a fixed interest rate of 8.4615% per annum. Interest is payable quarterly in arrears starting on February 20, 2010.	4,486,128	—	4,486,128
Fixed rate bonds with principal amount of P3.00 billion and term of five (5) years from the issue date was issued by the Company on July 7, 2011. The fixed interest rate is 6.1962% per annum, payable quarterly in arrears starting on October 7, 2011.	2,969,590	—	2,969,590

Type of Obligation	Amount	Current	Noncurrent
Bonds (cont.)			
Fixed rate bonds with principal amount of ₱7.00 billion and term of seven (7) years from the issue date was issued by the Company on June 8, 2012. The fixed interest rate is 6.27% per annum, payable quarterly in arrears starting on September 10, 2012.	6,933,832	—	6,933,832
	14,389,550	—	14,389,550
	₱29,382,826	₱2,637,129	₱26,745,697

Each loan balance is presented net of unamortized deferred costs.

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

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

	Relationship	Nature	Balance at beginning of period	Balance at end of period
AL Gotianun, Inc.	Ultimate Parent	A, B	₱1,512	₱519,479
Filinvest Development Corp.	Parent Company	A, C, E	100,921	85,584
Filinvest Alabang, Inc	Associate	A, C	41,901	69,407
Pacific Sugar Holdings, Corp.	Affiliate	A	26,768	26,768
Festival Supermall, Inc. – Management	Affiliate	A	8,206	5,285
East West Banking Corporation	Affiliate	A	—	24,588
Seascope Resorts, Inc.	Affiliate	A	—	5
Filarchipelago Hospitality Inc.	Affiliate	A	3,671	—
			₱182,979	₱731,116

Nature of intercompany transactions

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

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

Schedule G. Guarantees of Securities of Other Issuers

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

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
			(In Thousands)			
Common Shares	33,000.000	24,249,759	—	14,017,206	14.559	None
Preferred Shares	8,000.000	8,000,000	—	8,000,000	—	None

FILINVEST LAND, INC. AND SUBSIDIARIES

SCHEDULE OF ALL EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER PHILIPPINE FINANCIAL REPORTING STANDARDS

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

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

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

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

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

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

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

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

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

Retained Earnings, January 1, 2013		₱10,811,644
Adjustments:		
Prior-year adjustments		192,793
Unappropriated Retained Earnings, as adjusted, January 1, 2013		11,004,437
Net income based on the face of audited financial statements	2,084,610	
Less: Non-actual/unrealized income net of tax		
Equity in net income of an associate	—	
Unrealized foreign exchange gain – net	—	
Unrealized actuarial gain	—	
Fair value adjustment (marked-to-market gains)	—	
Fair value adjustment of Investment Property resulting to gain	—	
Adjustment due to deviation from PFRS/GAAP gain	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	—	
Add: Non-actual/unrealized losses net of tax		
Depreciation on revaluation increment	—	
Adjustment due to deviation from PFRS/GAAP loss	—	
Loss on fair value adjustment of Investment Property	—	
Movement in deferred tax assets	(5,224)	
Net income actual/realized		2,079,386
Less: Dividend declarations during the year		(1,163,988)
Unappropriated Retained Earnings, as adjusted, September 30, 2013		₱11,919,835

Financial Soundness Indicator

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

Financial ratios		2013	2012 (As restated)
Current ratio ⁽¹⁾	<u>Current assets</u> <u>Current liabilities</u>	3.66	3.66
Long-term debt-to-equity ratio	<u>Long-term debt</u> <u>Equity</u>	0.62	0.55
Debt ratio	<u>Total liabilities</u> <u>Total assets</u>	0.47	0.45
EBITDA to interest paid	<u>EBITDA</u> <u>Interest paid</u>	2.85	3.18
Price Earnings Ratio	<u>Closing price ⁽²⁾</u> <u>Earnings per share</u>	11.93	12.33

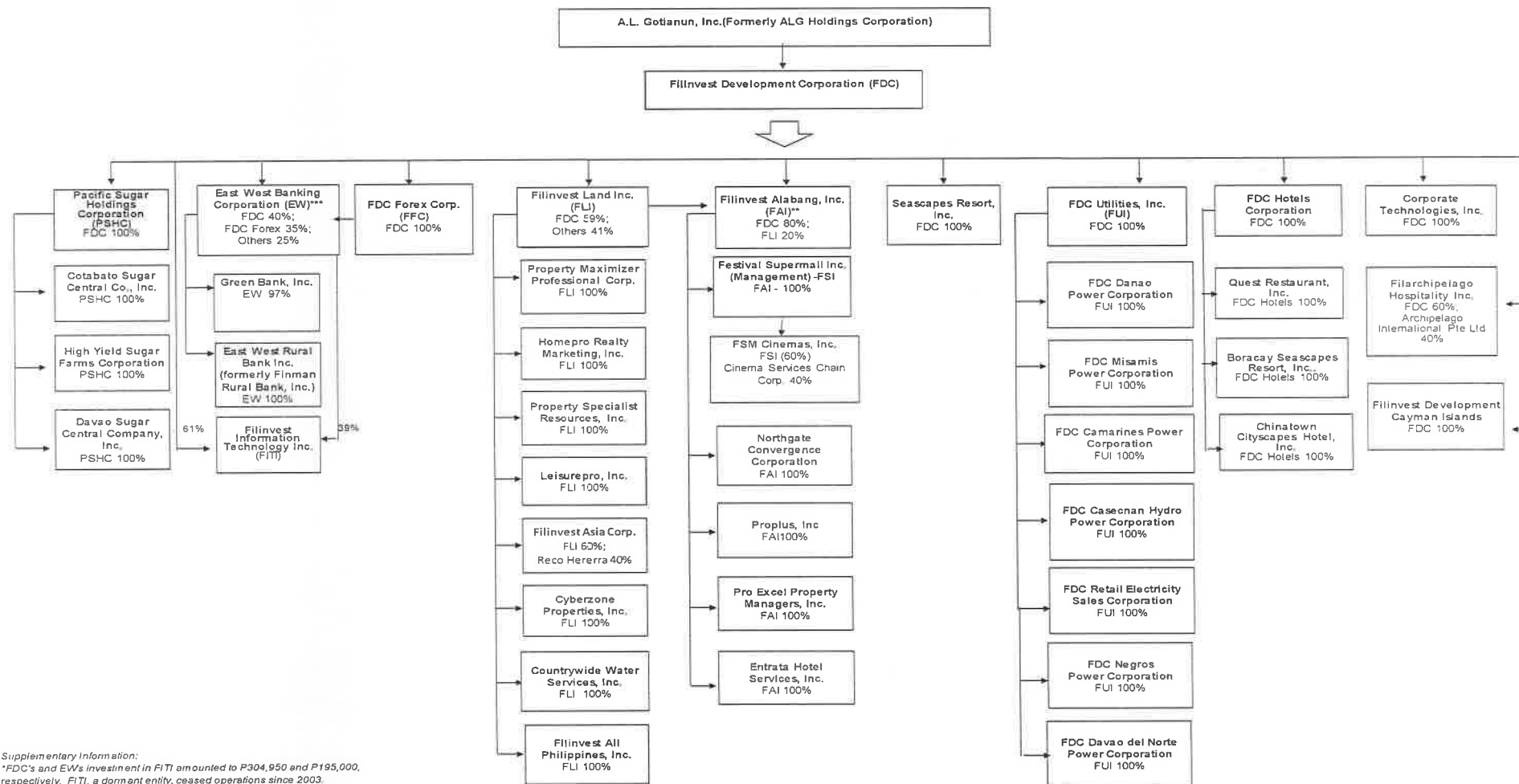
(1) In computing for the Company's current ratio, current assets include cash and cash equivalents, contracts receivables, due from related parties, other receivables and real estate inventories and current liabilities include accounts payable and accrued expenses, due to related parties, income tax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

(2) Closing price at September 30, 2013

Group Structure

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

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



Supplementary Information:
 *FDC's and EW's investment in FITI amounted to P304,950 and P195,000, respectively. FITI, a dormant entity, ceased operations since 2003.
 **FDC's effective ownership in FAI is 92% (80% direct ownership and 11.8% indirect ownership through FLI)
 ***FDC's effective ownership in EW is 75% (40% direct ownership and 35% indirect ownership through FFC)