



2015 ANNUAL REPORT

FILINVEST
LAND, INCORPORATED



IN FOCUS

Like a skillful photographer, Filinvest Land, Inc. (FLI) manages to capture the pulse of the dynamic real estate market. With a steady hand and an expert eye, FLI focuses on strengths and areas where it has a competitive advantage.

Zooming in on the lucrative leasing market with a line-up of office and retail developments, FLI is securely positioned for long-term growth. Driven by its passion to build the Filipino dream, FLI will continue to launch innovative products and tap new markets as it builds a diverse project portfolio all over the archipelago.

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MISSION

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

OBJECTIVES

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

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

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

SHARED VALUES

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

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

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

Financial Highlights

Operating Results

Revenues*, **	18,302,852	17,056,616	13,971,950
Net Income*, **	5,098,564	4,613,491	3,978,282
Net income attributable to equity holders of the parent	5,011,815	4,541,522	3,920,570
Return on Assets (Average)	4.48%	4.51%	4.39%
Return on Equity (Average)	9.45%	9.13%	8.35%

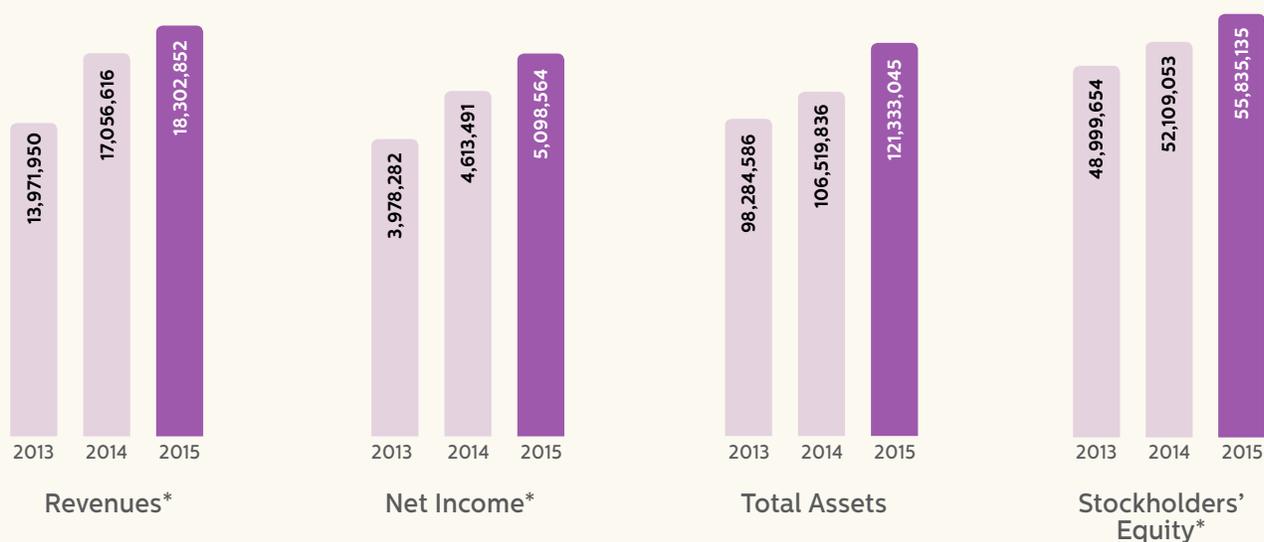
Financial Position

Total Assets*	121,333,045	106,519,836	98,284,586
Total Long-Term Debt*	47,696,836	40,306,593	36,069,225
Stockholders' Equity*	55,835,135	52,109,053	48,999,654
No. of Shares Issued and Outstanding (000's)	24,249,759	24,249,759	24,249,759
Debt to Equity (Average)***	85.42%	77.35%	73.61%
Net Debt to Equity (Average)****	73.61%	69.08%	60.44%

Per Share Data

Primary/Fully Diluted Earnings	Php 0.21	Php 0.19	Php 0.16
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- * prior years restated
- ** includes equity in net earnings of an associate
- *** computed as long-term debt divided by stockholders' equity
- **** computed as long-term debt less cash and cash equivalents divided by stockholders' equity



ANDREW L. GOTIANUN, SR.

NOVEMBER 24, 1927 – MARCH 10, 2016

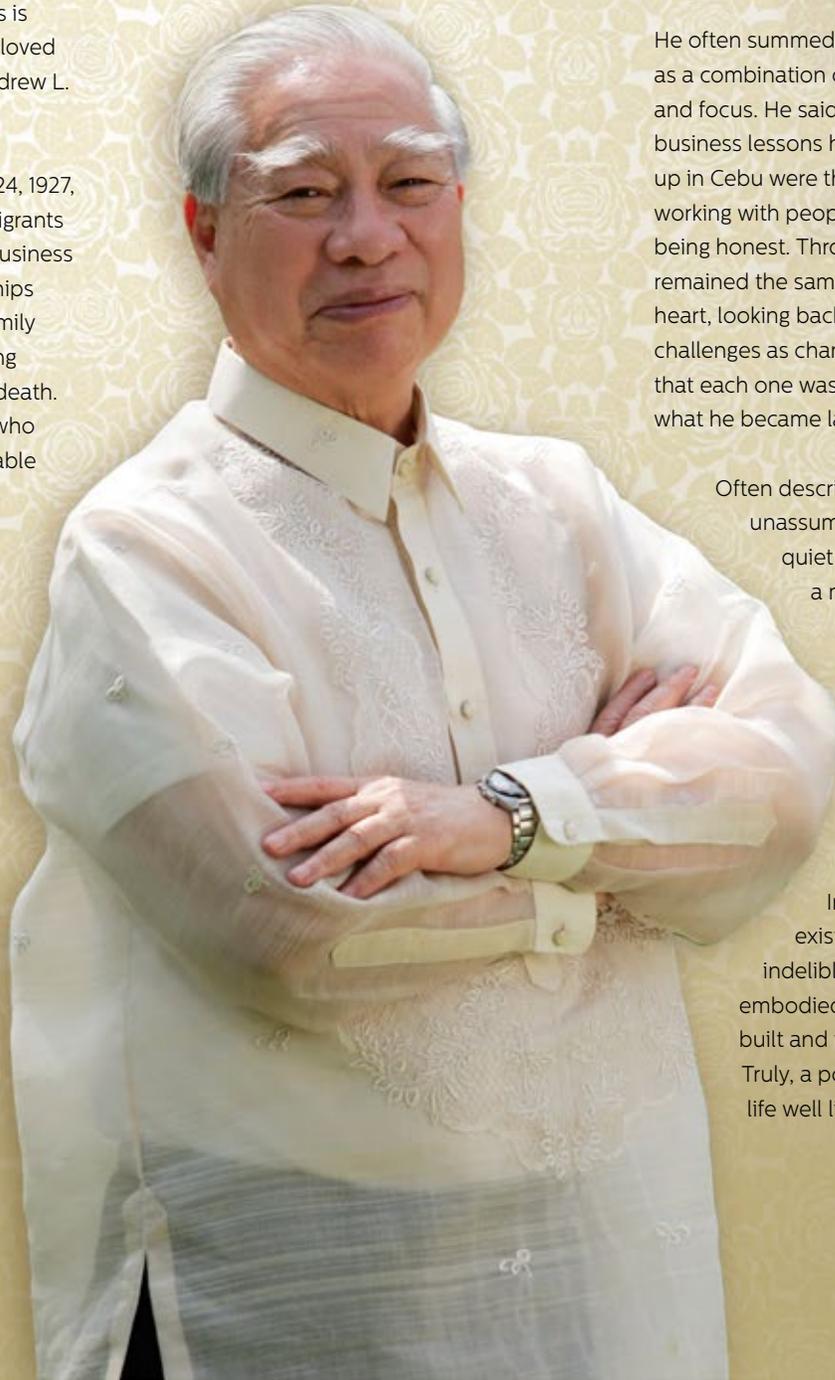
THE LEGACY OF THE ORIGINAL DREAM BUILDER

60 years ago, a man dared to dream. Because of his vision and hard work, more than 160,000 families have fulfilled their dreams of owning a home. This is the enduring legacy of Filinvest's beloved founder and chairman emeritus, Andrew L. Gotianun, Sr.

Born in Amoy, China on November 24, 1927, Andrew was a child of Chinese immigrants who established a thriving trading business in Cebu. In his youth, he salvaged ships in the Visayas to supplement the family income, later taking over the shipping business after his father's untimely death. While in Manila, he met Mercedes, who was to become his wife and formidable partner in life and business.

Together, they planted the seeds of Filinvest in 1955 by opening a second-hand car financing business. Working out of the ground floor of their home in Quiapo, the budding entrepreneurs made simple dreams of Filipinos come true.

From such humble beginnings emerged the Filinvest Development Corporation that people recognize today as one of the country's largest conglomerates with interests in real estate, banking, utilities, hospitality and sugar.



Andrew was the original dream builder. He has fulfilled countless Filipino dreams through the companies he established.

He often summed up his success formula as a combination of hard work, integrity and focus. He said that the strongest business lessons he learned while growing up in Cebu were the importance of working with people, working hard, and being honest. Throughout his life, Andrew remained the same humble Cebuano at heart, looking back at all the trials and challenges as character builders, saying that each one was an essential part of what he became later on in life.

Often described as laid-back and unassuming, he exuded the quiet confidence befitting a man of his impressive achievements. He remained grounded by a strong marriage and a stable family life, which he counted as equally important factors in his success.

In his 88 years of existence, Andrew left an indelible mark in this world, embodied by the companies he built and the lives he has touched. Truly, a powerful testament to a life well lived.

MESSAGE OF THE CHAIRMAN



JONATHAN T. GOTIANUN

OUR FATHER'S VISION



It is with a heavy heart that we inform our shareholders of the passing away of the founder of the Filinvest Group and my father, Andrew L. Gotianun Sr. Many years ago in the 60s, my father came across gated communities on a Florida trip and decided that the Philippine middle-class should have the same secure communities that only the wealthy could then afford. In the 90s, he also pioneered mass housing for the lower market segment. Always in service of the underserved market, our founder dreamt of building the Filipino dream and that will continue to be our guiding force. His presence will be sorely missed but his vision will forever be with us.

LOOKING AHEAD AND MOVING FORWARD



The Philippine growth story continued in 2015 with the Philippine economy growing at 5.8%, better than its peers. Economic drivers continue to demonstrate growth: OFW remittances increasing by 6%, the continued expansion of the BPO sector, and tourist arrivals at the highest. Unemployment rate is also at a 10-year low.

FLI ended the year with a net income of Php5.10 billion, 11% higher than in 2014, driven by strong revenues from its rental business as well as residential sales. Consolidated revenues grew 7%, with rental revenues increasing by 12% and residential sales rising by 6%.

We believe that 2016 will continue to bring growth opportunities for us.

We are on track with our expansion program for the recurring income business: to triple our gross leasable area from 2014 levels to 1 million square meters by 2019. For 2016, we expect to add more than 200,000 square meters of gross leasable area for office and retail space.

We are also set to launch approximately Php14 billion worth of projects across all our brands, with focus on the affordable and middle-income markets. Our multiple product lines address the different lifestyles of our core market. We have the affordable Futura Homes landed housing product for the traditional family. The hurried urban lifestyle of younger families has created a large demand for our medium-rise buildings (MRB). We have the Oasis brand for the mid-income market and the Spatial brand for the affordable market. FLI continues to have a stronger focus on house and lots and mid-MRBs but has selective high-rise products to address the urban professional.

We believe that our strategy of continuous rollout of residential projects to boost sales and expanding the recurring income businesses will provide growth opportunities and a more balanced mix of income for our shareholders, thus maximizing shareholder value. Last year, we declared cash dividends amounting to Php0.056 per share equivalent to 30% payout ratio and a dividend yield at the time of declaration of 3%, the highest among the Philippine property companies.

CORPORATE GOVERNANCE



We assure our shareholders that our business plans and practices are aligned with good corporate governance practices and our core values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness.

We continue to strengthen our Corporate Governance program. In 2015, the members of the Board of Directors and key officers of FLI participated in a training program on corporate governance conducted by the Filinvest Group, in partnership with the Institute of Corporate Directors.



One Oasis, Cebu

Our company website provides our shareholders and stakeholders with a reference on our corporate governance practices.

CORPORATE SOCIAL RESPONSIBILITY



We remain committed to the well-being of the communities where we operate in. Working towards a sustainable future,

we continue to implement programs that ensure environmental preservation such as our year-round tree-planting activities.

We also have several programs that support communities' educational and health needs. In 2015, we helped rehabilitate classrooms in Cebu as part of the Brigada Eskwela initiative of the Department of Education. We also conducted several outreach activities for orphans and the elderly in different communities.

We would like to thank all our shareholders, creditors, business partners and customers for their support and commitment.



Tree-planting activity

MESSAGE OF THE PRESIDENT & CEO

JOSEPHINE GOTIANUN YAP

STEADY FINANCIAL PERFORMANCE

I am pleased to report that your Company continued to deliver steady and solid results for 2015.

Net income reached Php5.10 billion, 11% higher than Php4.61 billion in 2014. Consolidated revenues rose 7% to Php18.30 billion from Php17.06 billion in 2014. The company attributes the increase in revenues to the continued strong demand for its BPO office space as well as the growth in sales recognized from its residential business.

The company's profit increase was also driven by its ability to manage costs. Costs of real estate sales and rental services increased by a mere 5%. General, administrative, selling and marketing expenses declined by 5%. These resulted to healthy EBITDA margins for the rental business and improved gross profit margins for the residential sales business.

Total assets of the company increased by 14%, reaching P121.33 billion. Total equity amounted to P55.84 billion or a 7% increase. Our debt ratios remain healthy as we continue to tap the debt markets for our financing needs.

In 2015, we successfully raised P8 billion through the issuance of retail bonds. The Philippine Rating Services Corporation (Philratings) consistently gave us the highest rating of PRS Aaa to these bonds given our performance in the past as well as our prospects. The fundraising activity resulted to a lower overall cost of debt for the company and provides for more financial flexibility for the Company. FLI currently has no foreign exchange debt exposure and minimal interest rate risk with 93% of its debt in fixed-rate instruments.

FLI's healthy and stable financial performance in 2015 was the result of resilient revenues, consistent implementation of measures to maintain high gross margins and the further reduction of the cost of debt. Our return on

2015 GAINS

11%

IN NET INCOME

14%

IN TOTAL ASSETS

7%

IN STOCKHOLDERS' EQUITY

18%

IN SHARE PRICE

equity (ROE) improved to 9.4%. We would like to assure our shareholders that we are continuously striving to increase our ROE, targeting to reach double-digit level by the end of 2016. We continue to balance demands for a higher ROE vs. the financial costs in the initial life cycle of buildings as we build up a portfolio and the cost of carrying sufficient land bank.

In 2015, FLI's share price outperformed the Philippine Stock Exchange Index (PSEi) and the Philippine Property Index, growing from Php1.53 per share at the beginning of the year to Php1.81 per share at the end of the year or an 18% increase. We believe that this is a result of our new investor communication program highlighting the successful execution of our strategy from being a single product company to a multi-product company, yet remaining faithful to our core basic housing market. It also shows an appreciation of our aggressive line-up of recurring revenue projects that is on target to meet our 1,000,000 gross leasable area (GLA) by the year 2019.

FOCUS ON RECURRING INCOME: KEY TO STABLE REVENUE STREAMS



Revenues from rental assets increased to Php2.95 billion, a 12% increase from the Php2.63 billion generated in 2014, as the firm booked increased revenues from its office buildings. The growth in rental income was driven by an increase in rental rates and the completion of two office buildings with gross leasable areas (GLA) of 34,500 square meters in late 2013 and 2014, which contributed full-year rental revenues in 2015. Filinvest Land, through its subsidiaries, Cyberzone Properties Inc. and Filinvest Asia Corporation, operates 14 buildings in Northgate Cyberzone, one building in Makati and another in Ortigas, all of which are fully occupied. Towards the end of 2015, we completed construction of three more office buildings, Filinvest Two and Filinvest Three at Northgate Cyberzone, and Filinvest Cebu Cyberzone Tower 1 in Cebu, which increased our office



Marina Spatial, Dumaguete

STRONG INCOME STREAM

**P2.95
BILLION**
IN RENTAL REVENUES

portfolio by 33% to 275,000 square meters. The newly constructed office buildings are now in the process of being turned over to locators and should contribute full-year rental revenues by 2017.

Growth in FLI retail portfolio is expected to impact our income statement by 2018 with 140,000 square meters of GLA due for completion in 2016 and full-year revenues expected by 2018. This will represent a growth of 100% in GLA from year-end 2015 levels.

OUR COMPETITIVE ADVANTAGE IN THE HOUSING SEGMENT



To ensure growth in the residential sales business, FLI continues to launch projects that address the needs of its core market which are the first time home buyers and ultimate end-users. Over the years, FLI has developed more than 2,500 hectares of land and sold more than 160,000 housing units nationwide. FLI launched residential projects worth P12.5 billion equivalent to approximately 6,000 units in 2015. The following launches reflect the diverse lifestyle product choices we have developed for our core market : Marina Spatial-Dumaguete, a mid-rise residential project facing the Dumaguete Bay that will be complemented by Filinvest's mix of retail, BPO and resort condotel developments ; Futura Homes Mactan, a 4.3-hectare affordable housing

development located in Suba-basbas, Lapu-lapu City in Cebu ; and Studio 7, a mixed-use high-rise development located along Metro Manila's main thoroughfare EDSA, near the GMA-Kamuning MRT station in Quezon City. Studio 7 will have a residential tower with studio and one-bedroom units, a 36,000-sqm BPO office tower, and will be complemented by an urban mall.

EXECUTING OUR STRATEGY FOR GROWTH

Our diversification strategy and business model of having three main lines: residential sales, office space rental and retail space rental, have put us in the best position to achieve synergies brought by integrated developments, as we build and develop townships and mixed-use buildings where all three businesses can complement each other in one location.

THE FILINVEST TOWNSCAPES: AN INSURANCE FOR THE FUTURE IN GROWTH CORRIDORS

FLI recently participated and won two government bids: **The Clark Green City** and the **Clark Mimosa Estate**. We believe in the growth of the Clark Subic corridor and the inevitable role of the Clark International Airport given the overburdened capacity of Metro Manila's Ninoy Aquino International Airport (NAIA). As the pioneer joint venture partner of the Bases Conversion Development Authority (BCDA), FLI will partner in developing the first 288-hectare parcel of the total 9,450-hectare Clark Green City development. Clark Green City is a master-planned property envisioned to be the country's first smart, green and disaster-resilient metropolis. It is also being considered to be an alternate capital with facilities for government agencies and financial exchanges.

The Clark Mimosa Estate is an existing 202-hectare resort development with two golf courses, a hotel and more than 100 villas. With around 50 hectares of



free space, the property can be further enhanced and expanded to meet the growing demands of the Clark Freeport.

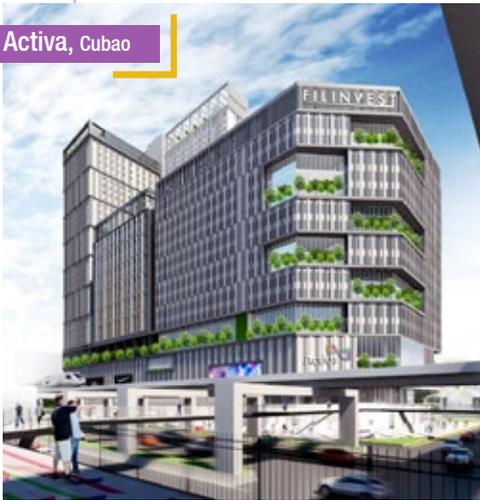
These two will add to our other townscapes such as the 55-hectare City di Mare, our township development at the South Road Properties in Cebu; the 677-hectare Timberland Heights with a 360-degree view of the city, Laguna de Bay and the Sierra Madre mountains; the 350-hectare Ciudad de Calamba; and the 300-hectare Havila Township traversing the towns of Antipolo, Taytay and Angono.

APPRECIATION: RECOGNIZING SUPPORT

This year we launched the "I Own My Dream" campaign with Richard Yap. This embodies the Filinvest mandate - "We build the Filipino dream". As your business has grown, we have developed a strong team of dream weavers committed to making dreams come true for our self-made buyers. I am blessed to work with this group of men and women.

Once again, I would like to thank our business partners and the hardworking management team and employees for their support and commitment. We would also like to express our appreciation to our shareholders, for giving us their trust.

Activa, Cubao



In 2016, we will launch Activa, a 1.1-hectare property in Cubao, Quezon City's main commercial district at the junction of two busy mass rail systems (MRT and LRT2). Activa is a 158,454-sqm development comprised of two BPO towers atop a 5-level urban mall and complemented by two residential towers. It follows in the footsteps of our other mixed-use developments such as the 68,700-sqm 100 West on Sen. Gil Puyat Avenue (formerly Buendia Avenue), Makati and the 59,000-sqm Studio 7 along EDSA in Quezon City.



The background features a large, faint graphic of concentric circles, resembling a lens or a target, centered on the page. A vertical line bisects the entire image. The text 'Operational' is positioned in the upper half, and 'Highlights' is in the lower half, both within a horizontal band that is bisected by the vertical line.

Operational

Highlights

Building A Strong Leasing Portfolio

FLI extends its competitive advantage in the real estate industry by fortifying its position in the lucrative leasing market with a range of office and retail developments.

Filinvest Cyberzones

Reinforcing its position as southern Metro Manila's premier BPO hub, Northgate Cyberzone maintained a stable recurring income of 100% occupancy with existing total gross leasable area (GLA) of more than 160,000 square meters. Over 15,000 square meters of new leases were signed and closed in 2015. Leases with top multinational firms of more than 33,000 square meters that were set to expire in 2015 were all renewed.

Two more buildings in Northgate Cyberzone, Filinvest Two and Filinvest Three, with a combined GLA of more than 47,500 square meters, were completed in 2015. Opening in 2016 is Vector Three, which will add an additional GLA of 36,345.

Tower 1 of Filinvest Cyberzone Cebu, a joint venture with the Cebu Provincial Government with more than 19,000 square meters of GLA, is 64% leased out with the balance committed or in the final stages of negotiation. Towers 2, 3 and 4, combining for an additional GLA of 61,900 sqm, are set to be completed in the next five years.

Topping-off rites were held recently for the first tower of Filinvest Cyberzone Pasay, located along Macapagal Boulevard in Pasay City. The nine-storey building with street-level retail facilities is targeted for completion by the third quarter of 2016. The four-tower project will add over 70,000 square meters of office space to Filinvest's leasing portfolio upon full completion.

At the end of 2015, FLI's office GLA stood at 275,000 square meters, 33% higher than the previous year. By the end of 2016, total office GLA is expected to reach 348,000 square meters.

EXPANDING OFFICE PORTFOLIO

67,000 sqm = **33%**
 completed in 2015 growth

Filinvest Cyberzone Cebu Tower 1



Perspective of Filinvest Cyberzone Pasay (FCP)

Topping-off ceremony for FCP's first tower



Retail Hubs

With the thrust to increase its retail and commercial portfolio, construction activities of Festival Mall expansion and new malls were in full swing for 2015.

Construction of the Festival Mall expansion was close to 90% complete by the end of 2015. By mid-2016, the approximately 47,000 square meters of additional leasable area consisting of new concepts will offer a premium regional center retail experience in the South of Metro Manila.

Simultaneously, Phase 1 of the existing mall's renovation was successfully completed to give it a fresh ambiance and a more pleasurable experience for shoppers. The entry of H&M, one of the global fast fashion brands, in late November has strengthened the mall's positioning in the industry as a strong hub for fashion shopping.

Sales were sustained especially in the categories of fashion, basic shopping and dining. Festival Mall's occupancy was maintained at 90% despite movements of affected tenants

due to the construction and re-zoning. Another positive development is a double-digit increase in the mall's foot traffic.

In other retail developments, FLI is already completing construction of malls in Tagaytay, Cavite and Cebu. In Fora Tagaytay, Filinvest will deliver the first regional mall in the area with an outdoor amphitheater and botanical forest garden where shoppers can enjoy the cool Tagaytay weather. Anchor partners for the hypermarket and big fast food chains had already been signed up at the end of 2015. In Cebu City, the full opening of the Il Corso lifestyle destination within City di Mare is targeted for the last quarter of 2016. Its Central Piazza is now home to two of Cebu's popular restaurants.

FLI's smaller retail formats will continue to serve as focal points to the communities they cater to. Center Square, the company's first neighborhood center in Molino, Cavite, is set to open in the third quarter of 2016. Similarly, the Village Front of Brentville in Binan, Laguna is now serving the basic needs of the upscale market and progressive communities in the area.

Other upcoming retail commercial projects that are set to start construction in 2016 are Studio 7 along EDSA near Kamuning, 100 West in Makati and Activa in Cubao. FLI is also finalizing plans for projects to be located in Cainta, One Binondo in Chinatown, and another lifestyle community in Dumaguete City.

FILINVEST



A New Dimension of Retail

In 2015, FLI launched a brand called Filinvest Lifemalls with its tagline, "where the city's heart beats." Filinvest Lifemalls represents the company's transformation and progress in the area of retail and commercial centers. As a strong feature in a township development, Filinvest Lifemalls are poised to provide the energy, as well as the recreational and play component in an integrated, mixed-use development. They offer more experiential shopping with recreational facilities that provide a balanced environment to cater to different lifestyle dimensions of its customers. In the coming years, the retail industry will see more exciting Filinvest Lifemalls in various formats providing dynamic and recreational shopping experiences.

Il Corso, City di Mare, Cebu



Fora Tagaytay



River Park, Festival Mall, Alabang



Vision:
1 MILLION SQM (GLA)
of **office** and **retail** space
by the year **2019**.

Building The Filipino Dream, One Home At A Time, Across The Archipelago

In 2015, Filinvest Land, Inc. (FLI) launched **17 new residential projects** and expansion phases with a total inventory worth **Php12.5 billion**.

This reaffirms the company's commitment to build the Filipino dream, be it a first home for the family, a legacy for future generations, or a premium lifestyle befitting one's success.

Through its core brands, FLI reaches across all markets, expanding geographically and innovating product lines to build homes and lifestyles that are consonant with that of the modern Filipino.

PABAHAY



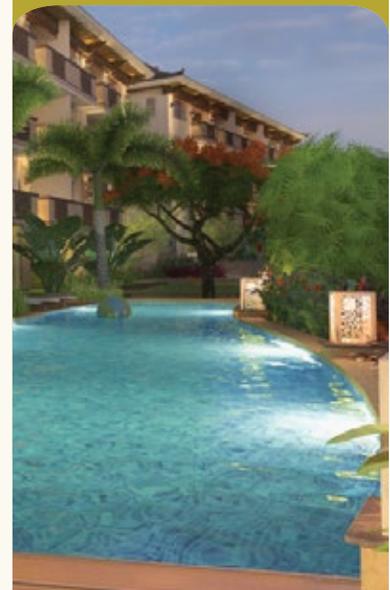
FUTURA HOMES



FILINVEST



FILINVEST PREMIERE





> Pabahay

Making it possible for every hardworking Juan to own a home.

In 2015, FLI continued its strong presence in the socialized housing segment through Pabahay Dream Homes as Valle Alegre at Pueblo Solana was sold out in December after launching in August 2014. The community's entrance and guardhouse, and recreational amenity areas were completed in the same year.



Valle Alegre, Calamba, Laguna





Futura Homes

Ideal for newlyweds and start-up families, Futura Homes offers quality homes and proven durability at an affordable price to ensure that you get excellent value for your hard-earned money.



Affordable housing remained a major contributor to FLI's bottom line as FLI made strides with its Futura Homes developments in South Luzon. In 2015, the Company soft-launched Sandia Homes, an 8.7-hectare residential subdivision in Tanauan, Batangas. The 11.8-hectare Meridian Place, located in General Trias, Cavite, was also launched in the same year.

To further strengthen its hold on the mass-housing market in Cavite, Futura Homes is set to launch Savannah Fields and Meridian Place

Phase 2 in General Trias, and the Pineview expansion in Tanza in 2016. These represent 47 hectares of development in Cavite.

FLI also continues to expand in Calamba, Laguna with Valle Dulce Phase 2 and Ventura Real expected to launch in 2016. These new developments total 27 hectares.

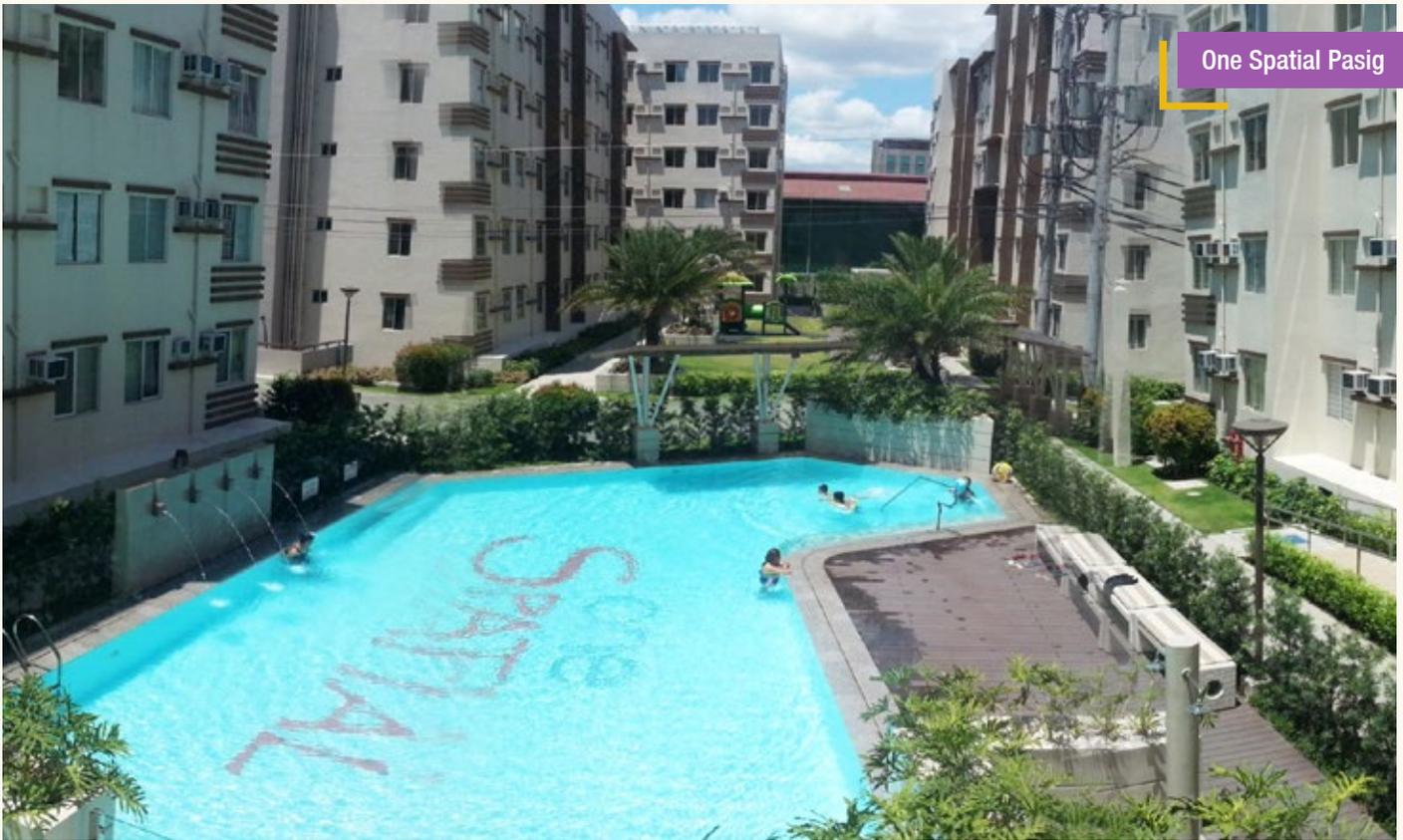
Futura Homes further expanded its geographic footprint with the launch of the 4.6-hectare Futura Homes Mactan in May 2015.



Bernice house model at Valle Dulce, Calamba, Laguna

Amenity area of Sandia Homes, Tanauan, Batangas





One Spatial Pasig

Spatial Communities

More space, more savings in condo living.



One Spatial Iloilo

Under the Futura Homes brand, FLI continues to build up its Spatial series of affordable medium-rise building (MRB) communities. Its flagship development, One Spatial Pasig, turned over two buildings in 2015 and launched two new L-shaped buildings that will create an exclusive enclave. The 7th and last building of the project will be launched in 2016.

A new Spatial offering in Cainta, Rizal is set to break ground in 2016 for the upcoming community's retail strip. Two new developments in Northern Metro Manila are also on the horizon: Alta Spatial in Valenzuela

City and the first Spatial project along Commonwealth Avenue in Quezon City.

In 2015, FLI extended the reach of the Spatial brand in the Visayas with the launch of One Spatial Iloilo, the first MRB project in Western Visayas. Marina Spatial, Dumaguete was also launched in December, marking a new frontier in Negros Oriental.

In Davao, 8 Spatial launched two new buildings that will meet the growing demand for the product in the area.



Filinvest

The Filinvest brand values the efforts of upwardly mobile families and professionals. House and lots, high-rise condos and mid-rise enclaves make for a rewarding investment and a legacy you can pass on.



For the mid-income market, FLI successfully relaunched Austine Homes, a residential enclave within the Claremont community, in 2015. Very soon, families can enjoy city comforts in this peaceful community in Mabalacat, Pampanga.

In Tarlac, Somerset Lane completed its new ready-for-occupancy units while in Cavite, the thriving Princeton Heights community is slated to launch its third phase in 2016. FLI continues to establish its presence in Laguna and Cainta as it gears up for the launch of South Winds in San Pedro and Aria at Serra Monte in 2016.

In Visayas and Mindanao, FLI achieved significant developments in its mid-income communities. Aldea del Sol in Mactan, Cebu completed its sixth and final phase and turned over finished housing units to homeowners. The amenity area and new house models in Filinvest Homes Butuan were also completed in 2015.



Tulip house model at The Enclave, Quezon City

Clubhouse of Filinvest Homes Butuan





> Filinvest Verticals

FLI continues to expand its high-rise portfolio with vertical communities that offer vibrant lifestyles tailor-fit for specific target markets.



Contributing to the enhancement of the cityscape of Quezon City, Filinvest successfully launched its newest mixed-use project, Studio 7, located along EDSA near the GMA-Kamuning MRT station. Designed for the fast-paced lifestyle of the millennial market, Studio 7 features an all-studio residential tower, an 18-storey BPO office tower and a three-level mall in one integrated community.

In 2016, FLI also expects to launch its new mixed-use, high-rise project, Activa, located at the corner of EDSA and Aurora Boulevard in Quezon City. Activa offers a holistic live-work-play lifestyle in an efficient transport-oriented area for the middle-income market. One of Filinvest's biggest developments to date, it shall comprise six components: small office/home office (SOHO), traditional office, hotel, mall, BPO and residential towers.



Studio 7 – Designed for the Millennial Lifestyle



3 minutes
FROM GMA-KAMUNING
MRT STATION



36,000
sqm OF PRIME
OFFICE SPACE



459 RESIDENTIAL
STUDIOS



3 levels
OF RETAIL SPACE

High-Rise Updates 2015



VINIA RESIDENCES + VERSAFLATS, QUEZON CITY

- Topped off in 2015
- Turnover in the next few months



THE LINEAR, MAKATI

- Fully completed and inaugurated in 2015



100 WEST, MAKATI

- Construction in full swing
- First-pouring milestone in December 2015



STUDIO CITY, ALABANG

- Tower 2 topped off
- Tower 3 under construction
- Tower 5 for launch in 2016



STUDIO ZEN, PASAY

- Building inauguration in March 2016



Oasis Resort-Style Communities

More urbanites are enjoying the lush lifestyle as Filinvest achieves more milestones for its mid-rise Oasis Communities.

In 2015, FLI continued to enhance its Oasis Communities – resort-inspired mid-rise developments that are havens at the heart of the city. Buildings and amenities were added to Oasis projects across the country as more people were able to experience a refreshing urban lifestyle in these enclaves.



Panglao Oasis, Taguig City

- **SORRENTO OASIS, Pasig**
 - 13th and 14th buildings completed
 - Phase 2 buildings and amenity area launched
- **PANGLAO OASIS, Taguig**
 - First building for launch in 2016
 - 2nd-generation Oasis project with enhanced features
- **ONE OASIS, Cagayan de Oro**
 - Turnover of first building in progress
 - Second building for launch in 2016

SANREMO OASIS:

A seaside enclave in full bloom

Sanremo Oasis is now a thriving community within City di Mare in Cebu. Its resort-style clubhouse and amenity area was inaugurated in November 2015, marking the completion of a refreshing lifestyle that Cebuanos can now enjoy.





> Filinvest Premiere

Filinvest creates premium residences and leisure developments designed for the most discriminating buyers.

One of Filinvest Premiere's luxury residential enclaves fulfilled its promise to deliver. The Veranda Resort Condos, a Balinese-inspired mid-rise condominium in the 50-hectare upscale island retreat of Kembali in Samal Island, was launched in 2015.

FLI is also set to introduce a low-density private sanctuary in Quezon City in the first quarter of 2016. The Prominence will bring modern country architecture to the northern metro as the last residential subdivision in the area offering single-detached homes.



The Prominence, Quezon City



The Veranda Resort Condos, Samal Island, Davao





Filinvest Townscapes

Applying a holistic approach to its vision of building the Filipino dream, Filinvest creates integrated townscapes where families can experience convenience and fulfillment with a seamless convergence of work, home and leisure.



Groundbreaking of St. John Paul II Church at Timberland Heights

2015 witnessed the beginning of change in the familiar landscape of Tagaytay. Fora, launched in the middle of 2015, is a 5.2-hectare, mixed-use development that shall be a landmark development at the iconic Tagaytay Rotunda. Boasting a mall to rival any in the area, Fora complements the commercial area with a condotel component to be managed by Chroma Hospitality. This will cater to tourists and investors alike. 2016 will see the construction of the first condotel building in full swing and the completion of the Fora Mall before the year ends.

Timberland Heights, FLI's nature-inspired townscape that sprawls over 677 hectares in the Quezon City environs, also completed major milestones in 2015. Phase 1 of The Leaf condotel was completed and soft-opened its 48-room building during the last quarter. The first phase of Adventure Farm was also completed, while the Proposed Saint John Paul II Church broke ground in October.

Construction was in full swing in Havila, FLI's expansive 300-hectare

townscape that spans Taytay, Antipolo and Angono in Rizal. Amenity areas, new model units and land development were completed in its various communities. This year, FLI will introduce new projects in the Havila townscape with the launching of Amarilyo Crest Residences and The Grove at Forest Farms. These new projects represent 16.4 hectares of development in Havila.

FLI looks to expand further east with a new master-planned townscape in Teresa, Rizal. Spanning more than 50 hectares, the community will cater primarily to the affordable market and will offer an idyllic place for start-up families with the site's natural beauty and mountainous views.

Planning continues for the 1.9-hectare Marina Town in Dumaguete City. Set to rise along the city's vibrant Rizal Boulevard, it will feature a commercial strip, hotel and a residential enclave in a waterfront destination for tourists and locals.

Adventure Farm at Timberland Heights





CEBU MEDIA LAUNCH

with the newest member of the Filinvest

RICH

November

An

2/F, Gran

Arch, Reyes Ave.

ADVP, Cebu



RICHARD YAP

Filinvest Brand Ambassador And Dream Advocate

Launch of IOMD campaign in Cebu

In 2015, Filinvest launched “I OWN MY DREAM,” an advocacy that aims to empower Filipinos to work hard to achieve their dream of a better life and a brighter future for their loved ones.

To inspire more Filipinos to own their dreams, Filinvest chose actor Richard Yap to serve as the company’s dream advocate. A compelling and credible brand ambassador, Filinvest believes that Richard personifies this advocacy because he represents the Filipino dreamer who is enjoying great success because he dared to pursue his dreams.

On his part, Richard was elated when Filinvest offered him the role of dream advocate. “I really believe in dreams. Personally, my dreams and goals are what drive me to work harder for my loved ones. I’m grateful to Filinvest for giving me the opportunity to spread this positive message to others,” he asserts.

“Generations of families have entrusted their dreams to Filinvest,” explains FLI President & CEO, Josephine Gotianun-Yap, “so we are proud to say that dreams form the very foundation on which the company is built. With this campaign, we want to motivate new generations of Filipino dreamers and doers.”

FILINVEST
WE BUILD THE FILIPINO DREAM

i Own my Dream

Richard Yap
Dream Advocate

FILINVEST Years

f t i iOwnMyDream

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Corporate

Social Responsibility

Towards a better world and a brighter future

Working towards the vision of a sustainable future, FLI continued its "Keep It Green" tree-planting initiative which seeks to increase the number of native Philippine trees in the Company's project sites.

The third annual tree-planting activity saw the simultaneous planting of 892 native tree seedlings in various FLI project sites in June 2015, which was joined by employees, sellers and homeowners. All proceeds of the event were donated to the Kanlungan ni Maria Home for the Aged. Numerous seedlings were also planted in Austine Homes, Pampanga, and in various locations around Havila, Timberland Heights and Filinvest City.

FLI employees joined Filinvest Run for a Child 2016, the culminating activity for the celebration of Filinvest's 60th year in business. More than 1,000 runners participated in the charity run which was held for the benefit of the scholars of the Educational Research and Development Assistance (ERDA) Foundation. A total of Php6 million was donated to ERDA from the Filinvest Corporate City Foundation and the Andrew Gotianun Foundation.

In Cebu, The Company teamed up with the Lapu-Lapu City government and barangay Agus to rehabilitate 10 classrooms before classes opened in June 2015. FLI employees joined the teachers, parents and city hall personnel in this activity as part of the Brigada Eskwela initiative of the Department of Education.

FLI head office employees reached out to orphans and the elderly in their annual Christmas outreach program. For 2015, they brought holiday cheer and gift packs to the wards of House of Refuge Foundation in Quezon City and Kanlungan ni Maria in Rizal.

In Cagayan de Oro, FLI conducted a Christmas outreach program at the House of Joshua, a residential home for abandoned, orphaned and neglected street children. It has its own learning center to facilitate education through play and interaction as well as formal learning and vocational training. Volunteer teachers



Planting trees at Timberland Heights



Sharing blessings with the wards of House of Joshua

and staff facilitated the various activities designed to encourage the children to reach their full potential.

FLI also supports worthwhile causes in partnership with the community's stakeholders. Festival Mall joined forces with Muntinlupa's local government offices, NGOs, I Can Serve, and Asian Hospital Foundation, Inc. for "Go Pink," a campaign to promote breast cancer awareness and early detection. The campaign earned Festival Mall three Silver Awards during the 52nd Anvil Awards.

Employee Engagement

Recognizing that its employees are the Company's most valued resource, FLI continued to implement training programs to improve skills, increase productivity and hone leadership skills.

2015 saw the continuation of seminars organized by the Human Resource Department (HRAD) such as Work, Attitude and Value Enhancement (WAVE), 5S, I Love My Job, Effective Business Writing, Personality Development, Basic Financial Planning, Open Office Training and more.

FLI also participated in the Metro Manila Shake Drill last July 30, the NCR-wide earthquake preparedness activity organized by the Metro Manila Development Authority. Various trainings and lectures were also conducted throughout the year in partnership with the Bureau of Fire Protection, Philippine National Red Cross and the Philippine Drug Enforcement Authority.

To promote wellness and a healthy lifestyle, FLI celebrated a Grand Wellness Day and held a Biggest Loser contest, where pairs competed



FiliniFiesta

for the most weight loss achieved in six months. A company-wide bowling tournament was also organized to foster camaraderie and sportsmanship among employees.

Keeping things interesting all year-long, fun programs and seasonal contests were held monthly. Among these were A Beary Huggable Valentine in February, FiliniFiesta in April, Fil-English Land in September and the traditional Halloween and Christmas Belen decorating competitions in the last quarter of the year.



Halloween at Filinvest



Christmas Belen Contest



Corporate

Governance Report

Compliance with Best Practices on Corporate Governance

For the year 2015, FLI fully complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Manual for Corporate Governance. In particular, your Company wishes to highlight the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the audit, nomination and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) FLI's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by FLI.

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

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

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

Board of Directors

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

Nominations and Voting for the Board of Directors

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

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

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

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

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

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

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

Independent Directors

Before the annual meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

- A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. Is not a director or officer or substantial stockholder of FLI or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
 - ii. Is not a relative of any director, officer or substantial stockholder of FLI, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - iii. Is not acting as a nominee or representative of a substantial shareholder of FLI, any of its related companies or any of its substantial shareholders;
 - iv. Has not been employed in an executive capacity by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years;
 - v. Is not related as a professional adviser by FLI, any of its any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;
 - vi. Has not engaged and does not engage in any transaction with FLI or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.
- B. When used in relation to FLI subject to the requirements above:
 - i. "Related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. "Substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director of FLI shall have the following qualifications:
 - i. He shall have at least one (1) share of stock of FLI;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FLI for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. No person enumerated under Section II (5) of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:
 - i. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under items (A) hereof;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FLI;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;
 - iv. If he becomes disqualified under any of the grounds stated in FLI's Revised Manual on Corporate Governance.

- E. Pursuant to SEC Memorandum Circular No. 09, Series of 2011, which took effect on January 2, 2012, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:
- i. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an independent director can be elected to only five (5) companies of its conglomerate, i.e., parent company, subsidiary or affiliate;
 - ii. Independent directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the independent director position was relinquished or terminated;
 - iii. After completion of the five-year service period, an independent director shall be ineligible for election as such in the same company unless the independent director has undergone a “cooling off” period of two (2) years, provided, that during such period, the independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as independent director in the same company;
 - iv. An independent director re-elected as such in the same company after the “cooling off” period can serve for another five (5) consecutive years under the conditions mentioned in paragraph (ii) above;
 - v. After serving as independent director for ten (10) years, the independent director shall be perpetually barred from being elected as such in the same company, without prejudice to being elected as an independent director in other companies outside the business conglomerate;
 - vi. All previous terms served by existing independent directors shall not be included in the application of the term limits.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings during 2015.

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman Emeritus	Andrew L. Gotianun, Sr.	May 8, 2015	7	5	72%
Chairman	Jonathan T. Gotianun	May 8, 2015	7	7	100%
Member	Josephine G. Yap	May 8, 2015	7	7	100%
Member	Mercedes T. Gotianun	May 8, 2015	7	6	86%
Member	Andrew T. Gotianun, Jr.	May 8, 2015	7	6	86%
Member	Joseph M. Yap*	May 9, 2014	4*	4	100%
Member	Michael Edward T. Gotianun**	May 8, 2015	3**	3	100%
Member	Efren C. Gutierrez	May 8, 2015	7	7	100%
Independent	Lamberto U. Ocampo	May 8, 2015	7	7	100%
Independent	Cirilo T. Tolosa***	May 9, 2015	4***	4	100%
Independent	Val Antonio B. Suarez****	May 8, 2015	3****	3	100%

* Mr. Joseph M. Yap’s term as independent director of the Company expired on May 8, 2015. For the period January 1, 2015 until May 8, 2015, the Board of Directors of the Company conducted four (4) meetings.

** Mr. Michael Edward T. Gotianun was first elected as director of the Company on May 8, 2015. For the period May 8, 2015 until December 31, 2015, the Board of Directors of the Company conducted three (3) meetings.

*** Atty. Cirilo T. Tolosa’s term as independent director of the Company expired on May 8, 2015. For the period January 1, 2015 until May 8, 2015, the Board of Directors of the Company conducted four (4) meetings.

**** Atty. Val Antonio B. Suarez was first elected as independent director of the Company on May 8, 2015. For the period May 8, 2015 until December 31, 2015, the Board of Directors of the Company conducted three (3) meetings.

Duties and Responsibilities of the Different Board Committees

Executive Committee

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

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

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

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

Audit Committee

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

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

Duties and Responsibilities:

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;
- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters
 - o Any change/s in accounting policies and practices
 - o Major judgmental areas
 - o Significant adjustments resulting from the audit
 - o Going concern assumptions
 - o Compliance with accounting standards
 - o Compliance with tax, legal and regulatory requirements

- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Compensation Committee

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

Duties and Responsibilities:

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

Nomination Committee

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

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

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

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

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

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

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

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

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

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

Compensation of the Board of Directors and Officers:

Except for per diem of Php50,000 being paid to non-executive directors of the Filinvest Group for every meeting attended, there are no other arrangements to which directors are compensated, for any services provided as director, including any amounts payable for committee participation or special assignments.

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

The aggregate compensation paid or incurred during the last two fiscal years and the estimate for this year are as follows:

Summary Compensation Table

(a) Name and Principal Position	(b) Year	(c) Salary (P)	(d) Bonus (P)	(e) Other Annual Compensation	TOTAL
Lourdes Josephine Gotianun Yap (President/Chief Executive Officer)					
Steve Chien Liang Ta (Senior Vice President)					
Nelson M. Bona (Chief Financial Officer/Senior Vice President)					
Venus A. Mejia (Deputy Chief Financial Officer/ Treasurer/ Senior Vice President)					
Francis V. Ceballos (Senior Vice President)					
CEO and top four (4) highest compensated officers	2016 – Estimated	23.79M	7.25M	-	31.04M
	2015	21.80M	6.94M	-	28.74M
	2014	21.95M	4.56M	-	26.52M
All officers and directors as a group unnamed	2016 – Estimated	38.57M	19.88M	-	58.46M
	2015	40.56M	12.13M	-	52.69M
	2014	42.65M	7.40M	-	50.05M

External Auditor

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

FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the five-year rotation requirement of its external auditors, has designated Ms. Dhonabee B. Seneres as its engagement partner starting CY 2013. Thus, Ms. Seneres is qualified to act as such until the year 2018. The representatives of SGV shall be present at the annual meeting where they will have the opportunity to make a statement if they desire to do so. They are expected to be available to respond to appropriate questions at the meeting.

A. Audit and Audit-Related Fees

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

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

B. Tax Fees

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

C. All Other Fees

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

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

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

Shareholders' Rights

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

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

A. Voting Right

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

B. Power of Inspection

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

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

C. Right to Information

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

D. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

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

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of merger or consolidation.

F. The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.

The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.

G. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

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

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

On June 9, 2009, FLI paid a cash dividend of Php0.033 per share or a total of Php800.24 million to all shareholders on record as of May 14, 2009. This is equivalent to 42.9% of the Php1.867 billion net income reported in 2008.

On June 9, 2010, FLI paid a regular cash dividend of Php0.017 and special cash dividend of Php0.016 per share or a total of Php800.24 million to all shareholders on record as of May 18, 2010. This is equivalent to 39.7% of 2009's Php2.018 billion net income.

On June 7 2011, FLI paid a regular cash dividend of Php0.0196 and a special cash dividend of Php0.0196 per share or a total of Php950.59 million to all shareholders on record as of May 13, 2011. This is equivalent to 39.2% of 2010's Php2.426 billion core net income.

On June 21 2012, FLI paid a regular cash dividend of Php0.0237 and a special cash dividend of Php0.0237 per share, or a total of Php0.0475 per share. This was equivalent to Php1,151.86 million, and paid to all shareholders on record as of May 25, 2012. This is equivalent to 39.2% of 2011's Php2.940 billion net income.

On July 3, 2013, FLI paid a regular cash dividend of Php0.0280 and a special cash dividend of Php0.020 per share, or a total of Php0.0480 per share. This was equivalent to Php 1,163.99 million, and paid to all shareholders on record as of June 7, 2013. This is equivalent to 33.9% of 2012's Php3.431 billion net income.

On July 2, 2014, FLI paid regular cash dividends of Php 0.032 and a special cash dividend of Php0.018 per share, or a total of Php0.050. This was equivalent to Php1,212.48 million and paid to all shareholders on record as of June 6, 2014. This is equivalent to 30.9% of 2013's net income.

In 2015, FLI declared cash dividends to all stockholders of record as of June 5, 2015 (ex-date June 2, 2015), in the amount of P0.0560 per share, broken down as follows:

- a. Regular Cash Dividend of P0.0373 per share
- b. Special Cash Dividend of P0.0187 per share

Payment date was set on July 1, 2015.

Statutory Compliance

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

TYPE OF REPORT	NUMBER OF FILINGS
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	3
Audited Financial Statements	1
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	12
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Statement of Changes in Beneficial Ownership of Securities (23-B)	20
Top 100 Stockholders' List	4
Notices – Stockholders' Meetings/Briefings/Dividends	
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
Notice of Analysts' Briefing	4
Other Disclosures	
Certification – Qualifications of Independent Directors	1
Certification – Attendance of Directors in Board Meetings	1
Certification – Compliance with Manual on Corporate Governance	1
Clarifications of News Articles	12
Definitive Information Statement (20-IS)	1
General Information Sheet	1
Preliminary Information Statement (20-IS)	1
Other Disclosures	20

Investor Relations

FLI's website, www.filinvestland.com, makes available to the public, current information on the Company, including details of its operations. The Investor Relations section of the website provides information on financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, notice of analysts' briefings, other reportorial requirements by the Philippine Stock Exchange..

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

To meet the requirements of FLI's investors, the Company conducted four (4) Analysts' Briefings in 2015:

1. March 25, 2015 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for Full Year 2014 results
2. On May 14, 2015 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Quarter 2015 results;
3. On August 13, 2015 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Half 2015 results; and
4. On November 11, 2015 at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for First Nine Months of 2015 results

On March 18, 2016, FLI conducted an analysts' briefing at the Filinvest Building in No. 79 EDSA, Mandaluyong City, Metro Manila for the Full Year 2015 results.

The company also hosted a number of project site tours for analysts and investors.

In 2015, FLI participated in eight (8) conferences organized by different stock brokerages in Hong Kong, Singapore, Japan and the Philippines. FLI also went on non-deal roadshows in Singapore, Hong Kong, Malaysia and the United States.

Board of Directors



Andrew L. Gotianun, Sr.*
Chairman Emeritus



Mercedes T. Gotianun
Director



Jonathan T. Gotianun
Chairman



Andrew T. Gotianun, Jr.
Vice Chairman



Josephine Gotianun-Yap
Director - President & CEO



Michael Edward T. Gotianun
Director



Efren C. Gutierrez
Director



Lamberto U. Ocampo
Independent Director



Val Antonio B. Suarez
Independent Director

Senior Management



Joseph M. Yap
President-Cyberzone
Properties, Inc.



Nelson M. Bona
SVP-Chief Finance Officer



Ana Venus A. Mejia
SVP- Treasurer &
Deputy Chief Finance Officer



Francis V. Ceballos
SVP-Business Group Head



Reynaldo A. Ascaño
SVP-Business Group Head



Steve C. Chien
SVP-International & Special
Projects Head



Vince Lawrence L. Abejo
SVP-Business Group Head



Antonio E. Cenon
FVP-Permits & Licenses Head



Luis L. Fernandez
FVP-General Services Head



Winnifred H. Lim
FVP-Chief Technical Planning
Officer



Cesarine Janette B. Cordero
FVP-Filinvest Cyberparks, Inc.
Group Head



Tristaneil D. Las Marias
FVP-Business Group Head



Reynaldo Juanito S. Nieva II
FVP-Operations Head



Rizalangela L. Reyes
VP-HRAD & Customer Care Head



Michael Edward T. Gotianun
VP-Supply Chain Management
Head



Romeo T. Bautista
VP-Bids and Awards Head



Jimmy S. Roque
VP-Architectural Design &
Planning Group Head



Grace Marie M. Bada
VP-Information Technology
Head



Bernadette M. Ramos
VP-Group Real Estate Marketing
Head



Gilberto B. Abanto
VP-Security Services Head



Elma Christine R. Leogardo
VP-Corporate Advisory Services
Head



Romeo L. Magtanong
VP-Litigation Head



Harriet C. Ducepec
VP-Chief of Staff



Allan G. Alfon
VP-Strategic Business
Planning Head for VisMin,
Area General Manager
for Visayas



Leonardo A. Gonzales
VP-Security & Safety Head



Financial

Statements

Consolidated Statements of Financial Position

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos)

	December 31, 2015	December 31, 2014	January 1, 2014
ASSETS			
Cash and cash equivalents	₱6,596,380	₱4,308,665	₱6,453,922
Contracts receivable	19,455,271	16,972,347	13,083,775
Due from related parties	442,164	255,097	264,275
Other receivables	3,620,650	3,506,176	3,143,332
Financial assets at fair value through other comprehensive income	18,665	23,939	17,939
Real estate inventories	26,000,524	24,215,525	24,426,958
Land and land development	17,743,353	17,388,474	18,794,686
Investment in an associate	4,141,165	3,971,369	4,016,540
Investment properties	31,981,021	26,311,332	19,592,830
Property and equipment	1,356,668	1,352,194	1,165,966
Deferred income tax assets - net	12,677	8,495	12,320
Goodwill	4,567,242	4,567,242	4,567,242
Other assets	5,397,264	3,638,981	2,744,801
TOTAL ASSETS	₱121,333,044	₱106,519,836	₱98,284,586
LIABILITIES AND EQUITY			
Liabilities			
Accounts payable and accrued expenses	₱13,700,190	₱10,894,322	₱10,505,545
Loans payable	15,946,927	16,519,797	14,751,209
Bonds payable	31,749,909	23,786,796	21,318,016
Income tax payable	33,220	121,961	17,235
Due to related parties	342,885	289,745	298,336
Retirement liabilities	321,939	264,380	216,146
Deferred income tax liabilities - net	3,402,840	2,533,782	2,178,445
Total Liabilities	65,497,910	54,410,783	49,284,932
Equity			
Common stock	24,470,708	24,470,708	24,470,708
Preferred stock	80,000	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321	5,612,321
Treasury stock	(221,041)	(221,041)	(221,041)
Retained earnings	25,421,578	21,775,140	18,446,106
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	(2,619)	(2,619)
Remeasurement losses on retirement plan - net of tax	(122,348)	(115,242)	(112,267)
Share in other components of equity of an associate	361,794	361,794	361,794
Equity attributable to equity holders of the parent	55,600,393	51,961,061	48,635,002
Noncontrolling interests	234,741	147,992	364,652
Total Equity	55,835,134	52,109,053	48,999,654
TOTAL LIABILITIES AND EQUITY	₱121,333,044	₱106,519,836	₱98,284,586

Consolidated Statements of Income

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2015	2014	2013
REVENUE			
Real estate sales	₱14,050,710	₱13,204,443	₱10,478,477
Rental and related services	2,952,759	2,634,162	2,384,022
EQUITY IN NET EARNINGS OF AN ASSOCIATE	176,475	50,829	185,940
OTHER INCOME			
Interest income	808,380	752,178	550,263
Others - net	314,529	415,003	373,248
	18,302,853	17,056,615	13,971,950
COSTS			
Real estate sales	8,132,153	7,726,164	6,036,080
Rental services	686,583	637,434	624,739
OPERATING EXPENSES			
General and administrative expenses	1,138,021	1,299,328	1,196,953
Selling and marketing expenses	1,088,705	1,054,056	892,482
INTEREST AND OTHER FINANCE CHARGES	883,756	647,617	474,446
	11,929,218	11,364,599	9,224,700
INCOME BEFORE INCOME TAX	6,373,635	5,692,016	4,747,250
PROVISION FOR INCOME TAX	1,275,071	1,078,525	768,968
NET INCOME	₱5,098,564	₱4,613,491	₱3,978,282
Net income attributable to:			
Equity holders of the parent	₱5,011,815	₱4,541,522	₱3,920,570
Noncontrolling interest	86,749	71,969	57,712
	₱5,098,564	₱4,613,491	₱3,978,282
Basic/Diluted Earnings Per Share	₱0.21	₱0.19	₱0.16

Consolidated Statements of Comprehensive Income

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2015	2014	2013
NET INCOME	₱5,098,564	₱4,613,491	₱3,978,282
OTHER COMPREHENSIVE LOSS			
Remeasurement losses on retirement plan, net of tax	(7,106)	(2,975)	–
TOTAL COMPREHENSIVE INCOME	₱5,091,458	₱4,610,516	₱3,978,282
Total comprehensive income attributable to:			
Equity holders of the parent	₱5,004,709	₱4,538,547	₱3,920,570
Noncontrolling interest	86,749	71,969	57,712
	₱5,091,458	₱4,610,516	₱3,978,282

Consolidated Statements of Changes In Equity

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos)

	Attributable to Equity Holders of the Parent										Noncontrolling Interest	Total Equity
	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Revaluation Reserve on Financial Assets at FVTOCI	Remeasurement Losses on Retirement Plan	Share in Other Components of Equity of an Associate	Total			
For the Year Ended December 31, 2015												
Balances as of December 31, 2014, as previously stated	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱21,758,564	(₱2,619)	(₱112,884)	₱361,794	₱51,946,843	₱134,731	₱52,081,574	
Effect of assignment of Festival Supermall Inc. (FSI) shares	-	-	-	-	16,576	-	(2,358)	-	14,218	13,261	27,479	
Balances as of December 31, 2014, as restated	24,470,708	80,000	5,612,321	(221,041)	21,775,140	(2,619)	(115,242)	361,794	51,961,061	147,992	52,109,053	
Net income	-	-	-	-	5,011,815	-	-	-	5,011,815	86,749	5,098,564	
Other comprehensive income	-	-	-	-	-	-	(7,106)	-	(7,106)	-	(7,106)	
Total comprehensive income	-	-	-	-	5,011,815	-	(7,106)	-	5,004,709	86,749	5,091,458	
Dividends declared	-	-	-	-	(1,365,377)	-	-	-	(1,365,377)	-	(1,365,377)	
Dividend distribution to noncontrolling interest	-	-	-	-	-	-	-	-	-	(100,000)	(100,000)	
Investment of noncontrolling interest	-	-	-	-	-	-	-	-	-	100,000	100,000	
Balances as of December 31, 2015	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱25,421,578	(₱2,619)	(₱122,348)	₱361,794	₱55,600,393	₱234,741	₱55,835,134	

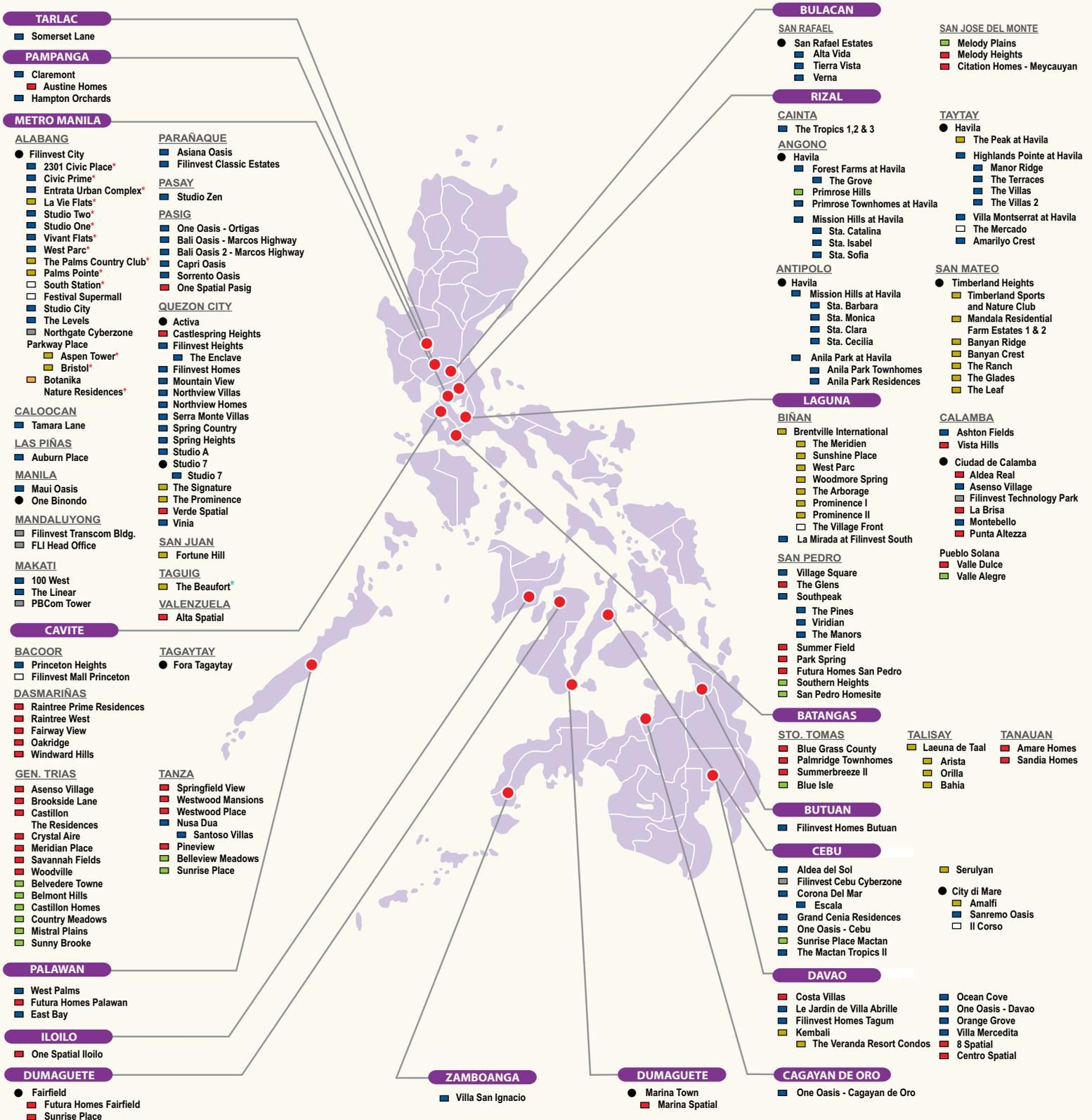
	Attributable to Equity Holders of the Parent										Noncontrolling Interest	Total Equity
	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Revaluation Reserve on Financial Assets at FVTOCI	Remeasurement Losses on Retirement Plan	Share in Other Components of Equity of an Associate	Total			
For the Year Ended December 31, 2014												
Balances as of December 31, 2013, as previously stated	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱18,437,398	(₱2,619)	(₱105,686)	₱361,794	₱48,632,875	₱353,037	₱48,985,912	
Effect of assignment of FSI shares	-	-	-	-	8,708	-	(6,581)	-	2,127	11,615	13,742	
Balances as of December 31, 2013, as restated	24,470,708	80,000	5,612,321	(221,041)	18,446,106	(2,619)	(112,267)	361,794	48,635,002	364,652	48,999,654	
Net income, as previously stated	-	-	-	-	4,533,654	-	-	-	4,533,654	70,323	4,603,977	
Effect of assignment of FSI shares	-	-	-	-	7,868	-	-	-	7,868	1,646	9,514	
Net income, as restated	-	-	-	-	4,541,522	-	-	-	4,541,522	71,969	4,613,491	
Other comprehensive income, as previously stated	-	-	-	-	-	-	(7,198)	-	(7,198)	-	(7,198)	
Effect of assignment of FSI shares	-	-	-	-	-	-	4,223	-	4,223	-	4,223	
Other comprehensive income, as restated	-	-	-	-	-	-	(2,975)	-	(2,975)	-	(2,975)	
Total comprehensive income	-	-	-	-	4,541,522	-	(2,975)	-	4,538,547	71,969	4,610,516	
Dividends declared	-	-	-	-	(1,212,488)	-	-	-	(1,212,488)	-	(1,212,488)	
Dividend distribution to noncontrolling interest	-	-	-	-	-	-	-	-	-	(100,000)	(100,000)	
Redemption of shares attributable to noncontrolling interest	-	-	-	-	-	-	-	-	-	(188,629)	(188,629)	
Balances as of December 31, 2014	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱21,775,140	(₱2,619)	(₱115,242)	₱361,794	₱51,961,061	₱147,992	₱52,109,053	

Consolidated Statements of Cash Flows

Filinvest Land, Inc. and Subsidiaries

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2015	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱6,373,635	₱5,692,016	₱4,747,250
Adjustments for:			
Interest income	(808,380)	(752,178)	(550,263)
Interest expense and amortization of transaction costs	858,751	631,274	444,874
Depreciation and amortization	491,714	430,887	367,864
Equity in net earnings of an associate	(176,475)	(50,829)	(185,940)
Dividend income	(4,048)	–	(3,757)
Net pension expense, net of contribution and benefits paid	34,981	43,985	32,197
Operating income before changes in operating assets and liabilities	6,770,178	5,995,155	4,852,225
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	(2,482,924)	(3,888,572)	(2,485,825)
Due from related parties	(128,453)	(49,440)	(23,234)
Other receivables	(116,462)	(362,704)	(403,109)
Real estate inventories	(998,156)	1,301,940	262,579
Other assets	(1,669,445)	(1,107,558)	(967,367)
Increase in accounts payable and accrued expenses	2,561,434	981,007	532,658
Cash generated from operations	3,936,172	2,869,828	1,767,927
Income taxes paid, including creditable withholding taxes	(591,945)	(399,983)	(526,601)
Interest received	810,368	752,038	912,364
Net cash provided by operating activities	4,154,595	3,221,883	2,153,690
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of land	(1,421,677)	(2,667,725)	(2,901,861)
Acquisitions of investment properties and property and equipment	(4,058,991)	(3,378,342)	(2,675,250)
Dividends received	10,727	96,000	84,157
Redemption (subscription) of shares of stock	5,274	(6,000)	6,774
Net cash used in investing activities	(5,464,667)	(5,956,067)	(5,486,180)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availment of:			
Loans payable	7,845,000	9,500,000	7,199,000
Bonds payable	8,000,000	7,000,000	7,000,000
Payments of:			
Loans payable	(₱8,429,042)	(₱7,745,000)	(₱3,669,167)
Bonds payable	–	(4,500,000)	–
Cash dividend	(1,365,377)	(1,212,488)	(1,163,987)
Interest and transaction costs	(2,447,320)	(2,214,979)	(1,782,380)
Dividends paid to noncontrolling interest	(100,000)	(100,000)	(72,000)
Increase (decrease) in amounts due to related parties	(5,474)	50,023	27,888
Redemption of shares attributable to noncontrolling interest	–	(188,629)	–
Investment from noncontrolling interest	100,000	–	–
Net cash provided by financing activities	3,597,787	588,927	7,539,354
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,287,715	(2,145,257)	4,206,864
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,308,665	6,453,922	2,247,058
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱6,596,380	₱4,308,665	₱6,453,922



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* Filinvest Alabang, Inc. projects
 * Filinvest Development Corp. projects



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