



26 March 2012

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 Definitive Information Statement for 2012 Annual Meeting of Filinvest Land Incorporated.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Conrad P. Cereno", written over a light blue horizontal line.

ATTY. CONRAD P. CERENO
Corporate Information Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

Preliminary Information Statement

Definitive Information Statement

2. Name of Registrant as specified in its charter FILINVEST LAND, INC.

3. Philippines
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number 170957

5. BIR Tax Identification Code 000-533-224

6. FDC Building, 173 P. Gomez Street, San Juan, MM 1500
Address of principal office *Postal Code*

7. Registrant's telephone number, including area code (02)727-0431

8. April 27, 2012, 9:00AM at Ballrooms 1&2 Mandarin Oriental Manila, Makati Avenue, Makati City
Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders
March 26, 2011

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	24,249,759,506
Preferred	8,000,000,000

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange, Common

PART I INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

1. Date, Time And Place Of Meeting

The annual stockholders' meeting of **FILINVEST LAND, INC.** ("FLI") for the year 2012 is scheduled on **April 27, 2012, 9:00 a.m. at Ballrooms 1&2 Mandarin Oriental Manila, Makati Avenue, Makati City**

- (a) The complete mailing address of FLI is No. 173 P. Gomez Street, San Juan, Metro Manila 1500.
- (b) The information statement shall be sent or given to stockholders and/or security holders beginning **March 26, 2012**

2. Dissenter's Right Of Appraisal

In case of any corporate action that will have the effect of changing or restricting the rights of any stockholder or class of shares or of authorizing preferences in any respect superior to those of outstanding shares of any class, the Corporation Code provides the procedure for the exercise of the appraisal right, to wit:

- a. A dissenting stockholder files a written demand within thirty (30) days after the date on which the vote was taken in which he registered a negative vote. Failure to file the demand within the 30-day period constitutes a waiver of the right. Within ten (10) days from demand, the dissenting stockholder shall submit the stock certificates to the corporation for notation that such shares are dissenting shares. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the shares by the corporation, all rights accruing to the shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof.
- b. If the corporate action is implemented, the corporation shall pay the stockholder the fair value of his shares upon surrender of the corresponding certificate/s of stock. Fair value is determined by the value of the shares of the corporation on the day prior to the date on which vote is taken on the corporate action, excluding any appreciation or depreciation in value in anticipation of the vote on the corporate action.
- c. If the fair value is not determined within sixty (60) days from the date of the vote, it will be determined by three (3) disinterested persons (one chosen by the corporation, another chosen by the stockholder, and the third one chosen jointly by the corporation and the stockholder). The findings of the appraisers will be final, and their award will be paid by the corporation within (30) days following such award. Upon such payment, the stockholder shall forthwith transfer his shares to the corporation. No payment shall be made to the dissenting stockholder unless the corporation has unrestricted retained earnings.
- d. If the stockholder is not paid within thirty (30) days from such award, his voting and dividend rights shall be immediately restored.

There is no matter to be taken up at the annual meeting on April 27, 2012 which would entitle a dissenting stockholder to the exercise of the appraisal right.

3. Interest Of Certain Persons In Or Opposition To Matters To Be Acted Upon

No director or executive officer of FLI or nominee for election as such director or officer has any substantial interest, direct or indirect, in any matter to be acted upon at the annual stockholders' meeting, other than election to office. Likewise, none of the directors has informed FLI of his opposition to any matter to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

- (a) As of February 15, 2012, the total number of shares outstanding and entitled to vote in the annual meeting is **24,470,708,506** common shares and **8,000,000,000** preferred shares. Each share is entitled to one vote.

(b) The record date for purposes of determining the stockholders entitled to vote is March 15, 2012.

(c) 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 shall equal, 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 stockholder must be a stockholder of record as of March 15, 2012 to be able to exercise cumulative voting rights.

There are no conditions precedent to the exercise of the stockholder's cumulative voting right.

(d) Security Ownership of Certain Beneficial Owners and Management

The names, addresses, citizenship, number of shares held, and percentage to total of persons owning more than five percent (5%) of the outstanding voting shares of FLI as of February 15, 2012 are as follows:

Title of Class of Securities	Name/ Address of Record Owner and Relationship with FLI	Name of Beneficial Owner/Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership
<i>Preferred</i>	<i>Filinvest Development Corporation 173 P. Gomez St., San Juan, MM</i>	N.A.	Filipino	8,000,000,000(R)	100%
<i>Common</i>	<i>Filinvest Development Corporation</i>	N.A.	Filipino	12,969,648,868(R)	53.00%
<i>Common</i>	<i>PCD Nominee Corporation (Non-Filipino) G/F, Philippine Stock Exchange Tower Ayala Avenue, Makati City</i>	(No single shareholder beneficially owns at least 5% of the total shares)	Non-Filipino	6,114,525,921(R)	24.99%
<i>Common</i>	<i>PCD Nominee Corporation (Filipino) G/F, Philippine Stock Exchange Tower Ayala Avenue, Makati City</i>	(No single shareholder beneficially owns at least 5% of the total shares)	Filipino	4,831,724,132 (R)	19.74%

Total number of shares of all record and beneficial owners as a group is 8,000,000,000 preferred shares representing 100% of the total outstanding preferred shares, and 24,470,708,506 common shares representing 100% of the total issued and outstanding common shares.

Ms. Josephine G. Yap is usually appointed by Filinvest Development Corporation ("FDC") as its representative with authority to vote FDC's shares in stockholders' meetings of FLI.

Security Ownership of Management as of February 15, 2012 is as follows:

Title of Class of Securities	Name	Amount and Nature Of Ownership	Citizenship	% of Ownership
<i>Common</i>	<i>Andrew L. Gotianun, Sr. 173 P. Gomez Street, San Juan, MM</i>	76 (D) 962 (I)	<i>Filipino</i>	<i>Negligible</i>
<i>Common</i>	<i>Andrew T. Gotianun, Jr. 173 P. Gomez Street, San Juan, MM</i>	406,571(D) 1,025 (I)	<i>Filipino</i>	-
<i>Common</i>	<i>Joseph M. Yap 173 P. Gomez Street, San Juan, MM</i>	2,781,829(D)	<i>Filipino</i>	-
<i>Common</i>	<i>Lourdes Josephine G. Yap 173 P. Gomez Street, San Juan, MM</i>	76(D) 6 (I)	<i>Filipino</i>	-
<i>Common</i>	<i>Jonathan T. Gotianun 173 P. Gomez Street, San Juan, MM</i>	61(D) 6 (I)	<i>Filipino</i>	-
<i>Common</i>	<i>Michael Edward T. Gotianun 173 P. Gomez Street, San Juan, MM</i>	11,235,913(D) 25,207,590 (I)	<i>Filipino</i>	-

Common	Efren C. Gutierrez 173 P. Gomez Street, San Juan, MM	13,083(D) 2,177,463 (I)	Filipino	-
Common	Cornelio C. Gison 173 P. Gomez Street, San Juan, MM	1(D)	Filipino	-
Common	Cirilo T. Tolosa 173 P. Gomez Street, San Juan, MM	1(D)	Filipino	-
Common	Lamberto U. Ocampo 173 P. Gomez Street, San Juan, MM	1(D)	Filipino	-
Common	Joseph and Josephine Yap 173 P. Gomez Street, San Juan, MM	7,694,843 (D) 1,506,800 (I)	Filipino	-
Common	Andrew L. Gotianun, Sr. and/or Mercedes T. Gotianun 173 P. Gomez Street, San Juan, MM	18,022,477 (I)	Filipino	-
Common	Luis T. Fernandez 173 P. Gomez Street, San Juan, MM	4,064,940(D) 98,927 (I)	Filipino	-

Total ownership of all directors and officers as a group is 0.30%

- a) No person holds more than 5% of the common stock under a voting trust or similar agreement.
- b) There has been no change in control of FLI since the beginning of last year.

5.Directors And Principal Officers

(a)(i) The members of the Board serve for a term of one year and until their successors shall have been duly elected and qualified. The business experience of the directors and officers of FLI named below cover at least the past five years. The following are the current directors and executive officers of FLI:

Andrew L. Gotianun, Sr. Mr. Gotianun, 84, Filipino, is the founder of the Filinvest group of companies and is presently serving in various capacities in the member companies of the group, including Filinvest Alabang, Inc. ("FAI") and East West Banking Corporation ("EWBC"), and Pacific Sugar Holdings Corporation ("PSHC") where he is Chairman and President.
Chairperson

Mercedes T. Gotianun Mrs. Gotianun, 83, Filipino, was a Director of FLI from 1991 to 2010 and its Chief Executive Officer from 1997 to 2007. She is also a Director of FAI. She was involved in the operations of Family Bank and Trust Co. since its founding in 1970 and was President and Chief Executive Officer of the bank from 1978 to 1984. She obtained her university degree from the University of the Philippines.
Chairman Emeritus

Andrew T. Gotianun, Jr. Mr. Gotianun, 60, Filipino, has been a Director of FLI since 1990. He is also a Director of FDC and FAI. He served as director of Family Bank and Trust Co. from 1980 to 1984. He has been in the realty business for more than 16 years. He obtained his Bachelor of Science (Major in Accounting) degree from Republican College in 1981.
Co-Vice Chairman

Lourdes Josephine G. Yap Mrs. Yap, 56, Filipino, has been a Director of FLI since 1990. Mrs. Yap, who was elected as the Chairman of FLI's Executive Committee in 2010, is also a Director and the President of FDC, The Palms Country Club, Inc. and FAI. She obtained her Master's Degree in Business Administration from the University of Chicago in 1977.
Co-ViceChairman

Joseph M. Yap Mr. Yap, 61, Filipino, has been the President and a member of FLI's Board since 1997. He was appointed Chief Executive Officer in 2007. He served as First Vice President of Family Bank & Trust Co. in charge of credit and collection from 1982 to 1984. Prior to that, he held financial management positions with Nestle with assignments in New York, Switzerland and Manila from 1976 to 1982. He obtained his Master's Degree in Business Administration from Harvard University in 1976.
Director, President and Chief Executive Officer

Jonathan T. Gotianun <i>Director</i>	Mr. Gotianun, 58, Filipino, has been a Director of FLI since 1990. He is also the Chairman of FDC, the President of Davao Sugar Central Co., Inc. and Cotabato Sugar Central Co., Inc., and Chairman EWBC. He served as Director and Senior Vice President of Family Bank & Trust Co. until 1984. He obtained his Master's Degree in Business Administration from Northwestern University in 1976.
Efren C. Gutierrez <i>Director</i>	Mr. Gutierrez, 76, Filipino, was a Director of FLI from 1994 to 2001, and was re-elected to FLI's Board in 2006. He served as the President of FAI from 1999 to 2005. He is a Director of The Palms Country Club, Inc. He obtained his Bachelor of Laws degree from the University of the Philippines.
Cornelio C. Gison <i>Director</i>	Mr. Gison, 70, Filipino, has been a Director of FLI since in 2006. Prior to joining FLI's Board, he was Undersecretary of the Philippine Department of Finance from 2000 to 2003. He is a consultant of SyCip Gorres Velayo & Co., and a member of the Advisory Board of the Metropolitan Bank & Trust Co., and a director of the Intex Holdings Group.
Lamberto U. Ocampo <i>Independent Director</i>	Mr. Ocampo, 86, Filipino, was an independent director of FLI from 2002 to 2008. In 2008, however, the Commission temporarily disqualified Mr. Ocampo for his failure to attend at least 50% of the total number of Board meetings in 2007. In last year's annual meeting, Mr. Ocampo was re-appointed as an Independent Director. He is a Civil Engineer by profession. He served as director of DCCD Engineering Corporation from 1957 to April 2001, as its Chairman of the Board from 1993 to 1995, and President from 1970 to 1992. He obtained his Master's Degree in Engineering from the University of California-Berkeley.
Cirilo T. Tolosa <i>Independent Director</i>	Mr. Tolosa, 72, Filipino, has been an independent director of FLI since 2007. He was a partner at Sycip Salazar Hernandez and Gatmaitan, retiring from the said law firm in February 2005. He is at present a partner in the law firm Tolosa Romulo Agabin and Flores. He has been the chairman of the boards of Daystar Commercial Enterprises, Inc., Daystar Development Corporation, Lou-Bel Development Corporation and GMA Lou-Bel Condominium Corporation for at least 10 years, and corporate secretary of De La Salle University System, Inc. and De La Salle Philippines, Inc. since 2003 and 2005, respectively.
Nelson M. Bona <i>Chief Financial Officer</i>	Mr. Bona, 61, Filipino, was appointed as FLI's Chief Financial Officer in January 2007. He is also the Treasurer of FDC. He was formerly an Executive Vice President of EWBC and Managing Director of Millenia Broadband Communications, Inc. and Filinvest Capital, Inc.
Efren M. Reyes <i>Treasurer and SVP</i>	Mr. Reyes, 61, Filipino, has served with the Filinvest Group in various capacities since 1980 and has been FLI's Treasurer and Senior Vice President since 1997. Prior to joining the Filinvest Group, he was an audit manager with SGV & Co. He obtained his Bachelor of Science in Business Administration (Major in Accounting) degree from the University of the East.
Pablito A. Perez <i>Corporate Secretary and First Vice President</i>	Mr. Perez, 55, Filipino, is FLI's General Counsel and Head of its Legal Department. Admitted to the Philippine Bar in 1984, he holds a law degree from the San Beda College of Law and a Master of Laws degree from the University of Pennsylvania.

The members of the Nomination Committee of FLI are Andrew L. Gotianun, Sr. (Chair), Josephine G. Yap and Lamberto U. Ocampo. The Chairman Emeritus Mercedes T. Gotianun and the head of FLI's Human Resources Department both sit in the committee in an ex-officio capacity.

The Audit Committee of FLI is composed of Cirilo T. Tolosa (chair), Cornelio C. Gison (co-chair), and Jonathan T. Gotianun.

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. 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.

(a)(ii) Certain Relationships And Related Transactions

In the normal course of business, FLI and its subsidiaries and affiliates enter into certain related-party transactions principally consisting of advances and inter-company charges. FLI's related-party transactions include:

- Interest and non-interest bearing cash advances made to and received from FDC and FAI in order to meet liquidity and working capital requirements. Interest rates on these cash advances are determined on an arm's-length basis and are based on market rates.
- Sharing jointly with other members of the Filinvest Group, expenses relating to common facilities and services used by each member of the Filinvest Group, such as payroll services, supplies and utilities.
- Savings and current accounts and time deposits with East West Bank ("EWB"), a member of the Filinvest Group.
- EWB's leases from an FLI subsidiary, Filinvest Asia Corporation ("FAC"), a total of approximately 2,800 square meters of office space in the PBCom Tower in Makati City.
- A development agreement with GCK Realty Corporation ("GCK"), in which members of the Gotianun family has shareholdings, for the development by FLI of a medium-rise condominium building on certain parcels of land owned by GCK in Barrio Camputhaw, Cebu City.
- A development agreement with Fernandez Hermanos, Inc., which is owned and managed by an officer and stockholder, Mr. Luis T. Fernandez, and his siblings, for the subdivision development of parcels of land owned by the latter company in Brgy. Matanos, Kaputian, Samal Island in the province of Davao.

There was no transaction during the last two years or any proposed transaction, to which FLI was or is to be a party, in which any director or officers of FLI, any nominee for election as a director, any security holder or any member of the immediate family of any of the persons mentioned in the foregoing had or is to have a direct or indirect material interest.

(a)(iii) Election of the Members of the Board

There will be an election of the members of the Board during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors. The deadline for submission of nominees is March 15, 2012.

All nominations for directors, including the independent directors, shall be addressed to the following:

THE NOMINATION COMMITTEE
c/o THE CORPORATE SECRETARY
FILINVEST LAND, INC.
2nd Floor, FDC Building, 173 P. Gomez St.
San Juan, Metro Manila
Fax No. 727-0431 loc. 245

and signed by the nominating stockholders together with the acceptance and conformity by the nominees on or before March 15, 2012 at 5:00 p.m. All nominations should include (i) the curriculum vitae of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications.

The Nomination Committee created under FLI's Revised Manual on Corporate Governance endorsed the nominees of FDC to the Board of Directors, as well as the nominees for independent directors of Mr. Luis T. Fernandez, a stockholder, for re-election at the upcoming annual stockholders' meeting, in accordance with the qualifications and disqualifications set forth in the Manual, as follows:

Qualifications

- (1) He is a holder of at least one (1) share of stock of FLI;
- (2) He shall be at least a college graduate or have sufficient experience in managing the business to substitute for such formal education;
- (3) He shall be at least twenty one (21) years old;
- (4) He shall have proven to possess integrity and probity; and
- (5) He shall be assiduous.

Disqualifications

- (1) Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;
- (2) Any person finally found by the Securities and Exchange Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Securities and Exchange Commission or Bangko Sentral ng Pilipinas;
- (3) Any person judicially declared to be insolvent;
- (4) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;
- (5) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and
- (6) All other grounds for disqualification under the Articles of Incorporation, By-Laws and Revised Manual on Corporate Governance of FLI.

Temporary Disqualifications

- (1) Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- (2) Absence or non-participation for whatever reason/s for more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during his incumbency, or any twelve (12) month-period during said incumbency. This disqualification applies for purposes of the succeeding election;
- (3) Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- (4) Being under preventive suspension by the company;
- (5) If the independent director becomes an officer or employee of FLI, he shall be automatically disqualified from being an independent director;
- (6) Conviction that has not yet become final referred to in the grounds for the disqualification of directors.

Recommended Directors For 2012-2013

The Nomination Committee of the Board of Directors of FLI has determined that the following, all of whom are incumbent directors, possess all the qualifications and none of the disqualifications for directorship set out in FLI's Revised Manual on Corporate Governance, duly adopted by the Board pursuant to SRC Rule 38.1 and SEC Memorandum Circular No. 16, Series of 2002. Below is the list of candidates prepared by the Nomination Committee:

Andrew L. Gotianun, Sr.
Andrew T. Gotianun, Jr.
Josephine G. Yap
Efren C. Gutierrez
Cirilo T. Tolosa (independent director)

Mercedes T. Gotianun
Jonathan T. Gotianun
Joseph M. Yap
Lamberto U. Ocampo (independent director)

Independent Directors

The Nomination Committee, upon nomination by Mr. Luis T. Fernandez and following the guidelines provided under the FLI's Revised Manual on Corporate Governance, named Lamberto U. Ocampo and Cirilo T. Tolosa as nominees for election as independent directors for this year's annual meeting. Both Mr. Ocampo and Mr. Tolosa are incumbent independent directors of FLI. Mr. Fernandez is not related, whether by affinity or consanguinity, to any of these nominees. The Nomination Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in the Revised Manual on Corporate Governance.

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 judgment in carrying out his responsibilities as a 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 shareholder 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 any executive capacity by FLI, any of its related companies or by any of its substantial shareholders within the last two (2) years;
 - v. Is not retained as professional adviser by FLI, 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 with any of its related companies or with 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 item (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 the 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 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.

The Nomination Committee receives nominations for independent directors as may be submitted by the stockholders. 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 Revised Manual on Corporate Governance. In 2009, 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)(iv) Other Significant Employees

FLI has no significant employees other than those already mentioned above.

(a)(v) Family Relationships

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

(a)(vi) Involvement in Certain Legal Proceedings

Except for (a) criminal cases filed in 2007 before the DOJ in I.S. Nos. 2007-001 and 2007-011 and which were dismissed by the DOJ on March 26, 2009 and April 7, 2009, respectively; and (b) pending criminal complaints in the Prosecutor's Office (filed against Mr. Joseph M. Yap and other FLI officers) arising from alleged unlawful collection and application of subdivision dues and other charges being collected by a homeowners' association, none of the members of FLI's Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five years and up to December 31, 2011, nor have they been found by judgment or decree to have violated securities or commodities law and enjoined from engaging in any business, securities, commodities or banking activities.

6. Compensation Of Directors And Executive Officers

Summary Computation Table

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

	2012 Estimated			2011			2010		
	Salaries	Bonus	Total	Salaries	Bonus	Total	Salaries	Bonus	Total
Joseph M. Yap (President & CEO) Andrew T. Gotianun, Jr. (Vice-chairman) Nelson M. Bona (Chief Financial Officer) Pablito A. Perez (First Vice-President) Francis V. Ceballos (Senior Vice-President)									
Total for the Chief Executive Officer and the four (4) highest paid officials	P21M	P4.1M	P25.1	P20 M	P3.9M	P23.9M	P14.9M	P2.4M	P17.3M
Total of all officers and directors as a group	P43.5M	P7.9M	P51.4M	P41.5M	P7.5M	P49M	P32.2M	P5.4M	- P37.6M

Except for a per diem of ₱25,000 being paid to each director for every meeting attended, there are no other arrangements for the payment of compensation or remuneration to the directors in their capacity as such.

There is no action to be taken at the annual meeting of the stockholders on April 27, 2012 with respect to any bonus, profit sharing or other compensation plan, contract or arrangement, and pension or retirement plan, in which any director, nominee for election as a director, or executive officer of FLI will participate. Neither is there any proposed grant or extension to any such person of any option, warrant or right to purchase any securities of FLI.

7. Independent Public Accountants

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.

SGV is being recommended for election as external auditor for the year 2012. FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the five-year rotation requirement of its external auditors, has designated Mr. Michael C. Sabado as its engagement partner starting CY 2011. Thus, Mr. Sabado is qualified to act as such until year 2015. The representatives of SGV are expected to 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.

8. Compensation Plans

No action will be taken at the annual meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities other than for Exchange

No action will be taken at the annual meeting with respect to authorization or issuance of securities other than for exchange.

10. Modification or Exchange of Securities

No action will be taken at the annual meeting that will result in modification or exchange of securities.

11. Financial and Other Information

(a) Information Required

(1) Financial Statements

The audited financial statements of FLI for the year 2011 is attached to form an integral part hereof.

(2) Management's Discussion and Analysis, and Plan of Operation

Results of Operations for 2011

FLI is one of the leading real estate developers in the country, providing a wide range of real estate products to residential and commercial customers. FLI has over 45 years of real estate expertise and has developed over 2,000 hectares of land, having provided home sites for more than 110,000 families.

FLI's business direction has placed emphasis on the development and sale of affordable and middle-market residential lots and housing units to lower and middle-income markets throughout the Philippines. FLI is a market leader in Affordable and Middle-Income housing offering a wide variety of products ranging from detached houses and medium rise and high rise buildings.

FLI expects to remain focused on core residential real estate developments which now includes newly developed innovative concepts in response to Philippine residential demand, such as development of medium rise buildings and high rise condominium projects, residential farm estates, entrepreneurial communities, and leisure developments anchored by sports and resort clubs, while at the same time diversifying their real estate portfolio to include commercial real estate and BPO offices to generate recurring revenue. In 2006, FLI acquired three strategic assets to ensure a right balance of growth and stability. These assets include: Festival Supermall, and 60% equity ownership in Filinvest Asia Corporation ("FAC") and Cyberzone Properties, Inc. ("CPI"). Festival Supermall is a premier regional shopping center and is one of the largest shopping malls in Metro Manila in terms of floor area with approximately 200,000 square meters. Festival Supermall is up for renovation and expansion which will increase the mall's gross floor area by about 33%. FAC's strategic asset is the 50% ownership in PBCom Tower, an office tower located along Makati City's premier Ayala Avenue. CPI owns IT office buildings in the Northgate Cyberzone, a BPO office park located within Filinvest Corporate City in Alabang, Muntinlupa City. CPI currently has twelve IT buildings in Northgate Cyberzone with a total gross leasable area of 131,011 square meters.

On February 8, 2010, FLI acquired the remaining 40% interest in its joint ventures – CPI from Africa-Israel Properties (Phils.), Inc. and FAPI from Africa-Israel Investments (Phils.), Inc. Prior to the acquisition, FLI accounted for its investments in the joint ventures under the proportionate consolidation. The acquisition resulted in CPI and FAPI becoming wholly owned subsidiaries of FLI. The acquisition of the joint ventures' interests was accounted for as a business combination.

Year ended December 31, 2011 compared to year ended December 31, 2010

For the year ended December 31, 2011, FLI's operating regular net income registered a year on year growth of 21.2% or ₱514.41 million from ₱ 2,425.93 million in 2010 to ₱2,940.34 million in 2011. The 2010 net income excludes the ₱

526.30 million one-time extraordinary gain (recorded as Gain from re-measurement of previously held interest in a business combination and Excess of fair value of net identifiable assets over consideration transferred in a business combination) arising from FLI's acquisition of Africa-Israel's 40% ownership each in CPI and FAPI. This one time gain had shored up FLI's net income for 2010 to ₱ 2,952.23 million.

Revenues and other income

FLI recorded real estate sales of ₱6,953.47 million in 2011, higher by 23.02% than the real estate sales in 2010 of ₱ 5,652.37 million. Recorded sales in 2011 consisted mostly of sales of affordable and middle-income lots and housing units including the medium-rise-buildings and condominium projects, which are accounted for based on the stage of completion. Several buildings in certain MRB projects were completed in 2011.

In 2011, the Group launched 11 new projects and 22 additional phases of existing projects with total sales value of ₱ 12.1 billion. Among these are additional buildings in MRB projects like Bali Oasis, Maui Oasis, One Oasis Cebu and Sorrento Oasis.

Revenue from Rental services increased by ₱ 117.02 million or by 8.29% to ₱ 1,528.29 million in 2011 from ₱1,411.27 million in 2010. This increase was brought about by higher rental revenues generated by CPI from Northgate Cyberzone buildings resulting from higher take up rate of Vector 1 in 2011. Other sources of revenue from rental services include the ready-built-factories in Filinvest Technology Park in Calamba, Laguna.

Equity in net earnings from an associate also increased to ₱ 63.41 million in 2011 from ₱ 55.22 million in 2010 or by 14.83% due to higher earnings of Filinvest Alabang, Inc. (FAI) where FLI is a 20% equity holder.

The acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc., in FAPI resulted in FLI's recognition of a gain from re measurement of previously held interest of ₱ 517.24 and excess of fair value of net identifiable assets over consideration transferred of ₱9.06 in 2010 in accordance with the International Financial Reporting Standards (IFRS) 3 – Business Combinations. There are no extraordinary gain from transactions in 2011.

The Group also recorded a foreign exchange gain of ₱ 1.30 million in 2011 compared to a foreign exchange gain of ₱ 8.56 million earned in 2010 due to lower foreign currency deposits in 2011. Other income increased by 12.16% or by ₱ 61.15 million from ₱ 502.95 million in 2010 to ₱564.10 million in 2011 due to higher amusement and other sales of the mall, service fees and amounts collected from tenants in excess of expenses incurred.

Cost and Expenses

With the higher sales, the corresponding cost of real estate sales increased by 20.54% from ₱2,996.82 million in 2010 to ₱ 3,612.28 million in 2011. Cost of rental services likewise increased by 6.17% from ₱ 400.88 million in 2010 to ₱ 425.65 million in 2011.

Total operating expenses increased to ₱ 1,663.30 million in 2011 from ₱ 1,393.69 million in 2010.

General and administrative expenses increased by ₱ 120.79 million or by 15.1% to ₱920.89 million in 2011 from ₱ 800.10 million in 2010.

The following were the significant movements in the general and administrative expense accounts:

- 69% increase in amusement and recreation expenses
- 29% increase in direct cost of saleable items of the mall
- 24% increase in salaries, wages & employee benefits – Manpower was beefed up with the increasing volume of business.
- 22% increase in transportation & travel
- 22% increase in outside services
- 18% increase in depreciation and amortization – Mainly because of the opening of Vector 1 in last quarter of 2010.
- 13% increase in Mall manpower cost

Selling and marketing expenses increased by 25.07% to ₱ 742.41 million in 2011 from ₱593.59 million in 2010 due to the increase in broker's commission, advertising, promotion and sales generation expenses as a result of increasing sales volume and activities.

Interest and other financial charges increased by 12.66% to ₱ 469.40 million in 2011 from ₱ 416.66 million in 2010. This was brought about by availment of loans amounting to ₱ 3,350.00 million in 2011 and the issuance of the fixed-

rate retail bonds totaling ₱3.0 billion in July 2011 to finance the current projects of the Group, especially its various MRB's, high rise buildings and condotel projects.

Provision for Income Tax

Provision for income tax decreased by 3.57% in 2011 from ₱ 561.75 million in 2010 to ₱ 541.71 million in 2011. Provision for current income tax increased to ₱ 488.06 million in 2011 from ₱ 475.03 million in 2010 or an increase of ₱ 13.03 million or by 2.74% due to higher taxable income brought about by higher revenues.

Provision for deferred income tax decreased by ₱ 33.08 million or by 38.14% from ₱86.72 million in 2010 to ₱ 53.64 million in 2011 due to provisions for doubtful accounts on other receivables and due to lower capitalization of borrowing costs.

Financial Condition

As of December 31, 2011, FLI's total consolidated assets stood at ₱ 68.30 billion, higher by 10.40% than the ₱ 61.87 billion as at the previous year-end.

34% Decrease in Cash and cash equivalents

Funds were used for the development of existing and new projects and for the construction of new IT buildings (investment properties) and for raw land acquisitions.

8% Increase in Contracts receivable

Contracts receivable increased due to additional sales booked during the current period.

33% Increase in Due from related parties

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

55% Increase in Other receivables

This account increased due to down payments made to contractors which are to be applied against their billings and ordinary advances to joint venture partners which will be offset against the proceeds from sales of the joint venture inventories.

Decrease in Available-for-sale financial assets / Increase in financial assets at fair value through other comprehensive income

The decrease was brought about by the redemption of certain investments upon maturity in 2011. The remaining shares of stock include unlisted preferred shares in a public utility company and is categorized under "Financial assets at Fair Value Through Other Comprehensive Income".

19% Increase in Real estate inventories

The movement in this account was mainly due to (a) development and construction costs set up for new projects and additional phases of existing projects; (b) acquisition of new properties in various parts of the country which are intended for development of housing projects; (c) payment made to the Cebu City Government for the purchase of part of the 10.6 hectare SRP property.

11% Decrease in Investment in an associate

The decrease in this account was mainly due to dividend income received from the associate during the year.

5% Increase in Investment properties

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

13% Decrease in Property and equipment

The decrease in this account was mainly due to the reclassification of a building into Investment properties account after completion of its construction.

18% Increase in Deferred tax assets

The increase was mainly due to provisions made for doubtful accounts on other receivables.

94% Increase in Other assets

The increase in this account was mainly due to higher creditable withholding tax and input vat for the year.

12% Increase in Income tax payable

The Increase in income tax payable was due to higher tax accruing on the taxable income earned for the year resulting from improved operational results.

41% Decrease in Due to related parties

The decrease was due to payments made to affiliates on advances made in the regular course of business.

22% Increase in Loans payable

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

61% Increase in Bonds payable

The increase was due to the issuance of Fixed Rate Retail Bonds by the Company with an aggregate principal amount of ₪ 3 billion in July 2011 to finance the various projects of the Company.

22% Increase in Retirement liabilities

The increase was due to the accrual of the liability to the retirement fund for the year, net of cash contributions to the fund.

17% Increase in Retained earnings

This was brought about by the Company's net income of ₪ 2.94 billion for the year net of cash dividends paid in 2011.

Performance Indicators

<i>Financial Ratios</i>	<i>Particulars</i>	2011	2010
<i>Earnings per Share</i>	<i>Basic</i>	0.12	0.12
<i>Earnings per Share</i>	<i>Diluted</i>	0.12	0.12
<i>Debt to Equity Ratio</i>	<u><i>Notes Payable & Long-term Debt</i></u>		
	<i>Total Stockholder's Equity</i>	0.38	0.29
<i>Debt Ratio</i>	<u><i>Total Liabilities</i></u>		
	<i>Total Assets</i>	0.36	0.33
<i>Ebitda to Total Interest Paid</i>	<u><i>EBITDA</i></u>		
	<i>Total Interest Payment</i>	4.40	3.45
<i>Price Earnings Ratio</i>	<u><i>Closing Price of Share</i></u>		
	<i>Earnings Per share</i>	8.16	10.76

Other Disclosures

On December 28, 2009, FLI executed separate deeds of sale for the acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc. in FAPI subject to the full payment by FLI of the purchase price and delivery to FLI of certain required documents for closing.

The sale by Africa-Israel of its interests in the two companies was part of Africa-Israel's global portfolio rebalancing and consolidation activity. On the other hand, the acquisition of Africa-Israel's interests will enable FLI to consolidate its

share in the strong and stable recurring revenue streams from the two companies as well as provide incremental development potential to FLI's existing revenue streams.

The transaction was officially completed on February 08, 2010, making CPI and FAPI wholly owned subsidiaries of FLI.

Aside from the possible material increase in interest rates of the outstanding long-term debts 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 FLI within the next 12 months. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments, or any significant amount in its accounts payable that have not been paid within the stated terms.

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.

Except for income generated from retail leasing, there are no seasonal aspects that have a material effect on FLI's financial conditions or results of operations.

The operating activities of FLI are carried uniformly over the calendar year; there are no significant elements of income or loss that did not arise from the company's continuing operations.

There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Company.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships to the Company with unconsolidated entities or other persons created during the reporting period, except those discussed.

Year ended December 31, 2010 compared to year ended December 31, 2009

FLI registered a net income of ₱2,952.23 million in 2010, higher by 46.28% than the net income of ₱2,018.20 million in 2009.

Revenues

FLI recorded real estate sales of ₱5,652.37 million in 2010, higher by 53.82% than the real estate sales in 2009 of ₱3,674.75 million. This year's recorded sales consist mostly of sales of middle-income lots and housing units including the medium-rise-buildings and condominium project, which are accounted for based on the stage of completion. Effective January 1, 2010, the Group changed the percentage being used to estimate on when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group and warrant revenue recognition. Prior to 2010, the Group has estimated the percentage to be at least 20% payment of the total selling price received from the buyer. The recent change in the Group's business focus on low to middle income segment, experience over the past years, and information gathered that other industry players are adopting the same threshold, prompted the Group to revisit and accordingly revise the estimate from payment of 20% to 10% payment of the total selling price. It is at this level of investment that it is highly probable that the buyer will commit to the sale transaction, and thus, it is probable that economic benefits will flow to the Group. The change in estimate increased the real estate sales by 1.09 billion for the year ended December 31, 2010.

With the higher sales, the corresponding cost of real estate sales increased by 67.53% from ₱1,788.85 million in 2009 to ₱2,996.82 million in 2010. The higher cost of sales was likewise due to an increased proportion of sales of medium-rise-buildings. Rental income increased by ₱223.83 million or by 18.85% to ₱1,411.27 million in 2010 from ₱1,187.44 million in 2009. This was brought about by higher rental revenues generated from Northgate Cyberzone buildings due to a full period of leasing revenues from ihub 1 and ihub 2, which opened in the latter part of 2009 and the Company's acquisition of the remaining 40% equity interest in CPI in February 2010, resulting in the consolidation of 100% of CPI rental income in 2010. Other sources of rental income include the Festival Supermall in Filinvest Corporate City in Alabang, PBCom Tower in Makati City and the ready-built-factories in Filinvest Technology Park in Calamba, Laguna.

Interest income also increased by ₱164.65 million or by 41.09% from ₱400.71 million in 2009 to ₱565.36 million in 2010 due to higher interest generated from short-term investments, bank deposits and from higher installment contracts receivable. Equity in net earnings from an associate also increased to ₱55.22 million in 2010 from ₱37.53 million in 2009 or by 47.14% due to higher earnings of Filinvest Alabang, Inc. (FAI) where FLI is a 20% equity holder.

The acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc., in FAPI resulted in FLI's recognition of a gain from re measurement of previously held interest of ₱ 517.24 and excess of fair value of net identifiable assets over consideration transferred of ₱9.06 in 2010 in accordance with the International Financial Reporting Standards (IFRS) 3 – Business Combinations.

The Group also recorded a foreign exchange gain of ₱ 8.57 million in 2010, an improvement from a foreign exchange gain of ₱ 2.40 million earned in 2009. Other income increased by 32.01% or by ₱ 121.97 million from ₱ 380.98 million in 2009 to ₱502.95 million in 2010 due to increase in amusement and other sales of the mall, dividend income and service fees.

Expenses

Total expenses increased to ₱ 2,211.23 million in 2010 from ₱ 1,728.49 million in 2009.

General and administrative expenses increased by ₱ 160.99 million or by 15.48% to ₱1,200.99 million in 2010 from ₱ 1,039.99 million in 2009.

The following are the significant movements in the general and administrative expense accounts:

13.62% increase in depreciation & amortization (mainly due to the consolidation of 100% of CPI in 2010)

9.13% increase in salaries, wages & employee benefits

7.31% increase in rental expense

5.24 % increase in taxes and licenses

11.91% increase in transportation & travel

12.57% increase in outside services

22.67% increase in Mall manpower cost

33.34% increase in Mall amusement center cost

43.05% increase in repairs & maintenance

11.27% increase in communications, light & power

8.84% increase in direct cost of saleable items of the mall

32.86% increase in entertainment and amusement expenses of the mall

35.39% increase in other general & administrative expenses

Selling and marketing expenses increased by 23.61% to ₱ 593.59 million in 2010 from ₱480.21 million in 2009 due to increase in broker's commission, advertising and promotion and sales generation expenses.

Interest and other financial charges increased by 100.04% to ₱ 416.66 million in 2010 from ₱ 208.28 million in 2009. This was brought about by the issuance of the fixed-rate retail bonds totaling ₱ 5.0 billion in November 2009 to finance the current projects of the Group, especially its various MRB, high rise building and condotel projects.

Provision for Income Tax

Provision for income tax increased by 278.86% in 2010 from ₱ 148.27 million in 2009 to ₱ 561.75 million in 2010. Provision for current income tax increased to ₱ 475.03 million in 2010 from ₱ 253.35 million in 2009 or an increase of ₱ 221.68 million or by 87.5% due to higher taxable income brought about by higher revenues.

Provision for deferred income tax also increased by ₱ 191.79 million or by 182.53% due to the adjustment made in 2009 relative to the corresponding deferred income tax on unrealized gain on installment sales.

Financial Condition

As of December 31, 2010, FLI's total consolidated assets stood at ₱ 61.87 billion, higher by 5.04% than the ₱ 58.90 billion as at the previous year-end.

69% Decrease in Cash and Cash Equivalents

Funds were used for the development of existing and new projects and for the construction of new IT buildings (investment properties) and for raw land acquisitions. Funds were also used to acquire the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc., in FAPI in February 2010.

13% Increase in Other Receivables

This account increased due to additional advances made to Timberland Sports and Nature Club (TSNC, Inc.). Moreover, the acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc., in FAPI contributed to the increase because of the 100% consolidation of CPI and FAPI in 2010. Higher receivables from tenants of FSI and CPI in the current year also added to the increase in this account.

54% Decrease in Available-for-Sale Financial Assets

The decrease was due to the maturity in July 2010 of certain bonds previously held by the Company.

22% Increase in Real Estate Inventories

The movement in this account was mainly due to (a) development and construction costs set up for projects launched during the year; (b) acquisitions of new properties in various parts of Metro Manila which are mostly intended for medium-rise-buildings development; (c) payment made to the Cebu City government for the purchase of part of the 10.6 hectare SRP property; and (d) acquisition by FLI of the 40% interest of Africa-Israel Investments (Phils.) Inc., in FAPI.

11% Increase in Investment in an associate

The increase represents the equity share of the Group in the current net earnings of FAI.

17% Increase in Investment properties

The increase was due to the acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.) Inc., in CPI and the restatement of CPI buildings at fair value as at February 08, 2010 when the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI was acquired.

48% Increase in Property and Equipment

The increase in this account was mainly due to the acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.) Inc., in CPI and the restatement of buildings under construction at fair value as at February 08, 2010 when the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI was acquired.

16% Decrease in Goodwill

The decrease resulted from the re-computation of the difference between the total consideration given for the acquisition of CPI and the equity value of CPI as at February 08, 2010.

7% Decrease in Other Assets

The decrease was mainly due to lower input taxes in 2010.

Increase in Income Tax Payable

The Increase in income tax payable was due to higher tax accruing on the taxable income earned for the year.

77% Increase in Due to Related Parties

The increase was due to temporary advances from affiliates, which were all in the regular course of business. These advances are expected to be paid or liquidated within the first quarter of the following year.

30% Increase in Pension Liability

The increase was due to the accrual of the liability to the retirement fund for the year, net of cash contributions to the fund.

8% Increase in Deferred Income Tax Liabilities

The increase in this account was mainly due to the capitalization of part of interests on long-term loans.

29% Increase in Retained Earnings

This was brought about by the Company's net income of ₪ 2.95 billion for the year net of cash dividends paid in 2010.

Performance Indicators

<i>Financial Ratios</i>	<i>Particulars</i>	2010
<i>Earnings per Share</i>	<i>Basic</i>	0.122
<i>Earnings per Share</i>	<i>Diluted</i>	0.122
<i>Debt to Equity Ratio</i>	<u><i>Notes Payable & Long-term Debt</i></u>	
	<i>Total Stockholder's Equity</i>	29%
<i>Debt Ratio</i>	<u><i>Total Liabilities</i></u>	
	<i>Total Assets</i>	33%
<i>Ebitda to Total Interest Paid</i>	<u><i>EBITDA</i></u> <i>Total Interest Payment</i>	4.76
<i>Price Earnings Ratio</i>	<u><i>Closing Price of Share</i></u> <i>Earnings Per share</i>	10.76

Other Disclosures

On December 28, 2009, FLI executed separate deeds of sale for the acquisition by FLI of the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc. in FAPI subject to the full payment by FLI of the purchase price and delivery to FLI of certain required documents for closing.

The sale by Africa-Israel of its interests in the two companies was part of Africa-Israel's global portfolio rebalancing and consolidation activity. On the other hand, the acquisition of Africa-Israel's interests will enable FLI to consolidate its share in the strong and stable recurring revenue streams from the two companies as well as provide incremental development potential to FLI's existing revenue streams.

The transaction was officially completed on February 08, 2010, making CPI and FAPI wholly owned subsidiaries of FLI.

Aside from the possible material increase in interest rates of the outstanding long-term debt, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of FLI within the next 12 months. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments, or any significant amount in its accounts payable that have not been paid within the stated terms.

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.

Except for income generated from retail leasing, there are no seasonal aspects that have a material effect on FLI's financial conditions or results of operations.

The operating activities of FLI are carried uniformly over the calendar year; there are no significant elements of income or loss that did not arise from the company's continuing operations.

There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Company.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships to the Company with unconsolidated entities or other persons created during the reporting period, except those discussed.

Year ended December 31, 2009 compared to year ended December 31, 2008

FLI registered a net income of ₱2,025.30 million in 2009, higher than the net income in 2008 of ₱1,867.00 million by 8.48%.

Revenues

FLI recorded real estate sales of ₱3,521.96 million in 2009, slightly higher than real estate sales in 2008 of ₱ 3,507.56. This year's recorded sales consist mostly of a sales of middle-income lots and housing units including the medium rise buildings and condotel project which are accounted for under the percentage of completion method.

Cost of real estate sales likewise rose by 5.80% from ₱ 1,585.59 million in 2008 to ₱ 1,677.51 million in 2009 as a result of slightly higher sales and higher construction cost of medium rise buildings. Rental income increased by ₱ 94.69 million or by 8.35% to ₱1,229.22 million in 2009 from ₱ 1,134.53 million in 2008. This is brought about by higher rental revenues generated by Filinvest Supermall and Cyberzone Buildings. Other sources of rental income include the PBCom Tower in Makati City and the ready-built-factories in Filinvest Technology Park in Calamba, Laguna.

Interest income increased by ₱ 55.09 million or by 14.88% from ₱ 370.24 million in 2008 to ₱425.33 million in 2009 due to higher interest generated from short-term investments and installment contracts receivable while Equity in net earnings from an associate decreased to ₱30.71 million in 2009 from ₱ 67.57 million in 2008 or by 67.28% due to lower earnings by Filinvest Alabang Inc. (FAI) which FLI owns 20% of its equity. The Group also recorded a foreign exchange gain of ₱ 2.40 million in 2009 compared to a foreign exchange gain of ₱ 7.35 million in 2008 due to a more stable Peso compared to U.S. Dollar in 2009.

Expenses

Total expenses slightly increased to ₱ 1,684.68 million in 2009 from ₱ 1,620.58 million in 2008.

General and administrative expenses decreased by ₱ 26.92 million or by 2.62% to ₱ 1,001.57 million in 2009 from ₱ 1,028.49 million in 2008.

The following are the significant movements in the general and administrative expense accounts:

10.61% decrease in depreciation and amortization due to lower book value of assets.

9.03% increase in rent expense due to increase in office rental rates and mall land lease which is based on gross rental revenues earned by the mall.

6.39% increase in mall operations due to higher electricity cost.

23.9% increase in taxes and licenses because of higher revenues.

10.10% increase in transportation & travel resulting from additional regional and provincial projects and higher fuel cost.

Selling and marketing expenses slightly decreased by 0.76% to ₱ 480.19 million in 2009 from ₱ 483.87 million in 2008.

Interest and other financial charges increased by 87.48 % to ₱ 202.92 million in 2009 from ₱ 108.23 million in 2008, brought about by higher interest rates and additional loans availed of during the year including the fixed rate retail bonds amounting to ₱ 5.0 billion issued in November 2009.

Provision for Income Tax

Provisions for income tax decreased by 49.68% in 2009 from ₱ 264.66 million in 2008 to ₱ 133.19 million in 2009. Provisions for current income tax decreased to ₱ 242.48 million in 2009 from ₱ 377.74 million in 2008 or a decrease of ₱ 135.27 million or by 35.81% due to lower income tax rate and tax incentives availed by the Company. The Corporate income tax rate was reduced to 30% from 35% effective January 01, 2009.

Financial Condition

As of December 31, 2009, FLI's total consolidated assets stood at ₱ 64.42 billion, higher by 21.11% than the ₱ 53.19 billion of the previous year end.

149% Increase in Cash and Cash Equivalents

The increase in Cash and Cash Equivalents represents mainly proceeds from the Company's issuance of fixed rate retail bonds amounting to ₱ 5.0 billion in November 2009. The funds will be used to finance the development of existing and new projects of the Company lined up for the following year.

140% Increase in Due from related parties

Interest bearing advances in the ordinary course of business were made to affiliates in 2009. These are expected to be collected in the first quarter of the following year.

12% Decrease in Other Receivables

Other Receivables decreased due to aggressive collection efforts by the Company which reduced those amounts due from various Homeowners Associations and from tenants. Advances to contractors representing down payments were applied against their billings.

37% Increase in Real Estate Inventories

The movement in this account was mainly due to development and construction costs set up for projects launched during the year and acquisitions of new properties in various parts of Metro Manila, Rizal, Cebu & Davao which are mostly intended for medium rise buildings development.

18% decrease in Available-for-sale Financial Assets

The decrease was due to redemption of unlisted preferred shares in a public utility company which were previously acquired in connection with the development of various projects.

16 % Increase in Property & Equipment

Property and equipment increased due to ongoing building constructions of CPI to create additional office space to meet the growing demand from BPOs and call center locators. Building and leasehold improvements and acquisition of additional equipment also contributed to the increase.

22% Increase in Other Assets

The Increase was mainly due to increase in input vat and creditable withholding tax.

88% Increase in Accounts Payable and Accrued Expenses

The increase is mainly due to higher rediscounted accounts, deposits from tenants and buyers, retentions from billings of contractors and accrual of interests on loans and bonds.

84% Decrease in Due to Related Parties

Advances from certain related parties were settled in 2009.

14% Increase in Pension Liability

The increase was due to the accrual of the liability to the retirement fund for the period, net of cash contributions and payments made to and from the fund.

7% Decrease in Deferred income tax liabilities

The decrease was due to reversals made on deferred tax liabilities pertaining to sales recorded under the installment method of previous years. Recording of sales was changed using the full accrual method.

69% Increase in Long-Term Debt

The Company issued fixed rate retail bonds amounting to ₱ 5.0 billion in November 2009 to finance the construction of various projects and the acquisition of various properties for future projects.

20% Increase in Retained Earnings

This is brought about by the Company's net income of ₱ 2.02 billion posted during the year net of cash dividends paid in 2009.

Performance Indicators

Financial Ratios	Particulars	2009
Earnings per Share	Basic	0.1061
Earnings per Share	Diluted	0.1061
Debt to Equity Ratio	<u>Notes Payable & Long-term Debt</u> Total Stockholder's Equity	0.30
Debt Ratio	<u>Total Liabilities</u> Total Assets	0.39
Ebitda to Total Interest Paid	<u>EBITDA</u> Total Interest Payment	6.50
Price Earnings Ratio	<u>Closing Price of Share</u> Earnings Per share	8.48

Other Disclosures

On December 28, 2009, the Board of Directors of FLI approved the acquisition of the 40% interest of Africa-Israel Properties (Phils.), Inc. in CPI and the 40% interest of Africa-Israel Investments (Phils.) Inc. in FAPI subject to the final agreement of the terms and conditions by the parties and delivery to FLI of certain required documents for closing.

The sale by Africa-Israel of its interests in the two companies is part of Africa-Israel's global portfolio rebalancing and consolidation activity. On the other hand, the acquisition of Africa-Israel's interests will enable FLI to consolidate its share in the strong and stable recurring revenue streams from the two Companies as well as provide incremental development potential to FLI's existing revenue streams.

The Transaction was officially completed on February 08, 2010.

Aside from the possible material increase in interest rates of the outstanding long-term debt, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of FLI within the next 12 months. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments, or any significant amount in its accounts payable that have not been paid within the stated terms.

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.

Except for income generated from retail leasing, there are no seasonal aspects that have a material effect on FLI's financial conditions or results of operations.

The operating activities of FLI are carried uniformly over the calendar year; there are no significant elements of income or loss that did not arise from the company's continuing operations.

There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the Company.

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships to the Company with unconsolidated entities or other persons created during the reporting period, except those discussed.

(3) Legal Proceedings

FLI is subject to lawsuits and legal actions in the ordinary course of its real estate development and other allied activities. However, it does not believe that the lawsuits or legal actions to which it is a party will have a significant impact on its financial position or result of operations. Following are the cases involving certain properties of FLI that impact on its financial position, but which it believes will be eventually resolved in its favor:

- a. *FLI vs. Abdul Backy, et al.*
G.R. No. 174715
Supreme Court

This is a civil action for the declaration of nullity of deeds of conditional and absolute sales of certain real properties located in Tumbler, General Santos City covered by free patents and executed between FLI and the plaintiffs' patriarch, Hadji Gulam Ngilay. The Regional Trial Court ("RTC") of Las Piñas City (Br. 253) decided the case in favor of FLI and upheld the sale of the properties. On appeal, the Court of Appeals rendered a decision partly favorable to FLI but nullified the sale of some properties involved. FLI's petition for review on *certiorari* to question that portion of the decision declaring as void the deeds of sale of properties covered by free patents issued in 1991, is still pending with the Supreme Court.

- b. *Emelita Alvarez, et al. vs. FDC*
DARAB Case No. IV-RI-010-95
Adjudication Board, Department of Agrarian Reform

On or about March 15, 1995 certain persons claiming to be beneficiaries under the Comprehensive Agrarian Reform Program (CARP) of the National Government filed an action for annulment/cancellation of sale and transfer of titles, maintenance of peaceful possession, enforcement of rights under CARP plus damages before the Regional Agrarian Reform Adjudicator, Adjudication Board, Department of Agrarian Reform. The property involved, located in San Mateo, Rizal, was purchased by FDC from the Estate of Alfonso Doronilla. A motion to dismiss is still pending resolution.

- c. *Republic of the Philippines vs. Rolando Pascual, et al.*
Civil Case No. 7059
Regional Trial Court

The National Government through the Office of the Solicitor General filed suit against Rolando Pascual, Rogelio Pascual and FLI for cancellation of title and reversion in favor of the Government of properties subject of a joint venture agreement between the said individuals and FLI. The Government claims that the subject properties covering about 73.33 hectares are not alienable and disposable being forest land. The case was dismissed by the RTC of General Santos City (Br. 36) on November 16, 2007 for lack of merit. The Office of the Solicitor General has appealed the dismissal to the Court of Appeals, where it is still pending.

- d. *FLI vs Eduardo Adia, et al*
G.R. 192929
Supreme Court

Various CLOA holders based in Brgy. Hugo Perez, Trece Martirez City filed a complaint with the RTC of Trece Martirez against FLI for recovery of possession with damages, claiming that in 1995 they surrendered possession of their lands to FLI so that the same can be developed pursuant to a joint venture arrangement allegedly entered into with FLI. They now seek to recover possession of said lands pending the development thereof by FLI. The RTC rendered a decision ordering FLI to vacate the subject property. FLI appealed the decision to the Court of Appeals which affirmed the RTC decision. FLI filed a petition for review on *certiorari* before the Supreme Court. On 10 January 2011, the Supreme Court granted FLI's motion to admit a supplemental petition and required respondent to comment on the supplemental petition within 10 days from notice.

- e. *Antonio E. Cenon and Filinvest Land, Inc.*
vs. San Mateo Landfill, Mayor Jose Rafael Diaz,
Brgy. Pintong Bukawe, Director Julian Amador and
the Secretary, Department of Environment and Natural Resources
Civil Case No. 2273-09

On February 9, 2009, FLI filed an action for injunction and damages against the respondents to stop and enjoin the construction of a 19-hectare landfill in a barangay in close proximity to Timberland Heights in San Mateo, Rizal. FLI sought preliminary and permanent injunctive reliefs and damages and is seeking the complete and permanent closures of the dump site. Trial for this case is ongoing.

FLI is not aware of any other information as to any other legal proceedings known to be contemplated by government authorities or any other entity.

12. No Action to be Taken on Mergers, Consolidations, Acquisitions and Similar Matters

No action will be taken at the annual stockholders' meeting with respect to any merger or consolidation involving FLI, the acquisition by FLI of another entity, going business or of all of the assets thereof, the sale or other transfer of all or any substantial part of the assets of FLI, or the liquidation or dissolution of FLI.

13. No Action to be Taken on Acquisition or Disposition of Property

No action will be taken at the annual meeting with respect to any acquisition or disposition of property by FLI requiring the approval of the stockholders.

14. No Action to be Taken on Restatement of Accounts

No action will be taken at the annual meeting with respect to any restatement of any asset, capital or surplus account of FLI.

Part III, Paragraph (B) of Annex "C", Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

(1) There has been no change during the two most recent fiscal years or any subsequent interim period in independent accountant who was previously engaged as principal accountant to audit FLI's financial statements.

(2) There has been no disagreement with FLI's independent accountants on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Information on Independent Accountant

(a) Audit and Audit-Related Fees

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

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

SGV billed FLI for fees totaling P866,000 and P660,000 (estimated) for fiscal years 2010 and 2011, respectively.

(b) Tax Fees

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

(c) All Other Fees

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

(d) Approval Policies and Procedures for Independent Accountant's Services of Management/Audit Committee

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit Committee, with inputs from the management of 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.

Information on Subsidiaries

FLI has six subsidiaries. These subsidiaries are as follows:

1. Property Maximizer Professional Corporation, incorporated on October 3, 1997, is engaged in the business of real estate marketing.
2. Home Pro Specialist Resources, Inc., incorporated on March 25, 1997, is engaged in real estate marketing.
3. Property Specialists Resources, Inc., incorporated on June 10, 2002, is engaged in the business of real estate marketing.
4. Filinvest Asia Corporation, incorporated on January 22, 1997, is engaged in real property development. It owns jointly with the Philippine Bank of Communications the PBCom Tower, the tallest office building in the Philippines located at the corner of Ayala Avenue and V.A. Rufino Street, Legaspi Village, Makati City. FAC leases out to interested third parties the office spaces found in 26 of the PBCom Tower's 52 floors.
5. Cyberzone Properties, Inc., incorporated on January 14, 2002, is engaged in real property development. It owns and manages IT-based buildings on certain parcels of land forming part of the Northgate Cyberzone, the Special Economic Zone of Filinvest Corporate City, in Alabang, Muntinlupa City.
6. Filinvest All Philippines Inc., incorporated on September 25, 2006, is engaged in real property development. It is developing residential and leisure projects in certain parts of the township community in San Mateo, Rizal known as Timberland Heights.

D. OTHER MATTERS

15. Action With Respect To Reports

The following are the matters to be taken up during the annual meeting:

- a. Approval of the minutes of the annual meeting of stockholders held on April 15, 2011;
- b. Presentation of the President's Report and approval of the Audited Financial Statements for the year ended 2011;
- c. General ratification of the acts of the Board of Directors and the management from the date of the last annual meeting up to the date of the upcoming meeting;
- d. Election of the members of the Board of Directors; and
- e. Appointment of External Auditors.

All the above items are part of the agenda of the annual meeting of FLI to be held on April 27, 2012. The minutes of the annual stockholders' meeting held on April 15, 2011 is the record of the matters to be taken up in the said meeting, including the certification of notice and quorum for the transaction of business. The audited financial statements refer to financial operations, balance sheet and income statement of FLI for the material period. The general ratification of the acts of the Board of Directors and management from the date of the last annual meeting up to the date of the upcoming meeting refers to the approval by the stockholders of all actions and matters taken up and approved by the Board of Directors and management during the said period, including the opening of bank accounts and designation of signatories to the said bank accounts, the approval of receivables financing or bank credit lines, the purchase and lease of properties, execution of development and joint venture agreements, and other agreements related to its real estate business.

16. Matters Not Required To Be Submitted

Only matters which require stockholders' approval will be taken up during the annual meeting. No action will be taken with respect to any matter which is not required to be submitted to a vote of security holders.

17. Amendment of Charter, By-laws or Other Documents

There is no action to be taken at the annual stockholders' meeting that will require an amendment of FLI's Amended Articles of Incorporation and Amended By-laws.

18. Other Proposed Action

There is no action to be taken with respect to any matter not specifically referred to above.

19. Voting Procedures

(a) *Vote required for approval.* The approval of the minutes of the annual stockholders' meeting held on April 15, 2011 and the audited financial statements for the year ended 2011, the ratification of corporate acts, and the appointment of external auditors for 2012, shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. The voting procedure shall be as follows:

1. The chairperson announces that the particular item is subject to motion for approval by the stockholders.
2. A stockholder moves for the approval of the item.
3. Another stockholder seconds the motion.
4. The chairperson of the meeting states that the motion is carried in case no objection on the floor is raised.
5. Should there be an objection, the approval or denial of the motion shall be decided by the required vote of stockholders as stated above, a quorum being present.

(b) *Method by which votes will be counted.* The vote on any item for consideration need not be by ballot, unless demanded by a stockholder or his proxy. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by the stockholder or proxy concerned. The ballots shall then be counted by the Corporate Secretary with the assistance of representatives of the external auditor. The results of the voting shall be announced after the counting.

20. Market for Issuer's Common Equity and Related Stockholder Matters

The shares were listed on the Philippine Stock Exchange (PSE) in 1993. The following table shows, for the periods indicated, the high, low and period end closing prices of the shares as reported in the PSE:

		High	Period Low	End
2011	4 th Quarter	1.19	0.98	0.99
	3 rd Quarter	1.33	1.02	1.10
	2 nd Quarter	1.35	1.14	1.17
	1 st Quarter	1.41	1.01	1.15
2010	4 th Quarter	1.45	1.26	1.31
	3 rd Quarter	1.50	0.91	1.32
	2 nd Quarter	1.04	0.88	0.96
	1 st Quarter	0.95	0.74	0.89
2009	4 th Quarter	1.02	0.88	0.90
	3 rd Quarter	1.08	0.69	0.94
	2 nd Quarter	0.87	0.36	0.69
	1 st Quarter	0.47	0.28	0.36
2008	4 th Quarter	0.66	0.36	0.39
	3 rd Quarter	0.88	0.60	0.63
	2 nd Quarter	1.10	0.62	0.70
	1st Quarter	1.40	0.95	1.04

On February 15, 2012, FLI's shares closed at the price of P1.23 per share. The number of shareholders of record as of said date was 6,033. Common shares outstanding as of February 15, 2012 were 24,470,708,506.

Top 20 Stockholders (common shares) as of February 15, 2012:

<u>NAME</u>	<u>NO. OF SHARES</u>	<u>% OF TOTAL</u>
1. Filinvest Development Corporation	12,969,648,868	53.00%
2. PCD Nominee Corporation (Non-Filipino)	6,114,525,921	24.99%
3. PCD Nominee Corporation (Filipino)	4,831,724,132	19.74%
4. Filinvest Land, Inc.	220,949,000	00.90%
5. Rivercrest Realty Corporation	61,111,250	00.25%
6. Michael Gotianun	11,235,913	00.05%
7. Lucio W. Yan &/or Clara Y. Yan	10,687,500	00.04%
8. Ana Go &/or Go Kim Pa	8,250,000	00.03%
9. Joseph M. Yap &/or Josephine G. Yap	7,694,843	00.02%
10. R Magdalena Bosch	4,877,928	00.02%
11. Luis Rodrigo P. Fernandez	4,064,940	00.02%
12. Luis L. Fernandez Or Veronica P. Fernandez ITF Carlo	4,064,940	00.02%
13. Enrique P. Fernandez	4,064,940	00.02%
14. Luis L. Fernandez	4,064,940	00.02%
15. Veronica P. Fernandez	4,064,940	00.02%
16. Luis L. Fernandez Or Veronica P. Fernandez ITF Marco	4,064,940	00.02%
17. Lilian So lim	3,469,832	00.01%
18. Emily Benedicto	3,468,750	00.01%
19. Alberto Mendoza &/or Jeanie C. Mendoza	3,349,871	00.01%
20. Filinvest Capital Inc.	2,890,625	00.01%

No securities were sold within the past three years which were not registered under the Revised Securities Act and/or the Securities Regulation Code.

Recent Sale of Unregistered Securities

There are no securities sold by FLI in the past three (3) years which were not registered under the Code.

Declaration of Dividends

Last year, FLI declared cash dividend to stockholders of record as of May 13, 2011 amounting to P0.039 per share. In 2010, cash dividend amounting to P0.033 per share was declared.

The declaration of dividends is contingent upon FLI's earnings, cash flow, financial condition, capital investment requirements and other factors (including certain restrictions on dividend declaration imposed by the terms of agreements to which FLI is a party).

Compliance with Leading Practices on Corporate Governance

FLI is in substantial compliance with its Manual for Corporate Governance as demonstrated by 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.

Further, FLI, on February 28, 2011 filed a Revised Manual on Corporate Governance in compliance with the directive of the SEC on additional mandatory provisions to be incorporated thereto.

In order to keep itself abreast with the leading practices on corporate governance, FLI encourages the members of top level management and the Board to attend and participate at seminars on corporate governance initiated by accredited institutions.

FLI welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors, to improve corporate governance.

There is no known material deviation from FLI's Revised Manual on Corporate Governance.

UNDERTAKING: FLI will provide without charge its Annual Report on SEC Form 17-A to its stockholders upon receipt of a written request addressed to Atty. Pablito A. Perez, Corporate Secretary, at the FDC Building, 173 P. Gomez Street, San Juan, Metro Manila.

PART II
INFORMATION REQUIRED IN A PROXY FORM

FLI is not soliciting proxies and the stockholders are not required to send proxies.

PART III
SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct in all material respects. 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 hereunto duly authorized, this 16th day of March 2012 in San Juan, Metro Manila.

FILINVEST LAND, INC.

By:



PABLITO A. PEREZ
Corporate Secretary