



Cover Story

Strength in resiliency. *The secret to a bamboo's durability is its ability to adapt to any situation. It knows when to stand firm and when to sway with the wind. This resiliency is also the reason behind the staying power of Filinvest Land, Inc. (FLI) for over four decades. Through any economic landscape, the company stays attuned to the changing times -- building on strengths and making strategic moves for long-term growth.*

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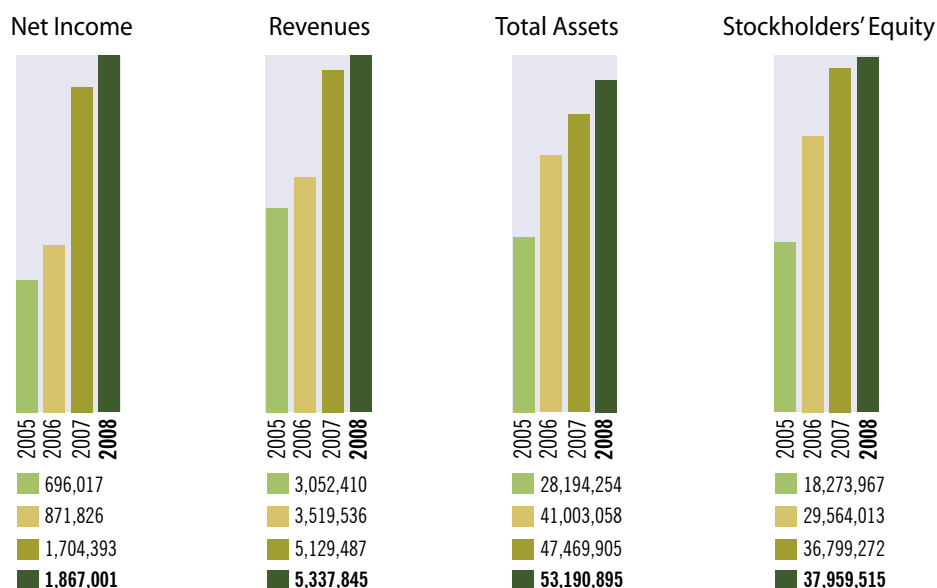
FILINVEST LAND, INC. AND SUBSIDIARIES FINANCIAL HIGHLIGHTS

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

	2008	2007	2006	2005
Operating Results				
Revenues	5,337,845	5,129,487	3,519,536	3,052,410
Net Income	1,867,001	1,704,393	871,826	696,017
Return on Assets (avg)	4%	4%	3%	3%
Return on Equity (avg)	5%	5%	4%	4%
Financial Position				
Total Assets	53,190,895	47,469,905	41,003,058	28,194,254
Total Long-term Debt	6,972,300	3,515,864	7,013,000	5,575,000
Stockholders' Equity	37,959,515	36,799,272	29,564,013	18,273,967
No. of Shares Issued and Outstanding (000's)	24,249,759	24,470,708	20,770,708	7,819,261
Debt to Equity *	18%	10%	24%	31%
Net Debt to Equity **	12%	5%	22%	28%
Per Share Data				
Primary Earnings	PHP 0.080	PHP 0.071	PHP 0.056	PHP 0.051
Fully Diluted Earnings	PHP 0.080	PHP 0.071	PHP 0.056	PHP 0.048

* computed as long-term debt divided by Stockholders' Equity

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



JOINT MESSAGE OF THE CHAIRMAN AND THE PRESIDENT

2008 was a year filled with challenges for the Philippine economy. The country had to struggle with high commodity prices, particularly skyrocketing oil prices that peaked at US\$ 147 per barrel in July, as well as a global rice shortage that caused the prime commodity to more than double in price. As a result, the inflation rate rose to double-digit figures, reaching a high of 12.4% in August before easing to 8.0% in December. Full year inflation averaged at 9.3%, from only 2.8% in 2007.

Yet, despite all these adversities, the country still managed to post a full-year Gross Domestic Product (GDP) growth of 4.6%. While lower than the 7.3% GDP growth rate registered in 2007, this was a respectable increase considering that major world economies were starting to sink into economic recession. OFW remittances, a key driver of the Philippine economy, remained robust, reaching another record of US\$16.4 billion, 14% more than the previous year.

Your Company was not spared from these difficulties in 2008. The major challenge for all real estate companies in 2008 was the soaring cost of construction materials. Steel prices more than doubled in 2008, hitting its peak in September. Cement prices were not far behind, reaching Php200 per bag by year-end from only Php150 in January. Your Company mitigated the impact of high steel prices by selectively entering into contracts with a few reliable suppliers for our 2008 requirements.

In addition, Filinvest Land implemented price increases averaging 10% in June 2008 in order to maintain margins. As a result, our bottom line did not suffer. Since hitting their peaks in the third quarter of 2008, construction material costs have since fallen back to their 2007 levels.

Despite all the problems that it faced in 2008, your Company was able to achieve outstanding performance in several areas.

Financial Highlights

FLI ended 2008 with a Net Income After Tax of Php1.867 billion. This represents a 31% jump over the Net Income before Extraordinary Gain of Php1.424 billion registered in 2007. Including the Php280 million extraordinary gain in 2007 from the secondary sale of FLI shares by Filinvest Alabang Inc., 2008 Net Income increased by 9.6%.

The major contributor to Net Income was Real Estate Sales which reached Php3.508 billion in 2008, 11% more than the previous year. The bulk of Real Estate Sales was from the Company's core affordable and middle-income residential business with house & lot packages or condominium units of up to Php4 million each.

These mass housing units accounted for Php2.607 billion or 74% of the total. The balance of Php900 million of Real Estate



Mercedes T. Gotianun &
Joseph M. Yap

Sales was from high-end projects, farm estates, industrial lots and entrepreneurial housing (Asenso Village).

Meanwhile, rental revenues grew by 11% to Php1.135 billion. Your Company's investment properties including the BPO buildings in Northgate Cyberzone, PBCom Tower in Makati and Festival Supermall in Filinvest Corporate City continue to provide a strong recurring income base.

Real estate operations accounted for Php1.242 billion or 66% of net income while leasing operations contributed Php557 million or 30% of total earnings. Equity in Net Earnings from FLI's 20% stake in Filinvest Alabang, Inc. contributed Php68 million or about 4% of net income.

Your Company's Balance Sheet remains very healthy with net debt to equity ratio of only 0.12:1. All of our loans are peso-denominated and long-term, thus shielding the Company from foreign exchange fluctuations in a tight credit environment. In addition, your Company ended the year with a strong cash position of Php2.4 billion.

Unfortunately, your Company's share price performance has not been reflective of our outstanding 2008 performance. While FLI continued to post double-digit growth in revenues and net income, our share price has dropped significantly as a result of the flight of global investors from what is perceived as the more "risky" emerging markets. In 2008, your Company paid its first dividends of Php0.02 per share or a total of Php486 million. This represented 28% of the previous year's net income, higher than the Company's target payout rate of 20%. Your Company believes that as global equity markets stabilize, investors will realize the true value of FLI shares.

Project Highlights

As of the end of 2008, FLI had 71 ongoing projects nationwide. These include the 10 new projects and 15 new phases that were launched during 2008 with a total sales value of Php6.6 billion. Your Company opened its first project in Butuan City, Agusan del Norte, as well as more of the mid-rise building (MRB) projects in new inner-city locations, namely Bali Oasis on Marcos Highway in Pasig City and One Oasis Cebu. FLI generated sales reservations of Php6.6 billion in 2008, 32% more than the previous year, the highest in your Company's history.

In August 2008, Timberland Sports and Nature Club (TSNC) opened its doors to its members. TSNC is a 12,000-sqm sports and country club which is the recreational anchor of the Timberland Heights township. Located on an eight-hectare site at one of the prime locations of Timberland Heights, TSNC commands an exceptional view of the entire metropolis.

At Northgate Cyberzone in Filinvest Corporate City, two buildings were added to the growing portfolio of BPO buildings. iHub 1 and iHub 2, with 23,600 square meters of gross leasable area (GLA), brought FLI's office building portfolio to 132,300 square meters as of year-end-2008.

Outlook for 2009

This year will be even more challenging for us. The sub prime mortgage crisis that started in the second half of 2007 in the United States has grown into a full-blown global economic crisis that has seen a number of giant international financial institutions fold up, and more asking for bail-outs from their respective governments. The Philippines' main export markets, as well as the main destinations for OFWs are in recession, and millions of people are losing their jobs worldwide. Economists are projecting the Philippines' 2009 GDP growth to range from 1% to 3% only. However, further downgrades are possible as more of the impact of the global financial crisis is felt.

Despite this, we believe that the demand for our Company's main business – mass housing – will remain strong. Most of our customers are first-time home buyers and therefore, their purchase of a house is more of a need rather than a want, and it is the dream of every Filipino family to own their own house. Filinvest Land, Inc. will continue to help its customers "**Build the Filipino Dream**" by offering affordable homes nationwide. Your Company will continue to innovate and come up with projects to meet our customer's demands.

FLI plans to launch 29 new projects and phases in 2009 with an expected total sales value of Php7.4 billion across all market segments. We plan to launch more phases in our ongoing mid-rise projects in Ortigas Extension and Marcos Highway in Pasig City, as well as in Davao and Cebu. We will also launch a similar project in a new location in Sta. Mesa, Manila.

Also in the pipeline is your Company's first high-rise project. The Linear, which is composed of two residential towers and a podium with commercial spaces, is ideally located in Makati City. The project will offer affordable residential condominium units at the periphery of the Makati Central Business District. We are targeting to break ground before the end of the year.

FLI recently signed a joint venture agreement with the Cebu City Government to develop 50.6 hectares of the South Road Properties (SRP), a 300-hectare reclaimed land project located in the heart of the City. Under the Agreement, FLI will develop forty (40) hectares under a revenue sharing agreement with the Government. The 40 hectares will be developed in four phases over a 20-year period with FLI contributing the development costs, as well as the marketing and management services. Another 10.6 hectares will be purchased outright by FLI. The first payment has been made to the Cebu City Government in March 2009, with the balance payable over the next six years. FLI plans to develop the 40 hectares mainly into clusters of mid-rise residential buildings while the 10.6 hectares, which has a kilometer-long sea frontage, will be developed into three or four mixed-use clusters. The clusters will include hotels, commercial or retail space, offices and residential condominiums. The master plan for the property is being finalized and FLI expects to launch its first project by the end of 2009 or early 2010.

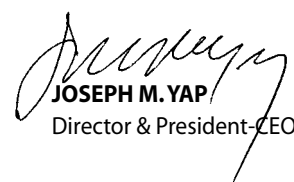
At Northgate Cyberzone, two more buildings, Vector One and Vector Two are expected to be completed within the year and will add another 35,600 square meters of GLA to our office building portfolio, bringing the total close to 168,000 square meters.

In 2008, your Company continued to invest in and develop our most valued resource – our people. Training programs and seminars were conducted to enhance the skills and to improve productivity of our staff and associates. Among these were Customer Service Training, 5S+1, Supervisory Skills, Work Values and Attitude Enhancement. We also expanded individual target setting in order to improve performance evaluation and enhance proper matching of rewards with outstanding job performance. As part of our commitment to the welfare of our employees and to help them through difficult economic times, management extended a temporary monthly financial assistance on top of the regular merit increase in order to mitigate the effects of the high inflation during the year.

FLI's management and staff will continue to work together as a team as it takes on the challenges of the year ahead and beyond. We remain financially prudent and cautious in our undertakings, but at the same time ready to take advantage of opportunities when they arise and strengthen your Company's position as the leading provider of mass housing in the country.

We would like to thank our stakeholders, our shareholders, employees and business partners who continue to trust and support the Company.


MERCEDES T. GOTIANUN
 Chairman


JOSEPH M. YAP
 Director & President-CEO

OPERATIONAL HIGHLIGHTS

In 2008, Filinvest Land, Inc. (FLI) reaffirmed its position as one of the top residential property developers in the country. Its core business of mass market housing, comprised of socialized, affordable and middle-income housing units, accounted for 83% of the company's total sales reservations for the year.

Core Housing in Greater Metro Manila & Suburbs

Socialized and Affordable

The socialized and affordable housing segments contributed a substantial share to FLI's total sales. Despite the economic downturn, the demand in these market segments proved more resilient, boosted by the OFW market which still considers buying a home for their families in the Philippines as a top priority. This was aided by the increase in the socialized price ceiling to Php400,000 and low interest rates offered by Pag-IBIG of as low as 6% for socialized housing units.

Pabahay Dream Homes, the socialized housing division of FLI, generated sales reservations of Php890 million. To meet the continued demand for this product line in 2009, FLI will be launching new phases in existing projects, as well as new projects in Cavite, namely, Castillon Homes and Mistral Plains. The Company plans to offer over Php1.5 billion worth of new socialized and affordable inventory in 2009.

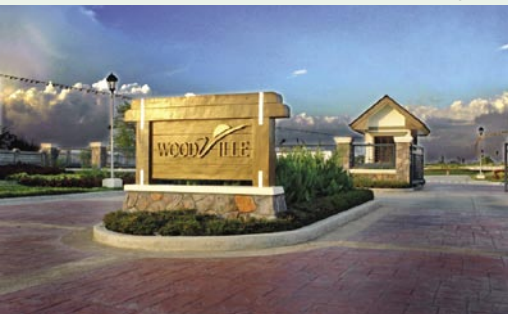
In Santo Tomas, Batangas, FLI enhanced its affordable product offerings by adding facilities and amenities to the Palmridge and Summerbreeze communities. Amare Homes is slated for development within the same area.

FLI continued to develop and sell more units at its affordable residential communities of Fairway View, Raintree Prime Residences, Crystal Aire, Woodville, Springfield View and the Brookside Lane commercial strip, all located in progressive

Summerbreeze Phase 1



Woodville entrance gate



Palmridge playground



areas in Cavite. For 2009, FLI will be launching new projects within Ciudad de Calamba, as well as new phases in existing projects in Batangas, Cavite, Tarlac and Pampanga.

Middle and High-end

Under FLI's Filinvest Legacy and Filinvest Premiere brands, sales and development activities continued for projects in Metro Manila and suburban areas.

In San Pedro, Laguna, FLI continued to expand its South Peak communities which enjoy enchanting views of Laguna de Bay. The Swiss-inspired Viridian at South Peak recently held its grand launch highlighted by a groundbreaking ceremony and a cycling competition called Tour de Pines. The Pines at South Peak increased awareness for its tranquil mountaintop ambience by featuring its streets lined with pine trees in its marketing collaterals. Following the refurbishing of the South Peak main clubhouse last year, pine trees will soon be planted in the area along with other improvements to enhance the Baguio-like ambience of the community. Also in San Pedro, The Glens at Park Spring opened phase 2 of the thriving community. Majority of land development work was completed in 2008 with model houses now available for viewing at the site.

The Arborage at Brentville International was formally launched in September 2008 with a tree-planting activity to highlight the occasion. The Arborage is the latest development within the high-end Brentville International community in Mamlasan, Laguna. It will feature a water fountain at the main entrance with The Lagoon as the main amenity. Due to the demand for Ready-for-Occupancy (RFO) units, Brentville also started the construction of several RFOs in 2008.



The Pines community

Planting trees at The Arborage
- Brentville International



Regional Projects

Residential

North of Manila, FLI continued to build up the residential communities of Somerset Lane in Tarlac, along with Hampton Orchards and Claremont in Pampanga. Land development and construction of facilities in these subdivisions are proceeding on schedule. Model houses will be constructed in 2009 to attract more buyers. In Bulacan, the 64-hectare San Rafael Estates is an emerging township with the two developing residential communities of Alta Vida and Tierra Vista. Central amenities to be completed in 2009 include the phase 1 park and playground, swimming pool, basketball court, clubhouse and park with gazebos.

Corona del Mar, FLI's first seaside subdivision in Cebu, contributed a steady income from sales of lots and house-and-lot packages to the upper middle-income segment and OFWs from Cebu. To complement the existing amenities of the community, a second set of amenities was added in 2008, which included a view deck, gazebo, grill and play areas. The Escala enclave within Corona del Mar was successfully launched in the 4th quarter of 2008. The cluster caters to the affordable and middle-income segment by offering medium-sized lot packages and single-storey housing units.

In Mindanao, FLI focused on land development of Filinvest Homes Tagum and Filinvest Homes Butuan, the first exclusive residential subdivisions in their respective areas.



Claremont, Pampanga



Filinvest Homes Tagum

Somerset Lane, Tarlac



Leisure

Laeuna de Taal, the 60-hectare lakeside resort community along the Tagaytay ridge, now has two fully-developed residential enclaves – Bahia and Orilla. Buyers can now also opt to purchase house and lot packages within Orilla which introduced a newly designed house model called Vivienne. With its Asian Tropical architecture, the Vivienne house model is ideal for a vacation or retirement home with its spacious rooms, verandas and gardens conducive to rest and relaxation. Lot owners of Laeuna de Taal have exclusive access to the facilities of the lakeside amenity area which is now under construction and scheduled to open in early 2010. For 2009, the lakeside community is gearing up for the launching of Arista, a condominium enclave composed of 20 mid-rise buildings located at the highest point of the development.

Groundbreaking rites were held in April 2008 for the 25-storey Grand Cenia Condotel and Residences, now under construction at Archbishop Reyes Avenue in Cebu City. Strategically located across the Cebu Business Park, it is being marketed as an income-generating lifestyle investment, as well as a first or second home. For two straight years, condotel reservations have exceeded projections as the project's investment potential continues to attract local businessmen and OFWs.

Development activities continued at Kembali Coast, the 50-hectare residential beach resort on Samal Island, Davao del Norte. Three overnight facilities were completed in 2008 while land development for the first two residential phases remains in full swing. To enable buyers and guests to enjoy the facilities at this early stage, a multi-purpose hall, changing and shower areas, welcome huts, and the guardhouse are scheduled for construction in 2009. Just a scenic boat ride from Davao City, Kembali Coast will feature amenities such as water sports, forest parks, campsites and beach activity areas.



Kembali Coast



Arista at Laeuna de Taal

Township Developments

Ciudad de Calamba

Ciudad de Calamba, FLI's 350-hectare township development in Calamba, Laguna, ended another successful year with total sales reservations of Php400 million in 2008.

Facilities and amenities were added to the thriving residential communities of Montebello, Aldea Real and Punta Altezza. Slated for launching in the first quarter of 2009 is La Brisa Townhomes, which will introduce Php750,000-townhouse units to be marketed to investors and locators of industrial parks in the area.

Development of the one-kilometer extension of the Ciudad de Calamba main road is underway to provide better access to the communities in Phases 2 and 3. In the planning stage is the Ciudad de Calamba towncenter that will feature amenities and commercial areas that will benefit all residents of the township.

Filinvest Technology Park Calamba (FTPC), the industrial anchor of the township, surpassed its annual target for 2008. Major accounts include the sale of a 3.5-hectare property and the sale of a 1,909-sqm lot to a group engaged in jewelry manufacturing. Two more locators have started constructing their facilities. Upon completion, they will add to the total number of operating locators on site.

Havila

Havila is a 300-hectare township 12 kilometers east of the Ortigas Central Business District. The township straddles Antipolo, Angono and Taytay in Rizal. It has four existing communities covering around 196 hectares of land: Mission Hills, Highlands Pointe, Villa Montserrat and Forest Farms.

Montebello clubhouse



In 2008, Havila completed the first phase of the Link Road which connects the different communities and establishments within the township. This is expected to shorten travel for township residents to and from Ortigas, Antipolo and other parts of Rizal through Angono. Branding and marketing efforts continued to further build up the Havila name and image. In addition, new phases in the existing communities were introduced.

The Spanish mission-inspired Mission Hills opened the first phase of its latest development, Sta. Sofia. It offers lot cuts of 240 to 400 square meters and house models with new designs and finishes. The remaining inventory of Sta. Catalina and Sta. Isabel continued to move in 2008. The Mission Hills main entrance and main clubhouse upgrades were substantially completed and are now being enjoyed by homeowners.

Highlands Pointe also introduced the first phase of its new enclave, The Terraces. This project offers lot cuts of around 150 to 250 square meters with breathtaking views of Laguna de Bay and the urban skyline. With the completion of the refurbishment of the main entrance, marketing office and clubhouse, the remaining inventories of Highlands Pointe and Manor Ridge are expected to move fast.

Forest Farms' sales improved with the substantial completion of the on-site marketing office, road concreting works, and improved marketing. Lot owners and prospective buyers can now better appreciate the lush natural setting and views from the 39.2-hectare development just a few kilometers from Ortigas Center. Construction of the village clubhouse and pool will begin in 2009.

Highlands Pointe entrance gate



Timberland Heights

In 2008, the 677-hectare Timberland Heights township in San Mateo, Rizal achieved a sales growth of 35% from the combined sale of farm lots and residential

Forest Farms clubhouse



products of Mandala Farm Estates, Banyan Ridge, The Ranch and Banyan Crest. FLI has already developed approximately 90 hectares of the total land area of the township.

Land development of Banyan Ridge and The Ranch were completed in 2008 and turnover to the buyers is ongoing. These communities have started to thrive as some property owners have already moved in or have started constructing their houses. Construction of the amenity areas will begin in the second half of 2009.

Timberland Sports and Nature Club, the recreational anchor of the township, had a soft opening in August 2008. The concreting of the west-bound Spine Road leading to the club was completed in December 2008 with the east-bound lane targeted for completion by the third quarter of 2009. Electricity and telecommunication facilities have been extended up to the club area.

An influx of farm development and house construction is anticipated for 2009 as more lots are turned over to property owners. Land development of Mandala 2 Residential Farm Estate and Banyan Crest are programmed for 2009.

Alternative Residential Products

High-rise Condominium

Targeting the younger generation working in Makati, FLI has come up with The Linear, a master-planned mixed-use residential and commercial development that enjoys a superior location bounded by Yakal, Mayapis and Malugay Streets in Makati City. Two L-shaped residential towers will share a common podium with recreational amenities, landscaped gardens, and retail shops for daily needs. It offers dynamic, accessible and affordable condo living just 5 minutes away from the Makati CBD with units ranging from Php1.4 to Php4.5 million. FLI plans to break ground on this project by the end of 2009.

Banyan Ridge clubhouse



Timberland Sports & Nature Club infinity pool



Entrepreneurial Housing

The Asenso Village pilot projects in Ciudad de Calamba and General Trias, Cavite offer innovative housing units as a practical choice for entrepreneurs and balikbayans looking to set up cottage industries or home-based businesses.

Asenso Village-Ciudad de Calamba posted a strong sales performance in 2008, with approximately 42% of the total inventory sold at the end of the year. This was aided by the completion of the Taipan model unit which was opened for viewing in November 2008. This shop-house features a 48-sqm area for business use on the ground floor and a 2-bedroom residential area on the second floor. Ready-for-Occupancy units will be constructed in 2009 to help build up the community and further improve sales. With the success of phase 1, FLI is preparing to launch expansion phases to cater to the increasing demand for this innovative concept.

Farm & Retirement Communities

Nusa Dua, Filinvest's pioneer farm estate project in Tanza, Cavite, is a fertile 200-hectare residential farm that features Balinese-inspired homes where residents can enjoy the comforts of home and the pleasures of hobby farming.

In 2008, FLI opened Nusa Dua Phase 5 which covers a 4.9-hectare area with farm lots being sold at very affordable prices. Land development on this latest expansion phase began in December 2008.

Medium-Rise Buildings (MRBs)

FLI has successfully launched its MRB communities in several locations in the country. Located in prime urban zones, the One Oasis themed communities are



The Linear

Taipan model unit - Asenso Village



tranquil sanctuaries with medium-rise buildings clustered around resort-inspired amenities within sheltered grounds.

At One Oasis Ortigas, construction of the first two buildings are on schedule for turnover to buyers in March and April 2009. Scheduled to begin by the second quarter of 2009 is the development of the amenity area which features a clubhouse, basketball court, adult and kiddie pools, skating area, open plaza with water feature, tree park and playground. FLI will continue to launch new buildings in this project, for a total of 11, to meet demand. Two previously planned BPO buildings will now be converted into Small Office-Home Office (SOHO) developments supported by selected commercial tenants on the ground level.

Bali Oasis was launched along Marcos Highway in Pasig City. Balinese-inspired architectural touches and warm earth tones complement the soothing ambience of the four residential buildings on a 1.8-hectare property. Enjoying a prime location near the Santolan LRT 2 station, the site is just a few minutes' walk from SM Marikina, Sta. Lucia East Grand Mall and Robinson's Metro East. It is also very accessible to prominent schools such as Ateneo de Manila University, Mirriam College and University of the Philippines. Groundbreaking ceremonies were held for the first building in August 2008.

One Oasis Davao broke ground in May 2008, with construction of the first two buildings in full swing. Located along Ecoland Drive, the Asian-Tropical community will house seven residential buildings within a 2.3-hectare complex. Just outside its gates, literally steps away, is SM City Davao with its wide range of shopping and dining choices.

FLI also launched One Oasis Cebu in the city's uptown Mabolo district. It features nine mid-rise buildings surrounded by lush landscaping within an exclusive one-hectare enclave overlooking the Cebu Country Club's golf course.

More MRB communities are slated for development in key urban areas in Metro Manila and other regional centers, adapting innovative themes while



One Oasis Ortigas entrance gate

staying true to the original concept of the inner city oasis. Next in line is an Asian Fusion-themed community which is slated for soft opening in 2009 in Sta. Mesa, Manila.

Recurring Income Base

Cyberzone Properties, Inc.

FLI owns 60% of Cyberzone Properties, Inc., the developer of the Northgate Cyberzone information technology park in Alabang. The remaining 40% is owned by foreign investment firm Africa Israel International Properties (2002) Ltd.

Northgate Cyberzone strengthened its position as the preferred outsourcing hub in Southern Metro Manila. The 10 operational buildings are currently 92% taken-up by outsourcing companies. Vector One and Vector Two buildings, now in the final stages of construction, will increase Northgate Cyberzone's gross leasable area to over 130,000 square meters. An open parking area with approximately 350 slots was opened to accommodate visitors and the zone's growing workforce in 2008.

Phase 2 of F@stbytes, Northgate Cyberzone's dining and retail hub, welcomed new tenants such as Jollibee, Starbucks, Bacolod Chicken and Mongolian Quickstop. Together with the existing establishments in Phase 1, these retail outlets cater to the 24/7 working population within the zone.

Filinvest Asia Corporation

FLI holds controlling interest in Filinvest Asia Corporation (FAC), a partnership with Reco Herrera Pte Ltd., an investment vehicle of the Government of Singapore



iHub 1 & 2 Buildings

Investment Corporation Real Estate Pte Ltd. (GIC). FAC owns 36,000 square meters of leasable office space in the 52-storey PBCom Tower, the tallest office building in the Philippines, along Ayala Avenue in Makati City.

In 2008, FAC ended the year with an occupancy rate of 96% for its space owned in PBCom Tower. Major tenants include Citibank, EMCI and Daksh eServices.

Festival Supermall

Festival Supermall remains the undisputed regional shopping center south of Metro Manila with a tenant roster of over 600 stores. New shops that opened in 2008 included Tia Maria's first branch in the south, The Face Shop, Racks, RJ Music Store, Balinese Spa, Kashieca, Union Jack Tavern, and many more.

Euries Safari Café opened at the Greens and Grills area, taking the last spot in the popular outdoor watering hole. The entry of Maxicare's My Health clinic brought the number of multi-specialty clinics to four within the mall. Scheduled to open in 2009 are Savory Chicken, Yellow Cab, Bradford, and Cory Quirino's wellness shop, among others. This is in line with Festival Supermall's continuous effort to provide a more comprehensive shopping experience to its customers.

PBCom Tower



New shops at Festival Supermall



BOARD OF DIRECTORS



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CHAIRMAN EMERITUS



Mercedes T. Gotianun
CHAIRMAN



Andrew T. Gotianun, Jr.
VICE CHAIRMAN



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DIRECTOR & PRESIDENT-CEO



Lourdes Josephine G. Yap
DIRECTOR



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FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands of Pesos)

	December 31	
	2008	2007
ASSETS		
Cash and cash equivalents	₱2,433,018	₱1,729,721
Mortgage, notes and contracts receivables	7,816,916	6,789,127
Other receivables	1,577,338	1,382,104
Due from related parties	81,993	80,804
Real estate inventories	20,541,998	17,108,877
Investment in an associate	3,821,853	3,754,284
Available-for-sale financial assets	49,730	58,220
Investment property - net	10,172,000	10,390,065
Property and equipment - net	870,020	419,259
Goodwill	5,445,488	5,445,488
Other assets	380,541	311,956
	₱53,190,895	₱47,469,905
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses	₱6,266,912	₱5,305,338
Income tax payable	110,444	84,363
Due to related parties	249,215	32,113
Pension liability	32,691	20,056
Deferred income tax liabilities - net	1,599,818	1,712,899
Long-term debt - net	6,972,300	3,515,864
Total Liabilities	15,231,380	10,670,633
Equity		
Common stock	24,470,708	24,470,708
Preferred stock	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock	(221,041)	-
Revaluation reserve on available-for-sale financial assets	(2,619)	(2,619)
Share in revaluation increment on land at deemed cost of an associate	1,876,422	1,876,422
Retained earnings	6,143,724	4,762,440
Total Equity	37,959,515	36,799,272
	₱53,190,895	₱47,469,905

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

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

	Years Ended December 31		
	2008	2007	2006 (As restated)
REVENUES			
Real estate sales	₱3,507,560	₱3,155,624	₱2,716,401
Cost of real estate sales	1,585,592	1,473,019	1,099,902
Gross profit	1,921,968	1,682,605	1,616,499
OTHER INCOME			
Rental income	1,134,530	1,020,241	306,111
Interest income	370,243	358,649	272,206
Equity in net earnings of an associate	67,569	357,396	63,475
Others - net	250,596	237,577	161,343
Foreign currency exchange gain - net	7,347	-	-
	1,830,285	1,973,863	803,135
EXPENSES			
General and administrative	1,028,491	963,900	637,733
Selling and marketing	483,867	426,752	362,444
Interest expense	108,231	122,988	334,587
Foreign currency exchange loss - net	-	13,243	3,232
	1,620,589	1,526,883	1,337,996
INCOME BEFORE INCOME TAX	2,131,664	2,129,585	1,081,638
PROVISION FOR INCOME TAX			
Current	377,744	330,826	42,299
Deferred	(113,081)	94,366	167,513
	264,663	425,192	209,812
NET INCOME	₱1,867,001	₱1,704,393	₱871,826
EARNINGS PER SHARE			
Basic / Diluted	₱0.080	₱0.071	₱0.056

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserve on Available-for-Sale Financial Assets	Share in Revaluation Increment on Land at Deemed Cost of an Associate	Retained Earnings	Total
For the Year Ended December 31, 2008								
Balances as of January 1, 2008	₱24,470,708	₱80,000	₱5,612,321	₱-	(₱2,619)	₱1,876,422	₱4,762,440	₱36,799,272
Net income for the year	-	-	-	-	-	-	1,867,001	1,867,001
Dividends	-	-	-	-	-	-	(485,717)	(485,717)
Acquisition of treasury shares at cost	-	-	-	(221,041)	-	-	-	(221,041)
Balances as of December 31, 2008	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	(₱2,619)	₱1,876,422	₱6,143,724	₱37,959,515

	For the Year Ended December 31, 2007							
Balances as of December 31, 2006, as previously reported	₱20,770,708	₱-	₱3,859,745	₱-	(₱909)	₱1,876,422	₱2,801,059	₱29,307,025
Cumulative effect of change in accounting for real estate sales	-	-	-	-	-	-	256,988	256,988
Balances as of January 1, 2007, as restated	20,770,708	-	3,859,745	-	(909)	1,876,422	3,058,047	29,564,013
Net income for the year	-	-	-	-	-	-	1,704,393	1,704,393
Changes in fair value of available-for-sale financial assets recognized directly in equity	-	-	-	-	(1,710)	-	-	(1,710)
Recognized income and expense for the year	-	-	-	-	(1,710)	-	1,704,393	1,702,683
Issuance of capital stock	3,700,000	80,000	1,752,576	-	-	-	-	5,532,576
Balances as of December 31, 2007	₱24,470,708	₱80,000	₱5,612,321	₱-	(₱2,619)	₱1,876,422	₱4,762,440	₱36,799,272

	For the Year Ended December 31, 2006 (As restated)							
Balances as of December 31, 2005, as previously reported	₱7,819,261	₱-	₱248,548	₱-	₱34,561	₱1,876,422	₱8,092,189	₱18,070,981
Cumulative effect of change in accounting for real estate sales	-	-	-	-	-	-	202,986	202,986
Balances as of January 1, 2006, as restated	7,819,261	-	248,548	-	34,561	1,876,422	8,295,175	18,273,967
Net income for the year as previously reported	-	-	-	-	-	-	817,824	817,824
Effect of change in accounting for real estate sales	-	-	-	-	-	-	54,002	54,002
Net income for the year, as restated	-	-	-	-	-	-	871,826	871,826
Changes in fair value of available-for-sale financial assets recognized directly in equity	-	-	-	-	(35,470)	-	-	(35,470)
Recognized income and expense for the year	-	-	-	-	(35,470)	-	871,826	836,356
Issuance of capital stock	5,642,493	-	3,611,197	-	-	-	-	9,253,690
Bond conversion	1,200,000	-	-	-	-	-	-	1,200,000
Stock dividend	6,108,954	-	-	-	-	-	(6,108,954)	-
Balances as of December 31, 2006, as restated	₱20,770,708	₱-	₱3,859,745	₱-	(₱909)	₱1,876,422	₱3,058,047	₱29,564,013

FILINVEST LAND, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2008	2007	2006 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P2,131,664	P2,129,585	P1,081,638
Adjustments for:			
Depreciation and amortization	238,402	239,403	81,765
Interest expense	108,231	122,988	334,587
Provision for retirement benefits	12,635	17,599	13,013
Interest income	(370,243)	(358,649)	(272,206)
Equity in net earnings of an associate	(67,569)	(357,396)	(63,475)
Dividend income	(6,610)	(4,260)	(2,219)
Operating income before changes in operating assets and liabilities	2,046,510	1,789,270	1,173,103
Changes in operating assets and liabilities			
Decrease (increase) in:			
Mortgage, notes and contracts receivables	(1,027,789)	(1,101,450)	(80,961)
Other receivables	(191,854)	(339,080)	(559,876)
Real estate inventories - net of raw land acquisitions	(2,151,944)	(898,116)	452,963
Increase (decrease) in accounts payable and accrued expenses	1,029,074	1,392,207	(324,281)
Net cash generated from (used in) operations	(296,003)	842,831	660,948
Interest received	366,863	357,567	272,206
Dividends received	6,610	4,260	2,219
Income taxes paid	(351,663)	(251,489)	(36,267)
Interest paid	(403,765)	(418,022)	(697,564)
Net cash provided by (used in) operating activities	(677,958)	535,147	201,542
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of raw land	(985,643)	(1,086,918)	(61,884)
Acquisitions of property and equipment	(471,098)	(323,772)	(12,308)
Decrease (increase) in other assets	(60,095)	114,818	(139,179)
Acquisitions of investment property	-	(158,519)	(45,393)
Net cash used in investing activities	(1,516,836)	(1,454,391)	(258,764)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from stock offering	P-	P5,532,576	P-
Proceeds from notes payable, corporate notes and long-term debt	4,290,000	2,394,464	1,638,000
Increase (decrease) in amounts due to related parties	217,102	(18,772)	50,700
Payments of notes payable, corporate notes and long term debt	(901,064)	(5,750,000)	(1,664,230)
Acquisition of treasury shares	(221,041)	-	-
Payment of cash dividend	(485,717)	-	-
Decrease (increase) in amounts due from related parties	(1,189)	21,978	17,412
Net cash provided by financing activities	2,898,091	2,180,246	41,882
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	703,297	1,261,002	(15,340)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,729,721	468,719	484,059
CASH AND CASH EQUIVALENTS AT END OF YEAR	P2,433,018	P1,729,721	P468,719