

COVER SHEET

5 1 0 4 8

S.E.C. Registration Number

F I L I N V E S T D E V E L O P M E N T
C O R P O R A T I O N

(Company's Full Name)

1 7 3 P . G O M E Z S T .
S A N J U A N , M E T R O M A N I L A

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

c/o Atty. Pablito A. Perez

Contact Person

7270431 / 7256328

Company Telephone Number

6 08

Month Fiscal Year

Day

1 7 - Q

FORM TYPE

Month Annual Meeting

Day

Secondary License Type; If Applicable

C F D

Dept. Requiring this Doc.

Amended Articles Number / Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q

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

1. For the quarterly period ended June 30, 2008.
2. Commission identification Number 51048. 3. BIR Tax Identification No. 042-000-053-167.
4. Exact name of registrant as specified in its charter: FILINVEST DEVELOPMENT CORPORATION
5. Philippines 6. (SEC Use Only)  
Province, Country or other jurisdiction of incorporation of organization  
Industry Classification Code:
7. 173 P. Gomez St., San Juan City 8. 727-04-31, 1500  
Address of principal office  
Registrant's telephone number, including area code
9. Not applicable  
Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Title of Each Class	
<u>Common stock, P1.00 par value</u>	<u>7,505,725,452</u>
	<u>P11.1B long-term debt</u>

11. Are any or all of these securities listed in the Philippines Stock Exchange?  
Yes [  ] No [  ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange Common Stock

12. Indicate by check mark whether the registrant:

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

Yes [  ] No [  ]

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

Yes [  ] No [  ]

## **PART I -- FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

Please refer to the attached financial statements consisting of Consolidated Balance Sheets, Consolidated Statements of Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows..

### **Item 2. Management Discussion and Analysis of Financial Condition and Results of Operation for the Six-Month Periods Ended June 30, 2008 and 2007**

#### **2.1 Developments:**

On June 29, 2007, to further diversify its business, the Company acquired from its parent company, ALG Holdings Corporation (ALGHC), 100% ownership interest in Pacific Sugar Holdings Corporation (PSHC) in exchange for 1,550,000,000 shares of its common stock. PSHC wholly owns and controls three subsidiaries, namely, Davao Sugar Central Company, Inc. (DASUCECO), Cotabato Sugar Central Company, Inc. (COSUCECO), and High Yield Sugar Farms Corporation (HYSFC). PSHC and its subsidiaries are primarily engaged in the business of developing, managing, owning, leasing and operating agricultural lands for planting and cultivating farm products, and buying, importing, building, establishing, erecting, equipping, maintaining and operating a complete sugar central for the purpose of milling or converting sugar canes to centrifugal or refined sugar and utilizing and trading its products. DASUCECO owns and operates a raw sugar mill and a refinery located in Guihing, Hagonoy, Davao del Sur while COSUCECO owns and operates a raw sugar mill located in Kilada, Matalam, North Cotabato. HYSFC, on the other hand, is engaged in sugar cane planting in Mindanao. This acquisition allows the Company to tap into the productive sugar industry and opportunities to venture into allied businesses such as alternative fuel production. The assignment likewise provides an expanded and well-diversified revenue base for FDC.

In February 2007, the residential property development subsidiary of the Company, Filinvest Land Inc. (FLI), achieved a record-breaking success with its follow-on offering where it listed up to 3.7 billion new common shares at the Philippine Stock Exchange. The follow-on offering was more than five times oversubscribed, raising around \$204 million for both the primary and secondary offerings.

In the same month, the Company's commercial property development arm Filinvest Alabang, Inc (FAI) sold 2,509,852,590 shares of its holdings in FLI at P1.60 per share to outside investors during the aforementioned FLI follow on offering. Proceeds received from this transaction amounted to about P3.8 billion. Also, as a result of this secondary offering, FAI realized a one-time gain of P2.2 billion from change in equity interest in FLI.

On April 20, 2008, the Company held a groundbreaking ceremony for its Beaufort project located in Fort Bonifacio, Taguig City. The project consists of two office/residential towers, one of which is 43-storey high and the other is 42-storey.

On June 6, 2008, The Company's Board of Directors approved the declaration of cash dividend of P0.05 for every common share payable on July 15, 2008 to stockholders of record as of June 30, 2008.

#### **2.2 Results of Operations**

Net income during the current period was P1.0 billion or 62% lower than last year's net income of P2.7 billion. Last year's income included a one-time extraordinary gain amounting to P2.2 billion resulting from the change in equity interests in FLI from the sale of its common

shares during the primary and secondary offerings as discussed in Item 2.1 above. Excluding this gain from net income of 2007, this period net income would be P492.9 million higher or 91%.

#### Real Estate Operations

Real estate operations contributed P2.1 billion in net revenue. Gross sales improved by 18% with increases in sales of FLI and FAI. FLI sales of residential lots and housing units increased because of aggressive marketing, introduction of new house models and new phases and projects launched. FAI sales on the other hand, increased because of sale of a commercial lot with sales value of P156.7 million and higher sales of its SOHO project. Mall and rental revenues went up by 14% with the addition of two buildings during the latter part of 2007, Plaza D and 5132 Building at Northgate Cyberzone while new tenants were added in the Greens and Grills area of Festival Supermall.

Operating expenses went up by 19% from P1.0 billion to P1.2 billion attributed to higher selling and marketing expenses which was due in turn from aggressive advertising which now includes TV and radio, additional sales offices set up by FLI and higher sales which correspondingly increased variable expenses like broker's commissions. General and administrative expenses likewise increased because of higher real property taxes, maintenance costs of various properties and fuel costs.

#### Financial and Banking Operations

Financial and banking services net revenue went up by 63%, from P811.8 million in 2007 to P1.3 billion in 2008, mostly coming from other income with the increase in service charges on loans and securities. Interest income increased by 18% mainly sourced from auto loans and credit card.

With the growth in the volume of business, operating expenses increased by 42% principally from the increase in manpower and expanded operations, and provisions for probable losses for credit card receivables.

#### Sugar Operations

Sugar operations contributed P345.7 million to total net revenue while its operating expenses amounted to P131.3 million.

Provision for income tax increased by 20% to P304.4 million because of higher taxable income as earlier discussed.

#### Financial Condition

As of June 30, 2008, total consolidated assets stood at P120.2 billion, total stockholders' equity at P59.2 billion (minority interest of P14.2 billion) while total liabilities at P61.0 billion. Debt-to-equity ratio was at 0.25:1, higher than last year's 0.22:1 due to additional loans obtained in 2008.

Total assets increased by 5% from P114.6 billion as of December 2007. The following were the significant movements in assets:

- Cash and cash equivalents declined by P4.0 billion or (27%) mainly because of purchases by EWBC of investments in securities. Also, during the period, FLI made some purchases of parcels of land mainly for its MRB projects. Buy-back of FLI shares was also closed for a total of P176 million.
- Real estate receivables were higher by 12% due to recognition by FAI of sales on its La Vie Flats, Studio One and Westparc Birch and increase in journalized in-house financed sales by FLI.

- Loans and receivables of the Bank increased by 16% or P2.8 billion to P20.2 billion as of June 30, 2008, attributed to higher credit card receivables and time loans granted during the period.
- Subdivision lots, condominium and residential units for sale increased by 6% with the additional project costs to complete provided, specifically for the La Vie Flats condominium units and new projects and phases set up by FLI during the period.
- Investments went up by P2.6 billion or 46% due to increase in purchases by EWBC of available-for-sale securities.
- Land and land development was higher by 9% principally caused by the purchases of rawland by FLI, as stated above.
- Property and equipment increased by 5% mainly due to the construction of additional buildings in Northgate Cyberzone.
- Other assets went up by P521.2 million or 37% due to advances to contractors and suppliers, creditable withholding tax and input tax.

Total liabilities amounted to P61.0 billion as of June 30, 2008 up by 9% from P56.1 billion as of December 2007. Volume of deposits went up by P2.9 billion or 9% due to increase in time deposits. Accounts payable was higher by 6% due to set-up of reserve for construction of La Vie Flats condominium and higher demand draft and bills payables of EWBC. Long-term debt increased by 13% due to availments of loans by FDC, FAI, FAPI and CPI, the proceeds of which were principally used to partly finance their ongoing developments.

Net income during the period applicable to minority amounted to P363.3 million and to Parent, P673.8 million.

The Company has no material commitments for capital expenditures, except for the ongoing development of its Seascapes Resort Town project in Cebu and prepared Beaufort project in Fort Bonifacio, Taguig City, project developments of its real estate subsidiaries, the initial expenses necessary for the new branches of its bank subsidiary and the ongoing expansion programs of the sugar subsidiaries which expenditures can be adequately covered by the operating cash flow and availments of medium and long term development loans from existing available credit lines. There are no events or uncertainties that are reasonably expected to have a material impact on the Company's short term or long-term liquidity or on the Company's revenues from continuing operations.

## Performance Indicators

	As of and for the Six-Month Period Ended 6/30/2008	As of December 31, 2007 and for the Six-Month Period Ended June 30, 2007, as restated
<b>Earning per share</b>	0.276 /share	0.546 /share
$\frac{\text{Net Income (Annualized)*}}{\text{Weighted average number of outstanding shares}}$		
<b>Price Earnings Ratio</b>	9.05 times	13.19 Times
$\frac{\text{Closing Price}}{\text{Earnings Per Share}}$		

<b>Return on Net Revenue</b>	28%	106%
<u>Net Income</u>		
Total Net Revenue		
<b>Debt to equity ratio</b>	0.25 : 1	0.22 : 1
<u>Notes Payable &amp; Long-term Debt</u>		
Total Stockholders' Equity		
<b>EBITDA to Total Interest Paid</b>	6.04 times	6.63 Times
<u>EBITDA</u>		
Total Interest Payment		

*\*(Note: In the computation of 2007 annualized net income, the gain resulting from changes in equity interest in FLI was considered.)*

*a- If the one-time gain would be excluded from net income, ratio would be 21%.*

Earnings per share was P0.276 while Price Earnings (PE) Ratio was 9.05 times. Excluding the gain on changes in equity interest in a subsidiary, earnings in 2008 were higher than in 2007. Shares closed at P2.50 in 2008 and P7.20 in 2007 at the end of the periods.

Debt-to-equity ratio was at 0.25:1 or slightly higher than 2007 because of additional loans obtained in 2008 while EBITDA to total interest paid went down to 6.04 times from 6.63 times in 2007 mainly due to higher operating expenses and higher interest payments in 2008 because of the additional loans.

## Notes to Financial Statements

1. The attached interim consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in the financial statements for the six-month period ended June 30, 2008 are the same as those followed in the annual financial statements of the Company for the year ended December 31, 2007.
2. The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the Group's proportionate share in its joint ventures. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies except for PSHC whose reporting period starts from October 1 and ends on September 30.
3. Except for the sugar operations, the operating activities of the Company are carried out uniformly over the calendar year. There are no unusual operating cycles or seasons that will differentiate the operations for the period January to June 2008 from the operations for the rest of the year. The milling activities of the subsidiaries engaged in sugar operations usually start in October and end in May of the following year.
4. Except as disclosed in the Management Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
5. There are no changes in estimates of amounts reported in the previous period that have material effects in the current interim period.
6. Except for those discussed in the Management Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.

7. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the interim period, except as discussed in the results of operations and financial conditions.

8. The Company derives its revenues from the following reportable segments:

Real estate which involves acquisition of land, planning and development of large-scale fully integrated residential and commercial communities; development and sale of residential and commercial lots and the development and leasing of retail and office space and land in these communities; construction and sale of residential housing and condominiums and office buildings; development of farm estates, industrial and business parks; operation of cinema and mall; and property management.

Banking and financial services which involve commercial and banking operations, including generations of savings, current and time deposits in pesos and foreign currencies; commercial mortgage and agribusiness loans; payment services, provision of credit card facilities, fund transfers, international trade settlements and remittances from overseas workers; trust and investment services including portfolio management, unit funds, trust administration and estate planning; and safety deposit facilities.

Sugar milling operations which involve planting and harvesting of sugar cane, milling of canes into raw sugar, conversion of raw sugar into refine sugar and trading of the products.

Financial information on the operations of these business segments as of and for the six-month period ended June 30, 2008 and 2007 are summarized in the attached Annex E.

9. Except as discussed in the Management Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to June 30, 2008 up to the date of this report that have not been reflected in the financial statements for the interim period.

10. There have been no changes in the composition of the Company during the interim period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management Discussion on its Results of Operations.

11. There are no changes in contingent liabilities or contingent assets since December 31, 2007.

12. There are no material contingencies and any other events or transactions affecting the current interim period.

13. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

14. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.

15. There are no significant elements of income or loss, except as discussed in the Management Discussion on the Results of Operations, that did not arise from the issuer's continuing operations.

16. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

## **PART II -- OTHER INFORMATION**

There are no other information required to be reported that have not been previously reported in SEC Form 17-C.

**SIGNATURES**

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

Issuer **FILINVEST DEVELOPMENT CORPORATION**

Signature



Title **JOSEPHINE G. YAP**  
President

Date August 14, 2008

Signature



Title **NELSON M. BONA**  
Treasurer/Chief Finance Officer

Date August 14, 2008

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
*(Amounts in thousands of Pesos)*

**ANNEX A**

	June 30, 2008 (Unaudited)	DECEMBER 31, 2007 (Audited)
<b>ASSETS</b>		
Cash and cash equivalents	10,935,316	14,894,429
Loans and receivables - net		
Real estate operations	9,892,064	8,830,624
Financial and banking services	20,241,409	17,439,004
Sugar manufacturing operations	392,462	484,691
Subdivision lots, condominiums and residential units for sale	9,962,011	9,401,694
Sugar and molasses inventories	668,686	394,355
Investments	8,443,248	5,798,906
Land and land development	17,668,748	16,181,940
Investment property - net	26,115,641	25,938,512
Property and equipment - net	3,045,771	2,889,482
Deferred income tax assets	675,666	664,130
Goodwill	10,233,522	10,233,522
Other assets	1,917,739	1,396,531
	<b>120,192,284</b>	<b>114,547,820</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposit liabilities	33,082,313	30,231,474
Accounts payable and accrued expenses	10,181,093	9,636,260
Income tax payable	191,428	119,546
Deferred income tax liabilities	6,459,221	6,347,708
Long-term debt	11,055,649	9,781,449
Total liabilities	<b>60,969,704</b>	<b>56,116,437</b>
<b>STOCKHOLDERS' EQUITY</b>		
Equity attributable to equity holders of the parent		
Capital stock - P1 par value		
Common		
Authorized - 10,000,000,000		
Issued - 7,508,123,852	7,508,124	7,508,124
Additional paid-in capital	11,709,874	11,709,874
Revaluation increment in land	46,331	46,331
Revaluation reserve on investment property at deemed cost	9,382,112	9,382,112
Revaluation reserve on available-for-sale investments	(232,603)	13,326
Retained earnings	16,667,168	15,993,354
Treasury stock	(24,220)	(24,220)
Total	<b>45,056,786</b>	<b>44,628,901</b>
Minority interest	14,165,794	13,802,482
Total Stockholders' Equity	<b>59,222,580</b>	<b>58,431,383</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>120,192,284</b>	<b>114,547,820</b>

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME -**  
**Unaudited**

**ANNEX B**

*(Amounts in thousands of Pesos except earnings per share)*

	This Quarter		Period ended June 30	
	2008	2007	2008	2007 (Restated and Unaudited)
<b>REVENUES</b>				
<b>Real Estate Operations</b>				
Sale of lots, condominium and residential units and club shares	<b>790,985</b>	675,551	<b>1,880,465</b>	1,593,851
Cost of sale of lots, condominium and residential units and club shares	<b>(387,796)</b>	(274,595)	<b>(884,843)</b>	(743,433)
Gross profit	<b>403,188</b>	400,956	<b>995,621</b>	850,418
Mall and rental revenues	<b>330,110</b>	279,011	<b>643,414</b>	564,280
Other income	<b>232,708</b>	(36,807)	<b>425,952</b>	328,738
	<b>966,006</b>	643,160	<b>2,064,987</b>	1,743,436
<b>Financial and Banking Services</b>				
Interest income	<b>732,836</b>	599,264	<b>1,396,079</b>	1,180,565
Cost of financial and banking services	<b>(254,514)</b>	(266,995)	<b>(511,030)</b>	(555,025)
Other income	<b>239,938</b>	107,056	<b>438,684</b>	186,259
	<b>718,261</b>	439,325	<b>1,323,734</b>	811,799
<b>Sugar Operations</b>				
Sale of sugar	<b>336,641</b>	-	<b>765,924</b>	-
Cost of sale of sugar	<b>(187,358)</b>	-	<b>(443,231)</b>	-
Other income	<b>19,260</b>	-	<b>23,031</b>	-
	<b>168,544</b>	-	<b>345,725</b>	-
<b>NET REVENUES</b>	<b>1,852,810</b>	1,082,485	<b>3,734,445</b>	2,555,235
<b>Operating Expenses</b>				
Real estate operations	<b>616,712</b>	121,001	<b>1,198,361</b>	1,008,711
Financial and banking services	<b>553,041</b>	390,925	<b>1,063,246</b>	748,337
Sugar operations	<b>59,403</b>	-	<b>131,285</b>	-
	<b>1,229,156</b>	511,926	<b>2,392,892</b>	1,757,048
Gain on Changes in Equity Interest				
In a Subsidiary	-	-	-	2,162,877
<b>INCOME BEFORE INCOME TAX</b>	<b>623,655</b>	570,559	<b>1,341,554</b>	2,961,064
<b>PROVISION FOR INCOME TAX</b>	<b>140,700</b>	216,440	<b>304,429</b>	253,991
<b>NET INCOME</b>	<b>482,955</b>	354,119	<b>1,037,125</b>	2,707,073
Attributable to:				
Equity holders of the parent company	<b>349,905</b>	206,273	<b>673,813</b>	2,354,412
Minority interest	<b>133,049</b>	147,845	<b>363,311</b>	352,661
	<b>482,955</b>	354,118	<b>1,037,125</b>	2,707,073

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES** **ANNEX C**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - Unaudited and Restated**  
*(Amounts in thousands of Pesos)*

	<b>For the six months ended June 30</b>	
	<b>2008</b>	<b>2007</b>
<b>CAPITAL STOCK - P1 par value</b>		
Preferred - cumulative		
Authorized - 2,000,000,000 shares		
Common		
Authorized - 8,000,000,000 shares		
Issued - 7,508,123,852	<b>7,508,124</b>	7,508,124
<b>ADDITIONAL PAID-IN CAPITAL</b>	<b>11,709,874</b>	11,709,874
<b>REVALUATION INCREMENT IN LAND</b>	<b>46,331</b>	46,331
<b>REVALUATION RESERVE ON INVESTMENT</b>		
<b>PROPERTY AT DEEMED COST</b>	<b>9,382,112</b>	9,797,641
<b>REVALUATION RESERVE ON AVAILABLE-FOR-SALE INVESTMENT</b>	<b>(232,603)</b>	(57,444)
<b>RETAINED EARNINGS</b>	<b>16,667,168</b>	16,278,014
<b>TREASURY STOCK - at cost of 2,398,400</b>		
Common shares	<b>(24,220)</b>	(24,220)
<b>Minority Interest</b>	<b>14,165,794</b>	12,630,540
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>59,222,580</b>	57,888,860

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS - Unaudited**  
*(Amount in thousands of Pesos)*

(ANNEX D)

	<b>Period ended June 30</b>	
	<b>2008</b>	2007 (Restated and Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	1,341,554	2,961,065
Adjustments for:		-
Interest income	(219,465)	(506,771)
Interest expense	279,023	242,135
Depreciation and amortization	287,035	226,677
Gain on changes in equity interest in a subsidiary	-	(2,162,877)
Gain on sale of property and equipment	(4,919)	
Gain on asset foreclosure and dacion transactions	(5,022)	
Provision for probable losses	134,812	139,023
Provision for retirement benefits	21,537	868
Provision for impairment loss	-	516,136
Operating income before changes in operating assets and liabilities	1,834,556	1,416,256
Decrease (increase) in:		
Loans and receivables	(3,771,617)	(2,704,697)
Subdivision lots, condominiums and residential units for sale	(560,317)	(982,117)
Sugar inventories	(274,331)	(829,008)
Land and land development	(1,486,807)	3,247,372
Increase in:		-
Deposit liabilities	2,850,839	2,964,575
Accounts payable and accrued expenses	644,811	1,496,890
Net cash generated from operations	(762,866)	4,609,271
Income taxes paid	(252,056)	(4,205)
Net cash provided by operating activities	(1,014,922)	4,605,066
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in:		
Investments	(3,067,401)	1,659,893
Other assets	(521,208)	590,107
Interest received	197,797	220,757
Acquisition of investment property and property and equipment	(509,670)	(5,229,540)
Net cash provided by (used in) investing activities	(3,902,482)	(2,758,783)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(315,908)	(207,528)
Net proceeds from bills and acceptances payable		645,253
Net proceeds (payments) of long-term debt	1,274,200	(5,633,299)
Dividends paid		(335,162)
Net proceeds from primary and secondary offerings		9,066,836
Net cash provided by financing activities	958,292	3,536,100
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(3,959,113)	5,382,383
Cash and Cash Equivalents at Beginning of period	14,894,429	8,671,394
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>10,935,316</b>	<b>14,053,777</b>

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES** **ANNEX E**  
**FINANCIAL INFORMATION ON OPERATIONS OF BUSINESS SEGMENTS – Unaudited and as Restated**  
**For the Six-Month Periods Ended June 30, 2008 and 2007**  
(Amounts in Thousands)

	Real Estate Operations		Banking and Financial Services		Sugar Manufacturing Operations	
	2008	2007	2008	2007	2008	2007
	(Unaudited)		(Unaudited)		(Unaudited)	
Net Revenues	2,293,624	2,413,543	1,320,688	811,799	345,725	-
Net income	1,011,070	2,650,729	212,983	12,659	132,919	
Segment assets	119,169,209	111,498,071	42,782,853	34,646,649	3,135,347	3,124,584
Less deferred tax asset	-	-	660,528	432,614	15,138	22,002
Net segment assets	119,169,209	111,498,071	42,122,325	34,214,035	3,120,209	3,102,582
Segment liabilities	36,263,752	32,152,490	37,136,554	31,292,119	1,823,866	2,047,895
Less:						
Income tax payable	116,683	19,736	-		74,746	143,233
Deferred tax liabilities	6,229,417	6,142,126	-		229,804	249,515
Net segment liabilities	29,917,653	25,990,628	37,136,554	31,292,119	1,519,316	1,655,147
Cash flows arising from:						
Operating activities	(1,737,776)	949,374	170,426	1,866,360	(102,592)	
Investing activities	(777,678)	(11,798,252)	(2,991,042)	1,139,590	(8,060)	
Financing activities	1,415,605	11,474,114	(6)	1,145,254	(38,335)	
	Combined		Eliminating		Consolidated	
	2008	2007	2008	2007	2008	2007
	(Unaudited)		(Unaudited)		(Unaudited)	
Net Revenues	3,960,037	3,225,342	225,592	670,107	3,734,445	2,555,235
Net income	1,356,972	2,663,388	319,847	(43,685)	1,037,125	2,707,073
Segment assets	165,087,409	149,269,304	44,895,125	41,957,135	120,192,283	107,312,169
Less deferred tax asset	675,666	454,616	-	-	675,666	454,616
Net segment assets	164,411,743	148,814,688	44,895,125	41,957,135	119,516,618	106,857,553
Segment liabilities	75,224,172	65,492,504	14,254,468	16,103,875	60,969,704	49,388,629
Less:						
Income tax payable	191,428	162,969	-	-	191,428	162,969
Deferred tax liabilities	6,459,221	6,391,641	-	-	6,459,221	6,391,641
Net segment liabilities	68,573,523	58,937,894	14,254,468	16,103,875	54,319,054	42,834,019
Cash flows arising from:						
Operating activities	(1,669,942)	2,815,734	(655,019)	(1,789,332)	(1,014,922)	4,605,066
Investing activities	(3,776,780)	(10,658,662)	125,702	(7,899,879)	(3,902,482)	(2,758,783)
Financing activities	1,377,264	12,619,368	418,973	9,083,268	958,292	3,536,100

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**

ANNEX F

**AGING OF LOANS AND RECEIVABLES - Unaudited**

As of June 30, 2008

*(Amounts in thousands of Pesos)*

<b>Type of receivable</b>	<b>Total</b>	<b>Current</b>	<b>2-3 Mos.</b>	<b>4-6 Mos.</b>	<b>7 Mos - 1 year</b>	<b>1 year over</b>
a) Trade Receivables						
Mortgage, Notes and Installment Contracts Receivable	6,055,213	5,914,501	25,571	115,141	-	-
Receivable from Financing Institutions	20,241,409	18,520,731	105,381	349,057	198,889	1,067,351
Receivable from Customer	392,462	192,401	7,176	20,683	18,178	154,024
Rentals and others	1,375,436	1,168,530	41,970	41,733	60,347	62,856
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	28,064,520	25,796,163	180,098	526,614	277,414	1,284,231
Less: Allowance for Doubtful Accounts	15,962	10,655	-	395	1,488	3,424
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	28,048,558	25,785,508	180,098	526,219	275,926	1,280,807
b) Non-trade Receivables						
Other Receivables	2,477,377	2,192,821	72,261	61	3,721	513
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Receivables</b>	<b>30,525,935</b>	<b>27,978,330</b>	<b>252,359</b>	<b>526,279</b>	<b>279,648</b>	<b>1,489,320</b>