



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

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

Please refer to the attached financial statements marked Annexes A to D.

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation for the Nine-Months Period Ended September 30, 2007 and 2006**

#### **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, purchasing, 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. The offering raised additional funds for FLI's P5 billion capital expenditure budget for 2007.

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.

#### **2.2 Change in Accounting Policy**

In accordance with the Philippine Interpretation Committee (PIC) release on revenue recognition of real estate sales, the Company has voluntarily changed its revenue recognition policy on sale of subdivision lots and housing units to full accrual method from the installment method in accounting for its real estate sales. Revenue from sales of substantially completed projects, where collectivity of sales price is reasonably assured, is accounted for using the full accrual method. Collectivity of sales price is reasonably assured when at least 20% of the total price has been paid. The financial statements for the year 2006 presented herein have been restated accordingly.

Also, the 2006 financial statements were restated to effect the proper application of PAS 39, Financial Investments: Recognition and Measurement on the convertible bonds issued by FLI in 2002 and acquired by FDC in 2005 and converted into FLI common shares by the

company in 2006, and the proper application of PAS 27, Consolidated Financial Statements and Accounting for Investments in Subsidiaries on related changes in equity interest in FLI.

### **2.3 Results of Operations**

Net income for the nine-month period amounted to P3.9 billion or an increase of 122% over same period of last year. A one-time gain of P2.4 billion was recorded to effects the changes in equity interest in FLI resulting from the primary and secondary offerings as discussed in 2.1 *Development* section above. However, even without this gain on changes in equity interest in a subsidiary, income before income tax from regular operations amounted to P2.1 billion, a 49% income over last year.

#### **Real Estate Operations**

Real estate operations contributed P3.4 billion in net revenue. This was higher by 8% compared to the same period last year, mainly as a result of higher sales of lots, condominium and housing units, and club shares pushing the gross margin to increase by 12%. Mall and rental revenues continuously improved to P862 million from P744.7 million in 2006 or an increase of 16%. This was due to the escalation of rental rates in PBCOM Tower and improved tenant occupancy. Despite the higher rent in PBCOM Tower, occupancy remained at 100%. Adding to the growing number of tenants were the new locators at Plazas D and A in Northgate Cyberzone, Filinvest Corporate City, which opened during the year.

With the significant prepayment of high-cost long-term debts, interest expense went down by P282 million largely causing the total operating expenses to decline by 7% higher, expenditures were incurred for selling and marketing, EDP charges, taxes and licenses (as a consequence of improved sales), and transportation (as a result of FLI's additional regional projects).

#### **Financial and Banking Operations**

Financial and banking services net revenue went up by 47%, from P0.9 billion in 2006 to P1.3 billion in 2007, mostly coming from interest income with the increase in loans, particularly auto and credit card loans. Interest income from securities investment contributed likewise. In spite of increases in interest income, cost of financial and banking services declined by 2% as a result of the bank's move to improve its deposit mix in favor of the low cost deposits. Other income went down slightly by 5% mainly from the losses incurred in trading of government securities in both peso and foreign denominated currencies.

With the growth in the volume of business, operating expenses increased by 35% principally from higher salary and employee benefits, and credit card service charges.

#### **Sugar Operations**

A total of P250.5 million was contributed by the sugar subsidiaries to the net revenue of the group since the purchase of PSHC on June 29 this year. Operating expenses amounted to P60.1 million.

#### **Financial Condition**

As of September 30, 2007, total consolidated assets were at P114 billion, stockholders' equity at P58 billion while total liabilities at P56 billion. The period end debt-to-equity ratio was 0.18:1 which was a remarkable improvement from 2006' year-end of 0.33:1.

Total assets expanded by P28 billion largely due to the acquisition of PSHC and its subsidiaries on June 29, 2007 where Goodwill was recognized amounting to P10 billion. The 1.55 billion common shares issued by the Company were valued at its closing price of P7.20 per share on the date of subscription. PSHC and the businesses of its subsidiaries were valued by an independent firm at minimum of P15.5 billion.

Cash and Cash Equivalents ballooned to P18 billion or 111% higher than the December 2006 level, mainly sourced from additional loans availed by FDC and its real estate subsidiaries (P4.2 billion), proceeds from rediscounting of receivables (which caused increase in accounts payable by P1.5 billion or 27%), increase in volume of deposits (which caused increase in deposit liabilities by P2.8 billion or 11%), and borrowings from BSP (which caused increase in bills and acceptances payable by P1.8 billion or 140%). Funds generated by FDC and real estate subsidiaries are intended to finance ongoing and future developments and for the investment opportunities.

Property and Equipment grew by P5.7 billion or 538% mainly due to the additional development works in the Northgate Property located at Filinvest Corporate City, which is operated by FLI's subsidiary, Cyberzone Properties Inc. Also contributing to the increase is the addition of PSHC's properties and equipment consisting mainly of the sugar mills in Davao del Sur and North Cotabato amounting to P1.5 billion.

Loans and Receivables from real estate operations was higher by P548 million or 8% which is generally attributed to attractive in-house financing schemes offered by the Company during the period.

Loans from financial and banking services went up by P2.6 billion or 20% mainly credited to successful auto loan and credit card campaigns. Also intercompany loans amounting to P1.6 B and outstanding as of December 31, 2006 were fully paid during the period, paving for higher available funds loaned to other customers.

Other significant movements in assets were in Land and Land Developments, Loans and receivables from Sugar manufacturing operations, Inventories, Investments in Securities i.e. Financials Assets at Fair Value Through Profit or Loss (FVPL), Available-for- Sale (AFS), Held-to- Maturity (HTM). The completed additional buildings in Northgate Cyberzone were reclassified to Investment Property from Property and Equipment. Also, the remaining land in Northgate Cyberzone available for building constructions was reclassified to Property and Equipment prompting the decline in Land and Land Developments. The acquisition of PSHC resulted to additions of its Loans and Receivables and Inventories. Regular maturities in investment in securities in FVPL, AFS and HTM caused its decline by 10%, 35% and 5%, respectively.

Total liabilities went up to P56 billion. Serious efforts were made to retire higher-cost long-term debts with funds mainly sourced from FLI primary and secondary follow on offerings. Additional loans were obtained to fund development projects and to support financial plans by the Company, minimizing the effect of prepayments. Long-term debt slightly went down by P1 billion or 10% only.

Deposit liabilities meanwhile expanded to P28 billion due to successful deposit campaigns of EWB. Accounts and Accrued Expenses went up by P1.5 billion or 27% with the inclusion of PSHC accounts payables, increases in customers' deposits and advances, rediscounted receivables, and proportionate share in joint venture accounts of FLI which were taken up during the period. Bills and acceptances payable increased by 140% with the increase in borrowings from BSP mainly used to support the higher reserve requirement by the Central Bank.

Common stock issued went up by 26% due to the additional 1.55 billion shares issued to ALGHC in exchange for a 100% ownership interest in PSHC. The shares with a par value of P1.00 each share were valued at its closing price of P7.20 per share on the date of

exchange, and the excess of the price over the par value was credited to additional paid-in capital causing it to increase by P9.6 billion.

Cash dividends were declared during the period by both the parent company and subsidiary Filinvest Alabang, Inc. (FAI) from their respective unappropriated retained earnings. FDC declared a total cash dividend of P119 million or P0.02 per share, while FAI declared P0.045 per share or a total of P270 million.

Interests of the Minority went up to P13 billion or by 162% caused by the issuance of new common shares by FLI and divestment of FLI shares by FAI resulting to a decline in consolidated effective ownership of the Company in FLI, from 65% to 47%.

The Company has no material commitments for capital expenditures, except for the ongoing development of its Seascope Project in Cebu, project developments of its real estate subsidiaries, and the initial expenses necessary for the new branches of its bank subsidiary which expenditures can be adequately covered by the operating cash flow and availment of medium and long term development loans. 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 Nine-Months Period Ended September 30, 2007		As of December 31, 2006 and for the Nine-Months Period Ended September 30, 2006, as restated	
<b>Earning per share (basic)</b>	P 0.517	/share	P 0.238	/share
<hr/>				
Net Income (Annualized)				
<hr/>				
Weighted average number of outstanding shares				
<b>Price Earnings Ratio</b>	10.44	times	6.89	Times
<hr/>				
Closing Price				
<hr/>				
Earnings Per Share				
<b>Return on Net Revenue</b>	79%		44%	
<hr/>				
Net Income				
<hr/>				
Total Net Revenue				
<b>Debt to equity ratio</b>	0.18:1		0.33:1	
<hr/>				
Notes Payable & Long-term Debt				
<hr/>				
Total Stockholders' Equity				
<b>EBITDA to Total Interest Paid</b>	14.13	times	2.66	Times
<hr/>				
EBITDA				
<hr/>				
Total Interest Payment				

Earnings per share was P0.517 while Price Earnings (PE) Ratio is 10.44 times. The growth in EPS is due to higher net income during the period as earlier discussed. Higher PE ratio was

primarily due to the significant improvement in EPS, with the stock closing at P5.40 per share in September 2007 versus P1.64 per share in the same period last year.

The higher net income pulled up Return on Net Revenue and EBITDA to Total Interest Paid. Likewise the lower cost of debt caused by lower borrowing rates caused the significant improvement in EBITDA to Total Interest Paid.

Retirement of higher-cost long-term debts pulled down Debt-to-Equity ratio to 0.18:1.

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

## **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 nine-months period ended September 30, 2007 are the same as those followed in the annual financial statements of the Company for the year ended December 31, 2006, except for the recognition of revenue from sales of lots and housing units as earlier discussed.
2. 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 September 2007 from the operations for the rest of the year.
3. Except as disclosed in the Management's 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.
4. There are no changes in estimates of amounts reported in the previous period that have material effects in the current interim period.
5. Except for those discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
6. 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.
7. 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 transfer, 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 (on the results of its operations for the period July to September 2007), which involves planting and harvesting of sugar cane, milling of canes into raw sugars, conversions of raw sugars into refine sugar and trading of the products.

Financial information on the operations of these business segments as of and for the nine-months ended September 30, 2007 and 2006 are summarized in the attached Annex E.

8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to September 30, 2007 up to the date of this report that have not been reflected in the financial statements for the interim period.
9. 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.
10. There are no changes in contingent liabilities or contingent assets since December 31, 2006.
11. There are no material contingencies and any other events or transactions affecting the current interim period.
12. 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.
13. 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.
14. 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.
15. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
16. In June 2007, the stockholders approved the reclassification of the Company's preferred stock consisting of 2,000,000,000 shares with par value of P1.00 per share into common stock with par value of P1.00. The reclassification is pending approval by the SEC.

**(to follow)**

**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



**JOSEPHINE G. YAP**  
Chief Operating Officer & President

Date: November 22, 2007

Signature



**NELSON M. BONA**  
Treasurer

Title

Date November 22, 2007

Signature



**DESYREE D. TOBIAS**  
Accounting Manager

Title

Date: November 22, 2007

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

(ANNEX A)

	SEPTEMBER 30, 2007	DECEMBER 31, 2006 (As restated)
<b>ASSETS</b>		
Cash and cash equivalents	18,278,413	8,671,394
Loans and receivables - net		
Real estate operations	7,853,453	7,304,962
Financial and banking services	15,691,041	13,053,884
Sugar manufacturing operations	723,224	-
Subdivision lots, condominiums and residential units for sale	9,028,987	7,882,048
Inventories	326,277	-
Financial assets at fair value through profit or loss	605,818	670,753
Available-for-sale investments	2,610,301	4,008,929
Held-to-maturity investments	870,789	916,689
Land and land development	16,472,501	18,824,671
Investment property - net	22,109,521	22,070,222
Property and equipment - net	6,722,329	1,054,215
Deferred income tax assets	684,500	471,787
Goodwill	10,223,434	150,212
Other assets	1,532,948	599,720
	<b>113,733,536</b>	<b>85,679,486</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES</b>		
Deposit liabilities	27,540,325	24,784,603
Bills and acceptances payable	3,157,099	1,316,880
Accounts payable and accrued expenses	7,218,341	5,689,375
Income tax payable	326,099	11,027
Deferred income tax liabilities	6,710,800	6,233,429
Long-term debt	10,561,908	11,709,180
Total liabilities	<b>55,514,572</b>	<b>49,744,494</b>
<b>STOCKHOLDERS' EQUITY</b>		
Equity attributable to equity holders of the parent		
Capital stock - P1 par value		
Preferred - cumulative		
Authorized - 2,000,000,000		
Common		
Authorized - 8,000,000,000		
Issued - 7,508,123,852		
	7,508,124	5,958,124
Additional paid-in capital	11,709,874	2,099,874
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	6,051	19,320
Retained earnings	16,807,109	13,580,622
Treasury stock	(24,220)	(24,220)
Total	<b>45,435,381</b>	<b>31,062,163</b>
Minority interest	12,783,583	4,872,829
Total Stockholders' Equity	<b>58,218,964</b>	<b>35,934,992</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>113,733,536</b>	<b>85,679,486</b>

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME - Unaudited**  
*(Amounts in thousands of Pesos except earnings per share)*

(ANNEX B)

	This Quarter		Period ended September 30	
	2007	2006 (As restated)	2007	2006 (As restated)
<b>REVENUES</b>				
<b>Real Estate Operations</b>				
Sale of lots, condominium and residential units, and club shares	1,194,501	1,030,977	2,788,352	2,235,503
Cost of sale of lots, condominium and residential units, and club shares	(599,307)	(409,387)	(1,342,740)	(940,438)
Gross profit	595,194	621,590	1,445,612	1,295,065
Mall and rental revenues	297,536	209,786	861,816	744,693
Other income	514,077	499,732	1,078,451	1,093,353
	1,406,807	1,331,108	3,385,879	3,133,111
<b>Financial and Banking Services</b>				
Interest income	635,380	427,999	1,815,945	1,387,052
Cost of financial and banking services	(272,976)	(276,558)	(828,001)	(845,304)
Other income	154,534	197,935	340,793	360,313
	516,938	349,376	1,328,737	902,061
<b>Sugar Operations</b>				
Sale of sugar	724,829		724,829	
Cost of sale of sugar	(474,305)		(474,305)	
	250,524		250,524	
<b>NET REVENUES</b>	2,174,269	1,680,484	4,965,140	4,035,172
<b>Operating Expenses</b>				
Real estate operations	299,765	493,255	1,622,110	1,750,057
Financial and banking services	467,524	296,754	1,215,861	900,246
Sugar operations	60,068		60,068	
	827,357	790,009	2,898,039	2,650,303
Gain (Loss) on Changes in Equity Interest				
In a Subsidiary	939,483	631,578	2,405,997	631,578
<b>INCOME BEFORE INCOME TAX</b>	2,286,395	1,522,053	4,473,098	2,016,447
<b>PROVISION FOR INCOME TAX</b>	312,787	108,465	566,778	255,827
<b>NET INCOME</b>	1,973,607	1,413,588	3,906,320	1,760,620
Attributable to:				
Equity holders of the parent company	1,765,597	1,278,572	3,345,649	1,419,144
Minority interest	208,010	135,016	560,671	341,476
	1,973,607	1,413,588	3,906,320	1,760,620
Basic/Diluted Earnings Per Share			0.517	0.238

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

**ANNEX C**

	Nine months ended	
	September 30, 2007	September 30, 2006 (As restated)
<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>	5,958,124
<b>ADDITIONAL PAID-IN CAPITAL</b>	<b>11,709,874</b>	2,099,874
<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>	9,382,112
<b>REVALUATION RESERVE ON</b>		
<b>AVAILABLE-FOR-SALE INVESTMENT</b>	<b>6,051</b>	50,588
<b>RETAINED EARNINGS</b>	<b>16,807,109</b>	12,505,692
<b>TREASURY STOCK - at cost of 2,398,400</b>		
Common shares	<b>(24,220)</b>	(24,220)
<b>Minority Interest</b>	<b>12,783,583</b>	5,976,128
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>58,218,964</b>	35,994,629

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

(ANNEX D)

	For the nine months ended	
	September 30, 2007	September 30, 2006 (As restated and unaudited)
	(Unaudited)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	4,473,098	2,016,447
Adjustments for:		
Interest income	(599,735)	(312,077)
Interest expense	306,516	574,549
Depreciation and amortization	285,989	247,703
Provision for probable losses	101,013	29,138
(Gain)loss on changes in equity interest in a subsidiary	2,405,997	(631,578)
Amortization of computer software	23,077	17,692
Provision for retirement benefits	11,951	8,025
Provision for impairment loss		(1,619.00)
Operating income before changes in operating assets and liabilities	7,007,906	1,948,280
Decrease (increase) in:		
Loans and receivables	(4,463,809)	(3,117,899)
Subdivision lots, condominiums and residential units for sale	(426,863)	(786,649)
Inventories	(1,046,353)	(707,286)
Land and land development	1,707,190	3,695,833
Increase (decrease) in:		
Deposit liabilities	2,755,722	4,528,491
Accounts payable and accrued expenses	2,494,691	510,804
Net cash generated from operations	8,028,484	6,071,574
Income taxes paid	(15,434)	(2,047)
Net cash provided by operating activities	8,013,050	6,069,527
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease (increase) in:		
Due from related parties	146,492	315,586.00
Financial assets at fair value through profit or loss	64,935	858,611
Other assets	(204,719)	572,485
Purchases of:		
Available-for-sale investments	(1,020,638)	(1,020,123)
Held-to-maturity		(338,934)
Proceed from:		
Sale of:		
Held-to-maturity investments	45,900	
Interest received	292,424	296,263
Acquisition of investment property and property and equipment	(5,707,413)	(4,633,265)
Net cash provided by (used in) investing activities	(6,383,019)	(3,949,377)

<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Decrease in due to related parties	<b>(199,012)</b>	(291,610)
Interest paid	<b>(360,214)</b>	(1,074,494)
Proceeds from:		
Bills and acceptances payable	<b>1,840,219</b>	(13,438)
Long-term debt	<b>(1,147,272)</b>	716,394
Payments of:		
Long-term debt	<b>7,962,429</b>	-
Dividends	<b>(119,162)</b>	-
<b>Net cash provided by (used in) financing activities</b>	<b>7,976,988</b>	(663,148)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>9,607,019</b>	1,457,002
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,671,394</b>	4,889,988
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>18,278,413</b>	6,346,990

## ANNEX E

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**  
**FINANCIAL INFORMATION ON OPERATIONS OF BUSINESS SEGMENTS – Unaudited**  
**For the Nine-Months Period Ended September 30, 2007 and 2006 and as of December 31, 2006 as**  
**restated**  
*(Amounts in Thousands)*

	Real Estate Operations		Banking and Financial Services		Sugar Operations	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenues	<b>₱3,671,504</b>	₱3,168,546	<b>₱1,334,622</b>	₱1,020,114	<b>₱258,185</b>	₱–
Net income	<b>4,147,470</b>	2,061,957	<b>67,081</b>	137,974	<b>131,577</b>	–
Segment assets	<b>116,734,176</b>	105,110,820	<b>36,413,691</b>	29,814,371	<b>3,236,407</b>	–
Less deferred tax asset	<b>227,774</b>	–	<b>433,788</b>	471,787	<b>22,938</b>	–
Net segment assets	<b>₱116,506,402</b>	₱105,110,820	<b>₱35,979,903</b>	₱29,342,584	<b>₱3,213,469</b>	₱–
Segment liabilities	<b>₱37,079,051</b>	₱45,515,635	<b>₱32,992,717</b>	₱27,405,346	<b>₱2,028,140</b>	₱–
Less:						
Income tax payable	<b>128,478</b>	5,941	–	5,086	<b>197,621</b>	–
Deferred tax liabilities	<b>6,468,119</b>	6,233,429	–	–	<b>242,681</b>	–
Net segment liabilities	<b>₱30,482,454</b>	₱39,276,265	<b>₱32,992,717</b>	₱27,400,260	<b>₱1,587,838</b>	₱–
Cash flows arising from:						
Operating activities	<b>₱2,689,984</b>	₱10,380,825	<b>₱2,003,190</b>	₱2,014,533	<b>₱369,286</b>	₱–
Investing activities	<b>(8,159,461)</b>	7,981,973	<b>266,805</b>	1,463,747	<b>(174,913)</b>	–
Financing activities	<b>8,988,485</b>	(1,335,936)	<b>2,340,219</b>	(13,438)	<b>(27,018)</b>	–

  

	Combined		Eliminating		Consolidated	
	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006	September 30, 2007	December 31, 2006
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Revenues	<b>₱5,264,311</b>	₱4,188,660	<b>(₱299,171)</b>	(₱153,488)	<b>₱4,965,140</b>	₱4,035,172
Net income	<b>4,346,128</b>	2,199,931	<b>(439,808)</b>	(439,311)	<b>3,906,320</b>	1,760,620
Segment assets	<b>156,384,274</b>	134,925,191	<b>(42,650,738)</b>	(49,245,705)	<b>113,733,536</b>	85,679,486
Less deferred tax asset	<b>684,500</b>	471,787	–	–	<b>684,500</b>	471,787
Net segment assets	<b>₱155,699,774</b>	₱134,453,404	<b>(₱42,650,738)</b>	(₱49,245,705)	<b>₱113,049,036</b>	₱85,207,699
Segment liabilities	<b>₱72,099,908</b>	₱72,920,981	<b>(₱16,585,336)</b>	(₱23,176,487)	<b>₱55,514,572</b>	₱49,744,494
Less:						
Income tax payable	<b>326,099</b>	11,027	–	–	<b>326,099</b>	11,027
Deferred tax liabilities	<b>6,710,800</b>	6,233,429	–	–	<b>6,710,800</b>	6,233,429
Net segment liabilities	<b>₱65,063,009</b>	₱66,676,525	<b>(₱16,585,336)</b>	(₱23,176,487)	<b>₱48,477,673</b>	₱43,500,038
Cash flows arising from:						
Operating activities	<b>₱5,062,640</b>	₱12,395,358	<b>₱2,950,590</b>	(₱6,325,831)	<b>₱8,013,050</b>	₱6,069,527
Investing activities	<b>(8,067,569)</b>	9,445,720	<b>1,684,550</b>	5,496,343	<b>(6,383,019)</b>	3,949,377
Financing activities	<b>11,301,686</b>	(1,349,374)	<b>(3,324,698)</b>	686,232	<b>7,976,988</b>	(663,148)

**FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES**

ANNEX F

**AGING OF LOANS AND RECEIVABLES - Unaudited**

As of September 30, 2007

*(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	4,395,368	3,514,864	196,724	683,780		
Receivable from Financing Institutions	617,863	617,863				
Receivable from Customer	16,041,668	14,258,919	429,529	324,454	114,257	914,508
Receivable from Suppliers/Planters	332,942	171,548	40,589	32,337	25,269	63,199
Rentals and others	800,589	476,711	84,046	78,088		161,743
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	22,188,430	19,039,905	750,888	1,118,659	139,526	1,139,450
b) Non-trade Receivables						
Other Receivables	2,136,602	1,949,131	33,089	76,495	56,046	21,841
Less: Allowance for Doubtful Accounts	(57,313)	(10,818)	(15,495)	(31,000)		
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,079,289	1,938,313	17,594	45,495	56,046	21,841
<b>Net Receivables</b>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<b>24,267,719</b>	<b>20,978,218</b>	<b>768,482</b>	<b>1,164,154</b>	<b>195,572</b>	<b>1,161,291</b>