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, 2009**

2. *SEC Identification Number* **AS093046**

3. *BIR Tax Identification No*. **003-831-302-000**

4. *Exact name of issuer as specified in its charter* **ALLIANCE GLOBAL GROUP, INC.**

5. **METRO MANILA, PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

6. (*SEC Use Only)*
   Industry classification code

7. **20th Floor, IBM Plaza, Eastwood City CyberPark**
   188 E. Rodriguez Jr. Ave., Bagumbayan, 1110 Quezon City
   Address of principal office

8. **(632) 91129-49 to 52**
   Registrant's telephone number, including area code

9. *Securities registered pursuant to Sections 8 and 12 of the SRC, or secs. 4 and 8 of the RSA*

Title of Each Class	*Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding* ***As of June 30, 2009***
Common	**9,719,727,979** (Net of 550,100,000 shares acquired under the buy-back program

10. *Are any or all of these securities listed on a Stock Exchange?* **Yes, on Philippine Stock Exchange.**

11. *(a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.*

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

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Consolidated Balance Sheets
Consolidated Income Statements
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to the Interim Consolidated Financial Statements
Aging Schedule of Trade and Other Receivables Under Current Assets

The interim consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standard (PFRS) PAS 34, Interim Financial Reporting. They do not include all of the information required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2008.

The accounting policies and methods used in the interim financial statements are consistent with those applied in December 31, 2008 audited annual financial statements. Some reclassifications were made to the 2008 interim financial statements to conform to 2009 presentation.

The interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of subsidiaries are prepared for the same accounting period as the parent company, using consistent accounting policies. The consolidated financial statements are presented in Philippine pesos, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. Accounting estimates, assumptions and judgments are used in preparing these statements. Although these estimates and assumptions are based on management's best knowledge of current events and actions, and evaluation of relevant facts and circumstances, actual results may ultimately differ from such estimates.

For a more thorough understanding of the accounting policies used in the preparation of the financial statements, reference should be made to the last year-end audited consolidated financial statements, particularly the notes thereto. A copy of annual report filed under SEC Form 17-A may be found in the Company's website [allianceglobalinc.com] and PSE website [pse.com.ph].

In the normal course of business, there were intercompany transactions among the Company and its subsidiaries and these were eliminated in consolidation. Subsidiaries are consolidated from the date the Company obtains control. The difference between the cost of investments and the Company's proportionate share in the underlying net assets of a subsidiary at date of acquisition is carried as goodwill and included under Intangible Assets in the consolidated balance sheets.

During the interim period, there were no other known items –such as trends, demands, commitments, events or uncertainties- affecting assets, liabilities, equity, sales, revenues, net income or cash flows that were unusual because of their nature, size, or incidents, and that will result in or that are reasonably likely to result in the liquidity increasing or decreasing in any material way, or that would have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

Business Segments

The Group's operating businesses are categorized into three segments, each managed separately and each representing a strategic business unit that offers different products and serves different markets:

- Food and beverage business (F&B) – includes the manufacture and distribution of distilled spirits (under the labels of Emperador Brandy, Generoso Brandy and The Bar flavored alcoholic beverage), glass containers and potato snack products (under Pik-Nik label). It also includes the distribution of consumer products under international labels. Emperador Distillers Inc. front runs this segment.
- Real estate business (RE) – involves the investment in and development of real estate, lease of properties, and hotel development and operations. The segment includes publicly-listed Megaworld Corporation (Megaworld or MEG).
- Quick service restaurant business (QSR) – operates under the McDonald's brand, in accordance with a master franchise agreement with McDonald's USA. Golden Arches Development Corporation represents this segment.

Please refer to the Note 1 to the audited annual consolidated financial statements for a list of subsidiaries, associates and a controlled entity in each category.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Key Performance Indicators

Presented below are the top five (5) key performance indicators of the Company and subsidiaries:

	2009	2008
Revenue growth	12%	13.8%
Net income growth	29%	26%
Attributable to equity holders of parent company	44%	37%
Net income rate	22%	19%
Attributable to equity holders of parent company	16%	12%
Return on investment	3.9%	2.7%
Using net income attributable to holders of parent	2.2%	1.7%

Current ratio	3.0:1	3.5:1

- o Revenues growth – measures the percentage change in revenues over a designated period of time. Performance is measured both in terms of amount and volume, where applicable.
- o Net income growth – measures the percentage change in net income over a designated period of time
- o Net income rate– computed as percentage of net income to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- o Return on investment [or capital employed] – the ratio of net income to total assets - measures the degree of efficiency in the use of resources to generate net income
- o Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.

Results of Operations – First Semester

Comparative interim results per segment were as follows:

	Revenues			Income before tax		
(In Millions)	2009	2008	%	2009	2008	%
F&B	2,822	3,471	-18	708	711	-.3
RE	8,737	7,325	19	2,586	2,359	10
QSR	4,672	4,026	16	295	47	523
Corporate	1,085	613	77	766	276	178
Total	17,312	15,436	12	4,381	3,210	36

Tax expense	(817)	(541)	51
Net income	3,447	2,668	29
Attributable to holders of parent company	2,436	1,697	44

The Company closed the first half of 2009 with consolidated net income of P3.4 billion, up by 29% from P2.67 billion reported a year ago. Net income after minority interest was 44% higher year-on-year, as it hit P2.4 billion this year compared to P1.7 billion the previous year.

Megaworld closed the semester with P2.0 billion net income net of minority interest, thereby contributing P1.1 billion to equity holders of AGI this quarter, a third higher than P820 million posted a year ago. Consolidated finance and other income totaled P1.6 billion this year which is 18% more than the P1.4 billion earned last year.

Revenues increased by 12% to P17.3 billion from P15.4 billion last year. RE contributed the highest (50%) this year, followed by QSR (27%) and F&B (16%).

RE revenues come from sale of condomium and office units; from rental/lease of office/commercial spaces; and hotel operations; and finance and other income. Revenues increased by 19% year-on-year. Megaworld's total revenues went up as a result of aggressive property development. Real estate sales in particular went up by 15%. Real estate sales came from the following projects: Belagio, Forbeswood Park Lane 1 & 2 and Eight Forbes Town in Fort Bonifacio; Eastwood Le Grand in Eastwood City; McKinley Hill Tuscany and Morgan Suites in Taguig City ; Manhattan Parkview in Quezon City; and Newport City in Pasay; and City Place in Binondo, Manila. Property rental income went up by 41% due to high occupancy rates in both the BPO office spaces and retail developments, and partly due to escalation of rental prices.

F&B revenues slipped by 18%, particularly due to the slide in sales of alcoholic drinks by about 24.9% year-on-year. The demand for the alcoholic drinks, being premium items, was affected by competition and inflation. Nevertheless, The Bar, a new flavored alcohol drink launched this year, is selling very well. Pik-Nik sales, on the other hand, climbed by 45% this year, with its domestic (i.e. US) and international sales gaining 32% and 8%, respectively, over last year due to its penetration of new outlets/market.

QSR revenues from McDonald's grew by 16% to P4.7 billion from P4.0 billion a year ago. Sales, in particular, went up by 16% and revenue from franchised restaurants by 30%. The improvement came from the expansion of its store chain. Twelve stores were opened from a year ago, bringing the total number of stores nationwide to 289 stores. Product promotions were launched during the quarter to add selection variety and entice consumer patronage. These included Mcsaver special couponing and Mcsaver meals.

Cost of sales and services went up by about 6%. Real estate sales went up by 11% due to increase in real estate sales. The continuously rising prices of raw materials, fuel and electricity put pressure on the gross profit (GP) margin. Costs of imported materials also got affected by the depreciating peso, most especially on the consumer products.

The top three cost components in the manufacture of brandy were raw materials, depreciation and trademark amortization, and rent, comprising 93-95% of cost. In the QSR, these were food and paper, rental, personnel costs, and depreciation and amortization, representing 85-90% of cost.

Operating expenses have been affected by the rising cost of fuel, electricity and commodities. Selling expenses increased by 7% as a result of higher real estate and QSR sales this year which translated to higher commissions and advertising expenses in RE and higher royalty fees in the QSR business. Administrative expenses were maintained at almost the same level as last year.

Finance and other income rose to P1.6 billion from P1.4 billion a year ago due to interest earned on money placements/investments. These included interest and dividend income, foreign currency and fair value gains. There was recovery in market prices by end-June as compared to last year-end. Finance and other charges, on the other hand, decreased to P351 million from P385 million a year ago due to reduction in current interest-bearing loans.

Income tax expense totaled P817 million from P542 million a year ago. Increase came principally from RE business.

Preacquisition income refers to income share -during the semester prior to the acquisition date- of the additional interest in Megaworld, acquired through the latter's stock rights offering in May. AGI got the unsubscribed shares.

EBITDA amounted to P5.2 billion as compared to P4.0 billion a year ago.

Financial Condition

Consolidated total assets amounted to P111 billion at end of this semester from P112 billion at beginning of year.

Cash and cash equivalents decreased by P4.6 billion - from P27.6 billion at the beginning of the year to end at P23.0 billion. The items affecting this account were presented in detail in the interim consolidated statements of cash flows included in this report. Beginning cash balance of Travellers amounted to P6.3 billion.

Financial assets at fair value through profit or loss increased by P1.8 billion this year, from P1.8 billion to P3.6 billion, primarily due to fair value gain and higher translation rate this quarter. These financial assets are carried at fair values based on market prices. Net fair value changes are presented under Finance and other income in the consolidated income statements. Fair value gains charged to current operations amounted to P631 million. The Group does not actively engage in the trading of financial assets for speculative purposes.

Trade and other receivables, current and noncurrent portions combined, increased by P3.1 billion due to increased sales activity in RE.

Inventories decreased by P509 million from P7.7 billion to P7.2 billion because of reduction in raw and packaging materials in brandy business as production slackened from drop in sales.

Property development cost increased by P278 million from Php2.8 billion to Php3.1 billion due to cost attributable to the development of various projects.

Available-for-sale financial assets declined by P1.4 billion from P3.9 to P2.5 billion due to disposal of investment by a subsidiary of Megaworld. These financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. Net fair value changes for these assets are recognized under revaluation reserves in Equity, which recovered by P1.1 billion by end-June.

Investments in associates and interest in a joint venture increased by P7.4 billion from 10.1 billion to P17.5 billion due to additional advances/ investments made by a subsidiary of Megaworld, and deconsolidation of two subsidiaries.

Property, plant and equipment decreased by P8.9 billion from P13.6 billion to P4.7 billion due to deconsolidation of a subsidiary. The beginning balance of its propery and equipment amounted to P8.9 billion.

Interest-bearing loans and borrowings, current and non-current combined, increased by P2.0 billion from P10 billion to P11.2 billion due to additional loans obtained in the RE business.

Advances to landowners and joint ventures, Reserve for property development and Deferred income on real estate sales increased due to increased activity in RE business. The reserve pertains to cost to complete the development of various projects while the deferred income represents unearned revenue.

The changes in equity components are presented in detail in the consolidated statements of changes in equity attached to this report.

Treasury shares are AGI shares acquired but not cancelled which are carried at cost. These include shares held by AGI under its buy-back program and those held by certain subsidiaries. The fair value gains (losses) on the shares held by subsidiaries were eliminated in full and were not recognized in the consolidated financial statements

The buy-back program is being undertaken to create and enhance shareholder value, since current market prices do not reflect the true value of the shares. AGI has confidence in the long-term value of its businesses, including its latest venture in tourism-oriented projects. The program commenced on July 10, 2008 and will continue for 18 months. AGI intends to buy back up to P3 billion worth of shares.

The consolidated balance sheets showed strong liquidity. Current ratios were registered at 3.0:1 and 3.5:1 as of end and start of semester, respectively. Debt-to-equity ratios remained low at 0.81:1 and 0.78:1 at end and beginning of the semester, respectively.

Prospects for the future

AGI remains focused on its business programs despite the global economic slowdown. The higher cost of commodities, volatility of foreign currency rates, and softening of consumer spending may have affected the business environment, but AGI is committed to facing these challenges head-on. Management will continue to adopt prudent measures to ensure financial sustainability and look for new opportunities that will enhance the overall profitability of the group while maintaining established markets.

Others

There were no other known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have nor anticipate having any cash flow or liquidity problems within the year. AGI and its subsidiaries are not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Company, including any default or acceleration of an obligation. There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

There are no other significant elements of income or loss that did not arise from continuing operations.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

SIGNATURE

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

Alliance Global Group, Inc.
Issuer
By:

DINA INTING
First Vice President for Finance
& Corporate Information Officer
& Duly Authorized Officer
August 19, 2009

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2009 AND DECEMBER 31, 2008
(Amounts in Philippine Pesos)

	June 30, 2009 Unaudited	December 31, 2008 Audited
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	**P 22,983,474,871**	P 27,601,662,533
Trade and other receivables - net	**13,120,137,657**	14,105,701,833
Financial assets at fair value through profit or loss	**3,654,284,246**	1,834,995,456
Inventories	**7,219,721,432**	7,728,981,610
Property development costs	**3,099,732,534**	2,821,399,894
Other current assets - net	**1,096,432,684**	1,072,517,869
Total Current Assets	**51,173,783,424**	**55,165,259,195**
NONCURRENT ASSETS		
Trade and other receivables	**10,815,621,331**	6,743,211,901
Advances to landowners and joint ventures	**1,104,669,433**	335,048,101
Land for future development	**1,664,281,409**	1,809,743,589
Available-for-sale financial assets - net	**2,524,160,203**	3,948,179,674
Investments in associates and interest in a joint venture	**17,531,360,423**	10,150,187,651
Property, plant and equipment - net	**4,672,361,482**	13,571,870,591
Investment property - net	**8,287,129,898**	7,434,161,121
Intangible assets - net	**11,433,037,157**	11,483,665,796
Deferred tax assets - net	**268,519,021**	266,133,009
Other noncurrent assets - net	**1,913,920,228**	1,183,607,967
Total Noncurrent Assets	**60,215,060,585**	**56,925,809,400**
TOTAL ASSETS	**P 111,388,844,009**	**P 112,091,068,595**

Forward

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		2009		2008
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**9,117,066,868**	P	7,011,242,229
Interest-bearing loans and borrowings		**1,934,104,990**		2,927,396,421
Customers' deposits		**1,188,817,019**		1,032,291,104
Reserve for property development		**2,397,987,695**		2,078,799,883
Deferred income on real estate sales		**1,382,426,800**		1,180,849,892
Income tax payable		**120,059,625**		183,529,706
Other current liabilities		**1,199,563,890**		1,309,337,179
Obligation under finance lease				
Advances from stockholders				
Advances from customers				
Total Current Liabilities		**17,340,026,887**		**15,723,446,414**
NONCURRENT LIABILITIES				
Interest-bearing loans and borrowings		**9,328,480,748**		7,143,988,135
Bonds payable		**3,760,353,897**		3,696,290,569
Customers' deposits		**838,932,392**		990,510,257
Reserve for property development		**1,956,834,369**		1,743,300,891
Deferred income on real estate sales		**1,134,163,243**		1,014,902,786
Retirement benefit obligation		**344,908,927**		353,601,480
Advances from related parties		**645,642,745**		871,199,221
Redeemable preferred shares		**312,247,591**		294,718,643
Deferred tax liabilities		**2,278,631,555**		1,896,389,575
Other noncurrent liabilities		**1,132,656,546**		1,080,590,749
Total Noncurrent Liabilities		**21,732,852,013**		**19,085,492,306**
Total Liabilities		**39,072,878,900**		**34,808,938,720**
EQUITY				
Equity attributable to equity holders of the parent company:				
Capital stock		**10,269,827,979**		10,269,827,979
Additional paid-in capital		**27,157,647,455**		27,157,647,455
Treasury shares	(	**3,650,609,172)**		(3,487,548,482)
Revaluation reserves	(	**916,615,432)**		(1,997,417,235)
Accumulated translation adjustments		**136,302,770**		59,561,516
Dilution gain		**45,023,383**		45,023,383
Retained earnings		**14,647,649,676**		12,263,183,145
		47,689,226,659		**44,310,277,761**
Minority interest		**24,626,738,450**		32,971,852,114
Total Equity		**72,315,965,109**		**77,282,129,875**
TOTAL LIABILITIES AND EQUITY	**P**	**111,388,844,009**	**P**	**112,091,068,595**

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2009 AND 2008
(Amounts in Philippine Pesos)

	Year-to-date **2009**	Quarter Ended **2009**	Year-to-date 2008	Quarter Ended 2008
REVENUES				
Sale of goods	**P 7,110,276,396**	P 3,622,645,822	**P 7,212,291,049**	P 3,937,787,902
Real estate sales	**6,065,548,074**	3,058,447,335	**5,280,165,844**	2,181,354,658
Rendering of services	**1,352,005,947**	679,514,772	**984,652,119**	504,119,553
Realized gross profit on prior years' real estate sales	**662,729,447**	342,430,800	**253,769,463**	56,699,054
Interest income on real estate sales	**433,102,262**	243,459,178	**308,382,099**	124,824,683
Finance and other income	**1,613,921,172**	475,509,737	**1,361,246,367**	706,278,874
Equity in net earnings of associates		-		
and a joint venture	**74,813,382**	25,952,498	**35,405,992**	1,082,343
	17,312,396,680	**8,447,960,142**	**15,435,912,933**	7,512,147,067
COST AND EXPENSES				
Cost of goods sold	**5,385,699,667**	2,690,635,557	**5,625,871,658**	3,061,659,753
Cost of real estate sales	**4,029,836,588**	2,051,761,817	**3,623,524,285**	1,495,828,079
Cost of services	**300,889,674**	152,907,038	**160,496,320**	70,336,774
Deferred gross profit on real estate sales	**983,400,188**	432,426,500	**711,560,440**	304,918,077
General and administrative expenses	**1,157,438,830**	582,411,752	**1,045,848,483**	544,402,759
Selling expenses	**722,062,000**	357,429,434	**673,615,653**	362,458,808
Finance costs and other charges - net	**351,851,397**	164,566,721	**384,985,749**	219,758,668
	12,931,178,344	**6,432,138,819**	**12,225,902,588**	6,059,362,918
INCOME BEFORE TAX AND PREACQUISITION INCOME	**4,381,218,336**	**2,015,821,323**	**3,210,010,345**	1,452,784,149
	-			
TAX EXPENSE	**817,082,205**	425,245,306	**541,580,518**	242,483,720
INCOME BEFORE PREACQUISITION INCOME	**3,564,136,131**	**1,590,576,017**	**2,668,429,827**	1,210,300,429
PREACQUISITION INCOME	**117,553,005**	117,553,005	-	-
NET INCOME	**P 3,446,583,126**	**P 1,473,023,012**	**P 2,668,429,827**	**P 1,210,300,429**
Attributable to:				
Equity holders of the parent company	**P 2,436,324,172**	1,061,896,962	1,696,720,561	786,346,656
Minority interest	**1,010,258,954**	411,126,050	971,709,266	423,953,773
	P 3,446,583,126	**P 1,473,023,012**	**P 2,668,429,827**	P 1,210,300,429
Earnings Per Share for the Net Income Attributable to the Equity Holders of the Parent Co	**P 0.2372**	**P 0.1034**	**P 0.1652**	**P 0.0766**
based on total shares issued				

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED JUNE 30, 2009 AND 2008
(Amounts in Philippine Pesos)
Unaudited

	2009	2008
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Capital Stock		
Balance at beginning of year	P 10,269,827,979	P 10,269,827,979
Additional issuance during the period	-	-
Balance at end of year	10,269,827,979	10,269,827,979
Additional Paid-in Capital		
Balance at beginning of year	27,157,647,455	27,157,647,455
Additional issuance during the period	-	-
Balance at end of period	27,157,647,455	27,157,647,455
Treasury Shares - at cost		
Balance at beginning of year	(3,487,548,482)	(1,395,127,306)
Net reduction (addition) during the period	(163,060,690)	251,618,819
Balance at end of period	(3,650,609,172)	(1,143,508,487)
Accumulated Translation Adjustments		
Balance at beginning of year	59,561,516	(528,101,377)
Currency translation adjustments during the period	76,741,254	314,632,019
Balance at end of period	136,302,770	(213,469,358)

Forward

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	2009	2008
Dilution Gain (Loss)		
Balance at beginning and end of period	45,023,383	45,023,383
Revaluation Reserves		
Balance at beginning of year	(1,997,417,235)	(284,374,735)
Fair value gains (losses) - net	1,080,801,803	(1,126,295,697)
Balance at end of year	(916,615,432)	(1,410,670,432)
Retained Earnings		
Appropriated for capital expenditures		
Balance at end of period	446,297,286	-
Unappropriated		
Balance at beginning of period	11,816,885,859	8,354,349,181
Additions(deductions)	(10,740,496)	172,538,418
Newly acquired interest	(41,117,145)	
Net income	2,436,324,172	1,696,720,561
Balance at end of period	14,201,352,390	9,437,261,504
Total Retained Earnings	14,647,649,676	10,223,608,160
	47,689,226,659	44,928,458,700
MINORITY INTEREST		
Balance at beginning of year	32,971,852,114	21,650,983,047
Dividend from investee	(295,273,243)	(275,073,789)
Additions (Deductions)	145,790,075	
Share in consolidated net income	1,010,258,954	971,709,266
Interest in a newly acquired interest in subsidiary	(8,827,844,447)	(928,594)
Collection of subscriptions receivable	(378,045,003)	1,406,250
Balance at end of period	24,626,738,450	22,348,096,180
TOTAL EQUITY	P 72,315,965,109	P 67,276,554,880
Net Gains (Losses) Directly Recognized in Equity	P 1,157,543,057	(P 811,663,678)

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIODS ENDED JUNE 30, 2009 AND 2008
(Amounts in Philippine Pesos)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax and preacquisition income	**P 4,381,218,336**	P 3,210,010,345
Adjustments for:		
Depreciation and amortization	**519,628,176**	445,565,068
Interest expense	**338,436,041**	329,250,504
Impairment losses	**15,320,361**	17,419,210
Interest income	**(929,250,324)**	(898,398,683)
Fair value gains - net	**(736,947,872)**	
Foreign currency gains	**(631,321,159)**	(133,239,037)
Equity in net earnings of associates and a joint venture	**(61,543,847)**	(35,054,555)
Dividend income	**(22,495,408)**	(6,182,942)
Operating income before working capital changes	**2,873,044,304**	2,929,369,910
Increase in trade and other receivables	**(2,415,257,002)**	(3,798,540,402)
Decrease (increase) in inventories	**497,539,817**	(746,948,133)
Increase in property development costs	**(278,332,640)**	(2,238,265,830)
Increase in financial assets at FVTPL	**(1,187,967,631)**	(431,657,806)
Increase in prepayments and other current assets	**(496,380)**	(347,907,287)
Increase in trade and other payables	**2,128,646,195**	4,573,562,250
Increase in reserve for property development	**532,721,290**	774,369,257
Increase in other liabilities	**65,448,169**	449,668,964
Increase in deferred income on real estate sales	**320,837,365**	457,790,977
Increase (decrease) in retirement benefit obligations	**(8,692,553)**	35,051,097
Increase (decrease) in customers' deposits	**4,948,050**	(186,670,109)
Cash generated from operations	**2,532,438,984**	1,469,822,888
Cash paid for taxes	**(524,114,753)**	(619,982,866)
Net Cash From Operating Activities	**2,008,324,231**	849,840,022
	P 2,008,324,231	P 849,840,022

forward

AGI
CFS

	2009	2008
	P 2,008,324,231	P 849,840,022
CASH FLOWS FROM INVESTING ACTIVITIES		
Reductions in (additions to):		
Property, plant and equipment and investment property	**7,577,540,795**	(226,919,056)
Available-for-sale financial assets	**2,611,339,362**	(1,013,009,296)
Investments in and advances to associates and other relate	**(16,810,125,695)**	414,111,052
Interest received	**885,383,231**	570,554,311
Net decrease in land for future development	**145,462,180**	293,935,838
Cash dividend received	**22,495,408**	5,253,217
Net increase advances to land owners and joint ventures	**(769,621,332)**	(62,626,929)
Decrease (increase) in other noncurrent assets	**(730,312,261)**	1,023,721,098
Acquisition of trademarks	**-**	(12,500,000)
Net Cash Used in Investing Activities	**(7,067,838,312)**	992,520,235
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in interest-bearing loans and borrowin	**1,191,201,182**	(75,730,324)
Acquisition of treasury shares	**(163,060,690)**	
Interest paid	**(361,257,597)**	(302,905,801)
Advances from related parties	**(225,556,476)**	5,180,315
Collections of subscriptions receivable	**-**	1,406,250
Net Cash From (Used in) Financing Activities	**441,326,419**	(372,049,560)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,618,187,662)**	1,470,310,697
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**27,601,662,533**	24,066,590,081
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**P 22,983,474,871**	P 25,536,900,778

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF TRADE AND OTHER RECEIVABLES
UNDER CURRENT ASSETS
AS OF JUNE 30, 2009
(Amounts in Philippine Pesos)

Trade Receivables		
Current	P	7,881,326,120
1 to 30 days		3,384,291,062
31 to 60 days		1,122,975,743
Over 60 days		620,412,604
Total		13,009,005,529
Others		12,070,049
TOTAL		13,021,075,578
Less Allowance for Impairment		99,062,079
Balance at end of period	P	13,120,137,657
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