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* **September 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. **7TH Floor, 1880 Eastwood Avenue, Eastwood City CyberPark**
   188 E. Rodriguez Jr. Ave., Bagumbayan, 1110 Quezon City
   Address of principal office

8. **(02) 709-2038 to 41**
   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*
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	7.16%	11.91%
Net income growth	16.13%	17.02%
Attributable to equity holders of parent company	27.76%	18.84%
Net income rate	18.50%	17.09%
Attributable to equity holders of parent company	13%	10.48%
Return on investment	4.2%	3.67%
Using net income attributable to holders of parent	2.8%	2..25%
Current ratio	2.8:1	3.9:1

- 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.
- Net income growth – measures the percentage change in net income over a designated period of time
- Net income rate– computed as percentage of net income to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- 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
- 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 Nine Months

Comparative interim results per segment were as follows:

	Revenues			Income before tax		
(In Millions)	2009	2008	%	2009	2008	%
F&B	4,311	4,906	-12	589	570	3
RE	13,232	12,376	7	4,217	3,627	16
QSR	7,092	6,150	15	489	122	300
Corporate	958	452	112	813	597	36
Total	25,593	23,884	7	6,108	4,916	24

Tax expense	(1,256)	(839)	50
Preacquisition income	(118)		
Net income	4,734	4,077	16
Attributable to holders of parent company	3,195	2,501	28

The Company closed the first nine months of 2009 with consolidated net income of P4.7 billion, up by 16% from P4.1 billion reported a year ago. Net income after minority interest was 28% higher year-on-year, as it hit P3.2 billion this year compared to P2.5 billion the previous year.

Revenues increased by 7% year-on-year to P25.6 billion from P23.9 billion last year. RE contributed the highest (52%) this year, followed by QSR (28%) and F&B (17%).

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 7% year-on-year. Megaworld's total revenues went up by 5% as compared to last year. 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; Newport City in Pasay; City Place in Binondo, Manila; and One Central, Greenbelt Chancellor and Excelsior in Makati City. 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 12%, particularly due to the slide in sales of alcoholic drinks by about 15% 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. Two variants were first introduced in April (lemon&lime gin and orange vodka). [Another one (apple vodka) in October] Pik-Nik sales, on the other hand, climbed by 38% this year, with its domestic (i.e. US) sales gaining 29% while its international sales just maintained its position as it had penetrated new outlets/market before.

QSR revenues from McDonald's grew by 15% to P7.1 billion from P6.1 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. Twenty-one stores were opened from a year ago while five were closed, bringing the total number of stores nationwide to 297 stores by end-September this year. Product promotions were launched during the nine months to add selection variety and entice consumer patronage. These included Mcsaver meals and Ice Age 3 vertigration.

Costs and expenses went up by about 3%. Cost of sales and services increased negligibly by 2%. Cost of real estate sales improved by almost 1%. Real estate sales went up by 5% 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 but the businesses managed to reduce the effects.

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 increased by 7% due to the rising cost of fuel, electricity and commodities. Selling expenses increased by 5% 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 and promotion expenses in the QSR business.

Finance and other income rose to P2.1 billion from P1.7 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-September as compared to last year-end. Finance and other charges, on the other hand, increased to P688 million from P622 million a year ago due to reduction in current interest-bearing loans.

Income tax expense totaled P1.2 billion from P839 million a year ago. Increase came principally from RE business.

Preacquisition income refers to income share -during the period 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 P7.6 billion as compared to P6.2 billion a year ago.

Financial Condition

Consolidated total assets amounted to P113 billion at end-September from P112 billion at beginning of year.

Cash and cash equivalents decreased by P4.0 billion - from P27.6 billion at the beginning of the year to end at P23.6 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 P673 million this year, from P1.8 billion to P2.5 billion, primarily due to fair value gain and slightly 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 P951 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 P4.9 billion due to increased sales activity in RE.

Inventories increased by P1.1 billion from P7.7 billion to P8.8 billion because of increase in condominium units for sale and in Pik-Nik products as it adjusts to new customers.
Available-for-sale financial assets declined by P1.4 billion from P3.9 to P1.2 billion primarily 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-September.

Investments in associates and interest in a joint venture increased by P7.6 billion from P10.1 billion to P17.7 billion due to additional advances/ investments made by a subsidiary of Megaworld, and deconsolidation of two subsidiaries.

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

Investment property increased by P1.8 billion from P7.4 billion to P9.2 billion due to increase in Megaworld’s leasing business, property for lease are reclassified to this account.

Interest-bearing loans and borrowings, current and non-current combined, decreased by P330 million from P10 billion to P9.7 billion despite the additional loans incurred in the RE business. This means the repayment of current loans offset the new loans obtained.

Advances to landowners and joint ventures, Land for future development, Reserve for property development, Deferred income on real estate sales, Advances from related parties, Trade and other payables, and Other liabilities 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 2.8:1 and 3.5:1 as of end and start of the current period, respectively. Debt-to-equity ratios remained low at 0.80:1 and 0.78:1 at end and beginning of the nine-month period, 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.

The 7.8-hectare Resorts World Manila project in Pasay City is envisioned to be the first 24x7 integrated tourism city in Southeast Asia and will include a world-class mall, various leisure and entertainment facilities and three hotels. The first level of the entertainment facilities opened in August and the Marriott Hotel in October this year. Bayshore City is another project that will turn an area of Entertainment City Manila (Pagcor City) into a theme development. In the next few years, these tourism projects are expected to contribute substantially to AGI's business portfolio.

New RE projects are set to be launched in the coming months: Two Central in Salcedo Village, Tower Three in Eastwood City, Parkside Villas beside Marriott Hotel in Newport City, The Venice Residences and Morgan Suites Executive Residences in McKinley Hill. Megaworld was also awarded to develop the 8.38-hectare property in North Bonifacio.

The consumer business continues to give better products, and services to consumers.

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
November 19, 2009

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

	September 30, 2009 Unaudited		December 31, 2008 Audited	
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	**P**	**23,643,030,255**	P	27,601,662,533
Trade and other receivables - net		**12,609,319,640**		14,105,701,833
Financial assets at fair value through profit or loss		**2,508,306,043**		1,834,995,456
Inventories		**8,814,741,560**		7,728,981,610
Property development costs		**2,774,377,134**		2,821,399,894
Other current assets - net		**910,318,513**		1,072,517,869
Total Current Assets		**51,260,093,145**		55,165,259,195
NONCURRENT ASSETS				
Trade and other receivables		**13,151,916,749**		6,743,211,901
Advances to landowners and joint ventures		**949,306,376**		335,048,101
Land for future development		**1,269,561,000**		1,809,743,589
Available-for-sale financial assets - net		**1,149,524,522**		3,948,179,674
Investments in associates and interest in a joint venture		**17,725,364,238**		10,150,187,651
Property, plant and equipment - net		**4,876,203,072**		13,571,870,591
Investment property - net		**9,227,185,160**		7,434,161,121
Intangible assets - net		**11,458,646,559**		11,483,665,796
Deferred tax assets - net		**301,467,365**		266,133,009
Other noncurrent assets - net		**2,131,332,841**		1,183,607,967
Total Noncurrent Assets		**62,240,507,882**		56,925,809,400
TOTAL ASSETS	**P**	**113,500,601,027**	P	112,091,068,595

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	2009	2008
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	**P 10,911,845,896**	P 7,011,242,229
Interest-bearing loans and borrowings	**695,769,122**	2,927,396,421
Customers' deposits	**995,377,137**	1,032,291,104
Reserve for property development	**2,506,166,772**	2,078,799,883
Deferred income on real estate sales	**1,501,612,085**	1,180,849,892
Income tax payable	**120,227,396**	183,529,706
Other current liabilities	**1,408,766,506**	1,309,337,179
Total Current Liabilities	**18,139,764,914**	15,723,446,414
NONCURRENT LIABILITIES		
Interest-bearing loans and borrowings	**9,045,896,464**	7,143,988,135
Bonds payable	**3,704,619,580**	3,696,290,569
Customers' deposits	**901,079,202**	990,510,257
Reserve for property development	**2,026,722,408**	1,743,300,891
Deferred income on real estate sales	**1,209,797,192**	1,014,902,786
Retirement benefit obligation	**348,539,004**	353,601,480
Advances from related parties	**669,658,151**	871,199,221
Redeemable preferred shares	**321,582,275**	294,718,643
Deferred tax liabilities	**2,392,422,191**	1,896,389,575
Other noncurrent liabilities	**1,280,191,121**	1,080,590,749
Total Noncurrent Liabilities	**21,900,507,588**	19,085,492,306
Total Liabilities	**40,040,272,502**	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	**(427,030,492)**	(1,997,417,235)
Accumulated translation adjustments	**54,398,566**	59,561,516
Dilution gain	**45,023,383**	45,023,383
Retained earnings	**16,427,283,794**	12,263,183,145
	49,876,541,513	44,310,277,761
Minority interest	**23,583,787,012**	32,971,852,114
Total Equity	**73,460,328,525**	77,282,129,875
TOTAL LIABILITIES AND EQUITY	**P 113,500,601,027**	P 112,091,068,595

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED SEPTEMBER 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 10,902,298,052	P 3,792,021,656	P 10,601,231,173	P 3,388,940,124
Real estate sales	9,093,931,441	3,028,383,367	9,070,610,658	3,790,444,814
Rendering of services	2,032,864,441	680,858,494	1,566,828,188	549,460,515
Realized gross profit on prior years' real estate sales	888,333,600	225,604,153	441,644,360	187,874,897
Interest income on real estate sales	624,934,772	191,832,510	456,835,989	148,453,890
Finance and other income	1,966,625,550	352,704,378	2,019,768,275	691,237,462
Equity in net earnings of associates and a joint venture	84,420,096	9,606,714	(272,988,119)	(308,394,111)
	25,593,407,952	8,281,011,272	23,883,930,524	8,448,017,591
COST AND EXPENSES				
Cost of goods sold	8,231,720,770	2,846,021,103	8,298,568,484	2,672,696,826
Cost of real estate sales	5,829,470,596	1,799,634,008	5,877,466,071	2,253,941,786
Cost of services	459,562,404	158,672,730	238,908,303	78,411,983
Deferred gross profit on real estate sales	1,403,823,575	420,423,387	1,260,779,801	549,219,361
General and administrative expenses	1,708,216,103	550,777,273	1,560,497,836	514,649,353
Selling expenses	1,164,667,873	442,605,873	1,109,501,173	435,885,520
Finance costs and other charges - net	687,836,858	335,985,461	622,194,310	237,208,561
	19,485,298,179	6,554,119,835	18,967,915,978	6,742,013,390
INCOME BEFORE TAX AND PREACQUISITION INCOME	6,108,109,773	1,726,891,437	4,916,014,546	1,706,004,201
TAX EXPENSE	1,256,063,647	438,981,442	839,184,907	297,604,389
INCOME BEFORE PREACQUISITION INCOME	4,852,046,126	1,287,909,995	4,076,829,639	1,408,399,812
PREACQUISITION INCOME	117,553,005	-	-	-
NET INCOME	P 4,734,493,121	P 1,287,909,995	P 4,076,829,639	P 1,408,399,812
Attributable to:				
Equity holders of the parent company	P 3,195,086,249	758,762,077	2,500,846,126	804,125,565
Minority interest	1,539,406,872	529,147,918	1,575,983,513	604,274,247
	P 4,734,493,121	P 1,287,909,995	P 4,076,829,639	P 1,408,399,812
Earnings Per Share for the Net Income Attributable to parent stockholders based on total shares outstanding	P 0.3269	P 0.0776	P 0.2474	P 0.0795

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

	Year-to-date **2009**	Quarter Ended 2009	Year-to-date 2008	Quarter Ended 2008
NET INCOME	**P 4,734,493,121**	P 1,287,909,995	P 4,076,829,639	P 1,408,399,812
Other comprehensive income (losses)				
Fair value gains (losses)	**1,570,386,743**	489,584,940	(147,583,705)	978,711,992
Translation adjustments	**(5,162,950)**	(81,904,204)	824,556,246	509,924,227
	1,565,223,793	407,680,736	676,972,541	1,488,636,219
NET COMPREHENSIVE INCOME	**P 6,299,716,914**	P 1,695,590,731	P 4,753,802,180	P 2,897,036,031
Attributable to:				
Equity holders of the parent company	**P 4,699,150,023**	1,152,799,847	3,023,431,167	1,662,770,892
Minority interest	**1,600,566,891**	542,790,884	1,730,371,013	1,234,265,139
	P 6,299,716,914	P 1,695,590,731	P 4,753,802,180	P 2,897,036,031
Earnings Per Share for the Net Income Attributable				
	P 0.4808	P 0.1179	P 0.2991	P 0.1645
based on total shares outstanding		-		

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR NINE MONTHS ENDED SEPTEMBER 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 and end of period	**P 10,269,827,979**	P 10,269,827,979
Additional Paid-in Capital		
Balance at beginning and end of period	**27,157,647,455**	27,157,647,455
Treasury Shares - at cost		
Balance at beginning of year	**(3,487,548,482)**	(1,143,508,487)
Net reduction (addition) during the period	**(163,060,690)**	(2,457,923,025)
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	**(5,162,950)**	**824,556,246**
Balance at end of period	**54,398,566**	**(213,469,358)**
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	**1,570,386,743**	(147,583,705)
Balance at end of year	**(427,030,492)**	(431,958,440)

forward -

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	2009	2008
Retained Earnings		
Balance at beginning and end of period	446,297,286	-
Unappropriated		
Balance at beginning of period	11,816,885,859	8,354,349,181
Additions(deductions)	969,014,400	310,252,324
Net income	3,195,086,249	2,500,846,126
Balance at end of period	15,980,986,508	11,165,447,631
Total Retained Earnings	16,427,283,794	11,165,447,631
	49,876,541,513	44,901,011,365
MINORITY INTEREST		
Balance at beginning of year	32,971,852,114	21,650,983,047
Dividend from investee	(280,356,762)	(275,751,410)
Additions (Deductions)	(10,647,115,212)	11,380,080,545
Share in consolidated net income	1,539,406,872	971,709,266
Balance at end of period	23,583,787,012	32,755,312,182
TOTAL EQUITY	P 73,460,328,525	P 77,656,323,547
Net Gains Directly Recognized in Equity	P 1,565,223,793	P 676,972,541

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

		2009		2008
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax and preacquisition income	**P**	**6,108,109,773**	P	4,918,478,626
Adjustments for:				
Depreciation and amortization		**863,673,330**		674,260,377
Interest expense		**604,265,909**		576,978,205
Foreign currency gains		**83,570,949**		(83,832,204)
Impairment losses		**18,162,600**		56,059,808
Fair value gains - net		**(950,978,960)**		-
Interest income		**(710,963,708)**		(831,198,067)
Equity in net earnings of associates and a joint venture		**(84,420,096)**		272,988,119
Dividend income		**-**		(33,037,204)
Operating income before working capital changes		**5,931,419,797**		5,550,697,660
Increase in trade and other receivables		**(5,248,615,159)**		(5,726,437,082)
Increase in trade and other payables		**4,250,087,190**		2,139,978,299
Increase in inventories		**(1,096,422,550)**		(572,093,459)
Decrease in financial assets at FVTPL		**277,668,373**		(1,875,384,626)
Decrease (increase) in prepayments and other assets		**50,445,677**		(195,064,334)
Increase in reserve for property development		**710,788,406**		1,232,005,601
Increase in other liabilities		**325,893,331**		934,073,751
Increase in deferred income on real estate sales		**515,656,599**		819,135,441
Increase (decrease) in retirement benefit obligations		**(5,062,476)**		39,723,273
Increase (decrease) in customers' deposits		**(126,345,022)**		544,139,866
Cash generated from operations		**5,585,514,166**		2,890,774,390
Cash paid for taxes		**(746,914,018)**		(704,298,645)
Net Cash From Operating Activities		**4,838,600,148**		2,186,475,745
	P	**4,838,600,148**	P	2,186,475,745

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	2009	2008
	P 4,838,600,148	P 2,186,475,745
CASH FLOWS FROM INVESTING ACTIVITIES		
Reductions in (additions to):		
Property, plant and equipment and investment property	**6,063,989,387**	(5,790,702,444)
Available-for-sale financial assets and other non-current as	**3,424,483,082**	(1,747,537,548)
Land for future development	**540,182,589**	(346,301,679)
Property development costs	**47,022,760**	(3,107,920,495)
Investments in and advances to associates and other relate	**(17,566,767,070)**	(1,074,523,398)
Advances to land owners and joint ventures	**(614,258,275)**	(93,176,180)
Interest received	**956,185,263**	1,294,926,862
Cash dividend received		33,037,203
Acquisition of trademarks	**-**	(12,500,000)
Net Cash Used in Investing Activities	**(7,149,162,264)**	(10,844,697,679)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net increase (decrease) in interest-bearing loans and borrowin	**(329,718,970)**	3,650,894,316
Acquisition of treasury shares	**(163,060,690)**	(1,146,561,471)
Interest paid	**(953,749,432)**	(579,175,841)
Advances from (to) related parties	**(201,541,070)**	128,474,576
Issuance of capital stock	**-**	10,095,406,250
Net Cash From (Used in) Financing Activities	**(1,648,070,162)**	12,149,037,830
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,958,632,278)**	3,490,815,896
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 23,643,030,255**	P 27,557,405,977
	-	-

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

Trade Receivables		
Current	P	8,726,757,882
1 to 30 days		3,362,110,345
31 to 60 days		190,502,741
Over 60 days		427,810,751
Total		12,707,181,719
Less Allowance for Impairment		97,862,079
Balance at end of period	P	12,609,319,640