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S.E.C. Registration Number

A L L I A N C E G L O B A L
G R O U P I N C .

(Company's Full Name)

2 0 / F I B M P L A Z A E A S T W O O D C I T Y
1 8 8 E . R O D R I G U E Z J R . A V E N U E
B A G U M B A Y A N Q U E Z O N C I T Y

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

DINA INTING

Contact Person

911-2949 to 52

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

S E C F O R M 1 7 - 0

FORM TYPE

(Quarterly Report ended September 30, 2008)

18

Month

31

Day

N.A.

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

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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, 2008**

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

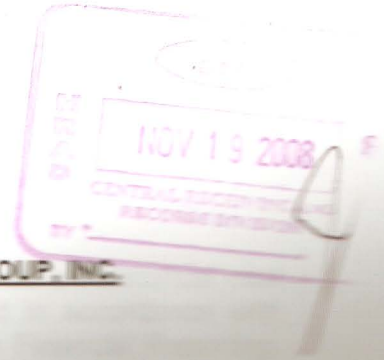
<i>Title of Each Class</i>	<i>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding as of September 30, 2008</i>
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Common	10,269,827,979 shares (Includes 321,088,000 shares held by AGI under buy-back program)
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10. Are any or all of these securities listed on a Stock Exchange? **Yes, on the 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

- Attachment 1 – Consolidated Balance Sheets
- Attachment 2 – Consolidated Income Statements
- Attachment 3 – Consolidated Statements of Changes in Equity
- Attachment 4 – Consolidated Statements of Cash Flows
- Attachment 5 – Aging Schedule of Trade and Other Receivables
Under Current Assets

The interim consolidated financial statements have been prepared on historical cost basis, except for the revaluation of certain financial assets, and 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, 2007. The accounting policies and methods used in the interim financial statements are consistent with those applied in the December 31, 2007 audited annual financial statements. Some reclassifications were made to the 2007 interim financial statements to conform to 2008 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.

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 the annual report filed under SEC Form 17-A may be found in the Company's website [allianceglobalinc.com] and PSE website [pse.com.ph]. A copy of the Annual Report 2007, Expansion by Innovation, can be viewed from the Company's website.

In the normal course of business, there were inter-company transactions among the Company (AGI) and its subsidiaries and these were eliminated in consolidation. All material inter-company balances were also eliminated in full. 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 in Intangible

Assets in the consolidated balance sheets. In addition, shares of stock of the Company acquired by any of these companies are considered as re-acquisitions and presented as Treasury Shares in the consolidated statements of changes in equity.

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.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of 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 (1) distilled spirit manufacturing, marketing and distribution, presently with Emperador and Generoso brandy labels, (2) operations of the foreign-based subsidiaries that handle the manufacture and international distribution of food products, (3) glass container manufacturing business that produces flint glass containers primarily for internal requirements, and (4) 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 and Travellers International Hotel Group, Inc. (Please see discussion below).
- 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.

Business Development

This year, the Company, through its subsidiary Travellers International Hotel Group, Inc. (Travellers), has ventured into tourism-oriented development. Travellers will invest at least US\$1.55 billion in two large-scale tourism projects to be developed in various phases over the next few years. Part of the development will include building of 5,000 hotel rooms which will make Travellers the largest hotel owner in the country. With the growth in the global tourism industry and the positioning of Travellers as a major player in this sector, it is expected that Travellers will be a major contributor to AGI

On June 2, 2008, Travellers received the first Provisional License issued by the Philippine Amusement and Gaming Corporation (PAGCOR) to participate in the latter's leisure and entertainment master plan which includes the development of the Bagong

Nayong Pilipino Entertainment City Manila project – a fully integrated resort complex set to rise in the Manila Bay reclamation area.

Travellers has also set development in another tourism site - the Newport City Integrated Resort located across the Ninoy Aquino International Airport Terminal 3 in Pasay City – where it will build three hotels and a themed shopping and entertainment center.

AGI concluded a deal with Star Cruises Limited (SCL) of Hong Kong whereby SCL will eventually acquire 50% (direct and indirect) interest in Travellers. SCL, the third largest cruise operator in the world, is a member of Malaysia-based Genting Group, one of the largest leisure and entertainment companies in the world. This partnership will transform Travellers into a major growth driver for Alliance Global within the next few years.

A new flavored alcoholic beverage has been developed and soft launched in November. This new product has two variants in gin and vodka and is to be offered at a more affordable price as compared to the premium-priced brandy products.

Key Performance Indicators

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

	2008	2007
Sales growth	12%	226%*
Net income growth	17%	648%*
Attributable to equity holders of parent company	19%	376%*
Net income rate	18.5%	17.7%
Attributable to equity holders of parent company	11.3%	10.7%
Return on investment	3.7%	3.9%
Using net income attributable to holders of parent	2.2%	2.4%
Current ratio	3.9:1	12/31/07 4.3:1

*New subsidiaries, Megaworld Corporation and Emperador Distillers, Inc., were consolidated beginning 2007.

- Sales 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 – January to September

Comparative interim results per segment were as follows:

	Revenues			Operating Income		
(In Millions)	2008	2007	%	2008	2007	%
F&B	4,892	5,432	-10	1,310	1,453	-10
RE	11,151	8,737	28	3,988	3,316	20
QSR	6,042	5,502	10	254	373	-32
Corporate				(51)	121	
Total	22,085	19,671	12	5,501	5,263	5
Other charges				(585)	(763)	-23
Tax expense				(839)	(915)	-8
Preacquisition income					(100)	
Net income				4,077	3,484	17
Attributable to holders of parent company				2,501	2,104	19

The Company ended the first nine months of the current year with net income of P4.08 billion— 17% better than P3.48 billion recorded a year ago. Net income attributable to equity holders of the parent company improved by 19% year-on-year to P2.50 billion from P2.10 billion. Such were attributed to the strong results from RE led by Megaworld plus finance income. Megaworld closed the period with P2.86 billion net income net of minority interest, thereby contributing P1.32 billion to equity holders of AGI this year, up from P929 million (net of P100 million preacquisition income) a year ago. The consolidated finance and other income totaled P2.03 billion this year which is 25% more than the P1.63 billion earned last year.

Revenues increased by 12% to P22.08 billion from P19.67 billion last year. RE contributed the highest (50%) this year, followed by QSR (27%) and F&B (22%).

RE revenues came from sale of residential lots, condominium, and office units; from rental of office spaces; and hotel operations. Sales, in particular, which comprised 85% of revenues, grew by 25% to P9.07 billion from P7.25 billion last year. Real estate projects include Bellagio, Forbeswood Parklane, and Forbeswood Heights in Forbes Town Center, Fort Bonifacio; Eastwood Le Grand, Eastwood Parkview and One Orchard, and Eastwood Excelsior in Eastwood City; Manhattan Parkway in Quezon City; Newport City in Pasay and McKinley Hill in Fort Bonifacio. With high occupancy rates in both the BPO office spaces and retail developments, particularly in McKinley Hill and Eastwood City, property rental income went up by 51% to P1.00 billion from P664 million a year ago.

Our consumer products, being premium items, continue to be affected by the rising prices and watchful consumer spending.

Brandy sales slipped by 15% to P4.34 billion from P5.09 billion a year ago. This was primarily attributed to increased competition and inflation. Pik-Nik sales, on the other hand, improved by 23% this year due to penetration of new outlets/markets, with its domestic (i.e. USA) and international sales volume gaining 6% and 30%, respectively, over last year. Pik-Nik was able to increase its prices in some areas/market towards end of April.

Revenues from McDonald's grew by 10% to P6.04 billion from P5.50 billion a year ago. The improvement came from the expansion of its store chain. Fifteen company-operated stores were opened from a year ago, bringing the total number to 173 by end-September this year. Stores, including sub-franchised ones, totaled 281 nationwide as of end-September as compared to 265 a year ago. Product promotions continued to add variety and entice consumer patronage. Launches this year included the Kung Fu Panda Happy Meal promo, Hamdesal, Chicken and Everyday McSavers, McNuggets honey treat, buko pandan Mcflurry, desserts festival, breakfast grab and go, Shake shake fries/nuggets, McMoney and Crunchy chicken sandwich. Sales prices of selected products have been increased slightly in second-third quarters.

Cost of sales and services went up primarily because RE sales went up. The rising costs of raw materials, fuel and electricity put pressure on the gross profit (GP) margin. Costs of imported materials were also affected by the depreciating peso, particularly on the consumer products. Nevertheless, management was able to implement control measures to ease the pressures so that GP margin for this period-to-date was registered at 29.0% as compared to 30.5% a year ago. GP margins from RE improved to 35% from 33% while those of F&B and QSR dropped slightly to 28% and 19% from 35% and 22%, respectively. GP from the brandy products was at 29% this year from 35% last year. While McDonald's had instituted selective price increases from second quarter and Pik-Nik in April, Emperador and Generoso were able to make modest price increase in July and September, respectively, only. There were minimal development costs of new flavored alcoholic beverage product that were charged to gross profit.

The top three cost components in the manufacture of brandy were raw materials (89%), depreciation and trademark amortization (4%) and rent (1%). In the QSR, these were food and paper (47%), rental (22%), personnel costs (15%), and depreciation and amortization (5%).

Operating expenses were affected by the rising cost of fuel, electricity and commodities. Selling expenses expanded to P1.11 billion from P916 million a year ago as a result of higher sales this year which translated to higher commissions and advertising expenses in RE and higher royalty fees in the QSR business. Marketing and distribution expenses related to selling brandy expanded as a result mainly of wider distribution network base and more aggressive marketing campaign this year compared to a year ago. Administrative expenses went up by 9.6% to P1.56 billion from P1.43 billion a year ago primarily because of P120 million increase from the RE business.

Finance and other operating income totaled P2.03 billion this year from P1.63 billion a year ago. This came primarily from interest earned on cash and short-term investments that amounted to P31 billion at end-September this year as compared to P26 billion at

P26 billion at end-2007. Also included in this category is gain on equity investments sold during the year.

Tax expense totaled P839 million in the first nine months, as compared to P915 million a year ago as a result of contraction in F&B and QSR income.

EBITDA amounted to P6.23 billion as compared to P5.73 billion for the same period last year.

Financial Condition

Consolidated total assets expanded to P111.08 billion at end-September from P89.14 billion at beginning of year primarily because of the increased activity in the RE segment, including the tourism projects.

Cash and cash equivalents increased by P3.49 billion - from P24.07 billion at the beginning of the year to end at P27.56 billion. P4.43 billion and P11.87 billion flowed in during the year from operating and financing activities, respectively, while P12.81 billion flowed out for investing activities. The items affecting cash and cash equivalents were presented in detail in the interim consolidated statements of cash flows presented with this report.

Financial assets at fair value through profit or loss increased by P1.06 billion this year, from P1.97 billion to P3.04 billion, primarily due to additional investment in bonds. These 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. The Group does not actively engage in the trading of financial assets for speculative purposes or derivatives.

Current trade and other receivables increased by P2.58 billion and non-current portion by P3.49 billion year-on-year. The increase came from the higher RE sales.

Inventories increased by P1.15 billion from P6.48 billion to P7.63 billion primarily because there were more residential and condominium units for sale that were completed in ongoing projects. There were also stocks of brandy on hand plus McDo promotional items.

Fast-track construction and development activities in RE segment resulted in significant changes in the following accounts: +P3.11 billion in property development costs (P2.74 billion to P5.84 billion); +P93 million in advances to landowners and joint ventures (P169 million to P262 million); -P250 million in land for future development (P2.20 billion to P1.95 billion); and +P1.23 billion in reserve for property development (P2.59 billion to P3.83 billion). The P5.05 billion increase in investment property is also attributed to RE business.

Trade and other payables went up by P2.17 billion from P4.92 billion to P7.09 billion primarily as a result of brisk RE business, mainly on payments paid to contractors and suppliers for various projects.

Current customers' deposits increased by P412 million and non-current portion by P132 million due to increase in RE sales reservations, which already reached P20 billion after three quarters. Current and non-current deferred income on real estate sales went up by P285 million and P534 million, respectively, due to unearned revenue.

Interest-bearing loans and borrowings increased by P4.27 billion primarily from additional borrowings in RE business.

Non-current retirement benefit obligations increased by P87.88 million due to accrual of retirement benefits during the year.

Advances from related parties under current liabilities decreased by P21 million due to payment of rent on rebuild McDo restaurants and interest. The non-current advances, on the other hand, increased by P147 million primarily from the RE business.

Current and non-current other liabilities increased by P577 million and P107 million, respectively, mainly from RE business activities.

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

Revaluation reserves under equity decreased by P148 million due to fair value loss from Megaworld's available-for-sale financial assets. Fair value is determined directly by reference to published prices in an active market

Treasury shares are AGI shares acquired but not canceled 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.

Accumulated translation adjustments represent the exchange differences arising from translation of foreign subsidiaries' financial statements.

The consolidated balance sheets showed strong liquidity. Current ratios were registered at 3.9:1 and 4.3:1 as of end and start of the period, respectively. Debt-to-equity ratios remained low at 0.43:1 and 0.36:1 at end and beginning of the period, respectively.

Prospects for the future

Given heightened worries of an impending global recession, that has not spared even the best of economies, AGI remains focused on its business programs. The higher cost of commodities, peso depreciation and softening of consumer spending may have affected the business environment, but AGI is committed to facing these challenges head-on.

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.

AGI has entered into the tourism sector through Travellers and embarks on two large-scale development projects which will drive revenues into AGI in the next few years.

For 2008, of the 17 new residential projects scheduled for launch this year, 16 have already been launched and substantially pre-sold. Total potential revenues from the 17 projects will amount to approximately P26 billion to be realized over time. For BPO office, 50,000 square meters has been completed and over 90 percent leased. The remaining balance of 50,000 square meters of BPO office space schedule for completion this year is about 40 percent pre-leased. On the retail side, 45,000 square meters of retail space was recently completed and is now about 80 percent pre-leased. These developments are expected to enhance RE results.

Likewise, more McDonald's restaurants will be opened during the year and a number of existing ones re-imaged to boost QSR income. New alcoholic beverages have been pipelined plus a customer activation program put in place as well. In September, EDI launched a consumer promo, "Tagumpay Sa Negosyo", that gives out enterprise fund for the winner to set up his own business. All these aim to achieve the profit goal for the year.

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.

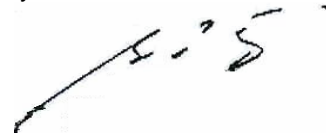
SIGNATURE

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:

A handwritten signature in black ink, appearing to read 'DINA INTING', written over a faint rectangular stamp.

DINA INTING

*First Vice President for Finance
& Corporate Information Officer
& Duly Authorized Officer*

November 19, 2008

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30, 2008 AND DECEMBER 31, 2007
(Amounts in Philippine Pesos)

	September 30, 2008	December 31, 2007
	Unaudited	Audited
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash and cash equivalents	P 27,557,405,977	P 24,066,590,081
Trade and other receivables - net	10,529,869,672	7,948,280,652
Financial assets at fair value through profit or loss	3,037,492,524	1,975,897,931
Inventories	7,630,750,607	6,482,232,000
Property development costs	5,845,296,070	2,737,375,575
Prepayments and other current assets	<u>859,990,511</u>	<u>839,675,257</u>
 Total Current Assets	 <u>55,460,805,361</u>	 <u>44,050,051,496</u>
NON-CURRENT ASSETS		
Trade and other receivables - net	9,096,855,295	5,610,614,884
Advances to landowners and joint ventures	262,559,819	169,383,639
Land for future development	1,949,477,364	2,199,780,902
Investments in associates and interest in a joint venture	11,106,214,194	9,220,058,258
Property, plant and equipment - net	5,108,583,775	5,050,957,339
Investment property - net	11,056,976,605	6,005,410,045
Deferred tax assets - net	241,571,839	241,470,542
Intangible assets - net	11,467,294,900	11,530,112,856
Other non-current assets - net	<u>5,328,245,393</u>	<u>5,061,686,348</u>
 Total Non-current Assets	 <u>55,617,779,184</u>	 <u>45,089,474,813</u>
 TOTAL ASSETS	 <u>P 111,078,584,545</u>	 <u>P 89,139,526,309</u>

Forward

	September 30, 2008	December 31, 2007
	Unaudited	Audited
<u>LIABILITIES AND EQUITY</u>		
CURRENT LIABILITIES		
Trade and other payables	P 7,091,072,772	P 4,919,472,043
Customers' deposits	1,201,511,530	789,059,627
Interest-bearing loans and borrowings	845,810,557	510,982,742
Income tax payable	122,847,753	282,440,590
Advances from related parties	71,297,073	92,023,859
Reserve for property development	1,999,608,382	1,658,763,404
Deferred income on real estate sales	1,087,425,084	802,714,242
Other current liabilities	<u>1,789,825,538</u>	<u>1,212,811,608</u>
Total Current Liabilities	<u>14,209,398,689</u>	<u>10,268,268,115</u>
NON-CURRENT LIABILITIES		
Interest-bearing loans and borrowings	10,596,563,824	6,657,089,323
Customers' deposits	1,734,845,553	1,603,157,590
Reserve for property development	1,825,914,105	934,753,482
Deferred income on real estate sales	1,056,082,194	521,657,596
Redeemable preferred shares	286,510,543	261,271,803
Retirement benefit obligations	320,512,036	232,629,468
Advances from related parties	794,429,812	647,083,981
Deferred tax liabilities	1,445,562,248	1,446,479,277
Other non-current liabilities	<u>1,152,441,994</u>	<u>1,045,289,228</u>
Total Non-current Liabilities	<u>19,212,862,309</u>	<u>13,349,411,748</u>
Total Liabilities	<u>33,422,260,998</u>	<u>23,617,679,863</u>
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	(3,601,431,512)	(1,143,508,487)
Accumulated translation adjustments	296,454,869	(528,101,377)
Dilution gain	45,023,383	45,023,383
Revaluation reserves	(431,958,440)	(284,374,735)
Retained earnings	<u>11,165,447,631</u>	<u>8,354,349,181</u>
	44,901,011,365	43,870,863,399
Minority interest	<u>32,755,312,182</u>	<u>21,650,983,047</u>
Total Equity	<u>77,656,323,547</u>	<u>65,521,846,446</u>
TOTAL LIABILITIES AND EQUITY	<u>P 111,078,584,545</u>	<u>P 89,139,526,309</u>

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

	2008		2007	
	Quarter	Year-To-Date	Quarter	Year-To-Date
REVENUES				
Sale of goods	P 3,388,940,124	P 10,601,231,173	P 3,244,628,399	P 10,615,132,885
Real estate sales	3,790,444,814	9,070,610,658	3,206,345,857.00	7,252,228,000
Rendering of services	530,359,134	1,515,011,253	377,828,171.00	1,163,176,587
Interest income on real estate sales	148,453,890	456,835,989	51,945,945.00	250,896,000
Realized gross profit on prior years' real estate sales	187,874,897	441,644,360	191,482,630.00	389,415,000
	<u>8,046,072,859</u>	<u>22,085,333,433</u>	<u>7,072,231,002</u>	<u>19,670,848,472</u>
COST OF GOODS SOLD AND SERVICES				
Cost of goods sold	2,672,696,826	8,298,568,484	2,275,183,269.00	7,557,573,066
Cost of real estate sales	2,253,941,786	5,877,466,071	2,271,516,056.00	4,999,961,000
Cost of services	78,411,983	238,908,303	132,861,532.00	424,325,264
Deferred gross profit on real estate sales	549,219,361	1,260,779,801	8,062,270.00	691,161,000
	<u>5,554,269,956</u>	<u>15,675,722,659</u>	<u>4,687,623,127</u>	<u>13,673,020,330</u>
GROSS PROFIT	<u>2,491,802,903</u>	<u>6,409,610,774</u>	<u>2,384,607,875</u>	<u>5,997,828,142</u>
OTHER OPERATING INCOME (EXPENSES)				
Finance and other income	806,215,272	2,034,222,602	677,271,509.00	1,656,044,705
Equity in net earnings(losses) of associates and a joint venture (308,394,111)	(272,988,119)	(250,909.00)	(18,423,871)
Administrative expenses	(514,653,975)	(1,564,892,551)	(479,513,874.00)	(1,428,253,613)
Selling expenses	(435,885,520)	(1,109,501,173)	(353,321,034.00)	(915,640,194)
Others	4,622	4,394,715	1,467,275.00	-
	<u>(452,713,712)</u>	<u>(908,764,526)</u>	<u>(154,347,033)</u>	<u>(706,272,973)</u>
OPERATING INCOME	<u>2,039,089,191</u>	<u>5,500,846,248</u>	<u>2,230,260,842</u>	<u>5,291,555,169</u>
OTHER INCOME (CHARGES)				
Foreign currency losses - net	(192,624,201)	(59,385,164)	(327,216,234.00)	(152,490,393)
Finance costs	(242,866,732)	(562,809,146)	(178,780,301.00)	(590,285,065)
Others - net	102,405,943	37,362,608	87,916.00	(49,578,807)
	<u>(333,084,990)</u>	<u>(584,831,702)</u>	<u>(505,908,619)</u>	<u>(792,354,265)</u>
INCOME BEFORE TAX AND PREACQUISITION INCOME	<u>1,706,004,201</u>	<u>4,916,014,546</u>	<u>1,724,352,223</u>	<u>4,499,200,904</u>
TAX EXPENSE	<u>297,604,389</u>	<u>839,184,907</u>	<u>351,979,295.00</u>	<u>915,051,901</u>
INCOME BEFORE PREACQUISITION INCOME	<u>1,408,399,812</u>	<u>4,076,829,639</u>	<u>1,372,372,928</u>	<u>3,584,149,003</u>
PREACQUISITION INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,413,666)</u>
NET INCOME	<u>P 1,408,399,812</u>	<u>P 4,076,829,639</u>	<u>P 1,372,372,928</u>	<u>P 3,483,735,337</u>
Attributable to:				
Equity holders of the parent company	804,125,565	P 2,500,846,126	P 869,947,378	P 2,104,299,811
Minority interest	604,274,247	1,575,983,513	502,425,550	1,379,435,526
	<u>P 1,408,399,812</u>	<u>P 4,076,829,639</u>	<u>P 1,372,372,928</u>	<u>P 3,483,735,337</u>
Earnings Per Share for the Net Income Attributable to the Equity Holders of the Parent Company	P 0.0783	P 0.2435	P 0.0847	P 0.2049
Based on shares outstanding at end June				

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30

(Amounts in Philippine Pesos)
Unaudited

	2008	2007
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY		
Capital Stock		
Balance at beginning of year	P 10,269,827,979	P 2,205,181,000
Additional issuance during the period	-	8,064,646,979
Balance at end of period	10,269,827,979	10,269,827,979
Additional Paid-in Capital		
Balance at beginning of year	27,157,647,455	5,232,877,999
Additional issuance during the period	-	21,921,474,301
Balance at end of period	27,157,647,455	27,154,352,300
Subscriptions Receivable		
Balance at beginning of year	-	(986,612,492)
Additional subscriptions during the period -net	-	986,612,492
Balance at end of period	-	-
Treasury Shares - at cost		
Balance at beginning of year	(1,143,508,487)	-
Additions during the period -net	(2,457,923,025)	-
Balance at end of period	(3,601,431,512)	-
Accumulated Translation Adjustments		
Balance at beginning of year	(528,101,377)	(46,544,619)
Currency translation adjustments during the period	824,556,246	(77,458,860)
Balance at end of period	296,454,869	(124,003,479)

Forward

- 2 -

	<u>2008</u>	<u>2007</u>
Share in Net Unrealized Gain on		
Available-for-Sale Financial Assets of an Associate		
Balance at beginning of year	-	11,595,904
Transferred to revaluation reserve	-	(11,595,904)
Balance at end of period	<u>-</u>	<u>-</u>
Dilution Gain (Loss)		
Balance at beginning of year	45,023,383	(307,137,911)
Dilution gain (loss) recognized during the year	-	-
Balance at end of period	<u>45,023,383</u>	<u>(307,137,911)</u>
Revaluation Reserves		
Balance at beginning of year	(284,374,735)	12,261,215
Revaluation reserve of a newly acquired subsidiary	-	11,595,904
Fair value gains (losses) - net	(147,583,705)	16,986,601
Balance at end of period	<u>(431,958,440)</u>	<u>40,843,720</u>
Retained Earnings		
Balance at beginning of year	8,354,349,181	5,061,762,565
Effect of merger and adjustments	310,252,324	
Net income	2,500,846,126	2,104,299,812
Balance at end of period	<u>11,165,447,631</u>	<u>7,166,062,377</u>
	<u>44,901,011,365</u>	<u>44,199,944,986</u>
MINORITY INTEREST		
Balance at beginning of year	21,650,983,047	865,182,993
Share in consolidated net income	1,575,983,513	1,379,435,525
Collection of subscriptions receivable	1,406,250	
Dividends from investee	(275,751,410)	(263,030,367)
Minority interest on stock issuances & others	9,802,690,782	11,807,567,879
Exercise of stock rights	-	8,461,781,196
Balance at end of period	<u>32,755,312,182</u>	<u>22,250,937,226</u>
TOTAL EQUITY	<u>P 77,656,323,547</u>	<u>P 66,450,882,212</u>
Net Gains (Losses) Directly Recognized in Equity	<u>(P 676,972,541)</u>	<u>P 60,472,259</u>

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Amounts in Philippine Pesos)
Unaudited

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax and preacquisition income	P 4,918,478,626	P 4,499,200,904
Adjustments for:		
Depreciation and amortization	599,254,920	553,478,092
Finance costs	576,978,205	590,285,065
Amortization of trademark	75,005,457	58,336,972
Impairment and provisions	56,059,808	32,376,354
Income Before Interest, Income Tax, Depreciation and Amortization	6,225,777,016	5,733,677,387
Finance and miscellaneous income	(831,198,067)	(1,393,951,441)
Unrealized foreign currency gains	(83,832,204)	(446,572,001)
Equity in net losses (earnings) of associates and a joint venture	272,988,119	(21,771,129)
Dividend income	(33,037,204)	(17,784,704)
Operating income before working capital changes	5,550,697,660	3,853,598,112
Increase in trade and other payables	2,139,978,299	1,975,371,304
Increase in reserve for property development	1,232,005,601	2,136,909,000
Increase in deferred income on real estate sales	819,135,441	1,026,366,000
Increase in other current liabilities	621,030,977	607,931,199
Increase in customers' deposits	544,139,866	2,759,895,000
Increase in non-current liabilities	313,042,774	9,224,151,422
Increase in retirement benefit obligations	39,723,273	37,886,094
Increase in trade and other receivables	(5,359,166,023)	(9,434,077,788)
Increase in inventories	(572,093,459)	(3,988,529,240)
Increase in prepayments and other current assets	(273,186,823)	(710,131,377)
Increase (decrease) in other non-current assets	78,122,489	(3,186,971,320)
Cash generated from operations	5,133,430,075	4,302,398,406
Cash paid for income taxes	(704,298,645)	(462,164,325)
Net Cash From Operating Activities	4,429,131,430	3,840,234,081

Forward

- 2 -

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,294,926,862	1,251,615,820
Dividends received	33,037,203	12,228,445
Net additions to:		
Property, plant and equipment and investment property	(5,790,702,444)	(6,327,304,515)
Property development cost	(3,107,920,495)	(2,348,734,000)
Financial assets at fair value through profit or loss	(1,875,384,626)	(1,966,033,858)
Other non-current assets	(1,747,537,548)	(593,511,520)
Investments in and advances to associates and other related parties	(796,307,907)	(3,884,711,331)
Other receivables - non trade	(367,271,059)	
Land for future development	(346,301,679)	(3,277,180,000)
Advances to land owners and joint ventures	(93,176,180)	
Acquisition of intangible assets	(12,500,000)	
Other non-current liabilities	-	20,168,935,408
	<u>(12,809,137,873)</u>	<u>3,035,304,449</u>
Net Cash From (Used in) Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of capital stock	10,094,000,000	13,192,110,525
Net proceeds from interest-bearing loans and borrowings	3,650,894,316	7,490,302,622
Advances from related parties	128,474,576	170,586,037
Net collections of subscription receivable	1,406,250	986,612,492
Acquisition of treasury shares	(1,146,561,471)	
Interest paid	(579,175,841)	(580,294,989)
Dividends paid to minority stockholders	(278,215,491)	(263,030,367)
	<u>11,870,822,339</u>	<u>20,996,286,320</u>
Net Cash From Financing Activities		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,490,815,896	27,871,824,850
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>24,066,590,081</u>	<u>1,289,597,395</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>P 27,557,405,977</u>	<u>P 29,161,422,245</u>

ALLIANCE GLOBAL GROUP, INC.
AGING SCHEDULE OF TRADE AND OTHER RECEIVABLES
UNDER CURRENT ASSETS
SEPTEMBER 30, 2008
(Amounts in Philippine Pesos)

Trade Receivables		
Current	P	5,126,857,462
1 to 30 days		2,283,980,894
31 to 60 days		1,298,978,427
Over 60 days		<u>1,004,228,036</u>
Total		9,714,044,819
Others		<u>846,260,488</u>
TOTAL		10,560,305,307
Less Allowance for Impairment		30,435,635
Balance at end of period	P	<u><u>10,529,869,672</u></u>