

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATIONS CODE (SRC) AND SRC RULE 17.1

- 1. February 17, 2014 Date of Report (Date of earliest event reported)
2. 152747 SEC Identification Number
3. 000-153-790-000 BIR Tax Identification Number
4. AYALA LAND, INC. Exact Name of registrant as specified in its charter
5. MAKATI CITY, PHILIPPINES Province, country or other jurisdiction of incorporation
6. (SEC Use Only) Industry Classification Code
7. 30/F, Tower One, Ayala Triangle, Ayala Avenue, Makati City Address of principal office
1226 Postal code
8. (632) 750-6974 Registrant's telephone number, including area code
9. Not Applicable Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

As of December 30, 2013

Table with 3 columns: Title of Each Class, Number of Shares of Common Stock Outstanding, Amount of Debt Outstanding. Rows include COMMON SHARES (14,173,286,611) and VOTING PREFERREDSD* (13,066,494,759) with a total debt of P 102.3 Billion.

Indicate the item numbers reported herein : Item 9. Other Events

Re: Ayala Land Full Year 2013 Unaudited Financial Results

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AYALA LAND, INC. Registrant
Signature of JAIME E. YSMAEL
Senior Vice-President, Chief Finance Officer & Chief Compliance Officer

Date : February 17, 2014

*Unregistered



SEC Reg. No. 152747

17 February 2014

Philippine Stock Exchange, Inc.
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Securities and Exchange Commission
SEC Building, Mandaluyong City
Attention: Hon. Justina F. Callangan
Director, Corporation and Finance Department

Philippine Dealing and Exchange Corporation
37th Floor, Tower 1, The Enterprise Center
6766 Ayala Ave cor. Paseo de Roxas, Makati City
Attention: Ms. Ma. Concepcion Magdaraog
Head, Issuer Compliance and Disclosures Department

Dear Mesdames:

We submit herewith Ayala Land's unaudited consolidated financial results for the period ended December 31, 2013.

Results of Operations

Ayala Land, Inc. ("ALI" or "the Company") posted a record P11.74 billion in net income for the year 2013, 30% higher than the P9.04 billion recorded the previous year. Consolidated revenues reached P81.52 billion, 36% higher year-on-year. Revenues from Real Estate, which comprised the bulk of consolidated revenues, increased by 40% to P76.34 billion mainly driven by the strong performance across the Property Development, Commercial Leasing and Services business lines.

Corporate costs remain under control with the ratio of General and Administrative Expenses (GAE) to revenues declining further to 7.3% from 7.9% in 2012. Earnings before interest and taxes (EBIT) margin expanded to 26% in 2013, from 25% the previous year.

Business Segments

The details of the individual performance of each business segment are discussed as follows:

Property Development. Property Development, which includes the sale of residential lots and units, office spaces, as well as Commercial and Industrial Lots, registered revenues of P51.96 billion in 2013, 51% higher than the P34.46 billion recorded in 2012.

Revenues from the Residential Segment reached P41.99 billion in 2013, 32% higher than the P31.88 billion reported the previous year, largely due to solid bookings and steady project launches across all brands. Ayala Land Premier (ALP) generated P15.56 billion in revenues or an improvement of 41% year-on-year on the back of higher revenues from premium condominium units in 1016 Residences, Park Terraces, The Suites and Parkpoint Residences and new launches such as Two Roxas Triangle and Garden Tower 2. Alveo meanwhile posted revenues of P9.10 billion, 18% higher than last year owing to sales contributions from Two Maridien and Verve Residences in Bonifacio Global City, Mirala in Nuvali, Escala Salcedo and Solstice Tower in Makati, Celadon Park Tower 3 in Manila and Solinea Tower 2 in Cebu. Avida and Amaia likewise attained revenue growth of 42% and 54% to P12.50 billion and P2.43 billion, respectively. Avida's performance was anchored on strong bookings from the success of new projects such as Avida 34th Street Tower 2 and Avida Cityflex Tower 2 in Bonifacio Global City, Madera Grove Estates in Bulacan, Avida Woodhill Settings in Nuvali, Avida Towers Vita in Quezon City, Avida Centera Towers 3 and 4 in Mandaluyong and Avida Riala Towers 1 and 2 in Cebu, as well as increased sales in existing projects such as Avida Parkway Settings, Avida Ridgeview Estates and Avida Village Cerise in Nuvali, Avida San Lorenzo Tower 2 in Makati and Avida Prime Taft Tower 1 in Pasay. Amaia revenues was boosted by sales from recent launches namely Amaia Steps Sucat, Amaia Skies Avenida, Amaia Steps Bicutan, Amaia Steps Nuvali, Amaia Steps Cavite, Amaia Steps Lucena and Amaia Steps Bauan. BellaVita, coming from a low base on its first year of operations, saw revenues increase by 308% to P63.93 million, mainly due to revenues generated from its General Trias and Alaminos projects.

Sales take-up value in 2013 reached a record level of P91.93 billion, equivalent to an average monthly sales take-up of P7.66 billion, an all-time high and 18% higher than the P6.47 billion average last year. Residential Gross Profit (GP) margins of horizontal projects declined slightly to 44% from 48% owing to lesser subdivision lots sold in Nuvali while GP margins of vertical developments improved from 35% to 37% due to moderate price escalations and impact of cost containment measures. The Company's five residential brands launched a total of 28,482 units in 2013 worth P108 billion. For 2014, the Company is expecting continued demand for housing products and will be launching around 30,000 units across all residential brands.

Revenues from the sale of Commercial and Industrial Lots grew by 256% in 2013 to P8.80 billion, primarily due to the sale of commercial lots in NUVALI and Arca South. However, GP margins dropped to 40% from 50% as the commercial lot sales in Arca South carried lower margins.

Commercial Leasing. Commercial Leasing includes the Company's Shopping Centers and Office Leasing as well as Hotels and Resorts operations. Total revenues for Commercial Leasing amounted to P18.00 billion in 2013, 21% higher than the P14.91 billion recorded in the previous year.

Revenues from Shopping Centers increased by 10% to P10.48 billion in 2013, driven by higher average lease rates and expanded gross leasable area (GLA). Average lease rates rose in 2013 by 3% despite the opening of new provincial malls that normally have lower rental rates than Metro Manila shopping centers. Occupied gross leasable area (GLA) was up by 7% year-on-year, while same-store rentals increased by 4%. Shopping Centers EBITDA margins slightly declined to 62% from 64% last year, due to the continuing impact of redevelopment projects in Ayala Center Makati and Ayala Center Cebu. Average occupancy rate across all malls was maintained at a healthy level of 95%, in spite of additional GLA from newly-opened malls.

Revenues from Office leasing operations rose by 18% to P3.50 billion in 2013 from P2.97 billion in the previous year. Revenue growth was attained due to higher lease rates and occupied GLA of business process outsourcing (BPO) office spaces, which grew by 16% year-on-year (an increase of 55,919 square meters). Total available BPO GLA reached 490,450 square meters as of year-end, while average BPO lease rates increased 8% to P633 per square meter. EBITDA margins of the total office portfolio improved to 85% from 84%.

Hotels and Resorts currently operates 1,294 internationally branded hotel rooms in Hotel InterContinental Manila, Cebu City Marriott, Fairmont Hotel and Raffles Residences Makati and Holiday Inn & Suites Makati, 192 island resort rooms in Lagen, Miniloc, Apulit and Pangulasian Islands in the province of Palawan and 515 Seda Hotel rooms between Bonifacio Global City, Centrio Cagayan de Oro and Abreeza Davao. Revenues of the Hotels and Resorts business grew by 64% to P4.02 billion in 2013 from P2.45 billion last year, primarily driven by contributions from new hotels and resorts. Revenue per Available Room (REVPAR) for the stable hotels in the company's portfolio was at P3,592, while REVPAR for resorts was at P5,683 per night. EBITDA margins for Hotels and Resorts increased to 20% driven by the improved performance of new hotels and resorts.

Services, which include the Company's wholly-owned Construction and Property Management companies, generated combined revenues of P26.33 billion in 2013, 29% higher than the P20.38 billion posted last year. Construction revenues rose by 19% to P22.96 billion given an increased orderbook and the steady completion of ALI Group projects. Property Management revenues increased 196% to P3.38 billion in 2013, driven by the contribution of PhilEnergy and Direct Power. Blended EBITDA margins for Services improved to 9% from 7% in 2012 due to effective cost management efforts.

Equity in Net Earnings of Investees, Interest, Fees, Investment and Other Income

Equity in Net Earnings from Investees rose by 3% to P550 million in 2013 from P536 million in the previous year. Interest and Investment Income meanwhile declined by 17% to P3.54 billion in 2013. The decrease is mainly attributed to the effect of the one-time gain on the re-measurement of ALI Makati Hotel & Residences, Inc. and ALI Makati Hotel Property, Inc. in 2012 and lower interest income on the Company's money market placements, despite a higher average cash balance in 2013. Other Income grew by 165% to P1.10 billion, primarily due to the sale of Laguna Technopark's waterworks business.

Expenses

Total expenses amounted to P62.56 billion in 2013, 38% more than the P45.39 billion incurred in 2012. Real Estate and Hotels Expenses rose 40% year-on-year to P51.84 billion. GAE meanwhile grew by 25% to P5.93 billion, primarily due to payroll and donation-related expenses. Nevertheless, GAE-to-revenue ratio was lower at 7.3% in 2013. Interest Expense, Financing and Other Charges increased by 32% year-on year to P4.79 billion, mainly attributed to new bond issuances to finance the Company's expansion plans. The average cost of the Company's consolidated debt, however, decreased to 5.1% from 5.4% in 2012.

Project and Capital Expenditure

The Company spent a total of P66.26 billion in capital expenditures in 2013, 7% lower than the P71.29 billion spent the previous year. The bulk of capital expenditures in 2013 were utilized for residential developments (32% of total), land acquisition (41%), offices (8%), shopping centers (12%), hotels and resorts (2%), with the balance spent on support business and land development activities in the Company's strategic landbank areas. For 2014, the Company has allotted another P70.0 billion for capital expenditures primarily earmarked for the completion of ongoing developments and launches of new residential and leasing projects, which will help sustain the Company's growth trajectory in the coming years. The total value of the 78 projects that are expected to be launched this year is estimated to be at around P142 billion.

Financial Condition

The Company's balance sheet remains strong with sufficient capacity to carry out its aggressive growth plans in 2014 and beyond. Cash and Cash Equivalents stood at P40.76 billion, resulting in a Current Ratio of 1.45: 1. Total Borrowings stood at P101.90 billion from P74.78 billion as of December last year, translating to a Debt-to-Equity Ratio of 1.04:1 and a Net Debt-to-Equity Ratio of 0.62:1. Return on equity was maintained at 13% in 2013.

Thank you.

Very truly yours,



Jaime E. Ysmael
*Senior Vice-President,
Chief Finance Officer &
Chief Compliance Officer*

AYALA LAND, INC.**UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**
(Amounts in Thousands)

	December 31		January 1
	2013	2012 (As restated*)	2012 (As restated*)
ASSETS			
Current Assets			
Cash and cash equivalents	₱27,966,138	₱32,122,085	₱27,285,676
Short-term investments	16,728	16,503	194,943
Financial assets at fair value through profit or loss	13,403,497	713,716	-
Accounts and notes receivable	42,504,238	34,647,571	22,314,311
Inventories	43,572,245	27,322,746	22,934,678
Other current assets	19,524,111	17,085,213	7,169,432
Total Current Assets	146,986,957	111,907,834	79,899,040
Noncurrent Assets			
Noncurrent accounts and notes receivable	17,648,365	15,406,987	8,539,341
Available-for-sale financial assets	336,261	472,915	705,755
Land and improvements	62,722,720	48,815,444	18,736,580
Investments in associates and joint ventures	9,318,774	8,313,290	8,008,258
Investment properties	59,183,364	49,551,679	40,900,658
Property and equipment	17,694,470	15,352,299	5,596,924
Deferred tax assets - net	5,161,046	3,025,323	2,142,221
Other noncurrent assets	6,421,728	2,557,197	2,045,904
Total Noncurrent Assets	178,486,728	143,495,134	86,675,641
	₱325,473,685	₱255,402,968	₱166,574,681
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts and other payables	₱79,478,164	₱56,791,143	₱39,615,732
Short-term debt	12,407,056	9,779,146	5,306,844
Income tax payable	1,056,682	894,746	267,194
Current portion of long-term debt	3,542,152	6,591,354	1,861,761
Deposits and other current liabilities	5,139,153	5,467,315	1,568,952
Total Current Liabilities	101,623,207	79,523,704	48,620,483
Noncurrent Liabilities			
Long-term debt - net of current portion	85,952,677	58,407,563	31,949,592
Pension liabilities	1,147,484	586,420	240,035
Deferred tax liabilities - net	1,306,517	1,043,979	762,058
Deposits and other noncurrent liabilities	23,346,234	19,866,280	8,980,548
Total Noncurrent Liabilities	111,752,912	79,904,242	41,932,233
Total Liabilities	213,376,119	159,427,946	90,552,716

(Forward)

	December 31		January 1
	2013	2012 (As restated*)	2012 (As restated*)
Equity			
Equity attributable to equity holders of Ayala Land, Inc.			
Paid-up capital	₱44,455,043	₱34,118,600	₱18,960,206
Retained earnings	57,674,205	50,061,754	43,925,560
Stock options outstanding	198,274	213,758	232,298
Actuarial Loss on Pension Obligation	(590,183)	(319,228)	(128,466)
Net unrealized gain on available-for-sale financial assets	32,105	36,752	51,097
Equity reserves	(3,299,669)	8,960	8,960
Treasury shares	—	(2,127,427)	(823,967)
	98,469,775	81,993,169	62,225,688
Non-controlling interests	13,627,791	13,981,853	13,796,277
Total Equity	112,097,566	95,975,022	76,021,965
	₱325,473,685	₱255,402,968	₱166,574,681

**Certain amounts shown here do not correspond to the December 31, 2012 and January 1, 2012 audited consolidated financial statements and reflect adjustments made.*

AYALA LAND, INC.**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

(Amounts in Thousands, Except Earnings Per Share Figures)

	Years Ended December 31		
	2013	2012 (As restated*)	2011 (Restated*)
REVENUE			
Real estate	₱76,337,434	₱54,705,427	₱44,837,984
Interest and investment income	3,538,357	4,277,103	1,694,644
Equity in net earnings of associates and joint ventures	549,741	535,911	388,964
Other income	1,097,538	413,721	746,018
	81,523,070	59,932,162	47,667,610
COSTS AND EXPENSES			
Real estate	51,839,186	37,025,710	29,991,118
General and administrative expenses	5,929,336	4,726,568	3,763,894
Interest and other financing charges	4,012,072	3,264,994	2,098,876
Other charges	782,413	367,296	217,991
	62,563,007	45,384,568	36,071,879
INCOME BEFORE INCOME TAX	18,960,063	14,547,594	11,595,731
PROVISION FOR INCOME TAX			
Current	5,854,495	3,893,519	2,751,353
Deferred	(1,199,125)	(422,411)	255,509
	4,655,370	3,471,108	3,006,862
NET INCOME	₱14,304,693	₱11,076,486	₱8,588,869
Net income attributable to:			
Equity holders of Ayala Land, Inc.	₱11,741,764	₱9,038,328	₱7,140,308
Non-controlling interests	2,562,929	2,038,158	1,448,561
	₱14,304,693	₱11,076,486	₱8,588,869
Earnings Per Share			
Net income attributable to equity holders of Ayala Land, Inc.			
Basic	₱0.84	₱0.68	₱0.55
Diluted	0.83	₱0.67	₱0.55

*Certain amounts shown here do not correspond to the December 31, 2012 and 2011 audited consolidated financial statements and reflect adjustments made.

AYALA LAND, INC.**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Amounts in Thousands)

	Years Ended December 31		
	2013	2012 (As restated*)	2011 (As restated*)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱18,960,063	₱14,547,594	₱11,595,731
Adjustments for:			
Depreciation and amortization	3,898,401	2,714,537	2,904,810
Interest expense	4,012,072	3,264,994	2,098,876
Dividends received from investees	8,858,752	—	—
Cost of share-based payments	232,659	248,436	178,791
Unrealized loss on financial assets at fair value through profit or loss	657	—	—
Realized loss (gain) on financial assets at fair value through profit or loss	(2,104)	—	4,423
Gain on sale of property and equipment	589,102	(837)	(964)
Equity in net earnings of associates and jointly controlled entities	(549,741)	(535,911)	(388,964)
Interest income	(3,528,766)	(3,673,325)	(1,363,791)
Gain on sale of investments	—	—	8,960
Gain on remeasurement of previously held equity interest	—	(593,853)	—
Provision for impairment losses on:			
Other assets	238,562	67,166	—
Investment in associate	—	58,996	—
Receivables	161,299	52,621	52,550
Investment properties	37,567	19,500	—
Losses	135,800	—	—
Available-for-sale financial assets	—	16,771	—
Write off of investment property	—	1,653	—
Operating income before changes in working capital	33,044,323	16,188,342	15,090,422
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Accounts and notes receivable - trade	(6,805,017)	(5,607,065)	(5,313,504)
Real estate inventories	(2,398,479)	(4,369,713)	(5,779,404)
Other current assets	(2,438,898)	(9,915,781)	(2,393,262)
Increase (decrease) in:			
Accounts and other payables	12,557,548	14,027,301	13,084,780
Other current liabilities	(328,162)	3,898,363	(729,217)
Other deposits	—	—	—
Pension liabilities	256,423	165,991	(142,299)
Net Cash generated from operations	33,887,738	14,387,438	13,817,516
Interest received	244,740	1,197,865	1,532,491
Income tax paid	(6,366,620)	(3,835,134)	(2,687,265)
Interest paid	(4,012,072)	(3,454,894)	(2,307,401)
Net cash provided by operating activities	23,753,786	8,295,275	10,355,341

Years Ended December 31

	2013	2012 (Restated*)	2011 (Restated*)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Sale/redemption of investments and financial assets at fair value through profit or loss	₱1,827,463	₱178,440	₱1,813,621
Sale of available-for-sale financial assets	136,654	232,840	-
Disposal of property and equipment	(487,314)	34,910	92,690
Disposal of investment properties	131,781	1,653	148,822
Additions to:			
Short-term investments and financial assets at fair value through profit or loss	(14,517,244)	(713,716)	-
Available-for-sale financial assets	-	-	-
Land and improvements	(30,097,431)	(31,273,707)	(4,049,284)
Investments in associates and jointly controlled entities	(1,173,373)	(554,781)	(1,017,108)
Investment properties	(10,994,898)	(8,961,984)	(10,410,323)
Property and equipment	(5,842,600)	(6,133,613)	(2,319,356)
Accounts and notes receivable - nontrade	(3,557,948)	-	(2,775,717)
Net decrease (increase) in other noncurrent assets	913,760	(6,923,223)	9,988
Acquisition of minority interest	(3,308,629)	-	-
Acquisition of subsidiary, net of cash acquired	-	(1,096,432)	-
Net cash used in investing activities	(66,969,779)	(55,209,613)	(18,506,667)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short and long-term debt	28,860,274	33,910,255	19,698,455
Payments of short and long-term debt	(1,736,451)	(1,844,388)	(3,710,502)
Increase (decrease) in deposits and other noncurrent liabilities	3,547,328	10,885,732	1,384,023
Capital infusion by non-controlling interests in consolidated subsidiaries	540,837	446,900	728,169
Redemption of non-controlling interests in consolidated subsidiaries	(2,692,088)	(1,672,709)	(55,800)
Proceeds from capital stock subscriptions	13,353,140	14,891,418	308,856
Proceeds from reissuance of treasury shares	2,127,428	-	-
Redemption of treasury shares	-	(1,303,460)	-
Dividends paid to non-controlling interests	(811,109)	(660,867)	(552,579)
Dividends paid to equity holders of Ayala Land, Inc.	(4,129,313)	(2,902,134)	(1,971,569)
Net cash provided by financing activities	39,060,046	51,750,747	15,829,053
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,155,947)	4,836,409	7,677,727
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32,122,085	27,285,676	19,607,949
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱27,966,138	₱32,122,085	₱27,285,676