SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATIONS CODE (SRC)
AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. **February 14, 2005**
   Date of Report (Date of earliest event reported)

2. **152747**
   SEC Identification Number

3. **050-000-153-790**
   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. **29/F, Tower One, Ayala Triangle, Ayala Avenue, Makati City** **1226**
   Address of principal office Postal code

8. **848-5313**
   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 4 and 8 of the SRC

As of December 31, 2004

Title of Each Class	Number of Shares of Common Stock Outstanding	Amount of Debt Outstanding
COMMON SHARES	**10,775,345,430**	**₱ 13.4 Billion**

Indicate the item numbers reported herein : **Please refer to attached letter**

Re: Ayala Land's 2004 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

Date : **February 14, 2005**

JAIME E. YSMAEL
Senior Vice President,
Chief Finance Officer and Treasurer

SEC Reg. No. 152747
SEC Sec. Code No. E-5000
PSE Sec. Code No. PR-010

February 14, 2005

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, Mandaluyong City

Attention: **Director Justina F. Callangan**
Corporation & Finance Department

PHILIPPINE STOCK EXCHANGE
4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **Ms. Jurisita M. Quintos**
Senior Vice President
Disclosure Department

Gentlemen:

We submit herewith Ayala Land's unaudited consolidated financial results for the year ended December 31, 2004.

Results of Operations

Given favorable market response to its high quality and innovative products, Ayala Land posted a record-high consolidated revenues of P18.1 billion, 24% higher than previous year's level. Initiatives to efficiently manage cost cushioned the effects of increasing margin pressure from rising costs, enabling the Company to post an 11% growth in net income to P3.0 billion.

Strong growth was experienced across the Company's various business lines.

Ayala Land's leasing business, derived from shopping centers, office buildings and hotels exhibited good growth due to improving market conditions and superior quality of leased properties and contributed 31% of total revenues.

Shopping centers and office leasing revenues amounted to P3.9 billion, contributed 22% to total and grew by 10% year-on-year. The Company's shopping centers, which benefited from further expansions, high occupancies and strong merchant sales, drove leasing revenues. In the past year, total mall leasable area increased with the opening of Greenbelt 4, completion of SM Makati renovation and start of operations of Market! Market! As of year-end, retail shopping center GLA (excluding hotels) amounted to 730,000 sqms. Weighted average occupancy of shopping centers was 95%, excluding Market! Market! which opened in September and had 82% of its 115,000 sqms leaseable area leased out by year-end. At Ayala Center, which generates the bulk of shopping center revenues, total sales and same-store sales grew by 11% and 8%, respectively, given the increased pedestrian traffic generated by the efficient walkway system and sustained advertising and marketing activities. An escalation in basic rents also contributed to rental revenue growth.

Office leasing remained resilient as seen in the high 94% average occupancy rate enjoyed by the Company-owned buildings. To further increase its office rental revenues, Ayala Land is carving a niche in the build-to-suit office building segment as it addresses the growing demand from call centers and BPO firms. Construction of PeopleSuppport Center and Convergys Center are in full swing and will be completed by April and October, respectively. These buildings will add 30,000 sqms of leasable area and increase the Company's office portfolio by 43% to about 100,000 sqms.

With the hotel sector's marked recovery in 2004, the Company's hotel and serviced apartment properties did well. Revenues from hotel operations contributed 9% of consolidated revenues or P1.5 billion, up 21% year-on-year. Higher visitor arrivals led to significant improvement in occupancies, allowing moderate increases in room rates. Oakwood Premier Ayala Center's average occupancy rate was 89%, significantly higher than previous year's 69% and much better than MCBD hotels' average of 75%. Hotel InterContinental Manila was 71% occupied compared to 66% in 2003. Meanwhile, Cebu City Marriott Hotel posted a high occupancy rate of 85%, also better than Cebu hotels' average of 72%.

In 2004, the Company's development business lines expanded due to new project launches which kept pace with improvements in the property market.

Condominium and high-end residential unit sales generated P3.6 billion in revenues and contributed 20% to total revenues. This is nearly double last year's level as the Company successfully launched Serendra and sold One Legazpi Park receivables which paved the way for an accelerated revenue booking. By end-2004, a total of 1,031 units have been offered for sale at Serendra, 55% of which has been taken up. Higher sales at Montgomery Place and One Roxas Triangle, as well as additional sales and revenue recognition on prior year sales at The Residences at Greenbelt (Laguna Tower), also contributed to the significant revenue increase. The sale of 1,773 sqms of office space at Ayala Life FGU Center in Makati further augmented revenues.

The sale of residential, commercial and industrial lots contributed 16% to consolidated revenues or P2.9 billion, about the same level as last year. At Ayala Greenfield Estates, the completion of the golf course's first nine holes boosted sales, bringing cumulative take-up rate to 91% of the 508 lot offering as of year-end. Steady community build up at Ayala Westgrove Heights prompted the construction of a neighborhood retail area, bringing take-up rate to 90% of 1,535 lots. At Ayala Hillside Estates, the completion of the 18-hole golf course attracted new buyers and brought the project's take-up rate to 98%. Also contributing to land sales were the 2,997-sqm gas station site in Alabang and a 2,400-sqm lot within the MCBD. At Laguna Technopark, a total of 3.7 hectares were sold in 2004, slightly lower than previous year's 4.1 hectares.

Revenues from mass housing sales through Laguna Properties Holdings, Inc. (LPHI) amounted to P1.8 billion or 10% of total. While LPHI's sales booking increased by 6% to 1,536 units in 2004, mass housing revenues slightly declined by 4% due to the still low revenues recognized from medium-rise condominium projects given their early stage of construction. In addition, there were more high-value commercial lots sold in 2003. LPHI's affordable line accounted for nearly two-thirds of sales volume in 2004. These products, priced at P750,000 to P1.8 million per unit, came primarily from projects like Sta. Catalina Village (Dasmariñas, Cavite), San Francisco Village (Sto. Tomas, Batangas) and Villa Sta. Monica (Lipa, Batangas). LPHI's affordable condominium line, while still a relatively new product, has also been well-received. The first and second towers of One Aeropolis in Sucat, Parañaque were 97% and 76% taken-up, respectively, while newly-launched Aeropolis Two in New Manila, Quezon City was 13% taken-up by year-end.

Revenues from the sale of core-middle income residential units through Community Innovations, Inc. (CII) amounted to P1.3 billion, representing a 97% year-on-year growth and accounting for 7% of Ayala Land's consolidated revenues. Driving growth in the core-mid segment were new sales and construction accomplishment at The Columns. The project's nearly fully sold first tower was topped off while the second and third towers, 78% and 69% taken up as of end-2004, were 49% and 12% complete, respectively. Serendra (District 2) and Verdana Mamplasan, both launched in 2004, also contributed to the growth. Of the 416 lots offered for sale at Verdana Mamplasan, 34% has been taken up. Soon, CII will launch house-and-lot packages within this project.

Two wholly-owned subsidiaries, Makati Development Corporation and Ayala Property Management Corporation, continued to service Company projects. Revenues from construction projects of wholly-owned Makati Development Corporation contributed P1.0 billion, or 5% of consolidated revenues. This represents a 30% year-on-year growth, with various projects for BCDA and Manila Water, as well as Market! Market! and Ayala Greenfield Estates, accounting for the increase.

Interest and other income accounted for 11% of revenues and amounted to P2.1 billion. The 20% increase was due to higher interest income, higher equity earnings from Fort Bonifacio Development Corporation, Cebu Holdings, Inc. and Alabang Commercial Corporation, higher management and marketing fees and gain on sale of shares in some companies.

Financial Condition

A strong balance sheet enabled the Company to launch new projects, pursue expansion plans and fund strategic investments.

Liquidity was preserved, backed by strong cash generation from leasing operations. Cash reserves stood at P6.4 billion as of end-2004, 31% higher than end-2003 level, keeping current ratio at a high level of 1.71:1.

Further enhancing liquidity were the sale of receivables and non-strategic assets which, in 2004, generated P3.2 billion net cash proceeds. This enabled the Company to pare down debt, amidst expanding project offerings, to P13.4 billion, 7% lower than end-2003 level. With a low debt-to-equity ratio of only 0.36:1, the Company has room to gear up for strategic investments.

In 2004, Ayala Land's consolidated project and capital expenditures amounted to P8.1 billion, 47% of which was spent for residential buildings and townhouse projects, primarily Serendra, Montgomery Place, One Legazpi Park and The Residences at Greenbelt. Nearly 30% was used for buildings for lease including Market! Market! and PeopleSupport Center. The balance was used for residential subdivision projects and equity investments. For 2005, Ayala land is allocating a P13.6 billion budget for consolidated project and capital expenditures.

Looking Ahead

Ayala Land has lined up new projects that will enable the Company to capitalize on emerging opportunities given the anticipated recovery of the property sector. To further strengthen its recurring revenue base, Ayala Land increased its stake in the North Triangle Commercial Center, a 200,000-sqm mall which will commence construction within the first half of 2005. In addition, Phase 1B of Market! Market! with about 35,000 sqms of leasable space will be completed late this year.

On the development side, the Company will soon launch the next phase in Ayala Southvale while the second tower of The Residences at Greenbelt will be offered for sale. Ayala Land will also embark on its first leisure project, a high-end seaside residential resort community to be developed on over 320 hectares of land in Morong, Bataan.

While pursuing new projects, the Company will continue to roll-out new phases in existing projects.

As the Company builds up its product portfolio across a wider market, it will continue to put emphasis on cost efficiency to preserve margins and deliver the best value for money for its customers. The expanded product offerings will be complemented by intensified sales and marketing efforts to broaden market reach and tap the growing market of overseas-based Filipinos.

For your information.

Very truly yours,

JAIME E. YSMAEL
Senior Vice President,
Chief Finance Officer and Treasurer