SEC Number: 152-747
File Number: ________

AYALA LAND, INC.

(Company's Full Name)

c/o 30/F, Tower One, Ayala Triangle
Ayala Avenue, Makati City 1226

(Company Address)

(632) 750-6974

(Telephone Number)

June 30, 2011

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2011**

2. Commission Identification Number **152747**

3. BIR Tax Identification No. **050-000-153-790**

4. Exact name of issuer as specified in its charter: **AYALA LAND, INC.**

5. Province, Country or other jurisdiction of incorporation or organization:
   Makati City, Philippines

6. Industry Classification Code: _______ (SEC Use Only)

7. Address of issuer's principal office and postal code:
   c/o 30/F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226

8. Issuer's telephone number, including area code: **(632) 750-6974**

9. Former name, former address, former fiscal year: **not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

    As of June 30, 2011

Title of each class	Number of shares issued and outstanding
Common shares	**13,043,159,782**

Amount of Debt Outstanding
P31.4 billion

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [x] No [ ]

    Stock Exchange: **Philippine Stock Exchange**
    Securities listed: **Common shares**

12. Indicate by check mark whether the registrant:

   (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 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 12 months (or for such shorter period that the registrant was required to file such reports):

   Yes [x]   No [ ]

   (b) has been subject to such filing requirements for the past 90 days:

   Yes [x]   No [ ]

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Ayala Land, Inc. and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2011 and December 31, 2010
(in million pesos)

	June 2011 Unaudited	December 2010 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	25,163	18,019
Short-term investments	249	1,434
Fair value through profit or loss financial assets	0	404
Available-for-sale financial assets	1,411	357
Accounts and notes receivable - net	21,138	17,942
Real estate inventories	15,522	13,615
Other current assets	7,394	4,860
Total Current Assets	**70,878**	**56,631**
Noncurrent Assets		
Non-current accounts and notes receivable	3,619	3,344
Land and improvements	16,955	16,534
Investments in associates and jointly controlled entities	12,227	10,846
Available-for-sale financial assets	688	692
Investment properties - net	28,047	26,833
Property and equipment - net	4,590	4,168
Deferred tax assets - net	1,913	2,073
Other noncurrent assets	1,567	1,180
Total Noncurrent Assets	**69,607**	**65,671**
	140,485	**122,302**
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	28,743	25,892
Short-term debt	3,736	2,890
Income tax payable	133	72
Current portion of long-term debt	2,175	2,328
Other current liabilities	2,475	2,032
Total Current Liabilities	**37,262**	**33,215**
Noncurrent Liabilities		
Long-term debt - net of current portion	25,485	15,753
Pension liabilities	85	86
Deferred tax liabilities - net	526	598
Deposits and other noncurrent liabilities	7,777	6,408
Deferred credits	883	773
Total Noncurrent Liabilities	**34,755**	**23,617**
Total Liabilities	**72,017**	**56,832**
Equity		
Equity Attributable to Equity Holders of Ayala Land, Inc.		
Paid-up capital	18,861	18,681
Retained earnings	41,183	38,757
Stock options outstanding	205	203
Unrealized gain(loss) on available-for-sale financial assets	38	41
Treasury Stock	(824)	(824)
	59,463	56,857
Minority interests	9,005	8,613
	68,468	**65,470**
	140,485	**122,302**

Ayala Land, Inc. and Subsidiaries
Consolidated Statements of Income
For the Three Months and Six Months Ended June 30, 2011 and June 30, 2010
(in million pesos, except earnings per share)

	2011 Unaudited		2010 Unaudited	
	April 1 to June 30	January 1 to June 30	April 1 to June 30	January 1 to June 30
REVENUE				
Real estate	9,455	18,888	8,260	16,570
Hotel operations	544	1,104	401	883
Equity in net earnings of investees, interest, fees, investment and other income	664	1,260	565	994
	10,663	21,253	9,226	18,447
COSTS AND EXPENSES				
Real estate	6,319	12,627	5,734	11,768
Hotel operations	353	700	235	468
General and administrative expenses	887	1,741	787	1,516
Interest expense and other financing charges	390	874	440	776
Other charges	154	280	85	171
	8,103	16,223	7,281	14,699
INCOME BEFORE INCOME TAX	2,560	5,030	1,945	3,748
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	445	988	381	945
Deferred	123	172	66	(54)
	568	1,160	447	892
NET INCOME	1,992	3,870	1,498	2,857
Net Income(Loss) Attributable to :				
Equity holders of Ayala Land, Inc.	**1,759**	**3,381**	**1,315**	**2,512**
Minority interests	234	489	184	345
	1,992	3,870	1,499	2,857
Earnings per Share				
Basic *	0.13	0.26	0.10	0.19
Diluted **	0.13	0.26	0.10	0.19

** Based on 13,033,670,978 and 13,008,611,121 weighted average number of shares as of 1H 2011 and 1H 2010, respectively*

*** Based on 13,054,521,003 and 13,033,703,566 weighted average number of shares as of 1H 2011 and 1H 2010, respectively*

Ayala Land, Inc. and Subsidiaries
Unaudited Consolidated Statements of Comprehensive Income
(in millions)

	2011 Unaudited		2010 Unaudited	
	April 1 to June 30	January 1 to June 30	April 1 to June 30	January 1 to June 30
NET INCOME FOR THE PERIOD	1,992	3,870	1,499	2,857
Other comprehensive income				
Net unrealized gain(loss) on available-for-sale financial assets	7	2	1	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**2,000**	**3,872**	**1,499**	**2,861**
Total comprehensive income attributable to :				
Equity holders of the parent	1,766	3,384	1,316	2,517
Minority Interest	234	489	184	345
	2,000	**3,872**	**1,499**	**2,861**

Ayala Land, Inc. and Subsidiaries
Consolidated Statement of Changes in Stockholders' Equity
For the Six Months Ended June 30, 2011 and June 30, 2010
(in million pesos)

	January to June 2011 Unaudited	January to June 2010 Unaudited
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AYALA LAND, INC.		
CAPITAL STOCK -(Common Stock- P1 par value)		
Issued		
Balance at beginning of year	13,012	13,005
Issuance of shares	6	0
Stock options exercised	0	0
Stock dividends	0	0
Balance at end of year	13,018	13,006
COMMON STOCK		
Subscribed		
Balance at beginning of year	96	75
Issuance of shares	(6)	(0)
Stock options exercised	14	22
Stock dividends	0	0
Balance at end of year	104	97
CAPITAL STOCK -(Preferred Shares - P0.10 par value)		
Issuance of shares	1,303	1,303
Balance at end of the year	1,303	1,303
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	4,614	4,327
Stock options exercised	188	194
IFRS 2- Adjustment on Share-based payment	31	116
Balance at end of year	4,833	4,637
SUBSCRIPTIONS RECEIVABLE		
Balance at beginning of year	(345)	(263)
Subscriptions	(184)	(215)
Collections	73	47
IFRS 2-Adjustment on Share-based payment	59	(17)
Balance at end of year	(397)	(448)
TOTAL PAID-UP CAPITAL	18,861	18,595
STOCK OPTIONS		
Balance at beginning of year	203	181
Cost of stock options	0	0
Stock options exercised	3	11
Balance at end of year	206	192
TREASURY STOCK	(824)	(824)
RETAINED EARNINGS		
Appropriated for future expansion	6,000	6,000
Unappropriated:		
Balance at beginning of year	32,757	28,570
Cash dividends	(955)	(586)
Net income	3,381	2,512
Balance at end of year	35,183	30,496
	41,183	**36,496**
UNREALIZED LOSS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	38	21
	59,463	**54,481**
MINORITY INTERESTS		
Balance at beginning of year	8,613	6,803
Net income(loss)	488	345
Increase/(Decrease) in minority interests	(41)	80
Net unrealized loss recognized in Equity	0	0
Dividends paid to minority interests	(56)	(43)
	9,004	**7,185**
	68,467	**61,665**

Ayala Land, Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2011 and June 30, 2010
(in million pesos)

	January to June 2011 Unaudited	January to June 2010 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**5,030**	**3,748**
Adjustments for:		
Depreciation and amortization	1,106	899
Interest and other charges - net of amount capitalized	890	770
Gain on sale of investments	(118)	
Equity in net earnings of investees	(518)	(422)
Interest and other income	(471)	(396)
Unrealized gain on financial assets	(3)	5
Provision for doubtful accounts	3	17
Operating income before changes in working capital	5,920	4,621
Decrease (increase) in :		
Accounts and notes receivable - trade	(2,936)	(580)
Real estate inventories	(2,961)	(4,955)
Other current assets	(2,534)	(1,119)
Increase (decrease) in :		
Accounts and other payables	2,504	5,298
Pension liabilities	(1)	26
Other current liabilities	443	(285)
Cash generated from operations	433	3,006
Interest received	491	456
Income tax paid	(1,141)	(1,135)
Interest paid - net of amount capitalized	(501)	(775)
Net cash provided by (used in) operating activities	(717)	1,552
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Sale of investments	166	
Disposals of (additions to):		
Land and improvements	(421)	3,587
Investments	(2,877)	(204)
Property and equipment	(773)	(382)
Short term investments	1,589	3,140
Decrease (increase) in:		
Noncurrent accounts and notes receivable - non trade	(559)	(1,811)
Other assets	(226)	(195)
Net cash provided by (used in) investing activities	(3,102)	4,136
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term / long-term loans	11,011	934
Payments of short-term / long-term loans	(586)	(569)
Increase (decrease) in :		
Deposits and other noncurrent liabilities	1,408	115
Minority interest in consolidated subsidiaries	(41)	80
Proceeds from capital stock subscriptions	183	158
Dividends paid to minority	(56)	(43)
Dividends paid to equity holders of Ayala Land, Inc.	(955)	(976)
Net cash provided by (used in) financing activities	10,963	(301)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**7,144**	**5,387**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**18,019**	**10,529**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**25,163**	**15,916**

Ayala Land, Inc. and Subsidiaries
Notes to Consolidated Financial Statements

1. Basis of Financial Statement Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting.* Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and disclosures required in the December 31, 2010 annual audited consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended December 31, 2010.

The preparation of the financial statements in compliance with Philippine Financial Reporting Standards (PFRS) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying unaudited condensed consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the unaudited condensed consolidated financial statements. Actual results could differ from such estimates.

The unaudited condensed consolidated financial statements include the accounts of Ayala Land, Inc. (herein referred to as "the Company) and its subsidiaries collectively referred to as "Group."

The unaudited condensed consolidated financial statements are presented in Philippine peso (Php), the Group's functional currency, and rounded to the nearest thousands except when otherwise indicated.

On August 8, 2011, the Audit Committee approved and authorized the release of the accompanying unaudited condensed consolidated financial statements of Ayala Land, Inc. and subsidiaries.

2. Accounting Policies

Changes in Accounting Policies
The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2010, except for the adoption of new Standards and Interpretations enumerated below.

- *PFRS 2, Share-based Payment (Amendment) - Group Cash-settled Share-based Payment Transactions*
  The Amendment clarified the scope and the accounting for group cash-settled share-based payment transactions. The Group adopted this amendment as of January 1, 2010. It did not have an impact on the financial position or performance of the Group.

- *PFRS 3 (Revised), Business Combinations, and PAS 27 (Amended), Consolidated and Separate Financial Statements*
  PFRS 3 (Revised) introduces significant changes in the accounting for business combinations occurring after becoming effective. Changes affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact

the amount of goodwill recognized, the reported results in the period that an acquisition occurs and future reported results.

PAS 27 (Amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes by PFRS 3 (Revised) and PAS 27 (Amended) affect acquisitions or loss of control of subsidiaries and transactions with non-controlling interests after January 1, 2010.

The change in accounting policy was applied prospectively and had no material impact on earnings per share.

- *PAS 39, Financial Instruments: Recognition and Measurement (Amendment) - Eligible Hedged Items*
  The Amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The Group has concluded that the amendment will have no impact on the financial position or performance of the Group, as the Group has not entered into any such hedges.

- *Philippine Interpretation IFRIC 17, Distributions of Non-cash Assets to Owners*
  This Interpretation provides guidance on accounting for arrangements whereby an entity distributes noncash assets to shareholders either as a distribution of reserves or as dividends. The Interpretation has no effect on either the financial position nor performance of the Group.

3. Principles of Consolidation

The consolidated financial statements represent the consolidation of the financial statements of Ayala Land, Inc. (ALI) and the following wholly owned and majority owned subsidiaries:

	Effective Ownership (%)
Real Estate:	
Alveo Land Corporation (formerly Community Innovations, Inc.)	100
Amaia Land Corporation (formerly First Realty Communities, Inc.)	100
Amorsedia Development Corporation and Subsidiaries	100
OLC Development Corporation	100
Ayala Greenfield Development Corporation (AGDC)	50
Avida Land Corporation and Subsidiaries (Avida)	100
Ayala Land International Sales, Inc.	100
Ayala Land Sales, Inc.	100
Buendia Landholdings, Inc.	100
Crans Montana Property Holdings, Inc.	100
Crimson Field Enterprises, Inc.	100
Ecoholdings Company, Inc.	100
NorthBeacon Commercial Corporation (NBCC)	100
Red Creek Properties, Inc.	100
Regent Time International, Limited (Regent) (British Virgin Islands)	100

Asterion Technopod, Inc.	100
Crestview E-Office Corporation	100
Gisborne Property Holdings, Inc.	100
Hillsford Property Corporation	100
Primavera Towncentre, Inc.	100
Summerhill E-Office Corporation	100
Sunnyhill E-Office Corporation	100
Subic Bay Town Centre, Inc.	100
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100
Ayala Land Commercial REIT, Inc.	100
ALI Property Partners Holding Corp. (APPHC)	80
ALI Property Partners Corp. (APPCo)	60
APPCo	20
Laguna Technopark, Inc.	75
Aurora Properties Incorporated	70
Vesta Property Holdings, Inc.	70
Station Square East Commercial Corporation (SSECC)	69
Serendra, Inc.	67
Asian I-Office Properties, Inc. (AiO)	60
Ceci Realty, Inc.	60
CMPI Holdings, Inc.	60
Accendo Commercial Corp.	57
ALI-CII Development Corporation (ALI-CII)	50
Roxas Land Corporation (RLC)	50
Hotels and Resorts:	
Ayala Hotels, Inc. (AHI) and Subsidiaries	50
AyalaLand Hotels and Resorts Corporation	100
Enjay Hotels, Inc.	100
Greenhaven Property Venture, Inc.	100
Cebu Insular Hotel Company, Inc.	100
Ten Knots Phils., Inc. (TKPI)	60
Ten Knots Development, Corp. (TKDC)	60
Services:	
Makati Development Corporation (MDC)	100
Ayala Property Management Corporation (APMC)	100
Ayala Theatres Management, Inc. and Subsidiaries	100
Others:	
Five Star Cinema, Inc.	100
Leisure and Allied Industries Philippines, Inc. (LAI)	50
MZM Holdings, Inc.	100
ALInet.com, Inc. (ALInet)	100
First Longfield Investments Limited (First Longfield) (Hongkong Company)	100
Food Court Company, Inc.	100
Philippine Integrated Energy Solutions, Inc.	100
Aprisa Business Process Solutions, Inc.	100
Studio Ventures, Inc.	100

4. **Receivables / Payables**

Aging of Receivables (as of June 30, 2011; in Million Pesos)

	Up to 6 mos.	Over 6 mos. to One Year	Over One Year	Past Due	Total
Trade Receivables	10,934	4,560	3,443	158	19,095
Non-Trade Receivables	4,832	643	177	11	5,663
Total	15,766	5,203	3,620	169	24,758

Aging of Payables (as of June 30, 2011; in Million Pesos)

	Up to 6 mos.	Over 6 mos. to One Year	Over One Year	Past Due	Total
Trade Payables	9,361	3,721	6,768	0	19,850
Non-Trade Payables	17,938	331	2,503	0	20,772
Total	27,299	4,052	9,271	0	40,622

5. **Short-Term and Long-Term Debt**

Short-Term Debt (as of June 30, 2011; in Million Pesos)

Borrower	Amount
ALI	1,367
Avida	1,847
LAI	285
SSECC	199
TKDC	38
Total	**3,736**

Long-Term Debt (as of June 30, 2011; in Million Pesos / US$)

	Current		Non-Current		Total	
Borrower	Peso	US$	Peso	US$	Peso	US$
ALI	1,830	-	17,374	-	19,204	-
UPI	90	-	1,643	-	1,733	-
SSECC	49	-	1,509	-	1,558	-
ODRPHI	83	-	855	-	938	-
NBCC	10	-	973	-	983	-
Accendo	-	-	812	-	812	-
AiO	-	-	771	-	771	-
Avida	5	-	486	-	491	-
GDC	19	-	423	-	442	-
CIHCI	70	-	175	-	245	-
FGREC	20	-	206	-	226	-
SBTCI	-	-	170	-	170	-
Sunnyfield	-	-	50	-	50	-
CeOC	-	-	40	-	40	-
Total	**2,175**	-	**25,485**	-	**27,660**	-

* *Including bonds and FXCNs*

Issuances, Repurchases and Repayments of Debt and Equity Securities

Issuances of Debt and Equity Securities / New Financing through Loans – January – June 2011 (in Million Pesos)

Borrower	Amount	Nature
ALI	10,150	issuance of notes and bonds, and availment of new short-term loans
Avida	598	availment of new short-term loan
SSECC	110	availment of new short-term loan
AiO	149	availment of new long-term loan
GDI	148	availment of new long-term loan
SBTCI	75	availment of new long-term loan
TKDC	38	availment of new short-term loan
Total	**11,265**	

Repayments of Debt and Equity Securities – January – June 2011 (in Million Pesos)

Borrower	Amount	Nature
SSECC	256	Payment of matured short-term loans and amortization on long-term loans
Avida	150	Payment of matured short-term loans and amortization on long-term loan
UPI	145	Payment of matured short-term loan and amortization on long-term loan
LTI	100	Payment of matured short-term loan
ODRPDI	69	Amortization on long-term loan
LAI	30	Payment of matured short-term loan
CIHI	35	Amortization on long-term loan
FGREC	17	Amortization on long-term loan
AGDC	15	Payment of matured short-term loan
GDI	9	Repayment of long-term loan
NBCC	5	Amortization on long-term loan
AiO	1	Amortization on long-term loan
Total	**832**	

6. Commercial Paper Issuances and Outstanding Balance (for the quarter ended June 30, 2011)

None.

7. Accounts and Other Payables

The accounts and other payables as of June 30, 2011 is broken down as follows:

	(million)
Accounts payable	P 18,378
Accrued expenses	8,277
Taxes payable	1,877
Dividends payable	13
Retentions payable	197
Total	P 28,743

8. Segment information

YTD-June 2011	Property Development	Shopping Centers	Offices	Hotels and Resorts	Services	Corporate	Total	Intersegment Adjustments	Consolidated
(in million pesos)									
Revenues									
Sales to external customers	12,320	2,317	1,191	1,104	3,061	-	19,993	-	19,993
Intersegment sales	163	216	-	-	3,324	-	3,703	(3,703)	-
Equity in net earnings of investees	322	136	-	-	-	59	517	-	517
Total revenue	12,805	2,669	1,191	1,104	6,385	59	24,213	(3,703)	20,510
Operating expenses	8,921	1,660	564	764	6,096	673	18,678	(3,609)	15,069
Operating profit	3,884	1,009	627	340	289	(614)	5,535	(94)	5,441
Interest income									626
Interest expense									(874)
Other income									117
Other expense									(280)
Provision for income tax									(1,160)
Net income									3,870
Net income attributable to:									
Equity holders of Ayala Land, Inc.									3,381
Minority interests									489
									3,870
Other information									
Segment assets	96,382	26,526	23,659	5,813	12,371	5,836	170,587	(44,241)	126,346
Investment in associates and jointly controlled entities	8,502	2,087	207	-	-	1,431	12,227	-	12,227
Deferred tax assets	415	9	38	12	32	1,357	1,863	49	1,912
Total assets	105,299	28,622	23,904	5,825	12,403	8,624	184,677	(44,192)	140,485
Segment liabilities	30,164	9,961	6,998	1,544	10,180	22,092	80,939	(9,449)	71,490
Deferred tax liabilities	126	-	1	-	-	357	484	42	526
Total liabilities	30,290	9,961	6,999	1,544	10,180	22,449	81,423	(9,407)	72,016
Segment additions									
Property & equipment and investment properties	114	1,321	688	334	75	37	2,569	-	2,569
Depreciation and amortization	93	540	231	95	55	92	1,106	-	1,106

YTD-June 2010	Property Development	Shopping Centers	Offices	Hotels and Resorts	Services	Corporate	Total	Intersegment Adjustments	Consolidated
(in million pesos)									
Revenues									
Sales to external customers	9,705	2,351	824	665	3,907	-	17,452	-	17,452
Intersegment sales	225	220	-	-	1,456	-	1,901	(1,901)	-
Equity in net earnings of investees	307	115	-	-	-	-	422	-	422
Total revenue	10,237	2,686	824	665	5,363	-	19,775	(1,901)	17,874
Operating expenses	7,511	1,505	434	530	5,105	500	15,585	(1,833)	13,752
Operating profit	2,726	1,181	390	135	258	(500)	4,190	(68)	4,122
Interest income									402
Interest expense									(776)
Other income									170
Other expense									(171)
Provision for income tax									(892)
Net income									2,855
Net income attributable to:									
Equity holders of Ayala Land, Inc.									2,512
Minority interests									345
									2,857
Other information									
Segment assets	83,302	20,450	18,742	2,899	8,649	2,713	136,755	(33,372)	103,383
Investment in associates and jointly controlled entities	8,792	2,136	-	-	-	13	10,941	-	10,941
Deferred tax assets	348	26	39	6	24	1,057	1,500	(403)	1,097
Total assets	92,442	22,612	18,781	2,905	8,673	3,783	149,196	(33,775)	115,421
Segment liabilities	25,148	7,520	5,835	581	7,495	13,003	59,582	(5,981)	53,601
Deferred tax liabilities	157	-	21	5	-	376	559	(403)	156
Total liabilities	25,305	7,520	5,856	586	7,495	13,379	60,141	(6,384)	53,757
Segment additions									
Property & equipment and investment properties	86	384	4	37	48	14	573	-	573
Depreciation and amortization	43	489	211	-	117	39	899	-	899

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

Results of Operations for the Six Months Ended June 30, 2011

Ayala Land, Inc. (ALI or "the Company") sustained its earnings growth momentum and recorded a Php3.38 billion net income for the first half of the year, 35% higher than the Php2.51 billion recorded in the same period last year. Consolidated revenues for the period reached Php21.25 billion, 15% higher than the Php18.45 billion posted last year. Revenues from Real Estate and Hotels, which comprised bulk of consolidated revenues, increased by 15% to Php19.99 billion with growth largely driven by the strong performance of the Property Development and Commercial Leasing businesses.

Margins of the Company's key business lines continued to improve with strong cost-control of project costs and direct operating expenses (discussed below in the Business Segment review). The ratio of corporate General and Administrative Expenses (GAE) to revenues was likewise maintained at 8%, similar to last year's level. With total revenues growing faster than total expenses, net income margin improved to 16% in the first six months of 2011 from 14% 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, as well as the sale of commercial and industrial lots, posted revenues of Php12.34 billion in the first six months of 2011, 27% higher than the Php9.69 billion reported during the same period in 2010.

Revenues from the residential segment reached Php11.29 billion in the first six months, 21% higher than the same period last year, driven by the higher value of bookings and significant progress on construction across all residential brands. Ayala Land Premier (ALP) generated Php4.16 billion in revenues or an improvement of 3% compared with the first half of 2010, due to the completion accomplishment in high-rise projects such as Park Terraces in Makati City and One Serendra East and West Towers in Bonifacio Global City. Alveo and the combined Avida and Amaia brands meanwhile posted year-on-year revenue growth of 32% and 46% to Php3.39 and Php2.84 billion, respectively, with higher bookings from the success of recent launches such as The Lerato Tower 2 (Makati City) and Venare (NUVALI) for Alveo, Avida Towers Centera (Mandaluyong City) and Cebu Tower 2, and AmaiaScapes Laguna.

Sales take-up value for the first six months of the year reached Php23.81 billion, equivalent to an average monthly sales take-up of Php3.97 billion. This was 44% higher than the Php2.76 billion average monthly sales take-up achieved for the whole of 2010. Residential gross profit (GP) margins of vertical projects improved to 33% from 30% with the impact of various measures designed to lower project construction costs, while GP margins of horizontal developments improved to 47% from 46%. The Company's four residential brands launched a total of 6,625 units in the first half of 2011, with the programmed schedule of launches for the rest of the year remaining on track.

Revenues from the sale of commercial and industrial lots reached Php1.05 billion in the first six months, 178% higher than the same period last year, largely due to the sale of 10 commercial lots in NUVALI and 1.4 hectares of industrial lots in Laguna Technopark. GP margins likewise improved to 52% from 46% with significant bookings from the higher-margin NUVALI commercial lots.

Commercial Leasing. Commercial Leasing includes the Company's Shopping Center and Office leasing operations. Total revenues for Commercial Leasing amounted to Php3.49 billion during the first six months of 2011, 17% higher than the Php2.98 billion recorded in same period last year.

Revenues from Shopping Centers rose by 9% to Php2.32 billion during the first six months of 2011, driven by higher average occupancy and lease rates. Average occupancy rate across all malls reached 96%, compared with 93% in the first half of 2010. The opening of the 53,000 square meter Abreeza Mall in Davao City and the continued improvements in the occupancy of Market! Market!, MarQuee Mall and TriNoma resulted in a 7% expansion in occupied gross leasable area (GLA). This more than offset the additional closures in Glorietta effected over the past 12 months due to the Ayala Center redevelopment. The first half also saw a 6% improvement in average lease rates brought about by negotiated and programmed rental escalations. Shopping Centers EBITDA margins were maintained at 60% with the improved portfolio performance and the effective management of direct operating expenses despite the continuing impact of the Ayala Center redevelopment and higher power costs.

Revenues from Office leasing operations increased by 39% to Php1.18 billion for the first six months of the year, from Php844 million in the same period last year. The revenue growth was generated by the significant increase in occupied GLA for business process outsourcing (BPO) office spaces, which increased by 33% year-on-year (equivalent to 56,000 square meters). Total available BPO GLA reached 284,306 square meters as of the end of the first half, with an average occupancy rate of 79% (and a leased-out rate of 83%), compared with just 66% 12 months ago. Average BPO lease rates, however, were 5% lower due to a change in the portfolio mix as most of the increase in occupied GLA during the period occurred in non-CBD (and therefore lower rent) locations. The significant improvement in BPO occupancy rates accounted for the three percentage-point improvement in the EBITDA margins of the total office portfolio, which reached 81% in the first half of 2011.

Hotels and Resorts. Revenues of the Company's Hotels and Resorts business improved by 25% to Php1.10 billion in the first half of 2011. This was largely due to the impact of the consolidation of the El Nido Resorts operations in Palawan, through the acquisition of a 60% stake in the Ten Knots Group last April 2010. A total of 150 island resort rooms in Lagen, Miniloc and Apulit Island (formerly Club Noah) were added to the Hotels and Resorts portfolio that also currently operates 634 branded hotel rooms between Hotel InterContinental Manila and Cebu City Marriott. EBITDA margins for Hotels and Resorts, slightly improved to 31% from 30% with the higher REVPAR (revenue per available room) of Hotel InterContinental Manila and higher occupancy of the three resorts. The Company is currently constructing its first three owner-operated businessman's hotels under its own brand Kukun in Bonifacio Global City, Davao and Cagayan de Oro which are targeted to begin operations by next year.

Services. Services, which include the Company's wholly-owned Construction and Property Management businesses, generated combined revenues (net of inter-company eliminations) of Php3.06 billion during the first six months of the year. This was 22% lower than the Php3.91 billion posted in the same period last year following the Company's deliberate move to focus on internal ALI Group projects in its construction operations (only revenues from third-party contracts, or the revenue share of third-party minority interests in internal projects are reflected as construction revenues in consolidated Company accounts). The decline in Construction revenues more than offset the 5% growth in Property Management revenues, which reached Php564 million in the first half of 2011 from additional carpark management contracts, compared with Php535 million in the same period last year. Blended EBITDA margins for Services were at 5%.

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

Equity in Net Earnings from Investees grew by 23% to Php518 million for the first six months of 2011, from Php422 million in the same period last year. This resulted from the stronger performance of shopping center joint ventures accounted for under the equity method, particularly TriNoma and Alabang Town Center, and affiliate Cebu Holdings, Inc. (due to the strong performance of Ayala Center Cebu). Contributing as well were the mark-to-market gains on the investment holdings of First Longfield Investments Ltd., the investment vehicle for ARCH Capital Partners L.P. Interest, Investment and Other Income meanwhile also increased by 30% to Php742 million for the first six months this year, compared with the Php572 million in the same period last year. The increase in other income was accounted for mostly by the proceeds from the Company's divestment of its ownership stake in ARCH Capital Management Co., Ltd. in March 2011, and higher interest income earned from the higher average cash balances for the period.

Expenses

Total expenses for the first half of 2011 amounted to Php16.22 billion, 10% more than the Php14.70 billion incurred in the first half of 2010. Cost of Sales from Real Estate and Hotels, which accounted for the bulk of expenses, rose 9% year-on-year amounting to Php13.33 billion. General and administrative expenses (GAE) meanwhile grew by 15% to Php1.74 billion due to payroll-related expenses but was still in line with overall revenue growth, allowing the GAE-to-revenue ratio to be maintained at 8%. Interest Expense, Financing and Other Charges increased by 22% year-on year to Php1.15 billion, mostly due to increased financing charges associated with the additional Php10.0 billion in fixed-rate corporate notes issued by the Company in January 2011. While total financing charges increased, the average cost of the Company's consolidated debt decreased to 6.68%, from 7.64% in the same period last year.

Project and Capital Expenditure

The Company spent a total of Php12.48 billion for project and capital expenditures in the first six months of 2011, 67% more than the Php7.47 billion spent during the same period in 2010. The bulk of capital expenditure in the first half were attributable to residential development (66% of total), landbank acquisition (17%), hotels and resorts (11%), and shopping centers (9%), with the balance spent on BPO offices, commercial and industrial lot development, and other land development activities in the Company's strategic landbank areas. The Php12.48 billion spent in the first six months represents 95% of the programmed capital expenditure for the period and 38% of the full year 2011 capital expenditure program of Php32.6 billion. The Company expects to disburse the balance of its planned annual capital expenditure in the second half of 2011.

Financial Condition

The Company's balance sheet remained strong with sufficient capacity to support its aggressive growth plans in the next few years. Strong cash inflows from the successful pre-sales of various residential launches as well as proceeds from the recent Php10.0 billion notes issue brought Cash and Cash Equivalents to Php25.4 billion, with a corresponding Current Ratio of 1.90: 1. Total

Borrowings stood at Php31.4 billion from Php21.0 billion as of December 2010, translating to a Debt-to-Equity Ratio of 0.53: 1 and a Net Debt-to-Equity Ratio of 0.10: 1.

Other Matters

Other significant events for the Company included the recent awarding by the Provincial Government of Negros Occidental to the Company of the right to purchase 3.66 hectares of the Provincial Capitol Property, and to lease the remaining 4.04 hectares for a period of 50 years. The Company plans to invest approximately Php6.0 billion for the planning and construction of an integrated mixed-use civic and commercial district that will combine the center of government with commercial and residential uses, making the growth center of Metro Bacolod and Negros Occidental – the Capitol Civic Center – a one of a kind convergence of business community and government.

Causes for any material changes *(+/- 5% or more)* in the financial statements

Income Statement items – 1H 2011 versus 1H 2010

14% increase in real estate revenues
Mainly due to higher sales bookings, incremental completion and sale of commercial lots in NUVALI.

25% increase in hotel revenues
Primarily due to impact of consolidation of El Nido Resorts operations in Palawan.

27% increase in equity in net earnings of investees, interest, fees and other income
Largely due to divestment of ownership stake in ARCH Capital Management Co., Ltd., higher income from money market placements and better performance of equitized malls.

7% increase in real estate cost and 50% increase in hotel expenses
Mainly due to higher real estate revenues and consolidation of El Nido Resorts operations.

15% increase in general and administrative expenses
Primarily due to higher payroll costs and benefits.

13% increase in interest and financing expenses
Mainly due to higher debt levels.

64% increase in other charges
Largely due to payment of Home Guaranty Corp. premiums.

30% increase in provision for income tax
Mainly due to higher taxable income.

42% increase in net income attributable to minority interests
Primarily due to higher income from Ceci Realty, Inc., Vesta Property Holdings, Inc. and Ayala Property Partners Holdings Inc.

Balance Sheet items – June 30, 2011 versus End-2010

40% increase in cash and cash equivalents
Mainly due to additional borrowings and collection from new projects.

83% decrease in short-term investments
Primarily due to liquidation of short-term investments.

85% increase in fair value through profit or loss financial assets and available- for- sale financial assets
Mainly due to investments in Anvaya Golf and Sports Club Inc.

18% increase in accounts and notes receivables (net)
Largely due to launch of new projects and sale of commercial lots by Ceci Realty.

14% increase in real estate inventories
Mainly due to incremental project completion of existing and new projects.

52% increase in other current assets
Mainly due to Alveo's prepaid expenses following the acquisition of properties for development, and prepayment of real estate property tax.

8% increase in non-current accounts and notes receivables
Largely due to sale of new residential projects.

13% increase in investments in associates and jointly controlled entities
Mainly due to higher earnings from investments in Fort Bonifacio Development Corp. and First Longfield Investments.

5% increase in investment properties (net)
Primarily due to completion of malls and office buildings.

10% increase in property and equipment
Largely due to completion accomplishment of AyalaLand Hotels and Resorts Corp.

8% decrease in deferred tax assets (net)
Mainly due to realization of gains on real estate sales.

33% increase in other non-current assets
Largely due to increase utility and other deposits.

11% increase in accounts and other payables
Primarily due to increase in trade payables with the completion of existing and new projects.

29% increase in short-term debt
Mainly due to additional bank loan of Avida Land and ALI Parent.

85% increase in income tax payable
Primarily due to higher provisioning of Alveo Land.

7% decrease in current portion of long-term debt
Largely due to loan payments of APPHC.

22% increase in other current liabilities
Mainly due to higher deposits from residential projects.

62% increase in long-term debt - net of current portion
Primarily due to fixed-rate corporate notes issued by ALI Parent.

12% decrease in deferred tax liabilities (net)
Largely due to reclassification of accounts.

21% increase in deposits and other noncurrent liabilities
Mainly due to security deposits of new shopping center tenants.

14% increase in deferred credits
Largely due to unearned rental revenues.

6% increase in retained earnings
Primarily due to the increase in income.

7% decrease in unrealized gain (loss) on available-for-sale financial assets
Largely due to revaluation of fixed income securities AFS.

5% increase in minority interests
Mainly attributed to Ceci Realty and Vesta Property Holdings.

PART II - OTHER INFORMATION

Item 3. 2Q 2011 Developments

A. New project or investments in another line of business or corporation	None.	
B. Composition of Board of Directors (as of June 30, 2011)	Fernando Zobel de Ayala	Chairman
	Jaime Augusto Zobel de Ayala II	Vice Chairman
	Antonino T. Aquino	President & CEO
	Mercedita S. Nolledo	Director
	Francis G. Estrada	Director
	Delfin L. Lazaro	Director
	Jaime C. Laya	Director
	Aurelio R. Montinola III	Director
	Oscar S. Reyes	Director
C. Performance of the corporation or result/progress of operations	Please see unaudited consolidated financial statements and management's discussion on results of operations.	
D. Declaration of dividends	P0.0733 cash dividend Declaration date: February 24, 2011 Record date: March 23, 2011 Payment date: April 15, 2011	
E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements	None.	
F. Offering of rights, granting of Stock Options and corresponding plans therefore	ALI has stock option plans for key officers (Executive Stock Option Plan - ESOP) and employees (Employee Stock Option Plan (ESOWN) covering 2.5% of the company's authorized capital stock. In 2005, the company introduced a revised ESOWN granted to qualified officers. As of June 30, 2011, stock options outstanding* are as follows: ESOP 26,899,190 shares ESOWN 85,267,272 shares 112,166,462 shares ** outstanding shares pertain to shares subscribed by officers and employees which are not yet fully paid and not yet issued*	
G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate	None.	

H. Other information, material events or happenings that may have affected or may affect market price of security	None.
I. Transferring of assets, except in normal course of business	None.

Item 4. Other Notes to 1H 2011 Operations and Financials

J. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents	Please see Notes to Financial Statements (Item #7).
K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period	None.
L. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities	Please see Notes to Financial Statements (Item #4).
M. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period	- Awarding by the Provincial Government of Negros Occidental to ALI of the right to purchase 3.66 hectares of the Provincial Capitol Property, and to lease the remaining 4.04 hectares for a period of 50 years
N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations	None.
O. Changes in contingent liabilities or contingent assets since the last annual balance sheet date	None.
P. Other material events or transactions during the interim period	- Raised Php10 billion through an issuance of fixed-rate corporate notes consisting of Php5.7 billion in 5-year notes, Php3.3 billion in 10-year notes and Php1.0 billion in 15-year notes with interest rates of 5.625%, 6.875% and 7.500%, respectively. - Secured a 7.4-hectare property along Katipunan Avenue in Quezon City through a long-term lease with the University of the Philippines for a mixed-use retail and office development.

- Declared a cash dividend of Php0.0733 per share to all shareholders as of record date March 23, 2011, payable on April 15, 2011.
- Board approval for the issuance of the Ayala Land Homestarter Bond series 4, for up to Php2.016B.
- Signed MoA between Alveo and the Philippine Racing Club, Inc. for the joint development of a 21-hectare property in Makati (former Sta. Ana racetrack).
- Divestment of ALI's 17% effective stake in ARCH Capital Management Co., Ltd and ARCH Capital Asian Partners, G.P.
- Resignation of Mr. Rex Ma. A. Mendoza as Senior Vice President and Head of Corporate Marketing and Sales.

Q. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

None.

R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period

None.

S. Material commitments for capital expenditures, general purpose and expected sources of funds

For year 2011, Ayala Land's consolidated budget for project and capital expenditures amount to Php32.6 billion. About 46% is earmarked for residential developments, 14% for offices, 13% for shopping centers, and the balance for hotels and resorts, commercial and industrial lot development, land acquisition, and other land development activities in the Company's strategic landbank areas. This will be financed through a combination of internally-generated funds, borrowings and pre-selling.

For the first six months of 2011, consolidated project and capital expenditures amounted to Php12.5 billion, about 38% of the P32.6 billion budget for the whole year. About 66% was spent for residential projects, 17% for land acquisition, 11% for hotels and resorts, 9% for shopping centers, and the balance spent on offices, commercial and industrial lot development and other land development activities in the Company's strategic landbank areas.

T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/ income from continuing operations

Ayala Land's performance will continue to hinge on the overall economic performance of the country. Interest rate movements may affect the performance of the real estate industry, including the Company.

U. Significant elements of income or loss that did not arise from continuing operations

None.

V. Causes for any material change/s from period to period in one or more line items of the financial statements

Please see Notes to Financial Statements (Item #7).

W. Seasonal aspects that had material effect on the financial condition or results of operations

ALI's leasing portfolio generates a fairly stable stream of revenues throughout the year, with higher sales experienced in the fourth quarter from shopping centers due to holiday spending.

The Company's development operations do not show any seasonality. Projects are launched anytime of the year depending on several factors such as completion of plans and permits and appropriate timing in terms of market conditions and strategy. Development and construction work follow target completion dates committed at the time of project launch.

X. Disclosures not made under SEC Form 17-C

None.

Item 5. Performance Indicators

The table below sets forth the comparative performance indicators of the Company and its majority-owned subsidiaries:

	End-June 2011	End-December 2010
Current ratio [1]	1.90:1	1.71:1
Debt-to-equity ratio [2]	0.53:1	0.37:1
	1H 2011	2010
Return on assets [3]	5.1% [5]	4.7%
Return on equity [4]	11.6% [5]	10.0%

[1] Current assets / current liabilities
[2] Total interest-bearing debt (inclusive of bonds) / stockholders' equity
[3] Net income / average total assets
[4] Net income / average stockholders' equity
[5] 1H11 NIAT annualized/average of end June-11 and end Dec-10 assets and equity

SIGNATURE

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

Issuer: **AYALA LAND, INC.**

By:

Jaime E. Ysmael
Senior Vice President and Chief Finance Officer

Date: August 9, 2011