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)

March 31, 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 **March 31, 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 March 31, 2011

Title of each class	Number of shares issued and outstanding
Common shares	**13,028,980,303**

    Amount of Debt Outstanding
    P30.4 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 [ ]

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Ayala Land, Inc.
Consolidated Statements of Financial Position
As of March 31, 2011 and December 31, 2010
(in million pesos)

	March 2011 Unaudited	December 2010 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	25,507	18,019
Short-term investments	144	1,434
Fair value through profit or loss financial assets	0	404
Available-for-sale financial assets	1,429	357
Accounts and notes receivable - net	18,911	17,942
Real estate inventories	14,375	13,615
Other current assets	7,398	4,860
Total Current Assets	67,764	56,631
Noncurrent Assets		
Non-current accounts and notes receivable	3,153	3,344
Land and improvements	16,976	16,534
Investments in associates and jointly controlled entities	11,277	10,846
Available-for-sale financial assets	686	692
Invesment properties - net	27,649	26,833
Property and equipment - net	4,327	4,168
Deferred tax assets - net	2,023	2,073
Other noncurrent assets	1,184	1,180
Total Noncurrent Assets	67,275	65,671
	135,039	**122,302**
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	27,189	25,892
Short-term debt	3,039	2,890
Income tax payable	217	72
Current portion of long-term debt	2,390	2,328
Other current liabilities	1,744	2,032
Total Current Liabilities	34,580	33,215
Noncurrent Liabilities		
Long-term debt - net of current portion	24,922	15,753
Pension liabilities	87	86
Deferred tax liabilities - net	603	598
Deposits and other noncurrent liabilities	7,586	6,408
Deferred credits	832	773
Total Noncurrent Liabilities	34,030	23,617
Total Liabilities	68,610	56,832
Equity		
Equity Attributable to Equity Holders of Ayala Land, Inc.		
Paid-up capital	18,734	18,681
Retained earnings	39,424	38,757
Stock options outstanding	197	203
Unrealized gain(loss) on available-for-sale financial assets	36	41
Treasury Stock	(824)	(824)
	57,567	56,857
Minority interests	8,861	8,613
	66,429	65,470
	135,039	**122,302**

Ayala Land, Inc.
Consolidated Statements of Income
For the Three Months Ended March 31, 2011 and March 31, 2010
(in million pesos)

	Jan-Mar 2011 Unaudited	Jan-Mar 2010 Unaudited
REVENUE		
Real estate	9,434	8,310
Hotel operations	560	482
Equity in net earnings of investees, interest, fees, investment and other income	596	429
	10,590	9,221
COSTS AND EXPENSES		
Real estate	6,308	6,034
Hotel operations	347	233
General and administrative expenses	854	730
Interest expense and other financing charges	484	336
Other charges	127	86
	8,120	7,418
INCOME BEFORE INCOME TAX	2,470	1,803
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	543	564
Deferred	49	(119)
	592	445
INCOME BEFORE INCOME ASSOCIATED WITH NON CURRENT ASSETS HELD FOR SALE	1,878	1,358
INCOME ASSOCIATED WITH NON CURRENT ASSETS HELD FOR SALE	-	-
NET INCOME	1,878	1,358
Net Income(Loss) Attributable to :		
Equity holders of Ayala Land, Inc.	**1,623**	**1,197**
Minority interests	255	161
	1,878	1,358
Earnings per Share		
Basic *	0.12	0.09
Diluted **	0.12	0.09

** Based on 13,028,944,485 and 13,001,379,745 weighted average number of shares as of March 31, 2011 and March 31, 2010, respectively*

*** Based on 13,051,333,397 and 13,015,236,873 weighted average number of shares as of March 31, 2011 and March 31, 2010, respectively*

Ayala Land, Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
(in million pesos)

	Jan-Mar 2011 Unaudited	Jan-Mar 2010 Unaudited
NET INCOME FOR THE PERIOD	1,878	1,358
Other comprehensive income		
Net unrealized gain(loss) on available-for-sale financial assets	(5)	4
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,873**	**1,362**
Total comprehensive income attributable to :		
Equity holders of the parent	1,617	1,201
Minority Interest	255	161
	1,873	**1,362**

Ayala Land, Inc.
Consolidated Statement of Changes in Stockholders' Equity
For the Three Months Ended March 31, 2011 and March 31, 2010
(in million pesos)

	Jan 1 - Mar 31 2011 Unaudited	Jan 1 - Mar 31 2010 Unaudited
CAPITAL STOCK -(Common Stock- P1 par value)		
Issued		
Balance at beginning of year	13,012	13,005
Issuance of shares	3	0
Balance at end of the year	13,015	13,006
COMMON STOCK		
Subscribed		
Balance at beginning of year	96	75
Issuance of shares	(3)	(0)
Balance at end of the year	93	75
CAPITAL STOCK -(Preferred Shares- P.10 par value)		
Issued		
Issuance of shares	1,303	1,303
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	4,614	4,327
IFRS 2- Adjustment on Share-based payment	42	37
Balance at end of year	4,657	4,364
SUBSCRIPTIONS RECEIVABLE		
Balance at beginning of year	(345)	(263)
Collections	20	10
IFRS 2- Adjustment on Share-based payment	(9)	(6)
Balance at end of year	(334)	(258)
TOTAL PAID-UP CAPITAL	**18,733**	**18,490**
STOCK OPTIONS		
Balance at beginning of year	203	181
Stock options exercised	(5)	6
Balance at end of year	**197**	**187**
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)	0
Net income	1,623	1,197
Balance at end of year	33,425	29,767
	39,425	**35,767**
UNREALIZED LOSS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS		
Balance at beginning of year	41	17
Net changes during the year	(5)	4
Balance at end of year	**36**	**21**
	57,567	**53,641**
MINORITY INTERESTS		
Balance at beginning of year	8,613	6,803
Net income(loss)	255	161
Increase/(Decrease) in minority interests	(7)	10
	8,861	**6,974**
	66,429	**60,615**

Ayala Land, Inc.
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2011 and March 31, 2010
(in million pesos)

	Jan 1 - Mar 31 2011 Unaudited	Jan 1 - Mar 31 2010 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	2,470	1,803
Adjustments for:		
Depreciation and amortization	537	452
Interest expense - net of amount capitalized	479	345
Gain on sale of investments	(118)	-
Equity in net earnings of investees	(186)	(146)
Interest and other income	(239)	(180)
Unrealized gain on financial assets	(5)	4
Provision for doubtful accounts	3	2
Operating income before changes in working capital	2,940	2,279
Decrease (increase) in :		
Accounts and notes receivable - trade	(557)	(2,038)
Real estate inventories	(1,832)	(5,157)
Other current assets	(2,538)	(920)
Increase (decrease) in :		
Accounts and other payables	1,254	4,801
Pension liabilities	1	28
Other current liabilities	(289)	293
Cash generated from operations	(1,020)	(713)
Interest received	277	215
Income tax paid	(518)	(417)
Interest paid - net of amount capitalized	(365)	(681)
Net cash provided by (used in) operating activities	(1,627)	(1,595)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Sale of investments	166	-
Disposals of (additions to):		
Land and improvements	(442)	3,885
Investments	(1,469)	(107)
Property and equipment	(330)	(240)
Short term investments	1,694	2,919
Decrease (increase) in:		
Noncurrent accounts and notes receivable - non trade	(261)	(565)
Other assets	47	(150)
Net cash provided by (used in) investing activities	(594)	5,741
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payment of) short-term loans payable	9,964	261
Proceeds from (payment of) long-term loans payable	(583)	(351)
Increase (decrease) in :		
Deposits and other noncurrent liabilities	1,242	(801)
Minority interest in consolidated subsidiaries	(7)	10
Proceeds from capital stock subscriptions	48	47
Purchase of treasury shares	-	-
Loss on redemption of preferred shares	-	-
Dividends paid to minority	-	-
Dividends paid to equity holders of Ayala Land, Inc.	(955)	(390)
Net cash provided by (used in) financing activities	9,709	(1,224)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**7,489**	**2,922**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**18,019**	**10,529**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**25,507**	**13,451**

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 May 11, 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 March 31, 2011; in Million Pesos)

	Up to 6 mos.	Over 6 mos. to One Year	Over One Year	Past Due	Total
Trade Receivables	11,372	2,293	2,763	285	16,713
Non-Trade Receivables	4,358	603	390	0	5,351
Total	**15,730**	**2,896**	**3,153**	**285**	**22,064**

Aging of Payables (as of March 31, 2011; in Million Pesos)

	Up to 6 mos.	Over 6 mos. to One Year	Over One Year	Past Due	Total
Trade Payables	11,036	2,072	6,252	0	19,360
Non-Trade Payables	14,190	1,852	2,856	0	18,898
Total	**25,226**	**3,924**	**9,108**	**0**	**38,258**

5. Short-Term and Long-Term Debt

Short-Term Debt (as of March 31, 2011; in Million Pesos)

Borrower	Amount
Avida	1,697
ALI	875
LAI	295
SSECC	135
TKDC	38
Total	**3,039**

Long-Term Debt (as of March 31, 2011; in Million Pesos / US$)

Borrower	Current Peso	Current US$	Non-Current Peso	Non-Current US$	Total Peso	Total US$
ALI	1,830	-	17,181	-	19,011	-
UPI	180	-	1,684	-	1,864	-
SSECC	49	-	1,521	-	1,570	-
ODRPHI	165	-	814	-	979	-
NBCC	10	-	975	-	985	-
Accendo	-	-	812	-	812	-
AiO	4	-	618	-	622	-
Avida	5	-	488	-	493	-
GDC	38	-	256	-	293	-
CIHCI	70	-	193	-	263	-
FGREC	40	-	196	-	236	-
SBTCI	-	-	95	-	95	-
Sunnyfield	-	-	50	-	50	-
CeOC	-	-	40	-	40	-
Total	**2,390**	-	**24,922**	-	**27,312**	-

* *Including bonds and FXCNs*

Issuances, Repurchases and Repayments of Debt and Equity Securities

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

Borrower	Amount	Nature
ALI	10,329	issuance of notes and bonds, and availment of new short-term loans
Avida	300	availment of new short-term loan
Total	**10,629**	

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

Borrower	Amount	Nature
ALI	875	prepayment of fixed-rate corporate notes
SSECC	198	payment of matured short-term loan and amortization on long-term loan
UPN	123	amortization on long-term loan
LTI	100	payment of matured short-term loan
ODRPDI	28	amortization on long-term loan
LAI	20	amortization on long-term loan
CIHCI	18	amortization on long-term loan
AGDC	15	payment of matured short-term loans
GDI	9	amortization on long-term loan
FGREC	7	amortization on long-term loan
NBCC	3	amortization on long-term loan
AiO	1	amortization on long-term loan
Avida	1	amortization on long-term loan
Total	**1,398**	

6. **Commercial Paper Issuances and Outstanding Balance (for the quarter ended March 31, 2011)**

None.

7. **Accounts and Other Payables**

The accounts and other payables as of March 31, 2011 is broken down as follows:

	(million)
Accounts payable	P 16,756
Accrued expenses	7,612
Taxes payable	1,711
Retentions payable	963
Dividends payable	148
Total	**P 27,189**

8. Segment information

YTD-March 2011	Property Development	Shopping Centers	Offices	Hotels and Resorts	Services	Corporate	Total	Intersegment Adjustments	Consolidated
(in million pesos)									
Revenues									
Sales to external customers	6,351	1,101	573	560	1,409	0	9,994	0	9,994
Intersegment sales	199	122	0	0	1,328	0	1,649	(1,649)	0
Equity in net earnings of investees	77	66	0	0	0	43	186	0	186
Total revenue	6,627	1,289	573	560	2,737	43	11,829	(1,649)	10,180
Operating expenses	4,620	778	335	380	2,612	347	9,072	(1,562)	7,510
Operating profit	2,007	511	238	180	125	(304)	2,757	(87)	2,670
Interest expense									(484)
Interest income									361
Other income									49
Other expense									(127)
Income taxes									(592)
Net income									1,877
Net income attributable to:									
Equity holders of Ayala Land, Inc.									1,622
Minority interests									255
									1,877
Other information									
Segment assets	90,614	24,003	25,202	5,505	10,308	8,378	164,010	(42,271)	121,739
Investment in associates and jointly controlled entities	8,303	2,185	0	0	0	788	11,276	0	11,276
Deferred tax assets	468	8	54	12	32	1,403	1,977	46	2,023
Total assets	99,385	26,196	25,256	5,517	10,340	10,569	177,263	(42,225)	135,038
Segment liabilities	28,645	9,419	6,985	905	8,144	23,142	77,240	(9,233)	68,007
Deferred tax liabilities	189	0	15	399	0	361	964	(361)	603
Total liabilities	28,834	9,419	7,000	1,304	8,144	23,503	78,204	(9,594)	68,610
Segment additions to property and equipment and investment properties	92	2,089	0	93	11	13	2,299	0	2,299
Depreciation and amortization	39	258	144	47	26	23	537	0	537

YTD-March 2010	Property Development	Shopping Centers	Offices	Hotels and Resorts	Services	Corporate	Total	Intersegment Adjustments	Consolidated
(in million pesos)									
Revenues									
Sales to external customers	5,130	1,133	449	341	1,739	0	8,792	0	8,792
Intersegment sales	146	111	0	0	703	0	960	(960)	0
Equity in net earnings of investees	86	59	0	0	0	1	146	0	146
Total revenue	5,362	1,303	449	341	2,442	1	9,898	(960)	8,938
Operating expenses	4,135	742	227	262	2,284	248	7,898	(901)	6,997
Operating profit	1,227	561	222	79	158	(247)	2,000	(59)	1,941
Interest expense									(336)
Interest income									182
Other income									101
Other expense									(85)
Income taxes									(445)
Net income									1,358
Net income attributable to:									
Equity holders of Ayala Land, Inc.									1,197
Minority interests									161
									1,358
Other information									
Segment assets	77,914	18,837	17,688	3,092	7,144	8,639	133,314	(32,343)	100,971
Investment in associates and jointly controlled entities	8,338	2,156	0	0	0	454	10,948	0	10,948
Deferred tax assets	399	12	29	13	24	1,029	1,507	(402)	1,105
Total assets	86,651	21,005	17,717	3,105	7,168	10,122	145,769	(32,745)	113,024
Segment liabilities	25,503	7,575	5,679	850	6,250	12,338	58,195	(5,937)	52,258
Deferred tax liabilities	137	0	29	5	1	381	553	(402)	151
Total liabilities	25,640	7,575	5,708	856	6,251	12,719	58,749	(6,339)	52,410
Segment additions to property and equipment and investment properties	22	94	70	45	6	8	245	0	245
Depreciation and amortization	16	258	101	33	28	16	452	0	452

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

Results of Operations for the Three Months Ended March 31, 2011

Ayala Land, Inc. (ALI or "the Company") started 2011 on a strong note as it recorded Php1.62 billion in net income for the first quarter, 36% higher than the Php1.20 billion recorded in the same period last year. Consolidated revenues for the period reached Php10.6 billion, 15% higher than the Php9.22 billion posted last year. Revenues from Real Estate and Hotels, which comprised bulk of consolidated revenues, increased by 14% to Php9.99 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 a low 8%, similar to last year's level. With total revenues growing faster than total expenses, net income margin improved to 15% in the first three months of 2011 from 13% 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 Php6.34 billion in the first three months of 2011, 24% higher than the Php5.11 billion reported during the same period in 2010.

Revenues from the residential segment reached Php5.78 billion in the first three months, 18% higher than the same period last year, as the value of bookings improved across all the residential brands. Alveo and the combined Avida and Amaia brands posted year-on-year revenue growth of 45% and 27% to Php1.99 and Php1.34 billion, respectively, with higher bookings from the success of recent launches such as The Lerato (Makati City) and Venare (NUVALI) for Alveo, Avida Towers Cebu and Alabang, and AmaiaScapes Laguna. Ayala Land Premier (ALP) meanwhile generated Php1.89 billion in revenues, 5% lower compared with the first quarter of 2010 due to the strong surge in the take-up of high-value condominium units in Park Terraces in Makati City and Santierra lots in NUVALI in the first quarter of last year (with no equivalent launches for ALP in the first quarter of 2011).

Sales take-up value for the first three months of the year reached Php10.1 billion, equivalent to an average monthly sales take-up of Php3.38 billion. This was 22% 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 32% with the impact of various measures designed to lower project construction costs, while GP margins of horizontal developments were stable at 44%. The Company's four residential brands launched a total of 4,511 units in the first quarter of 2011, with a potential sales value of Php10.0 billion.

Revenues from the sale of commercial and industrial lots reached Php560 million in the first three months, 155% higher than the same period last year, largely due to the sale of seven commercial lots in NUVALI and 1.4 hectares of industrial lots in Laguna Technopark. GP margins likewise improved to 50% from 41% 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 Php1.68 billion during the first three months of 2011, 16% higher than the Php1.46 billion recorded in same period last year.

Revenues from Shopping Centers rose by 11% to Php1.10 billion during the first three months of 2011 driven by higher average occupancy and lease rates. Average occupancy rate across all malls reached 97%, compared with 93% in the first quarter of 2010. The continued improvements in Market! Market!, MarQuee Mall and TriNoma resulted in a 3% expansion in occupied gross leasable area (GLA) and has more than offset the additional closures in Glorietta effected over the past 12 months due to the Ayala Center redevelopment. The first quarter also saw a 5% improvement in average lease rates brought about by negotiated and programmed rental escalations. The retail environment remained buoyant as year-on-year same-store sales for all building and land leases increased by 3% and 4%, respectively. Shopping Centers EBITDA margins improved slightly to 60% from 59% 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 25% to Php583 million for the first three months of the year, from Php466 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 27% year-on-year (equivalent to 46,284 square meters) as the outlook for and demand from the BPO industry continues to improve. Total available BPO GLA has reached 272,633 square meters as of the end of the first quarter, with an average occupancy rate of 80% (and a leased-out rate of 85%), 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 two percentage-point improvement in the EBITDA margins of the total office portfolio, which reached 82% in the first quarter of 2011.

Hotels and Resorts. Revenues of the Company's Hotels and Resorts business improved by 16% to Php560 million in the first quarter 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, however, slightly declined to 32% from 33% due to the start-up costs incurred by the newly-renovated Apulit Island Resort. The Company is also 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 Php1.41 billion during the first three months of the year. This was 19% lower than the Php1.74 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 8% growth in Property Management revenues, which reached Php278 million in the first quarter of 2011 from additional carpark management contracts, compared with Php258 million in the same period last year. Blended EBITDA margins for Services were steady at 8%, the same as in the first quarter of 2010.

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

Equity in Net Earnings from Investees grew by 27% to Php186 million for the first three months of 2011, from Php146 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 of First Longfield Investments Ltd., the investment vehicle for ARCH Capital Partners L.P. Interest, Investment and Other Income meanwhile also increased by 45% to Php410 million for the first three months this year, compared with the Php283 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 January to March 2011 amounted to Php8.12 billion, 9% more than the Php7.42 billion incurred as of end-March 2010. Cost of Sales from Real Estate and Hotels, which accounted for the bulk of expenses, rose 6% year-on-year amounting to Php6.66 billion. GAE meanwhile grew by 17% to Php854 million 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 meanwhile went up by 45% year-on year to Php611 million, 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 6.74%, from 7.68% in the same period last year.

Project and Capital Expenditure

The Company spent a total of Php5.68 billion for project and capital expenditures in the first three months of 2011, 66% more than the Php3.41 billion spent during the same period in 2010. The bulk of capital expenditure in the first quarter were attributable to residential development (41% of total), landbank acquisition (31%), shopping centers (15%), hotels and resorts (10%), 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 Php5.68 billion spent in the first three months represents 96% of the programmed capital expenditure for the period and 17% of the full year 2011 capital expenditure program of Php32.6 billion. The Company expects to significantly catch up on its planned spending in the second half of 2011.

Financial Condition

The Company's balance sheet continued to be robust 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 Php25.7 billion, with a corresponding Current Ratio of 1.96: 1. Total Borrowings stood at Php30.4 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 0.08: 1.

Other Matters

Other significant events for the Company during the first quarter of 2011 included the securing of a long-term lease with the University of the Philippines for a 7.4 hectare parcel of land which will be transformed into a retail and office development as well as the signing of a Memorandum of Agreement between Alveo Land Corporation and the Philippine Racing Club, Inc. for the joint development of a 21-hectare property in Makati City (located on the former Sta. Ana racetrack) which will have residential, retail, office and entertainment elements.

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

Income Statement items – 1Q 2011 versus 1Q 2010

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

16% increase in hotel revenues
Primarily due to impact of consolidation of El Nido Resorts operations in Palawan.

39% 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.

5% increase in real estate cost and 49% increase in hotel expenses
Mainly due to higher real estate revenues and consolidation of El Nido Resorts operations.

17% increase in general and administrative expenses
Primarily due to higher payroll costs and benefits.

44% increase in interest and financing expenses
Mainly due to higher debt levels.

48% increase in other charges
Largely due to payment of Home Guaranty Corp. premiums.

33% increase in provision for income tax
Mainly due to higher taxable income.

58% increase in net income attributable to minority interests
Primarily due to higher income from Ceci Realty, Inc., Aurora Properties, Inc. and Ayala Property Partners Holdings Inc.

Balance Sheet items – March 31, 2011 versus End-2010

42% increase in cash and cash equivalents
Mainly due to additional borrowings and collection from new projects.

90% decrease in short-term investments
Primarily due to liquidation of short-term investments.

88% 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.

5% increase in accounts and notes receivables (net)
Largely due to launch of new projects and sale of commercial lots by Ceci Realty.

6% 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.

6% decrease in non-current accounts and notes receivables
Largely due to collection of Serendra's trade receivables.

5% increase in accounts and other payables
Primarily due to increase in trade payables with the completion of existing and new projects.

5% increase in short-term debt
Mainly due to additional bank loan of Avida Land and ALI Parent.

200% increase in income tax payable
Primarily due to consolidation of AyalaLand Hotels and Resorts Corp. and Ten Knots Development Corp.

18% increase in deposits and other noncurrent liabilities
Mainly due to security deposits of new shopping center tenants.

58% increase in long-term debt
Primarily due to fixed-rate corporate notes issued by ALI Parent.

8% increase in deferred credits
Largely due to unearned rental revenues.

12% decrease in unrealized gain (loss) on available-for-sale financial assets
Primarily due to revaluation of fixed income securities AFS.

PART II - OTHER INFORMATION

Item 3. 1Q 2011 Developments

A. New project or investments in another line of business or corporation	None.	
B. Composition of Board of Directors (as of March 31, 2011)	Fernando Zobel de Ayala	Chairman
	Jaime Augusto Zobel de Ayala II	Vice Chairman
	Antonino T. Aquino	President & CEO
	Mercedita S. Nolledo	Corp. Secretary
	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 March 31, 2011, stock options outstanding* are as follows:

ESOP	29,252,253 shares
ESOWN	90,209,886 shares
	119,462,139 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 1Q 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 #5).
M. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period	None.
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.

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 P32.6 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 three months of 2011, consolidated project and capital expenditures amounted to P5.7 billion, about 17% of the P32.6 billion budget for the whole year. About 41% was spent for residential projects, 31% for land acquisition, 15% for shopping centers, 10% for hotels and resorts, 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-March 2011	*End-December 2010*
Current ratio [1]	1.96:1	1.71:1
Debt-to-equity ratio [2]	0.53:1	0.37:1
	1Q 2011	*2010*
Return on assets [3]	5.0% [5]	4.7%
Return on equity [4]	11.3% [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] *1Q11 NIAT annualized/average of end Mar-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: May 11, 2011