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, 2014

(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, 2014**

2. Commission Identification Number **152747**

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

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, 2014

Title of each class	Number of shares issued and outstanding
Common shares	**14,173,560,726**

Amount of Debt Outstanding
P108.9 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. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Thousands)

	March 2014 Unaudited	December 2013 As restated
ASSETS		
Current Assets		
Cash and cash equivalents	₱33,235,424	₱27,966,138
Short-term investments	16,806	16,728
Financial assets at fair value through profit or loss	10,895,322	13,403,497
Accounts and notes receivable	46,456,716	42,709,104
Inventories	44,571,119	43,572,245
Other current assets	21,100,101	19,319,245
Total Current Assets	156,275,488	146,986,957
Noncurrent Assets		
Noncurrent accounts and notes receivable	18,182,577	17,648,365
Available-for-sale financial assets	306,261	336,261
Land and improvements	67,467,074	62,722,720
Investments in associates and joint ventures	9,958,362	9,318,774
Investment properties	60,076,701	59,183,364
Property and equipment	18,424,652	17,694,470
Deferred tax assets - net	5,441,765	5,161,046
Other noncurrent assets	10,768,379	6,421,728
Total Noncurrent Assets	190,625,771	178,486,728
	₱346,901,259	₱325,473,685
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	₱94,624,419	₱79,478,164
Short-term debt	16,356,834	12,407,056
Income tax payable	1,453,551	1,056,682
Current portion of long-term debt	3,489,004	3,542,152
Deposits and other current liabilities	6,205,898	5,139,153
Total Current Liabilities	122,129,706	101,623,207
Noncurrent Liabilities		
Long-term debt - net of current portion	89,089,004	85,952,677
Pension liabilities	221,807	1,147,484
Deferred tax liabilities - net	1,045,876	1,306,517
Deposits and other noncurrent liabilities	20,451,654	23,346,234
Total Noncurrent Liabilities	110,808,341	111,752,912
Total Liabilities	232,938,047	213,376,119

	March 2014 Unaudited	December 2013 As restated
Equity		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-up capital	**₱44,482,999**	₱44,455,043
Retained earnings	**58,175,432**	57,608,700
Stock options outstanding	**202,215**	198,274
Actuarial loss on pension liabilities	**(557,546)**	(524,678)
Net unrealized gain on available-for-sale financial assets	**17,225**	32,105
Equity reserves	**(3,529,839)**	(3,299,669)
Treasury shares	–	-
	98,790,486	98,469,775
Non-controlling interests	**15,172,726**	13,627,791
Total Equity	113,963,212	112,097,566
	₱346,901,259	₱325,473,685

AYALA LAND, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Figures)

	March 2014 Unaudited	March 2013 Unaudited
REVENUE		
Real estate	₱20,976,858	₱17,927,490
Interest income	1,132,265	417,915
Equity in net earnings of associates and joint ventures	478,839	69,064
Other income	160,620	100,816
	22,748,582	18,515,285
COSTS AND EXPENSES		
Real estate	14,285,067	11,714,598
General and administrative expenses	1,542,560	1,309,023
Interest and other financing charges	1,142,433	982,284
Other charges	265,624	50,562
	17,235,684	14,056,467
INCOME BEFORE INCOME TAX	5,512,898	4,458,818
PROVISION FOR INCOME TAX		
Current	1,419,845	1,217,320
Deferred	(101,330)	54,944
	1,318,515	1,272,264
NET INCOME	₱4,194,383	₱3,186,554
Net income attributable to:		
Equity holders of Ayala Land, Inc.	₱3,463,717	₱2,762,196
Non-controlling interests	730,666	424,358
	₱4,194,383	₱3,186,554
Earnings Per Share		
Net income attributable to equity holders of Ayala Land, Inc.		
Basic	**₱0.25**	₱0.20
Diluted	**0.25**	0.20

AYALA LAND, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	March 2014 Unaudited	March 2013 Unaudited
Net income	**₱4,194,383**	₱3,186,554
Other comprehensive income (loss)		
Net unrealized gain (loss) on available-for-sale financial assets	**(48,148)**	169,034
Actuarial losses on pension liabilities	**-**	-
Total comprehensive income for the period	**₱4,146,235**	₱3,355,588
Total comprehensive income attributable to:		
Equity holders of Ayala Land, Inc.	**₱3,415,569**	₱2,931,230
Non-controlling interests	**730,666**	424,358
	₱4,146,235	₱3,355,588

AYALA LAND, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Thousands)

	March 2014 Unaudited	March 2013 Unaudited
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AYALA LAND, INC.		
CAPITAL STOCK		
Issued		
Balance at beginning of year	14,063,902	13,729,403
Issuance of shares	1,119	324,172
Stock options exercised	-	-
Balance at end of year	14,065,020	14,053,575
Subscribed		
Balance at beginning of year	109,385	102,159
Issuance of shares	(1,119)	(4,102)
Stock options exercised	274	111
Balance at end of year	108,541	98,168
Preferred Shares - P0.10 par value		
Issuance of shares	1,306,649	2,610,110
Balance at end of the year	1,306,649	2,610,110
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	29,712,335	18,216,406
Stock options exercised	31,975	28,901
Issuance of common stock	-	7,974,145
IFRS 2- Adjustment on Share-based payment	-	-
Balance at end of year	29,744,311	26,219,451
SUBSCRIPTIONS RECEIVABLE		
Balance at beginning of year	(737,229)	(539,477)
Subscriptions	(10,224)	(11,849)
IFRS 2-Adjustment on Share-based payments	-	-
Collections	5,930	33,906
Balance at end of year	(741,522)	(517,420)
TOTAL PAID-UP CAPITAL	44,482,999	42,463,884
STOCK OPTIONS		
Balance at beginning of year	198,274	213,758
Stock options exercised	3,941	6,542
Balance at end of year	202,215	220,300
ACTUARIAL LOSS ON PENSION LIABILITIES	(552,546)	-
TREASURY STOCK	0	(823,967)
RETAINED EARNINGS		
Appropriated for future expansion	6,000,000	6,000,000
Unappropriated:		
Balance at beginning of year	51,647,156	44,061,755
Prior years adjustment (PAS 19 restatement entries)	-	(144,896)
Cash dividends	(2,935,441)	(2,033,651)
Net income	3,463,717	2,762,195
Balance at end of year	52,175,432	44,645,403
Other reserves	(3,529,839)	8,960
	54,645,593	**50,654,363**
UNREALIZED LOSS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS FINANCIAL ASSETS	17,225	(102,042)
	99,348,032	**92,412,538**
NON-CONTROLLING INTERESTS		
Balance at beginning of year	13,627,789	9,230,018
Net income(loss)	730,666	424,358
Increase/(Decrease) in minority interest	814,271	4,181,590
Dividends paid to non-controlling interests	-	(30006)
	15,172,726	**13,805,960**
	114,520,758	**106,218,498**

AYALA LAND, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	March 2014 Unaudited	March 2013 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	5,512,899	**4,458,817**
Adjustments for:		
Depreciation and amortization	998,806	809,476
Interest and other charges - net of amount capitalized	1,276,328	1,030,366
Gain on sale of investments	-	-
Equity in net earnings of investees	(478,839)	(69,064)
Interest and other income	(1,162,008)	(417,928)
Unrealized gain on financial assets	(14,880)	(141,605)
Provision for doubtful accounts	22,763	2,481
Operating income before changes in working capital	6,155,069	5,672,543
Decrease (increase) in :		
Accounts and notes receivable - trade	(4,947,304)	(16,451,071)
Real estate inventories	(998,874)	(1,509,804)
Other current assets	(1,575,990)	(4,602,103)
Increase (decrease) in :		
Accounts and other payables	15,509,918	15,397,099
Pension liabilities	(925,677)	277,588
Other current liabilities	1,066,744	(252,569)
Cash generated from operations	14,283,886	(1,468,317)
Interest received	1,100,542	208,470
Income tax paid	(1,258,233)	(1,257,623)
Interest paid - net of amount capitalized	(1,303,405)	(985,226)
Net cash provided by (used in) operating activities	12,822,790	(3,502,696)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from:		
Sale of investments	-	-
Disposals of (additions to):		
Land and improvements	(4,744,354)	925,191
Investments	(1,873,033)	(2,269,666)
Property and equipment	(1,105,081)	(790,544)
Short term investments	2,508,097	50,700
Decrease (increase) in:		
Non-current accounts and notes receivable - non trade	499,315	1,543,119
Other assets	(4,626,910)	(667,281)
Net cash provided by (used in) investing activities	(9,341,966)	(1,208,481)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term / long-term loans	12,089,453	4,247,690
Payments of short-term / long-term loans	(5,056,497)	(5,216,099)
Increase (decrease) in :		
Deposits and other noncurrent liabilities	(3,155,221)	5,238,997
Minority interest in consolidated subsidiaries	814,271	(564,758)
Proceeds from capital stock subscriptions	31,897	9,655,286
Purchase of treasury shares	-	-
Dividends paid to minority	-	(30,006)
Dividends paid to equity holders of Ayala Land, Inc.	(2,935,441)	(2,033,651)
Net cash provided by (used in) financing activities	1,788,462	11,297,459
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**5,269,286**	**6,586,282**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**27,966,138**	**33,612,746**
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**33,235,424**	**40,199,028**

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, 2013 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, 2013.

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 6, 2014, the Audit Committee approved and authorized the release of the accompanying unaudited condensed consolidated financial statements of Ayala Land, Inc. and subsidiaries.

2. Summary of Significant 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, 2013, except for the adoption of new Standards and Interpretations enumerated below.

Effective 2014

PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is also applied. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

Investment Entities (Amendments to PFRS 10, PFRS 12 and PAS 27)
These amendments are effective for annual periods beginning on or after January 1, 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group since none of the entities in the Group would qualify to be an investment entity under PFRS 10.

Philippine Interpretation 21, *Levies*
The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The interpretation is effective for annual periods beginning on or after January 1, 2014. The Group does not expect that the interpretation will have material financial impact in future financial statements.

PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014. The Group does not have outstanding derivatives as of December 31, 2013. However, these amendments would be considered for future novations of derivatives, as applicable.

PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014.

Effective 2015

PAS 19, *Employee Benefits – Defined Benefit Plans: Employee Contributions* (Amendments)
The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014.

Annual Improvements to PFRSs (2010-2012 cycle)
The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 2, *Share-based Payment – Definition of Vesting Condition*
The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014.

PFRS 3, *Business Combinations – Accounting for Contingent Consideration in a Business Combination*
The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Group shall consider this amendment for future business combinations.

PFRS 8, *Operating Segments – Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

PFRS 13, *Fair Value Measurement – Short-term Receivables and Payables*
The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

PAS 16, *Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation*
The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The amendment is effective for annual periods beginning on or after July 1, 2014.The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment has no impact on the Group's financial position or performance.

PAS 24, *Related Party Disclosures – Key Management Personnel*
The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

PAS 38, *Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization*
The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments have no impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards – Meaning of 'Effective PFRSs'*
The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Group as it is not a first-time adopter of PFRS.

PFRS 3, *Business Combinations – Scope Exceptions for Joint Arrangements*
The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively.

PFRS 13, *Fair Value Measurement – Portfolio Exception*
The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

PAS 40, *Investment Property*
The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

No Mandatory Effectivity Date

PFRS 9, *Financial Instruments*
PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Group will not adopt the standard before the completion of the limited amendments and the second phase of the project.

Deferred Effectivity

Philippine Interpretation 15, *Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, *Construction Contracts* or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

The adoption of this interpretation may significantly affect the determination of the Group's revenue from real estate sales and the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings accounts. The Group is in the process of quantifying the impact of adoption of this interpretation.

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 (Alveo)	100
Serendra, Inc.	39
Solinea, Inc. (formerly Bigfoot Palms, Inc.)	65
BG South Properties, Inc. (BGS)	50
Portico Land Corp.	60
Serendra, Inc.	28
Amorsedia Development Corporation and Subsidiaries	100
OLC Development Corporation and Subsidiary	100

HLC Development Corporation	100
Allysonia International Ltd.	100
Avida Land Corporation and Subsidiaries (Avida)	100
Buklod Bahayan Realty and Development Corp.	100
Avida Sales Corp.	100
Amicassa Process Solutions Inc.	100
Avencosouth Corp. (Avencosouth)	70
BG North Properties, Inc. (BGN)	50
Amaia Land Corporation (Amaia)	100
Amaia Southern Properties, Inc.	65
Ayala Land International Sales, Inc. (ALISI)	100
Ayalaland International Marketing, Inc. (AIMI)	100
Ayala Land Sales, Inc.	100
Buendia Landholdings, Inc.	100
BellaVita Land Corporation	100
Crans Montana Holdings Corp.	100
Crimson Field Enterprises, Inc.	100
Ecoholdings Company, Inc. (ECI)	100
NorthBeacon Commercial Corporation (NBCC)	100
Red Creek Properties, Inc.	100
Regent Time International, Limited (Regent) (British Virgin Islands)	100
Asterion Technopod, Inc. (ATI)	100
Westview Commercial Ventures Corporation (WCVC)	100
Fairview Prime Commercial Corporation (FPCC)	100
Hillsford Property Corporation (HPC)	100
Primavera Towncentre, Inc. (PTI)	100
Summerhill E-Office Corporation (Summerhill)	100
Sunnyfield E-Office Corporation (Sunnyfield)	100
Subic Bay Town Centre, Inc.	100
Lagoon Development Corporation	30
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100
Ayala Land Commercial REIT, Inc. (ALCRI)	100
Arvo Commercial Corp. (Arvo)	100
BellaVita Land Corporation	100
Nuevo Centro, Inc.	100
Cavite Commercial Town Center, Inc.	100
ALI Property Planners Corp. (APPCo)	100
One Dela Rosa Property Development, Inc.	100
First Gateway Real Estate Corp.	100
Glensworth Development, Inc. (Glensworth)	100
UP North Property Holdings, Inc.	100
Laguna Technopark, Inc.	75
Ecozone Power Management, Inc.	100
Aurora Properties Incorporated	78
Vesta Property Holdings, Inc. (VPHI)	70
Station Square East Commercial Corporation (SSECC)	69
Accendo Commercial Corp.	67
Avencosouth Corp.	20
Aviana Development Corp.	7
Cagayan de Oro Gateway Corp. (CDOGCC)	70
Ceci Realty, Inc.	60
Soltea Commercial Corp.	24
Soltea Commercial Corp.	60
CMPI Holdings, Inc.	60
CMPI Land, Inc.	60
ALI-CII Development Corporation (ALI-CII)	50

Roxas Land Corporation (RLC)	50
Adauge Commercial Corporation	87
South Gateway Development Corp.	100
Ayalaland MetroNorth Inc.	100
North Triangle Depot Commercial Corporation	49
Alabang Commercial Corporation	50
BGWest Properties, Inc.	50
Cebu District Property Enterprise, Inc.	35
Cebu Holdings, Inc.	50
Cebu District Property Enterprise, Inc.	5
Cebu Property Ventures Development Corp.	38
Cebu Leisure Company, Inc.	50
CBP Theatre Management, Inc.	50
Taft Punta Engano Property Inc.	55
Cebu Insular Hotel Company, Inc.	19
Solinea, Inc.	18
Amaia Southern Properties, Inc.	18
Alabang Commercial Corporation	50
South Innovative Theater Management	50
Construction:	
Makati Development Corporation and Subsidiaries (MDC)	100
MDC – Subic	100
MDC – Build Plus	100
MDC Equipment Solutions, Inc.	100
MDC Conqrete Inc.	100
Hotels and Resorts:	
Ayala Hotels, Inc. (AHI)	50
AyalaLand Hotels and Resorts Corporation (AHRC) and Subsidiaries	100
ALI Makati Hotel & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	80
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	80
Enjay Hotels, Inc. (Enjay)	100
Greenhaven Property Venture, Inc. (GPVI)	100
Cebu Insular Hotel Company, Inc. (CIHCI)	63
Bonifacio Hotel Ventures, Inc.	100
Southcrest Hotel Ventures, Inc.	67
Northgate Hotel Ventures, Inc.	70
North Triangle Hotel Ventures, Inc.	100
Ecosouth Hotel Ventures, Inc.	100
Asian Conservation Company, Inc.	17
Asian Conservation Company Limited	100
Ten Knots Phils, Inc.	60
Bacuit Bay Development Corporation	60
Ten Knots Development Corporation	60
Chirica Resorts Corp.	60
Kingfisher Capital Resources Corp.	60
ALI Makati Hotel Property, Inc.	20
ALI Makati Hotel & Residences, Inc.	20

Entertainment:	
Five Star Cinema, Inc.	100
Leisure and Allied Industries, Philippines, Inc. (LAIP)	50
Others:	
ALInet.com, Inc. (ALInet)	100
First Longfield Investments Limited (First Longfield) (Hongkong company)	100
Green Horizons Holdings Limited	100
Aprisa Business Process Solutions, Inc. (Aprisa)	100
Varejo Corp. (Varejo)	100
Solerte, Inc.	100
Verde Golf Development Corporation	100
AyalaLand Club Management, Inc.	100
Aviana Development Corporation	50
Whiteknight Holdings, Inc.	100
Ayala Property Management Corporation	100
Ayala Theatres Management, Inc. and Subsidiaries	100
Directpower Services, Inc. (Directpower)	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100

4. Receivables / Payables

Aging of Receivables (as of March 31, 2014; in Million Pesos)

	Up to 6 mos.	Over 6 mos. to One Year	Over One Year	Past Due	Total
Trade Receivables	25,259	7,406	16,014	1,679	50,358
Non-Trade Receivables	8,421	3,692	2,168	-	14,281
Total	**33,680**	**11,098**	**18,182**	**1,679**	**64,639**

Aging of Payables (as of March 31, 2014; in Million Pesos)

	Up to 6 mos.	Over 6 mos. to One Year	Over One Year	Past Due	Total
Trade Payables	17,860	15,073	10,912	-	43,845
Non-Trade Payables	59,264	10,087	10,807	-	80,158
Total	**77,124**	**25,160**	**21,719**	**-**	**124,003**

5. Inventories

This account consists of:

(in thousands)	**March 2014 (Unaudited)**	December 2013 (Restated)
Real estate inventories	**P42,906,506**	P41,886,171
Club shares	**1,664,613**	1,686,074
	29,320,047	43,572,245

6. Disclosure of Interests in Subsidiaries with Material Non-controlling Interests and Interests in Associates

The Company considers a subsidiary with material NCI, an associate and joint venture with material interest if its net assets exceed 5% of its total consolidated net assets as of the reporting period. There are no significant restrictions on the Company's ability to use assets and settle liabilities of the group.

Financial information on the Company's significant subsidiary with material NCI follows:

	March 31, 2014
Cebu Holdings, Inc.	**Amount (in thousands)**
Current assets	3,406,855
Non-current assets	9,949,370
Current liabilities	3,321,219
Non-current liabilities	3,875,584
Revenue	504,998
Net income	145,394
Other comprehensive income	-
Total comprehensive income	145,394

Financial information on associate with material interest on which has the Company has significant influence follows:

	March 31, 2014
Bonifacio Land	**Amount (in thousands)**
Current assets	1,159,728
Non-current assets	20,826,882
Current liabilities	4,149,978
Non-current liabilities	-
Revenue	551,125
Profit or loss from continuing operation	550,800
Accounting method used	Equity method

7. Short-Term and Long-Term Debt

Short-Term Debt (as of March 31, 2014; in Million Pesos)

Borrower	Amount
ALI	12,408.7
Alabang	300
APPCo	650
Amaia	1,325
Avida	747
LAIP	160
SSECC	241
Vesta	525
Total	**16,356.7**

Long-Term Debt (as of March 31, 2014; in Million Pesos / US$)

	Current		**Non-Current**		**Total**	
Borrower	**Peso**	**US$**	**Peso**	**US$**	**Peso**	**US$**
ALI*	**671**	**-**	**56,788**	**53**	**57,459**	**53**
Accendo	1,038	-	1,422	-	2,460	-
AHRC	377	8	6,273	103	6,650	111
Alveo	20	-	-	-	20	-
Amaia	-	-	1,500	-	1,500	
APPCO	166	-	3,392	-	3,558	-
Arvo	7	-	171	-	178	-
Avida	12	-	1,988	-	2,000	-
CDOGC	20	-	2,330	-	2,350	-
CHI	671	-	3,539	-	4,210	-
Crestview	12	-	393	-	405	-
Fairview	-	-	2,400	-	2,400	-
Hillsford	12	-	75	-	87	-
HLC Devt.	135	-	1,525	-	1,660	-
NBCC	-	-	1,000	-	1,000	
NTDCC	235	-	2,670	-	2,905	-
PhilEnergy	8	-	1,292	-	1,300	-
SSECC	43	-	1,393	-	1,436	-
SBTCI	44	-	826	-	870	-
Sunnyfield	18	-	112	-	130	-
Total	**3,489**	**8**	**89,089**	**156**	**92,578**	**164**

** 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 31, 2014 (in Million Pesos)

Borrower	Amount	Nature
ALI	8,493	availment of new short-term loans
AHRC	95	availment of long-term loans
Alveo	700	availment of short-term loans
Amaia	1,500	availment of short-term and long-term loans
APPCO	1,000	availment of long term loan
Fairview	400	availment of long-term loan
HLC	295	availment of long-term loan
NBCC	1,000	availment of long-term loan
PhilEnergy	226	availment of long-term loans
Total	**13,709**	

Repayments of Debt and Equity Securities –
January – March 31, 2014 (in Million Pesos)

Borrower	Amount	Nature
ALI	311	repayment of short term and partial principal repayment of long-term loans
ACC	33	payment of matured short-term loans
Accendo	17	amortization on long-term loan
AHRC	33	amortization on long-term loans
Alveo	1,430	payment of matured short-term loans
Amaia	1,275	payment of matured short-term loans
APPCO	925	payment of matured short-term loans and amortization on long-term loans
CHI	168	amortization on long-term loans
Crestview	2	amortization on long-term loans
DirectPower	130	payment of matured short-term loan
Hillsford	3	amortization on long-term loan
LAIP	10	payment of matured short-term loans
NBCC	968	payment of matured short-term loan
NTDCC	59	repayment of long-term loans
SSECC	185	payment of matured short-term loans and amortization on long-term loans
Sunnyfield	5	amortization on long-term loans
SBTCI	11	amortization on long-term loans
Total	**5,565**	

P4.0 Billion in Fixed Rate Bonds due 2020 and P2.0 Billion Fixed Rate Bonds due 2033

	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**6,000,000,000.00**	**6,000,000,000.00**
Expenses		
Documentary Stamp Tax	30,000,000.00	30,000,000.00
Upfront Fees		
Underwriting Fee (375 bps + GRT)	22,500,000.00	22,500,000.00
Professional Expenses	1,457,500.00	2,517,808.07
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	1,000,000.00	5,530.00
	55,057,500.00	**55,123,338.07**
Net Proceeds	**5,944,942,500.00**	**5,944,876,661.93**

Balance of Proceeds as of 12.31.2013 **NIL**

Ayala Land raised from the Bonds gross proceeds of P6.0Bn. After issue-related expenses, actual net proceeds amounted to approximately P5.9B. Net proceeds were used to partially finance various projects including, but not limited to, (i) the construction of various leasing assets including an additional BPO building in Cebu IT Park and the construction of Fairview Terraces Mall (₱0.9 billion), (ii) infusion to Avida Land Corp. (a subsidiary) to fund various residential development projects and acquisitions (₱1.0 billion) and (iii) the acquisition of several properties in strategic areas around the country (₱4.0 billion).

₱15.0 Billion Fixed Rate Bonds due 2024

	MATED PER PROSPECTUS	ACTUAL
Amount	**15,000,000,000.00**	**,000,000,000.00**
ses		
cumentary Stamp Tax	75,000,000.00	75,000,000.00
C Registration	5,812,500.00	5,812,500.00
gal Research Fee	58,125.00	58,125.00
front Fees		
Underwriting Fee	56,250,000.00	56,250,000.00
Professional Expenses	7,336,000.00	401,082.05
Trustee	20,000.00	20,000.00
Registry Account Opening Fee	150,000.00	150,000.00
Listing Fee	100,000.00	100,000.00
t of Pocket Expenses (publication, printing etc.)	2,500,000.00	97,807.91
	147,226,625.00	**37,889,514.96**
roceeds	**14,852,773,375.00**	**,862,110,485.04**

Balance of Proceeds as of 12.31.2013 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0Bn. After issue-related expenses, actual net proceeds amounted to approximately P14.9B. Net proceeds were used to partially finance various projects including, but not limited to, (i) the pump-priming development activities for new townships like Vertis North in Quezon City, Arca South, formerly FTI, in Taguig, Alvierra in Pampanga, and Altaraza in Bulacan (₱4.0B), (ii) development of various residential projects such as Park Terraces, Garden Towers and subdivision projects in Nuvali (e.g. Santierra, Elaro and Luscara) (₱4.0B), (iii) the construction of various leasing assets including an additional BPO buildings in UP – Ayalaland Technohub, the construction of the UP Town Center, expansion of Ayala Center Cebu and Abreeza (₱1.2B), (iii) new Seda Hotel in Nuvali (₱0.3B) and (iv) the acquisition of several properties in strategic areas around the country (P5.4B).

₱9.35 Billion Fixed Rate Callable Bonds due 2019 and ₱5.65 Billion Fixed Rate Callable Bonds due 2022

	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**15,000,000,000.00**	**15,000,000,000.00**
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
Underwriting Fee	54,035,000.00	54,035,000.00
Rating Fee	5,040,000.00	4,125,000.00
SEC Registration		
SEC Registration Fee	4,312,500.00	4,312,500.00
SEC Legal Research Fee	43,125.00	43,125.00
Professional Expenses	1,960,000.00	3,064,146.00
Marketing/Printing/Photocopying Costs and OPEs	500,000.00	383,755.82
Registry and Paying Agency Fee	337,500.00	1,056,314.87
Trustee Fees	112,500.00	20,000.00
Listing Fee	100,000.00	443,666.68
	141,440,625.00	**142,483,508.37**
Net Proceeds	**14,858,559,375.00**	**14,857,516,491.63**

Balance of Proceeds as of 12.31.2013 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0Bn. After issue-related expenses, actual net proceeds amounted to approximately P14.9Bn. Net proceeds were used to partially finance various projects including, but not limited to, (i) the development of various residential projects such as Park Terraces and Garden Towers (P1.2Bn), (ii) the construction of various leasing assets including the redevelopment of Glorietta I and II malls, Glorietta BPO and the Holiday Inn hotel at Ayala Center (P1.5Bn) and the (iii) the acquisition of 74 hectares located in the FTI complex, Taguig City (P12.2Bn).

HOMESTARTER BONDS 6

	PROSPECTUS	ACTUAL
Issue Amount	**2,000,000,000.00**	**2,000,000,000.00**
Expenses		
Underwriting and Other Professional Fees	15,000,000.00	15,060,000.00
Issue Management Fee	2,000,000.00	2,000,000.00
Underwriting Fee	12,500,000.00	12,500,000.00
Legal Fee – Joint Underwriters	500,000.00	560,000.00
Marketing/Printing/Photocopying Costs and OPEs	2,200,000.00	1,486,780.27
Documentary Stamp Tax	10,000,000.00	10,000,000.00
	27,200,000.00	**26,546,789.27**
Net Proceeds	**1,972,800,000.00**	**1,973,453,210.73**

Balance of Proceeds as of 12.31.2013 **NIL**

Ayala Land raised from the Bonds gross proceeds of P2.0Bn. After issue-related expenses, actual net proceeds amounted to approximately P1.97 billion. Net proceeds were used to partiallly finance its various projects such as, but not limited to, Park Terraces, Garden Towers, Park Point Residences, Ayala Westgrove Heights, Luscara, Elaro, Santierra and the redevelopment of Ayala Center (P540 milllion); and the balance of the purchase price to acquire Global Technologies International Limited's 32% stake in ALI Property Partners Corp. and additional capital infusion to a subsidiary (P650 million). Remaining net proceeds from the Bonds will be deployed to various projects in the succeeding months.

HOMESTARTER BONDS 5

	PROSPECTUS	ACTUAL
Amount	**1,000,000,000.00**	**,000,000,000.00**
ses		
C Registration	1,325,625.00	1,325,625.00
derwriting and Other Professional Fees	8,000,000.00	9,421,000.00
rketing/Printing/Photocopying Costs and OPEs	2,200,000.00	1,587,085,83
gistry and Paying Agency Fees	200,000.00	154,090.30
cumentary Stamp Tax	10,000,000.00	5,000,000.00
	21,725,625.00	**17,487,801.13**
roceeds	**978,274,375.00**	**982,512,198.87**

Balance of Proceeds as of 12.31.2013 **NIL**

Ayala Land raised from the Bonds gross proceeds of P1.0Bn. After issue-related expenses, actual net proceeds amounted to P982.5Mn. Net proceeds were used to partially finance costs related to the acquisition of 74 hectares located in the FTI Complex, Taguig City.

8. **Commercial Paper Issuances and Outstanding Balance (for the quarter ended March 31, 2014)**

None.

9. **Accounts and Other Payables**

The accounts and other payables as of March 31, 2014 is broken down as follows:

	(thousands)
Accounts payable	P 50,243,490
Accrued expenses	3,386,677
Taxes payable	5,135,967
Accrued project cost	24,705,821
Dividends payable	70,943
Accrued salaries & employee benefits	2,298,181
Accrued rentals	940,650
Accrued repairs & maintenance	1,181,528
Accrued advertising & promo	959,250
Accrued professional & management fees	2,103,412
Accrued light & water	1,845,527
Accrued insurance	145,321
Accrued postal and communications	16,244
Accrued representation	93,816
Accrued donations and contribution	42,544
Accrued transportation and travel	108,388
Interest payable	1,216,290
Retention payable	130,373
Total	**P 94,624,420**

10. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Terms and Conditions of Transactions with Related Parties

In its regular conduct of business, the Group has entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses, purchase and sale of real estate properties, construction contracts, development, management, underwriting, marketing, leasing and administrative service agreements.

Transactions with related parties are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following provide the total amount of transactions that have been entered into with a significant related party for the relevant financial year (in thousands):

a. Transactions with BPI, an associate of AC

As of March 31, 2014 and December 31, 2013, the Group maintains current and savings account, money market placements and Long-term debt payable with BPI broken down as follows:

	March 31, 2014	(Restated) December 31, 2013
	(In Thousands)	
Cash in bank	P13,590,471	P 6,737,072
Cash equivalents	7,010,013	10,788,151
Financial assets at FVPL	10,199,542	12,794,654
Short-term debt	1,325,000	1,500,000
Long-term debt	15,522,513	16,869,061

11. Segment information

The industry segments where the Group and its associates and joint ventures operate follow:

- Residential developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture

- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; management and operation of malls which are co-owned with partners

- Corporate business - development and lease or sale of office buildings; sale of industrial lots and lease of factory building

- Hotels and Resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants

- Strategic landbank management and Visayas-Mindanao - acquisition, development and sale of large-scale, mixed-use, masterplanned communities; sale of override units or the Company's share in properties made available to subsidiaries for development; lease of gas station sites and carparks outside Ayala Center. This also includes development, sale and lease, shopping centers and residential developments of the Group's product offerings in key cities in the Visayas and Mindanao regions

- Construction - land development and construction of the Group and third-party projects

- Property management - facilities management of the Group and third-party projects

- Others - other income from investment activities and sale of non-core assets.

In 2010, the Visayas - Mindanao business segment was combined with Strategic Landbank Management.

The Company and its subsidiaries generally account for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

YTD-March 2014	Shopping Centers	Corporate Businesses	Residential Development	Strategic Landbank Management and Visayas Mindanao	Construction	Hotels and Resorts	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
(in million pesos)										
Revenues										
Sales to external customers	2,825	1,033	10,113	3,370	2,003	1,369	264	-	-	20,977
Intersegment sales	113	-	126	2,916	5,272	-	530	-	(8,957)	-
Equity in net earnings of investees	(12)	-	-	489	-	-	0	2	-	479
Total revenue	2,926	1,033	10,239	6,775	7,275	1,369	794	2	(8,957)	21,456
Operating expenses	1,738	455	8,117	4,680	6,599	1,041	839	526	(8,167)	15,828
Operating profit	1,188	578	2,122	2,095	676	328	(45)	(524)	(790)	5,628
Interest income										1,132
Interest expense										(1,142)
Other income(expense)										(105)
Provision for income tax										(1,319)
Net income										4,194
Net income attributable to:										
Equity holders of Ayala Land, Inc.										3,464
Minority interests										731
										4,194
Other information										
Segment assets	67,855	31,722	202,930	78,282	33,939	26,263	5,754	19,661	(134,904)	331,502
Investment in associates and jointly controlled entities	595	-	2	7,825	-	-	-	1,536	-	9,958
Deferred tax assets	236	83	1,365	292	-	151	31	2,064	1,219	5,441
Total assets	68,686	31,805	204,297	86,399	33,939	26,414	5,785	23,261	(133,685)	346,901
Segment liabilities	23,690	16,707	98,249	79,232	30,619	11,882	3,387	21,079	(52,952)	231,893
Deferred tax liabilities	19	114	214	205	-	575	1	-	(83)	1,045
Total liabilities	23,709	16,821	98,463	79,437	30,619	12,457	3,388	21,079	(53,035)	232,938
Segment additions to property and equipment and investment properties	548	975	112	436	165	151	1,694	13	-	4,094
Depreciation and amortization	374	142	35	156	112	118	23	39	-	999

YTD-March 2013	Shopping Centers	Corporate Businesses	Residential Development	Strategic Landbank Management and Visayas Mindanao	Construction	Hotels and Resorts	Property Management and Others	Corporate	Intersegment Adjustments	Consolidated
(in million pesos)										
Revenues										
Sales to external customers	2,198	649	7,776	4,476	1,253	1,211	306	-		17,869
Intersegment sales	137	-	61	16	3,084	(33)	134	132	(3,473)	58
Equity in net earnings of investees	(1)	-	-	67	-		-	3	-	69
Total revenue	2,334	649	7,837	4,559	4,337	1,178	440	135	(3,473)	17,996
Operating expenses	1,543	245	8,112	707	4,031	984	351	204	(3,151)	13,026
Operating profit	791	404	(275)	3,852	306	194	89	(69)	(322)	4,970
Interest income										418
Interest expense										(982)
Other income(expense)										53
Provision for income tax										(1,272)
Net income										3,187
Net income attributable to:										
Equity holders of Ayala Land, Inc.										2,763
Minority interests										424
										3,187
Other information										
Segment assets	76,041	26,612	159,899	42,233	30,013	17,400	2,131	8,486	(84,495)	278,320
Investment in associates and jointly controlled entities	192	-	105	7,010	-	-	-	964	-	8,271
Deferred tax assets	231	66	592	224	15	53	11	1,454	(905)	1,741
Total assets	76,464	26,678	160,596	49,467	30,028	17,453	-	10,904	(55,200)	288,332
Segment liabilities	18,232	9,559	56,900	7,352	27,525	9,898	1,325	71,425	(21,212)	181,004
Deferred tax liabilities	21	42	365	40	-	477	-	0	165	1,110
Total liabilities	18,253	9,601	57,265	7,392	27,525	10,375	-	71,425	(12,448)	182,114
Segment additions to property and equipment and investment properties	1,417	795	7	627	22	1,705	209	12	-	4,794
Depreciation and amortization	399	147	63	43	6	75	21	55	-	809

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

Results of Operations for the Three Months Ended March 31, 2014

Ayala Land, Inc. (ALI or "the Company") sustained its robust growth trajectory in the first three months of 2014 as net income grew by 25% to P3.46 billion from the P2.76 billion posted in the same period last year. Consolidated revenues for the first three months reached P22.75 billion, 23% higher than the P18.52 billion registered in the same period in 2013. Revenues from Real Estate increased by 19% to P20.98 billion, comprising the bulk of consolidated revenues, driven by the strong performance across the property development, commercial leasing and services businesses.

The ratio of General and Administrative Expenses (GAE) to revenues declined further to 6.8% from 7.1% in first quarter 2013. Earnings before interest and taxes (EBIT) margin stood at 27% for the first three months of 2014.

Business Segments

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

Property Development. Property Development, which includes the sale of residential lots and units, office spaces, as well as Commercial and Industrial Lots, reported revenues of P13.47 billion in the first three months of 2014, 12% higher than the P12.06 billion reported during the same period in 2013.

Revenues from the Residential Segment reached P11.02 billion in the first three months, 36% higher than the same period last year, driven by strong bookings across all residential brands. Ayala Land Premier (ALP) posted a revenue growth of 32% year-on-year to P3.95 billion, owing to higher sales and bookings from residential lots in Luscara and Elaro in Nuvali and Ayala Westgrove Heights in Cavite coupled with premium condominium units such as Garden Towers in Makati, The Suites Bonifacio Global City and Park Point residences in Cebu. Alveo meanwhile generated P2.41 billion in revenues, 29% higher compared to the first three months of 2013, driven by strong contributions from existing and new projects such as Solstice Tower 1 in Circuit Makati, Lerato Tower 3 in Makati and Verve Residences Tower 1 in Bonifacio Global City. Avida and Amaia likewise recorded revenue growth of 10% and 64% to P2.79 billion and P618 million, respectively. Avida's performance was attributed to increased sales and project completion from existing and new projects namely Avida Towers Centera Tower 3 and 4 in Mandaluyong, Avida Towers 34th Street Tower 2 in Bonifacio Global City, Avida Cityflex Tower 2 in Bonifacio Global City, Avida Towers Riala Tower 1 and 2 in Cebu, as well as Avida Woodhill Settings in Nuvali. Amaia revenues was primarily boosted by sales from the success of recently launched Amaia Steps Nuvali. BellaVita saw revenues increase by 24% to P14.59 million, mainly due to solid bookings generated from its projects in General Trias and Alaminos.

Sales take-up value for the first three months of the year reached P21.29 billion, equivalent to an average monthly sales take-up of P7.10 billion, 9% higher than the P6.54 billion average in the same period last year. Residential Gross Profit (GP) margins of horizontal projects declined to 40% from 43% owing to lower margins from recently acquired lots at Ayala Greenfield Estates and Nuvali projects, while GP margins of vertical developments were maintained at 34%. The Company's five residential brands launched a total of 2,074 units in the first three months of 2014, with a total sales value of P12.17 billion.

In addition, Alveo and Avida posted a total of P216.83 million in revenues from the sale of office spaces, particularly in HSS Corporate Plaza Towers and One Park Drive in Bonifacio Global City. GP margins of offices for sale expanded to 38% from 35% in the first three months of 2013.

Revenues from the sale of Commercial and Industrial Lots decreased by 42% in the first three months to P2.24 billion, mainly due to the sale of bulk of the Arca South commercial lots in 2013. GP margins however improved to 40% from 35% due to higher margins on commercial lots sold in Nuvali and newly-acquired Altaraza in Bulacan.

Commercial Leasing. Commercial Leasing includes the Company's Shopping Centers and Office Leasing as well as Hotels and Resorts operations. Total revenues for Commercial Leasing amounted to P5.28 billion during the first three months of 2014, 29% higher than the P4.09 billion recorded in the same period last year.

Revenues from Shopping Centers rose by 16% to P2.84 billion during the first three months of 2014 from P2.45 billion in the first three months of 2013. The first three months of 2014 saw a steady increase in monthly average lease rates to P1,163 per square meter from P1,108 per square meter in first quarter 2013, with the opening of new malls and steady rental escalations. Occupied gross leasable area (GLA) was up by 11% year-on-year, while same-store rentals increased by 7%. Shopping Centers EBITDA margins was maintained at 62%.

Revenues from Office Leasing operations increased by 49% to P1.06 billion for the first three months of the year, from P711 million in the same period last year. The revenue growth was generated by higher lease rates and occupied BPO GLA, which increased by 14% year-on-year. Total occupied BPO GLA expanded to 424,529 square meters as of the end of March 2014. Average BPO lease rates increased by 3% year-on-year due to rental escalations in existing buildings. EBITDA margins of the total office portfolio improved to 82% from 79%.

Hotels and Resorts currently operates 1,294 internationally branded hotel rooms in Hotel InterContinental Manila, Cebu City Marriott, Fairmont Hotel and Raffles Residences Makati and Holiday Inn & Suites Makati, 192 island resort rooms in Lagen, Miniloc, Apulit and Pangulasian Islands in the province of Palawan and 665 Seda Hotel rooms between Bonifacio Global City, Centrio Cagayan de Oro, Abreeza Davao and Nuvali. Revenues of the Hotels and Resorts business grew by 47% to P1.37 billion in the first three months of 2014 from P931 million in the same period last year, primarily driven by improved performance of new hotels and resorts. Revenue per Available Room (REVPAR) for hotels was at P3,906, substantially higher by 51% versus 2013 levels due to improved occupancy and room rates at Holiday Inn, Fairmont Hotel and Raffles Residences and Seda Bonifacio Global City. REVPAR for resorts improved by 15% year-on-year, owing to better room rates at newly-opened Pangalusian resort in El Nido. EBITDA margins for Hotels and Resorts increased to 30% from 24%.

Services. Services, which includes the Company's wholly-owned Construction and Property Management companies, generated combined revenues of P7.54 billion during the first three months of the year, 62% higher than the P4.64 billion posted in the same period last year. Construction revenues grew by 68% to P7.28 billion with the steady completion of ALI Group projects. Property Management revenues decreased by 14% to 263 million in the first three months of 2014, due to the sale of Laguna Technopark's waterworks business. Blended EBITDA margins for Services expanded to 10% from 7% in the first three months of 2014.

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

Equity in Net Earnings from Investees rose by 593% to P479 million for the first three months of 2014, from P69 million in the same period last year. The increase is mainly attributed to the sale of seven commercial lots in Fort Bonifacio Development Corporation (FBDC). Meanwhile, Interest, Investment and Other income went up by 67% to P1.29 billion, due to higher interest income on installment sales.

Expenses

Total expenses for January to March 2014 amounted to P17.24 billion, 23% more than the P14.06 billion incurred as of end-March 2013. Cost of Sales from Real Estate and Hotels, which accounted for the bulk of expenses, rose 22% year-on-year amounting to P14.29 billion. GAE grew by only 18% to P1.54 billion primarily due to payroll and compensation-related expenses, which allowed GAE-to-revenue ratio to decline to 6.8% from 7.1% last year. Interest Expense, Financing and Other Charges meanwhile increased by 36% year-on year to P1.41 billion, mainly attributed to new bond issuances to finance the Company's expansion plans. The average cost of the Company's consolidated debt, however, decreased to 4.4% in the first three months of this year from 5.4% in the same period last year.

Project and Capital Expenditure

The Company spent a total of P16.44 billion for project and capital expenditures in the first three months of 2014, 60% more than the P10.29 billion spent during the same period in 2013. The bulk of capital expenditures in the first three months of 2014 were spent on residential developments (54% of total), land acquisition (29%), shopping centers (12%), offices (2%), hotels and resorts (1%), with the balance spent on support businesses. The P16.44 billion spent in the first three months represents 23% of the programmed spending for the year. The Company expects to disburse close to its target capex spend of about P70 billion by year-end to finance the continued rollout of its aggressive growth plans.

Financial Condition

The Company's balance sheet continues to be solid, with adequate capacity to support its growth plans for 2014 and beyond. Cash and Cash Equivalents stood at P43.45 billion, resulting in a Current Ratio of 1.28: 1. Total Borrowings stood at P108.98 billion from Php101.90 billion as of December last year, translating to a Debt-to-Equity Ratio of 1.10: 1 and a Net Debt-to-Equity Ratio of 0.66:1. Return on Equity was at 14% as of end-March 2014.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, short-term investment, financial assets at FVPL, AFS quoted and unquoted equity securities, investments in bonds, bank loans, corporate notes and bonds. The financial debt instruments were issued primarily to raise financing for the Group's operations. The Group has various financial assets such as trade receivables and trade payables which arise directly from the conduct of its operations.

Exposure to liquidity, credit, interest rate, currency and equity risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of derivative financial instruments, if any, is solely for management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

There were no changes in the Group's financial risk management objectives and policies in 2013.

Liquidity risk

Liquidity risk is defined by the Group as the risk of losses arising from funding difficulties due to deterioration in market conditions and/or the financial position of the Group that make it difficult for the Group to raise the necessary funds or that forces the Group to raise funds at significantly higher interest rates than usual.

This is also the possibility of experiencing losses due to the inability to sell or convert marketable securities into cash immediately or in instances where conversion to cash is possible but at loss due to wider than normal bid-offer spreads.

The Group employs scenario analysis and contingency planning to actively manage its liquidity position and guarantee that all operating, investing and financing needs are met. The Group has come up with a three-layered approach to liquidity through the prudent management of sufficient cash and cash equivalents, the potential sale of accounts receivables and the maintenance of short-term revolving credit facilities.

Cash and cash equivalents are maintained at a level that will enable it to fund its general and administrative expenses as well as to have additional funds as buffer for any opportunities or emergencies that may arise. Management develops viable funding alternatives through a continuous program for the sale of its receivables and ensures the availability of ample unused short-term revolving credit facilities from both local and foreign banks as back-up liquidity.

The Group ascertains that its cash is invested in short-term bank placements and special deposit accounts, as well as in high-quality and marketable government and corporate securities.

Credit risk

The Group's credit risks are primarily attributable to installments receivable, rental receivables and other financial assets. To manage credit risks, the Group maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures.

The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of post dated checks and auto-debit arrangements. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, short-term investments, financial assets at FVPL and AFS financial assets. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

Interest rate risk

The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and increasing the fixed interest component of its debt portfolio.

Foreign currency risk

Financial assets and credit facilities of the Group, as well as major contracts entered into for the purchase of raw materials, are mainly denominated in Philippine Peso. The Group's placements in foreign currencies and the amount of foreign currency-denominated debt are minimal. As such, the Group's foreign currency risk is minimal.

Equity price risk

Quoted AFS financial assets are acquired at a certain price in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market. Depending on several factors such as interest rate movements, country's economic performance, political stability, domestic inflation rates, these prices change, reflecting how market participants view the developments.

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

Income Statement items – 1Q 2014 versus 1Q 2013

19% increase in real estate and hotel revenues
Mainly due to higher sales bookings, new product launches and incremental completion of residential projects.

593% increase in equity in net earnings of investees
Primarily due to the sale of seven FBDC commercial lots.

68% increase in interest, fees and investment income
Mainly due to higher interest income on installment sales.

59% increase in other income
Primarily due to Arch fund net asset value gain.

22% increase in real estate and hotel costs
Largely due to higher real estate revenues.

18% increase in general and administrative expenses
Primarily due to compensation and benefits related expenses.

36% increase in interest expense, financing and other charges
Largely due to increased borrowings for various capital expenditures.

72% increase in net income attributable to non-controlling interests
Primarily due to more lots sold by VPHI and API.

Balance Sheet items – March 31, 2014 versus End-2013

19% increase in cash and cash equivalents
Mainly due to proceeds of new loan availments and higher collection of receivables.

19% decrease in financials assets at fair value through profit or loss
Largely due to lower investments in Arch Capital.

9% increase in accounts and notes receivables (net)
Largely due to additional bookings from residential projects.

9% increase in other current assets
Mainly due to higher creditable withholding tax prepayments and deposits in escrow.

8% increase in land and improvements
Mainly due to additional land acquisitions.

7% increase in investments in associates and jointly controlled entities
Primarily due to increase in equity net earnings from FBDC group.

9% decrease in available-for-sale financial assets
Primarily due to the sale of AHRC shares in Manila Golf & Country Club to Ayala Corporation.

5% increase in deferred tax assets
Primarily due to MDC's higher deferred tax assets on increased residential projects and PAS 19 adjustment on retirement benefit.

68% increase in other non-current assets
Largely due to higher security deposits, construction bond, advance payments and project costs of residential projects.

19% increase in account and other payables
Mainly due to higher payable to suppliers and taxes payable.

32% increase in short-term debt
Mainly due to bank loan availments of ALI parent.

38% increase in income tax payable
Mainly due to higher taxable income.

81% decrease in pension liabilities
Mainly due to account reclassification.

20% decrease in deferred tax liabilities
Mainly due to amortization of capitalized documentary stamp tax and other incidental expenses.

12% decrease in deposits and other non-current liabilities
Largely due to ALI parent deposits for construction of golf course.

46% decrease in unrealized gain (loss) on available-for-sale financial assets
Mainly due to increase in market value of Ayala Corporation preferred shares and sale of fixed income securities.

6% decrease in actuarial loss on pension obligation
Primarily due to additional impact of revised PAS19 related to employee benefits.

PART II - OTHER INFORMATION

Item 3. 1Q 2014 Developments

A. New project or investments in another line of business or corporation	None.	
B. Composition of Board of Directors (as of March 31, 2014)	Fernando Zobel de Ayala	Chairman
	Jaime Augusto Zobel de Ayala II	Vice Chairman
	Antonino T. Aquino	President & CEO
	Francis G. Estrada	Director
	Delfin L. Lazaro	Director
	Jaime C. Laya	Director
	Aurelio R. Montinola III	Director
	Mercedita S. Nolledo	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

P0.20711082 cash dividend
Declaration date: February 21, 2014
Record date: March 7, 2014
Payment date: March 21, 2014

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, 2014, stock options outstanding* are as follows:

ESOP	8,165,350 shares
ESOWN	100,785,011 shares
	108,950,361 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 2014 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 #9).

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 #7).

M. Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period

1. Stockholders' approval of the following:
   (a) Amendment of Article Seventh of the Company's Articles of Incorporation exempting from pre-emptive rights the issuance of one billion common shares for acquisitions and debt payments and the issuance of common shares covered by stock options granted to members of Management Committees of subsidiaries or affiliates

   (b) Amendment of the stock option plan to include members of Management Committees of subsidiaries or affiliates as eligible grantees of stock options.
2. Appointment of Bernard Vincent O. Dy as new President and CEO of Ayala Land, Inc.
3. Issuance of P8 billion bonds (first tranche) due 2025 will carry a coupon rate of 5.625%.
4. Ayala Land releases 1st quarter 2014 unaudited financial results.

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

1. Board approval of the following:

   (a) Amendment of Article Seventh of the Company's Articles of Incorporation to exclude the issuance of one billion common shares from the pre-emptive rights of the stockholders, at a price and under such terms and conditions as may be determined by the Board at the time of issuance.

   (b) Further amendment to the Article Seventh of the Company's Articles of Incorporation to qualify members of the management committees of the Company's subsidiaries as grantees under the employee stock option or ownership plan.

   (c) The issuance of bonds of in the amount of up to P15 billion, which are to be registered with the Securities and Exchange Commission and listed in the Philippine Dealing & Exchange Corporation, will carry a tenor of up to 11 years.

5. Declaration of cash dividends of P0.20711082 per share to all shareholders as of record date March 7, 2014, payable on March 21, 2014.
6. Ayala Land signs 50%-50% joint venture agreement with AboitizLand, Inc. for the development of a 15-hectare mixed-use community in Mandaue City, Cebu.
7. Ayala Land assigns to Cebu Holdings, Inc. and Cebu Property Ventures & Development Corporation rights to subscribe to 10% and 5% of the authorized capital stock of the joint venture company with AboitizLand, Inc.
8. Ayala Land releases full year 2013 unaudited financial results.
9. Ayala Land acquires Mitsubishi Corporation's 40% stake in Philippine Integrated Energy Solutions, Inc.

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 the year 2014, Ayala Land's consolidated budget for project and capital expenditures amount to P70.0 billion. This will be financed through a combination of internally-generated funds, borrowings and pre-selling. For the first three months of 2014, consolidated project and capital expenditures amounted to P16.4 billion, about 23% of the projected P70.0 billion budget for the whole year. About 54% was spent for residential projects, 29% for land acquisition, 12% for shopping centers, 2% for offices, 1% for hotels and resorts, with the balance spent on support businesses. For the reporting period, capital spending was approved for the development of High Street South Corporate Center in Bonifacio Global City and Elaro in Nuvali.
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 remain parallel to the country's overall economic standing. Interest rate fluctuations may likewise affect 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 #9).

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 2014	*End December 2013*
Current ratio [1]	*1.28:1*	*1.45:1*
Debt-to-equity ratio [2]	*1.10:1*	*1.04:1*
Net debt(cash)-to-equity ratio [3]	*0.66:1*	*0.61:1*
Profitability Ratios:		
Return on assets [4]	*5%*	*5%*
Return on equity [5]	*14%*	*13%*
Asset to Equity Ratio[6]	*3.04:1*	*2.90:1*
Interest Rate Coverage Ratio[7]	*5.9*	*6.5*

**Restated per PFRS 10*

[1] *Current assets / current liabilities*
[2] *Total debt / stockholders' equity attributable to parent (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*
[3] *Net debt / stockholders' equity attributable to parent net of unrealized gain on AFS (Net debt is total debt less cash and cash equivalents, short-term investments and financial assets through FVPL)*
[4] *Net income attributable to parent / average total assets*
[5] *Net income attributable to parent / average total stockholders' equity*
[6] *Total assets / total stockholders' equity attributable to parent*
[7] *EBITDA / interest expense*

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 13, 2014