

COVER SHEET

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AYALA LAND, INC.

3 1 F TOWER ONE & EXCHANGE

PLAZA, AYALA TRIANGLE

AYALA AVENUE, MAKATI CITY

1 2 2 6 PHILIPPINES

(Business Address : No. Street City / Town / Province)

Attys. Amanda Nograls-Santiago
Contact Person

848-0114/555-9555
Company Telephone Number

Month Day
Fiscal Year

UPDATED PROSPECTUS
FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

STAMPS

Remarks = pls. use black ink for scanning purposes



Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226
Telephone Number: (632) 750-6694

PHP7.0 Billion Fixed Rate Bonds Due 2022

Issue Price: 100% of Face Value
Interest Rate: 4.50% p.a.

Issue Manager

BPI CAPITAL CORPORATION

Joint Lead Underwriters

BPI CAPITAL CORPORATION
CHINA BANKING CORPORATION
PNB CAPITAL AND INVESTMENT CORPORATION
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED

Co-Lead Managers

BDO Capital & Investment Corporation
First Metro Investment Corporation

A REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND WAS RENDERED EFFECTIVE COVERING PHP15 BILLION FIXED RATE BONDS. OF SUCH AMOUNT, PHP8 BILLION WAS ISSUED ON 24 APRIL 2014. THESE SECURITIES ARE COVERED BY UPDATES TO SUCH REGISTRATION STATEMENT UNDER THE SHELF REGISTRATION RULES OF THE SEC.

THE SEC HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SEC.

The date of this Prospectus is April 15, 2015.

The Bonds covered by this Prospectus and described below is offered by Ayala Land, Inc. ("ALI," "Ayala Land," the "Issuer" or the "Company") as thesecond of two tranches that comprise a ₱15,000,000,000 in aggregate principal amount of fixed rate bonds (the "Aggregate Bonds") that was authorized by a resolution of the Board of Directors of Ayala Landdated February 21, 2014. A registration statement was filed by the Company covering the issuance of the Aggregate Bonds in two tranches that was rendered effective by the Securities and Exchange Commission ("SEC") by its order and certificate of permit to offer securities for sale issued on April 10, 2014 (the "Shelf Registration"). The first tranche had an aggregate principal amount of ₱8,000,000,000 and was issued on April 25, 2014 under a prospectus dated April 10, 2014. The SEC has issued a confirmation dated April 16, 2015 that the Shelf Registration remains valid and subsisting. Pursuant to such confirmation the second tranche of the Aggregate Bonds will be issuedwith an aggregate principal amount of ₱7,000,000,000 (the "Bonds") under this Prospectus. The Bondsshall be issued on April29, 2015or such other date as may be agreed by the Issuer and BPI Capital Corporation ("BPI Capital"), China Banking Corporation ("China Bank"), PNB Capital and Investment Corporation ("PNB Capital"), and The Hongkong and Shanghai Banking Corporation Limited ("HSBC") (each an "Underwriter" or "Joint Lead Underwriter" and collectively the "Joint Lead Underwriters")

After their issuance, the Bonds shall have a term ending seven (7) years from the Issue Date, or on April 29, 2022, with a fixed interest rate of 4.50% per annum. Interest on the Bonds shall be payable semi-annually in arrears on April 29and October 29of each year while the Bonds are outstanding, or the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the Maturity Date while the Bonds are outstanding (see "*Description of the Bonds*" – "*Interest*").

Subject to the consequences of default as contained in the Trust Indenture, and unless otherwise redeemed prior to the Maturity Date, the Bonds will be redeemed at par (or 100% of face value) on the Maturity Date (see "*Description of the Bonds*" - "*Redemption and Purchase*").

The Bonds shall constitute the direct, unconditional, and unsecured obligations of Ayala Land and shall at all times rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of Ayala Land, other than obligations preferred by law. The Bonds shall effectively be subordinated in right of payment to, among others, all of Ayala Land's secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

The Bonds have been rated PRS Aaa byPhilippine Rating Services Corporation ("PhilRatings"). Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.PRS Aaa is the highest rating assigned by PhilRatings. The rating is not a recommendation to buy, sell, or hold securities, and may be subject to revision, suspension, or withdrawal at any time by the rating agency concerned.

The Bonds shall be offered to the public at face value through the Joint Lead Underwriters and the Co-Lead Managersnamed above with the Philippine Depository & Trust Corp. ("PDTC") as the Registrar of the Bonds. It is intended that upon issuance, the Bonds shall be issued in scripless form, with PDTC maintaining the scripless Register of Bondholders, and listed in the Philippine Dealing & Exchange Corp.("PDEX"). The

Bonds shall be issued in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.

Ayala Land expects to raise gross proceeds of up to ₱15,000,000,000 from one or more tranches of the offering. For the first tranche, the Company received net proceeds of ₱7,915,227,875 after deducting fees, commissions, and expenses relating to its issuance. For the second tranche, the net proceeds are estimated to amount to approximately ₱6,930,410,000 after deducting fees, commissions, and expenses relating to the issuance of the Bonds. Proceeds of the Offer are intended to be used for capital expenditure requirements (see "Use of Proceeds"). The Joint Lead Underwriters shall receive a fee of up to 0.375% on the final aggregate nominal principal amount of the Bonds issued.

The Offer is being conducted exclusively in the Philippines and pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, nor may any offering material relating to the Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Ayala Land confirms that this Prospectus contains all information relating to the Company, its subsidiaries and affiliates which is, in the context of the issue and offering of the Bonds, material (including all information required by the applicable laws of the Republic of the Philippines). There are no other facts the omission of which would make any statement in this Prospectus misleading in any material respect. Ayala Land confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. Ayala Land, however, has not independently verified any such publicly available information, data or analysis.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Prospectus is accurate as of any time subsequent to the date hereof. The Underwriters do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Prospectus.

The contents of this Prospectus are not to be considered as legal, business or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Prospectus acknowledges that he has not relied on the Underwriters in his investigation of the accuracy of such information or in his investment decision. Prospective purchasers should consult their own counsels, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds. Investing in the Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Bonds, see the section on "*Risk Factors and Other Considerations.*"

No dealer, salesman or other person has been authorized by Ayala Land and the Underwriters to give any information or to make any representation concerning the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorized by Ayala Land or the Underwriters.

at the Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226, with telephone number (632) 750-6694.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CORRECT.

AYALA LAND, INC.

By:

BERNARD VINCENT O. DY
President and Chief Executive Officer

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

Before me, a notary public in and for the city named above, personally appeared Bernard Vincent O. Dy known to me and to me known as the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument. with Philippine Passport No. EB 4700081 issued on 14 February 2012 at DFA Manila, with expiry date of 13 February 2017.
Witness my hand and seal this 15th day of April 2015 at Makati City.

Doc No. 448
Book No. 091
Page No. II
Series of 2015.

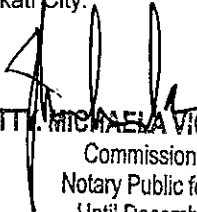

ATTY. MICHAELA VICTORIA L. LAUREL
Commission No. M-576
Notary Public for Makati City
Until December 31, 2015
21st Flr. Philamlife Tower,
8767 Paseo de Roxas, Makati City
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PTR No. 4756061 / 06-Jan-2015 / Makati City
IBP No. 967975 / Lifetime / Makati City

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FORWARD-LOOKING STATEMENTS

This Prospectus contains certain "forward-looking statements." These forward-looking statements have been based largely on the Company's current expectations and projections about future events and financial trends affecting its business. Words or phrases such as "believes," "expects," "anticipates," "intends," "plans," "foresees" or other words or phrases of similar import are intended to identify forward-looking statements. Similarly, statements that describe Ayala Land's objectives, plans or goals are also forward-looking statements. In light of these risks and uncertainties associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur. Actual results could differ materially from those contemplated in the relevant forward-looking statements. Important factors that could prevent forward-looking events and circumstances from occurring or could cause actual results to differ materially from the expectations of Ayala Land include, among others:

General Economic and Political Conditions

- changes in Philippine and international interest rates
- changes in political, economic and social conditions in the Philippines
- changes in foreign exchange control regulations in the Philippines
- changes in the value of the Philippine Peso

Conditions of the Real Estate Industry

- increasing competition in the Philippine real estate industry
- changes in laws and regulations that apply to the Philippine real estate industry

Factors Affecting Ayala Land's Operations

- Ayala Land's ability to maintain and further improve its market share in the various segments of the Philippine real estate market
- demand for Ayala Land's projects in the Philippines
- Ayala Land's ability to enter into various financing programs
- operational and implementation issues that Ayala Land may encounter in its projects
- Ayala Land's ability to manage changes in costs attendant to operations

For a further discussion of such risks, uncertainties and assumptions, see the "Risk Factors and Other Considerations" section of this Prospectus. Prospective purchasers of the Bonds are urged to consider these factors carefully in evaluating the forward-looking statements. The forward-looking statements included herein are made only as of the date of this Prospectus and Ayala Land undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

DEFINITION OF TERMS

As used in this Prospectus, the following terms shall have the meanings ascribed to them:

"Aggregate Bonds" shall refer to both the first tranche of 5.6250% fixed rate bonds with an aggregate principal amount of ₱8,000,000,000 issued on April 25, 2014 (under a prospectus dated April 10, 2014) and the Bonds.

"Affiliate" shall mean, with respect to Ayala Land, Inc., any corporation directly or indirectly controlled by it, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of management, contract or authority granted by said corporation to Ayala Land, Inc.

"Application to Purchase" shall mean the document to be executed by any Person or entity qualified to become a Bondholder.

"Ayala Group" refers to Ayala Corporation and its subsidiaries and affiliates.

"Ayala Land" or **"ALI"** or the **"Company"** or the **"Issuer"** refers to Ayala Land, Inc.

"Banking Day" or **"Business Day"** shall be used interchangeably to refer to a day, except Saturday and Sunday, on which commercial banks are not required or authorized to close in Makati City, Metro Manila.

"BDO Capital" shall refer to BDO Capital & Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 20th Floor, South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City.

"Beneficial Owner" shall mean any person (and **"Beneficial Ownership"** shall mean ownership by any person) who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting of such security; and/or investment returns or power in respect of any security, which includes the power to dispose of, or to direct the disposition of, such security; provided, however, that, a person shall be deemed to have an indirect beneficial ownership interest in any security which is:

- i. held by members of his immediate family sharing the same household;
- ii. held by a partnership in which he is a general partner;
- iii. held by a corporation of which he is a controlling shareholder; or
- iv. subject to any contract, arrangement or understanding which gives him voting power or investment power with respect to such securities; provided, however, that, the following persons or institutions shall not be deemed to be beneficial owners of securities held by them for the benefit of third parties or in customer or fiduciary accounts in the ordinary course of business, so long as such securities were acquired by such persons or institutions without the purpose or effect of changing or influencing control of the issuer:
 - a. A broker dealer;

Definition of Terms

- b. An investment house registered under the Investment Houses Law;
- c. A bank authorized to operate as such by the BSP;
- d. An insurance company subject to the supervision of the Office of the Insurance Commission;
- e. An investment company registered under the Investment Company Act;
- f. A pension plan subject to regulation and supervision by the BIR and/or the Office of the Insurance Commission or relevant authority; and
- g. A group in which all of the members are persons specified above.

“BIR” shall mean Bureau of Internal Revenue.

“Bond Agreements” shall mean, collectively, the Trust Indenture between the Issuer and the Trustee, the Master Certificates of Indebtedness, and the Registry and Paying Agency Agreement between the Issuer, the Registrar and the Paying Agent, and any other document, certificate or writing contemplated thereby.

“Bondholder” shall mean a person whose name appears, at any time, as a holder of the Bonds in the Register of Bondholders.

“Bonds” shall refer to the 4.50% fixed rate bonds in the aggregate principal amount of ₱7,000,000,000, the second and final tranche of the Aggregate Bonds, to be issued by Ayala Land on the Issue Date and shall mature on April 29, 2022.

“BPI Capital” shall refer to BPI Capital Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 8th Floor, BPI Building, Ayala Avenue corner Paseo de Roxas, Makati City.

“BSP” refers to Bangko Sentral ng Pilipinas.

“CBG” shall refer to Commercial Business Group

“China Bank” shall refer to China Banking Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 9th floor CBC Building, 8745 Paseo de Roxas Corner Villar Street, Makati City.

“Co-Lead Managers” shall refer to BDO Capital and FMIC.

“FMIC” shall refer to First Metro Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 45th Floor, GT Tower International, 6813 Ayala Avenue corner H.V. dela Costa Street, Makati City.

“HSBC” shall refer to The Hongkong and Shanghai Banking Corporation Limited, a banking corporation duly licensed and authorized to operate in the Philippines, with address at the HSBC Centre, 3058 Fifth Avenue West, Bonifacio Global City, Taguig.

“GLA” refers to Gross Leasable Area

“Interest Payment Date” shall mean October 29, 2015 for the first Interest Payment Date and April 29 and October 29 of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the Maturity Date.

Definition of Terms

“Issue Date” shall mean April 29, 2015 or such other date as may be agreed upon between the Issuer and the Underwriters.

“Issue Manager” shall refer to BPI Capital.

“Joint Lead Underwriters” shall refer to BPI Capital, China Bank, PNB Capital, and HSBC being the Joint Lead Underwriters appointed by the Issuer under the Underwriting Agreement.

“Lien” shall mean any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligations.

“Majority Bondholders” shall mean, at any time, the Bondholder or Bondholders who hold, represent, or account for more than fifty percent (50%) of the aggregate outstanding principal amount of the Bonds.

“Master Certificate of Indebtedness” shall mean the certificate to be issued by the Issuer to the Trustee evidencing and covering such amount corresponding to the Bonds.

“Maturity Date” shall mean April 29, 2022 which is seven (7) years after the Issue Date; provided that, in the event that the Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be automatically extended to the immediately succeeding Business Day.

“Offer” shall mean the offering of Bonds by the Issuer under the Conditions as herein contained.

“Offer Period” shall refer to the period commencing at 10:00 a.m. on April 16, 2015 and ending at 5:00 p.m. on April 22, 2015, or on such other date as the Issuer and the Joint Lead Underwriters may agree upon.

“PAS” shall mean Philippine Accounting Standards.

“Paying Agent” shall refer to PDTC, the party which shall receive the funds from the Issuer for payment of principal, interest and other amounts due on the Bonds and remit the same to the Bondholders based on the records shown in the Register of Bondholders.

“PNB Capital” shall refer to PNB Capital and Investment Corporation, a corporation duly licensed and authorized to operate in the Philippines, with address at the 9th Floor, PNB Financial Center, President Diosdado Macapagal Boulevard, Pasay City.

“PDEX” shall refer to the Philippine Dealing & Exchange Corp.

“PDTC” shall refer to the Philippine Depository & Trust Corporation.

“Person” means an individual, firm, partnership, limited liability company, joint venture, association, trust, corporation, government, committee, department, authority, or any body, incorporated or unincorporated, whether having a distinct legal personality or not.

“Pesos,” “P,” “PHP,” and **“Philippine currency”** shall mean the legal currency of the Republic of the Philippines.

“PFRS” shall mean Philippine Financial Reporting Standards.

Definition of Terms

“Philippines” shall mean the Republic of the Philippines.

“PSE” shall refer to the Philippine Stock Exchange.

“Record Date” shall refer to the cut-off date in determining Bondholders entitled to receive interest or principal amount due.

“Register of Bondholders” shall mean the electronic records of the Registrar bearing the official information on the names and addresses of the Bondholders and the number of Bonds they respectively hold, including all transfers of the Bonds and the names of subsequent transferee Bondholders, maintained pursuant to and under the Registry and Paying Agency Agreement.

“Registrar” shall refer to PDTC, being the registrar appointed by the Issuer to maintain the Register of Bondholders pursuant to the Registry and Paying Agency Agreement.

“Registry Confirmation” shall refer to the written advice to be sent by the Registrar to Bondholders.

“SEC” means the Philippine Securities and Exchange Commission or its successor agency/ies.

“SEC Permit” shall mean the Permit to Sell issued by the SEC in connection with the Offer.

“sqm” refers to square meters

“SRC” shall mean the Securities Regulation Code of the Philippines (Republic Act No. 8799).

“Tax Code” shall mean the National Internal Revenue Code, as amended, and its implementing rules and regulations.

“Taxes” shall mean any present or future taxes including, but not limited to, documentary stamp tax, levies, imposts, filing and other fees or charges imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof including surcharges, penalties and interests on said taxes, but excluding final withholding tax, gross receipts tax, and taxes on the overall income of the Underwriters or of the Bondholders.

“Trustee” shall refer to PNB Trust Banking Group appointed by the Issuer under the Trust Indenture.

“Underwriters” shall refer to the Joint Lead Underwriters.

Titles of sections, subsections and clauses in this Prospectus are used for convenience of reference only and do not limit or affect the interpretation of the sections, subsections and clauses hereof. In case of conflict between the provisions of this Prospectus and the Bond Agreements, the provisions of the Bond Agreements shall prevail.

EXECUTIVE SUMMARY

This summary highlights information contained elsewhere in this Prospectus. Because it is a summary, it does not contain all of the information that a prospective purchaser of the Bonds should consider before investing. Prospective purchasers should read the entire Prospectus carefully, including the section entitled "Risk Factors and Other Considerations" and the consolidated financial statements and the related notes to those statements included in this Prospectus.

The Company

Ayala Land is the real estate arm of Ayala Corporation. Ayala Land was spun-off by Ayala Corporation in 1988 to enhance management focus on Ayala Corporation's existing real estate business and to highlight the value of assets, management and capital structure of the real estate business.

The SEC issued Ayala Land its certificate of incorporation on June 30, 1988. The Ayala Land shares were offered to the public in an initial public offering ("IPO") of primary and secondary shares in 1991 and subsequently listed on the Makati and Manila Stock Exchanges (predecessors of the PSE). The IPO diluted Ayala Corporation's effective interest in Ayala Land to 88%. Since then, Ayala Corporation's effective interest has been further reduced to about 48.58% as of December 31, 2014 through, among others, the exercise of stock options by the respective employees of Ayala Corporation and Ayala Land, exchanges under bonds due 1996 and bonds due 2001, disposal of Ayala Land shares by Ayala Corporation and Ayala Land's issuance of new shares in relation to its acquisition of interest in companies owning properties in Canlubang, Laguna in 1993, exchanges under bonds due 1996 and bonds due 2001, conversion to Ayala Land Common B Shares of the entire ₱3.0 billion convertible long term commercial paper publicly issued by the Company in December 1994, and equity top-up placements via an overnight bookbuilt offering of the Company in July 2012 and March 2013.

As at December 31, 2014, equity attributable to equity holders of Ayala Land amounted to ₱106.94 billion. It is listed on the PSE with a market capitalization of ₱478.22 billion as at December 31, 2014, based on Ayala Land's common share closing price of ₱33.70 as at December 29, 2014, the last trading day of the said month.

As of December 31, 2014, foreign equity ownership of Ayala Land constituted 5,618,731,080 common shares and 609,632,280 voting preferred shares for an aggregate equivalent of 22.85% of total outstanding common shares and voting preferred shares.

Ayala Land is one of the largest real estate conglomerates in the Philippines engaged principally in the planning, development, subdivision and marketing of large-scale communities having a mix of residential, commercial, leisure and other uses. Its principal businesses include planning and development of mixed-use properties, particularly, the subdivision and sale of high-end, middle-income and affordable residential lots and housing units, leisure community developments, commercial lots and the development and leasing of retail space and land in planned communities. Ayala Land also builds and sells residential condominium and office buildings, and develops industrial and business parks. Ayala Land, through its subsidiaries, also owns hotels eco-tourism resorts, and movie theaters, and provides property management and construction services to its own projects and to third parties for industrial buildings and government infrastructure projects.

The Company's residential products are distributed to a wide range of clients through various sales groups. Ayala Land established a wholly-owned subsidiary, Ayala Land Sales, Inc. ("ALSI"), which exclusively markets and sells high-end properties and condominium projects developed by Ayala Land under the brand Ayala Land Premier. Separate sales groups have also been formed for certain subsidiaries which cater to different market segments under Alveo Land Corp. ("Alveo") (middle-income housing), Avida Land Corp. ("Avida") (affordable housing), Amaia Land Corp. ("Amaia") (economic housing), and BellaVita Land Corp. ("BellaVita") (socialized housing). To complement these sales groups, Ayala Land and its subsidiaries also tap external brokers. Ayala Land International Sales, Inc. ("ALISI"), created in March 2005, leads the marketing, sales and channel development activities and marketing initiatives of the three residential brands abroad. ALISI has established Marketing Offices in Northern California, specifically in Milpitas in 2012, its first branch, and quite recently last March 7, 2014, in San Francisco. Marketing Offices were also set up in Singapore in September 2013, Hong Kong last February 2014, and a Representative office in Dubai in 2013. ALISI also assumed the operations of Ayala Land International Marketing, Inc. in Italy and London. In addition, One Ayala program, which bundles the products and services of Ayala Land, BPI and Globe Telecom, gives access to potential Ayala Land clients overseas, i.e. through BPI's 17 overseas offices and 81 tie-ups. In addition, the Ayala Land-BPI Dream Deals program aims to generate additional sales from local market.

Ayala Land's total consolidated revenues for the period January to December 31, 2014 amounted to ₱95.20 billion, up by 17% compared to ₱81.52 billion for 2013. Net income attributable to equity holders of Ayala Land rose by 26% to ₱14.80 billion for the period January to December 31, 2014 from ₱11.74 billion in the same period in 2013.

As at December 31, 2014, Ayala Land had ₱388.94 billion in total assets. Ayala Land's cash and cash equivalents, short-term investments and financial assets at fair value through profit or loss ("FVPL") stood at ₱35.24 billion with a current ratio of 1.22:1 as of such date. Net debt-to-equity ratio was at 0.74:1.

As at December 31, 2014, Ayala Land spent ₱83.3 billion for project and capital expenditures, 26% more than the ₱66.26 billion spent during the same period in 2013. About 62% was spent for residential and leasing projects, with the remaining balance of 38% used for land acquisition.

The ₱83.3 billion spent on project and capital expenditures for year ended December 31, 2014 represents 83% of the full year budget of ₱100.3 billion for 2015.

New Projects

For the year ended December 31, 2014, Ayala Land's five residential brands launched a total of 16,564 residential units with a total sales value of ₱84.5 billion.

The Company also expanded the gross leasable area ("GLA") of its shopping centers by completing an additional 77,800 square meters (sqm) of GLA through the opening of Fairview Terraces in Quezon City (60,298), the Cinema of Bonifacio Central Square in Taguig (4,000) and Phase 1B of UP Town Center (3,600). As a result, the total GLA of shopping centers reached 1,336,168 sqm at the end of 2014.

The Company also continued to expand its Office portfolio with the opening of 54,900 sqm of Business Process Outsourcing (BPO) office GLA in various locations across the country such

as UP Building N (9,450 sqm) and UP Building O (9,450 sqm) in UP Technohub, Fairview Terraces (10,000 sqm) both in Quezon City, Building 6 (10,000 sqm) in Makati City and Cebu eBloc 3 (16,000) sqm. As a result, the total GLA of Offices reached 611,816 square meters at the end of 2014.

Under its Hotels and Resorts portfolio, the Company opened a 150-room SEDA hotel in NUVALI in March 2014. Currently, Ayala Land operates a total of 2,172 rooms under this segment.

Ayala Land's Principal Strengths

Ayala Land's principal strength lies in its involvement in highly diversified business segments such as the development of high-end subdivision lots and residential buildings, middle-income residential projects and affordable housing development, as well as in traditional office, BPO office and shopping center leasing, development and sale of industrial lots, hotel operations, property development and construction. Ayala Land holds the dominant share of the market in most of these business segments.

The real estate industry in the Philippines offers rich opportunities across all its sub-sectors. Its bright prospects are anchored on strong fundamentals: a robust economy, rising foreign inflows, particularly from Overseas Filipinos ("OF"), increased affordability and the availability of attractive financing from banks, resilient consumption spending in retail, and encouraging long-term prospects for office space in the BPO sector.

With over eight decades of experience together with Ayala Corporation, Ayala Land is the largest and most experienced real estate developer in the Philippines. Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. Ayala Land's proven track record includes the development of Makati as the country's premier Central Business District ("CBD") and Ayala Alabang as a prestigious suburban residential community. It is replicating these successes in areas such as Bonifacio Global City ("BGC"), Cebu, and Canlubang.

The Ayala Land name is synonymous with quality and prestige and is the most widely trusted brand in Philippine real estate. Ayala Land maintains leadership in most of its product lines – residential subdivisions and high-rise, shopping centers, office buildings – and across a broad spectrum of price-points and geographies.

With control of 8,639 hectares of landbank across strategic locations in the Philippines as of December 31, 2014, Ayala Land is a primary beneficiary of the country's asset reflation story. Providing significant upside is the more than 2,000 hectares in NUVALI in Laguna being developed as a showcase for environmental, economic and social sustainability together with the more than 1,000 hectares in ALVIERA in Porac, Pampanga.

The Company has a strong balance sheet, supportive strategic shareholders, a variety of available funding sources and the patience to undertake both pocket-sized and large-scale projects or investments that balance the need for sustained earnings growth and long-term net asset value accretion. Ayala Land also draws on the competitive advantage provided by its wholly-owned subsidiaries, Makati Development Corporation ("MDC") and Ayala Property Management Corporation ("APMC"), which are the country's largest and most experienced construction and property management companies, respectively.

The Company employs a proven and highly-credible management, architectural and engineering talent pool across all levels of the organization, most with experience across multiple business lines. Ayala Land also consistently ranks among the top Philippine companies in terms of corporate governance standards and best practices.

In 2014, Ayala Land was awarded the Green Luminary Award by Channel News Asia, Builder of the Year by Frost and Sullivan, 7th Best in Investor Relations by Finance Asia, Best Developer in the Philippines by Southeast Asia Property Awards, Best Overall Developer in the Philippines by Euromoney Real Estate Awards, Winner of Strategy and Vision by Sustainable Business Award for the Philippines, 4th Best Managed Company and Best in Corporate Governance by Finance Asia and PSE Bell Awards for Corporate Governance by the Philippine Stock Exchange among others.

Over the years, Ayala Land has been intensifying the integration of sustainability principles in every step of its business processes. Ayala Land's entire business process, from acquisition, assessment, planning, design, construction, delivery and property management focus on long-term benefits and shared value for stakeholders while foreseeing and managing risks and protecting all investments. Ayala Land has sustainability and risk management policies in place to protect projects from flooding and other geohazards. Technical due diligence is an integral part of site assessment, while flood and erosion control measures are built into masterplans, through site designs that include retention and detention basins, biodiversity (native vegetation) conservation where applicable. Projects are also designed to serve the needs of the commuting and walking public. Ayala Land also has set greenhouse gas ("GHG") emission intensity reduction targets and monitors energy, water and waste metrics in the properties it continues to manage.

For the three-year period ended December 31, 2014, Ayala Land has delivered a 3-year average Total Shareholder Return of 25% per annum, higher than the 3-year average Total Shareholder Return of the Property Index of 18.3%. Total Shareholder Return is based on share price appreciation plus dividends paid for the relevant period.

Ayala Land's Business Strategy

Ayala Land has long enjoyed leadership in the traditional markets it serves, leveraging on long term relationships with customers, landowners, tenants, its employees, the local government, NGO communities, and providers of capital. Ayala Land shares values and a common long-term orientation that allows all parties concerned to prosper over time. Many of the best names in local and international retailing anchor its shopping centers while top multinationals either set up base in its headquarter-type ("HQ") offices or locate in its BPO facilities. Ayala Land is also the partner of choice for strategic partners, such as the Shangri-La and Holiday Inn groups, which want to make significant new investments in the country and help prime the Company's strategic growth centers.

Ayala Land plans to enhance its position as the leading property developer in the Philippines by continuing to develop large-scale, mixed-use integrated communities while diversifying its revenue base across its wide portfolio of businesses. To achieve this, Ayala Land will embark on an aggressive strategy anchored on four main pillars that will lay the ground work for the Company's long-term sustainable growth:

- *Growth.* The Company will actively strengthen and slowly establish its presence in several identified growth centers across the country to effectively expand its footprint into

new geographies. It will also introduce new formats within its existing business models to diversify its portfolio of highly differentiated product offerings and tap into previously unserved markets and consumer segments to broaden its reach.

- *Margin Improvement.* Ayala Land will continue to implement various spend management and cost control measures and pursue operational efficiencies further across the organization, without sacrificing quality and with strict adherence to the principles of sustainability, to bring overall costs down and drive profitability.
- *Capital Efficiency.* The Company will also make more efficient use of resources and capital to improve asset turnover and returns on capital. To this end, Ayala Land will pursue an asset-light approach to development and optimize land use by maximizing synergies within the organization, moving with scale to maximize utilization and value-capture.
- *Organizational Development.* Ayala Land will continue to strengthen its risk management program to effectively contain strategic, operational, financial and supply-chain risks associated with the much increased business activity levels, enhance its internal talent pool and support systems and ensure that these are supportive of the Company's growth objectives.
- *Brand-Building.* The Company will continue to leverage on product differentiation and its distinct value proposition. Moreover, it shall ensure the safety, security and timely delivery of all projects accompanied by efficient and effective customer service.

Ayala Land's Principal Shareholder

As at December 31, 2014, Ayala Land's principal shareholder, Ayala Corporation, effectively owns 48.58% of Ayala Land and is one of the Philippines' oldest conglomerates, with businesses in real estate, telecommunications, financial services, and a broad range of investments in water, electronics, energy, infrastructure, international operations, business process outsourcing, and automotive.

Ayala Land's Principal Executive Offices

Ayala Land's executive offices are at the 30th Floor, Tower One and Exchange Plaza, Ayala Triangle, Ayala Avenue, Makati City 1226. The telephone number at this address is (632) 908-3895 and the fax number is (632) 750-7946.

Risk Factors

Prospective investors should consider carefully all of the information set forth in this Prospectus and, in particular, prospective purchasers should evaluate the specific factors set forth under the section "*Risk Factors and Other Considerations*" of this Prospectus for risks involved in the purchase of the Bonds. These factors may be summarized into those that pertain to the business and operations of Ayala Land, in particular, and those that pertain to the overall political, economic, and business environment in the Philippines, in general.

As a real estate developer, Ayala Land competes with other developers and developments to attract purchasers of land and condominiums, retail and office tenants, and clientele for the retail outlets, restaurants and hotels in its commercial centers in terms of reputation, reliability,

price, and the quality and location of the community in which the relevant project is located. Ayala Land's successful financial and operating performance as a real estate company will impact on its ability to refinance or repay its debt, including the Bonds. Moreover, the offering of the Bonds should be evaluated in terms of its impact on the consolidated indebtedness of Ayala Land and the operating risks inherent in a further increase in its debt.

Ayala Land is further subject to certain debt covenants for the Bond issuance and its other existing debt. Ayala Land's failure to comply with these covenants could cause a default which, if not waived, could result in the debt becoming immediately due and payable. If any amount outstanding were to be accelerated, it could potentially trigger a cross-default under substantially all of Ayala Land's debt, in which case Ayala Land may not be able to perform its payment obligations under the Bonds. In such case, the Bonds, being unsecured debt, will be effectively subordinated in right of payment to all secured debt of Ayala Land to the extent of the value of the assets securing such debt and all debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines without a waiver of preference or priority.

External factors affecting Ayala Land's businesses include the impact of current and future Philippine laws and regulations on certain aspects of real estate development, such as environment, health and safety, the effect of natural catastrophes, and political or economic instability in the country, including foreign exchange rate fluctuations which could impact on the acquisition cost of certain dollar-denominated construction materials and equipment necessary for Ayala Land's business.

Summary of Financial and Operating Data

The following table sets forth financial and operating information and other data of Ayala Land. Prospective purchasers of the Bonds should read the summary financial data below together with the audited consolidated financial statements and the notes thereto, as well as the section "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus. The summary financial data as at December 31, 2014, 2013 and 2012 and for each of the three years in the period ended December 31, 2014 were derived from Ayala Land's audited consolidated financial statements, including the notes thereto, which are included in this Prospectus and from Ayala Land's 2013 annual report. Ayala Land's financial statements are prepared in compliance with PFRS.

	For the years ended December 31		
(in million Pesos, except Earnings Per Share (EPS))	2014 Audited	2013 Audited	2012 Audited
Income Statement Data			
Revenues	₱95,197	₱81,523	₱59,932
Costs and expenses			
Real estate	59,396	51,839	37,026
General & administrative expenses	6,203	5,929	4,727
Interest and other financing charges	5,365	4,116	3,265
Other Charges	376	679	367
Subtotal	71,340	62,563	45,385
Income before income tax	23,856	18,960	14,547
Provision for income tax			
Current	7,011	6,654	3,893
Deferred	(869)	(1,999)	(422)
	6,142	4,655	3,471
Net Income	₱17,714	₱14,305	₱11,076
Net Income attributable to:			
Equity holders of Ayala Land Inc.	14,802	11,742	9,038
Non-controlling interests	2,912	2,563	2,038
Unappropriated retained earnings,			
Balance, beginning of year	51,609	43,996	37,860
Cash dividends	(5,933)	(4,129)	(2,902)
Net Income attributable to equity holders of Ayala Land	14,802	11,742	9,038
Balance at end of year	60,478	51,609	43,996
Basic Earnings per share*	₱1.05	₱0.84	₱0.68
Diluted Earnings per share**	₱1.05	₱0.83	₱0.67

*Based on weighted average number of common shares (in thousands): 14,074,173 as at December 31, 2014; 13,979,946 as at December 31, 2013; 13,301,128 as at December 31, 2012

**Based on weighted average number of common shares (in thousands): 14,079,005 as at December 31, 2014; 13,990,887 as at December 31, 2013; 13,327,986 as at December 31, 2012

As at December 31			
(in million Pesos)	2014	2013	2012
	Audited	Audited	Audited
Selected Balance Sheet Data			
Cash and cash equivalents and other assets ¹	P34,586	P40,778	P32,139
Land and improvements	80,445	62,723	48,815
Investment properties	67,898	59,183	49,552
Total assets	388,944	325,474	254,116
Current portion of long term debt	5,067	3,542	6,591
Long term debt - net of current portion	103,296	85,953	58,408
Total liabilities	266,949	213,376	158,575
Equity attributable to equity holders of Ayala Land, Inc.	106,940	98,470	81,993
Non-controlling interests	15,056	13,628	13,547
Total equity	P121,995	P112,098	P95,540

¹ Includes Cash and Cash Equivalents and Short-term Investments and Investments in Unit Investment Trust Funds ("UITF") classified as Financial Assets at Fair Value through Profit and Loss

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

	December 31, 2014	December 31, 2013	December 31, 2012
Current ratio ¹	1.22:1	1.45:1	1.41:1
Debt-to-equity ratio ²	1.02:1	0.91:1	0.78:1
Net debt-to-equity ratio ³	0.74:1	0.55:1	0.45:1
Return on assets ⁴	5.0%	4.9%	5.3%
Return on equity ⁵	14%	13%	13%
Asset to Equity ⁶	3.19:1	2.90:1	2.66:1
Interest Rate Coverage ⁷	5.7	6.5	6.7

¹ Current assets / current liabilities

² Total debt/ consolidated stockholders' equity, net of unrealized gain (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through fvpl - excludes ARCH Capital Fund)

⁴ Total Net income / average total assets

⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI

⁶ Total assets / total stockholders' equity

⁷ EBITDA / interest expense. EBITDA is computed as Net income before income tax + Interest expense & other financing charges and Other charges - Interest and investment income + Depreciation and amortization.

SUMMARY OF THE OFFER

- Issuer** : Ayala Land, Inc. ("ALI" or "the Company")
- Issue** : Fixed rate bonds (the "Bonds") constituting the direct, unconditional, unsecured and general obligations of the Issuer.
- Issue Amount** : ₱7,000,000,000
- Use of Proceeds** : The net proceeds of the Issue are intended to be used by ALI for capital expenditure requirements.
- Issue Price** : 100% of face value.
- Form and Denomination of the Bonds** : The Bonds shall be issued in scripless form in denominations of ₱50,000.00 each, as a minimum, and in multiples of ₱10,000.00 thereafter.
- Offer Period** : The Offer shall commence at 10:00 a.m. on April 16, 2015 and end at 5:00 p.m. on April 22, 2015, or on such other date as the Issuer and the Underwriters may agree upon.
- Issue Date** : April 29, 2015 or such other date as may be agreed by the Issuer and the Underwriters.
- Maturity Date** : April 29, 2022
- Interest Rate** : Fixed interest rate of 4.50% per annum.
- Interest Payment Date** : Interest on the Bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrears on April 29 and October 29, or the next Banking Day if such dates fall on a non-Banking Day, of each year commencing on October 29, 2015, until and including the relevant Maturity Date (each, an "Interest Payment Date").
- Call Option and Call Option Dates** : The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Bonds before the Maturity Date on any one of the anniversary dates indicated below (the "Call Option Dates"), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

Call Option Dates	Call Option Price
On the 6 th month of the 5 th year from Issue Date	101.50%
On the 6 th year from Issue Date	100.50%

The Issuer shall give no less than thirty (30) nor more than sixty (60) days prior written notice of its intention to exercise its Call Option on the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds at the Call Option Date stated in such notice. The amount payable to the Bondholders in respect of any such early redemption shall be calculated as the sum of (i) the relevant Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as at the relevant Call Option Date.

- Redemption for Taxation Reasons : If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par or 100% face value plus accrued interest.
- Final Redemption : Except when a Call Option is exercised, the Bonds will be redeemed at par or 100% face value on the relevant Maturity Date.
- Negative Pledge : The Bonds shall have the benefit of a negative pledge on all existing and future assets of the Issuer, subject to certain permitted liens.
- Purchase and Cancellation : The Issuer may at any time purchase any of the Bonds at any price in the open market or by tender or by contract at any price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.
- Status of the Bonds : The Bonds shall constitute the direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank *pari passu* and ratably without preference among themselves and among any present and future unsecured obligations of the Issuer, except for any statutory preference or priority established under Philippine law.
- Rating : The Bonds are rated Aaa by PhilRatings.
- Listing : The Issuer intends to list the Bonds in the PDEX on Issue Date.

RISK FACTORS AND OTHER CONSIDERATIONS

GENERAL RISK WARNING

- *The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities.*
- *Past performance is not a guide to future performance.*
- *An investor deals in a range of investments each of which may carry a different level of risk.*

PRUDENCE REQUIRED

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in these securities. An investor should undertake its, his, her or their own research and study on the trading of securities before commencing any trading activity. Investors may request information on the securities and Issuer thereof from the SEC which are available to the public.

PROFESSIONAL ADVICE

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially those classified as high risk securities.

RISK FACTORS

An investment in the Bonds described in this Prospectus involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider the following factors, in addition to the other information contained in this Prospectus, in deciding whether to invest in the Bonds. This Prospectus contains forward-looking statements that involve risks and uncertainties. Ayala Land adopts what it considers conservative financial and operational controls and policies to manage its business risks. Ayala Land's actual results may differ significantly from the results discussed in the forward-looking statements. See section "Forward-Looking Statements" of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of Ayala Land, in particular, and those that pertain to the overall political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are arranged in the order of their importance to the Company.

1. Ayala Land faces a highly competitive business environment

Ayala Land is subject to significant competition in each of its principal businesses. Competitive pressure is expected to remain as large property developers focus on the value-conscious middle market. Sustained demand growth is not likely to occur without real improvement in employment and real incomes. However, Ayala Land believes that, at present, there is no single property company that has a significant presence in all sectors of the property market.

Ayala Land competes with other developers and developments to attract purchasers of land and residential units, office and retail tenants as well as other construction and property management firms, and hotel operators.

Land, Residential

With respect to land, condominium and office sales, Ayala Land competes for purchasers primarily on the basis of reputation, reliability, price and the quality and location of the community in which the relevant site is located. With respect to its horizontal residential housing developments, Ayala Land competes for buyers based on quality of projects and reasonable pricing of units.

(a) High-end residential

Ayala Land continues to be the leader in the high-end residential market. It competes with a price premium over other high-end developers but justifies it with superior locations, workmanship quality, timely project completions, and overall reputation in the real estate industry. Through these, it has been able to keep well ahead of other high-end players.

Real estate has always been a major investment vehicle for the affluent. However, in a volatile environment, such as the recent financial crisis and the subsequent global economic downturn, the high-end market tends to “wait and see,” or they simply choose to place their money in other investment instruments. With confidence returning as market risks abated in 2009, sales of high-end lots, like Soliento in Nuvali, The Courtyards in Imus and Dasmarinas, Cavite, Ayala Westgrove Heights in Silang, Cavite and Ayala Greenfield Estates in Calamba, Laguna and high-value condominium units such as East Gallery Place in Bonifacio Global City, Two Roxas Triangle and Garden Towers in Makati and Arbor Lanes in Arca South continued to record significant performances, resulting in the 50% increase in revenues for the Ayala Land Premier brand in 2014 versus 2013.

Ayala Land has mitigated the market risks it faces through carefully planned project launches, clear product differentiation, product innovation, and increased market expansion through overseas sales and new segments.

(b) Middle-income residential

In the middle-income market segment, the environment remains challenging due to the number and aggressive moves of competitors. Nonetheless, Ayala Land’s middle-income residential business (through its subsidiary, Alveo) posted significant growth last year as economic outlook and prospects in the real estate sector remained robust. Revenues from Alveo in 2014 rose 14% from 2013 and demand is expected to remain strong this year for several reasons: (a) more upbeat economic outlook, (b) strong buying interest from the domestic market and overseas based Filipinos, and (c) emerging preference for condominium living. Ayala Land remains confident that it can compete effectively in this segment because of its superior product offering in terms of location, amenities, features, after-sales service, and very competitive pricing and payment terms. Alveo, together with Avida Land Corporation remains a dominant player in the office for sale space in key central business districts, generating revenues of ₱4.86 billion in 2014, representing more than a four-fold increase from previous year.

(c) Affordable residential

Ayala Land offers affordable residential projects through its wholly-owned subsidiary, Avida Land Corporation. In this highly competitive segment, there is an increase in activities and marketing efforts of major developers to reach their desired target market. In 2014, sales from Avida posted a 5% increase over the previous year with ₱13.18 billion in revenues.

(d) Economic Housing

Ayala Land entered the economic housing segment in 2012 with the launch of Amaia Scapes in Laguna under the Company's subsidiary, Amaia Land Corp., carrying the brand Amaia. This segment is expected to provide a steady end-user demand in the long-term as one-third of the estimated 20 million Filipino households and majority of the almost four (4) million national housing backlog belong to this segment. As a result of the strong sales of Amaia Steps Nuvali, sales from Amaia grew to ₱3.63 billion in 2014 or 50% more than the previous year.

(e) Socialized Housing

Ayala Land formally launched its first socialized housing project in 2012 under the BellaVita brand in Cavite from subsidiary, BellaVita Land Corp. Like the economic housing segment, this group is likewise seen as a stable source of end-user demand in the local residential market as more than 60% of Filipino households fall under this income class.

Positive factors spurring interest because of their long-term effects in the real estate industry are the:

- Increased developments north of Manila due to the North Luzon Expressway, opening of the Subic-Clark-Tarlac toll expressway and on-going construction of the Tarlac-Pangasinan-La Union expressway;
- Rehabilitation of the South Luzon Expressway (SLEX) and on-going development of the Daang Hari-SLEX road link to spur growth in the Cavite, Laguna, Batangas area south of Metro Manila;
- Increasing purchases by the overseas-based Filipino market due to marketing and promotions by various developers;
- Availability of financing from the Home Development Mutual Fund (Pag-IBIG); and
- Relatively low mortgage rates and longer maturities

BellaVita posted revenues amounting to ₱115.6 million in 2014, up 81% against the ₱63.93 million recorded in 2013.

Office Space and Retail Rental

With respect to its office rental properties, Ayala Land competes for tenants primarily based upon the quality and location of the relevant building, the reputation of the building owner and operator, the quality of support services provided by the property manager,

and rental and other charges. Under the current environment, lease rates and occupancy levels are under pressure in the Makati CBD where Ayala Land office buildings are located. According to research data provided by Colliers International Philippines, vacancy rate for all office grades in the Makati CBD as of end December 2014 is estimated at 1.99%, with average lease rates expected to rise at least 6.5% in the next twelve months.

With respect to its retail properties for lease, Ayala Land competes for tenants primarily based upon the ability of the relevant retail center to attract customers, which generally depends on the quality and location of, and mix of tenants in, the relevant retail center and the reputation of the owner and/or operator of the retail center, as well as rental and other charges. The market for shopping centers has become especially competitive and the number of competing properties is expected to grow. Some competing shopping centers are located within relatively close proximity of each of Ayala Land's commercial centers.

Ayala Land, nonetheless, has maintained healthy occupancy levels and experienced increasing lease rates.

Industrial Property Business

The industrial property business is affected by oversupply as well as limited industrial expansion and declining foreign investments. Overall, the industrial property segment is not likely to show significant demand improvement in the medium term.

Laguna Technopark, a development of the Ayala Land's subsidiary, Laguna Technopark, Inc. (LTI), remains the preferred location for locators and has been successfully expanding its offerings at a time when industrial parks in the Calabarzon area have been experiencing the effects of an oversupply of manufacturing and processing facilities.

Hotels and Resorts Operations

Although the hotel industry has seen increasing visitor arrivals in the past several years, it is generally subject to the slowdown in business activity due to global financial and local political turmoil and security concerns. Nonetheless, according to the Department of Tourism, 4.8 million foreign tourists visited the Philippines in 2014, which was 3.25% higher than the figure recorded in the previous year.

Infrastructure, Construction and Property Development

Ayala Land's construction business is exposed to any potential sector-wide slowdown in construction activities.

Notwithstanding stiff competition in the industry, Ayala Land intends to maintain and enhance its position as the leading property developer in the Philippines by continuing its over-all business strategy of developing large-scale, mixed-use integrated communities within growth centers that perpetuate its strong market presence while ensuring a steady revenue growth for the Company. Ayala Land further intends to diversify its revenue base by expanding its real estate business into different markets, specifically the economic and socialized housing segments where bulk of consumer

"end-user" demand lies, and geographic areas and growth centers across the country where there are significant growth opportunities or where its proposed developments complement its existing businesses.

2. Ayala Land's leverage creates a number of operating risks and might affect its ability to repay the Bonds

The increase in debt of Ayala Land could have certain adverse consequences. For example, it could:

- reduce Ayala Land's ability to service its existing debt obligations, including the Bonds;
- affect Ayala Land's ability to obtain additional financing for working capital, capital expenditures, debt service and other purposes;
- require Ayala Land to divert a substantial portion of its cash flow from operations to debt service;
- affect Ayala Land's flexibility in reacting to and taking advantage of developments and opportunities in the Philippine economy, the Philippine property development industry and its business; or
- place Ayala Land at a competitive disadvantage to its competitors that have less debt.

As at December 31, 2014, Ayala Land's consolidated short-term and long-term debts amount to an aggregate of ₱124.67 billion, ₱50.4 billion of which were evidenced by public instruments. Any such debt may, by mandatory provision of law, rank ahead of the Bonds in the event of the insolvency or liquidation of Ayala Land. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments.

Ayala Land's ability to refinance or repay its debt depends on its successful financial and operating performance, which will be affected by a number of factors, many of which are beyond its control. If Ayala Land is unable to refinance its debt, obtain necessary waivers or obtain new financing under these circumstances, Ayala Land would have to consider other various financing options such as sale of assets, procuring additional capital and other options available to Ayala Land under applicable law. Ayala Land might also have to modify, delay or abandon its development and expansion plans. See discussions under "Management's Discussion and Analysis of Financial Condition" and "Results of Operation" of this Prospectus.

3. Ayala Land is subject to certain debt covenants

The Bond Agreements and agreements for certain debts of Ayala Land contain covenants that limit its ability to, among other things:

- incur additional long-term debt to the extent that such additional indebtedness results in a breach of a required debt-to-equity ratio;
- materially change its nature of business;
- merge, consolidate, or dispose of substantially all its assets; and
- encumber, mortgage or pledge some of its assets.

Complying with these covenants may cause Ayala Land to take actions that it otherwise would not take or not take actions that it otherwise would take. Ayala Land's failure to comply with these covenants would cause a default, which, if not waived, could result in the debt becoming immediately due and payable. In this event, Ayala Land may not be able to repay or refinance such debt on terms that are acceptable to Ayala Land or at all. See discussions under "Management's Discussion and Analysis of Financial Condition" and "Results of Operations" and "Description of the Bonds" of this Prospectus.

Ayala Land has historically taken a prudent stance in managing its debt obligations by ensuring that any corporate act, whether or not performed in the ordinary course of business, does not violate any existing debt covenants. In the event that any significant corporate act or business transaction is seen to potentially affect its debt covenants that would lead to accelerating the payment of existing debt, Ayala Land shall endeavor to obtain the necessary waivers in accordance with relevant debt agreements.

4. The occurrence of certain events of default under Ayala Land's other debt could affect Ayala Land's ability to repay the Bonds

A significant portion of the debt of Ayala Land contains terms which allow a lender to accelerate Ayala Land's debt if any event or change in circumstances occurs which, in the sole opinion of such lender, would materially impair Ayala Land's ability to repay its debt. If any amount outstanding were to be accelerated, it could potentially trigger a cross-default under substantially all of the Company's debt. In which case, it may not be able to perform its payment obligations under the Bonds.

Ayala Land has not defaulted in any of its debt obligations. Its ₱15.0 billion Bonds issued in April 2012 and the ₱15.0 billion Aggregate Bonds, of which the first tranche of ₱8.0 billion was issued in April 2014 have been rated or have maintained a rating of PRS Aaa with Philippine Rating Services Corporation, while its ₱15.0 billion Bonds issued in July 2013 and ₱6.0 billion Bonds issued in September 2013 have both been rated AAA with Credit Rating and Investors Services Philippines Inc. and have subsequently maintained a rating of PRS Aaa with Philippine Rating Services Corporation. It shall continue its strategy of compliance with its debt obligations by adopting the necessary internal controls in financial management and adopting good corporate governance policies that will ensure that transactions do not violate debt covenants.

5. The Bonds may be subordinated to other debt

Under Philippine law, in the event a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a public instrument, as provided in Article 2244(14) of the Civil Code of the Philippines will rank ahead of unsecured debt not evidenced by a public instrument. Debt becomes evidenced by a public instrument when it has been acknowledged by the creditor and the debtor before a notary or any person authorized to administer oaths in the Philippines. Although the position is not clear under Philippine law, it is possible that a *jurat* (a statement by one party of the circumstances in which an affidavit was made) may also be sufficient to make a document a public instrument. Accordingly, it may be possible for debt to become evidenced by a public instrument through the unilateral action of a creditor without the knowledge of the borrower.

As at December 31, 2014, Ayala Land's consolidated short-term and long-term debts amount to an aggregate of ₱124.67 billion, ₱50.4 billion of which were evidenced by public instruments. Any such debt may, by mandatory provision of law, rank ahead of the Bonds in the event of the insolvency or liquidation of Ayala Land. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. However, should any bank or bondholder hereinafter have a preference or priority over the Bonds as a result of notarization, then Ayala Land shall at its option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Bonds.

Notwithstanding the foregoing, investors are assured of Ayala Land's continuing track record of prudent financial management which has allowed it to be in a net debt-to-equity position of 0.74:1 as of December 31, 2014. Thus, in the unlikely event that Ayala Land is dissolved, there will be sufficient assets for disposition that will meet all its debt obligations, whether secured or unsecured.

6. Ayala Land from time to time considers business combination alternatives

Although Ayala Land's loan covenants contain certain restrictions on business combinations, Ayala Land will be able to engage in certain types of combinations. Business combinations involve financial and operational risks and could result in significant changes to Ayala Land's operations, management and financial condition. These changes could adversely affect Ayala Land's ability to fulfill its obligations under the Bonds and reduce the value of the Bonds.

Ayala Land takes into consideration its existing debt obligations and concomitant debt covenants in making any major business investments or acquisitions. Any financial commitments under such business combinations are evaluated in terms of the inflow of revenues of such projects and their ability to service their own financial requirements once fully operational.

7. Successful development of Ayala Land's projects is dependent on various factors

There is no certainty that Ayala Land's current and future projects will be implemented as planned and within the projected timetable. Real estate developments are subject to risks such as delays in obtaining financing and/or finalizing project plans and/or obtaining approvals, increases in construction costs, natural calamities and/or market downturns hereinafter described. Ayala Land's future financial performance may be significantly affected by factors that limit its ability to finance and complete its current and future projects in a timely and cost-effective manner and to market them successfully.

Ayala Land continually looks for growth opportunities in different market segments and geographic areas in order that any negative impact on a particular market segment or geographic area by reason of political, economic or other factors will allow it to pursue its projects or other developments not affected thereby, thus, providing it with a steady revenue base.

8. Ayala Land's business is affected by regulation in the Philippines

Ayala Land operates a material part of its businesses in a regulated environment. Ayala Land is subject to numerous environmental laws and regulations relating to the

protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions and the management and disposal of, and exposure to, hazardous materials.

Ayala Land cannot predict what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims.

Ayala Land, through its construction and property management arms, keeps itself abreast of the latest technologies that enable it to implement existing sanitation, environment and safety laws and regulations at cost-efficient means, a strategy which has earned Ayala Land awards from several local and international organizations.

9. Operational and Physical Risk Factors in Ayala Land's Business

Just like any other business, Ayala Land is not exempt from the various risks associated with property development and operational management. It is however cognizant of the fact that a thorough understanding of risks, its complexities and continuous improvement in design and business operations is key to better abatement of risks and ensuring leadership in the industry. To mitigate these risks, the Company and its subsidiaries engaged in property development have complied and continue to comply with required standards of construction and design, and in terms of management of properties, observe and continue to observe best industry practices and methodologies.

On May 31, 2013 an explosion occurred inside a residential unit in Section B, Two Serendra. Two Serendra is a district of Serendra, a condominium development of Serendra, Inc., a subsidiary of Ayala Land. It is located at the Bonifacio Global City in Taguig City. The incident claimed the lives of four persons, including the occupant of the unit in Section B. Initial reports indicate that the explosion may have resulted from an improper accumulation of gas inside the unit. The investigation by police authorities as to the cause of the explosion is still ongoing.

Ayala Land's subsidiary, Ayala Property Management Corporation, as the property manager of Serendra, continues to provide support and assistance to the Serendra Condominium Corporation, the affected parties and the investigating units of government.

10. Natural catastrophes may affect Ayala Land's businesses adversely

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, volcanic eruptions and earthquakes. The occurrence of such natural catastrophes may materially disrupt and adversely affect the business operations of Ayala Land.

Although there can be no assurance that it will be adequately compensated for all damages and economic losses resulting from natural catastrophes, Ayala Land maintains comprehensive insurance against natural catastrophes to cover its various developments. Despite the series of natural disasters that befell the country in 2014 and 2013, including super typhoon Yolanda which caused massive destruction in the

Visayan provinces in November 2013, there have been no significant damages to the Company's developments.

11. Government and Economic Factors

The growth and profitability of Ayala Land will be influenced by the general political situation in, and the state of the economy of, the Philippines. Any political or economic instability in the future may have a negative effect on the financial results of Ayala Land and the level of dividends paid and distributions made by Ayala Land's subsidiaries.

Political Considerations

The Philippines has from time to time experienced political and military instability. In February 1986, a peaceful uprising ended the 21-year rule of President Ferdinand Marcos and installed Corazon Aquino as President of the Philippines. Between 1986 and 1989, there were a number of attempted *coups d'etat*, none of which were successful. Political conditions in the Philippines were generally stable during the 1990s following the election of Fidel V. Ramos as President in 1992.

In 2000, Ramos' successor, Joseph Estrada, was subject to allegations of corruption, resulting in impeachment proceedings, mass public protests, withdrawal of support of the military, and Estrada's removal from office. The Vice President, Gloria Macapagal-Arroyo, was sworn in as President on January 20, 2001. In May 2001, violent clashes between government forces and Estrada loyalists occurred when Estrada was imprisoned to face charges of plunder.

On July 23, 2003, a group of more than 200 armed soldiers took over and occupied the Oakwood Premier Ayala Center, a serviced apartment project owned by Makati Property Ventures, Inc., a former subsidiary of Ayala Hotels, Inc., and located at the Ayala Center in Makati City. The group accused the Arroyo administration of corruption and terrorist acts. After hours of negotiations, the group agreed to return to barracks. The soldiers have been demoted following their prosecution in the court martial proceedings.

The Philippines has also been subject to sporadic terrorist attacks in the past five years. The Philippine army has been in conflict with the Abu Sayyaf organization which has been identified as being primarily responsible for kidnapping and terrorist activities in the Philippines. A series of bombings in the southern part of the Philippines also occurred in 2004. On February 14, 2005, three bomb explosions in the Makati financial district in Manila, Davao City and General Santos City resulted in the deaths of eight persons and injuries to more than 100 people.

On May 10, 2004, national presidential elections were held and, on June 24, 2004, pursuant to the Constitution, a joint session of Congress declared Gloria Macapagal-Arroyo as President-elect. President Arroyo began her six-year term on June 30, 2004. Certain opposition candidates including defeated presidential candidate Fernando Poe, Jr. questioned the election results, alleging massive fraud and disenfranchisement of voters. On July 23, 2004, Mr. Poe petitioned the Philippine Supreme Court, acting as the Presidential Electoral Tribunal, to order a recount of votes cast in more than 118,000 precincts nationwide. The petition was eventually dismissed following the death of Mr. Poe on December 14, 2004.

Risk Factors and Other Considerations

On November 29, 2007, a Philippine Senator and former lieutenant, Antonio Trillanes IV, led a group of military officers in walking out of a trial for the occupation of the Oakwood Premier Ayala Center and seizing a hotel in Makati to demand President Arroyo's resignation. The group peacefully surrendered after a 6-hour standoff with government forces.

In 2010, the country held its first computerized elections under the supervision of the Commission on Elections, where the son of former President Corazon C. Aquino Senator Benigno S. Aquino III -won the presidency by a wide margin over closest rival former President Joseph Estrada. Aquino's victory displayed the highest electoral mandate for the winning president (post the 1987 Constitution) at 42% or more than 15 million votes. The vice-presidential race was won by former Makati City Mayor Jejomar S. Binay, Sr. with a tight margin over second running candidate Senator Manuel "Mar" Roxas II.

Significant political events that followed included the impeachment by the Philippine Senate of Renato Corona, then Chief Justice of the Supreme Court of the Philippines in May 2012 and the relatively peaceful midterm elections for senators and local government officials in May 2013. Of late, the Department of Justice is investigating alleged anomalies in the use of the Philippine Development Assistance Fund.

While the current administration is pursuing rapid, broad-based and sustainable economic growth, there is no assurance that future administrations will adopt policies conducive to sustaining economic growth. Any future economic, political or social instability in the Philippines could adversely affect Ayala Land's business, financial condition or results of operations.

Economic Considerations

In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and electricity shortages and blackouts.

The regional Asian financial crisis in 1997 resulted in, among others, the depreciation of the Philippine peso, higher interest rates, slower growth and a reduction in the country's credit ratings. Since the Asian financial crisis, the country experienced a ballooning budget deficit, volatile exchange rates and a relatively weak banking sector.

The government instituted several reform measures in the fiscal and banking sectors, among others, that strengthened the country's economic fundamentals, resulting in improved investor confidence and increased economic activities. Most recently, the Philippines was granted a Baa2 (Stable) rating from Moody's Investors Service last December 11, 2014. On May 8, 2014, Standard & Poor's Financial Services (S&P) upgraded the Philippines' long-term sovereign credit rating from BBB- (Stable) to BBB (Stable), the highest rating ever recorded in the country's history. The Philippines was also given a BBB- (Stable) rating from Fitch Ratings (Fitch) in May of 2013. In March 2013, Fitch Ratings upgraded its rating on the Philippines to investment grade with Standard & Poor following suit in May. Moody's affirmed the country's new status by stamping its investment grade rating in October, citing strong economic performance leading to a path of higher growth coupled with low inflation, thereby providing the needed confirmation to lift the country out of junk bond status. Together with strong

demand drivers, real gross domestic product (GDP) growth was at to 6.1% in 2014 primarily driven by strong performances in the agricultural, manufacturing, and service sectors.

To mitigate the abovementioned risks, Ayala Land shall continue to adopt what it considers conservative financial and operational controls and policies within the context of the prevailing business, economic, and political environments taking into consideration the interests of its customers, stakeholders and creditors.

RISKS RELATING TO THE BONDS

Liquidity Risk

The Philippine securities markets are substantially smaller, less liquid and more concentrated than major securities markets. The Company cannot guarantee that the market for the Bonds will always be active or liquid. Even if the Bonds are listed on the PDEX, trading in securities such as the Bonds may be subject to extreme volatility at times, in response to fluctuating interest rates, developments in local and international capital markets, and the overall market for debt securities among other factors. There is no assurance that the Bonds may be easily disposed at prices and volumes at instances best deemed appropriate by their holders.

Pricing Risk

As with all fixed income securities, the Bond's market value moves (either up or down) depending on the change in interest rates. The Bonds when sold in the secondary market are worth more if interest rates decrease since the Bonds have a higher interest rate relative to the market. Likewise, if the prevailing interest rate increases, the Bonds are worth less when sold in the secondary market. Therefore, holders who may either make a gain or incur a loss when they decide to sell the Bonds.

Retention of Ratings Risk

There is no assurance that the rating of the Bonds will be retained throughout the life of the Bonds. The rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

Bonds have no Preference under Article 2244(14) of the Civil Code

No other loan or other debt facility currently or to be entered into by the Issuer shall have preference of priority over the Bonds as accorded to public instruments under Article 2244(14) of the Civil Code of the Philippines, and all banks and lenders under any such loans or facilities that are notarized have waived the right to the benefit of any such preference or priority. However, should any bank or bondholder hereinafter have a preference or priority over the Bonds as a result of notarization, then the Issuer shall at the Issuer's option, either procure a waiver of the preference created by such notarization or equally and ratably extend such preference to the Bonds.

PHILIPPINE TAXATION

The following is a discussion of the material Philippine tax consequences of the acquisition, ownership and disposition of the Bonds by eligible Bondholders, i.e., Filipino citizens or resident foreign individuals. This general description does not purport to be a comprehensive description of the Philippine tax aspects of the Bonds and no information is provided regarding the tax aspects of acquiring, owning, holding or disposing of the Bonds under applicable tax laws of other applicable jurisdictions and the specific Philippine tax consequence in light of particular situations of acquiring, owning, holding and disposing of the Bonds in such other jurisdictions. This discussion is based upon laws, regulations, rulings, and income tax conventions (treaties) in effect at the date of this Prospectus.

The tax treatment of a holder of Bonds may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF A BOND, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS.

As used in this section, the term "resident foreign individual" refers to an individual whose residence is within the Philippines and who is not a citizen thereof.

TAXATION OF INTEREST

The National Internal Revenue Code of 1997, as amended, provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens and resident foreign individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20%. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.

TAX EXEMPT STATUS

Bondholders who are exempt from or are not subject to final withholding tax on interest income may avail of such exemption by submitting the necessary documents. Said Bondholder shall submit the following requirements, in form and substance prescribed by the Issuer, to the Registrar or to the Underwriters or selling agents (together with their completed Application to Purchase) who shall then forward the same to the Registrar: (i) a copy of the (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) current and valid original tax exemption certificate, ruling or opinion issued by the BIR addressed to the Applicant confirming the exemption, and certified by an authorized officer of the Applicant as being a true copy of the original on file with the Applicant; (ii) a duly notarized undertaking, in prescribed form, executed by (ii.a) the Corporate Secretary or any authorized representative, who has personal knowledge of the exemption based on his official functions, if the Applicant purchases the Bonds for its account, or (ii.b) the Trust Officer, if the Applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting that the same Bondholder named in the tax

exemption certificate described in (a) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and Registrar and Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding of the required tax; and (iii) such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief, which shall include a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under BIR Revenue Memorandum Order No. 72-2010; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar and Paying Agent.

Bondholders may transfer their Bonds at any time, regardless of tax status of the transferor vis-à-vis the transferee. Should a transfer between Bondholders of different tax status occur on a day which is not an Interest Payment Date, tax exempt entities trading with non-tax exempt entities shall be treated as non-tax exempt entities for the interest period within which such transfer occurred. Transfers taking place in the Register of Bondholders after the Bonds are listed in PDEX may be allowed between taxable and tax-exempt entities without restriction provided the same are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Issuer, within three (3) Business Days from settlement date: (i) a written notification of the sale or purchase, including the tax status of the selling or buying party, and (ii) an indemnity agreement wherein the new Bondholder undertakes to indemnify the Issuer for any tax that may later on be assessed from the Issuer on account of such transfer.

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debentures and certificates of indebtedness issued by Philippine companies, such as the Bonds, at the rate of ₱1.00 for each ₱ 200, or fractional part thereof, of the issue price of such debt instruments.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds.

TAXATION ON SALE OR OTHER DISPOSITION OF THE BONDS

Income Tax

Ordinary asset – The gain is included in the computation of taxable income, which is subject to the following graduated tax rates for Philippine citizens or resident foreign individuals:

Not over P10,000	5%
Over P10,000 but not over P30,000	P500 + 10% of the excess over P10,000
Over P30,000 but not over P70,000	P2,500 + 15% of the excess over P30,000
Over P70,000 but not over P140,000	P8,500 + 20% of the excess over P70,000
Over P140,000 but not over P250,000	P22,500 + 25% of the excess over P140,000
Over P250,000 but not over P500,000	P50,000 + 30% of the excess over P250,000
Over P500,000	P125,000 + 32% of the excess over P500,000

Other than minimum wage earners, who are exempt from paying income tax

Capital asset – Gains shall be subject to the same rates of income tax as if the Bonds were held as ordinary assets, except that if the gain is realized by an individual who held the Bond for a period of more than 12 months prior to the sale, only 50% of gain will be recognized and included in the computation of taxable income. If the Bond was held by an individual for a period of 12 months or less, 100% of gain is included.

Estate and Donor's Tax

The transfer of the Bonds by a deceased person to his heirs shall be subject to estate tax, which is levied on the net estate of the deceased at progressive rates ranging from 5% to 20%, if the net estate is over P200,000.

A Bondholder shall be subject to donor's tax on the transfer of the Bonds by gift at either (i) 30%, where the donee or beneficiary is a stranger, or (ii) at progressive rates ranging from 2% to 15% if the net gifts made during the calendar year exceed P100,000, and where the donee or beneficiary is other than a stranger. For this purpose, a "stranger" is a person who is not a: (a) brother, sister (whether by whole or half-blood), spouse, ancestor and lineal descendant or (b) relative by consanguinity in the collateral line within the fourth degree of relationship.

USE OF PROCEEDS

Following the offer and sale of the Bonds in the amount of ₱7,000,000,000, ALI expects that the net proceeds of the Offer shall amount to approximately ₱6,930,410,000 after fees, commissions and expenses.

Net proceeds from the Offer are estimated as follows:

	Total
Estimated proceeds from the sale of the Bonds	₱7,000,000,000.00
Less: Estimated Upfront Expenses	
SEC Registration & Legal Research Fee	-
Documentary Stamp Tax	35,000,000.00
Underwriting Fee	26,250,000.00
Estimated Professional Expenses & Agency fees	5,740,000.00
Marketing/Printing/Photocopying Costs and out-of-pocket expenses	2,500,000.00
Listing Fee	100,000.00
	₱69,590,000.00
Estimated net proceeds to Ayala Land, Inc.	₱6,930,410,000.00

Aside from the fees enumerated above, the Company will be paying the following estimated annual fees related to the Bonds:

1. PDEX annual listing maintenance fee of ₱150,000.00; and
2. Annual Rating Monitoring and Agency fees of ₱280,000.00.

Expenses incurred in connection with the offering of the Bonds, including documentary stamp tax, fees of the Trustee, Registrar and Paying Agent and the Underwriters' legal counsel will be for the account of the Issuer.

In the event of any deviation / adjustment in the planned use of proceeds, the Company shall inform the SEC and disclose the same through the PSE and PDEX stockholders of the same within 30 days prior to its implementation.

Net proceeds amounting to approximately ₱6.9 billion will be used to partially finance the Company's 2015 capital expenditures amounting in aggregate to ₱100.3 billion which include, but are not limited to, construction of various leasing projects including, but not limited to, Vertis Mall, BPO and Hotel (₱5.3 billion), Circuit Mall, Retail Strip, and Hotel (₱ 4.4 billion) and Southpark Mall and BPO (₱5.2 billion). A more comprehensive breakdown is illustrated below:

Use of Proceeds

Project	Amount (In ₱ Billions)	Launch Date	Target Completion Date
<i>Vertis</i>	5.3	<i>November 2013</i>	
Mall	1.6		September 2016
BPO 1 and 2	2.5		July 2016 and May 2017
Hotel	1.2		December 2017
<i>Circuit</i>	4.4	<i>October 2013</i>	
Retail Strip	0.6		June 2015
Mall	2.9		April 2017
Hotel	0.9		December 2018
<i>Southpark</i>			
Mall	5.2 (single structure only)	<i>October 2013</i>	October 2016
BPO			March 2016

The foregoing target completion dates have been calibrated in response to prevailing market conditions.

DETERMINATION OF OFFERING PRICE

The Bonds shall be issued on a fully-paid basis and at an issue price that is at par.

PLAN OF DISTRIBUTION

THE OFFER

The Bonds covered by this Prospectus is being offered by Ayala Land as the second of two tranches that comprise a ₱15,000,000,000 in aggregate principal amount of fixed rate bonds (the "Aggregate Bonds") that was authorized by a resolution of the Board of Directors of the Company dated February 21, 2014. A registration statement was filed by Ayala Land covering the Aggregate Bonds in two tranches that was rendered effective by the SEC by its order and certificate of permit to offer securities for sale issued on 10 April 2014 (the "Shelf Registration"). The first tranche had an aggregate principal amount of ₱8,000,000,000 and was issued on April 25, 2014 under a prospectus dated April 10, 2014. The SEC has issued a confirmation dated April 16, 2015 that the Shelf Registration remains valid and subsisting. Pursuant to such confirmation, the second tranche of the Aggregate Bonds will be issued with an aggregate principal amount of ₱7,000,000,000 (the "Bonds").

THE UNDERWRITERS OF THE OFFER

BPI Capital, China Bank, PNB Capital, and HSBC, pursuant to an Underwriting Agreement with Ayala Land dated April 15, 2015 (the "Underwriting Agreement"), have agreed to act as the Joint Lead Underwriters for the Offer and as such, distribute and sell the Bonds at the Issue Price, and have also committed severally and not jointly to underwrite, in total ₱7,000,000,000 of the second and final tranche of the Aggregate Bonds on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

BPI Capital is the sole Issue Manager for this transaction. The Underwriters will receive a fee of up to thirty-seven and a half basis points (0.375%) on the underwritten principal amount of the Bonds issued. Such fee shall be inclusive of underwriting and participation commissions.

The amount of the commitments of the Underwriters are as follows:

Underwriter	Commitment
BPI Capital	₱2,187,500,000
China Bank	₱1,750,000,000
PNB Capital	₱1,750,000,000
HSBC	₱1,312,500,000
Total	₱7,000,000,000

There is no arrangement for the Underwriters to return any unsold Bonds to Ayala Land. The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to Ayala Land of the net proceeds of the Bonds.

The Underwriters are duly licensed by the SEC to engage in underwriting or distribution of the Bonds. The Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business for Ayala Land or other members of the Ayala Group of which Ayala Land forms a part.

Except for BPI Capital, the Underwriters have no direct relations with Ayala Land in terms of ownership by either of their respective major stockholder/s. BPI Capital is a wholly-owned subsidiary of the Bank of the Philippine Islands ("BPI"). Ayala Land and BPI are affiliated companies, each having Ayala Corporation as a major shareholder.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Underwriters who shall sell and distribute the Bonds to third party buyers/investors. Nothing herein shall limit the rights of the Underwriters from purchasing the Bonds for their own respective accounts.

OFFER PERIOD

The Offer Period shall commence at 10:00 a.m. on April 16, 2015 and end at 5:00 p.m. on April 22, 2015, or on such other date as the Issuer and Underwriters may agree upon.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Underwriters properly completed Applications to Purchase, together with two signature cards, and the full payment of the purchase price of the Bonds in the manner provided therein. Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration of Articles of Incorporation and By-Laws, Articles of Incorporation, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies authorizing the purchase of the Bonds and designating the authorized signatory(ies) thereof. Individual applicants must also submit, in addition to the foregoing, a photocopy of any one of the following identification cards (ID): passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID.

A corporate and institutional investor who is exempt from or is not subject to withholding tax shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) current and valid tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue confirming the exemption or preferential rate; (ii) a duly notarized undertaking (in the prescribed form and substance by Ayala Land) declaring and warranting that the same Bondholder named in the tax exemption certificate described in (a) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Underwriters. Acceptance by the Underwriters of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by Ayala Land. In the event that any check payment is returned by the drawee bank for any reason whatsoever, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase is deemed revoked.

MINIMUM PURCHASE

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

ALLOTMENT OF THE BONDS

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed Applications to Purchase on a first-come, first-served basis, subject to Ayala Land's right of rejection.

REFUNDS

If any application is rejected or accepted in part only, the application money or the appropriate portion thereof shall be returned without interest to such applicant through the Underwriters from whom such application to purchase the Bonds was made.

UNCLAIMED PAYMENTS

Any payment of interest on, or the principal of the Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders at the latter's risk.

PURCHASE AND CANCELLATION

The Issuer may at any time purchase any of the Bonds in the open market or by tender or by contract at any price, without any obligation to purchase (and the Bondholders shall not be obliged to sell) Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

SECONDARY MARKET

Ayala Land intends to list the Bonds in the PDEX. Ayala Land may purchase the Bonds at any time in the PDEX trading system without any obligation to make pro-rata purchases of Bonds from all Bondholders.

REGISTRY OF BONDHOLDERS

The Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on

Plan of Distribution

behalf of the Bondholders.

Beneficial title to the Bonds shall be shown in the Register of Bondholders to be maintained by the designated registrar for the Bonds. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. The Issuer will cause the Register of Bondholders to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered in the Register of Bondholders.

DESCRIPTION OF THE BONDS

The following is a description of certain terms and conditions of the Bonds. This description of the terms and conditions of the Bonds set forth herein does not purport to be complete and is qualified in its entirety by reference to the agreements relating to the Bonds, copies of which are available for inspection at the offices of the Trustee. The terms and conditions set out in this section will, subject to amendment, be set out in the Trust Indenture between the Issuer and the Trustee.

The Bonds covered by this Prospectus and described below is the second of two tranches that comprise a ₱15,000,000,000 in aggregate principal amount of fixed rate bonds (the "Aggregate Bonds") that was authorized by a resolution of the Board of Directors of the Company, dated February 21, 2014. A registration statement was filed by the Company covering the issuance of the Aggregate Bonds in two tranches that was rendered effective by the SEC by its order and certificate of permit to offer securities for sale issued on April 10, 2014 (the "Shelf Registration"). The first tranche had an aggregate principal amount of ₱8,000,000,000 and was issued on April 25, 2014 under a prospectus dated April 10, 2014. The SEC has issued a confirmation dated April 16, 2015 that the Shelf Registration remains valid and subsisting. Pursuant to such confirmation, the second tranche of the Aggregate Bonds will be issued with an aggregate principal amount of ₱7,000,000,000 (the "Bonds"). The Bonds shall be issued on April 29, 2015, 2015 or such other date as may be agreed by the Issuer and the Joint Lead Underwriters (the "Issue Date").

The Bonds are constituted by a Trust Indenture executed on April 15, 2015 (the "Trust Indenture") between the Issuer and PNB Trust Banking Group (the "Trustee", which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture). The description of the terms and conditions of the Bonds set out below includes summaries of, and is subject to, the detailed provisions of the Trust Indenture and the Registry and Paying Agency Agreement executed on April 15, 2015 (the "Registry and Paying Agency Agreement") among the Issuer, the Registrar, and the Paying Agent.

PDTC has no interest in or relation to Ayala Land which may conflict with its roles as Registrar and as Paying Agent for the Offer. BPI is an affiliate of Ayala Land and the parent company of BPI Capital Corporation, the Issue Manager and one of the Joint Lead Underwriters.

Copies of the Trust Indenture and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee and the Registrar. The holders of the Bonds (the "Bondholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

1. Form, Denomination and Title

(a) Form and Denomination

The Bonds are in scripless form, and shall be issued, in denominations of Fifty Thousand Pesos (₱50,000.00) each, as a minimum, and in multiples of Ten Thousand

Description of the Bonds

Pesos (₱10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (₱10,000.00) in the secondary market.

(b) Title

The beneficial interest to the Bonds shall be shown on and recorded in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording the transfer from a transferor to the transferee in the Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

(c) Bond Rating

The Bonds have been rated PRS Aaa by PhilRatings. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. The ratings reflect the following factors: (i) Ayala Land's well diversified portfolio with sizable and strategic landbank for future expansion, complemented by solid brand equity and a highly experienced management team; (ii) favorable outlook for the real estate industry backed by sound economic performance; (iii) continuously growing profitability, coupled with healthy cash flow generation and high cash reserves; and (iv) sound capitalization with manageable debt levels. PRS Aaa is the highest rating assigned by PhilRatings.

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to Ayala Land and may change the ratings at any time, should circumstances warrant a change. After Issue Date, the Trustee shall monitor the compliance of the Bonds with the regular annual reviews.

2. Transfer of Bonds

(a) Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428-04 issued by the *Bangko Sentral ng Pilipinas*, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the Bonds may be made during the period commencing on a Record Date as defined in the section on "Interest Payment Date."

(b) Transfers; Tax Status

Bondholders may transfer their Bonds at any time to persons of similar tax status (*i.e.*, tax-exempt to tax-exempt, taxable to taxable); otherwise, such Bondholder may sell only on an Interest Payment Date. A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under "Payment of Additional Amounts; Taxation," within three (3) days from the settlement date for such transfer. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX shall be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.

(c) Registrar

For transfers and record updates, notices and communication with the Registrar may be made thru the following:

Philippine Depository & Trust Corporation
37th Floor Enterprise Centre Tower I
Ayala Avenue, Makati City, Metro Manila

Telephone no: (632) 884-4425
Fax no: (632) 757-6025
E-mail: baby_delacruz@pds.com.ph
Attention: Josephine Dela Cruz, Associate Director

(d) Secondary Trading of the Bonds

The Issuer intends to list the Bonds in PDEX for secondary market trading. The Bonds will be traded in a minimum board lot size of ₱10,000.00 as a minimum, and in multiples of ₱10,000.00 in excess thereof for as long as any of the Bonds are listed on

PDEX. Secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, and guidelines governing trading and settlement between bondholders of different tax status and shall be subject to the relevant fees of PDEX and PDTTC.

3. Ranking

The Bonds constitute direct, unconditional, and unsecured Peso-denominated obligations of the Issuer and shall rank *paripassu* and ratably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations preferred by the law.

4. Interest

(a) Interest Payment Dates

The Bonds bear interest on its principal amount from and including Issue Date at the fixed rate of 4.50% per annum, payable semi-annually in arrears on April 29 and October 29 of each year while the Bonds are outstanding (each of which, for purposes of this section is an "Interest Payment Date") commencing on October 29, 2015 or the subsequent Business Day, without adjustment, if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the relevant Maturity Date.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be the day two (2) Business Days prior to the relevant Interest Payment Date (the "Record Date"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

(b) Interest Accrual

Each Bond shall cease to bear interest, net of applicable withholding taxes, from and including the relevant Maturity Date, as defined in the discussion on "Final Redemption", unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see "Penalty Interest") shall apply.

(c) Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

5. Call Option

(a) Call Option

The Issuer has the right, but not the obligation, to redeem (in whole but not in part) the outstanding Bonds before the Maturity Date on any one of the anniversary

Description of the Bonds

dates indicated below (the "Call Option Dates"), or the immediately succeeding Business Day if such date is not a Business Day, in accordance with the following schedule:

Call Option Dates	Call Option Price
On the 6 th month of the 5 th year from Issue Date	101.50%
On the 6 th year from Issue Date	100.50%

The amount payable to the Bondholders in respect of any such redemption shall be calculated as the sum of (i) the Call Option Price applied to the principal amount of the then outstanding Bonds being redeemed and (ii) all accrued interest on the Bonds as of the Call Option Date.

(b) Exercise of a Call Option

Should the Issuer elect to exercise a Call Option, it shall do so by delivery of an original and three (3) copies of a notice of such exercise to the Trustee, submitted during business hours on a date no earlier than sixty (60) days and no later than thirty (30) days prior to the Call Option Date. Once executed, completed and delivered to the Trustee, a Call Option notice is irrevocable.

Upon receipt of a Call Option notice fully complying with these Terms and Conditions, the Trustee shall transmit the same notice to the Bondholders.

Notwithstanding anything to the contrary, in the event the Issuer has notified the Trustee that it will exercise the Call Option, any interest payment due on the Interest Payment Date immediately preceding the Call Option Date shall be paid on such Call Option Date.

6. Redemption and Purchase

(a) Final Redemption

Unless previously purchased and cancelled, the Bonds shall be redeemed at par or 100% of face value on the Maturity Date. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment, on the succeeding Business Day if the Maturity Date is not a Business Day.

(b) Redemption for Taxation Reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than fifteen (15) days' prior written notice to the Trustee) at par plus accrued interest, net of applicable withholding taxes.

(c) Purchase and Cancellation

The Issuer may at any time purchase any of the Bonds at any price in the open market or by tender or by contract at any price, without any obligation to purchase (and the

Description of the Bonds

Bondholders shall not be obliged to sell) Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

(d) Change in Law or Circumstance

The following events shall be considered as changes in law or circumstances ("Change in Law or Circumstance") as it refers to the obligations of the Issuer and to the rights and interests of the Bondholders under the Trust Indenture and the Bonds:

- (i) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture or the Bonds shall be modified in a manner which, in the reasonable opinion of the Trustee, shall materially and adversely affect the ability of the Issuer to comply with such obligations, or shall be withdrawn or withheld.
- (ii) Any provision of the Trust Indenture or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that shall become for any reason unlawful for the Issuer to give effect to its rights or obligations hereunder, or to enforce any provisions of the Trust Indenture or any of the related documents in whole or in part, or any law shall be introduced to prevent or restrain the performance by the parties hereto of their obligations under the Trust Indenture or any other related documents.
- (iii) Any concessions, permits, rights, franchise or privileges required for the conduct of the business and operations of the Issuer shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.
- (iv) The Republic of the Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer.

If any one or more of the events enumerated as a Change of Law or Circumstance shall occur and be continuing for a period of thirty (30) days, the Majority Bondholders, by notice in writing delivered to the Issuer through the Trustee, after the lapse of the said thirty (30) day period, may declare the principal of the Bonds, including all accrued interest, net of applicable withholding taxes, and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, without any prepayment penalty, anything contained in the Trust Indenture or in the Bonds to the contrary notwithstanding, subject to the notice requirements under the discussion on "*Notice of Default.*"

7. Payments

The principal of, interest on, and all other amounts payable on the Bonds shall be paid to the Bondholders by crediting of the cash settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds and the Issuer or the Paying Agent may only terminate the appointment of the Paying Agent as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, the Issuer shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

8. Payment of Additional Amounts; Taxation

Interest income on the Bonds is subject to a final withholding tax at rates of between twenty percent (20%) and thirty percent (30%) depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- (a) The applicable final withholding tax applicable on interest earned on the Bonds prescribed under the National Internal Revenue Code of 1997, as amended and its implementing rules and regulations as maybe in effect from time to time (the "Tax Code"). An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the (dated no earlier than required to be considered valid under applicable tax regulations at the relevant time) current and valid tax exemption certificate, ruling or opinion issued by the Bureau of Internal Revenue confirming the exemption or preferential rate; (ii) a duly notarized undertaking (in the prescribed form and substance by Ayala Land) declaring and warranting that the same Bondholder named in the tax exemption certificate described in (a) above, is specifically exempt from the relevant tax or is subject to a preferential tax rate for the relevant tax, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits,

Description of the Bonds

shall include evidence of the applicability of a tax treaty and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;

- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (d) Value-added Tax ("VAT") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

9. Financial Ratios

The Issuer shall maintain, for as long as any of the Bonds remain outstanding, a Debt to Equity Ratio of not more than 3:1.

10. Negative Pledge

For as long as any of the Bonds remain outstanding, the Issuer covenants that it shall not, without the prior written consent of the Bondholders who hold, represent or account for more than fifty percent (50%) of the principal amount of the Bonds then outstanding (the "Majority Bondholders"), permit any indebtedness for borrowed money to be secured by or to benefit from any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties for the purpose of securing its or its Affiliate's obligation (a "Lien") in favor of any creditor or class of creditors without providing the Bondholders with a Lien, the benefit of which is extended equally and ratably among them to secure the Bonds; provided however that, this restriction shall not prohibit "Permitted Liens," which are:

- (a) Any Lien over any asset, including, but not limited to assets purchased, leased, or developed in the ordinary course of business, to secure: (i) the payment of the purchase price or cost of leasehold rights of such asset; or (ii) the payment of the cost and expenses for the development of such asset pursuant to any development made or being made by the Issuer in the ordinary course of business; or (iii) the payment of any indebtedness in respect of borrowed money (including extensions and renewals thereof and replacements therefor) incurred for the purpose of financing the purchase, lease or development of such asset.
- (b) Any Lien constituted for any obligation or credit facility incurred for the purpose of pursuing any infrastructure project or investment therein, whether such infrastructure project is undertaken by the Issuer itself, by its Affiliates, and/or by

Description of the Bonds

- the Issuer or its Affiliates with third parties, and whether the same is carried on separately from or integrated with any of the real estate development of the Issuer, or any Lien constituted by the Issuer on its right to receive income or revenues (whether in the form of dividends or otherwise) from infrastructure projects or related investments therein.
- (c) Any Lien created for the purpose of paying current taxes, assessments or other governmental charges which are not delinquent or remain payable without any penalty; or the validity of which is contested in good faith in appropriate proceedings upon stay of execution of the enforcement thereof and adequate reserves having been provided for the payment thereof.
 - (d) Any Lien to secure, in the normal course of the business of the Issuer or its Affiliates: (i) statutory or regulatory obligations; (ii) surety or appeal bonds; (iii) bonds for release of attachment, stay of execution or injunction; or (iv) performance of bids, tenders, contracts (other than for the repayment of borrowed money) or leases.
 - (e) Any Lien: (i) imposed by law, such as carrier's, warehousemen's, mechanics' liens and other similar liens arising in the ordinary course of business and not material in amount; (ii) arising out of pledge or deposits under the workmen's compensation laws, unemployment insurance, old age pensions or other social security or retirement benefits or similar legislation; and (iii) arising out of set-off provisions in the normal course of its financing arrangements; provided that, the Bondholders hereunder shall also have to the extent permitted by applicable law, and upon notice to the Issuer, a similar right of set-off.
 - (f) Any Lien in favor of banks, insurance companies, other financial institutions and Philippine government agencies, departments, authorities, corporations or other juridical entities, which secure a preferential financing obtained by the Issuer under a governmental program, and which cover assets of the Issuer which have an aggregate appraised value, determined in accordance with generally accepted appraisal principles and practices consistently applied not exceeding ₱5,000,000,000.00.
 - (g) Any Lien existing on the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture.
 - (h) Any Lien established in favor of insurance companies and other financial institutions in compliance with the applicable requirements of the Office of the Insurance Commission on admitted assets or the requirements of the BSP on loans and financial accommodations extended to directors, officers, stockholders and related interests ("DOSRI").
 - (i) Any Lien constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement that has been assigned to such Affiliate by the Issuer.
 - (j) The assignment, transfer or conveyance of the Issuer's right to receive any of its income or revenues from receivables arising out of the sale of property held for sale by the Issuer in the ordinary course of business (the "Project Receivables").

Description of the Bonds

- (k) The assignment, transfer or conveyance of the right of the Issuer to receive any income or revenues other than from Project Receivables; provided that, the constitution by the Issuer of such Lien shall not cause the Issuer to exceed the ratio of the amount of indebtedness of the Issuer secured by any lien constituted pursuant to this subparagraph (k) to the non-current assets of the Issuer (as computed in accordance with Philippine Financial Reporting Standards and based on the most recent audited financial statements of the Issuer) which ratio shall not be more than 0.5:1.
- (l) Any Lien to be constituted on the assets of the Issuer after the date of the Trust Indenture which is disclosed in writing by the Issuer to the Trustee prior to the execution of the Trust Indenture or any Lien for an aggregate loan accommodation not exceeding the equivalent of 10% of the market value of the consolidated assets of the Issuer as reflected in the latest appraisal report submitted by an independent and reputable appraiser.
- (m) Any Lien constituted over the investment of the Issuer in any of its Affiliates, whether such investment is in the form of shares, deposits or advances, to guarantee or secure the obligations of the said Affiliates.
- (n) Any Lien constituted for the purpose of guaranteeing an Affiliate's obligation in connection with any contract or agreement (other than for borrowed money).
- (o) Any title transfer or retention of title arrangement entered into by the Issuer in the normal course of its trading activities on the counterparty's standard or usual terms.
- (p) Any Lien created over (i) deposits made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution denominated in a currency other than Philippine Pesos ("foreign currency"); or (ii) financial instruments denominated in foreign currency owned by the Issuer, in each case solely for the purpose of securing loan facilities denominated in Philippine Pesos granted by the Issuer in an aggregate principal amount not exceeding the amount of the deposit of the face amount (or value) of that financial instrument.
- (q) Any Lien created over cash deposits or marketable investment securities in favor of a bank or financial institution to secure any borrowed money in connection with a treasury transaction; provided that, the aggregate amount of security does not at any time exceed US\$30,000,000.00 or its equivalent. For this purpose, a "treasury transaction" means any currency, commodity, or interest rate purchase, cap or collar agreement, forward rate agreement, future or option contract, swap or other similar agreement, in relation to the Issuer's treasury management;
- (r) The assignment, transfer or conveyance by way of Lien (in any case without recourse) of the Issuer's right to receive any income or revenues from any asset of the Issuer not used in the ordinary course of business; provided that, the constitution by the Issuer of such Lien shall not cause the Issuer to breach the Debt to Equity Ratio.

12. Events of Default

The Issuer shall be considered in default under the Bonds and the Trust Indenture in case any of the following events (each an "Event of Default") shall occur and is continuing:

(a) Payment Default

The Issuer fails to pay when due and payable any amount which the Issuer is obliged to pay to the Bondholders under the Trust Indenture and the Bonds, and such failure, if due to causes other than the willful misconduct or gross negligence of the Issuer, is not remedied within five (5) Business Days from receipt by the Issuer of written notice of such non-payment from the Trustee; provided, however, that, the amount due for payment during the said five (5) Business Day remedy period shall be subject to the interest specified in the section "*Interest.*"

(b) Representation/Warranty Default

Any representation and warranty of the Issuer hereof or any certificate or opinion submitted pursuant hereto proves to have been untrue, incorrect or misleading in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for not less than fourteen (14) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Bondholders to that effect.

(c) Other Default

The Issuer fails to perform or violates any other provision, term of the Trust Indenture and the Bonds, and such failure or violation is not remediable or, if remediable, continues to be unremedied after the applicable grace period, or in the absence of such grace period, after thirty (30) days from the date of occurrence of the said violation with respect to the covenant to maintain the prescribed financial ratio, (particularly a maximum debt to equity ratio of 3:1.0 and within ten (10) Business Days from the date of the occurrence of said violation, with respect to any other covenant or obligation; provided that, the Events of Default constituting insolvency initiated by the Issuer or closure default, or a violation of a negative covenant shall not be remediable.

(d) Cross Default

The Issuer violates any material term or condition of any contract executed by the Issuer with any bank, financial institution or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Issuer within ten (10) Business Days from receipt of notice by the Trustee to the Issuer, or which violation is otherwise not contested by the Issuer, and the effect of such violation results in the acceleration or declaration of the whole financial obligation to be due and payable prior to the stated normal date of maturity; and which violation shall, further, in the reasonable opinion of the Trustee, adversely and materially affect the performance by the Issuer of its obligations under the Trust Indenture and the Bonds; provided however that, no event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds P500,000,000.00.

(e) Insolvency Default

The Issuer becomes insolvent or unable to pay its debts when due or commits or permits any act of bankruptcy, which term shall include, but shall not be limited to: (i) filing of a petition in any bankruptcy, reorganization (other than a labor or management reorganization), winding-up, suspension of payment or liquidation proceeding, or any other proceeding analogous in purpose and effect; (ii) appointment of a trustee or receiver of all or a substantial portion of its properties; (iii) making of an assignment for the benefit of its creditors; (iv) the admission in writing by the Issuer of its inability to pay its debts; or (v) the entry of any order or judgment of any court, tribunal or administrative agency or body confirming the bankruptcy or insolvency of the Issuer or approving any reorganization (other than a labor or management reorganization), winding-up, liquidation or appointment of trustee or receiver of the Issuer or a substantial portion of its property or assets.

(f) Judgment Default

Any final judgment, decree or arbitral award for the sum of money, damages or for a fine or penalty in excess of ₱500,000,000.00 or its equivalent in any other currency is entered against the Issuer and the enforcement of which is not stayed, and is not paid, discharged or duly bonded within thirty (30) calendar days after the date when payment of such judgment, decree or award is due under the applicable law or agreement.

(g) Writ and Similar Process Default

Any judgment, writ, warrant of attachment, injunction, stay order, execution or similar process shall be issued or levied against any material part of the Issuer's assets and such judgment, writ, warrant or similar process shall not be released, vacated or fully bonded within thirty (30) calendar days after its issue or levy.

(h) Closure Default

The Issuer voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except in the case of strikes or lockouts or when necessary to prevent business losses or when due to fortuitous events or *forcemajeure*.

13. Notice of Default

The Trustee shall, within thirty (30) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default, as described in "*Payment Default*," the Trustee shall immediately notify the Bondholders upon the occurrence of such payment default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in Metro Manila for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee upon presentment of sufficient and acceptable identification.

14. Consequences of Default

- (a) If any one or more of the Events of Default shall have occurred and be continuing, the Trustee, upon the written direction of the Majority Bondholders whose written instructions/consents/letters shall be verified by the Registrar against the identification documents or the two-dimensional digital copies thereof in its possession, and by notice in writing delivered to Ayala Land, or the Majority Bondholders by notice in writing delivered to Ayala Land and the Trustee, may declare the principal of the Bonds, including all accrued interest and other charges thereon, if any, to be immediately due and payable, and upon such declaration the same shall be immediately due and payable, anything contained in this Agreement or in the Bonds to the contrary notwithstanding.
- (b) This provision, however, is subject to the condition that, except in the case of a Writ and Similar Process Default, the Majority Bondholders, by written notice to the Issuer and the Trustee may, during the prescribed curing period, if any, rescind and annul such declaration made by the Trustee pursuant to a consequence of default, and the consequences of such declaration, upon such terms, conditions and agreement, if any, as they may determine; provided that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereon.
- (c) At any time after any Event of Default shall have occurred, the Trustee may:
 - (i) by notice in writing to the Issuer, require the Registrar and Paying Agent to:
 - (bb) deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; provided that, such notice shall be deemed not to apply to any document or record which the Registrar and Paying Agent is not obliged to release by any law or regulation; and
 - (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, provision (bb) above and the Issuer's positive covenant to pay principal and interest, net of applicable withholding taxes, on the Bonds, more particularly set forth in the Trust Indenture, shall cease to have effect.

Description of the Bonds

In case any amount payable by the Issuer under the Bonds, whether for principal, interest or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay Penalty Interest on the defaulted amount(s) from the time the amount falls due until it is fully paid.

15. Penalty Interest

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, net of applicable withholding taxes, or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest, net of applicable withholding taxes, and other amounts, pay penalty interest on the defaulted amount(s) at the rate of twelve percent (12%) per annum (the "Penalty Interest") from the time the amount falls due until it is fully paid.

16. Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal, net of applicable withholding taxes, and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

17. Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Registrar and Paying Agent, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without negligence or bad faith; *second*, to the payment of the interest, net of applicable withholding taxes, in default, in the order of the maturity of such interest with Penalty Interest, which payment shall be made pro-rata among the Bondholders; *third*, to the payment of the whole amount then due and unpaid upon the Bonds for principal, and interest, net of applicable withholding taxes, with Penalty Interest, which payment shall be made pro-rata among the Bondholders; and *fourth*, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. For this purpose, the Paying Agent shall deliver to the Trustee a joint certification of the funds to be applied for payment, and a schedule of payments to be made in accordance with the conditions.

18. Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

19. Remedies

All remedies conferred by the Trust Indenture and these Terms and Conditions to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture, subject to the discussion below on "*Ability to File Suit.*"

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

20. Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest, net of applicable withholding taxes, and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

21. Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or may, on behalf of the Bondholders waive any past default, except the events of default defined as a payment default, breach of representation or warranty default, insolvency default, or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their

Description of the Bonds

former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

22. Trustee; Notices

(a) Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture and this Prospectus and all correspondence addressed to the Trustee shall be delivered to:

To the Trustee:	PNB Trust Banking Group
Attention:	Josephine E. Jolejole / Lilian L. Ruga
Subject:	Ayala Land Fixed Rate Bonds due 2022
Address:	Trust Banking Group – Fiduciary Services Division Philippine National Bank 3/F PNB Financial Center President Diosdado Macapagal Boulevard Pasay City
Facsimile:	573-4657 / 573-4649

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

Any requests for documentation or certification and other similar matters must be communicated by the Bondholder to the Trustee in writing and shall be subject to review, acceptance and approval by the Trustee. Upon such acceptance and approval, the Bondholder shall pay to the Trustee upfront a fee of ₱1,500.00 (the "Activity Fee") plus the costs of legal review, courier and the like. The Activity Fee may be adjusted from time to time, at the discretion of the Trustee.

In the absence of any applicable period stated elsewhere in these Conditions, written requests shall be reviewed and, if accepted and approved, addressed by the Trustee within ninety (90) days from receipt. This period may be extended should the Trustee be unable to review and address the requests for causes not attributable to the Trustee.

(b) Notice to the Bondholders

The Trustee shall send all Notices to Bondholders to their mailing address as set forth in the Register of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Bondholders. The Trustee shall rely on the Register of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on date of publication or (iv) on date of delivery, for personal delivery.

The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by Ayala Land to the Securities and Exchange Commission on a matter relating to the Bonds shall be deemed a notice to Bondholders of said matter on the date of the first publication.

(c) Binding and Conclusive Nature

Except as provided in the Trust Indenture, all notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Indenture, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Indenture.

23. Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture. The Trustee shall, in accordance with the terms and conditions of the Trust Indenture, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Indenture. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.
- (b) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.
- (c) None of the provisions contained in these Terms and Conditions or this Prospectus shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

24. Resignation and Change of Trustee

- (a) The Trustee may at any time resign by giving thirty (30) days' prior written notice to the Issuer and to the Bondholders of such resignation.

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- (b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor Trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. However, notwithstanding the immediately preceding sentence, in cases where an Event of Default shall have occurred and be continuing, it is the Majority Bondholders, not the Issuer, that shall appoint the successor Trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a bona fide holder for at least six (6) months (the "Bona Fide Bondholder") may, for and in behalf of the Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor Trustee.
- (c) Subject to Section (f) below, a successor Trustee must possess all the qualifications required under pertinent laws.
- (d) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor Trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor Trustee, any Bona Fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor Trustee.
- (e) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor Trustee, by the delivery to the Trustee so removed, to the successor Trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the Terms and Conditions of the Bonds.
- (f) Any resignation or removal of the Trustee and the appointment of a successor Trustee pursuant to any provisions of the Trust Indenture shall become effective upon the earlier of: (i) acceptance of appointment by the successor Trustee as provided in the Trust Indenture; or (ii) effectivity of the resignation notice sent by the Trustee under the Trust Indenture (the "Resignation Effective Date"); provided however that, until such successor Trustee is qualified and appointed, the resigning Trustee shall continue to discharge its duties and responsibilities solely as custodian of records for turnover to the successor Trustee promptly upon the appointer thereof by the Issuer; provided finally that, such successor Trustee possesses all the qualifications as required by pertinent laws.

25. Successor Trustee

- (a) Any successor Trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Indenture. The foregoing notwithstanding, on the written request of the Issuer or of the successor Trustee, the Trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor Trustee, all the rights, powers and duties of the Trustee so ceasing to act as such. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties.
- (b) Upon acceptance of the appointment by a successor Trustee, the Issuer shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

26. Reports to the Bondholders

- (a) The Trustee shall submit to the Bondholders on or before February 28 of each year from the relevant Issue Date until full payment of the Bonds a brief report dated as of December 31 of the immediately preceding year with respect to:
 - (i) the property and funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and
 - (ii) any action taken by the Trustee in the performance of its duties under the Trust Indenture which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.
- (b) The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.
- (c) The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:
 - (i) Trust Indenture
 - (ii) Registry and Paying Agency Agreement
 - (iii) Articles of Incorporation and By-Laws of the Company
 - (iv) Registration Statement of the Company with respect to the Bonds

- (v) Opinions of the legal counsel with respect to the Issuer and the Bonds

27. Meetings of the Bondholders

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Indenture or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

(a) Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

(b) Failure of the Trustee to Call a Meeting

In case at any time, the Issuer, pursuant to a resolution of its board of directors or executive committee, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

(c) Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

(d) Procedure for Meetings

- (i) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.

- (ii) Any meeting of the Bondholders duly called may be adjourned for a period or periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

(e) . Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one (1) vote for every Ten Thousand Pesos (₱10,000.00) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

(f) Voting Requirement

Except as provided in Condition 30 (Amendments), all matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture. Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Issuer as if the votes were unanimous. Provided that:

- i. in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Seven-Year Bonds, a quorum and the affirmative vote of the Majority Bondholders holding Seven-Year Bonds, exclusively, will be required to decide or approve such resolution; and
- ii. in respect of any matter presented for resolution at any meeting of Bondholders that affect the rights and interests of only the holders of the Twenty-Year Bonds, a quorum and the affirmative vote of the Majority Bondholders holding Seven-Year Bonds, exclusively, will be required to decide or approve such resolution.

(g) Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Bonds, the appointment of proxies by registered holders of the Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

28. Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing, or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith, or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

29. Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or wilful misconduct.

30. Amendments

The Issuer and the Trustee may amend or waive any provisions of the Bond Agreements if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency, without prior notice to or the consent of the Bondholders or other parties, provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

The Issuer and the Trustee may amend the Terms and Conditions of the Bonds with notice to every Bondholder following the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Bonds) or a vote of the Majority Bondholders at a meeting called for the purpose. However, without the consent of each Bondholder affected thereby, an amendment may not:

- (a) reduce the percentage of principal amount of Bonds outstanding that must consent to an amendment or waiver;
- (b) reduce the rate of or extend the time for payment of interest on the Bonds;
- (c) reduce the principal of or extend the Maturity Date or vary the Call Option Dates of the Bonds;
- (d) impair the right of any Bondholder to receive payment of principal of and interest on such Bondholder's Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;

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- (e) reduce the amount payable upon the redemption or repurchase of the Bonds under the Terms and Conditions or change the time at which the Bonds may be redeemed;
- (f) make the Bonds payable in money other than that stated in the Bonds;
- (g) subordinate the Bonds to any other obligation of Ayala Land;
- (h) release any security interest that may have been granted in favor of the Bondholders;
- (i) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the Terms and Conditions or the Waiver of Default by the Bondholders; or
- (j) make any change or waiver of this Condition.

It shall not be necessary for the consent of the Bondholders under this Condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this Condition becomes effective, the Issuer shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the paragraph entitled "Notice to the Bondholders."

31. Governing Law

The Bond Agreements are governed by and are construed in accordance with Philippine law.

32. Venue

Any suit, action, or proceeding against the Issuer with respect to the Bonds or the Bond Agreements or on any judgment entered by any court in respect thereof may be brought in any competent court in the City of Makati, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer and Bondholders expressly waiving other venue.

33. Waiver of Preference

The obligation created under the Bond Agreements and the Bonds shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippine are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.

34. Certain Defined Terms

Description of the Bonds

The following sets forth the respective definitions of certain terms used in this Terms and Conditions of the Bonds. Except as otherwise provided and where context indicates otherwise, defined terms in this Terms and Conditions of the Bonds have the meanings ascribed to them in the Trust Indenture.

- (a) **Affiliate** means any corporation, directly or indirectly controlled by the Issuer, whether by way of ownership of at least twenty percent (20%) of the total issued and outstanding capital stock of such corporation, or the right to elect at least twenty percent (20%) of the number of directors in such corporation, or the right to control the operation and management of such corporation by reason of contract or authority granted by said corporation to the Issuer.
- (b) **Bankruptcy** means, with respect to a Person, (a) that such Person has (i) made an assignment for the benefit of creditors; (ii) filed a voluntary petition in bankruptcy; (iii) been adjudged bankrupt, or insolvent; or had entered against such Person an order of relief in any bankruptcy or insolvency proceeding; (iv) filed a petition or an answer seeking for such Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or filed an answer or other pleading admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of such nature; or (v) sought, consented to, or acquiesced in the appointment of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties; (b) sixty (60) days have elapsed after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation and such proceeding has not been dismissed; or (c) sixty (60) days have elapsed since the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties and such appointment has not been vacated or stayed or the appointment is not vacated within sixty (60) days after the expiration of such stay.
- (c) **Current Liabilities** means the aggregate (as of the relevant date of calculation) of all liabilities of the Issuer falling due on demand or within one (1) year, including that portion of Long Term Debt which falls due within one (1) year (but excluding the current portion of any provision for estimated liability for land and property development) and such other liabilities as would be determined as such under the Philippine Financial Reporting Standards.
- (d) **Lien** means any mortgage, pledge, lien or encumbrance constituted on any of the Issuer's properties, for the purpose of securing its or its Affiliates' obligation.
- (e) **Long Term Debt** means the aggregate (as of the relevant date of calculation) of all those component parts of the liabilities of the Issuer which fall due or whose final payment is due on a date more than one (1) year after the relevant date for calculation, exclusive of reserve for land development and deferred credits, i.e., unearned income and/or unrealized gains.
- (f) **Majority Bondholders** means the holders of more than fifty percent (50%) in principal amount, of the Bonds then outstanding.

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- (g) **Total Liabilities** means the aggregate (as of the relevant date for calculation) of Current Liabilities and Long Term Debt.
- (h) **Total Stockholders' Equity** means the aggregate (as of the relevant date for calculation) of the par value of the outstanding common stock, preferred stock, capital surplus, retained earnings appraisal surplus arising from past appraisal and any further appraisal surplus arising from subsequent independent certified appraisal of the property, plant and equipment of the Issuer effected in compliance with the Philippine Financial Reporting Standards, and any reserve for expansion projects, less any intangible assets such as, but not limited to, goodwill, trademarks, patents, copyrights, leaseholds, and treasury stocks.

INDEPENDENT AUDITORS AND COUNSEL

LEGAL MATTERS

All legal opinion / matters in connection with the offering of the Bonds which are subject of this Offer will be passed upon by Romulo Mabanta Buenaventura Sayoc & De los Angeles for the Underwriters and by Co Ferrer & Ang-Co Law Offices for the Company.

INDEPENDENT AUDITORS

SyCip, Gorres, Velayo & Co., independent auditors and a member firm of Ernst & Young Global Limited audited Ayala Land, Inc. and Subsidiaries' consolidated financial statements as at December 31, 2014 and 2013 and for each of the three years in the period ended December 31, 2014 included in this Prospectus.

There is no arrangement that independent auditors will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

a. Audit and Audit-Related Fees

Ayala Land and its subsidiaries paid its independent auditors the following fees in the past two years: (in ₱ million)

	Audit & Audit-related Fees	Tax Fees	Other Fees
2014	19.01*	-	0.13 **
2013	17.60*	-	0.11 **

* Pertains to audit fees; no fees for other assurance and related services

**SGV fees for the validation of stockholders' votes during the 2013 and 2014 annual stockholders' meetings

Under paragraph D.3.1 of the Ayala Land Audit and Risk Committee Charter, the Audit Committee (composed of Jaime C. Laya, Chairman, Rizalina G. Mantaring, and Antonino T. Aquino) recommends to the Board the appointment of the external auditor and the audit fees.

b. Tax Fees

Tax consultancy services are secured from entities other than the appointed independent auditors.

DESCRIPTION OF BUSINESS

Overview

Ayala Land is the real estate arm of Ayala Corporation. Ayala Land was spun-off by Ayala Corporation in 1988 to enhance management focus on Ayala Corporation's existing real estate business and to highlight the value of assets, management and capital structure of the real estate business.

The SEC issued Ayala Land its certificate of incorporation on June 30, 1988. The Ayala Land shares were offered to the public in an IPO of primary and secondary shares in 1991 and subsequently listed on the Makati and Manila Stock Exchanges (predecessors of the PSE). The IPO diluted Ayala Corporation's effective interest in Ayala Land to 88%. Since then, Ayala Corporation's effective interest has been further reduced to about 48.58% as at December 31, 2014 through, among others, the exercise of stock options by the respective employees of Ayala Corporation and Ayala Land, disposal of Ayala Land shares by Ayala Corporation and Ayala Land's issuance of new shares in relation to its acquisition of interest in companies owning properties in Canlubang, Laguna in 1993, exchanges under Bonds due 1996 and Bonds due 2001, conversions to Ayala Land common B shares of the entire ₱3.0 billion convertible Long Term Commercial Paper publicly issued in December 1994, and the equity top-up placements via an overnight bookbuilt offering of the Company in July 2012 and March 2013.

As of December 31, 2014, equity attributable to equity holders of Ayala Land amounted to ₱106.94 billion. It is listed on the PSE with a market capitalization of ₱478.22 billion as of December 31, 2014, based on Ayala Land's common share closing price of ₱33.70 as December 29, 2014, the last trading day of the said month.

As of December 31, 2014, foreign equity ownership of Ayala Land constituted 5,618,731,080 common shares and 609,632,280 voting preferred shares for an aggregate equivalent of 22.85% of total outstanding common shares and voting preferred shares.

Ayala Land's Businesses

Ayala Land is one of the largest real estate conglomerates in the Philippines engaged principally in the planning, development, subdivision and marketing of large-scale communities having a mix of residential, commercial, leisure and other uses.

The Residential Business Group ("RBG") of Ayala Land develops and sells high-end residential and leisure community developments through Ayala Land Premier ("ALP"); taps the middle-income urban residential segment through its wholly-owned subsidiary Alveo; develops and sells affordable house-and-lot packages and residential condominiums through Avida, also a wholly-owned subsidiary; and caters to the economic and socialized housing segments through its subsidiaries Amaia Land Corp. (formerly First Communities Realty, Inc.) and BellaVita Land Corp. (formerly South Maya Ventures, Inc.), respectively.

Ayala Land's Strategic Landbank Management Group ("SLMG") is involved in the acquisition, development and sale of large, mixed-use, masterplanned communities and serves as platform for all of the Company's developments – residences, malls, offices, hotels and resorts, and all the services that make up a vibrant and sustainable community.

Description of Business

The Commercial Business Group develops shopping centers and leases to third parties retail space and land therein. Through its subsidiaries, Ayala Theaters Management, Inc. and Five Star Cinema, Inc., it also operates movie theatres in these shopping centers. The Company has also ventured into the operation of food courts and entertainment facilities to complement its shopping center operations.

Furthermore, it is involved in the development and lease or sale of office buildings; sale of industrial lots and lease of factory buildings; and fee-based management and operations of office buildings.

The Company's Hotels and Resorts Group is involved in the development, operation and management of branded and boutique/businessman's hotels and eco-resorts; and leasing of land to hotel tenants.

Ayala Land's geographic businesses are engaged in the development, sale and lease of the Company's and its subsidiaries' product offerings in key cities in the Visayas and Mindanao regions. In the international market, it has investments in an Asian real estate private equity fund and its fund management company.

Its support businesses, on the other hand, include construction and property management of Ayala Land and third-party projects, chilled water supply and retail of electricity.

Vision

Ayala Land's vision and mission is to enhance its standing and reputation as the Philippines' leading real estate developer, and to be a strong partner in nation building. By developing integrated, masterplanned and sustainable mixed-use communities in vibrant growth centers all over the country, it strives to continually elevate the quality of life for all of its customers.

Ayala Land shall be a responsible corporate citizen, and act with integrity, foresight and prudence. It shall empower its employees to deliver products that exceed its customers' expectations and build long-term value for its shareholders.

Competitive Strengths

Attractive Industry Fundamentals. The real estate industry in the Philippines offers rich opportunities across all its sub-sectors. Its bright prospects are anchored on strong fundamentals: a stable economy, steady foreign inflows, particularly from OFs, increased affordability and the availability of attractive financing from banks, strong consumption spending in retail, and encouraging prospects for office space in the BPO sector.

Experience and Track Record. With over eight (8) decades of experience together with Ayala Corporation, Ayala Land is the largest and most experienced real estate developer in the Philippines. Combining leading-edge product innovation with prudent and effective risk management practices, the Company has the ability to manage across a complex portfolio of projects and developments and is able to thrive and prosper through the cyclical nature of the industry. Ayala Land's proven track record includes the development of Makati as the country's premier CBD and Ayala Alabang as a prestigious suburban residential community. It is replicating these successes in areas such as Bonifacio Global City ("BGC"), Cebu, and NUVALI in Canlubang as well as recently launched estates in Abreeza Davao, Centrio Cagayan de Oro, Arch South Taguig, Circuit Makati and Vertis North Quezon City.

Description of Business

Trusted Brand and Unparalleled Product Line-up. The Ayala Land name is synonymous with quality and prestige and is the most widely trusted brand in Philippine real estate. Ayala Land maintains leadership in most of its product lines – residential subdivision and high-rise residential condominiums, shopping centers, office buildings, hotels and resorts – and across a broad spectrum of price-points and geographies.

Large, Strategic Landbank. With control of 8,639 hectares of land across various strategic locations in the Philippines, Ayala Land is a primary beneficiary of the country's asset reflation story. Providing significant upside is the more than 2000-hectare NUVALI in Laguna being developed as a showcase for environmental, economic and social sustainability.

Financial and Operating Resources. The Company has a strong balance sheet, supportive strategic shareholders, a variety of available funding sources and the patience to undertake both pocket-sized and large-scale projects or investments that balance the need for sustained earnings growth and long-term net asset value accretion. Ayala Land also draws on the competitive advantage provided by its wholly-owned subsidiaries Makati Development Corporation ("MDC") and Ayala Property Management Corporation ("APMC"), which are the country's largest and most experienced construction and property management companies, respectively.

Strong Management Team and Governance. The Company employs a proven and highly-credible management, architectural and engineering talent pool across all levels of the organization, most with experience across multiple business lines. Ayala Land also consistently ranks among the top Philippine companies in terms of corporate governance standards and best practices.

In 2014, Ayala Land was awarded the Green Luminary Award by Channel News Asia, Builder of the Year by Frost and Sullivan, 7th Best in Investor Relations by Finance Asia, Best Developer in the Philippines by Southeast Asia Property Awards, Best Overall Developer in the Philippines by Euromoney Real Estate Awards, Winner of Strategy and Vision by Sustainable Business Award for the Philippines, 4th Best Managed Company and Best in Corporate Governance by Finance Asia and PSE Bell Awards for Corporate Governance by the Philippine Stock Exchange among others.

Sustainability Framework Embedded in Business Processes. Over the years, Ayala Land has been intensifying the integration of sustainability principles in every step of its business processes. Ayala Land's entire business process, from acquisition, assessment, planning, design, construction, delivery and property management focus on long-term benefits and shared value for stakeholders while foreseeing and managing risks and protecting all investments. Ayala Land has sustainability and risk management policies in place to protect projects from flooding and other geohazards. Technical due diligence is an integral part of site assessment, while flood and erosion control measures are built into masterplans, through site designs that include retention and detention basins, biodiversity (native vegetation) conservation where applicable. Projects are also designed to serve the needs of the commuting and walking public. Ayala Land also has set green house gas ("GHG") emission intensity reduction targets and monitors energy, water and waste metrics in the properties it continues to manage.

Attractive Stock. For the three-year period ended December 31, 2014, Ayala Land has delivered a 3-year average Total Shareholder Return of 25% per annum, higher than the 3-year average Total Shareholder Return of the Property Index of 18.3%. Total Shareholder Return is based on share price appreciation plus dividends paid for the relevant period.

Strategy

Ayala Land has long enjoyed leadership in the traditional markets it serves, leveraging on long term relationships with customers, landowners, tenants, its employees, the local government and NGO communities, and providers of capital. Ayala Land shares values and a common long-term orientation that allows all parties concerned to prosper over time. Many of the best names in local and international retailing anchor its shopping centers while top multinationals either set up base in its HQ-type offices or locate in its BPO facilities. Ayala Land is also the partner of choice for strategic new partners, such as the Shangri-La and Holiday Inn groups, which want to make significant new investments in the country and help prime the Company's strategic growth centers.

Ayala Land plans to maintain and enhance its position as the leading property developer in the Philippines by continuing to develop large-scale, mixed-use integrated communities while diversifying its revenue base across its wide portfolio of businesses. To achieve this, Ayala Land will embark on an aggressive strategy anchored on five main pillars that will lay the ground work for the Company's long-term sustainable growth:

- *Growth.* The Company will actively strengthen and slowly establish its presence in several identified growth centers across the country to effectively expand its footprint into new geographies. It will also introduce new formats within its existing business models to diversify its portfolio of highly differentiated product offerings and tap into previously unserved markets and consumer segments to broaden its reach.
- *Margin Improvement.* Ayala Land will continue to implement various spend management and cost control initiatives and pursue operational efficiencies further across the organization, without sacrificing quality and with strict adherence to the principles of sustainability, to bring overall costs down and drive profitability.
- *Capital Efficiency.* The Company will also make more efficient use of resources and capital to improve asset turnover and returns on capital. To this end, Ayala Land will pursue an asset-light approach to development and optimize land use by maximizing synergies within the organization, moving with scale to maximize utilization and value-capture.
- *Organizational Development.* Ayala Land will continue to strengthen its risk management program to effectively contain strategic, operational, financial and supply-chain risks associated with the much increased business activity levels and enhance its internal talent pool and support systems ensure that these are supportive of the Company's growth objectives.
- *Brand-Building.* The Company will continue to leverage on product differentiation and its distinct value proposition. Moreover, it shall ensure the safety, security and timely delivery of all projects accompanied by efficient and effective customer service.

Products / Business and Recent Updates

Ayala Land is the largest and most diversified real estate company in the Philippines. It has organized its operations into several core businesses and support businesses. Its core business

Description of Business

units consist of Residential Development, Strategic Landbank Management, Shopping Centers, Corporate Business, and Hotels and Resorts.

PROPERTY DEVELOPMENT

Residential Development

RBG is involved in the sale of high-end residential lots and units (including leisure community developments), middle-income residential lots and units, affordable lots and units, and economic housing lots and socialized housing units. It caters to domestic and overseas Filipino markets across the high-end, middle-income and affordable segments.

In recent years, overall growth of the residential market has been strong largely as a result of a huge housing backlog of 3.9million units and affordable mortgage loans. On the international front, the continued growth of OFW remittances has injected new demand into the residential market. In response to these opportunities, Ayala Land will continue to grow its residential business line, which accounted for 58.7% of total revenues as of 2014. A robust project pipeline will enable the Company to expand its product offerings in existing areas and accelerate geographic expansion, aided by strategic landbanking and mixed-use development and project management projects.

The Company will strengthen and provide clear differentiation across its five residential brands, each targeting a distinct segment of the market: ALP for the high-end segment, Alveo for the middle-income market; Avida for the affordable housing segment; Amaia for the economic housing segment; and BellaVita for the socialized housing segment.

To be more competitive, the Company will continue to enhance margins by leveraging its brand and track record to maximize pricing power where possible, along with managing construction costs and streamlining the project delivery process.

The Company's ongoing residential projects under the ALP brand include Luscara and Soliento in NUVALI and Arbor Lanes in Arca South, Taguig. Under the Alveo brand, key ongoing projects include High Park in Vertis North, Quezon City, Verve 2 and Park Triangle Corporate Plaza in Bonifacio Global City, Veranda in Arca South and Lumira in NUVALI, Laguna. Under the Avida brands, key ongoing projects include Avida Woodhill Settings and Hillside Estates in NUVALI, Laguna, Avida Settings in Cabanatuan. Under the Amaia brand, Amaia Scapes Sequel in Bulacan, San Pablo, Urdaneta and General Trias, Under the Bellavita brand, Bellavita Cabanatuan, Pilillia and Alaminos in Laguna.

As of December 31, 2014, Ayala Land launched 16,564 units across all five brands with 1,429 units coming from ALP, 3,113 units from Alveo, 4,529 units from Avida, 4,045 units from Amaia, and 3,448 units from BellaVita.

International Sales accounted for 24% of total residential sales bookings in 2014, 37% higher than prior year.

Aside from the expansion of sales efforts into other US states, Ayala Land is also looking at increasing its penetration in other markets such as Europe, the Middle East, and other fast growing markets like Singapore, China and Australia.

Strategic Landbank Management

SLMG is involved in the acquisition and development of large, mixed-use, masterplanned communities and serves as platform for all of the Company's developments – residences, malls, offices, and all the services that make up a vibrant and sustainable community.

With a long-term horizon, SLMG views its key landbank areas as launching pads for decades of development. Its approach to landbanking is oriented towards value creation and realization. SLMG applies financial discipline with a focus on yields, cashflows, and the judicious buying and selling of lots at the opportune time. The group develops, updates and refines masterplans, providing clear framework for decision making. It also engages community-based stakeholders such as local government units and other government entities to assure that vital infrastructure is in place to support the long-term development plans. Embedded in all these, and central to value creation and retention over time, is the concept of sustainability.

As of December 31, 2014, Ayala Land has a portfolio composed of 52 hectares in the Makati CBD, 27 hectares in BGC, 98 hectares in Alarza Bulacan and 988 hectares in Canlubang, Laguna (NUVALI). In 2012, Ayala Land won the bid for the acquisition of the 74-hectare Food Terminal, Inc. (FTI) property in Taguig, which Ayala Land will transform into a new business district and become the southern gateway to Metro Manila. In addition, the 21-hectare former Sta. Ana racetrack was launched in 2012 as The Circuit, which is envisioned to become the entertainment district of Makati.

In August 2009, the Company signed a joint-venture agreement with the National Housing Authority ("NHA") for the development of a 29.1 hectare North Triangle property in Quezon City into a transit-oriented mixed-use CBD soon to be Metro Manila's gateway to the north.

Noteworthy actions made by Ayala Land to sustain growth in momentum in future years include the following:

- In Makati: The Ayala Center Redevelopment

This will include the redevelopment three of the City's strategic areas: Ayala Center along Ayala Avenue and EDSA, Ayala Triangle Garden (ATG)'s northern tip and City Gate located within the vicinity of Ayala Avenue corner Buendia.

Ayala Center gives way to the expansion of retail spaces, two office towers, two hotels one of which will be under the Seda Brand. Transport and linkages shall be improved with the a public transit terminal that connects to the Metro Rail transit and improves access to the city buses along EDSA and internal transit within the Central Business District.

The City' urban oasis, Ayala Triangle Gardens will have an additional 66,000sqm of the highest grade office space and will be the new home of the 275-room five-star Mandarin Hotel. Retail areas of 9,000 sqm of GLA shall complete the development.

City Gate which is the young and creative hub South of Makati will be the new mixed-use development envisioned to have a more creative edge. City Gate will have 55,000sqm of Office GLA, 9,000sqm of retail GLA and 301 hotel rooms under the Seda brand. Civic spaces of 2,600 sqm will be developed be developed through a series of terraces.

Description of Business

Land values remain high in the area. As of end December 2014, developable land in Makati CBD is estimated by Colliers International at ₱440,000 per sqm.

- In BGC: Value Realization

The Company's priming activities include Market! Market!, Serendra and Bonifacio High Street. Projects such as the recently opened St. Luke's Hospital, Mind Museum, and the Shangri-La Hotel Complex, will further drive land values upon completion. In 2012, Bonifacio High Street (BHS) Central – an extension of the existing BHS – was opened with an additional 10,000 sqm of retail GLA. One BHS was also launched, anchored by the ALP's high-end residential tower, The Suites with an estimated value of ₱9.0 billion. In 2012, Bonifacio High Street South (BHSS) was also launched which will house residential towers and offering office-for-sale products through launch of the BHSS Corporate Plaza.

- In Canlubang / NUVALI: Full Scale Regional Center

Priming of NUVALI, the Company's showcase township development for environmental, economic and social sustainability, is well underway. Better than expected land values have been realized for the 5,039 residential lots and units put on the market since the soft launch of all residential brands in October 2007. The first BPO building in NUVALI One Evotech with total GLA of 11,500 sqm became operational by the 4th quarter of 2008 and the second BPO building Two Evotech opened in 2011. Solenad 2, the sequel to the first retail component of the development Solenad 1, also opened in 2011 with an additional 5,300 sqm of GLA. Currently under construction is the fourth SEDA which will soon rise in NUVALI.

On the infrastructure side, the North-South road was already completed, as well as the establishment of Wi-Fi access in the lakeside area.

Total project development cost was at ₱6.0 billion for phase 1 from 2007 to 2013. In a disclosure dated January 12, 2012, Ayala Land and its subsidiaries will be spending an estimated ₱12.5 billion as part of its capital expenditure program over the next five years in NUVALI through various developments, which will include residential, retail, office and hotel projects.

- *Visayas-Mindanao*

The Company has been active at all fronts of real estate business in the Visayas and Mindanao regions. Through its subsidiaries Cebu Holdings, Inc. ("CHI") and affiliate Cebu Property Ventures Development Corporation ("CPVDC"), the Company offers the full range of Ayala Land's product line-up in the region: residential development, shopping center operations, office and BPO buildings and sale of commercial lots and club shares at City Sports Club Cebu.

It pioneered the seaside residential developments in Cebu with its landmark Amara project and has remained a market leader for the third consecutive year since its launch in 2005. In June 2007, Ayala Land entered the southern Philippine real estate market with the launch in Cagayan de Oro of Alegria Hills, ALP's first development in Mindanao. Two other Ayala Land projects in Negros Occidental continued to set the

Description of Business

standards for local residential developments, Ayala Northpoint and Plantazionne Verdana Homes, both located in the suburbs of Bacolod City. In 2010, Ayala Land introduced its first high-rise residential towers in Cebu through ALP's 1016 Residences and Avida Towers Cebu I and II. Moreover, the newest estate in the Visayas region, Atria Park District located in Iloilo, was launched in 2013. It is envisioned to be another mixed-use project featuring residential towers, commercial establishments, parks and landscaped areas, medical facilities and a hotel building, over the long term.

Given Cebu's role as a primary destination and international gateway in Visayas and Mindanao, its shopping market has grown significantly and has extended to other key cities in the province. Ayala Land, through CHI, has embarked on a major expansion and renovation of Ayala Center Cebu. Adjacent to the mall, The Terraces opened at Ayala Center Cebu with additional 7,900 sqm of GLA while the second phase of the redevelopment opened an additional 34,000 square meters of gross leasable area. All in all, Ayala Center Cebu registered an occupancy rate of 76% as of December 2014.

With the growth of the IT industry, the demand for office space from both local and multinational companies continues to increase in Cebu. The Company, in partnership with CPVDC, built office spaces for lease to IT and IT-enabled firms and completed construction of Cebu eBloc, a 12-storey mid-rise office condominium, with a retail space at the ground floor. The Ayala Corporate Center in Cebu was likewise launched to address the demand for corporate offices.

As for developments in the Mindanao region, Ayala Land launched the first high rise residential projects in Davao through Alveo's Abreeza Residences and in Cagayan de Oro through Avida Centrio Towers in 2012. Moreover, there are currently two Seda Hotels operating in both Davao and Cagayan de Oro.

COMMERCIAL LEASING

Shopping Centers

AMG is involved in the 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; and management and operations of malls which are co-owned with partners. Ayala Land operates and manages a total of more than 47 shopping centers and retail areas with a combined 1,336,168 sqm in GLA.

Ayala Land operates movie theater complexes with more than 50 screens situated in its shopping centers. The movie theaters are operated primarily as a means of attracting customers to its shopping centers. The theaters are managed by Ayala Theaters Management, Inc. and Five Star Cinema, Inc., wholly-owned subsidiaries of Ayala Land.

Leases for retail space within the shopping centers are generally short-term, ranging from one to five years for the initial lease, renewable annually. Land leases, on the other hand, have longer terms, usually up to 50 years in the case of hotel tenants. In general, rental rates for retail space equal the higher of (i) a basic rent plus a percentage of the tenant's gross sales, or (ii) a specified minimum amount. Rental rates for leases on hotel and department store sites are generally based on a percentage of gross sales.

Description of Business

Ayala Land's large-scale mixed-use developments that feature a retail component are greatly enhanced by the quality and distinctiveness of the retail concepts conceived and implemented by AMG. At the BGC, for instance, Serendra, Bonifacio High Street (BHS) and the recently opened BHS Central are priming the development in its City Center. Serendra's retail zone complements the suburban lifestyle of the residential development with authentic and unique restaurants and shops.

AMG continuously provides compelling and engaging mall events and promotions which enhance the shopping experience and sustain high pedestrian traffic. More than 10,000 event days or at least 30 events were being held daily, among them product launches, concerts, children's meet-and-greet events and youth-oriented fairs, at the Ayala Malls in 2013.

AMG provides a strong year-round support to all merchants. Merchants are valued as long-term partners. AMG constantly interacts and exchanges ideas with its merchants and provides training and development support where needed.

The average occupancy rate of all malls was at 94% as of December 31, 2014, while average building rental rates were up 3% from 2013. TriNoma, which opened in May 2007, had an average occupancy rate of 97% as of end of December 2014. MarQueue Mall in Pampanga, which opened on September 26, 2009, experienced increasing occupancy, ending 2014 at 93%. AMG's first mall in Davao Abreeza opened in May 2011 with 51,546 sqm of retail GLA and occupancy of 91% as of December 2014. Newly opened malls include Fairview Terraces in Quezon City, the Cinema of Bonifacio Central Square in Taguig and Phase 1B of UP Town Center.

Ayala Land will pursue expansion plans anchored on the opportunities presented by the continued aspirational and lifestyle spending as well as growing value-consciousness among many families in different geographic areas. To ensure pipeline growth is based on right fundamentals, attention will be paid to selecting strategic sites, developing differentiated and superior product, serving the right markets, and ensuring proper execution of concepts for each new mall.

The Company also entered into a 50-year lease agreement with the Subic Bay Metropolitan Authority ("SBMA") and signed a joint-venture agreement with Anflo Management & Investment Corp. and Mindanao Motors Corp. which involves the construction of a shopping mall called Harbour Point inside the Subic Freeport Zone and in Cagayan de Oro City (Centrio), respectively, as part of the Company's geographic expansion program. In 2011, a 30-year lease contract agreement was signed with Ellimac Prime Holdings for the development of a retail complex within a 6-hectare property in Fairview, Quezon City, called Fairview Terraces.

In February 2011, the Board of Regents of the University of the Philippines (U.P.) awarded to the Company the lease contract for the development of a 7.4-hectare property at the U.P. Diliman East Campus, also known as the U.P. Integrated School (UP-IS) property along Katipunan Avenue in Quezon City. The Company signed a 25-year lease contract for the property, with an option to renew said lease for another 25 years by mutual agreement.

The project will involve the construction of a retail establishment with 63,000 sqm of available gross leasable area (GLA) and a combination of headquarter-and-BPO-office type building with an estimated 8,000 square meters of GLA.

Description of Business

Offices Group

Ayala Land Offices Group is involved in the development and lease or sale of office buildings and fee-based management and operations of office buildings. Ayala Land owns and operates 5 traditional and 42 BPO buildings with a total area of 611,816 sqm.

Ayala Land aims to be the leading provider of office space for BPOs and significantly built up its BPO portfolio from end-2007 levels of 35,803 sqm of GLA. The build-up involved a variety of offerings - in very choice locations - covering stand-alone, build-to-suit office buildings, integrated nodes within large-mixed used developments such as Glorietta 5, Glorietta 1 & 2, and Vertex One in San Lazaro, and entire self-contained BPO and IT campuses like the UP-Ayala Land TechnoHub, One and Two Evotech Buildings in NUVALI, and the Ayala Land Baguio TechnoHub, to name a few.

While Makati has been well established as the country's premier CBD for decades, the prospects are bright for BGC to mirror Makati's success in the future. Large corporates have purchased land and have chosen to build or relocate their offices in BGC.

Leased out rates are at 98% for headquarter type office buildings and 94% for BPO buildings as of end December 2014, due to the opening of new BPO office buildings, with rental rates rising 5% from the same period in 2013 for BPO office buildings.

HOTELS AND RESORTS

Ayala Land is also involved in the development, operation and management of branded and boutique/businessman's hotels and eco-resorts. As of December 31, 2014, Hotels and Resorts currently operates 1,294 hotel rooms from its internationally branded segment; Hotel InterContinental Manila, Cebu City Marriott, Fairmont Hotel and Raffles Residences Makati and Holiday Inn & Suites Makati, 203 island resort rooms from El Nido Resorts in Lagen, Miniloc, Apulit and Pangulasian Islands in the province of Palawan and 665 rooms from its Seda Hotels located in Bonifacio Global City, Centrio Cagayan de Oro, Abreeza Davao which all opened in 2013, and the Seda Nuvali Hotel which opened in March 2014.

The recovery in tourist arrivals which grew 3.25% as of December 2014 to 4.8 million tourists and the increase in business travelers resulted in a 4% improvement in average room rate for hotels while the average room rate for resorts remained flat at the end of 2014.

In 2010, Ayala Land successfully ventured into eco-tourism via the partnership with the Ten Knots Group for a 60% stake in the world-famous El Nido Resorts in Palawan. As of end of 2013, there are 150 rooms available from Miniloc, Lagen, and Apulit (previously Club Noah) Island Resorts and 42 villas from Pangulasian Island Resorts in El Nido Palawan.

In 2012, the Hotels and Resorts Group consolidated its ownership by completing the acquisition of the remaining 80% stake in Fairmont Hotels and Raffles Suites and Residences from Kingdom Hotels, Inc.

In 2013, the Hotels and Resorts Group signed an agreement with Asian Conservation Company to acquire its 40% stake in El Nido Resorts.

SERVICES

Its support businesses include construction of Ayala Land and third-party projects, hotels development and management, property management, chilled water supply and retail of electricity.

Construction

A wholly-owned subsidiary of Ayala Land, MDC is engaged in engineering, design and construction of vertical and horizontal developments including roads, bridges and utilities. MDC is responsible for horizontal construction works at Ayala Land's land developments and is likewise engaged in private industrial and government infrastructure projects. MDC also developed residential condominium buildings and mall projects. It continued to service site development requirements of Ayala-related projects while it provided services to third-parties in both private and public sectors. MDC collaborated with First Balfour, Inc. to build the state-of-the-art 600-bed St. Luke's Medical Center at BGC, which was completed in November 2009 and was opened to the public in January 2010.

MDC's outstanding workmanship was demonstrated by the Leadership in Energy and Environmental Design (LEED) Gold Certification by the U.S. Green Building Council for the design and construction of the US Embassy expansion project in Manila – the first for a non-American contractor.

As of end December 2014, MDC had a total of 223 projects worth ₱109.38 billion in outstanding construction contracts.

MDC Build Plus was likewise formed, a 100% subsidiary of MDC, which will cater primarily to projects focusing on the lower end of the base of the pyramid, particularly the residential brands Amaia and BellaVita.

Property Management

APMC, a wholly-owned subsidiary of Ayala Land, is engaged in property management, principally for Ayala Land and its subsidiaries. It also provided its services to third-party clients.

APMC guarantees worry-free ownership and helps property owners over the long haul in such areas as water, power and telecommunications, security, sustainable design and best practices aligned with green buildings, and assistance in managing the properties of owners living elsewhere. It offers a full suite of services not only to Ayala property owners and lessees but also to third party clients, including a centralized 24/7 concierge service as well as manages third party car-parks and is considered one of the largest third party carpark operators in the country today. Among its key third-party clients are the Makati Medical Center, Philippine Heart Center, Exim 2, Dusit Carpark and ABS-CBN. As of December 2014, APMC has 247 total managed facilities and has ₱977.2 million in outstanding property management contracts.

International

Outside of the Philippines, Ayala Land is leveraging its current competencies to pursue attractive real estate investment opportunities.

Description of Business

The year 2007 marked the establishment and operation of ARCH Capital and its first Asian property fund, ARCH Capital Asian Partners LP. ARCH Capital Asian Partners is a private equity fund set up to pursue investments in Asian property markets which are in strong growth phases such as China, India and Thailand. The fund has several seeded investments and a number of projects that are moving actively. Among these are significant interests in a middle market residential community development project in Macau, a scaled medium-rise condominium project in Samut Prakarn province, Bangkok, and a high-end condominium project on Rama IV in the heart of Bangkok-Sathon CBD. The fund's project management team, with its strong residential community development experience and the depth and support of Ayala personnel, has been actively involved in project design and planning stages for these projects.

First Longfield Investments Limited (incorporated in 2006) is wholly-owned by Ayala Land. Through Green Horizons Holdings Limited, it has a 17% stake in Arch Capital Management Co. Ltd, the fund management company established to handle the Asian private real estate equity fund which is co-sponsored by Ayala Land with Ayala Corporation.

In a disclosure to the SEC, PSE and PDEX dated March 7, 2011, Ayala Land, Ayala Corporation and The Rohatyn Group ("TRG"), an emerging markets-focused private investment firm, completed an exchange of ownership interests in ARCH Capital Management Co., Ltd ("ARCH Capital") and ARCH Capital Asian Partners, G.P. (a Cayman Islands company).

Ayala Land and Ayala Corporation, as sponsors of ARCH Capital, co-founded the investment management firm in 2006 together with Richard Yue. The exchange of ownership interest will result in TRG acquiring Ayala Land's 17% stake and Ayala Corporation's 33% interest, with Richard Yue retaining his current 50% interest in ARCH Capital. The completed exchange of ownership interests will leave the activities, management, focus, and shareholder structure of the ARCH Capital Fund unchanged, with Ayala Land retaining its current 8% stake in the Arch Capital Fund. Arch Capital Fund has existing projects in India, Thailand and China.

In another disclosure to SEC, PSE and PDEX dated August 3, 2010, the Company's wholly-owned subsidiary Regent Wise Investments Limited and Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd. ("SSTEC") have signed an Equity Joint Venture Agreement for the development of a 9.78 hectare residential project in China. The project will be located in Tianjin Eco-City ("the Eco-City"), a 3,000 hectare collaboration between the Chinese and Singaporean governments which will showcase the future direction of urban planning and sustainable development.

The Company is currently developing residential units as part of the planned more than 1,100 units within a 19-tower residential complex which will be located at the gateway of the Eco-City's Start-Up Area. The project is ideally located and will be among the first developments that visitors will see when they enter the Eco-City. The project which will be comprised of 11 towers is expected to cost approximately US\$110 million. This residential project is expected to be completed by 4Q2014.

Other Revenue

In addition to the above business lines, Ayala Land also derives income from its investment activities and sale of non-core assets.

Description of Business

Contributions to Revenue

The table below illustrates the amounts of revenue, profitability, and identifiable assets attributable to domestic and foreign operations for the years ended December 31, 2014, 2013 and 2012: (in P'000)

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Consolidated revenues			
<i>Domestic</i>	95,197,046	81,523,070	59,932,162
<i>Foreign</i>	-	-	-
Net operating income			
<i>Domestic</i>	35,801,433	29,683,884	22,906,452
<i>Foreign</i>	-	-	-
Net income (Attributable to equity holders of Ayala Land)			
<i>Domestic</i>	14,802,642	11,741,764	9,038,328
<i>Foreign</i>	-	-	-
Total assets			
<i>Domestic</i>	388,944,463	325,473,685	254,115,680
<i>Foreign</i>	-	-	-

Residential development business contributed 58.7% of 2014 consolidated revenues. The residential business includes development and sale of high-end lots and units, leisure properties, middle-income, affordable and economic housing and socialized housing.

Material Reclassification, Merger, Consolidation, or Purchase or Sale of a Significant Amount of Assets over the past three years

On December 23, 2014, ALI purchased its proportionate share in DBH Inc and Allante Realty who owns 4.08% each in NTDC for a total of P422.5 million. This transaction increased ALI's stake in NTDC from 58.53% to 63.82%

On December 10, 2014, ALI purchased its proportionate share in Anglo Philippine Holdings Corporation's 15.79% interest in NTDC for P738 million which consists of 2,265,507 shares. This transaction increased ALI's stake in NTDC from 49.29% to 58.53%

On November 23, 2013, Ayala Land, through its wholly-owned subsidiary, Ayala Hotels and Resorts Corp, (AHRC) signed an agreement to acquire 100% interest in Asian Conservation Company, Inc. (ACCI) which effectively consolidates the remaining 40% interest in Ten Knots Development Corp. (TKDC) and Ten Knots Philippines Inc. (TKPI) (60%-owned subsidiary of the Company prior to this acquisition). The agreement resulted in the Company effectively obtaining 100% interest in TKPI and TKDC.

On October 31, 2013, the Company acquired a 55% interest in Taft Punta Engano Property, Inc. (TPEPI) for a consideration of P550.0 million. The transaction was accounted for as an asset

Description of Business

acquisition. The excess of the Group's cost of investment in TPEPI over its proportionate share in the underlying net assets at the date of acquisition was allocated to the "Investment properties" account in the consolidated financial statements. This purchase premium shall be amortized upon sale of these lots by TPEPI. TPEPI's underlying net assets acquired by the Group as of date of acquisition consists of cash in bank, input VAT and investment properties amounting to P550.0 million.

On April 16, 2013, ALI entered into a Sale and Purchase Agreement (SPA) with Global International Technologies Inc. (GITI) to acquire the latter's 32% interest in ALI Property Partners Co. (APPCo) for P3.52 billion. GITI is a 100% owned company of the Goldman Sachs Group Inc. The acquisition increased ALI's stake in APPCo from 68% to 100%. APPCo owns BPO buildings in Makati, Quezon City and Laguna with a total gross leasable area of around 230k sqm. The carrying amount of the non-controlling interest is reduced to nil as APPCo became wholly owned by the Company. The difference between the fair value of the consideration paid and the amount by which the non-controlling interest is adjusted is recognized in equity attributable to the Company amounting to P2,722.6 million.

On April 16, 2013, CPVDC (a subsidiary of CHI) acquired the 60% interest of the Company in AiO for a cash consideration of P436.2 million. AiO was previously 40%-owned by CPVDC and 60%-owned by the Company. This transaction allows the Company to consolidate into CPVDC the development and operations of BPO offices in Cebu and businesses related thereto, which should lead to value enhancement, improved efficiencies, streamlined processes and synergy creation among the Company and its subsidiaries. This is also consistent with the thrust of the CHI group to build up its recurring income base. The acquisition resulted to AiO becoming a wholly owned subsidiary of CPVDC. Both AiO and CHI are under the common control of the Company. As a result, the acquisition was accounted for using the pooling of interests method. The transaction has no effect on the carrying amounts of the Group's assets and liabilities.

On October 2, 2012, Ayala Hotels and Resorts Corp. (AHRC) a wholly-owned subsidiary of the Company, entered into an agreement to acquire the interests of Kingdom Manila B.V., an affiliate of Kingdom Hotel Investments (KHI), and its nominees in KHI-ALI Manila Inc. (now renamed AMHRI) and 72,124 common shares in KHI Manila Property Inc. (now renamed AMHPI). AMHRI and AMHPI are the project companies for the Fairmont Hotel and Raffles Suites and Residences project in Makati which opened last December 2012. A total of P2.4 billion was paid to acquire the interests of KHI in AMHRI and AMHPI.

In October 2012, the Company entered into a Purchase Agreement wherein the Seller (FTI) agrees to sell, convey, assign and transfer and deliver to the buyer, and the buyer agrees to purchase and acquire from the seller, all of the seller's rights and interests in the property. The property is designed to be a mixed-use development and will be transformed into a new business district that will serve as Metro Manila's gateway to the South.

In August 2012, the Group won the public bidding for the purchase of the 74-hectare Food Terminal, Inc. (FTI) property in Taguig. The bid was conducted in accordance with the Asset Specific Bidding Rules dated July 4, 2012 and in accordance with the provisions of Executive Order No. 323. The Group's bid was P24.3 billion.

On November 23, 2011, the Company and Mitsubishi Corporation ("MC") of Japan announced that they have formalized a partnership to jointly engage in operations that will promote increased energy efficiency in the Philippines. The initiatives of the joint-venture partnership will

Description of Business

be conducted through Philippine Integrated Energy Solutions, Inc. (PhilEnergy), which will be owned 60% by ALI and 40% by MC.

On November 16, 2011, the SEC approved the merger of APPHC and APPCo, with APPCo as the surviving entity. The merger was meant to streamline administrative processes and achieve greater efficiency. From the perspective of the Company, the merger did not affect its effective interest (68%) in the merged entity.

On July 2011, the Provincial Government of Negros Occidental ("PGNO") and Ayala Land, Inc., completed successful negotiations for the development of the PGNO's 7.7 hectare property located in San Juan St., North Capitol Road, Bacolod City (the "Provincial Capitol Property"). An investment of approximately P6.0 billion is estimated by Ayala Land for the planning and construction of an integrated mixed-use civic and commercial district that will combine the center of government with commercial and residential uses, making the growth center of Metro Bacolod and Negros Occidental – the Capitol Civic Center – a one of a kind convergence of business community and government.

In 2011, Ayala Land signed a Joint Venture Agreement with Alsons Development and Investment Corporation (ALDEVINCO) for 25-hectare property in Lanang, Davao to be developed into a mixed-use, fully-integrated community.

On March 7, 2011, Ayala Land, Ayala Corporation and The Rohatyn Group ("TRG"), an emerging markets-focused private investment firm, completed an exchange of ownership interests in ARCH Capital Management Co., Ltd ("ARCH Capital") and ARCH Capital Asian Partners, G.P. (a Cayman Islands company). Ayala Land and Ayala Corporation, as sponsors of ARCH Capital, co-founded the investment management firm in 2006 together with Richard Yue. The exchange of ownership interest will result in TRG acquiring Ayala Land's 17% stake and Ayala Corporation's 33% interest, with Richard Yue retaining his current 50% interest in ARCH Capital. The completed exchange of ownership interests will leave the activities, management, focus, and shareholder structure of the ARCH Capital Fund unchanged, with Ayala Land retaining its current 8% stake in the Arch Capital Fund. Arch Capital Fund has existing projects in India, Thailand and China.

On February 25, 2011, the Company and its subsidiary, Alveo Land Corp., have also entered into an agreement with Philippine Racing Club, Inc. to jointly pursue the development of the 21-hectare property located in Barangay Carmona, Makati City, more commonly known as the former "Sta. Ana Racetrack", subject to the fulfillment of certain closing conditions agreed upon by the parties. The project is intended as a mixed-use development consisting of residential, retail, and office components and will form part of the Company's ongoing developments in the City of Makati.

Various Diversification/new product lines introduced by the Company during the last three years

Hospitals/Clinics

Ayala Land entered into a strategic partnership with the Mercado Group in July 2013 to establish hospitals and clinics located in the Company's integrated mixed-use developments. The Company will enhance its communities with the introduction of healthcare facilities under the QualiMed brand. In 2014, QualiMed opened three (3) clinics in Trinoma, Fairview Terraces, McKinley Exchange Corporate Center, and QualiMed Women's and Children's Hospital in Atria Park, Iloilo. QualiMed is on track on the target to grow the hospitals and clinics 10 each till 2020.

Description of Business

Convenience Stores

SIAL CVS Retailers, Inc., a joint venture entity between Varejo Corporation and Specialty Investments, Inc. (wholly-owned subsidiaries of Ayala Land, Inc. and Stores Specialists, Inc., respectively) signed an agreement with FamilyMart Co, Ltd and Itochu Corporation to tap opportunities in the convenience store business. The first FamilyMart store was unveiled last April 7, 2013 at Glorietta 3 in Makati. A total of 87 FamilyMart stores are in operation as of end 2014.

Department Stores

Varejo Corporation and Specialty Investments, Inc. (wholly-owned subsidiaries of Ayala Land, Inc. and Stores Specialists, Inc., respectively) formed SIAL Specialty Retailers, Inc. to develop and operate department stores in ALI's mall developments. The first Wellworth branch opened in March 2014 at Fairview Terraces in Quezon City. The second branch will open Q2 2015 at UP TownCenter also in Quezon City.

Supermarkets

ALI Capital Corporation (formerly Varejo Corporation), a subsidiary of Ayala Land, entered into a joint venture agreement with Entenso Equities Incorporated, a wholly-owned entity of Puregold Price Club, Inc., to develop and operate mid-market supermarkets for some of Ayala Land's mixed-use projects. The first supermarket will open in the 3rd quarter of 2015 at UP Town Center. The Company expects to roll out 3 mid-brand supermarkets per year.

Distribution Methods of Products

The Company's residential products are distributed to a wide range of clients through various sales groups.

Ayala Land (parent company) has its own in-house sales team. In addition, it has a wholly-owned subsidiary, Ayala Land Sales, Inc. ("ALSI"), which employs commission-based sales people. Ayala Land uses a sales force of about 15,000 brokers and sales agents guided by a strict Code of Ethics.

The OF market is being pursued through award-winning websites, permanent sales offices or broker networks, and regular roadshows with strong follow-through marketing support in key cities abroad. Ayala Land International Sales, Inc. ("ALISI"), created in March 2005, leads the marketing, sales and channel development activities and marketing initiatives of the three residential brands abroad. ALISI has established Marketing Offices in Northern California, specifically in Milpitas in 2012, its first branch, and quite recently last March 7, 2014, in San Francisco. Marketing Offices were also set up in Singapore in September 2013, Hong Kong last February 2014, and a Representative office in Dubai in 2013. ALISI also assumed the operations of AyalaLand International Marketing, Inc. in Italy and London. In addition, One Ayala program, which bundles the products and services of Ayala Land, BPI and Globe Telecom, gives access to potential Ayala Land clients overseas, i.e. through BPI's 17 overseas offices and 81 tie-ups. In addition, the Ayala Land-BPI Dream Deals program aims to generate additional sales from local market.

Separate sales groups have also been formed for certain subsidiaries which cater to different market segments under Amaia (economic housing), Avida (affordable housing), Alveo (middle-income housing) and BellaVita (socialized housing). To complement these sales groups, Ayala Land and its subsidiaries also tap external brokers.

Description of Business

Effective second half of 2008, residential sales support transactions of ALP, Alveo, and Avida is being undertaken by the shared services company Amicassa Process Solutions, Inc. ("APSI") put up by the Company. In 2010, Aprisa Business Solutions, Inc. (APRISA) completed its full roll-out to handle transactional accounting processes across the Ayala Land group.

Competition

Ayala Land is the only full-line real estate developer in the Philippines with a major presence in almost all sectors of the industry. Ayala Land believes that, at present, there is no other single property company that has a significant presence in all sectors of the property market. Ayala Land has different competitors in each of its principal business lines.

With respect to its mall business, Ayala Land's main competitor is SM Prime Holdings, Inc. whose focus on mall operations gives SM Prime Holdings, Inc. some edge over the Company in this line of business. Nevertheless, Ayala Land is able to effectively compete for tenants primarily based on its ability to attract customers -- which generally depends on the quality and location of its shopping centers, mix of tenants, reputation as a developer, rental rates and other charges.

For office rental properties, Ayala Land sees competition in smaller developers such as Kuok Properties (developer of Enterprise Building), Robinsons Land (developer of Robinsons Summit Center) and non-traditional developers such as the AIG Group (developer of Philam Towers) and RCBC (developer of RCBC towers). For BPO office buildings, Ayala Land competes with the likes of Megaworld and Robinsons Land. Ayala Land is able to effectively compete for tenants primarily based upon the quality and location of its buildings, reputation as a building owner, quality of support services provided by its property manager, rental and other charges.

With respect to residential lot and condominium sales, Ayala Land competes with developers such as Megaworld, DMCI Homes, Robinsons Land, and SM Development Corporation. Ayala Land is able to effectively compete for purchasers primarily on the basis of reputation, price, reliability, and the quality and location of the community in which the relevant site is located.

For the middle-income/affordable housing business, Ayala Land sees the likes of SM Development Corp, Megaworld, Filinvest Land and DMCI Homes as key competitors. Alveo and Avida are able to effectively compete for buyers based on quality and location of the project and availability of attractive in-house financing terms.

For the economic housing segment, Amaia competes with Camella Homes, DMCI Homes, Filinvest, Robinsons Land and SM Development Corporation.

Capital Expenditures (Consolidated)

As of December 31, 2014, Ayala Land spent ₱83.3 billion for project and capital expenditures, 26% more than the ₱66.26 billion spent during the same period in 2013. The bulk of capital expenditures was spent on project completion (62% of the total) with the remaining balance spent for land acquisition (38%).

The ₱83.3 billion spent on capital expenditures for year ended December 31, 2014 represents 83.05% of the full year budget of ₱100.3 billion for 2015. The Company will adjust its budgeted project and capital expenditure and funding programs in response to competition as well as prevailing and anticipated economic conditions.

Description of Business

Subsidiaries and Affiliates

As of December 31, 2014, there are several companies which are either subsidiaries or associates and joint ventures of Ayala Land. Certain details and the percentage of ownership held by Ayala Land of each of these companies are described below:

	Date of Incorporation	Ownership (%)	
		By Ayala Land	By Subsidiary/ associates and joint ventures
CORE BUSINESS			
Property Development			
Alveo Land Corp. (formerly Community Innovations, Inc.)	September 29, 1995	100	
Serendra, Inc.	June 7, 1994	28	39
Solinea, Inc. (formerly Bigfoot Palms, Inc.)	March 5, 2011		65
BG South Properties, Inc. (BGS)	August 10, 2011		50
Portico Land Corp. (Portico)	October 2, 2013		60
Avida Land Corp.	October 30, 1990	100	
Buklod Bahayan Realty and Development Corp.	November 5, 1996		100
Avida Sales Corp.	December 22, 2008		100
Amicassa Process Solutions, Inc.	June 2, 2008		100
Avencosouth Corp. (Avencosouth)	April 26, 2012		70
BG North Properties, Inc. (BGN)	August 5, 2011		50
Amaia Land Corp. (formerly First Communities Realty, Inc.)	May 29, 2000	100	
Amaia Southern Properties, Inc.	February 12, 2013		65
BellaVita Land Corp. (formerly South Maya Ventures Corp.),	March 21, 1995	100	
Roxas Land Corporation (RLC)	March 16, 1996	50	
Amorsedia Development Corporation	March 6, 1996	100	
OLC Development Corporation	June 28, 1996		100
Ayala Greenfield Development Corp.	July 17, 1997		50
HLC Development Corporation	June 28, 1996		100
Allysonia International Ltd.	February 18, 2000		100
Ayala Land Sales, Inc.	March 6, 2002	100	
Ayala Land International Sales, Inc. (ALISI)	March 29, 2005	100	
Ayala Land International Marketing, Inc. (AIMI)	February 28, 2012		100
Ayala Land International (Singapore) Pte. Ltd	July 4, 2013		100
Ayala Land International Marketing (Hong Kong) Ltd	November 20, 2013		100
Ayala Land International Marketing, SRL	April 9, 2014		100
Ayala Land International Marketing, London	December 10, 2014		100
Nuevo Centro, Inc.	April 15, 2011	100	
BGWest Properties, Inc.	August 5, 2011	50	
Aurora Properties Incorporated	December 3, 1992	78	
Soltea Commercial Corp.	June 13, 2013	60	20
Vesta Property Holdings, Inc.	October 22, 1993	70	
Ceci Realty, Inc.	August 22, 1974	60	

Description of Business

	Date of Incorporation	Ownership (%)	
		By Ayala Land	By Subsidiary/ associates and joint ventures
Soltea Commercial Corp.	June 13, 2013	60	20
Regent Time International Limited	March 28, 2003	100	
Bonifacio Land Corporation	October 20, 1994		5
Fort Bonifacio Development Corp.	February 7, 1995		55
Buendia Landholdings, Inc.	October 27, 1995	100	
Red Creek Properties, Inc.	October 17, 1994	100	
Crimson Field Enterprises, Inc.	October 26, 1995	100	
Crans Montana Property Holdings Corp	December 28, 2004	100	
Ecoholdings Company, Inc.	September 25, 2008	100	
Verde Golf Development Corporation	August 8, 2013	100	
Shopping Centers			
NorthBeacon Commercial Corporation	August 13, 1970	100	
Station Square East Commercial Corporation (SSECC)	March 17, 1989	69	
Accendo Commercial Corp.	December 17, 2007	67	
Avencosouth Corp.	April 26, 2012		30
Aviana Development Corp.	September 17, 2013	50	10
ALI-CII Development Corporation	August 6, 1997	50	
Alabang Commercial Corporation	June 28, 1978	50	
South Innovative Theater Management, Inc.	February 2, 2001		100
North Triangle Depot Commercial Corporation (NTDCC)	March 20, 2001	63.82	
Primavera Towncentre, Inc. (PTI)	December 18, 2009	100	
Subic Bay Town Centre, Inc.	March 9, 2010	100	
Ayala Theatres Management, Inc.	August 10, 1984	100	
Five Star Cinema, Inc.	December 18, 2000	100	
Leisure and Allied Industries Phils., Inc.	October 10, 1997	50	
Cagayan de Oro Gateway Corp. (CDOGC)	March 3, 2010	70	
Arvo Commercial Corporation	June 23, 2011	100	
Cavite Commercial Town Center, Inc.	July 31, 2009	100	
AyalaLand Club Management, Inc.	December 26, 2011	100	
ALI Commercial Center, Inc.	October 13, 2014	100	
Corporate Business			
Laguna Technopark, Inc.	November 15, 1990	75	
Ecozone Power Mgt. Inc.	August 20, 2010		100
AyalaLand Offices, Inc. (formerly ALI Property Partners Corp.)	July 26, 2006	100	
One Dela Rosa Prop. Devt. Inc.	September 4, 2006		100
First Gateway Real Estate Corp.	September 4, 2006		100
Glensworth Development, Inc. (Glensworth)	August 23, 2007		100
UP North Property Holdings, Inc.	March 26, 2007		100
Fairview Prime Commercial Corp. (formerly Gisborne Property Holdings, Inc.)	August 24, 2007	100	
Sunnyfield E-Office Corporation	July 7, 2008	100	
Asterion Technopod, Inc.	July 8, 2008	100	
Westview Commercial Ventures Corp (formerly	July 8, 2008	100	

Description of Business

	Date of Incorporation	Ownership (%)	
		By Ayala Land	By Subsidiary/ associates and joint ventures
Crestview E-Office Corporation)			
Summerhill E-Office Corporation	July 7, 2008	100	
Hillsford Property Corp.	August 24, 2007	100	
Hotels and Resorts			
Ayala Hotels, Inc.	April 11, 1991	50	
AyalaLand Hotels and Resorts Corporation (AHRC)	September 21, 2010	100	
ALI Makati Hotel & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	January 30, 2007	20	80
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	August 13, 2007	20	80
Asian Conservation Company Limited and Subsidiary	December 11, 2011		100
Enjay Hotels, Inc.	July 12, 1990		100
Cebu Insular Hotel Company, Inc.	April 6, 1995		63
Greenhaven Property Ventures, Inc.	July 9, 2008		100
Bonifacio Hotel Ventures, Inc.	October 13, 2010		100
Southcrest Hotel Ventures, Inc.	October 18, 2010		67
Northgate Hotel Ventures, Inc.	October 18, 2010		70
North Triangle Hotel Ventures, Inc.	October 18, 2010		100
Ecosouth Hotel Ventures, Inc.	May 19, 2011		100
Sentera Hotel Ventures, Inc.	June 19, 2014		100
Econorth Resorts Ventures, Inc.	October 8, 2014		100
ALI Triangle Hotel Ventures, Inc.	March 4, 2014		100
Circuit Makati Hotel Ventures, Inc.	October 20, 2014		100
Capitol Centre Hotel Ventures, Inc.	October 20, 2014		100
Arca South Hotel Ventures, Inc.	October 17, 2014		100
Ten Knots Philippines, Inc. (TKPI)	November 22, 1979	60	40
Bacuit Bay Development Corporation	April 28, 1997		100
Ten Knots Development Corporation (TKDC)	August 22, 1992	60	40
Chirica Resorts Corp.	September 25, 2009		100
Kingfisher Capital Resources Corp.	August 20, 2002		100
Visayas Mindanao			
Cebu Holdings, Inc. (CHI)	December 9, 1988	50	
Cebu District Property Enterprise, Inc.	February 20, 2014	35	10
Cebu Property Ventures & Development Corp. (CPVDC)	August 2, 1990	7.8	76
Asian I-Office, Inc.	September 24, 2007		40
Cebu District Property Enterprise, Inc.	February 20, 2014		5
Cebu Leisure Company, Inc.	January 31, 1994		100
CBP Theatre Management Inc.	February 1, 1994		100
Cebu Insular Hotel Company, Inc.	April 6, 1995		37
Solinea, Inc. (formerly Bigfoot Palms, Inc.)	March 5, 2011		35
Amaia Southern Properties, Inc. (ASPI)	February 12, 2013		35
Taft Punta Engaño Property Inc.	September 8, 2011		55
Southportal Properties, Inc. (Southportal)	December 1, 2014	65	35

Description of Business

	Date of Incorporation	Ownership (%)	
		By Ayala Land	By Subsidiary/ associates and joint ventures
Adauge Commercial Corporation (Adauge)	September 5, 2012	72	
Lagdigan Land Corporation	March 17, 2014	60	
International			
First Longfield Investments Limited	October 23, 2006	100	
Green Horizons Holdings Limited	October 25, 2006		100
Regent Wise Investments Limited	May 12, 2010	100	
Tianjin Eco City Ayala Land Development Co., Ltd.	November 17, 2010		40
AyalaLand Real Estate Investments, Inc.	February 4, 2013		100
Rize-AyalaLand (Kingsway) GP, Inc.	August 3, 2010		49
AyalaLand Advisory Broadway Inc.	February 4, 2013		100
AyalaLand Development (Canada) Inc.	February 15, 2013		100
SUPPORT BUSINESS			
Construction			
Makati Development Corporation	August 15, 1974	100	
MDC Build Plus, Inc.	October 17, 2011		100
MDC Subic	June 28, 2010		100
MDC Concrete, Inc. (MCI)	August 12, 2013	100	
MDC Equipment Solutions, Inc. (MESI)	September 16, 2013	100	
Property Management			
Ayala Property Management Corporation (APMC)	August 8, 1977	100	
OTHERS			
Emerging City Holdings, Inc.	July 19, 2002	50	
Berkshires Holdings, Inc.	December 4, 2002	50	
Bonifacio Land Corp.	October 20, 1994	5	
Lagoon Development Corporation	August 30, 1996	30	
AyalaLand Commercial REIT, Inc.	September 30, 2010	100	
Aprisa Business Process Solutions, Inc.	September 21, 2010	100	
Philippine Integrated Energy Solutions, Inc.	September 21, 2010	100	
DirectPower Services, Inc.	September 14, 2011	100	
ALInet.com, Inc.	May 5, 2000	100	
CMPI Holdings, Inc.	May 30, 1997	60	
CMPI Land, Inc.	March 27, 1998		60
ALI Capital Corp. (formerly Varejo Corp)	June 25, 2012	100	
AyaGold Retailers, Inc.	October 2, 2013		50
SIAL Specialty Retailers, Inc.	September 27, 2012		50
SIAL CVS Retailers, Inc.	September 27, 2012		50
Philippine FamilyMart CVS, Inc.			60
Southgateway Development Corp. (SDC)	October 19, 2012	100	
Ayalaland MetroNorth, Inc. (AMNI)	November 29, 2012	100	
Solerte Corp.	February 12, 2013	100	
Whiteknight Holdings, Inc.	May 14, 2013	100	
Mercado General Hospital, Inc.	February 7, 1995		33

Description of Business

A conglomerate map which provides a complete list of the Ayala Land subsidiaries, associates, and joint ventures is included in the "Supplemental Information" section of this Prospectus.

Residential Development

Alveo Land Corp., 100% owned by Ayala Land, offers various residential products to the middle-income market. Alveo's projects over the past three years include Verdana Homes Mamplasan, Verdana Village Center, MarQuee, Treveia NUVALI, Celadon Residences, Celadon Park, The Columns at Ayala Avenue, The Columns at Legazpi Village, Senta and Ametta Place in Pasig.

Avida Land Corp., a 100%-owned subsidiary, continued to develop affordable housing projects which offer house-and lot packages and residential lots. Avida also ventured into the development and sale of residential condominiums. Project launches in the past three years included Avida Towers Sucat, Avida Towers New Manila, Avida Towers San Lazaro, Avida Towers Makati West, Avida Settings NUVALI, Avida Residences San Fernando, Avida Residences Sta. Cecilia, and Riego de Dios Village.

Amaia Land Corp., formerly a subsidiary of Avida is now a wholly owned subsidiary of Ayala Land, was established to pursue a planned expansion of residential development operations to cater to the country's economic housing segment.

BellaVita Land Corp. (formerly South Maya Ventures Corp.), wholly-owned subsidiary of Ayala Land, aims to establish the country's first social enterprise community development targeting minimum wage earners and members of the informal business sector. Its first project in General Trias, Cavite was launched in December 2011.

Serendra, Inc., 28%-owned by ALI and 39%-owned by Alveo, is engaged in residential development. In 2004, it launched Serendra, a residential complex at the BGC in Taguig.

Solinea (formerly Bigfoot Palms, Inc.), a landholding entity, was acquired on March 05, 2011 through Alveo Land Corporation through acquisition of 65% shares of stock. The remaining 35% was acquired by Cebu Holdings, Inc., an associate of the Group.

Portico Land Corp., a subsidiary of Alveo was incorporated on October 2, 2013. Portico is 60%-owned by Alveo and 40% by MC. The subsidiary was organized to develop and operate the mixed-use developments primarily in Ortigas center.

Aviana Development Corporation, incorporated on September 17, 2013, is a 60-40 joint venture company between the Ayala Land Group (10%-owned by Accendo) and the Alcantara Group. The Company will develop approximately 27-hectare waterfront property in Lanang, Davao City.

Soltea Commercial Corp., a joint venture between the Company (60%) and Ceci Realty, Inc. (40%), was incorporated on June 13, 2013. Currently, its main purpose is the development of Solenad 3 project in Sta. Rosa, Laguna.

Roxas Land Corp., 50% owned, sold-out One Roxas Triangle in 2007. The project was started in 1996 and was completed in September 2001.

Ayala Greenfield Development Corporation ("AGDC"), 50-50% owned by Ayala Land and Greenfield Development Corporation, started development of Ayala Greenfield Estates in

Description of Business

Calamba, Laguna in 1999. Over the past twelve years, AGDC continued to develop and sell lots in this high-end residential subdivision.

Nuevo Centro, Inc., a wholly-owned subsidiary of Ayala Land, was established primarily to acquire and hold real estate properties for the purpose of developing them into large-scale, mixed-used and masterplanned communities.

BG West Properties, Inc., *BG South Properties, Inc.* and *BG North Properties, Inc.* were incorporated to engage in the development of high-end, middle-end and affordable residential and retail projects, respectively, in Bonifacio Global City.

Avencosouth was incorporated in the Philippines and is currently engaged in condominium development operations. The Company holds 90% indirect interest in Avencosouth as of December 31, 2012. It is 70% owned by Avida (wholly-owned subsidiary of the Company) and 30% owned by Accendo (67% owned by the Company). Avencosouth was registered with the SEC on April 26, 2012 and started commercial operations on August 11, 2012.

AIMI, a wholly-owned subsidiary of ALISI, was incorporated on February 28, 2012 to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

Strategic Landbank Management

Aurora Properties, Incorporated and *Vesta Property Holdings, Inc.* and *Ceci Realty, Inc.* (incorporated in 1974) are owned by Ayala Land 78%, 70% and 60%, respectively. These companies, joint ventures with the Yulo Family, finalized plans for the development of nearly 1,700 hectares of land in Canlubang, Laguna.

Emerging City Holdings, Inc. and *Berkshires Holdings, Inc.*, both 50% owned, served as Ayala Land's corporate vehicles in the acquisition of a controlling stake in Bonifacio Land Corp. / Fort Bonifacio Development Corp. ("FBDC") through Columbus Holdings, Inc. in 2003. FBDC continues to sell commercial lots and condominium units at the BGC while it leases out retail spaces.

Regent Time International Limited, 100% owned by Ayala Land, also owns a stake at Bonifacio Land Corp. / Fort Bonifacio Development Corp.

Shopping Centers

NorthBeacon Commercial Corporation – formerly Alabang Theatres Management Corporation, is Ayala Land's wholly-owned vehicle for its Marquee Mall in Pampanga, which commenced development in March 2007 and began operations in September 2009.

Station Square East Commercial Corporation, 69% owned subsidiary of Ayala Land, broke ground in 2002 for Market! Market!, a 150,000-sqm mall along C-5 Road in Taguig. It opened Phase 1A of the mall in 2004 and Phase 1B in 2005.

Accendo Commercial Corp., with a 67% stake, ALI entered into a joint venture agreement with Anflo Group to develop a mixed-use project in Davao City.

Description of Business

ALI-CII Development Corporation, a 50-50% joint venture with Concepcion Industries, continued to operate Metro Point, a mid-market mall at the corner of EDSA and Taft Avenue, which was completed in the fourth quarter of 2001.

Lagdigan Land Corp. (Lagdigan) is a 60:40 joint venture between the Company and AC. It was incorporated on March 17, 2014 and its main purpose is to develop Laguindingan's 500-hectare property owned by AC. The vision is to develop it as a mixed-use area that will be the primary growth area in Misamis Oriental.

Verde Golf Development Corporation, a wholly owned subsidiary of the Company, was registered on August 8, 2013 primarily to develop, maintain, operate, manage and carry on the business, operation and management of the Southlinks golf facilities for the amusement, entertainment, recreation, leisure and athletic activities of the general public.

ALI Commercial Center, Inc. is a wholly owned subsidiary and was incorporated on October 13, 2014. ALI Commercial Center, Inc. will manage the operations of Glorietta and Greenbelt malls.

Alabang Commercial Corporation, 50% owned by Ayala Land, continued to manage and operate the Alabang Town Center.

North Triangle Depot Commercial Corporation, 63.82% owned by Ayala Land, commenced development of TriNoma (formerly referred to as North Triangle Commercial Center), a 191,000-sqm mall constructed at the main depot of MRT-3 in Quezon City. TriNoma broke ground in June 2005 and began operations in May 2007.

Primavera Town Centre, Inc., 100% wholly-owned subsidiary, was also formed to handle the planning, development and management of small-format retail facilities known as "neighborhood centers" within the Company's existing and planned growth centers across the country.

Subic Bay Town Centre, Inc., 100% owned by Ayala Land, was incorporated on March 9, 2010 for the planning, development management of a mall to be located in Subic Bay Freeport Zone.

Ayala Theaters Management, Inc., 100% owned, continued to manage and operate theaters at the Ayala Center in Makati.

Five Star Cinema, Inc., also wholly-owned, continued to manage and operate theaters at the Alabang Town Center.

Leisure and Allied Industries Phils., Inc., a 50-50% joint venture of Ayala Land with Australian company, LAI Asia Pte. Ltd., continued to operate family entertainment centers called TimeZone in various Ayala malls, as well as other malls.

CagayanDe Oro Gateway Corp. was established to pursue a mixed-use development with a 47,000 sqm regional mall as its centerpiece. A 150-room boutique hotel shall be located on top of the mall, while a single tower residential condominium with 21 floors and 522 rooms shall be located right beside the mall. The project is strategically located in the economic hub of Cagayan de Oro City.

Arvo Commercial Corporation (ACC), a wholly owned subsidiary of the Ayala Land, was established primarily to develop and operate shopping malls within the ALI identified growth areas across the country.

Description of Business

Corporate Business

Laguna Technopark, Inc., 75% owned, continued to sell industrial lots to local and foreign company locators. It also leases ready-built factory units within the Laguna Technopark.

Asian I-Office Properties, Inc. - In 2008, the Company was invited by CPVDC, an ALI subsidiary, to be a partner in the Asian i-Office Properties, Inc. ("AiO") for a 60% stake. It manages and operates two BPO buildings located in the Asiatown IT Park in Cebu (eBloc and Peak Building A). In 2013, Ayala Land sold its 60% interest in Asian I-Office Properties, Inc. to Cebu Property Ventures and Development Corporation.

ALI Property Partners Corp., is the Company's 100%-owned vehicle in partnership with MLT Investments (Goldman Sachs) which handle various BPO projects and investments.

Gisborne Property Holdings, Inc., *Sunnyfield E-Office Corporation*, *Asterion Technopod, Inc.*, *Crestview E-Office Corporation*, *Summerhill E-Office Corporation* and *Hillsford Property Corp.* are wholly-owned entities established to handle, develop and manage all future BPO buildings located at various growth centers within the Philippines.

Hotels and Resorts

Ayala Hotels, Inc., 50% owned, currently manages hotel land lease operations.

AHRC, a wholly-owned subsidiary of Ayala Land which will serve as a holding company for the Group's hotels and resorts operations.

Ten Knots Philippines, Inc. and *Ten Knots Development Corporation (The Ten Knots Group)*, 60% owned by Ayala Land in partnership with Asian Conservation Company Inc. In 2013, the Hotels and Resorts Group signed an agreement with Asian Conservation Company to acquire its 40% stake in El Nido Resorts.

Greenhaven Property Venture, Inc., 100% owned by Ayala Land through AHRC established to plan, develop and manage the hotel being constructed in Glorietta 1 as part of the Ayala Center redevelopment project.

Asian Conservation Company Limited and Subsidiary. On November 19, 2013, AHRC, a wholly owned subsidiary of the Company entered into an agreement to acquire 100% interest in ACCI, which effectively consolidates the remaining 40% interest in TKDC and TKPI (60%-owned subsidiary of the Company prior to this acquisition). This acquisition is in line with the Company's thrust to support the country's flourishing tourism industry.

Sentera Hotel Ventures, Inc. was registered on June 19, 2014. It is a wholly owned subsidiary of AHRC with purpose of managing the hotel operation of SEDA Iloilo.

Econorth Resorts Ventures, Inc. is wholly owned subsidiary of AHRC with the primary purpose of engaging in real estate and hospitality activities in Seda Lio, Palawan. It was registered on October 8, 2014.

ALI Triangle Hotel Ventures, Inc. was registered on March 4, 2014. It is a wholly owned subsidiary of AHRC with the primary purpose of managing the activities of the new Mandarin Hotel.

Description of Business

Circuit Makati Hotel Ventures, Inc. was registered on October 20, 2014. It is a wholly owned subsidiary of AHRC with primary purpose of developing and managing the hotel operations in Circuit Makati.

Capitol Centre Hotel Ventures, Inc. was registered on October 20, 2014. It is a wholly owned subsidiary of AHRC and with the purpose of developing and managing the hotel activities of SEDA Bacolod.

Arca South Hotel Ventures, Inc. was registered on October 17, 2014. It is a wholly owned subsidiary of AHRC with main purpose of developing and managing the hotel operations of Arca South project in Taguig.

Visayas-Mindanao

Cebu Holdings, Inc., 50% owned by Ayala Land, continued to manage and operate the Ayala Center Cebu and sell condominium units and lots within the Cebu Business Park. The company also launched Amara, a high-end seaside residential subdivision, and continued to sell club shares at City Sports Club Cebu. Through Cebu Property Ventures Development Corporation, CHI also continued to sell lots at the Asiatown IT Park.

Taft Punta Engaño Property Inc. (TPEPI) was incorporated on September 8, 2011, a wholly owned subsidiary of Taft Property Venture Development Corporation (TPVDC). TPEPI's primary purpose is to create a mixed-use commercial and residential district within a 12-hectare property in Lapu-Lapu City. A joint venture agreement was entered into last April 26, 2013 between TPVDC and the Company. Under the agreement, the Company will own 55% of TPEPI and TPVDC will own the remaining 45% of TPEPI. The Company's rights to the venture were subsequently transferred to CHI on September 18, 2013 to enhance the latter's portfolio and operations. It is consistent with the thrust of CHI to expand its business.

Amaia Southern Properties, Inc. (ASPI) was organized and incorporated on February 12, 2013 by Amaia together with Cebu Holdings Inc. (CHI), primarily to purchase and develop new real estate properties for planned projects in the south. ASPI is 65%-owned by Amaia and 35% by CHI.

Southportal Properties, Inc. (Southportal) was incorporated on December 1, 2014. It is 65%-owned by the Company and the remaining 35% is held by CHI. The primary purpose of the Group is to develop, sell and manage the operations for ALP Towers in Cebu.

Cebu District Property Enterprise, Inc. (CDPEI) was incorporated on February 20, 2014 and is a 50:50 joint venture between Ayala Land, Inc. and Aboitiz Land, Inc. CDPEI's main purpose is to create a mixed-use commercial and residential district with the 15.4 hectare property in Subangdaku, Mandaue.

Adauge, an 72% owned subsidiary of the Company, was incorporated on September 5, 2012 for the acquisition and development of a mixed-use project in Mandurriao, Iloilo City.

International

First Longfield Investments Limited is wholly-owned by Ayala Land. On March 7, 2011, ALI, Ayala Corp and The Rohatyn Group completed an exchange of ownership interests in Arch

Description of Business

Capital and Arch Capital Asian Partners G.P (a Cayman Islands company), with proceeds and carrying value of the investments as of the date of exchange amounting to US\$3.8 million and US\$0.4 million, respectively, resulted to a gain of US\$2.9 million, net of transaction costs. The exchange in ownership interest resulted in TRG acquiring ALI's 17% stake and Ayala Corp's 33% interest. The completed exchange of ownership interests did not change the activities, management, focus and shareholder structure of the ARCH Fund, with the Company retaining its current 8% interest in the fund

Regent Wise Investments Limited (Regent Wise), a wholly-owned subsidiary of Ayala Land, formed to enter into an Equity Joint Venture with Sino-Singapore Tianjin Eco-City Investment and Development Co., Ltd for the development of a 9.78 hectare residential project in China. The project will be located in Tianjin Eco-city ("the Eco-City"), a 3,000 hectare collaboration between the Chinese and Singaporean governments which will showcase future direction of urban planning and sustainable development.

AyalaLand Real Estate Investments Inc. was incorporated on February 4, 2013 under the laws of British Columbia, Canada. It is 100%-owned by the Company through RegentWise. It is the beneficiary of the Trust and a Shareholder of Rize-AyalaLand (Kingsway) GP Inc. As of December 31, 2014 and 2013, it is a party to the Rize-AyalaLand (Kingsway) Limited Partnership.

AyalaLand Advisory Broadway Inc. was incorporated on February 4, 2013 under the laws of British Columbia, Canada. It is a wholly owned subsidiary of the Company through Regent Wise.

AyalaLand Development (Canada) Inc. was incorporated on February 15, 2013 under the laws of British Columbia, Canada. It is a wholly owned subsidiary of the Company through Regent Wise. It is a party to the Management Services Agreement between Rize-AyalaLand (Kingsway) Limited Partnership, Rize-AyalaLand (Kingsway) GP Inc., Rize Alliance Properties Ltd. and AyalaLand Development (Canada) Inc.

Ayala Land International (Singapore) Pte. Ltd was established by ALISI on July 4, 2013 with the same objectives as ALIM.

Ayala Land International Marketing (Hong Kong) Ltd. was established by ALISI when it further expanded by acquiring First Folio Limited in Hong Kong on September 13, 2013.

Ayala Land International Marketing, SRL was organized when ALISI bought ownership interests in Italy and Ayala Land International Marketing, Inc. in London from Avida Sales Corporation on April 9, 2014 and December 10, 2014, respectively. ALISI continues to widen the range of exposure of all ALI residential brands by its marketing partners.

Construction

Makati Development Corporation, 100% owned by Ayala Land, continued to engage in engineering, design and construction of horizontal and low-rise vertical developments. It continued to service site development requirements of Ayala related projects while it provided services to third-parties in both private and public sectors.

Description of Business

MDC Build Plus was formed to cater primarily to projects focusing on the lower end of the base of the pyramid, particularly the residential brands Amaia and BellaVita.

MDC Concrete, Inc. (MCI), a wholly owned subsidiary of MDC was incorporated on August 12, 2013 primarily to manufacture, facilitate, prepare, ready-mix, pre-cast and pre-fabricate floor slabs, wall panels and other construction materials and to manufacture, buy, sell and deal with cement and other related products.

MDC Equipment Solutions, Inc. (MESI) is a wholly owned subsidiary of MDC was incorporated on September 16, 2013 primarily to acquire, manage, and operate tools, heavy equipment and motor vehicles.

Property Management

Ayala Property Management Corporation, 100%-owned by Ayala Land, continued to manage properties of Ayala Land and its subsidiaries. It also provided its services to third-party clients.

Others

AyalaLand Commercial REIT, Inc., a wholly-owned subsidiary of Ayala Land was formed in September as a vehicle through which Ayala Land will own and operate select investment properties and which Ayala Land intends to undertake an IPO under Republic Act No. 9856 or the Philippines Real Estate Investment Trust ("REIT") Law. Said investment properties shall include prime shopping center and office assets currently owned by the Company which are mature, have recurring income streams and have achieved stable occupancy rates.

Aprisa Business Solutions, Inc., a wholly-owned subsidiary of Ayala Land that will initially manage transactional accounting services.

Philippine Integrated Energy Solutions, Inc., a 100% owned subsidiary of Ayala Land established for the supply and operations of a district cooling system, performance contracting by introducing various energy solutions and bulk purchase of electricity.

DirectPower Services, Inc. (DirectPower), a wholly owned subsidiary of the ALI, was formed to engage in the bulk purchase and supply of electricity and to introduce various energy solutions.

Varejo, a wholly-owned subsidiary of the Company, was incorporated with the Securities and Exchange Commission (SEC) on June 25, 2012. It is the holding company of the Company for its retail-related initiatives. In 2012, the Company, through Varejo, formed a partnership with Specialty Investments, Inc. (SII) to pursue opportunities in the Philippine retail sector. SII is a wholly-owned subsidiary of Stores Specialists, Inc. (SSI), one of the largest retail companies in the Philippines, with the exclusive rights to sell, distribute and market in the country a variety of brands from around the world. The partnership with SII will enable the Company to support its mixed-use developments and, at the same time, grow its recurring income portfolio.

SDC, a wholly-owned subsidiary of the Company, was incorporated on October 19, 2012 to be involved in real estate development projects of the Group.

AMNI was incorporated in November 29, 2012 and is a wholly-owned subsidiary of the Company. It is established primarily to develop and operate shopping malls and offices.

Description of Business

Solerte, Corp., a wholly-owned subsidiary of the Company, was incorporated this year as a shared-service entity to provide manpower services to the Ayala Malls Group.

Whiteknight Holdings, Inc. (WHI) was registered on May 14, 2013. The Company entered into an agreement with the Mercado family to acquire WHI in July 2013. The transaction was consummated in November 2013, thereby making WHI a wholly owned subsidiary of the Company. WHI owns 33% equity stake in Mercado General Hospital, Inc., owner and operator of the Daniel O. Mercado Medical Center in Tanauan, Batangas, the University Physicians Medical Center through its subsidiary Mercado Ambulatory and Surgical Centers, Inc., DMMC - Institute of Health Sciences, Inc. and Panay Medical Ventures, Inc.

Suppliers

The Company has a broad base of suppliers, both local and foreign. The Company is not dependent on one or a limited number of suppliers.

Customers

Ayala Land has a broad market base including local and foreign individual and institutional clients. The Company does not have a customer that will account for twenty percent (20%) or more of its revenues.

Research and Development

While the Company engages in research and development activities, the expenses incurred in connection with these activities are not material.

Employees

Ayala Land has a total workforce of 498 regular employees as of December 31, 2014.

The breakdown of the ALI - Parent Company employees according to category is as follows:

Senior Management	26
Middle Management	224
Staff	248
Total	498

Employees take pride in being an ALI employee because of the company's long history of bringing high quality developments to the Philippines. With the growth of the business, career advancement opportunities are created for employees. These attributes positively affect employee engagement and retention.

The Company aims that its leadership development program and other learning interventions reinforce ALI's operating principles and provide participants with a set of tools and frameworks to help them develop skills and desired qualities of an effective leader. The programs are also venues to build positive relations and manage networks within the ALI Group.

ALI has a healthy relation with its employees' union. Both parties openly discuss employee

Description of Business

concerns without necessity of activating the formal grievance procedure.

Further, employees are able to report fraud, violations of laws, rules and regulations, or misconduct in the organization thru reporting channels under the ALI Business Integrity Program.

Intellectual Property and Licenses

Intellectual Property

The Company has been licensed by Ayala Corporation, as the owner of the brand and business name "Ayala", to use the name "Ayala" in all of the Company's current projects which carries the said brand. The Company is required to obtain the consent and approval of Ayala Corporation for future projects which will carry the brand.

Ayala Land (by itself or through its subsidiaries) has secured registrations for its major brands Ayala Land Premier, Alveo, Avida, Amaia, BellaVita, and Ayala Malls. As a matter of policy, the Company and its subsidiaries also apply for, obtain and maintain tradename registrations for its various developments, projects and events.

In the Philippines, certificates of registration of a trademark filed with the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of 20 years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of ten (10) years, unless terminated earlier.

Licenses

Phenix Building System. A joint venture agreement between Maison Individuelles, S.A. ("MISA") of France and Avida was organized in June 1998 and subsequently registered with the SEC as Laguna Phenix Structures Corporation ("LPSC") in July 1999.

LPSC, a 50%-50% joint venture, is primarily engaged in the business of manufacturing, installation, erection and construction, marketing and promotion, and wholesaling of buildings, houses and other structures and accessories using the "Phenix" technology (for which a patent has been registered and issued in the Philippines under RP Patent No. 29862). Both MISA and Avida assigned their respective license rights to LPSC since the latter's incorporation.

Regulation

Presidential Decree No. 957, as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes, and condominium projects for primarily residential purposes. The Housing and Land Use Regulatory Board ("HLURB") is the administrative agency of the Government which enforces this decree and has jurisdiction to regulate the real estate trade and business.

In this regard, all subdivision plans and condominium project plans of ALI are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, ALI's financial, technical and administrative capabilities. Alterations of approved plans

Description of Business

which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. ALI, as owner of and dealer in real estate projects, is required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen of real estate projects of ALI are also required to register with the Philippine Regulatory Commission. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon complaint from an interested party. ALI has been able to maintain these permits and licenses.

Under current regulations, ALI as developer of residential subdivisions is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. On the other hand, as a developer of commercial subdivisions, ALI is required to reserve at least 3.5% of the gross project area for parks or playgrounds. ALI has been compliant with these requirements.

Under the agrarian reform law and the regulations issued thereunder by the Department of Agrarian Reform ("DAR"), land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR. Republic Act No. 9700, the law extending the term of the comprehensive agrarian reform program for another five (5) years, was signed by President Arroyo on August 7, 2009, and expired on June 30, 2014. Prior to undertaking any development of agricultural lands, ALI obtains the necessary conversion as approved by the DAR.

While the 1987 Philippine Constitution prohibits foreigners from owning land, there is generally no prohibition against foreigners owning buildings and other permanent structures. However, with respect to condominium developments, the foreign ownership of units in such developments is limited to 40%. To the extent of the foregoing, ALI's foreign market for real estate projects is limited

Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same city or municipality, whenever feasible, and in accordance with the standards set by the HLURB. ALI has been compliant with this requirement in accordance with the rules and regulations implementing Republic Act No. 7279.

Construction

The construction industry in the Philippines is subject to regulation by the Government as described below.

Licenses. A regular contractor's license is required to be obtained from the Philippine Contractors Accreditation Board ("PCAB"). In applying for and granting such license, the PCAB takes into consideration the applicant-contractor's qualifications and compliance with certain minimum requirements in the following criteria: (i) financial capacity, (ii) equipment capacity, (iii) experience of firm, and (iv) experience of technical personnel. Philippine laws also require a contractor to secure construction permits and environmental clearances from appropriate Government agencies prior to actually undertaking each project. MDC is duly accredited by the PCAB as a licensed contractor and maintains all required qualifications in compliance with the PCAB's requirements.

Minimum Philippine Ownership Requirement. Under Philippine law, in order to bid on publicly funded Government contracts, a contractor must be at least 75% owned by Philippine

Description of Business

nationals. For purposes of this determination, Ayala Land has maintained at least 60% ownership by Philippine nationals, to be considered owned by a Philippine National for purposes of the foregoing determination with respect to MDC.

Property Laws

Land Registration

The Philippines has adopted a system of land registration which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims annotated on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription.

Unregistered land may be brought under the system if, after proper surveying, application, publication, service of notice and hearing, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within 15 days to the Court of Appeals. After the lapse of the period of appeal, the Registry of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one year from the date of entry of the decree of registration.

Any subsequent transfer or encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and issuance of a new title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

In accordance with the said system of land registration, ALI ensures that all properties held or developed are properly covered by valid and subsisting certificates of title.

Zoning

Land use may be limited by zoning ordinances enacted by provinces, cities or municipalities. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. All developments of ALI comply with the applicable zoning classification.

Subdivisions and Condominiums

All subdivision lots and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the local government unit in which the project is situated. The development of subdivision lots and condominium projects can commence only after the local government unit has issued the development permit.

The issuance of a development permit is dependent on compliance with required project standards and technical requirements which may differ depending on the nature of the project. A bond equivalent to 10% of the total project cost is required to be posted by the project developer to ensure commencement of the project within one (1) year from the issuance of the development permit.

Description of Business

Subdivision lots or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision lot or condominium project and compliance with applicable laws and regulations. All documents evidencing conveyances of subdivision and condominium units should be registered with the relevant Registry of Deeds.

Title to the subdivision lot or condominium unit must be delivered to the purchaser upon full payment of the purchase price.

The foregoing permits, licenses and approvals are secured by and complied by ALI for its subdivision and condominium developments

Property Taxation

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually. ALI promptly pays the real estate taxes and assessments on the properties it owns.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to commencement. As a requisite for the issuance of an ECC, an environmentally critical project must prepare an Environmental Impact Statement ("EIS"), while a project in an environmentally critical area must prepare an Initial Environmental Examination ("IEE"), without prejudice to the power of the DENR to require a more detailed EIS. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project's environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the project's environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the EIS System and that the proponent is committed to implement its approved Environmental

Description of Business

Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

In addition to the requirement for the issuance of an ECC, all public and private proponents of subdivision development projects, housing projects and other land development and infrastructure projects are required to undertake an Engineering Geological and Geohazard Assessment (EGGA). The EGGA is undertaken in order that project proponents can adequately and comprehensively address and mitigate the possible effects/impacts of geologic hazards. To comply with this requirement, the proponent causes the preparation of an Engineering Geological and Geohazard Assessment Report (EGGAR) which includes the results of all engineering geological, structural geological and geohazard assessment and geotechnical tests, with any other specialized studies and tests undertaken, as prescribed by the DENR- Mines and Geosciences Bureau (MGB). The EGGAR shall be subject to review/verification by DENR-MGB and for appropriate transmittal or endorsement to the DENR-EMB and other concerned government Agencies. The EGGAR is used as an institutional planning tool to safeguard development projects from the hazards caused by geological phenomena. ALI undertakes the EGGA and secures ECCs prior to commencement of its real estate projects and exerts best efforts to comply with the conditions specified therein. Real Estate projects are also required to secure relevant local permits and abide by requirements specific to local zoning ordinances, and, if applicable, protected area guidelines. ALI secures the necessary permits and keeps track of national and local regulatory developments.

In general, there have been no materially significant or extraordinary costs incurred by ALI and its subsidiaries, taken as a whole, in respect of environmental compliance. ALI and its subsidiaries' costs of compliance with applicable environmental laws and regulations vary from project to project depending on various factors, especially local conditions. However, none of such costs have been material in respect of their finances as a whole.

DESCRIPTION OF PROPERTIES

LANDBANK / PROPERTIES WITH MORTGAGE OF LIEN

The following table provides summary information on ALI's landbank as of December 31, 2014. Properties are wholly-owned and free of lien unless noted.

<i>Location</i>	<i>Hectares</i>	<i>Primary land use</i>
Makati ¹	52	Commercial/Residential
Taguig ²	84	Commercial/Residential
Makati (outside CBD) ³	4	Commercial/Residential
Alabang ⁴	24	Commercial/Residential
Las Piñas/Paranaque	127	Commercial/Residential
Quezon City ⁵	108	Commercial/Residential
Others in Metro Manila	59	Commercial/Residential
Metro Manila	457	
NUVALI ⁶	988	Commercial/Residential/Industrial
Laguna ⁷	1,499	Commercial/Residential/Industrial
Cavite ⁸	1,099	Commercial/Residential
Batangas/Rizal/Quezon ⁹	433	Commercial/Residential
Calabarzon	4,019	
Bulacan/Pampanga¹⁰	1,011	Commercial/Residential
Others in Luzon¹¹	2,316	Commercial/Residential
Bacolod/Negros Occidental	137	Commercial/Residential
Cebu ¹²	205	Commercial/Residential
Davao ¹³	94	Commercial/Residential
Cagayan De Oro ¹⁴	336	Commercial/Residential
Iloilo ¹⁵	49	Commercial/Residential
Others in VisMin	13	
Visayas/Mindanao	835	
TOTAL	8,639	

Description of Properties

¹ Makati includes sites of Mandarin Hotel (1.6 has.) and Peninsula Hotel (2.0 has.) which are 50% owned through Ayala Hotels, Inc.; certain properties in Makati City are mortgaged with BPI in compliance with BSP ruling on directors, officers, stockholders, and related interests.

² Taguig includes the Arca South Estate with a total of 55 has and the 9.9-ha. site of Market! Market! under lease arrangement with BCDA; 11.3 has. in Taguig is owned through Fort Bonifacio Development Corporation.

For Market! Market!, the lease agreement with the BCDA covers a period of 25 years (renewable for another 25 years) and involves an upfront cash payment of P689 million and annual lease payments with fixed and variable components.

³ Includes a 21-ha. property which is under a joint development agreement with Philippine Racing Club, Inc.

⁴ Alabang pertains to the 17.6-ha. Alabang Town Center which is 50% owned through Alabang Commercial Corp. (ACC)

⁵ Includes 45.5 has. under lease arrangement with University of the Philippines; the 13-ha. site of TriNoma which is under lease arrangement with the Department of Transportation and Communication; a 4.85-has. property which is being leased from Ellimac Prime Holdings, Inc. and a 29.2-has. property on a joint development agreement with the National Housing Authority

TriNoma is 63.82% owned by ALI through North Triangle Depot Commercial Corp.

⁶NUVALI includes 598 has. through Aurora Properties Incorporated and Vesta Holdings, Inc. which are owned 78% and 70% owned by Ayala Land, respectively; also includes 321 has. which are 60% owned through Ceci Realty, Inc.

⁷ Laguna includes 92.5 has. which are under a 50-50% joint venture with Greenfield Development Corp.; 4.5 has. in Laguna Technopark, Inc. which is 75% owned by Ayala Land; and 3.3-ha. site of Pavilion Mall which is under 25-year lease arrangement with Extra Ordinary Group, with an option to renew every 5 years thereafter.

⁸ Cavite includes a total of 687 has recently acquired Ex-o lot.

⁹ Batangas includes 7 has. in Sto. Tomas project which is under an override arrangement.

¹⁰ Pampanga includes 804 has. in Alviera which is 100% owned under Nuevo Centro.

¹¹ Includes 300 has in Bataan pertaining to the Anvaya Cove property which is under joint development agreement with SUDECO, a 6.5-has. property in Subic on lease agreement with Subic Bay Management Authority and a 19-has. Land lease with the government in Palawan.

¹² Cebu includes the 8.6 has. lot pad of Ayala Center Cebu which is 49% owned through Cebu Holdings, Inc. (CHI); 0.62-ha. Cebu Insular Hotel site owned by AyalaLand Hotels and Resorts Corporation and Cebu Holdings, Inc.; 8 has. in Asiatown IT Park which is owned by Cebu Property Ventures and Development Corporation which in turn is 76% owned by CHI.

¹³ Davao includes a 9.2 - ha. property which is 67% owned through Accendo Commercial Corp.

¹⁴ Cagayan de Oro includes 3.7 has. which are 70% owned through Cagayan de Oro Gateway Corp.

¹⁵ Includes a 2.0 has. land lease with Riverside Holdings, Inc for the Iloilo Technohub site, 12.8-ha. property secured through a JDA agreement with the Pison Group, and the remaining 4.6-ha. landbank of Avida in Pavia.

LEASED PROPERTIES

The Company has an existing contract with BCDA to develop, under a lease agreement a mall with an estimated gross leasable area of 152,000 square meters on a 9.8-hectare lot inside Fort Bonifacio. The lease agreement covers 25 years, renewable for another 25 years subject to reappraisal of the lot at market value. The annual fixed lease rental amounts to ₱106.5 million while the variable rent ranges from 5% to 20% of gross revenues. Subsequently, the Company transferred its rights and obligations granted to or imposed under the lease agreement to SSECC, a subsidiary, in exchange for equity.

On January 28, 2011, a notice was given to the Company for the ₱4.0 billion development of a 7.4-hectare lot at the University of the Philippines' Diliman East Campus, also known as the UP Integrated School, along Katipunan Avenue, Quezon City. The Company signed a 25-year lease contract for the property last June 22, 2011, with an option to renew for a 58,000 square meters another 25 years by mutual agreement. The project involves the construction of a retail establishment with 63,000 square meters of available gross leasable area and a combination of Headquarter-and-BPO- type buildings with an estimated 8,000 square meters of office space.

RENTAL PROPERTIES

The Company's properties for lease are largely shopping centers and office buildings. It also leases land, carparks and some residential units. In the year 2014, rental revenues from these properties accounted for ₱21.2 billion or 22% of Ayala Land's consolidated revenues. Lease terms vary depending on the type of property and tenant.

PROPERTY ACQUISITIONS

With 8,639 hectares in its landbank as of December 31, 2014, Ayala Land believes that it has sufficient properties for development in next 25 years.

Nevertheless, the Company continues to seek new opportunities for additional, large-scale, master-planned developments in order to replenish its inventory and provide investors with an entry point into attractive long-term value propositions. The focus is on acquiring key sites in the Mega Manila area and other geographies with progressive economies that offer attractive potential and where projected value appreciation will be fastest.

In a disclosure to the SEC dated February 10, 2011, ALI was awarded by the Board of Regents of the University of the Philippines (U.P.) the lease contract for the development of a 7.4-hectare property at the U.P. Diliman East Campus, also known as U.P. Integrated School (UP-IS) property along Katipunan Avenue in Quezon City. The lease contract is for a period of 25 years, with an option to renew said lease for another 25 years by mutual agreement. The development of the site involves the construction of a retail establishment with 63,000 square meters of available GLA and a combination of headquarter-and-BPO office type building with an estimated 8,000 square meters of GLA.

In February 2011, the Company through wholly-owned subsidiary Alveo Land entered into an agreement with Philippine Racing Club, Inc. to jointly pursue the development of the 21-hectare property located in Barangay Carmona, Makati City, more commonly known as "Sta. Ana Racetrack." The project is intended as a mixed-use development and will form part of the Company's ongoing developments in the City of Makati.

Description of Properties

In a disclosure to the SEC, PSE and PDEX dated June 29, 2012, the Executive Committee of Ayala Land authorized the negotiation and entry into a strategic alliance with the Group led by Mr. Ignacio R. Ortigas for the purpose of allowing Ayala Land to participate in OCLP Holdings, Inc., the parent company of Ortigas & Company Limited Partnership, and in the development of its various properties and businesses.

In August 2012, the Group won the public bidding for the purchase of the 74-hectare Food Terminal, Inc. (FTI) property in Taguig. The bid was conducted in accordance with the Asset Specific Bidding Rules dated July 4, 2012 and in accordance with the provisions of Executive Order No. 323. The Group's bid was ₱24.3 billion.

In October 2012, the Company entered into a Purchase Agreement wherein the Seller (FTI) agrees to sell, convey, assign and transfer and deliver to the buyer, and the buyer agrees to purchase and acquire from the seller, all of the seller's rights and interests in the property. The property is designed to be a mixed-use development and will be transformed into a new business district that will serve as Metro Manila's gateway to the South.

On October 2, 2012, AHRC, a wholly-owned subsidiary of the Company, entered into an agreement to acquire the interests of Kingdom Manila B.V., an affiliate of Kingdom Hotel Investments (KHI), and its nominees in KHI-ALI Manila Inc. (now renamed AMHRI) and 72,124 common shares in KHI Manila Property Inc. (now renamed AMHPI).

AMHRI and AMHPI are the project companies for the Fairmont Hotel and Raffles Suites and Residences project in Makati which opened last December 2012. A total of ₱2,430.4 million was paid to acquire the interests of KHI in AMHRI and AMHPI.

MORTGAGE, LIEN OR ENCUMBRANCE OVER PROPERTIES

The Company has certain properties in Makati City that are mortgaged with BPI in compliance with BSP ruling on directors, officers, stockholders and related interests.

CERTAIN LEGAL PROCEEDINGS

As of December 31, 2014, ALI, its subsidiaries, and its affiliates, are not involved in any litigation regarding an event which occurred during the past five (5) years that they consider material.

However, there are certain litigation ALI is involved in which it considers material, and though the events giving rise to the said litigation occurred beyond the five (5) year period, the same are still unresolved, as follows:

Certain individuals and entities have claimed on certain of ALI's properties in Las Piñas adjacent to ALI's development in Southvale.

Prior to purchasing the aforesaid properties in Las Piñas, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over said parcels of land. ALI has assessed these adverse claims and believes that its titles are in general superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning October 1993, ALI filed petitions in the RTC of Makati and Las Piñas for quieting of title to nullify the purported titles or claims of these adverse claimants. A number of these cases are at various stages of trial and appeal. Some of these cases have been finally decided by the Supreme Court ("SC") in ALI's favor. These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The remaining pending cases involve the remaining area of approximately 126 hectares.

As a result of the explosion which occurred on October 19, 2007 at the basement of the Makati Supermarket Building, the Philippine National Police has filed a complaint with the Department of Justice ("DOJ") and recommended the prosecution of certain officers/employees of Makati Supermarket Corporation, the owner of the building, as well as some employees of ALI's subsidiary, Ayala Property Management Corp. ("APMC"), among other individuals, for criminal negligence. In a Joint Resolution dated April 23, 2008, the DOJ special panel of prosecutors ruled that there was no probable cause to prosecute the APMC employees for criminal negligence. This was affirmed by the DOJ Secretary in a Resolution dated November 17, 2008. A Motion for Reconsideration was filed by the Philippine National Police which remains pending with the DOJ. To date, no civil case has been filed by any of the victims of the incident.

ALI has made no provision in respect of such actual or threatened litigation.

MARKET PRICE OF AND DIVIDENDS ON AYALA LAND'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Ayala Land was incorporated in June 1988 and was listed on the PSE in July 1991.

Market Information

Ayala Land common shares are listed in the PSE.

	<i>Stock Prices (in ₱/share)</i>								
		High			Low			Close	
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
First Quarter	29.95	33.25	22.10	29.50	25.85	15.20	29.90	32.70	20.75
Second Quarter	30.70	35.70	22.85	30.15	26.30	18.80	30.50	30.40	21.60
Third Quarter	35.00	31.60	24.50	34.45	23.00	19.70	34.95	27.25	23.85
Fourth Quarter	33.95	31.20	27.35	33.50	23.70	21.85	33.70	24.75	26.45

The market capitalization of ALI as of end-2014, based on the closing price of ₱33.70/share, was ₱478.22 billion. ALI's closing price as of March 16, 2015 was ₱37.00 which translates to a market capitalization of ₱542.99 billion.

Stockholders

The following are the top 20 direct holders of the common and preferred shares of the Company:

Common Shares: There are approximately 9,672 registered holders of common shares of the Company as of January 31, 2015

	Stockholder Name	No. of Common Shares	Percentage (of common shares)
1.	Ayala Corporation	6,934,509,515	47.25281%
2.	PCD Nominee Corporation (Non-Filipino)	5,863,797,472	39.95682%
3.	PCD Nominee Corporation (Filipino)	1,582,426,550	10.78290%
4.	ESOWN Administrator 2009	18,723,078	0.12758%
5.	ESOWN Administrator 2012	15,594,810	0.10627%
6.	ESOWN Administrator 2010	14,916,471	0.10164%
7.	ESOWN Administrator 2013	12,300,458	0.08382%
8.	ESOWN Administrator 2014	10,953,213	0.07464%
9.	ESOWN Administrator 2011	9,763,991	0.06653%
10.	Jose Luis Gerardo Yulo	6,783,948	0.04623%
11.	ESOWN Administrator 2008	6,691,457	0.04560%
12.	ESOWN Administrator 2006	6,530,291	0.04450%
13.	Estrellita B. Yulo	5,732,823	0.03906%
14.	ESOWN Administrator 2005	5,183,330	0.03532%
15.	Emilio Lolito J. Tumbocon	4,364,180	0.02974%
16.	Pan Malayan Management and Investment Corporation	4,002,748	0.02728%

Market Price and Dividends on Ayala Land's Common Equity and Related Stockholder Matters

17.	Ma. Angela Y. La'o	3,728,620	0.02541%
18.	Ma. Lourdes G. Latonio	3,624,650	0.02470%
19.	Lucio W. Yan	3,483,871	0.02374%
20.	Telengtan Brothers and Sons, Inc.	3,480,000	0.02371%

. Voting Preferred Shares:

There are approximately 1,874 holders of voting preferred shares of the Company as of January 31, 2015.

	Stockholder Name	No. of Common Shares	Percentage (of voting preferred shares)
1.	Ayala Corporation	12,163,180,640	93.0868%
2.	HSBC Manila OBO A/C 000-171512-554	513,222,800	3.9278%
3.	Government Service Insurance System	156,350,871	1.1966%
4.	HSBC Manila OBO A/C 000-171512-571	15,051,000	0.1152%
5.	DB MLA OBO SSBTC Fund HG16	15,000,000	0.1148%
6.	Wealth Securities, Inc.	14,825,373	0.1135%
7.	DB MLA OBO SSBTC Fund SS01	13,670,744	0.1046%
8.	Samuel Villes Santos and/or Luzviminda Lat Santos	12,001,800	0.0919%
9.	DB MLA OBO SSBTC Fund C021	8,497,223	0.0650%
10.	Investors Securities, Inc.	6,251,770	0.0478%
11.	First Metro Securities Brokerage Corp.	5,103,853	0.0391%
12.	Deutsche Bank AG Manila OBO BNYM AC 1214004162	4,943,400	0.0378%
13.	HSBC Manila OBO A/C 000-171512-551	4,484,748	0.0343%
14.	DB MLA OBO SSBTC Fund FA20	3,951,800	0.0302%
15.	Deutsche Regis Partners, Inc.	3,896,157	0.0298%
16.	Papa Securities Corporation	3,536,538	0.0271%
17.	DB MLA OBO SSBTC Fund FA2N	3,534,608	0.0271%
18.	Maybank ATR Kim Eng Securities, Inc.	3,479,514	0.0266%
19.	Ansaldo, Godinez & Co. Inc.	3,388,848	0.0259%
20.	Belson Securities, Inc.	2,800,874	0.0214%

Dividends

STOCK DIVIDEND (Per Share)			
<u>PERCENT</u>	<u>DECLARATION DATE</u>	<u>RECORD DATE</u>	<u>PAYMENT DATE</u>
20%	February 1, 2007	May 22, 2007	June 18, 2007

CASH DIVIDEND (Per Common Share)			
<u>PESO AMOUNT</u>	<u>DECLARATION DATE</u>	<u>RECORD DATE</u>	<u>PAYMENT DATE</u>
0.109488	Feb. 20, 2012	March 7, 2012	March 27, 2012
0.10385223	Aug. 24, 2012	Sept. 17, 2012	Oct. 8, 2012
0.14787806	Feb. 19, 2013	March 5, 2013	March 19, 2013

Market Price and Dividends on Ayala Land's Common Equity and Related Stockholder Matters

CASH DIVIDEND (Per Common Share)			
0.14348287	Aug. 22, 2013	Sept. 6, 2013	Sept. 20, 2013
0.20711082	Feb. 21, 2014	March 7, 2014	March 21, 2014
0.20687187	Aug. 28, 2014	Sept. 11, 2014	Sept. 26, 2014

CASH DIVIDEND (Per Voting Preferred Share)			
PESO AMOUNT	DECLARATION DATE	RECORD DATE	PAYMENT DATE
0.00474786	Feb. 19, 2013	June 14, 2013	July 1, 2013
0.00474786	Feb. 21, 2014	June 16, 2014	June 30, 2014

Dividend policy

Dividends declared by the Company on its shares of stocks are payable in cash or in additional shares of stock. The payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors.

Special cash dividends are declared depending on the availability of cash, taking into account the Company's CAPEX and project requirements and the progress of its ongoing asset rationalization program.

Cash dividends are subject to approval by the Company's Board but no stockholder approval is required. Property dividends which may come in the form of additional shares of stock are subject to approval by both the Company's Board of Directors and the Company's stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE.

Recent Sale of Securities

For the past three years, common shares were issued representing the exercise of stock options by the Company's executives under the Executive Stock Option Plan (ESOP) and the subscription to the common shares under the Executive Stock Ownership Plan (ESOWN) as follows:

<u>Year</u>	<u>No. of Shares</u>	
	<u>ESOP</u> (exercised)	<u>ESOWN</u> (subscribed)
2012	6.6 Million	25.2 Million
2013	3.2 Million	18.8 Million
2014	5.6 Million	12.3 Million

The aforesaid issuance of shares was covered by the Commission's approval of the Company's Stock Option Plan on July 1991 and subsequently on March 2006.

On June 29, 2012, the SEC approved the Company's application for an increase in authorized capital stock from ₱21.5 Billion to ₱22.8 Billion to cover the offering and issuance of new 13.034 Billion voting preferred shares to common shareholders of the Company. The said issuance of the shares is an exempt transaction under Section 10.1 (e) of the SRC, "The sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other

Market Price and Dividends on Ayala Land's Common Equity and Related Stockholder Matters

remuneration is paid or given directly or indirectly in connection with the sale of such capital stock.”

On July 16, 2012, Ayala Corporation executed the placement of, and subscription to the Company's 680,000,000 common shares at P20 per share or an aggregate of ₱13.6 billion. The placement price of ₱20 per share was at a 4.988% discount to the Company's closing price of ₱21.05 per common share on July 10, 2012 and was the agreed clearing price among the purchasers of the shares and the placement agents, Goldman Sachs (Singapore) Pte., J.P. Morgan Securities plc and UBS AG.

On March 12, 2013, Ayala Corporation executed the placement of, and subscription to the Company's 399,528,229 common shares at ₱30.50 per share or an aggregate of ₱12.2 billion. The placement price of ₱30.50 per share was at a 3.6% discount on the 5-day volume-weighted average price of the Company's stock and was the agreed clearing price among the purchasers of the shares and the placement agent, UBS Investment Bank.

On January 12, 2015, Ayala Corporation executed the placement of, and subscription to the Company's 484,848,500 common shares at ₱33.00 per share or an aggregate of ₱16 billion. The placement price of ₱33.00 per share was at a 3.9% discount on the 5-day volume-weighted average price of the Company's stock and was the agreed clearing price among the purchasers of the shares and the placement agent, UBS AG.

The Company filed Notices of Exemption with the SEC for the issuance of the 680,000,000, 399,528,229 and 484,848,500 common shares under the following provisions of the SRC:

SRC Subsection 10.1 (e), "The sale of capital stock of a corporation to its own stockholders exclusively, where no commission or other remuneration is paid or given directly or indirectly in connection with the sale of such capital stock.

SRC Subsection 10.1 (h), "Broker's transaction, executed upon customer's orders, on any registered Exchange or other trading market."

SRC Subsection 10.1 (k), "The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during any twelve-month period."

SRC Subsection 10.1 (l), "The sale of securities to banks, insurance companies, and investment companies."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Plan of 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.

Principles of Consolidation

The consolidated financial statements represent the consolidation of the financial statements of Ayala Land and the following subsidiaries as of December 31, 2014:

	Percentages of Ownership December 31, 2014
Real Estate:	
Alveo Land Corporation (Alveo)	100%
Serendra, Inc.	39
Solinea, Inc. (Solinea)	65
BGSouth Properties, Inc. (BGS)	50
Portico Land Corp. (Portico)	60
Serendra, Inc.	28
Amorsedia Development Corporation (ADC)	100
OLC Development Corporation and Subsidiary	100
HLC Development Corporation	100
Allysonia International Ltd.	100
Avida Land Corporation (Avida)	100
BuklodBahayan Realty and Development Corp.	100
Avida Sales Corp. and Subsidiaries	100
Amicassa Process Solutions, Inc.	100
Avencosouth Corp. (Avencosouth)	70
BGNorth Properties, Inc. (BGN)	50
Amaia Land Co. (Amaia)	100
Amaia Southern Properties, Inc. (ASPI)	65
Ayala Land International Sales, Inc. (ALISI)	100
Ayalaland International Marketing, Inc. (AIMI)	100
Ayala Land International (Singapore) Pte. Ltd	100
Ayala Land International Marketing (Hong Kong) Ltd	100
Ayala Land International Marketing, SRL	100
Ayala Land International Marketing, London	100
Ayala Land Sales, Inc.	100
Southportal Properties, Inc. (Southportal)	65
Buendia Landholdings, Inc.	100
Crans Montana Holdings, Inc.	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 Time) (British Virgin Islands)	100

**Percentages of Ownership
December 31, 2014**

AsterionTechnopod, Incorporated (ATI)	100
Westview Commercial Ventures Corp. (formerly Crestview E-Office Corporation) (Westview)	100
Fairview Prime Commercial Corp. (formerly Gisborne Property Holdings, Inc.)	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
Regent Wise Investments Limited (Regent Wise) (Hongkong company)	100
AyalaLand Real Estate Investments Inc.	100
AyalaLand Advisory Broadway Inc.	100
AyalaLand Development (Canada) Inc.	100
AyalaLand Commercial REIT, Inc. (ALCRI)	100
Arvo Commercial Corporation (Arvo)	100
BellaVita Land Corporation (BellaVita)	100
Nuevo Centro, Inc. (Nuevo Centro)	100
Cavite Commercial Town Center, Inc.	100
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners 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. (LTI)	75
Ecozone Power Management, Inc.	75
Aurora Properties Incorporated	78
Soltea Commercial Corp.	16
Vesta Property Holdings, Inc.	70
Station Square East Commercial Corporation (SSECC)	69
Accendo Commercial Corp. (Accendo)	67
Avencosouth Corp.	20
Aviana Development Corporation	7
Aviana Development Corporation	50
Cagayan de Oro Gateway Corp. (CDOGC)	70
Ceci Realty, Inc. (Ceci)	60
Soltea Commercial Corp.	12
Soltea Commercial Corp.	60
CMPI Holdings, Inc.	60
CMPI Land, Inc.	36
ALI-CII Development Corporation (ALI-CII)	50
Roxas Land Corporation (RLC)	50
Adauge Commercial Corporation (Adauge)	72
Southgateway Development Corp. (SDC)	100
AyalalandMetroNorth, Inc. (AMNI)	100
Verde Golf Development Corporation	100
AyalaLand Club Management, Inc.	100
North Triangle Depot Commercial Corporation (NTDCC)	64
BGWest Properties, Inc. (BGW)	50
Lagdigan Land Corporation	60

**Percentages of Ownership
December 31, 2014**

Cebu Holdings, Inc. (CHI)	50
Taft Punta Engano Property, Inc.(TPEPI)	55
Cebu Property Ventures Development Corpand Subsidiary	38
Cebu Leisure Company, Inc.	50
CBP Theatre Management Inc.	50
Cebu Insular Hotel Company, Inc.	19
Solinea, Inc.	18
Amaia Southern Properties, Inc. (ASPI)	18
Southportal Properties, Inc. (Southportal)	18
Alabang Commercial Corporation (ACC)	50
South Innovative Theater Management (SITMI)	50
ALI Commercial Center, Inc.	100
Solerte, Inc.	100
Construction:	
Makati Development Corporation (MDC)	100
MDC Subic	100
MDC Build Plus, Inc.	100
MDC Concrete, Inc. (MCI)	100
MDC Equipment Solutions, Inc. (MESI)	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
Asian Conservation Company Limited and Subsidiary	100
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
Sentera Hotel Ventures Inc.	100
Econorth Resorts Ventures, Inc.	100
ALI Triangle Hotel Ventures, Inc.	100
Circuit Makati Hotel Ventures, Inc.	100
Capitol Centre Hotel Ventures, Inc.	100
Arca South Hotel Ventures, Inc.	100
ALI Makati Hotels & Residences, Inc. (formerly KHI-ALI Manila, Inc.)	20
ALI Makati Hotel Property, Inc. (formerly KHI Manila Property, Inc.)	20
Ten Knots Phils, Inc. (TKPI)	60
Bacuit Bay Development Corporation	60
Ten Knots Development, Corp. (TKDC)	60

**Percentages of Ownership
December 31, 2014**

Chirica Resorts Corp.	60
Kingfisher Capital Resources Corp.	60
Property Management:	
Ayala Property Management Corporation (APMC)	100
Ayala Theatres Management, Inc. and Subsidiaries	100
DirectPower Services, Inc. (DirectPower)	100
Philippine Integrated Energy Solutions, Inc. (PhilEnergy)	100
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
ALI Capital Corp. (formerly Varejo Corp.)	100
Whiteknight Holdings, Inc. (WHI)	100

Results of Operations for the Year Ended December 31, 2014

Ayala Land, Inc. (ALI or "the Company") posted a net income after tax (attributable to equity holders of ALI) of P14.80 billion for the year 2014, 26% higher than the reported net income after tax (attributable to equity holders of ALI) of P11.74 billion in 2013. Consolidated revenues reached P95.20 billion, 17% higher year-on-year. Revenues from Real Estate which comprised bulk of consolidated revenues, increased by 17% to P89.03 billion mainly driven by the strong performance across the Property Development, Commercial Leasing and Services businesses.

The ratio of General and Administrative Expenses (GAE) to revenues improved further to 6.5% from 7.3% year-on-year. Earnings before interest and taxes (EBIT) margin improved to 27.4% in 2014 from 25.9% in the previous year.

Business Segments

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

Property Development. Property Development, which includes the sale of residential lots and units, office spaces, as well as Commercial and Industrial Lots, reported revenues of P61.84 billion in 2014, 19% higher than the P51.96 billion reported in 2013.

Revenues from the Residential Segment reached P52.26 billion in 2014, 24% higher than in 2013, driven by strong bookings and project completion across all residential brands. Ayala Land Premier (ALP) registered a revenue growth of 50% year-on-year to P23.10 billion, driven by significant bookings from residential lots in Soliento in Nuvali, The Courtyards in Imus and Dasmarinas, Cavite, Ayala Westgrove Heights in Silang, Cavite and Ayala Greenfield Estates in Calamba, Laguna and high-value condominium units such as East Gallery Place in Bonifacio Global City, Two Roxas Triangle and Garden Towers in Makati and Arbor Lanes in Arca South. Alveo meanwhile posted P10.38 billion in revenues, 14% higher compared to last year, owing to the higher sales and completion of its new and existing projects such as High Park in Vertis North, Verve Residences, Sequoia, in Bonifacio Global City, The Veranda in Arca South, Solstice in Circuit, Kroma and Escala in Makati and Lumira in Nuvali. Avida and Amaia likewise recorded revenue growth of 5% and 50% to P13.18 billion and P3.63 billion, respectively. Avida's performance was anchored on the higher contributions from Avida Towers Vita in Vertis North, Avida Towers BGC 34th Street and Avida Towers Verte in Bonifacio Global City and Avida Towers Riala in Cebu. Amaia's revenues was primarily driven by the strong sales of Amaia Steps Nuvali. BellaVita revenues increased 81% to P115.6 million, mainly due to solid bookings generated by its projects in General Trias and Alaminos.

Sales take-up in 2014 increased 11%, reaching a total of P101.7 billion, an all-time high, equivalent to an average monthly sales take-up of P8.48 billion. Residential Gross Profit (GP) margins of horizontal projects remained steady at 44% while GP margins of vertical developments slightly declined to 33% due to the sales mix. The Company's five residential brands launched a total of 16,564 units in 2014, with a total sales value of P84.5 billion.

In addition, revenue from the sale of office spaces by Alveo and Avida aggregated at P4.86 billion representing more than a four-fold increase from 2013 driven mainly by additional bookings and project completion of High Street South Corporate Plaza Towers, Park Triangle Corporate Plaza and One Park Drive in Bonifacio Global City. GP margins of offices for sale slightly declined to 38% in 2014 from 39% in the previous year due to the increased contribution of BPI Corporate Center in Cebu.

Revenues from the sale of Commercial and Industrial Lots decreased by 44% year-on-year in 2014 to P8.43 billion, mainly due to the sale of commercial lots in Arca South in 2013. GP margins of Commercial and Industrial lots however improved to 45% in 2014 from 40% in the previous year due to higher margins on commercial lots sold in Arca South, Altaraza and Nuvali.

Commercial Leasing. Commercial Leasing includes the Company's Shopping Centers and Office Leasing as well as Hotels and Resorts operations. Total revenues from Commercial Leasing amounted to P21.06 billion in 2014, 18% higher than the P18.00 billion recorded in the same period last year.

Revenues from Shopping Centers grew by 8% to P11.36 in 2014 from P10.48 billion in 2013. 2014 saw a steady increase in monthly average lease rates to P1,146 per square meter from P1,113 per square meter in 2013, with the opening of new malls and steady rental escalations. Total gross leasable area (GLA) was up 6% year-on-year to 1,336,168 square meters while occupied gross leasable area (GLA) was up by 5% year-on-year to 1,260,470. Same store rental growth increased by 6%. Shopping Centers EBITDA margin improved to 65% from 62% due to the higher contribution from new malls from higher occupancy and average rental rates.

Revenues from Office Leasing operations increased by 21% to P4.23 billion in 2014, from P3.50 billion last year due to the full year contribution of new offices from higher occupancy and average rental rates. Total GLA expanded to 611,816 square meters while total occupied office GLA expanded to 582,595 square meters in 2014. Average BPO lease rates increased 5% year-on-year to P676 per square meter due to rental escalations in existing buildings. EBITDA margins of the total office portfolio improved to 87% from 85%.

Hotels and Resorts currently operates 1,294 hotel rooms from its internationally branded segment; Hotel InterContinental Manila, Cebu City Marriott, Fairmont Hotel and Raffles Residences Makati and Holiday Inn & Suites Makati, 203 island resort rooms from El Nido Resorts in Lagen, Miniloc, Apulit and Pangulasian Islands in the province of Palawan and 665 rooms from its Seda Hotels located in Bonifacio Global City, Centrio Cagayan de Oro, Abreeza Davao which all opened in 2013, and the Seda Nuvali Hotel which opened in March 2014. Revenues of the Hotels and Resorts business grew by 40% to P5.62 billion in 2014 from P4.02 billion in 2013, primarily driven by improved performance of new hotels and resorts. Revenue per Available Room (REVPAR) for hotels was at P3,831, higher by 26% versus 2013 levels due to improved occupancy and room rates at Holiday Inn, Fairmont Hotel and Raffles Residences and the Seda Hotels. REVPAR for resorts improved by 18% year-on-year to P6,706 owing to improved occupancy across all resorts. EBITDA margins for Hotels and Resorts increased to 29% from 20%.

Services. Services which include the Company's wholly-owned Construction and Property Management companies generated combined revenues of P29.80 billion in 2014, 22% higher than the P24.45 billion posted in 2013. Construction revenues grew by 25% to P28.76 billion with the steady completion of project within the ALI Group. Property Management revenues decreased 31% to P1.035 billion in 2014 due to lower revenues and the sale of Laguna Technopark Inc. waterworks in 2013. Blended EBITDA margins for Services increased to 11% from 9% in 2014.

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

Equity in Net Earnings from Investees grew by 18% to P647 million in 2014, from P550 million in 2013. The increase is mainly attributed to higher sales of commercial lots by Fort Bonifacio Development Corporation (FBDC). Meanwhile, Interest, Investment and Other income reached P5.5 billion, due to higher interest income on accretion and installment sales.

Expenses

Total expenses in 2014 amounted to P71.34 billion, 14% more than the P62.56 billion incurred in 2013. Cost of Sales from Real Estate and Hotels, which accounted for the bulk of expenses, rose 15% year-on-year amounting to P59.40 billion. General and Administrative Expenses (GAE) grew by only 5% to P6.20 billion primarily due to payroll and compensation-related expenses, with the GAE-to-revenue ratio declining to 6.5% from 7.3% last year. Interest Expense, Financing and Other Charges meanwhile increased by 20% year-on-year to P5.74 billion, mainly attributed to new bond issuances to finance the Company's expansion plans.

Project and Capital Expenditure

The Company spent a total of P83.3 billion for project and capital expenditures in 2014, 26% more than the P66.26 billion spent in 2013. The bulk of capital expenditures was spent on project completion (62% of the total) with the remaining balance spent for land acquisition (38%). For 2015, the Company has allotted P100.3 billion for capital expenditures primarily earmarked for the completion of ongoing developments and launches of new residential and leasing projects which will help sustain the Company's growth trajectory in the coming years.

Financial Condition

The Company's balance sheet continues to be solid, with adequate capacity to support its growth plans for 2015 and beyond. Cash and Cash Equivalents including short term investments and investments in UITF classified as FVPL stood at P34.59 billion, resulting in a Current Ratio of 1.22:1. Total Borrowings stood at P124.67 billion from P101.90 billion as of December last year, translating to a Debt-to-Equity Ratio of 1.02:1 and a Net Debt-to-Equity Ratio of 0.74:1. Return on Equity was at 14.4% in 2014.

Key Financial Performance Indicators

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

	<i>December 31, 2014</i>	<i>December 31, 2013</i>
Current ratio ¹	1.22:1	1.45:1
Debt-to-equity ratio ²	1.02:1	0.91:1
Net debt-to-equity ratio ³	0.74:1	0.55:1
Profitability Ratios:		
Return on assets ⁴	5.0%	4.9%
Return on equity ⁵	14%	13%
Asset to Equity ratio ⁶	3.19:1	2.90:1
Interest Rate Coverage ⁷	5.7	6.5

¹ *Current assets / current liabilities*

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- ² Total debt/ consolidated stockholders' equity, net of unrealized gain (Total debt includes short-term debt, long-term debt and current portion of long-term debt)
- ³ Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through fvpl – excludes Arch Capital Fund)
- ⁴ Total Net income / average total assets
- ⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI
- ⁶ Total Assets /Total stockholders' equity
- ⁷ EBITDA/Interest expense

Material changes (+/- 5% or more) in the financial statements

Income Statement items – 2014 versus 2013

17% increase in real estate and hotel revenues

Primarily due to higher sales bookings and incremental completion of residential projects and improved performance of leasing, hotels and resorts business segments

18% increase in equity in net earnings of investees

Largely attributable to the higher equity contribution from FBDC companies

36% increase in interest and investment income

Due primarily from higher interest income on accretion

36% decrease in other income

Largely due to the sale of the waterworks business and the contribution from the decrease in other income from DPSI and EMPI

15% increase in real estate and hotel costs

Largely due to higher costs and expenses

5% increase in general and administrative expenses

Primarily due to higher taxes & licenses, donation, dues & fees, training & seminars, repairs & maintenance and office services related expenses

20% increase in interest expense, financing and other charges

Largely due to the increased borrowings to finance various capital expenditures

32% increase in provision for income tax

Mainly due to higher taxable income for the period

14% increase in net income attributable to non-controlling interests

Primarily due to the increased contribution from BG Companies, Vismin and Nuvali companies

Balance Sheet items – 2014 versus 2013

1,702% increase in short-term investments

Mainly due to the increase in short-term investment placements and increased interest rates

53% decrease in financials assets at fair value through profit or loss

Largely due to the matured UITF placements that are not renewed

*37% increase in accounts and notes receivable (net)
Primarily due to higher sales of new and existing residential projects*

*11% increase in real estate inventories
Mainly due to additional land acquisitions, incremental project completion and new launches of residential projects*

*22% increase in other current assets
Mainly due to proceeds from the sale of projects in escrow deposits*

*78% increase in non-current accounts and notes receivables
Largely due to increased sales from newly launched and existing residential projects.*

Advances made to joint venture partners have been made in consideration of project costs and purchases of land that are still subject to completion. ALI does not intend that these advances will be repaid, but will instead be recorded as part of the project costs upon development or as part of consideration for purchases of land. The documentation for these advances provides that these will be payable over a fixed term or on demand in order to allow for repayment of the advances when closing does not occur.

*133% increase in available-for-sale financial assets
Mainly due to Varejo's SSI AFS investment*

*28% increase in land and improvements
Primarily due to additional acquisition of land parcels for future development*

*18% increase in investments in associates and joint ventures
Largely due to the increase in equity in net earnings from FBDC group.*

*15% increase in investment properties
Mainly due to additional costs on new & existing malls and buildings for lease and land acquisitions*

*7% increase in property and equipment
Contribution from new hotel and HQ (Alveo and Avida) buildings and improvements, installation of district cooling systems in shopping centers and acquisition of construction formworks and equipment fleet*

*25% increase in deferred tax assets
Primarily due to higher deferred tax assets mainly from residential group's tax effect of temporary difference arising from sale and collection on booked accounts. Taxable income (per percentage of completion or POC) is greater than accounting income (per collection).*

*32% increase in accounts and other payables
Mainly due to higher expenses on the completion of existing and new projects*

*31% increase in short-term debt
Primarily due to increase in loan availments of ALI Parent, Avida and Alveo and new loan of TKDC*

39% decrease in income tax payable

Mainly from lower taxable income in 4Q 2014 and increase in actual amount paid for 3rd quarter ITR filing

43% increase in current portion of long-term debt

Mainly due to increase in loan amount from ALI parent, hotels & resorts and malls group, ADC, Avida, and Phil.Energy

73% increase in deposits and other current liabilities

Mainly due to tenants' deposits and construction bonds which will be applied against the rent and service due.

20% increase in long-term debt - net of current portion

Largely attributable to increase in loan availments of ALI parent and subsidiaries and new loan availments of malls and residential companies

38% increase in pension liabilities

Primarily due to impact of Revised PAS 19 employee benefits.

51% decrease in deferred tax liabilities

Mainly due to deferred tax liability arising from temporary difference on non-taxable income recognized during the period.

6% increase in deposits and other noncurrent liabilities

Largely due to higher deposits from residential customers and new tenants for offices and increased retention payable

15% increase in retained earnings

Mainly due to the increase in income for the period

6% decrease in stock options outstanding

Mainly due to issuance and cancellation of ESOP/ESOWN

323% increase in net unrealized gain on available-for-sale financial assets

Primarily due to the increase in available-for-sale financial assets investments

10% increase in non controlling interest

Primarily due to the increase in the share in Net Income of all subsidiaries below 100% ownership

25% increase in Parent Equity Reserve

Mainly due to increase additional equity interest in NTDCC, CECI

Results of Operations for the Year Ended December 31, 2013

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

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

Business Segments

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

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

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

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

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

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

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

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

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

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

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

Equity in Net Earnings from Investees rose by 3% to P550 million in 2013 from P536 million in the previous year. Interest and Investment Income meanwhile declined by 17% to P3.54 billion in 2013. The decrease is mainly attributed to the effect of the one-time gain on the re-

measurement of ALI Makati Hotel & Residences, Inc. and ALI Makati Hotel Property, Inc. in 2012 and lower interest income on the Company's money market placements, despite a higher average cash balance in 2013. Other Income grew by 165% to P1.10 billion, primarily due to the sale of Laguna Technopark's waterworks business.

Expenses

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

Project and Capital Expenditure

The Company spent a total of P66.02 billion in capital expenditures in 2013, 7% lower than the P71.29 billion spent the previous year. The bulk of capital expenditures in 2013 were utilized for residential developments (32% of total), land acquisition (41%), offices (8%), shopping centers (12%), hotels and resorts (2%), with the balance spent on support business and land development activities in the Company's strategic landbank areas. For 2014, the Company has allotted another P70.0 billion for capital expenditures primarily earmarked for the completion of ongoing developments and launches of new residential and leasing projects, which will help sustain the Company's growth trajectory in the coming years. The total value of the 78 projects that are expected to be launched this year is estimated to be at around P142 billion.

Financial Condition

The Company's balance sheet remains strong with sufficient capacity to carry out its aggressive growth plans in 2014 and beyond. Cash and Cash Equivalents including short term investments and investments in UITF classified as FVPL stood at P40.78 billion, resulting in a Current Ratio of 1.45:1. Total Borrowings stood at P101.90 billion from P74.78 billion as of December last year, translating to a Debt-to-Equity Ratio of 0.91:1 and a Net Debt-to-Equity Ratio of 0.55:1. Return on equity was maintained at 13% in 2013.

Key Financial Performance Indicators

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

	End-December 2013	End-December 2012
Current ratio ¹	1.45:1	1.41:1
Debt-to-equity ratio ²	0.91:1	0.78:1
Net debt-to-equity ratio ³	0.55:1	0.45:1
Profitability Ratios:		
Return on assets ⁴	4.9%	5.3%
Return on equity ⁵	13.0%	13.0%
Asset to Equity ratio ⁶	2.90	2.66:1
Interest Rate Coverage Ratio ⁷	6.5	6.7

¹ Current assets / current liabilities

² Total debt/ consolidated stockholders' equity, net of unrealized gain (Total debt includes short-term debt, long-term debt and current portion of long-term debt)

³ Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through fvpl – excludes ARCH Capital Fund)

⁴ Total Net income / average total assets

⁵ Net income attributable to equity holders of ALI / average total stockholders' equity attributable to equity holders of ALI

⁶ Total Assets / Total stockholders' equity

⁷ EBITDA/Interest expense

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in 2012.

Material changes (+/- 5% or more) in the financial statements

Income Statement items – 2013 versus 2012

40% increase in real estate revenues

Mainly due to the sale of commercial lots in Arca South and strong contributions across all residential brands primarily Ayala Land Premiere, Alveo and Avida coupled with a growing commercial leasing and hotels and resorts businesses.

17% decrease in interest and investment income

Mainly attributed to the effect of the one-time gain on re-measurement of ALI Makati Hotel & Residences, Inc. (AMHRI) and ALI Makati Hotel Property, Inc. (AMPHI) in 2012 and lower interest income on money market placements, despite higher average cash balance.

165% increase in other income

Primary due to the sale of Laguna Technopark's waterworks property and higher management fees.

40% increase in real estate costs and expenses

Mainly driven by development costs related to Arca South commercial lots and residential projects.

25% increase in general and administrative expenses

Primarily due to higher compensation and benefits and donation related expenses.

26% increase in interest expense and other financing charges
Mainly due to higher debt levels.

85% increase in other charges
Largely due to provisions for impairment.

34% increase in provision for income tax
Mainly due to higher taxable income for the period.

26% increase in net income attributable to non-controlling interests
Primarily due to higher income from BG companies.

Balance Sheet items – 2013 versus 2012

13% decrease in cash and cash equivalents
Mainly due to reclassification of UITF to financial asset at fair value through profit or loss.

1% increase in short-term investments
Primarily due to maturity of short-term investments.

1,778% increase in financial assets at fair value through profit or loss
Mainly due to investments in UITF

26% increase in accounts and notes receivables (net)
Largely due to launch of new projects and higher bookings.

59% increase in real estate inventories
Mainly due to incremental project completion and new launches.

13% increase in other current assets
Mainly due to proceeds from the sale of projects in escrow deposits.

15% increase in non-current accounts and notes receivables
Largely due to increased sales of Ayala Land Premier, Alveo and Avida projects.

28% increase in land and improvements
Mainly due to the acquisition of additional land parcels for future development.

18% increase in investments in associates and joint ventures
Largely due to increased equity in net earnings from FBDC group.

29% decrease in available-for-sale financial assets
Largely due to the redemption of Ayala Corporation preferred shares.

19% increase in investment properties
Largely due to new projects such as Fairview Terraces, Harbor Point, Holiday Inn Makati, and Seda Hotels.

15% increase in property and equipment

Mainly due to new hotel buildings and improvements and installation of district cooling systems in shopping centers.

71% increase in deferred tax assets

Mainly due to higher deferred tax assets on taxable temporary differences.

151% increase in other noncurrent assets

Mainly due to project costs related to Ayala Land resorts.

42% increase in accounts and other payables

Primarily due to increase in trade payables with the completion of existing and new projects

27% increase in short-term debt

Mainly due to new loan availment of ALI-Parent, Amaia and ALI Property Partners Corporation (APPCO).

18% increase in income tax payable

Largely due to higher taxable income

46% decrease in current portion of long-term debt

Primarily due to significant loan payments by ALI-parent.

6% decrease in deposits and other current liabilities

Mainly due to customer deposits from various residential projects.

47% increase in long-term debt – net of current portion

Mainly due to new issuance of fixed rate bonds and new loan availments.

96% increase in pension liabilities

Primarily due to impact of Revised PAS 19 employee benefits.

25% increase in deferred tax liabilities

Mainly due to increase in fair value of AMHRI and AMHPI.

18% increase in deposits and other noncurrent liabilities

Primarily due to increase in liability for purchased land.

30% increase in paid up capital

Mainly due to top up placement amounting to P12.2 billion.

7% decrease in stock options outstanding

Primarily due to issuance of ESOP and ESOWN shares.

13% decrease in unrealized gain on available-for-sale financial assets

Primarily due to the presence of unrealized gain in Ayala Corporation's preferred redeemed in 2013.

107% increase in actuarial loss on pension obligation

Primarily due to impact of revised PAS19 related to employee benefits.

15% increase in retained earnings

Mainly due to increase in income.

100% decrease in treasury stock

Largely attributed to retirement of redeemed preferred shares.

Results of Operations for the Year Ended December 31, 2012

Ayala Land, Inc. ("ALI" or "the Company") posted a record Php9.04 billion in net income (attributable to equity holders of ALI) for the year 2012, 27% higher than the Php7.14 billion recorded the previous year. Consolidated revenues reached Php59.93 billion, 26% higher year-on-year. Revenues from Real Estate, which comprised the bulk of consolidated revenues, increased by 21% to Php54.71 billion primarily driven by the robust performance of the Property Development business.

Margins of the Company's key business lines continued to improve with strict control of project costs and direct operating expenses (discussed below in the Business Segment review). Corporate costs remain under control with the ratio of General and Administrative Expenses (GAE) to revenues maintained at 8% for two consecutive years. With total revenue growth outpacing the growth of total expenses, net income margin before non-controlling interest remained at 15% in 2012 compared to 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 units, commercial and industrial lots, registered revenues of Php33.19 billion in 2012, 31% higher than the Php25.26 billion recorded in 2011.

Revenues from the residential business reached Php30.88 billion in 2012, 29% higher than the Php23.99 billion reported the previous year, driven by higher bookings, steady project launches and continuous progress on construction across all residential brands. Ayala Land Premier (ALP) generated Php10.39 billion in revenues or an improvement of 9% year-on-year on the back of increased bookings in projects namely Park Terraces Makati, The Suites Bonifacio Global City (BGC) and Elaro in NUVALI. Alveo and Avida also registered year-on-year revenue growth of 29% and 37% to Php7.52 billion and Php8.29 billion, respectively, following the strong sales and bookings of newly-launched projects such as The Maridien Towers (BGC), Solinea Towers 1 and 2 (Cebu), Kasa Luntian Phase 1 (Tagaytay), Lerato (Makati), and Vesta in NUVALI for Alveo, and Avida Towers Centera 1-3 (Mandaluyong City), Avida 34th Street Tower 1 (BGC), Avida Cityflex Tower 2 (BGC), Avida Parkway Settings (NUVALI), Avida Settings Cavite, Avida Village NUVALI, Avida Ridgeview Estates NUVALI, Avida Cebu Tower 2, Avida Alabang Tower 2, Avida New Manila Tower 5 and Avida San Lorenzo Tower 2. Residential brand Amaia, catering to the economic housing segment, significantly increased its contribution to residential revenues in 2012 as it generated Php1.55 billion, 85% higher than the Php841 million earned in 2011, primarily from the strong performance of Amaia Scapes Bacolod and Cabanatuan and newly-launched projects in Cavite, Lipa, Novaliches, Cubao, Sta. Mesa and Avenida.

Sales take-up value in 2012 reached Php77.61 billion, equivalent to an average monthly sales take-up of Php6.47 billion that is 50% higher than the Php4.31 billion average monthly sales take-up achieved the previous year. Residential gross profit (GP) margins of vertical projects improved to 35% from 33% with the impact of various cost control initiatives to lower project construction costs, while GP margins of horizontal developments declined slightly to 45% from 46% due to a shift in mix towards more house and lot packages rather than the sale of lots. The Company's four residential brands, together with fifth brand Bella Vita that caters to the socialized housing segment, launched a total of 23,487 units in 2012. For 2013, the Company is

anticipating continued demand for residential products and will be launching around 31,000 units across all residential brands.

Revenues from the sale of commercial and industrial lots grew by 81% in 2012 to Php2.31 billion, largely due to the sale of 25 commercial lots in NUVALI. However, GP margins dropped to 50% from 54% as the institutional raw land sale in NUVALI carried a lower margin.

Commercial Leasing. Commercial Leasing includes the Company's Shopping Center and Office Leasing operations. Total revenues for Commercial Leasing amounted to Php8.78 billion in 2012, 18% higher than the Php7.46 billion recorded the previous year.

Revenues from Shopping Centers increased by 18% to Php5.85 billion in 2012, driven by higher average lease rates and expanded gross leasable area (GLA). Average lease rates rose in 2012 by 3% brought about by negotiated and programmed rental escalations. The retail environment remained buoyant as same-store sales for building and land leases increased by 6% and 12%, respectively. The opening of Harbor Point Mall in Subic, Centrio Mall in Cagayan de Oro and the New Glorietta, resulted in an 8% expansion in occupied GLA. The earnings before interest, taxes, depreciation and amortization (EBITDA) margin of shopping centers increased to 62% from 60% the previous year due to improved mall operations and effective management of direct operating expenses. Average occupancy rate across all malls slightly dropped to 94% compared with 96% in 2011 due to the additional GLA from newly-opened malls.

Revenues from Office leasing operations rose by 18% to Php2.94 billion in 2012 from Php2.50 billion the previous year. Revenue growth was attained due to higher lease rates and occupied GLA of business process outsourcing (BPO) office spaces, which grew by 19% year-on-year (an increase of 56,161 square meters). Total available BPO GLA reached 354,822 square meters as of year-end, while average BPO lease rates remained steady at Php589 per square meter. This was achieved despite a change in the portfolio mix as some of the increase in occupied GLA were in provincial (and therefore lower rent) locations. The improvement in occupied BPO space accounted for the two percentage-point improvement in the EBITDA margin of the total office portfolio, which reached 82% in 2012.

Hotels and Resorts. Revenues of the Company's Hotels and Resorts business improved by 9% to Php2.45 billion in 2012. This is attributed to a 4% improvement in revenues per available room (REVPAR) for the hotel portfolio and a 30% improvement in REVPAR for the El Nido chain of resorts. A total of 42 island resort rooms in Pangulasian Island augmented the existing 150 leisure accommodations in the El Nido resort in Palawan, while Fairmont and Raffles Hotel in Makati added 312 rooms, and Seda Hotel BGC and Seda Hotel Cagayan de Oro added 179 rooms and 150 rooms, respectively. The Hotels and Resorts portfolio now operates a total of 1,467 hotel rooms including premium brands Hotel InterContinental Manila and Cebu City Marriott. EBITDA margins for Hotels and Resorts however declined to 15% from 29% due to pre-operating costs of the newly-opened facilities. The Company is set to unveil a new Holiday Inn & Suites hotel in Makati by the second quarter of 2013 and two more Seda hotels, in Davao and NUVALI, by the end of 2013 which collectively will add another 647 rooms to the total inventory.

Services. Services, comprised of the Company's wholly-owned Construction and Property Management businesses, generated combined revenues (net of inter-company eliminations) of Php5.48 billion in 2012. This was 13% lower than the Php6.26 billion posted in 2011 following Makati Development Corporation's deliberate move to focus on Ayala Land projects. Only

revenues from third-party contracts, or the revenue from third-party minority interests in Ayala Land projects, are reflected as construction revenues in consolidated Company accounts. Before inter-company eliminations, construction revenues actually increased by 40% to Php19.24 billion compared to Php13.77 billion in 2011, while Property Management revenues grew 16% to Php1.29 billion in 2012 due to higher carpark revenues, compared with Php1.11 billion the previous year. The blended EBITDA margin for Services declined by one percentage-point to 7%, due to lower margins from internal contracts.

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

Equity in Net Earnings from Investees rose by 38% to Php535.91 million in 2012 from Php388.96 million the previous year, mainly as a result of higher contributions from the projects of BG North Properties Inc., BG West Properties Inc. and BG South Properties Inc., joint venture companies for the residential condominium projects of ALP, Alveo and Avida in BGC. Interest, Investment and Other Income meanwhile grew by 92% to Php4.69 billion in 2012 compared with the Php2.44 billion the previous year. The increase was accounted for mostly by higher average cash balance, increase in management fees and the accretion of interest income from the sale of Php4.31 billion worth of receivables.

Expenses

Total expenses amounted to Php45.39 billion in 2012, 26% more than the Php36.07 billion incurred in 2011. Cost of Sales from Real Estate, which accounted for the bulk of expenses, rose 23% year-on-year to Php37.03 billion. GAE meanwhile grew by 26% to Php4.73 billion, largely because of the increase in manpower-related expenses for the new hotels and resorts facilities. Nevertheless, GAE-to-revenue ratio remained at 8% in 2012. Interest Expense, Financing and Other Charges increased by 56% year-on-year to Php3.63 billion, mostly due to higher financing charges related to the sale of receivables and additional borrowings. While total financing charges increased, the average cost of the Company's consolidated debt decreased to 5.4%, from 6.3% in 2011.

Project and Capital Expenditure

The Company spent a record high of Php71.29 billion in capital expenditures in 2012, 138% more than the Php29.91 billion spent the previous year. Residential development accounted for 23% of the total, while 57% was spent for land acquisition, which includes Php22.6 billion initial payment made in November for the 74-hectare Food Terminal Inc. property located in Taguig City. Shopping centers, hotels and resorts, offices and other land development activities accounted for the balance of 10%, 7%, 2% and 1%, respectively. For 2013, the Company has allotted another Php65.5 billion for capital expenditures primarily earmarked for the completion of ongoing developments and launches of new residential and leasing projects, which will help sustain the Company's growth trajectory over the coming years. The total value of the 69 projects that are expected to be launched this year is estimated to be at around Php129 billion.

Financial Condition

The Company's balance sheet remained strong with sufficient capacity to carry out its aggressive growth plans in the following years. Strong cash inflows from the successful pre-sales of various residential launches as well as proceeds from the Php3.0 billion notes and Php15.0 billion bonds, as well as the Php1.0 billion Homestarter Bond issued in 2012 brought Cash and Cash Equivalents including short term investment and UITF investments classified as

FVPL to Php32.14 billion. Current Ratio stood at 1.40: 1, with total borrowings at Php74.78 billion as of December 2012. Debt-to-Equity Ratio was at 0.78: 1 while Net Debt-to-Equity Ratio increased to 0.45: 1. Return on equity increased one-percentage point year-on-year to 13% in 2012.

Key Financial Performance Indicators

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

	<i>End-December 2012</i>	<i>End-December 2011</i>
Current ratio ¹	1.40:1	1.65:1
Debt-to-equity ratio ²	0.78:1	0.51:1
Net debt-to-equity ratio ³	0.45:1	0.16:1
Profitability Ratios:		
Return on assets ⁴	5.4%	5.9%
Return on equity ⁵	12.6%	11.8%
Asset to Equity ratio ⁶	2.66:1	2.19:1
Interest Rate Coverage Ratio ⁷	6.73	7.39

¹ *Current assets / current liabilities*

² *Total debt/ consolidated stockholders' equity, net of unrealized gain (Total debt includes short-term debt, long-term debt and current portion of long-term debt)*

³ *Net debt/ consolidated stockholders' equity (Net debt is total debt less cash and cash equivalents, short term investments and financial assets through fvpl - excludes ARCH Capital Fund)*

⁴ *Total Net income / average total assets*

⁵ *Net income attributable to equity holders of ALI / average total stockholders' equity attributable to the parent*

⁶ *Total Assets / Total stockholders' equity attributable to parent*

⁷ *EBITDA/Interest expense*

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created in 2012.

Material changes (+/- 5% or more) in the financial statements

Income Statement items – 2012 versus 2011

21% increase in real estate revenues

Mainly due to higher sales from newly launched residential projects such as Park Terraces, Abreeza Residences and Serendra West Tower of Ayala Land Premier and Centera Towers and Parkway Settings of Nuvali, and growth in leasing and hotel businesses.

152% increase in interest and investment income

Mainly due to one-off remeasurement gain of previously held equity interest in ALI Makati Hotels & Residences Inc. (AMHRI) and ALI Makati Hotel Property Inc. (AMHPI) and higher interest income.

38% increase in equity in net earnings of associates and joint ventures

Largely due to higher contribution from FBDC companies.

45% decrease in other income

Mainly due to higher development management fees and foreign exchange gains.

23% increase in real estate costs and expenses

Mainly due to higher real estate revenues and consolidation of AMHRI and AMHPI.

26% increase in general and administrative expenses

Primarily due to higher payroll costs and start up costs for new hotels.

56% increase in interest expense and other financing charges

Mainly due to higher debt levels.

68% increase in other charges

Largely due to provisions for impairment.

15% increase in provision for income tax

Mainly due to higher taxable income for the period.

41% increase in net income attributable to noncontrolling interests

Primarily due to higher income from NUVALI companies.

Balance Sheet items – 2012 versus 2011

18% increase in cash and cash equivalents

Mainly proceeds from the issuance of new common shares and fixed rate bonds, sale of account receivables, increased collections and loan availments.

91% decrease in short-term investments

Primarily due to maturity of short-term investments.

Increase in financial assets at fair value through profit or loss and available- for- sale financial assets

Mainly due to reclassification of investment in Arch Capital Asian Partners L.P.

52% increase in accounts and notes receivables (net)

Largely due to launch of new projects and higher bookings.

19% increase in real estate inventories

Mainly due to incremental project completion of existing and new projects.

138% increase in other current assets

Mainly due to prepayments on Alveo and Avida land acquisitions.

80% increase in non-current accounts and notes receivables

Largely due to increased sales of Ayala Land Premier, Avida and higher bookings of Alveo projects.

33% decrease in available-for-sale financial assets

Largely due to sale of fixed income securities of ALI-Parent.

161% increase in land and improvements

Mainly due to acquisition of Food Terminal Inc. property.

20% increase in investment properties

Largely due to new projects such as Holiday Inn & Suites Makati, Seda Hotels, Centrio Mall and Ayala Center redevelopment.

174% increase in property and equipment

Mainly due to acquisition of AMHRI & AMHPI.

30% increase in other noncurrent assets

Mainly due to exploratory expenses and goodwill on hotel acquisition.

42% increase in accounts and other payables

Primarily due to increase in trade payables with the completion of existing and new projects

84% increase in short-term debt

Mainly due to new loan availment of ALI-Parent, Alveo, Avida and ALI Property Partners Corporation (APPCO).

235% increase in income tax payable

Largely due to higher taxable income

254% increase in current portion of long-term debt

Primarily due to ALI-Parent bond payables.

248% increase in other current liabilities

Mainly due to increase in customer deposits.

83% increase in long-term debt – net of current portion

Mainly due to new issuance of fixed rate bonds and higher interest expense.

96% decrease in pension liabilities

Primarily due to higher contribution of companies with net liability position.

121% increase in deposits and other noncurrent liabilities

Primarily due to increase in customer and security deposits, and deferred income from projects.

14% increase in retained earnings

Mainly due to increase in income.

8% decrease in stock options outstanding

Primarily due to issuance of ESOP shares.

27% decrease in unrealized gain on available-for-sale financial assets

Primarily due to sale of fixed income securities, and lower revaluation on preferred shares of Ayala Corporation

2% decrease in noncontrolling interests in net assets of subsidiaries
Largely attributed to redemption of shares for APPCO, Accendo and AHI.

CHANGES IN ACCOUNTING AND FINANCIAL DISCLOSURE

Adoption of New and Amended Accounting Standards and Interpretations

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial year except for the adoption of the following new and amended PFRS which became effective January 1, 2014.

The nature and the impact of each new standard and amendment are described below:

Investment Entities (Amendments to PFRS 10, Consolidated Financial Statements, PFRS 12, Disclosure of Interests in Other Entities, and PAS 27, Separate Financial Statements)

These amendments 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. The amendments must be applied retrospectively, subject to certain transition relief.

These amendments have no impact to the Group, since none of the entities within the Group qualifies to be an investment entity under PFRS 10.

PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (Amendments)

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively.

These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

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 and retrospective application is required. These amendments have no impact on the Group as the Group has not novated its derivatives during the current or prior periods.

PAS 36, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)

These amendments remove the unintended consequences of PFRS 13, *Fair Value Measurement*, on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period.

The application of these amendments has no material impact on the disclosure in the Group's consolidated financial statements.

Philippine Interpretation IFRIC 21, *Levies*

IFRIC 21 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. Retrospective application is required for IFRIC 21.

This interpretation has no impact on the Group as it has applied the recognition principles under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, consistent with the requirements of IFRIC 21 in prior years.

Annual Improvements to PFRSs (2010-2012 cycle)

In the 2010 – 2012 annual improvements cycle, seven amendments to six standards were issued, which included an amendment to PFRS 13, *Fair Value Measurement*. The amendment to PFRS 13 is effective immediately and it clarifies that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment has no impact on the Group.

Annual Improvements to PFRSs (2011-2013 cycle)

In the 2011 – 2013 annual improvements cycle, four amendments to four standards were issued, which included an amendment to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards—First-time Adoption of PFRS*. The amendment to PFRS 1 is effective immediately. It clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment has no impact on the Group as it is not a first time PFRS adopter.

DIRECTORS, EXECUTIVE OFFICERS AND CONTROL PERSONS

(as of January 31, 2015)

The write-ups below include positions currently held by the directors and executive officers, as well as positions held during the past five years.

Board of Directors

Fernando Zobel de Ayala	Jaime C. Laya
Jaime Augusto Zobel de Ayala	Delfin L. Lazaro
Bernard Vincent O. Dy	Rizalina G. Mantaring
Antonino T. Aquino	Vincent Y. Tan
Francis G. Estrada	

Fernando Zobel de Ayala, Filipino, 54, has served as Chairman of the Board of ALI since April 1999. He holds the following positions in publicly listed companies: President and Chief Operating Officer of Ayala Corporation; Chairman of Manila Water Company, Inc.; and Director of Bank of The Philippine Islands, Globe Telecom, Inc. and Integrated Micro-Electronics, Inc. He is the Chairman of AC International Finance Ltd., AC Energy Holdings, Inc., and Hero Foundation, Inc.; Co-Chairman of Ayala Foundation, Inc.; Director of Livelt Investments, Ltd., Ayala International Holdings Limited, Honda Cars Philippines, Inc., Isuzu Philippines Corporation, Pilipinas Shell Petroleum Corp., Manila Peninsula and Habitat for Humanity International; Member of the INSEAD East Asia Council, World Presidents' Organization and Habitat for Humanity International; Chairman of Habitat for Humanity's Asia-Pacific Capital Campaign Steering Committee; and Member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation, Kapit Bisig para sa Ilog Pasig Advisory Board, National Museum and the foundation of the Roman Catholic Church. He graduated with B.A. Liberal Arts at Harvard College in 1982.

Jaime Augusto Zobel de Ayala, Filipino, 55, has served as a Director, Vice Chairman and member of the Executive Committee of ALI since June 1988. He holds the following positions in publicly listed companies: Chairman and CEO of Ayala Corporation; Chairman of Globe Telecom, Inc., Integrated Micro-Electronics, Inc. and Bank of the Philippine Islands; and Vice Chairman of Manila Water Company, Inc. He is also the Co-Chairman of Ayala Foundation, Inc.; Vice Chairman of AC Energy Holdings, Inc.; Chairman of Harvard Business School Asia-Pacific Advisory Board; Vice Chairman of the Makati Business Club, and member of the Harvard Global Advisory Council, Mitsubishi Corporation International Advisory Committee, JP Morgan International Council, Endeavor Philippines and National Competitiveness Council; and a Philippine Representative for APEC Business Advisory Council. He graduated with B.A. in Economics (Cum Laude) at Harvard College in 1981 and took his MBA at the Harvard Graduate School of Business Administration in 1987.

Bernard Vincent O. Dy, Filipino, 51, is the President & Chief Executive Officer of ALI effective April 7, 2014. Prior to this post, he was the Head of the Residential Business, Commercial Business and Corporate Marketing and Sales of ALI. He is the Chairman of two other publicly listed companies namely: Cebu Holdings, Inc. and Cebu Property Ventures and Development Corporation. His other significant positions include: Chairman of Ayala Land International Sales,

Inc., Anvaya Cove Golf & Sports Club and Amicassa Process Solutions, Inc., Amaia Land Corporation, Avida Land Corp. ("Avida"), Alveo, Alviera Country Club, Inc., Ayalaland Commercial Reit, Inc., Lagdigan Land Corporation, Cagayan De Oro Gateway Corp., BGSouth Properties, Inc., BGNorth Properties, Inc., BGWest Properties, Inc., Portico Land Corp., Directpower Services, Inc., Philippine Integrated Energy Solutions, Inc., Bonifacio Estate Services Corporation, Amaia Southern Properties, Inc. ; Vice Chairman of Bellavita Land Corporation and Ayala Greenfield Development Corporation; President of Serendra, Inc. and Varejo Corporation, Alabang Commercial Corporation, Accendo Commercial Corp., Aurora Properties Incorporated, Ceci Realty Inc., Vesta Property Holdings, Inc., Bonifacio Land Corporation, Berkshires Holdings, Inc. and Columbus Holdings, Inc.; Director of Fort Bonifacio Development Corporation, Ayala Land Sales, Inc., North Triangle Depot Commercial Corporation, Station Square East Commercial Corporation, Ayala Greenfield Golf & Leisure Club, Ayala Property Management Corporation, Makati Development Corporation and Nuevocentro, Inc.; and Treasurer of SIAL Specialty Retailers, Inc. and SIAL CVS Retailers, Inc. He earned a degree of B.B.A Accountancy from the University of Notre Dame in 1985 and took his Master's Degree in Business Administration and International Relations at the University of Chicago in 1997 and 1989, respectively.

Antonino T. Aquino, Filipino, 67, has served as Director of ALI since April 2009. He is also a Director of Manila Water Company, Inc. (MWC), another publicly listed company, since 1999. He was the President of ALI from April 2009 to April 2014, MWC from April 1999 to April 2009, Ayala Property Management Corporation from 1989 to 1999. He is a Member of the Multi Sectoral Advisory Board of the Philippine Army since 2014. He was named "Co-Management Man of the Year 2009" by the Management Association of the Philippines for his leadership role in a very successful waterworks privatization and public-private sector partnership. He earned a degree in BS Management and Masters in Business from the Ateneo de Manila University in 1968 and 1975, respectively.

Francis G. Estrada, Filipino, 65, has served as Independent Director of ALI since April 2008. His other significant positions are: Independent Director of Philamlife and General Insurance Co. (Chairman, Risk Management Committee; Member of the Audit and Investment Committees); Director and Member of Technology Committee of Rizal Commercial Banking Corporation; Director, Chairman of the Risk Management and Member of the Audit Committees of RCBC Savings Bank; Director and Member of the Risk Management Committee of Engineering Equipment, Inc.; Chairman, Multi-Sectoral Governance Council, Development Bank of the Philippines; Vice-Chairman, Trustee and Fellow of the Institute of Corporate Directors; Director and Member of the Audit Committee of Clean Air Asia, Inc.; Member, Multi-Sectoral Governance Council, Armed Forces of the Philippines; Fellow, Institute for Solidarity in Asia; Trustee of the Sociedad Espanola de Beneficiencia; Vice Chairman and Trustee of Bancom Alumni, Inc.; Director of the Maximo T. Kalaw Foundation; former President of the Asian Institute of Management; former Chairman of De La Salle University Board of Trustees; former Chairman of the Board of Visitors of the Philippine Military Academy; former Member of the National Mission Council and Chairman of the Investment Committee of De La Salle Philippines; Most Outstanding Alumnus of the Asian Institute of Management in 1989. Mr. Estrada graduated from De La Salle University with undergraduate degrees in Liberal Arts and Business Administration in 1971, a Masters Degree in Business Management (with Distinction) at the Asian Institute of Management in 1973 and completed the Advanced Management Program at the Harvard Business School in 1989.

Jaime C. Laya, Filipino, 75, has served as an Independent Director of ALI since April 2010. He is an Independent Director of publicly listed companies namely GMA Network, Inc., GMA

Holdings, Inc. and Manila Water Company, Inc. His other significant positions are: Chairman and President of Philippine Trust Company (Philtrust Bank), Independent Director of Philippine AXA Life Insurance Co., Inc.; and Trustee of Cultural Center of the Philippines, St. Paul's University – Quezon City, Ayala Foundation, Inc., Escuela Taller de Filipinas Foundation, Inc., Fundación Santiago, and other non-profit, non-stock corporations. He graduated magna cum laude from University of the Philippines in 1957 with a degree in B.S.B.A. (Accountancy) and took Management Studies on Industrial Management at the Georgia Institute of Technology in 1960. He later on took his Ph.D. in Financial Management at the Stanford University in 1967. He has served as Minister of the Budget, Minister of Education, Culture and Sports, Governor of the Central Bank of the Philippines, Chairman of the National Commission for Culture and the Arts, and Professor and Dean of Business Administration of the University of the Philippines.

Delfin L. Lazaro, Filipino, 68, has served as member of the Board of ALI since April 1996. He holds the following positions in publicly listed companies: Director of Ayala Corporation, Integrated Micro-Electronics, Inc., Manila Water Company, Inc., and Globe Telecom, Inc.; and Independent Director of Lafarge Republic, Inc. His other significant positions include: Chairman of Philwater Holdings Company, Inc. and Atlas Fertilizer & Chemicals Inc.; Chairman and President of A.C.S.T. Business Holdings, Inc.; Vice Chairman and President of Asiacom Philippines, Inc.; Director of AC Energy Holdings, Inc., AC Infrastructure Holdings Corporation, Ayala International Holdings, Ltd., Bestfull Holdings Limited, Probe Productions, Inc. and Empire Insurance Company; and Trustee of Insular Life Assurance Co., Ltd. He graduated with BS Metallurgical Engineering at the University of the Philippines in 1967 and took his MBA (with Distinction) at Harvard Graduate School of Business in 1971.

Rizalina G. Mantaring, Filipino, 55, has served as an Independent Director of ALI since April 2014. She holds the following position: Country Head for the Sun Life Financial group of companies in the Philippines, President and CEO of the flagship Sun Life of Canada (Philippines) Inc., Director of Sun Life of Canada (Philippines) Inc., Sun Life Financial Plans, Sun Life Asset Management Co. Inc., Sun Life Financial Philippine Holding Co. Inc., Sun Life Grepa Financial, Inc. and Grepalife Asset Management Corporation; Independent Director of Microventures Foundation Inc. She is also the Chair of Sun Life Financial-Philippines Foundation, Inc., and a member of the Makati Business Club, Management Association of the Philippines, Financial Executives of the Philippines and Women Corporate Directors Philippines. In 2010, she was selected as one of the 100 Most Outstanding Alumni of the past century by the University of the Philippines College of Engineering. In 2011, she was named by Moneysense Magazine as one of the 12 Most Influential in Personal Finance. She is also a recipient of the 2011 CEO EXCEL award given by the International Association of Business Communicators. She is a BS Electrical Engineering, cum laude, graduate of the University of the Philippines. She obtained her MS degree in Computer Science from the State University of New York at Albany.

Vincent Y. Tan, Filipino, 64, has been a director of ALI since April 2014. Prior to retiring from active management in April 2014, he was an Executive Vice President and Head of the Planning Group and a member of the Management Committee of ALI. He continues to provide informal inputs and training in sustainability and other topics of interest to the ALI management team. He graduated with a degree of BS Management Engineering from Ateneo de Manila University, a Masters Degree in Business Administration Concentrations in Management Science and Finance from The University of Chicago, and a Certificate in Sustainable Community Development from Simon Fraser University in Vancouver.

Resignation of Directors

To date, no director has resigned or declined to stand for re-election for the Board of Directors due to any disagreement with the Corporation relative to the Corporation's operations, policies and practices.

Management Committee Members / Key Executive Officers

Bernard Vincent O. Dy*	President and Chief Executive Officer
Arturo G. Corpuz**	Senior Vice President
Anna Ma. Margarita B. Dy***	Senior Vice President
Raul M. Irianda	Senior Vice President
Jose Emmanuel H. Jalandoni	Senior Vice President
Emilio Lolito J. Tumbocon**	Senior Vice President
Jaime E. Ysmael	Senior Vice President, Chief Finance Officer, Chief Information Officer & Chief Compliance Officer
Dante M. Abando	Vice President
Leovigildo D. Abot****	Vice President
Augusto D. Bengzon	Vice President & Treasurer
Aniceto V. Bisnar, Jr.	Vice President
Manuel A. Blas II	Vice President
Maria Corazon G. Dizon	Vice President
Steven J. Dy	Vice President
Jose Juan Z. Jugo	Vice President
Laurent P. Lamasuta****	Vice President
Robert S. Lao	Vice President
Michael Alexis C. Legaspi	Vice President
Joselito N. Luna	Vice President
Christopher B. Maglanoc	Vice President
Romeo T. Menpin	Vice President
Thomas F. Mirasol	Vice President
Francis O. Monera**	Vice President
Rodelito J. Ocampo	Vice President
Angelica L. Salvador	Vice President
Ma. Rowena Victoria M. Tomeldan	Vice President
Solomon M. Hermosura	Corporate Secretary
June Vee D. Monteclaro-Navarro	Assistant Corporate Secretary

* Member of the Board

** Retired effective December 31, 2014

*** Senior Vice President effective January 1, 2015

**** Vice President effective January 1, 2015

Bernard Vincent O. Dy, Filipino, 51, is the President & Chief Executive Officer of ALI effective April 7, 2014. Prior to this post, he was the Head of the Residential Business, Commercial Business and Corporate Marketing and Sales of ALI. He is the Chairman of two other publicly listed companies namely: Cebu Holdings, Inc. and Cebu Property Ventures and Development Corporation. His other significant positions include: Chairman of Ayala Land International Sales, Inc., Anvaya Cove Golf & Sports Club and Amicassa Process Solutions, Inc., Amaia Land Corporation, Avida Land Corp. ("Avida"), Alveo, Alviera Country Club, Inc., Ayalaland Commercial Reit, Inc., Lagdigan Land Corporation, Cagayan De Oro Gateway Corp., BGSouth Properties, Inc., BGNorth Properties, Inc., BGWest Properties, Inc., Portico Land Corp., Directpower Services, Inc., Philippine Integrated Energy Solutions, Inc., Bonifacio Estate Services Corporation, Amaia Southern Properties, Inc. ; Vice Chairman of Bellavita Land

Corporation and Ayala Greenfield Development Corporation; President of Serendra, Inc. and Varejo Corporation, Alabang Commercial Corporation, Accendo Commercial Corp., Aurora Properties Incorporated, Ceci Realty Inc., Vesta Property Holdings, Inc., Bonifacio Land Corporation, Berkshires Holdings, Inc. and Columbus Holdings, Inc.; Director of Fort Bonifacio Development Corporation, Ayala Land Sales, Inc., North Triangle Depot Commercial Corporation, Station Square East Commercial Corporation, Ayala Greenfield Golf & Leisure Club, Ayala Property Management Corporation, Makati Development Corporation and Nuevocentro, Inc.; and Treasurer of SIAL Specialty Retailers, Inc. and SIAL CVS Retailers, Inc. He earned a degree of B.B.A Accountancy from the University of Notre Dame in 1985 and took his Master's Degree in Business Administration and International Relations at the University of Chicago in 1997 and 1989, respectively.

Vincent Y. Tan, Filipino, 64, has been a director of ALI since April 2014. Prior to retiring from active management in April 2014, he was an Executive Vice President and Head of the Planning Group and a member of the Management Committee of ALI. He continues to provide informal inputs and training in sustainability and other topics of interest to the ALI management team. He graduated with a degree of BS Management Engineering from Ateneo de Manila University, a Masters Degree in Business Administration Concentrations in Management Science and Finance from The University of Chicago, and a Certificate in Sustainable Community Development from Simon Fraser University in Vancouver.

Arturo G. Corpuz, Filipino, 59, is Senior Vice President and member of the Management Committee of ALI since 2008. He heads the Urban and Regional Planning Division and the Central Land Acquisition Unit of ALI. He is a Trustee of the Makati Parking Authority and a member of the Board of Aurora Properties, Inc. and of Vesta Properties Holdings, Inc. He is a former President of the Philippine Economic Society and a Fellow of the Foundation for Economic Freedom and the Philippine Institute of Environmental Planning. Mr. Corpuz received his baccalaureate degree in Architecture from the University of the Philippines in 1977 and his masteral and doctoral degrees in urban and regional planning from Cornell University in 1984 and 1989.

Anna Ma. Margarita B. Dy, Filipino, 45, is a Senior Vice President since January 1, 2015 and member of the Management Committee of Ayala Land, Inc. effective August 2008. She is the Head of the Strategic Landbank Management (SLMG) of ALI. Her other significant positions include: Director and Executive Vice President of Fort Bonifacio Development Corporation and is a Director of Aurora Properties, Inc., Vesta Properties Holdings, Inc., and CECI Realty, Inc. Prior to joining ALI, she was a Vice President of Benpres Holdings Corporation. She graduated magna cum laude from from Ateneo De Manila University with BS of Arts Degree in Economics Honors Program. She Finished Masters degree in economics from London School of Economics and Political Science UK 1991 and MBA at Harvard Graduate School of Business Administration in Boston.

Raul M. Irlanda, CFM, Filipino, 59, is a Senior Vice-President of Ayala Land Inc. and a member of the Management Committee. He is the Chairman of the Board and Chief Executive Officer of Ayala Property Management Corporation, President and Chief Executive Officer and Director of Philippine Integrated Energy Solutions Inc. and DirectPower Service, Inc., Board Member of Makati Development Corporation and MDC BuildPlus. He is also the Vice-President and Director of Tower One Condominium Corporation, and the first and only Filipino Certified Facility Manager (CFM) by the International Facility Management Association (IFMA), Governor of Ayala Center Estate Association (ACEA) and Makati Commercial Estate Association Inc. (MaCEA) also the head of Ayala Security Force (ASF), and Trustee YMCA Makati. He

graduated with a degree of Bachelor of Science in Management/Finance from San Sebastian College, took Masteral studies in Business Administration major in Financial Management from De La Salle University. He also completed the Executive Development Program at the Aresty Institute of Executive Education at The Wharton School, University of Pennsylvania.

Jose Emmanuel H. Jalandoni, Filipino, 47, is Senior Vice President and member of the Management Committee of Ayala Land, Inc. He is Group Head of commercial businesses including malls, offices, hotels, resorts and ALI Capital. His other significant positions include: Chairman of AyalaLand Hotels and Resorts Corporation, Cebu Insular Hotel Co., Inc., Ten Knots Philippines, Inc., Ten Knots Development Corporation, Laguna Technopark, Inc.; Arvo Commercial Corporation; and ALI Commercial Center, Inc. He is also director of OCLP Holdings, Inc., North Triangle Depot Commercial Corporation, Alabang Commercial Corporation, Station Square East Commercial Corporation and Accendo Commercial Corporation. He is President and CEO of Ayala Hotels, Inc., Member of the Investment Committee of Arch Capital Asian Partners, GP (Cayman) and KHI-ALI Manila, Inc. He joined ALI in 1996 and held various positions in the company. He graduated with a degree of Bachelor of Science in Legal Management from Ateneo de Manila University. He finished Masters Degree in Business Administration from Asian Institute of Management. He is a Chartered Financial Analyst.

Emilio Lolito J. Tumbocon, Filipino, 57, is a Senior Vice-President at ALI, and a member of its Management Committee. He is the Group Head of the Visayas-Mindanao Group and the Human Resources & Public Affairs Group. His other significant positions are Director of the following companies: Cebu Holdings, Inc., Cebu Property Ventures Development Corporation, Cebu Insular Hotel Co., Inc., Cebu District Property Enterprise, Inc., Accendo Commercial Corporation, Cagayan de Oro Gateway Corporation, Taft Punta Engaño Property, Inc., Alveo Land Corporation, Amaia Land Corporation, Makati Development Corporation, MDC Buildplus, Inc., MDC Equipment Solutions, Inc., MDC Subic, Inc., Ecozone Power Management, Laguna Technopark, Inc., Anvaya Cove Golf & Sports Club, Inc., Northgate Hotel Ventures, Inc., ALI Makati Hotel Property, Inc., ALI Makati Hotel and Residences, Inc., Aviana Development Corporation, Ayala Land Hotels and Resorts Corporation, Cebu Leisure Company, Inc., Lagdigan Land Corporation, Corp Southcrest Hotel Ventures, Inc., Westview Commercial Ventures Corporation, Avencosouth Corporation, Whiteknight Holdings, Inc., Asian-I Office Properties, Inc. and Adauge Commercial Corporation. He graduated at the University of the Philippines with a degree of B.S. in Civil Engineering in 1979 and finished his Masters in Business Administration (MBA) in the same university in 1985. He also took the Construction Executive Program (CEPS '87) at Stanford University, California, U.S.A., the Senior Business Executive Program (SBEP'91) at the University of Asia & the Pacific, and The Executive Program (TEP'97) at the Darden Graduate School of Business Administration, University of Virginia, U.S.A. He is a member of the Construction Industry Arbitration Commission of the Construction Industry Authority of the Philippines, Department of Trade & Industry and is a certified Project Management Professional (PMP) of the Project Management Institute since 2006. He has 35 years of extensive work experience in the construction and real estate industry.

Jaime E. Ysmael, Filipino, 54, is a Senior Vice President, Chief Finance Officer, Chief Information Officer, Compliance Officer and member of the Management Committee of ALI. Concurrently, he is a Managing Director of Ayala Corporation and recently, was elected as Chairman, President & Chief Executive Officer of OCLP Holdings, Inc. (An Ortigas Company). His other significant positions include: Chairman of the Board of Directors of Aprisa Business Process Solutions, Inc.; Director and Vice Chairman of CMPI Holdings, Inc.; Chairman and

Directors, Executive Officers and Control Persons

President of Tower One & Exchange Plaza Condominium Corporation; Director and Treasurer of Ayala Land International Sales, Inc., Ayala Land Sales, Inc., Alveo Land Corp., Laguna Technopark, Inc., Serendra, Inc., Ayala Hotels, Inc., Ayalaland Hotels and Resorts Corporation, Cebu Holdings, Inc., and Philippine Integrated Energy Solutions, Inc.; Director, Treasurer and Compliance Officer of Anvaya Golf and Sports Club; Director of Alabang Commercial Corp., Amaia Land Corp., Avida Land Corp., North Triangle Depot Commercial Corp., Station Square East Commercial Corp., Ceci Realty, Inc., Aurora Properties, Inc. and Vesta Properties Holdings, Inc; and Treasurer of Cebu Property Ventures and Development Corporation. He is also the President of the Financial Executives Institute of the Philippines and is a member of the Board of Directors of the Asia Pacific Real Estate Association Ltd. Philippine Chapter. Mr. Ysmael holds a degree in Business Administration, Major in Accounting (Summa Cum Laude) at the University of the East, Manila, Philippines and is a Certified Public Accountant. He earned an MBA, Major in Finance, at The Wharton School and an MBA in International Studies at The School of Arts and Sciences of the University of Pennsylvania in Philadelphia, Pennsylvania, USA, as a fellow of The Joseph H. Lauder Institute of Management and International Studies.

Dante M. Abando, Filipino, 50, is a Vice President and Member of the Management Committee of ALI. He is concurrently President and a Member of the Board of Directors of Makati Development Corporation, MDC BuildPlus, Inc., MDC Concrete, Inc., MDC Equipment Solutions, Inc., and MDC Subic. His other significant positions include Director of Alveo Land Corp., Avida Land, Corp., Serendra, Inc., and Anvaya Cove Golf and Sports Club, Inc. He is currently the First Vice President of the Philippine Constructors Association and, Member of the Board of Trustees and the Treasurer of the UP Alumni Engineers. He graduated with a degree of B.S. Civil Engineering from the University of the Philippines in 1986 and took up his MBA in the same university in 1995. He underwent an Executive Program on Real Estate Management at the Harvard University Graduate School of Business in 2012.

Leovigildo D. Abot, Filipino, 51, is currently Vice President and Chief Audit Executive (CAE) of Ayala Land, Inc. He joined ALI in 2000 as Chief Finance Officer (CFO) of Ayala Hotels, Inc. Over the years in ALI, he occupied several CFO positions in other ALI's business units such as Avida Land Corporation, Land and Community Development Group or LCDG (now ALP) and Strategic Landbank Management Group (SLMG). Prior to Audit, he was the Head of ALI's Corporate Accounting Division, concurrent to his CFO assignment in SLMG. As ALI's Principal Accounting Officer, he led the transformation initiative of consolidating the transactional accounting functions of more than 25 ALI companies into Aprisa Business Process Solutions, Inc. He also headed ALI's transition to international accounting and reporting standards (IAS/IFRS). He graduated Magna Cum Laude from University of the East- Manila with BS in Business Administration, major in Accounting (Honors Program) in 1984. A Certified Public Accountant, he completed his Strategic Business Economics Program (SBEP) at University of Asia and the Pacific from 1999 to 2000.

Augusto D. Bengzon, Filipino, 50, joined ALI in December 2004 as Vice President and Treasurer. His other significant positions include: Treasurer of Avida Land Corporation, Makati Development Corp., Roxas Land Corporation, Aurora Properties, Inc., Vesta Properties Holdings, Inc., CECI Realty, Inc and the HERO Foundation; Director of the Anvaya Cove Golf and Sports Club; Trustee of the PNP Foundation, Inc., and the Dr. Fe del Mundo Medical Center Foundation Phils., Inc. Prior to joining ALI, he was Vice President and Credit Officer in Global Relationship Banking at Citibank N.A. where he spent sixteen years in various line management roles covering Treasury, Portfolio Management, Structuring, Debt Syndication and Relationship Management. He received his Bachelor of Science degree in Business

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Management from the Ateneo de Manila University and is a graduate of the Philippine Trust Institute. He was granted a full scholarship at the Asian Institute of Management where he received his Masters in Business Management degree.

Aniceto V. Bisnar, Jr., Filipino, 51, is a Vice President of Ayala Land, Inc. since January 2009. He is currently the President of publicly listed companies Cebu Holdings, Inc and Cebu Property Ventures & Development Corp. He is also the Chief Operating Officer of the Visayas-Mindanao Group of Ayala Land, Inc. His other significant positions are: Chairman and President of Taft Punta Engano Property, Inc. and Cebu Business Park Association, Inc., Chairman, North Point Estate Association, Inc., Chairman and Director Amaia Southern Properties, Inc., Vice Chairman of SouthPortal Properties, Inc., President of Cebu Leisure Company, Inc., Vice President of Asian I-Office Properties, Inc., Director and President of CBP Theatre Management Company, Inc., Director of Cebu District Property Enterprise, Inc., Accendo Commercial Corporation, Westview Commercial Ventures Corp., Adauge Commercial Corporation, Cagayan de Oro Gateway Corporation, Bonifacio Estates Services Corp., Bonifacio Gas, Inc., Ceci Realty, Inc., Aurora Properties, Inc. and Vesta Property Holdings, Inc., HLC Development Corporation and Board of Trustee of the Hero Foundation, Inc. He completed his Masters in Business Management (MBM) degree in 1989 from the Asian Institute of Management (AIM) in Makati City and graduated in the top 5% of his class at the Philippine Military Academy in Baguio City in 1985. He also took up Master Planning and Mixed-Use Development at Harvard University School of Urban Design.

Manuel A. Blas II, Filipino, 59, is a Vice-President of Ayala Land Inc. since January 2007, and is currently the Head of Commercial Operations in Fort Bonifacio Development Corporation. He is also assigned as Managing Director of Bonifacio Arts Foundation, Inc. He spearheaded the project development of The Mind Museum, the first world class science museum in the country. He also holds other significant positions in Fort Bonifacio Development Corporation Subsidiaries: President of Bonifacio Estate Services Corporation, Executive Vice President of Bonifacio Transport Corporation, Director of Bonifacio Water Corporation and Bonifacio Gas Corporation. He graduated Valedictorian, Summa Cum Laude from De La Salle University with a Bachelor's Degree in Liberal Arts, major in Economic and Theology. And also completed his Masters in Arts degree in Religious Studies in 2004 and graduated as Summa Cum Laude from Maryhill School of Theology.

Maria Corazon G. Dizon, Filipino, 51, is a Vice President and Head of ALI-Capital Corp. which is ALI's wholly-owned vehicle for new businesses that include Retailing Businesses (convenience stores, department stores and supermarkets), Entertainment, Tourism Estate developments, Transportation, Power and Asset Management. She holds the following significant positions in the following companies: Director of ALI Capital Corp., Philippine Family Mart CVS, Inc., SIAL Specialty Retailers, Inc., SIAL CVS Retailers, Inc. and AyaGold Retailers, Inc. Over the years in ALI, she occupied various key positions including Business Development and Strategic Planning Head, Asset Management Head and Chief Finance Officer for the Ayala Malls Group, Head of Corporate Control and Analysis Division, Head of ALI Investor Relations Unit and Chief Finance Officer of Residential and Office Buildings Groups. She graduated with a degree on BSC Accounting from the University of Sto. Tomas in 1984 and earned Masters in Business Administration degree from the De La Salle Graduate School in 2006.

Steven J. Dy, Filipino, 50, is a Vice President of ALI since December 2010 assigned to the international initiative of the company in China, Myanmar, Vietnam and Canada. Prior to this assignment, he was with the corporate business group for three years heading one of the project development groups and the business development. He had the same responsibilities

when he was with Avida Land Corporation. Last December 2014, he was appointed as the new CFO of AyalaLand Inc.'s healthcare division. He graduated from De La Salle University in 1985 with a degree in Bachelor of Science in Business and Economic major in Accounting. He has completed the academic units for the Masteral Degree in Business Administration from the same university in 1992.

Jose Juan Z. Jugo, Filipino, 43, has been Vice President of ALI since January 2013. His is currently the Group Head for Ayala Land Premier. His other key functions are as Chairman of Ayala Land Sales, Inc., South Portal Properties, Inc., Anvaya Environmental Foundation, Inc., Ayala Club Management, Inc., and Verde Golf Development Corporation. He is also President & CEO of Anvaya Cove Beach and Nature Club, and Anvaya Cove Golf and Sports Club. He is likewise a Board Director in BG West Properties, Inc., Roxas Land Corporation, Bella Vita Land Corporation, Aviana Development Corporation, Ayala Greenfield Development Corporation, Ayala Greenfield Golf & Leisure Club, and Amicassa Process Solutions, Inc. He earned his Bachelors Degree in Marketing Management from De La Salle University Manila in 1994, and completed his Masteral Studies in ESEM, Madrid, Spain in 1995. Before joining ALI in 2000, he held management positions in the fast moving consumer goods sector.

Laurent P. Lamasuta, Filipino, 49, is a Vice President of ALI since January 2015 and is currently Executive Vice President of APMC (Ayala Property Management), heading the Residential and Estates Groups. Prior to joining APMC, he was President and CEO of Ten Knots Development Corporation, developer, operator and manager of El Nido Resorts comprising of four eco-tourism island resorts: Miniloc Island, Lagen Island, Apulit Island and ultimate eco-luxury hideaway, Pangulasian Island. Mr. Lamasuta has had several posts with the international luxury hotel industry with stints in independent top properties like The Ritz in Paris, the Dorchester in London, The Manila Hotel in Manila as well as international brands like Intercontinental Hotels, Ritz-Carlton Hotels and Le Meridien Hotels. Previously he was a Senior Advisor of Ayala Land for member and customer relations of its Residential Business Group. He Joined Ayala Land in 2005 to open Ayala Greenfield Golf and Leisure Club, Inc., and Anvaya Cove Beach and Nature Club. Some of Mr. Lamasuta's Board Directorships include Ten Knots Development Corporation, Ten Knots Philippines, Bacuit Bay Development, Chirica Corp., Ayala Greenfield Golf and Leisure Club, Anvaya Beach and Nature Club, Ayala Club Management Inc., The Philippine Hotel Federation Inc., Anvaya Cove Foundation, El Nido Foundation. He graduated from College "La Rostagne," in Antibes, France, and further gained a degree in tourism and hotel management in 1985 with the following qualifications: Certificat d'Aptitude Professionnelle (C.A.P.), Brevet d'Enseignement Professionnel (B.E.P.), and Brevet de Technicien Hotelier (B.T.H.) from the Lycee d'Hotellerie et de Tourisme, in Nice, France. He is a recipient of the Hotel and Catering International Management Association (HCIMA) Certificate and License in Hotel Management given by the Westminster College in London, England.

Robert S. Lao, Filipino, 41, is a Vice President of Ayala Land, Inc. and concurrently the President and a member of the Board of Directors of Alveo Land Corp since January 2012. He is also a member of the Board of Directors of Serendra, Inc. and BG South Properties, Inc., and the Chief Operating Officer of Portico Land Corp. Prior to joining Ayala Land, Inc., he served as Senior Process Engineer of Fujitsu Computer Products Corporation of the Philippines (FCPP) and Lead Process Engineer of PT. Quantum Electronics in Indonesia. He is a licensed Real Estate Broker. He studied at the University of Santo Tomas (UST) and graduated cum laude in Bachelor of Science in Industrial Engineering in 1995. He completed his Masters in Business Management (MBM) degree in 2001 from the Asian Institute of Management (AIM) and attended the International Student Exchange Program from University of Cologne in Germany.

Michael Alexis C. Legaspi, Filipino, 56, is a Vice President of ALI since July 2009, and is currently the Chief Operating Officer of Ayala Hotels, Inc. & AyalaLand Hotels & Resorts Corp. He serves as the President of Enjay Hotels, Inc., Cebu Insular Hotels Co. Inc., Greenhaven Property Ventures, Inc., Southcrest Hotel Ventures, Inc., Bonifacio Hotel Ventures, Inc., Northgate Hotel Ventures, Inc., Eco South Hotel Ventures, Inc. Mr. Legaspi is also a Director of AyalaLand Hotels & Resorts Corp, KHI-ALI Manila, Inc., Ten Knots Development Corp., and Ten Knots Phils., Inc. He previously held the following positions: Head of Sales Division of ALI, Resident Manager of Oakwood Premier Ayala Center and Senior Vice President and Head of Operations of Ayala Property Management Corporation. He graduated with a degree of B.S. Hotel Restaurant Administration from the University of the Philippines, Diliman in 1980.

Joselito N. Luna, Filipino, 51, is a Vice President and member of Ayala Land's Management Committee since August 2008. He is also Ayala Land, Inc.'s Chief Architect and Head of Innovation and Design. His other significant positions include: Director of Vesta Properties Holdings, Inc., Aurora Properties, Inc., Anvaya Beach and Nature Club Inc. and a member of the Board of Trustees of Philippine Green Building Council. He is also a member of ALI's Technical Council. He graduated with a degree of B.S. Architecture from the University of the Philippines in 1985. He took graduate studies in the School of Urban and Regional Planning in U.P. Diliman from 1987 to 1989. In 2003 he completed the Executive Education Program of the University of Michigan Business School, Ann Arbor.

Christopher B. Maglanoc, Filipino, 44, is a Vice President of ALI since April 2013 and is currently President of Avida Land Corporation. He was Chief Operating Officer and Head of the Project and Strategic Management in Avida Land before he was elected as president of the Company effective January 1, 2012. Prior to his stint in Avida in 2004, he occupied Management positions in various business units in Ayala Land, Inc. (i.e. Commercial Centers, Corporate Planning, and Alveo Land, Inc.). His other significant positions include: Chairman of Avida Sales Corp.; President of Avencosouth Corp.; Director of AmicaSSA Process Solutions, Inc. and BG North Properties, Inc. He graduated from UP Los Baños with degrees in BS Economics and BA Sociology. He finished his MBA from the Asian Institute of Management.

Romeo T. Menpin, Jr., Filipino, 45, is a Vice-President of ALI since January 2014 and is currently the President Chief Operating Officer of Ayala Property Management Corporation (APMC). He was Chief Operating Officer of APMC before he was elected as president of the Company effective July 2012. He joined ALI in May 2008 from Kuok Group of Companies where he was Vice President and Head of Mall Operations of Shangri-la Plaza Corporation. Prior to this, he also held various management positions from APMC and Laguna Technopark, Inc. since 1996. He graduated with a degree of Bachelor of Science in Mechanical Engineering from Mapua Institute of Technology and completed units in Masters in Business Administration from De La Salle University in 2001.

William Thomas F. Mirasol, Filipino, 50, is a Vice President of Ayala Land, Inc since January 2014 and is currently the Head of Sales & Marketing for the Residential Business Group. Concurrent to this, he is President of Ayala Land International Sales Inc. and a director of a number of Ayala Land subsidiaries. In his 23 years with the company, he has handled various business lines including retail operations, commercial project development, commercial leasing and operations, Land & House development and sales force organization & management for local and international markets. He graduated from De La Salle University Manila with a degree in Commerce in 1989. He finished his MBM from the Asian Institute of Management in 1992.

Francis O. Monera, Filipino, 60, was a Vice President of ALI from 2006 to 2014. He served as the President of two publicly listed companies namely: Cebu Holding, Inc. and Cebu Property Ventures and Development Corporation. He was the Chief Operating Officer of CHI before he was elected president of the Company effective January 1, 2007. He also holds the position of Vice President of Ayala Land, Inc. Before joining ALI, he was the senior AVP/Corporate Controller of Philippine National Construction Corporation. He served as President of the Cebu Chamber of Commerce and Industry from February 2006 to 2008 and is currently a member of the Board of Trustees. He graduated with a degree of BS Commerce Major in Accountancy (Magna Cum Laude) from Manuel L. Quezon University in 1978 and took Masters in Business Administration at the Ateneo Graduate School of Business in 1985. Mr. Monera is a Certified Public Accountant.

Rodelito J. Ocampo, Filipino, 52, is a Vice President of ALI since December 2010. He is currently Makati Development Corporation's (MDC) Head of Construction Operations and the President and General Manager of MDC BuildPlus. Before his MDC assignment, he served as Technical Services Head of Avida Land Corp. and Alveo Land Corp., wholly owned subsidiaries of ALI and Head of the Construction Management of ALI Residential Buildings. Prior to joining ALI, he was employed by a construction firm where he held various engineering and project management positions for a period of 10 years. He graduated from the Mapua Institute of Technology with a degree in BS Civil Engineering in 1983.

Angelica L. Salvador, Filipino, 52, is a Vice President of Ayala Land, Inc. since January 2014, and is currently the Controller of the Company. Her other key functions are: President of AmicaSSa Process Solutions, Inc. and Aprisa Business Process Solutions, Inc., and Member of the Board of Directors of Amaia Land Corp. Prior to her current assignment, she was Chief Finance Officer of the ALI Residential Business Group and of various ALI-owned subsidiaries Alveo Land Corp., Ayala Property Management Corp., Laguna Technopark, Inc. and Ayala Land International Sales, Inc. Before joining Ayala Land, she was part of the Internal Audit Team of Ayala Corporation. She graduated cum laude from the University of the Philippines (UP), Diliman with degree in BS Business Administration and Accountancy. She finished her MBA from the Asian Institute of Management.

María Rowena Victoria M. Tomeldan, Filipino, 53, is Vice President of ALI since January 2005. She currently heads Operations and Support Services, Commercial Business Group. Her other significant positions include: Director of Bonifacio Global City Estate Association, ALI-CII Development Corporation, Alabang Commercial Corporation; Chairman of the Board of Directors of Ayala Land Malls, Inc. (formerly Solerte), Primavera Towncentre, Inc., Ayala Theatres Management, Inc., Five Star Cinema, Inc., Leisure and Allied Industries Phils., Inc., Cavite Commercial Town Centre Inc., Subic Bay Town Center, Inc., South Innovative Theatre Management, Inc., and North Beacon Commercial Corporation, Westview Commercial Ventures Corporation, North Ventures Commercial Corporation; Vice-Chairman of the Board of Directors of Lagoon Development Corporation, Ayalaland Metro North, Inc.; President of ALI Commercial Center Inc, Soltea Commercial Corp, Cagayan De Oro Gateway Corporation, Station Square East Commercial Corporation, North Triangle Depot Commercial Corporation, Laguna Technopark, Inc., Ecozone Power Management, Inc., Arvo Commercial Corporation, Summerhill Commercial Ventures Corp; Executive-Vice President of Accendo Commercial Corporation; and Governor of the Ayala Center Estate Association, Inc.; Presently, she is a board member of the International Council of Shopping Centers (ICSC) -Asia Advisory Board and is a 2015 ICSC Trustees Distinguished Service Awardee. She is a cum laude graduate of Bachelor of Arts in Economics with Masters in Business Administration (MBA) at the University

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of the Philippines. She took the Executive Development Program at the Aresty Institute of Executive Education in Wharton University, Pennsylvania, USA.

Solomon M. Hermosura, Filipino, 52, has served as Corporate Secretary of the Company since April 2011 and the General Counsel of the Company since April 2014. He is a Managing Director of Ayala Corporation and a member of its Management Committee since 2009 and the Ayala Group Management Committee since 2010. He is also the Group Head of Corporate Governance, General Counsel, Compliance Officer, and Corporate Secretary of Ayala Corporation. He is the CEO of Ayala Group Legal. He serves as Corporate Secretary of Globe Telecom, Inc., Manila Water Company, Inc., Integrated Micro-Electronics, Inc. and Ayala Foundation, Inc.; and a member of the Board of Directors of a number of companies in the Ayala group. He graduated valedictorian with Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examination.

June Vee D. Monteclaro-Navarro, Filipino, 43, is the Assistant Corporate Secretary and Deputy General Counsel of Ayala Land, Inc. since April 2014. She is a Director and Corporate Secretary of AG Counselors Corp. Currently, she holds the position of Corporate Secretary of Alabang Commercial Corporation, Alveo Land Corp., Asterion Technopod Incorporated, Avencosouth Corp., Avida Land Corp., Avida Sales Corp., Ayala Land Sales, Inc., Ayala Retirement Fund Holdings, Inc., Buklod Bahayan Realty & Development Corporation, Cebu Holdings, Inc., Cebu Property Ventures and Development Corporation, North Triangle Depot Commercial Corporation, OLC Development Corporation and Southportal Properties, Inc.; and Assistant Corporate Secretary of Ayala Corporation and Alinet.Com, Inc. She earned a Bachelor of Laws degree from the University of the Philippines in 1997.

Significant Employees

The Company considers its human resources working as a team as a key element for its continued success. But the Company has no employee who is not an executive officer and who is expected to make individually on his own a significant contribution to the business.

Family Relationships

Fernando Zobel de Ayala, Chairman of the Board of Directors, and Jaime Augusto Zobel de Ayala, Vice Chairman, are brothers.

Involvement in Certain Legal Proceedings (over the past 5 years)

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

- a. None of them has been involved in any bankruptcy petition.
- b. None of them has been convicted by final judgment in a criminal proceeding or is subject to a pending criminal proceeding, both domestic and foreign.
- c. None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (domestic or foreign) permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities.
- d. None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or

other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

As at December 31, 2014, the Company is not involved in any litigation it considers material. In any event, below are the legal proceedings involving the Company that may be significant.

Las Piñas Property

Certain individuals and entities have claimed an interest in ALI's properties located in Las Piñas, Metro Manila, which are adjacent to its development in Ayala Southvale.

Prior to purchasing the aforesaid properties, ALI conducted an investigation of titles to the properties and had no notice of any title or claim that was superior to the titles purchased by ALI. ALI traced its titles to their original certificates of title and ALI believes that it has established its superior ownership position over said parcels of land. ALI has assessed these adverse claims and believes that its titles are, in general, superior to the purported titles or other evidence of alleged ownership of these claimants. On this basis, beginning in October 1993, ALI filed petitions in the Regional Trial Courts (RTC) in Makati City and Las Piñas City for quieting of title to nullify the purported titles or claims of these claimants. These cases are at various stages of trial and appeal. Some of these cases have been finally decided by the Supreme Court ("SC") in ALI's favor. These include decisions affirming the title of ALI to some of these properties, which have been developed and offered for sale to the public as Sonera, Ayala Southvale. The controversy involves the remaining area of approximately 126 hectares.

Ayala Land has made no provision in respect of such actual or threatened litigations.

EXECUTIVE COMPENSATION

Directors and Executive Officers

Directors. Article IV Section 17 of the Company's By-Laws provides:

"Section 17 – Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form, and structure of the fees and other compensation of directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Corporation during the preceding year.

The compensation and remuneration committee of the Board of Directors shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the committee shall be guided by the objective of ensuring that the level of compensation should fairly pay directors for work required in a company of the Corporation's size and scope." (As Amended April 13, 2011.)

During the 2011 annual stockholders' meeting, the stockholders ratified the resolution increasing the remuneration of non-executive directors as follows:

	<u>From</u>	<u>To</u>
Retainer Fee:	P500,000.00	P1,000,000.00
Board Meeting Fee per meeting attended:	P100,000.00	P200,000.00
Committee Meeting Fee per meeting attended:	P20,000.00	P100,000.00

None of the directors, in their personal capacity, has been contracted and compensated by the Company for services other than those provided as a director.

The Company has no other arrangement with regard to the remuneration of its directors and officers aside from the compensation received as herein stated.

Officers. The Company adopts a performance-based compensation scheme. The total annual compensation of the President and top four highly compensated executives amounted to P111.3 million in 2013 and P135.5 million in 2014. The projected total annual compensation for the current year is P141.6 million.

Total compensation paid to all senior personnel from Manager and up amounted to P779.1 million in 2013 and P981.2 million in 2014. The projected total annual compensation for the current year is P1,03 billion.

Executive Compensation

Name and Principal Position	Year	Salary	Other Variable Pay
Bernard Vincent O. Dy* President & CEO			
Arturo G. Corpuz Senior Vice President			
Raul M. Irlanda Senior Vice President			
Emilio Lolito J. Tumbocon Senior Vice President			
Jaime E. Ysmael Senior Vice President			
CEO & Most Highly Compensated Executive Officers	Actual 2013 (restated)	P71.3M	P40M
	Actual 2014	P87.5M	P48M
	Projected 2015	P93.6M	P48M **
All other officers*** as a group unnamed	Actual 2013 (restated)	P503.1M	P276M
	Actual 2014	P656.4M	P324.8M
	Projected 2015	P702.3M	P324M **

* Compensation includes full year effect of CEO and market adjustments to selected officers for retention purposes.

** Exclusive of Stock Option exercise.

*** Managers and up.

The total annual compensation paid to all senior personnel from Manager and up was all paid in cash. The total annual compensation includes the basic salary and other variable pay (performance bonus and exercise of Stock Option Plan). The Company has no other arrangement with regard to the remuneration of its existing directors and officers aside from the compensation received as herein stated.

Each executive officer executed an employment contract with the Company for an indefinite period (the terms and conditions of which are in accordance with existing laws) and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's BIR-registered Employees' Retirement Fund. There is no plan or arrangement by which the Executive Officers will receive from the Company any form of compensation in case of a change in control of the Company or change in the officers' responsibilities following such change in control.

Options Outstanding

Since 1998, the Company has offered its officers options to acquire common shares under its executive stock option plan (ESOP). Of the above named officers, there were options covering 635,982 shares exercised in 2014 by the following officer:

Name	No. of Outstanding Options	No. of Options Exercised	Date of Grant	Exercise Price	Market Price at Date of Grant
Arturo G. Corpuz	-	635,982	Various	3.96*	5.30*
All other officers** as a group unnamed	2,858,360	4,988,999	Various	4.38*	5.93*

* Average prices

**Managers and up

Executive Compensation

The Company has adjusted the exercise price of the options awarded to the above named officers due to the stock dividend paid by the Company in June 2007.

The ESOP grantees may exercise in whole or in part the vested allocation in accordance with the vesting percentage and vesting schedule stated in the ESOP. Also, the grantee must be an employee of the Company or any of its subsidiaries during the 10-year period. In case the grantee retires, he is given three years to exercise his vested and unvested options. In case the grantee resigns, he is given 90 days to exercise his vested options.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN RECORD AND BENEFICIAL OWNERS

Security ownership of certain record and beneficial owners of more than 5% as January 31, 2015.

Title of Class	Name, address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of outstanding shares)
Common	Ayala Corporation 34/F, Tower One Ayala Triangle Ayala Ave., Makati City	Ayala Corporation	Filipino	6,934,509,515	24.99658%
Preferred				12,163,180,640	43.84419%
Common	PCD Nominee Corporation (Non-Filipino) G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers	Various	2,338,961,627	8.4312%
Common	PCD Nominee Corporation (Non-Filipino) G/F MSE Bldg. Ayala Ave., Makati City	Aberdeen Asset Management Asia Limited	Singaporean	1,964,550,511	7.08155%
Common	PCD Nominee Corporation (Filipino) G/F MSE Bldg. Ayala Ave., Makati City	PCD participants acting for themselves or for their customers	Filipino	1,582,426,550	5.7041%
Common	PCD Nominee Corporation (Non-Filipino) G/F MSE Bldg. Ayala Ave., Makati City	Aberdeen Asset Managers Limited	British	1,560,285,334	5.6243%

Security Ownership of Management and Certain Record and Beneficial Owners

Security ownership of directors and management (executive officers) as of January 31, 2015:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of outstanding shares)
<i>Directors</i>				
Common	Fernando Zobel de Ayala	12,000 (direct)	Filipino	0.00004%
Common	Jaime Augusto Zobel de Ayala	12,000 (direct)	Filipino	0.00004%
Common	Bernard Vincent O. Dy	9,009,797 (direct & Indirect)	Filipino	0.03248%
Common	Antonino T. Aquino	20,305,226 (direct & indirect)	Filipino	0.07319%
Common	Vincent Y. Tan	13,692,271 (direct & indirect)	Filipino	0.05008%
Common	Jaime C. Laya	10,000 (direct)	Filipino	0.00004%
Common	Delfin L. Lazaro	1 (direct)	Filipino	0.00000%
Common	Francis G. Estrada	1 (direct)	Filipino	0.00000%
Common	Rizalina G. Mantaring	1 (direct)	Filipino	0.00000%
<i>CEO and Most Highly Compensated Executive Officers</i>				
Common	Bernard Vincent O. Dy	9,009,797 (direct & indirect)	Filipino	0.03248%
Common	Arturo G. Corpuz*	5,520,146 (direct & indirect)	Filipino	0.01990%
Common	Raul M. Irlanda	791,007 (direct & indirect)	Filipino	0.00285%
Common	Emilio Lolito J. Tumbocon*	8,835,469 (direct & indirect)	Filipino	0.03185%
Common	Jaime E. Ysmael	8,257,729 (direct & indirect)	Filipino	0.02977%
<i>Other Executive Officers</i>				
Common	Dante M. Abando	2,418,064 (direct & indirect)	Filipino	0.00872%
Common	Leovigildo D. Abot	363,189 (direct & indirect)	Filipino	0.00131%
Common	Augusto D. Bengzon	1,816,268 (indirect)	Filipino	0.00655%
Common	Aniceto V. Bisnar, Jr.	1,102,919 (indirect)	Filipino	0.00398%
Common	Manny A. Blas II	1,349,511 (direct & indirect)	Filipino	0.00486%
Common	Ma. Corazon G. Dizon	949,636 (direct & indirect)	Filipino	0.00342%
Common	Anna Ma. Margarita B. Dy	4,693,853 (indirect)	Filipino	0.01692%
Common	Steven J. Dy	1,032,969 (direct & indirect)	Filipino	0.00372%
Common	Jose Emmanuel H. Jalandoni	4,066,632 (indirect)	Filipino	0.01466%
Common	Jose Juan Z. Jugo	269,151 (indirect)	Filipino	0.00097%
Common	Laurent P. Lamasuta	2,212,841 (direct & indirect)	Filipino	0.00798%
Preferred		1,977,234 (direct)		0.00713%
Common	Robert S. Lao	561,717 (indirect)	Filipino	0.00202%
Common	Michael Alexis C. Legaspi	3,352,401 (indirect)	Filipino	0.01208%
Common	Joselito N. Luna	3,568,325 (direct & indirect)	Filipino	0.01286%
Common	Christopher B. Maglanoc	520,879 (indirect)	Filipino	0.00188%
Common	Romeo T. Menpin, Jr.	274,268 (indirect)	Filipino	0.00099%
Common	William Thomas F. Mirasol	171,810 (indirect)	Filipino	0.00062%
Common	Francis O. Monera*	1,350,202 (direct & indirect)	Filipino	0.00487%

Security Ownership of Management and Certain Record and Beneficial Owners

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of outstanding shares)
Common	Rodelito J. Ocampo	1,098,675 (direct & indirect)	Filipino	0.00396%
Common	Angelica L. Salvador	818,575 (direct & indirect)	Filipino	0.00295%
Common	Ma. Rowena Victoria M. Tomeldan	1,293,368 (direct & indirect)	Filipino	0.00466%
Common	Solomon M. Hermosura	480 (direct)	Filipino	0.00000%
Common	June Vee D. Monteclaro-Navarro	54,118 (indirect)	Filipino	0.00020%
All Directors and Officers as a group		101,762,733		0.36682%

* Retired effective December 31, 2014.

None of the members of the Company's directors and management owns 2.0% or more of the outstanding capital stock of the Company.

Voting Trust Holders of 5% or More

The Company knows of no persons holding more than 5% of common shares under a voting trust or similar agreement.

Changes in Control

No change of control in the Company has occurred since the beginning of its last fiscal year.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Party Transactions

The Company and its subsidiaries (the "Group"), in their regular conduct of business, have 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, and development, management, underwriting, marketing, leasing and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Transactions that have been entered into by the Group with related parties for the years ended December 31, 2014, 2013 and 2012 are disclosed in Note 25 to the Ayala Land's audited consolidated financial statements, which are included in this Prospectus.

However, no other transaction, without proper disclosure, was undertaken by the Group in which any director or executive officer, any nominee for election as director, any beneficial owner of more than 5% of the Company's outstanding shares (direct or indirect) or any member of his immediate family was involved or had a direct or indirect material interest.

ALL employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management.

DESCRIPTION OF DEBT

As of December 31, 2014, Ayala Land had the equivalent of P124.67 billion of outstanding debt, all of which are unsecured.

Of Ayala Land's outstanding debt, P50.4 billion is evidenced by a debt instrument that was acknowledged by both the creditor and Ayala Land before a notary public. Under Philippine law, in the event that a borrower submits to insolvency or liquidation proceedings in which the borrower's assets are liquidated, unsecured debt evidenced by a debt instrument that has been acknowledged by the creditor and the borrower before a notary public enjoys a preference over unsecured debt that has not been so notarized. Ayala Land has secured the waiver by the creditors of such preference in their respective debt instruments. (See discussion under "*Risk Factors and Other Considerations*" of this Prospectus).

The following tables set forth the outstanding long and short-term debt of Ayala Land and its subsidiaries as of December 31, 2014 (in PHP millions).

Short-Term Debt

Borrower	Amount
Ayala Land, Inc.	P8,321
Alabang Commercial Corporation	250
Alveo Land Corp.	2,549
Amaia Land Corp.	550
Avida Land Corp.	3,157
Leisure & Allied Industries Philippines, Inc.	135
Station Square East Commercial Corporation	115
Ten Knots Development Corporation	700
Vesta Property Holdings, Inc.	525
Total	P 16,302

Description of Debt

Long-Term Debt

Borrower	Current		Non-Current		Total	
	Peso	US\$	Peso	US\$	Peso	US\$
Ayala Land, Inc.*	1,084	-	63,299	53	64,383	53
Accendo Commercial Corp	111	-	2,312	-	2,423	-
Adauge Commercial Corporation	-	-	300	-	300	-
AyalaLand Hotels and Resorts Corporation	485	9	5,983	96	6,468	105
ALI Property Partners Corp.	200	-	3,238	-	3,438	-
Alveo Land Corp.	-	-	3,000	-	3,000	-
Amaia Land Corp.	-	-	1,500	-	1,500	-
Arvo Commercial Corporation	9	-	165	-	174	-
Avida Land Corp.	50	-	4,950	-	5,000	-
Cagayan de Oro Gateway Corp	80	-	2,270	-	2,350	-
Cavite Commercial Towncenter, Inc.	-	-	412	-	412	-
Cebu Holdings, Inc.	493	-	6,227	-	6,720	-
Fairview East Commercial Corp.	60	-	2,340	-	2,400	-
Hillsford Property Corp.	12	-	66	-	78	-
HLC Development Corp.	180	-	1,391	-	1,571	-
NorthBeacon Commercial Corp	15	-	905	-	920	-
North Triangle Depot Commercial Corporation	785	-	1,944	-	2,729	-
Philippine Integrated Energy Solutions, Inc.	23	-	1,730	-	1,753	-
Station Square East Commercial Corp.	1,393	-	-	-	1,393	-
Subic Bay Town Center, Inc	44	-	793	-	837	-
Sunnyfield E-Office Corporation	18	-	98	-	116	-
Westview Commercial Ventures Corp.	25	-	374	-	399	-
Total	5,067	9	103,297	149	108,364	158

*Includes bonds and FXCNS

Description of Debt

The table below details Ayala Land's Issuances of Debt Securities / New Financing through Loans from January 1 to December 31, 2014 (in PHP millions).

Borrower	Amount	Nature
Ayala Land, Inc	25,272	avilment of short-term loans and issuance of bonds
Accendo Commercial Corp	1,000	avilment of long-term loans
Adauga Commercial Corporation	300	avilment of long-term loans
AyalaLand Hotels and Resorts Corporation	220	avilment of long-term loans
Alveo Land Corp.	6,349	avilment of short-term and long-term loans
Amaia Land Corp.	2,350	avilment of short-term and long-term loans
ALI Property Partners Corp.	1,000	avilment of long term loan
Avida Land Corp	6,711	avilment of short-term and long-term loans
Cavite Commercial Towncenter, Inc.	412	avilment of long term loan
Cebu Holdings, Inc.	5,000	issuance of bond
Fairview East Commercial Corp.	400	avilment of long-term loan
HLC Development Corp.	295	avilment of long-term loan
NorthBeacon Commercial Corp	1,000	avilment of long-term loan
Philippine Integrated Energy Solutions, Inc.	686	avilment of long-term loans
Ten Knots Development Corporation	700	avilment of short-term loan
Total	51,695	

Description of Debt

The following sets out the repayments of Debt Securities and Loans from January 1 to December 31, 2014 (in PHP millions):

Borrower	Amount	Nature
Ayala Land, Inc	14,080	repayment of short term and amortization on long-term loans
Alabang Commercial Corporation	83	payment of matured short-term loans
Accendo Commercial Corp	1,053	Amortization and repayment on long-term loan
AyalaLand Hotels and Resorts Corporation	231	amortization on long-term loans
Alveo Land Corp.	3,070	payment of matured short-term loans
Amaia Land Corp.	2,900	payment of matured short-term loans
ALI Property Partners Corp.	1,694	payment of matured short-term loans and amortization on long-term loans
Arvo Commercial Corporation	5	amortization on long-term loan
Avida Land Corp.	1,300	payment of matured short-term loans
Cebu Holdings, Inc.	2,772	amortization on long-term loans
DirectPower Services, Inc.	130	payment of matured short-term loan
Hillsford Property Corp.	13	amortization on long-term loan
HLC Development Corp.	90	amortization on long-term loan
Leisure & Allied Industries Philippines, Inc.	35	payment of matured short-term loans
NorthBeacon Commercial Corp	1,048	payment of matured short-term loan
North Triangle Depot Commercial Corporation	235	repayment of long-term loans
Station Square East Commercial Corp.	349	payment of matured short-term loans and amortization on long-term loans
Sunnyfield E-Office Corporation	18	amortization on long-term loans
Subic Bay Town Center, Inc	44	amortization on long-term loans
Westview Commercial Ventures Corp.	8	amortization on long-term loans
Total	29,158	

There were no commercial papers issued and outstanding during the year ended December 31, 2014.

CORPORATE GOVERNANCE

Ayala Land has always been committed to strong and transparent corporate governance, going well beyond mere compliance with the code mandated by law. Ayala Land made several important improvements to its governance in 2004, focusing on increasing the involvement of various governance bodies, strengthening performance management, and ensuring compliance with Philippine Accounting Standards. In 2007, the Company adopted several initiatives aimed toward achieving governance excellence. These include conduct of a Self-Assessment Survey by the Board of Directors and Board Committees, development of Business Contingency Plans, adoption of risk-based audit approach and independent quality review of the Internal Audit function. Ayala Land believes that these changes will streamline its existing business models, improve execution, reduce risks, and better safeguard the collective and individual interests of its diverse set of shareholders.

Ayala Land seeks to promote and enhance compliance to good corporate governance. Ayala Land requires the observance of best practices and transparency in all of its subsidiaries, including those that are not listed on the PSE and not covered by the SEC Code of Corporate Governance.

The evaluation system which was established to measure or determine the level of compliance of the Board of Directors and top level management with its Revised Manual of Corporate Governance (the "Revised Manual") consists of a Customer Satisfaction Survey which is filled up by the various functional groups indicating the compliance rating of certain institutional units and their activities. The evaluation process also includes a Board Performance Assessment which is accomplished by the Board of Directors indicating the compliance ratings. The above are submitted to the Compliance Officer who issues the required certificate of compliance with the Revised Manual of the SEC.

To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also makes certain the presence and adequacy of internal control mechanisms for good governance.

There were no deviations from the Revised Manual. The Company has adopted in the Revised Manual the leading practices and principles of corporate transparency, and full compliance therewith has been made since the adoption of the Revised Manual.

The Company is taking further steps to further strengthen adherence to principles and practices of good corporate governance.

FINANCIAL INFORMATION

The following pages set forth Ayala Land's audited consolidated financial statements as at December 31, 2014, and 2013 and for each of the years in the period ended December 31, 2014.

