SEC Number: 152-747
File Number: ________

AYALA LAND, INC.

(Company's Full Name)

30F, Tower One, Ayala Triangle
Ayala Avenue, Makati City 1226

(Company Address)

(632) 750-6974

(Telephone Number)

March 31, 2015

(Quarter Ending)

SEC Form 17-Q Quarterly Report

(Form Type)

(Amendments)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **March 31, 2015**

2. Commission Identification Number **152747**

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

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

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

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

7. Address of issuer's principal office and postal code:
   31F, Tower One, Ayala Triangle, Ayala Avenue, Makati City 1226

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

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

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

As of March 31, 2015

Title of each class	Number of shares issued and outstanding
Common shares	**14,676,547,073**
Preferred shares	**13,066,494,759**

Amount of Debt Outstanding
P46,963,910,000.00

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

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

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
    Yes [x] No [ ]

    (b) has been subject to such filing requirements for the past 90 days:
    Yes [x] No [ ]

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

AYALA LAND, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Millions)

	March 2015 Unaudited	December 2014 Audited
ASSETS		
Current Assets		
Cash and cash equivalents	**₱36,008**	₱28,677
Short-term investments	**0**	301
Financial assets at fair value through profit or loss - UITF	**5,905**	5,608
Financial assets at fair value through profit or loss	**496**	657
Accounts and notes receivable	**88,095**	58,574
Inventories	**47,409**	48,179
Other current assets	**26,872**	23,638
Total Current Assets	**204,784**	165,634
Non Current Assets		
Noncurrent accounts and notes receivable	**30,555**	31,374
Available-for-sale financial assets	**731**	784
Land and improvements	**81,955**	80,445
Investments in associates and joint ventures	**11,029**	10,963
Investment properties - net	**71,294**	67,898
Property and equipment - net	**19,846**	18,825
Deferred tax assets - net	**6,024**	6,457
Other noncurrent assets	**9,949**	6,563
Total Non Current Assets	**231,382**	223,310
Total Assets	**₱436,166**	₱388,944
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	**₱123,238**	₱104,532
Short-term debt	**13,692**	16,302
Income tax payable	**1,176**	647
Current portion of long-term debt	**8,735**	5,067
Deposits and other current liabilities	**8,219**	8,898
Total Current Liabilities	**155,059**	135,446
Non Current Liabilities		
Long-term debt - net of current portion	**100,832**	103,296
Pension liabilities	**1,412**	1,580
Deferred tax liabilities - net	**2,373**	1,967
Deposits and other Non-Current Liabilities	**36,685**	24,659
Total Noncurrent Liabilities	**141,302**	131,503
Total Liabilities	**296,361**	266,949

	March 2015 Unaudited	December 2014 Audited
Equity		
Equity attributable to equity holders of Ayala Land, Inc.		
Paid-up capital	**60,894**	44,851
Retained earnings	**67,554**	66,478
Stock options outstanding	**184**	186
Actuarial loss on pension liabilities	**(566)**	(572)
Net unrealized gain on available-for-sale financial assets	**138**	136
Equity reserves	**(4,519)**	(4,139)
Treasury shares	**-**	-
	123,685	106,940
Non-controlling interests	**16,120**	15,056
Total Equity	**139,805**	121,995
Total Liabilities and Equity	**₱436,166**	₱388,944

AYALA LAND, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Millions, Except Earnings Per Share Figures)

	March 2015 Unaudited	March 2014 Unaudited
REVENUE		
Real estate	**₱23,680**	**₱20,977**
Interest income	**1,293**	**1,132**
Equity in net earnings of associates and joint ventures	**(39)**	**479**
Other income	**127**	**161**
	25,061	**22,749**
COSTS AND EXPENSES		
Real estate	**15,428**	**14,285**
General and administrative expenses	**1,606**	**1,543**
Interest and other financing charges	**1,513**	**1,142**
Other charges	**91**	**266**
	18,638	**17,236**
INCOME BEFORE INCOME TAX	**6,423**	**5,513**
PROVISION FOR INCOME TAX		
Current	**1,409**	**1,420**
Deferred	**138**	**(101)**
NET INCOME	**₱4,876**	**₱4,194**
Net income attributable to:		
Equity holders of Ayala Land, Inc.	**₱4,121**	**₱3,464**
Non-controlling interests	**754**	**731**
	₱4,876	**₱4,194**
Earnings Per Share		
Basic	**₱0.28**	**₱0.25**
Diluted	**0.28**	**0.25**

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

	March 2015 Unaudited	March 2014 Unaudited
NET INCOME	**₱4,876**	**₱4,194**
Other comprehensive income/loss		
Net unrealized gain (loss) on available-for-sale financial assets	**(4)**	**(48)**
Actuarial losses on pension lliabilities	**-**	**-**
Total comprehensive income for the period	**₱4,871**	**₱4,146**
Total comprehensive income attributable to:		
Equity holders of Ayala Land, Inc.	**₱4,117**	**₱3,416**
Non-controlling interests	**754**	**731**
	₱4,871	**₱4,146**

AYALA LAND, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	March 2015 Unaudited	December 2014 Audited
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF AYALA LAND, INC.		
COMMON SHARES - ₱1.00 par value		
Issued:		
Balance at beginning of year	**₱14,187**	₱14,064
Issuance of shares	**488**	123
Balance at end of year	**14,675**	14,187
Subscribed:		
Balance at beginning of year	**3**	109
Issuance of shares	**(3)**	(123)
Stock options exercised	**1**	17
Balance at end of year	**1**	3
PREFERRED SHARES - ₱0.10 par value		
Issuance of shares	**1,307**	1,307
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	**30,200**	29,712
Stock options exercised	**14**	488
Issuance of Common Stock	**15, 537**	
Balance at end of year	**45,751**	30,200
SUBSCRIPTIONS RECEIVABLE		
Balance at beginning of year	**(846)**	(737)
Subscriptions	**-**	(177)
Collections	**6**	68
Balance at end of year	**(840)**	(846)
TOTAL PAID-UP CAPITAL	**60,894**	44,851
STOCK OPTIONS		
Balance at beginning of year	**186**	198
Stock options exercised	**(2)**	(13)
Balance at end of year	**184**	186
RETAINED EARNINGS		
Appropriated for future expansion	**6,000**	6,000
Unappropriated:		
Balance at beginning of year	**60,478**	51,609
Prior years adjustments (PAS 19)	**-**	0
Cash dividends	**(3,045)**	(5,933)
Net income	**4,121**	14,803
Balance at end of year	**67,554**	66,478
Parent or Other reserves	**(4,519)**	(4,139)
	63,035	62,339
UNREALIZED LOSS ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	138	136
REMEASUREMENT LOSS ON DEFINED BENEFIT PLANS	**(566)**	(572)
NON-CONTROLLING INTERESTS		
Balance at beginning of year	**15,056**	13,628
Net income (loss)	**754**	2,912
Increase (decrease) in non-controlling interests	**310**	(139)
Dividends paid to minority interest	**0**	(1,343)
Balance at end of quarter	**16,120**	15,056
	₱139,805	₱121,998

AYALA LAND, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Millions)

	March 2015 Unaudited	March 2014 Unaudited
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**6,423**	5,513
Adjustments for:		
Depreciation and amortization	**782**	999
Interest and other charges - net of amount capitalized	**1,552**	1,276
Equity in net earnings of investees	**39**	**(178)**
Interest and other income	**(1,381)**	(1,162)
Unrealized gain on financial assets	**2**	(15)
Provision for doubtful accounts	**30**	23
Operating income before changes in working capital	**7,448**	6,155
Decrease (increase) in :		
Accounts and notes receivable - trade	**(19,951)**	4,947
Real estate inventories	**771**	999
Other current assets	**(3,233)**	1,576
Increase (decrease) in :		
Accounts and other payables	**17,976**	15,510
Pension liabilities	**(162)**	926
Other current liabilities	**(679)**	1,067
Cash generated from operations	**2,168**	14,284
Interest received	**1,364**	1,101
Income tax paid	**(468)**	(1,258)
Interest paid - net of amount capitalized	**(1,373)**	(1,303)
Net cash provided by (used in) operating activities	**1,691**	12,823
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposals of (additions to):		
Land and improvements	**(1,510)**	(4,744)
Investments	**(4,500)**	(1,873)
Property and equipment	**(1,123)**	(1,105)
Short term investments	**166**	2,508
Decrease (increase) in:		
Non-current accounts and notes receivable - non trade	**1,725**	499
Other assets	**(2,960)**	(4,627)
Net cash provided by (used in) investing activities	**(8,203)**	(9,342)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term / long-term loans	**5,800**	12,089
Payments of short-term / long-term loans	**(7,206)**	(5,056)
Increase (decrease) in :		
Deposits and other noncurrent liabilities	**1,943**	(3,155)
Minority interest in consolidated subsidiaries	**310**	814
Proceeds from capital stock subscriptions	**16,041**	32
Dividends paid to equity holders of Ayala Land, Inc.	**(3,045)**	(2,935)
Net cash provided by (used in) financing activities	**13,842**	1,788
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**7,330**	5,269
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**28,677**	27,966
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**36,008**	33,235

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

1. Basis of Financial Statement Preparation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting.* Accordingly, the unaudited condensed consolidated financial statements do not include all of the information and disclosures required in the December 31, 2014 annual audited consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of and for the year ended December 31, 2014.

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

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

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

On May 4, 2015, the Audit Committee approved and authorized the release of the accompanying unaudited condensed consolidated financial statements of Ayala Land, Inc. and subsidiaries.

2. Summary of Significant Accounting Policies

Changes in Accounting Policies
The accounting policies adopted in the preparation of the unaudited condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2014, except for the adoption of new Standards and Interpretations enumerated below.

PFRS 9, *Financial Instruments - Classification and Measurement (2010 version)*
PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, *Financial Instruments: Recognition and Measurement*. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first

phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).

PAS 19, *Employee Benefits - Defined Benefit Plans: Employee Contributions (Amendments)*
PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.
This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties.

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.

Annual Improvements to PFRSs (2010-2012 cycle)
The Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group. They include:

PFRS 2, *Share-based Payment - Definition of Vesting Condition*
This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

PFRS 3, *Business Combinations -Accounting for Contingent Consideration in a Business Combination*
The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, Financial Instruments: Recognition and Measurement (or PFRS 9, Financial Instruments, if early adopted). The Group shall consider this amendment for future business combinations.

PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'.
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset maybe revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset.

PAS 24, *Related Party Disclosures - Key Management Personnel*
The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015 and are not expected to have a material impact on the Group.

PFRS 3, Business Combinations - *Scope Exceptions for Joint Arrangements*
The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

- Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

PFRS 13, *Fair Value Measurement - Portfolio Exception*
The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39 (or PFRS 9, as applicable).

PAS 40, *Investment Property*
The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment).

Future Changes in Accounting Policies

The Group will adopt the following amended standards and interpretations when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have a significant impact on the unaudited condensed consolidated financial statements

Effective 2016

PAS 1, *Presentation of Financial Statements: Disclosure Initiative (Amendment)*
The amendments to PAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing PAS 1 requirements. The amendments clarify

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and other comprehensive income.

Early application is permitted since these amendments are clarifications that do not affect an entity's accounting policies or accounting estimates.

PAS 16, *Property, Plant and Equipment, and PAS 38, Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)*
The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group given that the Group has not used a revenue-based method to depreciate its noncurrent assets.

PAS 16, *Property, Plant and Equipment, and PAS 41, Agriculture - Bearer Plants (Amendments)*
The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity)and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, Accounting for Government Grants and Disclosure of Government Assistance, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants.

PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements (Amendments)*
The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments will not have any impact on the Group's consolidated financial statements.

PFRS 10, *Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. These amendments are effective from annual periods beginning on or after January 1, 2016.

PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations (Amendments)*
The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group.

PFRS 14, *Regulatory Deferral Accounts*
PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. Since the Group is an existing PFRS preparer, this standard would not apply.

Annual Improvements to PFRSs (2012-2014 cycle)
The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016 and are not expected to have a material impact on the Group. They include:

PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*
The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative

disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

PAS 19, *Employee Benefits - regional market issue regarding discount rate*
This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report*
The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Effective 2018
PFRS 9, Financial Instruments - Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version)
PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC.
The adoption of the final version of PFRS 9, however, is still for approval by BOA.

The adoption of PFRS 9 is not expected to have any significant impact on the Group's consolidated financial statements.

PFRS 9, *Financial Instruments (2014 or final version)*
In July 2014, the final version of PFRS 9, Financial Instruments, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting.
PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before February 1, 2015.

The adoption of PFRS 9 is not expected to have any significant impact on the Group's consolidated financial statements.

Deferred Effectivity
Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate*

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

The following new standard issued by the IASB has not yet been adopted by the FRSC:

IFRS 15, *Revenue from Contracts with Customers*
IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of IFRS 15 and plans toadopt the new standard on the required effective date once adopted locally.

3. Principles of Consolidation

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

Ayala Land, Inc. Subsidiaries (as of March 31, 2015)	**Effective Ownership**
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, Inc. Subsidiaries (as of March 31, 2015)	**Effective Ownership**
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**
AsterionTechnopod, Incorporated (ATI)	**100**
Westview Commercial Ventures Corp. (formerly Crestview E-Office Corporation) (Westview)	**100**
North Ventures Commercial Corporation (Formerly Fairview Prime Commercial Corp.)	**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)	**73**

Ayala Land, Inc. Subsidiaries (as of March 31, 2015)	Effective Ownership
BGWest Properties, Inc. (BGW)	**50**
Lagdigan Land Corporation	**60**
Cebu Holdings, Inc. (CHI)	**50**
Taft Punta Engano Property, Inc.(TPEPI)	**55**
Cebu Property Ventures Development Corp and 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**
Ayala Land Malls, Inc. (formerly Solerte, Inc.)	**100**
Construction:	
Makati Development Corporation (MDC)	**100**
MDC Subic	**100**
MDCBuild Plus, Inc.	**100**
MDC Conqrete, 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**
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**

Ayala Land, Inc. Subsidiaries (as of March 31, 2015)	**Effective Ownership**
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) (Hong Kong 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**
Ayala Land Medical Facilities Leasing Inc.	**100**

4. Receivables/Payables

AGING OF RECEIVABLES

As of March 31, 2015 (in million pesos)	Up to 6 months	Over 6 months to One Year	Over One Year	Past Due	Total
Trade Receivables	₱56,198	₱15,221	₱22,622	₱3,436	₱97,477
Non-Trade Receivables	1,550	11,690	7,932	-	21,172
Total	₱57,748	₱26,911	₱30,554	₱3,436	₱118,649

AGING OF PAYABLES

As of March 31, 2015 (in million pesos)	Up to 6 months	Over 6 months to One Year	Over One Year	Past Due	Total
Trade Receivables	₱35,326	₱15,598	₱20,307	-	₱71,231
Non-Trade Receivables	59,595	22,113	20,163	-	101,871
Total	₱94,921	₱37,711	₱40,470	-	₱173,102

5. Inventories

This account consists of:

(in million pesos)	**March 2015 (Unaudited**	**December 2014 Audited**
Real Estate Inventories	45,764	46,531
Club Shares	1,645	1,649
TOTAL	**47,409**	**48,179**

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

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

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

Cebu Holdings, Inc.	As of March 31, 2015 (in million pesos)
Current assets	6,439
Non-current assets	10,899
Current liabilities	3,977
Non-current liabilities	6,617
Revenue	899
Profit or loss from continuing operations	234

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

Bonifacio Land	As of March 31, 2015 (in million pesos)
Current assets	14,118
Non-current assets	30,523
Current liabilities	4,075
Non-current liabilities	5,522
Revenue	477
Profit or loss from continuing operation	117

7. Short-Term and Long-Term Debt

Short-Term Debt Borrower	As of March 31, 2015 (in million pesos)
ALI	8,747.0
Alabang	150.0
Alveo	700.0
Avida	3,155.0
LAIP	125.0
SSECC	114.8
TKDC	700.0
Total	**13,691.8**

Long-Term Debt As of March 31, 2015	Current		Non-Current		Total	
Borrower (in millions)	Peso	US$	Peso	US$	Peso	US$
ALI	**4,767.5**	**-**	**59,554.9**	**52.8**	**64,322.4**	**52.8**
Alabang Commercial Corp.	-	-	136.0	-	136.0	-
Accendo Commercial Corp	112.5	-	2,284.4	-	2,396.9	-
Adauge Commercial Corporation	-	-	300.0	-	300.0	-
AyalaLand Hotels and Resorts Corporation	491.8	9.7	5,857.8	93.6	6,349.6	103.3
ALI Property Partners Corp.	205.0	-	3,186.8	-	3,391.8	
Alveo Land Corp.	-	-	3,750.0	-	3,750.0	-
Amaia Land Corp.	9.4	-	1,490.6	-	1,500.0	-
Arvo Commercial Corporation	8.9	-	162.4	-	171.3	-
Avida Land Corp	37.5	-	5,700.0	-	5,737.5	-
Cagayan de Oro Gateway Corp	84.8	-	2,270.2	-	2,355.0	-
Cavite Commercial Towncenter, Inc.	-	-	410.0		410.0	-
Cebu Holdings, Inc.	491.5	-	6,206.7	-	6,698.2	-
North Ventures Commercial Corp.	60.0	-	2,340.0		2,400.0	
Hillsford Property Corp.	12.4	-	62.8	-	75.2	-
HLC Development Corp.	179.4	-	1,345.7	-	1,525.2	-
NorthBeacon Commercial Corp	20.0	-	900.0	-	920.0	-
North Triangle Depot Commercial Corporation	747.5	-	1,922.5	-	2,670.0	-
Philippine Integrated Energy Solutions, Inc.	44.5	-	1,708.0	-	1,752.5	-
Station Square East Commercial Corp.	1,374.5	-	-	-	1,374.45	-
Subic Bay Town Center, Inc	44.1	-	781.9	-	826.0	-
Sunnyfield E-Office Corporation	18.4	-	93.3	-	111.7	-
Westview Commercial Ventures Corp.	25.3	-	368.0	-	393.3	
Total	**8,735.0**	**9.7**	**100,832.1**	**146.4**	**109,567.1**	**156.1**

Issuances, Repurchases and Repayments of Debt and Equity Securities

Issuance of Debt and Equity Securities/New Financing Through Loans

Borrower	As of March 31, 2015 (in million pesos)	Nature
ALI	7,086.1	availment of short-term loans
ACC	286.0	availment of long-term loan
Alveo	1,450.0	availment of short-term and long-term loans
Avida	3,905.0	availment of short-term and long-term loans
CDOGC	25.0	availment of long-term loan
SSECC	114.8	availment of short-term loan
TKDC	700.0	availment of short-term loan
Total	**13,566.9**	

Repayment of Debt and Equity Securities

Borrower	As of March 31, 2015 (in million pesos)	Nature
ALI	6,728.8	repayment of short term and amortization on long-term loans
ACC	250.0	payment of matured short-term loan
Accendo	26.6	amortization on long-term loan
AHRC	115.4	amortization on long-term loans
Alveo	2,548.5	payment of matured short-term loans
Amaia	550.0	payment of matured short-term loans
APPCO	46.3	amortization on long-term loans
Arvo	2.2	amortization on long-term loan
Avida	3,170.0	payment of matured short-term loans
CDOGC	20.0	amortization on long-term loan
CHI	23.1	amortization on long-term loans
Hillsford	3.1	amortization on long-term loan
HLC	44.9	amortization on long-term loan
LAIP	10.0	payment of matured short-term loan
NTDCC	58.8	amortization on long-term loan
Philenergy	7.5	amortization on long-term loan
SSECC	127.3	payment of matured short-term loan and amortization on long-term loan
Sunnyfield	4.6	amortization on long-term loans
SBTCI	11.0	amortization on long-term loans
TKDC	700.0	payment of matured short-term loan
Westview	6.3	amortization on long-term loans
Total	**14,454.4**	

P5.0 Billion Fixed Rate Bonds due 2021

(In pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**5,000,000,000.00**	**5,000,000,000.00**
Expenses		
Documentary Stamp Tax	25,000,000.00	25,000,000.00
SEC Registration	1,812,500.00	1,812,500.00
Legal Research Fee	18,125.00	18,125.00
Upfront Fees	-	-
Underwriting Fee	18,750,000.00	18,750,000.00
Professional Expenses and Agency Fees	3,828,500.00	4,051,801.20
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	275,128.39
Total Expenses	**52.051.125.00**	**49,907,554.59**
Net Proceeds	**4,947,978,875.00**	**4,950,092,445.41**

Balance of Proceeds as of 03.31.2015 P1.7B

Cebu Holdings, Inc. raised from the Bonds gross proceeds of P5.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P4.95 billion. Net proceeds were used to partially finance various projects.

P8 Billion Fixed Rate Callable Bonds due 2025

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**8,000,000,000.00**	**8,000,000,000.00**
Expenses		
Documentary Stamp Tax	40,000,000.00	40,000,000.00
Underwriting Fee	30,000,000.00	30,000,000.00
SEC Registration		
SEC Registration Fee	4,312,500.00	4,312,500.00
SEC Legal Research Fee	43,125.00	43,125.00
Professional Expenses	7,748,500.00	7,178,064.00
Marketing/Printing/Photocopying Costs and OPEs	2,500,000.00	126,279.00
Listing Fee	168,000.00	100,000.00
Total Expenses	**84,772,125.00**	**81,759,968.00**
Net Proceeds	**7,915,227,875.00**	**7,918,240,032.00**

Balance of Proceeds as of 03.31.2015 NIL

Ayala Land raised from the Bonds gross proceeds of P8.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P7.9 billion. Net proceeds were used to partially finance various projects.

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

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

Balance of Proceeds as of 03.31.2015 NIL

Ayala Land raised from the Bonds gross proceeds of P6.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P5.9 billion. Net proceeds were used to partially finance various projects.

P15.0 Billion Fixed Rate Bonds due 2024

(in pesos)	ESTIMATED PER PROSPECTUS	ACTUAL
Issue Amount	**15,000,000,000.00**	**15,000,000,000.00**
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
SEC Registration	5,812,500.00	5,812,500.00
Legal Research Fee	58,125.00	58,125.00
Upfront Fees		
Underwriting Fee	56,250,000.00	56,250,000.00
Professional Expenses	7,336,000.00	401,082.05
Trustee	20,000.00	20,000.00
Registry Account Opening Fee	150,000.00	150,000.00
Listing Fee	100,000.00	100,000.00
Out of Pocket Expenses (publication, printing etc.)	2,500,000.00	97,807.91
Total Expenses	**147,226,625.00**	**137,889,514.96**
Net Proceeds	**14,852,773,375.00**	**14,862,110,485.04**

Balance of Proceeds as of 03.31.2015 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.9 billion. Net proceeds were used to partially finance various projects.

P9.35 Billion Fixed Rate Callable Bonds due 2019 and ₱5.65 Billion Fixed Rate Callable Bonds due 2022

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

Balance of Proceeds as of 03.31.2015 **NIL**

Ayala Land raised from the Bonds gross proceeds of P15.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P14.9 billion. Net proceeds were used to partially finance various projects.

HOMESTARTER BONDS 6

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

Balance of Proceeds as of 03.31.2015 **NIL**

Ayala Land raised from the Bonds gross proceeds of P2.0 billion. After issue-related expenses, actual net proceeds amounted to approximately P1.97 billion. Net proceeds were used to partially finance various projects.

HOMESTARTER BONDS 5

(in pesos)	PROSPECTUS	ACTUAL
Issue Amount	**1,000,000,000.00**	**1,000,000,000.00**
Expenses		
SEC Registration	1,325,625.00	1,325,625.00
Underwriting and Other Professional Fees	8,000,000.00	9,421,000.00
Marketing/Printing/Photocopying Costs and OPEs	2,200,000.00	1,587,085,83
Registry and Paying Agency Fees	200,000.00	154,090.30
Documentary Stamp Tax	10,000,000.00	5,000,000.00
Total Expenses	**21,725,625.00**	**17,487,801.13**
Net Proceeds	**978,274,375.00**	**982,512,198.87**

Balance of Proceeds as of 03.31.2015 **NIL**

Ayala Land raised from the Bonds gross proceeds of P1.0Bn. After issue-related expenses, actual net proceeds amounted to P982.5 million. Net proceeds were used to partially finance various projects.

8. Commercial Paper Issuances and Outstanding Balance (for the quarter ended March 31, 2015)

None.

9. Accounts and Other Payables

The accounts and other payables as of March 31, 2015 is broken down as follows:

Accounts and other payables	As of March 31, 2015 (In million pesos)
Accounts Payable	P 72,766
Accrued Expenses	4,900
Taxes payable	10,048
Accrued project cost	16,526
Dividend payable	1,979
Accrued salaries & employee benefits	84
Accrued rentals	2,874
Accrued - Repairs & maintenance	2,127
Accrued - Advertising & Promo	967
Accrued - Professional & Management Fees	5,400
Accrued - Light & Water	3,434
Accrued - Insurance	24
Accrued -Supplies	1
Accrued - Postal & Comm	16
Accrued - Representation	418
Accrued - Donations & Contribution	52
Accrued - Transportation & Travel	3
Interest payable	1,591
Retention payable	28
Total	P 123,238

10. Related Party Transactions

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

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

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

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

a. Transactions with BPI, an associate of AC

As of March 31, 2015 and December 31, 2014, the Group maintains current and savings account, money market placements and Long-term debt payable with BPI broken down as follows:

(In million pesos)	Unaudited March 31, 2015	Audited December 31, 2014
Cash in bank	**P12,451**	P13,355
Cash equivalents	**7,437**	5,939
Financial asset at FVPL	**5,419**	5,608
Short-term debt	**-**	-
Long-term debt	**27,036,282**	23,817,111

11. Segment information

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

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

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

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

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

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

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

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

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

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

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

AYALA LAND INC. AND SUBSIDIARIES
SEGMENT REPORT- Profit and Loss Statement

YTD- March 2015

	RESIDENTIAL	SHOPPING CENTERS	CORPORATE BUSINESS	STRATEGIC LANDBANK MAGEMENT & VISAYAS & MINDANAO	HOTELS & RESORTS	CONSTRUCTION	CORPORATE	PROPERTY MANAGEMENT & OTHERS	TOTAL	INTERSEGMENT ADJUSTMENT	CONSOLIDATED
Revenues											
Sales to external Customers	13,324	2,985	1,328	2,613	1,499	1,527	0	404	23,680		23,680
Intersegments sales	343	93	0	(50)	0	7,400	0	140	7,926	(7,926)	0
Equity in net earnings of associates and joint ventures	0	(70)	0	49	0	0	(18)	0	(39)		(39)
Total revenue	13,667	3,008	1,328	2,612	1,499	8,927	(18)	544	31,567		23,641
						0					
Operating Expenses	10,202	1,880	664	1,780	1,128	7,982	192	458	24,286	(7,222)	17,064
					0						
Operating profit	3,465	1,128	664	832	371	945	(210)	86	7,281	7,222	6,577
Interest income											1,293
Interest expenses											(1,513)
Other Income											127
Other Charges											(60)
Income Taxes											(1,547)
Net Income											4,876
Net Income attributable to:											
Equity holders of Ayala Land Inc.											4,122
Non-controlling interests											754
											4,876

YTD- March 2014

	RESIDENTIAL	SHOPPING CENTERS	CORPORATE BUSINESS	STRATEGIC LANDBANK MAGEMENT & VISAYAS & MINDANAO	HOTELS & RESORTS	CONSTRUCTION	CORPORATE	PROPERTY MANAGEMENT & OTHERS	TOTAL	INTERSEGMENT ADJUSTMENT	CONSOLIDATED
Revenues											
Sales to external Customers	10,113	2,825	1,033	3,370	1,369	2,003	0	264	20,977		20,977
Intersegments sales	126	113	0	2,916	0	5,272	0	530		(8,957)	0
Equity in net earnings of associates and joint ventures	0	(12)	0	489	0	0	2	0	479		479
Total revenue	10,239	2,926	1,033	6,775	1,369	7,275	2	794	21,456	(8,957)	21,456
						0					
Operating Expenses	8,117	1,738	455	4,680	1,041	6,599	526	839	15,828	(8,167)	15,828
					0						
Operating profit	2,122	1,188	578	2,095	328	676	(524)	(45)	5,628	(790)	5,628
Interest income											1,132
Interest expenses											(1,142)
Other Income											(105)
Other Charges											0
Income Taxes											(1,319)
Net Income											4,194
Net Income attributable to:											
Equity holders of Ayala Land Inc.											3,464
Non-controlling interests											731
											4,194

Ayala Land Inc. and Subsidiaries
Segment Report -Balance Sheet
as of MARCH 31, 2015

	RESIDENTIAL	SHOPPING CENTERS	CORPORATE BUSINESS	STRATEGIC LANDBANK MANAGEMENT & VISAYAS & MINDANAO	HOTELS & RESORTS	CONSTRUCTION	CORPORATE	PROPERTY MANAGEMENT & OTEHRS	TOTAL	INTERSEGMENT ADJUSTMENT	CONSOLIDATED
Segment Assets	278,743	77,436	41,254	93,248	19,802	42,433	34,262	5,280	592,458	(173,344)	419,114
Investment in associates and joint ventures		568		8,811	0		1,650		11,029		11,029
Deferred tax assets	1,554	271	86	319	110	30	1,642	17	4,029	1,994	6,023
Total assets	280,297	78,275	41,340	102,378	19,912	42,463	37,554	5,297	607,516	(171,350)	436,166
Segment liabilities	152,849	47,253	19,199	84,222	9,841	38,610	7,442	4,001	363,417	(69,428)	293,989
Deferred tax	1,480	19	79	276	440	0	0	1	2,295	77	2,372
Total liabilities	154,329	47,272	19,278	84,498	10,281	38,610	7,442	4,002	365,712	(69,351)	296,361
Segment additions to:											
Property and equipment	38	137	26	283	339	603	106	499	2,031		2,031
Investment properties		1,534	182						1,716		1,716
											0
Depreciation & amortization	33	249	137	134	136	2	55	36	782		782

Ayala Land Inc. and Subsidiaries
Segment Report -Balance Sheet
as of DECEMBER 31, 2014

	RESIDENTIAL	SHOPPING CENTERS	CORPORATE BUSINESS	STRATEGIC LANDBANK MANAGEMENT & VISAYAS & MINDANAO	HOTELS & RESORTS	CONSTRUCTION	CORPORATE	PROPERTY MANAGEMENT & OTEHRS	TOTAL	INTERSGEMENT ADJUSTMENT	CONSOLIDATED
Segment Assets	249,523	68,230	40,237	98,750	24,835	38,587	12,047	4,935	537,144	(165,621)	371,523
Investment in associates and joint ventures		583		8,685	0		1,695		10,963		10,963
Deferred tax assets	1,484	265	86	276	108	13	1,785	17	4,034	2,424	6,458
Total assets	251,007	69,078	40,323	107,711	24,943	38,600	15,527	4,952	552,141	(163,197)	388,944
Segment liabilities	130,074	38,972	19,471	77,602	11,548	35,504	15,119	5,699	333,989	(69,006)	264,983
Deferred tax	334	18	82	202	440	0	0	1	1,077	889	1,966
Total liabilities	130,408	38,990	19,553	77,804	11,988	35,504	15,119	5,700	335,066	(68,117)	266,949
Segment additions to:											
Property and equipment	436	148	90	42	1,589	870	141	1,524	4,840		4,840
Investment properties	64	5,312	2,100	1,418			622		9,516		9,516
											0
Depreciation & amortization	170	1,457	777	645	488	594	129	103	4,363		4,363

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

Results of Operations for the Three Months ended March 31, 2015

Ayala Land, Inc. (ALI or "the Company) posted a net income of P4.1 billion for the first quarter of 2015, 19% higher than the reported net income of P3.5 billion during the same period last year. Consolidated revenues reached P25.1 billion, 10% higher year-on-year. Revenues from Real Estate increased by 13% to P23.7 billion driven by the strong performance of its property development, commercial leasing and services businesses.

The ratio of General and Administrative Expenses (GAE) to revenues improved to 6.4% from 6.8% during the previous year. Earnings before interest and taxes (EBIT) margin posted higher at 28% in the 1st quarter of 2015 versus 27% in the 1st quarter of 2014.

Business Segments

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

Property Development. Property Development, which includes the sale of residential lots and units, office spaces, as well as Commercial and Industrial lots, reported revenues of P15.9 billion in the first quarter of 2015 which is 18% higher than the P13.5 billion in 1Q 2014.

Revenues from the Residential Segment reached P13.1 billion in 2015, 18% higher year-on-year, driven by new bookings and project completion across residential brands.

Ayala Land Premier (ALP) registered a revenue growth of 47%, year-on-year to P5.8 billion, driven by substantial bookings from residential lots in Luscara and Soliento in Nuvali, Ayala Westgrove Heights in Silang, Cavite, The Courtyards in Imus and Dasmarinas Cavite and high-value condominium units such as Arbor Lanes in Arca South, East Gallery Place and the Suites in Bonifacio Global City and Garden Towers, Park Terraces and Two Roxas Triangle in Makati.

Alveo posted P3.0 billion in revenues, 24% higher compared to the 1st quarter of 2014 due to the contribution of its new and existing projects such as The Verve Residences and Maridien in Bonifacio Global City, Lumira in Nuvali, Veranda in Arca South and Solinea in Cebu.

Avida registered P2.7 billion in revenues, 3% lower than the same period last year as a result of fewer project launches. Avida's revenues was driven by the contribution of its existing and newly launched projects such as Avida Towers Verte in Bonifacio Global City, Avida Towers Centera in Mandaluyong, Avida Towers Riala in Cebu, Avida Towers Prime Taft, Avida Towers 34th Street and CityFlex in Bonifacio Global City, Avida Towers Vita in Vertis North, Avida Woodhill Settings in Nuvali, Avida Settings in Altaraza and South Grove Estates in Imus, Cavite.

Amaia's revenues significantly increased to P783 million, 27% higher than last year driven by the strong sales of Amaia Steps in Nuvali, Amaia Skies in Avenida and Avida Towers Shaw.

BellaVita revenues reached P80 million, generating more than a four-fold increase from the same period last year largely due to higher bookings from its projects in General Trias, Alaminos and Pililia.

Residential sales take-up in the 1st quarter of 2015 increased by 10%, reaching a total of P23.4 billion, equivalent to an average monthly sales take-up of P7.8 billion. The Company launched P16.4 billion worth of residential projects during the period. Residential Gross Profit (GP) margins of horizontal projects increased to 43% while GP margins of vertical developments remained steady at 34%.

Revenues from the sale of Office spaces by Alveo and Avida registered at P881 million posting more than a three-fold increase compared to the 1st quarter of 2014, driven mainly by additional bookings from Alveo's High Street South Plaza and Avida's One Park Drive in Bonifacio Global City. GP Margins of offices for sale improved to 40% in the 1st quarter of 2015 compared to 38% during the same period in 2014.

Revenues from the sale of Commercial and Industrial Lots decreased by 11% to P2.0 billion in the 1st quarter of 2015 due to lower inventory of available lots for sale in Arca South. GP margins of Commercial and Industrial lots improved to 51% in the first quarter of 2015 from 40% in the same period last year.

Commercial Leasing. Commercial Leasing which includes the operation of Shopping Centers, Offices and Hotels and Resorts generated total revenues of P5.9 billion, 11% higher than the P5.3 billion recorded in the same period in 2014.

Revenues from Shopping Centers grew by 11% to P3.2 billion from P2.8 billion due to the improved performance of Fairview Terraces and UP Town Center and the steady performance of stable malls and annual rental escalations. Average monthly lease rates per square meter increased by 3% to P1,173. Total gross leasable area (GLA) was up by 3% year-on-year to 1.36 million square meters with an average occupancy rate of 95%. Same mall rental growth registered at 10%. Shopping Centers EBITDA margin improved to 66% from 62% due higher occupancy and higher average rental rates of existing malls and the improved performance of Fairview Terraces.

Revenues from Office Leasing operations increased by 14% to P1.2 billion in the 1st quarter of 2015, from P1.1 billion during the same period last year due to contribution of new offices, higher occupancy and higher average rental of existing offices. Total GLA grew by 11% to 625 thousand square meters in the 1st quarter of 2015 from 564 thousand in the first quarter of 2014. Average occupancy registered at 90%. Average monthly lease rates per square meter increased by 6% to P672. EBITDA margins of the total office portfolio improved to 87% from 82% versus the same period in 2014.

Hotels and Resorts currently operates 1,294 hotel rooms from its internationally branded segment in Hotel Intercontinental Manila, Cebu City Marriott, Fairmont Hotel and Raffles Residences Makati and Holiday Inn & Suites Makati, 213 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 and Nuvali Laguna. In the 1st quarter of 2015, revenues of the Hotels and Resorts business grew by 9% to 1.5 billion from 1.4 billion in the first quarter of 2014 primarily driven by the higher occupancy of its existing Hotels and Resorts. Revenue per Available Room (REVPAR) for hotels was up by 2% to P3,987 due to improved occupancy at Marriott, Fairmont Hotel, Raffles Residences and the Seda Hotels. REVPAR for resorts increased 13% to P9,105. EBITDA margins for Hotels and Resorts remained steady at 30%.

Services. Services which include the Company's wholly-owned Construction and Property Management companies, generated combined revenues of P9.3 billion in the 1st quarter of 2015, 24% higher than P7.5 billion in the same period in 2014. Construction revenues grew by 23% to P8.9 billion with the increase in order book within the Ayala Land Group. Property Management revenues increased by 53% to P404 million due to the increase in managed properties from new projects.

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

Equity in Net Earnings from Associates and JVs decreased by 108% to P39 million in the 1st quarter of 2015 from P479 million the same period last year due to the lower equity in net earnings from FBDC companies and startup costs attributed to new business. Interest and Investment Income increased by 14% to P1.3 billion due to higher interest accretion on the sale of residential units while Other Income decreased 21% to P127 million due to the decrease of Interest Income from Banks.

Expenses

Total expenses in the first quarter of 2015 amounted to P18.6 billion, 8% more than the P17.2 billion incurred in the 1st quarter of 2014. Cost of Sales from Real Estate and Hotels which accounted for the bulk of the expenses increased by 8% to P15.4 billion versus P14.3 billion during the same period last year. General and Administrative Expenses (GAE) grew only by 4% to P1.6 billion primarily due to payroll and compensation-related expenses, with the GAE-to-revenue ratio declining to 6.4% from 6.8% last year. Interest Expense, Financing and Other Charges increased by 14% year-on-year to P1.6 billion mainly attributed to higher interest expense and higher average interest rate at 4.8% versus 4.5% year-on-year.

Project and Capital Expenditure

The Company spent a total of P18.6 billion for project and capital expenditures in the first quarter of 2015 representing 19% of the target of P100.3 billion capex for the full year of 2015. The bulk of capital expenditures were spent on construction of projects under core businesses at 76% with the balance spent for land acquisition at 24%.

Financial Condition

The Company posted a strong a balance sheet position, with adequate capacity to support its growth plans for 2015. Cash and Cash Equivalents stood at P41.9 billion, resulting in a Current Ratio of 1.32:1. Total Borrowings as of March 2015 stood at P123.3 billion from P124.7 billion as of December 2014 translating to a Debt-to-Equity Ratio of 0.88:1 and a Net Debt-to-Equity Ratio of 0.58:1. Return on Equity registered at 14.3% in the first quarter of 2015.

Financial Risk Management Objectives and Policies

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

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

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

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

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

There were no changes in the Group's financial risk management objectives and policies in as of March 31, 2015.

Liquidity risk

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

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

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

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

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

Credit risk

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

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

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

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

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

Interest rate risk

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

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

Foreign currency risk

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

Equity price risk

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

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

Income Statement items – 1Q 2015 versus 1Q 2014

13% increase in real estate and hotel revenues
Largely due to higher sales bookings and incremental completion of residential projects and improved performance of the hotels and resorts and leasing business

108% decrease in equity in net earnings of investees
Mainly due to lower equity from FBDC companies

14% increase in interest, fees and investment income
Mainly due to higher accretion income on installment sales.

21% decrease in other income
Primarily driven by the lower net asset valuation of ARCH fund investment.

8% increase in real estate and hotel costs
Largely due to higher real estate and hotel costs.

14% increase in interest expense, financing and other charges
Largely due to higher borrowings for various capital expenditures.

17% increase in Provision for Income Tax
Primarily due to higher taxable income mainly from real estate

<u>Balance Sheet items</u> – March 31, 2015 versus Dec. 31, 2014

26% increase in cash and cash equivalents
Mainly due to proceeds of new and additional loan availments, higher collection on increased sales from residential projects

100% decrease in Short Term Investments
Due to the maturity of Short-term investment placements

50% increase in accounts and notes receivables (net)
Largely due to higher sales and additional bookings from residential projects (subdivision, condominuin and office for sale.)

14% increase in other current assets
Mainly due to the increase of escrow accounts.

5% increase in investment properties
Primarily due to project costs of malls and office buildings and contribution of additional land acquisitions.

5% increase in Property and Equipment
Mainly due to MDC's formworks and equipment fleet acquisition and Phil. Energy's installation of district cooling system (DCS) in malls

7% decrease in deferred tax assets
Primarily due to higher deferred tax assets on temporary differences from revenue recognition from Vertical and Land Sales projects

52% increase in other non-current assets
Largely due to increase in advances and deposits for projects

18% increase in account and other payables
Mainly due to higher payable to suppliers, accrued expenses and taxes payable.

16% decrease in short-term debt
Mainly due to bank loan repayments of ALI subsidiaries

82% increase in income tax payable
Mainly due to higher taxable income.

8% decrease in Customers & Tenant's Deposit
Largely due to increase in advances and deposits for projects

72% increase in Current portion of long-term debt
Mainly due to ALI Parent's loan increase

21% increase in Deferred Tax Liabilities
Mainly due to higher sales with less than 25% collections.

11% decrease in Pension Liability
Primarily due to lower recognized liability on employee benefits.

49% increase Other Non-Current Deposits & Liabilities
Largely due to increase on land acquisitions and project related deposits made by ALI and subsidiaries and contribution from Retention payable to external contractors due to ramp up of construction projects for the ALI group

36% increase in capital stock
Mainly due to ALI's Equity top up placement in January 2015

7% increase in non-controlling interest
Mainly due to increase in 2015 NIAT share of minority interest

PART II - OTHER INFORMATION

Item 3. 1Q 2015 Developments

A. New project or investments in another line of business or corporation	None.	
B. Composition of Board of Directors (as of March 31, 2015)	Fernando Zobel de Ayala	Chairman
	Jaime Augusto Zobel de Ayala II	Vice Chairman
	Bernard Vincent O. Dy	President & CEO
	Antonino T. Aquino	Director
	Francis G. Estrada	Director
	Jaime C. Laya	Director
	Delfin L. Lazaro	Director
	Rizalina G. Mantaring	Director
	Vincent Y. Tan	Director
C. Performance of the corporation or result/progress of operations	Please see unaudited consolidated financial statements and management's discussion on results of operations.	
D. Declaration of dividends	P0.2075 cash dividend Declaration date: February 20, 2015 Record date: March 06, 2015 Payment date: March 20, 2015	
E. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements	None.	

F. Offering of rights, granting of Stock Options and corresponding plans therefore

ALI has stock option plans for key officers (Executive Stock Option Plan - ESOP) and employees (Employee Stock Option Plan (ESOWN) covering 2.5% of the company's authorized capital stock.

In 2005, the company introduced a revised ESOWN granted to qualified officers.

As of March 31, 2015, stock options outstanding* are as follows:

ESOP	1,429,180 shares
ESOWN	100,131,181 shares
	101,560,361 shares

* *outstanding shares pertain to shares subscribed by officers and employees which are not yet fully paid and not yet issued*

G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate

None.

H. Other information, material events or happenings that may have affected or may affect market price of security

I. Transferring of assets, except in normal course of business

None.

Item 4. Other Notes to 3Q 2014 Operations and Financials

J. Nature and amount of items affecting assets, liabilities, equity, or net income that are unusual because of their nature, size, or incidents

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

K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period

None.

L. New financing through loans / Issuances, repurchases, and repayments of debt and equity securities

Please see Notes to Financial Statements (Item #5).

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

On 06 April 2015, Ayala Land, Inc. through Regent Wise Investments Limited acquired 9.16% shares of Malaysian company, GW Plastics Holdings Bhd, to be renamed MCT Bhd, through a private placement amounting to US$43m or P1.9b.

On 08 April 2015, Ayala Land, Inc. purchased all of the 8.2 million common shares of Aegis PeopleSupport Realty Corporation amounting to P435m.

On 22 April 2015, Ayala Land offered P7b fixed rate bonds, 4.5% bonds due 2022.

On 12 May 2015, Ayala Land, Inc. (ALI), through its wholly-owned subsidiary, Regent Wise Investments Limited which owns 9.16% of the shares of Malaysian development and construction company, MCT, Bhd. (MCT), entered into call option agreements with the two founders and majority shareholders of MCT, Barry Goh Ming Choon and Tong Seech Wi, that will give ALI the opportunity to increase its shareholdings in MCT up to a maximum of 32.95%. The call options are exercisable for one month beginning on October 7, 2015.

N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations	None.
O. Changes in contingent liabilities or contingent assets since the last annual balance sheet date	None.
P. Other material events or transactions during the interim period	On 12 January 2015, Ayala Land, Inc, completed a top-up placement of 484,848,500 ALI common shares at a price of P33 per share, raising proceeds of P16b. On 06 February 2015, ALI purchased the remaining interest of Anglo Philippine Holdings Corporation (Anglo) in North Triangle Depot Commercial Corporation (NTDCC) consisting of 382,072 common shares and 1,605,169 preferred shares amounting to P523m which brings ALI ownership in NTDCC from 70.36% to 73.24%. On 27 February 2015, ALI, through Team Trident consortium, filed the pre-qualification documents with DPWH to participate in the bidding of Laguna Lake Expressway-Dike Project under the PPP program of the government. Team Trident is a consortium among Aboitiz Equity Ventures, Ayala Land, Inc., Megaworld Corporation and SM Prime Holdings who agreed to form Trident Infrastructure and Development Corporation.
Q. Existence of material contingencies during the interim period; events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation	None.
R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period	None.
S. Material commitments for capital expenditures, general purpose and expected sources of funds	For the year 2015, Ayala Land's consolidated budget for project and capital expenditures amount to P100.3 billion. This will be financed through a combination of internally-generated funds, borrowings and pre-selling.

The Company spent a total of P18.6 billion for project and capital expenditures in the first quarter of 2015 representing 19% of the total P100.3 billion capex for the full year of 2015. The bulk of capital expenditures were spent on project completion and construction of core businesses at 72% with the balance spent for land acquisition at 24%. The Company allotted P100.3 billion for capital expenditures for the completion of ongoing developments and launches of new residential and leasing projects which will sustain the Company's growth trajectory in the coming years.

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

Ayala Land's performance will remain parallel to the country's overall economic standing. Interest rate fluctuations may likewise affect the real estate industry, including the Company.

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

None.

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

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

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

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

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

X. Disclosures not made under SEC Form 17-C

None.

Item 5. Performance Indicators

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

	End March 2015	***End December 2014***
Current ratio [1]	*1.32:1*	*1.22:1*
Debt-to-equity ratio [2]	*0.88:1*	*1.02:1*
Net debt(cash)-to-equity ratio [3]	*0.58:1*	*0.74:1*
Profitability Ratios:		
Return on assets [4]	*4.7%*	*5.0%*
Return on equity [5]	*14.3%*	*14.4%*
Asset to Equity Ratio[6]	*3.12:1*	*3.19:1*
Interest Rate Coverage Ratio[7]	*4.8*	*5.7*

**Restated per PFRS 10*

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

SIGNATURE

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

Issuer: **AYALA LAND, INC.**

By:

Jaime E. Ysmael
Senior Vice President and Chief Finance Officer

Date: May 15, 2015