

PFRS 3, Business Combinations – Scope Exceptions for Joint Arrangements

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

PFRS 13, Fair Value Measurement – Portfolio Exception

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

PAS 40, Investment Property

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

No Mandatory Effectivity Date

PFRS 9, Financial Instruments

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

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

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

Deferred Effectivity

Philippine Interpretation 15, Agreements for the Construction of Real Estate

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

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

3. Principles of Consolidation

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

	<u>Effective Ownership</u>
	(%)
Real Estate:	
Alveo Land Corporation (Alveo)	100
Serendra, Inc.	39
Solinea, Inc. (formerly Bigfoot Palms, Inc.)	65
BG South Properties, Inc. (BGS)	50
Portico Land Corp.	60
Serendra, Inc.	28
Amorsedia Development Corporation and Subsidiaries	100
OLC Development Corporation and Subsidiary	100

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

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

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

4. Receivables / Payables

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

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

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

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

5. Inventories

This account consists of:

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

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

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

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

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

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

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

7. Short-Term and Long-Term Debt

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

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

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

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

** Including bonds and FXCNs*

Issuances, Repurchases and Repayments of Debt and Equity Securities

Issuances of Debt and Equity Securities / New Financing through Loans – January – March 31, 2014 (in Million Pesos)

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

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

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

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

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

Balance of Proceeds as of 12.31.2013

NIL

Ayala Land raised from the Bonds gross proceeds of P6.0Bn. After issue-related expenses, actual net proceeds amounted to approximately P5.9B. Net proceeds were used to partially finance various projects including, but not limited to, (i) the construction of various leasing assets including an additional BPO building in Cebu IT Park and the construction of Fairview Terraces Mall (P0.9 billion), (ii) infusion to Avida Land Corp. (a subsidiary) to fund various residential development projects and acquisitions (P1.0 billion) and (iii) the acquisition of several properties in strategic areas around the country (P4.0 billion).

₱15.0 Billion Fixed Rate Bonds due 2024

	MATED PER PROSPECTUS	ACTUAL
Amount	15,000,000,000.00	15,000,000,000.00
Expenses		
Documentary Stamp Tax	75,000,000.00	75,000,000.00
C 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
	147,226,625.00	147,889,514.96
Net Proceeds	14,852,773,375.00	14,852,110,485.04

Balance of Proceeds as of 12.31.2013

NIL

Ayala Land raised from the Bonds gross proceeds of P15.0Bn. After issue-related expenses, actual net proceeds amounted to approximately P14.9B. Net proceeds were used to partially finance various projects including, but not limited to, (i) the pump-priming development activities for new townships like Vertis North in Quezon City, Arca South, formerly FTI, in Taguig, Alvierra in Pampanga, and Altaraza in Bulacan (P4.0B), (ii) development of various residential projects such as Park Terraces, Garden Towers and subdivision projects in Nuvali (e.g. Santierra, Elaro and Luscar) (P4.0B), (iii) the construction of various leasing assets including an additional BPO buildings in UP – Ayalaland Technohub, the construction of the UP Town Center, expansion of Ayala Center Cebu and Abreeza (P1.2B), (iii) new Seda Hotel in Nuvali (P0.3B) and (iv) the acquisition of several properties in strategic areas around the country (P5.4B).

P9.35 Billion Fixed Rate Callable Bonds due 2019 and P5.65 Billion Fixed Rate Callable Bonds due 2022

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

Balance of Proceeds as of 12.31.2013

NIL

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

HOMESTARTER BONDS 6

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

Balance of Proceeds as of 12.31.2013**NIL**

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

HOMESTARTER BONDS 5

	PROSPECTUS	ACTUAL
Amount	1,000,000,000.00	1,000,000,000.00
Uses		
C 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
	21,725,625.00	17,487,801.13
Proceeds	978,274,375.00	982,512,198.87

Balance of Proceeds as of 12.31.2013**NIL**

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

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

None.

9. Accounts and Other Payables

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

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

10. Related Party Transactions

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

Terms and Conditions of Transactions with Related Parties

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

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

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

a. Transactions with BPI, an associate of AC

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

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

11. Segment information

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

- Residential developments - sale of high-end and upper middle-income residential lots and units, affordable housing units and lots, economic housing and leisure community developments; lease of residential developments under joint venture
- Shopping centers - development of shopping centers and lease to third parties of retail space and land therein; operation of movie theaters, food courts, entertainment facilities and carparks in these shopping centers; management and operation of malls which are co-owned with partners
- Corporate business - development and lease or sale of office buildings; sale of industrial lots and lease of factory building
- Hotels and Resorts - development and management of hotels and resorts/serviced apartments and lease of land to hotel tenants
- Strategic landbank management and Visayas-Mindanao - acquisition, development and sale of large-scale, mixed-use, masterplanned communities; sale of override units or the Company's share in properties made available to subsidiaries for development; lease of gas station sites and carparks outside Ayala Center. This also includes development, sale and lease, shopping centers and residential developments of the Group's product offerings in key cities in the Visayas and Mindanao regions
- Construction - land development and construction of the Group and third-party projects
- Property management - facilities management of the Group and third-party projects
- Others - other income from investment activities and sale of non-core assets.

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

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