SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila
(Company's Address)

397-1888
(Telephone Number)

March 31, 2015
(Quarter Ended)

SEC Form 17-Q
(Form Type)

Amendment Designation (If applicable)

CN 000452R - Listed
(Secondary License Type and File Number)

COVER SHEET

9 3 2 6 9 – A

SEC Registration Number

R O B I N S O N S L A N D C O R P O R A T I O N A N D S U B S I D I A R I E S

(Company's Full Name)

Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

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

Cecilia M. Pascual

(Contact Person)

397-1888

(Company Telephone Number)

0 9 3 0

Month *Day*

(Fiscal Year)

1 7 - Q

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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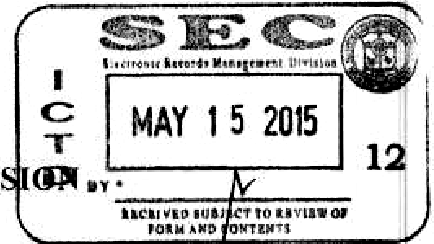


SECURITIES AND EXCHANGE COMMISSION

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 **93269-A**

3. BIR Tax Identification No. **000-361-376-000**

4. Exact name of issuer as specified in its charter

   ROBINSONS LAND CORPORATION

5. Province, country or other jurisdiction of incorporation or organization
   MANILA, PHILIPPINES

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office Postal Code

   Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila

8. Issuer's telephone number, including area code

   397-1888

9. Former name, former address and former fiscal year, if changed since last report

   Not applicable

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

Title of each Class	Number of shares of common stock outstanding
Common	**4,093,830,685 shares**
Registered bonds payable	**₱12,000,000,000**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [/] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

PHILIPPINE STOCK EXCHANGE **COMMON STOCK**

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 twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein. **See Exhibit II**

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

See Exhibit I

PART II--OTHER INFORMATION

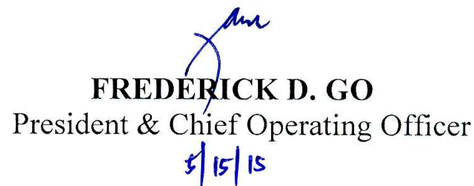
The Company's retained earnings include accumulated equity in undistributed net earnings of investee companies and affiliates amounting to ₱724 million as of March 31, 2015 and ₱699 million as of September 30, 2014. This amount, plus ₱17.0 billion of retained earnings appropriated for expansion, are not available for dividend declaration.

SIGNATURES

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
Signature & Title
Date

LANCE Y. GOKONGWEI
Vice Chairman & Chief Executive Officer
5/15/15



Issuer
Signature & Title
Date

FREDERICK D. GO
President & Chief Operating Officer
5/15/15

Issuer
Signature & Title
Date

CONSTANTE T. SANTOS
SVP - Corporate Controller
5/15/15

CECILIA M. PASCUAL
VP - Group Controller
5/15/15

ROBINSONS LAND CORPORATION
2nd Quarter FY 2015 PERFORMANCE

I. Consolidated Operations

Consolidated net income attributable to equity holders of Parent Company for the period ended March 31 amounted to ₱2,796.7 million, up by 25.0%. EBIT and EBITDA rose by 16.7% and 16.8% to ₱3,680.6 million and ₱5,191.7 million, respectively, for the six months ended March 31, 2015.

Total real estate revenues were up by 14.7% to ₱8,793.1 million against last year's ₱7,667.4 million, while hotel revenues amounted to ₱886.7 million. Detailed analyses of the various segments are presented in the succeeding paragraphs.

Real estate cost went up by 13.1% to ₱3,906.5 million due to higher cost of rental service brought about by higher depreciation, among others. Hotel expenses are up by 5.9% to ₱644.3 million due to the expenses of the new hotels. General and administrative expenses went up by 16.7% to ₱1,448.4 million because of higher commissions, and advertising, among others.

II. Segment Operations

The Commercial Centers Division contributed 46% or ₱4,451.2 million of the Company's gross revenues, posting a 11.6% growth. The seven newest malls contributed to the growth while most provincial malls also posted decent growth in rental revenues. Amusement revenue went up by 25.1% to ₱724.4 million. The Division's EBIT and EBITDA have shown positive variances of 7.5% from ₱1,756.8 million same period last year to ₱1,888.3 million this year and 10.1% from ₱2,760.9 million same period last year to ₱3,040.1 million this year, respectively.

RLC's Residential Division contributed 35% or ₱3,350.7 million of the Company's revenues, a growth of 13.6% versus last year's ₱2,948.4 million. Its EBIT and EBITDA increased by 21.3% to ₱853.6 million and by 21.1% to ₱870.5 million, respectively.

The Office Buildings Division contributed 10% or ₱991.2 million of the Company's revenues, up by 36.0% from last year's ₱728.8 million. Such growth is largely due to the new office buildings Cyberscape Alpha and Beta. Also, the eight existing office buildings posted growth in rental revenues averaging 7.1%. EBIT and EBITDA increased by 36.4% to ₱696.2 million and 35.8% to ₱953.3 million, respectively.

The Hotels Division contributed 9% or ₱886.7 million to the Company's revenues, up by 12.0%. The division posted a chain-wide occupancy rate of 69%. The Division's EBIT and EBITDA showed positive variance of 32.1% from last year's ₱183.6 million to ₱242.4 million this year and 23.6% from ₱265.1 million same period last year to ₱327.8 million this year, respectively, due to the new Go Hotels Iloilo, Go Hotels Ortigas and Summit Magnolia Hotel, among others.

III. Financial Resources and Liquidity

Cash and Cash Equivalents increased to ₱8.4 billion due to the issuance of bonds payable. Subdivision Land and Condominium and Residential Units slightly decreased by 2.1% to ₱14.9 billion. Receivables (current and non-current) is up by 7.0% to ₱7.2 billion due to higher volume of buyers meeting the equity requirement needed for revenue recognition. Accounts payable and accrued expenses are up by 10.7% to ₱6.5 billion due to higher level of expenditures. Deposits and Other Liabilities (current and non-current) increased by 6.8% to ₱7.4 billion due to additional tenants' deposits. Short-term loans decreased by ₱5.5 billion to ₱2.6 billion due to payments of short-term bank loans.

As of March 31, 2015, total assets of the Company stood at ₱95.9 billion while total equity amounted to ₱55.4 billion.

RLC's financial position remains solid, with a debt to equity ratio of 0.44:1 as of March 31, 2015 and 0.34:1 as of September 30, 2014. Cash stood at ₱8.4 billion and ₱1.1 billion as of March 31, 2015 and September 30, 2014, respectively. Current ratio stood at 2.57:1 from last year's 1.41:1. Earnings per share for the first six months amounted to ₱0.68 per share. Net book value excluding minority interest in consolidated subsidiary stood at ₱13.49 per share as of March 31, 2015 compared to ₱12.81 per share as of September 30, 2014.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Financial Statements
March 31, 2015 and for the Six months Ended March 31, 2015 and 2014
(With Comparative Audited Consolidated
Statement of Financial Position as of September 30, 2014)

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2015 (Unaudited)	September 30, 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱8,421,830,597**	₱1,054,955,189
Receivables (Note 7)	**4,271,037,757**	3,983,874,197
Subdivision land, condominium and residential units for sale (Note 8)	**14,854,760,031**	15,174,707,862
Other current assets (Note 9)	**3,377,163,053**	3,157,760,954
Total Current Assets	**30,924,791,438**	23,371,298,202
Noncurrent Assets		
Noncurrent receivables (Note 7)	**2,900,235,012**	2,715,423,991
Investment properties (Note 10)	**57,169,699,831**	54,855,468,262
Property and equipment (Note 11)	**3,447,139,641**	3,121,744,886
Other noncurrent assets (Note 12)	**1,409,965,957**	1,305,479,943
Total Noncurrent Assets	**64,927,040,441**	61,998,117,082
	₱95,851,831,879	₱85,369,415,284
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 15)	**₱2,598,168,000**	₱8,101,450,000
Accounts payable and accrued expenses (Note 13)	**6,515,177,367**	5,883,670,825
Deposits and other liabilities (Note 14)	**2,848,247,754**	2,601,624,799
Total Current Liabilities	**11,961,593,121**	16,586,745,624
Noncurrent Liabilities		
Loans payable (Note 15)	**21,817,513,217**	9,920,301,468
Deferred tax liabilities - net	**2,164,296,424**	1,974,212,221
Deposits and other noncurrent liabilities (Note 16)	**4,540,411,306**	4,318,054,882
Total Noncurrent Liabilities	**28,522,220,947**	16,212,568,571
Total Liabilities	**40,483,814,068**	32,799,314,195
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 17)	**4,111,528,685**	4,111,528,685
Additional paid-in capital	**20,392,532,781**	20,392,532,781
Other equity reserve (Note 1)	**(87,597,873)**	(87,597,873)
Other comprehensive loss	**(73,626,667)**	(73,626,667)
Retained earnings (Note 18)		
Unappropriated	**14,112,753,557**	11,316,048,848
Appropriated	**17,000,000,000**	17,000,000,000
Treasury stock (17,698,000 shares) (Note 17)	**(221,834,657)**	(221,834,657)
	55,233,755,826	52,437,051,117
Non-controlling interest in consolidated subsidiaries	**134,261,985**	133,049,972
	55,368,017,811	52,570,101,089
	₱95,851,831,879	₱85,369,415,284

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Period January to March		For the Period October to March	
	2015	2014	**2015**	2014
REVENUES				
Real Estate Operations				
Rental income	**₱2,257,418,282**	₱1,985,864,361	**₱4,467,393,246**	₱3,929,401,261
Real estate sales	**1,614,325,271**	1,208,421,893	**3,241,752,198**	2,831,705,835
Amusement income	**378,050,129**	301,797,894	**724,424,685**	578,955,660
Others	**200,253,175**	186,460,736	**359,498,857**	327,360,235
	4,450,046,857	3,682,544,884	**8,793,068,986**	7,667,422,991
Hotel Operations	**439,734,270**	390,428,220	**886,674,796**	791,664,796
	4,889,781,127	4,072,973,104	**9,679,743,782**	8,459,087,787
COSTS				
Real Estate Operations				
Cost of rental services	**782,568,441**	723,152,719	**1,618,680,481**	1,383,081,224
Cost of real estate sales	**881,490,600**	698,162,109	**1,739,769,484**	1,584,526,946
Cost of amusement services	**170,445,808**	135,561,181	**328,140,576**	265,869,917
Others	**126,288,639**	68,074,524	**219,876,748**	221,541,780
	1,960,793,488	1,624,950,533	**3,906,467,289**	3,455,019,867
Hotel operations	**330,805,819**	302,768,241	**644,259,181**	608,104,416
	2,291,599,307	1,927,718,774	**4,550,726,470**	4,063,124,283
	2,598,181,820	2,145,254,330	**5,129,017,312**	4,395,963,504
GENERAL AND ADMINISTRATIVE EXPENSES	**746,564,030**	688,479,729	**1,448,447,546**	1,241,218,813
OPERATING INCOME	**1,851,617,790**	1,456,774,601	**3,680,569,766**	3,154,744,691
OTHER INCOME (LOSSES)				
Interest income	**12,701,134**	1,558,014	**17,435,303**	6,671,991
Typhoon and fire losses (Note 23)	–	100,417,600	–	(215,449,651)
Interest expense	–	(24,891,830)	–	(37,241,624)
	12,701,134	77,083,784	**17,435,303**	(246,019,284)
INCOME BEFORE INCOME TAX	**1,864,318,924**	1,533,858,385	**3,698,005,069**	2,908,725,407
PROVISION FOR INCOME TAX	**464,656,671**	327,433,832	**900,088,347**	671,237,375
NET INCOME	**1,399,662,253**	1,206,424,553	**2,797,916,722**	2,237,488,032
OTHER COMPREHENSIVE INCOME	–	–	–	–
TOTAL COMPREHENSIVE INCOME	**₱1,399,662,253**	₱1,206,424,553	**₱2,797,916,722**	₱2,237,488,032
Net Income Attributable to:				
Equity holders of Parent Company	**₱1,398,535,680**	₱1,205,034,793	**₱2,796,704,709**	₱2,237,295,995
Non-controlling interest in consolidated subsidiaries	**1,126,573**	1,389,760	**1,212,013**	192,037
	₱1,399,662,253	₱1,206,424,553	**₱2,797,916,722**	₱2,237,488,032
Basic/Diluted Earnings Per Share (Note 20)	**₱0.34**	₱0.29	**₱0.68**	₱0.55

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2015 AND 2014

	Attributable to Equity Holders of the Parent Company							Attributable to Non-controlling Interest in Consolidated Subsidiaries	
	Capital Stock	**Additional Paid-in Capital**	**Treasury Stock (Note 17)**	**Other Equity Reserve (Note 1)**	**Other Comprehensive Loss (Note 3)**	**Unappropriated Retained Earnings (Note 18)**	**Appropriated Retained Earnings**		**Total Equity**
As of October 1, 2014	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱73,626,667)**	**₱11,316,048,848**	**₱17,000,000,000**	**₱133,049,972**	**₱52,570,101,089**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**2,796,704,709**	**–**	**1,212,013**	**2,797,916,722**
Balances as of March 31, 2015	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱87,597,873)**	**(₱73,626,667)**	**₱14,112,753,557**	**₱17,000,000,000**	**₱134,261,985**	**₱55,368,017,811**
As of October 1, 2013	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	₱–	₱13,864,976,604	₱11,200,000,000	₱135,163,483	₱49,394,769,023
Total comprehensive income for the period	–	–	–	–	–	2,237,295,995	–	192,037	2,237,488,032
Balances as of March 31, 2014	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱87,597,873)	₱–	₱16,102,272,599	₱11,200,000,000	₱135,355,520	₱51,632,257,055

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED MARCH 31

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,698,005,069**	₱2,908,725,407
Adjustments for:		
Depreciation and amortization	**1,511,152,385**	1,292,036,567
Loss on retirement of investment properties and property and equipment	**–**	215,449,651
Interest expense on loans payable	**–**	37,241,624
Interest income	**(17,435,303)**	(6,671,991)
Operating income before working capital changes	**5,191,722,151**	4,446,781,258
Decrease (increase) in:		
Receivables – trade	**(468,596,382)**	(958,624,673)
Subdivision land, condominium and residential units for sale	**319,947,831**	(1,635,593,238)
Prepaid expenses and value-added input tax	**136,376,404**	124,122,279
Other current assets	**9,599,477**	627,237,975
Increase in:		
Accounts payable and accrued expenses and other noncurrent liabilities	**412,141,705**	1,117,601,439
Customers' deposits	**394,141,652**	188,116,987
Cash generated from operations	**5,995,332,838**	3,909,642,027
Income tax paid	**(552,004,906)**	(978,702,955)
Net cash flows provided by operating activities	**5,443,327,932**	2,930,939,072
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	**14,772,843**	6,696,967
Proceeds from insurance claims	**–**	100,417,600
Decrease (increase) in:		
Advances to lot owners	**155,907,706**	(619,948,089)
Receivables from affiliated companies	**(715,739)**	(66,496)
Advances to suppliers and contractors	**(590,874,813)**	18,407,893
Other noncurrent assets	**(55,759,983)**	(78,473,643)
Acquisitions of:		
Investment properties (inclusive of capitalized borrowing cost)	**(3,735,197,428)**	(4,090,744,658)
Property and equipment	**(385,782,109)**	(317,603,171)
Net cash flows used in investing activities	**(4,597,649,523)**	(4,981,313,597)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bond issuance	**12,000,000,000**	–
Availment of short-term loans	**2,598,168,000**	1,832,650,000
Payment of short-term loans	**(8,101,450,000)**	–
Payment of debt issue cost	**(111,724,327)**	–
Increase in payable to affiliated companies and other liabilities	**65,619,514**	101,498,003
Interest paid	**69,323,297**	(36,802,986)
Payments of cash dividends	**1,260,515**	(10,404)
Net cash flows provided by financing activities	**6,521,196,999**	1,897,334,613
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**7,366,875,408**	(153,039,912)
CASH AND CASH EQUIVALENTS AT OCTOBER 1	**1,054,955,189**	1,081,533,911
CASH AND CASH EQUIVALENTS AT MARCH 31	**₱8,421,830,597**	₱928,493,999

See accompanying Notes to Unaudited Interim Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has five wholly-owned subsidiaries, namely: Robinsons Inn, Inc. (RII); Robinsons Realty and Management Corporation (RRMC); Robinsons (Cayman) Limited (RCL); Robinsons Properties Marketing and Management Corporation (RPMMC) and Altus San Nicolas Corp. (ASNC) (100% owned as at September 30, 2013 and 80% owned as at September 30, 2012 and 2011), 51%-owned subsidiaries, Altus Angeles, Inc. (AAI) and GoHotels Davao, Inc. (GHDI), (collectively known as the “Group”).

The Group is engaged in the business of selling, acquiring, developing, operating, leasing and disposing of real properties such as land, buildings, shopping malls, commercial centers and housing projects, hotels and other variants and mixed-used property projects. The Group is 60.97% owned by JG Summit Holdings, Inc. (JGSHI or the Ultimate Parent Company). JGSHI is one of the country’s largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation and financial services.

On March 6, 2013, the Parent Company acquired the remaining 20% non-controlling interest in ASNC, increasing its ownership interest from 80% to 100%. Cash consideration of ₱198 million was paid to the non-controlling shareholders. The total carrying value of the net assets of ASNC at the date of acquisition was ₱578 million, and the 20% equivalent of the carrying value of the remaining non-controlling interest acquired was ₱111 million. The difference of ₱87 million between the consideration and the carrying value of the interest acquired was booked in “Other equity reserve” account within equity.

On March 4, 2013, the Parent Company filed an application for the incorporation of its 51% owned subsidiary, GHDI. Its primary purpose is to establish, acquire, own, develop, operate and manage hotels and/or transient guest lodging services under the “gohotels.ph” mark and other similar and ancillary facilities and services related to the hospitality and allied industries. The Securities and Exchange Commission (SEC) approved the application on March 13, 2013. Cash received from owners of noncontrolling interest for newly incorporated subsidiary amounted to ₱25 million.

The Parent Company’s principal executive office is located at Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Metro Manila.

2. Basis of Preparation

The interim condensed consolidated financial statements as at March 31, 2015 and September 30, 2014 and for the six months ended March 31, 2015 and 2014 have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of September 30, 2014.

The interim condensed consolidated financial statements have been prepared under the historical cost convention method and are presented in Philippine Pesos (₱), the Group's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Basis of Consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Group (see Note 1) as at March 31, 2015 and September 30, 2014 and for the Six months ended March 31, 2015 and 2014.

All intercompany balances, transactions, income and expense and profit and loss are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date such control ceases.

Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly or indirectly to the Parent Company. NCI represent the portion of profit or loss and net assets in subsidiaries not owned by the Group and are presented separately in consolidated statement of income, consolidated statement of comprehensive income and consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from equity holders' of the Parent Company.

3. Changes in Accounting Policies

The accounting policies adopted in the preparation of the Group's financial statements are consistent with those of the previous financial year except for the adoption, for the first time, of certain standards and amendments that require restatement of previous financial statements which include PAS 19, *Employee Benefits* (Revised 2011). The Group also applied, for the first time, PFRS 13, *Fair Value Measurement* which is applied prospectively. Except as otherwise indicated, the adoption of these standards did not have any significant impact on the accounting policies, financial position or performance of the Group.

Several other standards and amendments apply for the first time in 2014. However, they do not have significant impact to the consolidated financial statements of the Group.

- PFRS 1*, First-time Adoption of International Financial Reporting Standards - Government Loans* (Amendments)
  The amendments to PFRS 1 require first-time adopters to apply the requirements of PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*, prospectively to government loans existing at the date of transition to PFRS. However, entities may choose to apply the requirements of PAS 39, *Financial Instruments: Recognition and Measurement*, and PAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for those loans. These amendments are not relevant to the Group.

- PFRS 7, *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (Amendments)
  These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32, *Financial Instruments: Presentation*. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:
  a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
  c) The net amounts presented in the statement of financial position;
  d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
     i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
     ii. Amounts related to financial collateral (including cash collateral); and
  e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

  The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements*
  PFRS 10 replaced the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addressed the accounting for consolidated financial statements. It also included the issues raised in SIC 12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.

  A reassessment of control based on the new standard was performed by the Parent Company on all of its interests in other entities and has determined that there are no additional entities that need to be consolidated or entities to be deconsolidated.

- PFRS 11, *Joint Arrangements*
  PFRS 11 replaces PAS 31, *Interests in Joint Ventures*, and SIC 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*. PFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The adoption of PFRS 11 affects disclosures only and has no impact on the Group's financial position or performance.

- PFRS 12, *Disclosure of Interests in Other Entities*
  PFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in PFRS 12 are more comprehensive than the previously existing disclosure requirements for subsidiaries (for example, where a subsidiary is controlled with less than a majority of voting rights).

  The adoption of PFRS 12 affects disclosures only and has no impact on the Group's financial position or performance.

- PFRS 13, *Fair Value Measurement*
  PFRS 13 establishes a single source of guidance under PFRSs for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS. PFRS 13 defines fair value as an exit price. PFRS 13 also requires additional disclosures.

  As a result of the guidance in PFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. The Group has assessed that the application of PFRS 13 has not materially impacted the Group. Additional disclosures, where required, are provided in the individual notes relating to the assets and liabilities with fair values disclosed. Fair value hierarchy is provided in Notes 11 and 32.

- PAS 19, *Employee Benefits* (Revised)
  On October 1, 2013, the Group adopted the Revised PAS 19.

  For defined benefit plans, the Revised PAS 19 requires all actuarial gains and losses to be recognized in OCI and unvested past service costs previously recognized over the average vesting period to be recognized immediately in profit or loss when incurred.

  Prior to adoption of the Revised PAS 19, the Group recognized actuarial gains and losses as income or expense when the net cumulative unrecognized gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets and recognized unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon adoption of the Revised PAS 19, the Group changed its accounting policy to recognize all actuarial gains and losses in OCI and all past service costs in profit or loss in the period they occur.

  The Revised PAS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.

  The Revised PAS 19 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. In addition, the Revised PAS 19 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognized at the earlier of when the offer cannot be withdrawn or when the related restructuring costs are recognized.

Changes to definition of short-term employee benefits and timing of recognition for termination benefits do not have any impact to the Group's financial position and financial performance.

The changes in accounting policies have been applied retrospectively. The effects of first time adoption of the Revised PAS 19 on the financial statements of the Group are as follows (in millions). These amounts are calculated periodically by independent qualified actuaries.

	As at September 30, 2014	As at September 30, 2013	As at October 1, 2012	As at October 1, 2011
Consolidated statement of financial position				
Increase (decrease) in:				
Net defined benefit liability	₱130.10	₱129.71	₱92.60	₱33.06
Deferred tax asset	39.03	38.91	27.78	9.92
Other comprehensive income - net of tax	(73.63)	(78.64)	(44.28)	–
Retained earnings	(17.44)	(12.16)	(20.54)	(23.14)

	2014	2013	2012
Consolidated statement of comprehensive income			
Increase (decrease) in:			
Net benefit cost	₱7.55	(₱11.96)	(₱3.72)
Income tax expense	(2.26)	3.59	1.12
Net income	(5.29)	8.37	2.60
Other comprehensive income - net of tax	5.01	(34.35)	(44.28)
Total comprehensive income	(₱0.28)	(₱25.98)	(₱41.68)
Attributable to the owners of the Parent Company	(₱0.28)	(₱25.98)	(₱41.68)
Attributable to non-controlling interests	Nil	Nil	Nil

- PAS 27, *Separate Financial Statements* (as revised in 2011)
  As a consequence of the issuance of the new PFRS 10, *Consolidated Financial Statements*, and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The adoption of the amended PAS 27 did not have a significant impact on the separate financial statements of the entities in the Group.

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011)
  As a consequence of the issuance of the new PFRS 11, *Joint Arrangements*, and PFRS 12, *Disclosure of Interests in Other Entities*, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The adoption of this standard does not have significant impact to the Group.

- Philippine Interpretation of International Financial Reporting Interpretations Committee (IFRIC) 20, *Stripping Costs in the Production Phase of a Surface Mine*
  This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. This new interpretation is not relevant to the Group.

Annual Improvements to PFRSs (2009-2011 cycle)
The Annual Improvements to PFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. The Group adopted these amendments for the current year.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*
  The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Group as it is not a first-time adopter of PFRS.

- PAS 1, *Presentation of Financial Statements - Clarification of the requirements for comparative information*
  The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the consolidated financial statements. An entity must include comparative information in the related notes to the consolidated financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third statement of financial position (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the consolidated financial statements) are not required. The Group presented comparative information in the notes for the impact of the adoption of PAS 19 (Revised 2011) in Note 29.

- PAS 16, *Property, Plant and Equipment - Classification of servicing equipment*
  The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment did not have any significant impact on the Group's financial position or performance.

- PAS 32, *Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*
  The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The standard did not have any impact on the Group financial statements.

- PAS 34, *Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*
  The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Group's financial position or performance.

Future Changes in Accounting Policies
Standards, interpretations, amendments to standards and improvements to standards issued but not yet effective up to the date of issuances of the Group's financial statements are listed below. The Group will adopt these standards and interpretations when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new standards and interpretations to have significant impact on its consolidated financial statements.

- Investment Entities (Amendments to PFRS 10, PFRS 12 and PAS 27)
  The amendments are effective for annual periods beginning on or after January 1, 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.

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

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
  These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is also applied.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014.

- Philippine Interpretation IFRIC 21, *Levies* (IFRIC 21)
  IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014.

- PFRS 9, *Financial Instruments*
PFRS 9 (2010 version), 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 hedge accounting 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 FVO 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 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 to PFRS 9, including the embedded derivative bifurcation 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 the approval of the Board of Accountancy (BOA).

  In compliance with SEC Memorandum Circular No.3, series of 2012, the Group has conducted a study on the impact of an early adoption of PFRS 9. After a careful consideration of the results on the impact evaluation, the Group has decided not to early adopt PFRS 9 for its 2014 annual financial reporting. Therefore, these financial statements do not reflect the impact of the said standard.

- 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, *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.

Standards and amendments issued by the IASB already adopted by the FRSC but are still for approval by BOA

Effective January 1, 2015

- 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)
The Annual Improvements to PFRSs (2010-2012 cycle) are effective for annual periods beginning on or after January 1, 2015. Except as otherwise indicated, the Group does not expect the adoption of these amendments to have significant impact on its consolidated financial statements.

- 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; and
  - 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.

- PFRS 13, *Fair Value Measurement - Short-term Receivables and Payables*
  The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The Group cannot assess yet the future impact of this amendment.

- 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 may be 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.

<u>Annual Improvements to PFRSs (2011-2013 cycle)</u>
The Annual Improvements to PFRSs (2011-2013 cycle) are effective for annual periods beginning on or after January 1, 2015. Except as otherwise indicated, the Group does not expect the adoption of these amendments to have significant impact on its consolidated financial statements.

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

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment 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).

Effective January 1, 2016

- 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 non-current 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 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 affect disclosures only and have no impact on the Group’s consolidated financial position and performance.

- 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 a 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 a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a 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 a 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. Except as otherwise indicated, the Group does not expect the adoption of these amendments to have significant impact on its consolidated financial statements.

- 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 January 1, 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 will have an effect on the classification and measurement of the Group's financial assets but will have no impact on the classification and measurement of

the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting. The Group is currently assessing the impact of adopting this standard.

- 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 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting. The Group is currently assessing the impact of adopting this standard.

Standard issued by the IASB but not yet adopted by the FRSC

- IFRS 15, *Revenue from Contracts with Customers*
  IFRS 15, *Revenue from Contracts with Customers* was issued in May 2014 but was yet to be adopted by the FRSC, BOA and the SEC. It 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 January 1, 2017 with early adoption permitted. The Group is engaged in selling activities of real estate projects while construction is in progress or even before it has started. The standard is expected to impact the revenue recognition on these pre-completed real estate sales whether revenue will be recognized at a point-in-time or over time. If there will be a change in revenue recognition, this will also impact the corresponding costs, and the related trade receivables, deferred tax liabilities and retained earnings account.

4. **Significant Accounting Judgments and Estimates**

The preparation of the interim condensed consolidated financial statements in compliance with PFRS requires the Group to make judgment and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements, as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. Operating Segment

In 2009, the Group adopted PFRS 8, *Operating Segment* which replaces PAS 14, *Segment Reporting,* which adopted a management approach to segment reporting. Under this approach, the information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments.

The Group evaluates performance based on net income, Operating income (net income after adding provisions for income tax and deducting/adding other income/losses) and EBITDA (net income after adding provisions for income tax, deducting/adding other income/losses and adding depreciation and amortization). The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

The Group derives its revenue from the following reportable units:

Commercial Center Division - develops, leases and manages shopping malls/commercial centers all over the Philippines.

Residential Division - develops and sells residential condominium spaces, as well as high-end horizontal residential projects.

Office Buildings Division - develops and leases office spaces.

Hotel Division - owns and operates a chain of hotels in various locations in the Philippines.

The financial information about the operations of these business segments is summarized as follows:

Six months ended March 31, 2015 (Unaudited)

	Commercial Center Division	Residential Division	Office Buildings Division	Hotels Division	Total
Revenue	**₱4,451,181,217**	**₱3,350,700,804**	**₱991,186,965**	**₱886,674,796**	**₱9,679,743,782**
Costs and expenses	**1,411,076,374**	**2,480,178,054**	**37,883,995**	**558,883,208**	**4,488,021,631**
Earnings before interest, income tax and depreciation and amortization	**3,040,104,843**	**870,522,750**	**953,302,970**	**327,791,588**	**5,191,722,151**
Depreciation and amortization	**1,151,797,013**	**16,905,004**	**257,074,395**	**85,375,973**	**1,511,152,385**
Operating income	**₱1,888,307,830**	**₱853,617,746**	**₱696,228,575**	**₱242,415,615**	**₱3,680,569,766**
Total segment assets	**₱54,904,343,371**	**₱28,192,824,693**	**₱9,831,725,844**	**₱2,922,937,971**	**₱95,851,831,879**
Total segment liabilities	**₱32,134,243,034**	**₱6,170,539,167**	**₱1,358,047,436**	**₱820,984,431**	**₱40,483,814,068**

Six months ended March 31, 2014 (Unaudited)

	Commercial Center Division	Residential Division	Office Buildings Division	Hotels Division	Total
Revenue	₱3,990,245,391	₱2,948,381,253	₱728,796,347	₱791,664,796	₱8,459,087,787
Costs and expenses	1,229,320,001	2,229,655,085	26,805,939	526,525,504	4,012,306,529
Earnings before interest, income tax and depreciation and amortization	2,760,925,390	718,726,168	701,990,408	265,139,292	4,446,781,258
Depreciation and amortization	1,004,097,687	14,739,580	191,620,388	81,578,912	1,292,036,567
Operating income	₱1,756,827,703	₱703,986,588	₱510,370,020	₱183,560,380	₱3,154,744,691
Total segment assets	₱44,254,445,710	₱25,096,183,835	₱8,439,846,286	₱2,265,893,977	₱80,056,369,808
Total segment liabilities	₱22,005,495,122	₱5,105,951,671	₱952,648,213	₱360,017,747	₱28,424,112,753

The Group generally accounts for inter-segment sales and transfers as if the sales and transfers were to third parties at current market prices.

Segment information of the Group does not include geographical segments since its operations are concentrated in the Philippines.

The revenue of the Group consists mainly of sales to external customers. Inter-segment revenue arising from lease arrangements are eliminated on consolidation.

6. Cash and Cash Equivalents

This account consists of:

	March 31, 2015	September 30, 2014
Cash on hand and in banks	**₱699,303,796**	₱492,007,143
Short-term investments	**7,722,526,801**	562,948,046
	₱8,421,830,597	₱1,054,955,189

7. Receivables

This account consists of

	March 31, 2015	September 30, 2014
Trade	**₱6,764,615,935**	₱6,339,948,908
Affiliated companies	**22,378,241**	21,662,502
Others	**430,320,810**	383,728,995
	7,217,314,986	6,745,340,405
Less allowance for impairment losses	**46,042,217**	46,042,217
	7,171,272,769	6,699,298,188
Less noncurrent portion	**2,900,235,012**	2,715,423,991
	₱4,271,037,757	₱3,983,874,197

Others amounting to ₱430 million and ₱384 million as of March 31, 2015 and September 30, 2014, respectively, pertain to insurance claims, advances to officers and employees, accrued interest receivable and advances to various third parties.

The claims receivable pertains to expected reimbursements from insurance companies for the losses incurred related to property losses due to typhoons Yolanda and Glenda and Galleria Mall fire (see Note 23).

8. Subdivision Land, Condominium and Residential Units for Sale

This account consists of:

	March 31, 2015	September 30, 2014
Land and condominium units	**₱10,047,166,992**	₱10,434,181,923
Residential units and subdivision land development costs	**4,807,593,039**	4,740,525,939
	₱14,854,760,031	₱15,174,707,862

9. Other Current Assets

	March 31, 2015	September 30, 2014
Advances to suppliers and contractors	**₱1,232,938,067**	₱711,652,381
Value-added input tax - net	**899,191,014**	1,054,026,970
Advances to lot owners	**889,743,775**	1,045,651,481
Restricted cash - escrow	**207,011,350**	217,835,586
Supplies	**72,311,017**	73,427,010
Prepaid expenses	**58,842,294**	40,382,742
Utility deposits	**5,568,335**	5,125,017
Others	**11,557,201**	9,659,767
	₱3,377,163,053	₱3,157,760,954

10. Investment Properties

	March 31, 2015	September 30, 2014
Land	**₱21,719,620,483**	₱21,031,172,772
Land improvements - net	**116,802,553**	106,379,343
Building and improvements - net	**28,585,178,078**	28,091,659,820
Construction in Progress	**6,748,098,717**	5,626,256,327
	₱57,169,699,831	₱54,855,468,262

Investment properties consisted mainly of land held for appreciation, shopping malls /commercial centers and office buildings that are held to earn rentals

11. **Property and Equipment**

This account consists of:

	March 31, 2015	September 30, 2014
Land improvements - net	**₱12,511,886**	₱14,475,410
Building and improvements - net	**2,262,100,285**	2,053,025,431
Other equipments - net	**1,172,527,470**	1,054,244,045
	₱3,447,139,641	₱3,121,744,886

12. **Other Noncurrent Assets**

This account consists of:

	March 31, 2015	September 30, 2014
Utility deposits	**₱483,981,871**	₱445,450,098
Prepaid expenses	**466,377,819**	487,240,915
Advances to lot owners	**190,078,577**	190,078,577
Advances to suppliers and contractors	**164,591,290**	95,002,163
Others	**104,936,400**	87,708,190
	₱1,409,965,957	₱1,305,479,943

13. **Accounts Payable and Accrued Expenses**

	March 31, 2015	September 30, 2014
Accounts payable	**₱3,423,412,470**	₱3,199,378,029
Accrued taxes and licenses and other liabilities	**2,740,213,852**	2,360,752,034
Accrued rent expense	**337,401,995**	310,652,227
Dividends payable	**14,149,050**	12,888,535
	₱6,515,177,367	₱5,883,670,825

14. **Deposits and Other Liabilities**

	March 31, 2015	September 30, 2014
Customers' deposits	**₱2,562,066,618**	₱2,361,504,121
Payables to affiliated companies	**286,181,136**	240,120,678
	₱2,848,247,754	₱2,601,624,799

15. **Loans Payable**

Short-term loans

	Principal Amount	March 31, 2015	September 30, 2014
Short-term loan obtained from a local bank that will mature in April 2015. Interest rate is at 1.42% per annum.	**₱2,598,168,000**	**₱2,598,168,000**	₱–
Short-term loan obtained from a local bank that matured in October 2014. Interest rate is at 2.0% per annum.	**4,711,350,000**	**–**	4,711,350,000
Short-term loan obtained from a local bank that matured in October 2014. Interest rate is at 2.75% per annum.	**2,686,900,000**	**–**	2,686,900,000
Short-term loan obtained from a local bank that matured in October 2014. Interest rate is at 2.5% per annum.	**495,200,000**	**–**	495,200,000
Short-term loan obtained from a local bank that matured in October 2014. Interest rate is at 2.25% per annum.	**208,000,000**	**–**	208,000,000
	₱10,699,618,000	**₱2,598,168,000**	₱8,101,450,000

Long-term loans

	Principal Amount	March 31, 2015	September 30, 2014
Five-year term loan from BDO Unibank, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly.	**₱9,000,000,000**	**₱9,000,000,000**	₱9,000,000,000
Five-year term loan from BDO Leasing & Finance, Inc. maturing on July 14, 2019. Principal payable in full upon maturity, with interest fixed rate at 5.0438%, payable quarterly	**1,000,000,000**	**1,000,000,000**	1,000,000,000
Seven-year bonds from BDO, HSBC, SB Capital, Standard Chartered, DBP, and East West maturing on February 23, 2022. Principal payable upon maturity, with fixed rate at 4.8%, interest payable semi-annually in arrears.	**10,635,500,000**	**10,635,500,000**	–
Ten-year bonds from BDO and Standard Chartered maturing on February 23, 2025. Principal payable upon maturity, with fixed rate at 4.9344%, interest payable semi-annually in arrears.	**1,364,500,000**	**1,364,500,000**	–
	22,000,000,000	**22,000,000,000**	10,000,000,000
Less current portion		**–**	–
Long-term portion	**22,000,000,000**	**22,000,000,000**	10,000,000,000
Less debt issue costs	**193,764,327**	**182,486,783**	79,698,532
Long-term portion net of debt issue costs	**₱21,806,235,673**	**₱21,817,513,217**	₱9,920,301,468

16. **Deposits and Other Noncurrent Liabilities**

	March 31, 2015	September 30, 2014
Customers' deposits	**₱2,472,858,589**	₱2,279,279,434
Accrued rent expense	**1,312,553,101**	1,312,553,101
Pension liabilities	**213,319,377**	213,319,416
Advances and others	**541,680,239**	512,902,931
	₱4,540,411,306	₱4,318,054,882

17. Capital Stock

The details of the number of common shares and the movements thereon follow:

	March 31, 2015	September 30, 2014
Authorized - at ₱1 par value	**8,200,000,000**	8,200,000,000
Issued and outstanding (net of 17,698,000 treasury shares)	**4,093,830,685**	4,093,830,685

Treasury Shares

On October 22, 2009, the Parent Company's BOD approved the creation and implementation of a share buy-back program allotting up to ₱1,000 million to reacquire a portion of the Parent Company's issued and outstanding common shares, representing approximately 3.1% of current market capitalization.

As of March 31, 2015, the Parent Company has repurchased a total of 17,698,000 shares for a total purchase price of ₱221,834,657 at an average price of ₱12.53 per share.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Group monitors its use of capital structure using a debt-to-capital ratio which is gross debt divided by total equity. The Group includes within gross debt all interest-bearing loans and borrowings, while capital represents total equity. Following is a computation of the Group's debt-to-capital ratio as of March 31, 2015 and September 30, 2014.

	March 31, 2015	September 30, 2014
(a) Loans payable (Note 15)	**₱24,598,168,000**	₱18,101,450,000
(b) Equity	**₱55,368,017,811**	₱52,570,101,089
(c) Debt-to-capital ratio (a/b)	**0.44:1**	0.34:1

The Group's policy is to have a debt-to-capital ratio of not exceeding 2:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

18. Retained Earnings

Restriction

A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting to ₱724 million as of March 31, 2015 and ₱699 million as of September 30, 2014 are not available for dividend declaration until received in the form of dividends. Also ₱17.0 billion of retained earnings appropriated for future and ongoing expansions are also not available for dividends.

Appropriation
On September 18, 2014, the BOD approved the reversal of the retained earnings it has appropriated in 2013 amounting to ₱11,200 million as the related projects to which the retained earnings were earmarked were completed already. The amount was originally earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

On the same date, the BOD also approved the appropriation of ₱17,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirements of the Group for various projects approved by the Executive Committee during meetings held in September 2014. These projects and acquisitions are expected to be completed in various dates in FY 2015 to FY 2017.

19. Earnings Per Share

Earnings per share amounts were computed as follows:

		2015	2014
a.	Net income attributable to equity holders of Parent Company	**₱2,796,704,709**	₱2,237,295,995
b.	Weighted average number of common shares outstanding adjusted	**4,093,830,685**	4,093,830,685
c.	Earnings per share (a/b)	**₱0.68**	₱0.55

There were no potential dilutive shares in 2015 and 2014.

20. Financial Risk Management Objectives and Policies

The Group's principal financial instruments, other than derivatives, comprise of loans payable, receivables from affiliated companies, payables to affiliated companies, receivables and cash and cash equivalents. The main purpose of these financial instruments is to raise fund for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

The main risks currently arising from the Group's financial instruments are foreign currency market risk, liquidity risk, interest rate risk and credit risk. The BOD reviews and approves policies for managing each of these risks and they are summarized below, together with the related risk management structure.

Risk Management Structure
The Group's risk management structure is closely aligned with that of the Parent Company. The BOD of the Parent Company and the respective BODs of each subsidiary are ultimately responsible for the oversight of the Group's risk management processes that involve identifying, measuring, analyzing, monitoring and controlling risks.

The risk management framework encompasses environmental scanning, the identification and assessment of business risks, development of risk management strategies, design and implementation of risk management capabilities and appropriate responses, monitoring risks and risk management performance, and identification of areas and opportunities for improvement in the risk management process.

Each BOD has created the board-level Audit Committee (AC) to spearhead the managing and monitoring of risks.

Audit Committee
The AC shall assist the Group's BOD in its fiduciary responsibility for the over-all effectiveness of risk management systems, and both the internal and external audit functions of the Group. Furthermore, it is also the AC's purpose to lead in the general evaluation and to provide assistance in the continuous improvements of risk management, control and governance processes.

The AC also aims to ensure that:

a. financial reports comply with established internal policies and procedures, pertinent accounting and audit standards and other regulatory requirements;
b. risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks, and crisis management;
c. audit activities of internal and external auditors are done based on plan, and deviations are explained through the performance of direct interface functions with the internal and external auditors; and
d. the Group's BOD is properly assisted in the development of policies that would enhance the risk management and control systems.

Enterprise Risk Management Group (ERMG)
To systematize the risk management within the Group, the ERMG was created to be primarily responsible for the execution of the enterprise risk management framework. The ERMG's main concerns include:

a. recommending risk policies, strategies, principles, framework and limits;
b. managing fundamental risk issues and monitoring of relevant risk decisions;
c. providing support to management in implementing the risk policies and strategies; and
d. developing a risk awareness program.

Support groups have likewise been created to explicitly manage on a day-to-day basis specific types of risks like trade receivables, supplier management, etc.

Compliance with the principles of good corporate governance is also one of the objectives of the BOD. To assist the BOD in achieving this purpose, the BOD has designated a Compliance Officer who shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the BOD, among others.

Risk Management Policies
The main risks arising from the use of financial instruments are foreign currency risk, liquidity risk, interest rate risk, credit risk and equity price risk. The Group's policies for managing the aforementioned risks are summarized below.

Market risk
Foreign Currency Risk
Foreign currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises from financial instruments that are denominated in United States Dollar (USD) which result primarily from movement of the Philippine Peso (PHP) against the USD.

The Group does not have any foreign currency hedging arrangements.

Liquidity risk
Liquidity risk is the risk arising from the shortage of funds due to unexpected events or transactions. The Group manages its liquidity profile to be able to finance the capital expenditures and service the maturing debts. To cover the financing requirements, the Group intends to use internally generated funds and proceeds from debt and equity offerings.

The Group seeks to manage its liquidity profile to be able to service its maturing debts and to finance capital requirements. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund-raising activities. Fund-raising activities may include bank loans and capital market issues both onshore and offshore.

Interest rate risk
Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligation with a floating interest rate.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. Receivables are collateralized with the subject real estate property, in such a way that title of the real estate property only passes to the buyer once the receivable is fully paid. The value of the collateral is impracticable to be quantified but the unpaid balances from buyers are generally lower than the value of the collateral. These measures result in the Group's exposure to impairment loss as not significant.

With respect to credit risk arising from the Group's financial assets, which comprise of cash and cash equivalents and receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

21. Financial Instruments

The carrying amount of cash and cash equivalents, trade receivables (except installment contract receivables), other receivables, receivable and payable to affiliated companies, utility deposits and accounts payable and accrued expenses are approximately equal to their fair value due to the short-term nature of the transaction.

Set out below is a comparison of carrying amounts and fair values of installment contracts receivables, deposits from lessees and loans payable.

	March 31, 2015		September 30, 2014	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Trade receivables	**6,718,573,718**	**6,479,623,404**	6,293,906,691	6,070,059,928
Deposits from lessees	**3,381,052,160**	**3,221,124,728**	3,116,378,222	2,968,970,154
Loans payable	**24,415,681,217**	**25,905,238,838**	18,021,751,468	19,121,226,719

The fair values of installment contract receivables, customers' deposits and loans payable are based on the discounted value of future cash flows using the applicable rates for similar types of loans and receivables as of reporting date and is classified under Level 3 based on the fair value hierarchy below.

Fair Value Hierarchy
The Group uses the following hierarchy for determining the fair value of financial instruments:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

There has been no reclassification from Level 1 to Level 2 or 3 category.

22. Commitments and Contingencies

Under the contract to sell covering the sale of subdivision land and houses, residential condominium units, office building units, the Group is obligated to complete and deliver the sold units on agreed delivery dates. Moreover, estimated costs to complete sold units amounted to ₱1.2 billion as of March 31, 2015 and September 30, 2014.

23. Other Losses

Property losses incurred for the period ended March 31, 2014 are as follows:

Typhoon Yolanda Losses	₱297,202,449
Galleria Mall Fire Loss	18,664,802
Total	₱315,867,251

The Group recognized the remaining claims receivable from typhoon damages and mall fire as receivable in the quarter ended June 30, 2014 with a corresponding gain recorded in the consolidated statements of comprehensive income. Management has determined that the collectability of the remaining claim is virtually certain considering the history of the recoverability of past claims, partial settlement received and the status of discussion with insurance companies as of June 30, 2014. The carrying value of receivable related to these claims amounted to ₱211 million as of March 31, 2015.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

AGING OF RECEIVABLES AND PAYABLES

As of March 31, 2015

	Total	Due within Six months	Due over Six months
Receivables - net	₱7,171,272,769	₱1,067,759,439	₱6,103,513,330
Accounts Payable and Accrued Expenses	₱6,515,177,367	₱1,628,794,342	₱4,886,383,025

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATOR

As of March 31, 2015

		March 31, 2015	**September 30, 2014**
Current ratio	Total Current Assets / Total Current Liabilities	2.57	1.41
Debt-to-Equity ratio	Total Loans Payable / Total Equity	0.44	0.34
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	13.49	12.81
Asset to equity ratio	Total Assets / Total Equity	1.73	1.62

		March 31, 2015	**March 31, 2014**
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	0.68	0.55
Interest coverage ratio	EBIT / Interest expense	9.59	6.95
Operating margin ratio	Operating Income (EBIT) / Revenue	0.38	0.37

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

PART 1- FINANCIAL INFORMATION

Item 1. Financial Statements required under SRC Rule 68.1		**Remarks**
7. The following information, as a minimum, should be disclosed in the notes to financial statements, if material and if not disclosed elsewhere in the interim financial report.		
h.	Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period;	not applicable
i.	The effect of changes in the composition of the issuer during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations;	not applicable
j.	Changes in contingent liabilities or contingent assets since the last annual balance sheet date.	not applicable
k.	Existence of material contingencies and any other events or transactions that are material to an understanding of the current interim period.	Note 22
Item 2. Management's Discussion and Analysis (MDA) of Financial Condition and Results of Operations ((Part 111, par. (A) (2) (b))		
2. Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:		
(a)(i)	Any known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing liquidity.	not applicable
(a)(ii)	Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation;	not applicable
(a)(iii)	All 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.	not applicable
(a)(iv)	Any material commitments for capital expenditures, the general purpose of such commitments and the expected sources of funds for such expenditures.	not applicable
(a)(v)	Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.	not applicable
(a)(vi)	Any significant elements of income or loss that did not arise from the issuer's continuing operations.	not applicable
(a)(viii)	Any seasonal aspects that had a material effect on the financial condition or result of operations.	not applicable
PART 11 - OTHER INFORMATION		
1. Disclosure not made under SEC Form 17-C		not applicable

SEC FORM 17-Q		
CHECKLIST OF REQUIRED DISCLOSURES		
REGISTRANT: ROBINSONS LAND CORPORATION		
For the Quarter Ended:		
SUMMARY OF COMMENTS	Page No.	Remarks
General Instruction: If any of the following is not applicable, please state/explain in a separate covering letter.		
PART I - FINANCIAL INFORMATION		
Item 2. Management's Discussion and Analysis (MDA) of Financial Condition and Results of Operations [Part III, Par. (A)(2)(b)].		
FINANCIAL RISK DISCLOSURE		
b. Evaluate whether the company could provide clearer and more transparent disclosure regarding its financial instruments including but not limited to the following information:		
1. A description of the financial instruments of the company and the classification and measurements applied for each. If material in amount, provide detailed explanation on complex securities particularly on derivatives and their impact on the financial condition of the company;		
2. The amount and description of the company's investments in foreign securities;		
3. The significant judgments made in classifying a particular financial instrument in the fair value hierarchy;		Note 21
4. An explanation of how risk is incorporated and considered in the valuation of assets or liabilities;		
5. A comparison of the fair values as of date of the recent interim financial report and as of date of the preceding interim period, and the amount of gain/loss recognized for each of the said periods; and		Note 21
6. The criteria used to determine whether the market for a financial instrument is active or inactive, as defined under PAS 39-Financial Instruments.		
c. If any one of the foregoing disclosure is not applicable to the company, so state in the report and provide a brief explanation.		
ADDITIONAL REQUIREMENTS (SRC Rule 68, as amended October 2011)		
A schedule showing financial soundness indicators in two comparative period as follows: 1) current/ liquidity ratios; 2) solvency ratios, debt-to-equity ratio; 3) asset-to-equity ratio; 4)interest rate coverage ratio; 5) profitability ratio and 6)other relevant ratio as the Commission may prescribe		Page 36