COVER SHEET

9 3 2 6 9 - A

SEC Registration Number

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

(Company's Full Name)

43rd Floor, Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City

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

Rodolfo T. Malit

(Contract Person)

397-1888

(Company Telephone Number)

0 9 | 3 0

Month *Day*

(Fiscal Year)

A A C F S

(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

Remarks: Please use BLACK ink for scanning purposes.

SEC Number 93269-A
File Number

ROBINSONS LAND CORPORATION
AND SUBSIDIARIES

(Company's Full Name)

43F Robinsons Equitable Tower, ADB Ave.
Ortigas Center, Pasig City

(Company's Address)

3971-888

(Telephone Number)

SEPTEMBER 30

(Fiscal Year Ending)
(month & day)

FORM 17-A (ANNUAL REPORT)

Form Type

Amendment Designation (if applicable)

September 30, 2012

Period Ended Date

CN 000452-R-Listed

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended : **September 30, 2012**

2. SEC 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. **Manila, Philippines**
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:

7. **43F Robinsons Equitable Tower, ADB Ave. Ortigas Center, Pasig City**
   Address of principal office Postal Code

8. **3971-888**
   Issuer's telephone number, including area code

9. **N.A** ………………..
   Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	4,093,830,685 shares
Registered bonds payable	₱ 12,000,000,000.00

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

    Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange **Common Shares**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 that 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 [ ]

13. Aggregate market value of the voting stock held by non-affiliates: **₱33,297,210,568**

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

a) Overview

Robinsons Land Corporation (the Parent Company) is a stock corporation organized under the laws of the Philippines and has four wholly-owned consolidated subsidiaries, a 51%-owned company, and an 80%-owned company.

The Company's principal executive office is located at 43rd Floor Robinsons Equitable Tower, ADB Avenue Ortigas Center, Pasig City.

The Group has 1,626 and 1,539 employees as of September 30, 2012 and 2011, respectively.

RLC is one of the Philippines' leading real estate developers in terms of revenues, number of projects and total project size. It is engaged in the development and operation of shopping malls and hotels, and the development of mixed-use properties, office and residential buildings, as well as land and residential housing developments, including socialized housing projects located in key cities and other urban areas nationwide. RLC adopts a diversified business model, with both an "investment" component, in which the Company develops, owns and operates commercial real estate projects (principally shopping malls, office buildings and hotels) and a "development" component, in which RLC develops residential real estate projects for sale (principally residential condominiums, upper-middle to high-end residential developments and low-and-middle-cost lots and houses in its subdivision developments).

RLC's operations are divided into its four business divisions:

- The Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. As of September 30, 2012, RLC operated 32 shopping malls, comprising seven malls in Metro Manila and 25 malls in other urban areas throughout the Philippines, and had another 7 new malls and 2 expansion projects in the planning and development stage for completion in the next two years.

- The Residential Division develops and sells residential developments for sale/pre-sale. As of September 30, 2012, RLC's Residential Division had completed 34 residential projects, 53 ongoing projects, and 4 projects awaiting the receipt of License to Sell (LS). It currently has several projects in various stages for future development that are scheduled for completion in the next one to five years.

- The Office Buildings Division develops office buildings for lease. As of September 30, 2012, this division has completed eight office buildings, located in Metro Manila and Cebu City. These offices projects are primarily developed as investment properties, to be leased to tenants by the Company.

- The Hotels Division owns and operates hotels in Metro Manila and other urban areas throughout the Philippines. RLC's Hotels Division currently has a portfolio of nine hotel properties under the three brand segments, namely Crowne Plaza Manila Galleria and Holiday Inn Manila Galleria both managed by the InterContinental Hotels Group, Summit Circle Cebu (formerly Cebu Midtown Hotel) and Tagaytay Summit Ridge Hotel both under the Summit brand, and a network of five Go Hotels, with the flagship in Mandaluyong and four (4) new Go Hotels branches in Palawan, Dumaguete, Tacloban and Bacolod.

RLC was incorporated on June 4, 1980 as the real estate investment arm of JG Summit Holdings Inc. ("JG Summit"), and its shares were offered to the public in an intital public offfering and were subsequently listed in the Manila Stock Exchange and Makati Stock Exchange (predecessors of the Philippine Stock Exchange) on October 16, 1989. The Company had succesful follow-on offering of primary and secondary shares in October 2006 where a total of 932.8 million shares were offered to domestic and international investors, generating USD 223 million or ₱10.87 Billion in proceeds. Of this amount, approximately ₱5.3 Billion was raised from the primary portion, intended to be used to fund its capital expenditure programs for fiscal year 2007. The additional shares were listed on October 4, 2006. JG Summit, RLC's controlling shareholder, owned approximately 60.97% of RLC's outstanding shares as of fiscal year 2012.

On November 19, 2010, the Board of Directors approved the increase in the authorized capital stock of RLC from three billion common shares into eight billion two hundred million commons shares, with a par value of one peso per share.

In line with the foregoing, the Board of Directors also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the Company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The subscription receivables were fully collected in October 2011.

The SEC approved the increase in capital stock on May 17, 2011.

b) Business

RLC has four business divisions – Commercial Centers, Residential, Office Buildings, and Hotels.

i. Commercial Centers Division

RLC's Commercial Centers Division develops, leases and manages shopping malls throughout the Philippines. The Commercial Centers Division accounted for ₱6.43 Billion or 48% of RLC's revenues and ₱4.49 Billion or 62% of RLC's EBITDA in fiscal year 2012 and ₱5.76 Billion or 45% of RLC's revenues and ₱3.98 Billion or 60% of RLC's EBITDA in fiscal year 2011. As of September 30, 2012, the Company's Commercial Centers Division had assets, valued on a historical cost less depreciation basis, of ₱40.17 Billion.

During fiscal year 2012, the Commercial Centers Division opened three new malls, namely Robinsons Place Pangasinan, Robinsons Place Palawan and Robinsons Magnolia. It also completed the redevelopment of Robinsons Metro East and the expansion of its malls in Bacolod and Tacloban. It currently operates 32 shopping malls, comprising seven malls in Metro Manila and 25 malls in other urban areas throughout the Philippines, with a gross floor area of approximately 1.706 million square meters.

As of September 30, 2012, RLC had a portfolio of 32 shopping malls:

Name	Location	Fiscal Year opened	Approximate gross floor area (in '000 sq.m.)
Metro Manila			
Robinsons Galleria	EDSA corner Ortigas Avenue, Quezon City	1991	221
Robinsons Place Manila	M. Adriatico Street, Ermita, Manila	1998	241
Robinsons Nova Market	Quirino Highway, Novaliches, Quezon City	2001	56
Robinsons Metro East	Marcos Highway, Brgy. Dela Paz, Pasig City	2002	119
Forum Robinsons	EDSA Corner Pioneer Road, Mandaluyong City	2005	55
Robinsons Otis	P.M. Guanzon St., Paco, Manila	2008	32
Robinsons Magnolia	Aurora Blvd. corner Doña Hemady St., Quezon City	2012	107
Outside Metro Manila			
Robinsons Place Bacolod	Lacson Street, Mandalagan, Bacolod City	1997	54
Robinsons Place Imus	Aguinaldo Highway, Tanzang Luma V, Imus, Cavite	1999	65
Robinsons Place Cebu	Fuente Osmena, Bo. Capitol, Cebu City	2000	17
Robinsons Town Mall Los Baños	Lopez Avenue, Batong Malaki, Los Baños, Laguna	2000	10
Robinsons Place Iloilo	Quezon-Ledesma Street, Rojas Village, Iloilo City	2002	75
Robinsons Star Mills Pampanga	San Jose, San Fernando, Pampanga	2002	62
Robinsons Santa Rosa Market	Old Nat'l Hi-way, Brgy Tagapo, Sta Rosa, Laguna	2003	37
Robinsons Place Dasmariñas	Pala-Pala, Dasmarinas, Cavite	2003	96

Robinsons Cagayan de Oro	Limketkai Complex, Lapasan, Cagayan De Oro City	2003	18
Robinsons Place Lipa	Mataas Na Lupa, Lipa City, Batangas	2004	59
Robinsons Place Cainta	Ortigas Avenue Extension, Junction, Cainta, Rizal	2004	31
Robinsons Place Angeles......................	McArthur Highway, Balibago, Angeles City, Pampanga	2004	31
Robinsons Cybergate Bacolod	Barrio Tangub, National Road, Bacolod City	2005	18
Robinsons Luisita	McArthur Highway, Brgy. San Miguel, Tarlac City	2007	17
Robinsons Cabanatuan	Km. 3, Maharlika Highway, Cabanatuan City	2008	18
Robinsons Pulilan	Trinidad Highway, Brgy. Cutcot, Pulilan, Bulacan	2009	12
Summit Ridge Tagaytay	Km. 58, Tagaytay-Nasugbu Road, Tagaytay City	2009	14
Robinsons Cybergate Davao	J. P. Laurel Avenue, Davao City	2009	14
Robinsons Place Tacloban	National Highway, Marasbaras, Tacloban City	2009	38
Robinsons Place General Santos	Jose Catolico Sr. Ave., Lagao, General Santos City	2009	33
Robinsons Place Dumaguete.................	Calindagan Business Park, Dumaguete City	2010	38
Robinsons Ilocos Norte..........................	Brgy. 1 San Francisco, San Nicolas, Ilocos Norte	2010	20
Robinsons Cybergate Cebu...................	Don Gil Garcia St., Capitol, Cebu City	2010	20
Robinsons Place Pangasinan................	McArthur Highway, Brgy. San Miguel, Calasiao Pangasinan	2012	32
Robinsons Place Palawan......................	National Highway, Brgy. San Miguel, Puerto Princesa City	2012	44
Total			1,706

The Commercial Centers Division's main revenue stream is derived from the lease of commercial spaces. Revenues from the Commercial Centers Division, which represent recurring lease rentals, comprise significant part of RLC's revenues. Historically, revenues from lease rentals have been a steady source of operating cash flows for the Company. RLC expects that the revenues and operating cash flows generated by the commercial centers business shall continue to be the driver for the Company's growth in the future.

As of fiscal year 2012, the Company had 7 new shopping malls and 2 expansion projects in the planning and development stage for completion in the next 2 years. The Company's business plan for the Commercial Centers Division over the next five years, subject to market conditions, is to sustain its growth momentum via development of new shopping malls and expansion of existing ones.

ii. Residential Division

The Residential Division focuses on the construction of residential condominium and subdivision projects. The Division accounted for ₱4.30 Billion or 32% of RLC's revenues and ₱1.04 Billion or 14% of RLC's EBITDA in fiscal year 2012, and ₱4.51 Billion or 35% of RLC's revenues and ₱975.1 Million or 15% of RLC's EBITDA in fiscal year 2011. As of September 30, 2012, the Company's Residential Division had assets, valued on a historical cost less depreciation basis, of ₱22.67 Billion.

The Residential Division is categorized into four brands. The different brands differ in terms of target market, location, type of development and price ranges to allow clear differentiation among markets. These four brands are:

- Robinsons Luxuria
- Robinsons Residences
- Robinsons Communities
- Robinsons Homes

1) ROBINSONS LUXURIA

The Robinsons Luxuria segment sells and develops prestigious residential developments in prime locations. Currently, there are nine (9) residential projects under the Luxuria portfolio, of which three (3) had been completed and six (6) projects are under various stages of development. Projects under this segment are located in Cebu, Ortigas Center and Makati.

Key details of the Company's Luxuria residential projects are set forth in the table below:

Name	Storeys	Number of Units
Current projects		
AmiSa Private Residences Tower C (1)	18	189
Sonata Private Residences – Building 1 (1)	29	270
Sonata Private Residences – Building 2 (1)	29	270
Allegro at Sonata Place (1)	31	408
Signa Designer Residences Tower 1..................................	29	306
Signa Designer Residences Tower 2..................................	28	364
Completed Projects		
Galleria Regency (1) (2)	13	107
AmiSa Private Residences Tower A (1)	14	134
AmiSa Private Residences Tower B (1)	18	155

The Robinsons Luxuria projects are detailed as follows:

1. ***Galleria Regency*** is part of the Galleria mixed-use development which includes the Robinsons Galleria mall, two office buildings (Galleria Corporate Center and Robinsons - Equitable Tower) and two hotels (the Crowne Plaza Manila Galleria and the Holiday Inn Manila Galleria).

[1] Part of a mixed-used development
[2] Located in a 33-storey building, 20 floors of which are occupied by the Crowne Plaza Hotel

2. ***AmiSa Private Residences Towers A, B and C*** are part of a mixed – use resort development in Mactan, Cebu that has been masterplanned to consist of six mid-rise residential condominiums, a hotel, and an entertainment center.

3. ***Sonata Private Residences – Buildings 1 and 2*** are part of a mixed-use community in Ortigas Center that has been masterplanned to consist of two (2) residential condominiums, and two (2) other components.

4. ***Signa Designer Residences Tower 1*** is part of a two tower development in Makati City. It is a joint venture project between Robinsons Land Corporation and Security Land Corporation.

5. ***The Allegro at Sonata Place*** is a part of a mixed-use community in Ortigas Center that has been planned together with the Sonata Private Residences Buildings 1 and 2, and one (1) other component.

The Company's Business Plan for its Luxuria Brand is to continue to acquire and launch properties in key central and strategic locations within Metro Manila ideal for low density vertical or horizontal developments. It sees potential to differentiate by combining prestigious addresses with distinctive features and amenities.

The Company intends to take advantage of these opportunities and believes its sales operations can absorb up to three projects a year. The following table sets forth RLC's existing land bank allocations for the development of new projects in the Luxuria segment as of September 30, 2012:

Location	**Acquisition Date**	**Approximate gross land area** [1]
		(in hectares)
Fort Bonifacio, Taguig City...	March 2007 [2]	1.0
Total		1.0

[1] *"Gross Land Area" means the total area of land acquired by the Company*
[2] *This indicates the date the purchase agreement was executed between RLC and the landowner*

2) ROBINSONS RESIDENCES

Projects under Robinsons Residences are strategically located within business districts and emerging cities and mostly are mixed-use developments.

As of September 30, 2012, Robinsons Residences segment had a portfolio of 24 residential projects, of which 16 had been completed and 8 projects are under various stages of development.

Key details of Company's residential projects under the Robinsons Residences brand are as follows:

Name	Storeys	Number of Units
Current projects		
The Trion Towers – Building 2 ………………………………..	50	743
Gateway Regency [1]..	31	463
The Magnolia Residences Tower A [1]	36	386
The Magnolia Residences Tower B [1]	38	417
The Magnolia Residences Tower C [1]	38	433
The Sapphire Bloc North Tower	37	408
Woodsville Residences	2	185
Azalea Place Cebu..	25	408
Completed Projects		
Robinsons Place Residences 1 [1]	38	388
Robinsons Place Residences 2 [1]	38	388
One Gateway Place [1]	28	414
Gateway Garden Heights [1]	32	549
One Adriatico Place [1]..	38	557
Two Adriatico Place [1]..	38	546
Three Adriatico Place [1]	38	537
Fifth Avenue Place	38	611
Otis 888 Residences [1]	3	196
McKinley Park Residences...	44	391
East of Galleria	44	679
The Fort Residences	31	242
Vimana Verde Residences Tower A....................................	6	20
Vimana Verde Residences Tower B....................................	6	20
Vimana Verde Residences Tower C	7	45
The Trion Towers - Building 1	49	736

[1] *Part of a mixed-use development*

The Robinsons Residences projects are detailed as follows:

1. ***One Gateway Place, Gateway Garden Heights and Gateway Regency*** are part of the Pioneer mixed-use development, which includes the Robinsons Forum – Pioneer mall, four office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2, Robinsons Cybergate Center Tower 3 and Robinsons Cybergate Plaza) and Go Hotel;

2. ***One Adriatico Place, Two Adriatico Place, Three Adriatico Place and Robinsons Place Residences 1 and 2*** are part of the Ermita mixed-use development, which includes the Robinsons Place Manila mall.

3. ***Otis 888 Residences*** is part of a mixed-used development in Paco, Manila, which includes a mall;

4. ***The Magnolia Residences Towers A, B and C*** are part of a mixed – use development on what was the former Magnolia Ice Cream Plant in New Manila, Quezon City. It has been masterplanned to consist of a shopping mall and four (4) residential buildings.

5. ***Fifth Avenue Place*** is a 38-storey development in Fort Bonifacio Global City. Composed of 611 units, it is the first completed project of RLC in the area.

6. ***McKinley Park Residences*** is a 43-storey development in Fort Bonifacio Global City. It is composed of 391 units.

7. ***The Fort Residences*** is a 31-storey development in Fort Bonifacio Global City. It is composed of 242 units - flat and loft type.

8. ***The Trion Towers 1 and 2*** are part of a three tower development in Fort Bonifacio Global City. It is the fourth project of RLC in the area.

9. ***East of Galleria*** is a one tower development located at Topaz Street, Ortigas Center. It is conveniently located near RLC's Robinsons Galleria mall.

10. ***Woodsville Residences*** is the townhouse development under the Robinsons Residences portfolio. It is strategically located in Merville, Paranaque.

11. ***The Sapphire Bloc North Tower*** is a four tower development located in Sapphire Road, Ortigas Center. It is also conveniently located near RLC's Robinsons Galleria mall.

12. ***Vimana Verde Residences Towers A, B and C*** is a three building development located in St. Martin Street, Valle Verde, Pasig City.

13. ***Azalea Place Cebu*** is a 25-storey development located along Gorordo Avenue, Cebu City. It is composed of 408 units.

The Company's Business Plan for its Robinsons Residences is to cater to urban professionals with projects geared towards a live-work-play lifestyle that this market values. It capitalizes on the company's expertise in delivering mixed-use mid- to high-rise developments located within business districts and emerging cities.

The Company intends to take advantage of these opportunities and believes its sales operations can absorb up to three projects a year. The following table sets forth RLC's existing land bank allocations for the development of new projects in the residential condominiums division as of September 30, 2012:

Location	Acquisition Date	Approximate gross land area [1]
		(in hectares)
Maxilom Avenue, Cebu City.............................	September 2008	1.0
Pasay City	September 2010 [2]	0.8
E. Rodriguez Jr. Avenue, Quezon City.............	September 2011	4.4
Davao City..	September 2012	1.2
Total		7.4

3) ROBINSONS COMMUNITIES

Robinsons Communities is the residential brand of RLC which caters to the needs of early nesters, young mobile achievers and families coming from the B to BB segment who wish to live independently and comfortably close to places of work, study, and recreation. Robinsons Communities provides convenient community living via its quality, affordable condo homes that offer open spaces, functional amenities and complementing commercial spaces. Most of Robinsons Communities' projects are conveniently located near major gateways, highly developed cities, and central business districts to provide easy access to schools, work places, and vital institutions.

As of September 30, 2012, Robinsons Communities had completed thirteen (13) residential condominium projects and two (2) subdivision projects. It has various projects on-going in different stages that are scheduled for completion in the next one to four years.

Robinsons Communities is currently focusing on the development of both Mid-rise and High-rise residential condominium projects that primarily offer compact units with price levels below P3.0 million. As of September 30, 2012, the brand had a portfolio of 26 residential projects, 24 of which are

[1] *"Gross Land Area" means the total area of land acquired by the Company*
[2] *This indicates the date the purchase agreement was executed between RLC and the landowner.*

condominium buildings and 2 are subdivisions. All its condominium projects are located in Metro Manila while the subdivisions are in Novaliches.

Key details of Company's residential projects under Robinsons Communities are set forth in the table below:

PROJECT NAME	NUMBER OF RESIDENTIAL FLOORS	NUMBER OF RESIDENTIAL UNITS
Current Projects		
Escalades at 20th Avenue - Tower 3	10	120
Escalades at 20th Avenue - Tower 4	10	120
Escalades at 20th Avenue - Tower 5	10	120
Escalades at 20th Avenue - Tower 6	10	120
Escalades South Metro - Tower A	9	176
Escalades South Metro - Tower B	9	176
The Pearl Place - Tower A	34	673
Wellington Courtyard - Bldg D	6	41
Wellington Courtyard - Bldg E	6	38
Acacia Escalades - Building A.................	10	383
Axis Residences - Tower A	36	916
Completed Projects		
Escalades at 20th Avenue - Tower 1	10	120
Escalades at 20th Avenue - Tower 2	10	120
Wellington Courtyard - Bldg A	6	34
Wellington Courtyard - Bldg B	6	34
Wellington Courtyard - Bldg C	6	45
Gateway Garden Ridge...........................	30	373
Woodsville Viverde Mansions - Bldg 1	9	96
Woodsville Viverde Mansions - Bldg 2	9	72
Woodsville Viverde Mansions - Bldg 3	11	96
Woodsville Viverde Mansions - Bldg 4	13	72
Woodsville Viverde Mansions - Bldg 5	9	96
Woodsville Viverde Mansions - Bldg 8	9	108
Woodsville Viverde Mansions - Bldg 6	9	96
Bloomfields Novaliches		461
Centennial Place....................................		50

The Robinsons Communities projects are detailed as follows:

1. ***Woodsville Viverde Mansions Buildings 1 to 6 and 8*** is a mixed use development located South of Metro Manila. It includes a village mall, a cluster of residential mid-rise buildings, and horizontal housing enclaves.

2. ***Escalades at 20th Avenue Buildings 1 to 6*** - A mid-rise residential building complex featuring a Tropical-inspired central garden, strategically

located along 20th Avenue and nearby Aurora Boulevard. A total of 720 units, 120 per building; Building 1 consists of 12 storeys composed of 10 residential floors, upper ground amenity floor and lower ground parking. While Building 2 to 6 are composed of 10 residential floors and a ground parking area.

3. ***The Wellington Courtyard Buildings A to E*** - Country-style in design, another vacation condominium in Tagaytay City within the 1-hectare property of OMICO Corporation. This project of residential Low-Rise Buildings (LRBs) covers two Phases, Phase I (2 LRBs) and Phase II (3 LRBs). These LRBs, with approximately 192 units, feature cozy one-to-two bedroom units with average floor area of 30 to 65 square meters, which cost approximately P2 million to P4 million. To be pursued separately by the OMICO Corporation, a commercial strip will be developed at the frontage of the property.

4. ***Gateway Garden Ridge*** is part of the Pioneer mixed use development in Mandaluyong which includes the Forum Robinsons mall and three office buildings (Robinsons Cybergate Center Tower 1, Robinsons Cybergate Center Tower 2 and Robinsons Cybergate Center Tower 3).

5. ***Escalades South Metro*** is a residential development located in Sucat, Muntinlupa. Comprising of six (6) mid-rise residential buildings, it also boasts of generous open spaces with 75% of total land area allocated to amenities and facilities. Project amenities include a central clubhouse, swimming pool, and adequate play spaces for the kids.

6. ***The Pearl Place*** is a two-tower high-rise residential development located at the heart of Ortigas Center, Pasig City. Primarily intended for start-up families and urban professionals, The Pearl Place boasts of affordable compact residential units in a modern setting. The development contains various amenities at the 6th floor, Summit Lounge at the 40th floor of Tower A and retail spaces at the ground floor.

7. ***Axis Residences*** is a high-rise residential development located in Pioneer St., Mandaluyong City. The project is a joint venture project between Federal Land Inc. and Robinsons Land Corporation. It boasts of compact units that primarily caters to the housing needs of young urban professionals, investors and start up families.

8. ***Acacia Escalades*** is a mid-rise residential development located at the corner of Calle Industria and Amang Rodriguez, Brgy. Manggahan, Pasig City. The project comprise two (2) mid-rise buildings and is envisioned to have a commercial component within the community.

9. ***Bloomfields Novaliches*** is a horizontal residential development situated behind Robinsons Place - Novaliches mall.

10. ***Centennial Place*** - This is a 0.5-hectare upscale townhouse development located in Bgy. Horseshoe, C. Benitez Street, Quezon City. It consists of fifty (50) 200 square-meter townhouses, with lots ranging from 65 to 70 square meters. House construction has been completed while the units have been practically sold out.

The Company's Business Plan for its Robinsons Communities brand is to develop new projects in response to actual and anticipated market demand. The Company recognizes that there is significant potential for growth in the affordable to middle-cost condominium developments. The Company intends to take advantage of these opportunities and believes its sales operations can absorb up to three new projects a year. It plans to acquire additional properties through purchase or joint venture. The following table sets forth RLC's existing land bank allocations for the development of new projects for Robinsons Communities as of September 30, 2012:

Location	Acquisition Date	Approximate land area [1]
		(in hectares)
Cubao, Quezon City	2004	0.3308
Cubao, Quezon City	2008	0.2242
Merville, Parañaque	March 2006 [2]	3.2226
Sucat, Muntinlupa [3]	November 2002	1.5452
Manggahan, Pasig City	2010	0.3946
Greenhills, San Juan City	2012	0.1129
Total		5.8303

4) ROBINSONS HOMES

Robinsons Homes is one of the four (4) residential brands of Robinsons Land Corporation (RLC). It offers choice lots in master planned, gated subdivisions with option for house construction to satisfy every Filipino's dream of owning his own home.

As of September 30, 2012, Robinsons Homes has 32 projects in its portfolio. Twenty eight (28) of these projects are on-going, while four (4) are awating for the receipt of License to Sell (LS) to launch. Among the on-going projects, twenty (20) have been substantially completed and sold. Key details of RLC's projects in Robinsons Homes as of fiscal year 2012 are set forth in the table below:

Name	Location	Started [4]	Approximate Gross Land Area [5]	Number of Lots/Units
			(in hectares)	
Robinsons Homes East	Antipolo City	August 1995	41.0	3,735
Robinsons Vineyard	Cavite	May 1996	71.8	2,899
South Square Village	Cavite	August 1998	26.7	3,896
San Lorenzo Homes	Antipolo City	September 1999	2.8	372

[1] *"Land Area" means the area of land available for project expansion or future project development.*
[2] *The date indicates when the purchase agreement was executed between RLC and the landowner.*
[3] *This property is part of a mixed-use development of RLC, and represents the unused residential portion only.*
[4] *The Company considers a project "started" when it has obtained permits necessary that allow it to pre-sell lots.*
[5] *"Gross Land Area" means the total area of land acquired by the Company*

Name	Location	Started [4]	Approximate Gross Land Area [5]	Number of Lots/Units
			(in hectares)	
Robinsons Highlands	Davao City	May 1999	46.0	811
Grosvenor Place...........................	Cavite	July 2000	13.9	999
Robinsons Hillsborough Pointe´	Cagayan De Oro City	November 2002	20.0	318
Forest Parkhomes	Angeles City	August 2004	8.9	319
San Jose Estates...........................	Antipolo City	May 2005	1.8	80
Robinsons Residenza Milano	Batangas City	August 2005	7.3	357
Fernwood Parkhomes....................	Pampanga	November 2005	14.5	654
Rosewood Parkhomes...................	Angeles City	November 2005	3.0	117
Bloomfields Tagaytay	Tagaytay City	November 2005	4.2	104
Richmond Hills	Cagayan De Oro City	May 2005	8.3	282
Bloomfields Davao	Davao City	June 2006	10.5	316
Mirada Dos....................................	Pampanga	September 2006	4.5	181
Brighton Parkplace	Laoag City	December 2006	5.0	172
Brighton Parkplace North	Laoag City	April 2007	3.8	90
Montclair Highlands	Davao City	July 2007	15.3	351
Aspen Heights...............................	Consolacion, Cebu	July 2007	25.0	583
Blue Coast Residences.................	Cebu	November 2007	3.2	91
Fresno Parkview	Cagayan de Oro City	February 2008	15.0	501
St. Bernice Estates	Antipolo City	March 2008	3.4	212
Hanalei Heights	Laoag City	March 2011	22.2	558
Forest Parkhomes North	Angeles City	March 2011	7.0	276
Grand Tierra..................................	Tarlac	May 2011	18.3	572
St. Judith Hills	Antipolo City	-	9.6	390
Bloomfields Heights Lipa	Lipa, Batangas	-	12.4	340
Monte Del Sol……………………….	Misamis Oriental	-	3.3	256
Nizanta at Ciudades	Davao City	-	12.9	477
Bloomfields General Santos……….	General Santos City	-	33.0	755
Bloomfields Cagayan De Oro..........	Cagayan De Oro City	-	6.5	144

The Robinsons Homes portfolio of projects are described as follows:

1. ***Robinsons Homes East*.** A 41-hectare community development located in Brgy. San Jose, Antipolo City, Rizal. The development consists of three (3) enclaves: a.) Robinsons Homes East, a project with about 3,000 mixed houseand-lot packages; b.) San Jose Heights, a subdivision of more than 200 townhouse units and option for lot-only purchase; and finally, c.) Robinsons Commercial Arcade, featuring 14 shop house units at 190sqm/unit and 8 commercial lots with a minimum size of 216 sqm/unit.

2. ***Robinsons Vineyard*.** A 71.8-hectare joint-venture project with Vine Development Corporation located in Dasmariñas, Cavite. It consists of about 2,900 residential lots with an average lot size of approximately 120 square meters each. In addition to the mid-cost residential lots

offered in Robinsons Vineyard, Robinsons Homes also offers house and lot packages to prospective clients.

3. ***Southsquare Village*.** This is a 26.7-hectare socialized housing project located in General Trias, Cavite. On the average, each housing unit has a floor area of 20 square meters lying on a minimum 32 square meter lot. The project has almost 4,000 residential units. Southsquare Plaza, a commercial development within the subdivision, offers lots only, with minimum lot area of 100 square meters.

4. ***San Lorenzo Homes*.** This is a 2.8-hectare expansion project of Robinsons Home East. It is a 372-unit neighborhood of 2-storey houses, each with a floor area of 48 square meters, built on lots with a minimum size of 40 square meters. This project has been fully completed.

5. ***Robinsons Highlands*.** This is a 46.0-hectare, middle-cost residential development located in Buhangin, Davao City, and a joint venture with Lopzcom Realty Corporation. This project consists of three (3) enclaves, namely Robinsons Highlands, Highland Crest, and Highlands Peak. This subdivision features over 800 residential lots with an average lot size of 180 square meters.

6. ***Grosvenor Place*.** This is a 13.9-hectare residential/commercial development project located in Tanza, Cavite. This development offers 999 lots with an average lot cut of 120 square meters.

7. ***Robinsons Hillsborough Pointé*.** This subdivision is a 20-hectare joint venture with Pueblo de Oro Development Corporation. The project is situated within the 360-hectare Pueblo de Oro Township project in Cagayan de Oro City. RLC’s share in the joint venture is 318 lots in four (4) phases, which have been fully completed. The lots have an average size of 150 square meters.

8. ***Forest Parkhomes*.** An 8.9 hectare mid-cost residential subdivision in Bgy. Pampang, Angeles City, Pampanga, Forest Parkhomes is RLC’s first housing development in the North. The project is a joint venture with Don Pepe Henson Enterprises, Inc. It offers 319 units with a minimum lot size of 150 square meters.

9. ***San Jose Estates*.** This is a 2-hectare residential enclave in front of Robinsons Homes East in Antipolo City; the project consists of 80 units. Minimum cuts for residential lots is 120 square meters per unit.

10. ***Robinsons Residenza Milano*.** Set in the rustic village of San Isidro, Batangas City, this 7.3-hectare Italian-inspired residential subdivision primarily caters to OFWs in Italy. Robinsons Homes’ first venture in Batangas offers 357 households with a minimum lot cut of 100 square meters per unit.

11. ***Fernwood Parkhomes*.** This 14.5-hectare residential subdivision in the town of Mabalacat, Pampanga is strategically located right next to Sta. Ines exit of the NLEX. It is developed in partnership with Mayen Development Corp. and Mayen Paper Inc., this Mediterranean-inspired residential community features 654 households, each with a minimum lot cut of 120 square meters. A commercial development located along its frontage is also offered.

12. ***Rosewood Parkhomes.*** Located along Fil-Am Friendship Highway in Brgy. Cutcut, Angeles City, this 3-hectare contemporary American-inspired joint venture project with Ms. Rosalie Henson-Naguiat offers exclusivity to 116 choice residential lots. The subdivision primarily offers lots-only, with option for housing, with an average-per-unit lot cut of 150 square meters for residential and 195 square meters for commercial.

13. ***Bloomfields Tagaytay.*** Located in the heart of Tagaytay City, this serene contemporary American-inspired enclave features 104 prime residential lots with minimum lot cuts of 240 square meters. This 4.2-hectare haven has ready access to the adjacent commercial center, hotel and sports facilities in addition to its own leisure amenities.

14. ***Richmond Hills.*** Located within an 8.3-hectare property of Dongallo Family, this mid-cost subdivision in Brgy. Camaman-an, Cagayan De Oro City, offers both a scenic view of the city skyline and a serene living experience complemented by a picturesque view. Offering a total of 282 lots with option for housing and with an average lot cut of 150 square meters.

15. ***Bloomfields Davao.*** This exclusive 10.5 hectare residential subdivision in Lanang, Davao City fronts the prestigious Lanang Golf Course and Country Club and is just 15 minutes away from downtown and Davao International Airport. Charmed with the American contemporary theme, this upscale residential development has 316 residential lots that is enveloped with fresh breeze from the mountains and sea.

16. ***Monte del Sol.*** A 3.3-hectare residential subdivision located at El Salvador, Misamis Oriental. Monte del Sol offers 256 lots, with lot areas ranging from 72 to 250 square meters.

17. ***Mirada Dos.*** This Spanish-themed clustered parkhomes in Northern Luzon is situated within the 4.5-hectare property of the Miranda Family. Nestled along MacArthur Highway, Brgy. Sindalan, San Fernando, Pampanga, this mid-cost residential/commercial subdivision offers 181 lots with sizes ranging from 150 to 230 square meters.

18. ***Forest Parkhomes North.*** This is an exclusive 7-hectare residential community located at Brgy. Pampang, Angeles City, Pampanga. This is a mid-cost residential subdivision with approximately 276 lots at an average lot cut of 150 square meters.

19. ***Hanalei Heights.*** A 22.2-hectare prime residential enclave located just a few kilometers away from the Laoag International Airport and the famous Fort Ilocandia Hotel Complex, Hanalei Heights offers 558 lots at an average lot cut of 120 square meters. This project is located at Brgy. Balacad, Laoag City, Ilocos Norte.

20. ***Brighton Parkplace.*** A 5.0-hectare mid-cost residential development is located at Brgy. Araniw, Laoag City, Ilocos Norte. Offering over 170 residential lots with predominant lot cuts ranging from 150 to 200 square meters, Brighton Parkplace also offers easy access to the Laoag International Airport and Robinsons Place Ilocos.

21. ***Brighton Parkplace North.*** This development is aA 3.8-hectare residential development located at Brgy. Cavit, Laoag City, Ilocos Norte. This subdivision offers 90 residential lots with lot sizes that range from 195 to 445 square meters.

22. ***Montclair Highlands.*** A 15.3-hectare residential development offers 351-unit mid-cost residential cum commercial development is located along the Diversion Road in Buhangin, Davao City. Lot cuts range from 192 to 440 square meters.

23. ***Aspen Heights.*** A 25.0-hectare mid-cost residential development, located in Brgy. Tolo-tolo and Brgy. Danglag, Consolacion, Cebu, offers 583 units with predominant lot cut of 120 square meters.

24. ***Blue Coast Residences.*** This 3.2-hectare nature-endowed residential resort community is located in the Mactan Island of Cebu. With 91 units at lot cuts ranging from 96 to 400 square meters, the project is also conveninetly located less than 5 minutes away from the Mactan International Airport and offers a picturesque sea view right from your own home.

25. ***Fresno Parkview*****.** A 15.0-hectare mid-cost development is located in Brgy. Lumbia, Cagayan de Oro. It offers 501 residential units with predominant lot cut of 150 square meters amidst its rolling terrain and impressive view.

26. ***St. Bernice Estates*****.** This is an expansion of San Jose Estates, this 3.4-hectare residential project along the Antipolo-Teresa Highway in Bgy. San Jose, Antipolo City, offers 212 residential units with options for lot-only and house-and-lot packages.

27. ***Nizanta at Ciudades*****.** This 12.9-hectare property is a tropical Asian-inspired development located in Brgy. Mandug, Davao City. Prospective buyers may choose from 477 residential lots with lot cuts that range from 150 to 220 square meters.

28. ***Grand Tierra*****.** This 18.3-hectare residential development is a Western-inspired community located in Capas, Tarlac. This offers 572 lots with

predominant lot cut of 140 square meters.

29. ***Bloomfields Heights Lipa.*** A 12.4-hectare premium residential development located in Brgy. Tibig, Lipa City, Batangas. This masterplanned community showcases a modern tropical theme and offers 340 residential units. With a typical lot area of 192 square meters, this subdivision is also complemented by wide-open spaces and exclusive lifestyle amenities.

30. ***St. Judith Hills.*** A 9.6-hectare mid-cost development located in Brgy. San Jose, Antipolo City. It is mediterranean-inspired with 279 residential lots with predominant lot cuts of 150 square meters for lots only and 111 townhouse units with a lot size of 75 square meters.

31. ***Bloomfields General Santos.*** A 33-hectare residential development located in Brgy. Labangal, General Santos City. This tropical oasis in the heart of the city offers 755 residential and commercial lots with lot cuts ranging from approximately 200 to 600 square meters.

32. ***Bloomfields Cagayan De Oro.*** Enjoy relaxed tropical living at this 6.5-hectare haven where lush greenery over rolling terrain. Overlooking the majestic Cagayan De Oro skyline, this prime residential development features 144 lots with lot cuts averaging 250 square meters in size.

Some of these developments include lots zoned for commercial use. For projects undertaken through joint venture arrangements, these commercial lots are allocated equitably between RLC and its joint venture partners.

As of September 30, 2012, RLC was awaiting the receipt of License to Sell (LS) to launch four (4) new projects by Robinsons Homes. These projects, Monte Del Sol, Nizanta at Ciudades, Bloomfields General Santos and Bloomfields Cagayan De Oro, will comprise a total of almost 2,000 units.

The Company's Business Plan for Robinsons Homes, subject to market conditions, is to launch at least three (3) new projects per year. To this end, the Company is expanding the geographic region in which it seeks land, primarily by pursuing joint venture opportunities in select regional areas. As of September 30, 2012, it was in various stages of negotiations for the acquisition of approximately 120 hectares in key regional cities throughout the Philippines.

iii. Office Buildings Division

RLC's Office Buildings Division develops office buildings for lease. The Office Buildings Division accounted for ₱1.40 Billion or 10% of RLC's revenues and ₱1.34 Billion or 18% of RLC's EBITDA in fiscal year 2012, and ₱1.33 Billion or 11% of RLC's revenues and ₱1.30 Billion or 19% of RLC's EBITDA in fiscal year 2011. As of September 30, 2012, the Company's Office Buildings Division had assets, valued on a historical cost less depreciation basis, of ₱5.78 Billion.

RLC engages outside architects and engineers for the design of its office buildings developments. One recent trend affecting the Company's office tower design is the increasing presence of customer call centers and BPOs in the Philippines. The Company has secured a number of major customer call centers and BPOs as long-term tenants in its office building space and has focused on attracting their business, including custom-designing its office space with call center and BPO design requirements in mind. The Company believes, based on its own market research, that it is a leading provider of office space to BPOs in the Philippines.

As of September 30, 2012, the Office Buildings Division has completed eight office buildings, and is developing two additional buildings. The Company's completed office building projects are located in Metro Manila and Cebu City, and are described below.

Name,	Location	Size & Designation	Approximate gross floor area
Galleria Corporate Center	Along EDSA corner Ortigas Avenue, Quezon City	30-storey	30,000 sq.m
Robinsons-Equitable Tower.......................	Corner of ADB and Poveda Streets, Pasig City	45-storey	82,000 sq.m
Robinsons Summit Center.........................	Ayala Avenue, Makati City	37-storey	61,000 sq.m
Robinsons Cybergate Center Tower 1	Pioneer Street, Mandaluyong City	18-storey	35,000 sq.m
Robinsons Cybergate Center Tower 2	Pioneer Street, Mandaluyong City	27-storey	58,000 sq.m
Robinsons Cybergate Center Tower 3	Pioneer Street, Mandaluyong City	27-storey	56,000 sq.m
Robinsons Cybergate Plaza	EDSA, Mandaluyong City	12-storey	52,000 sq.m
Robinsons Cybergate Cebu.....................	Fuente Osmena, Bo. Capitol, Cebu City	3-storey	7,000 sq.m

The Company's current office buildings are described as follows:

1. ***Galleria Corporate Center*.** This is a 30-storey office tower located along EDSA corner Ortigas Avenue in Quezon City which is directly connected to the Robinsons Galleria shopping mall. The office tower has an approximate gross floor area of 30,000 square meters and an approximate net floor area (comprising only leasable space) of 25,000 square meters. As of September 30, 2012, approximately 83% of the Galleria Corporate Center had been sold while the remaining areas, which are owned by RLC, had a 100% occupancy rate.

2. ***Robinsons-Equitable Tower*.** This is a 45-storey office tower located at the corner of ADB Avenue and Poveda Street in Pasig City. The office tower has an approximate gross floor area of 82,000 square meters and an approximate net floor area (comprising only leasable space) of 52,000 square meters. As of September 30, 2012, RLC had sold approximately 76% of the net floor area within Robinsons-Equitable Tower and retains the rest for lease. RLC-owned units within Robinsons-Equitable Tower had a 100% occupancy rate as of September 30, 2012.

3. ***Robinsons Summit Center.*** This is a 37-storey office tower located along Ayala Avenue in the Makati central business district. The office tower has an approximate gross floor area of 61,000 square meters and an approximate net floor area (comprising only leasable space) of 31,000 square meters. RLC owns and is currently leasing out substantially all of the net floor area of this building. RLC-owned units within Robinsons Summit Center had a 99.60% occupancy rate as of September 30, 2012.

4. ***Robinsons Cybergate Center Tower 1*****.** This is an 18-storey office building complex located at Pioneer St., Mandaluyong. The office building has an approximate gross floor area of 35,000 square meters and an approximate net floor area (comprising only leasable space) of 27,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 1 had a 100% occupancy rate as of September 30, 2012.

5. ***Robinsons Cybergate Center Tower 2*****.** This is a 27-storey office building, located in the Pioneer mixed-use complex next to Robinsons Cybergate Center Tower 1. The office building has an approximate gross floor area of 58,000 square meters and an approximate net floor area (comprising only leasable space) of 44,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 2 had a 100% occupancy rate as of September 30, 2012.

6. ***Robinsons Cybergate Center Tower 3*****.** This is a 27-storey office buildings, located in the Pioneer mixed-use complex. The office has an approximate gross floor area of 56,000 square meters and an approximate net floor area (comprising only leasable space) of 42,000 square meters. The building was substantially completed by March 31, 2008. RLC owns 100% of the net floor area. Robinsons Cybergate Center Tower 3 had a 98.5% occupancy rate as of September 30, 2012.

7. ***Robinsons Cybergate Plaza.*** This is a 12-storey building, located within the Pioneer mixed-use complex, along EDSA. The building has 2 hotel floors with an approximate area of 7,000 square meters and small-cut retail spaces at the ground floor. The office floors are located at the 2nd, 7th to 12th floors with a gross leasable area of approximately 25,000 square meters. RLC owns 100% of the net floor area. Robinsons Cybergate Plaza had a 100% occupancy rate as of September 30, 2012.

8. ***Robinsons Cybergate Cebu*****.** This is a mixed-use building with a mall and office space located in Fuente Osmena Circle, Cebu City. The office space comprise three floors located on top of the mall, with a gross floor area of approximately 7,000 square meters. The office floors had been substantially completed by August 2010. As of September 30, 2012, the office floors had an occupancy rate of 100%.

iv. Hotels

RLC's hotels division owns and operates hotels within Metro Manila and other urban areas throughout the Philippines. For this period, RLC has several Go Hotels under construction and aims to develop additional hotels within its mixed-use developments. RLC's hotels division currently has a portfolio of nine hotel properties. As of September 30, 2012, the Company's Hotels Division had assets, valued on a historical cost less depreciation basis, of ₱2.19 Billion.

The hotels division accounted for ₱1.38 Billion or 10% of RLC's revenues and ₱441.9 Million or 6% of RLC's EBITDA in fiscal year 2012, and ₱1.21 Billion or 9% of RLC's revenues and ₱386.0 Million or 6% of RLC's EBITDA in fiscal year 2011.

Although the hotels division is an important part of RLC's business, the Company considers its primary value to be as a complement to its other developments. It is studying plans to increase its presence in this market segment with its Go Hotels and the possible expansion of its Summit Hotels.

The table below sets out certain key details of RLC's hotel portfolio as of September 30, 2012:

HOTEL	LOCATION	CLASSIFICATION	NUMBER OF ROOMS
Crowne Plaza Manila Galleria ….	Ortigas Avenue, Cor ADB Avenue, Quezon City	De Luxe	263
Holiday Inn Manila Galleria…………………………....	One ADB Avenue, Ortigas Center, Pasig City	De Luxe	285
Summit Circle Cebu (formerly Cebu Midtown Hotel) ……………	Fuente Osmena, Bo. Capitol, Cebu City	Standard	210
Summit Ridge Hotel ……………..	Aguinaldo Highway, Tagaytay City	De Luxe	108
Go Hotel …………………………..	EDSA, Mandaluyong City	Tourist Inn	223
Go Hotel …………………………..	Puerto Princesa City, Palawan	Tourist Inn	108
Go Hotel …………………………..	Dumaguete City, Negros Oriental	Tourist Inn	102
Go Hotel …………………………..	Tacloban City, Leyte	Tourist Inn	98
Go Hotel …………………………..	Bacolod City, Negros Occidental	Tourist Inn	108
Total			1,505

As of September 30, 2012, the Company's Hotels Division has an average occupancy rate of 70%.

RLC's Crowne Plaza and Holiday Inn hotels are managed by Holiday Inn (Philippines), Inc., a subsidiary of the InterContinental Hotels Group ("InterContinental"), pursuant to a long-term management contract. The contract, which commenced in July 2005, has a term of ten years and is extendible at the option of RLC for a further ten years. Holiday Inn has the sole and exclusive right to control the operational activities of each hotel. Holiday Inn's key management duties include, inter alia, handling all personnel matters, including those pertaining to the general manager and financial controller of each hotel, carrying out accounting and budgeting activities in consultation with RLC and operating each hotel in accordance with the operating standards for the appropriate hotel brand. It must also carry out advertising activities in connection with the international sales and marketing programs of the Holiday Inn and Crowne Plaza hotel chains (including use of web-based reservations systems). Holiday Inn receives management and incentive fees for managing these two properties. RLC employs all hotel employees except for key management personnel, including the general manager and financial controller of each hotel and other key personnel as determined by Holiday Inn.

RLC manages the Summit Circle Cebu (formerly Cebu Midtown Hotel), Tagaytay Summit Ridge Hotel and the 5 Go Hotels directly.

As of fiscal year 2012, the Company had 4 new Go Hotel branches and 6 expansion projects in the planning and development stage for completion in the next 2 years.

c) Significant Subsidiaries

As of September 30, 2012, RLC has four wholly-owned subsidiaries, a 51%-owned subsidiary and an 80%-owned subsidiary, all of which are consolidated with the Company's financial statements.

On March 4, 2009, the Securities and Exchange Commission (SEC) approved the plan of merger of the Parent Company with wholly-owned subsidiaries, Robinsons Homes, Inc. (RHI), Trion Homes Development Corporation (THDC) and Manila Midtown Hotels and Land Corporation (MMHLC). The merger resulted to enhanced operating efficiencies and economies, increased financial strength through pooling of resources and more favorable financing and credit facilities. No Parent Company shares were issued in exchange for the net assets of RHI, THDC and MMHLC.

The merger was accounted for similar to a pooling of interest method because the combined entities were under common control, therefore, has no effect on the consolidated financial statements. The subsidiaries after the merger are RII, RRMC, RCL, RPMMC and AAI.

Key details of each of RLC's subsidiary companies are set forth below.

1. ***Robinson's Inn, Inc.*** Robinson's Inn, Inc. (RII) was incorporated on October 19, 1988, has a registered share capital of 25,000,000 and is 100% owned by

RLC. RII's principal business is to engage in the development and operation of apartelles, inns, motels, condominiums, apartments and other allied business, and to acquire, purchase, sell, assign or lease land, buildings and other improvements. RII is part of the Company's hotels division, and runs the Robinsons Apartelle which closed operations effective August 31, 2007.

2. ***Robinsons Realty and Management Corporation.*** Robinsons Realty and Management Corporation (RRMC) was registered with the Philippine Securities and Exchange Commission on May 16, 1988 primarily to acquire by purchase, lease, donation or otherwise, and to own, use , improve, develop, subdivide, sell, mortgage, exchange, lease and hold for investment or otherwise, real estate of all kinds.

3. ***Robinsons (Cayman) Limited.*** Robinsons (Cayman) Limited (RCL) was incorporated in Cayman Islands, British West Indies on March 25, 1997 with a registered authorized capital stock of US$50,000.00 at $1.00 per share, 1,000 shares of which is subscribed and paid up by the Parent Company. The company acts as a real estate agent on the international market, among others, for the Residential Division.

4. ***Robinsons Properties Marketing and Management Corporation.*** Robinsons Properties Marketing and Management Corporation (RPMMC) was incorporated on November 25,1998, has a registered share capital of 1,000,000 and is 100%-owned by the Parent Company. RPMMC is part of the Company's residential division. RPMMC manages the marketing of the portfolio of residential and office units that are available for sale through the residential division's Robinsons Communities, Robinsons Residences, and Luxuria Brands. RPMMC's primary purpose is to acquire, own, use, sell, exchange, lease and develop real property of all kinds, and to market, manage or otherwise sell and convey buildings, houses, apartments and other structures of whatever kind together with their appurtenances.

5. ***Altus Angeles, Inc.*** Altus Angeles, Inc. (AAI) was incorporated on October 30, 2002, has a registered share capital of 400,000 and is 51%-owned by the Parent Company. AAI is a joint venture within the Company's Commercial Centers Division. AAI's principal business is to establish, manage and maintain commercial complexes, offer such services and merchandise of all kinds and to do and perform such acts as necessary or incidental to the accomplishment of the foregoing corporate business objects insofar as may be allowed by applicable rules and regulations.

6. ***Altus San Nicolas Corp.*** Altus San Nicolas Corp. (ASNC) was incorporated on March 28, 2007, has a registered share capital of 40,000,000 and is 80%-owned by the Parent Company. ASNC is a joint venture within the Company's Commercial Centers Division. ASNC's principal business is to establish, manage and maintain a commercial complex and to enter into all kinds of contracts, agreements, and obligations for the leasing of commercial space or the disposition, sale of goods and merchandise of all kinds and perform such acts and things necessary or incidental to the accomplishment of the foregoing corporate business and objects as may be allowed by

applicable laws, rules and regulations, without engaging in retail business.

d) Competition

i. Commercial Centers Division

RLC has two major competitors in its commercial centers division--SM Prime Holdings, Inc. (SM) and Ayala Land, Inc. (ALI). Each of these companies has certain distinct advantages over RLC, including SM's considerably larger mall portfolio and ALI's access to prime real estate in the heart of Metro Manila. In terms of total assets and equity accounts as of September 30, 2012, SM has ₱142.8 Billion and ₱67.7 Billion while ALI has ₱207.0 Billion and ₱89.8 Billion, respectively. There are a number of other players in the shopping mall business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), RLC expects that it will continue to compete principally with these two major companies in this market sector for the foreseeable future. RLC has, however, recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear whether or how this trend might affect the competitive landscape. Shopping mall operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets and street markets.

RLC believes its strength is in its mixed-use, retail, commercial and residential developments. RLC operates on the basis of its flexibility in developing malls with different sizes depending on the retail appetite of the market per location. It is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

ii. Residential Division

1. ***Robinsons Luxuria***

   The Robinsons Luxuria segment continues to develop projects that caters to the high-end market. It strives to compete with developers who have already established their names in tapping this slice of the market. RLC, being new in this segment of the market, continues to learn from the strong players. There is also competition with regards to the buyers to tap, since it is only a small portion of real estate market. ALI and Megaworld Corporation (Megaworld) competes primarily with RLC under this market segment. Mega's total assets and equity accounts as of September 30, 2012 amounted to ₱138.6 Billion and ₱78.5 Billion, respectively.

2. ***Robinsons Residences***

   RLC's close competitors (ALI and Megaworld) under this segment targets the same market and offers similar products. There are also small players who try to compete for this segment of the market. But because of the significant barriers to entry into the business, such as requirements for industry-specific technological know-how, the considerable capital expenditure required for the acquisition and development of land, the reputation needed to be able to adopt a pre-sale model and the requirement of a large and experienced sales and distribution network, RLC continues to be one of the leading choices of potential buyers.

3. ***Robinsons Communities***

RLC Robinsons Communities in particular, has numerous competitors in the middle income segment. This is in part a function of the fact that as compared to other business areas, RLC does not enjoy the same "early mover" advantage. Currently, Robinsons Communities' competitors include companies like Avida Land (AL), Filinvest Land (FL), SM Development Corporation (SMDC) and DMCI Homes. As of September 30, 2012, total assets and equity accounts of these companies amounted to ₱80.1 Billion and ₱44.5 Billion for FL, and ₱70.6 Billion and ₱38.5 Billion for SMDC, respectively. Based on public records and independent industry reports and its own market knowledge, the Company believes that it is among the top five middle-ranged condominium developers in the Philippines in terms of revenues from sales. The Company believes that it can successfully compete in this market segment on the basis of its brand name, technical expertise, financial standing and track record of successfully completed, quality projects.

4. ***Robinsons Homes***

Recognizing the growing housing market in the Philippines, RLC continues to embark on building subdivisions through its Robinsons Homes brand. For families coming from the C – B segment aspiring to own their first home or upgrade to a better abode and neighborhood, Robinsons Homes provides them themed, master planned, secure and gated horizontal subdivisions in key urbanized cities nationwide ideal to start the good life. In order to cater to varying market profiles, Robinsons Homes launched its three sub-brands namely: *Springdale* for start-up families, *Brighton* for growing families and *Bloomfields* for full nesters.

It stands in close competition with ALI, FL and Vista Land (VL). Total assets and equity accounts of VL as of September 30, 2012 amounted to ₱74.4 Billion and ₱42.5 Billion, respectively.

Robinsons Homes competes on the basis of location. It is a nationwide residential subdivision developer with projects in Laoag, Tarlac, Pampanga, Antipolo, Cavite, Batangas, Cebu, Cagayan de Oro, Davao and General Santos. Robinsons Homes is creating not just subdivisions but is forming nurturing communities with lifestyle amenities and support developments in response to the changing lifestyle of Filipinos.

The Company believes that its market specific branding, reliability to deliver and consistent quality products at an affordable price has contributed to its ability to generate sales and its overall success.

iii. Office Buildings Division

The Company believes that competition for office space is principally on the basis of location, availability of space and quality of office space. The biggest competitors of the Company under this segment are ALI and Megaworld. The Company competes in this market on the basis of the strategic locations of its buildings, including their proximity to the Company's malls and residences as part of mixed-use developments, and has also began to design its office space with BPO- and call center-specific requirements in mind, in order to better serve that market and make its office buildings more attractive to those potential tenants. The Company also believes that its established reputation for completing projects on time and at the committed specifications, as well as delivering quality products at good value has contributed to its ability to retain the services of its exclusive and non-exclusive brokers and to its overall success.

iv. Hotels Division

Philippine Tourism is highly influenced by general political and economic conditions within the country. The Philippines as a destination, benefits in terms of competitiveness in pricing – Hotel, ticket taxes and airline, natural resources & eco-tourism, though concerns are still safety and security / travel advisories and health and hygiene. The hotel business has seen a continued stabilized situation due to remittances from Filipino overseas workers, the continued booming of business outsource processing & IT infrastructure projects in the Philippines, and the continuous drive of the local tour operators in developing affordable tour packages. Year 2012 to-date poses a 9.18% growth compared to 2011, still driven by key feeder markets from Korea, US and Japan.

The tourism outlook in the Philippines, especially Metro Manila seems optimistic with several hotels opening in the Makati, Ortigas and Fort Bonifacio CBD. Major competitors within Ortigas area, where the Company's two hotels are situated, are Edsa Plaza Shangri-la Hotel, Oakwood Premier, Linden Suites and Discovery Suites, with Marco Polo Hotel expected to open in Q4 2013. In the past year, a number of local and foreign chains have entered or signified interest to enter the country's budget hotel sector. These chains, considered competitors of the Company's Go Hotels, include Tune Hotels of Malaysia, Fave Hotels of Indonesia, Park Inn by Radisson, Remington Hotel and the local Islands Stay Hotels. Go Hotels continue to keep room rates at value-for-money levels by maintaining operation efficiencies across all branches. The chain is also in the process of developing design improvements as well as building booking and payment channels to enhance convenience and comfort offered to guests. Consumers though are still driven by price, perceived value, quality of service and location of accommodation. In support of this, to further drive and strengthen share, RLC's Holiday Inn Manila Galleria has undergone a “Refresh” program, a global Holiday Inn campaign set out to drive consistency in the brand knowing that guests will receive the same quality service and experience in every Holiday Inn hotel. The Crowne Plaza Manila is currently undergoing a repositioning program to strengthen its brand identity through a distinct service culture which delivers a unique guest experience, creating emotional connection with each guest through understanding their individuality to ensure they have a productive stay.

e) Sources and Availability of Raw Materials and Names of Principal Suppliers

Construction and development of malls, high-rise office and condominium units as well as land and housing construction are awarded to various reputable construction firms subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractor. Most of the materials used for construction are provided by the contractors themselves in accordance with the underlying agreements, although sometimes the Company will undertake to procure the construction materials when it believes that it has an advantage in doing so. The Company typically will require the contractor to bid for a project on an itemized basis, including separating the costs for project materials that it intends to charge the Company. If the Company believes that it is able to acquire any of these materials (such as cement or steel) at a more competitive cost than is being quoted to it, it may remove these materials from the project bid and enter into a separate purchase order for the materials itself, to reduce project costs.

f) Employees and Labor

As of September 30, 2012, RLC and its subsidiaries had a total of 4,635 employees, including 1,626 permanent full-time managerial and support employees and approximately 3,009 contractual and agency employees, grouped by business divisions as follows:

Business	Permanent Employees	Contract Employees	Total Employees
Commercial Centers Division	691	2,099	2,790
Office Buildings Division.........................	12	121	133
Residential Division................................	374	377	751
Hotels Division.......................................	549	412	961
Total	1,626	3,009	4,635

The 1,626 permanent full-time managerial and support employees of RLC and its subsidiaries as of September 30, 2012 can be broken down by function as follows:

FUNCTION	NO. OF EMPLOYEES
Operational	693
Administrative	627
Technical	306
Total	**1,626**

The Company foresees an increase in its manpower complement to 2,078 employees in the ensuing twelve months.

Almost all of the Company's hotels division employees are covered by a collective bargaining agreement which will mature on September 30, 2016 for Summit Circle Cebu (formerly Cebu Midtown Hotel) and September 30, 2015 for the Holiday Inn Manila Galleria hotel. The Company's other employees are not unionized or party to collective bargaining agreements with the Company.

g) Industry Risk

The Company conducts substantially all of its business activities in the Philippines and all of its major assets are located in the Philippines, which exposes the Company to the performance of the Philippine economy and to Philippine property market risk.

RLC derives substantially all of its revenue and operating profits from its property investment and development activities in the Philippines and its business is therefore highly dependent on the state of the Philippine economy and the Philippine property market. RLC has adopted a diversified business model with both an "investment" component, in which the Company develops, owns and operates real estate projects (principally shopping malls, high-rise office buildings and hotels) and a "development" component, in which RLC develops real estate projects for commercial sale (principally high-rise condominiums and horizontal residential subdivision developments).

Demand for, and prevailing prices of, shopping mall and office leases are, and the performance of the Philippine hotel business is, directly related to the strength of the Philippine economy and the overall levels of business activity in the Philippines. The Company's commercial centers division is also directly affected by social trends, changing spending patterns and consumer sentiment in the Philippines, which are in turn heavily influenced by economic, political and security conditions in the Philippines. On the development side of the Company's business, the Philippine property market has, in the past, been cyclical and property values have been affected by supply of and demand for comparable properties, the rate of economic growth in the Philippines and political developments. The Company is particularly reliant on business from OFWs and expatriate Filipinos, which constitutes a significant portion of the demand for its projects in the residential division. This also exposes the Company to the performance of specific economies in which these concentrated groups of potential customers are located, including the United States, Italy and Saudi Arabia. Demand for new residential housing projects in the Philippines, in particular, has also fluctuated in the past as a result of prevailing economic conditions (including overall growth levels and interest rates), the political and security situation in the Philippines and other related factors.

The Philippine economy generally, and the Philippine property market specifically, went through a sharp downturn brought about by the effects of the Asian financial crisis in the late 1990s. The abrupt drop in demand following the Asian financial crisis resulted in reduced levels of retail spending, poor consumer sentiment, a glut in the property market, depressed property prices and reduced demand for new residential projects. Although market conditions have recovered to a certain extent, there can be no assurance that this recovery will continue or that there will not be a recurrence of the conditions experienced during the Asian financial crisis of the late 1990s or similar conditions.

Considerable economic and political uncertainties currently exist in the Philippines that could have adverse effects on consumer spending habits, construction costs, availability of labor and materials and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because of RLC's business concentration in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, or weaker performance of the country's property development market generally could materially adversely affect RLC's profitability.

RLC operates in a highly competitive industry. The Company's future growth and development is dependent, in large part, on the availability of large tracts of land suitable for development. As the Company, particularly its commercial centers, office building and residential divisions, and its competitors attempt to locate sites for development, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company, particularly in Metro Manila and other urban areas. To the extent that the Company is unable to acquire suitable land at acceptable prices, its growth prospects could be limited and its business and results of operations could be adversely affected.

A number of other commercial center and residential developers and real estate services companies, some with greater financial and other resources and more attractive land banks than the Company, compete with RLC in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect RLC's ability to develop and sell its properties or attract and retain tenants, and continued development by these and other market participants could result in saturation of the market for real estate, and in particular shopping malls.

ADDITIONAL REQUIREMENTS AS TO CERTAIN ISSUES OR ISSUER

Not Applicable

Item 2. Properties

Over the years, the Company has invested in a number of properties located across the Philippines for existing and future development projects. All of these properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance. The Company also enters into joint venture arrangements with land owners in order to optimize their capital resources. Not only does this encourage raw land development for future projects but it also provides them exclusive development and marketing rights.

The following are locations of the Company's properties:

Location	Use	Status
Land		
Metro Manila		
Manila	Mixed-use (mall/residential)	No encumbrances
Quezon City	Residential/ Mixed-use (mall/residential/hotel)	No encumbrances
Pasay City	Residential	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Residential/ Mall/ Mixed-use (mall/hotel/residential/office)	No encumbrances
Paranaque City	Residential	No encumbrances
Muntinlupa City	Mixed-use (mall/residential)	No encumbrances
Taguig City	Residential	No encumbrances
Metro Manila area	Land bank	No encumbrances
Luzon		
La Union	Residential	No encumbrances
Pangasinan	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall/ Residential	No encumbrances
Cavite	Mall/ Residential/ Mixed-use (mall/hotel/residential)	No encumbrances
Laguna	Mall	No encumbrances
Palawan	Mixed-use (mall/hotel/residential)	No encumbrances
Rizal	Residential	No encumbrances
Luzon area	Land bank	No encumbrances
Visayas		
Iloilo City	Mall	No encumbrances
Bacolod City	Mixed-use (mall/hotel)	No encumbrances

Cebu	Mixed-use (mall/hotel/residential)	No encumbrances
Negros Oriental	Mixed-use (mall/hotel)	No encumbrances
Leyte	Mixed-use (mall/hotel)	No encumbrances
Visayas area	Land bank	No encumbrances
Mindanao		
Agusan Del Norte	Mall	No encumbrances
Cagayan De Oro City	Residential	No encumbrances
Davao City	Mall	No encumbrances
South Cotabato	Mall/ Residential	No encumbrances
Mindanao Area	Land bank	No encumbrances
Building and Improvements		
Metro Manila		
Manila	Mixed-use (mall/residential)	No encumbrances
Quezon City	Mixed-use (mall/hotel/residential)	No encumbrances
Mandaluyong City	Mixed-use (mall/hotel/residential)	No encumbrances
Makati City	Office Building	No encumbrances
Pasig City	Mixed-use (mall/hotel/residential)	No encumbrances
Luzon		
Ilocos Norte	Mall	No encumbrances
Bulacan	Mall	No encumbrances
Nueva Ecija	Mall	No encumbrances
Pampanga	Mall	No encumbrances
Tarlac	Mall	No encumbrances
Batangas	Mall	No encumbrances
Cavite	Mall/ Mixed-use (mall/hotel)	No encumbrances
Laguna	Mall	No encumbrances
Rizal	Mall	No encumbrances
Pangasinan	Mall	No encumbrances
Palawan	Mall/ Mixed-use (mall/hotel)	No encumbrances
Visayas		
Iloilo City	Mall	No encumbrances
Bacolod City	Mixed-use (mall/hotel)	No encumbrances
Cebu	Mixed-use (mall/hotel/office)	No encumbrances
Negros Oriental	Mall	No encumbrances
Leyte	Mixed-use (mall/hotel)	No encumbrances
Mindanao		
Cagayan De Oro City	Mall	No encumbrances

Davao City	Mall	No encumbrances
South Cotabato	Mall	No encumbrances

The Company owns all the properties upon which all of its existing commercial centers are located, except for the following: (i) Robinsons Place Iloilo, (ii) Robinsons Cagayan de Oro, (iii) Robinsons Cainta, and (iv) Robinsons Pulilan. These four properties are leased at prevailing market rates. The leases for the Iloilo and Cagayan de Oro properties are for 50 years each and commenced in October 2001 and December 2002, respectively. The leases for the Cainta and Pulilan properties are for 25 years each and commenced in December 2003 and January 2008, respectively. Renewal options for Cainta and Pulilan are available to the Company. Total rent expense amounted to ₱162 Million in 2012, and ₱158 Million in 2011 and 2010.

Capital expenditure incurred for fiscal years 2012, 2011 and 2010 amounted to ₱9.5 Billion, ₱13.9 Billion and ₱6.5 Billion, respectively, representing about 71%, 108% and 60% of revenues in those years, respectively.

The Company has budgeted ₱13 Billion capital expenditures covering land and constructions for fiscal year 2013. These will be funded through cash from operations and borrowings. 33% is allocated for residential condos and housing units while 67% will be spent for malls, office buildings and hotels.

Item 3. Legal Proceedings

The Company and its subsidiaries and affiliates are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. In the opinion of RLC's management, none of the lawsuits or legal actions to which it is currently subject will materially affect the daily operations of its business nor will they have a material effect on the Company's consolidated financial position.

Item 4. Submission of Matters to A Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

Item 5. Regulatory and Environmental Matters

a) Shopping Malls

Shopping mall centers are regulated by the local government unit of the city or municipality where the establishment is located. In line with this, mall operators must secure the required mayor's permit or municipal license before operating. In addition, no mall shall be made operational without complying first with the provisions of the fire code and other applicable local ordinances. Furthermore, shopping malls with food establishments must obtain a sanitary permit from the Department of Health. It is also compulsory for shopping malls discharging commercial waste water to apply for a waste water discharge permit from the DENR and to pay the fee incidental to the permit.

As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism. A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the Department of Tourism.

b) Residential Condominium and Housing and Land Projects

Presidential Decree No. 957 as amended, is the principal statute which regulates the development and sale of real property as part of a condominium project or subdivision. Presidential Decree No. 957 covers subdivision projects and all areas included therein for residential, commercial, industrial and recreational purposes as well as condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

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

Further, all subdivision plans and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon a verified complaint from an interested party for reasons such as non-delivery of title to fully-paid buyers or deviation from approved plans. A license or permit to sell may only be suspended, cancelled or revoked afer a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the HLURB's rules of procedure and other applicable laws. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some construction standards. Other subdivisions must comply with Presidential Decree 957, which set out standards for lower density developments. Both types of development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electrical supply, lot sizes, the length of the housing blocks and house construction.

Under current regulations, a developer of a residential subdivision is required to reserve at least 30% of the gross land area of such subdivision for open space for common uses, which include roads and recreational facilities. A developer of a commercial subdivision is required to reserve at least 3.5% of the gross project area for parking and pedestrian malls.

Further, Republic Act No. 7279 requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 20% of the total subdivision area or total subdivision project cost, at the option of the developer, within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the HLURB. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with other developers engaged in socialized housing development. The Company has benefited from providing low-income housing or projects of such types which are financially assisted by the government. These policies and programs may be modified or discontinued in the future. The Government may also adopt regulations which may have the effect of increasing the cost of doing business for real estate developers. Under current law, income derived by domestic corporations from the development and sale of socialized housing which currently, among other things, must have a basic selling price of no more than ₱300,000, is exempt from project related income taxes. Under the current Investment Priorities Plan issued by the Board of Investments, mass housing projects including development and fabrication of housing components, are eligible for government incentives subject to certain policies and guidelines. In the future, since the sale of socialized housing units comprise a portion of homes sold by the Company, any changes in the tax treatment of income derived from the sale of socialized housing units may affect the effective rate of taxation of the Company.

c) Hotels

The Philippine Department of Tourism promulgated the Hotel Code of 1987 (the “Hotel Code”) in order to govern the business and operation of all hotels in the Philippines. Investors that wish to operate a hotel must first register and apply for a license with the local government of the city or municipality where the hotel is located. For purposes of registration and licensing, hotels are classified into four groups: De Luxe Class, First Class, Standard Class and Economy Class. The Hotel Code provides minimum standards for the establishment, operation and maintenance of hotels depending on the hotel's classification.

A certificate of registration and license as a hotel will not be granted unless the relevant establishment has passed all the conditions of the Hotel Code, the Fire and Building Codes, Zoning Regulations and other municipal ordinances. Furthermore, hotels can only be opened for public patronage upon securing of a sanitary permit from the city or municipal health office having jurisdiction over the establishment. The Department of Tourism is the government agency which is tasked with the accreditation of hotels. The Department promulgates the minimum standards and procedures for hotel accreditation. While accreditation is non-compulsory, accredited hotels are given incentives by the Department of Tourism.

d) Zoning and Land Use

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the DAR, land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may be also limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

e) Special Economic Zone

The Philippine Economic Zone Authority ("PEZA") is a government corporation that operates, administers and manages designated special economic zones ("Ecozones") around the country. Ecozones, which are generally created by proclamation of the President of the Philippines, are areas earmarked by the government for development into balanced agricultural, industrial, commercial, and tourist/recreational regions.

An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. PEZA registered enterprises locating in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty-free importation of equipment, machinery and raw materials.

Information technology ("IT") enterprises offering IT services (such as call centers, and business process outsourcing using electronic commerce) are entitled to fiscal and non-fiscal incentives if they are PEZA-registered locators in a PEZA-registered IT Park, IT Building, or Ecozone. An IT Park is an area which has been developed into a complex capable of providing infrastructures and other support facilities required by IT enterprises, as well as amenities required by professionals and workers involved in IT enterprises, or easy access to such amenities. An IT Building is an edifice, a portion or the whole of which, provides such infrastructure, facilities and amenities.

PEZA requirements for the registration of an IT Park or IT Building differ depending on whether it is located in or outside Metro Manila. These PEZA requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR.

The Company actively seeks PEZA registration of its buildings, as this provides significant benefits to the Company's tenants. PEZA registration provides significant tax incentives to those of the Company's customers that are PEZA-registered (they can, for example, avail themselves of income tax incentives such as income tax holidays or 5% gross income taxation), thereby making tenancy in the Company's PEZA-registered buildings potentially more attractive to them. As of fiscal year 2011, the Pioneer mixed-use complex was in a PEZA Ecozone, the Robinsons Equitable Tower and Robinsons Summit Center were PEZA-registered buildings. A number of malls are also PEZA-registered.

f) Effect of Existing or Probable Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations mentioned under "items 5a-e" as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The Company spent about ₱2.8 Million for STP facilities for its 32 malls in compliance with environmental laws, more particularly on mall waste water discharge.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 6. Market Information

Data on the quarterly price movement of its shares for the past three fiscal years are set forth below.

	2012			2011			2010		
Quarter	**High**	**Low**	**Close**	**High**	**Low**	**Close**	**High**	**Low**	**Close**
1	11.46	11.28	11.30	16.30	15.26	16.30	13.00	12.75	13.00
2	16.90	16.40	16.50	11.62	11.52	11.52	14.50	14.25	14.50
3	17.50	17.30	17.42	12.04	11.96	12.00	15.00	14.50	14.75
4	19.20	18.76	19.04	11.30	11.00	11.30	16.10	16.04	16.06

Additional information as of December 31, 2012 are as follows:

Market Price:	**Fiscal Year 2013**	**High**	**Low**
	Oct. to Dec. 2012	₱21.40	₱20.75

The Company's common stock is traded in the Philippine Stock Exchange.

Item 7. Dividends

RLC declared cash dividends for each of the fiscal years 2012, 2011 and 2010.

For fiscal year 2012, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2011 to all stockholders on record as of May 8, 2012. The cash dividends were paid out on June 1, 2012.

For fiscal year 2011, the Company declared a cash dividend of ₱0.36 per share from unrestricted Retained Earnings as of September 30, 2010 to all stockholders on record as of May 31, 2011. The cash dividends were paid out on June 27, 2011.

For fiscal year 2010, the Company declared a cash dividend of ₱0.48 per share from unrestricted Retained Earnings as of September 30, 2009 to all stockholders on record as of May 5, 2010. The cash dividends were paid out on May 20, 2010.

RLC's retained earnings include accumulated equity in undistributed net earnings of subsidiaries amounting to ₱408 Million, ₱380 Million, and ₱365 Million in 2012, 2011 and 2010. These amounts are not available for dividend declaration until received in the form of dividends.

Item 8. Principal Shareholders

The following table sets forth the Company's top twenty shareholders and their corresponding number of shares held as of September 30, 2012:

	Name of Stockholders	No. of Shares Held	Percent to Total Outstanding
1	JG Summit Holdings, Inc.	2,496,114,787	60.97%
2	PCD Nominee Corporation (Non-Filipino)	1,023,196,000	24.99%
3	PCD Nominee Corporation (Filipino)	539,535,639	13.18%
4	Elizabeth Yu	8,737,200	0.21%
5	John Gokongwei, Jr.	8,124,721	0.20%
6	Cebu Liberty Lumber	2,203,200	0.05%
7	James L. Go	1,685,994	0.04%
8	Elizabeth Y. Gokongwei &/or John Gokongwei, Jr.	988,000	0.02%
9	Quality Investments & Sec Corp.	903,000	0.02%
10	Alberto Mendoza &/or Jeanie Mendoza	532,800	0.01%
11	Elizabeth Yu Gokongwei	499,500	0.01%
12	Robina Y. Gokongwei-Pe	360,000	0.01%
13	Frederick D. Go	337,501	0.01%
14	Samuel C. Uy	324,000	0.01%
15	John L. Gokongwei, Jr.	300,000	0.01%
16	Ong Tiong	204,996	0.01%
17	G&L Securities	202,400	0.01%
18	Lisa Yu Gokongwei	180,000	0.01%
19	FEBTC #103-00507	156,240	0.01%
20	Ching Tiong Keng and/or Cynthia D. Ching	150,000	0.00%
	OTHERS	9,094,707	0.22%
	Total	**4,093,830,685**	**100.00%**

Item 9. Management Discussion and Analysis of Financial Condition and Results of Operation

a) Results of Operations and Financial Condition

RLC derives its revenues from real estate operations and hotel operations. Revenues from real estate operations account for approximately 90% of the Company's total revenues and are derived from the lease of commercial spaces in the various Robinsons malls, the lease and sale of space from RLC's office buildings, and the sale of residential units from the Company's various housing projects. Approximately 10% of total revenues are derived from hotel operations.

i. Year ended September 30, 2012 versus same period in 2011

RLC generated total gross revenues of ₱13.52 Billion for fiscal year 2012, an increase of 6% from ₱12.81 Billion total gross revenues for fiscal year 2011. EBIT (Operating income) grew 16% to ₱5.2 Billion while EBITDA (Operating income plus depreciation) posted a 10% growth to ₱7.3 Billion. Net income stood at ₱4.2 Billion, up by 7% compared to last year.

The Commercial Centers Division accounted for ₱6.43 Billion of the real estate revenues for the year versus ₱5.76 Billion last year or a 12% increase. Significant rental increment was contributed by the new malls opened in fiscal year 2012. Also, our flagship malls—Robinsons Galleria and Robinsons Place Manila and almost all provincial malls posted decent growth in rental revenues. The Division's EBIT and EBITDA have shown positive variances of 22% and 13%, respectively.

The Residential Division's realized revenues of ₱4.30 Billion is slightly lower by 5% from ₱4.51 Billion last year due to lower project completion of various ongoing projects. Both EBIT and EBITDA, however, have shown a positive variance of 7% due to lower level of operational expenses.

The Office Buildings Division reported revenues of ₱1.40 Billion compared to ₱1.33 Billion over the same period last year. This 5% increase in lease income was due mainly to new office space available for lease in Robinsons Cybergate Tower 3 and completion of Cybergate Plaza. The Division's EBIT and EBITDA have shown positive variances of 4% and 3%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.38 Billion as against last year's ₱1.21 Billion. The 15% increase in hotel revenues was principally due to higher occupancy rate of Crowne Plaza and Holiday Inn, increased hotel revenues from Summit Circle and the additional 4 new Go Hotels opened in fiscal year 2012. The hotel average occupancy rates are 82% for Crowne Plaza Manila Galleria (CPMG), 78% for Holiday Inn Manila Galleria (HIMG), 56% for Summit Circle Cebu (formerly Cebu Midtown Hotel), 42% for the Summit Ridge Hotel and 70% for Go Hotels. Hotels Division EBIT grew by 38%, while EBITDA showed a positive variance of 14%.

Real Estate cost and expenses went down to ₱5.26 Billion this year. As a result of the slight decrease in realized gross revenues of the Residential Division, cost of real estate sales of sold residential units decreased by 11%. Hotel expenses slightly increased to ₱1.11 Billion or by 10% as compared to last year of ₱1.01 Billion due to higher operational expenses at Crowne Plaza and Holiday Inn.

Interest income increased to ₱493.0 Million from ₱444.2 Million last year due to higher level of money market placements.

General and administrative expenses went up by 8% due to higher salaries, advertising and promotions and taxes and licenses, among others. Interest expense decreased by 75% due to higher level of capitalizable interest covering various capital expenditures.

Total assets of the Company stood at ₱70.65 Billion, a growth of 9% from total assets of ₱64.97 Billion in 2011. Cash and cash equivalents decreased by ₱3.2 Billion mainly due to the payment of ₱3.0 Billion bonds payable that matured in May 2012 and capital expenditures for new and ongoing projects, partially offset by the collection of subscriptions receivable.

Subdivision land, condominium and residential units for sale grew by 29% due to higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment increased by 11% and 6%, respectively, due to acquisition of land for future development, opening of three new malls, namely Robinsons Place Pangasinan, Robinsons Place Palawan and Robinsons Magnolia. It also completed the redevelopment of Robinsons Metro East and the expansion of its malls in Bacolod and Tacloban. Under the Hotels division, four new Go Hotels were opened in fiscal year 2012 in Palawan, Dumaguete, Tacloban and Bacolod. Ongoing construction at Robinsons Maxilom, Robinsons Malolos, Robinsons Butuan, Robinsons Roxas, and Robinsons Place Iloilo expansion also contributed to the increase.

Accounts Payable and Accrued Expenses increased by 11% due to increase in level of capital expenditures. Loans Payable decreased due to payment of ₱3 Billion bonds that matured in May 2012. Deposits and Other liabilities went up by 2% to ₱6.05 Billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Stockholder's Equity as of September 30, 2012 stood at ₱46.34 Billion, up by 19% from ₱38.81 Billion last year due to the earnings during the year of ₱4.24 Billion and collection of subscriptions receivable of ₱4.77 Billion in October 2011 net of payment of dividends of ₱1.47 Billion.

A summary of RLC's key performance indicators follows:

	2012	2011
Gross revenues	₱13.52 Billion	₱12.81 Billion
EBIT	5.23 Billion	4.53 Billion
EBITDA	7.32 Billion	6.64 Billion
Net income	4.24 Billion	3.97 Billion
Earnings per share	1.04	1.16
Net book value per share	11.32	9.48
Current ratio	2.62:1	2.36:1
Debt-to-equity ratio	0.26:1	0.38:1

Capital expenditures for the fiscal year ended September 30, 2012 amounted to ₱9.5 Billion. Funding for the capital expenditures was sourced from proceeds of stock rights offering and internally generated funds.

ii. Year ended September 30, 2011 versus same period in 2010

RLC generated total gross revenues of ₱12.81 Billion for fiscal year 2011, an increase of 18% from ₱10.82 Billion total gross revenues for fiscal year 2010. Net profit for the fiscal year 2011 amounted to ₱3.97 Billion, up by 11% compared to fiscal year 2010. EBITDA amounted to ₱6.64 Billion this year, up by 12% from last year.

The Commercial Centers Division accounted for ₱5.76 Billion of the real estate revenues for the year versus ₱5.31 Billion last year or an 8% increase. Rental escalations and strong take up of leased areas of the Company's mall space after renovation and expansion work of existing malls increased the rental revenues. Significant rental increment was contributed by our flagship malls--Robinsons Galleria and Robinsons Place Manila and the continued strong growth of our new malls in Dumaguete, Ilocos Norte, General Santos, Tacloban, Davao and Cebu. The Division's EBIT (Earnings before interest and taxes) and EBITDA (Earnings before interest, taxes and depreciation and amortization) have shown positive variances of 6% and 7%, respectively.

The Company's Residential Division realized gross revenues of ₱4.51 Billion up by 42% from ₱3.18 Billion last year due to increase in completion levels of existing projects such as The Fort Residences, East of Galleria and Woodsville Viverde and higher take up of realized revenues from new projects such as Trion Tower 1, Sonata 1 and Amisa 1 and 2. As realized revenues increased, both EBIT and EBITDA have shown a positive variance of 33%.

The Office Buildings Division reported revenues of ₱1.33 Billion compared to ₱1.18 Billion over the same period last year. This 13% increase in lease income was due mainly to new office space available for lease in Robinsons Cybergate Tower 3 and completion of Cybergate Plaza. The Division's EBIT and EBITDA have shown positive variances of 10% and 14%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.21 Billion as against last year's ₱1.15 Billion. The 5% increase in hotel revenues was principally due to the strong performance of the Company's pilot Go Hotel in Mandaluyong City. The hotel average occupancy rates are 72% for Crowne Plaza Manila Galleria (CPMG), 74% for Holiday Inn Manila Galleria (HIMG), 60% for Summit Circle Cebu (formerly Cebu Midtown Hotel), 40% for the Summit Ridge Hotel and 88% for the newly opened Go Hotel. Hotels Division EBIT grew by 31%, while EBITDA showed a positive variance of 10%.

Real Estate cost and expenses went up to ₱5.50 Billion this year. As a result of the increase in realized gross revenues of the Residential Division, cost of real estate sales of sold residential units increased by 53%. Hotel expenses slightly increased to ₱1.01 Billion or 1% as compared to last year of ₱996.9 Million due to higher operational expenses at Summit Ridge Hotel and Go Hotel.

Interest income slightly decreased to ₱444.2 Million from ₱467.9 Million last year. The higher interest income from money market placements was offset by the lower interest income on its receivable from affiliated companies.

General and administrative expenses went up by 11% due to higher salaries, advertising and promotions and insurance, among others. Interest expense decreased by 22% due to higher level of capitalizable interest covering various capital expenditures.

Total assets of the Company stood at ₱64.97 Billion, a growth of 22% from total assets of ₱53.10 Billion in 2010. Cash and cash equivalents increased by ₱3.5 Billion due to the proceeds from stock rights offering and collection of receivable from JGSHI, offset by payments for ongoing projects. Decrease in Receivables of 36% to ₱3.51 Billion is due collection of ₱1.92 Billion receivable from JGSHI.

Subdivision land, condominium and residential units for sale grew by 37% due to higher level of capital expenditures for new and ongoing projects under the Residential division.

Investment Properties and Property and Equipment increased by 24% and 6%, respectively, due to acquisition of land for future development and completion of redevelopment of the two flagship malls Robinsons Galleria and Robinsons Place Manila and ongoing redevelopment of Robinsons Metroeast, expansion of Robinsons Cybergate Bacolod and Robinsons Tacloban, and ongoing construction at Robinsons Magnolia, Robinsons Place Pangasinan, Robinsons Place Palawan and Robinsons Maxilom. Other Assets increased by 17% to ₱1.98 Billion due to increase in input taxes and advances to suppliers and contractors.

Accounts Payable and Accrued Expenses increased by 10% due to increase in level of capital expenditures. Loans Payable is steady at ₱15 Billion, ₱3 Billion of which is maturing in fiscal year 2012. Deposits and Other liabilities went up by 1% to ₱5.93 Billion due to higher level of deposits from lessees of newly opened malls and higher deposits from real estate buyers.

Stockholder's Equity as of September 30, 2011 stood at ₱38.81 Billion, up by 41% from ₱27.5 Billion last year due to the successful stock rights offering during the year, current earnings of ₱3.97 Billion, and payment of cash dividends of ₱1.47 Billion.

A summary of RLC's key performance indicators follows:

	2011	2010
Gross revenues	₱12.81 Billion	₱10.82 Billion
EBIT	4.53 Billion	4.02 Billion
EBITDA	6.64 Billion	5.93 Billion
Net income	3.97 Billion	3.60 Billion
Earnings per share	1.16	1.21
Net book value per share	9.48	10.08
Current ratio	2.36:1	3.35:1
Debt-to-equity ratio	0.38:1	0.54:1

Capital expenditures for the fiscal year ended September 30, 2011 amounted to ₱13.9 Billion. Funding for the capital expenditures was sourced from proceeds of stock rights offering and internally generated funds.

iii. Year ended September 30, 2010 versus same period in 2009

RLC generated total gross revenues of ₱10.82 Billion for fiscal year 2010, an increase of 3% from ₱10.50 Billion total gross revenues for fiscal year 2009. Net profit for the fiscal year 2010 amounted to ₱3.60 Billion, up by 10% compared to fiscal year 2009. RLC's net profit growth would have been higher at 13% if the ₱103 Million gain from interest rate swap transaction last year was excluded. EBITDA amounted to ₱5.93 Billion this year, up by 4% from last year.

The Commercial Centers Division accounted for ₱5.31 Billion of the real estate revenues for the year versus ₱4.02 Billion last year. The 32% increase in revenues of the Commercial Centers Division was principally due to newly opened malls particularly Robinsons Place General Santos, Robinsons Ilocos Norte, Robinsons Place Dumaguete, and Cybergate Cebu. Rental escalations and strong take up of leased areas of the Company's mall space after renovation and expansion work of existing malls increased the rental revenue by 7.74%. Significant rental contribution came from Robinsons Place Tacloban, Robinsons Place Manila, Galleria mall, Robinsons Place Lipa and Robinsons Cybergate Davao, among others. Amusement revenue during the year of ₱712 Million was likewise recorded as a result of operating the Robinsons Movieworld starting fiscal year 2010. Interest income from money market placements contributed ₱223.93 Million during fiscal year 2010 or an increase of 167% from ₱83.8 Million last year. The Division's EBIT and EBITDA have shown positive variances of 25% and 22%, respectively.

The Company's Residential Division realized gross revenues of ₱3.18 Billion contracted by 27% from ₱4.33 Billion last year due to lower construction completion. As a result of the decrease in realized gross revenues, Residential Division EBIT has shown a negative variance of 47%, while EBITDA showed a decrease of 46%.

The Office Buildings Division reported revenues of ₱1.18 Billion compared to ₱1.11 Billion over the same period last year. This 6% increase in lease income was due mainly to new office space available for lease in Robinsons Cybergate Towers 3 and completion of Cybergate Plaza. The Division's EBIT and EBITDA have shown positive variances of 14% and 10%, respectively.

The Hotels Division, a major contributor to the Company's recurring revenues, registered gross revenues of ₱1.15 Billion as against last year's ₱1.03 Billion. The 11% increase in hotel revenues was principally due to the opening of Summit Ridge Hotel in Tagaytay and Go Hotel in Mandaluyong City. The average occupancy rates of the Company's hotels are 75% for Crowne Plaza Manila Galleria, 76% for Holiday Inn Manila Galleria (HIMG), 56% for Cebu Midtown Hotel, 36% for the Summit Ridge Hotel and 73% for the newly opened Go Hotel. Hotels Division EBIT has shown a positive variance of 18%, while EBITDA showed a positive variance of 13%.

Real Estate cost and expenses remained steady at ₱4.21 Billion this year. Lower cost of real estate sale of sold residential units was offset by higher depreciation and cinema cost. Hotel expenses increased to ₱996.9 Million or 10% as compared to last year of ₱905.8 Million due to higher operational expenses at Summit Ridge Hotel and Go Hotel.

Interest income increased to ₱467.9 Million from ₱126.7 Million last year due to higher level of money market placements and other financial assets.

Total assets of the Company stood at ₱53.1 Billion, a growth of 3% from total assets of ₱51.4 Billion in 2009. Cash and Cash Equivalents decreased by ₱3.4 Billion due to payment for ongoing projects. Increase in Receivables of 34% to ₱5.45 Billion is due to receivable from an affiliate. Subdivision Land and Condominium and Residential Units For Sale went up by 22% to ₱6.20 Billion from ₱5.08 Billion last year due to project development costs of new residential projects and existing projects.

Acquisition of land for future development and completion of Robinsons Place Dumaguete, Robinsons Ilocos Norte, and on going major renovations of the two flagship malls (Manila and Galleria) and on going construction at Robinsons Magnolia, raised the level of Investment by 9% from ₱29.29 Billion last year to ₱31.84 Billion this year. Property and Equipment increased by 11% to ₱2.42 Billion due to completion of Summit Ridge Hotel and Go Hotel. Other Assets decreased by 12% to ₱1.69 Billion as Advances to Altus San Nicolas Corp., a joint venture agreement with VVH Realty Corporation, was transferred to Investments account.

Accounts Payable and Accrued Expenses slightly decreased by 2% while Loans Payable went down to ₱15 Billion due to payment of matured loans during the fiscal year.

Stockholder's Equity for the period stood at ₱27.5 Billion, up by 8% from ₱25.5 Billion last year due to current earnings of ₱3.60 Billion, net of payment of cash dividends of ₱1.312 Billion and acquisition of Treasury Stocks of ₱221 Million.

A summary of RLC's key performance indicators follows:

	2010	2009
Gross revenues	₱10.82 Billion	₱10.50 Billion
EBIT	4.02 Billion	4.05 Billion
EBITDA	5.93 Billion	5.72 Billion
Net income	3.60 Billion	3.27 Billion
Earnings per share	1.21	1.19
Net book value per share	10.08	9.26
Current ratio	3.35:1	3.39:1
Debt-to-equity ratio	0.54:1	0.59:1

Capital expenditures for the fiscal year ended 2010 amounted to ₱6.5 Billion. Funding for the capital expenditures was sourced from long-term borrowings and internally generated funds.

Item 10. Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income

a.) The Philippine property market went through a downturn brought about by the effects of the 1997 Asian financial crisis and the slow recovery of the national economy thereafter. The period prior to July 1997 saw a boom in the local real estate industry. High rise office and residential condominium buildings rose at a brisk pace and construction of various housing devleopment projects were undertaken simultaneously. However, the demand for real estate dropped abruptly with the onslaught of the Asian crisis as income levels declined and consumers preferred to remain liquid during those uncertain times. Construction was halted on a number of ongoing projects as developers ran into financial difficulties. The abrupt decrease in demand brought about a glut in the property market which, in turn, resulted to a depression in property prices

Improvements in the economy since that time have yet to make a big impact on the real estate industry. There is still an oversupply in certain segments of the market and property prices in these segments continue to remain low. Rental rates for office spaces in the Makati Central Business District ("CBD") are still low while vacancy levels in residential condominium are high. However, improvements can be seen in the demand for affordable residential condominium units. If the current trend of low interest rates and the overall positive performance of the economy are sustained in the medium to long term, demand for real estate may improve. This may also eventually result in an improvement in property prices. For its part, RLC has shifted its thrust to mid-cost residential condominium units, a sector where there is continuing demand, in view of the current state of the industry. It has also started entering into joint venture agreements with landowners for some of its housing projects. A strategy which is expected to result in drastically reduced capital investments for the Company.

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b.) 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

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 11. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 69) are filed as part of this Form 17-A (pages 70 to 161).

Item 12. Information on Independent Accountant and Other Related Matters

a) External Audit Fees and Services

<u>Audit and Audit-Related Fees</u>

The table below sets forth the aggregate fees billed to the Company for each of the last two (2) years for professional services rendered by Sycip, Gorres Velayo & Co. :

Name	2012	2011
Audit and Audit-Related Fees		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 3,115,840	₱ 2,936,029
All Other Fees..	-	-
TOTAL	₱ 3,115,840	₱ 2,936,029

No other service was provided by external auditors to the Company for the fiscal years 2012 and 2011.

b) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None

Item 13. Security Ownership of Certain Record and Beneficial Owners and Management

a) Security Ownership of Certain Record and Beneficial Owners

As of September 30, 2012, the Corporation knows no one who beneficially owns in excess of 5% of the Corporation's common stock except as set forth in the table below.

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to Total Outstanding
Common	JG Summit Holdings, Inc. [1] 43/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City (stockholder)	Same as record owner (see note 1)	Filipino	2,496,114,787	60.97%
Common	PCD Nominee Corporation [2] (Non-Filipino) G/F Makati Stock Exchange Bldg. 6767 Ayala Ave., Makati City (stockholder)	PCD Participants and their clients (see note 2)	Non-Filipino	1,023,196,000	24.99%
Common	PCD Nominee Corporation (Filipino) G/F Makati Stock Exchange Bldg. 6767 Ayala Ave., Makati City (stockholder)	PCD Participants and their clients (see note 2)	Filipino	539,535,639	13.18%

Notes:

1 As of September 30, 2012, Mr. John Gokongwei, Jr., Chairman Emeritus of JG Summit Holdings, Inc. (JGSHI), held 1,007,539,915 shares representing 14.82% of the total outstanding shares of JGSHI. The Chairman and the President of JGSHI are both empowered under its by-laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President and Chief Operating Officer of JGSHI are Mr. James L. Go and Mr. Lance Y. Gokongwei, respectively.

2 PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. Out of this account, "The Hongkong and Shanghai Banking Corp. Ltd. – Clients' Acct." - (Non-Filipino) holds for various trust accounts the following shares of the Corporation as of September 30, 2012:

	No. of shares held	% to total outstanding
The Hongkong and Shanghai Banking Corp. Ltd. – Clients' Acct.	638,486,023	15.60%

The securities are voted by the trustee's designated officers who are not known to the Corporation.

b) Security Ownership Of Management as of September 30, 2012

Title of Class	Name of beneficial Owner	Position	Amount & nature of beneficial ownership	Citizenship	% to Total Outstanding
A. Executive Officers (see note 1)					
Common	1. James L. Go	Chairman	1,685,994	Filipino	0.04%
Common	2. Frederick D. Go	President & COO	337,501	Filipino	0.01%
Common	3. Henry L. Yap	General Manager	90,000	Filipino	*
	Sub-Total		2,113,495		0.05%
B. Other Directors, Executive Officers and Nominees					
Common	4. John L. Gokongwei, Jr.	Chairman Emeritus	14,119,081 (see note 2)	Filipino	0.35%
Common	5. Lance Y. Gokongwei	Vice Chairman and Chief Executive Officer	804,000	Filipino	0.02%
Common	6. Patrick Henry C. Go	Director	10,000	Filipino	*
Common	7. Robina Y. Gokongwei-Pe	Director	540,000	Filipino	0.01%
Common	8. Johnson Robert G. Go, Jr.	Director	1	Filipino	*
Common	9. Artemio V. Panganiban	Director (Independent)	150,001	Filipino	*
Common	10. Roberto F. de Ocampo	Director (Independent)	1	Filipino	*
Common	11. Emmanuel C. Rojas, Jr.	Director (Independent)	901	Filipino	*
	12. Rodolfo T. Malit	First Vice President – Controller	39,600	Filipino	*
	Subtotal		15,663,586		0.38%
C. All directors and executive officers as a group unnamed			17,777,081		0.43%

Notes:

[1] As defined under Part IV (B)(1)(b) of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of September 30, 2012

[2] Sum of shares in the name of "John Gokongwei, Jr." for 8,124,721, "John L. Gokongwei, Jr." for 300,000 and "Elizabeth Y. Gokongwei and/or John Gokongwei" for 988,000 and shares equivalent to 4,706,360 which were subscribed and paid for under the rights offering of the Corporation and are currently lodged under PDTC.

* less than 0.01%

c) Voting Trust Holder of 5% or more - as of September 30, 2012

There are no persons holding more than 5% of a class under a voting trust or similar agreement.

d) Changes in Control

There has been no change in control of the Company since September 30, 2012.

PART III- CONTROL AND COMPENSATION INFORMATION

Item 14. Directors and Executive Officers of the Registrant

The overall management and supervision of the Company is undertaken by the Board of Directors. The Company's executive officers and management team cooperate with the Board of Directors by preparing appropriate information and documents concerning business operations, financial condition and results of operations of the Company for its review. Currently, the Board of Directors of the Company consists of ten members, of which three are independent directors.

The table below sets forth Board of Directors and Executive Officers of the Company as of September 30, 2012:

Name	Age	Position	Citizenship
John L. Gokongwei, Jr.	86	Director, Chairman Emeritus	Filipino
James L. Go............................	73	Director, Chairman	Filipino
Lance Y. Gokongwei	45	Director, Vice Chairman & Chief Executive Officer	Filipino
Frederick D. Go	43	Director, President & Chief Operating Officer	Filipino
Patrick Henry C. Go..................	42	Director	Filipino
Johnson Robert G. Go, Jr..........	47	Director	Filipino
Robina Y. Gokongwei-Pe	51	Director	Filipino
Artemio V. Panganiban	75	Director (Independent)	Filipino
Roberto F. de Ocampo.............	66	Director (Independent)	Filipino
Emmanuel C. Rojas, Jr.	76	Director (Independent)	Filipino
Arlene G. Magtibay	49	General Manager	Filipino
Abigail Joan R. Cosico………..	39	General Manager	Filipino
Henry L. Yap............................	48	General Manager	Filipino
Corazon L. Ang Ley……………	45	General Manager	Filipino
Elizabeth Kristine D. Gregorio..	40	General Manager	Filipino
Constante T. Santos…………..	64	Senior Vice President	Filipino
Bach Johann M. Sebastian……	51	Senior Vice President	Filipino
Rodolfo T. Malit…………………	57	First Vice President	Filipino
Emmanuel G. Arce……………..	54	Vice President	Filipino

Name	Age	Position	Citizenship
Manuel D. Deus, Jr.…………....	64	Vice President	Filipino
Constantino C. Felipe………….	49	Vice President	Filipino
Ma. Socorro Isabelle V. Aragon-Gobio…………………..	39	Vice President	Filipino
Winifred G. Maranan…………..	51	Vice President	Filipino
Christopher G. Narciso………..	43	Vice President	Filipino
Thomas Lee O…………………	61	Vice President	Filipino
Kerwin Max S. Tan...................	42	Vice President	Filipino
Anicio G. Villanueva………….....	60	Vice President	Filipino
Cecilia M. Pascual ……………...	53	Vice President	Filipino
Mary Maylanie L. Precilla.........	38	Vice President	Filipino
Honorio Almeida......................	54	Vice President	Filipino
Lourdes T. Alano………………	50	Vice President	Filipino
Teresita H. Vasay.....................	58	Treasurer	Filipino
Rosalinda F. Rivera	42	Corporate Secretary	Filipino

The above directors and officers have served their respective offices since April 18, 2012. The directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual stockholders' meeting and until their respective successors have been elected and qualified. The independent directors of the Company are Roberto F. de Ocampo, Emmanuel C. Rojas Jr. and Retired Chief Justice Artemio V. Panganiban.

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

a) Directors' and Key Officers' Experience

John L. Gokongwei, Jr., 86, founded RLC in 1980 and has been the Chairman Emeritus of RLC effective January 1, 2002. He had been Chairman of the Board of Directors until his retirement and resignation from this position effective December 31, 2001. He continues to be a member of RLC's Board and is the Chairman Emeritus of JG Summit Holdings, Inc. and certain of its subsidiaries. He also continues to be a member of the Executive Committee of JG Summit Holdings, Inc. He is currently the Chairman of the Gokongwei Brothers Founation, Inc., Deputy Chairman and Director of United Industrial Corporation Limited and Singapore Land Limited, and a director of Cebu Air, Inc., JG Summit Capital Markets Corporation, Oriental Petroleum and Minerals Corporation. He is also a non-executive director of A. Soriano Corporation. Mr. Gokongwei received a Master's degree in Business Administration from the De La Salle University and attended the Advanced Management Program at Harvard Business School.

James L. Go, 73, is the Chairman of RLC. He is currently the Chairman and Chief Executive Officer of JG Summit Holdings, Inc. and as such, he heads the Executive Committee of JG Summit Holdings, Inc. He is also the Chairman of Universal Robina Corporation and JG Summit Petrochemical Corporation. He is the Chairman and Chief Executive Officer of Robinsons, Inc., and Oriental Petroleum and Minerals Corporation. He is also the President and a Trustee of the Gokongwei Brothers Foundation, Inc. He was elected a director of the Philippine Long Distance Telephone Company (PLDT) on November 3, 2011 and was also appointed as a member of PLDT's Technology Strategy Committee. He is also a director of Cebu Air, Inc., United Industrial Corporation Limited, Singapore Land Limited, Marina Center Holdings, Inc., Hotel Marina City Private Limited and JG Summit Capital Markets Corporation. He received a Bachelor of Science degree and a Master of Science degree in Chemical Engineering from the Massachusetts Institute of Technology. Mr. James L. Go is a brother of Mr. John L. Gokongwei, Jr.

Lance Y. Gokongwei, 45, is the Vice-Chairman and Chief Executive Officer of RLC. He had been a director of the Company since 1988. He is currently President and Chief Operating Officer of JG Summit Holdings, Inc., President and Chief Executive Officer of Universal Robina Corporation and JG Summit Petrochemical Corporation. He is also the President and Chief Executive Officer of Cebu Air, Inc., Chairman of Robinsons Bank, Chairman and President of JG Summit Capital Markets Corporation, and a director of Oriental Petroleum and Minerals Corporation, United Industrial Corporation Limited, and Singapore Land Limited. He is also trustee, secretary and treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania. Mr. Lance Y. Gokongwei is the son of Mr. John L. Gokongwei, Jr.

Frederick D. Go, 43, is the President and Chief Operating Officer of RLC. He has been a director of the Company since May 6, 1999 and was elected President and Chief Operating Officer effective August 28, 2006. He is also the President and Chief Operating Officer of Robinsons Recreation Corporation. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, and Taicang Ding Feng Real Estate Development Company Limited. He also serves as a director of Universal Robina Corporation, Cebu Air, Inc., Robinsons Bank, JG Summit Petrochemical Corporation, Secret Recipes Corporation, Ho Tsai Dimsum Incorporated, Cebu Light Industrial Park. He is also the President of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go is a nephew of Mr. John L. Gokongwei, Jr.

Patrick Henry C. Go, 42, was elected as a director of RLC on January 17, 2000. He is currently a director and Vice President of Universal Robina Corporation and is the Vice President and Managing Director of JG Summit Petrochemical Corporation, URC Packaging Division, CFC Flexible Packaging Division and JG Summit Olefins Corporation. He is also a director of JG Summit Holdings, Inc., and Robinsons Bank. He is a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo de Manila University and attended the General Manager Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. John L. Gokongwei, Jr.

Johnson Robert G. Go, Jr., 47, 47, was elected as a director of RLC on May 29, 2001. He is currently a director of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Bank. He is also a trustee of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the

Ateneo de Manila University. He is a nephew of Mr. John L. Gokongwei, Jr.

Robina Gokongwei-Pe, 51, was elected as a director of RLC on May 5, 2005. She is also a director of JG Summit Holdings, Inc., Cebu Air, Inc., Robinsons Bank and JG Summit Capital Markets Corporation. She is currently the President and Chief Operating Officer of the Robinsons Retail Group consisting of Robinsons Department Store, Robinsons Supermarket, Handyman, True Value, Robinsons Specialty Stores, Robinsons Appliances, Toys R Us and Saizen by Daiso Japan. She obtained her Bachelor of Arts degree in Journalism from the New York University. She is a daughter of Mr. John L. Gokongwei, Jr.

Artemio V. Panganiban, 75***,*** was elected as an independent director of RLC on May 14, 2008. He is concurrently an adviser, consultant and/or independent director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He was formerly the Chief Justice of the Philippines and previously held positions in government as Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995-2005), Chairperson of the Third Division of the Supreme Court (2004-2005), Chairperson of the House of Representatives Electoral Tribunal (2004-2005), Consultant of the Judicial and Bar Council (2004-2005) and Chairperson of eight Supreme Court Committees (1998-2005). He authored over ten (10) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6^{th} in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.

Roberto F. de Ocampo, 66, was elected as an independent director of RLC on May 28, 2003. He is the former President of the Asian Institute of Management (AIM), one of Asia's leading international business management graduate schools based in the Philippines. He is currently a member of the AIM Board of Trustees and is Chairman of the Board of Advisors of the RFO Center for Public Finance and Regional Economic Cooperation (an ADB Regional Knowledge Hub). He served as Secretary of Finance of the Republic of the Philippines from 1994-1998 during the presidency of Fidel V. Ramos, and was previously Chairman and Chief Executive Officer of the Development Bank of the Philippines during the presidency of Cory Aquino. Dr. de Ocampo graduated from De La Salle College and Ateneo University in Manila, received an MBA from the University of Michigan, holds a post-graduate diploma from the London School of Economics, and has four doctorate degrees (Honoris Causa) by the De La Salle University in Business Administration, by the University of Angeles City in Public Administration, by the Philippine Women's University in Laws, and by the San Beda College in Humane Letters. Dr. de Ocampo was a member of the Board Governors of the World Bank, IMF, and ADB and was Chairman of the APEC and ASEAN Finance Ministers in 1997-98. He is the recipient of many international awards including Honorary Officer of the Most Excellent Order of the British Empire, Finance Minister of the Year, Philippine Legion of Honor, ADFIAP Man of the Year, Chevalier of the Legion of Honor of France, Ten Outstanding Young Men Award, several Who's Who Awards and the 2006 Asian HRD Award for Outstanding Contribution to Society. He is also a member /Advisory Board Member of a number of important global institutions including The Conference Board, the Trilateral Commission, the BOAO Forum for Asia and the Emerging Markets Forum.

Emmanuel C. Rojas, Jr., 76, was elected as a director of RLC on September 28, 2005 and is presently an independent director of the Company. He had been a Consultant and Corporate Secretary of RLC until May 27, 2003. Mr. Rojas is presently an independent director of Robinsons Bank, Legaspi Savings Bank and Unicon Insurance Brokers Corporation. He was also a Consultant and Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, CFC Corporation, and JG Summit Petrochemical Corporation. Mr. Rojas retired from his position as First Vice President for Tax Administration under the compulsory retirement policy of the Company upon reaching the age of 60. He also served in various other head positions in administration, audit, controllership and treasurership for the various companies in the Group. A Certified Public Accountant, Mr. Rojas practiced with Fleming and Williamson and SGV & Co. prior to joining the Group in 1962.

Arlene G. Magtibay, 49, is the General Manager of the Commercial Centers Division of Robinsons Land Corporation. She has 22 years experience in the planning, development and management of shopping centers. Prior to joining the company, she was a Director and Senior Vice President at Landco Pacific Corporation where she held the position of SBU Head for Shopping Centers and CBDs. She earned her Bachelor of Science degree in Business Economics, cum laude, from the University of the Philippines, and obtained her Masters in Business Management, with distinction, from the Asian Institute of Management.

Abigail Joan R. Cosico, 39, is the Business Unit General Manager for Robinsons Homes, one of the four brands under the RLC Residential Division, effective May 1, 2010. Prior to joining Robinsons Homes, she was with the RLC Commercial Centers Division as the Property Lease Director, concurrent to her position as Director for Property Acquisition. She received her Bachelor of Science degree in Management from the Ateneo de Manila University and earned her Masters in Business Administration, Major in Finance degree from the Asian Institute of Management.

Henry L. Yap*,* 48, is the General Manager of the Office Buildings Division and concurrently Vice President, Design and Planning Department of RLC.Architect Yap is also a member of RLC's investor relations team. Prior to joining RLC, he served as Head of the Property Planning and Design Group of Fort Bonifacio Development Corporation and on the Boards of seven subsidiaries, affiliates and foundation of FBDC. He worked as Manager for Metro Manila Camps of the Bases Conversion and Development Authority where he was involved in the planning, design, privatization and implementation of the Bonifacio Global City, among others. He lents his expertise to government by serving as the head of the National Committee on Architecture and the Allied Arts and member of the Sub-Commission on the Arts of the National Commission for Culture and the Arts until end of 2010. He previously served as Senior Lecturer of Urban Planning and Architecture at the University of the Philippines (UP). He holds a Master's of Science in Urban Planning in Developing Countries from the University of Wales College of Cardiff (UK), Bachelor of Science in Architecture, cum laude, and had earned units for his Ph.D. in Urban & Regional Planning, both from UP. Henry Yap is Philippine-licensed Architect and Environmental Planner.

Corazon L. Ang Ley, 45, was appointed as General Manager of Summit Ridge Hotel on June 1, 2009. She was also appointed as the Property Acquisition Head for the Commercial Centers Division of Robinsons Land Corporation on May 1, 2012. Prior to these appointments, she held various positions in the Leasing Department of RLC-CCD since 1995 until 2009. She received her Bachelor of Science degree in Tourism from the University of the Philippines Asian Institute of Tourism.

Elizabeth Kristine D. Gregorio, 40, was appointed as General Manager of Go Hotels on October 1, 2010. She has been with Robinsons Land Corporation since October 1, 1993 and has served in various capacities, particularly as Purchasing Manager, Quality

Assurance Manager of Big R Supercenters, and Assistant to the President of Robinsons Recreation Corporation. She received a Bachelor of Science degree in Management from Ateneo de Manila University and her Masters in Business Administration from De La Salle University.

Constante T. Santos, 64, is the Senior Vice President — Corporate Controller of RLC. He is also Senior Vice President — Corporate Controller of JG Summit Holdings, Inc. and Universal Robina Corporation. Prior to joining RLC in 1986, he practiced public accounting with SyCip, Gorres, Velayo & Co. in the Philippines and Ernst & Whinney in the United States. He is a member of the Philippine Institute of Certified Public Accountants. Mr. Santos received his Bachelor of Science degree in Business Administration from the University of the East and attended the Management Development Program at the Asian Institute of Management.

Bach Johann M. Sebastian, 51, is the Senior Vice President for Corporate Planning of RLC effective May 24, 2007. He is also the Senior Vice President and Chief Strategist of JG Summit Holdings, Inc. Prior to joining RLC in 2002, he was Senior Vice President and Chief Corporate Strategist at PSI Technologies and RFM Corporation. He was also Chief Economist, Director of the Policy and Planning Group at the Department of Trade and Industry. He received a Bachelor of Arts in Economics degree from the University of the Philippines and his Master in Business Management degree from the Asian Institute of Management.

Rodolfo T. Malit, 57, joined RLC in 1996 and currently holds the position of First Vice President – Controller. He is also a director of various condominium corporations for RLC projects. He was the Vice President – Controller of the defunct Manila Midtown Hotels and Land Corp. and was the Assistant Vice President – Controller of CFC Corporation. He holds a degree of Bachelor of Science in Commerce (Accounting Major) which he earned from the University of Santo Tomas. He is a Certified Public Accountant and practiced public accounting with SGV & Co. prior to joining the Gokongwei group of companies in 1984.

Emmanuel G. Arce, 54, is the Vice President for Project Management Department effective June 2007. He started in RLC on August 2004 as Project Director then Assistant Vice President. Prior to joining RLC in 2004, he was the Estate Manager of the Bonifacio Estate Service Corporation, General Manager of Capstone Builders Corporation, Assistant Vice President of Cebu Light Industrial Park and Investment Capital Corporation of the Philippines (ICCP land Management Inc.) and Vice President of Gateway Property Holdings Inc. He received a Bachelor of Science in Civil Engineering from the Far Eastern University.

Manuel D. Deus, Jr., 64, presently Senior Consultant, Vice President for Control and Administration of RLC-Homes from June 1, 1994 to December 31, 2012. Prior to joining RLC in 1994, he was the Vice President-Comptroller of G.A. Yupangco & Co., Inc. and its affiliated companies. He had a short stint in the Middle East and prior to that, he was Corporate Audit Manager of CFC Corporation and Universal Robina Corporation for almost a decade. He is a Certified Public Accountant and a licensed real estate broker. He received a Bachelor’s degree Major in Business Administration from the University of the East.

Constantino Felipe, 49, is the Vice President/Group Head for Human Resources. Prior to joining RLC, he handled various HR roles within the Philippines and Asia Pacific. He is experienced in team and change management process, employee counseling and training program development. He received a bachelor degree in Psychology from the University of the Philippines and was trained in competency based assessments with Egon Zehnder International and Watson Wyatt.

Ma. Soccorro Isabelle V. Aragon-Gobio, 39, was appointed as Vice President for Business Development for the High-Rise Buildings Division of RLC effective March 1, 2007. She has been with RLC for 19 years and is concurrently director of Manhattan Building Management Corporation and the President of various condominium corporations of the Company's projects. She received a degree in Bachelor of Science in Management Engineering from the Ateneo de Manila University.

Winifred G. Maranan, 51, is currently the Vice President-Controller effective November 1, 2009. He practiced public accounting with SGV & Co. and worked in various companies as auditor, financial analyst and Financial Controller prior to joining RLC in 1997. He is a member of the Philippine Institute of Certified Public Accountants, and Institute of Internal Auditors. Mr. Maranan received his Bachelor of Science in Commerce (Major in Accounting) from the De La Salle University and is both a certified Public Accountant and Certified Internal Auditor.

Christopher G. Narciso, 43, is the Vice President and Business Head for the Robinsons Communities brand under the Residential Division of RLC effective March 1, 2010. He was formerly the Vice President for Operations and Special Projects for the Housing and Land Development Division of RLC. Prior to joining RLC in 2007, he had extensive experience in the real estate and construction business with various private ventures. He is currently part of the Board of Governors for the Subdivision and Housing Developers Association of the Philippines. He holds a Bachelor of Science in Industrial Management Engineering minor in Chemical Engineering from the De La Salle University, Manila and has earned units for his MBA from the University of Western Australia.

Thomas Lee O, 61, joined RLC in 1998 and presently handles the Mall Operations Division of RLC. He was formerly the Corporate Control Head of RLC. Prior to joining RLC, he was connected with Universal Robina Corporation as Thailand Country Manager and Malaysia Country Manager. He was also formerly the Area Manager of the Dairy Products Division, Manager of the Biscuit Plant and I/E Cost Head of CFC Corporation***.***

Kerwin Max S. Tan, 42, is the Vice President for Operations of the High-Rise Buildings Division of RLC effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine (9) years. His last position at Citibank N.A. was Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

Anicio G. Villanueva, 60, is currently the Vice President of Corporate Property Planning Department for the Commercial Centers Division of RLC. He handles the project management division, design and construction of all RLC shopping centers.

Cecilia M. Pascual*,* 53, is the Vice President – Controller of RLC's Office Buildings Division and Residential Division. Concurrently, she handles Manhattan Building Management Corp. and eleven (11) condominium corporations for RLC projects. Prior to joining RLC, she held head positions in audit and finance in Robinsons Retail Group, CFC-Keebler, Inc. and Wenphil Corp. among others. A Certified Public Accountant, Ms. Pascual practiced public accounting with SGV & Co.

Mary Maylanie L. Precilla*,* 38, is the Vice-President for Sales and Marketing for Robinsons Residences and Luxuria effective November 1, 2011. She is likewise responsible for RLC's corporate social responsibility programme. Prior to joining RLC in

April 2011, she was with SM Land Inc. where she was Vice President, Sales and Marketing Head of Costa Hamilo Inc. and Highlands Prime Inc. and Marketing Head of the Commercial Properties Group. She graduated cum laude and received a Bachelor of Arts major in Communication Arts from the University of Sto. Tomas.

Honorio Almeida, 54, is the Vice President of Construction Planning and Projects Department for Robinsons Homes of RLC effective October 2010. He was formerly the Assistant Vice President for Construction Department. He started his professional carrer with the Local Water Utilities Administration (LWUA) as Resident Engineer supervising the construction of various Water Supply System Projects for different Water Districts nationwide. Prior to working in RLC, he was the Executive Vice President of MRI Construction Inc., a subsidiary of the Moldex Group of Companies. He received a degree in Bachelor of Science in Civil Engineering from the University of Sto. Tomas.

Lourdes T. Alano, **50,** was appointed as Vice-President for Lease under the Commercial Centers Division of Robinsons Land on May 1, 2010. She launched her career in Lease Management when she joined Robinsons Land in 1989. She moved to the Filinvest Group of Companies in 1996, as Leasing Manager to oversee the leasing of Festival Supermall and Westgate. In 2002, she rejoined RLC as Tenant Mix Director. She completed her Bachelor’s Degree in Hotel and Restaurant Management with distinction (magna cum laude) from the University of the Philippines, and holds a Masters in Business Administration degree from the same university.

Teresita H. Vasay, 58, was appointed Treasurer of the Company effective July 1, 2003. Ms. Vasay is a Certified Public Accountant and was formerly the Vice President-Controller of the Robinsons Retail Group. She had experience in consumer financing from Filinvest Credit Corporation and public accounting from SGV & Co. prior to joining the Gokongwei group of companies.

Rosalinda F. Rivera, 42, was appointed Corporate Secretary of RLC on May 28, 2003 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, Cebu Air, Inc., JG Summit Petrochemical Corporation. Prior to joining the Company, she was a Senior Associate in Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law in International Banking from the Boston University School of Law.

b) Involvement In Certain Legal Proceedings of Directors and Executive Officers

None of the members of RLC’s Board nor its executive officers are involved in any criminal, bankruptcy or insolvency investigations or proceedings for the past five (5) years.

c) Family Relationships

James L. Go is the brother of John Gokongwei, Jr.
Lance Y. Gokongwei is the son of John Gokongwei, Jr.
Frederick D. Go is the nephew of John Gokongwei, Jr.
Patrick Henry C. Go is the nephew of John Gokongwei, Jr.
Johnson Robert G. Go, Jr. is the nephew of John Gokongwei, Jr.
Robina Y. Gokongwei-Pe is the daughter of John Gokongwei, Jr.

Item 15. Executive Compensation

a) Summary Compensation Table

The following table identify RLC's Chief Executive Officer and the six most highly compensated executive officers and summarizes their aggregate compensation for the two most recent fiscal years.

		Fiscal Year 2012			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and six (6) most highly compensated executive officers		P 29,268,128	P 600,000	P 150,000	P 30,018,128
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D.Go	Director, President and Chief Operating Officer				
3. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
4. Thomas Lee O	Vice President - Complex Administration (CCD)				
5. Anicio G. Villanueva	Vice President - Technical Planning (CCD)				
6. Henry L. Yap	GM - Office Buildings Division				
B. All other officers and directors as a group unnamed		P 36,003,179	P 2,400,000	P 540,000	P 38,943,179

		Fiscal Year 2011			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and six (6) most highly compensated executive officers		P 27,808,492	P 300,000	P 20,000	P 28,128,492
Name	*Position*				
1. James L. Go	Director, Chairman and Chief Executive Officer				
2. Frederick D.Go	Director, President and Chief Operating Officer				
3. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
4. Henry L. Yap	GM - Office Buildings Division				
5. Anicio G. Villanueva	Vice President - Technical Planning (CCD)				
6. Thomas Lee O	Vice President - Complex Administration (CCD)				
B. All other officers and directors as a group unnamed		P 26,861,671	P 2,700,000	P 330,000	P 29,891,671

** Per diem*

The following table lists the name of the Company's Chief Executive Officer and the six most highly compensated executive officers and summarized their aggregate compensation for the ensuing year:

		Estimated FY 2013			
		Salary	*Bonus*	**Others*	*Total*
A. CEO and six (6) most highly compensated executive officers		P 31,319,694	P 600,000	P 150,000	P 32,069,694
Name	*Position*				
1. James L. Go	Director, Chairman				
2. Frederick D.Go	Director, President and Chief Operating Officer				
3. Arlene G. Magtibay	GM - Commercial Centers Division (CCD)				
4. Thomas Lee O	Vice President - Complex Administration (CCD)				
5. Anicio G. Villanueva	Vice President - Technical Planning (CCD)				
6. Henry L. Yap	GM - Office Buildings Division				
B. All other officers and directors as a group unnamed		P 38,306,868	P 2,400,000	P 540,000	P 41,246,868 **

** Per diem*
*** Estimated*

b) Standard Arrangement

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed fiscal year and the ensuing year.

c) Other Arrangement

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

d) Any employment contract between the company and named executive officer

There are no special employment contracts between the registrant and the named executive officers.

e) Warrants and Options Outstanding

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a Group.

Item 16. Certain Relationships And Related Party Transactions

RLC is a member of the JG Summit Group. The JG Summit Group comprise JG Summit and its subsidiaries. As of September 30, 2012, JG Summit and other companies within the JG Summit Group held 60.97% of the outstanding shares of the Company. JG Summit was incorporated in November 1990 as the holding company for a group of companies with diverse interests in branded consumer foods, agro-industrial and commodity food products, textile, telecommunications, petrochemicals, air transportation and financial services.

RLC and its subsidiaries, in their ordinary course of business, engage in transactions with companies in the JG Summit Group and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in RLC's shopping malls as well as substantial intercompany loans. RLC's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of its commercial centers and office buildings to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom RLC earns rental income include Top Shop, Robinsons Bank and Cebu Pacific. Rental income paid to RLC by affiliates amounted to ₱1.397 Billion, ₱1.317 Billion and ₱1.263 Million for fiscal years 2012, 2011 and 2010, respectively.

RLC and its subsidiaries also maintain savings and current accounts and time deposits with Robinsons Bank (formerly Robinsons Savings Bank), an affiliated local commercial bank. These balances amounted to ₱4.30 Billion, ₱8.90 Billion and ₱2.76 Billion as of September 30, 2012, 2011 and 2010, respectively.

In addition to the foregoing transactions, JG Summit also provides RLC with certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, controller and treasury services, legal and corporate communications. For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to affiliated companies, see Note 20 to the Company's financial statements as of and for the fiscal years ended September 30, 2012, 2011 and 2010.

PART IV. CORPORATE GOVERNANCE

Adherence to the principles and practices of good corporate governance, as embodied in its Corporate Governance Manual, has been reinforced by continuous improvement by the Company in order to implement good governance and management practices.

The Board of Directors has approved its Corporate Governance Compliance Evaluation System in late 2003 in order to monitor and assess the level of compliance of the Company with leading practices on good corporate governance as specified in its Corporate Governance Manual and pertinent SEC Circulars. The System likewise highlights areas for compliance improvement and actions to be taken. One of the System's output is the Annual Corporate Governance Compliance Evaluation Form submitted to the SEC and PSE on or before January 30 of every year. RLC began making such submission of the Annual Corporate Governance Compliance Evaluation Form covering the previous calendar year to the SEC and PSE in 2004.

Likewise, RLC has consistently striven to raise its level of reporting to adopt and implement prescribed International Accounting Standards (IAS).

PART V - EXHIBITS AND SCHEDULES

Item 17. Exhibits And Reports On SEC Form 17-C

(A) Exhibits-See Accompanying Index To Exhibits (Page 162)

The following exhibit is filed as a separate section of this report:

(Exhibit 18) Subsidiaries Of The Registrant (page 163)

The other exhibits, as indicated in the Index to exhibits are either not applicable to the Company or does not require an answer.

(B) Reports on SEC Form 17-C (Current Report)

Following is a list of corporate disclosures of RLC filed under SEC Form 17-C for the period from Apri 1, 2012 to September 30, 2012:

Date of Disclosure	Subject Matter
April 19, 2012	Notice of Cash Dividend
April 19, 2012	Election of Members of the Board of Directors
April 19, 2012	Results of the Organizational Meeting of the Board of Directors
April 19, 2012	Stockholders' Approval of the Plan of Merger
May 18, 2012	Disposal of shares by Mr. Rodolfo T. Malit
May 25, 2012	Disposal of shares by Mr. Rodolfo T. Malit
June 15, 2012	Disclosure regarding Additional Information for the General Information Sheet of RLC 2012
July 4, 2012	Disposal of shares by Mr. Rodolfo T. Malit
July 4, 2012	Disposal of shares by Mr. Rodolfo T. Malit
July 10, 2012	Disposal of shares by Mr. Rodolfo T. Malit
July 13, 2012	Clarification of news article entitled "Gokongwei in talks to join Okada for Vegas style, $2-B casino by bay"
July 19, 2012	Disposal of shares by Mr. Rodolfo T. Malit
July 27, 2012	Disposal of shares by Mr. Rodolfo T. Malit

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of _______________ on ________, 2013.

By:

James L. Go 1/10/13
Chairman

Lance Y. Gokongwei 1/10/13
Vice Chairman& Chief Executive Officer

Frederick D. Go 1/10/13
President & Chief Operating Officer

Constante T. Santos 1/10/13
SVP - Corporate Controller

Rodolfo T. Malit 1/10/13
FVP - Controller

Rosalinda F. Rivera 1/10/13
Corporate Secretary

SUBSCRIBED AND SWORN to before me this JAN 11 2013 day of __________ 2013, affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	RES. CERT. NO.	DATE OF ISSUE	PLACE OF ISSUE
James L. Go	11176031	Jan. 31, 2012	Pasig City
Lance Y. Gokongwei	11176032	Jan. 31, 2012	Pasig City
Frederick D. Go	3153915	Jan. 09, 2012	Quezon City
Constante T. Santos	25961529	Feb.14, 2012	Pasig City
Rodolfo T. Malit	6416482	January 30, 2012	Quezon City
Rosalinda F. Rivera	EB2739071	June 18, 2011- June 17, 2016	Manila

Doc No. 293;
Page No. 20;
Book No. 5;
Series of 2013

ATTY. DELFIN R. AGCAOILI, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0285334 / 2012-2013 MLA.
IBP NO. 874692 / 2013 MLA.
ROLL NO. 24655 / TIN -144-519-066
MCLE III-0013521

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

ROBINSONS LAND CORPORATION

43/F ROBINSONS EQUITABLE TOWER, ADB AVENUE CORNER POVEDA ROAD, ORTIGAS CENTER, 1605 PASIG CITY, PHILIPPINES
TELEPHONE NO.: (632) 633-7631 • FAX NO.: (632) 395-2608

January 10, 2013

Securities and Exchange Commission
SEC Building, EDSA, Greenhills
Mandaluyong City

The management of Robinsons Land Corporation and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended September 30, 2012, 2011 and 2010, including the additional components attached therein, in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

Sycip, Gorres, Velayo and Co. (SGV), the independent auditors, appointed by the stockholders, has examined the consolidated financial statements of the Company in accordance the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

James L. Go
Chairman

Lance Y. Gokongwei
Vice Chairman & Chief Executive Officer

Constante T. Santos
SVP – Corporate Controller

Subscribed and Sworn to before me this JAN 11 2013
Affiant exhibit to me his/her CTC No. ______
Issued on / at ______

Signed this _ day of ______.

DOC NO. 207
PAGE NO.
BOOK NO.
SERIES OF 2013

ATTY. DE[illegible] AOILI, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 028[illegible] / 2012-2013 MLA.
IBP NO. 873[illegible] / 2013 MLA.
ROLL NO. 24[illegible]55 / TIN -144-519-068
MCLE III-0013521

A JG Summit Company

SGV & Co
Ernst & Young

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone: (632) 891 0307
Fax: (632) 819 0872
www.sgv.com.ph

BOA/PRC Reg. No. 0001,
January 25, 2010, valid until December 31, 2013
SEC Accreditation No. 0012-FR-2 (Group A),
February 4, 2010, valid until February 3, 2013

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
Robinsons Land Corporation
43rd Floor, Robinsons Equitable Tower
ADB Avenue, Ortigas Center, Pasig City

We have audited the accompanying consolidated financial statements of Robinsons Land Corporation and its subsidiaries, which comprise the consolidated statements of financial position as at September 30, 2012 and 2011 and the consolidated statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended September 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

SGV & Co
Ernst & Young

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Robinsons Land Corporation and its subsidiaries as at September 30, 2012 and 2011 and their financial performance and their cash flows for each of the three years in the period ended September 30, 2012, in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
SEC Accreditation No. 1229-A (Group A),
May 31, 2012, valid until May 30, 2015
Tax Identification No. 162-410-623
BIR Accreditation No. 08-001998-74-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 3670033, January 2, 2013, Makati City

January 10, 2013

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30	
	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7, 20, 31 and 32)	**₱5,877,874,883**	₱9,048,827,354
Receivables (Notes 8, 20, 31 and 32)	**3,358,202,972**	2,318,128,375
Subdivision land, condominium and residential units for sale (Note 9)	**10,991,157,298**	8,491,028,487
Other current assets (Notes 10, 31 and 32)	**2,141,588,891**	1,318,829,880
Total Current Assets	**22,368,824,044**	21,176,814,096
Noncurrent Assets		
Noncurrent receivables (Notes 8, 20, 31 and 32)	**1,125,870,844**	1,189,418,089
Investment properties (Notes 5 and 11)	**43,879,096,885**	39,385,145,549
Property and equipment (Notes 5 and 12)	**2,703,758,606**	2,554,933,447
Other noncurrent assets (Notes 13, 31 and 32)	**569,197,256**	659,695,850
Total Noncurrent Assets	**48,277,923,591**	43,789,192,935
	₱70,646,747,635	₱64,966,007,031
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses (Notes 14, 20, 29, 31 and 32)	**₱4,715,417,188**	₱4,240,490,766
Income tax payable	**196,038,284**	98,838,411
Deposits and other liabilities (Notes 15, 20, 31 and 32)	**1,642,587,819**	1,622,557,427
Current portion of loans payable (Notes 16, 31 and 32)	**2,000,000,000**	3,000,000,000
Total Current Liabilities	**8,554,043,291**	8,961,886,604
Noncurrent Liabilities		
Loans payable - net of current portion (Notes 16, 31 and 32)	**10,000,000,000**	12,000,000,000
Deferred tax liabilities - net (Note 27)	**1,108,815,770**	630,086,367
Deposits and other noncurrent liabilities (Notes 17, 31 and 32)	**4,410,686,803**	4,337,435,850
Total Noncurrent Liabilities	**15,519,502,573**	16,967,522,217
Total Liabilities	**24,073,545,864**	25,929,408,821
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 19)	**4,111,528,685**	4,111,528,685
Additional paid-in capital (Note 19)	**20,392,532,781**	20,392,532,781
Subscription receivables (Note 19)	**–**	(4,774,641,165)
Retained earnings (Note 18)		
Unappropriated	**11,563,225,962**	8,798,491,988
Appropriated	**10,500,000,000**	10,500,000,000
Treasury stock (Note 19)	**(221,834,657)**	(221,834,657)
	46,345,452,771	38,806,077,632
Non-controlling interest in consolidated subsidiaries	**227,749,000**	230,520,578
	46,573,201,771	39,036,598,210
	₱70,646,747,635	₱64,966,007,031

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended September 30		
	2012	2011	2010
REVENUE (Note 21)			
Real Estate Operations			
Rental income	**₱6,690,605,012**	₱6,113,510,000	₱5,588,305,712
Real estate sales	**4,105,106,260**	4,307,396,547	2,954,258,256
Amusement income	**831,006,331**	687,899,815	712,645,094
Others	**504,262,858**	491,695,157	418,493,231
	12,130,980,461	11,600,501,519	9,673,702,293
Hotel Operations			
Rooms	**827,551,796**	707,593,257	665,425,855
Food and beverage	**510,557,588**	454,042,502	437,973,257
Others	**45,969,701**	44,583,428	43,915,486
	1,384,079,085	1,206,219,187	1,147,314,598
	13,515,059,546	12,806,720,706	10,821,016,891
COSTS (Note 22)			
Real Estate Operations			
Cost of rental services	**2,307,983,583**	2,273,414,793	2,002,480,835
Cost of real estate sales	**2,360,585,729**	2,664,371,840	1,745,032,612
Cost of amusement services	**389,831,006**	320,222,382	309,970,334
Others	**200,972,586**	241,827,547	148,642,261
	5,259,372,904	5,499,836,562	4,206,126,042
Hotel Operations			
Cost of room services	**414,107,338**	396,915,060	407,740,099
Cost of food and beverage	**180,153,791**	172,332,552	164,849,924
Others	**519,423,050**	440,342,170	424,316,369
	1,113,684,179	1,009,589,782	996,906,392
	6,373,057,083	6,509,426,344	5,203,032,434
	7,142,002,463	6,297,294,362	5,617,984,457
GENERAL AND ADMINISTRATIVE EXPENSES (Note 23)	**1,908,222,593**	1,771,516,817	1,595,283,415
OPERATING INCOME	**5,233,779,870**	4,525,777,545	4,022,701,042
OTHER INCOME (LOSSES)			
Interest income (Note 26)	**492,976,374**	444,164,957	467,930,270
Unrealized mark to market gain (loss) on derivative assets (Notes 13 and 31)	**(82,353,723)**	61,430,634	8,080,850
Interest expense (Note 26)	**(44,427,351)**	(177,709,404)	(228,768,370)
	366,195,300	327,886,187	247,242,750
INCOME BEFORE INCOME TAX	**5,599,975,170**	4,853,663,732	4,269,943,792
PROVISION FOR INCOME TAX (Note 27)	**1,355,233,728**	881,640,387	674,362,254
NET INCOME (Note 2)	**4,244,741,442**	3,972,023,345	3,595,581,538
OTHER COMPREHENSIVE INCOME	–	–	–
TOTAL COMPREHENSIVE INCOME	**₱4,244,741,442**	₱3,972,023,345	₱3,595,581,538

(Forward)

	Years Ended September 30		
	2012	2011	2010
Net Income Attributable to:			
Equity holders of Parent Company	**₱4,238,513,020**	₱3,974,107,491	₱3,592,836,157
Non-controlling interest in consolidated subsidiaries	**6,228,422**	(2,084,146)	2,745,381
	₱4,244,741,442	₱3,972,023,345	₱3,595,581,538
Total Comprehensive Income Attributable to:			
Equity holders of Parent Company	**₱4,238,513,020**	₱3,974,107,491	₱3,592,836,157
Non-controlling interest in consolidated subsidiaries	**6,228,422**	(2,084,146)	2,745,381
	₱4,244,741,442	₱3,972,023,345	₱3,595,581,538
Basic/Diluted Earnings Per Share (Note 28)	**₱1.04**	₱1.16	₱1.21

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent Company						Attributable to Non-controlling Interest in Consolidated Subsidiaries	
	Common Stock (Note 19)	**Additional Paid-in Capital** (Note 19)	**Treasury Stock** (Note 19)	**Subscription Receivables** (Note 19)	**Unappropriated Retained Earnings** (Note 18)	**Appropriated Retained Earnings** (Note 18)		**Total Equity**
				For the Year Ended September 30, 2012				
Balances at beginning of year	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**(₱4,774,641,165)**	**₱8,798,491,988**	**₱10,500,000,000**	**₱230,520,578**	**₱39,036,598,210**
Total comprehensive income for the period	–	–	–	–	**4,238,513,020**	–	**6,228,422**	**4,244,741,442**
Collection of subscription receivables	–	–	–	**4,774,641,165**	–	–	–	**4,774,641,165**
Cash dividends (Note 18)	–	–	–	–	**(1,473,779,046)**	–	**(9,000,000)**	**(1,482,779,046)**
Balances at end of year	**₱4,111,528,685**	**₱20,392,532,781**	**(₱221,834,657)**	**₱–**	**₱11,563,225,962**	**₱10,500,000,000**	**₱227,749,000**	**₱46,573,201,771**
				For the Year Ended September 30, 2011				
Balances at beginning of year	₱2,746,918,457	₱8,181,576,147	(₱221,834,657)	₱–	₱6,298,163,543	₱10,500,000,000	₱232,604,724	₱27,737,428,214
Total comprehensive income for the period	–	–	–	–	3,974,107,491	–	(2,084,146)	3,972,023,345
Issuance of capital stock	1,364,610,228	12,210,956,634	–	–	–	–	–	13,575,566,862
Subscription receivables	–	–	–	(4,774,641,165)	–	–	–	(4,774,641,165)
Cash dividends (Note 18)	–	–	–	–	(1,473,779,046)	–	–	(1,473,779,046)
Balances at end of year	₱4,111,528,685	₱20,392,532,781	(₱221,834,657)	(₱4,774,641,165)	₱8,798,491,988	₱10,500,000,000	₱230,520,578	₱39,036,598,210

	Attributable to Equity Holders of the Parent Company						Attributable to Non-controlling Interest in Consolidated Subsidiaries	
	Common Stock (Note 19)	Additional Paid-in Capital (Note 19)	Treasury Stock (Note 19)	Subscription Receivables (Note 19)	Unappropriated Retained Earnings (Note 18)	Appropriated Retained Earnings (Note 18)		Total Equity
	For the Year Ended September 30, 2010							
Balances at beginning of year	₱2,746,918,457	₱8,181,576,147	₱–	₱–	₱4,018,122,230	₱10,500,000,000	₱119,859,343	₱25,566,476,177
Total comprehensive income for the period	–	–	–	–	3,592,836,157	–	2,745,381	3,595,581,538
Cash dividends (Note 18)	–	–	–	–	(1,312,794,844)	–	–	(1,312,794,844)
Additional non-controlling interest in a subsidiary (Note 2)	–	–	–	–	–	–	110,000,000	110,000,000
Acquisition of treasury stock (Note 19)	–	–	(221,834,657)	–	–	–	–	(221,834,657)
Balances at end of year	₱2,746,918,457	₱8,181,576,147	(₱221,834,657)	₱–	₱6,298,163,543	₱10,500,000,000	₱232,604,724	₱27,737,428,214

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended September 30		
	2012	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱5,599,975,170**	₱4,853,663,732	₱4,269,943,792
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 22 and 24)	**2,083,885,060**	2,113,120,088	1,912,198,868
Interest expense on loans payable (Note 26)	**44,427,351**	177,709,404	228,768,370
Accretion expense on security deposits (Notes 15 and 22)	**65,116,921**	72,600,177	71,311,994
Unrealized mark to market loss (gain) on derivative assets (Notes 13 and 31)	**82,353,723**	(61,430,634)	(8,080,850)
Provision for impairment losses (Notes 8 and 23)	**731,444**	770,804	2,025,141
Interest income (Note 21 and 26)	**(746,577,415)**	(671,813,337)	(702,125,711)
Loss on retirement of investment in shares of stock	**–**	10,000,000	–
Operating income before working capital changes	**7,129,912,254**	6,494,620,234	5,774,041,604
Decrease (increase) in:			
Receivables - trade	**(983,317,404)**	2,675,184	579,739,863
Subdivision land, condominium and residential units for sale	**(1,798,334,450)**	(2,128,322,849)	(1,113,143,773)
Prepaid expenses and value-added input tax	**(91,939,603)**	(268,835,903)	95,844,064
Other current assets	**(514,048,893)**	(17,735,133)	(7,762,443)
Increase (decrease) in:			
Accounts payable and accrued expenses and other noncurrent liabilities	**554,692,360**	(133,816,371)	(883,177,645)
Net pension liabilities	**26,620,298**	19,271,003	13,131,004
Customers' deposits	**467,522,464**	(6,415,530)	608,985,085
Cash generated from operations	**4,791,107,026**	3,961,440,635	5,067,657,759
Interest received from installment contract receivable	**253,601,041**	227,648,380	234,195,441
Income tax paid	**(779,304,452)**	(724,811,393)	(901,553,734)
Net cash flows provided by operating activities	**4,265,403,615**	3,464,277,622	4,400,299,466
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	**491,424,916**	450,110,258	455,176,908
Decrease (increase) in:			
Receivables from affiliated companies (Note 20)	**7,610,066**	1,934,225,376	(1,951,216,904)
Advances to suppliers and contractors	**(33,081,049)**	(155,042,366)	(110,408,654)
Other noncurrent assets	**(65,165,285)**	(32,578,773)	(22,848,704)
Advances to lot owners	**(110,379,310)**	30,758,610	(10,850,026)
Advances to Altus San Nicolas Corporation (Note 2)	**–**	–	597,805,693
Investment in shares of stock (Note 10)	**–**	–	(210,000,000)
Receivable from Meralco	**–**	6,890,300	17,524,926
Additions to:			
Investment properties (inclusive of capitalized borrowing cost) (Note 11)	**(7,055,779,175)**	(9,462,734,833)	(4,194,296,619)
Property and equipment (Note 12)	**(372,676,741)**	(491,355,114)	(503,986,667)
Proceeds from sale of investment property	**–**	–	290,610
Proceeds from redemption from shares of stocks (Note 10)	**–**	200,000,000	–
Net cash flows used in investing activities	**(7,138,046,578)**	(7,519,726,542)	(5,932,809,437)

(Forward)

	Years Ended September 30		
	2012	2011	2010 (Note 35)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collection of subscription receivable (Note 19)	**₱4,774,641,165**	₱–	₱–
Interest paid	**(73,984,286)**	(237,010,970)	(285,948,259)
Payments of loans payable (Note 16)	**(3,000,000,000)**	–	(115,000,000)
Increase (decrease) in payable to affiliated companies and other liabilities (Note 15)	**(516,981,356)**	515,414,802	39,430,985
Proceeds from issuance of capital stock (inclusive of additional paid-in capital) (Note 19)	**–**	8,800,925,697	–
Payments of cash dividends (Note 18)	**(1,481,985,031)**	(1,472,658,742)	(1,312,228,736)
Acquisition of treasury stock (Note 19)	**–**	–	(221,834,657)
Net cash flows provided by (used in) financing activities	**(298,309,508)**	7,606,670,787	(1,895,580,667)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(3,170,952,471)**	3,551,221,867	(3,428,090,638)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**9,048,827,354**	5,497,605,487	8,925,696,125
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱5,877,874,883**	₱9,048,827,354	₱5,497,605,487

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS LAND CORPORATION AND SUBSIDIARIES
NOTES TO 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 four wholly-owned subsidiaries, namely: Robinsons Inn, Inc. (RII); Robinsons Realty and Management Corporation (RRMC); Robinsons (Cayman) Limited (RCL); and Robinsons Properties Marketing and Management Corporation (RPMMC); 51%-owned subsidiary, Altus Angeles, Inc. (AAI); and 80%-owned subsidiary, Altus San Nicolas Corp. (ASNC) (see Note 2) (collectively known as the "Group").

The Group is engaged in the business of selling, acquiring, developing, 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), the Group's 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.

The Parent Company's principal executive office is located at 43rd Floor, Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City.

2. Basis of Preparation

The consolidated financial statements have been prepared under the historical cost convention method, except for a derivative financial instrument that has been measured at fair value, and are presented in Philippine Peso (₱), the Parent Company's functional currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance
The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Group as at September 30, 2012 and 2011 and for each of the three years in the period ended September 30, 2012. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies.

Subsidiaries are consolidated when control is transferred to the Group and cease to be consolidated when control is transferred out of the Group. Control is presumed to exist when the Group owns directly or indirectly through subsidiaries, more than half of the voting power of an entity unless in exceptional cases, it can be clearly demonstrated that such ownership does not constitute control. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All intercompany balances and transactions, intercompany profits and expenses and gains and losses are eliminated in the consolidation. All intercompany balances, transactions, income and expense and profit and loss are eliminated in full.

Non-controlling interests are presented separately from the Parent Company's equity. The portion of profit or loss and net assets in subsidiaries not wholly-owned are presented separately in the consolidated statement of comprehensive income and consolidated statement of changes in equity, within equity in the consolidated statement of financial position.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interest and the cumulative translation differences, recorded in equity.

- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.

- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.

Incorporation of Altus San Nicolas Corporation
In August 2006, the Group entered into an agreement with VVH Realty Corporation (VVH) in an 80:20 proportion. In 2009, the parties agreed to incorporate ASNC for the purpose of co-developing a parcel of land into a commercial complex in San Nicolas, Ilocos Norte. In May 2010, the Company converted its advances to ASNC amounting ₱440 million for an 80% effective interest in ASNC.

3. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following PFRS, Improvements to PFRS and Philippine Interpretations effective beginning October 1, 2011. 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.

- PFRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets* (Amendments)
  The amendments require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendments are effective for periods beginning on or after July 1, 2011. The Group has no financial assets that have been transferred but have not been derecognized.

Future Changes in Accounting Policies

The Group will adopt the following new and amended PFRS and Philippine Interpretation enumerated below when these become effective. Except as otherwise indicated, the following new and amended PFRS and Philippine Interpretation will not have significant impact to the consolidated financial statements:

Effective in 2012 for adoption in fiscal year ending September 30, 2013

- PAS 12, *Income Taxes - Deferred Tax: Recovery of Underlying Assets* (Amendments)
  This amendment to PAS 12 clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property,* will be recovered through sale and, accordingly, requires that any related deferred tax should be measured on a 'sale' basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time ('use' basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset. The amendments are effective for periods beginning on or after January 1, 2012.

- PAS 1, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI* (Amendments)
  The amendments to PAS 1 change the grouping of items presented in OCI. Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.

Effective in 2013 for adoption by the Group on fiscal year ending September 30, 2014

- 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. 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 to PFRS 7 are to be retrospectively applied and are effective for annual periods beginning on or after January 1, 2013. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements*
  PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements*, that addresses the accounting for consolidated financial statements. It also includes 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. The standard becomes effective for annual periods beginning on or after January 1, 2013.

  A reassessment of control was performed by the Parent Company on all 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 standard becomes effective for annual periods beginning on or after January 1, 2013.

- PFRS 12, *Disclosure of Interests in Other Entities*
  PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard becomes effective for annual periods beginning on or after January 1, 2013.

  The adoption of PFRS 12 will affect disclosures only and have 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 when fair value is required or permitted. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The standard becomes effective for annual periods beginning on or after January 1, 2013.

The Group does not anticipate that the adoption of this standard will have a significant impact on its financial position and performance.

- PAS 19, *Employee Benefits* (Revised)
  Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. The amendments become effective for annual periods beginning on or after January 1, 2013. Once effective, the Group has to apply the amendments retroactively to the earliest period presented.

  The Group reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard. The effects are detailed below (in millions):

	As at September 30, 2012	As at October 1, 2011
Consolidated statement of financial position		
Increase in:		
Net defined benefit liability	₱92.60	₱33.06
Deferred tax asset	27.78	9.92
Other comprehensive loss	109.91	46.65
Retained earnings	45.09	23.51

	2012
Consolidated statement of comprehensive income	
Increase (decrease) in:	
Net benefit cost	(₱3.72)
Income tax expense	(1.12)
Profit for the year	2.60
Attributable to the owners of the Parent Company	2.60
Attributable to non-controlling interests	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 will not have a significant impact on the separate financial statements of the entities in the Group. The amendment becomes effective for annual periods beginning on or after January 1, 2013.

- 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 amendment becomes effective for annual periods beginning on or after January 1, 2013.

- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*
  This interpretation applies to waste removal costs (“stripping costs”) that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”). If the benefit from the stripping activity will be realized in the current period, an entity is required to account for the stripping activity costs as part of the cost of inventory. When the benefit is the improved access to ore, the entity should recognize these costs as a non-current asset, only if certain criteria are met (“stripping activity asset”). The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset. After initial recognition, the stripping activity asset is carried at its cost or revalued amount less depreciation or amortization and less impairment losses, in the same way as the existing asset of which it is a part. The Group expects that this interpretation will not have any impact on its financial position or performance. This interpretation becomes effective for annual periods beginning on or after January 1, 2013.

Effective in 2014 for adoption by the Group on fiscal year ending September 30, 2015

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

Effective in 2015 for adoption by the Group on fiscal year ending September 30, 2016

- PFRS 9, *Financial Instruments*
  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, Financial Instruments: Recognition and Measurement. Work on impairment of financial instruments and hedge accounting is still ongoing, with a view to replacing 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, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but will potentially have no impact on the classification and measurement of financial liabilities. PFRS 9 is effective for annual periods beginning on or after January 1, 2015.

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

  The adoption of this Philippine Interpretation will be accounted for retrospectively and will result to the restatement of prior period consolidated financial statements. The adoption of this Philippine Interpretation may significantly affect the determination of the net income and the related statement of financial position accounts as follows: Installment contract receivables, Subdivision land, condominium and residential units for sale, Deposit from real estate buyers, Deferred tax liabilities and Retained earnings.

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. Earlier application is permitted.

- 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 balance sheet (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 amendments affect disclosures only and have no impact on the Group’s financial position or performance.

- 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 will 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 Group expects that this amendment will not have any impact on its financial position or performance.

- 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.

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4. **Summary of Significant Accounting Policies**

Revenue Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. In arrangements where the Group is acting as principal to its customers, revenue is recognized on a gross basis. However, if the Group is acting as an agent to its customers, only the amount of net commission retained is recognized as revenue. The following specific recognition criteria must also be met before revenue is recognized:

Rental income
The Parent Company leases its commercial real estate properties to others through operating leases. Rental income on leased properties is recognized on a straight-line basis over the lease term, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract. Contingent rents are recognized as revenue in the period in which they are earned.

Real estate sales
Revenue from sales of real estate and cost from completed projects is accounted for using the full accrual method. In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-1 the percentage of completion is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to buyer, construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the costs incurred or to be incurred can be measured reliably. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of project. Other income from receipts of association dues, penalties from tenants and real estate buyers are recognized when they are received.

If any of the criteria under the percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the “Deposits from real estate buyers” account which is shown as part of the “Deposits and other liabilities” account in the liabilities section of the consolidated statement of financial position.

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision land and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Company.

Amusement income
Revenue is recognized upon rendering of services.

Revenue from hotel operations
Revenue from hotel operations is recognized when services are rendered. Revenue from banquets and other special events are recognized when the events take place. Rental income on leased areas of the hotel is recognized on a straight-line basis over the lease term. Revenue from food and beverage are recognized when these are served. Other income from transport, laundry, valet and other related hotel services are recognized when services are rendered.

Interest income
Interest income is recognized as the interest accrues (using the effective interest (EIR) method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividend income
Dividend income is recognized when the Group’s right to receive the payment is established.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less and that are subject to an insignificant risk of changes in value.

Financial Instruments
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

Initial recognition and measurement
Financial assets within the scope of PAS 39 are classified as either financial assets at fair value through profit or loss (FVPL), loans and receivables, held to maturity (HTM) investments and available-for-sale (AFS) financial assets, as appropriate. Financial liabilities are classified as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and the Group determines the classification of the financial assets at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

All financial instruments are recognized initially at fair value plus, in the case of investments not at FVPL, directly attributable transaction costs.

The Group's financial instruments are of the nature of loans and receivables, financial assets at FVPL and other financial liabilities at amortized cost.

Subsequent measurement
The subsequent measurement bases for financial assets depend on the classification. Financial assets that are classified as loans and receivables are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount, premium and transaction costs on acquisition, over the period to maturity. Amortization of discounts, premiums and transaction costs are taken directly to the profit and loss.

Determination of fair value
The fair value for financial instruments traded in active markets at the consolidated reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and ask prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value technique, comparison to similar instruments for which market observable prices exist and other relevant valuation models.

Day 1 difference
Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a Day 1 difference) in the consolidated statement of comprehensive income unless it qualifies for recognition as some other type of asset or liability.

In cases where variables used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the consolidated statement of comprehensive income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

<u>Loans and Receivables</u>
Loans and receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial assets at FVPL.

After initial measurement, loans and receivables are subsequently measured at amortized cost using the EIR method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in the "Real estate sales" in the consolidated statement of comprehensive income. The losses arising from impairment of such loans and receivables are recognized in the "General and administrative expenses" in the consolidated statement of comprehensive income.

The Group's loans and receivables include Cash and cash equivalents, Receivables, Utility deposits and Receivables from Meralco (see Notes 7, 8, 10, 30, 31 and 32).

Financial assets and financial liabilities at FVPL
Financial assets and financial liabilities at FVPL include financial assets and financial liabilities held for trading purposes, derivative instruments, or those designated by management upon initial recognition as at FVPL, subject to any of the following criteria:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or

- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

- the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial assets and financial liabilities at FVPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are reflected in the consolidated statement of comprehensive income. Interest earned or incurred is recorded in interest income or expense, respectively.

Dividend income is recognized according to the terms of the contract, or when the right of the payment has been established.

The Group's financial asset at FVPL consists of derivative asset (see Notes 13, 31 and 32). The Group has no financial liability at FVPL.

Derivative Financial Instruments
Derivative financial instruments (including bifurcated embedded derivatives), if any, are initially recognized at fair value on the date at which the derivative contract is entered into and is subsequently remeasured at fair value. Any gains or losses arising from changes in fair value of the derivative (except those accounted for as accounting hedges) is taken directly to the consolidated statement of comprehensive income as "Others" under real estate revenue. The derivative is carried as asset when the fair value is positive and as liability when the fair value is negative.

The Group has an outstanding interest rate swap agreement with an international bank to hedge its interest rate exposure on Inverse Floating Rate Notes (see Note 13).

Embedded Derivatives
An embedded derivative is separated from the host financial or non-financial contract and accounted for as a derivative if all of the following conditions are met:

- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristic of the host contract;
- a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- the hybrid or combined instrument is not recognized at FVPL.

The Group assesses whether embedded derivatives are required to be separated from host contracts when the Group first becomes a party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

Embedded derivatives that are bifurcated from the host contracts are accounted for as financial assets or liabilities at FVPL. Changes in fair values are included in the consolidated statement of comprehensive income.

The Group has no embedded derivatives requiring bifurcation.

AFS Financial Assets
AFS financial assets are those which are designated as such and are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. AFS financial assets include equity securities.

After initial measurement, AFS financial assets are measured at fair value. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded from reported earnings and are reported in the consolidated statement of financial position and consolidated statement of changes in equity.

When the security is disposed of, the cumulative gain or loss previously recognized in the consolidated statement of changes in equity is recognized in the consolidated statement of comprehensive income. Where the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in first-out basis. Dividends earned in AFS financial assets are recognized in the consolidated statement of comprehensive income when right to receive payment has been established. The losses arising from impairment of such investments are recognized in the consolidated statement of comprehensive income.

As of September 30, 2012 and 2011, the Group has no AFS financial assets.

HTM investments
HTM investments are quoted nonderivative financial assets with fixed or determinable payments and fixed maturities for which management has the positive intention and ability to hold to maturity. Where the Group sells other than an insignificant amount of HTM investments, the entire category would be tainted and reclassified as AFS financial assets. After initial measurement, these investments are measured at amortized cost using the effective interest method, less impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are integral parts of the effective interest rate.

The amortization is included in interest income in the consolidated statement of income. Gains and losses are recognized in the consolidated statement of income under "Other income" when the HTM investments are derecognized and impaired, as well as through the amortization process.

As of September 30, 2012 and 2011, the Group has no HTM investments.

Other Financial Liabilities
All financial liabilities are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized or impaired, as well as through the amortization process.

Debt Issuance Costs
Transaction costs incurred in connection with the availments of long-term debt are deferred and amortized using effective interest method over the term of the related loans.

Customers' Deposits
Deposits from lessees
Deposits from lessees are measured initially at fair value. After initial recognition, customers' deposits are subsequently measured at amortized cost using EIR method.

The difference between the cash received and its fair value is deferred (included in the "Deposits and other liabilities" in the consolidated statement of financial position) and amortized using the straight-line method.

Deposits from real estate buyers
Deposits from real estate buyers represent mainly reservation fees and advance payments. These deposits will be recognized as revenue in the consolidated statement of comprehensive income as the related obligations are fulfilled to the real estate buyers. The deposits are recorded as "Deposits from real estate buyers" and reported under the "Deposits and other liabilities" account in the consolidated statement of financial position.

Classification of Financial Instruments between Debt and Equity
A financial instrument is classified as debt, if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount, after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

The Group has no financial instruments that contain both liability and equity elements.

Impairment of Financial Assets
The Group assesses at each reporting date whether a financial or group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant or collectively for financial assets that are not individually significant. If there is an objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

If it is determined that no objective evidence of impairment exists for an individually assessed financial asset loan or receivable, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The carrying amount of the asset is reduced through the use of an allowance for impairment loss account. The amount of the loss shall be recognized in the consolidated statement of comprehensive income. If, in a subsequent period, the amount of the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of comprehensive income, to the extent that the carrying value of the asset does not exceed what would have been the amortized cost at the reversal date.

AFS financial assets
If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in profit and loss, is transferred from the consolidated statement of changes in equity to profit and loss. Impairment reversals in respect of equity instruments classified as AFS financial assets are not recognized in the consolidated statement of income. Reversals of impairment losses on debt instruments are reversed through profit and loss, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in profit and loss. The amount of reversal is limited to the amount that brings the carrying value of the debt instrument to what it could have been had there been no impairment in the first place.

Derecognition of Financial Assets and Liabilities
A financial asset (or where applicable, a part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the assets have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third-party under a "pass-through" arrangement; or
- the Group has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred the rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities
Financial liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Subdivision Land, Condominium and Residential Units for Sale

Subdivision land, condominium and residential units for sale are carried at the lower of cost and net realizable value (NRV). Cost includes land costs, amounts paid to contractors for the costs incurred for development and improvement of the properties (i.e., planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs) and borrowing costs on loans directly attributable to the projects which were capitalized during construction. NRV is the estimated selling price in the ordinary course of business less cost of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in the consolidated statement of comprehensive income is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Value-added Tax (VAT)

Revenues, expenses, assets and liabilities are recognized net of the amount of VAT, except where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item is applicable.

The net amount of VAT recoverable from the taxation authority is included as part of "Other current assets" in the consolidated statement of financial position.

Prepaid expenses

Prepaid expenses pertain to resources controlled by the Group as a result of past events and from which future economic benefits are expected to flow to the Group.

Investment Properties

Investment properties consist of properties that are held to earn rentals or for capital appreciation or both, and that are not occupied by the companies consolidated into the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the cost of day to day servicing of an investment property. Investment properties are depreciated and amortized using the straight-line method over their estimated useful lives (EUL) as follow:

	Years
Buildings and improvements	10-20
Land improvements	10

The useful life and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of investment properties.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the profit and loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner occupation, commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Property and Equipment

Property and equipment, except for land, are stated at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value. The cost of an item of property and equipment includes its purchase price and any cost attributable in bringing the asset to the intended location and working condition. Cost also includes interest and other charges on borrowed funds used to finance the acquisition or construction of property and equipment to the extent incurred during the period of construction and installation.

Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance, are normally charged to expenses in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation and amortization commences once the assets are available for use and is calculated on a straight-line basis over the estimated useful life of over the EUL as follow:

	Years
Buildings and improvements	10
Land improvements	5
Theater furniture and equipment	5
Other equipment	2.5

Assets under construction are transferred to a specific category of property and equipment when the construction and other related activities necessary to prepare the property and equipment for their intended use are completed and the property and equipment are available for service.

Other equipment includes china, glassware, silver and linen on stock.

The useful life and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial year-end to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit and loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets
This accounting policy applies primarily to the Group's investment properties and property and equipment.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is calculated as the higher of an asset's or cash-generating unit's fair value less cost to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds the recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If any such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the assets in prior periods, such reversal is recognized in the consolidated statement of comprehensive income.

Equity
Capital Stock is measured at par value for all shared issued. When the Group issues more than one capital stock, a separate account is maintained for each class of stock and the number of shares issued.

When the shares are sold at premium, the difference between the proceeds at the par value is credited to "Additional paid-in capital" account. Direct costs incurred related to equity issuance are chargeable to "Additional paid-in capital" account. If additional paid-in capital is not sufficient, the excess is charged against retained earnings.

Subscriptions receivable pertains to the uncollected portion of the subscribed shares.

Retained earnings represent accumulated earnings of the Group less dividends declared.

Treasury Stock

Own equity instruments which are acquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the profit and loss on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences with certain exceptions, and carryforward benefits of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from excess MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are earned at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all as part of the deferred tax and to be recovered. The Group does not recognize deferred income tax assets and deferred tax liabilities that will reverse during the income tax holiday.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Pension Expense

Pension expense is actuarially determined using the projected unit credit valuation method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension expense includes current service cost, interest cost, expected return on plan assets, recognized actuarial gains and losses and the effect of any curtailments or settlements.

The liability recognized by the Group in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs that shall be recognized in later periods. The present value of the defined benefit obligation is determined by discounting the estimated future cash inflows using long term government bond risk-free interest rates that have terms to maturity approximating the terms of the related pension liability or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

The Group applies the corridor method whereby actuarial gains and losses are recognized as income or expenses when the cumulative unrecognized actuarial gains or losses of the plan exceed 10% of the higher of the defined benefit obligation and the fair value of plan assets. These gains and losses are recognized over the expected average remaining working lives of the employee participating in the plan.

General and Administrative Expenses
General and administrative expenses are recognized as they are incurred.

Commission Expense
The Group recognizes commission expense when services are rendered by the broker and agent. The commission expense is recognized upon receipt of down payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales under the deferred cash payment arrangement.

Leases
The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one (1) of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specified asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the date of renewal or extension period for the second scenario.

Group as a lessee
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss on a straight-line basis over the lease term. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based the terms of the leased contract.

Group as a lessor
Leases where the Group retains substantially all the risk and benefits of ownership of the assets are classified as operating leases. Lease payments received are recognized as income in the consolidated statement of comprehensive income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income.

<u>Jointly controlled operation</u>
A jointly controlled operation involves the use of assets and other resources of the Group and other venturers rather than the establishment of a corporation, partnership or other entity. The Group accounts for the assets it controls and the liabilities it incurs, the expenses and costs it incurs and the share of income that it earns from the sale of goods or services by the joint venture.

<u>Borrowing Costs</u>
Interest and other related financing charges on borrowed funds used to finance the acquisition and construction of a qualifying asset (included under Subdivision land, condominium and residential units for sale, Investment properties and Property and equipment accounts) are capitalized to the appropriate asset accounts. Capitalization of borrowing costs commences when the expenditures and borrowing costs are being incurred during the construction and related activities necessary to prepare the asset for its intended use are in progress. It is suspended during extended periods in which active development is interrupted and ceases when substantially all the activities necessary to prepare the asset for its intended use are complete. The capitalization is based on the weighted average borrowing cost.

The borrowing costs capitalized as part of investment properties and property and equipment are amortized using the straight-line method over the estimated useful lives of the assets. The borrowing cost capitalized as part of subdivision land, condominium and residential units for sale are expensed when the related assets are sold.

If after capitalization of the borrowing costs, the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded in the consolidated statement of comprehensive income. Interest expense on loans and borrowings is recognized using the EIR method over the term of the loans and borrowings.

<u>Provisions</u>
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Foreign Currency Transactions
The functional currency of each entity in the Group is the Philippine Peso, except for RCL. Philippine Peso is also the presentation currency of the consolidated financial statements. Transactions denominated in foreign currencies are recorded in the Philippine Peso based on the exchange rates prevailing at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

Earnings Per Share (EPS)
Basic earnings per share is calculated by dividing net income attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year. Diluted EPS is computed by dividing net income attributable to equity holder of the Parent Company by the weighted average number of common shares issued and outstanding during the period after giving effect to assumed conversion of potential common shares.

Operating Segment
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and services and serves different markets. Financial information on business segments is presented in Note 6 to the consolidated financial statements.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when material.

5. Significant Accounting Judgments and Estimates

The preparation of the 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.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue and cost recognition on real estate sales
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgment based on, among others:

- Buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- Stage of completion of the project.

The Group has set a certain percentage of collection over the total selling price in determining buyer's commitment on the sale. It is when the buyer's investment is considered adequate to meet the probability criteria that economic benefits will flow to the Group.

Operating leases commitments - Group as lessee
The Group has entered into commercial property leases. Based on an evaluation of the terms and conditions of the arrangements, all the risks and benefits incidental to ownership of the leased item are not transferred to the Group. The future minimum rentals payable under non-cancellable operating lease amounted to ₱6,366 million, ₱6,418 million and ₱6,514 million as of September 30, 2012, 2011 and 2010, respectively (see Note 34).

Operating lease commitments - Group as lessor
The Group has entered into commercial property leases on its investment property portfolio. Based on an evaluation of the terms and conditions of the arrangements, the Group has determined that it retains all the significant risks and rewards of ownership of these properties and accounts for them as operating leases.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases and the rest are cancellable. In determining whether a lease contract is cancellable or not, the Group considers among others, the significance of the penalty, including the economic consequence to the lessee.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property is not occupied substantially for use by, or in operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. Owner-occupied properties are attributable not only to property but also to the other assets used in the supply process.

Some properties are held to earn rentals or for capital appreciation and other properties are held for use in rendering of services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in providing services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Distinction between subdivision land and land and land improvements
The Group determines whether a property will be classified as Subdivision land or Land and land improvements. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (Subdivision land) or whether it will be retained as part of the Group's strategic land banking activities for development or sale in the medium or long-term (Land and land improvements under Investment properties and Property and equipment accounts).

Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense on these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material effect on the Group's financial position. It is possible, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 34).

<u>Estimates</u>
The key estimates concerning the future and other key sources of estimation uncertainty at the reporting date that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue and cost recognition
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue from real estate sales are recognized based on the percentage-of-completion and the completion rate is measured principally on the basis of the estimated completion by reference to the actual costs incurred to date over the estimated total costs of the project.

Allowance for impairment losses
The Group maintains allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by management based on the factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with the tenant, the tenant's payment behavior and other known market factors. The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures.

The related balances follow (see Notes 8 and 23):

	2012	2011
Receivables	**₱4,529,948,845**	₱3,552,690,049
Allowance for impairment losses	**45,875,029**	45,143,585

Fair values of financial assets and liabilities
The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgment. While significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any changes in fair value of these financial assets and liabilities would affect directly the consolidated statement of comprehensive income (see Note 32).

Where the fair values of certain financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values.

As of September 30, 2012 and 2011, the Group has a derivative asset classified under FVPL amounting ₱90 million and ₱172 million, respectively (see Notes 13 and 31).

Useful lives of investment properties and property and equipment
The Group estimates the useful lives of the investment properties and property and equipment based on the period over which the assets are expected to be available for use (see Note 4). The Group reviews periodically the estimated useful lives of investment properties and property and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of investment properties and property and equipment would increase the recorded depreciation and amortization expense and decrease the related asset accounts.

The related balances follow:

	2012	2011
Investment properties (Note 11)		
Cost	**₱58,540,806,725**	₱52,186,821,911
Accumulated depreciation and amortization	**14,661,709,840**	12,801,676,362
Property and equipment (Note 12)		
Cost	**5,949,992,200**	5,578,204,100
Accumulated depreciation and amortization	**3,246,233,594**	3,023,270,653

Evaluation of net realizable value of real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. NRV for completed real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group in the light of recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Impairment of nonfinancial assets
Assessing investment properties and property and equipment for impairment includes considering certain indications of impairment such as significant changes in asset usage, significant decline in market value and obsolescence or physical damage of an asset. If such indications are present, and where the carrying amount of the asset exceeds the recoverable amount, the asset is considered impaired and is written down to the recoverable amount.

Determining the fair value of investment properties and property and equipment, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future event could cause the Group to conclude that investment properties and property and equipment are impaired. Any resulting impairment loss could have a material impact on the consolidated financial statements.

The related balances follow:

	2012	2011
Investment properties (Note 11)		
Cost	**₱58,540,806,725**	₱52,186,821,911
Accumulated depreciation and amortization	**14,661,709,840**	12,801,676,362
Property and equipment (Note 12)		
Cost	**5,949,992,200**	5,578,204,100
Accumulated depreciation and amortization	**3,246,233,594**	3,023,270,653

Deferred tax assets
Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Significant management estimate is required to determine the amount of deferred tax asset that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning. Deferred tax assets as of September 30, 2012 and 2011 amounted to ₱541 million and ₱482 million, respectively (see Note 27). The Group has deductible temporary difference, that is available for offset against taxable income or tax payable which deferred tax asset has not been recognized. This pertains to net operating loss carry over (NOLCO) amounting ₱19 million and ₱14 million as of September 30, 2012 and 2011, respectively. The related deferred tax assets amounted to ₱6 million and ₱4 million as of September 30, 2012 and 2011, respectively.

As of September 30, 2012 and 2011, the Group operates a hotel which enjoys the benefits of an ITH. As such, no deferred tax assets were set up on certain gross deductible temporary differences that are expected to reverse within the ITH period (see Note 33).

Retirement Obligation
The determination of obligation and cost of pension is dependent on the selection of certain assumptions used in calculating such amounts. Those assumptions, which are described in Note 29 to the consolidated financial statements, include, among others, discount rates and salary increase rates. Actual results that differ from the Group's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the pension obligations.

The related balances follow:

	2012	2011
Net pension liabilities (Notes 17 and 29)	**₱87,476,081**	₱60,855,783
Pension benefit obligation (Note 29)	**235,108,692**	145,607,663
Unrecognized net actuarial gains (Note 29)	**92,600,773**	32,648,717

Fair valuation of derivative
Where the fair values of certain financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. Changes in the assumptions about these factors could affect the reported fair value of financial instruments.

As at September 30, 2012 and 2011, the carrying value of the Group's derivative asset amounted to ₱90 million and ₱172 million, respectively (see Note 13).

6. **Operating Segment**

<u>Business Segment</u>
The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before income tax, and earnings before income tax, depreciation and amortization (EBITDA). The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS except for EBITDA.

Cost and expenses exclude interest, taxes, depreciation and amortization.

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 offices 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:

	2012					
	Commercial Center Division	**Residential Division**	**Office Buildings Division**	**Hotel Division**	**Intersegment Eliminating Adjustments**	**Consolidated**
Revenue						
Segment revenue	**₱6,429,230,636**	**₱4,304,167,017**	**₱1,397,582,808**	**₱1,384,079,085**	**₱–**	**₱13,515,059,546**
Intersegment revenue	**35,136,375**	**–**	**–**	**–**	**(35,136,375)**	**–**
Total Revenue	**6,464,367,011**	**4,304,167,017**	**1,397,582,808**	**1,384,079,085**	**(35,136,375)**	**13,515,059,546**
Costs and expenses						
Segment costs and expenses	**1,937,320,969**	**3,265,011,561**	**52,873,337**	**942,188,749**	**–**	**6,197,394,616**
Intersegment costs and expenses	**–**	**35,136,375**	**–**	**–**	**(35,136,375)**	**–**
Total Costs and expenses	**1,937,320,969**	**3,300,147,936**	**52,873,337**	**942,188,749**	**(35,136,375)**	**6,197,394,616**
Earnings before interest, taxes and depreciation and amortization	**4,527,046,042**	**1,004,019,081**	**1,344,709,471**	**441,890,336**	**–**	**7,317,664,930**
Depreciation and amortization (Note 24)	**1,492,623,122**	**35,896,556**	**383,869,952**	**171,495,430**	**–**	**2,083,885,060**
Operating income	**₱3,034,422,920**	**₱968,122,525**	**₱960,839,519**	**₱270,394,906**	**₱–**	**₱5,233,779,870**
Assets and Liabilities						
Segment assets	**₱40,142,879,546**	**₱22,531,292,070**	**₱5,778,356,777**	**₱2,194,219,242**	**₱–**	**₱70,646,747,635**
Investment in subsidiaries - at cost	**1,926,030,407**	**–**	**–**	**–**	**(1,926,030,407)**	**–**
Total segment assets	**₱42,068,909,953**	**₱22,531,292,070**	**₱5,778,356,777**	**₱2,194,219,242**	**(₱1,926,030,407)**	**₱70,646,747,635**
Total segment liabilities	**₱17,530,039,018**	**₱4,213,744,822**	**₱895,492,009**	**₱325,454,245**	**₱–**	**₱22,964,730,094**
Other segment information:						
Capital expenditures						**₱5,851,771,672**

	2011					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱5,759,051,539	₱4,506,722,520	₱1,334,727,460	₱1,206,219,187	₱–	₱12,806,720,706
Intersegment revenue	31,255,524	–	–	–	(31,255,524)	–
Total Revenue	5,790,307,063	4,506,722,520	1,334,727,460	1,206,219,187	(31,255,524)	12,806,720,706
Costs and expenses						
Segment costs and expenses	1,783,365,391	3,531,607,203	32,633,158	820,217,321	–	6,167,823,073
Intersegment costs and expenses	–	31,255,524	–	–	(31,255,524)	–
Total Costs and expenses	1,783,365,391	3,562,862,727	32,633,158	820,217,321	(31,255,524)	6,167,823,073
Earnings before interest, taxes and depreciation and amortization	4,006,941,672	943,859,793	1,302,094,302	386,001,866	–	6,638,897,633
Depreciation and amortization (Note 24)	1,509,637,502	34,979,000	379,131,125	189,372,461	–	2,113,120,088
Operating income	₱2,497,304,170	₱908,880,793	₱922,963,177	₱196,629,405	₱–	₱4,525,777,545
Assets and Liabilities						
Segment assets	₱39,292,186,872	₱18,037,979,578	₱5,659,865,862	₱1,975,974,719	₱–	₱64,966,007,031
Investment in subsidiaries - at cost	1,926,030,407	–	–	–	(1,926,030,407)	–
Total segment assets	₱41,218,217,279	₱18,037,979,578	₱5,659,865,862	₱1,975,974,719	(₱1,926,030,407)	₱64,966,007,031
Total segment liabilities	₱16,633,107,728	₱5,938,733,516	₱1,980,017,352	₱747,463,858	₱–	₱25,299,322,454
Other segment information:						
Capital expenditures						₱13,882,029,116

	2010					
	Commercial Center Division	Residential Division	Office Buildings Division	Hotel Division	Intersegment Eliminating Adjustments	Consolidated
Revenue						
Segment revenue	₱5,311,643,464	₱3,179,832,261	₱1,182,226,568	₱1,147,314,598	₱–	₱10,821,016,891
Intersegment revenue	34,914,402	–	–	–	(34,914,402)	–
Total Revenue	5,346,557,866	3,179,832,261	1,182,226,568	1,147,314,598	(34,914,402)	10,821,016,891
Costs and expenses						
Segment costs and expenses	1,599,109,171	2,448,292,329	42,621,736	796,093,745	–	4,886,116,981
Intersegment costs and expenses	–	34,914,402	–	–	(34,914,402)	–
Total Costs and expenses	1,599,109,171	2,483,206,731	42,621,736	796,093,745	(34,914,402)	4,886,116,981
Earnings before interest, taxes and depreciation and amortization	3,747,448,695	696,625,530	1,139,604,832	351,220,853	–	5,934,899,910
Depreciation and amortization (Note 24)	1,388,316,331	25,856,018	297,213,869	200,812,650	–	1,912,198,868
Operating income	₱2,359,132,364	₱670,769,512	₱842,390,963	₱150,408,203	₱–	₱4,022,701,042
Assets and Liabilities						
Segment assets	₱32,696,765,503	₱14,344,807,170	₱4,351,911,857	₱1,707,650,694	₱–	₱53,101,135,224
Investment in subsidiaries - at cost	1,926,030,407	–	–	–	(1,926,030,407)	–
Total segment assets	₱34,622,795,910	₱14,344,807,170	₱4,351,911,857	₱1,707,650,694	(₱1,926,030,407)	₱53,101,135,224
Total segment liabilities	₱16,429,728,743	₱6,807,867,785	₱1,455,361,372	₱670,749,110	₱–	₱25,363,707,010
Other segment information:						
Capital expenditures						₱6,473,987,017

The revenue of the Group consists mainly of sales to external customers. Inter-segment revenue arising from lease arrangements amounting ₱35 million, ₱31 million and ₱35 million in 2012, 2011 and 2010, respectively, are eliminated on consolidation.

No operating segments have been aggregated to form the above reportable segments.

Capital expenditures consists of additions to property and equipment, investment properties and subdivision land, condominium and residential units for sale.

Significant customers in lease arrangements under commercial center division include the affiliated entities (see Note 20). Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱1,397 million, ₱1,317 million and ₱1,263 million in 2012, 2011 and 2010, respectively.

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	2012	2011	2010
EBITDA	**₱7,317,664,930**	₱6,638,897,633	₱5,934,899,910
Depreciation and amortization (Note 24)	**2,083,885,060**	2,113,120,088	1,912,198,868
Other income - net	**366,195,300**	327,886,187	247,242,750
Income before income tax	**₱5,599,975,170**	₱4,853,663,732	₱4,269,943,792

7. Cash and Cash Equivalents

This account consists of (see Note 20):

	2012	2011
Cash on hand and in banks	**₱239,167,959**	₱159,643,410
Short-term investments	**5,638,706,924**	8,889,183,944
	₱5,877,874,883	₱9,048,827,354

Cash in banks earns interest at the prevailing bank deposit rates. Short-term Investments are invested for varying periods of up to three (3) months depending on the immediate cash requirements of the Group, and earn interest at the prevailing short-term investment rates ranging from 1.50% to 4.88% and 0.25% to 4.38% in 2012 and 2011, respectively.

Interest earned from cash in banks and short-term investment for the years ended September 30, 2012, 2011 and 2010 amounted to ₱493 million, ₱414 million and ₱298 million, respectively (see Note 26).

8. Receivables

This account consists of:

	2012	2011
Trade		
Installment contract receivables	**₱3,387,431,248**	₱2,506,393,940
Accrued rent receivables	**402,671,416**	351,163,620
Rental receivables (Note 20)	**412,657,315**	341,902,804
Hotel operations	**107,939,233**	50,718,392
	4,310,699,212	3,250,178,756
Affiliated companies (Note 20)	**34,723,299**	42,333,365
Others	**184,526,334**	260,177,928
	4,529,948,845	3,552,690,049
Less allowance for impairment losses	**45,875,029**	45,143,585
	4,484,073,816	3,507,546,464
Less noncurrent portion	**1,125,870,844**	1,189,418,089
	₱3,358,202,972	₱2,318,128,375

The installment contract receivables aggregating ₱3,387 million and ₱2,506 million as of September 30, 2012 and 2011, respectively are collectible in monthly installments over a period of one (1) to five (5) years and bear annual interest ranging from 8.20% to 9.75% computed on the diminishing balance of the principal.

Rental receivables from affiliated companies included under "Rental receivables" amounted to about ₱56 million and ₱86 million as of September 30, 2012 and 2011, respectively. For the nature, terms and conditions of the receivables from affiliated companies please refer to Note 20 to the consolidated financial statements.

The accrued rent receivables represent the portion of the lease recognized as income on a straight-line basis.

Other receivables consist primarily of accruals of interest on short-term investments.

Allowance for Impairment Losses on Trade Receivables

As of September 30, 2012 and 2011, trade receivables with carrying value of ₱46 million and ₱45 million were impaired and fully provided for. Changes in allowance for impairment losses on trade receivables follow:

	2012				
	Individual Assessment			Collective Assessment	
	Installment Contract Receivables	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at beginning of year	**₱542,358**	**₱13,400,757**	**₱12,200,470**	**₱19,000,000**	**₱45,143,585**
Provision for impairment losses (Note 23)	–	–	**731,444**	–	**731,444**
Balances at end of year	**₱542,358**	**₱13,400,757**	**₱12,931,914**	**₱19,000,000**	**₱45,875,029**

	2011				
	Individual Assessment			Collective Assessment	
	Installment Contract Receivables	Rental Receivable	Hotels Operations	Installment Contract Receivables	Total
Balances at end of year	₱542,358	₱20,512,893	₱11,429,666	₱19,000,000	₱51,484,917
Provision for impairment losses (Note 23)	–	–	770,804	–	770,804
Amount written off	–	(7,112,136)	–	–	(7,112,136)
Balances at end of year	₱542,358	₱13,400,757	₱12,200,470	₱19,000,000	₱45,143,585

Aging Analysis

The aging analysis of the Group's receivables follows:

	2012						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	**₱3,387,431,248**	**₱2,665,488,235**	**₱237,935,514**	**₱47,828,405**	**₱65,914,124**	**₱350,722,612**	**₱19,542,358**
Accrued rent receivables	**402,671,416**	**402,671,416**	–	–	–	–	–
Rental receivables	**412,657,315**	**352,431,137**	**6,490,375**	**871,700**	**2,255,561**	**37,207,785**	**13,400,757**
Hotel operations	**107,939,233**	**68,264,638**	**18,586,619**	**5,962,174**	**2,174,425**	**19,463**	**12,931,914**
Affiliated companies (Note 20)	**34,723,299**	**34,723,299**	–	–	–	–	–
Others	**184,526,334**	**184,526,334**	–	–	–	–	–
	₱4,529,948,845	**₱3,708,105,059**	**₱263,012,508**	**₱54,662,279**	**₱70,344,110**	**₱387,949,860**	**₱45,875,029**

	2011						
		Neither	Past Due But Not Impaired				Past
	Total	Past Due nor Impaired	Less than 30 days	30 to 60 days	61 to 90 days	Over 90 days	Due and Impaired
Trade receivables							
Installment contract receivables	₱2,506,393,940	₱2,001,578,141	₱49,248,766	₱32,774,871	₱27,442,750	₱375,845,142	₱19,504,270
Accrued rent receivables	351,163,620	351,163,620	–	–	–	–	–
Rental receivables	341,902,804	301,672,540	–	1,517,025	2,557,921	22,754,561	13,400,757
Hotel operations	50,718,392	24,806,904	9,796,155	3,193,879	682,896	–	12,238,558
Affiliated companies (Note 20)	42,333,365	42,333,365	–	–	–	–	–
Others	260,177,928	260,177,928	–	–	–	–	–
	₱3,552,690,049	₱2,981,732,498	₱59,044,921	₱37,485,775	₱30,683,567	₱398,599,703	₱45,143,585

The Group holds no collateral in respect of these receivables.

9. Subdivision Land, Condominium and Residential Units for Sale

This account consists of:

	2012	2011
Land and condominium units	**₱6,242,367,420**	₱6,411,923,262
Residential units and subdivision land development costs	**4,748,789,878**	2,079,105,225
	₱10,991,157,298	₱8,491,028,487

The subdivision land, condominium and residential units for sale are carried at cost. There is no write down recorded for 2012, 2011 and 2010.

The amount of subdivision land, condominium and residential units for sale recognized as cost of sales in the consolidated statement of comprehensive income amounted to ₱2,360 million, ₱2,664 million and ₱1,745 million for the years ended September 30, 2012, 2011 and 2010, respectively (see Note 22).

There are no subdivision land, condominium and residential units for sale as of September 30, 2012 and 2011 that are pledged as security to liabilities.

10. Other Current Assets

This account consists of:

	2012	2011
Value-added input tax - net	**₱1,000,312,792**	₱903,217,562
Advances to suppliers and contractors	**291,135,415**	276,687,707
Advances to lot owners	**144,951,759**	32,772,104
Derivative asset (Note 31)	**90,143,152**	–
Supplies	**71,045,573**	57,542,090
Prepaid expenses	**39,934,810**	45,090,437
Utility deposits (Notes 31 and 32)	**4,065,390**	3,519,980
Others	**500,000,000**	–
	₱2,141,588,891	₱1,318,829,880

The value-added input tax - net can be applied against value-added output tax. Management believes that the amount is fully realizable in the future.

Advances to suppliers and contractors consist of advance payment which will be applied against the final billing which is expected to occur within the year.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Supplies consist mainly of office and maintenance materials.

Prepaid expenses consist mainly of prepayments for taxes and insurance.

Utility deposits consist primarily of bid bonds and meter deposits.

Others pertain to the refundable deposit made by the Group in connection with the public auction of a certain property by the Government. The deposit is refundable 90 days from the bid submission date. The Group lost in the said auction.

11. Investment Properties

The rollforward analysis of this account follows:

	2012				
	Land	**Land Improvements**	**Buildings and Improvements**	**Construction In Progress**	**Total**
Cost					
Balances at beginning of year	**₱16,914,362,270**	**₱84,425,893**	**₱30,494,808,643**	**₱4,693,225,105**	**₱52,186,821,911**
Additions	**1,978,858,544**	**21,126,045**	**911,178,363**	**4,144,616,223**	**7,055,779,175**
Reclassifications/transfers	**(701,794,361)**	**27,020,466**	**4,022,042,706**	**(4,049,063,172)**	**(701,794,361)**
Balances at end of year	**18,191,426,453**	**132,572,404**	**35,428,029,712**	**4,788,778,156**	**58,540,806,725**
Accumulated Depreciation and Amortization					
Balances at beginning of year	**–**	**52,223,164**	**12,749,453,198**	**–**	**12,801,676,362**
Depreciation and amortization (Note 24)	**–**	**6,932,501**	**1,853,100,977**	**–**	**1,860,033,478**
Balances at end of year	**–**	**59,155,665**	**14,602,554,175**	**–**	**14,661,709,840**
Net Book Value	**₱18,191,426,453**	**₱73,416,739**	**₱20,825,475,537**	**₱4,788,778,156**	**₱43,879,096,885**

	2011				
	Land	Land Improvements	Buildings and Improvements	Construction In Progress	Total
Cost					
Balances at beginning of year	₱11,664,127,845	₱65,436,943	₱29,665,117,917	₱1,494,802,196	₱42,889,484,901
Additions	5,415,632,248	9,801,220	662,310,163	3,374,991,202	9,462,734,833
Retirements/disposals	(165,397,823)	–	–	–	(165,397,823)
Reclassifications/transfers	–	9,187,730	167,380,563	(176,568,293)	–
Balances at end of year	16,914,362,270	84,425,893	30,494,808,643	4,693,225,105	52,186,821,911
Accumulated Depreciation and Amortization					
Balances at beginning of year	–	47,835,727	10,996,951,032	–	11,044,786,759
Depreciation and amortization (Note 24)	–	4,387,437	1,752,502,166	–	1,756,889,603
Balances at end of year	–	52,223,164	12,749,453,198	–	12,801,676,362
Net Book Value	₱16,914,362,270	₱32,202,729	₱17,745,355,445	₱4,693,225,105	₱39,385,145,549

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

During the year, ₱702 million land were transferred from investment properties to subdivision land, condominium and residential units for sale for the Group's residential projects.

Depreciation and amortization expense charged to operations amounted to ₱1,860 million, ₱1,757 million and ₱1,597 million for the year ended September 30, 2012, 2011 and 2010, respectively (see Note 24).

Borrowing costs capitalized amounted to about ₱1,133 million and ₱1,041 million in 2012 and 2011, respectively. These amounts were included in the consolidated statement of cash flows under additions to investment properties. The capitalization rate used to determine the amount of borrowing costs eligible for capitalization in 2012 and 2011 is 8.15% and 8.03%, respectively (see Note 16).

The fair value of investment properties, which has been determined based on valuations performed by independent professional qualified appraisers as of September 30, 2009, exceeds its carrying cost. The fair value represents the amount at which the assets could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. The aggregate fair value as of the date of appraisal amounted to ₱49,744 million.

The value of the investment properties was arrived at using the *Market Data Approach*. In this approach, the value of the investment properties is based on sales and listings of comparable property registered in the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

Property operations and maintenance costs arising from investment properties amounted to ₱330 million, ₱277 million and ₱220 million for the year ended September 30, 2012, 2011 and 2010, respectively (see Note 22).

There are no investment properties as of September 30, 2012 and 2011 that are pledged as security to liabilities.

12. Property and Equipment

The rollforward analysis of this account follows:

	2012					
	Land	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost						
Balances at beginning of year	**₱173,086,946**	**₱34,326,335**	**₱2,941,087,262**	**₱360,674,887**	**₱2,069,028,670**	**₱5,578,204,100**
Additions	–	**12,055,063**	**444,611,813**	**22,555,637**	**(106,545,772)**	**372,676,741**
Retirements/disposal	–	–	–	–	**(888,641)**	**(888,641)**
Balances at end of year	**173,086,946**	**46,381,398**	**3,385,699,075**	**383,230,524**	**1,961,594,257**	**5,949,992,200**
Accumulated Depreciation and Amortization						
Balances at beginning of year	–	**20,932,632**	**1,336,056,336**	**269,972,881**	**1,396,308,804**	**3,023,270,653**
Depreciation and amortization (Note 24)	–	**5,053,787**	**136,552,288**	**31,800,452**	**50,445,055**	**223,851,582**
Retirements/disposal	–	–	–	–	**(888,641)**	**(888,641)**
Balances at end of year	–	**25,986,419**	**1,472,608,624**	**301,773,333**	**1,445,865,218**	**3,246,233,594**
Net Book Value	**₱173,086,946**	**₱20,394,979**	**₱1,913,090,451**	**₱81,457,191**	**₱515,729,039**	**₱2,703,758,606**

	2011					
	Land	Land Improvements	Buildings and Improvements	Theater Furniture and Equipment	Other Equipment	Total
Cost						
Balances at beginning of year	₱173,086,946	₱30,070,399	₱2,900,965,515	₱323,860,705	₱1,663,526,543	₱5,091,510,108
Additions	–	6,753,376	41,947,117	36,814,182	405,840,439	491,355,114
Retirements/disposal	–	(2,497,440)	(572,048)	–	(1,591,634)	(4,661,122)
Reclassifications/transfers	–	–	(1,253,322)	–	1,253,322	–
Balances at end of year	173,086,946	34,326,335	2,941,087,262	360,674,887	2,069,028,670	5,578,204,100
Accumulated Depreciation and Amortization						
Balances at beginning of year	–	19,255,317	1,185,245,517	234,987,801	1,232,212,655	2,671,701,290
Depreciation and amortization (Note 24)	–	4,174,755	151,382,867	34,985,080	165,687,783	356,230,485
Retirements/disposal	–	(2,497,440)	(572,048)	–	(1,591,634)	(4,661,122)
Balances at end of year	–	20,932,632	1,336,056,336	269,972,881	1,396,308,804	3,023,270,653
Net Book Value	₱173,086,946	₱13,393,703	₱1,605,030,926	₱90,702,006	₱672,719,866	₱2,554,933,447

Depreciation and amortization expense charged to operations amounted to ₱224 million, ₱356 million and ₱315 million for the year ended September 30, 2012, 2011 and 2010, respectively (see Note 24).

Land and certain building improvements with a carrying net book value of ₱1,300 million have an appraised value of ₱4,700 million as of September 30, 2009.

The following are the costs of property and equipment that are fully depreciated as of September 30, 2012 and 2011 but still used in operations:

	2012	2011
Furniture and equipment	**₱54,190,106**	₱44,101,144
Building and improvements	**269,132,899**	18,780,484
Land improvements	**698,241**	698,241
Other equipment	**82,213,995**	82,127,577
	₱406,235,241	₱145,707,446

There are no property and equipment items as of September 30, 2012 and 2011 that are pledged as security to liabilities.

13. Other Noncurrent Assets

This account consists of:

	2012	2011
Utility deposits (Notes 31 and 32)	**₱284,792,491**	₱222,076,451
Advances to lot owners	**172,366,647**	174,166,992
Advances to suppliers and contractors	**19,904,608**	1,271,267
Derivative asset (Note 31)	–	172,496,875
Others	**92,133,510**	89,684,265
	₱569,197,256	₱659,695,850

Utility deposits consist primarily of bid bonds and meter deposits.

Advances to lot owners consist of advance payments to land owners which will be applied against the acquisition cost of the real properties that will be acquired.

Derivative assets arises from an interest rate swap agreement entered by the Group with a total notional amount of ₱2,000 million to hedge its interest rate exposures on the Inverse Floating Rate Notes bearing an interest rate of 15.70% less three (3) month benchmark rate (PDST-F) (see Note 16). The interest rate swap has a term of five (5) years and interest exchange is every 5th day of March, June, September and December.

Advances to suppliers and contractors represents advance payment to supplier or contractors which will be applied against the final billing.

Others include deposit to joint venture partners representing share of expenses which will be utilized at the end of joint venture agreement.

14. Accounts Payable and Accrued Expenses

This account consists of:

	2012	2011
Accounts payable (Note 20)	**₱2,481,568,430**	₱1,481,230,267
Taxes and licenses payable	**1,266,221,850**	1,609,414,117
Accrued salaries and wages	**254,394,752**	256,505,766
Accrued interest expense	**182,335,931**	211,892,866
Accrued rent expense	**161,742,787**	92,639,627
Accrued contracted services	**116,763,960**	87,879,103
Dividends payable	**9,483,026**	8,689,011
Other accrued payable	**242,906,452**	492,240,009
	₱4,715,417,188	₱4,240,490,766

The accounts payable mainly includes unpaid billings from suppliers and contractors.

Taxes and licenses payable, accrued salaries and wages, accrued interest expense and accrued contracted services are normally settled within one (1) year.

The accrued rent expense represents the unpaid portion of the lease recognized as expense on a straight-line basis.

Other accrued payable include insurance payable and accrued utilities.

15. Deposits and Other Liabilities

This account consists of:

	2012	2011
Deposits from real estate buyers (Notes 17 and 32)	**₱1,226,426,595**	₱845,695,426
Deposits from lessees (Notes 17 and 32)	**313,399,460**	174,545,141
Payables to affiliated companies (Notes 20 and 32)	**102,761,764**	602,316,860
	₱1,642,587,819	₱1,622,557,427

Deposits from real estate buyers (including noncurrent portion shown in Note 17) represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposits from real estate buyers are normally applied against the total contract price within a year from the date the deposits were made.

Deposits from real estate buyers also include cash collections in excess of the installment contract receivables recognized under the percentage-of-completion method which amounted to ₱1,771 million and ₱1,587 million as of September 30, 2012 and 2011, respectively.

The Deposits from lessees (including noncurrent portion shown in Note 17) represent cash received in advance equivalent to three (3) to six (6) months rent which shall be refunded to lessees at the end of lease term. These are initially recorded at fair value, which was obtained by discounting its future cash flows using the applicable rates of similar types of instruments. The accretion expense on these deposits, recognized in "others" under cost of rental services, amounted to ₱65 million, ₱72 million and ₱71 million in 2012, 2011 and 2010, respectively, (see Note 22).

The Unearned rental income (included under the caption "Deposit from lessees") amounted to ₱103 million and ₱104 million as of September 30, 2012 and 2011, respectively. The rental income on amortization of unearned rental income amounted to ₱65 million and ₱70 million and ₱72 million in 2012, 2011 and 2010, respectively.

For the nature, terms and conditions of the payables to affiliated companies please refer to Note 20 to the consolidated financial statements.

16. Loans Payable

This account consists of:

	Principal Amount	**2012**	2011
Five-year and one day note from Hongkong Shanghai Banking Corporation (HSBC) maturing on May 29, 2012 with fixed rate at 6.375%, interest payable semi-annually in arrears on the last day of each six-month interest period	**₱3,000,000,000**	**₱–**	₱3,000,000,000
Notes subscribed to by Land Bank of the Philippines (LBP), China Banking Corporation (CBC), HSBC and Security Bank Corporation (SBC) under the Inverse Floating Rate Notes Facility Agreement maturing on June 6, 2013 bearing an interest rate of 15.7% less the 3-month benchmark rate (PDST-F), and a tenor of 5 years + 1 day; interest is payable quarterly, in arrears, on the last day of each 3-month interest period	**2,000,000,000**	**2,000,000,000**	2,000,000,000
Five-year and one day bond from HSBC maturing on July 14, 2014 with fixed rate at 8.5%, interest payable semi-annually in arrears on the last day of each six-month interest period	**5,000,000,000**	**5,000,000,000**	5,000,000,000
Five-year and one day bond from HSBC maturing on August 27, 2014 with fixed rate at 8.25%, interest payable semi-annually in arrears on the last day of each six-month interest period	**5,000,000,000**	**5,000,000,000**	5,000,000,000
	15,000,000,000	**12,000,000,000**	15,000,000,000
Less current portion		**2,000,000,000**	3,000,000,000
	₱15,000,000,000	**₱10,000,000,000**	₱12,000,000,000

The Group's loans payable are all unsecured.

Loans Payable due in May 2012
On May 24, 2007, the Group issued ₱3,000 million Fixed rate Corporate Note Facility constituting direct, unconditional, unsubordinated, general and unsecured obligations of the Group ranking at least pari passu in all respects and rateably without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Group) with all other outstanding unsecured and unsubordinated obligations of the Group. The term of the bonds is five (5) years and one (1) day from issue date.

The interest rate is at 6.375% per annum and shall be payable semi-annually, computed based on the outstanding balance with payments commencing on the issue date and ending on the maturity date.

The Parent Company paid in full the loan on May 28, 2012.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 1.5:1 and interest coverage ratio of not less than 1.5:1. The Group must ensure that it will remain at least fifty-one percent (51%) owned by the JG Summit Holdings Inc. The Group has complied with the debt covenants.

Loans Payable due in June 2013
On June 4, 2008, the Group issued ₱2,000 million Inverse Floating Rate Notes Facility constituting direct, unconditional, unsubordinated, general and unsecured obligations of the Group ranking at least pari passu in all respects and ratably without preference or priority (except for any statutory preference or priority applicable in the winding-up of the Group) with all other outstanding unsecured and unsubordinated obligations (contingent or otherwise, present and future) of the Group. The term of the bond is five (5) years and one (1) day from issue date.

The interest rate is at 15.70% less the 3-month Benchmark Rate on an interest determination date rounded off to the nearest 1/100 or 1% per annum and shall be payable quarterly, computed based on the outstanding balance with payments commencing on the issue date and ending on the maturity date.

Debt Covenants
The Group is required to maintain a debt to equity ratio not exceeding 1.5:1 and interest coverage ratio of not less than 1.5:1. The Group must ensure that it will remain at least fifty-one percent (51%) owned by the JG Summit Holdings Inc. The Group has complied with the debt covenants.

Bonds Payable due in July 2014
On July 13, 2009, the Group issued ₱5,000 million bonds constituting direct, unconditional, unsubordinated and unsecured obligations of the Group ranking pari-passu in all respects and ratably without any preference or priority with all other outstanding unsecured and unsubordinated obligations of the Group. The proceeds shall be used for general corporate purposes, such as, but not limited to the financing various capital expenditures. The bond is payable with a lump-sum payment on July 14, 2014 or shall be redeemable at par upon maturity or on a date which is five (5) years and one (1) day from issue date.

The interest rate is at 8.5% per annum and shall be payable semi-annually, computed based on the outstanding balance with payments commencing on the issue date and ending on the maturity date. The payment of the interest shall begin on January 14, 2010.

Debt Covenant
The Group is required to maintain a debt to equity ratio not exceeding 1.5:1 ratio and interest coverage ratio of at least 1.5:1. The Group has complied with the debt covenant.

Bonds Payable due in August 2014
On August 26, 2009, the Group issued ₱5,000 million bonds constituting direct, unconditional, unsubordinated and unsecured obligations of the Group ranking pari-passu in all respects and ratably without any preference or priority with all other outstanding unsecured and unsubordinated obligations of the Group. The proceeds shall be used for general corporate purposes, such as, but not limited to the financing various capital expenditures. The bond is payable with a lump-sum payment on August 27, 2014 or shall be redeemable at par upon maturity or on a date which is five (5) years and one (1) day from issue date.

The interest rate is at 8.25% per annum and shall be payable semi-annually, computed based on the outstanding balance with payments commencing on the issue date and ending on the maturity date. The payment of the interest shall begin on February 27, 2010.

Debt Covenant
The Group is required to maintain a debt to equity ratio not exceeding 1:5:1 ratio and interest coverage ratio of at least 1.5:1. The Group has complied with the debt covenant.

Borrowing costs capitalized to subdivision land, condominium and residential units for sale and investment properties amounted to ₱1,133 million and ₱1,041 million in 2012 and 2011, respectively. Capitalization rate is 8.15% and 8.03% in 2012 and 2011, respectively.

Details of the Group's loans payable by maturity follow:

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Total
2012	**₱2,000,000,000**	**₱10,000,000,000**	**₱–**	**₱–**	**₱–**	**₱12,000,000,000**
2011	₱3,000,000,000	₱2,000,000,000	₱10,000,000,000	₱–	₱–	₱15,000,000,000

17. **Deposits and Other Noncurrent Liabilities**

This account consists of:

	2012	2011
Deposits from lessees - net of current portion (Note 31)	**₱2,029,673,869**	₱1,820,384,583
Accrued rent expense	**1,181,403,160**	1,080,362,640
Deposits from real estate buyers - net of current portion (Note 31)	**544,836,353**	741,071,742
Pension liabilities (Note 29)	**87,476,081**	60,855,783
Advances and others	**567,297,340**	634,761,102
	₱4,410,686,803	₱4,337,435,850

Deposits from real estate buyers represent cash received in advance which shall be applied against the total contract price as soon as the contractual obligation of the real estate buyer has begun. The deposit from real estate which are expected to be applied to the contract price within one year are classified as current.

Accrued rent expense represents the portion of the lease recognized as expensed on a straight-line basis. These pertain to various lease of land entered by the Group where the malls are located.

Advances and others account includes marketing fund and noncurrent accounts payable.

18. Retained Earnings

Restriction
A portion of the unappropriated retained earnings representing the undistributed net earnings of subsidiaries amounting ₱408 million and ₱380 million as of September 30, 2012 and 2011 respectively, are not available for dividend declaration until received in the form of dividends.

Retained earnings are further restricted for payment of dividends to the extent of the cost of shares held in treasury.

Dividends declared
The Board of Directors (BOD) declared cash dividends in favor of all its stockholders as follows:

	2012	2011
Date of declaration	**April 18, 2012**	May 11, 2011
Date of payment	**June 01, 2012**	June 27, 2011
Ex-dividend rate	**May 8, 2012**	May 31, 2011
Dividend per share	**₱0.36**	₱0.36
Total dividends	**₱1,473,779,046**	₱1,473,779,046

On May 8, 2012, the BOD of ASNC approved the declaration and payment of cash dividends of ₱45 million or ₱0.45 per share for all shareholders of record as of May 15, 2012.

Appropriation
On September 15, 2009, the BOD approved the additional appropriation of ₱7,000 million, out of the unappropriated retained earnings, to support the capital expenditure requirement of the Group (see Note 11).

On May 14, 2003, the BOD approved the appropriation of ₱3,500 million, out of the unappropriated retained earnings, for future expansion (see Note 11).

The appropriations are earmarked for the continuing capital expenditures of the Group for subdivision land, condominium and residential units for sale, investment properties and property and equipment.

19. **Capital Stock**

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

	2012	2011	2010
Authorized - at ₱1 par value	**8,200,000,000**	8,200,000,000	3,000,000,000
At beginning of the period	**4,093,830,685**	2,729,220,457	2,746,918,457
Additional subscription	**–**	1,364,610,228	–
Treasury shares	**–**	–	(17,698,000)
Issued and outstanding	**4,093,830,685**	4,093,830,685	2,729,220,457

Increase in Authorized Capital Stock
On November 19, 2010, the Board of Directors (BOD) authorized the increase in the authorized capital stock of the Company from ₱3,000,000,000 common shares with par value of ₱1.00 per share to ₱8,200,000,000 common shares with par value of ₱1.00 per share. On February 23, 2011, the stockholders representing at least two-thirds of the outstanding capital stock also approved the increase in the authorized capital stock.

In line with the foregoing, the BOD also approved on February 16, 2011 a 1:2 stock rights offering to stockholders of record as of March 30, 2011 (ex - date March 25, 2011). Accordingly, the company received subscriptions for 1,364,610,228 shares at an offer price of ₱10 per share on April 11-15, 2011. The Subscription receivables were fully collected in October 2011.

Proceeds from the Rights Offering follow:

	2011
Cash payment for subscriptions	₱8,871,461,115
Collection on subscription receivables	4,774,641,165
Total Subscriptions	13,646,102,280
Less: Payments pertaining to Capital Stock at Par	1,364,610,228
Gross additional paid in capital	12,281,492,052
Less: Rights offering expenses	70,535,418
Net additional paid in capital	₱12,210,956,634

The SEC approved the increase in authorized capital stock on May 17, 2011.

Below is the summary of the Parent Company's track record of registration of securities with the SEC as of September 30, 2012:

	Number of shares registered	Issue/ offer price	Date of SEC approval	Number of holders of securities as of year end
Balance before Initial public offering	300,000,000			
Initial public offering	200,000,000	₱1.00/share	February 10, 1989	
Increase in offer price		₱5.81/share	June 3, 1989	
Add (deduct):				
1:1 stock rights offering	500,000,000	₱2.50/share	March 15, 1991	
20% stock dividend	200,000,000	₱1.00/share	June 16, 1993	
1:2 stock rights offering	600,000,000	₱2.50/share	March 21, 1995	
Exchange for shares of JGSHI in MMHLC and in RII	496,918,457		April 3, 1997	
1:2 New share offering	450,000,000	₱12.00/share	September 25, 2006	
1:2 stock rights offering	1,364,610,228	₱10.00/share	May 17, 2011	
October 1, 2011	4,111,528,685			1,205
Add (deduct) movement	–			65
September 30, 2012	4,111,528,685			1,270

Note: Inclusive of 17,698,000 treasury shares

<u>Treasury Shares</u>

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 September 30, 2010, the Company has repurchased a total of 17,698,000 shares for a total purchase price of ₱222 million at an average price of ₱12.53 per share.

<u>Capital Management</u>

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 September 30, 2012 and 2011.

	2012	2011
(a) Loans payable (Note 16)	**₱12,000,000,000**	₱15,000,000,000
(b) Equity	**₱46,573,201,771**	₱39,036,598,210
(c) Debt-to-capital ratio (a/b)	**0.26:1**	0.38:1

The Group's policy is to limit the debt-to-capital ratio at the 1.5:1 level. This policy is consistent with the requirements under the Group's debt covenants with lenders.

20. Related Party Transactions

Related party transactions are made under the normal course of business. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions; and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities (referred herein as affiliates).

The Group, in the normal course of business, has transactions with its major stockholder, JGSHI and its affiliated companies consisting principally of lease arrangements and advances (both interest and noninterest bearing which are due and demandable), principally for working capital requirement, including construction costs.

Affiliates are entities that are owned and controlled by JGSHI and neither a subsidiary or associate of the Group. These affiliates are effectively sister companies of the Group by virtue of ownership of JGSHI.

JGSHI also provides the Group certain corporate services including debt management, corporate finance, corporate planning, procurement, human resources, legal and corporate communications.

The Group also leases commercial properties to affiliated companies. Rental income arising from the lease of commercial properties to affiliated companies amounted to about ₱1,397 million, ₱1,317 million and ₱1,263 million in 2012, 2011 and 2010, respectively (see Note 6).

The Group also maintains savings and current accounts and time deposits with Robinsons Savings Bank (RSB), an entity under common control which is a local commercial bank. The balances as of September 30 follow:

	2012	2011
Savings and current accounts	**₱215,404,340**	₱86,374,803
Short-term investments	**4,086,687,239**	8,817,480,814
	₱4,302,091,579	₱8,903,855,617

Cash in RSB earns interest at the prevailing bank deposit rates. Interest income from RSB amounted to ₱353 million, ₱285 million and ₱178 million in 2012, 2011 and 2010, respectively.

As of September 30, 2012 and 2011, the net payable to affiliated companies amounted to ₱29 million and ₱520 million, respectively. Details are as follow:

	2012	2011
Receivable from affiliated companies (Notes 8 and 32)		
Under common control		
Robinsons Recreation Corporation	**₱11,334,271**	₱13,209,271
Universal Robina Corporation	**8,382,889**	6,249,032
Others	**5,012,910**	12,881,833
Joint venture		
VVH Realty Corporation	**9,993,229**	9,993,229
	34,723,299	42,333,365
Payable to affiliated companies (Notes 15 and 32)		
Parent		
JGSHI	–	(496,142,280)
Under Common control		
Westpoint Industrial Mills	**(22,819,452)**	(22,819,452)
Others	**(4,932,312)**	(8,345,128)
Joint venture		
WINSOME	**(75,010,000)**	(75,010,000)
	(102,761,764)	(602,316,860)
Net payable to affiliated companies	**(₱68,038,465)**	(₱559,983,495)

Other receivables from affiliates account consist primarily of receivables from JG Summit Capital Markets Corporation, Express Holdings Inc. and Oriental Petroleum and Minerals Corporation and are non-interest bearing.

Payable to JGSHI represents outstanding management fee liability of the Group to JGSHI.

Other payables from affiliates account consists primarily of payables to Robinsons, Inc. and Robinsons Savings Bank Corp.

Outstanding balances as of September 30, 2012 and 2011, which are unsecured and interest free, are all due within one (1) year, except for VVH Reality Corporation, which earns interest income at prevailing market rate.

In 2010, the Group has an outstanding receivable from JGSHI amounting to ₱1,920 million which earned interest at prevailing market rate. The receivable was collected on November 2010. Total interest earned amounted to ₱26 million and ₱161 million in 2011 and 2010, respectively.

Joint venture projects with Harbour Land Realty and Development Corp and Federal Land, Inc. (Jointly Controlled Operations)

On February 7, 2011, the Company entered into a joint venture agreement with Harbour Land Realty and Development Corp (HLRD) and Federal Land, Inc. (FLI) to develop a project called Axis Residences located along Pioneer Street in Mandaluyong City. Construction of the planned 2-phase residential condominium commenced in March 2012. The first phase is expected to be completed on November 2015.

The contributions of the parties follow:

a. RLC: Road lot valued at ₱89 million and development costs amounting ₱1,390 million
b. FLI: Development costs amounting ₱739 million
c. HLRD, an affiliate of FLI: Four (4) adjoining parcels of land valued at ₱739 million located along Pioneer St., Mandaluyong City, 21,109 sqm

Further, the sharing of saleable units (inventories) of real estate revenue, cost of real estate sales and any common expenses incurred, are as follows: RLC-50%; FLI-25% and HLRD-25%.

Terms and conditions of transactions with related parties
Outstanding balances at year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recognized any impairment losses on amounts due from related parties for the years ended September 30, 2012, 2011 and 2010. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Compensation of Key Management Personnel
The compensation of the Group's key management personnel by benefit type follows:

	2012	2011
Short term employee benefits (Note 23)	**₱616,010,623**	₱545,422,594
Post-employment benefits (Notes 25 and 29)	**28,404,328**	25,774,243
	₱644,414,951	₱571,196,837

21. Revenue

This account consists of:

	2012	2011	2010
Real Estate Operations			
Rental income (Notes 20 and 34)	**₱6,690,605,012**	₱6,113,510,000	₱5,588,305,712
Real estate sale	**4,105,106,260**	4,307,396,547	2,954,258,256
Amusement income	**831,006,331**	687,899,815	712,645,094
Others	**504,262,858**	491,695,157	418,493,231
	12,130,980,461	11,600,501,519	9,673,702,293
Hotel Operations			
Rooms	**827,551,796**	707,593,257	665,425,855
Food and beverage	**510,557,588**	454,042,502	437,973,257
Others	**45,969,701**	44,583,428	43,915,486
	1,384,079,085	1,206,219,187	1,147,314,598
	₱13,515,059,546	₱12,806,720,706	₱10,821,016,891

Real estate sale includes interest income from installment contract receivable amounting to ₱254 million, ₱227 million and ₱234 million in 2012, 2011 and 2010, respectively.

Other revenue under real estate operations mainly includes association dues and other penalty charges received from tenants and other penalty charges received from buyers.

Other revenue under hotel operations includes transport, laundry, valet and other services.

22. **Costs**

This account consists of:

	2012	2011	2010
Real Estate Operations			
Cost of Rental Services			
Depreciation and amortization	**₱1,912,389,630**	₱1,923,747,627	₱1,711,386,218
Property operations and maintenance costs	**330,477,032**	277,066,989	219,782,623
Others (Note 15)	**65,116,921**	72,600,177	71,311,994
	2,307,983,583	2,273,414,793	2,002,480,835
Cost of Real Estate Sales	**2,360,585,729**	2,664,371,840	1,745,032,612
Cost of Amusement Services			
Film rentals expense	**389,831,006**	320,222,382	309,970,334
Others	**200,972,586**	241,827,547	148,642,261
	5,259,372,904	5,499,836,562	4,206,126,042
Hotel Operations			
Cost of room services			
Property operations and maintenance costs	**242,611,908**	207,542,599	206,927,449
Depreciation and amortization	**171,495,430**	189,372,461	200,812,650
	414,107,338	396,915,060	407,740,099
Cost of food and beverage	**180,153,791**	172,332,552	164,849,924
Others			
Salaries and wages	**157,744,391**	148,585,221	141,347,224
Contracted services	**89,662,972**	77,900,347	70,669,500
Supplies	**39,511,902**	35,342,575	35,319,303
Management fee	**79,690,847**	70,481,594	70,515,990
Commission	**19,161,552**	17,966,879	16,385,521
Operating equipment expense	**21,368,861**	4,643,873	5,243,974
Others	**112,282,525**	85,421,681	84,834,857
	519,423,050	440,342,170	424,316,369
	1,113,684,179	1,009,589,782	996,906,392
	₱6,373,057,083	₱6,509,426,344	₱5,203,032,434

Others costs under real estate operations include expenses from contracted services and other administration expenses.

Other costs under hotel operations include advertising, sales and promotion fees.

23. General and Administrative Expenses

This account consists of:

	2012	2011	2010
Salaries and wages (Notes 20, 25 and 29)	**₱486,670,560**	₱422,611,616	₱367,370,141
Advertising and promotions	**390,625,809**	346,019,836	285,976,028
Taxes and licenses	**310,882,751**	301,858,105	316,976,296
Commission	**286,594,711**	276,098,706	253,316,134
Rent (Note 34)	**162,304,510**	157,900,720	158,400,664
Light, water and communication (Note 30)	**73,064,564**	86,223,083	53,427,953
Insurance	**64,725,206**	68,297,030	37,756,695
Supplies	**40,271,678**	33,680,302	27,231,435
Travel and transportation	**37,633,323**	28,325,620	26,320,363
Entertainment, amusement and recreation	**19,707,417**	13,743,722	8,486,948
Donation	**12,111,071**	11,734,999	37,696,344
Provision for impairment losses (Note 8)	**731,444**	770,804	2,025,141
Others	**22,899,549**	24,252,274	20,299,273
	₱1,908,222,593	₱1,771,516,817	₱1,595,283,415

24. Depreciation and Amortization

Depreciation and amortization are distributed as follows:

	2012	2011	2010
Real estate (Notes 11, 12 and 22)	**₱1,912,389,630**	₱1,923,747,627	₱1,711,386,218
Hotel operations (Notes 11, 12 and 22)	**171,495,430**	189,372,461	200,812,650
	₱2,083,885,060	₱2,113,120,088	₱1,912,198,868

25. Personnel Expenses

Personnel expenses consist of (see Notes 22 and 23):

	2012	2011	2010
Salaries, wages and other staff costs	**₱539,736,311**	₱482,157,134	₱435,332,938
Pension expense (Note 29)	**28,404,328**	25,774,243	21,248,965
SSS contributions, PAG-IBIG contributions, premiums and others	**76,274,312**	63,265,460	52,135,462
	₱644,414,951	₱571,196,837	₱508,717,365

The above amounts are distributed as follows:

	2012	2011	2010
General and administrative (Note 23)	**₱486,670,560**	₱422,611,616	₱367,370,141
Hotel operations (Note 22)	**157,744,391**	148,585,221	141,347,224
	₱644,414,951	₱571,196,837	₱508,717,365

26. **Interest Income and Interest Expense**

This account consists of:

	2012	2011	2010
Interest income			
Bank deposits (Note 7)	**₱492,841,237**	₱414,303,157	₱298,455,839
Receivable from affiliated companies	**135,137**	26,469,281	160,567,866
Receivable from Meralco (Note 30)	**–**	3,392,519	8,906,565
	₱492,976,374	₱444,164,957	₱467,930,270
Interest expense on loans payable	**₱44,427,351**	₱177,709,404	₱228,768,370

27. **Income Tax**

The Group's provision for income tax includes the regular corporate income tax (RCIT), minimum corporate income tax (MCIT) and final tax paid at the rate of 20% for peso deposits and 7.50% for foreign currency deposits which are final withholding tax on gross interest income. These income taxes as well as the deferred tax provisions are presented for income tax in the consolidated statement of comprehensive income. Details follow:

	2012	2011	2010
Current			
RCIT	**₱782,959,598**	₱659,117,793	₱603,089,926
Final tax	**93,387,468**	74,778,141	46,472,582
MCIT	**157,259**	12,663	233,606
	876,504,325	733,908,597	649,796,114
Deferred	**478,729,403**	147,731,790	24,566,140
	₱1,355,233,728	₱881,640,387	₱674,362,254

The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2012	2011	2010
Statutory income tax rate	**30.00%**	30.00%	30.00%
Reductions in income tax resulting from:			
Interest income subjected to final tax	**(0.83)**	(0.78)	(0.57)
Tax exempt real estate sales	**(0.03)**	(0.01)	(0.04)
Income subjected to BOI, PEZA and lower tax	**(4.94)**	(11.05)	(13.60)
Effective income tax rate	**24.20%**	18.16%	15.79%

Deferred taxes as of September 30, 2012 and 2011 relate to the tax effects of the following:

	2012	2011
Deferred tax assets:		
Accrued rent expense	**₱382,212,836**	₱351,900,680
Accrued interest expense	**118,148,251**	98,798,026
Accrued retirement payable	**26,242,824**	17,763,319
Allowance for impairment loss	**13,762,509**	13,543,076
MCIT	**403,528**	246,269
	540,769,948	482,251,370
Deferred tax liabilities:		
Unamortized capitalized interest expense	**(808,787,183)**	(528,633,025)
Excess of real estate revenue based on percentage-of-completion over real estate revenue based on tax rules	**(720,588,577)**	(450,812,458)
Accrued rent income	**(107,993,247)**	(105,349,086)
Market valuation gain on derivative instrument (Note 13)	**(6,276,927)**	(18,429,190)
Unamortized debt issuance cost	**(5,939,784)**	(9,113,978)
	(1,649,585,718)	(1,112,337,737)
Net deferred tax liabilities	**(₱1,108,815,770)**	(₱630,086,367)

The Group has deductible temporary difference that is available for offset against taxable income or tax payable for which deferred tax asset has not been recognized. This deductible temporary difference with no deferred tax assets recognized in the consolidated financial statements pertains to NOLCO amounting ₱19 million and ₱14 million in 2012 and 2011, respectively.

The deferred tax assets of the above deductible temporary differences for which no deferred tax assets have been recognized amounted to ₱6 million and ₱4 million as of September 30, 2012 and 2011, respectively.

The carryforward benefits of NOLCO, which can be claimed as a deduction by the Group against future taxable income for the next three (3) years from the year of incurrence, are as follows:

Period of recognition	Amount	Period of expiration
NOLCO		
September 30, 2012	₱5,001,645	September 30, 2015
September 30, 2011	13,542,091	September 30, 2014
September 30, 2010	147,900	September 30, 2013
	₱18,691,636	

Period of recognition	Amount	Period of expiration
MCIT		
September 30, 2012	₱157,259	September 30, 2015
September 30, 2011	12,663	September 30, 2014
September 30, 2010	233,606	September 30, 2013
	₱403,528	

28. **Earnings Per Share**

Earnings per share amounts were computed as follows:

		2012	2011	2010
a.	Net income attributable to equity holders of Parent Company	**₱4,238,513,020**	₱3,974,107,491	₱3,592,836,157
b.	Weighted average number of common shares outstanding adjusted	**4,093,830,685**	3,434,143,420	2,970,134,021
c.	Earnings per share (a/b)	**₱1.04**	₱1.16	₱1.21

There were no potential dilutive shares in 2012, 2011 and 2010.

The 2010 earnings per share have been adjusted to take into account the effect of the stock rights offering in 2011.

29. **Retirement Plan**

The Group has funded, noncontributory, defined benefit retirement plan covering all its regular permanent employees. The plan provides retirement, separation, disability and death benefits to its members. The latest actuarial valuation was made on September 30, 2012.

The following tables summarize the components of pension expense (included in salaries and wages account under "General and administrative expenses") recognized in the consolidated statement of comprehensive income and the funded status and amounts (included in "Deposits and other noncurrent liabilities" account) recognized in the consolidated statement of financial position for the plan:

Pension expense

	2012	2011	2010
Current service cost	**₱15,104,670**	₱11,819,900	₱9,169,036
Interest cost	**10,603,309**	9,042,463	8,906,540
Expected return on plan assets	**(2,235,829)**	2,499,806	3,039,272
Actuarial losses recognized	**3,078,444**	2,412,074	134,117
Curtailment loss	**1,853,734**	–	–
Total pension expense (Note 25)	**₱28,404,328**	₱25,774,243	₱21,248,965

Pension liabilities

	2012	2011
Benefit obligation	**₱235,108,692**	₱145,607,663
Fair value of plan assets	**(55,031,838)**	(52,103,163)
Unrecognized net actuarial gains	**(92,600,773)**	(32,648,717)
Pension liabilities	**₱87,476,081**	₱60,855,783

Pension benefit obligation

	2012	2011
Balance at beginning of the period	**₱145,607,663**	₱122,353,161
Current service cost	**15,104,670**	11,819,900
Interest cost	**10,603,309**	9,042,463
Actuarial gains on obligation	**70,090,434**	17,977,621
Benefits paid	**(3,824,955)**	(15,585,482)
Curtailment gain	**(2,472,429)**	–
Balance at end of the period	**₱235,108,692**	₱145,607,663

Fair value of plan assets

	2012	2011
Balance at beginning of the period	**₱52,103,163**	₱56,813,768
Expected return on plan assets	**2,235,829**	(2,499,806)
Actual contributions	**1,784,030**	6,503,240
Benefits paid*	**(8,925,085)**	(15,585,482)
Actuarial gains - net	**7,833,901**	6,871,443
Balance at end of the period	**₱55,031,838**	₱52,103,163

**Benefits paid includes benefits paid due to redundancy amounting to ₱5 million.*

The rollforward of unrecognized actuarial (losses) gains follows:

	2012	2011
Balance at beginning of year	**₱32,648,717**	₱23,954,613
Additional actuarial (gains) losses:		
From plan obligation	**70,090,434**	17,977,621
From plan asset	**(7,833,901)**	(6,871,443)
Actuarial losses recognized	**(3,078,444)**	(2,412,074)
Curtailment gain recognized	**773,967**	
Balance at end of year	**₱92,600,773**	₱32,648,717

As of September 30, 2011, pension liability for Robinsons Homes Inc. (RHI) was transferred to the Group.

Actual return on plan assets amounted to ₱10 million, ₱4 million and (₱1 million) in 2012, 2011 and 2010, respectively.

The principal assumptions used in determining pension for the Group's plan are shown below:

	2012	2011	2010
Discount rate	**5.21% - 5.76%**	6.70% - 7.42%	7.18% - 8.25%
Rate of salary increase	**4.00% - 5.50%**	4.00% - 5.50%	4.00% - 5.50%
Expected rate of return on plan assets	**4.50%**	4.50%	5.50%
Experience adjustment gain (loss) - net	**(₱70,090,434)**	₱19,335,301	(₱35,044,216)
Turnover rate	**10.98% - 35.00%**	10.98% - 35.00%	10.98% - 35.00%

The overall expected rate of return on assets is determined based on the market expectations prevailing on that date, applicable to the period over which the obligation is to be settled.

The Group's plan assets consist of the following:

	2012		2011		2010	
	Amount	**%**	Amount	%	Amount	%
Cash	**₱322,549**	**0.59**	₱189,176	0.36	₱225,331	0.40
Receivables	**61,251,998**	**111.30**	65,981,946	126.64	65,034,281	114.47
Liabilities (Notes 14 and 17)	**(6,542,709)**	**(11.89)**	(14,067,959)	(27.00)	(8,445,844)	(14.87)
	₱55,031,838	**100.00**	₱52,103,163	100.00	₱56,813,768	100.00

The Group's plan assets consist primarily of receivables from related parties with interest rate at prevailing market rate.

The Group expects to contribute about ₱73 million into the pension fund for the fiscal year ending in September 30, 2013.

Amounts for the current and previous annual periods are as follow:

	2012	2011	2010	2009	2008
Pension benefit obligation	**₱235,108,692**	₱145,607,663	₱122,353,161	₱80,486,580	₱101,706,300
Plan assets	**55,031,838**	52,103,163	56,813,768	60,559,560	57,568,490
Experience adjustments on:					
Plan liabilities	**70,090,434**	17,977,621	35,044,216	(34,743,000)	13,471,444
Plan assets	**(7,885,276)**	(6,871,443)	(2,428,730)	(12,070)	(7,876,242)

30. Meralco Refund

As a customer of the Manila Electric Company (Meralco), the Group is entitled to receive a refund pertaining to previous billings adjustments under Phase IV of Meralco's refund scheme. Subsequent to the approval of Meralco's amended refund scheme in 2005 by the Energy Regulatory Commission, the amount and the timing of the receipt of the refund is made certain.

Under the Meralco refund scheme, the Group may opt to refund through postdated checks or as a fixed monthly credit to bills with cash option. The Group has opted to recover the refund through fixed monthly credit to bills with cash option, starting in November 2005 until January 2011. The income from the refund in 2006 amounted to ₱90 million. The receivable was discounted using an EIR of 10%.

As of September 30, 2012, 2011 and 2010, the Group's receivable from Meralco, which is included in "Other asset", amounted to nil, ₱7 million (net of unearned interest income of ₱3 million) and ₱19 million (net of unearned interest income of ₱12 million), respectively (see Note 10). Interest income recognized on amortization of unearned interest income amounted to nil, ₱3 million and ₱9 million in 2012, 2011 and 2010 respectively (see Note 26).

31. 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.

The table below summarizes the Group's exposure to foreign currency risk as of September 30.

	September 30			
	2012		2011	
Assets				
Cash and cash equivalents	**$1,211,586**	**₱50,523,136**	$853,882	₱37,331,703
Liabilities				
Accounts payable and accrued expenses	**288,441**	**12,027,990**	200,148	8,750,476
Net foreign currency-denominated assets	**$923,145**	**₱38,495,146**	$653,734	₱28,581,227

The exchange rates used to translate the Group's USD-denominated assets and liabilities as of September 30, 2012 and 2011 follow:

	2012	2011
US Dollar - Philippine Peso exchange rate	**₱41.70 to US$1.00**	₱43.72 to US$1.00

The following table sets forth the impact of the range of reasonably possible changes in the USD-PHP exchange rate on the Group's income before income tax for the year ended September 30, 2012 and 2011.

Reasonably Possible Changes in USD-PHP Exchange Rates	Change in Income Before Income Tax
2012	
2.0% PHP appreciation	**(₱769,903)**
2.0% PHP depreciation	**769,903**
2011	
2.0% PHP appreciation	(₱571,626)
2.0% PHP depreciation	571,626

The Group does not expect the impact of the volatility on other currencies to be material.

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 following table summarizes the maturity profile of the Group's financial assets and financial liabilities as of September 30, 2012, 2011 and 2010, based on contractual undiscounted cash flows. The table also analyses the maturity profile of the Group's financial assets in order to provide a complete view of the Group's contractual commitments. The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity dates.

Balances due within six (6) months equal their carrying amounts, as the impact of discounting is insignificant.

	2012					
	On Demand	**1 to 3 months**	**4 to 12 months**	**More than 1 year but less than 5 years**	**5 years or more**	**Total**
Loans and receivables						
Cash and cash equivalents	**₱231,753,123**	**₱5,646,121,760**	**₱–**	**₱–**	**₱–**	**₱5,877,874,883**
Receivables						
Trade	**821,843,786**	**1,298,037,624**	**1,019,071,929**	**1,057,063,629**	**68,807,215**	**4,264,824,183**
Affiliated companies	**34,723,299**	**–**	**–**	**–**	**–**	**34,723,299**
Others	**136,977,459**	**–**	**47,548,875**	**–**	**–**	**184,526,334**
Other assets						
Utility deposits	**3,857,192**	**–**	**208,198**	**–**	**284,792,491**	**288,857,881**
Others	**–**	**–**	**500,000,000**	**–**	**–**	**500,000,000**
Total financial assets	**₱1,229,154,859**	**₱6,944,159,384**	**₱1,566,829,002**	**₱1,057,063,629**	**₱353,599,706**	**₱11,150,806,580**
Accounts payable and accrued expenses	**₱3,051,805,578**	**₱324,007,221**	**₱63,186,541**	**₱512,891,678**	**₱921,092,912**	**₱4,872,983,930**
Payables to affiliated companies (included under Deposits and other liabilities account in the consolidated statement of financial position)	**102,761,764**	**–**	**–**	**–**	**–**	**102,761,764**
Deposits from lessees	**1,314,563**	**108,719,669**	**203,365,228**	**1,944,913,423**	**84,760,446**	**2,343,073,329**
Loans payable and future interest payment*	**–**	**43,750,000**	**2,925,000,000**	**10,837,500,000**	**–**	**13,806,250,000**
Interest rate swap*	**–**	**(23,090,917)**	**(41,659,493)**	**–**	**–**	**(64,750,410)**
Other financial liabilities	**₱3,155,881,905**	**₱453,385,973**	**₱3,149,892,276**	**₱13,295,305,101**	**₱1,005,853,358**	**₱21,060,318,613**

**To calculate cash flows from the Inverse Floating Note and the related interest rate swap, forward interest rates are assumed to equal the current fixing rate.*

	2011					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Loans and receivables						
Cash and cash equivalents	₱159,643,410	₱8,889,183,944	₱–	₱–	₱–	₱9,048,827,354
Receivables						
Trade	655,062,475	338,725,597	1,084,115,043	949,512,472	177,619,584	3,205,035,171
Affiliated companies	42,333,365	–	–	–	–	42,333,365
Others	184,459,300	1,501,302	11,931,293	47,260,068	15,025,965	260,177,928
Other assets						
Utility deposits	–	–	–	–	225,596,431	225,596,431
Total financial assets	₱1,041,498,550	₱9,229,410,843	₱1,096,046,336	₱996,772,540	₱418,241,980	₱12,781,970,249

(Forward)

	2011					
	On Demand	1 to 3 months	4 to 12 months	More than 1 year but less than 5 years	5 years or more	Total
Accounts payable and accrued expenses	₱1,513,882,452	₱376,885,073	₱740,309,124	₱264,232,798	₱1,081,932,478	₱3,977,241,925
Payables to affiliated companies (included under Deposits and other liabilities account in the consolidated statement of financial position)	602,316,860	–	–	–	–	602,316,860
Deposits from lessees	–	90,061,557	84,483,584	1,799,300,032	21,084,551	1,994,929,724
Loans payable and future interest payment*	–	168,461,500	4,151,634,500	13,893,509,500	–	18,213,605,500
Interest rate swap*	–	(21,943,533)	(83,495,367)	(48,229,861)	–	(153,668,761)
Other financial liabilities	₱2,116,199,312	₱613,464,597	₱4,892,931,841	₱15,908,812,469	₱1,103,017,029	₱24,634,425,248

**To calculate cash flows from the Inverse Floating Note and the related interest rate swap, forward interest rates are assumed to equal the current fixing rate.*

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.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. As of September 30, 2012, and 2011, 87% and 87% of the Group's loans payable are at a fixed rate of interest, respectively, before the effects of the interest rate swap hedge.

The following presents the carrying amount, by maturity, of the Group's financial instruments with variable rates that are exposed to interest rate risk.

2012

	Within 1 year	**1-2 years**	**2-3 years**	**Total**
Loans payable (Note 16)	**₱2,000,000,000**	**₱–**	**₱–**	**₱2,000,000,000**

2011

	Within 1 year	1-2 years	2-3 years	Total
Loans payable (Note 16)	₱–	₱2,000,000,000	₱–	₱2,000,000,000

Financial instruments with floating interest rate are repriced quarterly at intervals of less than one (1) year.

The following table sets forth the impact of the range of reasonably possible changes in the interest rates on the Group's income before income tax in 2012, 2011 and 2010.

Increase/Decrease in Basis Points	Change in Income Before Income Tax
<u>2012</u>	
+150	**₱31,968,750**
-150	**(31,968,750)**
<u>2011</u>	
+150	₱102,239,605
-150	(102,239,605)
<u>2010</u>	
+150	₱43,395,454
-150	(43,395,454)

Interest rate risk sensitivity is calculated on the Group's interest-rate sensitive assets, assuming the Group will rollover such assets as they mature. The Group's floating debt is no longer included since interest is effectively fixed with the interest rate swap.

Other than the potential impact on income before income tax, there is no other effect on equity.

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. 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.

a. Credit risk exposure

The table below shows the gross maximum exposure to credit risk of the Group as of September 30, 2012, and 2011 without considering the effects of collaterals and other credit risk mitigation techniques.

	2012	2011
Cash and cash equivalents net of cash on hand	**₱5,865,517,611**	₱9,034,292,854
Receivables - net		
Trade receivables		
Installment contract receivable	**3,373,956,976**	2,524,851,582
Accrued rent receivable	**402,671,416**	351,163,620
Rental receivables	**399,256,558**	328,502,047
Hotel operations	**95,007,319**	38,517,922

(Forward)

	2012	2011
Affiliated companies	**₱34,723,299**	₱42,333,365
Other receivables	**184,526,334**	260,177,928
Other assets		
Utility deposits	**288,857,881**	225,596,431
Derivative asset	**90,143,152**	172,496,875
Others	**500,000,000**	–
	₱11,234,660,546	₱12,977,932,624

b. Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry or geographical location. Such credit risk concentrations, if not properly managed, may cause significant losses that could threaten the Group's financial strength and undermine public confidence.

Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risks.

c. Credit quality per class of financial assets

The table below shows the credit quality by class of financial assets as of September 30, 2012, and 2011, gross of allowance for credit and impairment losses.

	2012				
	Neither Past Due Nor Impaired			Past Due or	
	High Grade	Standard Grade	Substandard Grade	Individually Impaired	Total
Loans and receivables					
Cash and cash equivalents	**₱5,865,517,611**	**₱–**	**₱–**	**₱–**	**₱5,865,517,611**
Receivables:					
Trade receivables					
Installment contract receivables	**2,665,526,323**	–	–	**721,904,925**	**3,387,431,248**
Accrued rent receivables	**402,671,416**	–	–	–	**402,671,416**
Rental receivables	**352,431,137**	–	–	**60,226,178**	**412,657,315**
Hotel operations	**68,226,550**	–	–	**39,712,683**	**107,939,233**
Affiliated companies	**34,723,299**	–	–	–	**34,723,299**
Other receivables	**184,526,334**	–	–	–	**184,526,334**
Other assets					
Utility deposits	**288,857,881**	–	–	–	**288,857,881**
Others	**500,000,000**	–	–		**500,000,000**
Financial asset at FVPL					
Derivative asset	**90,143,152**	–	–	–	**90,143,152**
	₱10,452,623,703	**₱–**	**₱–**	**₱821,843,786**	**₱11,274,467,489**

	2011				
	Neither Past Due Nor Impaired			Past Due or Individually Impaired	Total
	High Grade	Standard Grade	Substandard Grade		
Loans and receivables					
Cash and cash equivalents	₱9,034,292,854	₱–	₱–	₱–	₱9,034,292,854
Receivables:					
Trade receivables					
Installment contract receivables	2,001,540,052	–	–	504,815,799	2,506,355,851
Accrued rent receivables	351,163,620	–	–	–	351,163,620
Rental receivables	301,672,541	–	–	40,230,264	341,902,805
Hotel operations	24,806,904	–	–	25,911,488	50,718,392
Affiliated companies	42,333,365	–	–	–	42,333,365
Other receivables	219,888,772	–	–	–	260,177,926
Other assets					
Utility deposits	225,596,431	–	–	–	225,596,431
Financial asset at FVPL					
Derivative asset	172,496,875	–	–	–	172,496,875
	₱12,373,791,414	₱–	₱–	₱570,957,551	₱12,985,038,119

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in foreign and local banks belonging to the top ten (10) banks, including an affiliate bank, in the Philippines in terms of resources, profitability and credit standing.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits. Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Substandard grade accounts are accounts which have probability of impairment based on historical trend. These accounts show propensity to default in payment despite regular follow-up actions and extended payment terms.

d. Impairment assessment

The Group recognizes impairment losses based on the results of the specific/individual and collective assessment of its credit exposures. Impairment has taken place when there is a presence of known difficulties in the servicing of cash flows by counterparties, infringement of the original terms of the contract has happened, or when there is an inability to pay principal or interest overdue beyond a certain threshold. These and the other factors, either singly or in tandem with other factors, constitute observable events and/or data that meet the definition of an objective evidence of impairment.

The two methodologies applied by the Group in assessing and measuring impairment include: (1) specific/individual assessment and (2) collective assessment.

Under specific/individual assessment, the Group assesses each individually significant credit exposure for any objective evidence of impairment, and where such evidence exists, accordingly calculates the required impairment. Among the items and factors considered by the Group when assessing and measuring specific impairment allowances are: (a) the timing of the expected cash flows; (b) the projected receipts or expected cash flows; (c) the going concern of the counterparty's business; (d) the ability of the counterparty to repay its obligations during financial crises; (e) the availability of other sources of financial support; and (f) the existing realizable value of collateral. The impairment allowances, if any, are evaluated as the need arises, in view of favorable or unfavorable developments.

With regard to the collective assessment of impairment, allowances are assessed collectively for losses on receivables that are not individually significant and for individually significant receivables when there is no apparent evidence or not yet objective of individual impairment. A particular portfolio is reviewed on a periodic basis, in order to determine its corresponding appropriate allowances. The collective assessment evaluates and estimates the impairment of the portfolio in its entirety even though there is no objective evidence of impairment on an individual assessment.

Equity price risk
Equity price risk relates to financial assets and liabilities whose values will fluctuate as a result of changes in market prices.

Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The equity's market risk policy requires it to manage such risks by setting and monitoring objectives and constraints on investment, diversification plan and limits on investments.

The impact of the range of reasonably possible changes in the equity price on the Group's income before income tax in 2010 is as follows:

2010

Market Index	Change in market index	Change in Income Before Income Tax
Investment in shares of stocks	0.85	₱1,696,337
	(0.85)	(1,696,337)

As of September 30, 2011, Investment in preferred shares of stock has been redeemed.

Derivative Financial Instrument
Interest rate swap
On May 28, 2008, the Group entered into an interest rate swap agreement with a bank, with a total notional amount of ₱2,000 million to fully hedge its interest rate risk exposures from its Inverse Floating Rate Notes, which bears an interest rate of 15.70% less the 3-month benchmark rate (PDST-F) (see Note 16).

The interest rate swap has a term of five (5) years and interest exchange is every 5th day of March, June, September and December. Under the agreement, the Group agreed with the counterparty to exchange at quarterly intervals, the Group's floating rate payments on the Inverse Floating Rate Note based on 3M PSDT-F (but not to exceed 15.70%) with fixed rate payments based on a 6.95% coupon rate. The swap agreement effectively fixes the Group's interest rate exposure on the inverse floating note to 8.75%. The interest rate swap will mature on the same date as the hedged Inverse Floating Rate Notes.

The estimated fair values of this interest rate swap agreement amounted to ₱90 million asset and ₱172 million asset as of September 30, 2012 and 2011, respectively (see Note 13). The mark-to-market gain (loss) is recorded as part of "Other Income (Losses)".

The rollforward of the derivative asset is as follows:

	2012	2011
Balance at beginning of year	**₱172,496,875**	₱111,066,241
Changes in fair value of derivatives	**(82,353,723)**	61,430,634
Balance at end of year	**₱90,143,152**	₱172,496,875

32. **Financial Instruments**

Fair Value

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's financial instruments that are carried in the consolidated financial statements.

	2012		2011	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Loans and receivables				
Cash and cash equivalents	**₱5,877,874,883**	**₱5,877,874,883**	₱9,048,827,354	₱9,048,827,354
Receivables				
Trade				
Installment contract receivable	**3,373,956,976**	**3,229,648,513**	2,524,851,582	2,145,057,880
Accrued rent receivable	**402,671,416**	**402,671,416**	351,163,620	351,163,620
Rental receivables	**399,256,558**	**399,256,558**	328,502,047	328,502,047
Hotel operations	**95,007,319**	**95,007,319**	38,517,922	38,517,922
Affiliated companies	**34,723,299**	**34,723,299**	42,333,365	42,333,365
Others	**182,946,204**	**182,946,204**	219,888,772	219,888,772
Other assets				
Utility deposits	**288,857,881**	**288,857,881**	225,596,431	225,596,431
Others	**500,000,000**	**500,000,000**	–	–
Financial asset at FVPL				
Derivative asset	**90,143,152**	**90,143,152**	172,496,875	172,496,875
	₱11,245,437,688	**₱11,101,129,225**	₱12,952,177,968	₱12,572,384,266
Other financial liabilities				
Accounts payable and accrued expenses				
Accrued bonus and licenses and others	**₱2,381,932,474**	**₱2,381,932,474**	₱2,487,322,647	₱2,487,322,647
Accounts payable - trade	**2,481,568,430**	**2,481,568,430**	1,481,230,267	1,481,230,267
Dividends payable	**9,483,026**	**9,483,026**	8,689,011	8,689,011
Customers' deposit				
Deposits from lessees	**2,343,073,329**	**2,151,225,512**	1,994,929,724	1,899,672,575
Loans payable	**12,000,000,000**	**12,121,266,733**	15,000,000,000	16,072,484,362
Payables to affiliated companies	**102,761,764**	**102,761,764**	602,316,860	602,316,860
	₱19,318,819,023	**₱19,248,237,939**	₱21,574,488,509	₱22,551,715,722

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

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. The discount rates used range from 5.5% to 7.0% in 2012 and 6.14% to 7.09% in 2011.

The fair value of the derivative asset is based on valuation techniques applied for swaps and interest rate caps, which include forward pricing, present value calculations, and option pricing models for interest rate options. The model incorporates various inputs including forward and spot interest rates, as well as interest rate volatilities.

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.

As of September 30, 2012 and 2011, derivative asset valued under level 2 amounted to ₱90 million and ₱172 million, respectively.

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

33. Registration with the Board of Investments (BOI) and the Philippine Economic Zone Authority (PEZA)

Certain operations of the Group are registered with the BOI as preferred pioneer and nonpioneer activities. As registered enterprises, these consolidated subsidiaries are subject to some requirements and are entitled to certain tax and non-tax incentives which are considered in the computation of the provision for income tax.

Crowne Plaza Galleria Manila

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Operator of Tourist Accommodation Facility (Deluxe Class Hotel - Crowne Plaza Galleria Manila)" on a Pioneer status at a capacity of two hundred sixty five (265) rooms, under Certificate of Registration No. 2006-036 dated March 9, 2006. Under the terms of its registration, the Group is entitled to income tax holiday for a period of six (6) years from October 2006 to September 2012.

Summit Ridge Hotel

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Summit Ridge Hotel)" on a Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2007-139 dated August 6, 2007. Under the terms of its registration, the Group is entitled to income tax holiday for a period of six (6) years from January 2009 to December 2014.

Go Hotel, Robinsons Cybergate Plaza
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Robinsons Cybergate Plaza)" on a Non-Pioneer status at a capacity of two hundred twenty three (223) rooms, under Certificate of Registration No. 2010-002 dated January 6, 2010. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2010 to October 2014.

Gateway Garden Ridge - EDSA
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Nonpioneer status at a capacity of two hundred ninety two (292) units, under Certificate of Registration No. 2007-195 dated October 31, 2007. On October 5, 2010, BOI approved its capacity to three hundred twenty six (326) units. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2007 to October 2011.

Gateway Garden Heights
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Nonpioneer status at a capacity of three hundred seventy three (373) units, under Certificate of Registration No. 2007-237 dated December 5, 2007. On October 5, 2010, BOI approved its capacity to four hundred twenty 0ne (421) units. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from December 2007 to December 2011.

Woodsville Viverde Mansions, Buildings 1-4
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Nonpioneer status at a capacity of three hundred sixty six (366) units, under Certificate of Registration No. 2007-204 dated November 9, 2007. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from November 2007 to November 2011.

East of Galleria
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Nonpioneer status at a capacity of four hundred fifty nine (459) units, under Certificate of Registration No. 2007-238 dated December 5, 2007. On October 5, 2010, BOI approved its capacity to five hundred four (504) units. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from the December 2007 to December 2011.

The Wellington Courtyard
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "Mass Housing" on a Nonpioneer status at a capacity of fifty-six (56) units, under Certificate of Registration No. 2008-024 dated January 23, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from March 2008 to February 2012.

Woodsville Viverde Mansions, Buildings 5-8
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Nonpioneer status at a capacity of two hundred twenty-five (225) units, under Certificate of Registration No. 2008-201 dated August 7, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2008 to September 2012.

Two Gateway Place
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Nonpioneer status at a capacity of two hundred sixty four (264) units, under Certificate of Registration No. 2008-202 dated August 7, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from December 2009 up to November 2013.

Escalades at 20th Avenue
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Nonpioneer status at a capacity of seven hundred twenty (720) units, under Certificate of Registration No. 2008-216 dated August 13, 2008. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2009 to September 2013.

Cebu Midtown Hotel-Fuente Osmeña Circle
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Modernization of Tourism-Related Facility (Hotel- Cebu Midtown Hotel)” on a Non-Pioneer status at a capacity of two hundred ten (210) rooms, under Certificate of Registration No. 2011-021 dated January 24, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (3) years from June 2011to May 2014.

The Wellington Courtyard Phase 2
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Mass Housing” on a Nonpioneer status at a capacity of ninety two (92) units, under Certificate of Registration No. 2011-090 dated May 20,2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of three (3) years from May 2011 to May 2014.

Holiday Inn Galleria Manila
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 “Modernization of Tourism-Related Facility (Hotel- Holiday Inn Galleria Manila)” on a Non-Pioneer status at a capacity of two hundred eighty-five (285) rooms, under Certificate of Registration No. 2011-097 dated May 25, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (3) years from April 2011 to April 2014.

Robinsons Cyberpark

The Group is also registered with PEZA (beginning October 1, 2004) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 68,596 square meters of land located at EDSA corner Pioneer Street, Mandaluyong City as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Cybergate Center

The Group is also registered with PEZA (beginning February 8, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 11,125 square meters of land located at Araneta Singcang St., Barrio Tangub, National Road, Bacolod City, Negros Occidental as an IT Park to be known as The Robinsons Cybergate Center. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Place Lipa

The Group is also registered with PEZA (beginning November 3, 2006) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 65,399 square meters of land located at JP Laurel Highway, Mataas na Lupa, Lipa City, Batangas as an IT Park to be known as The Robinsons Place Lipa. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Robinsons Big Supercenter Cainta Junction

The Group is also registered with PEZA (beginning October 28, 2005) as a pioneer enterprise under the Section 6 of Republic Act No. 7916, otherwise known as "The Special Economic Zone Act of 1995, as amended, its Implementing Rules and Regulations" and PEZA Board Resolution No. 00-262 dated August 17, 2003, for creating and designating 19,522 square meters of land located at Ortigas Avenue Extension, Cainta Junction, Cainta, Rizal as an IT Park to be known as The Robinsons Cyberpark. Under the terms of its registration, the Group is entitled to certain tax and nontax incentives which include, among others, 5% special tax regime.

Go Hotel, Dumaguete

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Dumaguete)" on a Non-Pioneer status at a capacity of one hundred two (102) rooms, under Certificate of Registration No. 2012-020 dated February 1, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from February 2012 to February 2016.

Go Hotel, Bacolod

The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel-Go Hotel, Bacolod)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-039 dated March 13, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from July 2012 to July 2016.

Go Hotel, Palawan
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Facility (Hotel- Go Hotel, Palawan)" on a Non-Pioneer status at a capacity of one hundred eight (108) rooms, under Certificate of Registration No. 2012-017 dated January 25, 2012. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2012 to October 2016.

Go Hotel, Tacloban
The Group is duly registered with the BOI under Book 1 of the Omnibus Investments Code of 1987, otherwise known as E.O. 226 "New Operator of Tourist Accommodation Establishment (Hotel- Go Hotel, Tacloban)" on a Non-Pioneer status at a capacity of ninety eight (98) rooms, under Certificate of Registration No. 2011-250 dated November 23, 2011. Under the terms of its registration, the Group is entitled to income tax holiday for a period of four (4) years from October 2012 to October 2016.

34. Commitments and Contingencies

Operating Lease Commitments - Group as Lessee
The Group entered into long-term operating leases of land with lease terms ranging from 25 to 50 years. These leases include clauses to enable escalation of rental charges on the agreed dates. Total rent expense amounted to ₱162 million, ₱158 million and ₱158 million in 2012, 2011 and 2010, respectively. Future minimum rentals payable under noncancellable operating leases as of September 30 are as follows:

	2012	2011	2010
Within one (1) year	**₱54,522,307**	₱51,773,432	₱47,147,298
After one (1) year but not more than five (5) years	**247,979,627**	236,150,146	213,176,325
After more than five (5) years	**6,063,324,450**	6,129,676,237	6,253,520,299
	₱6,365,826,384	₱6,417,599,815	₱6,513,843,922

Operating Lease Commitments - Group as Lessor
The Group has entered into commercial property leases on its investment property portfolio. These noncancellable leases have remaining noncancellable lease terms of between one (1) and ten (10) years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent, which is a certain percentage of actual monthly sales or minimum monthly gross sales, whichever is higher. Total rent income amounted to ₱6,691 million, ₱6,114 million and ₱5,588 million in 2012, 2011 and 2010, respectively. Total percentage rent recognized as income for 2012, 2011 and 2010 amounted to ₱1,814 million, ₱1,670 million and ₱1,596 million, respectively.

Future minimum rentals receivable under noncancellable operating leases as of September 30 follows:

	2012	2011	2010
Within one (1) year	**₱1,111,914,481**	₱1,208,000,779	₱1,128,494,867
After one (1) year but not more than five (5) years	**1,921,108,789**	2,597,161,871	2,728,725,119
After more than five (5) years	**380,702,108**	463,430,460	587,588,901
	₱3,413,725,378	₱4,268,593,110	₱4,444,808,887

Capital Commitments
The Group has contractual commitments and obligations for the construction and development of investment properties and property and equipment items aggregating ₱4,173 million, and ₱3,943 million as of September 30, 2012 and 2011, respectively. Moreover, the Group has contractual obligations amounting to ₱2,095 million and ₱1,569 million as of September 30, 2012 and 2011, respectively, for the completion and delivery of real estate units that have been presold.

Contingencies
The Group has various collection cases or claims with its customers arising in the ordinary conduct of business which are either pending decision by the courts or being contested, the outcome of which are not presently determinable. In the opinion of management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material or adverse effect on the Group's financial position and results of operations. The Group does not believe that such assessments, in general, will have a material effect on its operating results and financial condition. No provisions were made during the year. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* is not disclosed on the grounds that it can be expected to prejudice the outcome of pending assessments.

35. Note on Consolidated Statement of Cash Flows

Noncash investing activity in 2012 pertains to the transfer of land amounting to ₱702 million from investment properties to subdivision land, condominium and residential units for sale for the Group's residential projects.

Noncash operating activity pertains to the accretion of customers deposit amounting to ₱65 million, ₱72 million and ₱71 million, in 2012, 2011 and 2010, respectively.

36. Subsequent Events

On December 12, 2012, the Parent Company signed a Memorandum of Understanding (MOU) with Universal Entertainment Corporation (UEC) which is controlled by Mr. Kazuo Okada in relation to the development of a leisure and gaming resort complex. Under the MOU, the Parent Company will acquire a majority stake in Eagle I Land Holdings Inc. and handle the development of the commercial and residential facilities.

The Parent Company will likewise acquire a minority stake in Tiger Resorts Leisure and Entertainment, which was awarded the provisional license to own, develop and operate an integrated mixed-use resort and gaming complex called Manila Bay Resorts.

The MOU is subject to due diligence by the Parent Company and the signing of the definitive agreements are expected by January 31, 2013.

37. **Approval of the Consolidated Financial Statements**

The accompanying consolidated financial statements were authorized for issue by the BOD on January 10, 2013.

SGV & Co
Ernst & Young

SyCip Gorres Velayo & Co.
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BOA/PRC Reg. No. 0001,
January 25, 2010, valid until December 31, 2013
SEC Accreditation No. 0012-FR-2 (Group A),
February 4, 2010, valid until February 3, 2013

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Robinsons Land Corporation
43rd Floor, Robinsons Equitable Tower
ADB Avenue, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Land Corporation and its subsidiaries (the Group) as at September 30, 2012 and 2011 and for each of the three years in the period ended September 30, 2012 included in this Form 17-A and have issued our report thereon dated January 10, 2013. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 68, as Amended (2011), and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state in all material respects, the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Cyril Jasmin B. Valencia

Cyril Jasmin B. Valencia
Partner
CPA Certificate No. 90787
SEC Accreditation No. 1229-A (Group A),
May 31, 2012, valid until May 30, 2015
Tax Identification No. 162-410-623
BIR Accreditation No. 08-001998-74-2012,
April 11, 2012, valid until April 10, 2015
PTR No. 3670033, January 2, 2013, Makati City

January 10, 2013

ROBINSONS LAND CORPORATION AND SUBSIDIARIES

SUPPLEMENTARY INFORMATION AND DISCLOSURES REQUIRED ON SRC RULE 68 AND 68.1 AS AMENDED

SEPTEMBER 30, 2012

Philippine Securities and Exchange Commission (SEC) issued the amended Securities Regulation Code Rule SRC Rule 68 and 68.1 which consolidates the two separate rules and labeled in the amendment as “Part I” and “Part II”, respectively. It also prescribed the additional information and schedule requirements for issuers of securities to the public.

Below are the additional information and schedules required by SRC Rule 68 and 68.1 as amended that are relevant to the Group. This information is presented for purposes of filing with the SEC and is not required part of the basic financial statements.

Schedule A. Financial Assets in Equity Securities

The Group does not have financial assets classified under available-for-sale and held to maturity as of September 30, 2012. The Group has derivative assets with ₱90 million value (classified as fair value through profit or loss) but does not constitute more than 5% of total current assets.

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (other than related parties)

Below is the schedule of advances to employees of the Group with balances above ₱100,000 as of September 30, 2012:

Name	Balance at beginning of year	Additions	Collections/ Liquidations	Balance at end of year
Amparo D. Jamis	₱153,268	₱585,792	(₱70,866)	₱668,194
Zenaida O. Lati	452,002	–	–	452,002
Carina D. Ko	(1,813)	691,573	(473,333)	216,427
Marianne P. Estabillo	151,188	134,280	(94,380)	191,088
Antonio J. V. Liza	180,000	–	–	180,000
Josephine M. Arguelles	111,202	–	–	111,202
	₱1,045,847	₱1,411,645	(₱638,579)	₱1,818,913

These advances consist of advances for expenses and disbursements necessary in carrying out their functions in the ordinary course of business such as for selling and marketing activities, official business trips, emergency and cash on delivery (COD) purchases of materials, equipment and supplies, repair of Group’s vehicles, model units and housing units, registration of titles, etc and short term loans given to officers and employees. The advances will be liquidated when the purposes for which these advances were granted are accomplished or completed or deducted from the officers’/employees’ salaries if not liquidated. No amounts were written-off during the year and all amounts are presented as current.

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Below is the schedule of receivables (payables) with related which are eliminated in the consolidated financial statements as of September 30, 2012:

	Volume of Transactions		Receivable	Terms
Altus Angeles, Inc.	Advances	₱146,571	₱82,961,718	Non-interest bearing and to be settled within one year

	Balance at beginning of period	Additions	Collections	Balance at end of period
Altus Angeles, Inc.	₱82,815,147	₱146,571	₱–	₱82,961,718

The intercompany transactions between the Parent Company and the subsidiaries pertain to share in expenses and rental charges. There were no amounts written-off during the year and all amounts are expected to be settled within the year.

Related Party Transactions

Due from related parties

Below is the list of outstanding receivable from related parties of the Group presented in the consolidated statements of financial position as of September 30, 2012:

	Relationship	Nature	Balance at end of period
Robinsons Recreation Corporation	Under common control	B	₱11,334,271
VVH Realty Corporation	Joint-Venture	B	9,993,229
Universal Robina Corporation	Under common control	A	8,382,889
Others	Under common control	A, B	5,012,910
			₱34,723,299

Other receivables from affiliates account consist primarily of receivables from JG Summit Capital Markets Corporation, Express Holdings Inc. and Oriental Petroleum and Minerals Corporation and are non-interest bearing.

Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements

The outstanding balances of intercompany transactions are due and demandable as of September 30, 2012.

Schedule D. Intangible Assets
The Group does not have intangible assets as of September 30, 2012.

Schedule E. Long-term debt
Below is the schedule of long-term debt of the Group as of September 30, 2012:

	Amount	Current	Noncurrent
Parent Company Loans			
Notes subscribed to by Land Bank of the Philippines (LBP), China Banking Corporation (CBC), HSBC and Security Bank Corporation (SBC) under the Inverse Floating Rate Notes Facility Agreement maturing on June 6, 2013 bearing an interest rate of 15.7% less the 3-month benchmark rate (PDST-F), and a tenor of 5 years + 1 day; interest is payable quarterly, in arrears, on the last day of each 3-month interest period	₱2,000,000	₱2,000,000	₱–
Five-year and one day bond from HSBC maturing on July 14, 2014 with fixed rate at 8.5%, interest payable semi-annually in arrears on the last day of each six-month interest period	5,000,000	–	5,000,000
Five-year and one day bond from HSBC maturing on August 27, 2014 with fixed rate at 8.25%, interest payable semi-annually in arrears on the last day of each six-month interest period.	5,000,000	–	5,000,000
	₱12,000,000	₱2,000,000	₱10,000,000

Schedule F. Indebtedness to Related Parties (Long term Loans from Related Companies)
Below is the list of outstanding payables to related parties of the Group presented in the consolidated statements of financial position as of September 30, 2012:

	Relationship	Nature	Balance at beginning of period	Balance at end of period
Winsome	Joint Venture	A, B	₱75,010,000	₱75,010,000
Westpoint Industrial Mills	Under common control	A	22,819,452	22,819,452
JG Summit Holdings, Inc.	Parent	A, C	496,142,280	–
Others	Under common control	A, B	8,345,128	4,932,312
			₱602,316,860	₱102,761,764

Others consist primarily of payables to Robinsons, Inc. and Robinsons Savings Bank Corp.

Due to JG Summit Holdings, Inc. and other affiliates decreased due to settlement made during the period.

Nature of intercompany transactions
The nature of the intercompany transactions with the related parties is described below:

(a) Expenses - these pertain to the share of the Group's related parties in various common selling and marketing and general and administrative expenses.
(b) Advances - these pertain to temporary advances to/from related parties for working capital requirements
(c) Management and marketing fee

The outstanding balances of intercompany transactions are due and demandable as of September 30, 2012.

Schedule G. Guarantees of Securities of Other Issuers
The Group does not have guarantees of securities of other issuers as of September 30, 2012.

Schedule H. Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption*	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, Officers and Employees	Others
Common Shares	8,200,000,000	4,093,830,685	–	2,496,114,787	17,777,081	1,579,938,817

**Note: Exclusive of 17,698,000 treasury shares*

ROBINSONS LAND CORPORATION - PARENT COMPANY
43rd Floor, Robinsons Equitable Tower, ADB Avenue, Ortigas Center, Pasig City

RECONCILIATION OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
As of September 30, 2012
(Amounts in Thousands of Pesos)

Unappropriated retained earnings as of September 30, 2011, available for dividend declaration (a)	₱9,485,970,066
Net income for the year ended September 30, 2012 closed to retained earnings	4,217,075,352
Fair value adjustment (Mark-to-market gain on derivative asset)	82,353,723
Other unrealized expense as a result of transactions accounted for under the PFRS	34,066,984
Net income actually earned for the year ended September 30, 2012 (b)	4,333,496,059
Dividend declarations during the year (c)	(1,473,779,046)
Appropriation of retained earnings during the year (d)	–
Retained earnings available for dividend declaration as of September 30, 2012 (a + b + c + d)	₱12,345,687,079

Schedule of all Effective Standards and Interpretations under PFRS as of September 30, 2012

Standards adopted by the Group

Below is the list of all effective Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) as of September 30, 2012 that were adopted and not applicable to the Group:

PFRSs	**Adopted/Not Adopted/ Not Applicable**
PFRS 1, *First-Time Adoption of Philippine Financial Reporting Standards*	Adopted
PFRS 2, *Share-based Payment*	Not applicable
PFRS 3, *Business Combinations*	Adopted
PFRS 4, *Insurance Contracts*	Not applicable
PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*	Not applicable
PFRS 6, *Exploration for and Evaluation of Mineral Resources*	Not applicable
PFRS 7, *Financial Instruments - Disclosures*	Adopted
PFRS 8, *Operating Segments*	Adopted
PAS 1, *Presentation of Financial Statements*	Adopted
PAS 2, *Inventories*	Adopted
PAS 7, *Statement of Cash Flows*	Adopted
PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*	Adopted
PAS 10, *Events after the Reporting Period*	Adopted
PAS 11, *Construction Contracts*	Not applicable
PAS 12, *Income Taxes*	Adopted
PAS 16, *Property, Plant and Equipment*	Adopted
PAS 17, *Leases*	Adopted
PAS 18, *Revenue*	Adopted
PAS 19, *Employee Benefits*	Adopted
PAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*	Not applicable
PAS 21, *The Effects of Changes in Foreign Exchange Rates*	Adopted
PAS 23, *Borrowing Costs*	Adopted
PAS 24, *Related Party Transactions (Amendment)*	Adopted
PAS 26, *Accounting and Reporting by Retirement Benefits*	Not applicable
PAS 27, *Consolidated and Separate Financial Statements*	Adopted
PAS 28, *Investment in Associates*	Not applicable
PAS 29, *Financial Reporting in Hyperinflationary Economies*	Not applicable
PAS 31, *Interests in Joint Ventures*	Adopted
PAS 32, *Financial Instruments: Presentation (Amendment)*	Adopted

(Forward)

PFRSs	Adopted/Not Adopted/ Not Applicable
PAS 33, *Earnings per share*	Adopted
PAS 34, *Interim Financial Statements*	Adopted
PAS 36, *Impairment of Assets*	Adopted
PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*	Adopted
PAS 38, *Intangible Assets*	Adopted
PAS 39, *Financial Instruments: Recognition and Measurement*	Adopted
PAS 40, *Investment Property*	Adopted
PAS 41, *Agriculture*	Not applicable
Philippine Interpretation IFRIC - 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	Not applicable
Philippine Interpretation IFRIC - 2, *Members' Shares in Co-operative Entities and Similar Instruments*	Not applicable
Philippine Interpretation IFRIC - 4, *Determining whether an Arrangement contains a Lease*	Adopted
Philippine Interpretation IFRIC - 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	Not applicable
Philippine Interpretation IFRIC - 6, *Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment*	Not applicable
Philippine Interpretation IFRIC - 7, *Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies*	Not applicable
Philippine Interpretation IFRIC - 9, *Reassessment of Embedded Derivatives*	Adopted
Philippine Interpretation IFRIC - 10, *Interim Financial Reporting and Impairment*	Adopted
Philippine Interpretation IFRIC - 12, *Service Concession Arrangements*	Not applicable
Philippine Interpretation IFRIC - 13, *Customer Loyalty Programmes*	Adopted
Philippine Interpretation IFRIC - 14, IAS 19 - *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	Adopted
Philippine Interpretation IFRIC - 16, *Hedges of a Net Investment in a Foreign Operation*	Not applicable
Philippine Interpretation IFRIC - 17, *Distributions of Non-cash Assets to Owners*	Not applicable
Philippine Interpretation IFRIC - 18, *Transfers of Assets from Customers*	Not applicable
Philippine Interpretation IFRIC -19, *Extinguishing Financial Liabilities with Equity Instruments*	Not applicable

(Forward)

PFRSs	Adopted/Not Adopted/ Not Applicable
Philippine Interpretation SIC - 7, *Introduction of the Euro*	Not applicable
Philippine Interpretation SIC - 10, *Government Assistance - No Specific Relation to Operating Activities*	Not applicable
Philippine Interpretation SIC - 12, *Consolidation - Special Purpose Entities*	Adopted
Philippine Interpretation SIC - 13, *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*	Adopted
Philippine Interpretation SIC - 15, *Operating Leases - Incentives*	Adopted
Philippine Interpretation SIC - 21, *Income Taxes - Recovery of Revalued Non-Depreciable Assets*	Adopted
Philippine Interpretation SIC - 25, *Income Taxes - Changes in the Tax Status of an Entity or its Shareholders*	Not applicable
Philippine Interpretation SIC - 27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	Adopted
Philippine Interpretation SIC - 29, *Service Concession Arrangements: Disclosures*	Not applicable
Philippine Interpretation SIC - 31, *Revenue - Barter Transactions Involving Advertising Services*	Not applicable
Philippine Interpretation SIC - 32, *Intangible Assets - Web Site Costs*	Not applicable

Standards tagged as “Not applicable” have been adopted by the Group but have no significant covered transactions for the year ended September 30, 2012.

Standards Issued but not yet Effective as of September 30, 2012

Standards/Interpretations/ Amendments issued but not yet effective	**Applicable to annual period beginning on or after**	**Early application allowed**	**Adopted/Not adopted/Not applicable**
Amendments to PFRS 7*: Disclosures - Offsetting Financial Assets and Financial Liabilities*	January 1, 2013	Not mentioned	Not adopted
PFRS 9, *Financial Instruments*	January 1, 2015	Yes	Not Adopted
PFRS 10, *Consolidated Financial Statements*	January 1, 2013	Yes	Not adopted
PFRS 11, *Joint Arrangements*	January 1, 2013	Yes	Not adopted
PFRS 12, *Disclosure of Interests in Other Entities*	January 1, 2013	Yes	Not adopted
PFRS 13, *Fair Value Measurement*	January 1, 2013	Yes	Not adopted
Amendments to PAS 1: *Presentation of Items of Other Comprehensive Income*	July 1, 2012	Yes	Not adopted
Amendments to PAS 12 - *Deferred Tax: Recovery of Underlying Assets*	January 1, 2012	Yes	Not adopted
PAS 19, *Employee Benefits (Revised)*	January 1, 2013	Yes	Not adopted
PAS 27, Separate Financial Statements	January 1, 2013	Yes	Not adopted
PAS 28, *Investments in Associates and Joint Ventures*	January 1, 2013	Yes	Not adopted
Amendments to PAS 32, *Offsetting Financial Assets and Financial Liabilities*	January 1, 2014	Yes	Not adopted
Philippine Interpretation IFRIC - 15, *Agreements for the Construction of Real Estate*	Deferred by SEC and FRSC	No	Not adopted
Philippine Interpretation IFRIC - 20, *Stripping Costs in the Production Phase of a Surface Mine*	January 1, 2013	Yes	Not applicable
Annual improvements to PFRSs 2009 - 2011 cycle	January 1, 2013	Yes	Not adopted

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Group for the year ended September 30, 2011 and 2012.

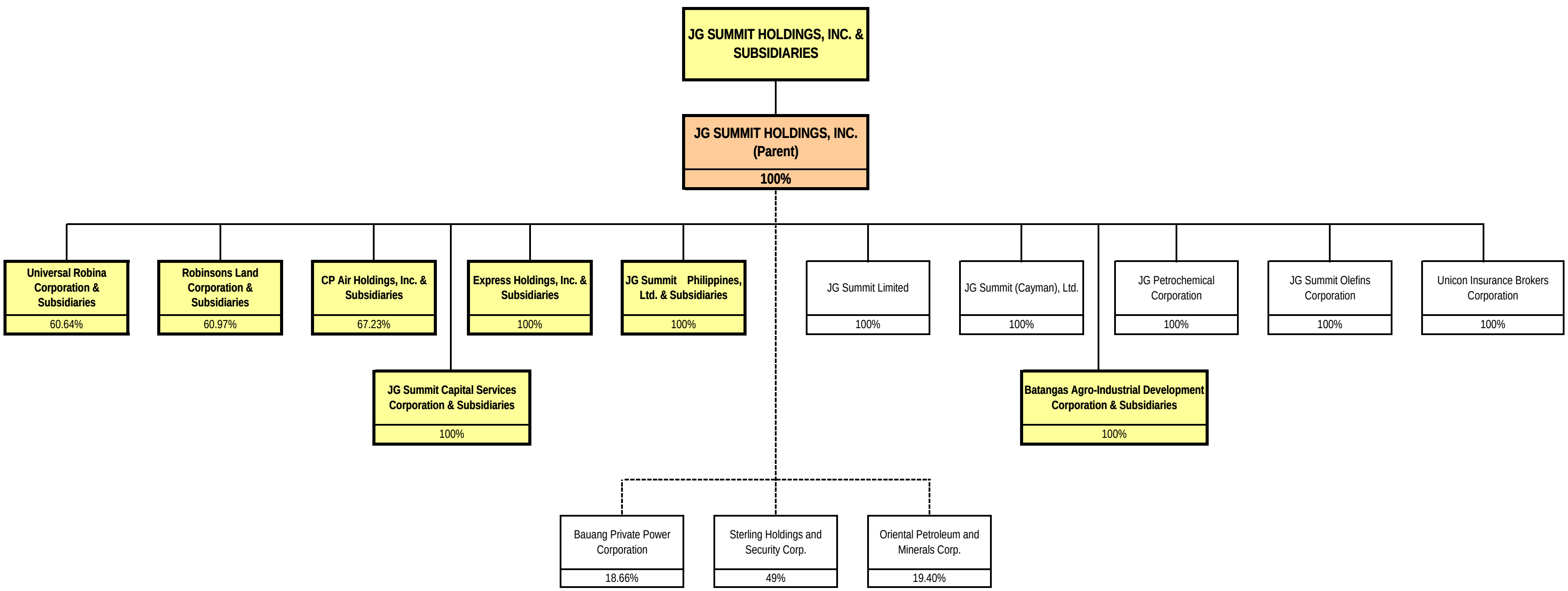
Financial ratios		September 30, 2011	September 30, 2012
Earnings per share	Net income attributable to equity holders of Parent Company / Weighted average number of common shares outstanding	1.16	1.04
Net book value per share	Equity attributable to equity holders of the Parent Company / Outstanding shares	9.48	11.32
Current ratio	Total Current Assets / Total Current Liabilities	2.36	2.62
Debt to equity ratio	Total Loans Payable / Total Equity	0.38	0.26

Map of the Relationships of the Company within the Group

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of September 30, 2012:

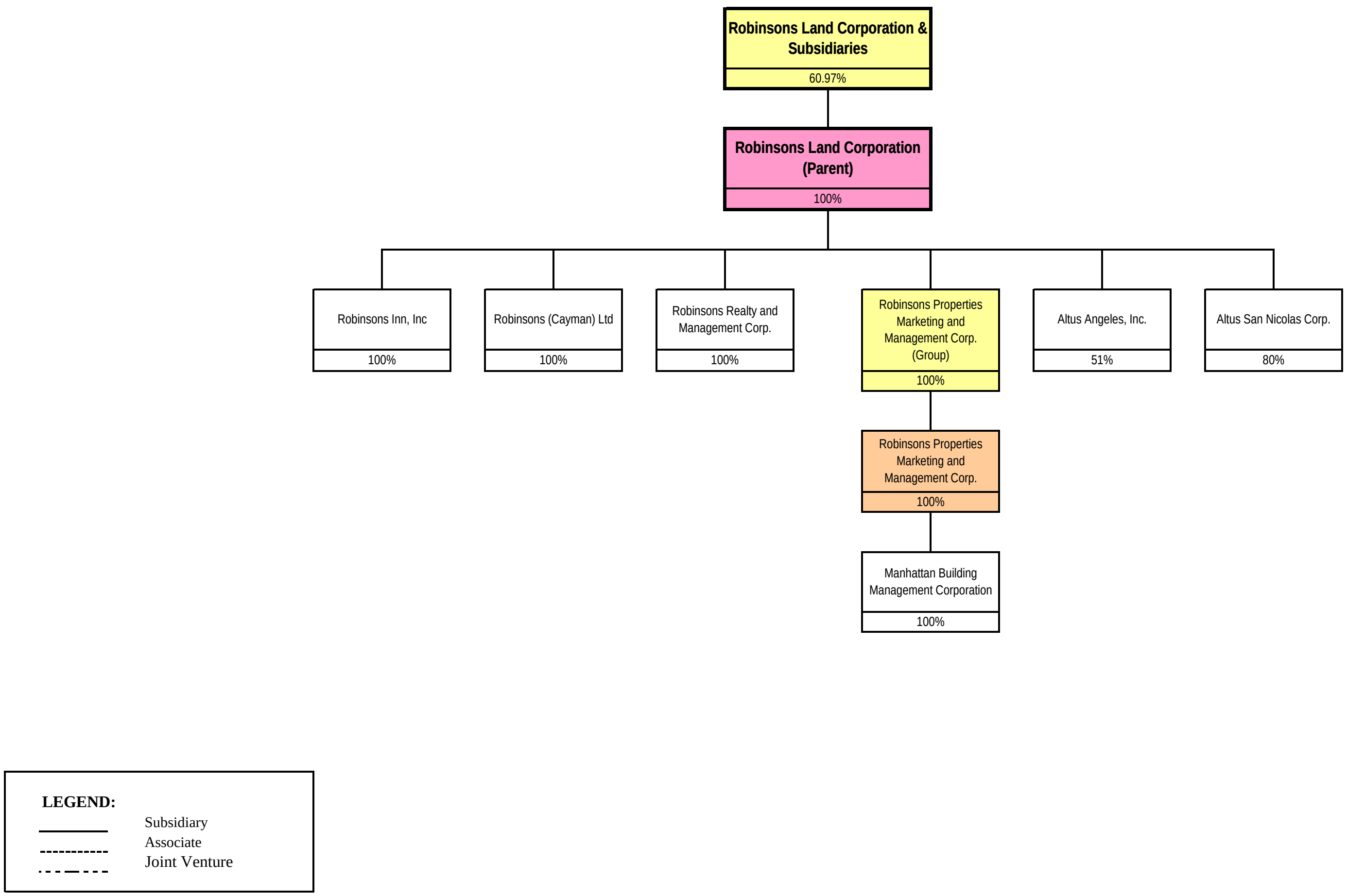
ROBINSONS LAND CORPORATION
43rd Floor, Robinsons-Equitable Tower
ADB Avenue corner Poveda Road, Pasig City

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE JG SUMMIT HOLDINGS, INC. (ULTIMATE PARENT COMPANY) GROUP



NOTE: Please see separate sheets for the organizational structures of the various consolidation groups.

LEGEND:
Subsidiary
Associate
Joint Venture



Robinsons Land Corporation & Subsidiaries
60.97%
Robinsons Land Corporation (Parent)
100%
Robinsons Inn, Inc
100%
Robinsons (Cayman) Ltd
100%
Robinsons Realty and Management Corp.
100%
Robinsons Properties Marketing and Management Corp. (Group)
100%
Altus Angeles, Inc.
51%
Altus San Nicolas Corp.
80%
Robinsons Properties Marketing and Management Corp.
100%
Manhattan Building Management Corporation
100%
LEGEND:
Subsidiary
Associate
Joint Venture

INDEX TO EXHIBITS

Form 17-A

* These exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18: **SUBSIDIARIES OF THE REGISTRANT**

Robinsons Land Corporation has six (6) subsidiaries as of September 30, 2012:

		% OWNERSHIP		COUNTRY OF
SUBSIDIARY	**BUSINESS**	**DIRECT**	**EFFECTIVE**	**INC. OR RESIDENCE**
Robinson's Inn, Inc. [1]	Apartelle Operation	100	-	Philippines
Robinsons Realty and Management Corporation	Property development	100	-	Philippines
Robinsons (Cayman) Limited	Property development	100	-	Cayman Islands
Robinsons Properties Marketing and Management Corporation	Marketing of office and residential units	100	-	Philippines
Altus Angeles, Inc.	Property management	51	-	Philippines
Altus San Nicolas Corp.	Property management	80	-	Philippines

[1] *Closed operations effective August 31, 2007*